

RECEIVED

JUN 17 2016

Public Service  
Commission

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

**May 26, 2016**

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 July 1, 2016.

Sincerely,



Rachel Cartmill  
Office Manager

Enclosure

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Commission

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

Name of Utility	Reid Village Water District		
Date	May 26, 2016		
Address	903 Winchester Rd		
City, State, Zip	Mt. Sterling	KY 40353	
Telephone Number	859-498-0062		

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.

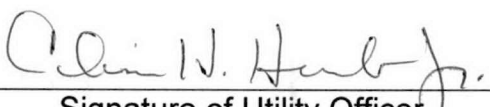
Supplier(s)	Base Rate	Changed Rate
Mt. Sterling Water	2.85	2.96

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	May 2015	through	April 2016
	(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	67,380,620
<b>TOTAL PURCHASES</b>	67,380,620
4. Total sales for the 12 month period	54,450,672
5. Increased water cost	\$7411.87
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.14 per 1000 gallons
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p><b>Note:</b> 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	July 1, 2016
	
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

May 20, 2016

Rachael Cartmill  
Reid Village Water District  
P.O. Box 610  
Mt. 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) has requested approval from the Kentucky Public Service Commission (PSC) to increase wholesale water rates charged to water districts/associations, served by our utility under their purview. This proposed increase is based on the fact that the Consumer Price Index (CPI) rose by a factor of 3.9% over the period from April 2015 and April 2016 for goods and services identified as water, sewer and trash related. In addition to this inflationary increase Mt. Sterling also expects to experience a significant revenue decline in the amount of \$80,000.00 over our next budget cycle, \$30,000.00 water and \$50,000.00 sewer, due to the announced closure of two industrial facilities. These two factors, in combination, have resulted in a budgetary deficit for the 2016/2017 fiscal year. In an effort to offset this financial shortfall Mt. Sterling's board of commissioners found it necessary to approve a proposed budget at their regular monthly meeting, May 16, 2016, which included a 4% water rate increase.

Our utility has petitioned the PSC, to consider for approval, to allow this increase be passed along to our wholesale customers in that amount. A rate modification request has been filed, which includes a tariff sheet asking to increase our current wholesale water rate of \$2.85/1,000 gallons, up to \$2.96. We have requested that this increase be effective July 1, 2016, should this increase be approved it will be reflected in the August billing. This notice is being provided in order to comply with a PSC statute that requires effected wholesale customers receive notice of any proposed rate increase a minimum of 30 days prior to the implementation of said increase. Included please find a copy of the tariff sheet, notification of proposed increase with required PSC language, along with an excerpt from the Bureau of Labor Statistics report regarding the identified inflationary increase previously referenced.

In closing thank you for both your understanding and cooperation regarding this matter. Should you have questions, comments or concerns regarding this notice, please feel free to contact me at (859) 498-0166. Thanks.

Sincerely,



Rick Fletcher  
Manager  
Mt. Sterling Water and Sewer

REID VILLAGE WATER DISTRICT  
903 WINCHESTER RD  
P O BOX 610  
MT STERLING KY 40353  
859-498-0062

DATE: June 14, 2016      TIME: 5:15      Location: 903 Winchester Rd

Those Present: Calvin Hunt Jr , Rachel Cartmill, George Tackett, Jr, Jim Costigan

Guests: None

This meeting was called in order to inform the Board of a Rate Increase from our supplier, Mt. Sterling Water & Sewer.

Rachel informed them that after calculations it would require us to increase our rates by .14 per 1000 gallons. Jim made the motion to increase our rates to absorb the cost.

Calvin 2<sup>nd</sup> the motion. Rachel said she would file the proper documents with the PSC.

Meeting was then adjourned at 5:30.

FOR REID VILLAGE AREA

PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

REID VILLAGE WATER DISTRICT  
(NAME OF UTILITY)

### Monthly Water Rates

*Current*

*Proposed*

First 2000 gallons	<i>.14</i> + 25.09	Minimum Bill =	25.37
Next 1000 gallons	.14 + 8.35	per 1000 gallons =	8.49
Next 2000 gallons	.14 + 7.76	per 1000 gallons =	7.90
Next 5000 gallons	.14 + 7.15	per 1000 gallons =	7.29
Over 10000 gallons	.14 + 6.53	per 1000 gallons =	6.67

### Non-Recurring Charges

Connect Fee	\$27.00
Deposit	\$81.00
Re-connection Charge	\$35.00
Tap On Fee	\$650.00

