

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF WARREN COUNTY)	
WATER DISTRICT, SIMPSON COUNTY WATER)	
DISTRICT AND BUTLER COUNTY WATER)	CASE NO.
SYSTEMS, INC. FOR A DEVIATION FROM)	2003-00391
APPROVED METER TESTING PROGRAM)	

O R D E R

In Case No. 1997-00434,¹ the Commission authorized Warren County Water District, Simpson County Water District, Butler County Water Systems, Inc. (“Applicants”), and Grayson County Water District to deviate from Administrative Regulation 807 KAR 5:066, Section 16(1), and to implement a meter testing and replacement program that permits 5/8 x 3/4-inch meters to remain in service without testing for 13 years. Administrative Regulation 807 KAR 5:066, Section 16(1), requires a water utility to periodically test 5/8 x 3/4-inch water meters so that no meter remains in service without testing for a period of 10 years.

On October 6, 2003, Applicants made a written request, which the Commission will treat as an application, for permission to deviate from the approved program.

¹ See Case No. 1997-00434, The Joint Application of Warren County Water District, Simpson County Water District, Grayson County Water District and Butler County Water Systems, Inc. for a Deviation from 807 KAR 5:066, Section 16(1) (Ky. PSC Apr. 28, 1999).

Applicants state that Rockwell International or Invensys² manufactured all meters on their systems. They further state that in 1986 Rockwell International ended production of its SR meter and began producing SRII meters. The Applicants state that all meters purchased for their systems since 1986 are SRII meters and that the SRII meters have design characteristics that allow them to maintain accuracy within repaired meter specifications for much longer than 13 years. Applicants further state that up to 96 percent of the SRII meters on their systems that have been in service at least 13 years and tested under the approved program have been found to be within repaired meter specifications.

In their request Applicants' make two proposals. First, Applicants propose to establish a sample group of approximately 200 SRII meters from each year of manufacture from 1990 to 1997 that would remain in service up to 20 years. In 2010 all meters in the study group would be tested and a report of the test results would be submitted to the Commission.

Second, Applicants propose to keep all SRII meters in service and test a sample of the meters from each year of manufacture older than 13 years and keep that age group of meters in service until fewer than 80 percent of the meters in the sample test below repaired meter accuracy. Applicants produced evidence in Case No. 1997-00434, that the older meter designs were cost effective to replace at 13 years when

² Rockwell International was the original manufacturer of these meters. In 1989 Rockwell International sold its water meter, gas meter and valve operations to BTR PLC of London. Ten years later this entity was renamed Invensys. In 2003 Sensus Metering Systems, Inc. acquired Invensys.

fewer than 80 percent tested below repaired meter accuracy and requested that the Commission use this same analysis for the improved meters.³

Common reasons for requiring water meter testing are to ensure that water utilities treat all customers fairly and that all customers pay their fair share for the service provided, to reduce utility revenue loss, and to monitor operational performance under meter warranty provisions. Accurate meters are an integral part of a fair and accurate billing process, which must include accurate meters.

The Commission, having reviewed the information submitted and being otherwise sufficiently advised, finds that the Applicants' request to deviate from their approved meter testing programs should be granted in part and denied in part. The Commission finds that the Applicants should be permitted to establish a sample group of SRII meters from each year of manufacture from 1990 to 1997 that will remain in service 20 years as proposed with a report of the testing results provided to the Commission. The Commission further finds that the Applicants have not produced sufficient evidence to support their additional proposal to leave all SRII meters in place with only a sample test until all meters perform below 80 percent and that this proposal should be denied. We believe that the information that will be derived from performing the sample group testing might produce the information necessary to support the Applicants' additional proposal.

IT IS THEREFORE ORDERED that the Applicants' request to amend their approved meter testing and replacement programs is granted in part and denied in part as specified herein.

³ "Determination of Cost Effective Meter Testing Frequency" prepared by Alan H. Vilines.

Done at Frankfort, Kentucky, this 31st day of January, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom.

Executive Director

Case No. 2003-00391