

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC UNION COUNTY WATER	)	
DISTRICT UNACCOUNTED-FOR WATER LOSS	)	CASE NO.
REDUCTION PLAN, SURCHARGE AND	)	2023-00119
MONITORING	)	

ORDER

By Order issued on June 5, 2024, the Commission approved Union County Water District's (Union District) qualified infrastructure improvement plan (QIIP) that was filed on November 14, 2023. On July 25, 2025, Union District filed a request to expend water loss surcharge funds for a Towable Hydro-Excavator with Integrated Valve Exerciser in the amount of \$65,400.

LEGAL STANDARD

Pursuant to Commission regulation 807 KAR 5:066, Section 6(3), for ratemaking purposes, a utility's unaccounted-for water loss shall not exceed 15 percent of the total water produced or purchased, excluding water consumed by a utility in its own operations. Union District reported a 19.3806 percent water loss in its 2021 Annual Report.¹ In Case No. 2022-00160, the Commission approved a \$1.72 per meter per month surcharge for 48 months, or until \$181,852 was assessed, whichever occurs first, to assist Union District's water loss reduction efforts.²

¹ *Annual Report of Union District to the Public Service Commission for the Calendar Year Ended December 31, 2021* (2021 Annual Report) at 56.

² Case No. 2022-00160, *Electronic Application of Union County Water District for an Alternative Rate Adjustment* (Ky. PSC May 5, 2023).

The Commission opened this proceeding to monitor Union District's surcharge billing, collections, deposits, and expenditures. As part of this proceeding, on November 14, 2023, Union District filed a proposed QIIP, which was approved by Commission Order on June 5, 2024.

REQUEST TO EXPEND SURCHARGE FUNDS

The Towable Hydro-Excavator was included as part of the equipment proposed for purchase in the QIIP approved on June 5, 2024 at a cost of \$65,000.³ In its request to expend funds, Union District stated this equipment will assist in repairing leaks more quickly and efficiently, as use of a towable hydro-excavator reduces damage to fragile infrastructure and decreases repair time.⁴ Union District further claimed the optional integrated valve exercise machine will make valve boxes easy to clean and will allow the valves to be properly exercised to remain functional.⁵ Lastly, Union District provided a quote from Lewis Municipal Sales indicating that the cost would be \$65,400,⁶ and stated that it had a balance of \$90,340.94 in its water loss reduction surcharge account.⁷

DISCUSSION AND FINDINGS

The Commission finds that the Towable Hydro-Excavator will assist Union District in repairing leaks more efficiently, and this equipment was included in the QIIP that was approved on June 5, 2024. The Commission finds that the requested equipment will assist Union District in its effort to reduce water loss, and the water loss surcharge

³ Union District's QIIP (filed Nov. 14, 2023) at 9.

⁴ Union District's Request to Expend Surcharge Proceeds (Request) (filed July 25, 2025) at 1.

⁵ Request at 1.

⁶ Request, Sales_Quotation_Lewisales at 1.

⁷ Request at 1.

account has sufficient funding to cover the costs. As such, the expenditure in the amount of \$65,400 for the Towable Hydro-Excavator with Integrated Valve Exerciser should be approved.

The Commission notes that all other requirements set out in the final Order in Case No. 2022-00160 and the opening Order of this proceeding are still in effect, including the requirement to obtain Commission approval prior to expending any further funds from the water loss surcharge account.

IT IS HEREBY ORDERED that

1. Union District's request to expend water loss surcharge funds in the amount of \$65,400 for the Towable Hydro-Excavator with Integrated Valve Exerciser is approved.
2. Union District shall file all invoices and proof of payment in this case within 30 days of expenditure of the funds.

PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



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

*Wm. Clint Prow
Attorney
112 North Broadway
Providence, KY 42450

*Gary Sheffer
Manager
Union County Water District
409 North Court Street
P. O. Box 146
Morganfield, KY 42437

*Union County Water District
409 North Court Street
P. O. Box 146
Morganfield, KY 42437