

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ALLEN COUNTY WATER)	CASE NO.
DISTRICT UNACCOUNTED-FOR WATER LOSS)	2023-00212
REDUCTION PLAN, SURCHARGE MONITORING)	

ORDER

On October 1, 2024, Allen County Water District (Allen District) filed a motion for approval to expend water loss surcharge funds for emergency repairs to 31-E water transmission main in the amount of \$133,863, and installation of pressure zone meters in the amount of \$58,721.92 and water meter replacements in the amount of \$21,100.

BACKGROUND

By Order issued February 3, 2021, in Case No. 2020-00296¹ the Commission approved an unaccounted-for water loss reduction surcharge for Allen District and ordered Allen District to file a Qualified Infrastructure Improvement Plan (QIIP) with the Commission. The Commission opened this proceeding to monitor Allen District's surcharge billings, collection, deposits, and expenditures.

On August 17, 2023, Allen District filed a proposed QIIP. The QIIP included the proposal to use surcharge funds for previous expenditures to perform 31-E emergency repairs consisting of 1,500 linear feet of water main replacement, and installation of pressure zone meters and water meters.² The QIIP also included the proposal of future

¹ Case No. 2020-00296, *Electronic Application of Allen County Water District for an Alternative Rate Adjustment* (Ky. PSC Feb. 3, 2021).

² QIIP (filed Aug. 17, 2023) at 6.

projects including on-going water meter replacements, installation of pressure reducing stations on five branch lines, and the installation of a new transmission main from an existing State Park Master Meter.³

DISCUSSION AND FINDINGS

On October 1, 2024, Allen District requested approval to expend water loss surcharge funds for costs incurred to perform the 31-E emergency repairs as provided in the proposed QIIP.⁴ As explained in the QIIP, after the installation of zone meters, Allen District discovered a major leak, the source being a 12-inch transmission main between the Glasgow Purchase Points and the 31-E booster station, where the leak was discharging at a creek bank and never “daylighting.”⁵ During construction activities, two additional leaks were discovered upstream of the original leak.⁶ Allen District repaired all the sources of water loss through the replacement of approximately 1,500 linear feet of water main and immediately the amount of water purchased decreased by nearly 1 million gallons per month beginning in August of 2021.⁷ The total project cost of the replacement was \$133,863.⁸

³ QIIP at 7.

⁴ Allen Water’s Verified Motion for Authority to Expend Water Surcharge Proceeds (Motion) (filed Oct. 1, 2024), paragraph 11.

⁵ QIIP at 5.

⁶ QIIP at 5.

⁷ QIIP at 5.

⁸ QIIP at 5.

The Commission finds that the 31-E emergency repairs resulted in a significant reduction of unaccounted for water loss, and the request for expenditures for these repairs in the amount of \$133,863 should be approved.

Allen District also requested to expend water loss surcharge funds to pay for the purchase and installation of pressure zone meters and water meters that were previously installed in 2019, in the amount of \$58,721.92 and \$21,100, respectively.⁹ Commission Staff have further questions regarding the timing and extent of the meter replacement project and therefore, the Commission finds that consideration of this request should be continued for further discovery.

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

IT IS THEREFORE ORDERED that:

1. The expenditure of \$133,863 for the 31-E emergency repairs from the water loss surcharge funds is approved.
2. The requested expenditures of \$58,721.92 for the purchase and installation of pressure zone meters and \$21,100 for the purchase and installation of water meters installed by Allen District in 2019, is continued for further discovery.
3. The remaining projects listed in the proposed QIIP are continued for further discovery.

⁹ Allen District's Motion, paragraphs 10 and 12.

PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ENTERED
DEC 16 2024 AH
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

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