



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
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Frankfort, Kentucky 40602-0615
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

November 1, 2011

Mr. Kevin Leonard
Mr. Brent Shultz
Ms. Kristi McAdoo
Mayfield Electric and Water Systems
P. O. Box 329
Mayfield, Kentucky 42066

Mr. Johnny Dowdy
Graves County Water District
P.O. Box 329
Mayfield, Kentucky 42066

Sam B Neeley, Jr., Esq.
P.O. Box 708
Mayfield, Kentucky 42066

Re: Case No. 2011-00233
Case No. 2011-00390
Graves County Water District

Ms. McAdoo and Gentlemen:

The enclosed memorandum has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Any questions regarding this memorandum should be directed to Gerald Wuetcher, Executive Advisor/Attorney, at (502) 564-3940, Extension 259.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

gw
Enclosure

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2011-00233

FROM: Gerald Wuetcher **GEW**
Executive Advisor/Attorney

SUBJECT: Conference Call of October 13, 2011

DATE: November 1, 2011

On October 13, 2011, Commission Staff held a telephone conference call with representatives of Graves County Water District ("GCWD"). Participating were:

Kevin Leonard – Mayfield Electric and Water System ("MEWS")
Kristi McAdoo – MEWS
Brent Shultz - MEWS
Mark Frost – Commission Staff
Jason Green – Commission Staff
Dennis Jones – Commission Staff
Sam Reid – Commission Staff
Bob Robards – Commission Staff
George Wakim – Commission Staff
Gerald Wuetcher – Commission Staff

On October 12, 2011, Commission Staff requested the conference call to address several questions regarding GCWD's application. The electronic mail messages and correspondence that organized the conference call are attached.

Commission Staff requested clarification regarding the number of meters that GCWD intended to purchase. Mr. Leonard and Mr. Shultz stated that GCWD intended to purchase approximately 4,250 meters. They noted that the estimate shown at Exhibit A-1 was based on purchasing meters for the existing GCWD only and did not consider replacement of Hickory Water District's meters. They noted that, should Hickory Water District merger with GCWD, GCWD would require a total of 4,250 meters.

Mr. Leonard and Mr. Shultz also noted that Exhibit A-2, while reflecting the proposed merger of GCWD and Hickory Water District, represented a conservative cost estimate. This estimate assumed the purchase of 5,000 residential meters. It also assumed the purchase of seven tower gateway base ("TGB") systems, one for each water district water storage tank and a spare TGB system. The estimate also assumed an hourly wage rate of \$25, which Mr. Leonard and Mr. Shultz conceded is higher than the current labor market rate. Mr. Leonard and Mr. Shultz also noted that this estimate assumed that holes could be drilled into existing water pit lids to allow their use with the

proposed AMI equipment. GCWD later discovered that the water pit lids would require replacement.

As to Exhibit A-3, Mr. Leonard and Mr. Shultz stated that it was the most current, but requires some modifications. First, the quantity of iPerl 3/4-inch water meters, 520m Smartpoints, and water pit lid replacements should be reduced to 4,250. (This estimate includes the replacement of meters now serving Hickory Water District customers.) Second, water pit lids have a unit cost of \$30 per lid. Third, only four TGBs will be purchased. GCWD has determined that only four TGBs would be needed to field the AMI system, but had intended to purchase a fifth TGB as a backup should any of the deployed TGBs fail. It has now concluded that only four should be purchased immediately. Fourth, labor costs should be based upon an hourly wage rate of \$17.62 instead of \$25.00. Finally, Mr. Leonard and Mr. Shultz noted that Exhibit A-3 included the estimated cost of \$30,000 to upgrade existing MEWS AMI systems that would be used to read GCWD's meters and to enable 2-way communication between the meters and MEWS's central station.

(Based upon the information provided during the conference call, Commission Staff has produced a revised projection of the project cost. In addition to the revisions that GCWD and MEWS officials identified during the conference call, Commission Staff has revised the labor and vehicle cost to reflected the reduced number of hours needed to complete the project due to the lower number of meters to be installed. After determining the number of hours necessary to install a meter, Commission Staff multiplied this amount by 4,250 to produce revised labor and vehicle cost estimates. The complete projection is attached as Attachment 5.)

