

COMMONWEALTH OF KENTUCKY

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BEFORE THE PUBLIC SERVICE COMMISSISON

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COMMISSION

In the Matter of:


TARIFF FILING OF NORTH SHELBY )      CASE NO. 2013-00027  
WATER COMPANY )

**RESPONSE**

Comes North Shelby Water Company, by counsel, to provide herein its answers to the questions set forth in the appendix to Commission's Order entered January 31, 2013.

Respectfully Submitted,

MATHIS, RIGGS & PRATHER, P.S.C.

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1. State the number of fire hydrants currently installed by North Shelby's water distribution system.

Answer: 103.

Responsible Witness: David Hedges, Manager.



2. State whether all fire hydrants currently installed on North Shelby's water distribution system currently comply with 807 KAR 5:066, Section 10(2)(b).

Answer: The wording of 807 KAR 5:066, Section 10(2)(b) does not appear to set forth any continuing requirements for fire hydrants; however, all fire hydrants on North Shelby's distribution system, except for a few fire hydrants located on Mill Circle which are painted black, will provide a minimum flow of 250 gallons per minute and North Shelby's system has the capability of providing this flow for a period of not less than two hours plus consumption of the maximum daily rate. The date of installation of the Mill Circle hydrants is unknown, but is believed to have been when the subdivision was established and without North Shelby's permission. These hydrants are in the service territory of the Shelby County Fire Department which is aware of these hydrants' limitations. These hydrants are being removed and not replaced whenever one of them needs repair.

Responsible Witness: David Hedges, Manager.



3. Identify each fire hydrant on North Shelby's water distribution system that does not comply with 807 KAR 5:066, Section 10(2)(b), state its location and the date of installation.

Answer: See answer to question 2.

Responsible Witness: David Hedges, Manager.





4. Describe how frequently North Shelby inspects the fire hydrants installed on its water distribution system.

Answer: North Shelby does not generally inspect its fire hydrants other than visual inspection to see that they have not been stolen or broken off or when North Shelby has reason to suspect a particular fire hydrant may not be in acceptable operating condition. North Shelby has always relied upon the fire departments to perform routine inspections of its fire hydrants as they are tested by those various fire departments.

Responsible Witness: David Hedges, Manager.



5. State whether North Shelby owns all of the public fire hydrants that are installed on its water distribution system.

Answer: Yes.

Responsible Witness: David Hedges, Manager.



6. Identify the fire departments that provide fire-protection service in North Shelby's service area.

Answer: Bagdad, Eastwood, Eminence, Franklin County, Simpsonville, Shelby County and Shelbyville. There are no North Shelby fire hydrants in the Eminence service area.

Responsible Witness: David Hedges, Manager.



7. Provide a copy of all agreements and contracts that North Shelby has with the fire departments that provide fire-protection service in North Shelby's service area.

Answer: None exist.

Responsible Witness: David Hedges, Manager.





8. Explain why the proposed rules and regulations require fire departments to conduct inspections to determine whether a fire hydrant meets the requirements listed on proposed P.S.C. Ky. No. 2, Original Sheet No. 10.2.

Answer: It avoids wasteful duplication of services. All fire departments conduct regular training to ensure their personnel know how to operate their equipment and use fire hydrants. They periodically test fire hydrants throughout their service area to determine they are in good operating condition, as well as to determine the flow rate and pressure of those hydrants as a part of the ISO rating process through which fire protection categories between 1 and 9 are assigned, based in significant part upon the water supply available through fire hydrants. Insurance companies use these ISO ratings to establish fire insurance rates. Fire departments also need to know where the fire hydrants are located and the flow rate each hydrant will produce so they can make an instant decision in an emergency situation which hydrant to use. North Shelby has neither the personnel nor the equipment to perform these types of tests, and even if it did, it makes no sense for North Shelby to inspect hydrants for the exact same things which fire departments inspect when they test fire hydrants.

Representatives from the Shelby County and Simpsonville Fire Departments attended a North Shelby Board Meeting and

stated they agree with the allocation of inspection and maintenance responsibilities established in the proposed regulation. They thought it was a good idea to clearly establish who was to do what in order to eliminate the current confusion over these responsibilities. They have also had problems with property owners erecting fences blocking access to fire hydrants from the road and planting vegetation obscuring the visibility of fire hydrants. The language prohibiting obstructing or obscuring the fire hydrant and granting the fire departments the right to use the company's easements to cure such problems was specifically requested by these representatives.

Responsible Witness: David Hedges, Manager.



9. Explain why the fire department rather than North Shelby should conduct the inspection and monitor the fire hydrants for compliance with Commission and utility regulations and to ensure good operating condition.

