

1 ENERGY AND ENVIRONMENT CABINET

2 Public Service Commission

3 (Amendment)

4 807 KAR 5:001. Rules of procedure.

5 RELATES TO: KRS 61.870-884, 65.810, Chapter 74, 278.010, 278.020(3),
6 278.100, 278.180, 278.300, 322.340, 365.015, 369.102, 424.300, 47 C.F.R. 36

7 STATUTORY AUTHORITY: KRS 278.040(3), 278.260(2), 278.310

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.040(3) authorizes the
9 commission to promulgate reasonable administrative regulations to implement the
10 provisions of KRS Chapter 278. KRS 278.310 requires that all hearings and
11 investigations before the commission shall be governed by rules promulgated by the
12 commission. This administrative regulation establishes requirements with respect to
13 formal and informal proceedings before the commission.

14 Section 1. Definitions. (1) "Affiliate" means an entity:

15 (a) That is wholly owned by a utility;

16 (b) In which a utility has a controlling interest;

17 (c) That wholly owns a utility;

18 (d) That has a controlling interest in a utility; or

19 (e) That is under common control with the utility.

20 (2) "Case" means a matter coming formally before the commission.

21 (3) "Commission" is defined by KRS 278.010(15).

1 (4) "Controlling interest in" and "under common control with" mean a utility or
2 other entity if the utility or entity:

3 (a) Directly or indirectly has the power to direct, or to cause the direction of, the
4 management or policies of another entity; and

5 (b) Exercises that power:

6 1. Through one (1) or more intermediary companies, or alone;

7 2. In conjunction with, or pursuant to an agreement;

8 3. Through ownership of ten (10) percent or more of the voting securities;

9 4. Through common directors, officers, stockholders, voting or holding trusts,
10 associated companies;

11 5. By contract; or

12 6. Through direct or indirect means.

13 (5) "Electronic mail" means an electronic message that is sent to an electronic
14 mail address and transmitted between two (2) or more telecommunication devices,
15 computers, or electronic devices capable of receiving electronic messages.

16 (6) "Electronic mail address" means a destination, commonly expressed as a
17 string of characters, to which electronic mail can be sent or delivered, and consists of a
18 user name or mailbox and a reference to an Internet domain.

19 (7) "Electronic signature" is defined by KRS 369.102(8).

20 (8) "Executive director" means the person appointed to the position established
21 in KRS 278.100 or a person that he or she has designated to perform a duty or duties
22 assigned to that position.

1 (9) "Paper" means, regardless of the medium on which it is recorded, an
2 application, petition, or other initiating document, motion, complaint, answer, response,
3 reply, notice, request for information, or other document that this administrative
4 regulation or the commission directs or permits a party to file in a case.

5 (10) "Party" means a person who:

6 (a) Initiates action through the filing of a formal complaint, application, or petition;

7 (b) Files a tariff or tariff sheet with the commission pursuant to KRS 278.180 and
8 807 KAR 5:011 that the commission has suspended and established a case to
9 investigate or review;

10 (c) Is named as a defendant in a formal complaint filed pursuant to Section 20 of
11 this administrative regulation;

12 (d) Is granted leave to intervene pursuant to Section 4(11) of this administrative
13 regulation; or

14 (e) Is joined to a commission proceeding.

15 (11) "Person" is defined by KRS 278.010(2).

16 (12)~~["Sewage utility" means a utility that meets the requirements of KRS~~
17 ~~278.010(3)(f).~~

18 ~~(13)~~ "Signature" means a manual, facsimile, conformed, or electronic signatures.

19 ~~(13)~~~~(14)~~ "Tariff" means the schedules of a utility's rates, charges, regulations,
20 rules, tolls, terms, and conditions of service over which the commission has jurisdiction.

21 ~~(14)~~~~(15)~~ "Utility" is defined by KRS 278.010(3).

22 ~~(15)~~~~(16)~~ "Water district" means a special district formed pursuant to KRS 65.810
23 and Chapter 74.

1 ~~(16)~~~~(17)~~ "Web site" means an identifiable site on the internet, including social
2 media, which is accessible to the public.

3 Section 2. Hearings. The commission shall provide notice of hearing in a case by
4 order except if a hearing is not concluded on the designated day and the presiding
5 officer verbally announces the date for continuation of the hearing. A verbal
6 announcement made by the presiding officer shall be deemed proper notice of the
7 continued hearing.

8 Section 3. Duties of Executive Director. (1) Upon request, the executive
9 director shall:

10 (a) Advise as to the form of a paper desired to be filed;

11 (b) Provide general information regarding the commission's procedures and
12 practices; and

13 (c) Make available from the commission's files, upon request, a document or
14 record pertinent to a matter before the commission unless KRS 61.878 expressly
15 exempts the document or record from inspection or release.

16 (2) The executive director shall reject for filing a document that on its face does
17 not comply with 807 KAR Chapter 5.

18 Section 4. General Matters Pertaining to All Cases. (1) Address of the
19 commission. All communications shall be addressed to: Public Service Commission,
20 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

21 (2) Case numbers and styles. Each case shall receive a number and a style
22 descriptive of the subject matter. The number and style shall be placed on each
23 subsequent paper filed in the case.

1 (3) Signing of papers.

2 (a) A paper shall be signed by the submitting party or attorney and shall include
3 the name, address, telephone number, facsimile number, and electronic mail address, if
4 any, of the attorney of record or submitting party.

5 (b) A paper shall be verified or under oath if required by statute, administrative
6 regulation, or order of the commission.

7 (4) A person shall not file a paper on behalf of another person, or otherwise
8 represent another person, unless the person is an attorney licensed to practice law in
9 Kentucky or an attorney who has complied with SCR 3.030(2). An attorney who is not
10 licensed to practice law in Kentucky shall present evidence of his or her compliance with
11 SCR 3.030(2) if appearing before the commission.

12 (5) Amendments. Upon motion of a party and for good cause shown, the
13 commission shall allow a complaint, application, answer, or other paper to be amended
14 or corrected or an omission supplied. Unless the commission orders otherwise, the
15 amendment shall not relate back to the date of the original paper.

16 (6) Witnesses and subpoenas.

17 (a) Upon the written request of a party to a proceeding or commission staff,
18 subpoenas requiring the attendance of witnesses for the purpose of taking testimony
19 may be signed and issued by a member of the commission.

20 (b) Subpoenas for the production of books, accounts, documents, or records
21 (unless directed to issue by the commission on its own authority) may be issued by the
22 commission or a commissioner, upon written request, stating as nearly as possible the
23 books, accounts, documents, or records desired to be produced.

1 (c) A party shall submit a completed subpoena form with its written request as
2 necessary.

3 (d) Every subpoena shall be served, in the manner prescribed by subsection (8)
4 of this section, on a person whose information is being requested.

5 (e) Copies of all documents received in response to a subpoena shall be filed
6 with the commission and furnished to all other parties to the case, except on motion and
7 for good cause shown. Any other tangible evidence received in response to the
8 subpoena shall be made available for inspection by the commission and all other parties
9 to the action.

10 (7) Computation of time.

11 (a) In computing a period of time prescribed or allowed by order of the
12 commission or by 807 KAR Chapter 5 or KRS Chapter 74 or 278, the day of the act,
13 event, or default after which the designated period of time begins to run shall not be
14 included.

15 (b) The last day of the period so computed shall be included, unless it is a
16 Saturday, a Sunday, a legal holiday, or other day commission offices are legally closed,
17 in which event the period shall run until the end of the next day that is not a Saturday, a
18 Sunday, a legal holiday, or other day commission offices are legally closed.

19 (8) Service.

20 (a) Unless the commission orders service upon a party and the party's attorney,
21 service shall be made upon the party's attorney if the party is represented by an
22 attorney.

23 (b) Service upon an attorney or upon a party shall be made by:

1 1. Delivering a copy to the attorney or party; or

2 2. ~~[Mailing a copy by United States mail or other recognized mail carrier to the~~
3 ~~attorney or party at the last known address; or~~

4 3.] Sending a copy by electronic means to the electronic mail address listed on
5 papers that the attorney or party has submitted in the case. A paper that is served via
6 electronic means shall comply with Section 8(4) of this administrative regulation and
7 shall include the sending of an electronic mail message that contains an electronic
8 version of the commission order or a hyperlink that enables the recipient to access,
9 view, and download an electronic copy of the commission order from the commission's
10 Web site.

11 (c) If good cause exists to excuse the party from receiving a copy by electronic
12 means, service of papers on the party shall be made by mailing a copy by United States
13 mail or other recognized mail carrier to the attorney or party at the last known address.

14 (d) Service shall be complete upon mailing or electronic transmission. If a serving
15 party learns that the mailing or electronic transmission did not reach the person to be
16 served, the serving party shall take reasonable steps to immediately re-serve the party
17 to be served, unless service is refused, in which case the serving party shall not be
18 required to take additional action.

19 (9) Filing.

20 (a) Unless electronic filing procedures established in Section 8 of this
21 administrative regulation are used, a paper shall not be deemed filed with the
22 commission until it is physically received by the executive director at the commission's

1 offices during the commission's official business hours and the paper meets all
2 applicable requirements of KRS Chapter 278 and KAR Title 807.

3 (b) The executive director shall endorse upon each paper or document accepted
4 for filing the date of its filing. The endorsement shall constitute the filing of the paper or
5 document.

6 (10) Privacy protection for filings.

7 (a) If a party files a paper containing personal information, the party shall encrypt
8 or redact the paper so that personal information cannot be read. Personal information
9 includes an individual's first name or first initial and last name; personal mark; or unique
10 biometric or genetic print or image, in combination with one (1) or more of the following
11 data elements~~[an individual's Social Security number, taxpayer identification number,~~
12 ~~birth date, or a financial account number, the party shall redact the document so the~~
13 ~~following information cannot be read]:~~

- 14 1. The digits of a~~[the]~~ Social Security number or taxpayer identification number;
- 15 2. The month and date~~[day]~~ of an individual's birth;~~[and]~~
- 16 3. The digits of an~~[the financial]~~ account number, credit card number, or debit
17 card number that, in combination with any required security code, access code, or
18 password, would permit access to an account;
- 19 4. A driver's license number, state identification card number, or other individual
20 identification number issued by any agency;
- 21 5. A passport number or other identification number issued by the United States
22 government; or

1 6. Individually identifiable health information as defined in 45 C.F.R. sec.
2 160.103, except for education records covered by the Family Educational Rights and
3 Privacy Act, as amended, 20 U.S.C. sec 1232g.

