

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC WESTERN PULASKI WATER	)	
DISTRICT'S UNACCOUNTED-FOR WATER LOSS	)	CASE NO.
REDUCTION PLAN, SURCHARGE AND	)	2022-00312
MONITORING	)	

ORDER

By Order issued September 27, 2022, in Case No. 2021-00445<sup>1</sup> the Commission approved an unaccounted-for water loss reduction surcharge for Western Pulaski Water District (Western Pulaski District) and ordered Western Pulaski District to file a qualified infrastructure improvement plan with the Commission. The Commission opened this proceeding to monitor Western Pulaski District's surcharge billings, collection, deposits, and expenditures. On November 16, 2022, Western Pulaski District filed a proposed infrastructure improvement plan, and on April 13, 2023, Western Pulaski District filed a supplement to its proposed infrastructure improvement plan.

LEGAL STANDARD

The Commission approved a \$1.70 per customer per month surcharge for 48 months, or until \$683,000 has been assessed, whichever occurs first, to address its excessive unaccounted-for water loss.<sup>2</sup> Pursuant to Commission regulation 807 KAR 5:066, Section 6(3), for ratemaking purposes a utility's unaccounted-for water loss shall

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<sup>1</sup> Case No. 2021-00445, *Electronic Application of Western Pulaski Water District for an Adjustment of its Water Rates Pursuant to 807 KAR 5:076* (Ky. PSC Sept. 27, 2022).

<sup>2</sup> Case No. 2021-00445, Sept. 27, 2022 Order at 19.

not exceed 15 percent of the total water produced or purchased, excluding water consumed by a utility in its own operations. In Western Pulaski District's 2020 Annual Report, Western Pulaski District reported a water loss of 27.67 percent.<sup>3</sup>

Western Pulaski District was ordered to file a qualified infrastructure improvement plan with the Commission. According to the Commission's final Order in Case No. 2021-00445, and the opening Order in this proceeding, the infrastructure improvement plan should contain 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."<sup>4</sup>

### DISCUSSION AND FINDINGS

#### November 16, 2022 Plan

Western Pulaski District filed a prioritized list of what it considered to be its needs to address its unaccounted-for water loss. The item that Western Pulaski District considered to be of primary importance was the purchase of an ultrasonic flow meter with a listening device and accessories. Western Pulaski District would use the device to search for water leaks. Western Pulaski District estimated the meter would cost \$15,900.<sup>5</sup>

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<sup>3</sup> *Annual Report of Western Pulaski County Water District to the Public Service Commission for the Calendar Year Ended December 31, 2020* (2020 Annual Report) at 57—58.

<sup>4</sup> Opening Order, ordering paragraph 1; Case No. 2021-00445, Sept. 27, 2022 Order, ordering paragraph 11a.

<sup>5</sup> Western Pulaski District Qualified Infrastructure Improvement Plan (filed Nov. 16, 2022) (Plan) at unnumbered page 1.

Second, Western Pulaski District reported that it needed to purchase 3,812 Mueller 420 Series bronze water meters over the course of 48 months.<sup>6</sup> Western Pulaski District estimated the meters would cost \$667,100.<sup>7</sup>

April 13, 2023 Supplement to Plan

On April 13, 2023, Western Pulaski District filed a supplement to its proposed infrastructure improvement plan.

The supplement provides a narrative form of the information included in the infrastructure improvement plan, to include the need for new water meters, the number of new water meters needed, the need for an ultrasonic flow meter and listening device, and the total cost of the water meters and the ultrasonic flow meter and listening device.<sup>8</sup> In addition, the supplement provided information on the district's previous improvements, including \$600,000 spent in 2015 to install a radio telemetry system that would monitor and report water system conditions at 24 sites.<sup>9</sup> Western Pulaski District stated that the new meters purchased in the infrastructure improvement plan would be radio read meters, allowing the district to more efficiently monitor the water system and report leaks.<sup>10</sup> The supplement also provided additional attachments to support Western Pulaski District's infrastructure improvement plan, including an excerpt from Western Pulaski District's 2021 Annual Report recording a water loss percentage of 25.5515

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<sup>6</sup> Plan at unnumbered pages 1–2. Numbers determined by adding up total meters purchased and total purchase price of all meters over the course of the plan.

<sup>7</sup> Plan starting at unnumbered page 2. Cost of all meters determined by adding up all meters

<sup>8</sup> Western Pulaski District Supplement to Infrastructure Improvement Plan (filed Apr. 13, 2023) (Supplement) at unnumbered pages 1–3.

<sup>9</sup> Supplement at unnumbered page 2.

<sup>10</sup> Supplement at unnumbered page 3.

percent; a Monthly Water Loss Report dated March 2023 recording a water loss percentage of 44.65 percent; a quarterly meter report; water meter specifications, a radio telemetry list and a periodic estimate for partial payment produced by Monarch Engineering, Inc.; a March 2023 zone water loss report; and subsurface leak detector specifications.<sup>11</sup>

Having considered the proposal, the Commission finds that the use of \$683,000 of surcharge proceeds to purchase an ultrasonic flow meter and 3,812 new bronze radio read meters is appropriate and should be approved. The Commission notes that its Division of Inspections records indicate that Western Pulaski District is not in compliance with the meter-testing regulation set forth in 807 KAR 5:066, Section 16(1). Western Pulaski District has one-inch and smaller customer meters in its system that have been in service for ten years or longer without being tested. The purchase of new meters will enable Western Pulaski District to locate leaks in its system in a timely and efficient manner and thereby reduce unaccounted-for water loss and bring the district into compliance with the meter-testing regulation. Before a leak can be repaired it must be located accurately, and the purchase of equipment to reliably locate leaks is a proactive step toward reducing Western Pulaski District's unaccounted-for water loss. Therefore, the Commission finds that surcharge proceeds should be used to purchase 3,812 bronze radio read meters and an ultrasonic flow meter as proposed.

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<sup>11</sup> Supplement at unnumbered page 3.

IT IS THEREFORE ORDERED that:

1. Western Pulaski District is granted authority to purchase 3,812 new Mueller 420 series bronze water meters and an ultrasonic flow meter with a listening device and accessories as described in Western Pulaski District's plan.
2. Western Pulaski District shall include in its monthly activity reports filed into the record of this proceeding documentation of the final costs of the items approved for purchase in this Order.
3. Western Pulaski District shall file into the record of this proceeding requests to use surcharge funds to cover the costs of materials and outside labor used to repair leaks in its system, if surcharge proceeds will be used for such purposes.

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PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ENTERED  
AUG 31 2023 rcs  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

\*Alan Vilines  
Kentucky Rural Water Association  
Post Office Box 1424  
1151 Old Porter Pike  
Bowling Green, KENTUCKY 42102-1424

\*Tammy Vaught  
Office Manager  
Western Pulaski County Water District  
2128 West Highway 80  
Somerset, KY 42503

\*Western Pulaski County Water District  
2128 West Highway 80  
Somerset, KY 42503