

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                     |   |            |
|-------------------------------------|---|------------|
| ELECTRONIC SOUTH WOODFORD WATER     | ) |            |
| DISTRICT UNACCOUNTED-FOR WATER LOSS | ) | CASE NO.   |
| REDUCTION PLAN, SURCHARGE AND       | ) | 2025-00295 |
| MONITORING                          | ) |            |

ORDER

The Commission, on its own motion, initiates this proceeding for the purpose of monitoring South Woodford Water District's (South Woodford District) unaccounted-for water loss reduction plan surcharge, which was approved in Case No. 2022-00035.<sup>1</sup> Information provided by South Woodford District in its past five Annual Reports filed with the Commission reflect the following.<sup>2</sup>

| Year | Reported Percentage<br>Water Loss | Purchased Water<br>and Power | Cost of Water Loss in<br>Excess of 15% | Total Cost of<br>Water Loss |
|------|-----------------------------------|------------------------------|----------------------------------------|-----------------------------|
| 2020 | 29.6296%                          | \$ 525,885                   | \$ 76,935                              | \$ 155,818                  |
| 2021 | 32.9239%                          | 506,029                      | 90,700                                 | 166,604                     |
| 2022 | 31.9363%                          | 551,899                      | 93,471                                 | 176,256                     |
| 2023 | 22.9725%                          | 610,132                      | 48,643                                 | 140,163                     |
| 2024 | 7.6748%                           | 632,419                      | -                                      | 48,537                      |

In order to address South Woodford District's excessive unaccounted-for water loss, the Commission authorized South Woodford District to assess a monthly Water Loss

---

<sup>1</sup> Case No. 2022-00035, *Electronic Application of South Woodford Water District For A Rate Adjustment Pursuant To 807 KAR 5:076* (Ky. PSC Nov. 7, 2025).

<sup>2</sup> *Annual Reports of South Woodford District to the Public Service Commission for the Years Ending December 31, 2020 Annual Reports of South Woodford District to the Public Service Commission for the Years Ending December 31, 2021; Annual Reports of South Woodford District to the Public Service Commission for the Years Ending December 31, 2022; Annual Reports of South Woodford District to the Public Service Commission for the Years Ending December 31, 2023; and Annual Reports of South Woodford District to the Public Service Commission for the Years Ending December 31, 2024.*

Reduction Surcharge of \$3.87 per active meter for 48 months, or until \$307,740 has been assessed, whichever occurs first.<sup>3</sup> Consistent with the findings in Case No 2022-00035, the Commission finds that:

1. Within 120 days of the date of service of this Order, South Woodford District should file into the record of this proceeding a Qualified Infrastructure Improvement Plan (QIIP), including 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 a surcharge.

2. South Woodford District should deposit surcharge collections in a separate interest-bearing account.

3. On the 15th day of each month for 48 months from the date of service of this Order or until all surcharge proceeds are expended, South Woodford District should file, into the record of this proceeding, a monthly activity report that includes a statement of monthly surcharge billings and collections using the format in the Surcharge Reporting form,<sup>4</sup> a monthly surcharge bank statement, and a list of all payments made for the month from the surcharge account that includes the following for each payment: the payee, a description of the purpose, and the supporting invoice.

4. On the 15th day of each month for 48 months from the date of service of this Order or until all surcharge proceeds are expended, South Woodford District should

---

<sup>3</sup> Case No. 2022-00035, *Electronic Application Of South Woodford Water District For A Rate Adjustment Pursuant To 807 KAR 5:076* (Ky. PSC Nov. 7, 2025).

<sup>4</sup> The Surcharge Reporting form can be found at <https://psc.ky.gov/Home/UtilForms> under the Water tab.

file, into the record of this proceeding, a monthly water loss report using the format in the Water Use & Loss Calculations form located on the Commission's website.<sup>5</sup>

5. South Woodford District should not use any surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.

6. South Woodford District should file requests to use surcharge proceeds into the record of this proceeding. The request should include a complete description of the equipment, project, or service for which approval is sought; bids, invoices, or price quotes as applicable; and a statement describing how the proposed purchase, project, or service is related to the qualified infrastructure improvement plan and the goal of reducing unaccounted-for water loss.

7. South Woodford District should consider all surcharge collections as contributions and should account for them in the manner that the Uniform System of Accounts for Class A and B Water Districts and Associations prescribes.

8. South Woodford District should debit monthly billings for the surcharge to customers' accounts receivable and credit the contribution account.

9. When South Woodford District collects the surcharge from the customers, it should debit special funds and credit the customer account.

