

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF ESTILL</b>	)	
<b>COUNTY WATER DISTRICT NO. 1 FOR A</b>	)	<b>CASE NO. 2019-00119</b>
<b>SURCHARGE TO FINANCE WATER LOSS</b>	)	
<b>CONTROL EFFORTS</b>	)	

**APPLICATION FOR REHEARING**

Pursuant to KRS 278.400, Estill County Water District No. 1 (“Estill District” or “the District”) applies for rehearing of the Public Service Commission’s Order of December 13, 2023 (“the Order”) in this matter. More specifically, it seeks rehearing on the denial of authorization to use surcharge funds to purchase three vehicles for use in water loss detection activities, to hire and pay two employees to perform water loss detection and loss control activities, and to purchase certain equipment for those two employees.

- 1. Denial of authorization to use surcharge proceeds for reasonable and prudent water loss control measures because the expenditures are “traditionally recovered through base rates” is unreasonable and illogical and will impede Commission efforts to promote water loss control measures.**

In its Order of December 13, 2023, the Public Service Commission (“the Commission”) denied authorization for the use of proceeds of Estill District’s Water Loss Control Surcharge for certain expenditures for the sole reason that those expenditures were “expense[s] traditionally recovered through a utility’s base rates” and that such expenditures should be recovered through a base rate adjustment.<sup>1</sup> The Commission did not find that the expenditures for which the use of

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<sup>1</sup> Order at 7.

surcharge proceeds was denied were unlawful, unreasonable, imprudent, or excessive nor did it find that those expenditures were unrelated or unnecessary to water loss control activities.

The Commission's treatment of the proposed expenditures is unreasonable, illogical, and inconsistent. The District does not dispute that the expenditures for which the use of surcharge proceeds was denied may be recovered through general rates. (These expenditures include the purchase of three vehicles to support leak detection and repair activities and the cost to employ and equip a two-person leak detection team for a 33-month period.) However, the expenditures for which the Commission *did* authorize the use of surcharge proceeds are *also* recoverable through general rates. These expenditures include the cost of metering equipment and the labor to install such equipment, a hydro excavator and dump trailer, and GPS mapping equipment. No explanation is provided as to why the use of surcharge proceeds for these expenditures that could otherwise be recovered through general rates is acceptable while improper or unacceptable for similar expenditures.

The Order produces illogical and conflicting results. For example, it authorizes the use of surcharge proceeds for purchase of a hydro excavator and dump trailer but denies use of such proceeds to purchase the truck necessary to haul the excavator. It authorizes the use of surcharge proceeds to buy GPS equipment to locate and map water lines and leak locations but denies use of proceeds to hire the personnel who would use that equipment. It authorizes the use of surcharge proceeds to create additional district metering areas ("DMAs") to assist in leak detection but prohibits the use of proceeds to employ the human assets necessary to perform the task of locating and repairing the leaks in those DMAs. At best, the Order limits the effectiveness of the activities that are funded through surcharge proceeds. At worst, it renders those expenditures a waste of ratepayer money.

The use of a “recovery through general rates” standard renders a water loss control surcharge a meaningless exercise. **Every expenditure related to the proposed water loss control activities set forth in the District’s Corrective Action Plan may be recovered through general rates.** The Commission was well aware of the District’s intended uses for the Water Loss Control Surcharge proceeds at the time it approved the Surcharge’s assessment. The District had filed its Corrective Action Plan with the Commission two months prior to filing its application for authorization to assess the Water Loss Control Surcharge. The Plan was also filed as an exhibit to the District’s Application to assess the surcharge. If the Commission intended to restrict the use of surcharge proceeds to items that could not be recovered through general rates, why did the Commission authorize the surcharge when none of the District’s proposed water loss control expenditures would be eligible to use the surcharge proceeds?

Surcharges are intended “to meet extraordinary expenses.”<sup>2</sup> In Case No. 2019-00041,<sup>3</sup> in which the Commission examined the water loss problems of the eleven Commission-regulated water utilities with the highest levels of unaccounted-for water and the efforts necessary to reduce those levels, the Commission found the problem was extraordinary and expressly noted the need for surcharges to detect and repair water line leaks and breaks funded by a surcharge that produces a level of revenue equal to the level of expenses disallowed due to excessive water loss:

807 KAR 5:066, Section 6(3) does not allow an adjustment in rates for unaccounted-for water in excess of 15 percent, however, the Commission recommends allowing a utility, upon submission of an approved Qualified Infrastructure Improvement Plan, to collect the difference between 15 percent and the percentage of water loss in excess of 15 percent, to be maintained in a separate account that is

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<sup>2</sup> *The Application of Black Mountain Utility District for Approval of an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities*, Case No. 2004-00379, Order at 2 (Ky. PSC Mar. 3, 2004).

