

RECEIVED

OCT - 2 2013

PUBLIC SERVICE
COMMISSION

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)**

Name of Utility	Powell's Valley Water District	
Date	10-1-2013	
Address	PO Box 550	
City, State, Zip	Clay City, KY	40312
Telephone Number	606 663-5870	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.



Supplier(s)	Base Rate	Changed Rate
Beechfork Water Commission	2.592	2.7320

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	10-2012	through	9-2013
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Beech fork water commission	127,732,600
TOTAL PURCHASES	127,732,600
4. Total gallons sold for the 12 month period	106,834,320
5. Increased water cost	17,882.56
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.17
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>	
7. Proposed effective date	01-01-2014
	
Signature of Utility Officer	
	
Title	

P.S.C. KY. NO.

CANCELLING P.S.C. KY. NO.

Powells Valley Water District

OF

P.O. Box 550

Clay City, Kentucky 40312

RATES & CHARGES
AND
RULES & REGULATIONS

FOR FURNISHING

WATER SERVICE

AT

Clay City, Rural Powell, Estill and Montgomery Counties

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE

Month / Date / Year

DATE EFFECTIVE

01/01/2014

Month / Date / Year

ISSUED BY



(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.

DATED

FOR Clay City, Rural Powell, Estill and Montgomery
Counties in Kentucky
Community, Town or City

P.S.C. KY. NO.

SHEET NO.

CANCELLING P.S.C. KY. NO.

SHEET NO.

Powells Valley Water District —
(Name of Utility)

E. PURCHASE WATER RATES:

Beech Fork Water Commission
Kentucky River Authority Fee
Total Rate

Rate
\$2.710 per 1,000 Gallons
.022 per 1,000 Gallons
\$2.7320 per 1,000 Gallons

DATE OF ISSUE

Month / Date / Year

DATE EFFECTIVE

01/01/2014
Month / Date / Year

ISSUED BY



(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.

DATED

FOR Clay City, Rural Powell, Estill and Montgomery

Counties in Kentucky

PSC KY NO.

SHEET NO.

Powells Valley Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO.

SHEET NO.

Customer Class

Rates

First 2,000 Gallons (Min. Bill)
Next 2,000 Gallons
Next 2,000 Gallons
All Over 6,000 Gallons

\$21.08 Min. Bill
\$9.13 Per 1,000 Gallons
\$8.23 Per 1,000 Gallons
\$7.70 Per 1,000 Gallons

DATE OF ISSUE


MONTH / DATE / YEAR

DATE EFFECTIVE

01/01/2014

MONTH / DATE / YEAR

ISSUED BY


SIGNATURE OF OFFICER

TITLE

Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.

DATED

B. SCOTT GRAHAM

Attorney at Law

331 East College Avenue • P.O. Box 637
Stanton, Kentucky 40380

606-663-6368

1-800-663-9989

Fax: 606- 663-6348

September 10, 2013

City of Stanton
Attn: Dale Allen
P.O. Box 370
Stanton, Kentucky 40380

City of Clay City;
Attn: James A. Caudill
P.O. Box 548
Clay City, Kentucky 40312

Powells Valley Water District
Attn: Stephen Everman
P.O. Box 550
Clay City, Kentucky 40312

Powell County Fiscal Court
Attn: James Anderson
P.O. Box 506
Stanton, Kentucky 40380

Re: Beechfork Water Commission

Dear City of Stanton, City of Clay City, Powell County
Fiscal Court and Powells Valley Water District,

Back on August 7, 2013, I, as legal counsel for the Beech Fork Water Commission, sent a letter stating that the Commission has become aware of some quite substantial structural issues at the Plant and that the Commission was involved in a Plant Rehabilitation Project which is primarily made possible through funds provided by USDA/Rural Development.

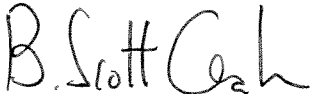
As previously stated in the August 7th letter, the Letter of Conditions from USDA/Rural Development to the Commission required the Beech Fork Water Commission to increase the water rates it charges its customers, (Stanton, Clay City and Powells Valley Water District), from its current rate to at least \$2.71 per thousand gallons.

Following that letter dated August 7th an inquiry was made by Powells Valley Water District as to whether that rate included the 2.2 cent per thousand Kentucky River Authority fee, (which is currently being charged on water sold), which we researched extensively and called to get advice from Rural Development. It took some time to get a definitive answer from Rural Development. The new rate in the letter of Conditions of \$2.71 per thousand gallons **does not** include the 2.2 cents per thousand Kentucky River Authority fee. As such the new rate is \$2.71 per thousand gallons with an additional 2.2 cents per thousand gallons Kentucky River Authority fee which is paid to the state for a grand total of \$2.732 per thousand gallons that the Commission will be charging its customers, (Stanton, Clay City and Powells Valley Water District), for water sold effective January 1, 2014.

We wanted to make sure that all entities were aware of this Kentucky River Authority fee and to clarify any ambiguity as to what the new rate paid by the customers would be. Powells Valley was consulted last month and made aware of same due to it having to get approval from the PSC for any rate increased. Please contact us if there are any questions.

As stated previously, the Commission regrets this rate increase, but, as I am confident you are aware, the Commission is required to do so by the United States Department of Agriculture in order to secure funding. Likewise, the structural problems at the plant are extremely significant and need to be remedied as soon as possible. The Commission appreciates your cooperation, understanding and assistance regarding this matter.

Sincerely,

A handwritten signature in black ink that reads "B. Scott Graham". The signature is written in a cursive, slightly slanted style.

B. Scott Graham, Counsel
Beech Fork Water Commission