

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTH LOGAN WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO INSTALL)	2014-00009
RADIO READ METERS)	

ORDER

North Logan Water District ("North Logan District") has applied for a Certificate of Public Convenience and Necessity to purchase and replace its existing water meters with a radio-read metering system.

Having reviewed the application and being otherwise sufficiently advised,¹ the Commission finds that:

1. North Logan District, a water district organized under KRS Chapter 74, owns and operates water distribution facilities that provide retail water service to approximately 556 customers in Logan County, Kentucky.²

2. North Logan District proposes to purchase and install a Master Meter, Inc. Dialog 3G radio-read meter system to replace its existing metering system, which consists of 560 residential meters, and also to purchase the necessary computing equipment and software for the radio-read system.

¹ North Logan District filed its application on January 6, 2014. North Logan District has not requested a hearing in this matter. No person has sought intervention in this matter. The Commission has received no requests for hearing and finds the record complete.

² *Annual Report of North Logan Water District #1 to the Kentucky Public Service Commission for the Year Ended December 31, 2012 at 5, and 27.*

3. North Logan District's current meter system is a touch-read system in which a customer's meter is read on site on a monthly basis by an individual utility meter reader and requires physical contact with the meter. North Logan District asserts that the current system needs to be replaced due to age and obsolescence.³

4. With the proposed radio-read system, the meter-reading radio signal is received by appropriate equipment aboard a utility company vehicle driven by or within the vicinity of one or more meters. No physical contact with the meter is required.

5. The proposed radio-read metering system presents numerous advantages over the existing touch-read system. In addition to making meter reading faster and safer, it reduces the number of employees needed for meter reading, decreases travel and maintenance costs, alerts the utility to tampering or theft of service, and permits the utility to focus its efforts on identifying and preventing leaks and the loss of non-revenue water.

6. The total cost of this project, which includes the cost of the metering equipment and its installation, is \$135,460.

7. North Logan District will use internal funds to pay for the proposed purchase and installation.

8. Under the proposed purchase agreement, North Logan District will be required to pay an annual service fee of \$1,500.

9. North Logan District advertised for and received bids for the proposed purchase.

³ North Logan District's application, Exhibit B.

10. North Logan District proposes to purchase the meters and associated services from Construction Site Services, LLC.

11. The proposed purchase and installation of the metering system will not result in wasteful duplication of existing facilities.

12. The proposed purchase and installation of the metering system does not conflict with any existing certificates or the service of any other utility operating in the area.

13. The public convenience and necessity require the proposed purchase and installation of the radio-read metering system.

14. Approval from the Division of Water of the Environmental and Public Protection Cabinet Department for Environmental Protection is not required for this type of construction.

IT IS THEREFORE ORDERED that:

1. North Logan District is granted a Certificate to proceed with the proposed purchase and replacement of the radio-read meter system as set forth in its application.

2. North Logan District shall notify the Commission prior to performing any additional work not expressly authorized by this Order.

3. North Logan District shall file with the Commission documentation of the total costs of this project, including the cost of installation and all other capitalized costs, (e.g., engineering, legal, and administrative costs) within 60 days of the date that installation is substantially completed. Installation costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

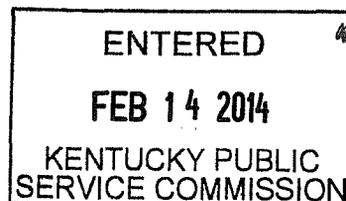
4. Any deviation from the purchase and installation approved shall be undertaken only with the prior approval of the Commission.

5. In accordance with 807 KAR 5:006, Section 26, North Logan Water District shall continue to systematically perform and maintain appropriate records of annual inspections of its facilities, including, specifically, meters, meter settings, and valves.

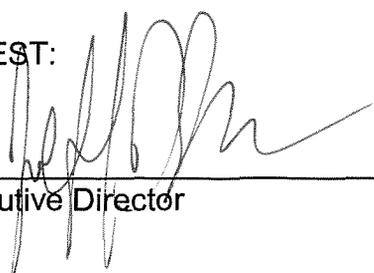
6. Any documents filed in the future pursuant to ordering paragraphs 2 and 3 shall reference this case number and shall be retained in the utility's general correspondence file.

7. The Executive Director is delegated authority to grant reasonable extensions of time for the filing of any documents required by this Order upon North Logan District's showing of good cause for such extension.

By the Commission



ATTEST:



Executive Director

Billy Harper
Distribution Operator
North Logan Water District #1
3118 Lewisburg Road
Russellville, KY 42276