

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

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**Witness: Andy Lewis, Melissa Schwarzell, and Roderick Sherman**

1. Refer to Kentucky-American's Tariff, P.S.C. KY NO. 9, First Sheet No. 13, Item j.
  - a. Provide a detailed narrative of Kentucky-American's procedures for monitoring customer usage.
  - b. Explain what Kentucky-American considers an unusual deviation from historical usage.
  - c. Explain the different steps Kentucky-American takes to determine the reason for an unusual deviation from historical usage.

**Response:**

- a) Kentucky-American Water captures usage through the meter reading process and records the usage between two-meter reading points in time, which, typically, are monthly reads. For billing purposes, Kentucky-American Water may utilize two-meter reading points in time based on actual meter reads or it may use an actual meter read and an estimated meter read. The estimated usage for an estimated bill is trued up on a customer's bill once the next actual reading is obtained. The Company has built into its customer information systems a method to automatically monitor usage and flag unusual deviations in customer usage.
- b) Unusual deviations in customer usage may be flagged as a result of the dollar amount of a customer's bill or a customer's consumption. Warnings are given to customers under either high dollar or high use circumstances.
  - a. For residential customers whose dollar amount is 200% and \$200 higher than the customer's average from the prior year receive an automated High Bill letter alerting them to their usage and if the usage crosses a threshold, the system generates an order for manual review. The "average" determination is more fully explained in the response to PSC 2-2.
  - b. Even if the dollar amount warnings are not triggered, the Company alerts customers if their water consumption is higher than 2.5 times the comparable period in the previous year.
  - c. Additionally, all customer bills include numerical and graphical representations of consumption presented on the bill and symbols (such as (A) for actual and (E) for estimate) provide the detail as to how the consumption was determined. A customer can see whether the reading on their bill was an actual reading or an estimated reading. Additionally, the bar chart graphic highlights a customer's monthly consumption for the previous twelve months on their bill, so the customer can see

how each month's use compares to the others. If a read or consumption was estimated, Kentucky-American utilizes the (E) symbol described above to indicate if an estimation occurred.

c) Steps for each category are explained below.

a. Dollar amount category

- i. Residential customers whose dollar amount is 200% and \$200 higher than the customer's average from the prior year will receive an automatic High Bill letter warning of the use.
- ii. If the dollar amount meets a threshold, the system automatically generates a manual review by the billing team to see if a letter needs to be issued or an RBL (read for billing) service order issued. An RBL service order is sent to the state operations team for a visual inspection of the meter to determine what is happening.
- iii. Most of the non-residential customers have the same threshold and process for usage deviations, but some categories, such as private fire, have higher thresholds.

b. Consumption Category

- i. The criteria used for "unusual" or high consumption is enterprise wide for all bill classes. If consumption is between 2.5-5.99x or higher than for the same time period in the previous year, a High Bill letter will be sent automatically.
- ii. If consumption is 6x or greater than the same period in the previous year, the system will issue an RBL service order unless there is a service order in the past 60 days that confirms the current read and is in line. If no RBL order is issued because the read is in line with previous service order, the system will send a High Bill letter.
- iii. High Bill letters inform customers of their higher usage and provide information on potential causes. They also state that the Company will provide leak detection kits and other information to help customers identify high water usage. If customers cannot determine the cause of their unusual high usage, the Company encourages them to contact the Company to investigate further. If the customer reaches out, the Company takes steps to investigate further.

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**Witness: Roderick Sherman and Andy Lewis**

2. Explain how Kentucky-American estimates customer bills when it is unable to obtain a meter reading.

**Response:**

A customer's estimated bill is based upon the expected read as determined by the prior year's use over the same period.

The "same" period of the prior year is determined by:

- The current read date and the last meter read date are used to determine the comparison period.
- If the system does not find an exact match in days, the system would look for actual to actual usage within the date range.
- The system may identify two ranges of acceptable history. If both ranges are considered as a representative period, then the system will determine a daily consumption from both consumption intervals. The two daily consumption values are averaged, and the result is the per day use which is multiplied by the number of days in the current reading period to arrive at the estimated reading.
- If a prior actual to actual period recorded zero consumption, the system would accept zero as the calculated consumption value for the current estimated period.

The daily average is multiplied by the number of days in the current period to arrive at the current estimated reading.

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**Witness: Melissa Schwarzell, Roderick Sherman, and Andy Lewis**

3. When a customer's meter has been estimated for two consecutive months, explain the procedures Kentucky-American follows to attempt to obtain a reading to comply with 807 KAR 5:006, Section 7(5)(a).

**Response:**

When a meter read is estimated, based on the amount of times the meter has estimated, a Consecutive Estimate case is created. For a second estimate, the system will send to the customer a Repair Install Reading Device ("RID") letter for inside meters, and if there is not already an order for an outside meter, the system will create an RID order. If the skip or error code is mapped to the 2nd Estimate case, the case will remain open for manual review. Those skip and error codes are listed below.

For a 3rd Consecutive Estimate case, if the meter is inside the customer's property, the system will send Consecutive Estimate Letter 1 and create a follow up case that the system will review in 15 days to see if there is a Check Meter ("CKM") or Stop Consecutive Estimate Inside ("RCE") order scheduled or completed. If no order has been scheduled or completed the system will send Consecutive Estimate Letter 2. If the meter is outside and less than 2", the system will create a Stop Consecutive Estimate Outside ("REO") order; if the meter is greater than 2", the system will create an escalated REO order.

