

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------------|---|------------|
| ELECTRONIC HARRISON COUNTY WATER |) | |
| ASSOCIATION, INC. UNACCOUNTED-FOR |) | CASE NO. |
| WATER LOSS REDUCTION PLAN, SURCHARGE |) | 2023-00355 |
| AND MONITORING |) | |

ORDER

By Order issued on January 11, 2024,¹ the Commission approved an unaccounted for water loss reduction surcharge for Harrison County Water Association (Harrison Water) and ordered Harrison Water to file a qualified infrastructure improvement plan (QIIP) with the Commission. The Commission opened this proceeding to monitor Harrison Water’s surcharge billings, collections, deposits, expenditures, and unaccounted for water loss. On April 2, 2024, Harrison Water submitted the required QIIP.

LEGAL STANDARD

The Commission approved a Water Loss Reduction Surcharge of \$1.43 per customer per month, over 48 months, or until \$425,362 has been assessed.² 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. According to

¹ Case No. 2023-00154, *Electronic Application of Harrison County Water Association, Inc. For an Alternative Rate Adjustment* (Ky. PSC, Jan. 11, 2024), final Order.

² Case No. 2023-00154, Jan. 11, 2024 final Order.

Harrison Water's 2022 Annual Report, Harrison Water reported a water loss of 20.8656 percent.³

Harrison Water was ordered to file a QIIP with the Commission that contained a comprehensive unaccounted for water loss reduction plan that establishes priorities and a time schedule for eliminating each source of unaccounted for water loss and provides a detailed spending plan for the proceeds of the surcharge.⁴

DISCUSSION AND FINDINGS

Harrison Water filed the required QIIP on April 2, 2024. In the QIIP, Harrison Water stated that its distribution system is separated into ten hydraulic zones and that Harrison Water intends to use surcharge funds to purchase and install flow meters for each of its water storage tanks.⁵ Harrison Water also stated that the system includes older main line valves that may not seal well and that it intends to use water loss surcharge funds to purchase a hydro excavator with valve exerciser which will allow Harrison Water to clean out water meter boxes and excavate service lines in a less intrusive manner. Harrison Water also stated that as a result of parts of its system being more remote it intends to use surcharge funds to purchase a portable valve exerciser.⁶ Harrison Water stated that the two valve exercisers will help determine if valves need to be replaced, allowing Harrison Water to isolate more of its system for leak detection.

³ *Annual Report of Harrison Water to the Public Service Commission for the Calendar Year Ended December 31, 2022* (2022 Annual Report) at 57.

⁴ Opening Order (Ky. PSC Jan 11, 2024), ordering paragraph 3.

⁵ QIIP (filed Apr. 2, 2024).

⁶ QIIP.

Harrison Water also stated that some of its radio read meters have been in service close to ten years and may be losing accuracy, and even if the meters are still accurate, the batteries are failing causing the radio read to fail.⁷ Harrison Water thus believes it would be more cost efficient to replace only the batteries on the older meters if they are testing accurate.⁸ Harrison Water stated that if any funds remain after the other expenses are paid it would consider purchasing a meter test bench.⁹

Harrison Water provided the following estimated costs for each item totaling \$426,000:¹⁰

1. Ten Zone Meters: \$90,000
2. Upgraded SCADA: \$185,000
3. Hydro Excavator with Valve Turner: \$70,000
4. Portable Valve Turner: \$5,000
5. Metal Detector: \$1,000
6. Portable Flow Meter: \$6,000
7. Acoustic Listening Device: \$4,000
8. Meter Test Bench: \$65,000

Harrison Water stated that each purchase would be implemented as the surcharge funds are collected. The plan accounts for purchasing the portable flow meter, acoustic listening device, and metal detector first. Next, it would purchase the hydro excavator

⁷ QIIP.

⁸ QIIP.

⁹ QIIP.

¹⁰ QIIP.

with valve turner and the portable valve turner. Lastly, Harrison Water plans to then install ten zone meters and SCADA upgrade. If any funds remain, it will purchase the test bench.¹¹

The Commission finds that the proposed QIIP filed by Harrison Water satisfies the requirements set out in the final Order of Case No. 2023-00154,¹² and the opening Order of this proceeding. The Commission notes that this Order is not an authorization to spend surcharge funds, and that in accord with ordering paragraphs 7 and 8 of the opening Order, Harrison Water shall not use any surcharge without receiving approval from the Commission prior to the expenditure.

IT IS THEREFORE ORDERED that the QIIP filed by Harrison Water on April 2, 2024, satisfies the requirement to file a QIIP as required by the final Order in Case No. 2023-00154, and the opening Order of this proceeding.

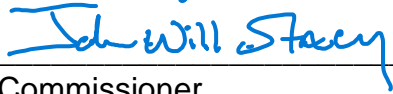
¹¹ QIIP.

¹² Case No. 2023-00154, Jan. 11, 2024 final Order.

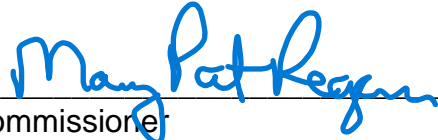
PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director



*Janell Pitts
Jesse Melcher Law Office, PLLC
127 N. Main St.
P.O. Box 345
Mount Olivet, KENTUCKY 41064

*Jesse Melcher
Jesse Melcher Law Office, PLLC
127 N. Main St.
P.O. Box 345
Mount Olivet, KENTUCKY 41064

*Harrison County Water Association, Inc.
433 SeaBiscuit Way
Cynthiana, KY 41031