

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|--------------------------------------|---|------------|
| ELECTRONIC BEECH GROVE WATER SYSTEM, |) | |
| INC. UNACCOUNTED-FOR WATER LOSS |) | CASE NO. |
| REDUCTION PLAN, SURCHARGE AND |) | 2022-00318 |
| MONITORING |) | |

ORDER

On December 30, 2025, Beech Grove Water System, Inc. (Beech Grove Water) submitted three requests for authorization to use water loss surcharge funds for the cost of certain leak repairs performed to the system.

BACKGROUND

On September 30, 2022, this case was initiated by Commission Order for the purpose of monitoring Beech Grove Water’s unaccounted-for water loss reduction plan surcharge. Beech Grove Water was required to file a qualified infrastructure improvement plan (QIIP) within 120 days of service of the Order, and to seek Commission approval before using any water loss surcharge funds.¹

On April 14, 2023, Beech Grove Water filed its initial QIIP.² More recently, by Order issued February 9, 2026, the Commission granted Beech Grove Water approval to use water loss surcharge funds to reimburse itself for the cost of materials and labor for High Banks Road and State Route 136 repairs.³

¹ Order (Ky. PSC Sept. 30, 2022), ordering paragraphs 3 and 7.

² Beech Grove Water’s QIIP (filed Apr. 14, 2023).

³ Order (Ky. PSC Feb. 9, 2026).

DISCUSSION AND FINDINGS

On December 30, 2025, Beech Grove Water submitted three letters requesting permission to use water loss surcharge funds to reimburse itself for repairs to leaks on 9355 State Highway 140 W,⁴ 4184 State Route 256,⁵ and 445 South Route 56 N.⁶

For the leak that occurred at 9355 State Highway 140 W, Beech Grove Water requested to reimburse itself in the amount of \$6,451.33 for the expenses to repair the leak.⁷ Beech Grove Water investigated and determined that a pipe was no longer servicing a resident,⁸ and after capping off the line, Beech Grove Water found another leak where the water mains joined at a T junction.⁹ The junction was replaced and a three-way shut off valve was installed to allow for better control in the need of water shut off.¹⁰ Beech Grove Water used Commonwealth Central Supply to perform the labor for this repair and bought all supplies from G&C Supply Co., Inc.¹¹ A copy of all invoices

⁴ Request to Use Surcharge Funds for 9355 State Highway 140 W (State Highway 140 Request) (filed Dec. 31, 2025).

⁵ Request to Use Surcharge Funds for 4184 State Route 256 W (State Route 256 Request) (filed Dec. 31, 2025).

⁶ Request to Use Surcharge Funds for 445 South Route 56 N (State Route 56 Request) (filed Dec. 31, 2025).

⁷ State Highway 140 Request at unnumbered PDF page 2.

⁸ State Highway 140 Request at unnumbered PDF page 1.

⁹ State Highway 140 Request at unnumbered PDF page 1.

¹⁰ State Highway 140 Request at unnumbered PDF page 1.

¹¹ State Highway 140 Request at unnumbered PDF page 1.

were provided as an Attachment to the Letter.¹² The total amount of the reimbursement includes \$1,614 of labor expenses, \$4,418.33 in supplies, and \$419 in water loss.¹³

For the leak that occurred at 4184 State Route 256, Beech Grove Water requested to reimburse itself in the amount of \$1,834.48 to repair the leak.¹⁴ During monthly meter reading, an operator determined that a pipe was leaking water under the roadway.¹⁵ A road bore was performed, and the meter and setter were replaced.¹⁶ Beech Grove Water used Commonwealth Central Supply to perform the labor for this repair, bought all supplies from G&C Supply Co., Inc., and hired Rice Contracting to perform the road bore.¹⁷ A copy of all invoices were provided as an Attachment to the Letter.¹⁸ The total amount of the reimbursement includes \$375 of labor expenses, \$666.18 in supplies,¹⁹ \$500 for contracting, and \$293.30 in water loss.²⁰

Lastly, for the leak that occurred at 445 State Route 56 N, Beech Grove Water requested to reimburse itself in the amount of \$2,483.98 to repair the leak.²¹ Beech Grove

¹² State Highway 140 Request at unnumbered PDF page 1.

¹³ State Highway 140 Request at unnumbered PDF page 2.

¹⁴ State Route 256 Request at unnumbered PDF page 2.

¹⁵ State Route 256 Request at unnumbered PDF page 1.

¹⁶ State Route 256 Request at unnumbered PDF page 1.

¹⁷ State Route 256 Request at unnumbered PDF page 1.

¹⁸ State Route 256 Request at unnumbered PDF page 1.

¹⁹ It should be noted that the invoice submitted from G&C Supply indicate five double lid cover lockless lids were purchased, but that Beech Grove Water only used two for this repair and included only \$600 of the \$1,500 invoice in the request.

²⁰ State Route 256 Request at unnumbered PDF page 2.

²¹ State Route 56 Request at unnumbered PDF page 2.

Water determined that a pipe was leaking water under the roadway.²² A road bore was needed to go under the state highway and clear the large ditch running along the road.²³ The existing meter and setter were replaced.²⁴ Beech Grove Water used Commonwealth Central Supply to perform the labor for this repair, bought all supplies from G&C Supply Co., Inc., and hired Edward Fannon to perform the road bore.²⁵ A copy of all invoices were provided as an Attachment to the letter.²⁶ The total amount of the reimbursement includes \$315 of labor expenses, \$666.18 in supplies, \$1,000 for contracting, and \$502.80 in water loss.²⁷

Based on the evidence in the record, the Commission finds that the repairs to leaks on State Route 140, State Route 256, and State Route 56, as described above, have assisted Beech Grove Water in decreasing its unaccounted-for water loss, and Beech Grove Water has the funds in the water loss surcharge account to reimburse for these costs. The Commission finds that these requests should be granted with the exception of the requested reimbursement for the cost of water loss associated with the leaks, in the amounts of \$419, \$293.30, and \$502.80, as recovery for water loss amounts is not an intended purpose of the water loss surcharge.

²² State Route 56 Request at unnumbered PDF page 1.

²³ State Route 56 Request at unnumbered PDF page 1.

²⁴ State Route 56 Request at unnumbered PDF page 1.

²⁵ State Route 56 Request at unnumbered PDF page 1.

²⁶ State Route 56 Request at unnumbered PDF page 1.

²⁷ State Route 56 Request at unnumbered PDF page 2.

IT IS THEREFORE ORDERED that:

1. Beech Grove Water is authorized to use water loss surcharge funds to reimburse for the cost of the materials and labor for the leak repair at 9355 State Route 140, in the amount of \$6,032.33.
2. Beech Grove Water is authorized to use water loss surcharge funds to reimburse for the cost of the materials and labor for the leak repair at 4184 State Route 256, in the amount of \$1,541.18.
3. Beech Grove Water is authorized to use water loss surcharge funds to reimburse for the cost of the materials and labor for the leak repair at 445 State Route 56 N, in the amount of \$1,981.18.
4. Beech Grove Water's requests to use water loss surcharge funds in the amounts of \$419, \$293.30, and \$502.80 to reimburse the cost of water loss associated with the leaks discussed herein, are denied.
5. Beech Grove Water shall file proof of these expenditures from the water loss surcharge account with its monthly activity report that follows the expenditures.

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:

 

Executive Director

ENTERED
MAR 02 2026^{AB}
KENTUCKY PUBLIC
SERVICE COMMISSION

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