

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC SOUTHERN WATER & SEWER	)	CASE NO.
DISTRICT METER REPLACEMENT SURCHARGE	)	2020-00121
MONITORING	)	

ORDER

The Commission, on its own motion, finds that Southern Water & Sewer District (Southern District) has met all conditions of its meter replacement surcharge, has exhausted all but \$100 of its meter replacement surcharge funds toward the approved meter replacement project, and this case should be closed.

BACKGROUND

In Case No. 2019-00328, the Commission granted Southern District a Certificate of Public Convenience and Necessity (CPCN) to purchase and install new customer meters throughout its entire system.¹ This was due to Southern District's urgent need to replace its aged customer meters, many of which were not reading at all. By Order entered November 7, 2019, in Case No. 2019-00131, the Commission approved a monthly meter replacement surcharge of \$5.25 per customer for 60 months or until the cost of new meters had been assessed.² In Case No. 2020-00114, the Commission approved Southern District's application to borrow up to \$1,400,000 (CoBank Loan) to

¹ Case No. 2019-00328, *Electronic Application of Southern Water & Sewer District for a Certificate of Public Convenience and Necessity to Install Automatic Meter Reading Meters* (Ky. PSC Nov. 7, 2019).

² Case No. 2019-00131, *Application of Southern Water and Sewer District for an Alternative Rate Adjustment* (Ky. PSC Nov. 17, 2019).

purchase and install Automated Meter Reading (AMR) meters.³ The Commission established this proceeding by Order issued April 8, 2020 to monitor the meter replacement surcharge proceeds collection and expenses.⁴

By Order issued March 17, 2021, the Commission authorized Southern District to use surcharge funding to replace AMR meters and master meters.⁵ Further, by Order issued August 4, 2023, the Commission authorized Southern District to expend surcharge funds for the purchase of 50 RG3 meters in order to maintain a meter inventory sufficient to allow Southern District to switch out malfunctioning meters when needed for repair or replacement.⁶

On December 18, 2025, in response to discovery, Southern District confirmed that the CoBank Loan for the meter replacement was paid in full, and that \$100 remained in the surcharge account.⁷ Southern District explained this \$100 was kept in said bank account in order to keep the account open in the event that a bank account was needed for future use.⁸ Southern District stated it had checks and supplies remaining, associated with this bank account, that could be used in the future.⁹ Southern District has continued to use this same bank account from the prior surcharge as the bank account for the most

³ See Case No. 2020-00114, *Electronic Application of Southern Water and Sewer District for Approval of Co-Bank Loan for the Purpose of Financing the Purchase and Installation of New Water Meters* (Ky. PSC Apr. 15, 2020).

⁴ Order (Ky. PSC Apr. 8, 2020).

⁵ Order (Ky. PSC Mar. 17, 2021).

⁶ Order (Ky. PSC Aug. 4, 2023).

⁷ Southern District's Response to Commission Staff's Fourteenth Request for Information (Staff's Fourteenth Request) (filed Dec. 18, 2025), Items 1(a) and 2.

⁸ Southern District's Response to Staff's Fourteenth Request, Item 1(a).

⁹ Southern District's Response to Staff's Fourteenth Request, Item 1(a).

recently approved water loss surcharge in Case No. 2025-00232.¹⁰ Southern District changed this account from a non-interest bearing to an interest-bearing account.¹¹

The Commission finds that Southern District has met all conditions of the meter replacement surcharge, has expended the surcharge funds toward the approved project, with a minimal balance of \$100 left, and that it has remained in the same account which is now being utilized for its new water loss surcharge. The Commission finds that this proceeding should be closed, and the balance of \$100 should be credited as surcharge collections in Case No. 2025-00232, to be used with the water loss surcharge funds, pursuant to the conditions provided in that case, towards water loss mitigation efforts.

IT IS THEREFORE ORDERED that:

1. The \$100 meter replacement surcharge balance shall be credited to the water loss surcharge in Case No. 2025-00232, and shall be used along with those funds, pursuant to the conditions provided therein.
2. This case is closed and removed from the Commission's docket.

¹⁰ Southern District's Response to Staff's Fourteenth Request, Item 1(c).

¹¹ Southern District's Response to Staff's Fourteenth Request, Item 1(c).

Entered on this 7th day of October, 2026.

PUBLIC SERVICE COMMISSION



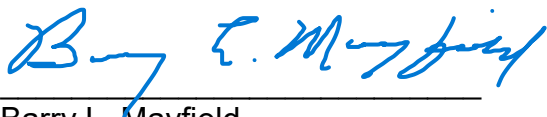
Angie Hatton
Chair



Mary Pat Regan
Vice Chair



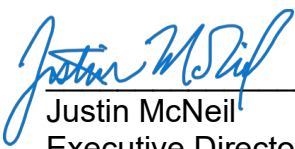
Andrew W. Wood
Commissioner



Barry L. Mayfield
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ATTEST:



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