

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC HENDERSON COUNTY WATER)	
DISTRICT UNACCOUNTED FOR WATER LOSS)	CASE NO.
REDUCTION PLAN, SURCHARGE AND)	2023-00333
MONITORING)	

ORDER

By Order issued on December 13, 2023, the Commission initiated this action for the purpose of monitoring Henderson County Water District's (Henderson District) unaccounted for water loss reduction plan surcharge, which was approved in Case No. 2023-00101.¹ On November 5, 2024, Henderson District filed a motion to use surcharge funds for two separate projects, \$40,000 to purchase and install gate valves and \$50,000 to reimburse for the cost to replace a portion of broken main that has resulted in a large leak.²

LEGAL STANDARD

In Case No. 2023-00101, the Commission approved a \$1.87 surcharge per meter per month for 48 months, or until \$584,220 has been assessed, whichever occurs first to fund Henderson District's unaccounted-for water loss reduction efforts.³ Henderson

¹ Case No. 2023-00101, *Electronic Application of Henderson County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Dec. 13, 2023), final Order.

² Henderson District's Motion for Authorization to Use Surcharge Funds (Surcharge Authorization Motion) (filed Nov. 5, 2024).

³ Case No. 2023-00101, Dec. 13, 2023 final Order at 19.

District filed a Qualified Infrastructure Improvement Plan (QIIP)⁴ and has previously been authorized to use surcharge funds.⁵

Ordering paragraph 5 of the December 13, 2023 Order requires that, as part of the required monthly filings, Henderson District include a list of payments from the account, the payee, a description of the purpose, and invoices supporting each payment.⁶

DISCUSSION AND FINDINGS

Henderson District's motion requests authorization to purchase and install gate valves at a cost of \$40,000.⁷ Henderson District stated that this would not fully cover the cost of the valves but that installing the valves will establish zones to divide the system into areas that are easily monitored.⁸ Once Henderson District can monitor flow from zones and compare monthly data with customer usage in the respective zones, it will be able to isolate leaks in its system.⁹

Henderson District also sought reimbursement for a project to abandon a deeply buried, leaky asbestos cement pipe near the Highway 60 West pump station and replace it with a new main line.¹⁰ Henderson District provided a map of the project.¹¹ Henderson District estimated that the project would cost \$25,000 for materials, and an additional

⁴ Henderson District's Qualified Infrastructure Improvement Plan (filed Apr. 11, 2024).

⁵ Order (Ky. PSC July, 2024).

⁶ Order (Ky. PSC Dec. 13, 2023), ordering paragraph 5.

⁷ Surcharge Authorization Motion at 2, paragraph 5.

⁸ Surcharge Authorization Motion at 2, paragraph 5.

⁹ Surcharge Authorization Motion at 2, paragraph 5.

¹⁰ Surcharge Authorization Motion at 3, paragraph 8.

¹¹ Surcharge Authorization Motion, Exhibit B.

\$25,000 to hire a contractor to assist with the work. Henderson District provided quotes for the project.¹² On December 13, 2024, Henderson District filed updated invoices related to the leak repair work. The invoices reflect a total of \$54,347.63 for the repair project.¹³

The Commission finds that the purchase of gate valves to create system zones and the replacement of the leaky asbestos cement pipe meets the stated purpose of the water loss surcharge. The Commission notes that, according to the most recent monthly filing, Henderson District has \$102,778.40 in its surcharge account, which is sufficient to cover these expenses.¹⁴

The Commission finds that Henderson District should be authorized to use \$14,288.04 of the unaccounted-for water loss surcharge funds for the reimbursement or purchase of gate valves and associated installation cost. This approval reflects the estimates provided in the motion, although it is less than the requested amount.¹⁵ Should the project exceed the estimates, Henderson District may file actual invoices or receipts and proof of payment to support any further reimbursement requests related to this project.

The Commission further finds that Henderson District Should be authorized to use \$54,347.63 of the unaccounted-for water loss surcharge funds for reimbursement of costs associated with replacement of the leaky pipe near the Highway 60 west pump station as

¹²Surcharge Authorization Motion, Exhibit C-1 and C-2.

¹³ Notice of Filing (filed Dec. 13, 2024), Exhibit 1.

¹⁴ Henderson Districts Account Reconciliation Details (filed Dec.13, 2024).

¹⁵ Surcharge Authorization Motion, Exhibit A-1 and Exhibit A-2.

outlined in its motion. This amount is more than what is requested in the motion; however, the amount of reimbursement is supported by the invoices submitted in December.

IT IS THEREFORE ORDERED that:

1. Henderson District is authorized to use \$14,288.04 of the unaccounted-for water loss surcharge funds for the purchase of gate valves and the associated installation costs.

2. Henderson District is authorized to use \$54,347.63 of the unaccounted-for water loss surcharge funds for replacing the leaky pipe located near the Highway 60 West Pump station as outlined in its motion.

3. Henderson District shall file all required documentation of the expenses in compliance with ordering paragraph 5 of the December 13, 2023 Order.

PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

ATTEST:

Executive Director

ENTERED
JAN 10 2025
AH
KENTUCKY PUBLIC
SERVICE COMMISSION

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