

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MCCREARY)	
COUNTY WATER DISTRICT FOR)	CASE NO.
AUTHORIZATION TO EXECUTE LEASE-)	2018-00038
PURCHASE AGREEMENT AND RELATED)	
RELIEF)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO MCCREARY COUNTY WATER DISTRICT

McCreary County Water District ("McCreary District"), pursuant to 807 KAR 5:001, is to file with the Commission an original in paper medium and an electronic version of the following information. The information requested herein is due May 30, 2018. 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.

McCreary District shall make timely amendments 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 McCreary

District 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, McCreary District 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 McCreary District's Application, Item 13, section B. McCreary District states that it is planning to reassign two of its current meter readers to new job duties: one to serve as an additional plant operator and another to perform system maintenance, including locating water leaks and other sources of water loss.

a. State whether McCreary District had planned to hire two additional employees to perform the job duties to which the meter readers are to be reassigned.

b. Provide the support for the need to make these additional hires.

c. If 1a above is confirmed, provide the proposed salary for each of the two employees McCreary District had planned to hire.

2. Refer to page 7 of the Direct Testimony of Stephen Whitaker ("Whitaker Testimony"). Mr. Whitaker states that the savings in labor expense for meter readers will be approximately \$105,406. Mr. Whitaker states that as a result of the proposed purchase and installation of the new meters, the portion of the annual compensation of the sole meter reader will become \$7,392.

a. Confirm that this employee's total annual compensation will remain at \$40,040 per year.

(1) If this employee is only devoting 32 hours per month towards meter reading, explain what other duties this employee will perform.

b. Confirm that the annual compensation of \$28,329.60 and \$44,428.80 for Reader #1 and Reader #2, respectively, will remain the same after the proposed purchase.

3. Refer to page 10 of the Whitaker Testimony. Provide an estimate for the savings that may occur due to the reduction in water loss.

4. Automatic meter reading ("AMR") technology is currently being phased out by electric utilities in favor of newer advanced metering infrastructure technology.

a. Explain whether McCreary District is concerned that the same might occur for water utilities that recently have switched to AMR meters.

b. Explain whether McCreary District has a contingency plan should AMR technology become obsolete before the end of the useful lives of the meters it is proposing to acquire.

5. Refer to page 5 of the Whitaker Testimony. Mr. Whitaker states that the meters McCreary District proposes to replace are mechanical displacement meters that range in age from seven to ten years. For the meters that McCreary District proposes to replace, provide the following:

a. The original cost, accumulated depreciation, and depreciable life for each meter size that corresponds to McCreary District's current depreciation schedule.

b. The proposed journal entries that McCreary District intends to make (with proposed salvage value, if any) to reflect the removal of its current meters from service.


c. Information indicating the method by which McCreary District intends to account for the remaining depreciation on its mechanical meters when they are removed from service.

(1) If McCreary District intends to amortize the remaining depreciation on its mechanical meters, indicate the proposed number of years it will use in its calculation.

6. Confirm that McCreary District's current water rates will not be increasing due to the purchase of the new metering equipment.

7. Provide a table detailing the costs and estimate savings and benefits for the proposed metering project.

8. Confirm that McCreary District is in compliance with 807 KAR 5:066 If so, state where in the Application this requirement has been addressed.


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Public Service Commission
P.O. Box 615
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DATED: **MAY 23 2018**

cc: Parties of Record

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