<sup>3</sup> *Electronic Investigation into Excessive Water Loss by Kentucky’s Jurisdictional Water Utilities*, Case No. 2019-00041, Order (Ky. PSC Nov. 22, 2019).

restricted for Commission approved infrastructure repair intended to reduce water loss.<sup>4</sup>

The purpose of these surcharges was to fund water loss control activities that, while generally financed through general rates, could not be so funded due to the magnitude of the utility's water loss. For example, when approving a surcharge for Hyden-Leslie County Water District to address water loss issues, the Commission stated:

The use of a surcharge is consistent with prior Commission action in cases involving water utilities with excessive unaccounted-for water loss. In establishing water-loss surcharges, the Commission recognized that the adjustments required to be made to comply with the 15.00 percent line-loss limitation in 807 KAR 5:066, Section 6(3), could severely restrict cash flow and could impair a water district's ability to take the necessary action to focus on its leak detection and repair. Using a surcharge to fund a water utility's water loss reduction efforts allows the Commission to place strict controls governing the surcharge proceeds to ensure their effective use, public acceptance of the surcharge, and public confidence in the water districts use of those funds.<sup>5</sup>

The "recovery through general rates" standard is squarely at odds with this position since it ignores that a utility's severe water loss problems make it impractical and unrealistic to use general rate adjustments to resolve those problems.

The Order's denial of the use of surcharge proceeds to fund the creation of a leak detection team is contrary to the Commission's long placed emphasis on the importance of such teams to controlling water loss. In Case No. 2019-00041, the Commission encouraged the development and financing of such teams:

Because all systems should have a dedicated number of personnel devoting specific time to leak detection, water loss prevention, and related tasks, staffing needs should be evaluated immediately and a plan developed that would allow either **obtaining additional employees** or a more efficient distribution of the workload for

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<sup>4</sup> *Id.* at App. L, p. 24.

<sup>5</sup> *Electronic Application of Hyden-Leslie County Water District for An Alternative Rate Adjustment*, Case No. 2020-00141, Order at 11 (Ky. PSC Nov. 6, 2020) (footnote omitted).

current employees. As water loss percentages start declining, there will still be a need for staff and time to maintain the improvements. Utilities should be aware of related tasks that support water loss detection and loss prevention such as meter replacement, valve maintenance, line locating, etc.<sup>6</sup>

The Order’s suggestion that expenses related to the employment of persons for a leak detection team can be immediately recovered through general rates ignores the practical aspects of ratemaking. Since Estill District has not yet hired employees for such a team and has not incurred any expenses for such employees, the expenses would not be considered “known and measurable” and would not be subject to recovery in the District’s current rate proceeding.<sup>7</sup> To be clear, the District’s intention is not to permanently fund a leak detection team through surcharge proceeds. Rather, it has requested authorization to use surcharge proceeds to fund the employment of the two-person leak detection team for 33 months and will request recovery of the expenses associated with such team through general rates in its next rate case proceeding, which it expects to file in 2027. At that time, the Commission will review the request and determine whether the continued use of a leak detection team is reasonable and appropriate and should be funded through general rates.

Noticeably absent from the Order of December 13, 2023 is any explanation as to how Commission review of surcharge expenditures is improved or enhanced by the use of a “recovery through general rates” standard, or how the public will benefit from or be protected by that standard. The Order also does not consider the effect of such a standard on the funding of water loss control efforts.

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<sup>6</sup> Case No. 2019-00041, Order at 7 (Ky. PSC Nov. 22, 2019) (emphasis added).

<sup>7</sup> Pursuant to the Commission’s Order of June 3, 2022 in Case No. 2021-00064, Estill District applied for a general adjustment of its rates on December 1, 2023. *See Electronic Application of Estill County Water District No. 1 for a Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2023-00371, ARF Application (Ky. PSC filed Dec. 1, 2023).

