

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC BIG SANDY WATER DISTRICT'S	)	
UNACCOUNTED-FOR WATER LOSS	)	CASE NO.
REDUCTION PLAN, SURCHARGE AND	)	2022-00301
MONITORING	)	

O R D E R

By Order issued September 13, 2022, in Case No. 2022-000441,<sup>1</sup> the Commission approved an unaccounted-for water loss reduction surcharge for Big Sandy Water District (Big Sandy District) and ordered Big Sandy District to file a qualified infrastructure improvement plan (QIIP) with the Commission. The Commission opened this proceeding to monitor Big Sandy District's surcharge billings, collection, deposits, and expenditures.<sup>2</sup> On December 16, 2022, Big Sandy District filed its QIIP. On January 27, 2025, Big Sandy District filed a motion seeking authorization to use surcharge funds for the purchase of a hydro excavator, additional zone meters, and to reimburse the cost of an engineering review to identify necessary water main improvements. Big Sandy District also tendered an updated QIIP.<sup>3</sup>

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<sup>1</sup> Case No. 2022-00044, *Electronic Application of Big Sandy Water District for an Adjustment of Its Water Rates Pursuant to 807 KAR 5:076* (Ky. PSC Sept. 13, 2022).

<sup>2</sup> Order (Ky. PSC Sept. 13, 2022).

<sup>3</sup> Big Sandy Water District's Notice of Amendment to Infrastructure Improvement Plan and Motion for Authorization for use of Surcharge Proceeds (Motion for Authorization) (filed Jan. 27, 2025).

## LEGAL STANDARD

In the September 13, 2022 opening Order, the Commission prohibited the use of surcharge proceeds for reimbursement of unaccounted-for water loss expenses without prior Commission approval.<sup>4</sup> The Commission also ordered Big Sandy District to file a description of the purpose of each payment from the account and invoices supporting payment in a monthly report.<sup>5</sup>

## DISCUSSION AND FINDINGS

Big Sandy District requested authorization for the purchase of a hydro excavator at an estimated cost of \$53,276<sup>6</sup> using water loss surcharge funds. Big Sandy District stated it would use the hydro excavator to uncover water lines without damaging them.<sup>7</sup> Big Sandy District stated that it would allow it to quickly access, and repair, broken or leaking lines, thus reducing unaccounted-for water loss.<sup>8</sup> Big Sandy District tendered estimates as attachments to its motion.<sup>9</sup>

Furthermore, Big Sandy District requested authorization to use water loss surcharge funds to purchase ten zone meters to create an additional ten district metering areas (DMAs) at a cost of \$101,528.89.<sup>10</sup> Big Sandy District asserted that it currently has 16 DMAs, and that the fewer number of customer meters in each DMA the more

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<sup>4</sup> Order (Ky. PSC Sept. 13, 2022), ordering paragraph 7.

<sup>5</sup> Order (Ky. PSC Sept. 13, 2022), ordering paragraph 5.

<sup>6</sup> Motion for Authorization at 4.

<sup>7</sup> Motion for Authorization at 4.

<sup>8</sup> Motion for Authorization at 4.

<sup>9</sup> Motion for Authorization, Exhibits D and E.

<sup>10</sup> Motion for Authorization at 4.

effectively the zones can be monitored for leaks and water loss.<sup>11</sup> Big Sandy District stated that the current DMAs have an average of 300 meters, and that the additional DMAs will reduce the average number of meters per zone to 190.<sup>12</sup> Big Sandy District provided pricing quotes for the equipment with its motion.<sup>13</sup>

Big Sandy District also sought authorization to use \$5,370 of water loss surcharge funds to reimburse itself for the cost of hiring an engineer to develop cost estimates pertaining to the water main improvement projects.<sup>14</sup> Big Sandy District provided a copy of the invoice for those services.<sup>15</sup>

The Commission, having considered Big Sandy District's motion finds that it be granted. As of the March filing, Big Sandy District has \$392,441.46 available in its water loss surcharge account, and the total cost for all three requested projects is \$160,174.89.<sup>16</sup> Big Sandy District also provided the required proof of cost in the form of invoices and quotes. The Commission also finds that the projects are likely to further the goal of reducing unaccounted-for water loss and has granted similar requires in the past.<sup>17</sup>

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<sup>11</sup> Motion for Authorization at 4.

<sup>12</sup> Motion for Authorization at 4.

<sup>13</sup> Motion for Authorization, Exhibit F.

<sup>14</sup> Motion for Authorization at 5-6.

<sup>15</sup> Motion for Authorization, Exhibit H.

<sup>16</sup> Monthly Surcharge Report (filed Mar. 14, 2025).

<sup>17</sup> Case No. 2019-00119, *Electronic Application of Estill County Water District No. 1 for a Surcharge to Finance Water Loss Control Efforts* (Ky. PSC Dec. 13, 2023), Case No. 2020.00217, *Electronic Farmdale Water District's Unaccounted-for Water Loss Reduction Plan, Surcharge and Monitoring* (Ky. PSC June 13, 2024).

IT IS THEREFORE ORDERED that:

1. Big Sandy District is authorized to use surcharge proceeds in the amount of \$53,276 for the purchase of a hydro excavator.
2. Big Sandy District is authorized to use surcharge proceeds in the amount of \$101,528.89, for the purchase of ten additional zone meters for the purpose of creating an additional ten DMAs.
3. Big Sandy District is authorized to use surcharge proceeds in the amount of \$5,370 for the reimbursement of engineering costs associated with the main replacement project.

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PUBLIC SERVICE COMMISSION

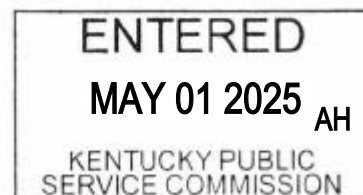
Chairman

Vice Chairman

Commissioner

ATTEST:

Linda Birdwell *LB*  
Executive Director



Case No. 2022-00301

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