

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC BLACK MOUNTAIN WATER)	CASE NO.
DISTRICT UNACCOUNTED FOR WATER)	2023-00202
LOSS REDUCTION PLAN, SURCHARGE)	
AND MONITORING)	

MOTION TO USE SURCHARGE PROCEEDS

Comes now, Black Mountain Utility District (“Black Mountain”), by counsel, and respectfully moves the Kentucky Public Service Commission (“Commission”) to use proceeds of the Water Loss Reduction Surcharge. In support of this motion, Black Mountain states as follows:

1. In Case 2022-00275¹ the Commission ordered Black Mountain to assess a monthly Water Loss Reduction Surcharge of \$2.63² per active meter to be phased in over three years. The Commission ordered that the surcharge should continue for 48 months, or until \$319,316.00 has been assessed, whichever occurred first.

2. On October 9, 2023, the Commission established this proceeding to monitor Black Mountain’s Water Loss Reduction Surcharge. The Commission found that before Black Mountain District can utilize any proceeds from the surcharge, Black Mountain must obtain permission from the Commission.³

¹ Case No. 2022-00275, *Electronic Application of Black Mountain Utility District for a Rate Adjustment Pursuant To 807 KAR 5:076*, October 9, 2023 Order at 13-17.

² Case No. 2022-00275, October 9, 2023 Order, Appendix A. Black Mountain will begin collecting \$5.27 on October 9, 2024.

³ October 9, 2023 Order at 5.

3. On January 25, 2025, Harlan County Judge Executive, Dan Mosley declared a state of emergency for Harlan County due to a water crisis that resulted in approximately 1,900 customers being without water. 1,750 of those customers were Black Mountain customers.

4. Black Mountain's Manager had previously given his notice of resignation which was to be effective the same day that the state of emergency was declared. That same week, two other Black Mountain employees resigned. These resignations essentially cut Black Mountain's field staff from six employees down to three.

5. Judge Mosley requested that additional personnel be dispatched from several regional water districts to help. Over the course of a five-day period, employees from Cumberland Falls Water District, Wood Creek Water District, City of Middlesboro, Water Service Corps of Kentucky, and Caywood Water District assisted Black Mountain on various water restoration efforts.

6. During this state of emergency, it was discovered that the telemetry system was not working throughout the system. The telemetry system is essential to alert Black Mountain when there is a problem with a tank or if the water level in a tank declines. Without telemetry, employees have to drive to each tank to check water levels.

7. While employees were checking the tank levels, the Board was alerted that the pumps at Daniels Mountain, Dayhoit, Slickey Ridge, Putney Booster Pump Station, and Pine Mountain were either not operational or leaking water from the pumps in large volumes; and therefore, water that was being acquired from the City of Harlan was not making it into the tanks to serve customers.

8. Necessary repairs had to be made to Black Mountain's system to restore operations and to prevent water loss. As such, Black Mountain incurred necessary costs and requests the Commission grant approval to use the water loss surcharge to cover those costs.

9. As of February 14, 2025, the surcharge contains \$134,628.42.⁴ Black Mountain requests the Commission allow an additional \$75,736.25 in surcharge funds to be used for the necessary repairs and upgrades. The invoices and quotes for the emergency services and repairs are provided as Attachment A and as Excel spreadsheets provided separately.

WEREFORE, Black Mountain moves the Commission to permit Black Mountain District to use \$75,736.25 of its Water Loss Reduction Surcharge to pay for the parts and repairs at six (6) different locations and to be reimbursed for the time and travel included in the invoices.

This 11th day of March, 2025.

Respectfully submitted,



L. Allyson Honaker
Heather S. Temple
Meredith L. Cave
HONAKER LAW OFFICE, PLLC
1795 Alysheba Way, Suite 6202
Lexington, KY 40509
(859) 368-8803
allyson@hloky.com
heather@hloky.com
meredith@hloky.com
Counsel for Black Mountain Utility District

⁴ Case No. 2023-00202, Water Loss Surcharge Report (filed February 14, 2025)

CERTIFICATE OF SERVICE

This is to certify that the electronic filing was transmitted to the Commission on March 11, 2025, and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085 no paper copies of this filing will be made.



