

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF NORTH SHELBY) CASE NO. 2013-00027
WATER COMPANY)

ORDER

On November 21, 2012, North Shelby Water Company ("North Shelby") submitted revised tariff sheets to amend the company's rules and regulations. North Shelby proposes revisions to several regulations pertaining predominantly to its fire hydrant and protection policies. North Shelby initially proposed an effective date of January 1, 2012, but subsequently submitted a revised tariff sheet with an effective date of February 1, 2013.

Based upon a review of North Shelby's submission, the Commission finds that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of North Shelby's proposed revisions and that the operation of these proposed revisions should be suspended from February 1, 2013, up to and including June 30, 2013.

IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of the proposed tariff revisions.
2. North Shelby's proposed tariff revision is suspended for five months from February 1, 2013, up to and including June 30, 2013.

3. a. North Shelby shall file with the Commission no later than February 15, 2013, an original and five copies, with a copy to all parties of record, of the information listed in the Appendix to this Order.

b. North Shelby's response shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

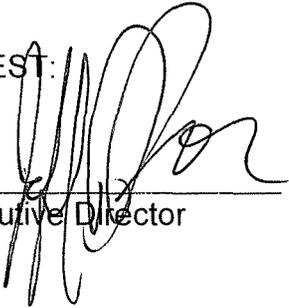
c. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

d. North Shelby shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

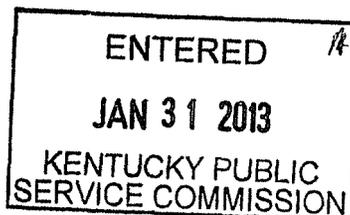
e. For any request to which North Shelby fails or refuses to furnish all or part of the requested information, North Shelby shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

f. North Shelby shall give careful attention to copied material to ensure its legibility.

ATTEST:


Executive Director

By the Commission



Case No. 2013-00027

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2013-00027 DATED **JAN 31 2013**

1. State the number of fire hydrants currently installed on North Shelby's water distribution system.
2. State whether all fire hydrants currently installed on North Shelby's water distribution system currently comply with 807 KAR 5:066, Section 10(2)(b).
3. Identify each fire hydrant on North Shelby's water distribution system that does not comply with 807 KAR 5:066, Section 10(2)(b), state its location and the date of installation.
4. Describe how frequently North Shelby inspects the fire hydrants installed on its water distribution system.
5. State whether North Shelby owns all of the public fire hydrants that are installed on its water distribution system.
6. Identify the fire departments that provide fire-protection service in North Shelby's service area.
7. Provide a copy of all agreements and contracts that North Shelby has with the fire departments that provide fire-protection service in North Shelby's service area.
8. Explain why the proposed rules and regulations require fire departments to conduct inspections to determine whether a fire hydrant meets the requirements listed on proposed P.S.C. Ky. No. 2, Original Sheet No. 10.2.
9. Explain why the fire department rather than North Shelby should conduct the inspection and monitor the fire hydrants for compliance with Commission and utility regulations and to ensure good operating condition.

10. Describe the procedures that a customer, developer, or fire department must follow to request the installation of a public fire hydrant.

11. Identify the entity (e.g., utility, requesting party, contractor) that installs the fire hydrant.

12. P.S.C. Ky. No. 2, Original Sheet No. 10.3, states: "Installation of fire hydrants at the request of a fire department or a governmental entity on an existing line will be installed by the Company for the cost of materials only, or a new line for the cost of labor and materials unless the Board of Directors for cause decides to waive the labor expense."

a. Explain why the cost of labor is not included for the installation of a fire hydrant on an existing line.

b. Describe the circumstances under which "cause" for waiving the labor expense would exist.

13. P.S.C. Ky. No. 2, Original Sheet No. 10.3, states: "The Company will, if feasible and consistent with KRS 74.415, require all newly constructed water lines to be adequately sized to support fire hydrants." Explain why KRS 74.415 is applicable to North Shelby's operations.

14. Describe the process that North Shelby uses to determine whether a fire hydrant can be located on its water distribution system.

15. P.S.C. Ky. No. 2, Original Sheet No. 10.3 states: "If fire hydrants are used by fire suppression units in the performance of their duty, any damage to the Company's water system will be the liability of that unit." Define "fire suppression unit."

16. State the cost that North Shelby incurs to maintain a fire hydrant annually.

Honorable Donald T Prather
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