

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC SOUTHERN WATER & SEWER	)	CASE NO.
DISTRICT METER REPLACEMENT SURCHARGE	)	2020-00121
MONITORING	)	

ORDER

On June 12, 2023, Southern Water and Sewer District (Southern District) filed a motion seeking Commission approval to purchase 50 RG3 water meters with surcharge proceeds. In support of its motion Southern District stated that a portion of the water meters it installed in 2020 are malfunctioning and are being removed and sent to the manufacturer for repair or replacement under the manufacturer’s warranty. However, Southern District stated that it did not have an adequate number of meters available with which to replace the malfunctioning meters while awaiting replacement or repair. Southern District stated that in order to have a sufficient number of operable meters in its inventory to provide adequate customer service it purchased 50 new RG3 water meters at a cost of \$7,300.62. Southern District now seeks Commission approval to pay for the 50 meters using surcharge proceeds.

LEGAL STANDARD

On April 8, 2020, the Commission established this proceeding to monitor the collection and expenditure of a meter replacement surcharge. In the April 8, 2020 Order,

the Commission prohibited the use of the surcharge proceeds without prior Commission authorization.<sup>1</sup>

### DISCUSSION AND FINDINGS

In Case No. 2019-00328, the Commission granted Southern District a Certificate of Public Convenience and Necessity to purchase and install new customer meters throughout its entire system.<sup>2</sup> This was due to Southern District's urgent need to replace its aged customer meters, many of which were not reading at all. By Order entered November 7, 2019, in Case No. 2019-00131,<sup>3</sup> the Commission approved a monthly meter replacement surcharge of \$5.25 per customer for 60 months or until the cost of new meters had been assessed. The Commission finds that the purchase of 50 RG3 meters in order to maintain a meter inventory sufficient to allow Southern District to switch out malfunctioning meters when needed for repair or replacement bears the necessary relationship to the meter replacement project approved by the Commission to warrant approval of surcharge proceeds for this purpose. The Commission cautions Southern District against encumbering meter replacement surcharge proceeds with any further purchases without prior Commission approval.

IT IS THEREFORE ORDERED that:

1. Southern District's motion to utilize surcharge proceeds for purchase of 50 RG3 water meters is granted.

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<sup>1</sup> Order (Ky. PSC Apr. 8, 2020) at 3.

<sup>2</sup> Case No. 2019-00328, *Electronic Application of Southern Water & Sewer District for a Certificate of Public Convenience and Necessity to Install Automatic Meter Reading Meters* (Ky. PSC Nov. 7, 2019).

<sup>3</sup> Case No. 2019-00131, *Application of Southern Water and Sewer District for an Alternative Rate Adjustment* (Ky. PSC Nov. 17, 2019).

2. Southern District shall not spend or encumber surcharge proceeds without prior Commission approval.

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PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner



ATTEST:

  
Executive Director

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