Counsel for Black Mountain Utility District

ATTACHMENT A

BLACK MOUNTAIN UTILITY DISTRICT

609 FOUR MILE ROAD

BAXTER, KY 40806

PHONE: (606) 573-1277

JOB:	Putney Community &
DATE JOB PERFORMED:	

DESCRIPTION	PER	QTY	UNIT PRICE
PERSONNEL (OT HOURS ONLY)			
TIER #1 LABOR	HR	5.50	\$ 35.50
TIER #2 LABOR	HR	7.00	\$ 32.50
GENERAL LABOR	HR	4.50	\$ 28.18
EQUIPMENT			
BACKHOE	HR	5.00	\$ 100.00
EXCAVATOR	HR		\$ 125.00
GATOR TRAILER	HR	3.00	\$ 45.00
HAND TOOLS	HR	13.00	\$ 1.84
IMPACT GUN AND SOCKETS	HR	12.00	\$ 2.25
PIPE CUTTERS	HR	12.00	\$ 1.84
TRASH PUMP	HR	8.00	\$ 45.00
SAW USAGE	HR		\$ 30.00
3/4 IMPACT USAGE	HR	1.00	\$ 30.00
MAFIA BLOCK	PC	1.00	\$ 450.00
MATERIALS			
1" CORP STOP	PC		\$ 79.63
1" CTS PIPE	FT	16.00	\$ 0.75
1" INSERTS	PC	4.00	\$ 2.60
1" PVC CASING	FT	6.00	\$ 1.30
1" STREET VALVE	PC	2.00	\$ 68.09
1" X 1" COUPLINGS	PC	4.00	\$ 55.99
1"X 1" X 3/4" TEE	PC	1.00	\$ 99.53
1" PVC WRAP	PC	6.00	\$ 1.35
2" PVC CASING	FT		\$ 1.55
2" PVC SDR 17	FT		\$ 2.30
3" CAP	PC		\$ 68.20
3/4" CORP STOP	PC		\$ 68.13
3/4" CTS PIPE	FT		\$ 0.68
3/4" INSERTS	PC		\$ 2.36
3/4" X 1" CTS	PC		\$ 33.59
3/4" X 3/4" COUPLINGS	PC		\$ 29.56
3/4" X 3/4" X 1" TEE	PC		\$ 34.00

JOB:		Putney Community &	
DATE JOB PERFORMED:			
3/4" X 3/4" X 3/4" TEE	PC		\$ 78.20
4" COUPLING HYMAX	PC	1.00	\$ 245.93
4" PVC SDR 17	FT	6.00	\$ 6.54
6" STEEL CASING	FT		\$ 64.00
CONCRETE MIX	PC		\$ 9.85
GRAVEL	TON	1.00	\$ 25.88
MARKING TAPE	FT		\$ 0.06
METER PIT	PC	1.00	\$ 35.71
METER PIT LID	PC	1.00	\$ 64.72
SAND	TON	1.00	\$ 30.00
OTHER			
REMOVAL OF DEBRIS	HR	3.00	\$ 28.75
WATER TEST	TEST		
WATER LOSS	GAL		
LISTENING DEVICE USAGE	TEST	2.00	\$ 23.50
VEHICLES			
FUEL SURCHARGE	PC	2.00	\$ 57.50
MOBILE FLEET #T03	MILE	72.40	\$ 1.02
MOBILE FLEET #T06	MILE	72.40	\$ 1.02
			TOTAL

DESCRIPTION OF WORK PERFORMED

Due to reports of water loss in the Putney Community, Two Technicians were dispatched Detection Services 8 service lines were found to have been shut off, 1 valve was changed then traveled to Louellen Community to preform leak detection services due to low level found and repaired.

INVOICE DATE

2/17/2025

Louellen Line Repairs & Leak Detection

1/23/2025

AMOUNT

\$	195.25
\$	227.50
\$	126.81
\$	500.00
\$	135.00
\$	23.92
\$	27.00
\$	22.08
\$	360.00
\$	30.00
\$	450.00
\$	12.00
\$	10.40
\$	7.80
\$	136.18
\$	223.96
\$	99.53
\$	8.10

Louellen Line Repairs & Leak Detection	
1/23/2025	
\$	245.93
\$	39.24
\$	25.88
\$	35.71
\$	64.72
\$	30.00
\$	86.25
\$	47.00
\$	115.00
\$	73.85
\$	73.85
\$	3,432.96

d to preform leak detection services. During Leak
d and 1 meter had burst and was replaced. Crew
els in tank. Upon arrival one major line leak was