In summary, the Order’s use of a “recovery through general rates” standard to review the District’s request produces arbitrary and illogical results, ignores the practical aspects of ratemaking, and would generally discourage and impede water loss control measures. Such an approach is inconsistent with and contrary to the Commission’s recent approach to funding and encouraging water loss control measures. For these reasons, the Commission should grant rehearing and authorize the use of surcharge proceeds for all proposed expenditures.

**2. The failure to provide the District a meaningful opportunity to present evidence and argument on the “recovery through general rates” standard renders the Order unlawful.**

Estill District’s Water Loss Control Surcharge Tariff specifically provides that surcharge proceeds may be used for “water loss control activities.” No category of water loss control expenditure was expressly excluded. The tariff contains no restriction against the use of surcharge proceeds for expenditures “traditionally recovered through base rates.” In its application seeking authorization to assess the surcharge, the District advised that the “proceeds of the proposed surcharge will be used solely to finance Estill District’s water loss control program.”<sup>8</sup> It specifically noted that one of the recommended initial activities for use of surcharge proceeds set forth in its Corrective Action Plan was “the hiring of additional personnel dedicated to leak detection efforts.”<sup>9</sup> The Plan specifically stated that the District, as one of its first actions, “hire additional staff for the sole purpose of loss reduction” and “purchase additional leak detection equipment as needed.”<sup>10</sup> In response to Commission Staff’s First Request for Information, the

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<sup>8</sup> Application, ¶ 16.

<sup>9</sup> *Id.* at ¶ 14. See also Exhibit 2 to Application, *Comprehensive Corrective Action Plan* at 9 and 48.

<sup>10</sup> *Comprehensive Corrective Action Plan* at 48.

District reiterated that the surcharge proceeds would be used for activities identified in the Corrective Action Plan.<sup>11</sup>

In its Order of August 29, 2019 in which the Commission approved the Water Loss Control Program Surcharge and its Orders of March 24, 2020 and July 28, 2020 clarifying its Order of August 29, 2019, the Commission placed no restrictions on the type of water loss control expenditures for which surcharge proceeds could be used other than requiring that such expenditures receive Commission approval prior to their occurrence. When the District filed its present Water Loss Control Surcharge Tariff, a copy of which is attached to this Application as Exhibit A, the Commission made no revisions to the proposed tariff to limit the type or category of water loss control expenditures for which surcharge proceeds could be used. The only restrictions on such expenditures were implied. These were that the expenditures must be reasonably related to water loss control and must be reasonable and prudent.

In its Order of December 13, 2023, the Commission summarily finds that expenditures to fund the employment of two persons to perform leak detection and other water loss control activities “should be included in a base rate adjustment request” and denies Estill District’s use of surcharge proceeds for such purpose.<sup>12</sup> It also denies the use of surcharge proceeds to purchase three vehicles to be used exclusively for water loss control purposes because “the cost of vehicles and financing methodology is traditionally recovered through base rates.”<sup>13</sup> The Order contains no finding that the employment of two persons for water loss control was unnecessary, unreasonable or imprudent or that the cost of such employment was excessive or wasteful. Similarly, the Order

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<sup>11</sup> Estill County Water District No. 1’s Response to Commission Staff’s First Request for Information, Question 3.

<sup>12</sup> Order at 7.

<sup>13</sup> *Id.*

lacks any findings regarding the purchase of the vehicles. The only reason provided for the denials was that such expenditures are **“traditionally recovered through base rates.”**

The Water Loss Control Surcharge Tariff does not provide that surcharge proceeds may be used only for expenditures incapable of recovery through base rates. The Order, however, has effectively revised Estill District’s Water Loss Control Surcharge Tariff to specifically exclude the use of surcharge proceeds for water loss control expenditures “traditionally recovered through a utility’s base rates,” even if those costs are reasonable and prudent and will assist water loss control and reduction efforts.

KRS 278.270 permits the Commission to modify or revise a utility’s existing rate. It provides:

Whenever the commission, upon its own motion or upon complaint as provided in KRS 278.260, and after a hearing had upon reasonable notice, finds that any rate is unjust, unreasonable, insufficient, unjustly discriminatory or otherwise in violation of any of the provisions of this chapter, the commission shall by order prescribe a just and reasonable rate to be followed in the future.

Before the Commission may modify or revise an existing rate, however, KRS 278.270 requires a hearing with notice to the utility, a finding regarding the existing rate and a finding regarding the reasonableness and appropriateness of the revised rate.

