

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH SHORE WATER)
WORKS COMPANY FOR A DEVIATION FROM)
THE REQUIREMENTS OF 807 KAR 5:066,) CASE NO. 10263
SECTION 5(4) REGARDING WATER STORAGE)

O R D E R

On May 6, 1988, South Shore Water Works Company ("South Shore") requested a deviation from 807 KAR 5:066, Section 5(4) which requires a water utility to provide water storage to insure one day's supply of its average daily usage.

On July 20, 1988, the Commission granted South Shore a limited deviation from 807 KAR 5:066, Section 5(4) until August 1, 1991 and ordered the utility to provide a 645,767-gallon storage capacity prior to the expiration of the deviation date granted.

On July 25, 1988, South Shore filed an adjusted 24-hour storage requirement for South Shore of 463,632 gallons instead of the production rate of 645,767 gallons. The adjusted volume was a result of deleting some of the water used by the utility and large volume consuming customers.

On August 15, 1988, the Commission granted South Shore's motion for reconsideration of the volume of storage tank requirement for its system. A public hearing was scheduled on September 28, 1988.

On September 28, 1988, South Shore filed additional information regarding the adjustment of the one day's storage capacity and presented new numbers for 1987 water consumption and uses by South Shore and its consumers. South Shore adjusted its usage to an average of 473,484 gallons per day.

On September 28, 1988, a public hearing was conducted. Joe Hannah, utility manager, testified that South Shore has adequate treatment capacity that can treat 1.25 million gallons per day and can directly pump treated water to the distribution system. Mr. Hannah further testified that South Shore's one day's storage requirement for the 8 months of 1988 was 452,948 gallons. South Shore experienced 11 power failures between 1976 - 1988 for a period of 15 minutes to 7.5 hours but Mr. Hannah does not envision problems in the electric power supply to the treatment plant. Joe Hannah stated that the amount of the unaccounted for uses were revised and more precisely adjusted.

After review of the record, the Commission finds that:

1. South Shore provides 214,000 gallons capacity in two elevated storage tanks and a 150,000-gallon ground level clearwell tank, for a total of 364,000 gallons storage capacity.
2. South Shore's treatment plant provides an adequate capacity and exceeds the consumption requirement of its system.
3. South Shore has an arrangement of pumping water directly from the treatment plant to the distribution system.
4. Didier Taylor, a customer of South Shore, provides a storage tank for its usage. 80,000 gallons of Didier Taylor's storage capacity was considered as part of South Shore's daily

average usage. To consider the customer storage capacity, South Shore should provide a written agreement with Didier Taylor that water service will be terminated to Didier Taylor during emergency conditions and that Didier Taylor will use its storage tank for a minimum of one day usage. The agreement should be submitted to the Commission no later than December 1, 1988.

5. In its previous Order in this matter the Commission granted South Shore a limited deviation from 807 KAR 5:066, Section 5(4) until August 1, 1991. South Shore was ordered to provide additional storage capacity to meet its daily production rate of 645,767 gallons. In this proceeding South Shore presented evidence to adjust its daily average usage for water to 473,484 gallons. The Commission should accept South Shore's adjustments, subject to an acceptable agreement with Didier Taylor for interruptable service, and should amend its July 20, 1988 Order to require a minimum storage capacity of 473,484 gallons instead of the previous figure of 645,767 gallons.

6. In case of South Shore's failure in submitting a written agreement with Didier Taylor for using the water storage tank for emergency conditions, South Shore should provide additional storage capacity equivalent to Didier Taylor's average daily usage or a total of an additional 190,000 (110,000 plus 80,000) gallons to the existing storage capacity.

IT IS THEREFORE ORDERED that:

1. South Shore shall provide a written contract with Didier Taylor that water supply will be terminated to Didier Taylor

during emergency conditions. The agreement shall be submitted to the Commission no later than December 1, 1988.

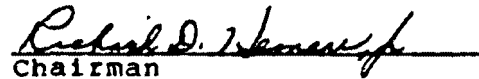
2. South Shore shall take all necessary actions to construct additional storage capacity of 110,000 gallons as outlined in Finding 5 herein, to bring its water storage facilities into compliance with Commission regulations prior to the expiration date of the deviation previously granted.

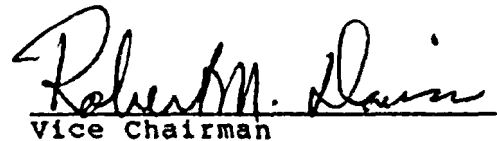
3. In case of South Shore's failure to submit a written contract with Didier Taylor for the usage of its water storage tank, South Shore shall provide an additional 190,000 gallons storage capacity as outlined in Finding 6 herein, to bring its water storage facilities into compliance with Commission regulations prior to the expiration date of the deviation previously granted.

4. All previous Orders in this matter not specifically modified by this Order are hereby reaffirmed in all respects.

Done at Frankfort, Kentucky, this 9th day of November, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner