

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC LAKE VILLAGE WATER)	
ASSOCIATION, INC. UNACCOUNTED-FOR)	CASE NO.
WATER LOSS REDUCTION PLAN, SURCHARGE)	2022-00325
AND MONITORING)	

ORDER

The Commission, on its own motion, initiates this proceeding for the purpose of monitoring Lake Village Water Association, Inc.'s (Lake Village Water) Water Loss Reduction Surcharge, which was approved in Case No. 2022-00068.¹ The Commission authorized Lake Village Water to assess a monthly surcharge of \$1.61 per customer for 48 months, or until \$171,220 has been assessed, whichever occurs first, to fund its unaccounted-for water loss reduction efforts. The Commission found that the surcharge is subject to a number of conditions. Consistent with the findings in Case No. 2022-00068, the Commission finds that:

1. Lake Village Water shall deposit surcharge collections in a separate interest-bearing account.
2. Within 120 days of the date of service of this Order, Lake Village Water shall file with the Commission a qualified infrastructure improvement plan, including a comprehensive unaccounted-for water loss reduction plan that establishes priorities and

¹ Case No. 2022-00068, *Electronic Application of Lake Village Water Association, Inc. for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Oct 4, 2022).

a time schedule for eliminating each source of unaccounted-for water loss and provides a detailed spending plan for the proceeds of a surcharge.

3. On the 15th day of each month for 48 months from the date of service of this Order or until all surcharge proceeds are expended, Lake Village Water 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, a description of the purpose, and invoices supporting each payment.

4. On the 15th day of each month for 48 months from the date of service of this Order or until all surcharge proceeds are expended, Lake Village Water shall file a monthly water loss report with the Commission.²

5. Lake Village Water shall not use any surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.

6. Lake Village Water 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.

7. Lake Village Water shall debit monthly billings for the surcharge to customers' accounts receivable and credit the contribution account.

8. When Lake Village Water collects the surcharge from the customers, it shall debit special funds and credit the customer account.

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

9. One year after the date of service of this Order and annually thereafter, Lake Village Water shall file in Case No. 2022-00325 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.

10. Lake Village Water's failure to comply with any conditions attached to its assessment of the surcharge will result in termination of the surcharge and the refund of all surcharge proceeds previously collected.

IT IS THEREFORE ORDERED that:

1. This case is opened to monitor Lake Village Water's Water Loss Reduction Surcharge proceeds collection and expenses.

2. The record of Case No. 2022-00068 is incorporated by reference into Case No. 2022-00325.

3. Lake Village Water shall deposit surcharge collections in a separate interest-bearing account.

4. Within 120 days of the date of service of this Order, Lake Village Water 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.

5. On the 15th day of each month for 48 months from the date of service of this Order or until all surcharge proceeds are expended, Lake Village Water 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, a description of the purpose, and invoices supporting each payment.

6. On the 15th day of each month for 48 months from the date of service of this Order or until all surcharge proceeds are expended, Lake Village Water shall file a monthly water loss report with the Commission.³

7. Lake Village Water shall not use any surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.

8. Lake Village Water 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. Lake Village Water shall debit monthly billings for the surcharge to customers' accounts receivable and credit the contribution account.

10. When Lake Village Water collects the surcharge from the customers, it shall debit special funds and credit the customer account.

11. One year after the date of service of this Order and annually thereafter, Lake Village Water shall file in Case No. 2022-00325 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.

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

12. Lake Village Water's failure to comply with any of the conditions attached to its 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 expenses and projects approved by the Commission.

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PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner



ATTEST:



Executive Director

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

*Lake Village Water Association, Inc.
801 Pleasant Hill Drive
P. O. Box 303
Burgin, KY 40310

*Lake Village Water Association, Inc.
Lake Village Water Association, Inc.
801 Pleasant Hill Drive
P. O. Box 303
Burgin, KY 40310