

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF ELK LAKE)
WATER COMPANY AND TRI-VILLAGE) CASE NO. 97-511
WATER DISTRICT FOR THE TRANSFER OF)
RESIDENTIAL WATER SERVICE)

O R D E R

On December 17, 1997, Elk Lake Water Company ("Elk Lake") and Tri-Village Water District ("Tri-Village") filed a joint petition for the transfer of residential customers. Elk Lake and Tri-Village have entered into a contract dated December 11, 1997, whereby Elk Lake agrees to transfer 25 customers to whom it supplies water, plus all main lines, meter vaults and fixtures (excluding meters) that service said customers to Tri-Village. Tri-Village agrees to service the 25 customers and agrees to construct the necessary connection from its main line to the existing line acquired from Elk Lake to effect the transfer.¹

Both utilities have filed responses to requests by the Commission stating that this transfer will not adversely affect either utility's ability to service their customers. Notice was given to the 25 affected customers and none have requested a hearing on the matter. Based upon average monthly usage of 5,000 gallons, a residential customer of Tri-Village now pays \$27.60. Elk Lake's residential customer rate for average monthly

¹ Agreement Between Elk Lake Water Company and Tri-Village Water District dated December 11, 1997, filed as Exhibit A to the joint petition, and attached as an Appendix to this Order.

usage of 5,000 gallons is \$27.35. The proposed change in rates will result in a rate increase of 25 cents per average monthly usage.

Tri-Village stated in the application that the transferred customers will be charged Tri-Village's tarified rate "as currently filed with the Commission." 807 KAR 5:011, Section 11, requires the acquiring utility to adopt the rates of the former utility. However, the Commission may upon application and for good cause grant deviations from this regulation. 807 KAR 5:011, Section 14. The Commission finds that upon the application filed herein good cause exists and that 807 KAR 5:011, Section 11, should not apply in this case.

The Commission finds that the utilities affected have agreed to the transfer, that no hearing is necessary, and that the record shows the transfer is in the public interest.

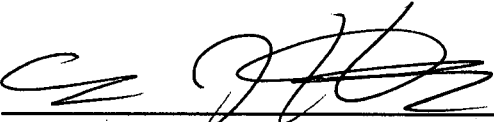
IT IS THEREFORE ORDERED that:

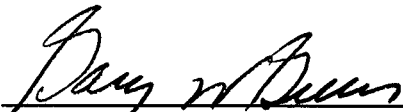
1. The transfer of the mains, lines, fixtures and 25 customers as contained in the Agreement of December 11, 1997 is approved.
2. The requirement that the acquiring utility adopt the rates, rules, and classification of the former utility is set aside herein and Tri-Village shall apply its tariff as filed with the Commission to the acquired customers.
3. Tri-Village shall notify the Commission of the completion of the connection to the line acquired from Elk Lake prior to commencement of service.
4. Within 60 days of the transfer of Elk Lake's assets and customers, Tri-Village shall file with the Commission the journal entries recording the transaction.

Done at Frankfort, Kentucky, this 17th day of February, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 97-511 DATED FEBRUARY 17, 1998

Agreement

This Agreement is made this 11 day of Dec., 1997, by and between Elk Lake Property Owners Association dba Elk Lake Water Company (Elk Lake) and Tri-Village Water District (Tri-Village). In consideration of the mutual promises contained herein, the parties agree as follows:

1. The parties will jointly petition the Kentucky Public Service Commission (PSC) for approval to transfer from Elk Lake to Tri-Village the rights and responsibilities to provide water service to 25 current customers and all future customers residing or located outside the boundaries of the Elk Lake Resort, Owen County, Kentucky. A list of the 25 current customers is attached as Schedule A.

2. The transfer will include all main lines, meter vaults, and related fixtures (excluding meters) presently in position to service the current customers. All such lines, vaults, and fixtures are transferred as-is. Tri-Village will remove and return to Elk Lake the existing meters and install replacement meters of its choice.

