

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC CUMBERLAND COUNTY WATER)	
DISTRICT UNACCOUNTED-FOR WATER LOSS)	CASE NO.
REDUCTION PLAN, SURCHARGE AND)	2023-00228
MONITORING)	

ORDER

In an Order issued on October 5, 2023,¹ the Commission approved an unaccounted- for water loss reduction surcharge for Cumberland County Water District (Cumberland District) and ordered Cumberland District to file a qualified infrastructure improvement plan (QIIP) with the Commission. The Commission opened this proceeding to monitor Cumberland District’s surcharge billings, collections, deposits, expenditures, and unaccounted-for water loss.² On January 30, 2024, Cumberland District filed a QIIP. Cumberland District filed amended versions of its QIIP on July 10, 2024, and September 20, 2024, and a revised QIIP on December 30, 2024.

LEGAL STANDARD

The Commission approved a Water Loss Reduction Surcharge of \$2.85 per customer per month for 48 months.³ Pursuant to Commission regulation 807 KAR 5:066, Section 6(3), for ratemaking purposes, a utility’s unaccounted-for water loss shall not

¹ Case No. 2022-00291, *Electronic Application of Cumberland County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Oct. 5, 2023), final Order.

² Opening Order (Ky. PSC Oct. 5, 2023).

³ Case No. 2022-00291, Oct. 5, 2023 final Order. *See also*, Opening Order (Ky. PSC Oct. 5, 2023).

exceed 15 percent of the total water produced or purchased, excluding water consumed by a utility in its own operations. At the time Cumberland District's surcharge was calculated, based off of its 2021 Annual Report, Cumberland District reported a water loss of 35.2088 percent.⁴

Cumberland District 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.⁵

DISCUSSION AND FINDINGS

Cumberland District filed a revised QIIP on December 30, 2024.⁶ In its QIIP, Cumberland District provided a description of its system in its current state, and provided its Infrastructure Improvement Plan, listing proposed projects to improve water loss based on an expected time frame of expenditures and the estimated cost of each project.⁷ Cumberland District further provided information regarding the proposed projects and purchases to reduce unaccounted-for water loss as well as the expected timing of each project in the Detailed Spending Plan.⁸

Cumberland District's Infrastructure Improvement Plan consists of replacing ten existing zone meters, purchasing and installing eighteen new cellular antennas at each

⁴ *Annual Report of Cumberland County Water District to the Public Service Commission for the Calendar Year Ended December 31, 2021* (2021 Annual Report) at 57.

⁵ Opening Order (Ky. PSC Aug. 3, 2023), ordering paragraph 1.

⁶ QIIP (filed Jan. 2, 2025).

⁷ QIIP at 2-14.

⁸ QIIP at 11.

existing zone meter, replacing existing aged meters with new radio read meters and antennas, and purchasing a new drive-by radio reader for residential meters. Cumberland District stated it will initially purchase 119 new residential radio read meters and antennas and then 29 new residential radio meters and antennas each month thereafter until the 43rd month of the water loss surcharge. In the 43rd month, Cumberland District plans to purchase another 30 new residential radio read meters and antennas, should enough funds be available. The total estimated cost for Cumberland District's proposed planned projects contained in its QIIP total \$324,610.⁹

The Commission finds that Cumberland District's revised QIIP satisfies the requirements set out in the final Order of Case No. 2022-00291¹⁰ and the opening Order of this proceeding. The Commission notes that this Order is not an authorization to spend surcharge funds, and in accordance with ordering paragraphs 5 and 6 of the opening Order, Cumberland District shall not use any surcharge funds without receiving approval from the Commission prior to the expenditure.

IT IS THEREFORE ORDERED that the revised QIIP filed by Cumberland District on December 30, 2024, satisfies the requirement to file a QIIP as required by the final Order in Case No. 2022-00291 and the opening Order of this proceeding.

⁹ QIIP at 10.

¹⁰ Case No. 2022-00291, Oct. 5, 2023 final Order.

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner

ATTEST:



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