DATE OF ISSUE July 1, 2016  
~~August 1, 2015~~  
MONTH/DATE/YEAR

DATE EFFECTIVE July 1, 2016  
~~August 1, 2015~~  
MONTH/DATE/YEAR

ISSUED BY *Don Crutcher*  
SIGNATURE OF OFFICER

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 2015-00261 DATED August 11, 2015

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE <b>8/1/2015</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

# Reid Village Water District Consumption Totals

May 2015	4914772
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June 2015	6241311
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July 2015	4301165
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August 2015	4805917
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September 2015	5119277
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Oct 2015	4064829
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Nov 2015	4171330
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Dec 2015	4156431
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Jan 2016	4114255
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Feb 2016	4046018
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March 2016	4122484
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April 2016	4392883
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	54450672
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	÷ 1000 gallons
--	----------------

	= 54450.68
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Illinois Purchase Fr. MSW+S

7,380,620 ÷ 1000 =	
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7,380.62 purchases at base (Current 2.85)	192034.77
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7,380.62 purchases at base (New Rate 2.96)	-199446.64
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	= 7411.87
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$7411.87 \div 54450.68 = .14$

.14 per 1000 gallons = water adj. factor

# Gallons Purchased

2015

## Customer History Report

Service Type WA WATER  
R Code All  
Beginning Date 01/01/2016  
Ending Date 12/31/2016

Use Reading Factor ☐ Print Transaction in Descending Order ☐  
Start Balance With Zero ☐  
Print Breakdown By ☐ Transaction ☐ Service ☒ Taxes ☐ Totals Only

History For Account 0019-00200-001 Water, Reid Village

Tran Date	Post Date	Code	Description	Service Desc	Service	Surcharge1	Surcharge2	Unapplied	Balance
Void	Posted By	Check#		Usage	Local Tax	State Tax	Penalty		
01/08/15	01/08/15	WTR	Water Billing	WATER 02	\$13,440.54	\$0.00	\$0.00		
	keyes			4,882,180	\$0.00	\$0.00	\$0.00	\$0.00	\$13,440.54
01/20/15	01/20/15	PAY	Payment	WATER 02	(\$13,440.54)	\$0.00	\$0.00	\$0.00	\$0.00
	keyes			0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02/09/15	02/09/15	WTR	Water Billing	WATER 02	\$14,718.59	\$0.00	\$0.00		
	keyes			5,313,570	\$0.00	\$0.00	\$0.00	\$0.00	\$14,718.59
02/20/15	02/20/15	PAY	Payment	WATER 02	(\$14,718.59)	\$0.00	\$0.00	\$0.00	\$0.00
	keyes			0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
03/09/15	03/09/15	WTR	Water Billing	WATER 02	\$14,213.53	\$0.00	\$0.00		
	keyes			5,131,240	\$0.00	\$0.00	\$0.00	\$0.00	\$14,213.53
03/20/15	03/20/15	PAY	Payment	WATER 02	(\$14,213.53)	\$0.00	\$0.00	\$0.00	\$0.00
	keyes			0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
04/08/15	04/08/15	WTR	Water Billing	WATER 02	\$15,476.10	\$0.00	\$0.00		
	ileam			5,587,040	\$0.00	\$0.00	\$0.00	\$0.00	\$15,476.10
04/20/15	04/20/15	PAY	Payment	WATER 02	(\$15,476.10)	\$0.00	\$0.00	\$0.00	\$0.00
	keyes			0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
05/08/15	05/08/15	WTR	Water Billing	WATER 02	\$14,470.45	\$0.00	\$0.00		
	keyes			5,223,900	\$0.00	\$0.00	\$0.00	\$0.00	\$14,470.45
05/20/15	05/20/15	PAY	Payment	WATER 02	(\$14,470.45)	\$0.00	\$0.00	\$0.00	\$0.00
	ileam			0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
06/08/15	06/08/15	WTR	Water Billing	WATER 02	\$18,655.20	\$0.00	\$0.00		
	connie			5,734,930	\$0.00	\$0.00	\$0.00	\$0.00	\$18,655.20
06/22/15	06/22/15	PAY	Payment	WATER 02	(\$18,655.20)	\$0.00	\$0.00	\$0.00	\$0.00
	keyes			0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/09/15	07/09/15	WTR	Water Billing	WATER 02	\$15,726.40	\$0.00	\$0.00		
	keyes			5,077,400	\$0.00	\$0.00	\$0.00	\$0.00	\$15,726.40
07/20/15	07/20/15	PAY	Payment	WATER 02	(\$15,726.40)	\$0.00	\$0.00	\$0.00	\$0.00
	ileam			0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
08/07/15	08/07/15	WTR	Water Billing	WATER 02	\$16,361.78	\$0.00	\$0.00		
	keyes			5,908,780	\$0.00	\$0.00	\$0.00	\$0.00	\$16,361.78
08/20/15	08/20/15	PAY	Payment	WATER 02	(\$16,361.78)	\$0.00	\$0.00	\$0.00	\$0.00
	keyes			0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
09/09/15	09/09/15	WTR	Water Billing	WATER 02	\$18,084.73	\$0.00	\$0.00		
	ileam			5,338,500	\$0.00	\$0.00	\$0.00	\$0.00	\$18,084.73
09/21/15	09/21/15	PAY	Payment	WATER 02	(\$18,084.73)	\$0.00	\$0.00	\$0.00	\$0.00
	Sabrina			0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10/09/15	10/09/15	WTR	Water Billing	WATER 02	\$17,264.67	\$0.00	\$0.00		
	ileam			5,057,780	\$0.00	\$0.00	\$0.00	\$0.00	\$17,264.67