In response to Commission Staff's questions, Mr. Leonard stated that GCWD intends to purchase the 4,250 meters and Smartpoint sets immediately and then install them by geographical area. Upon complete deployment within a geographical area, GCWD would purchase and install a TGB to serve that geographical area. Given existing financial constraints, Mr. Leonard did not believe that all TGBs would be purchased immediately.

Mr. Wakim expressed some concern regarding the proposed expenditures should the current operations and management contract between MEWS and GCWD be terminated. Mr. Leonard responded that GCWD would still own the necessary infrastructure. It could contract with MEWS for billing and collection services only or could purchase additional equipment to perform all billing and collection services on its own.

Mr. Wakim also expressed some concerns over the use of electromagnetic metering technology and noted that the Commission had not yet established testing standards for this type of meter. In response to the possibility of scale formation and its effect on the meter's accuracy, Mr. Leonard stated that he was not aware of any problem with scale formation involving this type of meter. He further stated that all meters, even those using mechanical technologies, have experienced problems with

scale formation. He stated that the proposed meters should be easier to maintain and require fewer repairs since they lack any moving part.

Mr. Robards inquired about the filter screen in the meters. Mr. Leonard stated that the screens were intended to catch only large debris, not small debris. He was not aware of any additional maintenance required for the meters as a result of the presence of the screens and was not aware of any problems caused by the filters. Mr. Leonard noted that several mechanical meters also have filter screens. Mr. Robards also inquired about the power source for the Smartpoint set. Mr. Shultz stated that the set would be powered by a battery. The battery's expected life is 20 years. The manufacturer has warranted the battery's life for the period.

Mr. Leonard stated that neither GCWD nor MEWS possessed any field test data on the iPerl meters. Neither he nor Mr. Shultz was aware of any utilities in Kentucky that currently use this type of meter. Mr. Shultz subsequently provided a list of utilities that have purchased and installed the proposed AMI equipment. (See Attachments 6 and 7.)

Mr. Wuetcher inquired whether the AMI equipment would enable GCWD to discontinue water service without making a field visit to the metering location. Mr. Leonard stated that the equipment would not currently permit remote discontinuance of service. Mr. Leonard stated that the proposed AMI equipment would permit GCWD to switch service into another customer's name without a service visit to manually read the water meter.

Mr. Wakim and Mr. Leonard briefly discussed testing procedures for the proposed meters. Mr. Wakim noted that Commission regulations required that the meters be tested every ten years. Mr. Leonard suggested that the Commission requirement may not be cost effective. He noted that the meter's manufacturer had warranted the accuracy of the meter for 20 years. He stated that testing was expensive and most utilities were now discarding meters rather than test and return a meter to service. He inquired about obtaining a deviation from the Commission's regulation. Mr. Wuetcher advised that Commission regulations allowed for a water utility to request a deviation, but required the requesting utility to demonstrate that good cause for the test existed. Mr. Wuetcher noted that the Commission would need to review the effectiveness of the new meters, the cost involved in testing the meters, and the amount of revenue that testing would likely produce for the requesting utility. He could not anticipate how the Commission would rule on any request for a deviation.

Mr. Wuetcher inquired whether GCWD had received an opinion from its legal counsel on whether KRS 424.260 permitted GCWD to use bids obtained by MEWS rather than publishing its own requests for bids. Mr. Leonard stated that GCWD would discuss the matter with its counsel and advised Commission Staff. (On October 21, 2011, Mr. Neeley advised Mr. Wuetcher in a telephone call that no legal opinion on this matter had been issued to GCWD. On October 24, 2011, Mr. Leonard advised Mr.

Case File No. 2011-00233

November 1, 2011

Page 4

Wuetcher by telephone that GCWD planned to issue a request for bids on the proposed meter equipment to ensure compliance with KRS 424.260.)

