

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC KENTUCKY-AMERICAN WATER)
COMPANY'S REQUEST FOR PERMISSION TO) CASE NO. 2016-00394
DEVIATE FROM 807 KAR 5:006, SECTION 26(6)(B))

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on October 31, 2017 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on October 31, 2017.

A copy of this Notice, the certification of the digital video record, and hearing log have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in may download a copy at https://psc.ky.gov/av_broadcast/2016-00394/2016-00394_31Oct17_Inter.aspx.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 6th day of November 2017.

A handwritten signature in cursive script that reads "Gwen R. Pinson".

Gwen R. Pinson
Executive Director
Public Service Commission of Kentucky

Honorable Lindsey W Ingram, III
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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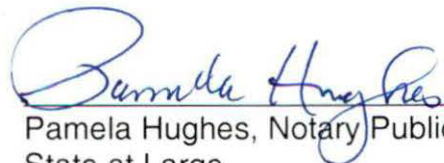
ELECTRONIC KENTUCKY-AMERICAN WATER)	CASE NO.
COMPANY'S REQUEST FOR PERMISSION TO)	2016-00394
DEVIATE FROM 807 KAR 5:006, SECTION)	
26(6)(B))	

CERTIFICATE

I, Pamela Hughes, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on October 31, 2017. Hearing Log and Witness List are included with the recording on October 31, 2017.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of October 31, 2017.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of October 31, 2017, and the time at which each occurred.

Signed this 6th day of November, 2017.


Pamela Hughes, Notary Public
State at Large
My Commission Expires: April 22, 2019



Judge: Bob Cicero; Talina Mathews; Michael Schmitt
Defendant: Linda Bridwell; Kevin Rogers; Nick Rowe
Witness: Linda Bridwell; Kevin Rogers; Nick Rowe
Clerk: Pam Hughes

Table with 4 columns: Date, Type, Location, Department. Row 1: 10/31/2017, Other, Hearing Room 1, Hearing Room 1 (HR 1)

Table with 2 columns: Event Time, Log Event

Main log table with columns: Event Time, Log Event. Contains detailed session notes from 8:41:02 AM to 9:12:46 AM, including session start, introductions, and witness testimony.

9:15:31 AM	Atty Ingram direct of Witness Bridwell Note: Hughes, Pam Note: Hughes, Pam	Regarding the deviation being granted. Regarding if the Commission gives this deviation, do you expect the savings to go forth to the customers.
9:16:31 AM	Atty Sanders cross of Witness Bridwell Note: Hughes, Pam Note: Hughes, Pam	Regarding who is responsible to make sure KY American is responsible for staying in regulations. Under regulations, is she the person responsible to make sure KY American is in compliance with regulations.
9:18:06 AM	Atty Sanders cross of Witness Bridwell Note: Hughes, Pam Note: Hughes, Pam	Meter inspection requirements, her testimony was that the monthly meter readings are electronic data that she couldn't get from physical inspections. Is there any physical data that they could get during the drive by inspections of the meters.
9:19:25 AM	Atty Sanders cross of Witness Bridwell Note: Hughes, Pam	Regarding that since stopped physical inspections of meters, have the work orders on the meters changed. Witness states that they have been about the same.
9:21:10 AM	Atty Sanders cross of Witness Bridwell Note: Hughes, Pam	Regarding switching to automatic electronic meters in 1998. Changed to AMR
9:22:23 AM	Atty Sanders cross of Witness Bridwell Note: Hughes, Pam Note: Hughes, Pam	Regarding in this 15 year process, why did they not request a deviation. Regarding as to when did the AMR transition complete. 2013
9:24:20 AM	Atty Sanders cross of Witness Bridwell Note: Hughes, Pam	Regarding customers opting out of the AMR meters. Not at this time.
9:24:52 AM	Atty Sanders cross of Witness Bridwell Note: Hughes, Pam	Concerning valves and meters, has there been any talk about putting procedures in place to make sure that this doesn't happen again as far as keeping up with regulations that change so they won't be in non-compliance again.
9:27:03 AM	Atty Sanders cross of Witness Bridwell Note: Hughes, Pam	Regarding filing with the Commission the process of what this will be.
9:27:24 AM	VC Cicero cross of Witness Bridwell Note: Hughes, Pam Note: Hughes, Pam	If regulations is in her title, why isn't she in control of regulation compliance. Audit would be good start, but going forward there needs to be more coordination overseeing all of the compliance issues. Going back to 1998, Company should have been aware that they were not in compliance, and this concerns the Commission.
9:30:01 AM	Comm Mathews cross of Witness Bridwell Note: Hughes, Pam Note: Hughes, Pam	Valve inspections -Regarding 5 and 2 year process Risk base and probability of loss if the valve failed.
9:31:30 AM	Comm Mathews cross of Witness Bridwell Note: Hughes, Pam	Regarding awareness of regulations being amended in 2013.
9:31:58 AM	Chairman Schmitt cross of Witness Bridwell Note: Hughes, Pam	Regarding the non-compliance of regulation for so many years. Regarding without coming to the Commission to first discuss this. Wants someone at the Company that knows and complies with current regulations concerning the deviations.

