



Matthew G. Bevin
Governor

Charles G. Snively
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

James W. Gardner
Chairman

Daniel E. Logsdon Jr.
Vice Chairman

J. Roger Thomas
Commissioner

NEWS RELEASE

Contact:
Andrew Melnykovich
502-782-2564 or 502-564-3940
502-330-5981 (cell)
Andrew.Melnykovich@ky.gov

Big Sandy Water to Acquire Lockwood Estates Water System ***PSC approves purchase of Boyd County utility for \$100,000***

FRANKFORT, Ky. (Feb. 10, 2016) – The Kentucky Public Service Commission (PSC) has approved the sale of the privately owned Lockwood Estates water system in Boyd County to the Big Sandy Water District.

In an order issued today, the PSC took note of a Kentucky statute favoring consolidation of water systems “whenever feasible.” The PSC found that the transaction serves the public interest because it is likely to eliminate wasteful duplication, improve management, reduce costs and provide better service.

The PSC also found that Big Sandy Water District has the financial, technical and managerial abilities to provide reasonable service, as required by Kentucky law.

Big Sandy Water serves about 4,635 customers in Boyd, Carter, Johnson and Lawrence counties. Lockwood Estates, which is owned by Overland Development, has 114 customers, all in a single subdivision and buys its water from the Big Sandy Water District.

Terms of the sale require Big Sandy Water to make an initial payment of \$50,000 to Overland Development. The remaining \$50,000 will be paid in installments over the next five years. The PSC directed Big Sandy Water to establish two divisions, with Lockwood Estates retaining its former rates and terms of service.

The PSC said that questions concerning whether Big Sandy Water can recover any part of the \$100,000 purchase cost from its customers will be addressed whenever Big Sandy Water files its next request for a rate adjustment.

Today’s order and other documents in the case are available on the PSC website, psc.ky.gov. The case number is 2015-00351.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 85 employees.

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