The conference call then adjourned.

cc: Parties of Record

Attachments

1. E-mail Msg, 12 Oct 2011 2:27 PM.
2. Letter, 12 Oct 2011.
3. E-mail Msg, 12, Oct 2011 5:08 PM.
4. E-mail Msg, 13 Oct 2011 9:03 A.M.
5. Graves County Water District Project Estimate
6. E-mail Msg, 17 Oct 2011 5:54 P.M.
7. i-Perl Reference List

ATTACHMENT 1

Wuetcher, Jerry (PSC)

From: Wuetcher, Jerry (PSC)
Sent: Wednesday, October 12, 2011 2:27 PM
To: kmcadoo1@mewsbb.net; kleonard@mewsbb.net; bshultz@mewsbb.net;
bo@neelybrien.com; jdowdy3851@bellsouth.net
Cc: Frost, Mark C (PSC); Green, Jason L (PSC); Robards, Bob (PSC); Rice, James D (PSC);
Wakim, George W (PSC)
Subject: Case No. 2011-00233
Attachments: RequestForConferenceCall_20111012.pdf

Ms. McAdoo and Gentlemen:

Attached is a request from Commission Staff as to your availability for a conference call on October 13 or 14. Commission Staff has some points that require clarification. These points are listed in the attachment to the request. Commission Staff can made the arrangements for the call once a convenient time for all persons is identified. I anticipate the call taking no more than 30 minutes. Upon addressing the issues identified in the request, the case record and close and the PSC can proceed to an immediate decision.

If you have any questions, please contact me by e-mail or call me on my cellphone number. I am not in my office this afternoon or tomorrow.

Sincerely,

Gerald E. Wuetcher
Executive Advisor
Public Service Commission of Kentucky
(502) 564-3940, Extension 259
(502) 229-6500 (cell)
gerald.wuetcher@ky.gov



ATTACHMENT 2

Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
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October 12, 2011

Mr. Kevin Leonard
Mr. Brent Shultz
Ms. Kristi McAdoo
Mayfield Electric and Water Systems
P. O. Box 329
Mayfield, Kentucky 42066

Mr. Johnny Dowdy
Graves County Water District
P.O. Box 329
Mayfield, Kentucky 42066

Sam B Neeley, Jr., Esq.
P.O. Box 708
Mayfield, Kentucky 42066

Re: Case No. 2011-00233
Graves County Water District

VIA ELECTRONIC MAIL

Ms. McAdoo and Gentlemen:

Please advise as to your availability to participate in a conference call on October 13 or 14, 2011 to discuss the above-referenced case. Commission Staff would like to discuss and clarify with representatives of Graves County Water District ("Graves District") and Mayfield Electric and Water Systems ("MEWS") some points regarding the proposed project. A list of these issues is enclosed. Resolution of these issues will allow the Commission to close the record and render a decision in the matter.

Please telephone me at (502) 564-3940, Extension 259, or (502) 229-6500, or e-mail at gerald.wuetcher@ky.gov to advise me of your availability and the telephone number at which you can be reached for the conference call.

Sincerely,

A handwritten signature in black ink that reads "Gerald E. Wuetcher".

Gerald E. Wuetcher
Executive Advisor/Attorney

gw
Enclosure

ISSUES FOR CONFERENCE CALL

1. Graves District has presented three different cost estimates of the proposed project. Exhibit A-1 reflects the purchase of 3,100 meters and smartpoints, the purchase and installation of 5 TGBs, and 2,600 hours of labor at \$18 per hour at a total cost of \$1,331,491. (This estimate is part of Graves District's application.) Exhibit A-2 reflects the purchase of 5,000 meters and smartpoints, the purchase and installation of 7 TGBs, and 3,120 hours of labor at \$25 per hour at a total cost of \$1,856,741. (This estimate was part of Graves District's Response to Commission Staff's letter of September 6, 2011.) In its application for authorization to enter a loan agreement with the Kentucky Infrastructure Authority (KIA), Graves District indicated that it was going to purchase 4,600 meters and smart points, purchase 5 TGBs and install 4 TGBs, and employ 3,120 hours of labor at \$25 per hour at a total cost of \$1,907,091. Exhibit A-3 reflects this estimate of the project. Paragraph 5 of Graves District's application states that 3,100 meters will be purchased and installed. KIA documents indicate that the total cost of the project cannot exceed \$1,111,266. **What is the scope of the project in terms of meters and cost for which Graves District is presently seeking a certificate of public convenience and necessity?**

