

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTH MANCHESTER)	
WATER ASSOCIATION FOR APPROVAL OF)	CASE NO. 2008-00025
INCREASED RATES FOR WATER SERVICE)	

ORDER

On January 17, 2008, North Manchester Water Association (“North Manchester”) applied for Commission approval of its proposed water rates. North Manchester proposed to increase its annual revenue from water rates by \$131,990, an increase of 19.2 percent over normalized water sales revenues of \$685,433. This proposal would increase the monthly water bill for 5,000 gallons of usage from \$25.55 to \$30.59, an increase of 19.7 percent.

By Order dated February 22, 2008, the Commission issued a Staff Report containing Commission Staff’s findings and recommendations regarding the proposed rate adjustment. In its report, Staff recommended that North Manchester’s proposed rates be accepted. In its Order, the Commission directed all parties to file any written comments regarding the Staff Report or requests for a hearing or informal conference within 10 days. If no request for hearing was received within that period, the Commission further ordered, the case would stand submitted for decision.

On February 25, 2008, the Commission received a petition from North Manchester customers objecting to the proposed rate increase as unfair. None of these customers requested intervention in this proceeding or provided specific objections to the application or to the findings and recommendations set forth in the Staff Report.

The Attorney General, by and through his Office of Rate Intervention, intervened in this matter to represent consumers' interests. The Attorney General did not file comments or requests for a hearing or informal conference.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$817,063.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by North Manchester on and after the date of this Order.

3. Within 30 days of the date of this Order, North Manchester shall file with the Commission revised tariff sheets setting out the rates approved herein.

4. Three years from the date of this Order, North Manchester shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service.

Done at Frankfort, Kentucky, this 14th day of March, 2008.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00025 DATED MARCH 14, 2008

The following rates and charges are prescribed for the customers in the area served by North Manchester Water Association. 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

5/8" x 3/4" Meter

First	2,000 gallons	\$ 15.80 minimum bill
Over	2,000 gallons	4.93 per 1,000 gallons

1" Meter

First	5,000 gallons	\$ 30.59 minimum bill
Over	5,000 gallons	4.93 per 1,000 gallons

2" Meter

First	15,000 gallons	\$ 79.89 minimum bill
Over	15,000 gallons	4.93 per 1,000 gallons

3" Meter

First	30,000 gallons	\$153.84 minimum bill
Over	30,000 gallons	4.93 per 1,000 gallons