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April 9, 2021

PARTIES OF RECORD

Re: Case No. 2014-00267

Attached is a copy of a supplemental memorandum, which is being filed in the record of the above-referenced case. Parties to this matter notified Commission Staff of two (2) corrections which need to be made to the memorandum entered March 24, 2021:

1. On page 1, paragraph 3, please change 146,000 gallons per minute to 146 gallons per minute; and
2. On page 2, paragraph 2, please change "Mr. Brown" to "Mr. Bowman."

The corrections have been made to the memorandum and this supplemental memorandum contains those corrections. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Brittany H. Koenig, Staff Attorney at Brittany.Koenig@ky.gov.

Sincerely,


Linda C. Bridwell
Executive Director

BHK

Attachment

INTRA-AGENCY SUPPLEMENTAL MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2020-00386

FROM: Brittany Koenig, Staff Attorney

DATE: April 9, 2021

RE: Informal Conference of March 16, 2021

Pursuant to Commission Staff's (Staff) Notice of Informal Conference (IC) filed into the record on March 8, 2021, an IC was held in this matter on March 16, 2021 via video conference. Tim Webb, District Manager of Cannonsburg Water District (Cannonsburg District) and Damon Talley, counsel for Cannonsburg District, participated in the conference with Commission Staff (Staff). Alan Bowman of Bell Engineering participated on behalf of Cannonsburg District, as well. Erin Donges, Mark Frost, Sam Reid, Andrew Bowker and Brittany Koenig participated on behalf of the Commission.

Commission Staff Attorney Brittany Koenig began the meeting by advising representatives of Cannonsburg District that notes would be taken during the conference and that Staff would prepare and enter into the record a memorandum regarding the conference. Ms. Koenig further advised that the parties would have five days after the memorandum is entered into the record to file comments on the memorandum.

Mr. Webb of Cannonsburg District began by updating on the first phase of the zone metering project that is finished. Fifty-three zone meters were installed creating 5 zones to monitor with 48 sub-zones. Mr. Webb explained that the software they use has helped the utility identify 146 gallons per minute of water loss, or 6.3 million gallons of loss per month. He explained the utility has focused on addressing the minor leak repairs but they did repair a significant leak in December 2020. Mr. Webb explained that the average monthly water loss in 2020 was 11.1 million gallons per month and January 2021 water loss was 9.2 million gallons. The utility attributed the reduction in water loss to the zone meters installed in phase one. In February, the flooding and electricity outages created a hardship for the utility. Mr. Webb said they are just now starting to recover. Mr. Webb said the utility has hired one employee and plans to ask the Board to hire another at the next board meeting on March 24, 2021. He plans to take two experienced workers to dedicate them to leak detection.

Mr. Webb and Mr. Bowman explained that the second phase of the project will include replacing 15,000 feet of pipeline and the project has been prepared to send to KIA. This second phase will target an area that requires flushing six times a year and the plan is that the work will help them reduce that to a standard twice a year flushing.

Staff asked Mr. Webb to follow up on past conferences and he explained that the purchase water quality from Ashland has improved. The first phase of the project included setting up meters near the purchase points and Cannonsburg District is able to check the meter numbers from Ashland now, which seem to be within a reasonable amount. Mr. Webb also explained that the utility was only able to access about 20 percent of its lines to check for leaks and after phase one of the project the zone meters allow them to see approximately 80 percent of its system.

Staff asked Cannonsburg District to give feedback on the process at the Commission and what they felt helped or held-up the utility making progress. Mr. Webb said that having the informal conferences about monthly helped. He explained that it helped to stay in contact with the Commission on the project. Mr. Bowman praised the Commission's use of the surcharge as a mechanism that helps water utilities address water loss. Finally, Staff asked about whether the surcharge amount was on target and Mr. Webb said it was fair and they will break even.

There being no further business, the informal conference adjourned.

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