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September 18, 2014

via e-filing EXPRESS

15-SUBW-117-CPL

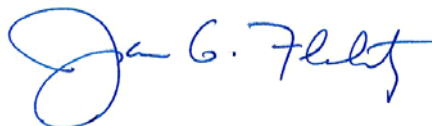
Mr. Thomas A. Day
Acting Executive Director
Kansas Corporation Commission
1500 S. W. Arrowhead Road
Topeka, Kansas 66604-4027

Re: Suburban Water, Inc.

Dear Tom:

Enclosed is the Water Loss Plan 2014 of Suburban Water, Inc. to be filed with the Commission pursuant to the Order (page 3, paragraph B) issued by the Commission in Docket No. 13-SUBW-744-CON on September 17, 2013.

Sincerely,



James G. Flaherty
jflaherty@andersonbyrd.com

JGF:rr
Enclosure



SUBURBAN WATER, INC.

Water Loss Plan 2014

September 17TH, 2014

Travis J. Miles, Vice President

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1. INTRODUCTION

This Lost Water Plan was developed to provide an outlook and action plan for Suburban to minimize/control its annual water loss as effectively as possibly. The Lost Water Plan was ordered by the Kansas Corporation Commission through Docket No. 13-SUBW-744-CON and requires semi-annual updates, after the initial plan filing until Suburban's water loss percentage is in compliance.

The lost water plan is intended to provide an overview of the methods and processes that Suburban has and will continue to use to effectively monitor and maintain an acceptable amount of lost water. The lost water plan will look at Suburban's lost water over the last 5 years, along with the steps the company has taken to reduce its water loss percentage.

2. BACKGROUND INFORMATION

Suburban is a privately owned water utility in Basehor, Kansas. Suburban currently provides water service to approximately 1,600 residential/commercial customers, along with wholesale water to Rural Water District #6, #9, and #10 of Leavenworth County, Kansas. Suburban currently has two sources of water supply.

2.1 WATER LOSS COMPARISON

In evaluating Suburban's current lost water percentage we need to provide a comparison of Suburban's lost water percentage to that of other surrounding water districts. The chart 1 below provides the annual lost water percentage for the Rural Water Districts that surround Suburban throughout Leavenworth County, Kansas. The data provided in the chart 1 below is for calendar years 2007 through 2011. When comparing the lost water percentage of Suburban to the other water districts throughout Leavenworth County we can see that based on the years of 2007 through 2011 Suburban ranked 2nd with the lowest average lost water percentage for this 5 year time period.

In Kansas Municipal Water Use publication report for 2011, the 5 year average UFW ("Unaccounted for water") regional percentage ranged from 12% to 17%, with a state average of 15%. Suburban's UFW percentage for that same time period was well below the regional average and the state average.

CHART 1

ANNUAL AND AVERAGE PERCENT UNACCOUNTED FOR WATER (UFW)
FOR PULBIC WATER SUPPLIES

	Region	2007 Percent UFW	2008 Percent UFW	2009 Percent UFW	2010 Percent UFW	2011 Percent UFW	AVG Percent UFW
Leavenworth Co. RWD #07	8M	9	7	10	4	6	7
<i>SUBURBAN WATER, INC.</i>	<i>8M</i>	<i>10</i>	<i>11</i>	<i>NA</i>	<i>5</i>	<i>11</i>	<i>9</i>
LAN-DEL	8M	6	6	NA	7	4	9
Leavenworth Co. RWD #01C	8M	8	6	9	17	15	11
Leavenworth Water	8L	11	10	11	15	14	12
Leavenworth Co. RWD #05	8M	8	9	12	26	NA	14
City of Tonganoxie	8M	16	13	13	15	14	14
Leavenworth Co. RWD #09	8M	20	13	10	15	18	15
Leavenworth Co. RWD #06	8M	9	16	13	12	24	15
Leavenworth Co. RWD #10	8M	NA	16	NA	NA	NA	16
Leavenworth Co. RWD #08	8M	20	26	17	7	15	17
Bonner Springs	8M	23	22	26	25	27	25
Leavenworth Co. RWD #02	8M	36	38	28	36	40	36
AVERAGE ANNUAL WATER LOSS PERCENTAGE (SAMPLE AVERAGE)		13	13	11	13	15	14

** Data for this table has been provided by Kansas Department of Agriculture – Kansas Municipal Water Use Report compiled.

