

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC WESTERN FLEMING COUNTY)	
WATER DISTRICT'S UNACCOUNTED-FOR)	CASE NO.
WATER LOSS REDUCTION PLAN, SURCHARGE)	2022-00305
AND MONITORING)	

ORDER

On December 16, 2025, Western Fleming County Water District (Western Fleming District) filed a request to use surcharge funds to make payments towards a loan that was secured to purchase cellular water meters.¹ Western Fleming District responded to one request for information from Commission Staff related to the request.² For the reasons outlined below, Western Fleming District's request is granted.

BACKGROUND

By Order issued September 19, 2022, in Case No. 2021-00406, the Commission approved an unaccounted-for water loss reduction surcharge for Western Fleming District and ordered Western Fleming District to file a qualified infrastructure improvement plan (QIIP) with the Commission.³ The Commission opened this proceeding to monitor Western Fleming District's surcharge billings, collection, deposits, and expenditures.

¹ Western Fleming District's Motion to Use Surcharge Funds (Motion) (filed Dec. 16, 2025).

² Western Fleming District's Response to Commission Staff's Fifth Request for Information (Staff's Fifth Request) (filed Feb 26, 2026).

³ Case No. 2021-00406, *Electronic Application of Western Fleming County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Sept. 19, 2022).

On November 26, 2024, Western Fleming District filed its proposed QIIP.⁴ The QIIP included purchasing and installing new cellular water meters and replacing lines throughout Western Fleming District's system.⁵

DISCUSSION AND FINDINGS

On December 16, 2025, Western Fleming District filed a request to use surcharge funds to make payments toward a loan it obtained from Buffalo Trace Area Development District.⁶ In support of its request, Western Fleming District stated that it recently placed an order for cellular water meters to enhance operational efficiency and reduce water loss with the understanding that the full quantity of meters could be ordered and stored in the supplier's warehouse, only paying as shipments were received by Western Fleming District.⁷ However, once the order was finalized, Western Fleming District was notified that it owed the full amount of \$176,736.⁸

Western Fleming District stated that, in order to satisfy the financial obligation, its Board of Commissioners voted to obtain a loan from Buffalo Trace Area Development District in the amount of \$146,000.⁹ The loan term is 23 months with principal and interest payments of \$6,604.84.¹⁰ Western Fleming District asserted that once the surcharge

⁴ Western Fleming District's QIIP (QIIP) (filed Nov. 26, 2024).

⁵ QIIP at unnumbered page 1.

⁶ Motion at 1.

⁷ Motion at 1.

⁸ Motion, Attachment A.

⁹ Motion, Attachment C.

¹⁰ Motion, Attachment C.

funds have been exhausted, it will continue to make the loan payments from its existing operating account.¹¹

Based on the evidence in the record, the Commission finds that Western Fleming District's request to use surcharge funds to make monthly payments towards the loan it secured to purchase cellular water meters is approved. Western Fleming District provided in its QIIP that the meters would assist in reducing unaccounted-for water loss and has stated that it can continue to make the payments from its operating account once the surcharge funds have been exhausted. Western Fleming District currently has \$83,667.11 in its surcharge account and, on average, collects \$2,196.23 monthly in surcharge fees.¹² The Commission notes that Western Fleming District's last rate case was Case No. 2021-00406,¹³ and if at any point it becomes apparent that Western Fleming District will be unable to fulfill its financial obligation to Buffalo Trace Area Development District, it should file for a rate adjustment.

IT IS THEREFORE ORDERED that:

1. Western Fleming District's request to use surcharge funds to make monthly payments towards the loan it secured from Buffalo Trace Area Development District is approved.
2. Western Fleming District shall file proof of payments with its monthly activity report.

¹¹ Western Fleming District's Response to Staff's Fifth Request, Item 1.

¹² See February Surcharge Report (filed Mar. 10, 2026).

¹³ Case No. 2021-00406, *Electronic Application of Western Fleming County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Sept. 19, 2022).

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director



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