

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF ) CASE NO.  
OVERLAND DEVELOPMENT INC. ) 2013-00233

ORDER

On June 19, 2013, Overland Development Incorporated ("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 May 16, 2013, Big Sandy increased its volumetric wholesale rate to Overland from \$4.39 per 1,000 gallons to \$4.42 per 1,000 gallons.<sup>2</sup>
3. To recover the increase cost of purchased water, Overland proposes to adjust its rates for water service effective August 1, 2013.
4. Overland proposes a purchased water adjustment factor of \$0.04 per 1,000 gallons.
5. During the 12 months ended May 31, 2013, Overland purchased 6,345,800 gallons of water from Big Sandy and sold 5,379,000 gallons. Overland's unaccounted-for water loss exceeds 15 percent. 807 KAR 5:067, Section 2(3), limits recovery of purchased water costs related to unaccounted-for water loss to 15 percent of total sales.

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

<sup>2</sup> Case No. 2013-00161, Application of Big Sandy Water District for Purchase Water Adjustment (Ky. PSC May 22, 2013).

6. During the 12 months ended May 31, 2013, Overland's allowable gallons purchased is 6,328,235 gallons of water and its total water sales is 5,379,000 gallons. The increase in the cost of purchased water is \$189.85, resulting in a purchased water adjustment factor of \$0.04 per 1,000 gallons.

7. The purchased water adjustment factor of \$0.04 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

8. As Overland misapplied the purchased adjustment factor to the last step of the current rates, its proposed rates should be denied.

9. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for service rendered on and after August 1, 2013.

IT IS THEREFORE ORDERED that:

1. Overland's proposed rates are denied.
2. The purchased water adjustment factor of \$0.04 per 1,000 gallons is approved.
3. The rates in Appendix B are approved for service rendered on or after August 1, 2013.
4. 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

ENTERED  
JUL 30 2013  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

Case No. 2013-00233

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2013-00233 DATED **JUL 30 2013**

Calculation of allowable gallons purchased

|  |                     |
|--|---------------------|
| Total gallons sold for the test period | 5,379,000           |
| Divided by .85                         | <u>        /.85</u> |
| Total allowable gallons purchased      | 6,328,235           |

|                                | New Rate             | Base Rate           |
|--------------------------------|----------------------|---------------------|
| Big Sandy                      |                      |                     |
| Allowable Purchases in gallons | 6,328,235            | 6,328,235           |
| Volumetric rate                | <u>\$4.42 /1,000</u> | <u>\$4.39/1,000</u> |
|                                | \$ 27,970.80         | \$ 27,780.95        |

Increased water cost                   \$ 189.85

|                                 |                  |
|---------------------------------|------------------|
| Increased water cost            | \$ 189.85        |
| Divided by gallons sold / 1,000 | <u>5,379,000</u> |
|                                 | \$ 0.0353        |

Purchased water adjustment factor                   \$0.04 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2013-00233 DATED **JUL 30 2013**

The following rates and charges are prescribed for the customers in the area served by Overland Development Incorporated. 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  | \$23.84 | Minimum Bill      |
| Next  | 8,000 Gallons  | 9.19    | Per 1,000 Gallons |
| Next  | 20,000 Gallons | 7.41    | Per 1,000 Gallons |
| Next  | 20,000 Gallons | 6.47    | Per 1,000 Gallons |
| Over  | 50,000 Gallons | 5.57    | Per 1,000 Gallons |

James C Taylor  
Secretary-Treasurer  
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