

RECEIVED

JUN 18 2018

PUBLIC SERVICE
COMMISSION

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

June 12, 2018

Jeff Derouen
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602-0615

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, 2018.

Sincerely,



Rachel Cartmill
District Manager

Enclosure

RECEIVED

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

JUN 18 2018

PUBLIC SERVICE
COMMISSION

Name of Utility	Reid Village Water District	
Date	June 12, 2018	
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	3.02	3.11

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 2017	through	April 2018
	(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	71,904,500
TOTAL PURCHASES	71,904,500
4. Total sales for the 12 month period	56,935,551
5. Increased water cost	6471.41
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.12 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, 2018
	
Signature of Utility Officer	
Chairman of the Board	
Title	

MT. STERLING WATER & SEWER SYSTEM

Exhibit A

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

May 31, 2018

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 2.9% as indicated by the Bureau of Labor Statistics, as well as several water projects slated for the 2018/2019 fiscal year. As a result our water and sewer board of commissioners voted to increase water rates by a factor of 3% at the regular monthly board meeting held May 14, 2018.

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 \$3.02/1,000 gallons, up to \$3.11. We have requested that this increase be effective July 1, 2018, 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 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.

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

	<i>Current</i>	<i>Proposed</i>
First 2000 gallons	.12 + .12 + 25.55	Minimum Bill 25.79
Next 1000 gallons	.12 + 8.58	per 1000 gallons 8.70
Next 2000 gallons	.12 + 7.99	per 1000 gallons 8.11
Next 5000 gallons	.12 + 7.38	per 1000 gallons 7.50
Over 10000 gallons	.12 + 6.76	per 1000 gallons 6.88

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
~~August 1, 2017~~
MONTH/DATE/YEAR

DATE EFFECTIVE July 1, 2018
~~August 1, 2017~~
MONTH/DATE/YEAR

ISSUED BY Celine W. Hunt
SIGNATURE OF OFFICER

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2017-00277 DATED August 9, 2017

KENTUCKY
PUBLIC SERVICE COMMISSION

John Lyons
ACTING EXECUTIVE DIRECTOR

John S. Lyons

EFFECTIVE
8/1/2017

PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

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

Minutes

DATE: June 13, 2018 TIME: 5:15 pm Location: 950 Winchester Rd

Those Present: Calvin Hunt Jr, Shannon White, Jim Costigan, Rachel Cartmill

Guests: None

1. Rachel presented a letter from Mt. Sterling Water & Sewer stating that they have applied to the Public Service Commission for a rate increase.

Jim made the motion that we apply for a pass thru rate increase in order to absorb the cost of water. Both Shannon and Calvin agreed. Rachel will file the proper documents to the PSC.

2. Rachel presented an invoice she created to Walker Construction for the cost to repair a main line break that occurred while they were working at the airport. Calvin, Shannon and Jim reviewed the invoice and agreed that it was fair and in order and ok to mail.

Rachel stated that this was all that was on the agenda for the meeting.

Jim made the motion to adjourn. All agreed.

Meeting adjourned at 5:35

Reid Village Water District - WORKSHEET

Consumption Totals

May 2017	5130949
June 2017	4972717
July 2017	5076418
Aug. 2017	5351395
Sept 2017	4757454
Oct 2017	4653071
Nov 2017	4269848
Dec 2017	4454152
Jan 2018	5395760
Feb 2018	4153786
March 2018	3894095
April 2018	4825906
	<u>56,935,551</u>
	$\div 1000 \text{ gallons}$
	<u>= 56,935.56</u>

allons purchased from MSWS	71,904,500	$\div 1000$	= 71904.50
71904.50 x purchased at Base (Current 3.02)			= 217151.59
71904.50 x purchased at Base (New Rate 3.11)			= <u>223623.00</u>
		difference	6471.41

$$6471.41 \div 56,935.56 = .12^{\text{¢}}$$

.12¢ per 1000 gallons = water adj. factor