

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)	
WATER SERVICE RATES OF ASHLAND)	CASE NO.
MUNICIPAL WATER SYSTEM)	2018-00415

ORDER

On November 28, 2018, Ashland Municipal Water System (Ashland) filed with the Commission revised tariff sheets setting forth proposed adjustments to its existing rates for wholesale water service to Cannonsburg Water District (Cannonsburg District) and Big Sandy Water District (Big Sandy District) effective January 1, 2019.

On December 13, 2018, Cannonsburg District, through counsel, submitted a letter requesting the Commission to open a formal proceeding to investigate the reasonableness of the proposed rate, establish a procedural schedule, and ensure that the proposed rate is not placed into effect before the Commission conducts a hearing.¹ Cannonsburg District also requested that, if the Commission grants this request, the Commission consolidate the proceeding with any other formal proceedings opened to

¹ While Cannonsburg District also asserts that KRS 278.200 requires the Commission to hold a hearing before Ashland can adjust its wholesale rate, KRS 278.200 provides only for a hearing “in the manner prescribed in this [KRS 278] chapter.” Pursuant to KRS 278.190(1), “[t]he commission may, upon its own motion, or upon complaint . . . hold a hearing concerning the reasonableness of the new rates.” Thus, a hearing is not required. The filing of a revised tariff by a municipal utility “requires an opportunity for a hearing by the Commission before the proposed revision can become effective” Case No. 2011-00419, *Proposed Revision of Rules Regarding the Provision of Wholesale Water Service by the City of Versailles to Northeast Woodford Water District* (Ky. PSC Aug. 12, 2014) Order at 11.

review the proposed wholesale rate adjustment and that the Commission direct the use of electronic filing procedures for the formal proceeding.

On December 13, 2018, Big Sandy District, through its Chairman, submitted a letter requesting that the Commission open a formal proceeding to investigate the reasonableness of the proposed rate and permit Big Sandy to be a party to the formal proceeding.

Having considered the proposed rate adjustments and being otherwise sufficiently advised, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed rates and that such an investigation cannot be completed by January 1, 2019. Pursuant to KRS 278.190(2), the Commission will, therefore, suspend the effective date of the proposed rates for five months, up to and including May 31, 2019.

The Commission further finds that Cannonsburg District and Big Sandy District are likely to present issues or to develop facts that will assist the Commission in fully considering this matter and should be made parties to this proceeding.

The Commission finds that Ashland, within ten days of the date of this Order, should have its counsel enter an appearance into this proceeding that contains the name, address, telephone number, fax number, and electronic mail address of counsel. We find that the Commission may, per 807 KAR 5:001, Section 8, order the use of electronic filing procedures. With its counsel's entry of appearance, Ashland should indicate its position on the use of electronic filing procedures and whether it has any objection to their use in this proceeding.

The Commission also finds that Big Sandy District, within ten days of the date of this Order, should have its counsel enter an appearance into this proceeding that contains the name, address, telephone number, fax number, and electronic mail address of counsel. With its counsel's entry of appearance, Big Sandy District should indicate its position on the use of electronic filing procedures and whether it has any objection to their use in this proceeding.

The Commission will defer a decision on whether to order the use of electronic filing procedures until after Ashland and Big Sandy District state their positions on their use. We will establish a procedural schedule by subsequent Order.

All other requests for intervention should be filed by January 10, 2019. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceedings which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Further, KRS 278.040(2) requires that a person seeking intervention must have an interest in the rates or service of a utility, as those are the only matters that are subject to the Commission's jurisdiction.

Based on the foregoing, the Commission further finds that any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not adequately represented or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of water consumed by the movant or a general statement regarding the potential

impact of a possible modification of rates will not be deemed sufficient to establish a special interest.

IT IS THEREFORE ORDERED that:

1. Ashland's proposed rates for wholesale service are suspended for five months from January 1, 2019, to May 31, 2019.
2. Cannonsburg District and Big Sandy District are made parties to this case.
3. Ashland, by counsel, shall enter an appearance in this proceeding within ten days of the date of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel. Further, Ashland, with its entry of appearance, shall state its position on the use of electronic filing procedures and whether it has any objection to their use in this proceeding.
4. Big Sandy District, by counsel, shall enter an appearance in this proceeding within ten days of the date of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel. Further, Big Sandy District, with its entry of appearance, shall state its position on the use of electronic filing procedures and whether it has any objection to their use in this proceeding.
5. Requests for intervention shall be filed no later than January 10, 2019. Any party who submits a motion to intervene after January 10, 2019, and upon a showing of good cause is granted full intervention, shall accept and abide by the existing procedural schedule, if any.

By the Commission

ENTERED
DEC 18 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

For [Signature]

Executive Director

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