For a 4th Consecutive Estimate case, if the meter is outside, if there has been an order cancelled or expired within the past 45 days the system will create an escalated REO order. If there is no cancelled or expired order within the last 45 days, the case will remain open for manual review. If the meter is inside, the system will send Consecutive Estimate Letter 3 and create a follow up case. In 15 days, that follow up case will be reviewed by the system. At that time, if there is a scheduled or completed CKM or RCE order the case will close, if there is not an order the case remains open for manual review.

For 5th or More Consecutive Estimate cases, the system will first check for an open Local Office Termination for Access ("ZM20") or request for assistance from Local Office with an account we have not been able to correct ("ZM24") case in the last 365 days. If there is a case open, the system will close the case. If there is not a case and the meter is inside, the case will remain open for manual review. If the meter is outside, the system will check for a cancelled or expired order in the past 45 days. If there is an order, the system will create a new escalated REO order. If there has not been an order, the case remains open for manual review.

When reviewing estimate cases for manual review the Ops Support Specialist will review technical master data, such as the Meter Interface Unit (“MIU”) and Meter and make sure the correct information is installed on the premise. They will also review the device location to make sure the MIU information is correct. The Specialist will also review the meter reads to ensure that we are receiving estimated reads for the meter and will review what skip or error code was used. If the Company is still estimating the meter, the Specialist will review past service order history to ensure MIU and Meter information has not been changed, and has not been updated within the system or that an FSR has not left any notes within service orders that explain what the issue is. If nothing within the system is incorrect and the meter is outside, the Specialist will create an REO order. If the Business Process Exception Management (“BPEM”) counter is 10 or more, the Specialist will create an escalated REO order if there is not one already created.

For inside meters, during manual review, the Specialist will also review what letters have been sent and will send the next letter in the process. If the final letter was sent more than 45 days ago, a new final letter will be sent. If more than 90 days have passed since the last letter was sent, the letter process will start over with sending Consecutive Estimate Letter 1. If the BPEM counter is 10 or more for inside meters the Specialist will try to contact the current customer if there is no open order to access the meter. If the Specialist speaks to the customer, the Specialist will issue an REO order to access the meter. If the Specialist does not speak to the customer, he or she will attempt to leave a message note the BPEM with information given in message.

No matter what case is being reviewed, the system will check to see if the meter is a temporary hydrant meter. If it is, the system will check for a BPEM that has been sent to the local office (“LODS case”). If there is not an open LODS case for local office review, the system will create a temporary meter (“ZM73”) case for local review and close the estimate case. If there is an open LODS case and it was created more than 90 days ago, the system will close the estimate case and create a ZM24 case for local office review. If the LODS case was not created more than 90 days ago, the system will close the estimate case.

See Attachments 1-4 for samples of the letters discussed above.

Type	Number	Description	BPEM Case Type	Routed to	Action on 2nd Estimate
Trouble	214	New Meter Found - Company Action Required	NA	CR Ops	Manual Review
Skip	310	Incorrect Reading Device Information	NA	CR Ops	Manual Review
Skip	311	Incorrect Reading Device Information (Access Required)	NA	CR Ops	Automated letter or order
Skip	312	Broken Reading Device - Company Action Required	NA	CR Ops	Automated letter or order
Skip	313	Broken Reading Device - Access Required	NA	CR Ops	Automated letter or order
Skip	314	New Meter Found - Company Action Required	NA	CR Ops	Manual Review
Skip	315	Meter Removed - Company Action Required	NA	CR Ops	Manual Review
Skip	316	Broken Meter - Field Action Required	NA	CR Ops	Automated letter or order
Skip	317	Broken Meter - Access Required	NA	CR Ops	Automated letter or order
Skip	360	Access Blocked - Customer Action Required, Send Letter	NA	CR Ops	Automated letter or order
Skip	371	Property Occupied - Inactive	NA	CR Ops	Manual Review
Skip	381	Cannot Locate Meter	ZM37	Local Operations	Automated letter or order
Electronic	NR	No Response	N/A	CR Ops	Automated letter or order
Electronic	?	Question Mark Error	NA	CR Ops	Automated letter or order
Global	395	Various Reason, automate Action on second estimate.	N/A	N/A	Automated letter or order
Error	999	Fathom Codes received, But no Read and no Note	N/A	N/A	Automated letter or order
Trouble	201	Pit Problems - Company Action Required	ZM34	LODS	Manual Review
Trouble	202	Pit Problems - Customer Action Required	ZM35	LODS	Manual Review
Trouble	210	Incorrect Reading Device Information	NA	NA	
Trouble	211	Incorrect Reading Device Information(Access Requir	NA	NA	
Trouble	214	New Meter Found - Company Action Required	ZM55	OPSP	Manual Review
Trouble	217	Broken Meter - Access Required	NA	NA	
Trouble	250	Unsafe Conditions - Action to be determined by LOD	ZM33	LODS	Manual Review
Trouble	270	Unauthorized Use - Tampering	ZM25	LODS	Manual Review
Trouble	271	Property Occupied - Inactive	ZM39	OPSP	Manual Review

