

# MARTIN COUNTY WATER DISTRICT

387 East Main Street Suite 140  
INEZ, KY 41224

606-298-3885 OFFICE

606-298-4913 Fax

July 17, 2015

RECEIVED

JUL 21 2015

PUBLIC SERVICE  
COMMISSION

Public Service Commission  
211 Sower Blvd  
PO Box 615  
Frankfort, KY 40602

Dear Ann Ramser,

Attached is a response to case number 2015-00005. If any questions, please feel free to call 606-626-7748.

Sincerely,



Joe Hammond, Business Manager  
Martin County Water District

Martin County Water District

PSC Second Data Request Response Case No. 2015-00005

1. Refer to Martin County's response to Staff's Initial Request for Information ("Staff's Initial Request"), Item 1. Is the November 2014 meeting of Martin County's Board of Commissioners the only meeting in which the proposed nonrecurring charges were discussed?

Response: Yes, the NRC filing was presented to the board for discussion and voted upon.

2. Refer to Martin County's response to Staff's Initial Request, Item 4. Identify the manufacturer, model, and type of the 30 meters currently in inventory.

Response: See Attachment A

3. State the cost differential between individual and bulk purchases of the Sensus AMR meters.

Response: This was a TEST PROJECT for the AMR meters placed in the System to compare AMRs with the manual read meters. The District Does not have the funds to replace the manual reads with AMR meters at this time.

4. Refer to Martin County's response to Staffs Initial Request, Item 8.
  - a. Provide the invoices relating to the completion of the partial AMR meter conversion in 2009.

Response: See Attachment B

- b. State whether there are any Sensus AMR meter vendors, other than C.I. Thornburg Co, Inc., within the region or the country from which Martin County could have purchased similar meters.

Response: C.I. Thornburg Company, Inc. is the only authorized Sensus distributor in Kentucky.

- c. Provide details regarding whether Martin County solicited any Sensus AMR meter bids from any other vendor within the area, region, or the country.

Response: Sensus authorized distributors are located throughout the country. Since the distributors have designated sales regions they cannot sell products in another distributor's territory.

5. Refer to Martin County's response to Staffs Initial Request,Item 10. State whether other vendors offer lower-priced meter-setting materials. If so,explain why Martin County does not procure meter-setting materials from the alternative vendor.

Response: The no lead meter setting materials cost about the same at any vendor. The District has been doing business with CI Thornburg for several years and there prices are very competitive in this area.

6. Refer to Martin County's response to Staff's Initial Request, Items 12, 16, and 17, which are supported by Exhibit 8 of the filing. The response appears to support a \$23.44 hourly rate with insurance, and a lower hourly rate when insurance expense is not included. Explain how the \$17.54 hourly rate was determined.

Response: The District staff requested from their accounting service the average hourly rate including fringe benefits. The accountant made an error in the calculation by not including the insurance.

7. Refer to Martin County's response to Staffs Initial Request,Item 18. State the basis to assess a fee to "discourage fraud"

Response: The District withdraws the Return Check Charge. The charge will remain at \$25.00 as approved by the Commission.

8. Provide a revised nonrecurring charge cost justification for the returned check charge to reflect Martin County's response to Staff's Initial Request, Item 18.

Response: The District withdraws the Return Check Charge. The charge will remain at \$25.00 as approved by the Commission.

9. Refer to Martin County's response to Staffs Initial Request,Item 13, Section D, Installation Labor Expense of the Average Meter Connection Expense Cost Justification form,is for the labor involved in providing the service,and Section E, Installation Equipment Expense, is for the cost of the equipment. Explain why an hourly rate for the cost of hiring someone was used, instead of an estimated cost to rent the equipment, or hourly cost of the equipment.

Response: The rental cost of a backhoe averages \$225 per day. Plus District staff would have to drive 66 miles round-trip to pick-up the backhoe in Prestonsburg then return within 24 hours.

10. Refer to the application. Please clarify the conflicting information between the tariff sheet and the public notice.

- a. The tariff sheet lists the proposed amount for Meter test charge as \$60.00, while the public notice states \$75.00.

Response: The tariff sheet is in error. The amount should be \$75.00

- b. The tariff sheet lists the proposed amount for Returned Check charge as \$25.00, while the public notice states \$30.00.

