

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Application of Water Service Corporation)	
of Kentucky for a General Adjustment)	Case No. 2022-00147
in Existing Rates, a Certificate Of Public)	
Convenience and Necessity to Deploy)	
Advanced Metering Infrastructure and Approval)	
Of Certain Regulatory Accounting Treatment)	

REBUTTAL TESTIMONY OF COLBY WILSON

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Colby Wilson. My business address is 102 Water Plant Rd., Middlesboro,
3 Kentucky, 40965.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am the State Operations Manager (“SOM”) for Water Service Corporation of Kentucky,
6 Inc. (“WSCK” or “Company”). WSCK is a wholly owned subsidiary of Corix Regulated
7 Utilities (US), Inc. (“CRU”), whose ultimate parent company is Corix Infrastructure, Inc.
8 (“CII”).

9 **Q. DID YOU PREVIOUSLY PROVIDE DIRECT TESTIMONY IN THIS**
10 **PROCEEDING?**

11 A. Yes. I did.

12 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

13 A. The purpose of my Rebuttal Testimony is to respond to the Direct Testimony of Randy A.
14 Futral on issues related to Advanced Metering Infrastructure (“AMI”) and the Direct
15 Testimony of Shannon Brooks related to the City of Clinton.

16 **Q. WHAT IS YOUR UNDERSTANDING OF RANDY FUTRAL’S POSITION AS IT**
17 **RELATES TO WSCK’S REQUEST FOR A CERTIFICATE OF PUBLIC**
18 **CONVENIENCE AND NECESSITY TO DEPLOY AN AMI SYSTEM?**

19 A. Mr. Futral recommends denial of WSCK’s deployment of an AMI system based on his
20 critiques of the cost-benefit analysis submitted by Vaughn & Melton.

1 **Q. DO YOU AGREE WITH MR. FUTRAL'S RECOMMENDATION?**

2 A. Absolutely not. The Vaughn & Melton analysis demonstrates a favorable cost-benefit
3 analysis for deployment of AMI over a 20-year life cycle. Company witness Dante
4 DeStefano discusses a number of flaws with Mr. Futral's criticism, but it is worth
5 emphasizing that Mr. Futral did not attempt to perform his own cost-benefit analysis.

6 **Q. DO YOU HAVE OTHER CRITICISMS OF MR. FUTRAL'S**
7 **RECOMMENDATION ON AMI?**

8 A. Yes. Mr. Futral ignores the non-quantifiable benefits that come with an AMI system. As I
9 mentioned in my direct testimony, there are many advantages to AMI meters. AMI meters
10 have two-way communications capabilities that will transmit usage and other relevant data
11 to the Company, thus allowing the Company to gather real-time consumption data and to
12 better understand community usage patterns. Additionally, AMI meters improve meter-
13 reading through automation, which removes human error from measuring meter readings.
14 The Company will be able to more quickly identify unusual water usage patterns indicative
15 of potential water leaks. Further, our customers will have better information at their
16 fingertips, as they will have 24/7 access to their water usage through the Company's
17 MyUtilityConnect app. This should lead to more efficient billing resolutions, improving
18 customer satisfaction. Finally, there are operational advantages for the Company, which
19 will not have to send field technicians for manual meter reads, eliminating employee safety
20 concerns, reducing truck rolls, and allowing the Company to re-deploy its Staff to address
21 other priorities. In short, AMI deployment brings many benefits in areas of customer
22 service, leak detection, billing questions, personnel safety, and environmental impact.

1 **Q. WHY DO YOU BELIEVE THE COMMISSION SHOULD APPROVE A CPCN**
2 **FOR WSCK'S AMI PROJECT?**

3 A. The Vaughn & Melton report demonstrates that there are significant net present value
4 benefits to deployment of an AMI system. Moreover, there are numerous non-quantifiable
5 benefits to an AMI system, as described above. These are likely the same reasons that
6 many other water utilities are moving to an AMI system. I, therefore, believe that the
7 Commission should approve the Company's request for a CPCN.

8 **Q. IF THE AMI PROJECT IS NOT APPROVED BY THE COMMISSION, HOW**
9 **WOULD THE COMPANY APPROACH REPLACING ITS METERS?**

10 A. If the AMI project is not approved by the Commission, WSCK will continue to replace its
11 meters as necessary with similar Neptune manual read meters already being used in
12 Middlesboro. These replacements would have the ability to have the AMI component
13 added to it at a future date. In the case of the Clinton system, where AMR is already
14 utilized, WSCK will incur additional cost as a result of installing manual read meters. The
15 Clinton system is at the end of its useful life and will need to be replaced within one to two
16 years.

