PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 8th day of January 2010.

CASE NO. 09-1513-PWD-30B

VALLEY FALLS PUBLIC SERVICE DISTRICT,
a public utility, Fairmont, Marion County.
Rule 30B application to increase rates to offset the
increased costs of purchased water from the City of Fairmont.

COMMISSION ORDER

On September 8, 2009, the Valley Falls Public Service District ("District") filed a request to increase its water rates and charges, pursuant to Rule 30B of the Commission Rules for the Construction and Filing of Tariffs ("Tariff Rules"), 150 C.S.R. Series 2. The District seeks a rate increase to offset an increase in the cost for purchased water provided by the City of Fairmont ("City"). The City increased its resale water rates from $2.39 per thousand gallons of metered water usage to $2.47 per thousand gallons of metered water usage, effective October 22, 2009.

Commission Staff, at the request of the District, developed amended tariff sheets, reflecting the increased cost of the purchased water.

On November 2, 2009, Staff filed a Final Joint Staff Memorandum recommending that the Commission approve a rate increase of $0.10 per thousand gallons, from $2.99 to $3.09 per thousand gallons of metered water usage, resulting in a monthly increase of 1.154%, or $0.38 the residential customers over previous rates. Staff further recommended an increase in the leak adjustment rate from $3.22 per thousand gallons to $3.27 per thousand gallons of metered water usage. Staff also noted that the District had an unaccounted-for-water loss of 26.2% and further recommended the District be required to file its plans to reduce the unaccounted-for-water to 15% or less within ninety days.

On January 4, 2010, Staff filed a Further Final Joint Staff Memorandum stating that the leak adjustment rate was increased from $3.19, not from $3.22 as was stated in the memorandum filed on November 2, 2009.

Pursuant to Tariff Rule 13.1.c, the Commission may order interim rates as soon as possible after the filing of amended tariff sheets by either the District or Staff by requiring the District to provide notice of the increased rates by publishing one time in a newspaper of general circulation in each county where the District provides service. Those rates take effect immediately, on an interim basis, subject to refund. The rule also states that if substantial protests are received, and the Commission finds upon further review that interim rates are not justified, refunds will be ordered. Staff has recommended that the Commission order interim rates, because of the facts and circumstances of this case.

DISCUSSION

The Commission concludes that the Staff proposed increase of $0.10 per thousand gallons of metered water usage accurately reflects the increased cost of water provided by the City. The Commission also concludes that the Staff proposed adjusted incremental leak adjustment rate is reasonable.

Therefore, the Commission finds it reasonable and appropriate to approve, on an interim basis, the proposed increase of $0.10 per thousand gallons of metered water usage to be added to the rates of the rates of the District to offset cost of water purchased from the City. Furthermore, the Commission finds it reasonable and appropriate to approve, on an interim basis, the Staff proposed adjusted incremental leak adjustment rate of $3.27 per thousand gallons of metered water usage. The Commission will approve the rates, attached as Attachment A, for use by the District on an interim basis for all bills rendered on and after the date of this Order. The District is required to publish a notice of the interim rates, attached as Attachment B. The interim rates approved herein will be subject to refund. If substantial protests are received in response to the publication and the Commission finds, upon further review, that the interim rates are not justified, refunds will be ordered. Following expiration of the protest period provided in the notice, and in the absence of substantial protest, the Commission may issue a further order finally adopting the interim rates if they are justified.

The Commission notes that the District is currently experiencing unaccounted-for-water loss of 26.2%, an amount that is substantially above the expectations of the Commission for a water utility. Thus, the Commission will require the District to formulate a plan to address its unaccounted-for-water loss and file that plan with the Commission within ninety days of the entry of this Order.

FINDINGS OF FACT

1. On September 8, 2009, the District filed a request to increase its water rates and charges, pursuant to Rule 30B of the Commission Tariff Rules.

2. The Staff proposed increase, on an interim basis, of $0.10 per thousand gallons of metered water usage accurately reflects the increased cost of purchased water provided by the City.

3. The Staff proposed adjusted incremental leak adjustment rate of $3.27 is reasonable.

CONCLUSIONS OF LAW

1. Rule 13.1 of the Tariff Rules permits the Commission to order interim rates, subject to refund, to take effect immediately. If substantial protests are received in response to public notice and the Commission finds upon further review that the interim rates are not justified, refunds will be ordered.

