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November 16, 2017

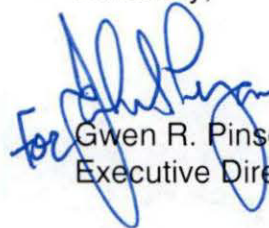
## PARTIES OF RECORD

Re: Case No. 2014-00267

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter.

If you have any questions, please contact Brittany Koenig, Commission Staff Attorney, at 502-782-2591.

Sincerely,



Gwen R. Pinson  
Executive Director

BHK/ph

Attachments

**INTRA-AGENCY MEMORANDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File No. 2014-00267  
**FROM:** Brittany Koenig, Staff Attorney  
**DATE:** November 13, 2017  
**RE:** Informal Conference of November 13, 2017

Pursuant to Commission Staff's Notice of Informal Conference ("IC") filed into the record on October 24, 2017, an IC was held in this matter on November 13, 2017. A representative of Cannonsburg Water District ("Cannonsburg") and State Representative Kevin Sinnette, counsel for Cannonsburg, participated in the conference with Commission Staff ("Staff"). A copy of the attendance roster is attached.

Staff Attorney Brittany Koenig began the meeting by advising representatives of Cannonsburg that notes would be taken during the conference and that Staff would prepare and enter into the record a memorandum regarding the conference. Staff further advised that the parties would have five days after the memorandum is entered into the record to file comments on the memorandum.

Cannonsburg began by updating staff on the plan to revise its water loss detection plan by adding 35 zone meters to its system. Cannonsburg no longer anticipates replacing residential meters as part of a revised water loss detection plan.

Mr. Webb discussed the fact that the district will be requesting a bid for the installation of zone meters under the Kentucky Procurement guidelines.

Cannonsburg brought a coverage map of its water system, and identified for Staff the location of the proposed additional 35 zone meters, making the total zone meters, 45. Mr. Webb clarified that the total 45 zone meters would allow the utility to monitor 80 percent of Cannonsburg's service lines.

Additionally, Cannonsburg noted at the last IC that it had concerns that some water loss was occurring at their purchase points where the city of Ashland has not tested its meters. Cannonsburg's attorney noted that there are other attorneys in his firm that will represent the city of Ashland if a conflict of interest arises because Mr. Sinnette represents the city of Ashland at this time. Cannonsburg also noted that Kentucky Rural Water Association ("KRWA") would also represent them if there is a conflict of interest.

Cannonsburg plans to apply for a CPCN and for Commission authorization to spend water loss surcharge funds on the additional zone meters in the near future.

Staff stated that Cannonsburg should provide as much detail in support of its application for a CPCN as possible, including a summary of recent leak repairs, a description of additional training Cannonsburg staff has received from KRWA, a detailed explanation of Cannonsburg's distribution of its labor resources as well as all other efforts in leak detection. Staff reminded Cannonsburg that any engineering fees or attorney fees and all other costs that are related to the project should be included in the CPCN application so that Cannonsburg could potentially recover all of the construction cost through the surcharge proceeds. Staff also advised Cannonsburg to review the information provided about CPCN applications and check-lists available on the PSC website.

Mr. Webb stated that it is difficult to find skilled workers and the district has a difficult time retaining employees after they have trained them in some cases. Staff suggested Cannonsburg could file for a rate case after the installation of all the zone meters to recover additional labor costs required to monitor and maintain the improvements as part of a later phase.

Cannonsburg stated that they will contact Staff when they are ready for Staff to review its CPCN materials.

There being no further business, the informal conference adjourned.

Attachment

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CANNONSBURG WATER DISTRICT'S )  
UNACCOUNTED-FOR WATER LOSS REDUCTION ) CASE NO.  
PLAN, SURCHARGE AND MONITORING ) 2014-00267  
)

Informal Conference – November 13, 2017

Please sign in:

NAME	REPRESENTING
<u>TIM WEBB</u>	<u>CWD</u>
<u>Kevin P. Sinnette</u>	<u>Counsel Cannonburg Water Dist</u>
<u>Mark Truel</u>	<u>PSC</u>
<u>Sam Reid</u>	<u>PSC</u>
<u>J.E.S. Pinney</u>	<u>Office of General Counsel-PSC</u>
<u>Erin Danges</u>	<u>PSC DOI</u>
<u>John Park</u>	<u>PSC Staff Atty.</u>
<u>Brittany H. Krenig</u>	<u>PSC - Staff Attorney</u>
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