

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF WARREN COUNTY )  
WATER DISTRICT, SIMPSON COUNTY WATER )  
DISTRICT, AND BUTLER COUNTY WATER ) CASE NO. 2011-00220  
SYSTEM, INC. FOR A DEVIATION FROM )  
APPROVED METER TESTING PROGRAM )

COMMISSION STAFF'S REQUEST FOR INFORMATION  
TO JOINT APPLICANTS

Pursuant to 807 KAR 5:001, Warren County Water District, Simpson County Water District, and Butler County Water System, Inc. ("Joint Applicants") shall file with the Commission within 20 days of the date of this Order the original and ten copies of the following information, with a copy to all parties of record. Responses to requests for information 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.

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.

Joint Applicants shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or,

though correct when made, is now incorrect in any material respect. For any request to which Joint Applicants fail or refuse to furnish all or part of the requested information, Joint Applicants shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. a. Identify the authors of "Revised Determination of Cost-Effective Meter Testing Frequency."

b. Provide each author's *curriculum vitae*.

c. Identify each author's academic and professional experience in sample testing and statistical analysis.

2. a. State whether "Revised Determination of Cost-Effective Meter Testing Frequency" underwent any peer review prior to its submission to the Commission.

b. If it was subjected to peer review, identify the persons who performed the review, describe each reviewer's academic and professional experience, and provide their comments regarding the study.

3. Provide for each of the Joint Applicants a breakdown of its total meter population as of June 30, 2011 by manufacturer, model, and age.

4. State for each of the Joint Applicants whether it has a written policy regarding the purchase of new water meters. If yes, provide a copy of that policy.

5. Describe the type of meter (manufacturer and model) that each Joint Applicant plans to purchase for the next ten years.

6. State the time period (i.e., beginning and ending dates) over which the meters in the study group were tested for the current study.

7. State whether "Revised Determination of Cost-Effective Meter Testing Frequency" addresses the testing of any meter other than Sensus Model SR11 meters.

8. State for each of the Joint Applicants whether the Applicant intends to purchase only Sensus Model SR11 meters for the next ten years.

9. State whether the Joint Applicants conducted any inquiry as to the intentions of the manufacturer of the Sensus Model SR11 meters regarding the continued manufacture of that type of meter. If yes, describe the results of those inquiries.

10. State whether, as the study involved only Sensus Model SR11 meters, Commission approval of the proposed meter testing and replacement program should be limited to the use of Sensus Model SR11 meters and not applicable to other types of meters.

11. State the effect on any Commission approval of the proposed meter testing and replacement program if the manufacture of Sensus Model SR11 meters is discontinued.

12. Identify each government, water industry or trade association standard that recognize and adopt the Weighted Average Meter Accuracy ("WAMA") concept. For each standard listed, provide a copy of the written standard.

13. State the number of meters in the testing sample that were radio-read meters.

14. Provide the minutes of the meetings of each Applicant's board of commissioners or board of directors in which the current request for deviation was discussed.

15. Provide the resolution or the minutes of the meetings of each Applicant's board of commissioners or board of directors in which the appropriate governing body authorized the current request for deviation.

16. Describe how the sampling size for each year of manufactured meters from 1990-1997 was determined. Address in this description the difference between the Sample Size for Testing shown in Exhibit 1 from the Joint Applicants' Response to Staff's First Set of Interrogatories in Case No. 2003-00391<sup>1</sup> and the Sample Size used in the Joint Applicants' Application in the current proceeding. Show all calculations and supporting documentation.

17. Refer to "Revised Determination of Cost-Effective Meter Testing Frequency," Appendix A, Table A-7; and Case No. 2003-00391, Joint Applicants' Response to Staff's First Set of Interrogatories, Exhibit 1. The total population size in Table A-7 conflicts with the total number of 1991 meters in Exhibit 1. Provide a revised Table A-7 as shown in Appendix A of the Revised Determination of Cost-Effective Meter Testing Frequency report with a corrected Total Population Size.

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<sup>1</sup> Case No. 2003-00391, *Request for a Deviation of Warren County Water District from Approved Meter Testing and Replacement Program* (Ky. PSC filed Aug. 30, 2004).

18. Refer to "Revised Determination of Cost-Effective Meter Testing Frequency," Appendix A. For each year of manufacture, state for each of the Joint Applicants the number of meters from the vintage that were in service on that Applicant's water distribution system.

19. Refer to "Revised Determination of Cost-Effective Meter Testing Frequency," Appendix A. This study is based upon the testing of 425 meters. In Case No. 2003-00391, the Joint Applicants proposed that a sample group of approximately 200 meters from each year of manufacture from 1990 to 1997 be randomly selected to remain in service for a study which would be conducted in 2010. The total sample population would be 1,600 meters. Provide the status and/or testing results for the remaining meters not listed in Appendix A. Provide in summary form these results by utility and year of manufacture.

20. Refer to "Revised Determination of Cost-Effective Meter Testing Frequency" at 9. Explain how the Joint Applicants calculated an incremental water rate of \$3.09/1,000 gallons. The response shall state all assumptions, show all calculations, and provide all work papers used to make the determination.

21. Refer to "Revised Determination of Cost-Effective Meter Testing Frequency," Table 3. Provide a revised Table 3 that includes the effect of Warren County Water District's recent rate adjustment<sup>2</sup> on the revenue-gained calculations.

22. Explain how the Joint Applicants determined the use of a three percent compound interest rate in its present value calculations.

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<sup>2</sup> Case No. 2011-00285, *Purchased Water Adjustment Filing of Warren County Water District (Water Division)* (Ky. PSC Aug. 26, 2011).

23. State the service lives that each of the Joint Applicants has assigned to Sensus II meters for accounting purposes.

24. Refer to "Revised Determination of Cost-Effective Meter Testing Frequency," Table 3.

a. Describe how the Joint Applicants determined the replacement cost of a 5/8-inch x 3/4-inch water meter.

b. Describe how the Joint Applicants determined the cost to test a 5/8-inch x 3/4-inch water meter.



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DATED: OCT 25 2011

cc: Parties of Record

Case No. 2011-00220

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