2. The Paragraph 7 of the Application refers to the purchase of 3,100 meters as the "first phase of the total project." During the conference call of October 5, 2011, representatives of Graves District and MEWS stated that the ultimate goal is the acquisition and installation of approximately 4,250 meters to have AMI coverage for Graves District. **Is it Graves District's intent to purchase all required metering equipment now? If purchase and installation to be performed in phases, what area is covered by the first phase and what is the number of meter installations? What area will the second phase cover? How many meters will be installed in the second phase? When does Graves District expect to begin implementation of the second phase?**

3. The merger of Graves District and Hickory Water District has been proposed, but not yet approved by the Public Service Commission. **Are the original project estimates based on providing metering equipment to the existing areas of Graves District? Are subsequent and higher estimates based upon the inclusion of Hickory Water District?**

4. Exhibit F of the Application (the minutes of the meeting of April 26, 2011 of the Graves District's Board of Commissioners) was referenced but not included in the Application filed with the Public Service Commission. **Can a copy of these minutes be provided to the Commission?**

5. According to its Application, the proposed AMI equipment will allow Graves District or its operator to discontinue service from its office and not require a service visit to the customer's property. See Exhibit B (an extract from Graves District's Application). **Is it correct that upon the installation of the AMI equipment, Graves**

District will possess the ability to discontinue and restore water service without sending a service person to the service site? Explain. If Graves District will no longer need to send a service person to disconnect or reconnect water service, does it intend to amend its tariff to eliminate any charges associated with service disconnection or connection?

6. KRS 424.260 (copy attached) requires a water district to publish a request for bids for goods and services when total cost of goods or services exceeds \$20,000. Graves District proposes to acquire the metering equipment based upon bids submitted to MEWS. Graves District will not be publishing any request for bids. **Has Graves District received an opinion from its legal counsel as to whether this action is consistent with KRS 424.260? Is KIA aware of Graves District's use of bids supplied to MEWS? Has it expressed an opinion on Graves District's proposed use of the MEWS bids?**

7. The electromagnetic meter that Graves District proposes to purchase has a filter screen. **What routine or preventive maintenance does Graves District proposed to implement to address clogging of the screen? Has the meter manufacturer provided any recommended maintenance routine to prevent clogging?**

8. **How will the smartpoint set be powered? If a battery is to be used, provide the specifications regarding the battery.**

EXHIBIT A-1

Date: September 28th, 2010
To: Graves County Water Board
Attn: Kevin Leonard

Re: Graves County Water Board
 Cost Estimate of Advanced Meter Infrastructure Project
 Proposal for Implementing and Completion of AMI County Project

Pros

\$ 50,000 estimated annual savings of meter reading/ offset the cost of Project
 Use of Mayfield existing infrastructure RNI \$45,454.00
 Better control and knowledge of your cash registers
 Advanced customer service
 Advanced leak detection
 Detection of theft of service
 Increased revenue with full meter changeout
 The most advanced and accurate water meter on the market
 AMI Infrastructure will be established and should last through multiple meter changes
 GPS location of all meters
 MEWS employee oversee county meters daily for alarms and non-communicating meters
 Salvage est. of water meters \$25,466.00, salvage value as of 6/21/11, can be deducted from cost of project

<u>Quantity</u>	<u>Description</u>	<u>Unit Price(\$)</u>	<u>Total</u>
3100	iPerl 3/4" water meter	100.00	310,000.00
30	iPerl 1" water meter	149.00	4,470.00
10	1.5" Omni com. water meter	667.23	6,672.30
50	2" Omni com. water meter	751.45	35,572.00
3	3" Omni com. water meter	936.70	2,811.00
5	6" Omni T2 com. water meter	3,283.20	16,416.00
3100	520m smartpoints	120.00	372,000.00
3100	Lid replacement	30.00	93,000.00
5	S100 TGB	69,750.00	348,750.00
4	Installation Cost of TGBs(est)	5,000.00	20,000.00
4	Buildings w/ Electrical ht & air	6,000.00	24,000.00
4	Backhauls 3.65	5,000.00	20,000.00
2600	4 Employees Labor	18.00 per hr	46,800.00
2600	2 Trucks	15.00 per hr	39,000.00
1	Upgrade Existing TGB 2-way	30,000.00	30,000.00
		TOTAL COST	\$1,339,491.30
		Contingency Money from KIA	(220,000.00)
			(25,466.00) salvage mtrs
		Total Cost Including Contingency Money	1,085,025.30
		PROJECTED PAY BACK	

