

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC RATTLESNAKE RIDGE WATER	)	
DISTRICT UNACCOUNTED FOR WATER LOSS	)	CASE NO.
REDUCTION PLAN, SURCHARGE AND	)	2024-00176
MONITORING	)	

ORDER

On September 24, 2026, Rattlesnake Ridge Water District (Rattlesnake Ridge District) filed a motion requesting to amend its qualified infrastructure improvement plan (QIIP) and to expend \$435,000 to address an emergency leak occurring under Grayson Lake.¹ As outlined below, the Commission finds that Rattlesnake Ridge District should be permitted to expend up to \$419,990.

BACKGROUND

On July 12, 2024, this case was initiated by Commission Order for the purpose of monitoring Rattlesnake Ridge District's unaccounted-for water loss reduction plan surcharge.² Rattlesnake Ridge District was required to file a QIIP within 120 days of service of the Order, and to seek Commission approval before using any water loss surcharge funds.³ On July 21, 2025, Rattlesnake Ridge District filed its QIIP.⁴

¹ Motion to Amend and Request to Use Surcharge Funds (Motion) (filed Sept. 24, 2026) at unnumbered PDF pages 1-2.

² Opening Order (Ky. PSC July 12, 2024).

³ Opening Order (Ky. PSC July 12, 2024) at 5-6, ordering paragraphs 4 and 8.

⁴ Rattlesnake Ridge District's QIIP (QIIP) (filed July 21, 2025).

DISCUSSION AND FINDINGS

In its motion, Rattlesnake Ridge District requested to use up to \$435,000 of surcharge funds, and to amend its QIIP, to address a substantial change in circumstance resulting in significant water loss.⁵ Rattlesnake Ridge District stated that a critical break in its water line under Grayson Lake was discovered on August 3, 2026.⁶ The line runs from Rattlesnake Ridge District's water treatment plant in Elliott County, under Grayson Lake, and into Carter County.⁷ Rattlesnake Ridge District stated that the broken line is leaking at an estimated 44.1 gallons per minute, resulting in water loss of two million gallons per month.⁸ Furthermore, Rattlesnake Ridge District provided that as a temporary solution, it isolated the broken line and "is utilizing a heavily relied upon 10-inch water line to back feed water to the effected customers at this time."⁹ Rattlesnake Ridge District expressed concern with the temporary solution, stating that if the 10-inch line fails, 4,000 customers will be without water.¹⁰ For this reason, Rattlesnake Ridge District requested to amend its QIIP to include this project and address it using water loss surcharge funds.¹¹ Rattlesnake Ridge District attached a copy of its proposed amended QIIP as Attachment A.¹²

⁵ Motion at unnumbered PDF page 2.

⁶ Motion at unnumbered PDF page 2.

⁷ Motion at unnumbered PDF page 2.

⁸ Motion at unnumbered PDF page 3.

⁹ Motion at unnumbered PDF page 3.

¹⁰ Motion at unnumbered PDF page 3.

¹¹ Motion at unnumbered PDF page 3.

¹² Motion at Attachment A.

Rattlesnake Ridge District requested to use up to \$435,000 of surcharge funds to replace the broken six-inch line under Grayson Lake and provided a proposed plan as Attachment B.¹³ Rattlesnake Ridge District received two bids from potential contractors and provided both estimates.¹⁴ It received an estimate of \$419,990 from G&W Construction and \$395,000 from Triple B Construction, LLC.¹⁵ As of its August monthly report filing, Rattlesnake Ridge District has \$545,355.99 in its water loss surcharge account.¹⁶ Rattlesnake Ridge District provided its Board Resolution which approved up to \$435,000, and stated that the contract that has the earliest project completion date should be selected, “so long as the contractor can complete the project for \$435,000 or less”.¹⁷

The Commission finds that Rattlesnake Ridge District’s motion to amend its QIIP and use surcharge funds to repair the leak under Grayson Lake should be granted. Rattlesnake Ridge District stated that this was an emergent situation and given the size of the leak and the potential for 4,000 customers to lose water service, the Commission finds that water loss surcharge funds, up to \$419,990, should be granted. If Rattlesnake Ridge District finds that the project will have additional costs in the future, nothing prevents the district from submitting additional requests for authorization to use surcharge funds at that time.

¹³ Motion at unnumbered PDF page 3-4 and Attachment B.

¹⁴ Motion at unnumbered PDF page 4 and Attachment C.

¹⁵ Motion, Attachment C.

¹⁶ August Monthly Report Filing (filed Sept.11, 2026).

¹⁷ Motion at unnumbered PDF page 21.

IT IS THEREFORE ORDERED that:

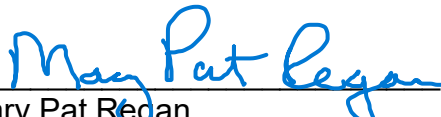
1. Rattlesnake Ridge District's motion to amend its QIIP is granted.
2. Rattlesnake Ridge District's notice of request for use of surcharge funds is granted, in part, as it is authorized to expend surcharge funds to repair the six-inch line under Grayson Lake up to the amount of \$419,990.
3. Rattlesnake Ridge District shall file proof of these expenditures from the water loss surcharge account with its monthly activity report that follows the expenditure.

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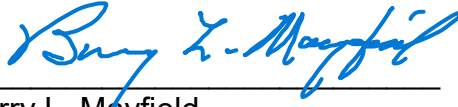
Entered on this 22nd day of October, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:



Justin McNeil
Executive Director

Case No. 2024-00176

Service List for Case 2024-00176

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