

**REID VILLAGE WATER DISTRICT  
903 WINCHESTER RD  
P O BOX 610  
MT STERLING KY 40353  
PHONE 859-498-0062  
FAX 859-497-9984**

**RECEIVED**  
JUL 17 2015  
PUBLIC SERVICE  
COMMISSION

**June 26, 2015**

Jeff Derouen  
Executive Director  
KY Public Service Commission  
P O Box 615  
Frankfort, KY 40602

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the Reid Village Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that will become effective August 1, 2015.

Sincerely,



Rachel Cartmill  
Office Manager

Enclosure

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

RECEIVED

JUL 17 2015

PUBLIC SERVICE  
COMMISSION

Name of Utility	REID VILLAGE WATER DISTRICT	
Date	June 26, 2015	
Address	903 WINCHESTER RD	
City, State, Zip	MT. STERLING, KY	40353
Telephone Number	859-498-0062	
Email Address	<u>rvwd@bellsouth.net</u>	

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.

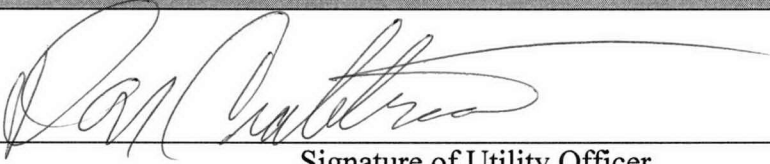
Supplier(s)	Base Rate	Changed Rate
MT. STERLING WATER	2.77	2.85

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

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	JUNE 2014	through	MAY 2015
	(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
MT. STERLING WATER & SEWER	67,042,620
TOTAL PURCHASES	67,042,620
4. Total gallons sold for the 12 month period	59,737,286
5. Increased water cost	\$5363.41
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit	
6. Purchased water adjustment factor	.09
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
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.	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	AUGUST 1, 2015
	
Signature of Utility Officer	
CHAIRMAN OF THE BOARD	
Title	

# MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET  
MOUNT STERLING, KENTUCKY 40353-0392

June 19, 2014

Rachael Cartmill  
Reid Village Water District  
P.O. Box 610  
Mount Sterling, Kentucky 40353

Re: Wholesale Rate Increase

Rachael,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer (Mt. Sterling), will soon request approval from the Public Service Commission (PSC) to raise wholesale water rates charged to water districts/associations. This increase is based on both a Rate and Cost of Service study which was recently completed on our behalf, by a Louisville based company, Norbourne and Associates. The driving factor behind what prompted this study was the fact that Mt. Sterling has struggled to keep up with not only expenditures, but the depreciation of fixed assets as well. Being in the utility business yourself, I'm sure you can appreciate the fact that keeping up with rising costs are a struggle not to mention the enormous cost associated the upkeep and replacement of aging infrastructure. Although this study indicated a much greater increase was justifiable, 29.23%, after much debate and deliberation an increase of 12.6% was approved by our water and sewer board at our June 16<sup>th</sup> meeting. A rate modification request will soon be filed with the PSC, which will include a tariff asking for approval to alter our current wholesale rates from \$2.46/1,000 gallons to \$2.77. We have requested approval that this increase be effective August 1, 2014, should this increase be approved it will be reflected in the September billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers receive notice of any increase a minimum of 30 days prior to the implementation of said increase. Also included is a notice from PSC related to this request. In closing, thank you for your understanding as well as your cooperation concerning this matter, should you have questions or comments please contact me at (859) 498-0166.

Sincerely,



Rick Fletcher  
Manager  
Mount Sterling Water and Sewer

**REID VILLAGE WATER DISTRICT  
P.O. BOX 610  
MT. STERLING, KY 40353  
PHONE [859] 498-0062  
FAX [859] 497-9984**

Current Rates

Proposed Rates

First 2000 gallons	24.91	25.09 Minimum Bill
Next 1000 gallons	8.26	8.35 Per 1000 gallons
Next 2000 gallons	7.67	7.76 Per 1000 gallons
Next 5000 gallons	7.06	7.15 Per 1000 gallons
Over 10000 gallons	6.44	6.53 Per 1000 gallons

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859-498-0062

DATE: July 14, 2015      TIME: 5:15      Location: 903 Winchester Rd

Those Present: Don Crabtree  Calvin Hunt  Shannon White \_\_\_\_\_  
Ryan Thomas \_\_\_\_\_ Earl Markland  Rachel Cartmill   
George Tackett, Jr.

Guests: None

Rachel presented the minutes from the last meeting, along with the Profit & Loss for the 2nd quarter and the quarterly check registers. They were reviewed by the commissioners and Calvin made a motion to approve the minutes and Don 2nd the motion - all agreed to approve.

Rachel presented a letter from Mt. Sterling Water & Sewer informing us of a rate increase. Calvin motioned that we file the necessary documents with the PSC to do a pass thru rate increase to absorb the cost. Don agreed.

Last month the commissioners were handed a copy of the Audit for 2014 for their review. Rachel read the findings. Calvin motioned that we have 2 signatures on all checks from now on as the Auditor recommended. The findings also stated that employees were not allowed to receive bonus'. Don suggested we no longer give bonus' as the Auditor recommended and Calvin agreed.

Floor opened for questions or comments.

Nothing further.

Motion to adjourn made by Calvin and Don 2nd the motion.

Meeting adjourned at 6:05

Rice Village Water District

Consumption Totals

June 2014	5,924,703
July	5,619,638
August	4,932,710
September	4,520,842
October	4,760,859
November	4,332,421
December 2014	4,042,760
January 2015	4,706,767
Feb	4,916,318
March	6,616,639
April	4,448,857
May	4,914,772
	<u>59,737,286</u>

$$\frac{1000 \text{ gallons}}{59,737,286} =$$

Gallons Purchased

67042.62  
 67042.62  
 67042.62 ÷ 1000 =

purchases at base (current 2.77) 185708.06  
 purchases at base (New Rate 2.85) - 191671.47

5363.41

$$5363.41 \div 59737.29 = .09$$

.09 per 1000 gallons = water adj. factor