

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2022-00299
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Melissa Schwarzell, Kathryn Nash, and Roderick Sherman

6. Describe the steps taken by Kentucky-American since January 2018 to manage the number of consecutive meter estimates.

Response:

In 2018 and 2019, the Company increased the number of employees dedicated to meter reading, meter testing, and field service work, and increased overtime hours expended in these positions. Efforts focused on replacing metering equipment and obtaining missing meter reads. (Please see Figures 1 and 2).

Figure 1

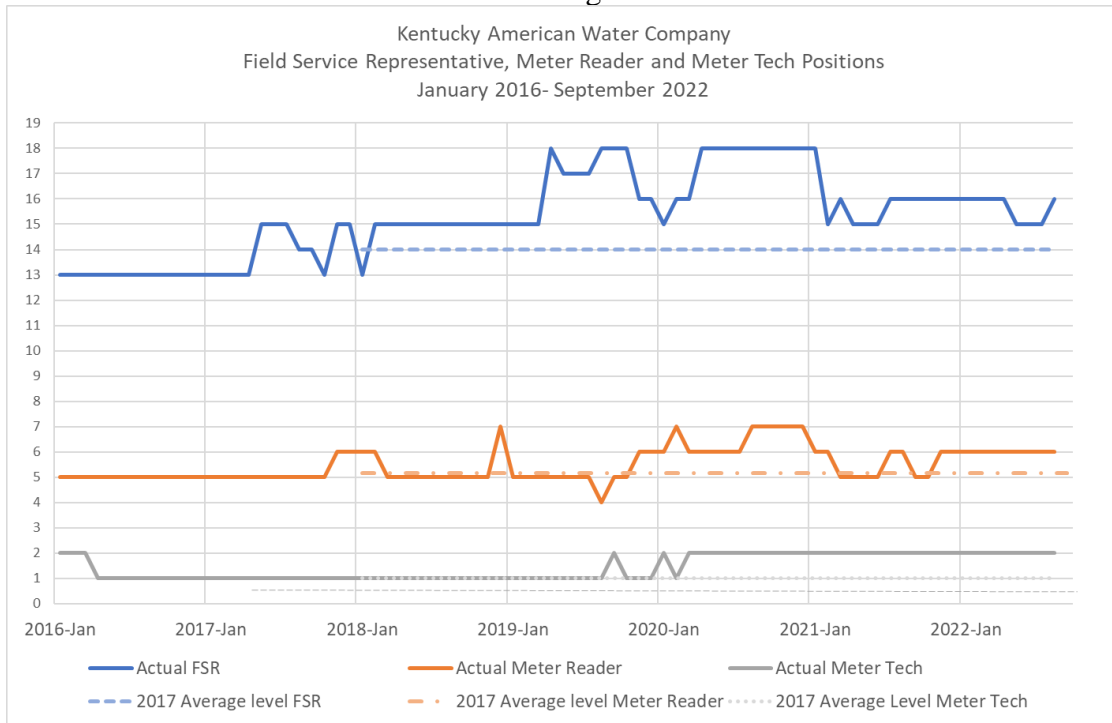
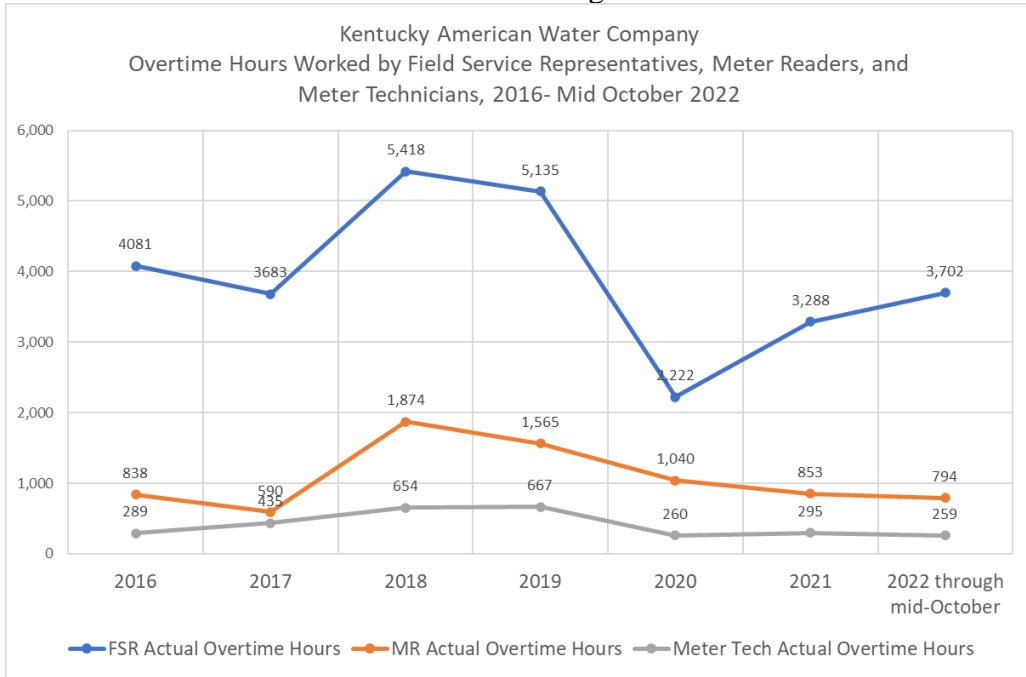
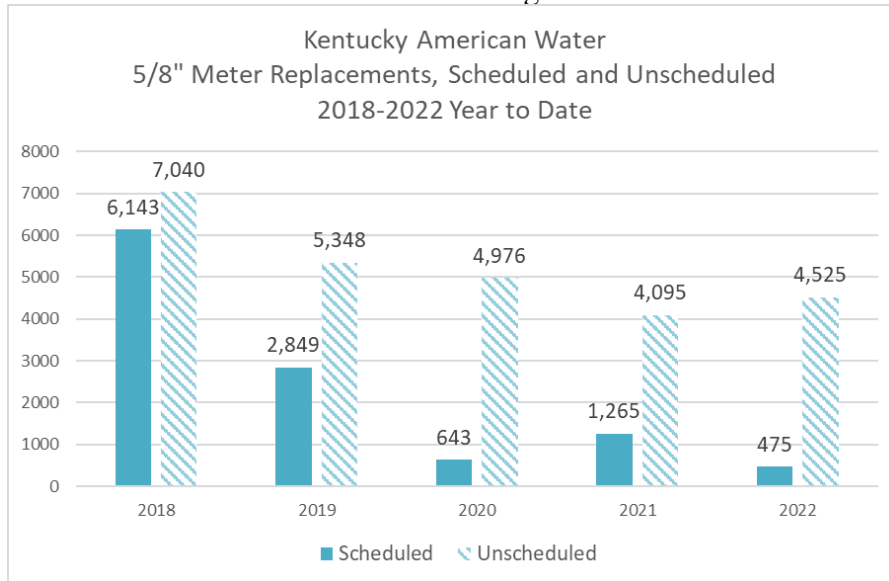


