

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MARION COUNTY WATER DISTRICT'S REQUEST FOR)
APPROVAL TO PROVIDE LESS STORAGE THAN THE)
MINIMUM REQUIRED FOR ONE DAY'S SUPPLY; A)
DEVIATION FROM SUBSECTION (4) OF 807 KAR) CASE NO.
5:066 (5) AND, FURTHER, A REQUEST FOR) 10042
APPROVAL OF RELIEF FROM INSPECTION OF)
CUSTOMER SERVICE LINES; A DEVIATION FROM)
SUBSECTION (3) OF 807 KAR 5:066 (10))

O R D E R

By letter received October 1, 1987, Marion County Water District ("Marion Water") requested a deviation from 807 KAR 5:066, Section 5(4), which requires a water utility to insure a minimum of one day's supply of its average daily water usage. Marion Water also requested a deviation from 807 KAR 5:066, Section 10(3), which requires utility inspection of service line installation.

On November 24, 1987, the Commission ordered Marion Water to provide additional information to supplement its requests for a deviation. Marion Water filed this information with the Commission on February 10, 1988.

WATER STORAGE

Marion Water provides service to most of Marion County and to southern portions of Nelson County. It purchases its water from the City of Lebanon ("Lebanon"). For the 12 months ending September 1987, Marion Water's daily average water purchase from

Lebanon averaged 673,000 gallons. Marion Water has four storage tanks with a combined storage capacity of 525,000 gallons. This storage capacity is 148,000 gallons less than its 673,000 gallons per day ("GPD") average usage.

If projections of Marion Water's future average daily usage are correct, the gap between storage capacity and average daily usage will increase. Projected average daily usage in 1990, based on the average annual increase for 1985 through 1987 of 21,580,000 gallons, is 850,000 gallons. Marion has acknowledged this need for additional storage capacity.

Marion Water serves only one provider of critical health services - Loretto Motherhouse, a hospital. Loretto Motherhouse has its own elevated storage tank with a 30,000-gallon capacity. This storage tank's capacity exceeds Loretto Motherhouse's average daily usage of 21,000 gallons. Marion Water has asserted that all of Loretto Motherhouse's water needs could be met for at least 24 hours following interruption of service by Lebanon.

Marion Water's current water purchase agreement with Lebanon allows it to purchase up to 615,000 GPD. The 1987 average usage of 673,000 GPD exceeded the contract maximum. Should Lebanon strictly enforce the provisions of the water purchase contract, Marion Water would be unable to meet existing demand. The Commission is of the opinion that Marion Water should seek written assurances from its supplier that adequate quantities of water will be available to meet its existing and projected needs. If such assurances cannot be obtained, Marion Water should explore other means for meeting its needs.

SERVICE LINE INSPECTION

Commission regulations require a water utility to inspect a service line installation and insure it is "free from any tee, branch connection, irregularity or defect." 807 KAR 5:066, Section 10(3). Similar inspections are conducted by the Kentucky Department of Housing, Buildings and Construction (the Department") and its delegates to insure compliance with the Kentucky state plumbing code. KRS 318.130 and 318.140; 815 KAR 20:150. If the installation passes the Department's inspection, a plumbing permit is issued. KRS 318.134.

Marion Water contends that utility inspection of service line installation needlessly duplicates the Department's inspections. It currently provides service without service line inspections to customers presenting a plumbing permit as evidence that an inspection was performed and successfully passed. Marion Water argues a deviation from the requirements of 807 KAR 5:066, Section 10(3) is warranted in those instances.

FINDINGS AND ORDERS

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

1. Marion Water has 4 water storage tanks with a total capacity of 525,000 gallons.
2. Marion Water's average daily water usage for the 12-month period ending September 30, 1987, was approximately 673,000 gallons.
3. Marion Water's average daily water usage is projected to be approximately 850,000 gallons by 1990.

4. The only Marion Water customer which provides critical health services, Loretto Motherhouse, has its own 30,000-gallon storage tank. Its average daily water usage for the 12-month period ending September 30, 1987, was approximately 21,000 gallons.

5. Marion Water should retain the services of a professional, civil or mechanical engineer registered in Kentucky and experienced in the design and operation of water distribution systems to evaluate its water storage needs. The engineer should perform appropriate hydraulic and economic analyses for determinations of location, volume, and costs for construction of additional storage. The engineer's report should include the financing options of Marion Water.

6. Because of the time needed to properly plan for additional storage, secure the necessary financing, and complete construction work, Marion Water should be granted a deviation from 807 KAR 5:066, Section 5(4) through June 30, 1991.

7. Inspections of service line installation performed by the Department and its delegates to insure compliance with the Kentucky state plumbing code are substantially the same as those required by Commission regulation 807 KAR 5:066, Section 10(3).

8. A water utility has substantially complied with the requirements of 807 KAR 5:066, Section 10(3) when it requires evidence of a state plumbing permit before providing service in lieu of performing an inspection of a service line installation.

IT IS THEREFORE ORDERED that:

1. Marion Water be and it hereby is granted a deviation from 807 KAR 5:066, Section 5(4) until July 1, 1991.

2. Marion Water shall retain a professional engineer to conduct a comprehensive engineering study of its water distribution system as outlined in Finding Number 5 herein. Marion Water shall file a copy of the report of this study with this Commission no later than October 1, 1988.

3. Marion Water shall take all necessary actions to bring its water storage facilities within compliance with the Commission regulations prior to the expiration date of this deviation.

4. Marion Water be and it hereby is permitted to forego inspecting service line installations as required by 807 KAR 5:066, Section 10(3) where evidence of a state plumbing permit is shown.

Done at Frankfort, Kentucky, this 8th day of April, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Neman Jr.
Chairman

Robert M. Davis
Vice Chairman

Spencer H. Williams Jr.
Commissioner

ATTEST:

Executive Director