

Case No. 2005-00432
KENTUCKY PUBLIC SERVICE COMMISSION

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Water Storage Requirement Deviation Request Application

807 KAR 5:066, Section 4(4): Storage. *The minimum storage capacity for systems shall be equal to the average daily consumption.*

This form is intended to assist water utilities seeking a deviation from the requirements of 807 KAR 5:066, Section 4(4) and for permission to either maintain less water storage capacity than the average daily consumption or to obtain additional time to attain minimum storage capacity equal to the average daily consumption.

To request a deviation from the requirements of 807 KAR 5:066, Section 4(4), please complete the following application in full.

Utility: Beech Grove Water System, Inc.

Address: PO Box 118

City: Beech Grove State: KY Zip Code: 42322-0118

Telephone Number: (270) 273-5738 Number of Customers: 513

County or Counties served: McLean Daviess

Are you requesting a deviation:

To maintain less water storage capacity than the average daily consumption?

For additional time to attain minimum storage capacity equal to the average daily consumption?

I. Contact Information

Please provide information for the person to whom correspondence or communications concerning this application should be directed:

Name: Barbara S. Cheatham Title: Office Manager

Address: PO Box 118

City: Beech Grove State: KY Zip Code: 42322-0118

Telephone Number: (270) 273-5738

II. Filing Requirements

Please submit an original and seven (7) copies of the completed application to:

Kentucky Public Service Commission

Executive Director's Office

211 Sower Boulevard

Frankfort, Kentucky 40602

Telephone: (502) 564-3940

All correspondence and responses to supplemental information requests should be sent to the above address as well.

Copies of this form may be obtained by visiting the Kentucky Public Service Commission website at <http://psc.ky.gov> and clicking on the Forms bullet in the Quick Reference, or by contacting George Wakim, Branch Manager, Water & Sewer Branch, at (502) 564-3940.

III. Questionnaire:

Please answer all questions completely, attach additional sheets as necessary.

- 1. Provide the average daily water consumption. This should include all water sold, utility water usage, and unaccounted-for-water. following information:

Average Daily Consumption: 188,250 gallons

- 2. Please provide the following information:

Total number of water storage tanks in the system: 1

<u>Type of Storage Tank</u>	<u>Capacity</u>
<u>above ground</u>	<u>16,000 gallons</u>
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- 3. Please provide a list of all large customers purchasing more than five (5) percent of the utility's average daily consumption. Also indicate which, if any, of these customers can sustain an interruption during emergencies.

<u>Customer</u>	<u>Daily Usage</u>	<u>Storage Facility</u>	<u>Capacity</u>	<u>Interruption</u>
Buchanon Livestock	29,190	() Yes (x) No		() Yes () No
Stirman Adams	13,299	(x) Yes () No	lake	() Yes () No
BC Poultry	18,829	() Yes (x) No	building lake	() Yes () No
W. Dickens Poultry	13,325	(x) Yes () No	lake	() Yes () No
		() Yes () No		() Yes () No
		() Yes () No		() Yes () No

4. Please provide a list of all critical healthcare facilities served by the system.

<u>Facility</u>	<u>Daily Usage</u>	<u>Storage Facility</u>	<u>Capacity</u>
None		() Yes () No	
		() Yes () No	
		() Yes () No	
		() Yes () No	
		() Yes () No	
		() Yes () No	

5. Please provide the following information:

Does the utility:

Produce water? () Yes (x) No Purchase water? (x) Yes () No

If the utility purchases water, please provide the following information:

<u>Supplier</u>	<u>Average Amount Purchased</u>
Henderson Co. South	47,828,077 a year
West Daviess Co. Water District	19,942,000 a year

6. If a supplier has storage capacity or reserves storage capacity for the benefit of your utility, please provide the following information:

<u>Supplier</u>	<u>Capacity</u>	<u>Proximity to Master Meter</u>
West Daviess Co. Water Dist.	150,000 gals.	2 1/2 miles
Henderson Co. South	1,800,000 gals	5 miles

7. Will your supplier issue your utility a letter of this additional storage capacity specifying whether they can sustain any of your system's interruptions to ensure you adequate continuity of service? (x) Yes () No

If yes, provide a copy of the agreement or letter.

