

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES) CASE NO. 2007-00565
COMPANY TO FILE DEPRECIATION STUDY)

APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ADJUSTMENT) CASE NO. 2008-00251
OF ELECTRIC BASE RATES)

O R D E R

Pending before the Commission is a letter filed by John E. Watson, Hustonville, Kentucky, in which he requests to intervene in this proceeding. Mr. Watson's letter sets forth two reasons in support of his request for intervention. The first is that the 4.27 percent increase in residential electric rates proposed by Kentucky Utilities Company ("KU") is unfair because the amount of the increase is greater than KU is proposing for all but one other customer class. The second is that KU's proposal to adopt a 5 percent late-payment fee places an *unfair burden* on those customers living on a fixed income.

KU filed an objection to Mr. Watson's request for intervention. KU claims that Mr. Watson has neither shown that he has a special interest in this proceeding which is not otherwise adequately represented, nor that he is likely to present issues or to develop facts that will assist the Commission in fully considering the issues without unduly *complicating or disrupting the proceedings*. Mr. Watson then filed another letter in which he states that KU's proposals to increase rates and impose a late-payment

fee will adversely affect thousands of residential customers. He also requests that the percentage increase in residential rates be no more than the percentage increase for other rate classes and that the proposed late-payment fee be denied.

Based on Mr. Watson's letter, which will be considered as a motion, and being otherwise sufficiently advised, the Commission finds that the only person entitled to intervene as a matter of right is the Attorney General ("AG"), pursuant to KRS 367.150(8)(b). Intervention by all others is permissive and is within the sound discretion of the Commission.¹

In exercising its discretion to determine permissive intervention, the Commission follows its regulation, 807 KAR 5:001, Section 3(8). That regulation requires a person seeking intervention to file a request in writing which "shall specify his interest in the proceeding."² That regulation further provides that:

If the Commission determines that a person has a special interest in the proceeding which is not otherwise adequately represented or that full intervention by party 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, such person shall be granted full intervention.³

It is under these statutory and regulatory criteria that the Commission reviews a petition to intervene.

¹ Inter-County Rural Electric Cooperative Corporation v. Public Service Commission of Kentucky, 407 S.W.2d 127, 130 (Ky. 1966).

² 807 KAR 5:001, Section 3(8)(b).

³ Id.

The interest raised by Mr. Watson relates to the proposed amount of increase in residential rates and the proposed late-payment fee. Both of these issues are of interest to every residential ratepayer, and Mr. Watson has not shown that his interest in either of these issues is indistinguishable from the interest of every other residential ratepayer. In addition, the Commission has already granted intervention to the AG, who has a statutory right to participate "on behalf of consumer interests."⁴ The AG has consistently intervened on behalf of ratepayers in proceedings of this type, and the AG is sufficiently knowledgeable about issues of rate-making and rate design.⁵ Intervention has also been granted to Community Action Kentucky, Inc. and Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. These agencies provide assistance and social services to low-income households. Thus, the issues raised by Mr. Watson are being adequately represented by existing parties to this case, and he has not shown that he has a special interest which is not otherwise adequately represented.

Further, Mr. Watson has not shown that he has any training or experience in the fields of utility regulation or utility rate-making. Consequently, the Commission is unable to find that granting his request for intervention is likely to present issues or develop

⁴ KRS 367.150(8)(b).

⁵ See, for example, the AG's direct testimonies filed in KU's prior rate case, Case No. 2003-00434, An Adjustment of the Electric Rates, Terms, and Conditions of Kentucky Utilities Company, covering the issues of rate design, cost-of-capital, and revenue requirements. Available at <ftp://162.114.3.166/PSCSCF/2003%20cases/2003-00434/>. Further, to the extent that energy policies are relevant in this proceeding, the AG has previously well represented those issues with the Commission. See, for example, Case No. 2006-00471, The 2006 Integrated Resource Plan of East Kentucky Power Cooperative, Inc.

facts that assist the Commission in fully considering the issues in this proceeding without unduly complicating or disrupting the proceedings.

Mr. Watson will have ample opportunity to participate in this proceeding even though he is not granted intervenor status. He may file comments as frequently as he chooses, and those comments will be entered into the record of this case. He may also attend and present public comment at the regional public hearings that will be scheduled in the near future. Finally, Mr. Watson may attend and present comment at the public hearing to be held at our offices in Frankfort, Kentucky on January 13, 2009.

IT IS THEREFORE ORDERED that the request by John E. Watson to intervene is denied.

Done at Frankfort, Kentucky, this 5th day of December, 2008.

By the Commission

Vice Chairman Gardner abstains.

ATTEST:


Executive Director *for Stephanie Stubbs*
w/permission

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