

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTH MANCHESTER)
WATER ASSOCIATION FOR APPROVAL OF) CASE NO. 2010-00118
INCREASED RATES FOR WATER SERVICE)

ORDER

On March 15, 2010, North Manchester Water Association (“North Manchester”) filed its Application for an increase in its general rates of \$62,329, an increase of 7.3 percent over adjusted test-period revenues of \$852,870. In its Application, North Manchester proposed an effective date of May 1, 2010 for its increased rates and requested a deviation from certain filing requirements of 807 KAR 5:001, Section 10.

Commission Staff performed a limited financial review of North Manchester’s test-period operations for the calendar year ending December 31, 2008. The Commission, by its Order of April 29, 2010, suspended the proposed rate increase for a five-month period ending September 30, 2010 and granted the requested deviation from certain filing requirements of 807 KAR 5:001, Section 10. By the Order of April 29, 2010, a report was issued containing Commission Staff’s findings and recommendations regarding North Manchester’s pro forma operations and proposed rates.

In its report, Staff adopted North Manchester’s pro forma adjustments to test-period operations and found that the proposed revenue requirement of \$915,199 will allow North Manchester to pay its adjusted operating expenses, meet its debt service

obligations, and provide for future equity growth. Staff further found that North Manchester's proposed rate will generate the annual revenue requirement of \$914,363 and recommended its approval.

All parties were directed to file written comments upon Staff's findings and recommendations or to request a conference or hearing no later than May 13, 2010. As of this date, no parties have submitted comments or objections or requested a hearing.

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 and are reasonable.

2. The water rates contained in Appendix D of the Staff Report and in North Manchester's Application will produce gross annual revenues as found reasonable herein.

IT IS THEREFORE ORDERED that:

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

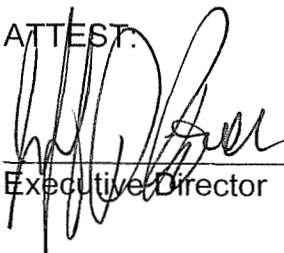
2. The water rates contained in North Manchester's Application and set forth in the attached Appendix are approved for service rendered by North Manchester on and after the date of this Order and will produce gross annual revenues as found reasonable herein.

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

By the Commission

ENTERED
JUN 15 2010 *M*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00118 DATED JUN 15 2010

The following rates 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	\$	18.45 minimum bill
All Over	2,000 gallons	\$	4.95 per 1,000 gallons

1" Meter

First	5,000 gallons	\$	33.30 minimum bill
All Over	5,000 gallons	\$	4.95 per 1,000 gallons

2" Meter

First	15,000 gallons	\$	82.80 minimum bill
All Over	15,000 gallons	\$	4.95 per 1,000 gallons

3" Meter

First	30,000 gallons	\$	157.05 minimum bill
All Over	30,000 gallons	\$	4.95 per 1,000 gallons

Jim Mathis
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