

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of

THE COMPLAINT OF JAMES N. DWYER )  
AGAINST KENTUCKY-AMERICAN WATER )  
COMPANY )

CASE NO. 8739

O R D E R

On August 19, 1982, the Commission received a letter from James N. Dwyer, Lexington, Kentucky, (Appendix A) concerning his efforts to obtain water service from Kentucky-American Water Company ("Kentucky-American"). Mr. Dwyer questions the necessity of the 8-inch main proposed by Kentucky-American to provide service to his property.

On August 27, 1982, the Commission received a letter from Kentucky-American (Appendix B) which states, among other things, that even though it places a high priority on affording residents in rural areas the opportunity to have water service, Kentucky-American feels that it has an obligation to follow sound water works practices in order to furnish adequate service to all existing and potential customers by keeping mains large enough for further extensions.

The Commission Staff has considered this matter and its recommendations are set forth in a letter to Mr. Dwyer from Mr. Claude G. Rhorer, Jr., Director, Division of Utility Engineering and Services, dated September 20, 1982, (Appendix C).

By letter received November 24, 1982, (Appendix D) Kentucky-American rejects the recommendations of the Commission Staff. Further efforts to resolve this dispute have been unsuccessful.

The Commission, having considered the correspondence and being advised, HEREBY ORDERS That this matter be and it hereby is set for hearing on January 12, 1983, at 9:00 a.m., Eastern Standard Time, in the Commission's offices at Frankfort, Kentucky.

IT IS FURTHER ORDERED That Kentucky-American shall appear at the hearing and present testimony relative to this matter.

Done at Frankfort, Kentucky, this 9th day of December, 1982.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary

August 16, 1982

James N. Dwyer  
737 Seattle Dr.  
Lexington, 40503

RECEIVED

AUG 19 1982

Public Service Commission  
Consumer Service Section  
Box 615  
Frankfort, 40602

DIVISION OF UTILITY  
ENGINEERING & SERVICES

Sir;

Enclosed is a copy of the lowest bid for bringing water to our farm on Huston-Antioch Road and a small scale map of the needed service.

Kentucky-American Water Co. states that na 8-inch main must go atleast half way across our porperty from Avon, whith is approximately 3/10 of a mile from the corner of our farm. This size main is far in excess of our needs. A 2-inch pipe would be sufficient for the needs of our farm.


As things stand, we, the only consumer interested in this service, are being forced to carry the expense of a water main not for our needs but for the benefit of the Water Company and some regulation.

We are being told to finance the possible needs of others who are not even interested enough in this service to share with us in this eexpense.

We are trying to farm for the sake of our own income and the economy of the local area as well as the state. Yet, the possilble income from our farm this year is being asked for by the Water Company. No one wants to plow, sow, pay farm help and hand over the proceeds to a Utility that has yet to offer service to anyone past Avon, except for this enormous fee.

We are appealing to you for an investigation in this matter. And, hoping for some financial justice in it.

Thanking you, I am

  
James N. Dwyer



2300 Richmond Road • P. O. Box 7500 • Lexington, Kentucky 40522

Phone (606)269-2386

August 6, 1982

Gary L. Staggs  
New Development Coordinator

Mr. Jim Dwyer  
737 Seattle Drive  
Lexington, Kentucky 40503

Dear Mr. Dwyer:

This is to advise that we have computed an estimate of cost for providing water service to the area that you recently requested, and will be applying for all the necessary permits required for the installation in the near future.

Please be advised that your deposit for this installation is \$ 18,298.00. Upon receipt of your deposit we will order the necessary materials and be in a position to begin construction as soon as the materials are received, which we estimate will take from four to six weeks.

We have also solicited bids for the installation and have prepared a 3-T Water Main Extension and Deposit Agreement covering the installation.

If any additional information is desired, please advise.

Very truly yours,

Gary L. Staggs -  
New Development Coordinator

GLS/lp



2300 Richmond Road . P. O. Box 7500 . Lexington, Kentucky 40522

Phone (606)269-2386

Ray Ruble  
Operations Manager

August 26, 1982

APPENDIX B

RECEIVED

Mr. Claude G. Rhorer, Director  
Division of Utility Engineering and Services  
Public Service Commission  
730 Schenkel Lane  
Frankfort, Kentucky 40602

AUG 27 1982

DIVISION OF UTILITY  
ENGINEERING & SERVICES

Dear Mr. Rhorer:

Your letter of August 20, 1982 concerning Mr. James N. Dwyer has been referred to me. After investigating this matter, I would like to offer the following:

1. Mr. Dwyer states in his letter that a 2" pipe would supply his needs. However, this would be in violation of Section II(2)(a) of KAR 5:066E of the Public Service Commission's rules and regulations which limits the length of a non-circulating 2" main to 250' in length. Also Rule 26(b)(1) on original sheet No. 32 of Kentucky-American Water Company's rules and regulations as submitted and approved by the Public Service Commission states as follows: "Company shall have the exclusive right to determine the type, location and size of mains to be installed and of the related facilities required to render adequate service."

