

Matthew G. Bevin  
Governor

Charles G. Snavely  
Secretary  
Energy and Environment Cabinet



Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Michael J. Schmitt  
Chairman

Robert Cicero  
Vice Chairman

Daniel E. Logsdon Jr.  
Commissioner

April 20, 2017

**PARTIES OF RECORD**

Re: Case No. 2016-00432

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. 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 Jennifer Fell, Commission Staff Attorney, at 502-782-2585.

Sincerely,

A handwritten signature in blue ink that reads "Talina R. Mathews".

Talina R. Mathews  
Executive Director

JLF/ph

Attachments

**INTRA-AGENCY MEMORANDUM ADDENDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File – Case No. 2016-00432  
**FROM:** Jennifer Fell, Staff Attorney *JLF*  
**DATE:** April 20, 2017  
**RE:** Informal Conference of April 13, 2017

Pursuant to Commission Staff's ("Staff") April 4, 2017 notice, an informal conference ("IC") was held in this matter on April 13, 2017. A list of attendees is attached.

Hardin County Water District No. 2 ("Hardin No. 2") explained that it began its Sample Meter Testing Plan in 2016, by sample testing a statistically representative group of meters that had been installed in 2006, and in service for ten years. No prior approval has been given by the Commission in regards to the sample testing that commenced in 2016. Hardin No. 2 further explained its Sample Meter Testing Plan for future years would be comprised of sampling additional randomly chosen lots of meters, each year, for meters in the age classes of 11–15 years of service. There was also discussion with Staff as to whether a 'control group' of meters (i.e. those randomly chosen once and then tested through 15 years of service) was appropriate, or whether a new random selection would be necessary each year.

The proposed cost-effectiveness, or cost savings, of the Sample Meter Testing Program was also discussed and Staff requested from Hardin No. 2 an estimate of the costs associated with testing the meters in addition to the replacement costs for the meters cited in the application.

Hardin No. 2 also discussed its proposal to use the statistical method prescribed in *American National Standard Institute ANSI/ASQ Z1.9-2003 (R2013)* ("ANSI Standard") for the sample size and acceptability of its meters' maximum and intermediate flow rates. Hardin No. 2 also explained why it has proposed to use the means-analysis test for the minimum flow rate, given an asymmetry in the ANSI Standard for minimum flow on water meters. There was discussion as to whether a valid sample testing plan will require the ANSI Standard to be applied across all flow rates, and whether the ANSI Standard might provide for some alternate method that would account for the asymmetry in water meters' minimum flow category.

Staff informed Hardin No. 2 that a request for information would be issued in the near future to address the matters discussed at the IC.

Finding that no party had any further questions, the conference was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF )  
HARDIN COUNTY WATER DISTRICT )  
NO. 2 FOR A DECLARATORY ORDER )  
THAT SAMPLE TESTING )  
SATISFIES THE TESTING )  
REQUIREMENTS OF 807 KAR )  
5:066 SECTION 16(1) OR, IN THE )  
ALTERNATIVE, FOR AN ORDER )  
GRANTING A DEVIATION FROM )  
807 KAR 5:066 SECTION 16(1) )

CASE NO. 2016-00432

**SIGN IN**

April 13, 2017

PERSON

REPRESENTING

Sam Reid

PSC - FA

Mary Ellen Wimberly

Stoll Keenon Ogden - HCWDZ

Damon Talley

SKO HCWDZ

James Jeffries

HCWD#2

Scott Clark

HCWD#2

John Lyons

PSC - DOI

Brian Z. Lu

PSC - DOI

Jennifer Fell

PSC - Legal

\*Honorable Damon R Talley  
Attorney at Law  
Stoll Keenon Ogden PLLC  
P.O. Box 150  
Hodgenville, KENTUCKY 42748

\*Gerald E Wuetcher  
Attorney at Law  
STOLL KEENON OGDEN PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KENTUCKY 40507-1801

\*Hardin County Water District #2  
360 Ring Road  
P. O. Box 970  
Elizabethtown, KY 42702-0970

\*James R Jeffries  
Hardin County Water District #2  
P. O. Box 970  
Elizabethtown, KY 42702-0970

\*Mary Ellen Wimberly  
STOLL KEENON OGDEN PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KENTUCKY 40507-1801