

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC BEECH GROVE WATER SYSTEM,)	
INC. UNACCOUNTED-FOR WATER LOSS)	CASE NO.
REDUCTION PLAN, SURCHARGE AND)	2022-00318
MONITORING)	

ORDER

On January 14, 2026, Beech Grove Water System, Inc. (Beech Grove Water) submitted a request for authorization to use \$22,931.19 of water loss surcharge funds to replace 18 water meters on Roland Street.¹ Beech Grove responded to one request for information from Commission Staff related to the request.² Explained below, the Commission finds that Beech Grove Water should be permitted to expend up to \$21,581.19.

BACKGROUND

On September 30, 2022, this case was initiated by Commission Order for the purpose of monitoring Beech Grove Water’s unaccounted-for water loss reduction plan surcharge. Beech Grove Water was required to file a qualified infrastructure improvement plan (QIIP) within 120 days of service of the Order, and to seek Commission approval before using any water loss surcharge funds.³

¹ Beech Grove Water’s Request to Use Surcharge Funds (Request) (filed Jan. 14, 2026) at 1.

² Beech Grove Water’s Response to Commission Staff’s Sixth Request for Information (Staff’s Sixth Request) (filed Jan. 28, 2026).

³ Order (Ky. PSC Sept. 30, 2022), order paragraphs 3 and 7.

On April 14, 2023, Beech Grove Water filed its initial QIIP.⁴ By Order issued May 20, 2024, the Commission granted Beech Grove Water approval to use water loss surcharge funds to purchase a leak detector⁵ and, more recently, by Order issued December 3, 2025, approval to reimburse itself for the cost of materials and labor on the Comer Elba/Johnny Lee Road area and State Route 136 repairs.⁶

DISCUSSION AND FINDINGS

On January 14, 2026, Beech Grove Water submitted a request to use water loss surcharge funds to replace 18 water meters on Roland Street (Request).⁷ Beech Grove Water stated that Roland Street has 18 meters, with the water main and 12 meters located on the south side and six meters located on the north side of the street.⁸ Further, Beech Grove Water stated that two water meters on the north side have service lines leaking under the road, which it claims is damaging the road and causing a hazard.⁹

Beech Grove Water asserted that in order to repair the leaks, the meter and the lines need to be replaced as the meters are connected straight to the pipe and not all meters contain a shut off valve.¹⁰ Beech Grove Water stated that the current connected lines are roll plastic 40-pound test pipe,¹¹ and in its experience, the pipe has not been

⁴ Beech Grove Water's QIIP (filed Apr. 14, 2023).

⁵ Order (Ky. PSC May 20, 2024).

⁶ Order (Ky. PSC Dec. 3, 2025).

⁷ Request at 1.

⁸ Request at 1.

⁹ Request at 1.

¹⁰ Beech Grove Water's Response to Staff's Sixth Request, Item 3.

¹¹ Beech Grove Water's Response to Staff's Sixth Request, Item 2.

good quality, as it has cracked and caused leaks.¹² Beech Grove Water estimated that replacing the meters and connected lines would eliminate a 8,928 gallon leak every 24 hours.¹³

Beech Grove Water stated that all 18 meters were installed at the same time and are made of the same material.¹⁴ The current meters are old style Zenner Multi-Displacement meters and, if approved, Beech Grove Water will replace them with the Diehl Metering HYDRUS Ultrasonic meters.¹⁵ Beech Grove Water provided that 169 of the same Displacement meters were replaced throughout 2025, and that they have proven to not read at low flow usage.¹⁶ Beech Grove Water stated the Diehl Metering HYDRUS Ultrasonic meter has a 16-year battery life.¹⁷

Beech Grove Water provided quotes for the 18 3/4-inch meter services at \$11,991.24, four sheet marine grade plywood to cover working holes at \$739.95, six road bores at \$3,000, and labor to perform the replacement of the 18 meter services at \$7,200.¹⁸ The Commission notes the provided labor quote indicates the cost in 2025 was \$325 per meter service. Beech Water Grove stated it assumed that the price would be higher, estimating the labor cost to be \$400 per meter service, \$7,200 total.¹⁹

¹² Beech Grove Water's Response to Staff's Sixth Request, Item 2.

¹³ Beech Grove Water's Response to Staff's Sixth Request, Item 5.

¹⁴ Request at 1.

¹⁵ Beech Grove Water's Response to Staff's Sixth Request, Item 1(a) and (c).

¹⁶ Beech Grove Water's Response to Staff's Sixth Request, Item 1(b).

¹⁷ Beech Grove Water's Response to Staff's Sixth Request, Item 1(d).

¹⁸ Request, Invoice Attachment.

¹⁹ Request, Invoice Attachment.

Based on the evidence in the record, the Commission finds that replacing the 18 water meters on Roland Street is an emergent circumstance, will assist Beech Grove Water in decreasing its unaccounted-for water loss, and that Beech Grove Water has the funds in the water loss surcharge account for these costs. The Commission finds that this request should be granted because the damage to the roadway is emergent. Beech Grove Water is approved to expend up to \$21,581.19 in water loss surcharge funds, the total cost provided in the quotes and invoices. The Commission notes that Beech Grove Water's original request of to use \$22,931.19 of water loss surcharge funds was reduced because the record lacked convincing documentation to show that the labor for meter services would be higher than the previously invoiced \$325 per meter.

Additionally, the Commission finds that the approval of surcharge funds does not extend to any labor that could be performed by Beech Grove Water and should not be consumed for ordinary leak repairs. The Commission notes that surcharge funds are intended to assist Beech Grove Water with its unaccounted-for water loss and should only be used to assist the district in connection with its QIIP.

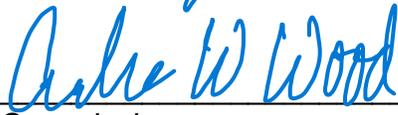
IT IS THEREFORE ORDERED that:

1. Beech Grove Water is authorized to use water loss surcharge funds to replace 18 meters, including the materials and labor, on Roland Street in the amount of \$21,581.19.
2. Beech Grove Water shall file proof of these expenditures from the water loss surcharge account with its monthly activity report that follows the expenditure.

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director

ENTERED
MAR 23 2026
AB
KENTUCKY PUBLIC
SERVICE COMMISSION

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