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November 27, 2019

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PUBLIC SERVICE
COMMISSION

HAND DELIVERED

Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

Re: Case No. 2019-00259

Dear Ms. Pinson:

Enclosed please find for filing Kentucky American Water's responses to Commission Staff's First Request for Information in the above-referenced matter.

Very truly yours,

A handwritten signature in blue ink that reads "Lindsey W. Ingram III".

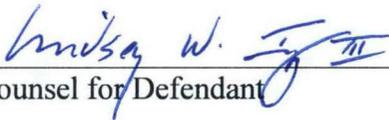
Lindsey W. Ingram III

Enclosure

CERTIFICATE OF SERVICE

This is to certify that the original and 7 copies of these discovery responses have been filed on this 27th day of November, 2019, at the Public Service Commission and that a true and accurate copy of same has been served, via U.S. Mail, on the same day.

Lowell DeWayne Shepherd
2298 Stonewood Lane
Lexington, KY 40509-4417


Counsel for Defendant

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2019-00259
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Jasmine S. Mungo

1. Refer to Kentucky-American's current tariff, Sheet No. 13, which states that the utility will monitor customer usage on a monthly basis and if a current month's usage shows an unusual deviation from historical usage, the utility will notify the customer and take steps to determine the reason for the unusual deviation. Explain what steps Kentucky-American took with Mr. Shepherd when it issued a bill for the service period of January 14, 2019 – February 11, 2019, which included a much higher usage amount that deviated from his historical usage.

Response:

Kentucky American Water ("KAW") endeavors to read meters for actual usage every month. Under certain circumstances, when KAW cannot obtain reliable actual usage for billing, estimated usage is used instead. This can happen when KAW's automatic radio read meter system is unable to obtain reliable actual usage. Such an inability can happen for a number of reasons, including a communication breakdown between the signal emitting device on a meter (which is called a meter interface unit or "MIU") and the receiving device located in a KAW vehicle that is driven by a customer premise for the purpose of obtaining usage information. That communication breakdown can happen because of a dead or malfunctioning battery in the MIU, a physical obstruction on the MIU such as yard waste, sod, snow, or ice, an inadvertently damaged MIU from rakes, shovels, or mowers, or even intentional tampering with the MIU. Regardless of the cause, if actual usage data is not transmitted, KAW's billing system generates and sends a bill based on estimated usage.

It is imperative to understand that even if there is a communication breakdown due to an MIU problem that prevents the transmission of actual usage data to KAW's employee, the meter itself still retains the actual usage data. It is just that communication of that actual usage data failed to occur.

As for the higher usage amount seen for Mr. Shepherd for service from January 14, 2019 to February 11, 2019, which was based on an actual read, KAW followed its established procedure. When KAW performs a periodic meter reading for a customer and that current read shows higher than normal usage, KAW takes steps to make the customer aware. For that reason, every bill that is sent to the customer shows a thirteen-month bar graph reflecting the usage by month for the current bill cycle and the previous twelve months. This not only provides the customer with a representation of the current month of usage but also a reference point to prior usage for comparison.

In addition to that illustrative graph, KAW also sends a “high bill letter” to the customer. This letter informs the customer of a considerably higher than normal usage. The letter goes on to explain that there could be many reasons for unusually high water usage and not all of them indicate a problem. The letter recommends that the customer check the property for any possible problems that could cause increased usage and if it is determined the high usage is the result of a damage that has occurred to the customer’s service line or internal plumbing, the customer is encouraged to take steps as soon as possible to prevent recurring high bills. In Mr. Shepherd’s case, as explained above, the relevant bill showed the high usage graph and the attached letter was provided.



P.O. Box 578 Alton, IL 62002

02/14/2019

Michelle Shepherd
2298 Stonewood Ln
Lexington, KY 40509-4417

For Service To:
Account Number:
Service Address: 2298 Stonewood Ln
Lexington, KY 40509-4417

Dear Michelle Shepherd:

One of our responsibilities as your water service company is to give you all the information you need to manage your water use, and to alert you when we notice something out of the ordinary. While at your property to get a meter reading, we noticed that your water use is considerably higher than normal.

There could be many reasons for unusually high water use and not all of them necessarily indicate a problem. We suggest that you check your property for possible problems which could cause unusually high water use. If you determine that the source of the high water use is the result of a broken service line or internal plumbing problem, we encourage you to take steps as soon as possible to prevent recurring high bills.

