

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG SANDY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	
DEPLOY AN ADVANCED METERING)	CASE NO.
INFRASTRUCTURE AND GEOGRAPHIC)	2023-00163
INFORMATION SYSTEM, ISSUANCE OF)	
EVIDENCE OF INDEBTEDNESS, AND REQUEST)	
FOR EXPEDITED RELIEF)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO BIG SANDY WATER DISTRICT

Big Sandy Water District (Big Sandy District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 22, 2023. The Commission directs Big Sandy District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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.

Big Sandy District shall make timely amendment to any prior response if Big Sandy District obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Big Sandy District fails or refuses to furnish all or part of the requested information, Big Sandy District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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. When filing a paper containing personal information, Big Sandy 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 the Application, page 6, paragraph 24. Explain how Big Sandy District defines Advanced Meter Readings (AMR) as compared to Advanced Meter Infrastructure (AMI).

2. Refer to the Application, paragraph 40, and Exhibit 2, page 24 of 52. Confirm the total cost to Big Sandy District for the products and services contained in the

proposal is \$3,991,369, and that amount is payable over 14 months following execution of the contract.

3. Refer to the Application, Exhibit 2, page 22 of 52. Explain what costs are included in “AMI Services above AMR” and provide those costs for AMR.

4. Refer to the Application, Exhibit 2, page 27 of 52.

a. Provide a detailed list of the leak detection equipment that will be used in Phase 1, including how many of each item will be used.

b. State who will own the leak detection equipment referenced in “Phase 1 Leak Detection.”

c. If ownership of this equipment will transfer at any point during the project, explain when and under what circumstances transfer will occur.

5. Refer to the Application, Exhibit 2, page 28 of 52.

a. Provide a detailed list of the leak detection equipment that will be used in Phase 2, including how many of each item will be used.

b. State who will own the leak detection equipment referenced in “Phase 2 Leak Detection.”

c. If ownership of this equipment will transfer at any point during the project, explain when and under what circumstances transfer will occur.

6. Refer to the Application, Exhibit 2, page 29-30 of 52.

a. State how the “monthly NRW” report will be generated and by whom, include all necessary tools, system components, and software needed to generate the report.

b. State who will own the tools, equipment and software necessary to generate the monthly NRW report.

c. If ownership of the tools, equipment or software will transfer at any point during the project, explain when and under what circumstances transfer will occur.

7. Refer to the Application, Exhibit 2, page 32 of 52.

a. Provide a detailed list of the “Additional Leak Detection Tools” referenced in this section of the proposal, including how many of each item will be used.

b. State who will own the leak detection equipment referenced in “Additional Leak Detection Tools.”

c. If ownership of the tools will transfer at any point during the project, explain when and under what circumstances transfer will occur.

8. Refer to the Application, Exhibit 2, page 33 of 52.

a. Provide a reliability assessment of the Neptune AMI meters proposed in this project.

b. State whether the AMI meters are cellular and can be accessed remotely or whether Big Sandy District would still need to perform manual or drive-by meter reads for these meters.

c. Explain whether Big Sandy District would realize savings from the AMI meters in regard to the alleged increased accuracy of the proposed water meters.

9. Refer to the Application, Exhibit 2, page 37 of 52. State whether a cost-benefit analysis was completed for the AMI. If so, provide it. If not, explain why not.

10. Refer to the Application, Exhibit 3, page 1.

a. Provide the net present value (NPV) that Big Sandy District is using to calculate the annual costs of the AMI.

b. Explain how Big Sandy District plans on limiting the amount of capital costs associated with AMI.

c. Explain whether Big Sandy District's labor costs for meter readers will decrease if the Commission grants a certificate of public convenience and necessity (CPCN) for AMI.

11. Refer to Big Sandy District's response to Commission Staff's First Request for Information (Staff's First Request), Item 1(b). Confirm that Big Sandy District is not requesting to include labor costs from the proposed Leak Reduction Project in the Water Loss Detection and Control Program Surcharge in this proceeding.

12. Refer to Big Sandy District's response to Staff's First Request, Items 2(b) and 2(c).

a. State how many of the 21 malfunctioning meters were replaced and how many were repaired. Provide the total cost to repair the meters that were not covered under warranty.

b. For meters removed from service for reading outside of acceptable limits, provide the accuracy at testing.

c. Provide the failure and error rate that Big Sandy District would consider to be reliable for recently purchased meters.

13. Refer to Big Sandy District's response to Staff's First Request, Item 3(c). Provide the same information for in-service meters purchased before 2014, or explain the discrepancy between the meters purchased and Big Sandy District's customer count.

14. Refer to Big Sandy District's response to Staff's First Request, Item 5(c). Refer also the Application, Exhibit 1 and KRS 45A.352(1). Explain how Big Sandy District complied with each item listed in KRS 45A.352(1), with regards to its request for proposals (RFP).

15. Refer to Big Sandy District's response to Staff's First Request, Items 6(a) and 6(b). State the number of RFP packets that were requested.

16. Refer to Big Sandy District's response to Staff's First Request, Item 14 and the Application, Exhibit 2, page 1 of 52, Figure 1, "Expected reduction in % NRW over time." Reconcile the statement that savings are guaranteed for the 20-year contract period and the use of "Project guarantee" for the first two years of the project. Include in the response what level of water loss reduction is guaranteed for the contract term.

17. Refer to Big Sandy District's response to Staff's First Request, Item 14(b). Confirm that water loss reductions are also guaranteed for 20 years. If this cannot be confirmed, explain.

18. Refer to Big Sandy District's response to Staff's First Request, Item 25. Provide any analyses Big Sandy District performed to determine the appropriate meter for the replacement project.

19. State how many customer meters that are currently in service in Big Sandy District's distribution system, and of that number how many meters have been in service for ten years or more without being tested.

20. Refer to Big Sandy District's response to Staff's First Request, Item 16, 20-year table on response page 2 of 2.

a. Provide the table excluding “Annual Rate Increase” of 2.50 percent as well as Consumer Price Index (CPI) Increase, which is currently stated as 0.0 percent in the table.

b. Provide the table excluding the recently installed 1,100 meters that Big Sandy District proposes to replace, excluding the investment cost associated with new AMI meters to replace the 1,100 meters, and excluding “Annual Rate Increase” of 2.50 percent as well as CPI Increase, which is currently stated as 0.0 percent in the table.

21. Refer to Big Sandy District’s response to Staff’s First Request, Item 8 which states “Refer to the Application, Exhibit 2, page 3 which states, “The extended team also includes many of your staff that are invested in our team by assisting us with site surveys, data acquisition, question and answers, etc.”

a. By quarter from inception of the project, quantify the estimated hours that will be required for Big Sandy District’s Staff participation. This information was not provided in Big Sandy District’s response to Staff’s First Request, Item 8, and the information provided in the response is inadequate.

b. State how many distinct laborers / meter readers will be involved in the project.

c. Big Sandy District stated, “it is not expected that this will require an employee to work outside of the 40 hour work week.” Describe the work functions that will be displaced if overtime is not required.

22. State the expected useful life of the Neptune Mach 10 meters and provide documentation from the manufacturer or from Liberty to support this.

23. State the expected life of the Neptune Mach 10 meter battery, and state whether the meter must be replaced when the battery is depleted.



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DATED AUG 07 2023
cc: Parties of Record

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