4 (b) To redact the paper, the filing party shall replace the identifiers with neutral
5 placeholders or cover the identifiers with an indelible mark, that so obscures the
6 identifiers that they cannot be read.

7 (c) Each party shall~~[The executive director shall not]~~ be required to review a
8 paper~~[papers]~~ for compliance with this section. The responsibility to redact a
9 paper~~[document]~~ shall rest with the party that files the paper~~[document]~~.

10 (11) Intervention and parties.

11 (a) A person who wishes to become a party to a case before the commission
12 may, by timely motion, request leave to intervene. The motion shall include the
13 movant's full name, mailing address and electronic mail address and shall state his or
14 her interest in the case and how intervention is likely to present issues or develop facts
15 that will assist the commission in fully considering the matter without unduly
16 complicating or disrupting the proceedings. The motion may include a request by
17 movant for delivery of commission orders by United States mail and shall state how
18 good cause exists for that means of delivery to movant.

19 (b) The commission shall grant a person leave to intervene if the commission
20 finds that he or she has made a timely motion for intervention and that he or she has a
21 special interest in the case that is not otherwise adequately represented or that his or
22 her intervention is likely to present issues or to develop facts that assist the commission
23 in fully considering the matter without unduly complicating or disrupting the proceedings.

1 (c) Unless electronic filing procedures established in Section 8 of this
2 administrative regulation are used in the case, a party shall serve a person granted
3 leave to intervene with all papers that the party submits in the case after the order
4 granting intervention, but is not required to provide any papers submitted prior to the
5 issuance of that order unless the commission otherwise orders.

6 (d) Unless the commission finds good cause to order otherwise, a person
7 granted leave to intervene in a case shall, as a condition of his or her intervention, be
8 subject to the procedural schedule in existence in that case when the order granting the
9 person's intervention is issued.

10 (e) A person who the commission has not granted leave to intervene in a case
11 may file written comments regarding the subject matter of the case. These comments
12 shall be filed in the case record. A person filing written comments shall not be deemed a
13 party to the proceeding and need not be named as a party to an appeal.

14 (12) Requests for information.

15 (a) If permitted by administrative regulation or by order of the commission, a
16 party may in accordance with this section request information from another party to the
17 case. The requesting party shall serve its request upon the party from which it seeks the
18 requested information and shall also file its request with the commission.

19 (b) Commission staff, through the commission's executive director, may request
20 information from any party to a case on the commission's behalf.

21 (c) Unless otherwise established in administrative regulation, the commission
22 shall establish by order in a case the time for parties to issue and to respond to requests
23 for information.

1 (d) Responses to requests for information.

2 1. Responses to requests for information shall be appropriately bound, tabbed,
3 and indexed.

4 2. Each response shall:

5 a. Include the name of the witness responsible for responding to the questions
6 related to the information provided; and

7 b. Be answered under oath or, for representatives of a public or private
8 corporation, a partnership, an association, or a governmental agency, be accompanied
9 by a signed certification of the preparer or person supervising the preparation of the
10 response on behalf of the person that the response is true and accurate to the best of
11 that person's knowledge, information, and belief formed after a reasonable inquiry.

12 3. If the requested information has previously been provided in the case, a
13 responding party may, in lieu of providing the requested information, provide a
14 reference to the specific location of the requested information in the case record.

15 4. A responding party shall make timely amendment to its prior response if it
16 obtains information which indicates that the response was incorrect when made or,
17 though correct when made, is subsequently incorrect in any material respect.

18 5. If a party served with a request for information fails or refuses to furnish all or
19 part of the requested information, the party shall provide a written explanation of the
20 specific grounds for its failure to completely and precisely respond.

21 6. The responding party shall file with the commission the party's response to a
22 request for information and shall serve it upon all parties to a case.

1 (e) A party shall compel compliance with the party's request for information by
2 motion to the commission, which shall include:

- 3 1. A description of the information requested;
- 4 2. The reasons why it is relevant to the issues in the case; and
- 5 3. The efforts taken to resolve any disagreement over the production of the
6 requested information.

7 (13) Each report, specification, drawing, and plan that a professional engineer or
8 professional land surveyor prepared and that is filed with the commission shall contain
9 the seal or stamp and signature of that professional engineer or land surveyor in
10 accordance with KRS 322.340.

11 (14) Consolidation of cases.

12 (a) The commission may order two (2) or more proceedings involving a similar
13 question of law or fact to be consolidated where rights of the parties or the public
14 interest will not be prejudiced.

15 (b) Upon ordering the consolidation of cases, the commission shall specify into
16 which case the other case shall be consolidated.

17 (c) All papers received after the order of consolidation has been issued shall be
18 filed in the record of the designated case.

19 (d) Papers filed prior to the order of consolidation shall remain in their respective
20 case files.

21 Section 5. Motion Practice. (1) All requests for relief that are not required to be
22 made in an application, petition, or written request shall be by motion. A motion shall
23 state precisely the relief requested.

1 (2) Unless the commission orders otherwise, a party to a case shall file a
2 response to a motion no later than seven (7) days from the date of filing of a motion.

3 (3) Unless the commission orders otherwise, a party shall file a reply no later
4 than five (5) days of the filing of the most recent response to the party's motion. The
5 reply shall be confined to points raised in the responses to which they are addressed,
6 and shall not reiterate an argument already presented.

7 Section 6. Proof of Service. (1) Except as provided in Section 8 of this
8 administrative regulation, all papers filed in a case shall contain proof of the date and
9 manner of service of the papers on all parties.

10 (2) Proof shall be made by certificate of the filer's attorney, by affidavit of the
11 person who served the papers, or by a comparable proof.

12 (3) The certificate or affidavit shall identify by name the person served and the
13 date and method of service.

14 (4) Proof of electronic service shall state the electronic notification address of the
15 person served.

16 Section 7. Filing Procedures. (1) Unless the commission orders otherwise or the
17 electronic filing procedures established in Section 8 of this administrative regulation are
18 used, if a paper is filed with the commission, an original unbound and ten (10) additional
19 copies in paper medium shall be filed.

20 (2) Each paper filed with the commission shall conform to the requirements
21 established in this subsection.

22 (a) Form. Each filing shall be printed or typewritten, double spaced, and on one
23 (1) side of the page only.

1 (b) Size. Each filing shall be on eight and one-half (8 1/2) inches by eleven (11)
2 inches paper.

3 (c) Font. Each filing shall be in type no smaller than twelve (12) point, except
4 footnotes, which may be in type no smaller than ten (10) point.

5 (3) Except as provided for in Section 8 of this administrative regulation, a filing
6 made with the commission outside its business hours shall be considered as filed on the
7 commission's next business day.

8 (4) A paper submitted by facsimile transmission shall not be accepted.

9 Section 8. Electronic Filing Procedures. (1) Upon an applicant's timely election of
10 the use of electronic filing procedures or upon order of the commission in a case that
11 the commission has initiated on its own motion, the procedures established in this
12 section shall be used in lieu of other filing procedures established in this administrative
13 regulation.

14 (2) At least seven (7) days prior to the submission of its application, an applicant
15 shall:

16 (a) File with the commission written notice of its election to use electronic filing
17 procedures using the Notice of Election of Use of Electronic Filing Procedures form; and

18 (b) If it does not have an account for electronic filing with the commission,
19 register for an account at <http://psc.ky.gov/Account/Register>.

20 (3) All papers shall be filed with the commission by uploading an electronic
21 version using the commission's E-Filing System at <http://psc.ky.gov>. In addition, the
22 filing party shall file one (1) copy in paper medium with the commission as required by
23 subsection (12)(a)2. of this section.

1 (4)(a) Audio or video files.

2 1. A file containing audio material shall be submitted in MP3 format.

3 2. A file containing video material shall be submitted in MPEG-4 format.

4 (b) Except as established in paragraph (a) of this subsection, each file in an
5 electronic submission shall be:

6 1. In portable document format;

7 2. Search-capable;

8 3. Optimized for viewing over the Internet;

9 4. Bookmarked to distinguish sections of the paper, except that documents filed
10 in response to requests for information need not be individually bookmarked; and

11 5. If scanned material, scanned at a resolution of 300 dots per inch.

12 (c) If, pursuant to Section 4(12) of this administrative regulation, a party is
13 requested to provide information in the form of an electronic spreadsheet, the file
14 containing the spreadsheet shall be submitted in an Excel spreadsheet format.

15 (5)(a) Each electronic submission shall include an introductory file in portable
16 document format that is named "Read1st" and that contains:

17 1. A general description of the filing;

18 2. A list of all material to be filed in paper or physical medium but not included in
19 the electronic submission; and

20 3. A statement that the materials in the electronic submission are a true
21 representation of the materials in paper medium.

22 (b) The "Read1st" file and any other material that normally contains a signature
23 shall contain a signature in the electronically submitted document.

1 (c) The electronic version of the cover letter accompanying the paper medium
2 filing may be substituted for a general description.

3 (6)(a) An uploading session shall not exceed twenty (20) files or 100 megabytes.

4 (b) An individual file shall not exceed thirty (30) megabytes.

5 (c) If a submission exceeds the limitations established in paragraph (a) or (b) of
6 this subsection, the filer shall make electronic submission in two (2) or more
7 consecutive uploading sessions.

8 (7) If filing a paper with the commission, the filing party shall certify that:

9 (a) The electronic version of the paper is a true and accurate copy of each paper
10 filed in paper medium;

11 (b) The electronic version of the paper has been submitted to the commission;
12 and

13 (c) A copy of the paper in paper medium has been mailed to all parties that the
14 commission has excused from electronic filing procedures.

15 (8)(a) Upon completion of an uploading session, the commission shall notify all
16 parties of record by electronic mail that an electronic submission has been made.

17 (b) Upon a party's receipt of this notification, each party shall be solely
18 responsible for accessing the commission's Web site at <http://psc.ky.gov> to view or
19 download the submission.