You may find useful information for identifying high water use on our website. Many leaks are not noticeable but can contribute to unexpected water use. Our website, www.amwater.com, includes water saving ideas and a downloadable kit to help you check for leaks. If you cannot determine the reason for your higher water use please call our customer service center.

Sincerely,

Kentucky American Water
Customer Service

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2019-00259
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Jasmine S. Mungo

2. Refer to Kentucky-American's customer meter test form in Kentucky-American's Answer and Motion to Dismiss (Answer), Tab 1.
 - a. Explain in detail what is meant by "[w]ould not data log."
 - b. Explain in detail what is meant by "Hot Rod defective."
 - c. Explain in detail how Kentucky-American concluded that the meter passed all tests if it would not data log and the Hot Rod was defective.
 - d. Explain in detail why Kentucky-American scrapped the meter.

Response:

- a. "Would not data log" is a phrase KAW uses to indicate that an hourly usage report was not available from the Meter Interface Unit ("MIU") which is the device that sends an electronic transmission of usage data measured at the meter to a receiving device in a KAW vehicle drive by a KAW employee (also see the response to Item 1). The meter will continue to measure and report accurate water usage regardless of the MIU transmitting information.
- b. The term "Hot Rod Defective" is simply stating the MIU for this meter has malfunctioned. This statement is intended to explain why the Data Log or hourly usage report was not able to be obtained.
- c. This meter was bench tested for accuracy. The MIU plays no role in measuring the water usage, only in transmitting the usage read by the meter.
- d. As explained at Paragraph 3 of KAW's September 10, 2019 Answer and Motion to Dismiss, "scrapped" is an inventory indicator in KAW's software system. "Scrapped" means that the meter will not be placed back in service. KAW is still in possession of the meter and states that it tested accurately.

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Witness: Jasmine S. Mungo

3. Refer to Kentucky-American's Answer, Tab 2. In Mr. Shepherd's bill issued for the service period February 12, 2019 – March 11, 2019, the customer's usage is measured in 100 CF through February 26, 2019, and then measured per 100 Gallons through March 11, 2019.
- a. Explain in detail why a customer's bill would be measured in 100 CF if there is no cost per 100 CF listed in its current tariff.
 - b. Explain in detail if there are other Kentucky-American customers that are billed per 100 CF, and how the cost of water is calculated on their monthly bill.

Response:

a. KAW bills residential customers in gallons as reflected on the bill in question. However, some meters measure water usage in other units, such as Cubic Feet ("CF"), and those units are then converted, by the billing department, into the billing unit KAW uses which is 100 gallons for residential customers as stated on page 29 KAW's tariff:

Meter Rates

The following shall be the rates for consumption, in addition to the service charges provided for herein:

Customer Category	Rate Per 1,000 Gallons <u>All consumption</u>	Rate Per 100 Gallons <u>All Consumption</u>
Residential	\$5.7570	\$0.57570

b. As stated above, KAW does not bill customers by 100 CF units. All billings are done in gallons consistent with KAW's tariff. To provide as much information to the customer as possible about their bill, the unit of measure is displayed on the bill. This is in no way stating the customer is being billed by the unit of measure of the meter. The usage is always converted into gallons and the customer is billed in 100-gallon units.

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4. Refer to 807 KAR 5:006, Section 7(5)(a), which states that each utility shall read customer meters at least quarterly, except if prevented by reasons beyond its control. 807 KAR 5:006 Section 7(5)(d), states that if due to reasons beyond its control, a utility is unable to read a meter, the utility shall record the date and time the attempt was made, if applicable, and the reason the utility was unable to read the meter. Provide the date and time that each attempt to read Mr. Shepherd's meter was made by Kentucky-American, and the specific reason(s) Kentucky-American was unable to read the meter for the service period of December 12, 2018 – January 13, 2019.

Response:

Please see the response to Item 1 of these responses for a full explanation of the use of estimated meter readings. As for information regarding the estimate meter read for the period December 12, 2018 to January 13, 2019, KAW obtained an actual read of 636 on 1/13/2019 at 9:13 AM. This read showed a large increase in usage. When an actual read is provided that reflects a large increase in usage an attempt is made to verify the read. Until verification is provided, an estimated read is used in order to send out the bill on time. In this case a service order was created to verify the read. That order was not worked and expired. The next periodic meter reading of 640 was obtained on 2/11/2019 and was an actual read. This read confirmed the previous reading of 636. With that confirmation of usage, a bill was sent reflecting the actual verified usage.