

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF BOONE COUNTY WATER)
DISTRICT FOR APPROVAL OF AN INCREASE) CASE NO. 2010-00019
IN CERTAIN NONRECURRING CHARGES)

**RESPONSES OF THE BOONE COUNTY WATER DISTRICT
TO COMMISSION STAFF'S FIRST INFORMATION REQUEST**

COMES NOW the Boone County Water District, through counsel, and hereby submits the following responses to the Commission Staff's first information request as set forth herein.



DAVID A. KOENIG, KBA #39530
Attorney at Law
P.O. Box 6205
Florence, KY 41022-6205
(859) 525-6161

CERTIFICATE OF SERVICE:

I, DAVID A. KOENIG, hereby certify that a true and correct copy of the foregoing was mailed by ordinary U.S. Mail, postage prepaid, on this the 21 day of July, 2010, to:

Hon. Patrick R. Hughes
Hon. Kevin F. Hoskins
Dressman, Benzinger & LaVelle
Attorneys at Law
207 Thomas More Parkway
Crestview Hills, KY 41017-2596



DAVID A. KOENIG

REQUEST NO. 1:

1. List separately for each calendar year from 2007 through 2009 and from January 1, 2010, through June 30, 2010:

a. The number of new 5/8-inch x 3/4-inch meter connections for Boone District and how many of these were for short-side installation and how many were for long-side installation; and

b. The number of new 1-inch meter connections for Boone District and how many of these were for short-side installation and how many were for long-side installation.

RESPONSE:

See attached supporting documents.

REQUEST NO. 2:

Regarding the installation equipment that Boone District uses to install new meters, state what specific equipment is used to install the following:

a. 5/8-inch x 3/4-inch meter connections for both short-side meter connections and long-side meter connections; and

b. 1-inch meter connections for both short-side meter connections and long-side meter connections.

RESPONSE:

a. 5/8-inch x 3/4-inch short-side connections: back hoe, dump truck with drag, jack hammer and/or saw, tap machine, hand tools, service truck, (with a three person crew).

b. 5/8-inch x 3/4-inch long-side connections: back hoe, dump truck with drag, air compressor, jack hammer and/or saw, missile, tap machine, hand tools, service truck, (with a three person crew).

c. 1-inch short-side connection: same as 3/4-inch short.

d. 1-inch long-side connection: same as 3/4-inch long.

REQUEST NO. 3:

For each piece of equipment identified in response to No. 2 above, state whether Boone District owns or rents the equipment. If Boone District owns the equipment, state when it was purchased and the cost paid.

RESPONSE:

Boone District owns all equipment used in meter installation. See attached supporting document.

RESPONSE TO QUESTION # 3

MACHINERY	PURCHASE DATE	PURCHASE PRICE
BACKHOE	01-12-2006	\$64,800.00
DUMP TRUCK (5 TON)	09-14-2004	\$51,710.00
DRAG TRAILER	01-14-2005	\$11,500.00
SERVICE TRUCK (F-450)	05-17-2004	\$36,043.00
SERVICE TRUCK (SMALL)	12-14-2009	\$14,999.40
MISSLE (PUSH MACHINE)	07-23-2002	\$3,900.00
TAPPING MACHINE	05-17-2010	\$2,820.50
AIR COMPRESSOR	1996	RECORDS PURGED CURRENT USED PURCHASE PRICE \$2600.00
JACK HAMMER / 2 BITS	1996	RECORDS PURGED CURRENT PURCHASE PRICE \$895.50
QUICKIE SAW	06-03-2010	\$799.96
YARD TRUCK (1 TON)	06-03-2008	\$38,169.50
TILLER	06-30-2008	\$1,199.00

Information provided by Bonnie Grote, Office Manager

REQUEST NO. 4:

What is the cost per hour for each piece of equipment that Boone District rents for the installation of new meter connections? For each, does Boone District seek bids from multiple vendors? If not, what is the reason for not doing so?

RESPONSE:

Not applicable.

REQUEST NO. 5:

Describe the procedure used for the inspection process for both short-side and long-side meter connections.

RESPONSE:

The lead inspector and/or foreman goes to the site and inspects all aspects of the project, including safety, soil conditions, depth of the line, materials, connections at the water main and meter, rough grade, and final restoration.

REQUEST NO. 6:

Describe the process used for the site clean-up for both short-side and long-side meter connections.

RESPONSE:

The excavated area is back filled with sand and dirt and brought to rough grade, the surrounding area is cleaned of any debris and depending on the location, the sidewalk or street would be swept allowing the restoration crew to bring in top soil to provide finish grade and spread seed and straw or sod so that final inspection can be performed.

REQUEST NO. 7:

What is included in the 10-percent overhead expense?

RESPONSE:

Allowance for overhead expense allows recovery of some costs attributable to meter installation, including vehicle expense, crew travel time to and from the site, and staff time necessary to process the application and necessary record keeping and accounting functions directly related to meter installation.

REQUEST NO. 8:

Under what circumstances is copper service pipe used instead of PVC service pipe?

RESPONSE:

Copper pipe is used on the short-side for rocky and/or high pressure areas. Copper pipe is used on the long-side for rocky and/or high pressure areas or when a 2" cross over pipe (encasement) cannot be used under the pavement.