Trouble	282	Vacant - Informational only	N/A	NA	
Trouble	290	Verified Reading Accurate	N/A	NA	
Trouble	295	Suspected Leak - Customer Action Required	ZM53	OPSP	Manual Review
Trouble	296	Suspected Leak - Field Action Required	ZM36	LODS	Manual Review
Skip	303	Pit Problems / Access Blocked - No Action Needed	NA	NA	
Skip	315	Meter Removed - Company Action Required	ZM40	OPSP	Manual Review
Skip	350	Unsafe Conditions - Action to be determined by Loc	ZM33	LODS	Manual Review
Skip	361	Unable to read due to dangerous animal	ZM46	LODS	Manual Review
Skip	371	Property Occupied - Inactive	ZM39	OPSP	Manual Review
Skip	380	Out of Route or Route Sequence	ZM26	LODS	Manual Review
Skip	381	Cannot Locate Meter	ZM37	LODS	Manual Review

02/09/2023

**For Service To:**  
Account Number:  
Service Address:

Re:

**IMPORTANT NOTICE ABOUT ACCESSING THE WATER METER TO STOP ESTIMATED BILLING**

Dear Kentucky American Water Customer:

It is important to us, as we know it is to you, to ensure your water bills are accurate and reflect the actual water use at your property. Our records indicate that you have been issued several bills based on estimated meter readings because our field service representatives have been unable to access the water meter. Also, it is possible that the water meter's remote reading device is malfunctioning.

It is important that we obtain an actual meter reading for several reasons:

- To provide you with bills based on actual, rather than estimate usage. You may be underpaying or overpaying for water at your property.
- To comply with state regulations.
- To protect you from possible high bills due to an undetected leak or faulty fixture. When bills are estimated, leaks may go undetected for longer periods of time.

To schedule a meter reading at a mutually convenient time, please contact our customer service center at 1-800-678-6301 within 10 days. We may need to change your meter at the time of our visit. If the meter needs replacing, the appointment will take additional 30 minutes for our technician to obtain access and change the meter.

Thank you for your cooperation. We appreciate your business and the opportunity to continue serving you, your neighbors and our local communities.

Sincerely,

Kentucky American Water Customer Service



02/09/2023

**For Service To:**  
Account Number:  
Service Address:

**FINAL NOTICE TO ACCESS THE WATER METER**

**Please respond to avoid having your water service discontinued.**

Dear Kentucky American Water Customer:

This is our third attempt to contact you to gain access and read the water meter serving your property.

We urge you to contact us immediately. If we do not hear from you within (5) five days of the date of this notice, we will begin the process to discontinue your water service. Should your water service be discontinued for non-access, there will be an additional fee to have your water service reconnected.

Our records indicate that you have been issued several bills based on estimated meter readings because our field service representatives have not been able to access the meter. Also, it is possible that the remote reading device is malfunctioning.

Providing you with billing based on actual meter readings is important to us. You may be underpaying or overpaying for water used at your property. Obtaining actual meter readings also ensures our compliance with state utility regulations.

To schedule a meter reading at a mutually convenient time, please contact our customer service center within (5) five days. Representatives can be reached at 1-800-678-6301. We may need to change your meter at the time of our visit. If the meter needs replacing, the appointment will take additional 30 minutes for our technician to obtain access and change the meter.

Thank you for your cooperation. We appreciate your business and the opportunity to continue serving you, your neighbors and our local communities.

Sincerely,

Kentucky American Water Customer Service

02/09/2023

**For Service To:**  
Account Number:  
Service Address:

Re:

**SECOND NOTICE ABOUT ACCESSING THE WATER METER TO STOP ESTIMATED BILLING**

Dear Kentucky American Water Customer:

It's important to us, as we know it is to you, to ensure your water bills are accurate and reflect the actual water use at your property. That's why we are contacting you about a very important matter regarding your account. Our records indicate that you have been issued several bills based on estimated meter readings because our field service representatives have been unable to access the water meter. Also, it is possible that the water meter's remote reading device is malfunctioning.

It is important that we obtain an actual meter reading for several reasons:

- To provide you with bills based on actual, rather than estimate usage. You may be underpaying or overpaying for water at your property.
- To comply with state utility regulations.
- To avoid having your water service disconnected for non-access. The public utility commission provides us with the ability to disconnect water service if we are unable to access our reading equipment after repeated attempts. This is an action we wish to avoid.

This is our second attempt to notify you about this matter in order to correct this situation before further action becomes necessary. Please contact our customer service center within 10 days from the date of this letter to schedule a meter reading at a mutually convenient time. If we need to change your meter at the time of our visit, please allow an additional 30 minutes for our technician to obtain access and change the meter.

Thank you for your cooperation. We appreciate your business and the opportunity to continue serving you, your neighbors and our local communities.

Sincerely,  
Kentucky American Water Customer Service

10/06/2022

**For Service To:**  
Account Number:  
Service Address:

Re:

Dear Customer

Providing high-quality, reliable service to our customers is a top priority, and that includes ensuring that we are billing you properly for the services received. Recently, our field service representative visited your property to read the meter but was unable to obtain the reading. This may indicate that the meter or remote reading device needs to be repaired or replaced.

