

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTH	)	CASE NO.
MANCHESTER WATER ASSOCIATION, INC. FOR	)	2023-00183
AN ALTERNATIVE RATE ADJUSTMENT	)	

ORDER

This matter arises from North Manchester Water Association, Inc.'s (North Manchester Water) application for an adjustment to its water rates pursuant to 807 KAR 5:076. North Manchester Water's application was deemed filed as of July 6, 2023.<sup>1</sup> On July 31, 2023, the Commission issued an Order establishing a procedural schedule.<sup>2</sup>

Thereafter, on January 11, 2024, Commission Staff filed with the Commission and served upon all parties of record its written report (Commission Staff's Report) containing its findings and recommendations regarding North Manchester Water's requested water rate adjustments.<sup>3</sup> North Manchester Water subsequently filed a response to Staff Report and notice of implementation of rates on January 24, 2024.<sup>4</sup> In its response to Staff Report and notice of implementation of rates, North Manchester Water stated its intent to

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<sup>1</sup> North Manchester Water tendered its application on June 1, 2023. By letter dated June 12, 2023, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on July 6, 2023.

<sup>2</sup> Order (Ky. PSC July 31, 2023).

<sup>3</sup> Commission Staff's Report (Ky. PSC Jan. 11, 2024).

<sup>4</sup> North Manchester Water's Response to Staff Report and Notice of Implementation of Rates (filed Jan. 24, 2024).

place the rates proposed in Commission Staff's Report into effect for services rendered during the month of February 2024.<sup>5</sup>

Commission regulation 807 KAR 5:076, Section 7, governs the effective dates of rates proposed in alternative rate adjustment proceedings such as this one. Specifically, 807 KAR 5:076, Section 7(1), prohibits an applicant from placing its proposed rates into effect until the Commission has issued an order approving those rates or six months from the date of filings of its application, whichever occurs first.<sup>6</sup> Further, 807 KAR 5:076, Section 7(2), states that if the Commission has not issued its order within six months from the date of filing of the application, the applicant may place its proposed rates in effect subject to refund upon providing the Commission with written notice of its intent to place the rates into effect.<sup>7</sup>

With its January 24, 2024 filing, North Manchester Water purported to provide the Commission notice pursuant to 807 KAR 5:076, Section 7, of its intent to place proposed rates into effect, subject to refund, by stating that for its meter readings taken in January 2024, customers would be billed using the existing rates, and for its meter readings taken in February 2024, customers would be billed using the rates recommended by Commission Staff.

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<sup>5</sup> North Manchester Water's Response to Staff Report and Notice of Implementation of Rates (filed Jan. 24, 2024) at 1, paragraph 3.

<sup>6</sup> 807 KAR 5:076, Section 7(1).

<sup>7</sup> 807 KAR 5:076, Section 7(2); see also KRS 278.190(2) ("If the proceeding has not been concluded and an order made at the expiration of five (5) months, or six (6) months, as appropriate, the utility may place the proposed change of rate, charge, classification, or service in effect at the end of that period after notifying the commission, in writing, of its intention so to do.").

While the Commission understands why North Manchester Water would seek to place rates into effect consistent with the rates proposed in Commission Staff's Report, doing so is inconsistent with 807 KAR 5:076, Section 7(2), which allows a utility to place its proposed rates into effect, subject to refund, upon providing the Commission with written notice of its intent to place the rates into effect, if the Commission has not issued its order within six months from the date of filing of the application. The rates proposed in Commission Staff's Report are not the rates proposed by the utility in its application nor the rates for which the utility provided public notice and customer notice. Thus, the Commission finds that North Manchester Water's written notice of its intent to place the rates into effect is deficient pursuant to 807 KAR 5:076, Section 7, such that North Manchester Water has not satisfied the condition precedent necessary for it to place its proposed rates into effect subject to refund.

While the Commission intends to issue a final Order in this matter on or before May 6, 2024, the Commission notes that North Manchester Water may provide additional notice to satisfy 807 KAR 5:076, Section 7, and then place the rates proposed in its application into effect, subject to refund, prior to entry of the final Order. If North Manchester Water provides such notice and places its proposed rates into effect subject to refund, the Commission finds that North Manchester Water should be required to maintain its records in such a manner that will allow the Commission, and any customer, to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of the case.

IT IS THEREFORE ORDERED that:

1. North Manchester Water has failed to satisfy the condition precedent required to place its proposed rates into effect subject to 807 KAR 5:076, Section 7.

2. If North Manchester Water provides notice to the Commission of its intent to place its proposed rates into effect pending the final resolution of this matter pursuant to 807 KAR 5:076, Section 7, North Manchester Water shall maintain its records in such manner as will allow the Commission, or any customer, to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of this matter.

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PUBLIC SERVICE COMMISSION

*Hunt Cole*  
Chairman

*AK*  
Vice Chairman

*Mary Pat Ragan*  
Commissioner

ENTERED  
JAN 31 2024 rcs  
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SERVICE COMMISSION

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