

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BEECH GROVE WATER)	
SYSTEM, INC. FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AND TO INCUR)	CASE NO.
INDEBTEDNESS OF \$100,000 FOR THE)	2016-00255
PURCHASE OF METERING SYSTEM)	

COMMISSION STAFF'S REQUEST FOR INFORMATION
TO BEECH GROVE WATER SYSTEM, INC.

Pursuant to 807 KAR 5:001, Beech Grove Water System, Inc. ("Beech Grove"), shall file with the Commission no later than January 20, 2017 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 the 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.

Beech Grove shall make timely amendment to any prior response if it obtains 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 Beech Grove fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its 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 filling a paper containing personal information, Beech Grove shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Beech Grove's response to the Request for Information contained in the Appendix to the Commission's December 5, 2016 Order ("Commission's First Request") Item 2.a. and 2.b. Attached with the responses are the two pages from Beech Grove's 2014 and 2015 Annual Report filed with the Commission entitled Water Statistics ("Water Statistics Report"). In response to Item 2.b., Beech Grove attached its "Monthly Water Use Report" for each month starting with January 2014 and ending November 2016, with grand totals on a separate page entitled "Annual Water Use Report" for each calendar year.

a. On its 2014 and 2015 Water Statistics Report, Beech Grove reported Total Water Sales at 51,903,000 gallons and 64,151,000 gallons respectively. On its 2014 and 2015 Monthly Water Use Report, Total Water Sold was 51,794,000 gallons and 64,032,000 gallons respectively. Explain the discrepancy between the

amounts reported on Beech Grove's Water Statistic Report and the amounts reported on Beech Grove's monthly water use reports included in the response.

b. On its Annual Water Use Report, Beech Grove reported 0 gallons in 2014 and 13,000 gallons in 2015 for the combined total of system flushing, fire department use, and other utility use. On its 2014 and 2015 Water Statistics Report, Beech Grove reported 2,512,000 gallons and 67,000 gallons of Other Water Used, respectively. Explain the discrepancy between the amounts reported on Beech Grove's Water Statistics Report and the amounts reported on its Annual Water Use Report.

2. In its response to Item 4.b. of the Commission's First Request, Beech Grove provided a schedule outlining the proposed meter and Radio Frequency system costs that included a breakdown of the individual components of each meter, the total cost of meters by meter size, the cost of installation, and the total purchase price including tax. The schedule in the application appears to have errors. With regard to this schedule, Staff has recalculated the Total Purchase of the radio-read metering system as follows:

Component	5/8 x 3/4 Inch	1 Inch	
Base Cost	\$62.00	\$115.00	
Reader Endpoints	88.00	88.00	
S-Pit Install Kit	2.03	2.03	
S-Lid Lock	4.50	4.50	
Meter Unit Cost	156.53	209.53	
Times: Number of Meters	525	55	
Subtotal	\$82,178.25	\$11,524.15	\$93,702.40
Plus: Installation Costs			29,160.00
Tax			7,371.74
Total Cost of Meter Reading System			\$130,234.14

3. Provide commentary as to the correctness of Staff's schedule versus the schedule provided in response to Staff's First Request. If Staff's schedule is incorrect with respect to Beech Grove's cost to purchase its radio read metering system, provide an updated schedule with the total cost of the metering system broken down by its components that sums to the \$130,234.14 requested in its application.



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Public Service Commission
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DATED JAN 11 2017

cc: Parties of Record

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