Cons

Initial cost of project
 Cash Flo for Project
 May need equalized rates for entire water district
 Projected Payback

<u>LOAN</u>	<u>TERM</u>	<u>RATE</u>	<u>MONTHLY PRIN. & INT.</u>	<u>ANNUAL PRIN. & INT.</u>
780,000.00	20 YRS	1% KIA	3,587.18	43,046.18
		2% KIA	3,945.89	47,350.88
		3% KIA	4,325.16	51,901.02

EXHIBIT A-2

Date: September 28th, 2010
To: Graves County Water Board
Attn: Kevin Leonard

Re: Graves County Water Board
 Cost Estimate of Advanced Meter Infrastructure Project
 Proposal for Implementing and Completion of AMI County Project

<u>Quantity</u>	<u>Description</u>	<u>Unit Price(\$)</u>	<u>Total</u>
5000	iPerl 3/4" water meter	100.00	500,000.00
30	iPerl 1" water meter	149.00	4,470.00
10	1.5" Omni com. water meter	667.23	6,672.30
50	2" Omni com. water meter	751.45	35,572.00
3	3" Omni com. water meter	936.70	2,811.00
5	6" Omni T2 com. water meter	3,283.20	16,416.00
3000	520x smartpoints	105.00	315,000.00
2000	520x smartpoints	120.00	240,000.00
5000	Lid Drilling	4.00	20,000.00
7	Mini TGB	35,000.00	245,000.00
7	Installation Cost of TGBs(est.)	5,000.00	35,000.00
7	Buildings w/ Electrical ht & air	6,000.00	42,000.00
7	Backhauls 3.65	5,000.00	35,000.00
3120	4 Employees Labor	25.00 per hr	312,000.00
3120	2 Trucks	15.00 per hr	46,800.00
<u>TOTAL COST</u>			<u>\$1,856,741.30</u>

PROJECTED PAY BACK

<u>LOAN</u>	<u>TERM</u>	<u>RATE</u>	<u>MONTHLY</u> <u>PRIN. & INT.</u>	<u>ANNUAL</u> <u>PRIN. & INT</u>	<u>TERM</u> <u>PRIN. & INT</u>
2,000,000.00	20 YRS	1% KIA	9,197.89	110,374.68	\$ 2,207,493.60
		2% KIA	10,117.67	121,412.04	\$ 2,428,240.80
		3% KIA	11,091.96	133,103.52	\$ 2,662,070.40

EXHIBIT A-3

EXHIBIT E

- Mark Davis -

Date: 24-Jan-11
To: Graves County Water Board
Attn: Kevin Leonard

Re: Graves County Water Board
 Cost Estimate of Advanced Meter Infrastructure Project
 Proposal for Implementing and Completion of AMI County Project

<u>Quantity</u>	<u>Description</u>	<u>Unit Price(\$)</u>	<u>Total</u>
4600	iPerl 3/4" water meter	100.00	460,000.00
30	iPerl 1" water meter	149.00	4,470.00
10	1.5" Omni com. water meter	667.23	6,672.30
50	2" Omni com. water meter	751.45	35,572.00
3	3" Omni com. water meter	936.70	2,811.00
5	6" Omni T2 com. water meter	3,283.20	16,416.00
4600	520m smartpoints	120.00	552,000.00
4600	Lid Drilling or Replacement	6.00	27,600.00
5	S100 TGB	69,750.00	348,750.00
4	Installation Cost of TGBs(est.)	5,000.00	20,000.00
4	Buildings w/ Electrical ht & air	6,000.00	24,000.00
4	Backhauls 3.65	5,000.00	20,000.00
3120	4 Employees Labor	25.00 per hr	312,000.00
3120	2 Trucks	15.00 per hr	46,800.00
1	Upgrade Existing TGB 2-way	30,000.00	30,000.00
<u>TOTAL COST</u>			<u>\$1,907,091.30</u>
Contingency Money 15% of Project			286,063.70
Total Cost Including Contingency Money			2,193,155.00