20 (9) Unless a party objects to the use of electronic filing procedures in the party's
21 motion for intervention, it shall:

22 (a) Be deemed to have consented to the use of electronic filing procedures and
23 the service of all papers, including orders of the commission, by electronic means; and

1 (b) File with the commission within seven (7) days of the date of an order of the
2 commission granting the party's intervention a written statement that[:

3 ~~1. The party waives any right to service of commission orders by United States~~
4 ~~mail; and~~

5 ~~2.] the party, or the party's authorized agent, possesses the facilities to receive~~
6 ~~electronic transmissions.~~

7 (10) In cases in which the commission has ordered the use of electronic filing
8 procedures on its own motion, unless a party files with the commission an objection to
9 the use of electronic filing procedures within seven (7) days of issuance of the order
10 directing the use of electronic filing procedures, the party shall:

11 (a) Be deemed to have consented to the use of electronic filing procedures and
12 the service of all papers, including orders of the commission, by electronic means; and

13 (b) File with the commission within seven (7) days of the date of an order
14 directing the use of electronic filing procedures a written statement that[:

15 ~~1. The party waives any right to service of commission orders by United States~~
16 ~~mail; and~~

17 ~~2.] the party, or the party's authorized agent, possesses the facilities to receive~~
18 ~~electronic transmissions.~~

19 (11) If a party objects to the use of electronic filing procedures and good cause
20 exists to excuse the party from the use of electronic filing procedures, service of papers
21 on and by it shall be made by mailing a copy by United States mail or other recognized
22 mail carrier to the attorney or party at the last known address~~[in accordance with~~
23 ~~Section 4(8) of this administrative regulation].~~

1 (12)(a) A paper shall be considered timely filed with the commission if:

2 1. It has been successfully transmitted in electronic medium to the commission
3 within the time allowed for filing and meets all other requirements established in this
4 administrative regulation and any order of the commission; and

5 2. The paper, in paper medium, is filed at the commission's offices no later than
6 the second business day following the successful electronic transmission.

7 (b) Each party shall attach to the top of the paper medium submission a copy in
8 paper medium of the electronic notification from the commission confirming receipt of its
9 electronic submission.

10 (13) Except as expressly provided in this section, a party making a filing in
11 accordance with the procedures established in this section shall not be required to
12 comply with Section 4(8) of this administrative regulation.

13 Section 9. Hearings and Rehearings. (1) Unless a hearing is not required by
14 statute, is waived by the parties in the case, or is found by the commission to be
15 unnecessary for protection of substantial rights or not in the public interest, the
16 commission shall conduct a hearing if:

17 (a) An order to satisfy or answer a complaint has been made and the person
18 complained of has not satisfied the complaint to the commission's satisfaction; or

19 (b) A request for hearing has been made.

20 (2) Publication of notice.

21 (a) Upon the filing of an application, the commission may order an applicant to
22 give notice on all persons who may be affected by serving a copy of the application
23 upon those persons or by publishing notice of the filing. The applicant shall bear the

1 expense of providing the notice. If the notice is provided by publication, the commission
2 may designate the contents of the notice, the number of times and the time period in
3 which the notice shall be published, and the newspaper in which the notice shall be
4 published.

5 (b)1. The commission may order an applicant to give notice to the public of any
6 hearing on the applicant's application, and shall order an applicant for a general
7 adjustment of rates or reduction or discontinuance of service to give notice of any
8 hearing on its application.

9 2. If notice of a hearing is published by the applicant in a newspaper, it shall be
10 published at least one (1) time not less than seven (7) nor more than twenty-one (21)
11 days prior to the hearing in a newspaper of general circulation in the areas that will be
12 affected.

13 3. Notice by mail shall be mailed not less than fourteen (14) days nor more than
14 twenty-one (21) days prior to the hearing.

15 4. Notice of hearing shall state the purpose, time, place, and date of hearing.

16 5. The applicant shall bear the expense of providing the notice.

17 6. Proof of publication shall be filed at or before the hearing.

18 (3) Investigation on commission's own motion. The commission may, on its own
19 motion, conduct investigations and order hearings into any act or thing done or omitted
20 to be done by a utility, which the commission believes is in violation of an order of the
21 commission or KRS Chapters 74 or 278 or 807 KAR Chapter 5. The commission may
22 also, through its own experts or employees, or otherwise, obtain evidence the

1 commission finds necessary or desirable in a formal proceeding in addition to the
2 evidence presented by the parties.

3 (4) Conferences with commission staff. The commission, on its own motion,
4 through its executive director or upon a motion of a party, may convene a conference in
5 a case for the purpose of considering the possibility of settlement, the simplification or
6 clarification of issues, or any other matter that may aid in the handling and disposition of
7 the case. Unless the commission directs otherwise or the parties otherwise agree,
8 participation in conferences with commission staff shall be limited to parties of the
9 subject proceeding and their representatives.

10 (5) Conduct of hearings. Hearings shall be conducted before the commission or a
11 commissioner or before a person designated by the commission to conduct a specific
12 hearing.

13 (6) Stipulation of facts. By a stipulation in writing filed with the commission, the
14 parties to a case may agree among themselves or with commission staff upon the facts
15 or any portion of the facts involved in the controversy, which stipulation shall be
16 regarded and used as evidence at the hearing.

17 (7) Testimony. All testimony given before the commission shall be given under
18 oath or affirmation.

19 (8) Objections and exceptions. A party objecting to the admission or exclusion of
20 evidence before the commission shall state the grounds for objection. Formal
21 exceptions shall not be necessary and shall not be taken to rulings on objection.

22 (9) Record of evidence.

1 (a) The commission shall cause to be made a record of all hearings. Unless the
2 commission orders otherwise, this record shall be a digital video recording.

3 1. A party to a case may, by motion made prior to the hearing, request that a
4 stenographic transcript be made by a qualified reporter.

5 2. The commission shall grant the motion.

6 3. The requesting party shall bear the cost of the stenographic transcript and
7 shall file a copy of the transcript with the commission within a reasonable time after
8 completion of the hearing.

9 (b) The executive director shall cause to be made a written exhibit list, a written
10 hearing log, and a written log listing the date and time of where each witness' testimony
11 begins and ends on the digital video recording.

12 (c) If a party introduces an exhibit that is neither a document nor a photograph,
13 the commission may direct a photograph of the exhibit be substituted for the exhibit.

14 Section 10. Briefs. Each brief shall be filed within the time fixed. A request for
15 extension of time to file a brief shall be made to the commission by written motion.

16 Section 11. Documentary Evidence. (1) If documentary evidence is offered, the
17 commission, in lieu of requiring the originals to be filed, may accept certified, or
18 otherwise authenticated, copies of the documents or portions of the same as may be
19 relevant, or may require evidence to be entered as a part of the record.

20 (2) If relevant and material matter offered in evidence by any party is embraced
21 in a book, paper, or document containing other matter not material or relevant, the party
22 shall plainly designate the matter so offered. If immaterial matter unnecessarily
23 encumbers the record, the book, paper, or document shall not be received in evidence,

1 but may be described for identification, and if properly authenticated, the relevant and
2 material matter may be read into the record, or if the commission, or commissioner
3 conducting the hearing, so directs, a true copy of the matter in proper form shall be
4 received as an exhibit, and like copies delivered by the parties offering same to
5 opposing parties, or their attorneys, appearing at the hearing, who shall be offered the
6 opportunity to examine the book, paper, or document, and to offer evidence in like
7 manner other portions thereof if found to be material and relevant.

8 (3) The sheets of each exhibit shall be numbered. If practical, the lines of each
9 sheet shall also be numbered. If the exhibit consists of two (2) or more sheets, the first
10 sheet or title page shall contain a brief statement of what the exhibit purports to show,
11 with reference by sheet and line to illustrative or typical examples contained in the
12 exhibit. Rate comparisons and other evidence shall be condensed into tables.

13 (4) Except as expressly permitted in particular instances, the commission shall
14 not receive in evidence or consider as a part of the record a book, paper, or other
15 document for consideration in connection with the proceeding after the close of the
16 testimony.

17 (5) Upon motion of a party to a proceeding, the record of a case in the
18 commission's files or any document on file with the commission may be made a part of
19 the record by "reference only."

20 (a) The case or document made a part of the record by reference only shall not
21 be physically incorporated into the record.

1 (b) Upon action in the Franklin Circuit Court, excerpts from the record of a case
2 or part of a document may be made a part of the record before the court, at the request
3 of a party.

4 Section 12. Financial Exhibit. (1) If this administrative regulation requires that a
5 financial exhibit be annexed to the application, the exhibit shall:

6 (a) For a utility that had \$5,000,000 or more in gross annual revenue in the
7 immediate past calendar year, cover operations for a twelve (12) month period, the
8 period ending not more than ninety (90) days prior to the date the application is filed; or

9 (b) For a utility that had less than \$5,000,000 in gross annual revenue in the
10 immediate past calendar year, comply with paragraph (a) of this subsection or cover
11 operations for the twelve (12) month period contained in the utility's most recent annual
12 report on file with the commission, and contain a statement that:

13 1. Material changes have not occurred since the end of that twelve (12) month
14 period; or

15 2. Identifies all material changes that have occurred since the end of that twelve
16 (12) month period.

17 (2) The exhibit shall disclose the following information in the order indicated:

18 (a) Amount and kinds of stock authorized;

19 (b) Amount and kinds of stock issued and outstanding;

20 (c) Terms of preference of preferred stock, cumulative or participating, or on
21 dividends or assets or otherwise;

22 (d) A brief description of each mortgage on property of applicant, giving date of
23 execution, name of mortgagor, name of mortgagee or trustee, amount of indebtedness

1 authorized to be secured, and the amount of indebtedness actually secured, together
2 with sinking fund provisions, if applicable;

3 (e) Amount of bonds authorized and amount issued, giving the name of the
4 public utility that issued the same, describing each class separately and giving the date
5 of issue, face value, rate of interest, date of maturity, and how secured, together with
6 amount of interest paid during the last fiscal year;

7 (f) Each note outstanding, giving date of issue, amount, date of maturity, rate of
8 interest, in whose favor, together with amount of interest paid during the last fiscal year;

9 (g) Other indebtedness, giving same by classes and describing security, if any,
10 with a brief statement of the devolution or assumption of a portion of the indebtedness
11 upon or by person or corporation if the original liability has been transferred, together
12 with amount of interest paid during the last fiscal year;

13 (h) Rate and amount of dividends paid during the five (5) previous fiscal years,
14 and the amount of capital stock on which dividends were paid each year; and

15 (i) A detailed income statement and balance sheet.

16 Section 13. Confidential Material. (1) All material on file with the commission shall
17 be available for examination by the public unless the material is confidential.