Because the meter is located indoors, we will need access to the meter so that we can ensure it's working properly. It typically takes about 30 minutes. We do ask that an adult, at least 18 years of age, be present while we perform the inspection.

**Please contact us within 5 days of the date of this letter to schedule a time for us to perform this important work.** Our customer service representatives are available at the number listed below Monday through Friday, 7 a.m. to 7 p.m. Thank you for your assistance.

**Safety tip:** We care about the safety of our customers. Any time a service person comes to your door, always ask for proper photo ID before letting them into your home. Our employees carry company-issued photo ID badges. Also, look for the logo. All Kentucky American Water service personnel wear uniforms and drive company-branded vehicles with the logo.

We appreciate your business and the opportunity to continue serving you, your neighbors and our local communities.

Sincerely,

Kentucky American Water Customer Service

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**Witness: Roderick Sherman, Heather Hoelting, and Andy Lewis**

4. Provide the title and name of the person whose responsibility it is to monitor a deviation in a customer's usage.
  - a. If the position is not currently filled, explain what steps Kentucky-American has taken to ensure the monitoring is still occurring.
  - b. Provide the personnel policy assigning the responsibility. If there is not a written policy, provide all emails exchanged assigning the responsibility or detailing the expectations of the position.

**Response:**

- a. The title and name of the person whose responsibility it is to monitor a deviation in a customer's usage is below.
  - Heather Hoelting, Sr. Manager, Customer Service Center

In addition to the individual/role listed above, American Water has built into its computer systems a method to automatically monitor unusual deviations on customer accounts. These methods, and what Kentucky-American would consider unusual deviations, are described in Kentucky-American's response to PSC 2-1(b). Once an unusual deviation is detected, automatic processes then sort these accounts for additional follow up with our billing team. These processes are described in Kentucky-American's response to PSC 2-1(c). Explanation of notifications to customers of unusual deviations can be found in Kentucky-American's response to PSC 2-18.

- b. Please see KAW\_R\_PSCDR2\_NUM004\_ATTACHMENT\_1, for the position description assigning responsibilities and detailing expectations for the filled role of Sr. Manager, Customer Service Center. The job description is written at a fairly high level and does not delineate each and every responsibility the job requires. However, this job does include handling usage deviation tasks.



**JOB DESCRIPTION**

<b>Job Title:</b>		<b>Job Title:</b> Sr. Manager, Customer Service Center	<b>Job ID:</b> 31010212
		<b>Grade:</b>	<b>FLSA:</b> Exempt
		<b>EEO:</b>	
<b>Job Family:</b>			
<b>Approved:</b> <input checked="" type="checkbox"/> <b>Date:</b> 03/15/2021		<b>Job Content Reviewed:</b> <input checked="" type="checkbox"/> <b>Date:</b>	
<b>Primary Role:</b>	<p>"Create, manage, execute and optimize CSC strategies that drive key performance indicators across the business.  Responsible for keeping team productive and organized.  Drives performance and training programs for the Customer Service Center.  Primary Contact for all Operating Company and Corporate initiatives."</p>		
<b>Key Accountabilities:</b>	<p>"Manages day to day activities of assigned departments as well as provide oversight to other CSC departments. Monitors workflow and removes obstacles which may prevent the team from achieving service level targets and departmental performance goals.  Provides Guidance and oversight to CSC Mangers in assigned areas.  Create financial budget and meet established and approved business plans in assigned departments.  Act as a strategic partner to the Customer Experience Team.  Drive improvements in customer service and revenue generation activities through development and implementation of processes that increase the efficiency and effectiveness of the interface between the Customer Service Center, Shared Services Center, Finance and Operating Companies.  Balances operational requirements in multiple jurisdictions for AWW  Works with utility subsidiaries to develop strategy to handle customer needs for inconsistencies created by regulation, while maintaining the integrity of the business model of a national Customer Service Center.  Manages Operations of the customer inquire function in such a manner as to minimize PUC complaints and justified violations of PUC regulations in a multiple jurisdictional environment.  Assists internal and external auditors in the examination of departmental accounting for specialized collection activities; initiates corrective action as a result of audit findings to improve financial operations, statements and controls.  "</p>		
<b>Education:</b>	Bachelor's degree in Business or equivalent combination of education and/or experience.		
<b>Skills:</b>			

## JOB DESCRIPTION

**Job Title:** Sr. Manager, Customer Service Center

**Job ID:** 31010212

<b>Knowledge:</b>	<p>"Knowledge required:                      Demonstrated leadership and team building ability.                      Experience in coaching and performance improvement.                      Thorough understanding of Customer Service.                      Demonstrated experience in more than one of the following functional areas: Billing, Collections, Operations, Business Services, Call Handling, Learning and Development.                      Professional collection principles and practices. Including legal provisions and proceedings which govern the collection of delinquent accounts i.e., FDCPA, procedures and techniques used in the preparation of detailed and complex collection documents, Federal, State and local laws and regulations relating to financial records of the department.                      Knowledge of utility revenue generation activities and an understanding of regulatory rules governing the operation of water utilities."</p>
<b>Experience:</b>	<p>"12 or more years experience in a customer service and/or functional utility manager role, including experience directly and indirectly supervising employees.                      Demonstrated leadership and team-building ability.                      Experience in coaching and performance improvement.                      Water utility experience preferred.                      Experience in Call Handling, bill generation or collections systems is a bonus."</p>
<b>Certifications &amp; Licenses:</b>	
<b>Scope:</b>	
<b>Work Environment:</b>	24/7 Call Center
<b>Travel Requirements:</b>	30%
<b>Key Interfaces/ Relationships:</b>	
<b>Other:</b>	

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**Witness: Heather Hoelting and Andy Lewis**

5. Provide any instances since January 2018 when a single customer received an estimated bill for more than two consecutive months. In each instance, provide the name, address, and number of consecutive months of estimate billing. Refer to 807 KAR 5:001E, Section 13, for requests for confidential treatment.

