

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

Water Service Corporation of Kentucky's)
Request for Permission to Deviate) Case No. 2019-00284
From 807 KAR 5:006, Section 26(6)(b))

PETITION FOR DEVIATION

Water Service Corporation of Kentucky (“WSCK”), in accordance with 807 KAR 5:006, Section 28, requests permission from the Public Service Commission to deviate from a portion of the requirements of 807 KAR 5:006, Section 26(6)(b). In support of this request, WSCK states the following:

1. WSCK is a corporation organized and existing under the laws of the Commonwealth of Kentucky with its principal office and place of business located at 500 West Monroe Street, Suite 3600, Chicago, Illinois 60661. WSCK can be contacted by email via the email addresses of its counsel set forth below. WSCK was incorporated on April 12, 2002, and is currently in good standing in the Commonwealth of Kentucky.

2. WSCK is engaged in the distribution and sale of water in Bell and Hickman counties. WSCK currently owns, operates, and maintains potable water production, treatment, storage, transmission, and distribution systems for the purpose of furnishing potable water in its service territory.

3. Pursuant to 807 KAR 5:006, Section 28, WSCK is requesting a deviation from the requirement in 807 KAR 5:006, Section 26(6)(b), requiring water utilities to annually inspect its valves. 807 KAR 5:006, Section 28 allows for deviations from 5:006 when “good cause” is

shown. The overarching intent of the inspection requirements set forth in 807 KAR 5:006, Section 26 is to “assure safe and adequate operation of the utility’s facilities.”¹ WSCK’s current system of inspecting valves meets this objective, and requiring WSCK to adhere to 807 KAR 5:006, Section 26(6)(b) would result in significant and unnecessary expenses. Thus, good cause exists to grant WSCK’s requested deviation from annual inspection requirements for valves.

4. Currently, WSCK’s approximately 1,200 valves in Middlesboro and 100 valves in Clinton are inspected according to WSCK’s valve inspection and exercising program. Plant valves and valves 10 inches and larger are inspected and exercised annually. Valves that are 8 inches and smaller are inspected and exercised every three years.

5. A valve failure does not present a problematic issue for several reasons. In the event one valve fails to operate correctly, another valve located sufficiently nearby can be closed in the event of an emergency. Furthermore, WSCK has contacts and access to many contractors who can install insertion valves in emergency situations where additional valves are not present.

6. In order to perform annual inspections of all valves in accordance with 807 KAR 5:006, Section 26(6)(b), WSCK would need significant additional staffing. WSCK anticipates that it would need to hire an additional employee in order to inspect every valve in its system each year. There would also be additional expense incurred as a result of increased transportation and administrative costs. Therefore, the major benefit that will result from allowing this deviation is a financial savings to customers.

7. 807 KAR 5:006, Section 28 allows for deviations from 5:006 when “good cause” is shown.

8. The Commission has authorized at least two other water utilities to deviate from inspecting its valves annually. In Case No. 2016-00394, the Commission authorized Kentucky-

¹ 807 KAR 5:006, Section 26(1).

American Water Company to inspect valves larger than 24 inches every year, valves between 16 and 24 inches every two years, and valves smaller than 16 inches every five years. In Case No. 2016-00427, the Commission permitted Northern Kentucky Water District to follow the same inspection frequency, as well as inspecting fire hydrant valves every five years. WSCK's proposal of inspecting valves 10 inches and larger annually and valves 8 inches and smaller every three years exceeds the standards placed on Kentucky-American and NKWD and assures adequate inspection of valves in WSCK's system.

9. WSCK asserts that good cause exists to grant a deviation from 807 KAR 5:006, Section 26(6)(b). WSCK's current system for inspecting valves ensures safe, reliable, and cost-effective service. Requiring WSCK to adhere with 807 KAR 5:006, Section 26(6)(b) would result in additional annual labor expense, as well as transportation and administrative costs. The significant additional costs to customers to inspect all valves annually does not support the value added, and thus good cause exists to grant a deviation from the yearly inspection requirements.

WHEREFORE, WSCK requests that the Commission approve its request for a deviation from the requirements of Section 26(6)(b) of 807 KAR 5:006 such that valves may be tested using the inspection frequency set forth above.

Respectfully submitted,



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