3. As soon as practicable after the PSC's approval of the transfer, Tri-Village will install a connection from its main line at some point along Highway 227 in Owen County to the existing line being serviced by Elk Lake. Upon the completion of any necessary tests or further certifications, Tri-Village will commence water service and verify the closing of the valve exiting Elk Lake.

4. Tri-Village releases Elk Lake from all further responsibilities for service to the existing and future customers covered by this Agreement.

This Agreement shall be binding upon the parties, their successors and assigns.

This Agreement shall be enforced under the laws of the Commonwealth of Kentucky.

This is the entire Agreement of the parties. Any changes or amendments must be contained in a writing signed by both parties.

IN WITNESS WHEREOF the parties have set their hands on the date first set forth above:

ELK LAKE PROPERTY OWNERS
ASSOCIATION

By *Carol Steinhilber*
Title: *Administrator*

TRI-VILLAGE WATER DISTRICT

By *Charles F. Noel*
Title: *Chairman*

RUN DATE: 02/05/98 13:17

ELK LAKE WATER COMPANY
ACCOUNT LISTING - SINGLE LI

SERVICE: W
RATE TABLE: ALL
MASTER METER: ALL
BILLING MONTH: ALL

SENBILL CODE: ALL

ACCOUNT	CUSTOMER'S NAME	SVC ADDRESS	SVC CITY	S
02-0080-01	B. J. DUNCAN	450 HIGHWAY 330	OWENTON	
02-0150-	ROBERT L. FURNISS	2705 GEORGETOWN ROAD	OWENTON	
02-0060-	SCOTT GIBSON	600 HIGHWAY 330	OWENTON	
02-0180-	ROBERT E. GILBERT, JR.	1710 GEORGETOWN ROAD	OWENTON	
02-0220-	KIM R. GREEN	1520 GEORGETOWN ROAD	OWENTON	
02-0090-	MARK GREENE	455 HIGHWAY 330	OWENTON	
02-0031-01	TAMMY HARRIS	HIGHWAY 330	OWENTON	
02-0131-	TIMMY W. HUDNALL, SR.	2545 GEORGETOWN ROAD	OWENTON	
02-0110-	HOWARD JONES	1960 GEORGETOWN ROAD	OWENTON	
02-0040-	TERRY KINCAID	765 HIGHWAY 330	OWENTON	
02-0250-	SOLIAN KINCAID	595 ELK LAKE RESORT ROAD	OWENTON	
02-0120-01	BRIAN LATHREM	2265 GEORGETOWN ROAD	OWENTON	
02-0020-	JACKIE LYNN	855 HIGHWAY 330	OWENTON	
02-0210-01	EDWARD MARSH	1650 GEORGETOWN ROAD	OWENTON	
02-0200-01	TOMMY HILES	595 ELK LAKE RESORT RD.	OWENTON	
02-0160-	DENNIS MORGAN	1895 GEORGETOWN ROAD	OWENTON	
02-0050-	RODNEY PARKER	665 HIGHWAY 330	OWENTON	
02-0010-	EUGENE PARKS	1275 ELK RIDGE ROAD	OWENTON	
02-0070-	DANNY PERKINS	560 HIGHWAY 330	OWENTON	
02-0250-	BESTER PROFF SR.	485 ELK LAKE RESORT ROAD	OWENTON	
02-0100-	CLARENCE RILEY	290 HIGHWAY 330	OWENTON	
02-0115-	CURTIS SIGRETTO	HWY.330 WAREHOUSE	OWENTON	
02-0170-01	CURTIS SIGRETTO	1840 GEORGETOWN ROAD	OWENTON	
02-0200-	GLENNA STIVERS	1680 GEORGETOWN ROAD	OWENTON	
02-0190-	SUE TAYLOR	1660 GEORGETOWN ROAD	OWENTON	
02-0140-	BRUCE WASH	3015 GEORGETOWN ROAD	OWENTON	
02-0035-	HOWARD WIGGS	FARM - HIGHWAY 330	OWENTON	
02-0045-	HOWARD WIGGS	HIGHWAY 330	OWENTON	

TOTAL RECORDS LISTED: 33