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COMMONWEALTH OF KENTUCKY

AUG 17 2015

BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

In the Matter of:

WESTERN MASON COUNTY WATER)
DISTRICT COMMISSIONERS PAM)
CARPENTER, SECRETARY; JERRY FIELDS,)
TREASURER; LARRY REDDEN,)
CHAIRMAN; AND MANAGER DAVID)
FRENCH)
_____) **CASE NO. 2015-00155**
))
ALLEGED FAILURE TO COMPLY WITH)
KRS 278.300)

MOTION OF WESTERN MASON COUNTY WATER DISTRICT TO INTERVENE

Pursuant to 807 KAR 5:001, Section 4(11), Western Mason County Water District ("Western Mason District"), by counsel, moves to intervene in the above-styled proceeding. In support of its motion, Western Mason District states:

1. Western Mason District's mailing address is: 2573 Mary Ingles Highway, Dover, Kentucky 41034.
2. Western Mason District is a water district organized pursuant to KRS Chapter 74. It provides water service to portions of Bracken and Mason Counties, Kentucky.
3. Western Mason District is a utility and is subject to the provisions of KRS Chapter 278.
4. On or about December 1, 2014, Western Mason District submitted to the Commission an application for a rate adjustment pursuant to 807 KAR 5:076. The Commission

subsequently docketed this application as Case No. 2014-00421¹ and directed its Staff to prepare a report on this application.

5. On March 24, 2015, Commission Staff issued a report in which it alleged that Western Mason District had entered into a loan agreement with the Bank of Maysville without obtaining Commission approval “as required by KRS 278.300.”²

6. On March 30, 2014, Western Mason District, through its General Manager, advised the Commission that it “has agreed to accept the rate increase as reported in the staff report packet.” Western Mason District did not specifically admit or otherwise agreed to any allegation regarding a failure to comply with KRS 278.300.

7. On May 15, 2015, the Commission issued an Order in Case No. 2014-00421 in which it stated: “Western Mason acknowledged that it did not seek or receive approval from the Commission to enter in the evidence of indebtedness as required by KRS 278.300. Western Mason had also entered into at least three other evidences of indebtedness, none of which are still outstanding, without seeking approval from the Commission.”

8. On June 9, 2015, the Commission issued an Order in this proceeding in which it found that “a prima facie case has been made that in violation of KRS 278.300, Western Mason District obtained an \$86,374 loan for a term of ten years from the Bank of Maysville without obtaining an Order from the Commission authorizing Western Mason District to issue the indebtedness.”

9. Despite its finding that Western Mason District had violated KRS 278.300, the Commission did not order that Western Mason District be made as a party to the proceeding, but

¹ Case No. 2014-00421, *Alternative Rate Adjustment Filing of Western Mason County Water District* (Ky. PSC filed Dec. 1, 2014).

² Staff Report on Western Mason County Water District at 19 (Mar. 24, 2015) (filed in Case No. 2014-00421, *Alternative Rate Adjustment Filing of Western Mason County Water District* (Ky. PSC filed Dec. 1, 2014)).

instead ordered Western Mason District's General Manager and members of its Board of Commissioners, **in their individual capacities and not as representatives of Western Mason District**, to show cause why each should not be penalized for aiding and abetting a willful violation of KRS 278.300.

10. Any Commission finding that Western Mason District has willfully violated KRS 278.300 will subject Western Mason District to the possible imposition of civil penalties.³

11. To the extent that the Commission assesses a civil penalty against any Respondent for any action taken in his or her official capacity in the performance of their official duties, Western Mason District may be required to indemnify that Respondent.

12. Western Mason District has a significant interest in the subject matter of this proceeding that is not otherwise represented.

13. Western Mason District's participation in this proceeding will not unduly disrupt or complicate these proceeding.

WHEREFORE, Western Mason District moves that the Commission issue an Order permitting it to intervene and participate in this matter.

Dated: August 17, 2015

Respectfully submitted,



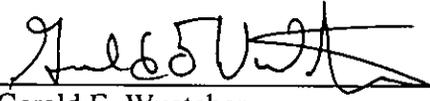
Gerald E. Wuetcher
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507-1801
gerald.wuetcher@skofirm.com
Telephone: (859) 231-3000
Fax: (859) 259-3517

Counsel for Western Mason County Water District

³ See KRS 278.990(1).

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that a true and accurate copy of this Motion to Intervene has been served by electronic mail upon Molly Blake Katen, Esq., Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602-0615; and by U.S. Mail, postage prepaid, to Larry Redden, Jerry Fields, Pam Carpenter, and David French, 2573 Mary Ingles Highway, Dover, KY 41034 this 17th day of August, 2015.



Gerald E. Wuetcher