

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OAK HAVEN WATER AND)
SEWER COMPANY FOR A DEVIATION FROM 807 KAR)
5:066, SECTION 5(4) REGARDING WATER) CASE NO.
STORAGE) 92-447

O R D E R

On October 19, 1992, the Commission received a request from Oak Haven Water and Sewer Company, Inc. ("Oak Haven") for a deviation from Commission Regulation 807 KAR 5:066, Section 5(4), which requires each utility to provide water storage to ensure a minimum of one day's supply of average daily water usage. Oak Haven states in its application that its supplier, the city of Falmouth ("Falmouth"), has adequate capacity to provide the storage required by Oak Haven.

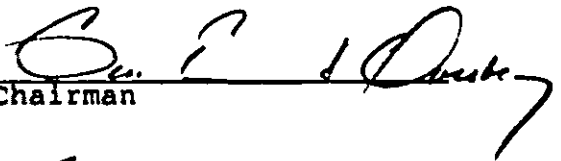
In order for the Commission to grant a deviation from Oak Haven's water storage requirement based on the allocation of water storage for Oak Haven by its supplier, the Commission requires a statement from Falmouth that said storage will indeed be allocated. The application submitted contains no guarantee of such allocation nor the time period during which said allocation will be guaranteed.

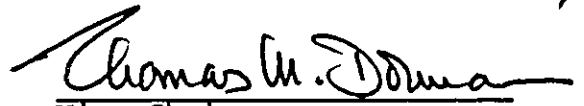
Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that further information is needed to determine whether the proposed deviation should be approved by the Commission.

IT IS THEREFORE ORDERED that Oak Haven shall file with the Commission, within 20 days of the date of this Order, a statement from Falmouth which clarifies that it will allocate water storage to Oak Haven. The statement or amendment shall also specify a time period during which the allocation is guaranteed. A copy of such an agreement, which was acceptable to the Commission in a prior proceeding, has been attached hereto and incorporated by reference herein as Exhibit A.

Done at Frankfort, Kentucky, this 11th day of November, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director



P O BOX 106
318 WEST SECOND STREET
FRANKFORT, KENTUCKY 40602

WARNER / CAINES
GENERAL MANAGER

July 10, 1990

40146
4000 1128 110
100 100

Mr. Berl Robinson, Sr.
Chairman & General Manager
Farmdale Water District
100 Highwood Drive
Frankfort, Kentucky 40601

Dear Mr. Robinson:

You have requested, on behalf of the Farmdale Water District, that the Frankfort Electric & Water Plant Board agree to provide assurances regarding the availability to the District of water from the Plant Board's storage facilities.

The Frankfort Electric & Water Plant Board hereby gives its assurance and states that the Plant Board's stored water supply will be made available to the Farmdale Water District in the same manner and for the same purposes for which stored water is maintained for all other customers, and subject to the Plant Board's Rules and Regulations governing water usage and supply. The Plant Board hereby states that this commitment is for a period of five (5) years from the date of this letter.

It is the Board's understanding that this assurance, along with the District's, present storage facilities, should allow the District to comply with Kentucky Public Service Commission requirements for water storage.

If you should need further assistance, or information as regards to your supply of water, please contact Mr. Warner Caines.

Sincerely,

Bruce Dungan

Bruce Dungan, Chairman
Frankfort Electric and
Water Plant Board

cc: Bob Bowman
David Sandidge
J. E. Sullivan
Chron File

EXHIBIT A