18 (2) Procedure for determining confidentiality of material submitted in a case.

19 (a) A request for confidential treatment of material shall be made by motion that:

20 1. Establishes specific grounds pursuant to KRS 61.878, upon which the
21 commission should classify that material as confidential;

22 2. States the time period in which the material should be treated as confidential
23 and the reasons for this time period; and

1 3. Includes ten (10) copies of the material in paper medium with those portions
2 obscured for which confidentiality is sought, and, in a separate sealed envelope marked
3 confidential, one (1) copy of the material in paper medium which identifies by
4 underscoring, highlighting with transparent ink, or other reasonable means only those
5 portions which unless redacted would disclose confidential material. Text pages or
6 portions thereof that do not contain confidential material shall not be included in this
7 identification. If confidential treatment is sought for an entire document, written
8 notification that the entire document is confidential may be filed with the document in
9 lieu of the required highlighting.

10 (b) The motion and one (1) copy of the material in paper medium, with only those
11 portions for which confidentiality is sought redacted, shall be served on all parties.

12 (c) The burden of proof to show that the material falls within the exclusions from
13 disclosure requirements enumerated in KRS 61.878 and to demonstrate the time period
14 for which the material should be considered as confidential shall be upon the moving
15 party.

16 (d) Unless the commission orders otherwise, a party may respond to a motion for
17 confidential treatment within seven (7) days after it is filed with the commission.

18 (e) If the case is being conducted using electronic filing procedures established in
19 Section 8 of this administrative regulation, the parties shall comply with those
20 procedures except that an unobscured copy of the material for which confidentiality is
21 sought shall not be transmitted electronically.

22 (3) Procedure for determining confidentiality of material submitted outside of a
23 case.

1 (a) A person who requests confidential treatment of material filed with the
2 commission outside of a case shall submit a written request to the executive director
3 that:

4 1. Establishes specific grounds upon which the material should be classified as
5 confidential;

6 2. States the time period in which the material should be treated as confidential
7 and the reasons for this time period; and

8 3. Includes one (1) copy of the material in paper medium with those portions
9 redacted for which confidentiality is sought, and, in a separate sealed envelope marked
10 confidential, one (1) copy of the material in paper medium which identifies by
11 underscoring, highlighting with transparent ink, or other reasonable means only those
12 portions which unless redacted would disclose confidential material. Text pages or
13 portions thereof which do not contain confidential material shall not be included in this
14 identification. If confidential treatment is sought for an entire document, written
15 notification that the entire document is confidential may be filed with the document in
16 lieu of the required highlighting.

17 (b) The burden of proof to show that the material falls within the exclusions from
18 disclosure requirements established in KRS 61.878 and to demonstrate the time period
19 for which the material should be considered as confidential shall be upon the person
20 requesting confidential treatment.

21 (c) The executive director, as official custodian of the commission's records, shall
22 determine if the material is within an exclusion established in KRS 61.878 and the time

1 period for which the material should be considered as confidential and shall advise the
2 requestor of his or her determination by letter.

3 (d) A person whose request for confidential treatment is denied, in whole or in
4 part, by the executive director may make application within twenty (20) days of the
5 executive director's decision to the commission for confidential treatment of the material
6 in accordance with the procedures established in subsection (2) of this section. The
7 commission shall establish a case and shall review the application without regard to the
8 executive director's determination and in the same manner as it would review a motion
9 for confidential treatment made pursuant to subsection (2) of this section. The
10 application shall comply with the requirements of subsection (2)(a) of this section.

11 (e) If the executive director denies a request for confidential treatment, the
12 material for which confidential treatment was sought shall not be placed in the public
13 record for twenty (20) days following his or her decision.

14 (4) Pending action by the commission on a motion for confidential treatment or by
15 its executive director on a request for confidential treatment, the material specifically
16 identified shall be accorded confidential treatment.

17 (5) If the motion for confidential treatment of material is denied, the material shall
18 not be placed in the public record for the period permitted pursuant to KRS 278.410 to
19 bring an action for review.

20 (6) Procedure for a party to request access to confidential material filed in a case.

21 (a) A party to a case before the commission shall not fail to respond to a request
22 for information by the commission, commission staff, or another party on grounds of
23 confidentiality.

1 1. A party seeking confidential treatment for its response to information requests
2 shall follow the procedures for requesting confidentiality established in this
3 administrative regulation.

4 2. A party's response to requests for information shall be served upon all parties,
5 with only those portions for which confidential treatment is sought redacted.

6 (b) If the commission grants confidential protection to the responsive material
7 and if parties have not entered into protective agreements, then a party may, by motion,
8 request access to the material on the grounds that it is essential to the party's
9 meaningful participation in the proceeding.

10 1. The motion shall include a description of efforts to enter into a protective
11 agreement and unwillingness, if applicable, to enter into a protective agreement shall be
12 fully explained.

13 2. A party may respond to the motion within seven (7) days after it is filed with the
14 commission.

15 3. The commission shall determine if the movant is entitled to the material, and
16 the manner and extent of the disclosure necessary to protect confidentiality.

17 (7) Requests for access to records pursuant to KRS 61.870 to 61.884. A time
18 period prescribed in subsection (10)(a) of this section shall not limit the right of a person
19 to request access to commission records pursuant to KRS 61.870 to 61.884. Upon a
20 request filed pursuant to KRS 61.870 to 61.884, the commission shall respond in
21 accordance with the procedure established in KRS 61.880.

22 (8) Procedure for request for access to confidential material. A person denied
23 access to records requested pursuant to KRS 61.870 to 61.884 or to material deemed

1 confidential by the commission in accordance with the procedures established in this
2 section, may obtain this information only pursuant to KRS 61.870 to 61.884 and other
3 applicable law.

4 (9) Use of confidential material. (a) A person who files any paper that contains
5 material that has previously been deemed confidential or for which a request or motion
6 for confidential treatment is pending shall submit one (1) copy of the paper with the
7 adjudged or alleged confidential material underscored or highlighted, and ten (10)
8 copies of the paper with those portions redacted; and

9 1. If the confidential status of the material has been determined previously, a
10 written notice identifying the person who originally submitted the material, the date on
11 which a determination on the materials confidentiality was made and, if applicable, the
12 case number in which the determination was made; or

13 2. If a request for confidential treatment of the material is pending, a written
14 notice identifying the person who made the request and the date on which the request
15 was submitted.

16 (b) Material deemed confidential by the commission may be addressed and
17 relied upon during a formal hearing by the procedure established in this paragraph.

18 1. The party seeking to address the confidential material shall advise the
19 commission prior to the use of the material.

20 2. A person other than commission employees not a party to a protective
21 agreement related to the confidential material shall be excluded from the hearing room
22 during testimony directly related to confidential material.

1 3. Any portion of the record directly related to the confidential material shall be
2 sealed.

3 (10) Material granted confidentiality that later becomes publicly available or
4 otherwise no longer warrants confidential treatment.

5 (a) Except as provided for in paragraphs (c) and (d) of this subsection,
6 confidential treatment shall be afforded to material for the period specified in the
7 commission's order or executive director's written decision. At the end of this period, the
8 material shall be placed in the public record without notice to the person who originally
9 requested confidential treatment. The person who sought confidential treatment for the
10 material may request that the material continue to be treated as confidential but shall
11 demonstrate that the material still falls within the exclusions from disclosure
12 requirements established in KRS 61.878.

13 (b) The person who sought confidential protection shall inform the commission in
14 writing if material granted confidentiality becomes publicly available.

15 (c) If the commission becomes aware that material granted confidentiality is
16 publicly available or otherwise no longer qualifies for confidential treatment, it shall by
17 order so advise the person who sought confidential protection, giving ten (10) days to
18 respond. If that material has been disclosed by someone other than the person who
19 requested confidential treatment, in violation of a protective agreement or commission
20 order, the information shall not be deemed or considered to be publicly available and
21 shall not be placed in the public record.

22 (d) If a request to inspect material granted confidential treatment is made during
23 the period specified in the commission's order or executive director's written decision,

1 the commission shall notify in writing the person who originally sought confidential
2 treatment for the material and direct him to demonstrate within twenty (20) days of his
3 receipt of the notice that the material still falls within the exclusions from disclosure
4 requirements established in KRS 61.878. If he is unable to make the demonstration, the
5 commission shall make the requested materials available for public inspection.
6 Otherwise, the commission shall deny the request for inspection.

7 (e) The material shall not be placed in the public record for twenty (20) days
8 following an order finding that the material no longer qualifies for confidential treatment
9 to allow the petitioner to seek a remedy afforded by law.

10 Section 14. Applications. (1) Each application shall state the full name, mailing
11 address, and electronic mail address of the applicant, and shall contain fully the facts on
12 which the application is based, with a request for the order, authorization, permission, or
13 certificate desired and a reference to the particular law requiring or providing for same.

14 (2) If a corporation, the applicant shall identify in the application the state in which
15 it is incorporated and the date of its incorporation, attest that it is currently in good
16 standing in the state in which it is incorporated, and, if it is not a Kentucky corporation,
17 state whether it is authorized to transact business in Kentucky.

18 (3) If a limited liability company, the applicant shall identify in the application the
19 state in which it is organized and the date on which it was organized, attest that it is in
20 good standing in the state in which it is organized, and, if it is not a Kentucky limited
21 liability company, state whether it is authorized to transact business in Kentucky.

22 (4) If the applicant is a limited partnership, a certified copy of its limited
23 partnership agreement and all amendments, if any, shall be annexed to the application,

1 or a written statement attesting that its partnership agreement and all amendments have
2 been filed with the commission in a prior proceeding and referencing the case number
3 of the prior proceeding.

4 Section 15. Applications for Certificates of Public Convenience and Necessity. (1)
5 Application to bid on a franchise pursuant to KRS 278.020(3).

6 (a) Upon application to the commission by the utility for a certificate of
7 convenience and necessity authorizing the applicant to bid on a franchise, license, or
8 permit offered by a governmental agency, the applicant shall submit with its application:

9 1. The information required pursuant to Section 14 of this administrative
10 regulation;

11 2. The name of the governmental agency offering the franchise;

12 3. The type of franchise offered; and

13 4. A statement showing the need and demand for service.

14 (b) If an applicant is successful in acquiring the franchise, license, or permit, the
15 applicant shall file a copy with the commission using the commission's electronic tariff
16 filing system.