Response: The District withdraws the Return Check Charge. The charge will remain at \$25.00 as approved by the Commission.

- c. If the lesser amount in each of the charges above is what the utility intended, provide a detailed explanation and all supporting documentation as to the reasonableness of the lesser amounts while the cost justification provided supports the higher amounts .

11. State whether a deposit fee will be charged if a customer requests a 6-inch or 8-inch meter.

Response: Yes, if a customer requested a 6" or 8" meter the District would charge a deposit. To not charge a deposit would be unfair to those customers that paid a deposit. The District would update the tariff sheet accordingly.

# **Attachment A**

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# **Martin County Water District Meter Inventory**

14 -- 5/8 Sensus SR 2 Radio read

7 -- 5/8 IPerl Radio read

8 -- 5/8 Badgers

# **Attachment B**

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**THE C.I. THORNBURG CO.,INC.**  
**PO BOX 2163**  
**4034 ALTIZER AVENUE**  
**HUNTINGTON, WV 25705**  
**304-523-3484 Fax 304-523-0510**

\*\*\*\* Invoice \*\*\*\*

INVOICE DATE	INVOICE NUMBER
03/29/07	S1339058.2
REMIT TO: THE C.I. THORNBURG CO., INC. P.O. BOX 2163 HUNTINGTON, WV 25722-2163	PAGE NO. 1

BILL TO:

MARTIN CO. WATER DIST. #1  
 387 EAST MAIN ST SUITE 140  
 INEZ, KY 41224

SHIP TO:

MARTIN CO. WATER DIST. #1  
 HC 69 BOX 875  
 RT 908 TURKEY ROAD  
 INEZ, KY 41224

CUSTOMER NUMBER	CUSTOMER ORDER NUMBER	CUSTOMER JOB NUMBER	WHSE	SALESPERSON	TERMS: DUE DATE AND CASH DISCOUNT IF APPLICABLE ARE LISTED BELOW.	
8940	RADIOREAD BID		1	HOWLYN		
SALES TICKET NUMBER	SHIP VIA	DATE SHIPPED	ORDER DATE	1 1/2% FINANCE CHARGE ADDED ON PAST DUE ACCOUNTS.		
S1339058.2	RT23S OUR TRUCK	03/29/07	02/27/07			
DESCRIPTION	ORDER QTY	SHIP QTY	UN	NET UNIT PRICE	NET AMOUNT	
5/8"x3/4" SENSUS SR TR/PL WATER METER, 1000 US GALLON, PL/BTM, 4 WHEEL LESS HOUSING S/N 67762354-679	326	326		90.000	29340.00	
520R SINGLE PORT MXU METER W/ TRANSCEIVER UNIT W/ INTERNAL BATTERY M520R-C1-TC-X-T #5396153752001T 956 MHz	326	326		83.000	27058.00	
AR5002 RF HANDHELD DEVICE	1	1		0.000	0.00	
AR5005 MASTER COMM/CHARGING STAND	1	1		0.000	0.00	
AUTOREAD VXU RADIOREAD TOUCHREAD SYSTEM SOFTWARE INCLUDES 3 DAYS TRAINING	1	1		0.000	0.00	
3096 TOUCHREADER VISUAL DISPLAY (SPECIAL PROMOTION)	1	1		0.000	0.00	
MAGELLAN EXPLORIST HANDHELD GPS	1	1		0.000	0.00	
Credit Card or P-Card payments made after 30 Days from date of Invoice will be subject to a 4% Card Processing Fee.						
				SUBTOTAL	56398.00	
				FREIGHT	0.00	
				SALES TAX	0.00	
				AMT DUE	56398.00	

PAYMENT TERMS: NET 30 DAYS. PAST DUE ACCOUNTS SUBJECT TO 1 1/2% FINANCE CHARGE  
 PER MONTH. ANNUAL PERCENTAGE RATE 18%.  
 NO RETURNS ALLOWED WITHOUT PROPER WRITTEN AUTHORIZATION. RETURN MATERIAL SUBJECT TO RESTOCKING,  
 HANDLING AND FREIGHT CHARGES.  
 WARRANTIES: LIMITED TO THOSE PROVIDED BY MANUFACTURER.