

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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JAN 24 2013

PUBLIC SERVICE
COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF
MIDDLETOWN WASTE DISPOSAL, INC.

)

) Case No. 2012-00375

ATTORNEY GENERAL'S
FORMAL NOTICE REGARDING
THE 14 DECEMBER 2012
COMMISSION STAFF REPORT

In an effort to assist the Commission's review of the Application, the Attorney General provides this formal notice regarding the 14 December 2012 Commission Staff Report. The Attorney General did not object to the Staff Report; furthermore, he does not request an informal conference or public hearing. In support of this position, the Attorney General states the following.

On 22 August 2012, Middletown Waste Disposal, Inc., filed an application for an adjustment in rates using the alternative rate adjustment procedure for small utilities (807 KAR 5:076). On 14 December 2012, the Commission Staff Report was filed into the record in this proceeding.

The Attorney General did not seek to contest the Commission Staff Report, so he did not submit written comments to the Staff Report or request an informal conference or public hearing. The Applicant, through a 21 December 2012 filing, did request the issuance of an Amended Staff Report to reflect three adjustments: the correction of an

error with regard to the billing analysis for the applicant;¹ an update of the Staff Report for the interest expense determination; and an update to the Staff Report for the electricity expense determination.

On 15 January 2013, the Attorney General (with simultaneous notice to the Applicant) conveyed by electronic message that he had no objection to the correction of an error in the Staff Report.² He also conveyed that he had no objection to the consideration of the Applicant's submission of information or the request for a change in the electricity expense determination if consideration of the change was through the normal "known/measurable" process. With regard to the interest expense issue, the Attorney General indicated that he did not contest or object to the position of Commission Staff. This remains the position of the Attorney General.

By review of the public records of the Commission, the Attorney General is aware that the Applicant has at least one other case pending before this Commission, Case No. 2012-00526. The Attorney General is not a party to that proceeding, and he does not plan to seek intervention into that case. To the extent that a final decision in this matter has a bearing on the request for the authorization of financing sought in that application, the Attorney General does seek to obtain a decision in this case as soon as reasonable so as not to frustrate or delay Case No. 2012-00526.

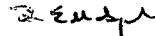
¹ Through a 23 January 2013 Intra-Agency Memorandum filed in this proceeding, Commission Staff acknowledges a misinterpretation of the billing analysis of the Applicant.

² See attached electronic mail message.

WHEREFORE, the Attorney General provides formal notice concerning the Commission Staff Report; he does not seek an informal conference or public hearing. He does not object to the submission an Amended Staff Report or other formal Commission Staff statement or analysis of the three issues raised by the 21 December 2012 request by the Applicant, and he requests submission of the matter for a decision.

Respectfully submitted,

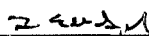
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Notice Regarding Filing and Certificate of Service

Counsel certifies that an original and ten copies of this notice were served and filed by hand-delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601. A copy was served on the Applicant by United States Mail, first-class, postage-prepaid, to Jack Kaninberg, Middletown Waste Disposal, Inc., 13005 Middletown Industrial Boulevard, Suite 1, Louisville, Kentucky 40223. The filing and service took place on 24 January 2013.


Assistant Attorney General

Spenard, David (KYOAG)

From: Spenard, David (KYOAG)
Sent: Tuesday, January 15, 2013 1:28 PM
To: jwkaninberg@insightbb.com; Wuetcher, Jerry (PSC)
Subject: Ky PSC Case No. 2012-00375

Mr. Wuetcher,

Good afternoon.

On 13 December 2012, the Commission entered an Order scheduling an informal conference on 17 January 2013 (at 1:30 PM – eastern).

If the informal conference is held, then I would like to participate via a teleconference option (in that I will not be in Frankfort that day). Please provide the information for the call-in if such arrangements can be made.

With regard to this matter (if it is of assistance to the planning of the Commission and its Staff), the Attorney General did not submit written comments to the Staff Report or request an informal conference or public hearing. To this end, the AG did not place any issue into play. My understanding is that, consequent to a 27 December 2012 conference, there will be a correction with regard to the Staff position on revenue normalization. The Attorney General has no objection to a correction to the Staff Report.

With regard to the other two issues that the Applicant presents, issues regarding (1) utilities and (2) interest expense, the Attorney General notes the following. The Attorney General has no objection to the request for consideration of the information regarding the change in the LG&E electric rates if consideration is through the normal process for considering changes through the “known/measurable” framework. Concerning the interest expense issue, the Attorney General does not contest or object to the position of Commission Staff.

If you have any questions or require a formal submission of this information, then please advise.

Regards,

David Edward Spenard
Assistant Attorney General

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Under Kentucky Rule of Evidence 503, this communication is confidential. Please do not disclose or forward the message to third persons, persons other than those to whom the initial message is sent. Unless the communication expressly indicates that it is a formal Opinion of the Office of the Attorney General under KRS 15.020, this communication does not constitute a formal Opinion. Any assessment made through this message is applicable only to the corresponding presentation of facts.