	Note: Hughes, Pam	Regarding the Document retention policy that KY. American Water has.
	Note: Hughes, Pam	Regarding the issue of the valve issues and inspections not being done timely. General outline of inspection procedures was part of the data request and the Chairman thought that it was their procedures and asks about when it was filed.
9:36:50 AM	Post Hearing Data Request	
	Note: Hughes, Pam	Document retention policy of Ky. American Water.
9:37:03 AM	Comm Mathews cross of Witness Bridwell	
	Note: Hughes, Pam	Regarding inspections for various sized pipes and valves, Is this the inspection protocol used by American Water nationally?
	Note: Hughes, Pam	Regarding the regulations applying to all water utilities, in her opinion is this regulation outdated so that all water utilities in Ky. be subject to the same inspection schedule.
	Note: Hughes, Pam	Regarding inspection of valves. How often these valves should be inspected to prevent a malfunction and what was the practice of doing this.
9:41:05 AM	Comm Mathews cross of Witness Bridwell	
	Note: Hughes, Pam	Responses indicated average distance is between 500 to 600 feet. Makes this less of a problem if malfunctions.
	Note: Hughes, Pam	Regarding the 10 states standards for best practices and recommendations.
9:42:43 AM	Atty Ingram recross of Witness Bridwell	
	Note: Hughes, Pam	Leak inspection on the physical side, does the KY American AMR meter reading trigger if the usage goes way up. Does the tariff provide a hidden leak for customers if this happens, yes and frequently adjusts customers bills.
9:44:51 AM	Atty Sanders recross of Witness Bridwell	
	Note: Hughes, Pam	Regarding if the master meters are AMR meters. Any problems if the monthly readings are not picking up.
	Note: Hughes, Pam	Requests information concerning this if available.
	Note: Hughes, Pam	Regarding the inspection of master meters annually physically. 4" or larger is field tested annually.
9:47:25 AM	Atty Sanders recross of Witness Bridwell	
	Note: Hughes, Pam	Concerning her Data Response, inspection annually of the valves larger than 24" Valve inspections and baseline in any discussion should start with the regulation and someone should have known this was not in compliance.
	Note: Hughes, Pam	Witness states that they have not been in compliance and nothing documented with the Commission.
9:50:03 AM	VC Cicero re cross of Witness Bridwell	
	Note: Hughes, Pam	Regarding her being responsible for the rates. \$800,000 cost for labor to be in compliance if deviation is not granted. Wouldn't the labor be built in the cost already.
	Note: Hughes, Pam	Saying there was a reduction in labor side in last rate case in 2012 because of the AMR meters and cut meter readers. Can't remember the number of employees and where they were reduced or moved.
9:53:39 AM	Post Hearing Data Request	
	Note: Hughes, Pam	Savings after installing the AMR meters
9:53:55 AM	Chairman re cross of Witness Bridwell	
	Note: Hughes, Pam	Regarding his advice in dealing with the Commission is to get things in writing.
9:54:57 AM	Witness Bridwell excused	

9:55:04 AM Atty Ingram calls Witness Rogers to the stand
Note: Hughes, Pam Kevin Rogers- Vice President of Operations of Kentucky American Water. Filed data responses, adopts them.

9:56:09 AM Atty Sanders cross of Witness Rogers
Note: Hughes, Pam Regarding deviation on inspecting the meters and getting a lot more electronic information. Is he aware that anything that is done on physical inspection an not on electronic that they would find.. He says only that the cover not being on and info is limted.

9:58:29 AM Atty Sanders cross of Witness Rogers
Note: Hughes, Pam Regarding his thoughts on having no physical inspections of the meters. Work goes on in the field that workers physically see the meters and can address problems if found.

