



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

Clint Harris
21 Bankers Alley
Manchester, KY 40962

February 4, 2008

RE: Case No. 2008-00025

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/rs
Enclosure



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

James C. Westerfield
North Manchester Water Association, Inc.
7362 N. Highway 421
Manchester, KY 40962

February 4, 2008

RE: Case No. 2008-00025

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/rs
Enclosure

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

North Manchester Water District ("North Manchester") has applied to the Commission for authority to increase its rates for water service. In its filing, North Manchester requested permission to deviate from certain filing requirements of Administrative Regulation 807 KAR 5:001, Section 10.

Administrative Regulation 807 KAR 5:001, Section 10(6)(k), requires the submission of an independent auditor's annual opinion report, along with any written communication from the auditor indicating the existence of material weakness in internal controls. In support of its request for permission to deviate from this regulation, North Manchester states that annual audits are not routinely performed.

North Manchester also requested permission to deviate from Administrative Regulation 807 KAR 5:001, Section 10(6)(r), which requires the submission of monthly managerial reports that provide financial results for the 12 months in the test period. In support of its deviation request, North Manchester states that it does not produce monthly managerial reports on a routine basis and that additional expenses would be incurred to produce them at this time.

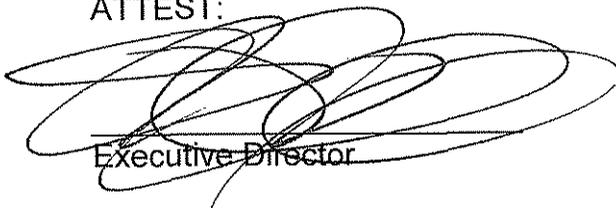
Administrative Regulation 807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its regulations for good cause shown. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the information contained in North Manchester's application is sufficient for our review of the application and that requiring the submission of an independent auditor's report and monthly reports in this instance would result in additional expense without any corresponding benefit to North Manchester, its customers, or the Commission.

Finding that good cause exists, the Commission HEREBY ORDERS that North Manchester's request for permission to deviate from the filing requirements of Administrative Regulation 807 KAR 5:001, Section 10(6)(k) and 10(6)(r), is granted.

Done at Frankfort, Kentucky, this 4th day of February, 2008.

By the Commission

ATTEST:



Executive Director

Case No. 2008-00025