PROJECTED PAY BACK

<u>LOAN</u>	<u>TERM</u>	<u>RATE</u>	<u>MONTHLY</u> PRIN. & INT.	<u>ANNUAL</u> PRIN. & INT	<u>TERM</u> PRIN. & INT
2,000,000.00	20 YRS	1% KIA	9,197.89	110,374.68	\$ 2,207,493.60
		2% KIA	10,117.67	121,412.04	\$ 2,428,240.80
		3% KIA	11,091.96	133,103.52	\$ 2,662,070.40

EXHIBIT B

MONEY: Presently Graves County Water District is reading all water meters, approximately 3000, on a bimonthly basis. This takes one (1) man 12-14 days to read all districts. The cost is approximately \$5500.00. With AMI, reads can be pinged from the office and will take 2-3 hrs. Reports will be available for high/low use and also checks for leaks.

PRODUCTIVITY: By using AMI, customers will be provided better customer service, a serviceman would not have to go out and turn water on/off. Leaks would also be determined quicker for customers.

ACCURACY: As we all know, even the best meter readers can make mistakes when visually reading meters. Manual reads are hindered by inclement weather, car being parked over meters, leaves covering, etc. AMI reads will not be affected by such adverse conditions. Tampering with meters will also lessen as an alert will notify personnel, thus only small amounts of water would be used illegally.

SAFETY: Our current meter reader drives a large number of miles, starting and stopping along high traffic areas, which increases the danger of traffic accidents. Physical injuries are always a concern when reading meters as meter locations are not always easily accessible.

EXHIBIT C

424.260 Bids for materials, supplies, equipment, or services.

- (1) Except where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city or county, or sheriff or county clerk, may make a contract, lease, or other agreement for materials, supplies except perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000) without first making newspaper advertisement for bids.
- (2) If the fiscal court requires that the sheriff or county clerk advertise for bids on expenditures of less than twenty thousand dollars (\$20,000), the fiscal court requirement shall prevail.
- (3)
 - (a) Nothing in this statute shall limit or restrict the ability of a local school district to acquire supplies and equipment outside of the bidding procedure if those supplies and equipment meet the specifications of the contracts awarded by the Office of Material and Procurement Services in the Office of the Controller within the Finance and Administration Cabinet or a federal, local, or cooperative agency and are available for purchase elsewhere at a lower price. A board of education may purchase those supplies and equipment without advertising for bids if, prior to making the purchases, the board of education obtains certification from the district's finance or purchasing officer that the items to be purchased meet the standards and specifications fixed by state price contract, federal (GSA) price contract, or the bid of another school district whose bid specifications allow other districts to utilize their bids, and that the sales price is lower than that established by the various price contract agreements or available through the bid of another school district whose bid specifications would allow the district to utilize their bid.
 - (b) The procedures set forth in paragraph (a) of this subsection shall not be available to the district for any specific item once the bidding procedure has been initiated by an invitation to bid and a publication of specifications for that specific item has been published. In the event that all bids are rejected, the district may again avail itself of the provisions of paragraph (a) of this subsection.
- (4) This requirement shall not apply in an emergency if the chief executive officer of the city, county, or district has duly certified that an emergency exists, and has filed a copy of the certificate with the chief financial officer of the city, county, or district, or if the sheriff or the county clerk has certified that an emergency exists, and has filed a copy of the certificate with the clerk of the court where his necessary office expenses are fixed pursuant to KRS 64.345 or 64.530, or if the superintendent of the board of education has duly certified that an emergency exists, and has filed a copy of the certificate with the chief state school officer.
- (5) The provisions of subsection (1) of this section shall not apply for the purchase of wholesale electric power for resale to the ultimate customers of a municipal utility organized under KRS 96.550 to 96.900.

Effective: June 20, 2005

History: Amended 2005 Ky. Acts ch. 85, sec. 696, effective June 20, 2005. -- Amended 2000 Ky. Acts ch. 5, sec. 11, effective July 14, 2000; ch. 225, sec. 3, effective July 14, 2000; and ch. 510, sec. 3, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 89, sec. 5, effective July 15, 1996. -- Amended 1992 Ky. Acts ch. 178, sec. 1, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 95, sec. 1, effective July 13, 1990. -- Amended 1982 Ky. Acts ch. 282, sec. 4, effective April 2, 1982. -- Amended 1978 Ky. Acts ch. 197, sec. 12, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 97, sec. 1. -- Amended 1972 Ky. Acts ch. 147, sec. 1. -- Amended 1960 Ky. Acts ch. 168, sec. 1. -- Created 1958 Ky. Acts ch. 42, sec. 16.