Prior to the Order’s entry, no hearing was conducted on whether the Water Loss Control Surcharge Tariff was unreasonable, unlawful or otherwise insufficient due to the lack of a prohibition on the use of surcharge proceeds for expenditures “traditionally recovered through base rates” and required revision. No notice was ever provided to the District that surcharge proceeds could not be used for expenses “traditionally recovered through base rates.” No notice that the Commission was considering applying such an exclusion to the Water Loss Control Surcharge



Tariff was provided to the District.<sup>14</sup> No opportunity was provided to the District to offer evidence or argument as to why such an exclusion was unreasonable or poor policy. The Order fails to state why the current Water Loss Control Surcharge Tariff is unreasonable, unjust, or insufficient and required modification to prohibit the use of surcharge proceeds for expenditures that are “traditionally recovered through base rates.”

The Order’s holding that the proceeds of the Water Loss Control Surcharge could not be used for expenditures “traditionally recovered through base rates” constitutes a modification to the terms of that Surcharge. As no hearing was conducted on that issue and as the Order does not contain any finding that the absence of a prohibition on the use of surcharge proceeds for expenditures “traditionally recovered through base rates” renders the existing Water Loss Control Surcharge Tariff unreasonable or insufficient, the “modification” of the Water Loss Control Surcharge Tariff did not comply with KRS 278.270 and is unlawful.

The failure to provide the District with notice that a prohibition on the use of surcharge proceeds for water loss control expenditures that are “traditionally recovered through base rates” was being considered and an opportunity to address that issue violates the District’s rights under the Fourteenth Amendment to the U.S. Constitution<sup>15</sup> and the Second Section of the Kentucky Constitution<sup>16</sup> to due process of law. Due process requires that an applicant be “given a meaningful

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<sup>14</sup> More than three months elapsed between the filing of the District’s Motion and entry of the Order of December 13, 2023. During that period, no action occurred in the proceeding. No requests for information were directed to the District. No order was issued identifying the possible use of the “recovery through general rates” standard or requesting comments from the District on the use of such standard.

<sup>15</sup> *Ohio Bell Telephone Co. v. Public Utilities Comm’n of Ohio*, 301 U.S. 292, 304-05 (1937) (“Regulatory commissions have been invested with broad powers within the sphere of duty assigned to them by law. . . All the more insistent is the need, when power has been bestowed so freely, that the ‘inexorable safeguard’ of a fair and open hearing be maintained in its integrity. The right to such a hearing is one of ‘the rudiments of fair play’ assured to every litigant by the Fourteenth Amendment as a minimal requirement.”) (citations omitted).

<sup>16</sup> *Kaelin v. City of Louisville*, 643 S.W.2d 590, 591 (Ky. 1982) (“Section 2 of the Kentucky Constitution prohibits the exercise of arbitrary power over ‘the lives, liberty and property’ of the citizens of the Commonwealth. In the interest of fairness and in order to comply with the mandate of Section 2, a party whose rights are affected by an administrative action is entitled to procedural due process.”).

opportunity to be heard.”<sup>17</sup> A meaningful opportunity to be heard exists only if any applicant is given notice of the issues and an opportunity to present evidence and argument on those issues. An applicant is “entitled . . . to know the issues on which an administrative decision will turn and to be apprised of the factual material on which an administrative agency relies for decision so that he may rebut it.”<sup>18</sup> The Commission must take such actions as to make an applicant “aware, prior to issuance of the [C]ommission order, of the issue[s] under consideration and the action[s] contemplated.”<sup>19</sup> “[N]o hearing in the constitutional sense exists where a party does not know what evidence is considered and is not given an opportunity to test, explain or refute.”<sup>20</sup> The failure to provide the District with due process of law requires rehearing.

**3. The Commission has previously authorized the use of surcharge proceeds for expenditures related to leak detection and repair efforts without regard to whether the expenditure had traditionally been recovered through base rates.**

In denying that the District’s request to use the proceeds of its Water Loss Control Surcharge to employ persons for leak detection and repair activities and to purchase vehicles for leak detection and repair activities because such expenses are “traditionally recovered through a utility’s base rates and any request to recover [such] costs . . . should be included in a base rate adjustment,” the Order disregards prior Commission decisions approving the use of surcharge proceeds for such expenses.

In Case No. 2018-00429,<sup>21</sup> the Commission authorized Graves County Water District (“Graves District”) to assess a surcharge to fund its unaccounted-for water loss reduction efforts.

