COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTH MANCHESTER)
WATER ASSOCIATION FOR APPROVAL OF A) CASE NO. 2011-0044
PROPOSED INCREASE IN RATES FOR WATER)
SERVICE)

ORDER

North Manchester Water Association ("North Manchester") has applied for an adjustment of its rates for service. Finding that further proceedings are necessary to determine the reasonableness of the proposed rates and that a procedural schedule should be established to ensure the orderly review of North Manchester's application, the Commission HEREBY ORDERS that:

- 1. This proceeding is established to review the reasonableness of North Manchester's proposed rates.¹
- 2. No later than February 15, 2012, Commission Staff shall file with the Commission and serve upon all parties of record a written report containing its findings and recommendations regarding North Manchester's requested rate adjustment.
- 3. The parties shall file with the Commission their written comments on and any objections to the findings and recommendations contained in the Commission Staff

We find that no action is necessary to suspend North Manchester's proposed rates for general water service. No revision to an existing rate schedule may be made unless in compliance with KRS 278.180. That statute provides that the notice of any revision in a rate must state plainly the time when the changed rates will go into effect. As North Manchester has not stated an effective date for its proposed general service rates, it has not yet complied with KRS 278.180 and its proposed rates for general water service cannot take effect.

Report no later than February 29, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier. Any party may file with such submission any additional evidence for the Commission's consideration.

- 4. A party's failure to file written objections to a finding or recommendation contained in the Commission Staff Report by February 29, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier, shall be deemed as agreement with that finding or recommendation.
- 5. No later than February 29, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier, each party shall notify the Commission in writing whether this matter may be submitted for decision based upon the existing record without hearing.
- 6. Unless all parties request that this matter be submitted for decision upon the existing record, an informal conference shall be held in this matter on March 15, 2012 at 1:30 p.m., Eastern Standard Time, at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.
- 7. Unless all parties request that this matter be submitted for decision upon the existing record, a formal hearing in this matter shall be held in the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky at a date and time to be announced in a subsequent Order.
- 8. Each party shall file with the Commission, no later than March 26, 2012, a list of the persons it intends to call as witnesses at the scheduled hearing and a summary of each witness's testimony.

- 9. North Manchester Water Association shall publish notice of the scheduled hearing in accordance with 807 KAR 5:011, Section 8(5), no more than 21 days and no less than seven days before the day of the scheduled hearing.
- 10. Pursuant to KRS 278.360, the record on the formal hearing in this matter shall be by videotape.
- 11. Commission Staff shall make a written exhibit list and shall file this list with the Commission with all exhibits and a copy of the video transcript of the hearing.

By the Commission

ENTERED

DEC 22 2011

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:

Executive Director

Clint Harris 21 Bankers Alley Manchester, KENTUCKY 40962

Jimmy Mathis Vice President North Manchester Water Association, Inc. 7362 N. Highway 421 Manchester, KY 40962