

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

On November 26, 2024, Harrison County Water Association (Harrison Water) filed a motion requesting authorization to reimburse itself from the water loss surcharge fund for the purchase of a hydro-excavator. On February 5, 2025, Harrison Water filed a motion requesting authorization to use water loss surcharge funds to reimburse itself for the purchase a valve turner and necessary attachments.

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, as a reasonable means for Harrison Water to recover the cost for its water leak detection efforts and repairs in order to reduce the increased expenses of lost revenue from unaccounted-for water loss.<sup>1</sup>

Harrison Water is required to seek Commission authorization prior to the use of any surcharge proceeds for reimbursement of unaccounted-for water loss<sup>2</sup>, and any

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<sup>1</sup> Case No. 2023-00154, *Electronic Application of Harrison County Water Association, Inc. for an Alternative Rate Adjustment* (Ky. PSC Jan. 11, 2024), final Order, at 51 and 52.

<sup>2</sup> Order (Ky. PSC Jan. 11, 2024) ordering paragraph 7.

request must include a complete description of the equipment for which approval is sought, bids, invoices, or price quotes as applicable, and a statement describing how the expense is related to the Qualified Infrastructure Improvement Plan (QIIP) and the goal of reducing unaccounted-for water loss.<sup>3</sup>

### DISCUSSION AND FINDINGS

As of its January 2025 reporting, Harrison Water had \$86,938.95 in its water loss surcharge account.<sup>4</sup> Harrison Water tendered a QIIP on April 2, 2024, which included a hydro-excavator at an estimated cost of \$70,000, and a portable valve turner at an estimated cost of \$5,000.<sup>5</sup>

In Harrison Water's request to use surcharge funds for reimbursement of the purchase cost of a hydro-excavator Harrison Water stated that the hydro-excavator will allow assist in more accurately and safely clean out around lines, meter boxes, and valves, allowing for quicker and safer repairs and maintenance to the distribution system.<sup>6</sup> Harrison Water provided an invoice showing a total cost of the hydro-excavator to be \$63,341.36, for which it is seeking reimbursement.<sup>7</sup>

In Harrison Water's request to use surcharge funds for reimbursement of purchase cost of the portable valve turner and associated equipment, Harrison Water stated that the valve turner and associated equipment will allow for the exercising of valves in the

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<sup>3</sup> Order (Ky. PSC Jan. 11, 2024) ordering paragraph 8.

<sup>4</sup> Harrison Water Monthly Report (filed Jan. 8, 2025).

<sup>5</sup> QIIP (filed April 2, 2024).

<sup>6</sup> Harrison Water's Motion for Additional Use of Surcharge Funds (filed Nov. 26, 2024).

<sup>7</sup> Harrison Water's Motion for Additional Use of Surcharge Funds.

distribution system to assist with water leak detection.<sup>8</sup> Harrison Water provided an invoice showing the cost of the valve turner and associated equipment to be \$3,763.38.<sup>9</sup>

The Commission finds that the request to use water loss surcharge funds for reimbursement of expenses related to the purchase this equipment to reduce unaccounted for water loss meets the requirements of the January 11, 2024 Order, and that Harrison Water has sufficient funds to cover the expense, thus the requests shall be granted.

IT IS THEREFORE ORDERED that:

1. Harrison Water's November 26, 2024 motion to use water loss surcharge funds for reimbursement of the purchase of a hydro-excavator for \$63,341.36 is granted.
2. Harrison Water's February 5, 2025 motion to use water loss surcharge funds for reimbursement of the purchase of a valve turner and associated equipment for \$3,763.38 is granted.

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<sup>8</sup> Harrison Water's Second Motion for Additional Use of Surcharge Funds (filed Feb. 5, 2025).

<sup>9</sup> Harrison Water's Second Motion for Additional Use of Surcharge Funds.

PUBLIC SERVICE COMMISSION

  
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Chairman

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Vice Chairman

  
\_\_\_\_\_  
Commissioner

ATTEST:

  
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Executive Director



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