[http://agriculture.ks.gov/docs/default-source/dwr-water-appropriation documents/2011 ks municipal water use.pdf?sfvrsn=2](http://agriculture.ks.gov/docs/default-source/dwr-water-appropriation%20documents/2011_ks_municipal_water_use.pdf?sfvrsn=2)

Chart 2 below provides Suburban’s most recent lost water data from 2012 through August 2014. With the exception of 2012, Suburban has been able to maintain an annual lost water percentage of at or below 11%. By evaluating the state and regional averages of annual UFW percentages provided in the 2011 Kansas Municipal water use report, Suburban believes that its water loss continues to

remain at an acceptable level, when maintaining annual percentages at or below the regional and state averages.

CHART 2

	Region	2012 Percent UFW	2013 Percent UFW	2014 Percent UFW (through August)
SUBURBAN WATER, INC.	8M	14	11	11

3 PLAN IMPLEMENTATION

Suburban has adopted the following plan to reduce and/or effectively manage and monitor annual unaccounted for water loss percentages. The company has been able to effectively manage its UFW by utilizing an outside source through our membership with the Kansas Rural Water Association (“KRWA”) to assist in the locating of leaks throughout our district. Suburban has also invested capital to purchase the necessary field equipment to detect and identify leaks throughout our district to effectively manage our annual UFW. Suburban has set standards for the installation of new infrastructure to ensure that any new installations are done properly to ensure that new leaks are not presented by the incorrect installation of new infrastructure.

3.1 OUTSIDE SOURCES

In 2013/2014, Suburban began working with KRWA, whom provides support to the water districts throughout the State of Kansas. KRWA field staff has the necessary experience and equipment to provide support in the identification of water leaks throughout a water district. Suburban has worked with KRWA field staff on 6 occasions throughout 2014 to leak test specific connection points throughout Suburban district to identify leaks through our water district. Throughout this process Suburban and KRWA have used water leak detection equipment that works by using audio equipment that allows the operator of such equipment to detect a water leak at the connection points to Suburban infrastructure. Connection points being any tap for a residential/commercial water meter, valves and fire hydrants. Through 6 time periods that Suburban worked in the field with KRWA we were able to leak test approximately 62% of Suburban’s infrastructure, which resulted in the locating of 2 leaks that were present and now

have been repaired. This process has enable Suburban in part to effectively reduce its annual UFW percentage from 14 % in 2012 to the now 11% in 2013/2014. Suburban will continue to utilize KRWA as a valuable resource to continue to manage and control our annual UFW percentage.

3.2 LEAK DETECTION

In working with KRWA staff Suburban's field worker has had the opportunity to learn the necessary skills to operate the Water Leak Detection equipment. As a result of this action, Suburban has invested the capital to purchase similar leak detection equipment as that used by KRWA. Suburban purchased in 2014 a Fisher XLT-30 Leak Detector, which works to identify water leaks through the use of audio equipment. This equipment will be used by Suburban field staff to perform leak testing on the remaining 38% of Suburban infrastructure that was not covered, by KRWA. This equipment will also enable Suburban going further to better identify leaks throughout our district, without the use of heavy equipment in order to initially identify leaks.

3.3 INSTALLATION OF NEW INFASTRUCTURE STANDARDS

Suburban for some time now has developed a set of standards for the installation of all replacement and/or installation of any new infrastructure, within our district. Those standards include the proper installation, specific manufactures of materials, pressure testing of all new main installations, and proper inspection by Suburban field staff prior to mains being put into service. Suburban believes that these installation standards will ensure the long term stability of our infrastructure and effectively control any new potentials for lost water.

4 WATER LOSS GOALS

Suburban's objective is to maintain an acceptable amount of UFW on an annual basis, which is at or below the regional and state averages. Suburban's goal is to maintain a lost water percentage at or below 10% as compared to our annual production amounts, including water both pumped and purchased by the district.