

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ESTILL)	
COUNTY WATER DISTRICT NO. 1 FOR A)	CASE NO.
SURCHARGE TO FINANCE WATER LOSS)	2019-00119
CONTROL EFFORTS)	

ORDER

On June 13, 2019, Estill County Water District No. 1 (Estill District No. 1) tendered an application for authority to assess a monthly surcharge of \$3.54 per meter for at least three years for use towards projects to reduce its unaccounted-for water loss. On August 29, 2019, the Commission entered an Order accepting the application for consideration as of August 1, 2019, and indicating that the surcharge was effective August 22, 2019, and could be collected subject to refund.

On March 24, 2020, the Commission entered an Order that stated that Estill District No. 1 should continue to file monthly activity reports regarding the surcharge into the record of this proceeding. On July 28, 2020, the Commission entered an Order clarifying that the surcharge had been approved by the August 29, 2019 Order.

Although Estill District No. 1's application proposed that the Commission conduct a formal review of the surcharge and Estill District No. 1's water loss control efforts three years after approval of the surcharge,¹ none of the Commission's Orders in this proceeding have addressed the timing of such a review. Given that Estill District No. 1's

¹ Application at 6.

request for the surcharge was for a period of three years, and the surcharge was approved by the Commission on August 29, 2019, the Commission concludes that an evaluation is due as of August 29, 2022.

Additionally, in Case No. 2021-00064,² Estill District No. 1 was granted a Certificate of Public Convenience and Necessity (CPCN) to establish a zone metering system and replace four stream crossings, along with authorization to use water loss control surcharge proceeds to pay the debt service on a Kentucky Infrastructure Authority (KIA) loan for the project. In its final Order in Case No. 2021-00064, the Commission also ordered Estill District No. 1 to file an application for a rate adjustment on or before June 3, 2023. However, the final Order in Case No. 2021-00064 was not filed into the record of this proceeding.

Because the approval for use of surcharge proceeds should be recorded in this proceeding, the Commission finds that Case No. 2021-00064 should be incorporated by reference into the record of this proceeding. Further, the Commission finds that a review of the water loss control surcharge will be conducted in the rate case proceeding that Estill District No. 1 is to file on or before June 3, 2023

IT IS THEREFORE ORDERED that:

1. Case No. 2021-00064 is incorporated by reference into the record of this proceeding.

² Case No. 2021-00064, *Electronic Application of Estill County Water District No. 1 for Authorization to Enter into an Assistance Agreement with the Kentucky Infrastructure Authority for a Certificate of Public Convenience to Construct Certain Water Improvements and Authorization to Use Water Loss Control Program Surcharge Proceeds* (Ky. PSC June 3, 2022).

2. The Commission shall review the status of the surcharge within the rate adjustment case that Estill District No. 1 is to file on or before June 3, 2023.

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PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman



Commissioner

ENTERED

MAY 12 2023

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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



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