

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR DISCONTINUANCE)
OF TRI-VILLAGE WATER DISTRICT) CASE NO. 2007-00366

O R D E R

On August 9, 2007, Tri-Village Water District (“Tri-Village”) filed an application for its discontinuance pursuant to KRS 74.367. Tri-Village is a water district organized pursuant to KRS Chapter 74. It was established in 1961, and during its history, it has served customers in Owen, Gallatin, and Grant counties.

In Case No. 2001-00094, the Commission authorized Kentucky-American Water Company’s (“Kentucky-American”) acquisition of Tri-Village’s assets.¹ Tri-Village, however, remained in existence to secure a grant from the Kentucky Infrastructure Authority to build a distribution main known as the New Columbus Facility. As part of the transfer agreement, Kentucky-American agreed to reimburse Tri-Village for its commissioners’ salaries and water district insurance premiums. The New Columbus Facility was built in 2003 and is co-owned by Tri-Village and Kentucky-American. Kentucky-American operates and maintains the facility and bills those persons who are served through the New Columbus Facility. Since the initial transfer of assets in 2001, Tri-Village has not directly or indirectly provided water service to any person.

¹ Case No. 2001-00094, The Verified Joint Application of Tri-Village Water District and Kentucky-American Water Company For the Approval of the Transfer of the Ownership of the Assets of Tri-Village Water District to Kentucky-American Water Company, (Ky. PSC, June 8, 2001).

On August 9, 2007, Tri-Village and Kentucky-American jointly applied for approval of a change in control of Tri-Village's remaining assets. The Commission approved that transfer on November 28, 2007.² Upon completion of the transfer, Tri-Village will have no assets.

Pursuant to KRS 74.367, a water district must obtain Commission approval prior to petitioning the county judge/executive for dissolution. Although that statute does not provide any specific standard on which the Commission must base its evaluation, it states that the proceeding must be "similar to that provided by KRS 74.012." KRS 74.012(1) requires the Commission to "reach a decision in the best interests of the general public."³

After transfer of its remaining assets to Kentucky-American, Tri-Village will not own any facilities that provide water service in its territory. Moreover, another water utility currently provides water service to the public throughout Tri-Village's territory. The public will not experience any inconvenience or adverse effects if Tri-Village is

² Case No. 2007-00367, Joint Application of Kentucky-American Water Company and Tri-Village Water District For Approval of a Change in Control of Tri-Village Water District, (Ky. PSC, Nov. 28, 2007).

³ KRS 74.012 also requires the Commission to set the application for public hearing and provide notice to local water suppliers and regulatory agencies. The Commission scheduled this hearing for November 29, 2007. The Commission's Executive Director served written notice of this hearing upon Corinth Water District, Georgetown Municipal Water & Sewer Service, Kentucky-American Water Company, Owen County Judge/Executive, and Peaks Mill Water District. In addition, Tri-Village published notice of the hearing in the November 21, 2007 issue of *The News Herald* of Owen County. These notices provided that the hearing would be cancelled if the Commission failed to receive written notice from any interested individual of his or her intent to attend the public hearing. Having received no written notices of intent to attend, the Commission cancelled the hearing by Order dated November 28, 2007.

dissolved. The Commission finds that, under these circumstances, the public interest is best served by Tri-Village's discontinuance.

IT IS THEREFORE ORDERED that:

1. Tri-Village is authorized to petition the Owen County Judge/Executive for dissolution.
2. Simultaneous with its filing of a petition for dissolution with the Owen County Judge/Executive, Tri-Village shall file a copy of its petition with the Commission.⁴
3. The Commission's Executive Director is directed to issue a copy of this Order to the Owen County Judge/Executive.

Done at Frankfort, Kentucky, this 19th day of December, 2007.

By the Commission

Commissioner Clark abstains.

ATTEST:



Executive Director

⁴ We note that KRS 74.367 requires a county judge/executive to forward a copy of the dissolution order to the Commission.