

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HARDEMAN WATER) CASE NO.
DISTRICT FOR A DEVIATION FROM THE) 2005-00232
REQUIREMENTS OF 807 KAR 5:066, SECTION 4(4),
REGARDING WATER STORAGE)

O R D E R

On June 17, 2005, Hardeman Water District ("Hardeman Water") 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. Hardeman Water states in its application that its average daily water usage, including unaccounted-for water, is approximately 95,561 gallons and that its current water storage capacity is 50,000 gallons.

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

1. Hardeman Water is not in compliance with Administrative Regulation 807 KAR 5:066, Section 4(4).
2. Hardeman Water has standby wells and equipment with access to local contractors to continue operation during repair or outage at the main wells and can bypass its tank for six or seven days while continuing to serve customers without interruption.
3. In the event of a power failure at its water treatment plant, Hardeman Water will have no more than 50,000 gallons of water available during the power failure.

Hardeman Water did not identify any emergency source of power available to serve its water treatment plant.

4. Hardeman Water should undertake and complete a study, no later than January 1, 2006, on the cost required to bring the utility into compliance with Administrative Regulation 807 KAR 5:066, Section 4(4). This study should consider the need for an emergency source of power to Hardeman Water's water treatment plant and the cost-effectiveness of acquiring such emergency power.

5. Because of the time needed to plan, finance, and construct water storage facilities or take other appropriate actions, Hardeman Water should be given until January 1, 2011 to comply with Administrative Regulation 807 KAR 5:066, Section 4(4).

IT IS THEREFORE ORDERED that:

1. Hardeman Water is permitted to deviate from the provisions of Administrative Regulation 807 KAR 5:066, Section 4(4), until December 31, 2010.

2. Hardeman Water shall take all necessary actions to bring its water storage facilities into compliance with Commission regulations no later than January 1, 2011.

3. Hardeman Water shall file with the Commission, no later than January 1, 2006, a study on the costs required to bring Hardeman Water into compliance with Administrative Regulation 807 KAR 5:066, Section 4(4). This study shall consider the need for an emergency source of power to Hardeman Water's water treatment plant and the cost-effectiveness of acquiring such emergency power.

4. Beginning January 1, 2007 and continuing until January 1, 2011, or until such time as Hardeman Water comes into compliance, Hardeman Water shall file, on or before January 1 of each year, a status report of its efforts to comply with Administrative Regulation 807 KAR 5:066, Section 4(4).

Done at Frankfort, Kentucky, this 26th day of September, 2005.

By the Commission

ATTEST:



Executive Director