COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)CASE NO.OF OVERLAND DEVELOPMENT, INC.)2002-00399

<u>ORDER</u>

On November 5, 2002, Overland Development, Inc. (Overland) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. 807 KAR 5:067.

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 with its November 30, 2002 billing its wholesale water rate would increase from \$0.74 per 1,000 gallons to \$0.84 per 1,000 gallons. Overland proposes to increase the water rates to its customers effective with the date of this Order.

3. During the 12 months ending September 30, 2002, Overland purchased 6,685,000 gallons of water and sold 5,891,000 gallons. The increase in the cost of purchased water is \$668.53, resulting in a purchased water adjustment of \$0.11 per 1,000 gallons.

4. The purchased water adjustment of \$0.11 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed rates by Overland are accepted.

2. The purchased water adjustment of \$0.11 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after January 1, 2003.

3. Within 20 days of the date of this Order, Overland shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 3rd day of December, 2002.

By the Commission

ATTEST:

Deputy Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00399 DATED December 3, 2002

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.

5/8 Inch Meter

First 2,000 gallons Next 8,000 gallons Next 20,000 gallons Next 20,000 gallons Over 50,000 gallons \$16.26 Minimum bill 5.83 per 1,000 gallons 4.33 per 1,000 gallons 3.54 per 1,000 gallons 2.78 per 1,000 gallons