

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SIMPSON	)	Case. No.
COUNTY WATER DISTRICT FOR A RATE	)	2024-00068
ADJUSTMENT PURSUANT TO 807 KAR 5:076	)	

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RESPONSE OF SIMPSON COUNTY WATER DISTRICT  
TO THE COMMISSION STAFF'S THIRD REQUEST  
FOR INFORMATION DATED JULY 9, 2024

**Simpson District System, Inc.**  
**Case No. 2024-00061**  
**Commission Staff's Third Request for Information**

**Witness:** Jeff Peeples

1. Refer to the replacement file for Simpson District's response to Commission Staff's First Request for Information (Staff's First Request), Item 5, 5\_Simpson\_County\_Rate\_Model.xlsx, Dep Adj tab, Cell J20. Provide the calculations Simpson District used to determine the \$41,654 adjustment amount.

**Response:** See file: 1\_Meter\_Adjustment\_Spreadsheet  
The \$41,654 adjustment amount is detailed in column AA of the attached spreadsheet. The total adjustment amount is in cell AA214.

**Witness:** Jeff Peeples

2. Refer to Simpson District's response to Staff's First Request, Item 16, Attachment 17\_Depreciation.xlsx. .
  - a. Specify which of the 5/8" meters on the Excel spreadsheet are Badger M25 meters.

**Response:** See file: 2.a,b,c\_Fixed\_Asset\_Spreadsheet  
In the attached fixed asset spreadsheet, Badger M25 meters are identified in column AG.

- b. Specify the manufacturer of each type of meter on the Excel spreadsheet.

**Response:** See file: 2.a,b,c\_Fixed\_Asset\_Spreadsheet  
In the attached fixed asset spreadsheet, the meter manufacturer is identified in column AH.

- c. Identify if any of the Badger meters are still under warranty and if any, explain any warranty benefits and policies.

**Response:** See file: 2.a,b,c\_Fixed\_Asset\_Spreadsheet  
In the attached fixed asset spreadsheet, all Badger meters are under warranty and identified in column AI.

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Summary of warranty benefits for Badger Model 25 5/8" meter:

- Meters are warranted to meet or exceed AWWA new meter accuracy standards for 5 years from date of shipment or registration of 750,000 gallons.
  - Meters are warranted to meet or exceed AWWA repaired meter accuracy standards for 15 years from date of shipment or registration of 2,500,000.
  - Meters are warranted to meet or exceed the low flow accuracy of 98.5% at a rate of 1/4 gpm and low flow rate accuracy at a rate of 95% at a rate of 1/8 gpm for 5 years from date of shipment or registration of 675,000 gallons.
  - Meters that fail under the warranty, at the option of Badger Meter, will be repaired or replaced without charge to the customer
- d. State the number and age of any 5/8 meters that are not the Badger M25 meters in use by Simpson District.

**Response:**

As of 12/31/22, meters that are not Badger M25 meters are provided below:

**Sensus SRII 5/8" Meters**

<b>Age</b>	<b>Count</b>
0 - 5 years	0
6 - 10 years	9
11-15 years	336
16-20 years	768
21+ years	14
<b>Total</b>	<b>1127</b>

In year 2023, Simpson District discontinued the use of Badger M25 5/8" and began installing Kamstrup Ultrasonic 5/8" meters. As of 7/15/24, the number of Kamstrup Ultrasonic 5/8" meters in service totaled 60.

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In year 2024, Simpson District began installing Master Meter Sonata Ultrasonic 5/8" meters in addition to the Kamstrup meters. As of 7/15/24, the number of Master Meter Sonata Ultrasonic 5/8" meters in service totaled 5.

**Witness:** Jeff Peeples

3. For all non-Badger meters, explain whether Simpson District believes that a 20-year service life is still appropriate. If not, explain why not and identify what service life is more appropriate.

**Response:** As of 12/31/22, the non-Badger meters in service were Sensus SR11 5/8" meters totaling 1,127. When SR11 meters are 21 years old, they are removed from service. Random sample testing shows most SR11 meters maintain accuracy standards and experience low failure rates. Over a ten-year period from 2014 to 2023, a sample of 950 SR11 meters 21 years of age were tested, 898 meters passed accuracy testing (94.53%) and 52 meters failed (5.47%). Based upon these test results, a 20-year service life is still appropriate.

**Witness:** Jeff Peeples

4. State whether Simpson District believes that setting all meters at a 15-year useful life in a depreciation schedule would be reasonable. If not, explain why not.

**Response:** Since test data reflects a 10-year service life for Badger M25 meters and a service life of 21 years for Sensus SR11 meters, Simpson District believes setting these meters to a 15-year useful life would not be reasonable. For the Badger M25, test data indicates a substantial number of meters will fail around 10 years of age. If a 15-year useful life is applied, meters failing at 10 years will have residual book values. In this case, Simpson District would be required to write off the residual value and record a disposition loss as Badger M25 meters are removed from service.

In consideration of Kamstrup and Master Meter ultrasonic meters, the warranty on these meters is 10 years full replacement and 10 years prorated. For these meters, a 10-year useful life that corresponds with the 10-year full warranty replacement is appropriate.

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**Witness:** Jeff Peeples

5. Provide the failure rate for all non-Badger meters, including the inputs used to determine the calculation.

**Response:** See file: 5\_Requested\_Test\_Data

**Witness:** Jeff Peeples

6. Explain what Simpson District's plan is for replacing failing meters.

**Response:** Simpson District will issue a Request for Proposals (RFP) for the purchase of the replacement meters and an RFP for removal of the failing meters and installation of the replacement meters.

**Witness:** Jeff Peeples

7. State whether Simpson District plans to replace any failing meters with upgraded metering technology. If so, explain what those plans are.

**Response:** Simpson District plans to replace failing meters with ultrasonic meters. These are becoming an industry standard and provide improved accuracy and lower maintenance. Pilot programs were installed with small quantities of meters from various manufacturers, and their performance is being monitored. Simpson District will issue a Request for Proposals specifying the purchase of ultrasonic meters.