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 REGULATIONS ON MINIMUM STORAGE VOLUME, METER TESTING, INSPECTION OF CUSTOMER SERVICE LINES AND CUSTOMERS' ACCESS TO TARIFFS	)	CASE NO. 10026

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 Chapter 5 of 807 KAR 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 6 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.[1] This is a statutory matter per KRS 278.460 from which no deviations can be granted by the Commission.

Additional information is needed for an adequate and proper consideration of the five deviations requested by Fleming Water.

IT IS THEREFORE ORDERED that Fleming Water shall file an original and seven copies of the following information with the Commission with a copy to all parties of record no later than January 11, 1988. Paragraphs 1 and 2 pertain to tariffs, 3 thru 16 to water storage, 17 thru 19 to service lines inspections, 20 thru 32 to periodic tests of in-service water meters and 33 to the testing of new water meters.

1. Provide a copy of the wording of the placard used or to be used by Fleming Water for advising customers of their access to tariffs, regulations and the Kentucky Revised Statutes.

2. Describe the procedure by which Western Fleming will respond to customers requests to see its tariffs, regulations and

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[1] 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.

applicable statutes. Include a description of space and seating accomodations to be made available for the customer reviewing these documents.

3. Provide the following information to describe the demands for water on Fleming Water's distribution system.

a. Total volumes purchased and/or produced annually for 1984, 1985 and 1986.

b. Total volumes purchased and/or produced monthly for the 12 months ending September 30, 1987.

c. Average 24-hour volume purchased and/or produced during the 12 months ending September 30, 1987.

d. Maximum 24-hour volume purchased and/or produced during the 12 months ending September 30, 1987.

e. Total days and highest number of successive days that the maximum 24-hour volume was purchased and/or produced during the 12 months ending September 30, 1987.

f. Projected maximum daily demand volumes for 1990 similar to (d) and (e) above. Describe the method by which these projections were made.

4. Provide a map of Fleming Water's distribution system that shows the location and size of all distribution mains, storage tanks, pumping stations and any other significant features of the system. One inch on this map should not represent more than two miles on the ground.

5. Provide a description of each of Fleming Water's storage facilities including their locations on the system and show total volume of storage on the system.

6. List the difference in volumes between total storage and (a) maximum 24-hour volume produced and/or purchased, (b) average 24-hour volume and (c) minimum 24-hour volume.

7. Provide a list of Fleming Water's large volume customers by name and maximum monthly and 24-hour usage by volume and by percentage of Fleming Water's maximum monthly and 24-hour volumes. Describe these customers' water storage and/or distribution facilities if any exist and any sales/purchase agreements now in effect for such customers. Explain any seasonal variations that affect the purchase volumes of any of these customers. Describe Fleming Water's curtailment plan if applicable to any of these customers. Do not list customers that are purchasing less than 5 percent of Fleming Water's maximum monthly volumes.

8. Provide a technical summary of operational deficiencies of Fleming Water's system that are known from experience or that have been indicated by hydraulic analyses.

9. Show names and addresses of Fleming Water's customers that are providing critical health services.

10. Show number of hours under present operating conditions that service can be continued to hospitals, schools and other similar facilities after an interruption of service by supplier when the supply requirements to be met are: (a) maximum 24-hour volume, (b) average 24-hour volume and (c) minimum 24-hour volume. Provide supplemental information as needed to explain how results for (a), (b) and (c) were obtained.

11. Describe past periods of interruption by the supplier to Fleming Water. List dates and total days or hours of interruption.

12. Provide detailed information on supplier's system that delivers water to Fleming Water. Include location and capacity of (a) treatment plant, (b) pumping stations, (c) storage tanks and any other facilities required for the delivery of water to Fleming Water. Give the 24-hour capacity and maximum 24-hour production of plant for the 12 months ending September 30, 1987.

13. Does Fleming Water's purchase agreement place a limit on the daily or monthly volumes that its supplier will furnish? If so, define these limits. If supplier provides certain volumes of storage for Fleming Water, provide a copy of the agreement that insures the provision of this storage by supplier and a statement reflecting Fleming Water's assessment of reliability of this agreement. Provide a copy of Fleming Water's purchase agreement if its particulars cannot be readily described and note the particulars of interest to the instant case. Describe any curtailment aspects of the contract.

