

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING OF
HILLRIDGE FACILITIES, INC.

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CASE NO. 2010-00426

OBJECTION TO MOTION FOR FULL INTERVENTION

Comes the Applicant, Hillridge Facilities, Inc. (hereinafter "Hillridge"), by counsel, and hereby files its objection to the Louisville & Jefferson County Metropolitan Sewer District's (hereinafter "MSD") Motion for Full Intervention:

1. Hillridge has filed its application for an adjustment in rates to obtain an increase in its rate so that it can continue to properly operate the Hillridge Wastewater Treatment Plant and make any necessary repairs to the WWTP. Hillridge has also requested the approval of a surcharge to make repairs to the collection system that will address infiltration and inflow to the collection system. As indicated in its application, Hillridge has obtained three (3) quotes of the cost to make the needed repairs to its collection system, and these quotes range from a low of \$290,000.00 to a high of \$333,500.00.

2. Hillridge's application filed with the Commission on October 22, 2010, requested expedited approval of its request for surcharge so that it could begin implementing repairs to its collection system. On December 6, 2010, Hillridge filed its request for an Informal Conference to specifically address issues concerning its surcharge request.

3. On November 19, 2010, the Attorney General of the Commonwealth of Kentucky by and through his Office of Rate Intervention, filed a Motion for Intervention in the above-styled matter. The Commission issued its Order granting this request on November 29,

2010. Pursuant to KRS 367.150(8), the Kentucky Attorney General will be representing the consumer's interests in the above-styled action.

4. On December 6, 2010, the Commission received MSD's Motion for Full Intervention in this matter. MSD is not a customer of Hillridge and does not receive services from Hillridge. Because MSD does not have an interest in this proceeding as a customer of Hillridge, it refers to KRS 76.080(12) in asserting that it has a right to intervene in the above-styled matter. However, a careful review of the language of KRS 76.080(12) reflects that it does not give MSD the right to intervene in a rate case filed with the Commission or to intervene in a case seeking a surcharge to make repairs to a collection system. The language of KRS 76.080(12) uses the terms "constructed, altered or reconstructed". (See KRS 76.080(12)). Because Hillridge is only making repairs to its collection system and is not constructing, altering or reconstructing its collection system, MSD cannot rely upon KRS 76.080(12) as a basis for intervention in this matter. Were MSD's position correct, then no privately owned WWTP operating within MSD's jurisdiction would have the authority to make repairs to its system unless MSD approved the repairs. KRS 76.808(12) certainly does not provide for same.

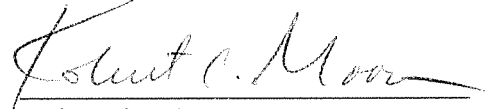
5. The Attorney General of the Commonwealth of Kentucky has already intervened in this case, and he will protect the interests of the consumers with respect to the requested rate increase and surcharge. There is no reason to grant MSD's intervention request, as MSD's interests should be merely to protect the interests of the consumers, which interest is clearly redundant with the interests of the Attorney General.

6. Hillridge notes for the record that it does not agree with a number of the assertions set forth in MSD's Motion for Full Intervention, including its assertion that it "will

require approximately \$1,000,000.00 worth of repairs” to alleviate the infiltration and inflow issues in the Hillridge collection system. Indeed, the quotes obtained from Hillridge indicate that it would cost between \$290,000.00 and \$333,350.00 to address the infiltration and inflow issue.

7. For the reasons set forth above, MSD has no interest in this proceeding and its Motion for Full Intervention should be denied.

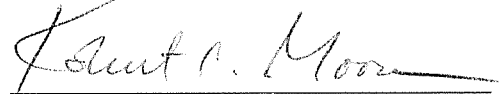
Respectfully Submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by first class mail, postage prepaid, on Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602, David Edward Spenard, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204 and Laurence J. Zielke and Janice M. Theriot, Zielke Law Firm PLLC, 1250 Meidinger Tower, 462 S. 4th Street, Louisville, Kentucky, on the 10th day of December, 2010.



Robert C. Moore