

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GARRARD COUNTY)
WATER ASSOCIATION FOR PERMANENT)
AND TEMPORARY DEVIATIONS FROM WATER) CASE NO. 10083
STORAGE REQUIREMENTS)

O R D E R

By application received November 10, 1987, Garrard County Water Association ("Garrard Water") requested a permanent deviation from 807 KAR 5:065, Section 5(4), for its Meriwood Subdivision, Buckeye Road, Danville Road and Stanford Road service areas. It also requested temporary deviation for its Lexington Road service area. 807 KAR 5:066, Section 5(4) requires a utility to provide water storage equal to at least its average daily usage.

On January 8, 1988, the Commission ordered Garrard Water to provide additional information to support its request. Garrard Water filed this information on February 17, 1988.

DISCUSSION

Garrard Water purchases all of its water from the City of Lancaster ("Lancaster"). Lancaster and its water storage facilities are situated on a land area of higher elevation than all of the surrounding county. Rainfall flows to all points of the compass from Lancaster and distribution mains from Lancaster are, in general, on a downhill gradient. The pressure boost of

downhill gradients permitted Garrard Water to operate without any booster pumping stations until the 1987 installation for the Lexington Road service area.

Garrard Water has 5 water storage tanks with total storage capacity of 311,500 gallons. Garrard Water's system-wide usage for 1987 averaged 418,035 gallons per day ("GPD") and varied from a minimum of 297,800 GPD to a maximum of 622,400 GPD. The maximum demand on the Lancaster plant during 1987 was 1,185,000 GPD or 82.3 percent of its 1,440,000 GPD capacity. Water storage facilities in Lancaster include two 500,000-gallon elevated storage tanks and a 288,000-gallon clearwell at its treatment plant; a total of 1,288,000 gallons. This is 103,000 gallons more than the 1987 maximum demand of 1,185,000 gallons. Garrard Water, however, projects that by 1990 its average usage will be 544,000 GPD and that its maximum usage will be 724,000 GPD.

Garrard Water's water purchase agreement with Lancaster specifies no limits on the daily or monthly quantity of water which may be purchased. It provides, however, that in the event of an extended shortage of water, or diminishment of the supply of water to Lancaster, the supply of water to Garrard Water customers will be reduced in the same proportion as the supply to Lancaster customers is reduced.

No Garrard Water customers provide critical health services, but three customers are schools: (1) Buckeye Elementary in the Buckeye Road (KY 39) service area, (2) Camp Dick Elementary in the Lexington Road (US 27) service area and (3) Paint Lick Elementary

in the Richmond Road (KY 52) service area. Buckeye Elementary is scheduled for closing by the Garrard County Board of Education at the end of the current school year.

Under current average demand conditions, Garrard Water's storage could provide for continued service to the Camp Dick School for 0.65 days and to the Paint Lick School for 1.3 days. Garrard Water has no storage in the Buckeye Road service area.

Garrard Water has no ongoing operating deficiencies. Reported service interruptions were minor: a 45-minute outage in the Danville Road area in November 1986 and a 3-hour outage in the Richmond Road area in July 1986. A new booster pumping station was installed in August 1987 to increase volume and pressure for the Lexington Road area.

After considering the number of customers served, and other matters pertinent to adequate, reliable and efficient service, Stanford Road, Danville Road and the Buckeye Road service areas, Garrard Water's requested deviations for these areas does not appear to be unreasonable. After considering the possibility of increased demand for water in future years, however, the Commission is of the opinion that any deviation should be granted on a temporary basis only.

FINDING AND ORDERS

The Commission, after consideration of the record in this matter, and being advised, is of the opinion and finds that:

1. Deviations from 807 KAR 5:066, Section 5(4) with a June 30, 1993, expiration date should be granted for the: (1) Meriwood

Subdivision, (2) Stanford Road, (3) Danville Road, (4) Buckeye Road and (5) Lexington Road service areas.

2. Garrard Water should make annual reviews of its needs for additional water storage facilities and should take appropriate actions as may be required to insure the continuity of adequate, reliable and efficient service to all its customers in accordance with the regulations of this Commission.

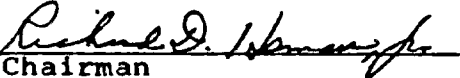
IT IS THEREFORE ORDERED that:

1. Deviations from 807 KAR 5:066, Section 5(4) through June 30, 1993, are hereby granted for the: (1) Meriwood Subdivision, (2) Stanford Road, (3) Danville Road, (4) Buckeye Road and (5) Lexington Road service areas.

2. Garrard Water shall make annual reviews of its needs for additional storage facilities and shall take appropriate actions to insure the continuity of adequate, reliable and efficient service to all its customers in accordance with the regulations of this Commission.

Done at Frankfort, Kentucky, this 23rd day of March, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director