2. It is reasonable and appropriate for the Commission to approve, on an interim basis, the rates recommended by Staff.

3. It is reasonable and appropriate for the Commission to require the District to formulate a plan to reduce the unaccounted-for-water to 15% or less, and to file that plan with the Commission.

ORDER

IT IS THEREFORE ORDERED that the Staff recommended rates, attached as Attachment A, are approved for use by the Valley Falls Public Service District on an interim basis on all bills rendered on and after the date of this Order.

IT IS FURTHER ORDERED that the interim rates approved herein are subject to refund. If substantial protests are received in response to such publication and the Commission finds upon further review, that the interim rates are not justified, refunds will be ordered.

IT IS FURTHER ORDERED that the Valley Falls Public Service District shall, as soon as possible, publish the notice of filing, attached as Attachment B, as a Class I legal publication, in a newspaper published and of general circulation in the county or counties where its customers reside.

IT IS FURTHER ORDERED that the Valley Falls Public Service District file affidavits of publication evidencing publication as ordered herein, within ten days of the publication date.

IT IS FURTHER ORDERED that within thirty days of the date of this Order, the Valley Falls Public Service District shall file with the Commission an original and six copies of a revised tariff setting forth the new rates and charges.

IT IS FURTHER ORDERED that the Valley Falls Public Service District shall formulate a plan to reduce the amount of its unaccounted-for-water loss to 15% or less and file a copy of that plan in this proceeding with the Commission within ninety days after the entry of this order.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this Order on all parties of record by First Class United States Mail, and on Staff by hand delivery.

A True Copy, Teste: Sandra Squire

Sandra Squire
Executive Secretary

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VALLEY FALLS PUBLIC SERVICE DISTRICT
CASE NO. 09-1513-PWD-30B

STAFF RECOMMENDED TARIFF

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general, domestic, commercial and industrial service.

(I) RATE (customers with metered water supply)

First	3,000 gallons used per month	$8.89 per 1,000 gallons
Next	2,000 gallons used per month	$8.28 per 1,000 gallons
Next	2,000 gallons used per month	$7.76 per 1,000 gallons
Next	3,000 gallons used per month	$7.24 per 1,000 gallons
All over	10,000 gallons used per month	$5.97 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than the following amounts based on meter size:

5/8	inch meter	$ 24.63 per month
3/4	inch meter	$ 36.95 per month
1	inch meter	$ 61.58 per month
1- 1/2	inch meter	$ 123.15 per month
2	inch meter	$ 197.04 per month
3	inch meter	$ 394.08 per month
4	inch meter	$ 615.75 per month
6	inch meter	$1,231.50 per month

(I) The above minimum charges are subject to an additional $0.68 per thousand gallons surcharge.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION $25.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills, or fraudulent use of water.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of $300.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or a maximum of $25.00 will be imposed upon any customer whose check for payment is returned by their bank due to insufficient funds.

(I) LEAK ADJUSTMENT

$3.27 per M gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

(I) Indicates Increase

ATTACHMENT B

PUBLIC SERVICE COMMISSION
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a public utility, Fairmont, Marion County.
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NOTICE OF FILING

NOTICE is hereby given that Valley Falls Public Service District ("District"), a public utility, has filed an application with the Public Service Commission of West Virginia, to increase its rates and charges for furnishing water service to 1,580 residential and commercial customers in Marion County. The District does not have any resale customers.

Commission Staff has reviewed the application of the District and recommended that the Commission approve a rate increase for the District to recover increased costs of purchased water it pays to the City of Fairmont. By Order issued January 8, 2010, the Commission approved the Staff recommended rates on an interim basis, that increased rates by $0.10 per thousand gallons of metered water usage. The Commission also approved, on an interim basis, a Staff proposed incremental leak adjustment rate of $3.27 per thousand gallons of metered water usage. The average monthly bill for the various classes of customers will be changed as follows:

Residential	$0.38	1.154%
Commercial	$0.43	1.162%

The 30B procedure is designed to provide for a change in rates and charges in order to produce additional revenue sufficient, but no more than sufficient, to offset increased cost for gas, water, sewage treatment, or electricity or for transportation of the same to utilities. Consequently, protest should be limited to the reasonableness of the cost offset and the method by which it is calculated. Anyone desiring to protest or intervene should file a written protest or notice of intervention within twenty days following the date of this publication unless otherwise modified by Commission order. Failure to timely intervene can affect your rights to protest any rate increases and to participate in future proceedings. Requests to intervene must comply with the Commission rules on intervention. All protests and interventions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, P.O. Box 812, Charleston, WV 25323.