

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF AUXIER WATER)
COMPANY, INC., FOR A DEVIATION FROM)
THE RULES REGARDING METER TESTING) CASE NO. 10052
AND WATER STORAGE FACILITIES)

O R D E R

By letter received October 7, 1987, Auxier Water Company, Inc., ("Auxier") 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.

Auxier's letter also requested a deviation from 807 KAR 5:006, Section 13 which requires the testing of new water meters prior to their installation. Auxier contends that such testing is unnecessary as the testing procedures of its meter supplier, Rockwell International, meet Commission requirements.

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

1. Auxier has one water storage tank with a total capacity of 50,000 gallons.
2. The average consumption for the 12-month period ending September 30, 1987, was approximately 176,000 gallons per day. Auxier projected that its average daily usage by year 1990 will be about 200,000 gallons per day.
3. Of the two Auxier customers providing critical health services, one lacks any water storage facility.

4. Auxier 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 Auxier's water system. The engineer should perform the necessary hydraulic and economic analyses to determine the appropriate water storage requirements for Auxier. 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 Auxier and its customers.

5. Because of the time needed to plan, finance and implement a program to increase its water storage facilities, Auxier 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.

6. The request for permission to install new meters without testing by Auxier is considered herein as a request per 807 KAR 5:006, Section 13(2) for approval of the test performed by the meter manufacturer. Two requirements must be met before the Commission can grant such approval:

a. Certification of meter manufacturers' test facilities and procedures by the Commission (Commission has approved Rockwell's Uniontown, Pennsylvania testing facilities).

b. The receipt of a letter from Auxier notifying the Commission of its intention to use the meter test data supplied by

its meter manufacturer. Upon receipt of Auxier's notification of intent to use Rockwell's test data, the Commission's approval will be granted to use Rockwell's test data for 5/8-inch through 2-inch meters manufactured and tested by Rockwell's Uniontown, Pennsylvania plant. As of the date of this Order, no other manufacturer's facilities have been certified by the Commission and no approval for use of other manufacturer's test data can be granted.

IT IS THEREFORE ORDERED that:

1. Auxier be and it hereby is granted a deviation from 807 KAR 5:066, Section 5(4) until July 1, 1991.
2. Auxier shall retain a professional engineer to conduct a comprehensive engineering study of its water distribution system as outlined in Finding Number 4 herein. Auxier shall file a copy of the report of this study with this Commission no later than September 1, 1988.
3. Auxier 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.
4. Auxier's request for deviation from 807 KAR 5:006, Section 13 is denied.

Done at Frankfort, Kentucky, this 3rd day of March, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hemmings
Chairman

Robert M. Davis
Vice Chairman

Spencer Williams
Commissioner

ATTEST:

Executive Director