

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY-AMERICAN WATER COMPANY'S)	CASE NO.
REQUEST FOR PERMISSION TO DEVIATE)	2009-00253
FROM 807 KAR 5:066, SECTION 16(1))	

COMMISSION STAFF'S FIRST DATA REQUEST TO
KENTUCKY-AMERICAN WATER COMPANY

Pursuant to 807 KAR 5:001, Commission Staff requests that Kentucky-American Water Company ("Kentucky-American") file information requested with the Commission no later than April 30, 2010.¹ Responses to requests for information 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 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.

Kentucky-American shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or,

¹ See Commission's Order dated July 7, 2009 regarding electronic filing in this case.

though correct when made, is now incorrect in any material respect. For any request to which Kentucky-American fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied 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.

1. Refer to paragraph 8 of Kentucky-American's Amended Petition. Kentucky-American states that, by keeping 5/8-inch meters in service for five years longer, Kentucky-American will save the time and expense of changing out meters and will need to purchase fewer meters. Provide a detailed analysis of the financial benefit to Kentucky-American, including depreciation, water-loss cost, and labor-cost savings.

2. Refer to paragraph 8 of Kentucky-American's Amended Petition. Kentucky-American states that "[a]ll these benefits will be passed along to customers in the form of reduced costs." Detail how Kentucky-American anticipates that these savings will benefit individual customers.

3. Refer to paragraph 6 of Kentucky-American's Amended Petition. Kentucky-American states that "[t]his Petition reports the final results of the study. As the attached report concludes, the 5/8 inch meters studied in the pilot remain accurate for 15 years." Supply all raw test data for all test years of the pilot, including the following:

- Meter Number, i.e., serial number;
- Manufacturer;
- Model;
- Installation date;
- Test date;
- Low, Medium, High percentage test results reported to the nearest 0.1%;
- Pass/Fail rating for each of the Low, Medium, and High test conditions;
and
- Overall rating for each meter.

Report all data in a format compatible with Microsoft Excel.

4. Of the 106,961 residential "Year End Customers,"² provide the total number of meters of a given vintage by age group and manufacturer, i.e., "A" meters are from zero to ten years old, "B" meters are from ten to 11 years old, etc., for the entire installed population of 5/8-inch residential meters.

5. For each subgroup above, state the total number of failed 5/8-inch meters that have been replaced by the manufacturer since the beginning of the pilot study in 1997. Note failure mode, i.e., catastrophic (stuck), low range, medium, or high reading.

6. Provide a complete list of the jurisdictions in which American Water Works Company, Inc. ("American Water") or any of its subsidiaries are authorized to provide residential water service. In these areas, do any allow the five-year extension (or longer) requested in this case?

² Annual Report of Kentucky-American Water Company a/k/a Kentucky-American Water to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2008, at 30.

7. Which of these jurisdictions include American Water's use of 5/8-inch meters?

8. For each applicable jurisdiction, for how many years are 5/8-inch meters allowed to remain in service without being tested, absent a deviation or other variance?

9. In which jurisdictions has American Water requested to lengthen the amount of time that a 5/8-inch meter can remain in service without being tested? For each, state the jurisdiction, case name, case number, and the decision of the applicable regulatory agency. Provide explanations for all test requests that have been rejected, and provide data submitted.

10. For each jurisdiction in which American Water has requested and been permitted to keep 5/8-inch meters in service without being tested for more than 10 years, provide the following information:

- What were the cost savings in years 11-15?
- How were cost savings calculated?
- How were cost savings passed on to the end-user?

11. Are there any jurisdictions in which American Water has experienced an unacceptable degree of accuracy of its 5/8-inch meters between the years 11-15? If yes, explain.

12. Has American Water conducted a pilot study in any other jurisdiction prior to seeking authorization to lengthen the number of years that a 5/8-inch meter can remain in service without being tested? If so, when and where?

13. Explain the following statement: "An average of the low test that under-registers by below 10% or over-registers by 1% will be considered an indication of inaccuracy."³



Jeff Derouen
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DATED: APR 22 2010

cc: Parties of Record

³ See test procedures used in the pilot study, attached to Kentucky-American's Petition (Dec. 31, 2008) at 2.