ATTACHMENT 3

Wuetcher, Jerry (PSC)

From: Wuetcher, Jerry (PSC)
Sent: Wednesday, October 12, 2011 5:08 PM
To: Kevin Leonard
Subject: RE: Case No. 2011-00233

OK. I'll make the arrangements. Would you like us to call you? If so, I will need phone numbers.

Gerald E. Wuetcher
Executive Advisor
Public Service Commission of Kentucky
(502) 564-3940, Extension 259
(502) 229-6500 (cell)
gerald.wuetcher@ky.gov

-----Original Message-----

From: Kevin Leonard [mailto:kleonard@mewsbb.net]
Sent: Wed 10/12/2011 4:54 PM
To: Wuetcher, Jerry (PSC)
Subject: Re: Case No. 2011-00233

Jerry, how about 10am our time on Thursday.

Thanks,
Kevin

On Oct 12, 2011, at 1:27 PM, Wuetcher, Jerry (PSC) wrote:

Ms. McAdoo and Gentlemen:

Attached is a request from Commission Staff as to your availability for a conference call on October 13 or 14. Commission Staff has some points that require clarification. These points are listed in the attachment to the request. Commission Staff can made the arrangements for the call once a convenient time for all persons is identified. I anticipate the call taking no more than 30 minutes. Upon addressing the issues identified in the request, the case record and close and the PSC can proceed to an immediate decision.

If you have any questions, please contact me by e-mail or call me on my cellphone number. I am not in my office this afternoon or tomorrow.

Sincerely,

Gerald E. Wuetcher
Executive Advisor
Public Service Commission of Kentucky
(502) 564-3940, Extension 259
(502) 229-6500 (cell)

gerald.wuetcher@ky.gov

<RequestForConferenceCall_20111012.pdf>

ATTACHMENT 4

Wuetcher, Jerry (PSC)

From: Wuetcher, Jerry (PSC)
Sent: Thursday, October 13, 2011 9:03 AM
To: 'kleonard@mewsbb.net'
Subject: Re: Case No. 2011-00233

Ask for the conference call bridge - 7098.

Gerald Wuetcher
Executive Advisor/Attorney
Public Service Commission of Kentucky
502-564-3940 X259 (office)
502-229-6500 (cell)

From: Kevin Leonard <kleonard@mewsbb.net>
To: Wuetcher, Jerry (PSC)
Sent: Thu Oct 13 08:09:00 2011
Subject: Re: Case No. 2011-00233

No, I will call in to you. If you would let me know what extension to request.

Thanks,
Kevin

On Oct 12, 2011, at 4:07 PM, Wuetcher, Jerry (PSC) wrote:

OK. I'll make the arrangements. Would you like us to call you? If so, I will need phone numbers.

Gerald E. Wuetcher
Executive Advisor
Public Service Commission of Kentucky
(502) 564-3940, Extension 259
(502) 229-6500 (cell)
gerald.wuetcher@ky.gov

-----Original Message-----

From: Kevin Leonard [<mailto:kleonard@mewsbb.net>]
Sent: Wed 10/12/2011 4:54 PM
To: Wuetcher, Jerry (PSC)
Subject: Re: Case No. 2011-00233

Jerry, how about 10am our time on Thursday.

Thanks,
Kevin

On Oct 12, 2011, at 1:27 PM, Wuetcher, Jerry (PSC) wrote:

Ms. McAdoo and Gentlemen:

Attached is a request from Commission Staff as to your availability for a conference call on October 13 or 14. Commission Staff has some points that require clarification. These points are listed in the attachment to the request. Commission Staff can make the arrangements for the call once a convenient time for all persons is identified. I anticipate the call taking no more than 30 minutes. Upon addressing the issues identified in the request, the case record and close and the PSC can proceed to an immediate decision.

If you have any questions, please contact me by e-mail or call me on my cellphone number. I am not in my office this afternoon or tomorrow.

