

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GRAVES COUNTY WATER DISTRICT'S )  
UNACCOUNTED-FOR WATER LOSS ) CASE NO.  
REDUCTION PLAN, SURCHARGE, AND ) 2019-00347  
MONITORING )

ORDER

The Commission, on its own motion, initiates this proceeding for the purpose of monitoring Graves County Water District's (Graves District) unaccounted-for water-loss reduction plan surcharge, which was approved in Case No. 2018-00429.<sup>1</sup> The Commission approved Graves District's plan to detect and repair leaks that are responsible for a 28.5252 percent unaccounted-for water loss. Also in that proceeding, the Commission authorized Graves District to assess a monthly surcharge of \$5.00 on each customer for a term of 72 months, or until the total amount of the surcharge equaled \$1,721,160, to fund its unaccounted-for water-loss reduction efforts. The Commission found that the surcharge was subject to a number of conditions. Consistent with the findings in Case No. 2018-00429, the Commission finds that:

1. Within 90 days of the date of this Order, Graves District should file in this proceeding its comprehensive unaccounted-for water-loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss and provides a detailed spending plan for the proceeds of a surcharge.

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<sup>1</sup> Case No. 2018-00429, *Application of Graves County Water District for an Alternative Rate Adjustment* (Ky. PSC Sept. 30, 2019).

2. Graves District should deposit surcharge collections in a separate interest-bearing account.

3. Graves District should file monthly activity reports with the Commission that include 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 the purpose; and invoices supporting each payment.

4. Graves District should file monthly water-loss reports with the Commission.

5. Surcharge proceeds should not be used to reimburse Graves District for unaccounted-for water-loss reduction expenses incurred prior to the date of this Order.

6. Graves District's surcharge and water-loss detection and repair program is subject to annual Commission reviews that will examine the progress of the water-loss detection and repair program and expenditures made with surcharge proceeds and consider adjustments to the program and the surcharge amount.

7. Graves District's failure to comply with any conditions attached to its assessment of the surcharge will result in termination of the surcharge and the refund of all surcharge proceeds previously collected.

IT IS THEREFORE ORDERED that:

1. This case is opened to monitor Graves District's unaccounted-for water-loss surcharge proceeds collection and expenses.

2. The record of Case No. 2018-00429 is incorporated by reference in Case No. 2019-00347.

3. Within 90 days of the date of this Order, Graves District shall file with the Commission its comprehensive unaccounted-for water-loss reduction plan that

establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss and provides a detailed spending plan for the proceeds of a surcharge.

4. Graves District shall deposit surcharge collections in a separate interest-bearing account.

5. On the fifteenth day of each month for 72 months from the date of this Order or until all surcharge proceeds are expended, Graves District shall file with the Commission a monthly activity report that 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 the purpose; and invoices supporting each payment.

6. On the fifteenth day of each month for 72 months from the date of this Order or until all surcharge proceeds are expended, Graves District shall file a monthly water-loss report with the Commission.<sup>2</sup>

7. Graves District shall not use any surcharge proceeds for reimbursement of unaccounted-for water-loss reduction expenses incurred prior to the date of Order.

8. Graves District shall consider all surcharge collections as contributions and shall account for them in the manner that the Uniform System of Accounts for Class A and B Water Districts and Associations prescribes.

9. Graves District shall debit monthly billings for the surcharge to customers' accounts receivable and credit the contribution account.

10. When Graves District collects the surcharge from the customers, it shall debit special funds and credit the customer account.

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<sup>2</sup> The report format is found at <https://psc.ky.gov/Home/UtilForms> under "Water Use & Loss Calculations (Excel format)."

11. Graves District shall not spend any funds beyond those authorized herein from the separate interest-bearing surcharge account until further Orders of this Commission.

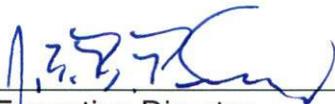
12. One year after the date of entry of this Order, and annually thereafter, Graves District shall file a schedule of the estimated and actual progress of the water-loss detection and repair program, and estimated and actual expenditures made with surcharge proceeds, for the purpose of evaluating whether adjustments to the program or to the surcharge amount are required.

13. Graves District's failure to comply with the conditions set forth in ordering paragraph 11 shall result in termination of the surcharge and the refund of all collected surcharge proceeds.

By the Commission

ENTERED  
SEP 30 2019  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director  
for  
Gretchen K. Pinson

Case No. 2019-00347

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