

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, on its own motion, finds that this proceeding should be closed and Morgan County Water District (Morgan District) should be allowed to transfer the remaining surcharge funds to its general operating account.

DISCUSSION AND FINDINGS

On June 9, 2021, the Commission established this proceeding to monitor the collection and expenditure of an unaccounted-for water loss reduction plan surcharge.<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup>

During this proceeding, Morgan District was granted approval to disburse funds from its water loss surcharge for various projects, including water line replacement and

---

<sup>1</sup> Opening Order (Ky. PSC June 9, 2021).

<sup>2</sup> June 9, 2021 Order, ordering paragraph 8.

<sup>3</sup> June 9, 2021 Order, ordering paragraph 6.

leak repair projects, meter replacement project, and leak detection and training services provided by contractor ASTERRA.<sup>4</sup> By Order issued December 4, 2023, Morgan District was granted approval to terminate its surcharge after the July 2023 billing cycle and was relieved of its filing requirements from the June 9, 2021 Order.<sup>5</sup> However, as there would be an unused balance remaining in the surcharge account after expending approved funds, Morgan District was ordered to obtain Commission approval for the use of any further surcharge funds.<sup>6</sup> By Order issued May 17, 2024, Morgan District was further granted approval to use funds from the remaining balance of its surcharge account to purchase floor scales to calibrate its meter testing bench.<sup>7</sup>

Morgan District currently has a balance of \$102.03 in the surcharge account.<sup>8</sup> In response to Commission Staff's Third Request, Morgan District stated the remaining balance is so small that it would not be a sufficient amount to use towards any leak detection equipment or other items that could be recovered through the surcharge, and therefore, did not have any proposal for spending the remaining balance.<sup>9</sup>

The Commission, on its own motion, finds that this case should be closed, and Morgan District shall transfer the remaining surcharge funds to its general operating account. Throughout this proceeding, Morgan District met its reporting requirements, has

---

<sup>4</sup> Order (Ky. PSC June 29, 2023).

<sup>5</sup> Order (Ky. PSC Dec. 4, 2023).

<sup>6</sup> Dec. 4, 2023 Order at 3.

<sup>7</sup> Order (Ky. PSC May 17, 2024).

<sup>8</sup> Morgan District's Response to Staff's Third Request for Information (Staff's Third Request) (filed Dec. 17, 2025), Item 3.

<sup>9</sup> Morgan District's Response to Staff's Third Request, Item 3.

exhausted the surcharge funds towards Commission approved expenditures, was previously released from the reporting requirements in this case, and therefore, the case should be closed and removed from the docket.

IT IS THEREFORE ORDERED that:

1. Morgan District shall transfer the remaining \$102.03 from the water loss surcharge account to its general operating account.
2. This case is closed and removed from the Commission's docket.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Entered on this 24th day of June, 2026.

PUBLIC SERVICE COMMISSION


  
\_\_\_\_\_  
Angie Hatton  
Chair

  
\_\_\_\_\_  
Mary Pat Regan  
Vice Chair

  
\_\_\_\_\_  
Andrew W. Wood  
Commissioner

  
\_\_\_\_\_  
Barry L. Mayfield  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Linda C. Bridwell, PE  
Executive Director

## Service List for 2021-00206

\* Morgan County Water District  
1009 Hwy 172  
West Liberty, KY 41472

\* Morgan County Water District  
Morgan County Water District  
1009 Hwy 172  
West Liberty, KY 41472

\* L. Allyson Honaker  
Honaker Law Office, PLLC  
1795 Alysheba Way  
Suite 1203  
Lexington, KY 40509

\* Heather Temple  
Honaker Law Office, PLLC  
1795 Alysheba Way  
Suite 1203  
Lexington, KY 40509

\* Meredith L. Cave  
Honaker Law Office, PLLC  
1795 Alysheba Way  
Suite 1203  
Lexington, KY 40509