14. Describe supplier's capability for delivery of water pressure and volume at each point of delivery to Fleming Water. Describe those features of supplier's system that limit its capacity for delivery of water pressure and volume to Fleming Water. Such features may include: (a) distance between supplier's tank and supplier's point of connection with Fleming Water, (b) size of the connecting main between Fleming Water and its supplier's tank, (c) capacity of supplier's treatment plant,

(d) age of supplier's treatment plant, (e) condition of supplier's treatment plant, (f) capacity and condition of supplier's pumping stations and tanks and supplier's general ability to respond to the needs of Fleming Water.

15. If the Farmers Home Administration is the holder of either all or a part of Fleming Water's long-term debt, provide a copy of an FmHA letter stating its position with regard to the storage volume provided by Fleming Water and its request for a deviation from PSC regulations.

16. Describe Fleming Water's planning to date including its efforts to secure financing for construction of additional storage facilities.

17. Describe present methods or procedures for inspection of customers service lines. Include "farmstead" service lines per KRS 318.010(8).

18. Provide a narrative description of service line inspections for the 12 months ending September 30, 1987, include the lines inspected, the agency or persons who made the inspections and any other pertinent information including a description of any problems that occurred.

19. If a local government, acting under its ordinance that enacted the Kentucky State Plumbing Code per KRS 318.140, is inspecting service lines for Fleming Water, provide the name of this local government.

20. Number of customers' meters replaced during 1987, 1986, 1985, 1984, and 1983; the date and purpose of each replacement;

the costs incurred for each replacement -- exclusive of costs for meter repairs which should be listed separately.

21. Results of accuracy tests made on customers' meters for 1983 through the 1987 response date. Include the costs of meter tests and the name of the facility used for these tests.

22. Results of accuracy tests made on Fleming Water's master meter for 1983 through the 1987 response date. Include a description of the test facilities and the name of the company or laboratory that performed each test.

23. Total volumes of water purchased, sold, unaccounted-for losses, accounted-for losses, and any other volumes of record for 1983 through the 1987 response date plus the dollar value of each of these volumes of water.

24. Travel time and distance for the longest, shortest, and average trip to remove and replace a Fleming Water's customer's meter from Fleming Water's base of operations.

25. Labor costs ($/hour) for removal and replacement of customers' meters.

26. Mileage cost for an in-service vehicle within Fleming Water's service area.

27. Round-trip mileage from Fleming Water's base of operations to the facility where its meters will be tested.

28. A description of Fleming Water's base of operations.

29. Fleming Water's cost for new meters: 5/8-inch, 3/4-inch, and 1-inch meters and the number of each size meter in

service. The size and number of meters in service larger than 1-inch, the replacement cost for these meters, the test history for these meters.

30. If Fleming Water has no records for meter testing, an explanation should be provided as to why no such records exist.

31. If Fleming Water has no record of tests on its master meter, an explanation should be provided as to why no such records exist.

32. Details of Fleming Water's cost estimate per meter for removal and replacement. Show actual cost data if such data can be provided. The highest costs per meter for mileage and labor is incurred when only one meter is removed and replaced per trip scheduled for this purpose. Conversely, the least costs per meter occur with removal and replacement of as many meters as possible per trip.

33. A deviation from the requirement for testing new meters per 807 KAR 5:066(16)(2) requires the Commission's evaluation of the manufacturer's testing facilities. The Commission plans to evaluate the adequacy of the meter testing facilities located at the meter manufacturing plants of Badger, Kent, Neptune and Rockwell. If these test facilities meet Commission requirements, deviations will be granted. Your meter manufacturer will advise you if his facilities have been approved. After that, a deviation may be granted. At this time, provide the name of your meter manufacturer or manufacturers and the total number of meters in service by size and by manufacturer.

If the above listed items of information cannot be provided by January 11, 1988, Fleming Water should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission. Fleming Water shall furnish with each response the name of the witness who will be available for responding to questions concerning each item of information requested should a public hearing be required in this matter.

Done at Frankfort, Kentucky, this 9th day of December, 1987.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

Executive Director