**Response:**

Please see “KAW\_R\_PSCDR2\_NUM005\_021023\_ATTACHMENT\_1” for instances since January 2018 when a single customer received an estimated bill for more than two consecutive months, inclusive of the address and number of consecutive months of estimate billing.

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**Witness: David Hill, Melissa Schwarzell, and Andy Lewis**

6. Provide all documentation for instances of two or more consecutive meter misreads from 2018 to the present. In each instance, provide the name, address, and number of consecutive months of estimated billing. Refer to 807 KAR 5:001E, Section 13, for requests for confidential treatment.

**Response:**

Please see the Company's response to PSC 2-5 for addresses and counts of consecutive estimated billings. For documentation of failed read attempts, please see the Company's response to AG 1-3, which may include some non-consecutive records.



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**Witness: Roderick Sherman and Andy Lewis**

7. Refer to Kentucky-American's response to Commission Staff's First Request for Information (Staff's First Request), Item 3, Attachment 1, Summary by Year Worksheet.
  - a. Provide a detailed description for each type of skip code listed.
  - b. Indicate which skip codes Kentucky-American would consider to be beyond its control.

**Response:**

- a. Please see table below for detailed description for each type of skip code listed.

Skip Code	Description	Beyond Kentucky-American's Control
Access Blocked - Customer Action Required	Examples are cars and dumpsters on KAW facilities requiring customer interaction to resolve	Yes
Broken Meter - Access Required	Requires access to fix	Yes
Broken Meter - Field Action Required	Requires meter change	No
Broken Reading Device - Access Required	MIU requires change	Yes
Broken Reading Device - Company Action Required	MIU requires change	No
Business Contingency (informational)	Major business event – bargaining unit work stoppage	No
Cannot Locate Meter	Meter cannot be found	No
Equipment Failure	Truck reading device failure	No
Inclement Weather - Mass Coding	Mostly used with flooding or ice	Yes
Incorrect Reading Device Information	Reading device requires attention	No
Incorrect Reading Device Information (Access Required)	Reading device requires attention and access to facility	Yes

Skip Code	Description	Beyond Kentucky-American's Control
Manpower Issue	Multiple meter readers out of the office causing work not to be completed	Yes / No - depends on circumstances
Meter Removed - Company Action Required	Meter has been removed from box. Out of KAW control when not notified	Yes - when no notification given to KAW
New Meter Found - Company Action Required	Meter found that is not listed as account	No
No Read can be Obtained	Generic code that requires a remedy for a read to be obtained	No
Out of Route or Route Sequence	Meter is not in the current meter route; needs placed in correct route	No
Pit Problems - Company Action Required	Meter pit has condition that needs fixed by company in order to read	No
Pit Problems - Customer Action Required	Meter pit has condition that needs fixed by customer in order to read	Yes - when privately owned
Pit Problems / Access Blocked - No Action Needed	Usually pit in a parking lot with a car parked on top or inside building with no access	Yes
Property Occupied – Inactive	Someone living or working at facility with no active account	No
Suspected Leak - Customer Action Required	Leak on customer side of meter needing customer action	Yes
Suspected Leak - Field Action Required	Leak on company side of meter requiring company fix	No
Unable to read due to dangerous animal	Mostly dogs on customer property	Yes
Unsafe Conditions - Action to be determined by Local District	Meter reader is unsafe getting meter read	Yes
Vacant - Informational only	Property is vacant	Yes / No – Depends on location of meter
Found Meter Changed	Meter has already been changed	No
Meter in backwards, SO not worked	Meter was installed backwards	No

Skip Code	Description	Beyond Kentucky-American's Control
Meter changed in field but not in system	Paperwork for meter change not processed in the system but meter changed in field	No
Other - Office estimate needed	Generic code stating need to estimate by Ops team	Yes
Incorrect Reading Device Information (Access Required)	RID not matching in system or needs access to repair	Yes - when privately installed

b. Skip codes Kentucky-American would consider to be beyond its control are also listed in the above table provided with part a.

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**Witness: Melissa Schwarzell and Roderick Sherman**

8. Refer to Kentucky-American's response to Staff's First Request, Item 3, Attachment 2. Explain the reason(s) Kentucky-American had to estimate 15,146 bills in August 2022.

**Response:**

Please see Attachments 1 through 3 to PSC 1-3, which show approximately 2,400 skip codes and approximately 2,300 alphanumeric and disqualifying error codes in August 2022 meter reads. These explain the reasons for approximately 4,700 estimated reads. There are no skip or error codes for the remaining estimated reads for August 2022. Kentucky-American has verified that all meter reading routes that were system generated were read, however certain reads from August 22nd were not released for billing in time and estimated as a result. In other words, the reads were performed, but missed the deadline for inclusion in the billing cycle and are therefore billed as estimates even though actual reads were obtained.

