

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MORGAN COUNTY WATER)	
DISTRICT'S UNACCOUNTED-FOR WATER LOSS)	CASE NO.
REDUCTION PLAN, SURCHARGE AND)	2021-00206
MONITORING)	

ORDER

The Commission initiated this case on June 9, 2021, to monitor Morgan County Water District's (Morgan District) water loss surcharge, and the progress of its water loss reduction efforts. The June 9, 2021 Order indicated that Morgan District was to collect a monthly water loss surcharge of \$5.87 per meter for 48 months or until \$399,726 had been assessed, whichever ever occurred first. The June 9, 2021 Order also required that Morgan District seek prior approval from the Commission prior to spending any funds from the water surcharge account.

On June 29, 2023, the Commission entered an Order approving in part and denying in part certain expenditures to be made from Morgan District's water loss surcharge account. The Commission granted Morgan District authorization to disburse installment payments of \$20,000 for June 2023, and \$20,000 for July 2023 to ASTERRA, but due to a lack of funds in the Morgan District Water Loss Surcharge Account, required Morgan District to re-file a request for further installment payments once there were adequate funds to cover the expense in the Water Loss Surcharge Account.

On October 4, 2023, Morgan District provided the invoices for the final two installment payments to be made to ASTERRA. The September 2023 installment

requires a payment of \$20,000, and the October 2023 installment requires a payment of \$19,500.¹

The Commission finds that there are now adequate funds in Morgan District's Water Loss Surcharge Account to pay the final two installments to ASTERRA² and that those expenditures should be authorized in the interest of water loss reduction.

On October 13, 2023, Morgan District tendered a motion asking the Commission to enter an order retroactively authorizing Morgan District to terminate the collection of the \$5.87 per month per meter water loss surcharge. Morgan District stated that at the end of the July 2023 billing cycle it had collected a total of \$393,115.72, and thus Morgan District stopped collecting the surcharge prior to the August billing cycle. Morgan District estimated that, had it collected the August surcharge, it would have collected approximately \$12,000 over the \$399,726 permitted by the June 9, 2021 Order.

The Commission finds that Morgan District has met the collection requirements of the June 9, 2021 Order and Morgan District should be authorized to terminate its collection of the surcharge after the July 2023 billing cycle. The Commission further finds that Morgan District is relieved from the monthly filing requirements of the June 9, 2021 Order. However, since there will be an unused balance remaining in the surcharge

¹ Morgan District, Letter and Invoice (filed on Oct. 4, 2023).

² Morgan District, Letter and Report (filed Oct. 13 2023) shows a balance of \$61,429.88 in the surcharge account as of Aug. 4, 2023.

account following the installment payments to ASTERRA,³ Morgan District is still required to obtain Commission approval for the use of any further surcharge funds.

IT IS HEREBY ORDERED that:

1. Morgan District is authorized to pay the remaining two installments, for September 2023 in the amount of \$20,000, and October 2023 in the amount of \$19,500, for a total of \$39,500, to ASTERRA from the water loss surcharge funds.

2. Morgan District is authorized to terminate collections of the \$5.87 water loss surcharge per meter per month retroactively following the July 2023 billing period.

3. Morgan District is relieved from June 9, 2021 Order's monthly water loss and surcharge account reports.


4. Morgan District shall not use any remaining surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.

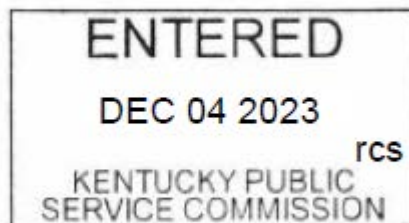
³ Morgan District, Letter and Report (filed Oct. 13 2023) shows a balance of \$61,429.88 in the surcharge account as of Aug. 4, 2023. After the installment payments to ASTERRA in the total amount of \$39,500.00, there will be a remaining balance of at least \$21,929.88 in the interest-bearing surcharge account.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner



ATTEST:


Executive Director

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