

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO EAST)	CASE NO.
LOGAN WATER DISTRICT, INC. WATER LOSS)	2021-00063

ORDER

The Commission, on its own motion, initiates this proceeding for the purpose of investigating East Logan Water District, Inc.'s (East Logan District) operational and financial status in response to the information gathered in Case No. 2020-00220.¹ During the pendency of that case, the Commission found that there were several important issues that gave cause to open a separate proceeding to further investigate and ensure the financial and operational stability of East Logan District. Consistent with the findings in Case No. 2020-00220, the Commission finds that:

1. Within 120 days of the date of this Order, East Logan District should file with the Commission a capital improvement plan, including a comprehensive unaccounted-for water loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss.

2. Within 120 days of the date of this Order, East Logan District should file with the Commission a detailed estimate of the annual cost of implementing the capital improvement plan that will be filed with the Commission that would be in addition to the typical operating costs expended by East Logan District for its day-to-day operations.

¹ Case No. 2020-00220, *Electronic Purchased Water Adjustment Filing of East Logan Water District, Inc.* (Ky. PSC Mar. 10, 2021).

3. Within 14 days of the date of this Order, East Logan District should file responses to the attached Requests for Information in the Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. This case is opened to investigate East Logan District's operational and financial status.

2. The record of Case No. 2020-00220 is incorporated by reference into this proceeding.

3. Within 120 days of the date of this Order, East Logan District shall file with the Commission a capital improvement plan, including a comprehensive unaccounted-for water loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted-for water loss.

4. Within 120 days of the date of this Order, East Logan District shall file with the Commission a detailed estimate of the annual cost of implementing the capital improvement plan that will be filed with the Commission that would be in addition to the typical operating costs expended by East Logan District for its day-to-day operations.

5. Within 14 days of the date of this Order, East Logan District shall have an attorney licensed in Kentucky filed an entry of appearance on behalf of East Logan District.

6. Within 14 days of the date of this Order, East Logan District shall file responses to the attached Requests for Information in the Appendix to this Order.

a. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed, with the original and an electronic version to the Commission. Electronic documents shall be in portable document format (PDF), shall

be searchable, and shall be appropriately bookmarked. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior response if it obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

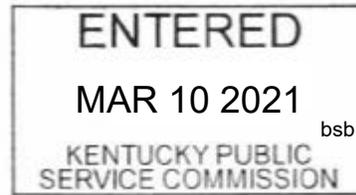
e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. Any party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

7. Any party filing a paper with the Commission shall file an original in paper medium and an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. The original in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085² regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency.

² Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

By the Commission



ATTEST:


Executive Director

Case No. 2021-00063

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00063 DATED MAR 10 2021

1. Describe in detail the procedure utilized in preparing monthly water use and loss reports. Include with the description the following information:
 - a. How East Logan District calculated water loss, water treatment plant usage, system flushing and disinfection byproduct flushing;
 - b. The identity, by name and job title, of the employees who prepare or assist in the preparation of the reports; and
 - c. All that is included in the water loss category. Specifically, state whether East Logan District includes water loss from known leaks and breaks in the water loss category.
2. Provide the names of the persons or entities responsible for assisting East Logan District with capital improvement planning, grant application assistance, engineering design, and construction services.
3. State whether East Logan District has assigned specific personnel the responsibility to detect and fix of water line leaks, and if so, state the names and job titles of such personnel and describe the functions and duties of each.
4. Provide the number of completed water line leak repairs by category (i.e., mains, service lines, etc.), that were completed from January 1, 2016, to the date of the issuance of this Order.
5. State whether East Logan District has a policy or operating procedure in place that addresses the process and the length of time it should take for East Logan

6. District to fix a known or reported leaking water line. If such a policy exists, provide a copy of the policy or operating procedure.

7. Provide a general asset ledger listing identifying all new equipment purchased by East Logan District from January 1, 2016, to the date of the issuance of this Order used in water loss reduction efforts (e.g., listening devices, flow meters, metal detectors, hand tools, etc.).

8. Provide the type of training and the total amount of time East Logan District's personnel have received for leak detection and repairs since January 1, 2016, to the date of the issuance of this Order. List the personnel and dates of training.

9. State the number of meters that have been replaced by East Logan District from January 1, 2016, to the date of the issuance of this Order.

10. State whether all meters within East Logan District's distribution area are read monthly. If all meters are not read monthly, state the reasons why not.

11. a. State whether East Logan District's manager regularly report the water loss reduction efforts to the water utility's board of commissioners.

b. Provide copies of any written reports, memorandums, letters, emails, or minutes from January 1, 2016, to the date of the issuance of this Order that details the efforts of the manager in reducing water loss as reported to the water utility's board of commissioners.

12. For the period beginning January 1, 2016, to the date of the issuance of this Order, state whether the water utility's board of commissioners discussed and ultimately has placed any deadlines or target dates on East Logan District for achieving a reduction in the amount of water loss.

13. Provide a list of East Logan District's five most critical projects, listed in order of priority, notwithstanding the opinions of the county judge/executive nor the opinions of the water district board of commissioners.

14. "Service connection," as defined by 807 KAR 5:066(6), means the line from the main to the customer's point of service, and shall include the pipefittings and valves necessary to make the connection. State the average age of East Logan District's service connections.

15. Provide a copy of East Logan District's most recent Leak Adjustment Worksheet that was used and explain what software is being used by East Logan District to generate the Leak Adjustment Worksheet. If using Microsoft Excel to generate the Leak Adjustment Worksheet, then provide a copy of the most recent Leak Adjustment Worksheet used in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

16. Provide a copy of East Logan District's procedure for monitoring and documenting withdrawals from its distribution system by fire departments. If no written documentation exists, explain the process for obtaining this information in detail in addition to the following information:

a. For each fire department that made a withdrawal from East Logan District's system from January 1, 2016, to the date of the issuance of this Order, provide a copy of the fire department's estimate of its withdrawal.

b. For any instance in which a fire department failed to provide an estimate of withdrawal from January 1, 2016, to the date of the issuance of this Order, state the actions East Logan District implemented to correct the failure.

c. Provide the date on which East Logan District last imposed a penalty on a fire department for the fire department's failure to submit a quarterly report on its water usage.

d. Provide a sample copy of each type of report form that East Logan District provides to fire departments.

17. Explain how East Logan District accounts for flushing when determining water loss for its system.

18. Provide East Logan District's system flushing records, by month, from January 1, 2016, to the date of the issuance of this Order, and describe the formula relied upon, identifying all variables, and all assumptions and workpapers utilized to produce this information.

*East Logan Water District, Inc.
333 S Franklin Street
Russellville, KY 42276