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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF WKG STORAGE, INC. FOR)
AN ADJUSTMENT OF RATES PURSUANT) Case No. 2016-00053
TO 807 KAR 5:076)

MOTION FOR RECONSIDERATION

Comes WKG Storage, Inc. ("WKG"), by counsel, and respectfully moves the Commission to reconsider the denial of WKG's request for a deviation from the requirements of 807 KAR 5:076, Section 2(3) and 807 KAR 5:076, Section 3(1).

WKG filed its application for a rate adjustment under the provisions of 807 KAR 5:076, et seq., relating to rate adjustment proceedings for small utilities. WKG acknowledges that one of the requirements contained in 807 KAR 5:076(2) for filing under the alternative rate adjustment procedure for small utilities, is that the annual reports referred to in 807 KAR 5:006, had been filed for the prior three years. Since WKG is not required to file such reports, none had been filed for any prior year. WKG accordingly requested a deviation from this requirement. In accordance with 807 KAR 5:076 (17), this request was in letter form. For the reasons set forth in that letter and restated below, WKG respectfully submits that good cause exists for WKG to proceed with this case even though annual reports had not been filed.

Section 2 of 807 KAR 5:076 provides that a utility may apply for an adjustment of rates under the procedure established for small utilities if it:

- (1) Had gross annual revenue in the immediate calendar year of \$5,000,000 or less;
- (2) Maintained adequate financial records fully separated from a commonly owned enterprise; and
- (3) Filed with the commission fully completed annual reports for the immediate past year and for the two (2) prior years if the utility has been in existence that long.

WKG satisfies the requirements of (1) and (2) above, but seeks a deviation from the requirements of subsection (3), for the reasons set forth herein. WKG is not required to file the annual reports referred to in subpart (3) of Section 2 above and accordingly has not filed such reports with the Commission. For the reasons set forth below, good cause exists for allowing WKG to proceed with this case even though annual reports have not been filed.

The equivalent information and financial data that would have been reflected in the annual reports for 2013 and 2014 had they been filed, are reflected in the financial reports appended to the Application under the Tabs designated as "Annual Report 2013" and "Annual Report 2014." Accordingly, the Commission is being provided with the information and financial data that would have been reflected in the annual reports for 2013 and 2014 had they been filed. The data for 2015 is not available yet as that year has just recently ended. The twelve months prior information through June 30, 2015 is included under the Tab designated as "Statement of Adjusted Operations." WKG will supplement its filing with the equivalent information and financial data for 2015 when that information is available. WKG notes that if it was required to file the annual reports referenced in Section 2 of 807 KAR 5:076, the 2015 report would not be due until April 1, 2016.

Section 3 of 807 KAR 5:076 lists seven categories of information that can make up the

record upon which the Commission's decision is based. Subsection (1) of 807 KAR 5:076, Section 3 refers to the annual reports for the current year as well as the prior two years as one of the categories. This subsection, however, contains the qualifier, when referring to the prior two years of reports, "...if the utility has been in existence that long". This same qualifier is contained in subsection 3 of Section (2) of 807 KAR 5:076, referred to above.

The significance of this qualifier is not that it applies to WKG (as WKG has been in existence for longer than three years), but rather, that a determination of a rate adjustment request can be made under 807 KAR 5:076 without two years of annual reports.

The other categories of information listed in Section 3 of 807 KAR 5:076 consist of a fully completed ARF FORM-1 (which is submitted herewith) as well as additional information to be submitted during the discovery and/or hearing process. Accordingly, except for the non-existent annual reports, all other information and items that are to be contained in the record supporting the Commission's decision are either contained in WKG's attached Application or can be submitted to the record during the discovery or hearing phases of this proceeding.

WKG respectfully submits that financial information contained in its Application is sufficient for the Commission to determine whether WKG's requested rate adjustment will produce fair, just and reasonable rates. If that is not the case and the Commission needs additional information, it can and will be provided by WKG during the discovery and hearing phases.

WKG clearly qualifies as a small utility as its annual gross revenue for the year ending June 30, 2015, was far less than \$5,000,000 and it has maintained adequate records. Also significant is the fact that WKG has only one customer. Clearly, this is the very type of case that

should be handled under the simplified procedures of 807 KAR 5:076.

Lastly, the Commission has previously allowed small companies such as WKG to proceed under 807 KAR 5:076 for a rate adjustment even though annual reports had not been filed.

See, e.g., Apache Gas Transmission Company, Inc. KSPC 2007-00354.

Respectfully submitted this 2nd day of February, 2016.



T. Tommy Littlepage
WILSON, HUTCHINSON & LITTLEPAGE
611 Frederica Street
Owensboro, Kentucky 42303
(270) 926-5011
ttommy@whplawfirm.com

CERTIFICATE OF SERVICE

I hereby certify that on the 2nd day of February, 2016 the original of this Application, together with ten (10) copies were filed with the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602, by overnight delivery and to the Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40602 by United States Postal Service.



T. Tommy Littlepage

The Law Offices of

WILSON, HUTCHINSON & LITTLEPAGE

611 Frederica Street
Owensboro, Kentucky 42301
Telephone (270) 926-5011
Facsimile (270) 926-9394

William L. Wilson, Jr.
Mark R. Hutchinson
T. Tommy Littlepage

bill@whplawfirm.com
randy@whplawfirm.com
tommy@whplawfirm.com

OVERNIGHT DELIVERY

February 2, 2016

Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

Attn: Linda Faulkner
Filings Division Director

RE: WKG Storage, Inc.
Case No. 2016-00053

Dear Ms. Faulkner:

I represent WKG Storage, Inc. in the above proceeding. The physical address, as well as the e-mail address, you are using for WKG Storage, Inc. are not current. The following are the current physical address and e-mail address for my client:

WKG Storage, Inc.
2929 W. Sam Houston Parkway
Suite 200
Houston, Texas 77043
Rob.Ellis@atmosenergy.com

If you have any questions concerning this, please let me know. Thank you.

Very truly yours,



T. Tommy Littlepage

The Law Offices of

WILSON, HUTCHINSON & LITTLEPAGE

611 Frederica Street
Owensboro, Kentucky 42301
Telephone (270) 926-5011
Facsimile (270) 926-9394

William L. Wilson, Jr.
Mark R. Hutchinson
T. Tommy Littlepage

bill@whplawfirm.com
randy@whplawfirm.com
ttommy@whplawfirm.com

OVERNIGHT DELIVERY

February 2, 2016

Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

RE: WKG Storage, Inc.
Case No. 2016-00053

Dear Sir:

I am enclosing herewith an original, plus ten (10) copies, of a Motion to Reconsider, as well as an original, plus ten (10) copies, of a Response to Filing Deficiency Letter and Motion for Enlargement of Time.

If you have any questions concerning this, please let me know. Thank you.

Very truly yours,



T. Tommy Littlepage