17 **Q. DO YOU HAVE A RESPONSE TO THE TESTIMONY OF CLINTON CITY**
18 **CLERK SHANNON PAYNE?**

19 A. WSCK strives to be a good community steward in both Clinton and Middlesboro. We
20 want to have good relationships with the governments and communities in which we serve,
21 and part of that effort involves ensuring we have open lines of communication. With the
22 exception of the discussion on AMR/AMI technology, most of the issues addressed in Ms.
23 Payne's direct testimony are not relevant to this rate case. Therefore, I am not addressing

1 them on rebuttal, but my silence should not be interpreted as acceptance of Ms. Payne's
2 views or comments. Nevertheless, we are committed to maintaining open communications
3 with City officials to address those concerns to the extent possible.

4 With respect to Ms. Payne's testimony regarding advanced metering, I respectfully
5 disagree with several statements. First, AMI metering benefits the customer in many ways,
6 as I discuss above. Customers will have access to more information concerning their water
7 usage at an earlier and more consistent basis. Availability of water usage data on a more
8 frequent basis will assist in the resolution of claims with the customer's property. In
9 addition, leak adjustments can be validated better using archived water usage data from the
10 AMR/AMI meters. Second, deployment of an AMI system will not increase rates by 30
11 percent. In fact, the Vaughn & Melton cost-benefit analysis shows that implementation of
12 such a system is beneficial over a 20-year window. Third, the automated meters will track
13 and report a customer's water consumption on which the City bases its sewer billing.
14 Fourth, water leaks are more easily discovered with AMI technology.

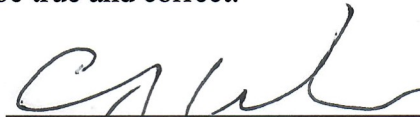
15 **Q. WOULD YOU LIKE TO RESPOND TO MS. PAYNE'S TESTIMONY**
16 **REGARDING THE EAST CLAY STREET WATERLINE PROJECT?**

17 A. Yes. On page 6 of her testimony, Ms. Payne implies that the scope of the East Clay Street
18 waterline replacement project does not include replacement of the sidewalks. This
19 portrayal is not accurate. The scope of the project does include replacement of the impacted
20 sidewalk, as reflected by the \$64,000 included in the preliminary cost estimate for this
21 project which is itemized for sidewalk replacement. A copy of the East Clay Street
22 Waterline Replacement estimate is attached as Exhibit CW-1.

- 1 **Q. DOES THIS CONCLUDE YOUR PREPARED REBUTTAL TESTIMONY?**
- 2 Yes. It does.

AFFIDAVIT

The undersigned, COLBY WILSON, being duly sworn, deposes and says that he is the State Operations Manager for the Water Service Corporation of Kentucky, that he is authorized to submit this testimony on behalf of Water Service Corporation of Kentucky, and that the information contained in the testimony is true and accurate to the best of his knowledge, information and belief, after reasonable inquiry, and as to those matters that are based on information provided to him, he believes to be true and correct.



Colby Wilson, Affiant

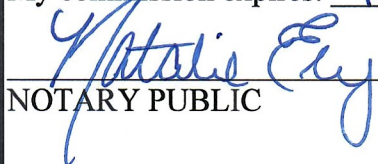
NOTARY CERTIFICATE

STATE OF Kentucky

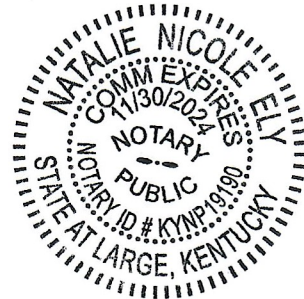
COUNTY OF Bell

Subscribed, acknowledged and sworn to before me by drivers licence on
this 21 day of November, 2022.

My commission expires: 11/30/2024.



NOTARY PUBLIC





CLINTON, KY - EAST CLAY STREET WATERLINE REPLACEMENT

March 2022

PRELIMINARY COST ESTIMATE:

ITEM	UNIT	QUANTITY	UNIT PRICE	TOTAL PRICE
8" PVC Waterline	LF	2,350	\$75.00	\$176,250
Cap & Abandon Ex. WL	EA	2	2,500.00	5,000
Tie Prop. 8" WL to Ex. 8" WL (Dry Tie)	EA	2	10,000.00	20,000
Remove Ex. Fire Hydrant	EA	2	1,500.00	3,000
New Fire Hydrant	EA	2	8,000.00	16,000
8" Gate Valve	EA	1	3,500.00	3,500
Concrete Pvmt. Repair	SY	100	100.00	10,000
Pavement Repair	TON	25	150.00	3,750
Sidewalk Replacement	SY	800	80.00	64,000
3/4" Copper Service Line	LF	625	25.00	15,625
Remove & Replace Ex. Service	EA	25	2,500.00	62,500
Re-Connect Ex. Service	EA	25	1,000.00	25,000
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				\$404,625
Contingencies (20%)				80,925
KYTC Permit App Prep./Approval				1,000
Engineering Design				30,000
Resident Inspection				30,000
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				\$546,550