

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DEXTER-ALMO HEIGHTS)
WATER DISTRICT FOR A DEVIATION FROM) CASE NO. 10101
THE WATER STORAGE REQUIREMENTS)

O R D E R

By letter received November 20, 1987, Dexter-Almo Heights Water District ("Dexter-Almo") 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. Dexter-Almo has no water storage tanks in its water distribution system.
2. Dexter-Almo has no large volume customers.
3. The average consumption for the 12-month period ending October 9, 1987, was approximately 61,000 gallons per day. Dexter-Almo projected that its average daily usage by year 1990 will be about 70,000 gallons.
4. There has been at least one interruption in Dexter-Almo's water distribution system since creation of the District.
5. Dexter-Almo 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 Dexter-Almo's water system. The engineer should perform the necessary hydraulic and economic analyses to determine the appropriate water storage requirements for Dexter-Almo. 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 Dexter-Almo and its customers.

6. Because of the time needed to plan, finance and implement a program to increase its water storage facilities, Dexter-Almo 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. Dexter-Almo be and it hereby is granted a deviation from 807 KAR 5:066, Section 5(4) until July 1, 1991.

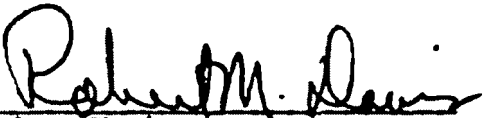
2. Dexter-Almo shall retain a professional engineer to conduct a comprehensive engineering study of its water distribution system as outlined in Finding Number 5 herein. Dexter-Almo shall file a copy of the report of this study with this Commission no later than September 1, 1988.

3. Dexter-Almo 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 9th day of March, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director