

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MOUNTAIN WATER DISTRICT	)	
UNACCOUNTED-FOR WATER LOSS	)	CASE NO.
REDUCTION PLAN, SURCHARGE AND	)	2023-00351
MONITORING	)	

ORDER

On October 31, 2023, the Commission issued an opening Order in this proceeding with the purpose, among other things, to monitor the water loss surcharge granted to Mountain Water District (Mountain District) in Case No. 2022-00366.<sup>1</sup> On March 11, 2024, Mountain District filed a motion in both cases to modify the dates for collection of its water loss surcharge, as well as dates for the filing requirements in regards to the water loss surcharge.

DISCUSSION AND FINDINGS

The October 31, 2023 Order issued in this case contains requirements for monitoring the water loss surcharge granted in Case No. 2022-00366, which authorized Mountain District to assess a monthly water loss reduction surcharge of \$1.72 per customer over 48 months, or until \$1,365,608 has been assessed, whichever occurs first.<sup>2</sup> In Case No. 2022-00366, an amendment was made by Order on November 29,

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<sup>1</sup> Case No. 2022-00366, *Electronic Application of Mountain Water District for an Adjustment of Rates* (Ky. PSC Oct. 31, 2023).

<sup>2</sup> Only the amount of the surcharge provided in the Order issued November 29, 2023, was amended from the original amount provided in the October 31, 2023 Order, no other terms or conditions of the surcharge.

2023, to the amount of the authorized water loss reduction surcharge, with an amended water loss reduction surcharge of \$1.72 per customer over 48 months, or until \$1,365,608 has been assessed, whichever occurs first. The Commission finds that the October 31, 2023 Order in this proceeding is hereby amended, *nunc pro tunc*, to reflect the amount of the water loss reduction surcharge authorized by the Commission's November 29, 2023 Order in Case No. 2022-00366.

The water loss reduction surcharge was granted subject to conditions, including, among others:

- On the 15th day of each month for 48 months or until all surcharge proceeds are expended, Mountain District should file with the Commission a monthly activity report;
- On the 15th day of each month for 48 months or until all surcharge proceeds are expended, Mountain District should file a monthly water-loss reports with the Commission; and
- Mountain District shall file an annual report of surcharge activity and water loss improvement progress no later than April 30 of each year. The report should be based on the preceding year ended December 31 with reported surcharge billings and expenditures reflecting the amounts reported for surcharge activity in the financial and statistical Annual Report filed with the Commission and Mountain District's audited financial statements.<sup>3</sup>

In its motion, Mountain District requested to modify the day on which it must submit its monthly surcharge and water loss reports to the last day of each month. Mountain District stated it obtains the information necessary to prepare an accurate and thorough water loss report from several sources, including the billing invoices of its wholesale water suppliers, fire department reports of water usage, and consumption reports from its ten

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<sup>3</sup> Case No. 2022-00366, Oct. 31, 2023 Order at ordering paragraph 5 (c), (d), and (j).

billing cycles and the information from these sources for the prior month is generally not available by the fifteenth day of the month. Therefore, Mountain District requested that it be permitted to file the water loss and surcharge activity reports on the last day of the following month. Mountain District claimed its proposed modification to the filing schedule would permit it to submit all required reports in a single filing, ensure the submitted information is complete, and lessen Commission Staff's burden to monitor reporting compliance.

The Commission finds that in order to assure that Mountain District can efficiently make a single filing with all required information, Mountain District's request to file its surcharge activity reports on the last day of the following month is reasonable and should be allowed.

Mountain District further requested to clarify that the 48-month period in which it may assess a Water Loss Reduction Surcharge runs from January 2024 to December 2028. Mountain District stated that shortly after the issuance of the October 31, 2023 Order, it implemented a new billing system. As a result of this implementation, Mountain District could not begin billing the surcharge until January 2024 and accordingly requested that the Commission clarify that it is authorized to bill that surcharge for the 48-month period beginning January 2024 and ending December 2028, or when \$1,365,608 is collected, whichever occurs first. Given the delay due to the implementation of a new billing system, the Commission finds this request is reasonable, and Mountain District is authorized to bill the water loss surcharge for the 48-month period beginning January 2024 and ending December 2028, or when \$1,365,608 is collected, whichever occurs first.

Lastly, Mountain District requested to clarify that the first annual report of surcharge activity and water loss improvement progress must be submitted no later than April 30, 2025, as a result of the collection of the Water Loss Reduction Surcharge not beginning until January 2024, with no surcharge collected in 2023. Given the fact that surcharge collections did not begin until January 2024, the Commission also finds this request to be reasonable, and that Mountain District should file its first annual report of surcharge activity and water loss improvement progress no later than April 30, 2025.

IT IS HEREBY ORDERED that:

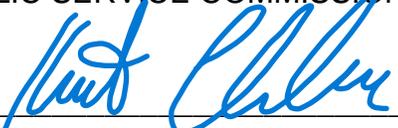
1. The October 31, 2023 Order in this case is hereby amended, *nunc pro tunc*, to reflect the authorized water loss surcharge as provided in the November 29, 2023 Order in Case No. 2022-00366. Mountain District is authorized to assess a surcharge of \$1.72 per customer over 48 months, or until \$1,365,608 has been assessed, whichever occurs first.
2. Mountain District's motion is granted.
3. Mountain District's request to modify the day on which the District must submit its monthly surcharge and water loss reports to the last day of each month is granted.
4. The October 31, 2023 Order, as amended herein to reflect the amendment by Order issued on November 29, 2023, in Case No. 2022-00366, is clarified to the extent that Mountain District is authorized to assess a Water Loss Reduction Surcharge for a 48-month period, beginning January 2024 and ending December 2028, or until \$1,365,608 has been assessed, whichever occurs first.

5. The October 31, 2023 Order, as amended herein to reflect the amendment by Order issued on November 29, 2023, in Case No. 2022-00366, is clarified to the extent that Mountain District shall file its first annual report of surcharge activity and water loss improvement progress no later than April 30, 2025.

6. All provisions of the October 31, 2023 Order, as amended herein to reflect the amendment by Order issued on November 29, 2023, in Case No. 2022-00366, that are not in conflict with the terms of this Order, shall remain in effect.

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PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ENTERED  
APR 05 2024 bsb  
KENTUCKY PUBLIC  
SERVICE COMMISSION

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