

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 a few projects including emergency repairs to 31-E water transmission main in the amount of \$133,863, 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. 2020-00296<sup>1</sup> 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, completed in July of

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

2021, and installation of pressure zone meters and water meters.<sup>2</sup> The QIIP also included the proposal of future 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.<sup>3</sup>

By Order issued December 16, 2024, the Commission approved the expenditure of water loss surcharge funds for the 31-E emergency repairs and continued its consideration of the requested expenditures for the purchase and installation of pressure zone meters and installation of water meters for further discovery.<sup>4</sup>

### DISCUSSION AND FINDINGS

Allen District 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.<sup>5</sup> In its QIIP, Allen District explained that in 2019, it determined that it was necessary to formally establish standard operating procedures to help identify, locate and repair sources of water loss.<sup>6</sup> At that time, with the help of an engineer, Allen District identified and began the implementation of projects to repair sources of water loss, including the installation of zone meters and water meters at issue.<sup>7</sup>

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<sup>2</sup> QIIP (filed Aug. 17, 2023) at 6.

<sup>3</sup> QIIP at 7.

<sup>4</sup> Order (Ky. PSC Dec. 16, 2024).

<sup>5</sup> Allen District's Motion (filed Oct. 1, 2024), paragraphs 10 and 12.

<sup>6</sup> QIIP at 4.

<sup>7</sup> QIIP at 4-5.

In response to Commission Staff's Second Request for Information, Allen District confirmed that the costs for the meters in question were incurred prior to the initiation water loss surcharge charge in Case No. 2020-00296.<sup>8</sup> During an Informal Conference (IC) with Commission Staff on February 11, 2025, Allen District further confirmed that its request for expenditure only encompasses the costs of meters that were purchased and installed during 2019, prior to the initiation of the surcharge.<sup>9</sup> Allen District also stated that the installation of low flow water meters that begun in 2019 has been a continuing project, and approximately 4,950 meters have been replaced between the years of 2020 and 2024.<sup>10</sup> Allen District stated it plans to have completed the meter replacements by the end of 2026.<sup>11</sup>

The Commission finds that the request to approve the use of water loss surcharge funds for the pressure zone meters and water meters installed in 2019 should be denied, given the timing of those specific meter installations, which occurred prior to the water loss surcharge being granted to Allen District. The Commission will entertain any further motions for approval to use water loss surcharge funds for meter replacements that have occurred since the initiation of the surcharge.

IT IS THEREFORE ORDERED that 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, are denied.

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<sup>8</sup> Allen District's Response to Commission Staff's Second Request for Information (filed Dec. 18, 2024) at 4.

<sup>9</sup> PSC Letter filing Memo and Sign In Sheet into the Record (filed Feb. 18, 2025).

<sup>10</sup> PSC Letter filing Memo and Sign In Sheet into the Record.

<sup>11</sup> PSC Letter filing Memo and Sign In Sheet into the Record.

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner

ATTEST:



Executive Director

ENTERED  
APR 03 2025 AH  
KENTUCKY PUBLIC  
SERVICE COMMISSION

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