

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF  
OVERLAND DEVELOPMENT, INC.

CASE NO.  
2014-00042

ORDER

On February 12, 2014, 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. On March 1, 2014, Big Sandy increased its wholesale water rate to Overland from \$4.80 per 1,000 gallons to \$4.85 per 1,000 gallons.<sup>2</sup> Overland proposes to increase the water rates to its customers effective March 1, 2014.
3. Overland proposes a purchased water adjustment factor of \$0.06 per 1,000 gallons.
4. During the 12 months ended November 30, 2013, Overland purchased 6,191,700 gallons of water from Big Sandy and sold 5,137,000 gallons of water. Overland's unaccounted-for water loss exceeds 15 percent.
5. 807 KAR 5:067, Section 3 (2), requires that, in instances where a privately owned water utility's unaccounted-for water loss exceeds 15 percent, the utility's actual

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup> TFS No. 2013-00808 (Ky. PSC Filed Dec. 17, 2013); Letter from Dennis Brent Kirtley, Tariff Branch Manager, Public Service Commission, to Teresa Brown, Big Sandy Water District (Jan. 10, 2014).

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 November 30, 2013, Overland's allowable gallons purchased are 6,043,529 gallons of water. The increase in Overland's cost of purchased water is \$302.18, resulting in a purchased water adjustment factor of \$0.06 per 1,000 gallons.

7. The purchased water adjustment factor of \$0.06 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

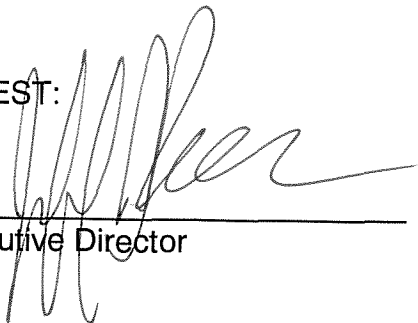
8. Overland's proposed rates, as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved for water service rendered on and after March 1, 2014.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.06 per 1,000 gallons is approved.
2. Overland's proposed rates are approved for water service rendered on and after March 1, 2014.
3. 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

ENTERED  
MAR 06 2014  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00042 DATED **MAR 06 2014**

Calculation of allowable gallons purchased

Total gallons sold for the test period	5,137,000
Divided by .85	<u>      / .85</u>
Total allowable gallons purchased	6,043,529

	New Rate	Base Rate
Big Sandy		
Allowable Purchases in gallons	6,043,529	6,043,529
Volumetric rate	<u>\$4.85 / 1,000</u>	<u>\$4.80 / 1,000</u>
	\$ 29,311.12	\$ 29,008.94

Increased water cost                      \$302.18

Increased water cost	\$ 302.18
Divided by gallons sold / 1,000	<u>5,137,000</u>
	\$ 0.0588

Purchased water adjustment factor        \$0.06 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00042 DATED **MAR 06 2014**

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	\$24.86	Minimum Bill
Next	8,000 Gallons	9.70	per 1,000 Gallons
Next	20,000 Gallons	7.92	per 1,000 Gallons
Next	20,000 Gallons	6.98	per 1,000 Gallons
Over	50,000 Gallons	6.08	per 1,000 Gallons

James C Taylor  
Secretary-Treasurer  
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