As noted in the response to PSC 1-2, Attachment 2, estimated "reads" can vary from estimated "bills" for a number of reasons, including reads at inactive premises that have no billing impact, work performed to resolve issues between the periodic read and the bill issuance, and office estimates made by the billing team. However, estimated meter reads are a proxy for estimated bills and provide insight into the causes of estimation.

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**Witness: Roderick Sherman and Andy Lewis**

9. Refer to Kentucky-American's response to Staff's First Request, Item 4, Attachment 1, Summary Worksheet.
  - a. Provide a detailed description for each type of Repair Install Reading Device Incompletion Code listed.
  - b. Provide a detailed description for each type of Stop Consecutive Estimate Incompletion Codes listed.

**Response:**

- a. Please see the table below:

Code	Description of code
2-person job	Requires 2 people for job completion. Usually safety/compliance related
Access blocked to curb	Unable to access meter because of obstruction
Bad Plumbing	Poor condition of customer owned service line preventing work
Called customer – no answer	Customer appt. requested but not available
Cleanout Curb Box	Meter box full of debris and needs cleaned before work can be performed
Company Error	Order created erroneously
Curb Box Offset	Meter box placement not allowing work to be performed
Curb Stop Needs Repair	Company shut off to meter needs repaired
Customer Not on Premises	Customer appt. requested and customer not available
Customer Request	Customer asked us to not perform work
Customer to reschedule	Customer asked for us to come back at later date or time
Denied Access	Customer denies access to facility
Due to Weather Conditions	Usually flood / ice / snow
End of Shift	End of employee scheduled work shift
Exemption	Something needed for job out of normal process/scope
Faulty Outside Read Device	Used for inside set meters and not normal to Ky operations
Health Hazard	Health or safety hazard limiting work

Code	Description of code
Locate Curb Box	Meter box cannot be located
Meter Blocked	Meter box cannot be accessed
Movt on Meter / Sound on Device	Used when a leak detected after meter turned on
No Adult at Premise	Adult not present
Order Past Expiration Date	New order needs created because old order has expired
Pit and Piping Repair Required	Meter box piping needs repaired before work can be performed on meter
Property Vacant	Property is vacant
Regulatory Investigation or Co	Internal investigation or meter testing
Require Assistance	Requires another person to assist
Safety Hazard	Safety or health hazard
Shared Service Line	One-meter feeds multiple facilities. Other notifications need made to additional customers
Successfully Sent to Click	Work order successfully sent to work management software
Supervisor Instructed	Supervisor instructed work not to be performed. Could be several reasons including higher priority needs completed first
Vicious Dog / Animal	Safety concern
Work already Completed	Duplicate order / Work already completed

b. Please see the response to part a. Additionally, there is one additional code:

Code	Description of Code
Attend Emergency	Emergency occurred during order with higher priority and was suspended

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**Witness: Roderick Sherman and Andy Lewis**

10. Refer to Kentucky-American's response to Staff's First Request, Item 4, Attachment 3, Pivot Worksheet. Provide a detailed description for each code listed.

**Response:**

Please see the response to PSC 2-9. Additionally, please note there are two extra codes:

<b>Code</b>	<b>Description of Code</b>
<b>Customer compliance with Comp</b>	Inactive account with use of or theft of service
<b>No couplings installed</b>	Unable to perform work due to prior installation issue

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**Witness: Andy Lewis and Roderick Sherman**

11. Refer to Staff’s First Request, Item 8. Provide an update from August 2022 to January 2023 regarding the number of employees dedicated to meter maintenance each month.

**Response:**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Field Services Representative	16	16	16	16	15	15	15	16	16	16	16	16
2022 Meter Reader	6	6	6	6	6	6	6	6	6	6	6	7
Meter Technician	2	2	2	2	2	2	2	2	2	2	2	2
<b>2022 Total</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>25</b>
Field Services Representative	16											
2023 Meter Reader	7											
Meter Technician	2											
<b>2023 Total</b>	<b>25</b>											

It should be noted that when KAW loses an employee “dedicated to meter maintenance” due to retirement or otherwise, the bid and hiring process takes time to fill that position and KAW does work to fill those vacancies. KAW, further, notes that the “number of employees” is presented, but that the individuals filling those roles changed during the representative period.



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**Witness: Roderick Sherman and Andy Lewis**

12. Refer to Staff's First Request, Item 9. Provide an update from August 2022 to January 2023. Provide a monthly update for each month.

**Response:**

Please see "KAW\_R\_PSCDR2\_NUM012\_021023\_ATTACHMENT\_1" which supplements PSC 1-9, and provides a monthly update for each month from August 2022 to December 2022.

January 2023 data is not yet complete. An update for January will be provided after the window for that month's order completion closes.

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**Witness: Jeffrey Newcomb**

13. Provide Kentucky-American's monthly net income since January 1, 2017.

**Response:**

Please see the table below for Kentucky-American's monthly net income since January 1, 2017. Also, please note that the net income for calendar years 2017 and 2018 was affected by the sale of company assets, and 2022 was affected by property tax settlements.