Figure 2



Some of the increased labor has been focused on meter equipment repair and installation. This has resulted in the replacement of several thousand additional meters per year since 2018, beyond what was planned. These are meters that were not originally scheduled for removal, but which were no longer performing well (see Figure 3). The Company has also taken a proactive approach in addressing recent extraordinary levels of supply chain delay in metering equipment delivery. KAW is placing orders up to six months in advance to promote availability of adequate metering infrastructure supplies in the field.

Figure 3



In addition to the renewal of metering equipment, the Company has invested in related hardware, services, and reporting technologies to support meter reading and service order management. The Company has updated laptops and vehicle hardware related to meter reading, and it has changed wireless carriers to achieve better connectivity.

The Company upgraded its reporting capabilities to improve visibility to meter changeout and consecutive estimate data. A sample of the “dashboard” reports now available for consecutive estimates is shown in Attachment 3 to Question 1, which gives KAW the ability to provide KAW President Kathryn Nash real-time reports of the number of consecutive estimates.¹ Dashboards have also been developed to give supervisors greater visibility to the location of their workforce, and the orders being worked within a geographic area, to allow for more efficient reallocation of resources when needed.

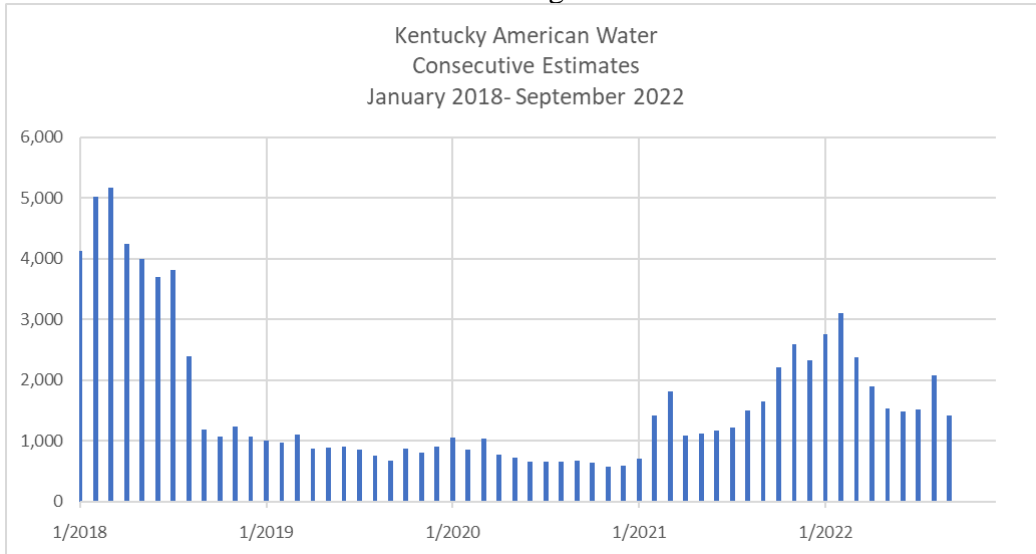
KAW supervisory staff also has worked with the Field Resources Coordination Center (“FRCC”), the dispatch team that coordinates service orders, to improve the prioritization of service orders related to consecutive estimates. As a result of that work, beginning in October 2022, service orders related to consecutive estimates receive a higher priority and will be worked more quickly.

Most recently, KAW has worked to optimize its meter reading routes. (Meter reading routes are groups of meters that are scheduled to be read in a batch each month.) KAW anticipates increased efficiencies both in how long it takes to read all meters in the system and how much travel is required to read all meters in the system. It is anticipated that the more contiguous, consolidated routes will reduce transit time and allow employees to focus more on gathering difficult reads.

The number of consecutive estimates is a lagging indicator of challenges in the meter reading process, and KAW has undertaken significant efforts since 2018 to reduce the number of consecutive estimates (see Figure 4). There has been a recent upward trend in these, however, and the KAW will continue to dedicate additional labor resources to obtaining meter reads and leverage the improved reporting, technology, process improvements and increased equipment renewal to further reduce the number of consecutive estimates.

¹ To the extent the Commission desires it, KAW will provide the Commission periodic reports regarding estimated reads during 2023 that could include: (1) the number of first-time estimates system wide; (2) the number of recurring estimates system wide; and (3) the number of meter change outs each month.

