

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MOUNTAIN)	CASE NO.
WATER DISTRICT FOR A GENERAL)	2022-00366
ADJUSTMENT OF WATER RATES)	

ORDER

On October 31, 2023, the Commission issued a final Order in this matter that granted, among other things, a water loss surcharge to Mountain Water District (Mountain District). A separate case was opened via Order issued to monitor the water loss surcharge.¹ On March 11, 2024, Mountain District filed a motion in both cases to modify the dates for collection of its water loss surcharge, as well as dates for the filing requirements in regards to the water loss surcharge.

DISCUSSION AND FINDINGS

The October 31, 2023 Order, as amended by Order issued on November 29, 2023, granted a monthly water loss reduction surcharge of \$1.72 per customer over 48 months, or until \$1,365,608 has been assessed, whichever occurs first.² The water loss reduction surcharge was granted subject to conditions, including, among others:

- On the 15th day of each month for 48 months or until all surcharge proceeds are expended, Mountain District should file with the Commission a monthly activity report;

¹ Case No. 2023-00351, *Electronic Mountain Water District Unaccounted-For Water Loss Reduction Plan, Surcharge and Monitoring* (Ky. PSC Oct. 31, 2023).

² Only the amount of the surcharge provided in the Order issued November 29, 2023, was amended from the original amount provided in the October 31, 2023 Order, no other terms or conditions of the surcharge were amended.

- On the 15th day of each month for 48 months or until all surcharge proceeds are expended, Mountain District should file a monthly water-loss reports with the Commission; and

- Mountain District shall file an annual report of surcharge activity and water loss improvement progress no later than April 30 of each year. The report should be based on the preceding year ended December 31 with reported surcharge billings and expenditures reflecting the amounts reported for surcharge activity in the financial and statistical Annual Report filed with the Commission and Mountain District's audited financial statements.³

In its motion, Mountain District requested to modify the day on which it must submit its monthly surcharge and water loss reports to the last day of each month. Mountain District stated it obtains the information necessary to prepare an accurate and thorough water loss report from several sources, including the billing invoices of its wholesale water suppliers, fire department reports of water usage, and consumption reports from its ten billing cycles and the information from these sources for the prior month is generally not available by the 15th day of the month. Therefore, Mountain District requested that it be permitted to file the water loss and surcharge activity reports on the last day of the following month. Mountain District claimed its proposed modification to the filing schedule would permit it to submit all required reports in a single filing, ensure the submitted information is complete, and lessen Commission Staff's burden to monitor reporting compliance.

The Commission finds that in order to assure that Mountain District can efficiently make a single filing with all required information, Mountain District's request to file its

³ Order (Ky. PSC Oct. 31, 2023) at ordering paragraph 5 (c), (d), and (j).

surcharge activity reports on the last day of the following month is reasonable and should be allowed.

Mountain District further requested to clarify that the 48-month period in which it may assess a Water Loss Reduction Surcharge runs from January 2024 to December 2028. Mountain District stated that shortly after the issuance of the October 31, 2023 Order, it implemented a new billing system. As a result of this implementation, Mountain District could not begin billing the surcharge until January 2024 and accordingly requested that the Commission clarify that it is authorized to bill that surcharge for the 48-month period beginning January 2024 and ending December 2028, or when \$1,365,608 is collected, whichever occurs first. Given the delay due to the implementation of a new billing system, the Commission finds this request is reasonable, and Mountain District is authorized to bill the water loss surcharge for the 48-month period beginning January 2024 and ending December 2028, or when \$1,365,608 is collected, whichever occurs first.

Lastly, Mountain District requested to clarify that the first annual report of surcharge activity and water loss improvement progress must be submitted no later than April 30, 2025 as a result of the collection of the Water Loss Reduction Surcharge not beginning until January 2024, with no surcharge collected in 2023. Given the fact that surcharge collections did not begin until January 2024, the Commission also finds this request to be reasonable, and that Mountain District should file its first annual report of surcharge activity and water loss improvement progress no later than April 30, 2025.

IT IS HEREBY ORDERED that:

1. Mountain District's motion is granted.

2. Mountain District's request to modify the day on which the District must submit its monthly surcharge and water loss reports to the last day of each month is granted.


3. The October 31, 2023, as amended by Order issued on November 29, 2023, is clarified to the extent that Mountain District is authorized to assess a Water Loss Reduction Surcharge for a 48-month period, beginning January 2024 and ending December 2028, or until \$1,365,608 has been assessed, whichever occurs first.

4. The October 31, 2023, as amended by Order issued on November 29, 2023, is clarified to the extent that Mountain District shall file its first annual report of surcharge activity and water loss improvement progress no later than April 30, 2025.

5. All provisions of the October 31, 2023 Order, as amended on November 29, 2023, that are not in conflict with the terms of this Order shall remain in effect.

6. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
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KENTUCKY PUBLIC
SERVICE COMMISSION

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