<b>Period</b>	<b>Net Income/(Loss)</b>					
	Monthly					
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
January	\$ 1,112,931	\$ 1,304,013	\$ 622,988	\$ 1,541,337	\$ 1,218,273	\$ 2,130,577
February	1,429,098	1,555,124	673,982	1,448,627	1,294,933	1,246,514
March	1,168,696	892,791	677,868	1,297,527	1,363,491	1,836,809
April	1,442,249	351,125	1,023,534	1,095,593	1,360,880	1,444,679
May	1,343,337	1,860,030	1,497,453	1,647,033	2,155,289	2,078,225
June	1,857,417	1,501,059	1,621,502	1,881,305	2,440,615	2,313,386
July	2,262,451	2,168,884	2,391,150	3,025,654	2,793,948	2,895,105
August	2,302,466	2,141,809	2,918,099	3,189,034	3,131,520	4,673,186
September	5,700,732	1,854,616	3,532,142	2,533,327	1,677,581	2,057,806
October	1,840,198	2,962,572	2,310,890	1,915,698	2,194,752	2,259,488
November	1,274,854	730,931	1,471,808	1,676,140	1,436,560	1,784,002
December	(622,765)	2,028,192	1,326,923	(14,120)	872,226	1,142,445
<b>Total</b>	<b>\$ 21,111,664</b>	<b>\$ 19,351,145</b>	<b>\$ 20,068,339</b>	<b>\$ 21,237,153</b>	<b>\$ 21,940,066</b>	<b>\$ 25,862,222</b>

\* 2022 Unaudited

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**Witness: Jeffrey Newcomb**

14. Provide Kentucky-American's year-to-date income on a monthly basis from January 1, 2017.

**Response:**

Please see the table below shows Kentucky-American's year-to-date net income on a monthly basis from January 1, 2017. Also, please note that the year-to-date net income for calendar years 2017 and 2018 was affected by the sale of company assets, and 2022 was affected by property tax settlements.

<u>Period</u>	<u>Net Income/(Loss)</u>					
	<u>Year-to-Date</u>					
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
January	\$ 1,112,931	\$ 1,304,013	\$ 622,988	\$ 1,541,337	\$ 1,218,273	\$ 2,130,577
February	2,542,029	2,859,137	1,296,970	2,989,963	2,513,205	3,377,091
March	3,710,725	3,751,927	1,974,838	4,287,490	3,876,696	5,213,899
April	5,152,973	4,103,053	2,998,372	5,383,083	5,237,576	6,658,578
May	6,496,311	5,963,083	4,495,824	7,030,116	7,392,865	8,736,803
June	8,353,728	7,464,142	6,117,326	8,911,420	9,833,480	11,050,189
July	10,616,179	9,633,026	8,508,477	11,937,074	12,627,428	13,945,294
August	12,918,645	11,774,835	11,426,576	15,126,108	15,758,948	18,618,481
September	18,619,377	13,629,451	14,958,717	17,659,436	17,436,529	20,676,286
October	20,459,576	16,592,023	17,269,607	19,575,134	19,631,280	22,935,774
November	21,734,430	17,322,953	18,741,416	21,251,274	21,067,840	24,719,776
December	\$ 21,111,664	\$ 19,351,145	\$ 20,068,339	\$ 21,237,153	\$ 21,940,066	\$ 25,862,222

\* 2022 Unaudited

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**Witness: Jeffrey Newcomb**

15. Provide Kentucky-American's implied return on equity for each year from 2017 to the present.

**Response:**

Please see the table below for Kentucky-American's implied return on equity for each year from 2017 to the present:

	<b>Implied Return on Equity</b>					
	<b>% by Year</b>					
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
Actual	11.0%	9.6%	9.4%	9.3%	9.2%	10.1%
Pro Forma	8.9%	8.8%	9.4%	9.8%	9.5%	9.4%

\* 2022 Unaudited

\* ROE % calculation: net income divided by average shareholder's equity

Pro forma implied return on equity for 2017 and 2018 is shown absent of the sale of company assets. Pro forma implied return on equity for 2022 excludes the favorable adjustment made for the 2020 and 2021 property tax settlements; thus, 2020 and 2021 include adjustments to align the settlements with the years in which they relate.

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**Witness: Roderick Sherman and Andy Lewis**

16. Explain how Kentucky-American calculates the proper amount for a leak adjustment when a customer's usage has been estimated multiple months during the six billing periods prior to the request for the leak adjustment. In such cases, explain whether Kentucky-American would go back and adjust the leak adjustment amount when it obtains six-months of actual meter readings.

**Response:**

When a customer requests a leak adjustment, Kentucky-American adheres to the language for hidden leak adjustments at First Sheet 44 of its tariff: "[T]he bill will be adjusted by comparing the usage during the leak billing period to the average usage for the past six billing periods."

However, on occasion, using the data from the past six billing periods could include another high bill or an estimated bill or the customer may not have six billing periods of history. In those cases, the Company relies on the following tariff language at First Sheet 44: "A reasonable estimate will be used in cases when six prior periods of information do not exist."