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<sup>17</sup> *Utility Regulatory Commission v. Kentucky Water Service Company, Inc.*, 642 S.W.2d 591, 593 (Ky. Ct. App. 1982) (citing *Boddie v. Connecticut*, 401 U.S. 371 (1971)).

<sup>18</sup> *Bowman Transportation v. Arkansas-Best Freight System*, 419 U.S. 281, 287 (1974).

<sup>19</sup> *Public Service Commission v. Warren County Water District*, 642 S.W.2d 594, 595 (Ky. Ct. App. 1982).

<sup>20</sup> *Utility Regulatory Commission v. Kentucky Water Service Company, Inc.*, 642 S.W.2d at 593.

<sup>21</sup> *Application of Graves County Water District for an Alternative Rate Adjustment*, Case No. 2018-00429, Order at 12 (Ky. PSC Sept. 30, 2019).

It did not restrict the use of surcharge proceeds to expenditures that were “traditionally recovered through a utility’s base rates.” In its annual reports on its water loss reduction efforts, Graves District has reported using funds to purchase a vehicle and for reimbursement of labor expenses associated with employees engaged in leak detection and repair efforts – expenses the Order of December 13, 2023 describes as traditionally recovered through a utility’s base rates.<sup>22</sup> In its review of these reports, the Commission noted the expenditures for these purposes but did not refuse the use of surcharge proceeds for such expenditures and found no changes in Graves District’s program were required.<sup>23</sup>

In Case No. 2022-00044,<sup>24</sup> the Commission authorized Big Sandy Water District to assess a similar surcharge to finance its unaccounted-for water loss reduction efforts. In a subsequent order, the Commission approved the use of surcharge proceeds for the purchase of a vehicle to transport leak detection personnel, finding that Big Sandy District needed “reliable, adequate transportation for its personnel and materials in order to locate and repair leaks.”<sup>25</sup> The Commission further authorized the use of surcharge proceeds for the employment of one full-time employee for leak detection work. This authorization included the use of surcharge proceeds to cover federal employer taxes and employer pension contributions. The Commission found that “dedicating the labor of one full-time employee to leak detection and repair is an action that should assist the district in reducing its unaccounted-for water loss.”<sup>26</sup>

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<sup>22</sup> *Electronic Graves County Water District’s Unaccounted-For Water Loss Reduction Plan, Surcharge, and Monitoring*, Case No. 2019-00347, 2020 Annual Progress Report of Graves County Water District’s Water Loss Detection and Repair Program (filed Jan. 4, 2021) and 2021 Annual Progress Report of Graves County Water District’s Water Loss Detection and Repair Program (filed Mar. 2, 2022).

<sup>23</sup> Case No. 2019-00347, Order (Ky. PSC Feb. 4, 2021) and Order (Ky. PSC Dec. 27, 2022).

<sup>24</sup> *Electronic Application of Big Sandy Water District For An Adjustment of Its Water Rates Pursuant to 807 KAR 5:076*, Case No. 2022-00044, Order (Ky. PSC Sept. 13, 2022).

<sup>25</sup> *Electronic Big Sandy Water District’s Unaccounted-for Water Loss Reduction Plan, Surcharge and Monitoring*, Case No. 2022-00301, Order at 6 (Ky. PSC May 30, 2023).

<sup>26</sup> *Id.*

Contrary to the assertion in the Order of December 13, 2023 that debt service payments are “traditionally recovered through base rates” and not surcharge proceeds, the Commission has authorized the use of surcharge proceeds to meet principal and interest payments on long-term debt. In Case No. 2020-00118, the Commission authorized Cannonsburg Water District to use the proceeds of a surcharge to finance unaccounted-for water loss reduction efforts to make principal and interest payments on a loan from the Kentucky Infrastructure Authority (“KIA”).<sup>27</sup> In Case No. 2021-00207, the Commission similarly authorized Estill District to use the proceeds from its Water Loss Control Surcharge to service principal and interest payments on a KIA loan. In both instances the proceeds from the KIA loans had been used to purchase meter equipment for water loss reduction efforts.<sup>28</sup>

In numerous cases in which it has authorized a surcharge, the Commission has expressly found that a surcharge is “a reasonable means for [a water utility] . . . to recover the cost for its **leak detection efforts and repairs.**”<sup>29</sup> In those cases, no prohibition, restriction or limitation has been placed on the use of surcharge proceeds for expenditures related to water loss reduction efforts that were “traditionally recovered through a utility’s base rates.” Previous decisions have provided detailed reasoning for why surcharges were needed and their appropriate use to address a water loss problem that is widespread among Commission-regulated water utilities.

