

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC BIG SANDY WATER DISTRICT'S	)	
UNACCOUNTED-FOR WATER LOSS	)	CASE NO.
REDUCTION PLAN, SURCHARGE AND	)	2022-00301
MONITORING	)	

ORDER

The Commission, on its own motion, initiates this proceeding for the purpose of monitoring Big Sandy Water District's (Big Sandy District) unaccounted-for water loss surcharge, which was approved in Case No. 2022-00044.<sup>1</sup> The Commission approved Big Sandy District's motion to assess a monthly surcharge of \$6.42 per customer for 60 months to fund its unaccounted-for water loss reduction efforts as set forth in its application. The Commission found that the surcharge was subject to a number of conditions. Consistent with the findings in Case No. 2022-00044, the Commission finds that:

1. Within 120 days of the date of this Order, Big Sandy District shall file with the Commission a qualified infrastructure improvement plan, including a comprehensive unaccounted-for water loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss and provided a detailed spending plan for the proceeds of a surcharge.

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<sup>1</sup> Case No. 2022-00044, *Electronic Application of Big Sandy Water District for an Adjustment of Its Water Rates Pursuant to 807 KAR 5:076* (Ky. PSC Sept. 13, 2022).

2. Big Sandy District shall deposit surcharge collections in a separate interest-bearing account.

3. On the 15th. day of each month for 60 months from the date of this Order or until all surcharge proceeds are expended, Big Sandy District shall file monthly activity reports with the Commission that include a statement of monthly surcharge billings and collections, a monthly surcharge bank statement, a list of each payment from the account, its payee, and a description of the purpose, and invoice supporting each payment.

4. On the 15th. day of each month for 60 months from the date of this Order or until all surcharge proceeds are expended, Big Sandy District shall file monthly water loss reports with the Commission.<sup>2</sup>

5. Big Sandy District shall not use any surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.

6. Big Sandy District should consider all surcharge collections as contributions and shall account for them in the manner that the Uniform System of Accounts for Class A and B Water Districts and Associations prescribes.

7. Big Sandy District should debit monthly billings for the surcharge to customers' accounts receivable and credit the contribution account.

8. When Big Sandy District collects the surcharge from the customers, it should debit special funds and credit the customer account.

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<sup>2</sup> The report format is found at <https://psc.ky.gov/Home/UtilForms> under "Water Use & Loss Calculations (Excel format)."

9. Big Sandy District's surcharge and water loss detection and repair program is subject to annual Commission reviews that will examine the progress of the water loss detection and repair program and expenditures made with surcharge proceeds and consider adjustments to the program and the surcharge amount.

10. Big Sandy District's failure to comply with any conditions attached to the assessment of the surcharge will result in termination of the surcharge and the refund of collected surcharge proceeds disbursed on expenses or projects outside the scope of the expenses and projects approved by the Commission.

IT IS THEREFORE ORDERED that:

1. This case is opened to monitor Big Sandy District's unaccountable-for water loss surcharge proceeds collection and expenses.

2. The record of Case No. 2022-00044 is incorporated by reference in Case No. 2022-00301.

3. Within 120 days of the date of this Order, Big Sandy District shall file with the Commission a qualified infrastructure improvement plan, including a comprehensive unaccounted-for water loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss and provides a detailed spending plan for the proceeds of a surcharge.

4. Big Sandy District shall deposit surcharge collections in a separate interest bearing account.

5. On the 15th. day of each month for 60 months from the date of this Order or until all surcharge proceeds are expended, Big Sandy District shall file with the Commission a monthly activity report that includes a statement of monthly surcharge

billings and collections; a monthly surcharge bank statement; a list of each payment from the account, its payee, and a description of the purpose; and invoices supporting each payment.

6. On the 15th. day of each month for 60 months from the date of this Order or until all surcharge proceeds are expended, Big Sandy District shall file a monthly water-loss report with the Commission.<sup>3</sup>

7. Big Sandy District shall not use any surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.

8. Big Sandy District shall consider all surcharge collections as contributions and shall account for them in the manner that the Uniform System of Accounts for Class A and B Water Districts and Associations prescribes.

9. Big Sandy District shall debit monthly billings for the surcharge to customers' accounts receivable and credit the contribution account.

10. When Big Sandy District collects the surcharge from the customers, it shall debit special funds and credit the customer account.

11. One year after the date of entry of this Order and annually thereafter, Big Sandy District shall file in this matter a schedule of the estimated and actual progress of the water loss detection and repair program and estimated, and actual expenditures made with surcharge proceeds for the purpose of evaluating whether adjustments to the program or to the surcharge amount are required.

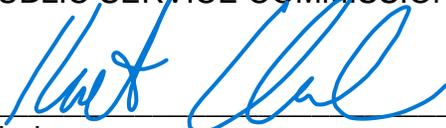
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<sup>3</sup> The report format is found at <https://psc.ky.gov/Home/UtilForms> under "Water Use & Loss Calculations (Excel format)."

12. Big Sandy District's failure to comply with any of the conditions attached to its assessment of the surcharge shall result in termination of the surcharge and the refund of collected surcharge proceeds disbursed on expenses or projects outside the scope of expenses and projects approved by the Commission.

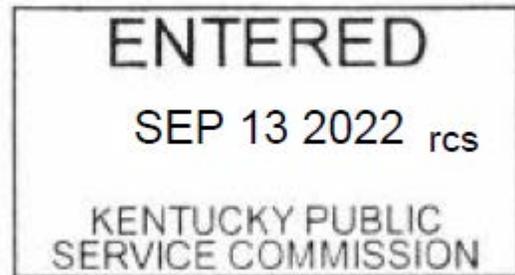
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PUBLIC SERVICE COMMISSION

  
Chairman

Vice Chairman

  
Commissioner



ATTEST:

  
Executive Director

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