

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT	)	CASE NO.
FILING OF OVERLAND	)	2015-00126
DEVELOPMENT INC.	)	

ORDER

On April 20, 2015, Overland Development Inc. (“Overland”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Overland purchases water from Big Sandy Water District (“Big Sandy”).
2. Big Sandy notified Overland that, effective April 30, 2015, Big Sandy’s wholesale water rate to Overland would increase from \$4.89 per 1,000 gallons to \$5.04 per 1,000 gallons.<sup>2</sup> Overland proposed to increase its water rates effective April 1, 2015, to reflect the increased cost of purchased water.
3. Overland proposed a purchased water adjustment factor of \$0.18 per 1,000 gallons.
4. During the 12 months ended January 31, 2015, Overland purchased 6,586,000 gallons of water from Big Sandy and sold 5,393,000 gallons of water. Overland’s unaccounted-for water loss exceeds 15 percent.

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<sup>1</sup> 807 KAR 5:067.

<sup>2</sup> Case No. 2015-00132, *Purchased Water Adjustment Filing of Big Sandy Water District* (Ky. PSC filed Apr. 22, 2015).

5. 807 KAR 5:0067, Section 3 (3), requires that, in instances where a privately owned water utility's unaccounted-for water loss exceeds 15 percent, the utility's actual water sales shall be divided by 85 percent to yield the maximum allowable water purchases. The maximum allowable water purchases shall then be multiplied by the supplier's base rate and the changed rate. The difference between these amounts will be the total allowable change in the utility's purchased water costs.

6. During the 12 months ended January 31, 2015, Overland's allowable gallons of water purchased are 6,344,700. The increase in Overland's cost of purchased water is \$951.71, resulting in a purchased water adjustment factor of \$0.18 per 1,000 gallons.

7. The purchased water adjustment factor of \$0.18 per 1,000 gallons, as set forth in Appendix A to this Order, is fair, just, and reasonable and should be approved.

8. The rates in Appendix B are fair, just, and reasonable and should be approved for service rendered by Overland on and after April 30, 2015.

9. Overland's proposal to place its rates into effect as of April 1, 2015, should be denied.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.18 per 1,000 gallons is approved.

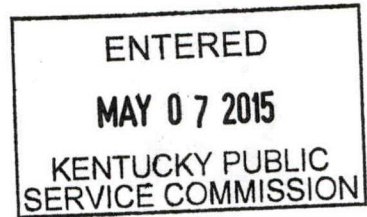
2. Overland's proposed rates are approved.

3. Overland's proposed effective date of April 1, 2015, is denied.

4. The rates in Appendix B are approved for service that Overland renders on or after April 30, 2015.

5. Within 20 days of the date of this Order, Overland shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2015-00126 DATED

**MAY 07 2015**

Calculation of allowable gallons purchased

Total gallons sold for the test period	5,393,000
Divided by .85	<u>        / .85</u>
Total allowable gallons purchased	6,344,706

	New Rate	Base Rate
Big Sandy		
Allowable Purchases in gallons	6,344,706	6,344,706
Volumetric rate	<u>\$5.04 / 1,000</u>	<u>\$4.89 / 1,000</u>
	\$ 31,977.32	\$ 31,025.61

Increased water cost                      \$951.71

Increased water cost	\$ 951.71
Divided by gallons sold / 1,000	<u>5,393,000</u>
	\$ 0.1764
Purchased water adjustment factor	\$ 0.18 per 1,000 gallons

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00126 DATED **MAY 07 2015**

The following rates and charges are prescribed for the customers in the area served by Overland Development, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### Monthly Water Rates

First	2,000 gallons	\$25.32 Minimum Bill
Next	8,000 gallons	9.93 per 1,000 gallons
Next	20,000 gallons	8.15 per 1,000 gallons
Next	20,000 gallons	7.21 per 1,000 gallons
Over	50,000 gallons	6.31 per 1,000 gallons

\*Overland Development, Inc.  
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