

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-	)	
AMERICAN WATER COMPANY FOR A	)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	2025-00240
NECESSITY FOR INSTALLATION OF	)	
ADVANCED METERING INFRASTRUCTURE	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO KENTUCKY-AMERICAN WATER COMPANY

Kentucky-American Water Company (Kentucky-American), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 29, 2025. The Commission directs Kentucky-American to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky-American shall make timely amendment to any prior response if Kentucky-American obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Kentucky-American fails or refuses to furnish all or part of the requested information, Kentucky-American shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky-American shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. State whether any other American Water Works Company, Inc. (American Water) regulated subsidiaries have received approval from their respective Public Utility Commission in the deployment of AMI. If so, provide the subsidiary and the approving jurisdiction.

2. Provide a comprehensive 20-year cash flow analysis, comparing Automated Meter Reading (AMR) systems to Advanced Metering Infrastructure (AMI),

and project the financial outcomes for Kentucky-American's current customer base, considering all relevant costs and benefits.

3. Refer to the Direct Testimony of Robert Burton (Burton Direct Testimony), page 11, lines 8-14. Provide Kentucky-American's plan for analyzing the data captured data from the AMI meters as frequently as 96 times per day, or every 15 minutes. In the response, include the estimated number of new employees that will be needed to analyze and visualize data for customers and the anticipated salaries.

4. Refer to the Direct Testimony of Justin Sensabaugh (Sensabaugh Direct Testimony), page 7, lines 1-2. State how Kentucky-American will treat the unrecovered net book value for all AMR meters that fail prior to reaching the end of their useful lives.

5. Refer to the Sensabaugh Direct Testimony, page 7, lines 7-8.

a. For all AMR meters that have been replaced, due to failure, during the period of calendar year 2020 through the date of this request, provide the actual remaining useful life for each meter at the time of failure.

b. For each meter removed for failure, identify whether the meter tested in acceptable range when tested upon removal.

c. Provide the average remaining useful life for the existing AMR meters currently in service by county, where available.

6. Refer to the Sensabaugh Direct Testimony, page 7, line 10, which identifies battery issues as a common cause of meters and/or endpoint failures impacting communication. Clarify the typical expected battery life for both AMR and AMI meters. Additionally, if specific data is available, provide the observed actual battery life of replaced failed meters for each technology.

7. Refer to the Sensabaugh Direct Testimony, page 7, lines 10-11. Explain the process for battery replacements for Kentucky-American's current AMR system.

8. Refer to the Sensabaugh Direct Testimony, page 9, lines 18-20 and page 10, lines 1-2. Provide the annual or, if available, monthly leak detection data attributed to AMI versus AMR systems for Kentucky, as well as comparative data from other states where American Water operates, as it pertains to the presented benefits of AMI technology.

9. Refer to the Sensabaugh Direct Testimony, page 12. Provide a detailed breakdown of water loss data for Kentucky-American's service territory, categorized by county and customer type. Provide the requested information in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

10. Refer to the Direct Testimony of Krista Citron (Citron Direct Testimony), pages 4-5. Explain what projected useful life was assumed for the AMI and AMR meters within the Cost-Benefit Analysis (CBA).

11. Refer to the Citron Direct Testimony, page 7, lines 19-20. Provide support for Kentucky-American using a 21 percent federal tax rate and 5 percent state tax rate. Further, state whether any future tax policy changes were considered in crafting these assumptions.

12. Refer to the Citron Direct Testimony, page 7, line 22, and page 8, line 1.

a. Provide the support for the estimated useful life for the AMI meter selected for installation by Kentucky-American.

b. If the estimated useful life is different than 10 years, explain why a 10 percent depreciation rate in the cost benefit analysis (CBA) is acceptable.

13. Refer to the Citron Direct Testimony, page 12, lines 11-13.

a. State whether Kentucky-American considered any upgrades to its current AMR system that could provide the same benefits that AMI implementation would bring.

b. Provide an estimate of the cost associated with upgrading the software for AMR systems, specifically including upgrades not involving a full transition to AMI but rather enhancements to existing AMR functionality.

14. Refer to the Application, Exhibit A, page 8-15.

a. Explain if the adoption of AMI meters will improve the water loss percentage.

b. Confirm that implementation of AMI meters by other American Water subsidiaries across the United States has shown significant improvements in water loss management and provide the related information in a table. If confirmed explain how and quantify the water loss improvements. If not confirmed, explain the response.

15. Refer to the Application, Exhibit A, Page 29, Figure 20. Refer also to the Application in Case No. 2023-00191,<sup>2</sup> Exhibit A, Page 16, Figure 11.

a. Confirm that the information shown in Figure 20 reflects the amount for 2024. If confirmed, explain the differences in the amounts shown in Figure 20 and the amounts shown in Figure 11 in Case No. 2023-00191 for the same period. If not confirmed, provide the corrected date.

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<sup>2</sup> Case No. 2023-00191, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates, A Certificate of Public Convenience and Necessity for Installation of Advanced Metering Infrastructure, Approval of Regulatory and Accounting Treatments, and Tariff Revisions* (filed June 30, 2023), Application,.

b. Provide whether Kentucky-American is currently utilizing or planning to primarily use diesel trucks for meter reading activities, given that the current fuel price forecasts presented \$3.55. If so, provide the specific operational advantages of diesel trucks compared to gasoline trucks for this purpose.

c. Provide whether Kentucky-American utilizes Midwest regional fuel price forecasts provided by the Energy Information Administration (EIA) instead of, or in addition to, the broader US average when developing its projections for fuel expenses.

d. Explain the approximate doubling of the current annual depreciation per vehicle compared to Case No. 2023-00191.

