

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO	)	
EXCESSIVE WATER LOSS BY KENTUCKY'S	)	CASE NO.
JURISDICTIONAL WATER UTILITIES	)	2019-00041

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**RESPONSE TO COMMISSION STAFF'S REQUEST FOR INFORMATION TO  
NORTH MANCHESTER WATER ASSOCIATION (NMWA)**

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Comes NMWA, by and through its legal counsel, and for its responses states:

1. Explain the process North Manchester Water Association will use for construction project funding, including the following:

a. The roles of the board of directors and manager in conceiving, prioritizing, and approving potential projects.

**Answer:** The board and manager receives requests and petitions for new service and then they give to their engineer to develop feasibility and potential costs. After the determination of cost and feasibility, the board will then prioritize and approve or disapprove based upon these factors.

b. The roles of the board of directors and manager in developing and approving the funding application.

**Answer:** The board of directors and manager develop a potential project and then work with their engineer to determine the potential cost and funding potential. Once the engineer determines the project cost and potential funding, the board and manager then determines if the project is economically feasible.

c. The role of the engineer or engineering firm in assisting in development of funding applications, including the development of rates and whether or not the engineering firm will

assist the securing project funding. If the firm does assist with securing funding, please explain its role.

**Answer:** Our engineering firm develops the potential project cost and potential funding; they also prepare potential rate increases necessary for new and or additional debt service to be incurred. They also prepare and develop all funding applications.

d. When rates are set to allow repayment of the project loan, will an allowance for depreciation be included? If not, explain why not and whether the utility's rate filing with the Commission will present inclusion of depreciation as an option.

**Answer:** Yes.

e. Does North Manchester know whether potential lender entities will lend funds for line replacements?

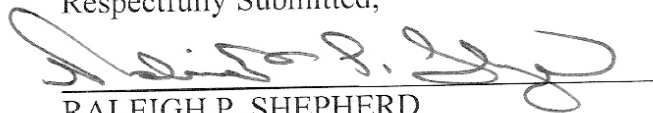
**Answer:** Preliminary discussions with potential funding agencies have been favorable for grant and loan possibilities.

2. Refer to the Commission's Second Request for Information, Item 7a. Provide the length in miles of North Manchester's transmission and distribution system that is missing from Exhibit E.

**Answer:** 117.75 miles. See **Exhibit 1** attached hereto.

ALL on this 22<sup>nd</sup> day of July, 2019.

Respectfully Submitted,



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ATTORNEY FOR NMWA

VERIFICATION

Jerry Rice, being duly sworn upon his oath deposes and states:

I am the Distribution Manager of NMWA and have read the responses to Commission Staff's Request for Information to NMWA served upon NMWA by the Public Service Commission; and the foregoing answers and responses to same are true and accurate according to the best of my knowledge, information and belief.

  
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JERRY RICE

COMMONWEALTH OF KENTUCKY,

COUNTY OF CLAY,

SUBSCRIBED, sworn to and acknowledged before me by JERRY RICE on this 22<sup>nd</sup> day of July, 2019.

  
\_\_\_\_\_  
NOTARY PUBLIC, STATE AT LARGE  
ID#584571

My Commission Expires: 09/13/2021.

## ***DISTRIBUTION SYSTEM***

The North Manchester water Association provides potable water to approximately 1,927 active Customers as of June 2017, through approximately 117.75 miles of asbestos/cement (A/C) and PVC distribution pipeline. The system utilizes four ground tanks for water storage and maintains adequate pressure (60- 130 psi) throughout the distribution system with the use of one booster pump station. Current, as-built maps of the distribution system, depicting line location, line size, and the location of all valves and flushing hydrants, are maintained at the NMWA office.

## ***DISTRIBUTION LINES***

The system currently maintains approximately 117.75 miles of pipeline. The chart below provides a breakdown of pipe types and sizes utilized in the distribution system:

Size	Length in Feet	Length in Miles	Type
2"	16,826.95	3.75	PVC - SDR 21
3"	135,935.27	26	PVC - SDR 21
4"	162,973.94	31	PVC - SDR 21 AC - SDR 21
6"	277,977.16	43	AC - SDR 21
8"	75,685.83	14	PVC - SDR 21 AC - SDR 21
10"	3,960	0.75	PVC - SDR 21

**EXHIBIT**

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