## History For Account 0019-00200-001 Water, Reid Village

Tran Date	Post Date	Code	Description	Service Desc	Service	Surcharge1	Surcharge2	Unapplied	Balance
Vold	Posted By	Check#			Local Tax	State Tax	Penalty		
10/20/15	10/20/15	PAY	Payment	WATER	02 (\$17,264.67)	\$0.00	\$0.00		
	<input type="checkbox"/> llsam				0 \$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11/09/15	11/09/15	WTR	Water Billing	WATER	02 \$15,794.67	\$0.00	\$0.00		
	<input type="checkbox"/> llsam				<del>\$15,794.67</del> \$0.00	\$0.00	\$0.00	\$0.00	\$15,794.67
11/20/15	11/20/15	PAY	Payment	WATER	02 (\$15,794.67)	\$0.00	\$0.00		
	<input type="checkbox"/> llsam				0 \$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12/09/15	12/09/15	WTR	Water Billing	WATER	02 \$15,229.17	\$0.00	\$0.00		
	<input type="checkbox"/> llsam				<del>\$15,229.17</del> \$0.00	\$0.00	\$0.00	\$0.00	\$15,229.17
12/21/15	12/21/15	PAY	Payment	WATER	02 (\$15,229.17)	\$0.00	\$0.00		
	<input type="checkbox"/> llsam				0 \$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total For Selection					\$0.00	\$0.00	\$0.00		
					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance					\$0.00	\$0.00	\$0.00		
					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

2016

### Customer History Report

Service Type All  
R Code WTR Water Billing - Charge

Use Reading Factor ☐  
Start Balance With Zero ☐

Print Transaction in Descending Order ☐

Beginning Date 01/01/2016  
Ending Date 05/31/2016

Print Breakdown By ☐ Transaction ☐ Service ☒ Taxes ☐ Totals Only

History For Account 0019-00200-001 Water, Reid Village

Tran Date	Post Date	Code	Description	Service Desc	Service	Surcharge1	Surcharge2	Unapplied	Balance
Void	Posted By	Check#		Usage	Local Tax	State Tax	Penalty		
01/08/16	01/08/16	WTR Water Billing	WATER	02	\$14,537.54	\$0.00	\$0.00		
	llsam			5,100,890	\$0.00	\$0.00	\$0.00	\$0.00	\$14,537.54
02/09/16	02/09/16	WTR Water Billing	WATER	02	\$14,877.03	\$0.00	\$0.00		
	llsam			5,220,010	\$0.00	\$0.00	\$0.00	\$0.00	\$14,877.03
03/09/16	03/09/16	WTR Water Billing	WATER	02	\$14,787.57	\$0.00	\$0.00		
	llsam			5,188,620	\$0.00	\$0.00	\$0.00	\$0.00	\$14,787.57
04/08/16	04/08/16	WTR Water Billing	WATER	02	\$14,376.43	\$0.00	\$0.00		
	llsam			5,044,360	\$0.00	\$0.00	\$0.00	\$0.00	\$14,376.43
05/09/16	05/09/16	WTR Water Billing	WATER	02	\$14,926.22	\$0.00	\$0.00		
	llsam			5,237,270	\$0.00	\$0.00	\$0.00	\$0.00	\$14,926.22
Total For Selection					\$73,504.79	\$0.00	\$0.00	\$0.00	\$73,504.79
Ending Balance					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

5-122-000 00  
3-734-100 00  
5-677-100 00  
5-900-100 00  
6-738-500 00  
6-007-700 00  
5-511-090 00  
5-345-570 00  
5-100-010 00  
5-410-010 00  
5-100-000 00  
5-100-000 00  
67-380-620 00

67,380,620