COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF) CASE NO. REID VILLAGE WATER DISTRICT) 2014-00259

ORDER

On July 21, 2014, 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:

- Reid Village purchases water from the Mount Sterling Water and Sewer System ("Mount Sterling").
- 2. Mount Sterling notified Reid Village that effective August 1, 2014, Mount Sterling would increase its wholesale rate to Reid Village from \$2.46 per 1,000 gallons to \$2.77 per 1,000 gallons.² Reid Village proposed to increase the water rates to its customers to reflect the increased cost of purchased water effective August 1, 2014.
- 3. During the 12 months ended May 31, 2014, Reid Village purchased 66,396,790 gallons of water from Mount Sterling and sold 56,441,287 gallons. The increase in the cost of purchased water is \$20,583.01, resulting in a purchased water adjustment of \$0.37 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2014-00393 (Ky. PSC filed June 23, 2014); The tariff was accepted for filing by the Commission by letter dated July 31, 2014.

- 4. The purchased water adjustment of \$0.37 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.
- 5. Reid Village's proposed rates as set forth in Appendix B to this Order, are fair, just and reasonable and should be approved for water service rendered on and after August 1, 2014.

IT IS THEREFORE ORDERED that:

- 1. The purchased water adjustment of \$0.37 per 1,000 gallons is approved.
- 2. Reid Village's proposed rates are approved for water service rendered on and after August 1, 2014.
- 3. Within 20 days of the date of this Order, Reid Village shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

ENTERED

AUG 1 2 2014

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:

Executive Director

APPENDIX A

Base Rate

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00259 DATED AUG 1 2 2014

New Rate

| Reid Village Purchases in gallons Mount Sterling Volumetric rate | 66,396,790 \$ 2.77/1,000 \$ 183,919.11 | | 66,396,790 <u>2.46/1,000</u> 163,336.10 |
|---------------------------------------------------------------------------|----------------------------------------------|------------|-----------------------------------------------|
| Increased water cost | | 9 | 20,583.01 |
| | | | |
| Increased water cost | | \$ 20, | 583.01 |
| Divided by gallons sold/1,000 | | 56,441,287 | |
| Purchased water adjus | stment factor | | 0.3647 per 1,000 gallons |
| | | or \$ | 0.37 per 1,000 gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00259 DATED AUG 1 2 2014

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 | \$ 19.27 Minimum Bill |
|-------|--------|---------|------------------------|
| Next | 1,000 | gallons | 6.39 per 1,000 gallons |
| Next | 2,000 | gallons | 5.93 per 1,000 gallons |
| Next | 5,000 | gallons | 5.46 per 1,000 gallons |
| Over | 10,000 | gallons | 4.98 per 1,000 gallons |

Rachel Cartmill Office Manager Reid Village Water District 903 Winchester Road Mt. Sterling, KY 40353