

RECEIVED

JUN 17 2019

PUBLIC SERVICE
COMMISSION

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

June 3, 2019

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, 2019.

Sincerely,



Rachel Cartmill
Office Manager

Enclosure

RECEIVED

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

JUN 17 2019

PUBLIC SERVICE
COMMISSION

Name of Utility	Reid Village Water District	
Date	June 03, 2019	
Address	950 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.

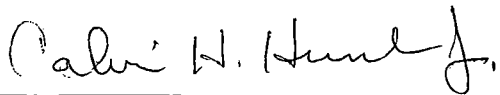
Supplier(s)	Base Rate	Changed Rate
Mt. Sterling Water	3.11	3.17

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 2018	through	April 2019
	(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	65,694,470
TOTAL PURCHASES	65,694,470
4. Total sales for the 12 month period	54,995,808
5. Increased water cost	\$3941.66
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.08 per 1000 gallons
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	July 1, 2019
	
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 24, 2019

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

Re: Wholesale Rate Increase

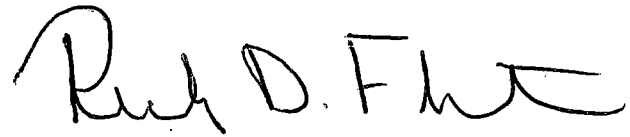
Rachael,

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. This proposed increase is based on an increase of the inflationary rate of 3.6% as indicated by the Bureau of Labor Statistics, as well as several upcoming water projects slated for the 2019/2020 fiscal year. As a result, our water and sewer board of commissioners voted to increase water rates by a factor of 2% at the regular monthly board meeting held May 20, 2019.

Our utility has petitioned the Public Service Commission (PSC), to allow this increase be passed along to our wholesale customers. A rate modification request has been filed, which includes a tariff sheet asking to increase our current wholesale water rate of \$3.11/1,000 gallons, up to \$3.17. We have requested that this increase be effective July 1, 2019. 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 affected wholesale customers to 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 notification of the proposed increase, notification to the PSC Executive Director, proposed tariff sheet, required PSC language, along with an excerpt from the Bureau of Labor Statistics web site indicating the previously referenced inflationary increase.

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

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

	<u>Current</u>		<u>Proposed</u>
First 2000 gallons	$.08 + .08 + 25.79$	Minimum Bill	25.95 (I)
Next 1000 gallons	$.08 + 8.70$	per 1000 gallons	8.78
Next 2000 gallons	$.08 + 8.11$	per 1000 gallons	8.19
Next 5000 gallons	$.08 + 7.50$	per 1000 gallons	7.58
Over 10000 gallons	$.08 + 6.88$	per 1000 gallons	6.96

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, 2018 ²⁰¹⁹
MONTH/DATE/YEAR

DATE EFFECTIVE July 1, 2018 ²⁰¹⁹
MONTH/DATE/YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

Reid Village Water District - WORKSHEET

Consumption Totals

May	2018	4625263
June	2018	5640090
July	2018	4876775
Aug	2018	4594343
Sept	2018	4553456
Oct.	2018	4348641
Nov.	2018	3833809
Dec.	2018	4149942
Jan.	2019	4410363
Feb.	2019	5827009
March	2019	3578946
April	2019	4557171

54,995,808.

$$\begin{aligned} & \div 1000 \text{ gallons} \\ & = 54,995.81 \end{aligned}$$

Gallons purchased from MSWS	65,694,470	$\div 1000$	= 65,694.47
65,694.47 x purchased at Base (Cur. 3.11)			= 204,309.81
65,694.47 x purchased at Base (New Rate 3.17)			= <u>208,251.47</u>
Difference			3941.66

$$3941.66 \div 54,995.81 = .08 \text{ \$}$$

per 1000 gallons = water adj. factor

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

SPECIAL MEETING

DATE: June 12, 2019 TIME: 5:15 pm Location: 950 Winchester Rd

Those Present: Jim Costigan, Calvin Hunt, Jr. , Rachel Cartmill

Guests: None

Rachel presented a letter from Mt. Sterling Water & Sewer stating their intentions to increase their rates.

Calvin made the motion for The District to apply for a pass thru rate increase to absorb the cost. Jim 2nd the motion. Rachel stated she would get the required documents to the Public Service Commission in order to get the procedure started.

Nothing further

Meeting adjourned at 5:30