Figure 4

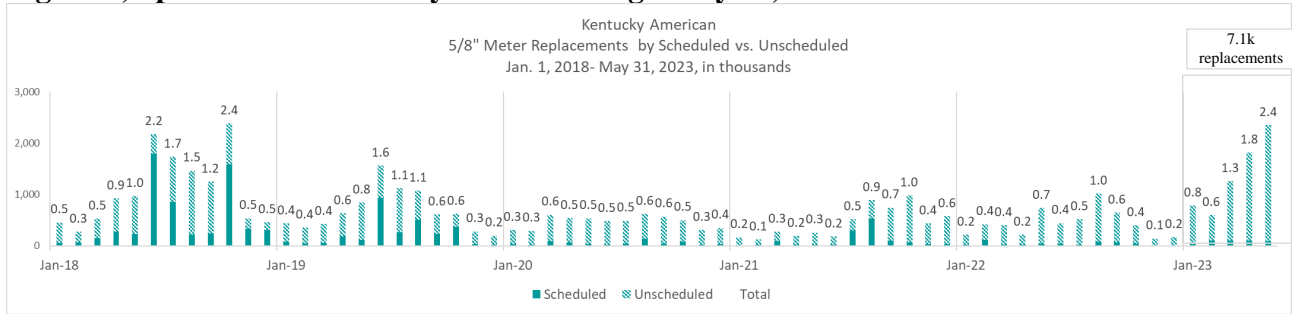


In addition, KAW continues to evaluate planned metering equipment replacements to ensure replacement schedules align with an appropriate length of service for meters by size, given experience with the equipment in service. KAW’s recent experience is that the current vintage of installed meters is lasting approximately 10 years. Approximately 80,000 of the Company’s 133,000 installed 5/8” meters (the most common residential size) are imminently approaching, or have surpassed, 10 years of age. This means that a significant number of KAW’s existing meters would benefit from replacement over the next 2-3 years.

Supplemental Response Filed June 7, 2023

KAW has once again seen a reduction in overall consecutive estimated reads. KAW completed ~ 7,100 meter replacements from January 2023 through the end of May 2023, including ~6,800 5/8” meters as shown in the chart below as well as ~300 meters of other sizes. Please see updated Figure 3 below.

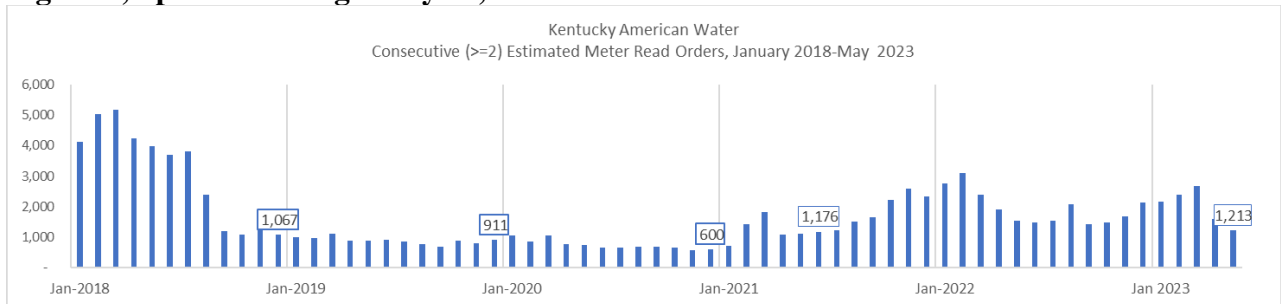
Figure 3, updated and shown by month through May 31, 2023



This replacement work was facilitated primarily by the receipt of meters ordered August 17, 2022. The 12,000-unit order (6,000 meters and 6,000 endpoints) experienced a 3–7-month delay in delivery. KAW received just 200 units after 3 months, another 4,000 units in December 2022 (after ~4 months), and the final 7,800 units in March and April 2023 (after 7-8 months).

The compounding effects of aging meters, supply chain restrictions, and loss of tenured field service employees resulted in increased estimated meter readings in 2021 and 2022. As we’ve seen historically, significant increases in meter replacements coupled with ongoing process improvements, are once again reducing consecutive estimated reads. In May 2023, these were at their lowest level since June 2021 (as shown in the chart) and are beginning to approach the level achieved from the end of 2018 to the end of 2020. See updated Figure 4 below.

Figure 4, updated through May 31, 2023



*Note, the chart above includes meter read orders at vacant premises (approximately 16% of the 1,213 consecutive orders in May 2023) and does not reflect subsequent corrections achieved through RBL (Priority Read for Billing) orders.