In contrast, the Order of December 13, 2023 fails to refer to any Commission decision supporting the “recovery through general rates” standard. It creates a new standard out of thin air

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<sup>27</sup> *Electronic Application of Cannonsburg Water District for an Order Authorizing the Issuance of Indebtedness and for a Certificate of Public Convenience and Necessity to Install a Zone Metering System Improvement and Other System Improvements, Authorization to Execute An Assistance Agreement with the Kentucky Infrastructure Authority and Authorization to Disburse Surcharge Proceeds*, Case No. 2020-00118, Order (Ky. PSC June 4, 2020).

<sup>28</sup> *Electronic Application of Estill County Water District No. 1 for a Certificate of Public Convenience and Necessity for the Purchase and Installation of Metering Equipment and Authorization to Use Loan Proceeds for Proposed Purchase*, Case No. 2021-00207, Order (Ky. PSC June 25, 2021).

<sup>29</sup> *See, e.g., Electronic Application of Cumberland County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2022-00291, Order at 18 (Ky. PSC Oct. 5, 2023).

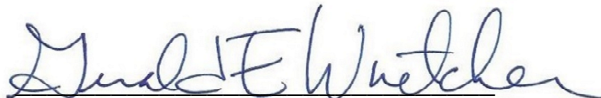
without providing any historical, legal or policy rationale for the proposed standard. It offers no explanation as to how the public benefits from or is protected by such a standard. It ignores the long and hard work of earlier Commissions to combat water loss. In the absence of any historical or substantive basis for the standard, it should not be applied to water utilities, such as the District, that have worked diligently over several years to address their water loss problems and rely upon water loss control surcharges to fund those efforts.

**Requested Relief**

WHEREFORE, Estill District requests that the Commission grant the District's application for rehearing and authorize the use of the proceeds of the Water Loss Control Surcharge for all expenditures proposed in its Motion for Authorization or, in the alternative, schedule oral arguments on the appropriateness of the use of surcharge proceeds for the proposed expenditures that were denied in the Order of December 13, 2023.

Dated: January 5, 2024

Respectfully submitted,



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*Counsel for Estill County Water District No. 1*

**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on January 5, 2024 and that there is currently no party that the Public Service Commission has excused from participation by electronic means in this proceeding.

  
*Counsel for Estill County Water District No. 1*

# **EXHIBIT A**

AREA Estill County, Kentucky

PSC KY NO. 4

Original SHEET NO. 1.1

Estill County Water District No. 1

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

RATES AND CHARGES

**Water Loss Control Program Surcharge**

Water Loss Control Program Surcharge

\$3.54 Monthly Per Bill\*

Estill County Water District may assess the Water Loss Control Program Surcharge subject to the following conditions:

1. Estill District will maintain all surcharge proceeds in a separate, interest-bearing account.
2. Estill District must obtain Commission approval for the use of surcharge proceeds for a specific water loss control activity prior to the expenditure of any surcharge proceeds for such activity.
3. Beginning for the month of September 2019 and then each month thereafter, Estill District must file with the Commission an activity report, which includes a statement of monthly surcharge billings and collections; a monthly surcharge bank statement; a list of each payment from the account, its payee and a description of its purpose; and invoices supporting each payment, no later than the 15<sup>th</sup> day of the following month.
4. Beginning for the month of September 2019 and then each month thereafter, Estill District must file with the Commission a water loss report for the month no later than the 15<sup>th</sup> day of the following month.

Failure to comply with these conditions will result in termination of the Water Loss Control Program Surcharge and refund of all unexpended surcharge proceeds.

\*Collection of this surcharge is subject to refund pending the issuance of a final order in Case No. 2019-00119.

DATE OF ISSUE October 17, 2019

MONTH / DATE / YEAR

DATE EFFECTIVE August 22, 2019

MONTH / DATE / YEAR

ISSUED BY /s/D. Blain Click

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**KENTUCKY  
PUBLIC SERVICE COMMISSION**

**Gwen R. Pinson  
Executive Director**



EFFECTIVE

**11/17/2019**

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)