10. For the purpose of evaluating whether adjustments in the surcharge are required, South Woodford District should file, into the record of this proceeding, an annual report of surcharge activity and water loss improvement progress no later than April 30 of

---

<sup>5</sup> The Water Use & Loss Calculations form can be found at <https://psc.ky.gov/Home/UtilForms> under the Water tab.

each year. The report should be based on the preceding year ended December 31 with reported surcharge billings and expenditures reflecting the amounts reported for surcharge activity in the financial and statistical Annual Report filed with the Commission and South Woodford District's audited financial statements. Cumulative surcharge billings and expenditures over the life of the surcharge should also be included, a schedule of the estimated and actual progress of the water loss detection and repair program. This report should include encumbered amounts of future surcharge proceeds.

11. South Woodford District should respond to any requests for information propounded by Commission Staff according to the date set forth in the request.

12. South Woodford District's failure to comply with any conditions attached to its assessment of the surcharge will result in termination of the surcharge and the refund of collected surcharge proceeds disbursed on expenses or projects outside the scope of the expenses and projects approved by the Commission.

IT IS THEREFORE ORDERED that:

1. This case is opened to monitor South Woodford District's Water Loss Reduction Surcharge proceeds and collections.

2. The record of Case No. 2022-00035 is incorporated by reference in this proceeding.

3. Within 120 days of the date of service of this Order, South Woodford District shall file with the Commission a qualified infrastructure improvement plan, including 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 a surcharge.

4. South Woodford District shall deposit surcharge collections in a separate interest-bearing account.

5. On the 15th day of each month for 48 months from the date of service of this Order or until all surcharge proceeds are expended, South Woodford District shall file, into this proceeding, a monthly activity report that includes a statement of monthly surcharge billings and collections using the Surcharge Reporting form,<sup>6</sup> a monthly surcharge bank statement; and a list of all payments made for the month from the surcharge account that includes the following for each payment: the payee, a description of the purpose, and the supporting invoice.

6. On the 15th day of each month for 48 months from the date of service of this Order or until all surcharge proceeds are expended, South Woodford District shall file, into this proceeding, a monthly water loss report using the format in the Water Use & Loss Calculations form.<sup>7</sup>

7. South Woodford District shall not use any surcharge proceeds for reimbursement of unaccounted-for water loss reduction expenses without prior Commission authorization.

8. South Woodford District shall file all requests to use surcharge proceeds in the record of this proceeding. A request shall include a complete description of the equipment, project, or service for which approval is sought; bids, invoices, or price quotes as applicable; and a statement describing how the proposed purchase, project, or service

---

<sup>6</sup> The Surcharge Reporting form can be found at <https://psc.ky.gov/Home/UtilForms> under the Water tab.

<sup>7</sup> The Water Use & Loss Calculations form can be found at <https://psc.ky.gov/Home/UtilForms> under the Water tab.

is related to the qualified infrastructure improvement plan and the goal of reducing unaccounted-for water loss.

9. South Woodford District shall consider all surcharge collections as contributions and shall account for them in the manner that the Uniform System of Accounts for Class A and B Water Districts and Associations prescribes.

10. South Woodford District shall debit monthly billings for the surcharge to customers' accounts receivable and credit the contribution account.

11. When South Woodford District collects the surcharge from the customers, it shall debit special funds and credit the customer account.

12. No later than April 30 of each year, South Woodford District shall file, in the record of this proceeding, a report of surcharge activity and water loss improvement progress based on the preceding year ended December 31 with reported annual surcharge billings and expenditures reflecting the amounts reported for surcharge activity in the financial and statistical Annual Report filed with the Commission and South Woodford District audited financial statements. Cumulative surcharge billings and expenditures shall also be reported. A schedule of the estimated and actual progress of the water loss detection and repair program, actual expenditures made with surcharge proceeds, and encumbered amounts of future surcharge proceeds for the purpose of evaluating whether adjustments to the program or to the surcharge amount shall be provided.

13. South Woodford District shall respond to any requests for information propounded by Commission Staff as provided in those requests.

14. South Woodford District's failure to comply with any conditions attached to its assessment of the surcharge shall result in termination of the surcharge and the refund of collected surcharge proceeds disbursed on expenses or projects outside the scope of expenses and projects approved by the Commission.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PUBLIC SERVICE COMMISSION

  
Chairman

  
Commissioner

  
Commissioner

ATTEST:

  
Executive Director



Case No. 2025-00295

\*South Woodford Water District  
117-D Crossfield Drive  
Versailles, KY 40383

\*Barry Dury  
South Woodford Water District  
117-D Crossfield Drive  
Versailles, KY 40383