

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH	)	CASE NO.
WOODFORD WATER DISTRICT FOR A RATE	)	2022-00035
ADJUSTMENT PURSUANT TO 807 KAR 5:076	)	

ORDER

This matter arises on South Woodford Water District's (South Woodford District) letter, filed on May 17, 2023, requesting Commission approval of South Woodford District's proposed use the proceeds of a water loss reduction surcharge.

On January 17, 2023, the Commission entered an Order that, among other things, approved a \$3.87 per meter per month water loss reduction surcharge. However, the Commission held the surcharge in abeyance, which prohibited the utility from charging and collecting the water loss reduction surcharge, until South Woodford District provided revisions to the utility's contract with new manager Matthew Coyle that contained an updated Statement of Work that: (1) included a detailed list of the steps that will be implemented to address South Woodford District's water loss; (2) set forth a realistic water loss goal; (3) establish a timeframe for meeting the established goal; and (4) set forth either incentives or disincentives if South Woodford District's water loss goals are not met.

In the May 17, 2023 letter, South Woodford District set forth equipment that it proposed to purchase with the water loss reduction surcharge. The equipment included the following:

1. A portable sonic water meter, which South Woodford District asserted would enable the utility to calculate the amount of water flowing through the mains at any point in time. South Woodford District further asserted that the sonic water meter would be used with dry well meter pits to measure the water flow in designated areas.

2. A DXM Transceiver Doppler Portable Flow meter, which South Woodford District asserted would enable the utility to measure water flow in designated areas, especially when locating a leak.

3. An acoustic leak detector.

4. Ground penetrating radar, which South Woodford District asserted would assist the utility in locating leaks.

South Woodford District stated that any leftover money would be used to replace water lines with large leaks.

KRS 278.390 provides that a Commission Order continues in force until the expiration of the time, if any, named by the Commission in the Order, or until revoked or modified by the Commission, unless the Order is suspended, or vacated by order of a court of competent jurisdiction.

Based upon the May 17, 2023 letter, the Commission is unclear whether the proposed equipment purchase was filed pursuant to the January 17, 2023 Order, or whether the utility is collecting the surcharge and requests permission to expend funds. If the letter contains South Woodford District's attempt to satisfy the conditions set forth in the January 17, 2023 Order, then the letter fails to address any of the information required by the Commission to be set forth in Mr. Coyle's Statement of Work. If the May

17, 2023 letter is a proposal to expend water loss reduction surcharge funds being collected, then the utility is charging a rate that the Commission held in abeyance.

For this reason, the Commission directs South Woodford District to file, with 15 days of service of this Order, a letter clarifying: (1) whether the May 17, 2023 letter was an attempt to satisfy the information required in the January 17, 2023 Order for the Commission to approve South Woodford District to begin collecting the surcharge funds; or (2) whether South Woodford District was requesting to expend water loss reduction surcharge funds to purchase the identified equipment. If South Woodford District is collecting the water loss reduction surcharge, it should also provide the date South Woodford District began charging and collecting the surcharge, the amount collected to date, and any expenses paid using surcharge funds.

The Commission reminds South Woodford District that, pursuant to the January 17, 2023 Order, South Woodford District was to obtain the services of an outside independent consultant to identify potential firms interested in providing distribution system maintenance to South Woodford District; assist in preparing a request for proposals (RFP); issue the RFPs to solicit bids from identified firms; analyze the bids received (i.e.; costs and bidder's qualifications); identify the top responses to the RFPs; and document the consultant's analysis. South Woodford District is required to submit to the Commission a written report that discusses the results of the RFP solicitation for the contract distribution maintenance. The report shall include a detailed analysis supporting the decision.

IT IS THEREFORE ORDERED that:

1. South Woodford Water District shall file, within 15 days of the date of service of this Order, a letter stating: (1) whether the May 17, 2023 letter was an attempt to satisfy the information required in the January 17, 2023 Order for the Commission to approve South Woodford District to begin collecting the surcharge funds; or (2) whether South Woodford District was requesting to expend water loss reduction surcharge funds to purchase the identified equipment.

2. If South Woodford District is collecting the water loss reduction surcharge, South Woodford District shall provide the date it began charging and collecting the surcharge, the amount collected to date, and any expenses paid using surcharge funds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner



ATTEST:

  
Executive Director

\*Robert K. Miller  
Straightline Kentucky LLC  
113 North Birchwood Ave.  
Louisville, KENTUCKY 40206

\*South Woodford Water District  
117-D Crossfield Drive  
Versailles, KY 40383

\*Barry Dury  
South Woodford Water District  
117-D Crossfield Drive  
Versailles, KY 40383