2. Although I can find nothing in the Commission's rules and regulations relating to the length of mains, Rule 25(h) on original sheet No. 30 of the Company's rules and regulations basically states that the main shall be extended to fully cover the frontage of the property. Realizing that this is not always practical in rural areas, we have reduced this requirement to extending one-half the distance across the property with an easement across the remainder to be used if further extensions are required.

Although it is evident from Mr. Dwyer's letter that he would believe otherwise, in actual practice this Company does everything possible to try to make extensions in rural areas possible. We spend untold hours attending community and group meetings, measuring up proposed extensions, etc.

Even though we place a high priority on affording these residents in rural areas the opportunity to have water service, we feel that it is also our obligation to follow sound water works practices in order to provide adequate service to all existing and potential customers by keeping the mains large enough for further extensions.

Mr. Claude G. Rhorer  
August 26, 1982  
Page 2

If we had followed Mr. Dwyer's theory in the past, he would not now have the opportunity to have water service at any cost as we would have reduced to the 2" far closer to Lexington than his property and there would be no water available for him.

I am hopeful that this letter has adequately explained our position. However, I will be happy to discuss this in more detail at your convenience.

Very truly yours,

  
Ray Ruble  
Operations Manager

RR:jk



COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

September 20, 1982

Mr. James N. Dwyer  
737 Seattle Drive  
Lexington, Kentucky 40503

Re: Excess pipe size and cost of  
main extension to Mr. James  
N..Dwyer on Houston - Antioch  
Road

Dear Mr. Dwyer:

After receiving your letter of complaint on August 27, 1982, it was reviewed by the Public Service Commission Staff (P.S.C.). It was then forwarded to the Kentucky-American Water Company for a reply. The P.S.C. has now received that reply. A copy of the Water Company's letter is attached, for your information.

Mr. Larry Updike, of the P.S.C. staff, after reviewing these two letters and having a conference with Mr. Ray Ruble, Operations Manager, Gary Staggs, New Development Coordinator and R. A. Eden, Vice President of Kentucky-American Water Company is of the following opinion:

1. The quantity of water needed to adequately serve Mr. Dwyer can be rendered by a 2" pipe, however, this would be in violation of section 2(a) KAR 5:066E of the Public Service Commission's rules and regulations which limits the length of a non-circulating 2" main to 250'. The pipe which is to serve Mr. Dwyer should be of a diameter not less than 3" or greater than 4".
2. The 8" main extension proposed by Kentucky-American Water Company is for the enhancement of it's water system and not for the service of Mr. Dwyer.
3. Mr. Dwyer should bear the cost of water lines adequately sized, to serve only himself with the difference in this cost

September 20, 1982

and the cost of the water lines proposed for installation by the Kentucky-American Water Company to be borne by the Kentucky-American Water Company.

4. That Mr. Dwyer should bear the cost of the water main extension only to his property line, where his meter is to be located.

If you are concerned that the various aspects of this matter have not been adequately presented to or considered by this Commission, you may request an opportunity to present your case at either an informal conference or at a formal hearing. You, representatives of the Water Company and the staff of this Commission would be present for either type proceeding.

Very truly yours,

Claude G. Rhorer, Jr.  
Director  
Division of Utility Engineering  
and Services

CGR:LNU:jsb

cc: Ray Ruble, Operations Manager  
Kentucky-American Water Company  
2300 Richmond Road  
P.O. Box 7500  
Lexington, Kentucky 40522





2300 Richmond Road · P. O. Box 7500 · Lexington, Kentucky 40522  
Phone (606)269-2386

Ray Ruble  
Operations Manager

November 23, 1982

Appendix D

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NOV 24 1982

DIVISION OF UTILITY  
ENGINEERING & SERVICES

Mr. Claude G. Rhorer, Jr.  
Director  
Division of Utility Engineering and Services  
Kentucky Public Service Commission  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Water Main Extension to Mr. James N.  
Dwyer on Houston-Antioch Road

Dear Mr. Rhorer:

Since our recent phone conversation concerning the above referenced matter, I have discussed this situation with other members of our staff and it is our opinion that the recommendations made by the Commission's staff would not be consistent with past main extension practices and would have a detrimental effect on extensions for future customers.

I am attaching a copy of our distribution map showing our existing facilities in blue, the proposed extension in red, and our long range plans for future extensions in green. Our proposal to Mr. Dwyer is consistent with other extensions on Antioch Road, Paris-Bethlehem Pike, Stewart Road, Muir Station Road and Briar Hill Road.

To make this extension to Mr. Dwyer with a 3" or 4" main would have a far reaching effect not only on the planned loop on Antioch Road, but would also set a precedent that would not only affect this area, but certainly all other rural areas and possibly urban subdivisions. Once we compromise our position and allow less than adequate facilities installed, it is my opinion that providing water service to additional rural areas will soon be a thing of the past.

Because of this, we must respectfully reject your recommendations.

Should it become necessary, we stand ready to defend our position at either a formal or informal hearing before the Commission.

Mr. Claude G. Rhorer, Jr.  
November 23, 1982  
Page 2

If you desire additional information, please advise.

Very truly yours,

  
Ray Ruble  
Operations Manager

RR:jk

Attachment

cc: Mr. James N. Dwyer