

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC HARRISON COUNTY WATER)	
ASSOCIATION, INC. UNACCOUNTED-FOR)	CASE NO.
WATER LOSS REDUCTION PLAN, SURCHARGE)	2023-00355
AND MONITORING)	

ORDER

This matter arises upon two motions filed by Harrison County Water Association (Harrison Water) requesting to reimburse itself from its water loss surcharge fund. On September 8, 2025, Harrison Water requested authorization for reimbursement for the purchase of a listening device,¹ and on September 29, 2025, Harrison Water requested reimbursement for the purchase of a magnetic locator.²

LEGAL STANDARD

The Commission approved a Water Loss Reduction Surcharge of \$1.43 per customer per month, over 48 months, or until \$425,362 has been assessed, as a reasonable means for Harrison Water to recover the cost for its water leak detection efforts and repairs in order to reduce the increased expenses of lost revenue from unaccounted-for water loss.³ Harrison Water is required to seek Commission

¹ Motion Requesting Authorization for Reimbursement (September 8th Request) (filed Sept. 8, 2025).

² Motion Requesting Authorization for Reimbursement (September 29th Request) (filed Sept. 29, 2025).

³ Case No. 2023-00154, *Electronic Application of Harrison County Water Association, Inc. for an Alternative Rate Adjustment* (Ky. PSC Jan. 11, 2024), final Order at 51 and 52.

authorization prior to the use of any surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses,⁴ and any request must include a complete description of the equipment for which approval is sought, bids, invoices, or price quotes as applicable, and a statement describing how the expense is related to the Qualified Infrastructure Improvement Plan (QIIP) and the goal of reducing unaccounted-for water loss.⁵

BACKGROUND

In its September 8, 2025 motion to request reimbursement, Harrison Water stated that it purchased a listening device for water leaks on or about May 14, 2025, in the amount of \$3,869.⁶ Harrison Water also stated that the listening device would allow for “enhanced hearing of the water running when turning off valves to determine leak zones for future leak maintenance and/or replacement.”⁷ Although Harrison Water did not seek any bids, it stated that the purchase amount was relatively low and in line with costs of similarly produced listening devices.⁸ A copy of the invoice was provided with the request.⁹ Lastly, Harrison Water stated the purchase was originally made from its operating & maintenance (O&M) Account (Construction) and requested to reimburse that account from the money in the water loss surcharge fund.¹⁰

⁴ Order (Ky. PSC Jan. 11, 2024) ordering paragraph 7.

⁵ Order (Ky. PSC Jan. 11, 2024) ordering paragraph 8.

⁶ September 8th Request at 3.

⁷ September 8th Request at 3.

⁸ September 8th Request at 3.

⁹ See September 8th Request, Resolution Number_2025-005 Exhibit A.

¹⁰ September 8th Request at 3.

In its September 29, 2025 motion to request reimbursement, Harrison Water stated that it purchased a magnetic locator in the amount of \$1,062.17, which was paid for out of the O&M Account (Construction) on September 17, 2025.¹¹ A copy of the invoice was included as an attachment.¹² Harrison Water did not seek bids, but stated the purchase amount was relatively low and in line with the costs of similarly produced devices.¹³ Harrison Water requested to reimburse its O&M (Construction) account from the money in the water loss surcharge fund.¹⁴

As of its October 8, 2025 monthly filing, Harrison Water had \$98,125.72 in its water loss surcharge account.¹⁵ Harrison Water tendered a QIIP on April 2, 2024, which proposed the purchase of a leak detecting listening device and a metal detector.¹⁶ In Harrison Water's QIIP it stated that the addition of a metal detector would aid staff in finding valves and meters that are covered up or in fields with vegetation which would assist in the goal of decreasing its unaccounted for water loss.¹⁷

FINDINGS

The Commission finds that the two requests to use water loss surcharge funds for reimbursement of equipment purchased to reduce unaccounted-for water loss meets the requirements of the January 11, 2024 Order. The requests include a complete description

¹¹ September 29th Request at 3.

¹² September 29th Request, Attachment.

¹³ September 29th Request at 3.

¹⁴ September 29th Request at 3.

¹⁵ Harrison Water Monthly Report (filed Oct. 8, 2025).

¹⁶ QIIP (filed Apr. 2, 2024) at unnumbered PDF page 5.

¹⁷ QIIP at unnumbered PDF pages 4 and 5.

of the equipment. Harrison Water provided invoices for both expenses, and described how the purchases relate to the QIIP and the goal of reducing unaccounted for water loss. Harrison Water also has sufficient funds to cover the expense, thus the Commission finds that the requests should be granted. Although not required, in the future the Commission encourages Harrison Water to consider seeking approval prior to expending O&M funds to eliminate the possibility of a budget shortfall if a surcharge funds reimbursement request is denied.

IT IS THEREFORE ORDERED that:

1. Harrison Water's September 8, 2025 motion to use water loss surcharge funds for reimbursement of the acoustic listening device for \$3,869 is granted.
2. Harrison Water's September 29, 2025 motion to use water loss surcharge funds for reimbursement of the purchase of a metal detector for \$1,062.17 is granted.

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director



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