8. Please provide a technical summary of operational deficiencies of the system that are known from experience or that are indicated by hydraulic analysis. This should include a list of outages that occurred in past years, their location, the cause and duration of any outages, customer complaints, areas of low pressure, and the availability of standby equipment, repair equipment, and contractors.

We are a small company with 473 residential customers, 31 agriculture customers, and 9 commercial customers. Our company was founded in 1970, so we are replacing old lines from time to time. In 2004, this caused an outage for 35 customers on Porter Schoolhouse Rd. for 3 hours. In 2005, an outage affected 10 customers on Beulah Church Rd. for 4 hours while a new line was connected. We have one area on Beulah Church Rd that sometimes has low pressure. This week we are installing a new line down Hwy 797 to do away with some dead end lines along with the new line on Beulah Church Rd. that should alleviate the problem. We have Rodney Cates Trenching & Backhoe Co. available for repairs along with our own equipment.

9. Please provide information on the growth potential for the system. This should include the number of new customers added per year and the possibility of extensive development (i.e. new subdivisions, businesses, etc.)

This is a very small community. No new businesses or subdivisions expected. We get one or two new customers a year.

10. Please describe any planning, to date, to bring the system into compliance with Commission regulations. This should include efforts to secure financing for the construction of additional storage facilities, as well as the estimated compliance date. If no planning has taken place, please explain why.

We have retained Pittsburg Tank & Tower Co. to erect a 100,000 gallon tank. It should be finished by the end of November 2005.

IV. Signature:

I have read and completed this application, and to the best of my knowledge, all the information contained herein is true and correct.

Signed: Barbara S. Cheatham

Title: Office Manager

Date: 10/19/05

Melinda A. Ernst
July 1, 2005

HENDERSON WATER UTILITY

Water • Wastewater • Stormwater

WATER & SEWER COMMISSION:
JEANNE MARIE GADIENT, CHAIRMAN
RODGER BIRD, SECRETARY-TREASURER
L.C. WILLIAMS
LEO PECKENPAUGH
GEORGE JONES

BRUCE L. SHIPLEY, P.E.
GENERAL MANAGER

October 13, 2005

Executive Director's Office
Kentucky Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602

RE: Domestic Water Storage for Beech Grove Water System

To whom it may concern:

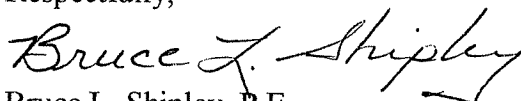
This letter is to provide current information concerning domestic water storage in the Henderson Water Utility - South System available to the town of Beech Grove. The Henderson Water Utility operates our South Water System located in the southeast corner of Henderson County in close proximity to Webster and McLean Counties. Our South System provides domestic potable water supply to the City of Sebree and the Town of Beech Grove.

Our South Water treatment Plant has a 4.0 million gallon per day design capacity and produces an average of 3.2 million gallons per day. The South System has a storage capacity currently of 1.8 million gallons in the plant clear-well and two 1 Million gallon elevated storage tanks.

Our 2005-2006 Budget includes two projects to expand capacity in the South System. \$5M has been budgeted for water treatment plant capacity upgrades. In addition, there is an approved project to build system interconnects with the City of Sebree and Webster County Water District to provide potable water backup supplies in case of an emergency. This project includes constructing an additional 1.0 Million gallon ground storage tank and obtaining additional tank site space for a second 1 Million gallon tank in the future.

When the new tank is finished next year, the South System will have a storage capacity of 4.8 million gallons. With the current and planned additional storage in our system, we believe that Beech Grove's normal storage needs can be met.

Respectfully,



Bruce L. Shipley, P.E.
General Manager
Henderson Water Utility

Cc: Beech Grove