

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MORGAN COUNTY WATER)	
DISTRICT'S UNACCOUNTED-FOR WATER LOSS)	CASE NO.
REDUCTION PLAN, SURCHARGE AND)	2021-00206
MONITORING)	

ORDER

This matter arises upon Morgan County Water District's (Morgan District) request to disburse funds from its water loss reduction plan surcharge.

LEGAL STANDARD

On June 9, 2021, the Commission established this proceeding to monitor the collection and expenditure of an unaccounted-for water loss reduction plan surcharge. In the June 9, 2021 Order, the Commission prohibited the use of the surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.¹ The Commission also ordered Morgan District to file a description of the purpose of each payment from the account and invoices supporting each payment in a monthly report.²

BACKGROUND

Morgan District has a history of significant water loss, which can both reflect and cause financial distress to a utility. In Case No. 2020-00386, the Commission approved

¹ Order (Ky. PSC June 9, 2021), ordering paragraph 8.

² June 9, 2021 Order, ordering paragraph 6.

a monthly surcharge of \$5.87 per active meter for 48 months, or until \$399,726 had been assessed, whichever occurs first to fund Morgan District's unaccounted-for water loss reduction efforts.³ This proceeding was subsequently opened to monitor Morgan District's collection and expenditures of the water loss prevention surcharge to ensure that the surcharge was used solely to improve Morgan District's efforts to reduce water loss.

REIMBURSEMENT REQUEST

Morgan District requested to disburse \$10,160 to Bear Traxx Inc. (Bear Traxx) for the installation of two meter pits to its system in order for its leak detector to place a portable flow meter in efforts to locate water main leaks in its system.⁴

DISCUSSION AND FINDINGS

The Commission finds that Morgan District's request for reimbursement from the surcharge proceeds should be granted. This is because Morgan District submitted invoices for the expenses and provided written explanation of how the expenses specifically relate to Morgan District's efforts to reduce water loss. Morgan District explained that the installation of the meter pits would allow for the placement of a portable flow meter in order to assist with leak detection efforts.

Further, Morgan District sought the permission of the Commission to expend the funds from the surcharge account to pay the various expenses in advance of making any disbursements from the surcharge account.

³ Case No. 2020-00386, *Electronic Application of Morgan County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC June 9, 2021), final Order at 24.

⁴ Morgan District Letter and Invoice (filed Nov. 7, 2022).

The Commission directs Morgan District that, in future invoice filings, Morgan District should continue to include a detailed, written explanation with each invoice that it submits for payment from the surcharge account, stating in detail what the invoice is for and how it relates to Morgan District's efforts to reduce unaccounted-for water loss.

IT IS THEREFORE ORDERED that:

1. Morgan District's request to disburse \$10,160 to Bear Traxx from the water loss prevention surcharge is granted.

2. In all future requests for reimbursement, Morgan District shall include a copy of the invoice and detailed description what has been purchased and how the purchase relates to Morgan District's efforts to reduce unaccounted-for water loss.

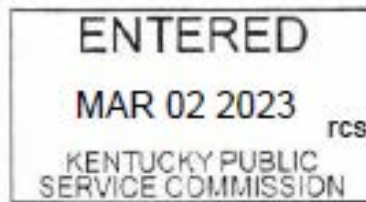
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PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

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