

REID VILLAGE WATER DISTRICT
PO Box 610
Mt. Sterling, KY 40353
November 14, 2014

RECEIVED
NOV 18 2014
PUBLIC SERVICE
COMMISSION

Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, KY 40602

Office of Rate Intervention
Office of Attorney General
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

RE: Case No. 2014-0379

Enclosed is information to correct filing deficiencies noted in the letter from the Commission dated November 4, 2014.

With regard to deficiency 4(1)(d), depreciation schedule for all utility plants in service, we are filing our federal asset report for year ending 12/31/2013. Upon receipt of the deficiency letter, we contacted our accounting firm (John T. Lane and Associates, LLC – 859-498-9915) to determine if any information on depreciation was available. We were informed that the schedules contained in the audit and annual reports, and the federal asset report was all the information on depreciation.

If this additional information does not cure the deficiency, we respectfully request that a deviation from this requirement be granted. Reid Village has requested a significant increase in rates in order to meet expenses. If the increase cannot be considered in an alternative rate filing application, we will have to file a general rate case application, which will delay any approval and cost the district additional rate case expense.

Thank you in advance for all consideration.

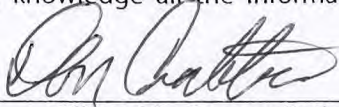
Reid Village Water District

- | | | YES | NO | N/A |
|--------|--|-------------------------------------|--------------------------|--------------------------|
| 8. | Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." (Attach completed "Current and Proposed Rates" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. | Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, <u>2013</u> . | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. | Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." (Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. | Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ <u>147,680</u> and total revenues from service rates of \$ <u>580,625</u> . The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. (Attach a completed "Revenue Requirement Calculation" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. | As of the date of the filing of this application , Applicant had <u>1,100</u> customers. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. | A billing analysis of Applicant's current and proposed rates is attached to this application. (Attach a completed "Billing Analysis" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. | Applicant's depreciation schedule of utility plant in service is attached. (Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.) <i>The only info we have available is shown in the annual report.</i> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. a. | Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution). | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. | Applicant has attached an amortization schedule for each outstanding evidence of indebtedness. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

YES NO N/A

- 16. a. Applicant is not required to file state and federal tax returns. YES NO N/A
- b. Applicant is required to file state and federal tax returns. YES NO N/A
- c. Applicant's most recent state and federal tax returns are attached to this Application. YES NO N/A
(Attach a copy of returns.)
- 17. Approximately 0 (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. YES NO N/A
- 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires complete such form. YES NO N/A

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed 
Officer of the Company/Authorized Representative

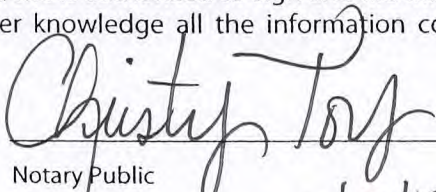
Title Chairman

Date 11-12-14

COMMONWEALTH OF KENTUCKY

COUNTY OF Montgomery

Before me appeared Don Crabtree, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.


Notary Public

My commission expires: 11/5/18

STATEMENT OF DISCLOSURE OF RELATED PARTY TRANSACTIONS

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Reid Village W.D. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Rachel Cartmill
(Print Name)

Rachel Cartmill
(Signed)

Office Manager
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Montgomery

Subscribed and sworn to before me by Rachel Cartmill
(Name)

this 13 day of Nov, 2014.

Annette H. Harney
NOTARY PUBLIC
State-at-Large
445348
Exp. 7/12/15

STATEMENT OF DISCLOSURE OF RELATED PARTY TRANSACTIONS

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Reid Village Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

George Tackett, Jr.
(Print Name)

George Tackett Jr
(Signed)

Field Superintendent
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

NOTARY PUBLIC

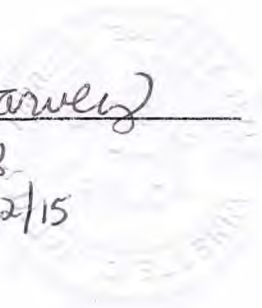
COMMONWEALTH OF KENTUCKY

COUNTY OF Montgomery

Subscribed and sworn to before me by George Tackett Jr.
(Name)

this 13 day of Nov., 2014.