17 (2) New construction or extension. Upon application for a certificate that the
18 present or future public convenience or necessity requires, or will require, the
19 construction or extension of any plant, equipment, property, or facility, the applicant, in
20 addition to complying with Section 14 of this administrative regulation, shall submit with
21 its application:

22 (a) The facts relied upon to show that the proposed construction or extension is
23 or will be required by public convenience or necessity;

1 (b) Copies of franchises or permits, if any, from the proper public authority for the
2 proposed construction or extension, if not previously filed with the commission;

3 (c) A full description of the proposed location, route, or routes of the proposed
4 construction or extension, including a description of the manner in which same will be
5 constructed, and the names of all public utilities, corporations, or persons with whom the
6 proposed construction or extension is likely to compete;

7 (d) One (1) copy in portable document format on electronic storage medium and
8 two (2) copies in paper medium of:

9 1. Maps to suitable scale showing the location or route of the proposed
10 construction or extension, as well as the location to scale of like facilities owned by
11 others located anywhere within the map area with adequate identification as to the
12 ownership of the other facilities; and

13 2. Plans and specifications and drawings of the proposed plant, equipment, and
14 facilities;

15 (e) The manner in detail in which the applicant proposes to finance the proposed
16 construction or extension; and

17 (f) An estimated annual cost of operation after the proposed facilities are placed
18 into service.

19 (3) Extensions in the ordinary course of business. A certificate of public
20 convenience and necessity shall not be required for extensions that do not create
21 wasteful duplication of plant, equipment, property, or facilities, or conflict with the
22 existing certificates or service of other utilities operating in the same area and under the
23 jurisdiction of the commission that are in the general or contiguous area in which the

1 utility renders service, and that do not involve sufficient capital outlay to materially affect
2 the existing financial condition of the utility involved, or will not result in increased
3 charges to its customers.

4 (4) Renewal applications. An application for a renewal of a certificate of
5 convenience and necessity shall be treated as an original application.

6 Section 16. Applications for General Adjustments of Existing Rates. (1) Each
7 application requesting a general adjustment of existing rates shall:

8 (a) Be supported by:

9 1. A twelve (12) month historical test period that may include adjustments for
10 known and measurable changes; or

11 2. A fully forecasted test period; and

12 (b) Include:

13 1. A statement of the reason the adjustment is required;

14 2. A certified copy of a certificate of assumed name as required by KRS 365.015
15 or a statement that a certificate is not necessary;

16 3. New or revised tariff sheets, if applicable in a format that complies with 807
17 KAR 5:011 with an effective date not less than thirty (30) days from the date the
18 application is filed;

19 4. New or revised tariff sheets, if applicable, identified in compliance with 807
20 KAR 5:011, shown either by providing:

21 a. The present and proposed tariffs in comparative form on the same sheet side
22 by side or on facing sheets side by side; or

1 b. A copy of the present tariff indicating proposed additions by italicized inserts or
2 underscoring and striking over proposed deletions; and

3 5. A statement that notice has been given in compliance with Section 17 of this
4 administrative regulation with a copy of the notice[; ~~and~~

5 ~~6. If a water district proposes to increase any current rate for service or
6 implement a new rate for service, a statement from an authorized official of the district
7 indicating the date the proposed rate increase or new rate was reported to the
8 governing body of the county in which the largest number of its customers resides and
9 the date it presented testimony, or is scheduled to present testimony, to that governing
10 body].~~

11 (2) Notice of intent. A utility with gross annual revenues greater than \$5,000,000
12 shall notify the commission in writing of its intent to file a rate application at least thirty
13 (30) days, but not more than sixty (60) days, prior to filing its application.

14 (a) The notice of intent shall state if the rate application will be supported by a
15 historical test period or a fully forecasted test period.

16 (b) Upon filing the notice of intent, an application may be made to the
17 commission for permission to use an abbreviated form of newspaper notice of proposed
18 rate increases provided the notice includes a coupon that may be used to obtain a copy
19 from the applicant of the full schedule of increases or rate changes.

20 (c) Upon filing the notice of intent with the commission, the applicant shall mail to
21 the Attorney General's Office of Rate Intervention a copy of the notice of intent or send
22 by electronic mail in a portable document format, to rateintervention@ag.ky.gov.

1 (3) Notice given pursuant to Section 17 of this administrative regulation shall
2 satisfy the requirements of 807 KAR 5:051, Section 2.

3 (4) Each application supported by a historical test period shall include the
4 following information or a statement explaining why the required information does not
5 exist and is not applicable to the utility's application:

6 (a) A complete description and quantified explanation for all proposed
7 adjustments with proper support for proposed changes in price or activity levels, if
8 applicable, and other factors that may affect the adjustment;

9 (b) If the utility has gross annual revenues greater than \$5,000,000, the written
10 testimony of each witness the utility proposes to use to support its application;

11 (c) If the utility has gross annual revenues less than \$5,000,000 the written
12 testimony of each witness the utility proposes to use to support its application or a
13 statement that the utility does not plan to submit written testimony;

14 (d) A statement estimating the effect that each new rate will have upon the
15 revenues of the utility including, at minimum, the total amount of revenues resulting from
16 the increase or decrease and the percentage of the increase or decrease;

17 (e) If the utility provides electric, gas, water, or sewer service, the effect upon the
18 average bill for each customer classification to which the proposed rate change will
19 apply;

20 (f) If the utility is an incumbent local exchange company, the effect upon the
21 average bill for each customer class for the proposed rate change in basic local service;

22 (g) A detailed analysis of customers' bills whereby revenues from the present and
23 proposed rates can be readily determined for each customer class;

1 (h) A summary of the utility's determination of its revenue requirements based on
2 return on net investment rate base, return on capitalization, interest coverage, debt
3 service coverage, or operating ratio, with supporting schedules;

4 (i) A reconciliation of the rate base and capital used to determine its revenue
5 requirements;

6 (j) A current chart of accounts if more detailed than the Uniform System of
7 Accounts prescribed by the commission;

8 (k) The independent auditor's annual opinion report, with written communication
9 from the independent auditor to the utility, if applicable, which indicates the existence of
10 a material weakness in the utility's internal controls;

11 (l) The most recent Federal Energy Regulatory Commission or Federal
12 Communication Commission audit reports;

13 (m) The most recent Federal Energy Regulatory Commission Form 1 (electric),
14 Federal Energy Regulatory Commission Form 2 (gas), or Public Service Commission
15 Form T (telephone);

16 (n) A summary of the utility's latest depreciation study with schedules by major
17 plant accounts, except that telecommunications utilities that have adopted the
18 commission's average depreciation rates shall provide a schedule that identifies the
19 current and test period depreciation rates used by major plant accounts. If the required
20 information has been filed in another commission case, a reference to that case's
21 number shall be sufficient;

22 (o) A list of all commercially available or in-house developed computer software,
23 programs, and models used in the development of the schedules and work papers

1 associated with the filing of the utility's application. This list shall include each software,
2 program, or model; what the software, program, or model was used for; identify the
3 supplier of each software, program, or model; a brief description of the software,
4 program, or model; and the specifications for the computer hardware and the operating
5 system required to run the program;

6 (p) Prospectuses of the most recent stock or bond offerings;

7 (q) Annual report to shareholders, or members, and statistical supplements
8 covering the two (2) most recent years from the utility's application filing date;

9 (r) The monthly managerial reports providing financial results of operations for
10 the twelve (12) months in the test period;

11 (s) A copy of the utility's annual report on Form 10-K as filed with the Securities
12 and Exchange Commission for the most recent two (2) years, any Form 8-K issued
13 during the past two (2) years, and any Form 10-Q issued during the past six (6) quarters
14 updated as current information becomes available;

15 (t) If the utility had amounts charged or allocated to it by an affiliate or general or
16 home office or paid monies to an affiliate or general or home office during the test
17 period or during the previous three (3) calendar years, the utility shall file:

18 1. A detailed description of the method and amounts allocated or charged to the
19 utility by the affiliate or general or home office for each charge allocation or payment;

20 2. An explanation of how the allocator for the test period was determined; and

21 3. All facts relied upon, including other regulatory approval, to demonstrate that
22 each amount charged, allocated, or paid during the test period was reasonable;

1 (u) If the utility provides gas, electric, water, or sewage utility service and has
2 annual gross revenues greater than \$5,000,000 a cost of service study based on a
3 methodology generally accepted within the industry and based on current and reliable
4 data from a single time period; and

5 (v) Incumbent local exchange carriers with fewer than 50,000 access lines shall
6 not be required to file cost of service studies, except as specifically directed by the
7 commission. Local exchange carriers with more than 50,000 access lines shall file:

8 1. A jurisdictional separations study consistent with 47 C.F.R. Part 36; and
9 2. Service specific cost studies to support the pricing of all services that generate
10 annual revenue greater than \$1,000,000 except local exchange access:

11 a. Based on current and reliable data from a single time period; and
12 b. Using generally recognized fully allocated, embedded, or incremental cost
13 principles.

14 (5) Upon good cause shown, a utility may request pro forma adjustments for
15 known and measurable changes to ensure fair, just, and reasonable rates based on the
16 historical test period. The following information shall be filed with each application
17 requesting pro forma adjustments or a statement explaining why the required
18 information does not exist and is not applicable to the utility's application:

19 (a) A detailed income statement and balance sheet reflecting the impact of all
20 proposed adjustments;

21 (b) The most recent capital construction budget containing at least the period of
22 time as proposed for any pro forma adjustment for plant additions;

1 (c) For each proposed pro forma adjustment reflecting plant additions, provide
2 the following information:

3 1. The starting date of the construction of each major component of plant;
4 2. The proposed in-service date;
5 3. The total estimated cost of construction at completion;
6 4. The amount contained in construction work in progress at the end of the test
7 period;

8 5. A schedule containing a complete description of actual plant retirements and
9 anticipated plant retirements related to the pro forma plant additions including the actual
10 or anticipated date of retirement;

11 6. The original cost and the cost of removal and salvage for each component of
12 plant to be retired during the period of the proposed pro forma adjustment for plant
13 additions;

14 7. An explanation of differences, if applicable, in the amounts contained in the
15 capital construction budget and the amounts of capital construction cost contained in
16 the pro forma adjustment period; and

17 8. The impact on depreciation expense of all proposed pro forma adjustments for
18 plant additions and retirements;

19 (d) The operating budget for each month of the period encompassing the pro
20 forma adjustments; and

21 (e) The number of customers to be added to the test period end level of
22 customers and the related revenue requirements impact for all pro forma adjustments
23 with complete details and supporting work papers.

