

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

This matter arises upon Morgan County Water District's (Morgan District) request to disburse funds from its water loss reduction plan surcharge.

LEGAL STANDARD

On June 9, 2021, the Commission established this proceeding to monitor the collection and expenditure of an unaccounted-for water loss reduction plan surcharge. In the June 9, 2021 Order, the Commission prohibited the use of the surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.¹ The Commission also ordered Morgan District to file a description of the purpose of each payment from the account and invoices supporting each payment in a monthly report.²

BACKGROUND

Morgan District has a history of significant water loss, which can both reflect and cause financial distress to a utility. In Case No. 2020-00386, the Commission approved

¹ Order (Ky. PSC June 9, 2021), ordering paragraph 8.

² Order (Ky. PSC June 9, 2021), ordering paragraph 6.

a monthly surcharge of \$5.87 per active meter for 48 months, or until \$399,726 had been assessed, whichever occurs first to fund Morgan District's unaccounted-for water loss reduction efforts.³ This proceeding was subsequently opened to monitor Morgan District's collection and expenditures of the water loss prevention surcharge to ensure that the surcharge was used solely to improve Morgan District's efforts to reduce water loss.

Morgan District was previously granted partial approval to disburse funds from its water loss surcharge for various projects, including water line replacement and leak repair projects, meter replacement project, and leak detection and training services provided by contractor ASTERRA.⁴ By Order issued December 4, 2023, Morgan District was granted approval to complete its payments to ASTERRA and terminate its surcharge after the July 2023 billing cycle and was relieved of its filing requirements from the June 9, 2021 Order.⁵ However, as there would be an unused balance remaining in the surcharge account following the remaining payments to ASTERRA, Morgan District as ordered to obtain Commission approval for the use of any further surcharge funds.⁶

REIMBURSEMENT REQUEST

Morgan District has now filed a requests to disburse funds from the remaining balance of its surcharge account to purchase floor scales to calibrate its meter testing bench. Morgan District submitted with its request an invoice dated March 8, 2024, in the

³ Case No. 2020-00386, *Electronic Application of Morgan County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC June 9, 2021), final Order at 24.

⁴ Order (Ky. PSC June 29, 2023).

⁵ Order (Ky. PSC Dec. 4, 2023).

⁶ Order (Ky. PSC Dec. 4, 2023) at 3.

amount of \$7,225 from Kanawha Scales and Systems (Kanawha) for the purchase and calibration of the floor scales. Morgan District stated that test bench calibration is essential to accurately test its customers' meters in its continued efforts to decrease water loss.

The Commission finds that Morgan District's request for reimbursement from the surcharge proceeds should be granted. Morgan District has sought Commission permission prior to expending funds from the surcharge account, submitted an invoice for the expense, and provided an explanation of how the floor scales are necessary to calibrate its meter testing bench in order to accurately test its customers' meters in its continued efforts to decrease water loss.

IT IS THEREFORE ORDERED that:

1. Morgan District's request to disburse \$7,225 Kanawha for its invoice dated March 8, 2024, from the water loss prevention surcharge is granted.
2. In all future requests for reimbursement, Morgan District shall include a copy of the invoice and detailed description what has been purchased and how the purchase relates to Morgan District's efforts to reduce unaccounted-for water loss.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
MAY 17 2024 bsb
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

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