

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF REID VILLAGE WATER) CASE NO. 2011-00139
DISTRICT)

ORDER

On April 21, 2011, Reid Village Water District ("Reid Village") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Reid Village purchases water from Mount Sterling Water and Sewer Commission ("Mount Sterling").
2. Mount Sterling notified Reid Village that, effective May 1, 2011, its volumetric wholesale rate to Reid Village would increase from \$2.07 per 1,000 gallons to \$2.34 per 1,000 gallons.
3. On April 19, 2011, Reid Village's Board of Commissioners adopted a resolution to increase its rates commensurate with Mount Sterling's rate increase, effective May 1, 2011.
4. Reid Village proposes a purchased water adjustment factor of \$0.29 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

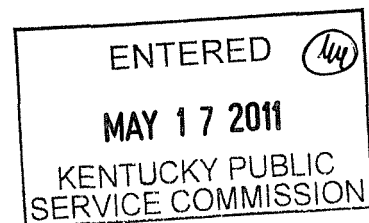
5. During the 12 months ending February 28, 2011, Reid Village purchased 67,669,260 gallons of water from Mount Sterling and sold 64,800,320 gallons. The increase in the cost of purchased water is \$18,270.70, resulting in a purchased water adjustment factor of \$0.29 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.29 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Reid Village's proposed rates are approved.
2. The purchased water adjustment factor of \$0.29 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for services rendered on or after May 1, 2011.
4. Reid Village's proposed tariff sheet filed with the application is approved.

By the Commission



ATTEST:

Stephanie Bell for Jeff Perover
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00139 DATED ~~MAY 17~~ **MAY 17 2011**

	New Rate	Base Rate
Mount Sterling		
Purchases in gallons	67,669,260	67,669,260
Volumetric rate	<u>\$ 2.34 /1,000</u>	<u>\$ 2.07/1,000</u>
	\$158,346.07	\$140,075.37
	Increased water cost	\$18,270.70

Increased water cost	\$ 18,270.70
Divided by gallons sold	<u>64,800,320</u>
Purchased water adjustment factor	\$0.29 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00139 DATED MAY 17 2011

The following rates and charges are prescribed for the customers in the area served by Reid Village Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$18.25	Minimum Bill
Next	1,000 gallons	5.88	per 1,000 gallons
Next	2,000 gallons	5.42	per 1,000 gallons
Next	5,000 gallons	4.95	per 1,000 gallons
Over	10,000 gallons	4.47	per 1,000 gallons

Rachel Cartmill
Manager
Reid Village Water District
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Mt. Sterling, KY 40353