

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MONTGOMERY COUNTY)	
WATER DISTRICT NO.1 FOR A DEVIATION FROM)	CASE NO.
THE REQUIREMENTS OF 807 KAR 5:066,)	2004-00126
SECTION 4(4), REGARDING WATER STORAGE)	

O R D E R

On March 5, 2004, Montgomery County Water District No. 1 (“Montgomery District No.1”) applied for permission to deviate from Administrative Regulation 807 KAR 5:066, Section 4(4), which requires that each utility maintain minimum water storage of one day's supply of its average daily usage.

Montgomery District No.1 states in its application that its average daily water usage, including unaccounted-for water, is approximately 264,300 gallons, and that its current water storage capacity is 200,000 gallons. Accordingly, Montgomery District No.1 has an average daily storage deficit of 64,300 gallons.

Montgomery District No.1 sells approximately 142,900 gallons of water daily to the city of Jeffersonville (“Jeffersonville”). Jeffersonville has contracted to purchase water from the Cave Run Water Commission (“Cave Run”) upon Cave Run's completion of certain water treatment and distribution facilities. Expected completion date of these facilities is August 2005. Until then, Mount Sterling Water and Sewer Commission (“Mount Sterling”), Montgomery District No 1's supplier, has agreed to allocate 100,000 gallons of additional storage to Montgomery District No.1 to cover the current storage deficit. When Jeffersonville connects to Cave Run, the current storage deficit will be

eliminated and the 100,000 gallon allocation from Mount Sterling will be released upon request.

The Commission, having reviewed the application and being otherwise sufficiently advised, finds that:

1. Montgomery District No. 1 is not currently in compliance with Administrative Regulation 807 KAR 5:066, Section 4(4).

2. Montgomery District No. 1 has an average daily water usage of 264,300 gallons and storage capacity of only 200,000 gallons. It has a storage capacity deficit of 64,300 gallons.

3. Montgomery District No. 1 is currently allocated 100,000 gallons of storage capacity from Mount Sterling.

4. Montgomery District No. 1's average daily demand will be reduced by approximately 142,900 gallons when Jeffersonville begins purchasing water from Cave Run in August 2005.

5. Montgomery District No. 1 should be granted a deviation from Administrative Regulation 807 KAR 5:066, Section 4(4), until March 5, 2006.

IT IS THEREFORE ORDERED that:

1. Montgomery District No.1 is granted a deviation from Administrative Regulation 807 KAR 5:066, Section 4(4), until March 5, 2006.

2. Montgomery District No.1 shall take all necessary actions to bring its water storage facilities into compliance with Administrative Regulation 807 KAR 5:066, Section 4(4), no later than March 5, 2006.

Done at Frankfort, Kentucky, this 12th day of May, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above the text 'Executive Director'.

Executive Director

Case No. 2004-00126