

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTHERN WATER AND)
SEWER DISTRICT FOR A CERTIFICATE OF) CASE NO.
PUBLIC NECESSITY & APPROVAL OF FINANCE) 2019-00328

SOUTHERN'S RESPONSE TO PSC'S
2nd REQUEST FOR INFORMATION

Come now Southern Water & Sewer District, by and through counsel, and for its Response to the PSC's Staff's Second Request for Information states as follows:

1.

a. Provide the proposed timeline for the installation of the automatic meter reading meters by RG3 Meter Company (GR3).

ANSWER: 90 Calendar days per RG3 Install Group, barring any weather delays.

*Answered by Grondall Potter

b. Provide the proposed timeline the stages in order to complete each section of Southern District's service territory.

ANSWER: RG3 Meter Install Group will have two crews (three if needed) and will install an average of 94 meters per working day finishing one meter route at a time.

2. Refer to the RG3 information filed with the application.

a. Item 5, 1L.S, Bonds and insurance: explain what 1L.S means.

ANSWER: L.S. stands for Lump Sum.

*Answered by Grondall Potter

b. Item 5: explain the entry of “Twenty five six fifty” and the entry of “\$6,500” in unit price and total price lines.

ANSWER: The vendor originally based bonds and insurance off the total project cost including meters and hardware of 2% (\$25,650.00). Southern Water and Sewer District sent out an email stating Bonds and Insurance only needed to cover the cost of the installation which would be correct, a performance bond should only cover labor. The vendor corrected the line item to \$6,500.00.

*Answered by Grondall Potter

3. Refer to page 2 of the bid proposal, under the BIDDER there is an entry of Meter Install Group. Explain the relationship between RG3 and the Meter Install Group.

ANSWER: The owners of Meter Install Group and RG3 Meter Company are the same owners. Meter Install Group will be the entity under contract performing installation, supplying Bonds and insurance and supplying all RG3 products for the project.

*Answered by Grondall Potter

4. Refer to the Attachment provided in response to Commission Staff’s First Request, Item 1, that ranked the meter vendor proposals. The Attachment does not provide a detailed explanation as to why RG3 was selected over the other vendors that provided bids. Provide a detailed explanation that outlines the advantages of selecting RG3 as the winning bidder.

ANSWER: Southern chose RG3 because we felt RG3 provided our District with the best value, best fit and best technology. Several factors lead to Southern picking RG3 out of the other vendors, including:

- (a) RG3 presentation of their product and service was superior and the Board felt RG3's presentation was more honest and trustworthy than other vendors.
- (b) Meter Install Group/RG3 Meter Company's experience installing meters (over 2 million meters).
- (c) The RG3 product provides one of the best warranties, 25 years with the first 15 years being a full replacement, next 12 prorated.
- (d) The RG3 product provides a full 1-watt of power output that is twice as much as the other vendor's products. The power output allows better reading in cast iron lids and deep meter pits that are full of water. The performance of the RG3 product has been confirmed by the City of Pikeville (6,000 units), Mountain Water (7,000 units) and Richmond Utilities (14,000 units).
- (e) Radio Read availability
- (f) Vendor/Installation crew relationship. One vendor that will warranty problems with installation and problems with meters.
- (g) Overall cost
- (h) Availability to provide GPS locations and map of Southern's meters during installation.
- (i) Mechanical meters (v. ultrasonic) more proven track record/proven technology

*Answered by Chairman Jeff Prater.

Respectfully Submitted,

/Steven Bailey
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