"Reasonable estimate[s]" are a manual process that account for the unique circumstances of each case. For example, Kentucky-American would authorize a non-standard leak adjustment for a customer who had a service line leak while also receiving consecutively estimated bills. How long a customer has been at the same location and the consistency of usage over that period impact the reasonableness determination when the six prior billing periods are not available.

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**Witness: Roderick Sherman and Andy Lewis**

17. Explain what steps Kentucky-American takes to notify a customer of an estimated bill. Include how the customer is notified, who is responsible for ensuring notification occurs, and when the notification occurs. Provide any documentation to support that notification attempts were made, by whom, and when.

**Response:**

Kentucky-American's standard process of notifying customers of an estimation is through appropriate designation on their bill, whether it be a paper bill or electronic bill. Numerical and graphical representations of consumption are presented on the bill and symbols (such as (A) for actual and (E) for estimate) provide the detail as to how the consumption was determined. As displayed on the example bill below, a customer can see whether the reading on their bill was an actual reading or an estimated reading. Additionally, Kentucky-American graphically highlights a customer's monthly consumption for the previous year on a bar graph on their bill. If a read or consumption was estimated, Kentucky-American utilizes the (E) symbol described above to indicate if an estimation occurred. An example is shown below. Ensuring bills are generated monthly is the responsibility of Kentucky-American's billing team.



**Meter Reading and Usage Summary**

Meter No.	Measure	Size	From Date	To Date	Previous Read	Current Read	Meter Units	Billing Units	Total Gallons
H013276812	100 CF	5/8"	12/22/2022	01/25/2023	664 (A)	672 (A)	8	59.84	5,984

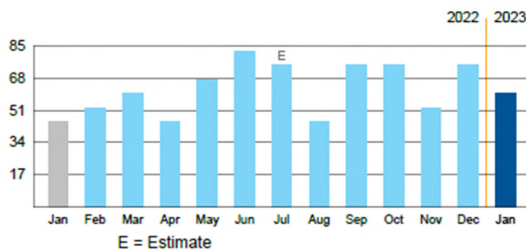
A = Actual E = Estimate

1 CF = 7.48 gallons 1 Billing Unit = 100 gallons

Total Gallons: 5,984

**Billed Usage History (graph shown in 100 gallons)**

- 5,984 gallons = usage for this period
- 4,488 gallons = usage for same period last year



Next Scheduled Read Date: on or about February 16, 2023  
 Account Type: Residential

Average daily use for this period is: (35 days)



Year to Date Billed Usage: 5,984 gallons

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**Witness: Roderick Sherman, Heather Hoelting, and Andy Lewis**

18. Explain what steps Kentucky-American takes to notify a customer of unusually high water usage. Include how the customer is notified, who is responsible for ensuring notification occurs, and when the notification occurs. Provide any documentation to support that notification attempts were made, by whom, and when.

**Response:**

Please see Kentucky-American's response to PSC 2-1, which explains what steps Kentucky-American takes to notify a customer of unusually high water usage, how the customer is notified, and when the notification occurs and see the sample of a high bill letter, below. Please see the attached Excel file for documentation regarding the notification attempts from 2018 to the present.



01/31/2023

Dear Customer:

We appreciate your business and the opportunity to continue serving you, your neighbors and our local communities.

One of our responsibilities as your water service provider is to give you all the information you need to manage your water use, and to alert you when we notice something out of the ordinary. When we obtained your most recent meter reading, we noticed that your water use is considerably higher than normal.

There could be many reasons for unusually high water use, including short-term visitors, seasonal usage, or potential leaks. We suggest that you check your property for possible leaks or problems which could cause unusually high water use. If you determine that the source of the high water use is the result of a broken service line or internal plumbing problem, we encourage you to take steps as soon as possible to prevent recurring high bills.

We offer a Leak Detection Kit and other useful information for identifying high water use on our website, [www.amwater.com](http://www.amwater.com). Many leaks are not noticeable but can contribute to unexpected water use. If you cannot determine the reason for your higher water use, please call our customer service center between the hours of 7am and 7pm at the number below.

Sincerely,

Kentucky American Water Customer Service





02/03/2023

Dear Customer:

We appreciate your business and the opportunity to continue serving you, your neighbors and our local communities.

One of our responsibilities as your water service provider is to give you all the information you need to manage your water use, and to alert you when we notice something out of the ordinary. We recently saw an increase in water use, which surpassed 200% and \$200.00 when compared to the prior month. We also identified a similar disparity when compared to the prior year's use for this property. We have also verified the meter reading to confirm the device accurately recorded the registered water usage.

There could be many reasons for an increase in water use, including short-term visitors, seasonal usage, or potential leaks. We suggest that you check your property for possible leaks or problems which could cause unusually high water use. If you determine that the source of the high water use is the result of a broken service line or internal plumbing problem, we encourage you to take steps as soon as possible to prevent recurring high bills.

We offer a Leak Detection Kit and other useful information for identifying high water use on our website, [www.amwater.com](http://www.amwater.com). Many leaks are not noticeable but can contribute to unexpected water use. If you cannot determine the reason for your higher water use, please call our customer service center between the hours of 7am and 7pm at the number below.

Sincerely,

Kentucky American Water Customer Service

Customer Service: M-F 7am to 7pm Emergency: 24/7: 1-800-678-6301

[www.kentuckyamwater.com](http://www.kentuckyamwater.com)