

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC LAKE VILLAGE WATER)	
ASSOCIATION, INC. UNACCOUNTED-FOR)	CASE NO.
WATER LOSS REDUCTION PLAN, SURCHARGE)	2022-00325
AND MONITORING)	

ORDER

On September 25, 2024, Lake Village Water Association, Inc. (Lake Village Water) filed a motion for approval to expend water loss surcharge funds for reimbursement of costs for five service line replacements performed along Cedar Lane as well as costs for its Project 2 service line replacements along Normans Camp Road, Hughley Lane, and Paradise Camp Road.

BACKGROUND

The Commission initiated this case on October 4, 2022, to monitor Lake Village Water’s Water Loss Reduction Surcharge that was approved in Case No. 2022-00068.¹ The October 4, 2022 Order required Lake Village Water to not use any surcharge proceeds without prior Commission Authorization.²

On January 30, 2023, Lake Village Water filed a proposed qualified infrastructure improvement plan (QIIP). The QIIP included the proposal to use surcharge funds to implement a Service Line Replacement Program to replace approximately 135 service

¹ Case No. 2022-00068, *Electronic Application of Lake Village Water Association, Inc. for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Oct. 4, 2022).

² Case No. 2022-00068, Oct. 4, 2022 Order, ordering paragraph 7.

lines along Paradise Camp Road, Hughley Lane, Cedar Lane, and Normans Camp Road.³

By Order issued November 28, 2023, Lake Village Water was previously authorized to spend \$30,000 of the water loss surcharge funds, for its Project 1-line replacements on Hughley Lane and Paradise Camp Road.⁴

DISCUSSION AND FINDINGS

On September 25, 2024, Lake Village Water requested approval to expend water loss surcharge funds in the amount of \$8,000 for reimbursement of costs incurred for five service line replacements performed in July 2024 on Cedar Lane.⁵ Lake Village Water further requested approval to expend water loss surcharge funds in the amount of \$34,700 for costs to perform Project 2 line replacements, as provided in the proposed QIIP.⁶ As explained in the QIIP, the Service Line Replacement Program has been implemented to address aging infrastructure and replace large portions of Lake Village Water's oldest mains and service lines that are near 50 years old that are contributing immensely to the water loss volume.⁷ Through completion of the projects, Lake Village Water claimed it will be able to maintain an acceptable level of water loss and enhance the reliability of the service, while continuing to plan for further improvements.⁸

³ QIIP (filed Jan. 30, 2023) at 6-7.

⁴ Order (Ky PSC Nov. 28, 2023).

⁵ Lake Village Water's Request to Expend Water Loss Surcharge Funds Project 2 (filed Sept. 25, 2024), Service Line Replacement List Project 2.

⁶ Lake Village Water's Request to Expend Water Loss Surcharge Funds Project Service Line Replacement List Project 2.

⁷ QIIP at 6-7.

⁸ QIIP at 7

The Commission finds that the reimbursement of \$8,000 for line replacements performed on Cedar Lane, as well as the use of the \$34,700 in water loss surcharge funds for the Project 2 water line replacements should be granted, as the Service Line Replacement Program projects are in the interest of reducing water loss and Lake Village Water does have the requested amount of funds available in the water loss surcharge account.

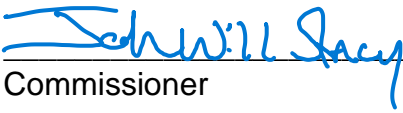
IT IS THEREFORE ORDERED that:

1. The expenditure of \$8,000 for reimbursement of water line replacements performed on Cedar Lane in July 2024 from the water loss surcharge funds is approved.
2. The expenditure of \$34,700 for the Project 2 water line replacements along Normans Camp Road, Hughley Lane, and Paradise Camp Road, from the water loss surcharge funds is approved.

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:

Executive Director

ENTERED
MAR 18 2025 AH
KENTUCKY PUBLIC
SERVICE COMMISSION

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