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PUBLIC SERVICE
COMMISSION

Beech Grove Water System

445 Highway 56 N.

Calhoun, KY 42327

Telephone 270-273-5738

Fax 270-273-5770

Beechgrovewaters@bellsouth.net

August 25, 2014

Jeff Derouen,

Case No. 2014-00306

Enclosed is a water storage deviation request application.

Beech Grove Water System is requesting a storage deviation for our average daily consumption of 154,333 gallons per day. Beech Grove Water has one (1) 100,000 gallon storage tank. Both of our wholesale suppliers Daviess County Water District & City of Henderson, has each agreed to allocate 100,000 gallons for our requirements.

Any questions please call 270 273-5738.

Thank you,

Sheila Murphy

Sheila Murphy

KENTUCKY PUBLIC SERVICE COMMISSION

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: 445 Highway 56 N

City: Calhoun State: KY Zip Code: 42327

Telephone Number: (270) 273-5738 Number of Customers: 554

County or Counties served: McLean County Daviess County

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: Sheila Murphy Title: Office Manager

Address: 445 Highway 56 N

City: Calhoun State: KY Zip Code: 42327

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 154,133

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>
18' diameter x 55' high standpipe	100,000
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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.

None

<u>Customer</u>	<u>Daily Usage</u>	<u>Storage Facility</u>	<u>Capacity</u>	<u>Interruption</u>
NONE		() Yes () No		() Yes () No
		() Yes () No		() Yes () No
		() Yes () No		() Yes () No
		() Yes () No		() 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	
NONE		() Yes () No	
		() Yes () No	
		() Yes () No	
		() Yes () No	
		() Yes () No	

5. Please provide the following information:

Does the utility:

Produce water? Yes No Purchase water? Yes No

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

<u>Supplier</u>	<u>Average Amount Purchased</u>
West Daviess County Water	1,511,572
City Of Henderson	53,976,428

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	500,000 gallons	2 Miles
City Of Henderson	1,800,000 gallons	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.

See attached copy exhibit A

Exhibit A

Beech Grove Water System has 554 active meters, which includes 489 residential, 54 agriculture and 11 commercial meters.

We have had 1 exposed 3" water main exposed at creek on Pascal King Rd, which has been lowered under creek bed.

One field tiling company cut 3" water main at corner Hwy 593 & Buck Edwards Rd.

Most of the repair this year has been customer's service lines breaking:

300 Hwy 56 N (Powell)

13926 Rangers Landing Rd (Reynolds)

1432 Hwy 797 (Murphy)

1842 Hwy 56 N (Morvatt)

60 Bethel Church Rd (Cheatham)

220 Beech Grove St (Dant)

12622 Hwy 136 W (Bill Sandefur)

1226 Hwy 56 N (Baughn)

We Have 1 full time operator and a construction company available for any major emergencies. On site we have 2 trucks & a bobcat. The construction company has trencher, directional boring machine, backhoe, and additional boring 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 year a new underground coal mine has opened in the Beech Grove community. They have approximately 100 employees working now. When mine is at its full capacity they plan on total of 300 employees. As of now the mines has a 20 year contract. This will add some new resident to the area. The community is mainly farm ground; we could possibly see 5 to 10 new homes a year. No plans for any subdivisions or business opening.

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 talked to Bell Engineering; they have done some hydraulics to determine the location for a new storage tank & pump station. Funding is not available at this time.

The coal mine is now operational we have asked the County Judge Kelly Thurman for help with the coal severance money. At the meeting with the Judge he said we were at the top of the list for severance money, but wasn't sure when the county would start receiving payments.

The water board has considered adding a surcharge to customer bills. Raising the customer bill is not an option we want to do at this time.

We don't have an estimated compliance date; it will depend in funding availability. Could we possibly get a 4 to 5 year extension?

HENDERSON WATER UTILITY

Water • Wastewater • Stormwater

MANAGED BY THE WATER & SEWER COMMISSION OF THE CITY OF HENDERSON

TOM WILLIAMS, P.E.
GENERAL MANAGER

22 August 2014

Ms. Shelia Murphy
Office Manager
Beech Grove Water System, Inc.
445 State Route 56 North
Calhoun, Kentucky 42327

Re: Water Storage Capacity
HWU South Water System

Shelia:

It was a great pleasure to meet with you today. We look forward to a long, continuing business relationship together. I should have a draft of a new agreement for you to look at by the end of next week.

As we stated this afternoon, Henderson agrees to supplement the storage capacity available in Beech Grove's water storage tank by reserving one hundred thousand (100,000) gallons of water storage capacity in our Four-Star Tank for the exclusive use of Beech Grove. The Four Star Tank is located on Pedlar McDonnell Road in Robards.

The only conditions on that capacity are for failures of pressure or supply due to breaks, power failure, flood, fire, use of water to fight fire, earthquake or other catastrophe that would excuse us from this guarantee for such reasonable period of time as may be necessary to restore service.

If you have any questions or need further information on this or any other matter, please feel free to call me at 869.6621 (Office) or 823.2573 (Cell).

Sincerely,



Tom Williams, P.E.
HWU General Manager

WEST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd.
Owensboro, KY 42301
Phone: (270) 685-5594
Fax: (270) 683-6324

August 25, 2014

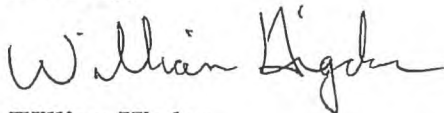
Beech Grove Water System
Attn: Sheila Murphy
445 Kentucky Hwy 56 North
Calhoun, KY 42327

Sheila,

The West Daviess County Water District constructed a 500,000 gallon storage tank in 2009. The storage tank is located in West Louisville on Kentucky Highway 56 approximately 2 (two) miles from the master meter to Beech Grove Water. Of this new 500,000 gallon storage tank we have allocated 100,000 gallons to Beech Grove Water to assist for their daily storage needs.

If you need additional information, please let me know.

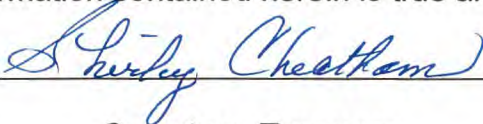
Sincerely,



William Higdon
Manager

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: 

Title: Secretary- Treasurer

Date: August 26, 2014

Melinda A. Ernst
July 1, 2005