Annette O Harveys
NOTARY PUBLIC
State-at-Large 445348
Exp 7/2/15



REID VILLAGE WATER
Federal Asset Report

FYE: 12/31/2013

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
Other Depreciation:									
1	LAND	1/01/00	7,000			7,000	0 -- Land	0	0
2	CASE BACKHOE	10/01/03	15,000			15,000	5 MO S/L	15,000	0
	Sold/Scrapped: 1/01/13								
3	2007 CHEVY	8/01/06	20,680			20,680	5 MO S/L	20,680	0
4	2000 CHEVY	10/01/10	7,500			7,500	5 MO S/L	2,875	1,500
5	2011 CHEVY COLORADO	5/23/11	12,940			12,940	5 MO S/L	4,098	2,588
6	PLANT EQUIPMENT LINES	1/01/00	1,713,948			1,713,948	50 MO S/L	510,835	34,279
7	TRAILER	5/13/13	3,450			3,450	5 MO S/L	0	460
8	KUBOTA EXCAVATOR	5/21/13	40,800			40,800	5 MO S/L	0	4,760
9	Enclosed trailer	5/01/09	2,000			2,000	5 MO S/L	1,467	400
10	Air compressor with tamp	4/01/09	4,500			4,500	5 MO S/L	3,375	900
	Total Other Depreciation		<u>1,827,818</u>			<u>1,827,818</u>		<u>558,330</u>	<u>44,887</u>
	Total ACRS and Other Depreciation		<u>1,827,818</u>			<u>1,827,818</u>		<u>558,330</u>	<u>44,887</u>
	Grand Totals		1,827,818			1,827,818		558,330	44,887
	Less: Dispositions and Transfers		15,000			15,000		15,000	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>1,812,818</u>			<u>1,812,818</u>		<u>543,330</u>	<u>44,887</u>

NOTICE

Reid Village Water District has filed an application with the Public Service Commission to increase its rates for water service and certain nonrecurring charges. It is anticipated that the application will be accepted by the Commission for filing on November 20, 2014. The proposed rates will become effective upon approval of the Public Service Commission.

	<u>Current</u>	<u>Proposed</u>	<u>\$ Inc.</u>	<u>%</u>
First 2,000 Gallons (Minimum Bill)	\$19.27	\$25.85	\$6.58	34
Next 1,000 Gallons / 1,000	6.39	8.56	2.17	34
Next 2,000 Gallons / 1,000	5.93	7.95	2.02	34
Next 5,000 Gallons / 1,000	5.46	7.32	1.86	34
Over 10,000 Gallons / 1,000	4.98	6.67	1.69	34
Connect Fee	20.00	27.00	7.00	35
Reconnect	25.00	35.00	10.00	40
Deposit	65.00	84.00	19.00	29

The monthly bill for a customer using an average of 4,000 gallons per month will increase from \$31.59 to \$42.36 an increase of \$10.41 or 33%. The rates contained in this notice are the rates proposed by the Reid Village Water District. However, the Public Service Commission may order rates to be charges that differ from the proposed rates contained in this notice.

Notice is further given that any corporation, association, or person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602, establishing the grounds for the request including the status and interest of the party. Comments regarding the application may be submitted to the Commission through the Commission's Web site (<http://psc.ky.gov>) or by mail to Public Service Commission, PO Box 615, Frankfort, KY 40602. Copies of the application may be obtained at no charge by contacting Reid Village Water District at 903 Winchester Road, Post Office Box 610, Mt. Sterling, KY 40353. Any person may examine the rate application and any other filings made by Reid Village Water District at its office at 903 Winchester Road, or at the offices of the Public Service Commission, Monday through Friday, 8:00 a.m. to 4:30 p.m. Persons may also view and download a copy of the rate application and all documents filed with the Public Service Commission through the Public Service Commission's website at <http://psc.ky.gov>. If the Commission does not receive a written request for intervention within 30 days of initial publication of this notice, the Commission may take final action on the application.