16. Refer to the Application, Exhibit A, page 16, Obsolescence and Wasteful Duplication.

a. Provide a discussion regarding AMR technology, from a customer experience perspective, being obsolete.

b. Provide whether Kentucky-American has substantial evidence that the existing AMR meters will either no longer be available or supported in the future. If evidence exists, provide the evidence, including any studies or workpapers that support the response.

c. If Kentucky-American implements AMI, provide whether customers will have access to real-time, live usage data, or whether there will be a data latency period between its reception by Kentucky-American and its release for customer viewing on the website or through a customer portal.

17. Refer to the Application, Exhibit A, Advanced Metering Infrastructure Plan, Page 5.

a. Provide the current make, model, and age of the AMR technology that Kentucky-American currently utilizes.

b. Provide all costs associated with uninstalling the AMR meters if Kentucky-American anticipates it will uninstall the current AMR meters and then install a new AMI meter.

c. Provide all changes to the number of employees expected as a result of the transition from AMR to AMI.

18. Refer to the Application, Exhibit A, Advanced Metering Infrastructure Plan, page 6.

a. Explain how Kentucky-American plans to limit the amount of capital costs associated with AMI.

b. Explain whether the cellular AMI is considered to be the most reliable option as compared to the least cost option.

19. Refer to the Application, Exhibit A, Advanced Metering Infrastructure Plan, page 23.

a. Provide a list of all vendors who received a request for information (RFI) from American Water.

b. Provide the form RFI and all responses to the RFI, whether evaluated or not. If not evaluated, provide a reason the response was excluded.

c. Provide the criteria by which all the RFI responses were evaluated as well as any scoring metric utilized by Kentucky-American or American Water.

d. Provide the minimum criteria requirements American Water utilized to determine which vendors were selected to move forward to the request for proposal (RFP) process.

e. For each vendor not selected to move forward in the selection process, explain, in detail, the reasoning for the exclusion.

f. Provide the scoring and ranking rubric for all responses in the RFI and RFP process with all comments and scores from the evaluators.

g. Explain in detail how the RFP was publicized and provide copies of notices for the RFP.

20. Refer to the Application, Exhibit A, Advanced Metering Infrastructure Plan, page 27. Explain whether Kentucky-American's labor costs for meter readers will decrease if the Commission grants a CPCN for AMI.

21. Refer to Case No 2022-00299.<sup>3</sup> Refer to Kentucky-American's response to the Attorney General's First Request for Information, Item 4. Refer also to Sensabaugh Direct Testimony, page 7.

a. Explain why, if as stated in that response, Kentucky-American does not track a failure of a meter to read as a basis for replacement, Kentucky-American can use failure rates of meters as a basis for this request.

b. If Kentucky-American tracks reasons for meter replacements, provide the basis for meter replacements for all meters replaced for calendar year January 2023 through the date of this request, including the date of the replacement and

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<sup>3</sup> Case No. 2022-00299, *Electronic Investigation of Kentucky-American Water Company's Alleged Violation of a Tariff and Commission Regulations Regarding Meters And Monitoring Customer Usage*.



the number of meter failure occurrences before replacement. If Kentucky-American does not track a reason for replacement, explain how Kentucky-American identifies meters to be replaced.

22. Provide any instances since January 2023 through the date of this request when a single customer received an estimated bill for more than two consecutive months. In each instance, provide the name, address, and number of consecutive months of estimate billing as well as whether or not the estimated read was the result of a meter's failure to respond to the radio read signal.

23. Refer to Item 22 in this request. For each estimated customer billing between January 2023 through the date of this request due to failure of the MIU to transmit data to the radio read receiver, or a zero usage, provide the date and time an attempt was made to manually read the meter and the reason the utility was unable to read the meter.

24. Confirm whether Kentucky-American or American Water has performed an Internal Customer Meter Audit for 2024. If confirmed, provide the study or report. If not confirmed, explain whether any customer meter study by the companies has been performed in the last three years.

25. Refer to Case No. 2025-00171.<sup>4</sup> If the Commission approves the requested acquisition in that case, explain how that impacts the request in this case. Include in the response specific expense impacts as well as specific labor impacts.

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<sup>4</sup> Case No. 2025-00171, *Electronic Application of American Water Works Company, Kentucky-American Water Company, Nexus Regulated Utilities, LLC, and Water Service Corporation of Kentucky for Final Approval of the Transfer of Control of Water Service Corporation of Kentucky*.

26. Provide the number of meters of each make and model in use by Kentucky-American.

27. Since 2023 through July 2025, by month, provide the number of meters, including make and model, Kentucky-American has removed due to failure of the accuracy of the meter, not the MIU. Include in the response whether the meter was under warranty and whether Kentucky-American made a claim pursuant to that warranty.

28. Confirm Kentucky-American has the technological infrastructure to support the AMI meters. If not, explain every technological upgrade Kentucky-American intends to implement and provide an approximate cost associated with the upgrade.



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DATED     AUG 12 2025    

cc: Parties of Record

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