Answer: The primary reason is to avoid wasteful duplication of services. Also, it is the fire departments which most benefit from the presence of well maintained fire hydrants. Some of North Shelby's customers who are fortunate enough to live within 1,000 feet of a fire hydrant also benefit; however, the large majority of North Shelby's customers have no fire hydrants where they live. It would not be fair to require the majority of North Shelby's customers who do not benefit from the existence of the fire hydrants to pay for the cost of inspecting hydrants which do not benefit them - they already are forced to pay for maintaining them. In fact a proposal was made several years ago by US 60 Water District, which has the same type of service disparity, to begin charging fire departments a maintenance fee of only \$5.00 per year for each hydrant in their service area. It was abandoned after a political firestorm.

The proposed rules and regulations strike a reasonable and politically feasible balance as to allocation of expense between those customers who have fire hydrants and the majority who do not.

Responsible Witnesses: David Hedges, Manager.  
Donald Prather or Warner A.  
Broughman as to \$5.00 fee issue



10. Describe the procedures that a customer, developer, or fire department must follow to request the installation of a public fire hydrant.

Answer: There is no set procedure. If it is a new subdivision North Shelby generally requires fire hydrants in order to comply with KRS 74.415 and the desires of the Shelby County and Franklin County governments. Retro fitting a fire hydrant on an existing line is done on a case by case basis upon request by one or more customers, a fire department, or in some instances the appropriate fiscal court.

Responsible Witness: David Hedges, Manager.





11. Identify the entity (e.g., utility, requesting party, contractor) that installs the fire hydrant.

Answer: Fire hydrants in new developments are always installed by the contractor. Individual fire hydrants are usually installed by North Shelby as time and staffing permits, although they may be installed by a contractor if several are requested at the same time.

Responsible Witness: David Hedges, Manager.



12. P.S.C. Ky. No. 2, Original Sheet No. 10.3 states:  
"Installation of fire hydrants at the request of a fire department or a governmental entity on an existing line will be installed by the Company for the cost of materials only, or a new line for the cost of labor and materials unless the Board of Directors for cause decides to waive the labor expense."

Answer: The fire hydrant rule and regulations amendments have been in process for several years. During that time the company's policy has changed and now the entire cost of installation must be paid regardless of whether the fire hydrant is requested by a fire department, a governmental entity, a developer, or one or more customers. North Shelby's attorney did not realize the policy had changed until the answers to these questions were being prepared. The tariff needs to be revised accordingly.

Responsible Witness: David Hedges, Manager.



13. P.S.C. Ky. No. 2, Original Sheet No. 10.3 states:  
"The Company will, if feasible and consistent with KRS 74.415,  
require all newly constructed water lines to be adequately sized  
to support fire hydrants." Explain why KRS 74.415 is applicable  
to North Shelby's operations.

Answer: North Shelby is a water association. KRS 74.415  
specifically applies to water associations. North Shelby  
interprets the language of this statute as expressing  
legislative intent that the installation of fire hydrants on new  
or extended water lines, including new developments, be required  
unless they are not feasible. Additionally, the Franklin and  
Shelby County government have verbally indicated their  
preference that if funding is present fire hydrants be installed  
on all new lines and in all new developments, and in any case  
that the water mains be large enough to permit future  
installation of fire hydrants.

Responsible Witness: David Hedges, Manager.



14. Describe the process that North Shelby uses to determine whether a fire hydrant can be located on its water distribution system.

Answer: North Shelby's engineer must determine that the proposed fire hydrants will meet the requirements of 807 KAR 5:066 Section 10(2)(b). As a general rule fire hydrants are not installed unless the water main is at least 8 inches in diameter if a dead end line or 6 inches in diameter if it is a looped line. These minimum sizes, or the equivalent thereof, must extend all the way back to the overhead storage tank supplying that area of the system. If the lines and the area are insufficient in size the developer is normally required to install adequately sized lines.

Responsible Witness: David Hedges, Manager.





15. P.S.C. Ky. No. 2, Original Sheet No. 10.3 states: "If fire hydrants are used by fire suppression units in the performance of their duty, any damage to the Company's water system will be the liability of that unit." Define "fire suppression unit."

Answer: The copy of the proposed Sheet No. 10.3 in North Shelby's possession does not use the phrase "fire suppression unit." This phrase appears on Sheet 10.1 where it is intended to encompass fire departments and other authorized users for fire suppression purposes such as the National Guard in the event of a forest fire.

Responsible Witness: David Hedges, Manager.



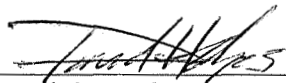
16. State the cost that North Shelby incurs to maintain a fire hydrant annually.

Answer: There is no specific annual cost to maintain a fire hydrant. Costs are only incurred as repairs are needed. If a fire hydrant is stolen, it costs \$1,870 to replace it. A fire hydrant which has been hit by a car or farm machinery, or broken off for some other reason, generally costs \$370 to repair. Repairing a frozen stem costs approximately \$132. The cost to repair stripped hose threads varies depending upon the severity, since sometimes the problem can be solved merely by the use of a thread file.

Responsible Witness: David Hedges, Manager.

The foregoing responses are true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry.

North Shelby Water Company

By:   
David Hedges, Manager

