

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WINCHESTER)
MUNICIPAL UTILITIES FOR APPROVAL OF) CASE NO.
THE COLLECTION OF SYSTEM) 96-616
DEVELOPMENT CHARGES)

O R D E R

Kentucky-American Water Company ("Kentucky-American") has moved for full intervention in this proceeding. Winchester Municipal Utilities' ("WMU") has submitted a response in opposition to the motion. Having considered the motion and the response thereto, the Commission denies the motion.

Kentucky-American is a public utility which provides water service to several areas within central Kentucky. On June 18, 1997, Kentucky-American entered into an Asset Purchase Agreement with Boonesboro Water Association, Inc. ("BWA") to purchase all of BWA's assets. Under the terms of the Asset Purchase Agreement, no transfer of assets will occur until after Commission approval of the transaction. On July 18, 1997, Kentucky-American and BWA jointly applied for Commission approval of the transfer of assets.¹

Administrative Regulation 807 KAR 5:001, Section 8, provides that a party should be granted leave to intervene if it has "a special interest in the proceeding which is not

¹ Case No. 97-320, the Verified Joint Application of Boonesboro Water Association, Inc. and Kentucky-American Water Company for Approval of the Transfer of the Ownership of the Assets of Boonesboro Water Association, Inc. to Kentucky-American Water Company (Application received July 18, 1997).

otherwise adequately represented" or intervention "is likely to present issues or to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings."

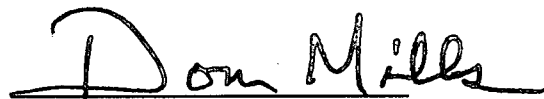
Kentucky-American currently has no interest in the proposed system development charge. It is not a customer of WMU and will not be affected by the proposed rate. While the Asset Purchase Agreement may eventually provide Kentucky-American with an interest in these proceedings, such interest will exist only if all conditions of the Agreement are met and the Commission approves the transfer of assets. As of this date, these conditions have not been met.

Assuming arguendo that Kentucky-American has an interest in this proceeding, that interest is already adequately represented by BWA. Kentucky-American's interests are synonymous with BWA's interests. Under the terms of the Asset Purchase Agreement, BWA has agreed to take all actions necessary to assist Kentucky-American in pursuing its claims in this proceeding. See Asset Purchase Agreement at Paragraph 3k. If Kentucky-American wishes to stay abreast of or participate in these proceedings, it should coordinate with BWA.

IT IS THEREFORE ORDERED that Kentucky-American's Motion for Full Intervention is denied.

Done at Frankfort, Kentucky, this 8th day of August, 1997.

ATTEST:


Executive Director

PUBLIC SERVICE COMMISSION


For the Commission