

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)	

ORDER

On May 18, 2026, Big Sandy Water District (Big Sandy District) filed a motion seeking authorization to use water loss surcharge funds to purchase an additional 97 customer water meters at a total cost of \$394,800.¹

BACKGROUND

By Order issued September 13, 2022, in Case No. 2022-00044, the Commission authorized Big Sandy District to assess a monthly water surcharge to fund its unaccounted-for water loss reduction efforts,² ordered it to file a qualified infrastructure improvement plan (QIIP) with the Commission, and required that Big Sandy District not use water loss surcharge proceeds without prior approval.³ The Commission opened this proceeding to monitor Big Sandy District's surcharge billings, collection, deposits, and expenditures.⁴

¹ Motion for Authorization (filed May 18, 2026) (Motion) at 1; See also Commission Order on May 15, 2026, approving the purchase of 1,103 customer water meters.

² 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), Order at 19, ordering paragraph 7.

³ Case No. 2022-00044, Sept. 13, 2022, Order at 12, ordering paragraph 8.

⁴ Opening Order (Ky. PSC Sept. 13, 2022).

On April 16, 2026, Big Sandy District filed a notice of amendment to its Infrastructure Improvement Plan and motion for authorization for use of surcharge proceeds.⁵ In that motion, Big Sandy District sought, among other things, authorization to use water loss surcharge funds to replace all of its meters that are ten years or older, a total of 1,103 meters.⁶ Big Sandy District stated that, as meters age, they become less accurate particularly measuring flow rates.⁷ Big Sandy District stated it believes the older meters are contributing to the high unaccounted for water loss⁸ and by replacing the older meters, it will bring Big Sandy District back into compliance with 807 KAR 5:066, Section 16.⁹ Big Sandy District stated it solicited bids for the meters and one supplier responded with two bids for 1,200 Neptune MACH-10 water meters, the first estimate was \$384,800, if the meters are purchased by June 30, 2026, and another estimate for \$410,400, if the meters are purchased after that date.¹⁰ Big Sandy District stated that the Commission had previously authorized it to purchase Neptune MACH-10 meters and that it has been “very pleased” with the performance of the meters.¹¹

On May 15, 2026, the Commission authorized Big Sandy District to use water loss surcharge funds for the purchase of the 1,103 customer water meters to replace water

⁵ Big Sandy District’s Notice of Amendment to Infrastructure Improvement Plan and Motion for Authorization for Use of Surcharge Proceeds (Previous Motion) (filed Apr. 16, 2026).

⁶ Previous Motion at 4–5.

⁷ Previous Motion at 5.

⁸ Motion at 5.

⁹ Previous Motion at 5.

¹⁰ Previous Motion at 6 and Exhibit 6.

¹¹ Previous Motion at 5 and Order (Ky. PSC May 30, 2023), ordering paragraph 1.

meters that exceed ten years of age at a cost of up to \$362,887.¹² The Commission noted in that order that if Big Sandy District filed a subsequent motion seeking authorization to use water loss surcharge funds for the purchase of the additional meters that the Commission would take it into consideration.¹³

On May 18, 2026, Big Sandy District filed the pending motion that sought to use water loss surcharge funds to purchase the additional 97 meters to take advantage of the full bid amount of \$394,800 and requested a decision by June 26, 2026.¹⁴ Big Sandy District stated that by doing so, it will be able to benefit from the 4 percent discount by entering into a purchase agreement for the meters prior to June 30, 2026.¹⁵ In response to Commission Staff's Fourth Request for Information, Big Sandy District stated that 91 of the additional meters would reduce unaccounted-for water loss by allowing Big Sandy District to replace additional customer water meters that will exceed ten years of age in the first quarter of 2027, and that the other 6 meters¹⁶ would be used for to replace broken or malfunctioning meters.¹⁷

FINDINGS

Having considered Big Sandy District's request, the Commission finds that it should be authorized to use water loss surcharge funds to purchase the 97 water meters

¹² Order (Ky. PSC May 15, 2026), ordering paragraph 4.

¹³ Order (Ky. PSC May 15, 2026) at 6.

¹⁴ Motion for Authorization (filed May 18, 2026) at 1.

¹⁵ Motion for Authorization (filed May 18, 2026) at 2.

¹⁶ Big Sandy District cited 5 meters, which appears to be a typographical error.

¹⁷ Big Sandy District's Response to Commission Staff's Fourth Request for Information (Staff's Fourth Request) (filed June 12, 2026), Item 1.

in addition to the previous authorized 1,103 water meters, for a total of 1,200 water meters, at a cost of \$394,800.

IT IS THEREFORE ORDERED that:

1. Big Sandy District is authorized to use water loss surcharge funds to purchase the 97 water meters in addition to the previous authorization to purchase 1,103 water meters, for a total of 1,200 water meters, at a cost of \$394,800.

2. Big Sandy District should include evidence of the expenditure, including invoices and receipts as part of its monthly surcharge filings.

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Entered on this 26th 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 RP

Linda C. Bridwell, PE
Executive Director

Service List for 2022-00301

* Big Sandy Water District
18200 Kentucky Route #3
Catlettsburg, KY 41129

* Big Sandy Water District
Big Sandy Water District
18200 Kentucky Route #3
Catlettsburg, KY 41129

* Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KY 40507-1801

* Tina C. Frederick
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KY 40507-1801