1 (6) All applications requesting a general adjustment in rates supported by a fully
2 forecasted test period shall comply with the requirements established in this subsection.

3 (a) The financial data for the forecasted period shall be presented in the form of
4 pro forma adjustments to the base period.

5 (b) Forecasted adjustments shall be limited to the twelve (12) months
6 immediately following the suspension period.

7 (c) Capitalization and net investment rate base shall be based on a thirteen (13)
8 month average for the forecasted period.

9 (d) After an application based on a forecasted test period is filed, there shall be
10 no revisions to the forecast, except for the correction of mathematical errors, unless the
11 revisions reflect statutory or regulatory enactments that could not, with reasonable
12 diligence, have been included in the forecast on the date it was filed. There shall be no
13 revisions filed within thirty (30) days of a scheduled hearing on the rate application.

14 (e) The commission may require the utility to prepare an alternative forecast
15 based on a reasonable number of changes in the variables, assumptions, and other
16 factors used as the basis for the utility's forecast.

17 (f) The utility shall provide a reconciliation of the rate base and capital used to
18 determine its revenue requirements.

19 (7) Each application requesting a general adjustment in rates supported by a fully
20 forecasted test period shall include the following or a statement explaining why the
21 required information does not exist and is not applicable to the utility's application:

22 (a) The written testimony of each witness the utility proposes to use to support its
23 application, which shall include testimony from the utility's chief officer in charge of

1 Kentucky operations on the existing programs to achieve improvements in efficiency
2 and productivity, including an explanation of the purpose of the program;

3 (b) The utility's most recent capital construction budget containing at a minimum
4 a three (3) year forecast of construction expenditures;

5 (c) A complete description, which may be filed in written testimony form, of all
6 factors used in preparing the utility's forecast period. All econometric models, variables,
7 assumptions, escalation factors, contingency provisions, and changes in activity levels
8 shall be quantified, explained, and properly supported;

9 (d) The utility's annual and monthly budget for the twelve (12) months preceding
10 the filing date, the base period, and forecasted period;

11 (e) A statement of attestation signed by the utility's chief officer in charge of
12 Kentucky operations, which shall provide:

13 1. That the forecast is reasonable, reliable, made in good faith, and that all basic
14 assumptions used in the forecast have been identified and justified;

15 2. That the forecast contains the same assumptions and methodologies as used
16 in the forecast prepared for use by management, or an identification and explanation for
17 differences that exist, if applicable; and

18 3. That productivity and efficiency gains are included in the forecast;

19 (f) For each major construction project that constitutes five (5) percent or more of
20 the annual construction budget within the three (3) year forecast, the following
21 information shall be filed:

22 1. The date the project was started or estimated starting date;

23 2. The estimated completion date;

1 3. The total estimated cost of construction by year exclusive and inclusive of
2 allowance for funds used during construction ("AFUDC") or interest during construction
3 credit; and

4 4. The most recent available total costs incurred exclusive and inclusive of
5 AFUDC or interest during construction credit;

6 (g) For all construction projects that constitute less than five (5) percent of the
7 annual construction budget within the three (3) year forecast, the utility shall file an
8 aggregate of the information requested in paragraph (f)3 and 4 of this subsection;

9 (h) A financial forecast corresponding to each of the three (3) forecasted years
10 included in the capital construction budget. The financial forecast shall be supported by
11 the underlying assumptions made in projecting the results of operations and shall
12 include the following information:

13 1. Operating income statement (exclusive of dividends per share or earnings per
14 share);

15 2. Balance sheet;

16 3. Statement of cash flows;

17 4. Revenue requirements necessary to support the forecasted rate of return;

18 5. Load forecast including energy and demand (electric);

19 6. Access line forecast (telephone);

20 7. Mix of generation (electric);

21 8. Mix of gas supply (gas);

22 9. Employee level;

23 10. Labor cost changes;

- 1 11. Capital structure requirements;
- 2 12. Rate base;
- 3 13. Gallons of water projected to be sold (water);
- 4 14. Customer forecast (gas, water);
- 5 15. Sales volume forecasts – cubic feet (gas);
- 6 16. Toll and access forecast of number of calls and number of minutes
- 7 (telephone); and
- 8 17. A detailed explanation of other information provided, if applicable;
- 9 (i) The most recent Federal Energy Regulatory Commission or Federal
- 10 Communications Commission audit reports;
- 11 (j) The prospectuses of the most recent stock or bond offerings;
- 12 (k) The most recent Federal Energy Regulatory Commission Form 1 (electric),
- 13 Federal Energy Regulatory Commission Form 2 (gas), or Public Service Commission
- 14 Form T (telephone);
- 15 (l) The annual report to shareholders or members and the statistical supplements
- 16 covering the most recent two (2) years from the application filing date;
- 17 (m) The current chart of accounts if more detailed than the Uniform System of
- 18 Accounts chart prescribed by the commission;
- 19 (n) The latest twelve (12) months of the monthly managerial reports providing
- 20 financial results of operations in comparison to the forecast;
- 21 (o) Complete monthly budget variance reports, with narrative explanations, for
- 22 the twelve (12) months immediately prior to the base period, each month of the base
- 23 period, and any subsequent months, as they become available;

1 (p) A copy of the utility's annual report on Form 10-K as filed with the Securities
2 and Exchange Commission for the most recent two (2) years, and any Form 8-K issued
3 during the past two (2) years, and any Form 10-Q issued during the past six (6)
4 quarters;

5 (q) The independent auditor's annual opinion report, with any written
6 communication from the independent auditor to the utility that indicates the existence of
7 a material weakness in the utility's internal controls;

8 (r) The quarterly reports to the stockholders for the most recent five (5) quarters;

9 (s) The summary of the latest depreciation study with schedules itemized by
10 major plant accounts, except that telecommunications utilities that have adopted the
11 commission's average depreciation rates shall provide a schedule that identifies the
12 current and base period depreciation rates used by major plant accounts. If the required
13 information has been filed in another commission case, a reference to that case's
14 number shall be sufficient;

15 (t) A list of all commercially available or in-house developed computer software,
16 programs, and models used in the development of the schedules and work papers
17 associated with the filing of the utility's application. This list shall include each software,
18 program, or model; what the software, program, or model was used for; identify the
19 supplier of each software, program, or model; a brief description of the software,
20 program, or model; the specifications for the computer hardware and the operating
21 system required to run the program;

1 (u) If the utility had amounts charged or allocated to it by an affiliate or a general
2 or home office or paid monies to an affiliate or a general or home office during the base
3 period or during the previous three (3) calendar years, the utility shall file:

4 1. A detailed description of the method and amounts allocated or charged to the
5 utility by the affiliate or general or home office for each allocation or payment;

6 2. The method and amounts allocated during the base period and the method
7 and estimated amounts to be allocated during the forecasted test period;

8 3. An explanation of how the allocator for both the base period and the
9 forecasted test period were determined; and

10 4. All facts relied upon, including other regulatory approval, to demonstrate that
11 each amount charged, allocated, or paid during the base period is reasonable;

12 (v) If the utility provides gas, electric, sewage, or water utility service and has
13 annual gross revenues greater than \$5,000,000 in the division for which a rate
14 adjustment is sought, a cost of service study based on a methodology generally
15 accepted within the industry and based on current and reliable data from a single time
16 period; and

17 (w) Incumbent local exchange carriers with fewer than 50,000 access lines shall
18 not be required to file cost of service studies, except as specifically directed by the
19 commission. Local exchange carriers with more than 50,000 access lines shall file:

20 1. A jurisdictional separations study consistent with 47 C.F.R. Part 36; and

21 2. Service specific cost studies to support the pricing of all services that generate
22 annual revenue greater than \$1,000,000 except local exchange access:

23 a. Based on current and reliable data from a single time period; and

1 b. Using generally recognized fully allocated, embedded, or incremental cost
2 principles.

3 (8) Each application seeking a general adjustment in rates supported by a
4 forecasted test period shall include:

5 (a) A jurisdictional financial summary for both the base period and the forecasted
6 period that details how the utility derived the amount of the requested revenue increase;

7 (b) A jurisdictional rate base summary for both the base period and the
8 forecasted period with supporting schedules, which include detailed analyses of each
9 component of the rate base;

10 (c) A jurisdictional operating income summary for both the base period and the
11 forecasted period with supporting schedules, which provide breakdowns by major
12 account group and by individual account;

13 (d) A summary of jurisdictional adjustments to operating income by major
14 account with supporting schedules for individual adjustments and jurisdictional factors;

15 (e) A jurisdictional federal and state income tax summary for both the base
16 period and the forecasted period with all supporting schedules of the various
17 components of jurisdictional income taxes;

18 (f) Summary schedules for both the base period and the forecasted period (the
19 utility may also provide a summary segregating those items it proposes to recover in
20 rates) of organization membership dues; initiation fees; expenditures at country clubs;
21 charitable contributions; marketing, sales, and advertising expenditures; professional
22 service expenses; civic and political activity expenses; expenditures for employee
23 parties and outings; employee gift expenses; and rate case expenses;

1 (g) Analyses of payroll costs including schedules for wages and salaries,
2 employee benefits, payroll taxes, straight time and overtime hours, and executive
3 compensation by title;

4 (h) A computation of the gross revenue conversion factor for the forecasted
5 period;

6 (i) Comparative income statements (exclusive of dividends per share or earnings
7 per share), revenue statistics and sales statistics for the five (5) most recent calendar
8 years from the application filing date, the base period, the forecasted period, and two (2)
9 calendar years beyond the forecast period;

10 (j) A cost of capital summary for both the base period and forecasted period with
11 supporting schedules providing details on each component of the capital structure;

12 (k) Comparative financial data and earnings measures for the ten (10) most
13 recent calendar years, the base period, and the forecast period;

14 (l) A narrative description and explanation of all proposed tariff changes;

15 (m) A revenue summary for both the base period and forecasted period with
16 supporting schedules, which provide detailed billing analyses for all customer classes;
17 and

18 (n) A typical bill comparison under present and proposed rates for all customer
19 classes.

20 (9) The commission shall notify the applicant of any deficiencies in the
21 application within thirty (30) days of the application's submission. An application shall
22 not be accepted for filing until the utility has cured all noted deficiencies.

