

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BARNESBURG WATER ASSOCIATION'S REQUEST)
FOR A DEVIATION FROM THE METER TESTING)
REQUIREMENTS PRESCRIBED BY 807 KAR) CASE NO. 9993
5:066, SECTION 17 (1))

O R D E R

By letter received August 7, 1987, Barnesburg Water Association ("Barnesburg") requested a deviation from subsection (1) of 807 KAR 5:066, Section 17. Said request proposed that Barnesburg be relieved from the meter testing requirements prescribed by subsection (1). The letter said a meter testing program would not be cost effective in that an expenditure of \$1,079 would be required to reduce costs by two percent, or \$744, and a \$2,196 expenditure would be required to reduce costs by five percent, or \$1,861.

Without regard to other matters significant to meter testing, Barnesburg's deviation request is based on its estimates for costs and benefits. Further, the estimates apparently include cost factors that are not exact, properly measured or valid to a cost effective analysis of a meter testing program. Barnesburg's savings estimates of \$744 and \$1,861, respectively, represent two percent and five percent reductions in Barnesburg's annual purchase water expense of \$37,221. A meter testing program, however, would probably have no effect on this expense. Barnesburg's

benefit would be from water sales revenue increases -- not from water purchase cost decreases. Sales volumes and sales revenues would be increased by more accurate measurements of the water delivered through customers' meters. Further, since Barnesburg's selling price is more than its purchase price, a gallon sold is of more benefit than a gallon saved.

The highest costs per meter for mileage and labor is incurred when only one meter is removed and replaced per trip scheduled for this purpose. Conversely, the least costs per meter occur with removal and replacement of as many meters as possible per trip. Details of its \$20 estimate per meter for mileage and labor should be provided by Barnesburg. Additional information is also needed for an adequate and proper consideration of the deviation requested by Barnesburg.

IT IS THEREFORE ORDERED that Barnesburg shall file an original and seven copies of the following information with the Commission with a copy to all parties of record no later than November 12, 1987.

1. Number of customers' meters replaced during 1987, 1986, 1985, 1984, and 1983; the date and purpose of each replacement; the costs incurred for each replacement -- exclusive of costs for meter repairs which should be listed separately.

2. Results of accuracy tests made on customers' meters for 1983 through the 1987 response date. Include the costs of meter tests and the name of the facility used for these tests.

3. Results of accuracy tests made on Barnesburg's master meter for 1983 through the 1987 response date. Include a

description of the test facilities and the name of the company or laboratory that performed each test.

4. Total volumes of water purchased, sold, unaccounted-for losses, accounted-for losses, and any other volumes of record for 1983 through the 1987 response date plus the dollar value of each of these volumes of water.

5. Travel time and distance for the longest, shortest, and average trip to remove and replace a Barnesburg customer's meter from Barnesburg's base of operations.

6. Labor costs (\$/hour) for removal and replacement of customers' meters.

7. Mileage cost for an in-service vehicle within Barnesburg's service area.

8. Round-trip mileage from Barnesburg's base of operations to the facility where its meters will be tested.

9. A description of Barnesburg's base of operations.

10. Barnesburg's cost for new meters: 5/8-inch, 3/4-inch, and 1-inch meters and the number of each size meter in service. The size and number of meters in service larger than 1-inch, the replacement cost for these meters, the test history for these meters.

11. If Barnesburg has no records for meter testing, an explanation should be provided as to why no such records exist.

12. If Barnesburg has no record of tests on its master meter, an explanation should be provided as to why no such records exist.

13. Details of the cost estimate of \$20 per meter for removal and replacement. Show actual cost data if such data can be provided.

If the above listed items of information cannot be provided by November 12, 1987, Barnesburg should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission. Barnesburg shall furnish with each response the name of the witness who will be available for responding to questions concerning each item of information requested should a public hearing be required in this matter.

Done at Frankfort, Kentucky, this 16th day of October, 1987.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director