

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KNOTT COUNTY WATER AND)
SEWER DISTRICT FOR AN ALTERNATIVE RATE)
ADJUSTMENT)

CASE NO.
2019-00268

ORDER

This matter arises upon the motion for leave to intervene (Motion) by Letcher County Water and Sewer District (Letcher District) and the city of Hindman's (Hindman) request for intervention (Request). On August 7, 2019, the Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention (Attorney General) filed a motion to intervene. On August 14, 2019, the Commission issued its Order setting out the procedural schedule. On August 20, 2019, Letcher District filed its Motion. On August 21, 2019, the Commission issued an Order granting the Attorney General's motion to intervene. On August 23, 2019, Hindman filed its Request. On September 3, 2019, Knott County Water and Sewer District (Knott District) filed its response to Letcher District's Motion (Response). Knott District's Response was not timely filed pursuant to 807 KAR 5:001, Section 5(2). Pursuant to 807 KAR 5:001, Section 5(2), "a party to a case shall file a response to a motion no later than seven (7) days from the date of filing of a motion." Accordingly, Knott District was required to file its Response on or before August 27, 2019.

Letcher District is a wholesale customer of Knott District. In its August 20, 2019 Motion, Letcher District asserts that it should be allowed to intervene as a party to the

case as no other party represents the interests of Knott District's wholesale customers.¹ Letcher District noted that, although the Commission has granted the Attorney General's intervention, the Attorney General recently advised the Kentucky Supreme Court that it has a statutory obligation to represent customers generally, and that it cannot and will not represent the unique interests of selected customers.² Letcher District asserts that this creates a conflict for the Attorney General that prevents the Attorney General from adequately representing the interests of wholesale customers, particularly regarding the allocation of the proposed revenue increase between wholesale and retail customers.

Hindman is also a wholesale customer of Knott District. In its Request, Hindman asserts several grounds upon which it should be allowed to intervene. Hindman states that the proposed increase in rates to wholesale customers by Knott District will create an undue burden on Hindman and its customers.³ Hindman also contends that there were deficiencies in the notice to wholesale customers provided by Knott District pursuant to 807 KAR 5:011, Section 8.⁴

Hindman's August 23, 2019 Request is deficient pursuant to 807 KAR 5:001, Section 4(11)(a). In accordance with 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding must demonstrate either (1) a special interest in the proceeding which is not adequately represented in the case or (2) show that it is likely to present issues or develop facts that will assist the

¹ Letcher District's Motion for Leave to Intervene (filed Aug. 20, 2019) at 2.

² Letcher District's Motion for Leave to Intervene (filed Aug. 20, 2019) at 2;

³ Hindman's Request for Intervention (filed Aug. 23, 2019) at 1.

⁴ *Id.*

Commission in fully considering the matter without unduly complicating or disrupting the proceedings. In the Commission's August 14, 2019 Order, the Commission stated the requirements of 807 KAR 5:001, Section 4(11)(a). The Commission further stated that any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented or the issues and facts the person will present that will assist the Commission in fully considering the matter. The Commission noted that a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest. The requirements for requesting permissive intervention from the Commission were clearly stated in the August 14, 2019 Order. Hindman's statement that the proposed rates will create an undue burden on it and its customers is not sufficient to meet either the regulatory requirements for intervention or the requirements set forth by the Commission in the August 14, 2019 Order. Further, Hindman's assertion that Knott District's notice to wholesale customers was deficient is without merit because Hindman cited to the incorrect regulation in its request to intervene. The regulatory requirements for alternative rate adjustments are found in 807 KAR 5:076 and Knott District's notice to its wholesale customers complied with 807 KAR 5:076, Section 5.

Based on Letcher District's Motion and Hindman's Request and being otherwise sufficiently advised, the Commission finds that Letcher District and Hindman propose to represent the same interests as wholesale customers served by Knott District and that their intervention on a joint basis is likely to present issues and develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.

IT IS THEREFORE ORDERED that:

1. The Motion of Letcher District and the Request of Hindman are granted on a joint basis, and they shall be considered as one party.

2. Letcher District and Hindman, on a joint basis, shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.

3. Letcher District and Hindman, on a joint basis, shall comply with all provisions of the Commission's regulations, 807 KAR 5:001, Section 7, related to the service and filing of documents.

4. Letcher District and Hindman, on a joint basis, shall adhere to the procedural schedule set forth in the Commission's August 14, 2019 Order and as amended by subsequent Orders.

5. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of entry of this Order, Letcher District and Hindman, on a joint basis, shall file a written statement with the Commission that:

a. Certifies that it, or its agent, possesses the facilities to receive electronic transmissions; and

b. Sets forth the electronic mailing address which all electronic notices and messages related to this proceeding should be served.

By the Commission

ENTERED
SEP 05 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



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