1 (10) A request for a waiver from the requirements of this section shall include the
2 specific reasons for the request. The commission shall grant the request upon good
3 cause shown by the utility. In determining if good cause has been shown, the
4 commission shall consider:

5 (a) If other information that the utility would provide if the waiver is granted is
6 sufficient to allow the commission to effectively and efficiently review the rate
7 application;

8 (b) If the information that is the subject of the waiver request is normally
9 maintained by the utility or reasonably available to it from the information that it
10 maintains; and

11 (c) The expense to the utility in providing the information that is the subject of the
12 waiver request.

13 Section 17. Notice of General Rate Adjustment. When filing an application for a
14 general rate adjustment, a utility shall provide notice as established in this section.

15 (1) Public postings.

16 (a) A utility shall post at its place of business a copy of the notice no later than
17 the date the application is submitted to the commission.

18 (b) A utility that maintains a Web site shall, within five (5) business days of the
19 date the application is submitted to the commission, post on its Web sites:

20 1. A copy of the public notice; and

21 2. A hyperlink to the location on the commission's Web site where the case
22 documents are available.

1 (c) The information required in paragraphs (a) and (b) of this subsection shall not
2 be removed until the commission issues a final decision on the application.

3 (2) Customer Notice.

4 (a) If a utility has twenty (20) or fewer customers~~[or is a sewage utility]~~, the utility
5 shall mail a written notice to each customer no later than the date on which the
6 application is submitted to the commission.

7 (b) If a utility has more than twenty (20) customers~~[and is not a sewage utility]~~, it
8 shall provide notice by:

9 1. Including notice with customer bills mailed no later than the date the
10 application is submitted to the commission;

11 2. Mailing a written notice to each customer no later than the date the application
12 is submitted to the commission;

13 3. Publishing notice once a week for three (3) consecutive weeks in a prominent
14 manner in a newspaper of general circulation in the utility's service area, the first
15 publication to be made no later than the date the application is submitted to the
16 commission; or

17 4. Publishing notice in a trade publication or newsletter delivered to all customers
18 no later than the date the application is submitted to the commission.

19 (c) A utility that provides service in more than one (1) county~~[and is not a sewage
20 utility]~~ may use a combination of the notice methods listed in paragraph (b) of this
21 subsection.

22 (3) Proof of Notice. A utility shall file with the commission no later than forty-five
23 (45) days from the date the application was initially submitted to the commission:

1 (a) If notice is mailed to its customers, an affidavit from an authorized
2 representative of the utility verifying the contents of the notice, that notice was mailed to
3 all customers, and the date of the mailing;

4 (b) If notice is published in a newspaper of general circulation in the utility's
5 service area, an affidavit from the publisher verifying the contents of the notice, that the
6 notice was published, and the dates of the notice's publication; or

7 (c) If notice is published in a trade publication or newsletter delivered to all
8 customers, an affidavit from an authorized representative of the utility verifying the
9 contents of the notice, the mailing of the trade publication or newsletter, that notice was
10 included in the publication or newsletter, and the date of mailing.

11 (4) Notice Content. Each notice issued in accordance with this section shall
12 contain:

13 (a) The proposed effective date and the date the proposed rates are expected to
14 be filed with the commission;

15 (b) The present rates and proposed rates for each customer classification to
16 which the proposed rates will apply;

17 (c) The amount of the change requested in both dollar amounts and percentage
18 change for each customer classification to which the proposed rates will apply;

19 (d) The amount of the average usage and the effect upon the average bill for
20 each customer classification to which the proposed rates will apply, except for local
21 exchange companies, which shall include the effect upon the average bill for each
22 customer classification for the proposed rate change in basic local service;

1 (e) A statement that a person may examine this application at the offices of
2 (utility name) located at (utility address);

3 (f) A statement that a person may examine this application at the commission's
4 offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday,
5 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <http://psc.ky.gov>;

6 (g) A statement that comments regarding the application may be submitted to the
7 Public Service Commission through its Web site or by mail to Public Service
8 Commission, Post Office Box 615, Frankfort, Kentucky 40602;

9 (h) A statement that the rates contained in this notice are the rates proposed by
10 (utility name) but that the Public Service Commission may order rates to be charged
11 that differ from the proposed rates contained in this notice;

12 (i) A statement that a person may submit a timely written request for intervention
13 to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602,
14 establishing the grounds for the request including the status and interest of the party;
15 and

16 (j) A statement that if the commission does not receive a written request for
17 intervention within thirty (30) days of initial publication or mailing of the notice, the
18 commission may take final action on the application.

19 (5) Abbreviated form of notice. Upon written request, the commission may grant
20 a utility permission to use an abbreviated form of published notice of the proposed
21 rates, provided the notice includes a coupon that may be used to obtain all of the
22 required information.

1 Section 18. Application for Authority to Issue Securities, Notes, Bonds, Stocks, or
2 Other Evidences of Indebtedness. (1) An application for authority to issue securities,
3 notes, bonds, stocks, or other evidences of indebtedness payable at periods of more
4 than two (2) years from the date thereof shall contain:

5 (a) The information required by Section 14 of this administrative regulation;

6 (b) A general description of the applicant's property and the field of its operation,
7 together with a statement of the original cost of the same and the cost to the applicant.
8 If it is impossible to state the original cost, the facts creating the impossibility shall be
9 stated;

10 (c) The amount and kinds of stock, if any, which the applicant desires to issue,
11 and, if preferred, the nature and extent of the preference; the amount of notes, bonds,
12 or other evidences of indebtedness, if any, which the applicant desires to issue, with
13 terms, rate of interest, and if and how to be secured;

14 (d) The use to be made of the proceeds of the issue of securities, notes, bonds,
15 stocks, or other evidence of indebtedness with a statement indicating how much is to be
16 used for the acquisition of property, the construction, completion, extension, or
17 improvement of facilities, the improvement of service, the maintenance of service, and
18 the discharge or refunding of obligations;

19 (e) The property in detail that is to be acquired, constructed, improved, or
20 extended with its cost, a detailed description of the contemplated construction,
21 completion, extension, or improvement of facilities established in a manner whereby an
22 estimate of the cost may be made, a statement of the character of the improvement of
23 service proposed, and of the reasons why the service should be maintained from its

1 capital. If a contract has been made for the acquisition of property, or for construction,
2 completion, extension, or improvement of facilities, or for the disposition of the
3 securities, notes, bonds, stocks, or other evidence of indebtedness that it proposes to
4 issue or the proceeds thereof and if a contract has been made, copies thereof shall be
5 annexed to the application;

6 (f) If it is proposed to discharge or refund obligations, a statement of the nature
7 and description of the obligations including their par value, the amount for which they
8 were actually sold, the associated expenses, and the application of the proceeds from
9 the sales. If notes are to be refunded, the application shall show the date, amount, time,
10 rate of interest, and payee of each and the purpose for which their proceeds were
11 expended; and

12 (g) If the applicant is a water district, a copy of the applicant's written notification
13 to the state local debt officer regarding the proposed issuance.

14 (2) The following exhibits shall be filed with the application:

15 (a) Financial exhibit (see Section 12 of this administrative regulation);

16 (b) Copies of trust deeds or mortgages, if applicable, unless they have already
17 been filed with the commission, in which case reference shall be made by case number
18 to the proceeding in which the trust deeds or mortgages have been filed; and

19 (c) Maps and plans of the proposed property and constructions together with
20 detailed estimates in a form that they can be reviewed by the commission's engineering
21 division. Estimates shall be arranged according to the commission-prescribed uniform
22 system of accounts for the various classes of utilities.

1 Section 19. Application for Declaratory Order. (1) The commission may, upon
2 application by a person substantially affected, issue a declaratory order with respect to
3 the jurisdiction of the commission, the applicability to a person, property, or state of
4 facts of an order or administrative regulation of the commission or provision of KRS
5 Chapter 278, or with respect to the meaning and scope of an order or administrative
6 regulation of the commission or provision of KRS Chapter 278.

7 (2) An application for declaratory order shall:

8 (a) Be in writing;

9 (b) Contain a complete, accurate, and concise statement of the facts upon which
10 the application is based;

11 (c) Fully disclose the applicant's interest;

12 (d) Identify all statutes, administrative regulations, and orders to which the
13 application relates; and

14 (e) State the applicant's proposed resolution or conclusion.

15 (3) The commission may direct that a copy of the application for a declaratory
16 order be served on a person who may be affected by the application.

17 (4) Responses, if applicable, to an application for declaratory order shall be filed
18 with the commission within twenty-one (21) days after the date on which the application
19 was filed with the commission and shall be served upon the applicant.

20 (5) A reply to a response shall be filed with the commission within fourteen (14)
21 days after service.

22 (6) Each application, response, and reply containing an allegation of fact shall be
23 supported by affidavit or shall be verified.

1 (7) The commission may dispose of an application for a declaratory order solely
2 on the basis of the written submissions filed.

3 (8) The commission may take any action necessary to ensure a complete record,
4 to include holding oral arguments on the application and requiring the production of
5 additional documents and materials, and may extend the time for the filing of a reply or
6 response under this section.

7 Section 20. Formal Complaints. (1) Contents of complaint. Each complaint shall
8 be headed "Before the Public Service Commission," shall establish the names of the
9 complainant and the defendant, and shall state:

10 (a) The full name and post office address of the complainant;

11 (b) The full name and post office address of the defendant;

12 (c) Fully, clearly, and with reasonable certainty, the act or omission, of which
13 complaint is made, with a reference, if practicable, to the law, order, or administrative
14 regulation, of which a failure to comply is alleged, and other matters, or facts, if any, as
15 necessary to acquaint the commission fully with the details of the alleged failure; and

16 (d) The relief sought.

17 (2) Signature. The complainant or his or her attorney, if applicable, shall sign the
18 complaint. A complaint by a corporation, association, or another organization with the
19 right to file a complaint, shall be signed by its attorney.

20 (3) Number of copies required. When the complainant files his or her original
21 complaint, the complainant shall also file two (2) more copies than the number of
22 persons to be served.

23 (4) Procedure on filing of complaint.

1 (a) Upon the filing of a complaint, the commission shall immediately examine the
2 complaint to ascertain if it establishes a prima facie case and conforms to this
3 administrative regulation.

