

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC FILING OF BLACK MOUNTAIN)	
WATER DISTRICT UNACCOUNTED FOR WATER)	CASE NO.
LOSS REDUCTION PLAN, SURCHARGE AND)	2023-00202
MONITORING)	

ORDER

On September 30, 2024, Black Mountain Water District (Black Mountain District) filed a motion for approval to expend water loss surcharge funds for leak repairs at Church Street, Dockie Lane, Ligget Street, Brooks Street, Fredrick Street, and Terrys Fork Road totaling \$15,235.71, and leak detection services performed by an employee at various points in Black Mountain District’s system in the amount of \$14,428.16.

BACKGROUND

By Order issued October 9, 2023, in Case No. 2022-00275¹ the Commission approved an unaccounted-for water loss reduction surcharge for Black Mountain District and ordered Black Mountain District to file a Qualified Infrastructure Improvement Plan (QIIP) with the Commission. The Commission opened this proceeding to monitor Black Mountain District’s surcharge billings, collection, deposits, and expenditures.

On February 1, 2024, Black Mountain District filed a proposed QIIP. On April 22, 2024, Black Mountain District filed a motion for approval to expend water loss surcharge funds for leak repairs performed at Dayhoit Creek, Camp Creek, and Brooks Street, as

¹ Case No. 2022-00275, *Electronic Application of Black Mountain Utility District for a Rate Adjustment Pursuant To 807 KAR 5:076* (Ky. PSC Oct. 9, 2023).

well as the purchase of a leak detector. By Order issued May 30, 2024, the Commission approved the purchase of an AQUASCOPE leak detector in the amount of \$2,800. Further, by Order issued June 14, 2024, the Commission approved expenditures from the surcharge account for the repairs at Dayhoit Creek, Camp Creek, and Brooks Street. Black Mountain District filed an additional motion on July 24, 2024, that requested approval for the purchase of an alternate leak detector in the amount of \$5,200, and the Commission granted approval of that purchase by Order issued August 15, 2024.

DISCUSSION AND FINDINGS

On September 30, 2024, Black Mountain District requested approval to expend water loss surcharge funds for costs incurred to make repairs at Church Street, Dockie Lane, Ligget Street, Brooks Street, Fredrick Street, and Terrys Fork Road, to repair leaks that were causing water loss, in the amount of \$15,235.71. Black Mountain District provided invoices which detailed the repairs that were performed at each location, including replacement of leak-prone lines on Church Street, Dockie Lane, Brooks Street and Frederick Street to prevent further leaks,² line repairs and replacement of damaged meter pits on Ligget Street,³ and movement of a service line on Terrys Fork Road to eliminate a leak.⁴ The work descriptions included in the invoices for these projects stated that the repairs were successful in stopping leaks at each location.

² Black Mountain District's Motion to Use Surcharge Proceeds (Motion) (filed Sept. 30, 2024), Exhibit Church Street Lane Line Replacement, Dockie Lane Line Replacement, Brooks Street, Frederick Street Replacement.

³ Black Mountain District's Motion, Exhibit Corner of Ligget Street 610 Feet Down 21.

⁴ Black Mountain District's Motion, Exhibit 73 and 9 Terry Forks Road.

The Commission finds that the repairs performed at the Church Street, Dockie Lane, Ligget Street, Brooks Street, Fredrick Street, and Terrys Fork Road have resulted in a reduction of unaccounted-for water loss at these locations, and the request for expenditures for these repairs in the amount of \$15,235.71 should be approved.

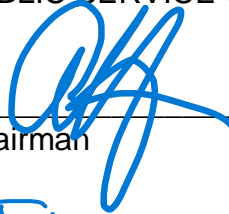
Black Mountain District requested to expend water loss surcharge funds to pay for leak detection services performed by Black Mountain District employee Daniel Smith, from May 1, 2024, through August 30, 2024, in the amount of \$14,428.16. While Black Mountain District provided invoices to document Mr. Smith's services, Commission Staff have further questions regarding these leak detection services and therefore, the Commission finds that this request is continued for further discovery.

The Commission further finds review of the proposed QIIP will continue for further discovery, to review and, if necessary, provide the Commission more specific information on the projects Black Mountain District intends to fund with the water loss surcharge.

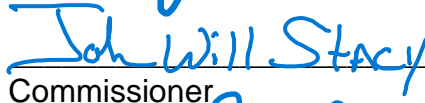
IT IS THEREFORE ORDERED that:

1. The expenditure of \$15,235.71 for repairs at Church Street, Dockie Lane, Ligget Street, Brooks Street, Fredrick Street, and Terrys Fork Road, from the water loss surcharge funds is approved.
2. The expenditure of \$14,428.16 for leak detection performed by a Black Mountain District employee at various points in Black Mountain's system from May 1, 2024, to August 30, 2024, is continued for further discovery.
3. The remaining projects listed in the proposed QIIP are continued for further discovery.

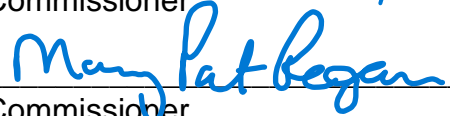
PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director

ENTERED
DEC 16 2024 AH
KENTUCKY PUBLIC
SERVICE COMMISSION

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