REQUEST NO. 9:

Several documents are attached to the application, located behind each of the four "average meter connection expense cost justifications." Since most of the documents are not specifically identified and there is no date, place or preparer listed, explain the relevance of the documents to this matter.

RESPONSE:

The referenced documents are Boone District cost sheets attached to the actual meter installation work orders for recording actual time at the site. These internal records are made in the ordinary course of meter installation.

REQUEST NO. 10:

How was \$25.00 arrived at for the average hourly rate for labor expense?
Is this expense based on the hourly rate of pay for employees of Boone District or
are some or all contract workers? If for employees, are benefits included?

RESPONSE:

\$25.00 is calculated to be the average Boone County Water District
employee wage with allowance for mandatory employer contributions such as
social security, medicare, pension, etc., and fringe benefits.

REQUEST NO. 11:

List the activities that are performed, and the time required for each, that are included in the installation expense for both short-side and long-side service meters.

RESPONSE:

1) Travel to the site and inspect for underground utilities. Determine if the service is short or long. Call for underground locate if necessary. **(1 man hour)**

2) For short sites: transport a 3 man crew with a dump truck, backhoe and drag, service truck, jack hammer and/or saw, tap machine, hand tools, and necessary materials to install the meter. Once at the site, excavate the area for the meter. Tap the water main installing either a corp stop or saddle. Install the service line to the main and to the meter set. Set the meter box, ring and lid. Back fill with a layer of sand, then with dirt to rough grade. Clean the site. **(1-3 man hours at site)**

3) For long sites: transport a 3 man crew with a dump truck, backhoe and drag, service truck with air compressor, missile, jack hammer and/or saw, tap machine, hand tools and necessary materials. Once at the site, excavate the area for the meter and area for the missile. Set the missile with the air compressor and start. Tap the main and set a corp stop or saddle. Push under pavement with the missile. Pull back the service line and attach it to the corp stop or saddle and to the meter set. Set the meter box, ring, and lid. Back fill

with layer of sand and dirt to rough grade. Clean up site. **(3-9 man hours at site)**

4) The 3 man restoration crew travels to the site with a small dump truck with top soil, tiller, seed spreader, hand tools. Top soil is spread to a finish grade. Spread seed and straw, or sod depending on the site. Clean up. **(1-1/2 to 3 man hours at site)**

5) Lead inspector and/or foreman travels to the site and performs a final inspection. **(1 hour)**

REQUEST NO. 12:

What is included in the overhead expense?

RESPONSE:

Allowance for overhead expense allows recovery of some costs attributable to meter installation, including vehicle expense, crew travel time to and from the site, and staff time necessary to process the application and necessary record keeping and accounting functions directly related to meter installation.

REQUEST NO. 13:

State the number of spare meters that Boone District presently has in its inventory.

RESPONSE:

As of July 13, 2010, there are eleven (11) 1-inch and seven hundred (700) 3/4-inch meters. The reason for the increased inventory of 3/4-inch meters is that Boone District is actively replacing older meters with satellite read meters for efficiency and cost purposes.

REQUEST NO. 14:

State the number of meters that Boone District purchases at one time when it purchases both 5/8-inch x 3/4-inch meters and 1-inch meters.

RESPONSE:

Boone District purchases five hundred (500) 3/4-inch meters and twenty (20) 1-inch meters on a quarterly basis.

REQUEST NO. 15:

For Boone District's last three purchases of 5/8-inch x 3/4-inch meters and 1-inch meters, state the date the purchases were made, the vendor, the number of meters purchased, and the total cost.

RESPONSE:

See attached supporting document.

RESPONSE TO QUESTION # 15

# METERS PURCHASED	SIZE	PURCHASE DATE	PURCHASE PRICE
1020	3/4"	01-13-2010	\$40,392.00
204	3/4"	04-30-2010	\$8,078.40
72	3/4"	12-16-2009	\$2,851.20
6	1"	03-24-2010	\$702.00
12	1"	04-09-2010	\$1,404.00
4	1"	05-28-2010	\$468.00
 # TRANSPONDERS			
1000	3/4"	01-13-2010	\$130,000.00
1000	3/4"	04-20-2010	\$130,000.00
250	3/4"	05-21-2010	\$32,500.00
6	1"	12-12-2009	\$696.00
12	1"	04-07-2010	\$2,506.64
12	1"	05-28-2010	\$2,088.00

Information provided by Bonnie Grote, Office Manager

VERIFICATION

COMES NOW Phil Trzop, Manager of the Boone County Water District, and being duly sworn and cautioned, hereby certifies that he is the manager of the Boone County Water District and has supervised the preparation of these responses on behalf of the Boone County Water District and that the responses are true and accurate to the best of his knowledge, information and belief formed after a reasonable inquiry.

EXECUTED THIS 19TH DAY OF JULY, 2010.



PHIL TRZOP

COMMONWEALTH OF KENTUCKY
COUNTY OF BOONE

Subscribed and sworn to before me by Phil Trzop, Manager, on this the 19 day of July, 2010.



NOTARY PUBLIC

My commission expires: 9-8-13