

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO)	CASE NO.
EXCESSIVE WATER LOSS BY KENTUCKY'S)	2019-00041
JURISDICTIONAL WATER UTILITIES)	

ORDER

On April 2, 2019, Kentucky-American Water Company (Kentucky-American) filed a motion requesting to be dismissed as a party from this proceeding. On March 12, 2019, the Commission initiated this investigation into excessive water loss by water utilities that report over 35 percent water loss in their annual reports on file with the Commission. Kentucky-American was made a party to this proceeding due to excessive water loss only in the area previously served by Eastern Rockcastle Water Association, Inc. (Eastern Rockcastle Association), which was acquired by Kentucky-American.¹

As a basis for the motion, Kentucky-American asserts that, pursuant to Commission regulation and precedent, the determination of a utility's unaccounted-for water loss is based upon a utility's overall unaccounted-for water loss, and not water loss for only a portion of the utility's system. Kentucky-American states that its overall water loss is less than 20 percent, which is under the 35 percent threshold the Commission established in identifying water utilities who were made a party to this proceeding. Kentucky-American further states that it has a plan in place to address the unaccounted-for water loss associated with the former Eastern Rockcastle Association system.

¹ Case No. 2017-00383, *Electronic Verified Joint Application of Eastern Rockcastle Water Association, Inc. and Kentucky-American Water Company for the Transfer of Control and Assets* (Ky. PSC Jan. 19, 2018).

Having reviewed the motion and being otherwise sufficiently advised, the Commission finds that Kentucky-American established good cause and should be dismissed as a party to this proceeding. Section 6(3) of 807 KAR 5:066, provides that, for ratemaking purposes, unaccounted-for water loss should not exceed 15 percent of the total water produced and purchased, excluding water used by a utility in its own operations. In Case 89-281, the Commission determined that water loss in a water utility with two water systems that were physically separated should be calculated in terms of the entire system, and not the water loss for discrete sections. Consistent with regulations and Commission precedent, the determination of Kentucky-American's water loss should be based on the overall water loss of its entire water system, and not only for the Eastern Rockcastle Association. Further, the Commission established this proceeding to, among other things, determine what actions are necessary in order to decrease the percentage of water loss. Kentucky-American developed a water loss reduction plan to address water loss in the former Eastern Rockcastle Association system and initiated implementation of that plan.

IT IS THEREFORE ORDERED that:

1. Kentucky-American's motion to dismiss is granted.
2. Kentucky-American is dismissed as a party to this proceeding.

By the Commission



ATTEST:


Executive Director

Case No. 2019-00041

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