Sincerely,

Gerald E. Wuetcher
Executive Advisor
Public Service Commission of Kentucky
(502) 564-3940, Extension 259
(502) 229-6500 (cell)
gerald.wuetcher@ky.gov

<RequestForConferenceCall_20111012.pdf>

ATTACHMENT 5

Case No: 2011-00233
Utility: Graves County Water District
Workpaper: Projected Cost of Meter Replacement Project

Quantity	Description	Unit Prices	Totals
4,250	3/4" IPerl Water Meters	\$ 100.00	\$ 425,000.00
30	1" IPerl Water Meters	\$ 149.00	4,470.00
10	1.5" Omni Com. Water Meters	\$ 667.23	6,672.30
50	2" Omni Com. Water Meters	\$ 751.45	37,572.50
3	3" Omni Com. Water Meters	\$ 936.70	2,810.10
5	6" Omni Com. Water Meters	\$ 3,283.20	16,416.00
4,250	520M Smartpoints	\$ 120.00	510,000.00
4,250	New Lids	\$ 30.00	127,500.00
4	S100 TGB	\$ 69,750.00	279,000.00
4	TGB Installation Costs	\$ 5,000.00	20,000.00
4	Buildings Including Electrical, Heat, & AC	\$ 6,000.00	24,000.00
4	Baukhauts 3.65	\$ 5,000.00	20,000.00
2,882	Labor - 4 Employees	\$ 17.62	203,123.36
2,882	Vehicles - 2 Trucks	\$ 15.00	43,230.00
1	Upgrade to Existing TGB 2-Way	\$ 30,000.00	30,000.00
Subtotal			\$ 1,749,794.26
Add: Contingency Mony @ 15%			+ 262,469.14
Total Cost of Meter Project			<u>\$ 2,012,263.40</u>

Labor/Truck Hours:

Hours (Per Exhibit A-3)	3,120.00
Divided by: Number of Meters (Per Exhibit A-3)	÷ 4,600.00
Hours per Meter	<u>0.678</u>
Multiplied by: Current Number of Meters	x 4,250.00
Estimated Labor/Truck Hours	<u><u>2,882.00</u></u>

Hours (Per Exhibit A-2)	3,120.00
Divided by: Number of Meters (Per Exhibit A-2)	÷ 5,000.00
Hours per Meter	<u>0.624</u>
Multiplied by: Current Number of Meters	x 4,250.00
Estimated Labor/Truck Hours	<u><u>2,652.00</u></u>

Hours (Per Exhibit A-1)	2,600.00
Divided by: Number of Meters (Per Exhibit A-1)	÷ 3,100.00
Hours per Meter	<u>0.839</u>
Multiplied by: Current Number of Meters	x 4,250.00
Estimated Labor/Truck Hours	<u><u>3,566.00</u></u>

ATTACHMENT 6

Wuetcher, Jerry (PSC)

From: Brent Shultz <bshultz@mewsbb.net>
Sent: Monday, October 17, 2011 5:14 PM
To: Wuetcher, Jerry (PSC)
Cc: Kevin Leonard; Kristi Mcadoo; Marty Ivy
Subject: List of Utilities Using the Iperl Water Meter
Attachments: 2011-10-10 - iPERL Reference List.pdf; ATT4096538.htm

Mr. Wuetcher,

I don't have a breakdown available, however according to Frank Delpiano of Sensus as of October, there are 288K iPerls installed. Some have been in the field since Oct 2009. I have attached a reference list of customers. Please contact me if you have any questions.

Thank You

Plum Borough Authority
Howard Theis
htheis@plumboroughma.com
412-798-0951

City of Kewanee, IL
Mike Rapczak
309-852-2267

City of Tremont, IL
Brian Hild
309-208-5921

PWSD #1 of Stoddard County, MO
Tom Hunsperger
573-820-2353

City of Farmington, MO
Nick Payne
573-756-7698

Windsor Ontario
Ross Whatley
rwhatley@wuc.on.ca
519-251-7300 ext. 276

City of Fredericton
Ken Whamond
Ken.whamond@fredericton.ca
506-460-2465

Collingwood Ontario
Karla Findlay
kfindlay@collus.com
705-445-1800 ext. 2233

Easton Suburban Water Authority, PA
Paul Corrier
pcorriere@eswater.net
610-258-7181