

*Via Hand Delivery*

March 31, 2015

Jeff R. Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

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MAR 31 2015

PUBLIC SERVICE  
COMMISSION

Re: *In The Matter Of: Application Of Bullitt Utilities, Inc., For A Certificate Of Convenience And Necessity, And Surcharge For Same, Case No. 2014-00255*

Dear Mr. Derouen:

Enclosed please find for filing with the Commission the original and 10 copies of the Reply Of Veolia In Support Of Its Motion For Full Intervention in the above styled matter.

Please do not hesitate to contact me if you have any questions concerning this filing.

Thank you.

Sincerely,



Holland N. McTyeire V

HNM/jh

Enclosures

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**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF: )

APPLICATION OF BULLITT UTILITIES, )  
INC., FOR A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY, AND )  
SURCHARGE FOR SAME )

CASE NO. 2014-00255

**REPLY OF VEOLIA IN SUPPORT OF ITS MOTION FOR FULL INTERVENTION**

Veolia Water Technologies, Inc. (formerly Veolia Water Solutions & Technologies North America, Inc.) (“Veolia”), through counsel, pursuant to 807 KAR 5:001 Section 5(3), submits its Reply in Support of its March 18, 2015 Motion for Full Intervention and to rebut the arguments made in the Attorney General’s March 25, 2015 Response objecting to Veolia’s Motion, which the undersigned counsel did not receive in the mail until Saturday, March 28, 2015.

1. The Attorney General objects to Veolia’s Motion for two main reasons. The Attorney General argues that because Veolia is a creditor and not a customer of Bullitt Utilities, Inc. (“Bullitt”) Veolia does not have a direct interest in the rates charged, or services provided by, Bullitt. Attorney General’s Response at 3, ¶¶ 11-12. The Attorney General also asserts that Veolia’s Motion is untimely and should be denied. The arguments raised by the Attorney General are without merit and Veolia’s Motion for Full Intervention should be granted.

2. General principles which govern the Commission’s review of rates filed by utilities support Veolia’s Motion. KRS 278.030(1) provides that “[e]very utility may demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person.” The Commission is given broad discretion in the factors it may consider in any rate-making proceeding. *National-Southwire Aluminum Co. v. Big Rivers Electric Corp.*, 785

S.W.2d 503, 512 (Ky. App. 1990). The Commission considers the costs and obligations of any utility in any rate review. *Id.* at 507 & 514.

3. This same analysis applies to the surcharge sought by Bullitt in this case. The Attorney General states “that the review is limited to whether the plan and rate surcharge are reasonable and cost-effective . . . and not whether the surcharge should be approved so that the creditors for [Bullitt] can be repaid.” (footnote omitted). Attorney General’s Response at 3, ¶ 12. The amount owed to Bullitt’s creditors is part of a determination of whether the surcharge is “reasonable” and “cost-effective.” Veolia is the best entity to confirm the costs incurred by Bullitt for Veolia’s services and the need for those services.

4. One of the principal Commission Orders which the Attorney General cites in support of its objection to Veolia’s Motion, *In the Matters of: the Applications of KU and LG&E for a CPCN and Approval of 2009 Compliance Plans*, Case Nos. 2009-00197 & 00198, October 30, 2009 Order, can be distinguished and does not apply to Veolia’s Motion. The movants in the KU/LG&E Applications did not have any “knowledge, experience or expertise relating to the need for the” proposed facilities. Order at 3. Conversely, Veolia possesses an expertise that is not otherwise represented in this case. The movants intended to raises issues beyond the scope of the proceeding. *Id.* at 7. Veolia does not intend to raise any issue not already part of Bullitt’s Application. The movants as customers had no interest not already adequately represented. *Id.* at 6. No one represents Veolia’s interest in this proceeding. Finally, movants had requested an extension of the deadline for intervenor testimony. *Id.* at 1. Veolia has agreed to abide by the Commission’s current Procedural Schedule.

5. The Attorney General criticizes Veolia for filing its Motion three business days past the deadline for requests for intervention set in the Commission’s March 6, 2015 Order.

Bullitt's Application was filed on July 17, 2014. The Procedural Schedule was not established until almost eight months later in the Commission's March 6, 2015 Order. The Commission's March 6, 2015 Order only allowed a week for requests to intervene. There have been about 25 filings in this matter prior to the Commission's March 6, 2015 Order, some of which have been voluminous. Veolia and its undersigned counsel did not learn of the March 6, 2015 Procedural Schedule until March 17, 2015. Veolia filed its Motion the next day. As noted, Veolia will abide by the current Procedural Schedule. Veolia has demonstrated good cause to grant its Motion.

For the reasons set forth in Veolia's Motion and this Reply, its request for Full Intervention should be granted.

Respectfully submitted,



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TECHNOLOGIES, INC.

**CERTIFICATE OF SERVICE**

I certify that the Reply Of Veolia In Support Of Its Motion For Full Intervention was mailed sufficient U.S. postage prepaid, on this 31st day of March, 2015 to:

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