

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ALLEN COUNTY WATER)	CASE NO.
DISTRICT UNACCOUNTED-FOR WATER LOSS)	2023-00212
REDUCTION PLAN, SURCHARGE MONITORING)	

ORDER

On September 3, 2025, Allen County Water District (Allen District) filed a motion to amend its Qualified Infrastructure Improvement Plan (QIIP) and motion for authority to expend water surcharge proceeds to purchase equipment to aid in water loss detection and repair.¹

BACKGROUND

By Order issued February 3, 2021, in Case No. 2020-00296, the Commission approved an unaccounted-for water loss reduction surcharge for Allen District and ordered Allen District to file a QIIP with the Commission.² The Commission opened this proceeding to monitor Allen District's surcharge billings, collection, deposits, and expenditures.

On August 17, 2023, Allen District filed a proposed QIIP. The QIIP included the proposal to use surcharge funds for previous expenditures to perform 31-E emergency repairs consisting of 1,500 linear feet of water main replacement, completed in July of

¹ Motion (filed Sept.3, 2025).

² Case No. 2020-00296, *Electronic Application of Allen County Water District for an Alternative Rate Adjustment* (Ky. PSC Feb. 3, 2021).

2021, and installation of pressure zone meters and water meters.³ The QIIP also included the proposal of future projects including on-going water meter replacements, installation of pressure reducing stations on five branch lines, and the installation of a new transmission main from an existing State Park Master Meter.⁴

By Order issued December 16, 2024, the Commission approved the expenditure of water loss surcharge funds for the 31-E emergency repairs and continued its consideration of the requested expenditures for the purchase and installation of pressure zone meters and installation of water meters for further discovery.⁵ Additionally, by Order issued April 3, 2025, the Commission denied Allen District's requested expenditures of \$58,721.92 for the purchase and installation of pressure zone meters and \$21,100 for the purchase and installation of water meters because those projects were completed prior to the approval of the surcharge.⁶

DISCUSSION AND FINDINGS

Allen District requested to amend its QIIP to include an Equipment Purchase Plan.⁷ The Equipment Purchase Plan includes the following pieces: a CV SGT Vacuum Excavator for a cost of \$71,491, a CAT 305 mini-excavator for an estimated cost of \$86,570, a Dynasonics DXN Portable Hybrid Ultrasound Flow Meter at an estimated cost of \$7,885, a 2025 one ton Chevrolet 3500HD Silverado truck with service bed (to pull vacuum excavator) at an estimated cost of \$68,940, and a 2025 one ton Chevrolet

³ QIIP (filed Aug. 17, 2023) at 6.

⁴ QIIP at 7.

⁵ Order (Ky. PSC Dec. 16, 2024).

⁶ Order (Ky. PSC Apr. 3, 2025).

⁷ Motion at 2.

3500HD Silverado truck 4x4 gooseneck body (to pull mini-excavator) at an estimated cost of \$69,642.⁸ Allen District stated that the estimated costs provided were quotes received at the time of submitting of the request, and that actual costs might vary from the quotes obtained due to passage of time, market fluctuations, conditions, and other factors.⁹

Allen District responded to one request for information from Commission Staff related to the matter, in which it gave an explanation as to why the district needed each piece of equipment and how the item will help reduce water loss.¹⁰ Allen District stated that the equipment included in the Equipment Purchase Plan is not intended to replace the district's current equipment, and that it does not currently own a vacuum excavator or portable ultrasound flow meter.¹¹ Allen District owns a seven-year-old 304-E mini excavator that has a usable life of 8 -12 years and a one ton truck that pulls the existing mini-excavator.¹² Additionally, Allen District provided that it owns several $\frac{3}{4}$ and $\frac{1}{2}$ ton trucks in its vehicle fleet, but that "for safety reasons, the District does not pull equipment" with them.¹³

Allen District argued that the new equipment will allow it to promptly identify problem areas, facilitate and improve the staff's ability to detect leaks, and complete repairs after leaks are located.¹⁴ The requested vacuum excavator will allow for precise

⁸ Motion at 3 and Appendixes B-F.

⁹ Motion at 3.

¹⁰ Allen District's Response to Commission Staff's Third Request for Information (Staff's Third Request) (filed Dec. 31, 2025), Item 1.

¹¹ Allen District's Response to Staff's Third Request, Items 1-2.

¹² Allen District's Response to Staff's Third Request, Items 3-4.

¹³ Allen District's Response to Staff's Third Request, Item 4.

¹⁴ Allen District's Response to Staff's Third Request, Item 1.

and non-destructive digging, and the additional requested trucks will be used to pull the requested 305 mini-excavator and vacuum excavator.¹⁵

Based on the motion and the evidence in the record, the Commission finds that the request to Amend the QIIP to include the Equipment Purchase Plan is granted as it will help reduce Allen District's unaccounted-for water loss. Additionally, the Commission finds that the request to use surcharge funds to purchase a CV SGT Vacuum Excavator and a Dynasonics DXN Portable Hybrid Ultrasound Flow Meter should be granted as both pieces of equipment will help Allen District reduce its unaccounted-for water loss, and Allen District has the funds available in the water loss surcharge account.¹⁶

Based on the evidence in the record, the Commission finds that Allen District's request for a new 305 mini-excavator and one ton Chevrolet 3500HD Silverado truck 4x4 gooseneck body should be denied, at this time, since the district was unable to provide how the new equipment would assist with decreasing unaccounted-for water loss beyond the district's ability with its current equipment. Allen District stated that it currently owns a 305 mini excavator that has not yet met the end of its useful life, however, when or if such time occurs when a new mini excavator is needed, the Commission will entertain a subsequent request along with the required truck to pull it.

Lastly, the Commission finds that there is not enough information in the record pertaining to Allen District's request for a one-ton truck to pull the vacuum excavator as it is unknown why the current fleet of trucks has been deemed unsafe by the district to pull

¹⁵ Allen District's Response to Staff's Third Request, Item 1.

¹⁶ As of the December Monthly Bank Statement Filing, Allen District had \$377,136.63 in the surcharge account. See December_Bank_Statement_2025 (filed Jan. 15, 2026).

equipment. A subsequent data request from Commission Staff will be issued, and this request will be continued until such information is determined.

IT IS THEREFORE ORDERED that:

1. The motion to amend the QIIP to include the equipment purchase plan is granted.

2. Allen District is authorized to use water loss surcharge funds to purchase a CV SGT Vacuum Excavator, at an estimated cost of \$71,419, and a Dynasonics DXN Portable Hybrid Ultrasound Flow Meter, at an estimated cost of \$7,885.

3. Allen District's requests to use water loss surcharge funds to purchase a new 305 mini-excavator and one ton Chevrolet 3500HD Silverado truck 4x4 gooseneck body are denied at this time.

4. Allen District's request to use water loss surcharge funds to purchase a one-ton Chevrolet 3500HD Silverado truck with service bed is continued until more information is gathered.

5. Allen District shall file proof of these approved expenditures from the water loss surcharge account with its monthly activity report that follows the expenditures.

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director



*Allen County Water District
330 New Gallatin Road
Scottsville, KY 42164

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