

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG SANDY WATER)
WORKS, INC., FOR A DEVIATION FROM) CASE NO. 10036
THE WATER STORAGE REQUIREMENTS)

O R D E R

By letter received September 22, 1987, Big Sandy Water Works, Inc., ("Big Sandy Water") requested a deviation from 807 KAR 5:066, Section 5(4), which requires a utility to provide water storage to insure a minimum of one day's supply of its average daily water usage.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. Big Sandy Water has 3 water storage tanks with total storage capacity of 70,000 gallons.
2. Big Sandy Water has no large volume customers.
3. The average consumption for the 12-month period ending August 31, 1987, was approximately 105,000 gallons per day. Maximum one day usage by Big Sandy Water for the same period was 130,000 gallons.
4. There are no schools, hospitals or any other critical or emergency facilities in Big Sandy Water's service area.
5. Big Sandy Water should retain a professional engineer registered in the Commonwealth of Kentucky and experienced in the design and operation of water distribution systems to conduct a

comprehensive engineering study of Big Sandy Water's system. The engineer should perform the necessary hydraulic and economic analyses to determine the appropriate water storage requirements for Big Sandy Water. The engineering study should include an estimate of the costs involved in obtaining the appropriate amount of water storage and the available sources of the funds needed for any proposed construction. It should also include a detailed discussion of the financial effects that the funding arrangements would have on Big Sandy Water and its customers.

6. Because of the time needed to plan, finance and implement a program to increase its water storage facilities, Big Sandy Water should be granted a deviation from 807 KAR 5:066, Section 5(4) until July 1, 1991, to bring it within compliance of the Commission's water storage requirements.

IT IS THEREFORE ORDERED that:

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

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

3. Big Sandy Water shall take all necessary actions to bring its water storage facilities within compliance of the Commission regulations prior to the expiration date of the deviation herein granted.

Done at Frankfort, Kentucky, this 17th day of March, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hemmelf
Chairman

Robert M. Davis
Vice Chairman

Spencer N. Williams
Commissioner

ATTEST:

Executive Director