

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On December 4, 2025, Beech Grove Water System, Inc. (Beech Grove Water) submitted two requests for authorization to use water loss surcharge funds for the cost of certain leak repairs performed to the system. Both requests sought permission to use water loss surcharge funds for reimbursement of expenses related to two instances of leak repairs. As explained below, the Commission finds that Beech Grove Water’s request should be granted, in part, and denied, in part.

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.<sup>1</sup>

---

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

On April 14, 2023, Beech Grove Water filed its initial QIIP.<sup>2</sup> More recently, by Order issued May 20, 2024, the Commission granted Beech Grove Water approval to use water loss surcharge fund to purchase a leak detector<sup>3</sup> and by Order issued December 3, 2025, approval to reimburse itself for the cost of materials and labor on the Comer Elba/Johnny Lee Road area and State Route 136 repairs.<sup>4</sup>

### DISCUSSION AND FINDINGS

On December 4, 2025, Beech Grove Water submitted two letters requesting permission to use water loss surcharge funds to reimburse itself for repairs to leaks at both 13200 State Route 136<sup>5</sup> and 651 High Banks Road.<sup>6</sup>

For the leak that occurred at 13200 State Route 136 W, Beech Grove Water requested to reimburse itself in the amount of \$1,825.18 for the expenses to repair the leak. After receiving a phone call, Beech Grove Water investigated and determined that a pipe was leaking under the roadway and running downhill into a field.<sup>7</sup> A road bore was performed to replace the poly pipe with municipex pipe, and the existing meter setter was replaced with a new one.<sup>8</sup> Beech Grove Water used Commonwealth Central Supply to perform the labor, bought all supplies from G&C Supply Co., Inc., and hired Rice

---

<sup>2</sup> Beech Grove Water's QIIP (filed Apr. 14, 2023).

<sup>3</sup> Order (Ky. PSC May 20, 2024).

<sup>4</sup> Order (Ky. PSC Dec. 3, 2025).

<sup>5</sup> Request to Use Surcharge Funds for State Route 136 (State Route 136 Request) (filed Dec. 4, 2025).

<sup>6</sup> Request to Use Surcharge Funds for High Banks Road (High Banks Road Request) (filed Dec. 4, 2025).

<sup>7</sup> State Route 136 Request at unnumbered page 1.

<sup>8</sup> State Route 136 Request at unnumbered page 1.

Contracting to perform the road bore.<sup>9</sup> A copy of all invoices were provided as an Attachment to the 13200 State Route 136 request.<sup>10</sup> The total amount of the reimbursement includes \$240 of labor expenses, \$666.18 in supplies, \$500 for contracting, and \$419 in water loss.<sup>11</sup>

For the leak that occurred at 651 High Banks Road, Beech Grove Water requested to reimburse itself in the amount of \$4,125.90 to repair the leak.<sup>12</sup> After noticing water in a ditch, an operator determined that the pipe was leaking water under the roadway.<sup>13</sup> Two road bores were performed to replace the poly pipe with municipex pipe and both existing meter setters were replaced.<sup>14</sup> Beech Grove Water used Commonwealth Central Supply to perform the labor, bought all supplies from G&C Supply Co., Inc., and hired Rice Contracting to perform the road bore.<sup>15</sup> A copy of all invoices were provided as an Attachment to the 651 High Banks Road request.<sup>16</sup> The total amount of the reimbursement includes \$574.28 of labor expenses, \$2,509.72 in supplies,<sup>17</sup> \$1,000 for contracting, and \$41.90 in water loss.<sup>18</sup>

---

<sup>9</sup> State Route 136 Request at unnumbered page 1.

<sup>10</sup> State Route 136 Request at unnumbered page 1.

<sup>11</sup> State Route 136 Request at unnumbered page 2.

<sup>12</sup> High Banks Road Request at unnumbered page 2.

<sup>13</sup> High Banks Road Request at unnumbered page 1.

<sup>14</sup> High Banks Road Request at unnumbered page 1.

<sup>15</sup> High Banks Road Request at unnumbered page 1.

<sup>16</sup> High Banks Road Request at unnumbered page 1.

<sup>17</sup> It should be noted that the invoice submitted from G&C Supply Co., Inc. 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.

<sup>18</sup> High Banks Road Request at unnumbered page 2.

Based on the evidence in the record, the Commission finds that the repairs to leaks on State Route 136 and High Banks Road, as described above, have assisted Beech Grove Water in decreasing its unaccounted-for water loss, and that 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 and \$41.90, as recovery for water loss amounts is not an intended purpose of the water loss surcharge.

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 32000 State Route 136 W, in the amount of \$1,406.18.
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 on High Banks Road, in the amount of \$4,084.00.
3. Beech Grove Water's request to use water loss surcharge funds in the amounts of \$419.00 and \$41.90 to reimburse the cost of water loss associated with the leaks discussed herein, are denied.
4. 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



\*Beech Grove Water System, Inc.  
445 State Route 56 North  
Calhoun, KY 42327

\*Chad McHahon  
President  
Beech Grove Water System, Inc.  
445 State Route 56 North  
Calhoun, KY 42327

\*Robert K. Miller  
Straightline Kentucky LLC  
113 North Birchwood Ave.  
Louisville, KY 40206

\*Lindsay Durbin  
Deitz, Shields, Freeburger, & Durbin, LLP  
101 First Street  
P.O. Box 21  
Henderson, KY 42419