4 1. If the commission finds that the complaint does not establish a prima facie
5 case or does not conform to this administrative regulation, the commission shall notify
6 the complainant and provide the complainant an opportunity to amend the complaint
7 within a specified time.

8 2. If the complaint is not amended within the time or the extension as the
9 commission, for good cause shown, shall grant, the complaint shall be dismissed.

10 (b) If the complaint, either as originally filed or as amended, establishes a prima
11 facie case and conforms to this administrative regulation, the commission shall serve an
12 order upon the person complained of, accompanied by a copy of the complaint, directed
13 to the person complained of and requiring that the matter complained of be satisfied, or
14 that the complaint be answered in writing within ten (10) days from the date of service of
15 the order, provided that the commission may require the answer to be filed within a
16 shorter or longer period.

17 (5) Satisfaction of the complaint. If the defendant desires to satisfy the complaint,
18 he or she shall submit to the commission, within the time allowed for satisfaction or
19 answer, a statement of the relief that the defendant is willing to give. Upon the
20 acceptance of this offer by the complainant and with the approval of the commission,
21 the case shall be dismissed.

1 (6) Answer to complaint. If the complainant is not satisfied with the relief offered,
2 the defendant shall file an answer to the complaint within the time specified in the order
3 or the extension as the commission, for good cause shown, shall grant.

4 (a) The answer shall contain a specific denial of the material allegations of the
5 complaint as controverted by the defendant and also a statement of any new matters
6 constituting a defense.

7 (b) If the defendant does not have information sufficient to answer an allegation
8 of the complaint, it may so state in the answer and place the denial upon that ground.

9 Section 21. Informal Complaints. (1) An informal complaint shall be made to the
10 commission's division of consumer services in a manner that specifically states the
11 complainant's concerns and identifies the utility.

12 (2) The commission's division of consumer services shall address by
13 correspondence or other means the complaint. If an informal complaint is referred to a
14 utility, the utility shall acknowledge to the commission's division of consumer services
15 referral of the complaint and shall report on its efforts to contact the complainant within
16 three (3) business days of the referral, or a lesser period as commission staff may
17 require. If commission staff requires a period less than three (3) business days for a
18 response, that period shall be reasonable under the circumstances.

19 (3) Upon resolution of the informal complaint, the utility shall notify the
20 commission's division of consumer services.

21 (4) In the event of failure to bring about satisfaction of the complaint because of
22 the inability of the parties to agree as to the facts involved, or from other causes, the
23 proceeding shall be held to be without prejudice to the complainant's right to file and

1 prosecute a formal complaint whereupon the informal proceedings shall be
2 discontinued.

3 Section 22. Deviations from Rules. In special cases, for good cause shown, the
4 commission may permit deviations from these rules.

5 Section 23. Incorporation by Reference. (1) The following material is incorporated
6 by reference:

7 (a) "FERC Form-1", Annual Report of Major Electric Utilities, Licensees and
8 Others, March 2007;

9 (b) "FERC Form-2", Annual Report of Major Natural Gas Companies, December
10 2007;

11 (c) "Notice of Election of Use of Electronic Filing Procedures", June 2014~~July~~
12 ~~2012~~];

13 (d) "PSC Form-T (telephone)", August 2005;

14 (e) "Form 8-K", January 2012;

15 (f) "Form 10-K", January 2012;

16 (g) "Form 10-Q", January 2012; and

17 (h) "Subpoena Form", August 2013.

18 (2) This material may be inspected, copied, or obtained, subject to applicable
19 copyright law, at the commission's offices located at 211 Sower Boulevard, Frankfort,
20 Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the
21 commission's Web site at <http://psc.ky.gov>.

David L. Armstrong, Chairman
Public Service Commission

Date: _____

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Tuesday, July 22, 2014, at 9:00 a.m., Eastern Daylight Time, at the Public Service Commission's office, 211 Sower Boulevard, Frankfort, Kentucky. Individuals interested in attending this hearing shall notify this agency in writing by Tuesday, July 15, 2014, five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until Thursday, July 31, 2014. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

Stephanie Bell
Deputy Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602
Tel: (502) 564-3940
Fax: (502) 564-3460
Stephanie.Bell@ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation Number: 807 KAR 5:001

Contact Person: Stephanie Bell
Deputy Executive Director

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation provides the rules of procedures for the hearings and formal proceedings before the Public Service Commission.

(b) The necessity of this administrative regulation: This administrative regulation is needed to provide the structural framework for hearings and formal proceedings that the Public Service Commission conducts.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 278.040(3) authorizes the Commission to adopt reasonable regulations to implement the provisions of KRS Chapter 278. KRS 278.310 provides that hearings and investigations before the commission or any commissioner shall be governed by rules adopted by the commission.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: It sets forth the rules of procedure that utilities and the commission must follow.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The proposed amendment codifies Commission practices for delivering its orders by means of electronic transmission rather than by mail, eliminates the requirement that sewage utilities mail customer notices, eliminates the requirement for water districts requesting fee increases to present testimony or be scheduled to present testimony to its governing body, expands information that must be redacted when filing applications.

(b) The necessity of the amendment to this administrative regulation: This amendment incorporates Commission practices that have not been codified in the Commission's regulations. This amendment reflects changes in the method of the delivery of the commission's orders by electronic transmission mandated by the recent revision of KRS 278.380, and complies with SB 123, HB 5, and HB 192 which became law during the 2014 legislative session.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 278.040(3) authorizes the Commission to adopt reasonable regulations to implement

the provisions of KRS Chapter 278. KRS 278.310 provides that hearings and investigations before the commission or any commissioner shall be governed by rules adopted by the commission.

(d) How the amendment will assist in the effective administration of the statutes: This amendment provides more guidance to utilities in regards to proceedings before the Commission.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The proposed amendment will affect all utilities regulated by the Public Service Commission and all persons who make an appearance or otherwise participate in Commission proceedings.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The utilities will be responsible for providing the Commission with their electronic mail address or will need to provide good cause for mail delivery. Additionally, the utilities will need to redact personal information before filing documents.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no additional costs to comply with this amendment, and will indeed lessen certain costs. The proposed amendment eliminates several filing requirements. It clarifies several uncertainties in the existing regulation and will likely lessen the number of actions that parties to a Commission proceeding must take to ensure compliance with the Commission's procedural rules.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The amendment provides clarity regarding proceedings before the Commission. It harmonizes the Commission's rules regarding delivery of its orders with the existing capabilities of the Commission's filing system. Sewage utilities are no longer required to mail customer notices. Sewage utilities may publish notice in the same manner as other utilities. Water districts seeking fee increases are no longer required to present or schedule to present testimony to its governing body.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: Implementation of the proposed amendment will not involve additional costs.

(b) On a continuing basis: No additional costs are expected.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No additional funding is required.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding is necessary or will be required.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: No.

(9) TIERING: Is tiering applied? No. Tiering is not applicable.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 807 KAR 5:001

Contact Person: Stephanie Bell

Phone number: (502) 564-3940

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? Public Service Commission; Office of Attorney General (Utility Rate and Intervention Division); water districts; sewer districts; municipalities.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 278.040(3) authorizes the commission to adopt reasonable regulations to implement the provisions of KRS Chapter 278. KRS 278.310 provides that all hearings and investigations before the commission or any commissioner shall be governed by rules adopted by the commission.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? No direct increase in revenue will result from the adoption of the proposed amendments for any governmental agency. The proposed amendments do not provide for the Public Service Commission to assess any fee or charge.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? No direct increase in revenue will result from the adoption of the proposed amendment for any governmental agency. The proposed amendment does not provide for the Public Service Commission to assess any fee or charge.

(c) How much will it cost to administer this program for the first year? There should be no increase in the Public Service Commission's cost of operations related to the revision of the administrative regulation for the first year. The Public Service Commission will continue performing the same level of review and require the same number of employees to conduct its review.

(d) How much will it cost to administer this program for subsequent years? There should be no increase in the Public Service Commission's cost of operations related to the revision of the administrative regulation for subsequent years. The Public Service

Commission will continue performing the same level of review and require the same number of employees to conduct its review.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

SUMMARY OF CHANGES TO MATERIAL INCORPORATED BY REFERENCE

(1) Notice of Election of Use of Electronic Filing Procedures Form is being revised to remove language where the applicant agrees to waive its right to service of Public Service Commission orders by mail. This is no longer needed due to the change to KRS 278.380 in the 2014 legislative session.

NOTICE OF ELECTION OF USE OF ELECTRONIC FILING PROCEDURES

(Complete All Shaded Areas and Check Applicable Boxes)

In accordance with 807 KAR 5:001, Section 8, _____ gives notice of its intent to file an application for _____ with the Public Service Commission no later than _____ and to use the electronic filing procedures set forth in that regulation.

_____ further states that:

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. It requests that the Public Service Commission assign a case number to the intended application and advise it of that number as soon as possible; | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. It or its authorized representatives have registered with the Public Service Commission and are authorized to make electronic filings with the Public Service Commission; | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Neither it nor its authorized representatives have registered with the Public Service Commission for authorization to make electronic filings but will do so no later than seven days before the date of its filing of its application for rate adjustment; | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Pursuant to KRS 278.380, it waives any right to service of Public Service Commission orders by mail for purposes of this proceeding only; | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.] It or its authorized agents possess the facilities to receive electronic transmissions; | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. [6.] The following persons are authorized to make filings on its behalf and to receive electronic service of Public Service Commission orders and any pleadings filed by any party or the Public Service Commission Staff: | | |

Name	Electronic Mail Address

6. [7.] It and its authorized representatives listed above have read and understand the procedures for electronic filing set forth in 807 KAR 5:001 and will fully comply with those procedures unless the Public Service Commission directs otherwise.

Signed _____

Name: _____
Title: _____
Address: _____
Telephone Number: _____

NOTICE OF ELECTION OF USE OF ELECTRONIC FILING PROCEDURES

(Complete All Shaded Areas and Check Applicable Boxes)

In accordance with 807 KAR 5:001, Section 8, _____ gives notice of its intent to file an application for _____ with the Public Service Commission no later than _____ and to use the electronic filing procedures set forth in that regulation.

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6. It and its authorized representatives listed above have read and understand the procedures for electronic filing set forth in 807 KAR 5:001 and will fully comply with those procedures unless the Public Service Commission directs otherwise.

Signed _____

Name: _____

Title: _____

Address: _____

Telephone Number: _____