

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FLEMING COUNTY WATER ASSOCIATION, )  
INC.'S REQUESTS FOR APPROVAL OF )  
DEVIATIONS FROM COMMISSION REGU- )  
LATIONS ON MINIMUM STORAGE VOLUME,) CASE NO. 10026  
METER TESTING, INSPECTION OF )  
CUSTOMER SERVICE LINES AND )  
CUSTOMERS' ACCESS TO TARIFFS )

O R D E R

By letter received September 11, 1987, Fleming County Water Association, Inc., ("Fleming Water") requested approval of deviations from certain requirements of 807 KAR, Chapter 5 as follows:

1. Approval for tariffs to be made available on requests by customers in lieu of being displayed on a table in Fleming Water's office; a deviation from 5:011(12).
2. Approval to provide less storage volume than that required to insure one day's supply of average daily water usage; a deviation from 5:066(5)(4).
3. Relief from the requirement for inspection of customers' service lines; a deviation from 5:066(10)(3).
4. Approval of a 10-year periodic test period for in-service meters in lieu of a 5-year test period; a deviation from 5:066(17)(1).
5. Approval to install new meters without testing prior to installation; a deviation from 5:066(16)(2).

Fleming Water also requested approval to compound the six percent interest it pays on customers' deposits until such time as it could be applied to a final bill with any balance refunded to the customer at that time. In the absence of a demand for payment by the customer, Fleming Water may allow the interest to run or pay it voluntarily as a credit to the customers' account.<sup>1</sup> This is a statutory matter per KRS 278.460 from which no deviations can be granted by the Commission.

Fleming Water's response to the Order entered December 9, 1987, requesting additional information has been filed. The information filed is a part of the record in this matter and has been considered by the Commission in the determinations made herein.

The information submitted shows that Fleming Water's distribution system receives water from three separate sources of supply: the City of Flemingsburg, Western Fleming County Water District and Rowan Water, Inc. This unusual multi-source of supply situation greatly reduces the possibility for a simultaneous interruption of supply to all of Fleming Water's 1,245 customers. The area served by Fleming Water represents approximately 70 percent of the area of Fleming County. The City and the District serve the western area of the County.

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<sup>1</sup> In Commonwealth v. Kentucky Power and Light Company, 257 Ky. 66, 77 S.W.2d 395 (1934), the court held that a utility must pay the interest or credit the customer's bill annually if a demand is made by the customers.

The request for permission to install new meters without testing per 5:066(16)(2) by Fleming Water is considered herein as a request per 5:006(13)(2) for approval of the testing performed by the meter manufacturer. Two requirements must be met before the Commission will grant its approval: (1) certification of the meter manufacturers' test facilities and procedures by the Commission, and (2) the receipt of a letter from Fleming Water notifying the Commission of its intention to use the meter test data supplied by its meter manufacturer. Upon receipt of Fleming Water's notification of intent to use Rockwell's test data, the Commission's approval will be granted for 5/8-inch through 2-inch meters manufactured and tested by Rockwell's Uniontown, Pennsylvania plant. Rockwell meters, at present, represent about 90 percent of Fleming Water's meters. The Badger and Kent meter testing facilities, as of the date of this Order, have not been certified by the Commission and no approval for use of their test facilities can be granted.

The Commission, after consideration of the record in this matter and being advised, is of the opinion and finds that:

1. Fleming Water should be allowed to deviate from 807 KAR 5:011, Section 12, to the extent that a separate table or desk for the display of effective utility tariffs, Kentucky Revised Statutes applicable to the utility, and the Commission's rules and regulations need not be provided. However, each of these should be kept available at the utility's office, and a large placard stating that they are available for review upon request should be posted in a prominent manner. While there is no objection to the

hanging of a framed copy of the tariff with a similar notice typed at the bottom, it is not sufficient, and the placard should be posted in addition.

2. Fleming Water should be allowed a deviation from 5:066(5)(4) through February 28, 1991. This should allow sufficient time for the securing of financing and construction of additional storage. Fleming Water's total storage capacity is 205,000 gallons and includes two storage tanks with capacities of 187,000 gallons and 18,000 gallons. Average daily usage for 1987 was approximately 252,000 gallons; the maximum usage was approximately 412,000 gallons; and the minimum usage was approximately 215,000 gallons. Thus, the storage deficiency was approximately 47,000 gallons based on average daily usage; 207,000 gallons based on maximum usage; and a deficiency of 10,000 gallons based on minimum usage. Fleming Water has projected its average daily deficiency at 149,000 for 1990. The deviation allowed herein is, however, based on the 1987 average deficiency of 47,000 gallons.

3. Fleming Water should be granted a deviation from subsection 5:066(10)(3). This deviation provides relief from inspection of new customers' service lines. State Plumbing Inspectors are responsible for such inspections per KRS 318 which exempts farmsteads. Fleming Water, however, has customers' service lines for farmsteads inspected by State Plumbing Inspectors through use of a waiver of exemption signed by such customers.

4. Fleming Water's request for a periodic test period of 10-years for customers' service meters - a deviation from

subsection 5:066(16)(2) should be denied. The periodic test period required by 5:066(16)(2) should remain in effect for Fleming Water until it provides sufficient evidence to justify changes to the required test periods. The information supplied by Fleming Water shows that it was not in compliance with subsection 5:066(16)(2) until 1987. Fleming Water will need 4 more years in the performance of periodic tests at the rate of 20 percent of its meters per year to accomplish one round of periodic tests on all its meters. Until this has been accomplished, Fleming Water has no basis for requesting a deviation from subsection 5:066(16)(2).

IT IS THEREFORE ORDERED that:

1. Fleming Water be and hereby is granted a deviation from 807 KAR 5:011, Section 12 in accordance with the provisions of Finding Number 1 herein.

2. Fleming Water be and hereby is granted a limited deviation through February 28, 1991, from 807 KAR 5:066, subsection (5)(4) regarding storage volume of less than one day's average usage.

3. Fleming Water be and hereby is granted a deviation from 807 KAR 5:066, Subsection (10)(3) regarding inspections of customers' service lines per Finding Number 3 herein.

4. Fleming Water's request for a deviation from 807 KAR 5:066, Subsection (16)(2) regarding changes to the periodic test period for its customers' meters be and hereby is denied per Finding Number 4 herein.

Done at Frankfort, Kentucky, this 29th day of February, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hemminger  
Chairman

Robert M. Davis  
Vice Chairman

Spencer N. Williams  
Commissioner

ATTEST:

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Executive Director