10:00:55 AM Atty Sanders cross of Witness Rogers
Note: Hughes, Pam How long do AMR meters last. 15 year schedule

10:01:35 AM Atty Sanders cross of Witness Rogers
Note: Hughes, Pam No records of discussions
Note: Hughes, Pam Regarding Witness Bridwell testimony - KY American went to AMR system in 2013. Any discussion in filing inspection procedures with the Commission and not having any schedule on file with the Commission. Mr. Rogers was not present at KY American in 2013 when these talks took place.

10:04:29 AM Atty Sanders cross of Witness Rogers
Note: Hughes, Pam Regarding the time frame.
Note: Hughes, Pam Regarding Staff's DR 1 - regarding getting more info from these AMR meters and what is the info they are expecting to get. More frequent information.

10:06:29 AM Atty Sanders cross of Witness Rogers
Note: Hughes, Pam Regulation in question amended in 2013, does he have any knowledge that Ky American gave any participation in that revision.

10:07:31 AM Atty Sanders cross of Witness Rogers
Note: Hughes, Pam Regarding that in 2015, internal determination of inspections of largest valves. Where did Ky. American start with this since they didn't start with looking at the regulations.

10:11:10 AM Atty Sanders cross of Witness Rogers
Note: Hughes, Pam Referring to the steps Ky American is planning to put in place to insure they are in compliance going forward.

10:12:57 AM Chairman question to Witness Rogers
Note: Hughes, Pam Regarding who is Dorothy Raider --she is manager of water quaility.

10:13:44 AM Atty Sanders cross of Witness Rogers
Note: Hughes, Pam Prior to regulation being amended in 2013, were they required to inspect meters. Witnes states that before changing to AMR they read monthly and not aware if this was a requirement.

10:14:47 AM VC Cicero cross of Witness Rogers
Note: Hughes, Pam Responses in DR's state system operates efficiently, but not starting with regulations. Witness believed they were within compliance. Inspection procedure on file is not the one KY American provided means they are not in compliance with regulations on that either. Not in compliance, witness agrees.
Note: Hughes, Pam Regarding the oversight of compliance of regulations not placed as top priority.

10:19:22 AM VC Cicero cross of Witness Rogers
Note: Hughes, Pam Regarding the compliance side, a process needs to be put in place.

10:20:06 AM Comm Mathews cross of Witness Rogers
Note: Hughes, Pam Confidential documents filed in 2010 is internal document for procedures. Practices are on file with the Commission.

10:20:54 AM	Chairman Note: Hughes, Pam	Chairman states someone above level of operations manager, someone should be responsible for knowing the regulations and keeping the company is kept in compliance. How to propose to fix this issue of staying in compliance of regulations.
	Note: Hughes, Pam	Inspection procedures are to be filed under the Company and not in a rate case. Questions how the Company of there size and doesn't have anyone there to read the regulations and tell them what these regulations are. Any other reason this was overlooked.
10:24:54 AM	Witness excused	
10:25:06 AM	Witness Rowe is called to the stand. Note: Hughes, Pam	Nick Rowe - President of KAWC. No direct testimony and no data requests filed by him.
10:25:52 AM	Atty Sanders cross of Witness Rowe Note: Hughes, Pam	Regarding involvement in regulation changes in 2013.
10:26:31 AM	Atty Sanders cross of Witness Rowe Note: Hughes, Pam	Who reviews this to make sure they are in compliance with this. He relies on external agency to notify them of a change in regulations. Regarding internal policy when they change something, is there anything that compares this to the regulations that they are still in compliance. Witness states this has found a gap in their process and this needs to be addressed and processes need to be changed and something written to show they have a written policy in place.
	Note: Hughes, Pam	When a KAR is amended or revised, how do they find out about that.
10:30:04 AM	Atty Sanders cross of Witness Rowe Note: Hughes, Pam	Regarding proceses in place to make sure they have stayed in compliance internally,
	Note: Hughes, Pam	Regarding things they have discussed to fix that gap in this process of staying in compliance with regulations.
10:31:40 AM	VC Cicero cross of Witness Rowe Note: Hughes, Pam	Do other American Water companies have a designated person to insure compliance. Witness states as President he is ultimately responsible. VC states it is necessary to have someone be in charge of maintaing compliance outside of CEO's.
10:33:44 AM	Chairman cross of Witness Rowe Note: Hughes, Pam	Appreciates his taking responsibility. Would like to have his comments on regulations that may need revisions.
10:36:05 AM	Witness excused	
10:36:13 AM	Post Hearing Data Requests Note: Hughes, Pam	PSC to get out by Nov 3rd. Responses by 15th.
10:36:37 AM	Adjourned	
10:36:44 AM	Session Paused	
11:25:05 AM	Session Ended	

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