

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH	)	
EASTERN WATER ASSOCIATION, INC. FOR A	)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR	)	2026-00233
5:076	)	

ORDER

On September 8, 2026, South Eastern Water Association, Inc. (South Eastern Water) filed an application for an alternative rate adjustment pursuant to 807 KAR 5:076. The Commission's September 24, 2026 Order established a procedural schedule requiring requests for intervention to be filed by October 13, 2026.¹

On October 5, 2026, Michael Hemphill filed a motion requesting to intervene in this proceeding.² In support of his motion, Mr. Hemphill relied on his pending complaint against South Eastern Water, individual billing concerns, a property dispute involving the Blue John Water Storage Tank, alleged inaccuracies in the tank's reported location, and alleged conflicts involving utility counsel.³ He asserted that his mapping and historical evidence would assist the Commission's financial review.⁴ South Eastern Water filed a response and objection on October 8, 2026.⁵

¹ Order (Ky. PSC Sept. 24, 2026) at 1 and Appendix A.

² Motion for Intervention (Motion) (filed Oct. 5, 2026).

³ Motion at 1-2.

⁴ Motion at 1-2, paragraphs 3 and 7.

⁵ South Eastern Water's Response and Objection (Response) (filed Oct. 8, 2026).

On October 12, 2026, Mr. Hemphill filed a supplemental request to merge both cases (Supplemental Request), asking the Commission to consolidate his complaint in Case No. 2026-00191 with this rate proceeding.⁶ He asserted that overlapping records, legal costs, administrative efficiency, the interests of other customers, and the risk of inconsistent decisions supported consolidation.⁷ Mr. Hemphill has also submitted several additional filings, which have been placed in the public comment section of the record.⁸

LEGAL STANDARD

The Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention (Attorney General), has the statutory right to intervene in Commission cases pursuant to KRS 367.150(8)(b).⁹ With limited exception, intervention by all others is permissive and within the sole discretion of the Commission.¹⁰

The regulatory standard for permissive intervention, set forth in 807 KAR 5:001, Section 4, is twofold. Commission regulation 807 KAR 5:001, Section 4(11), requires a person to set forth in the motion to intervene either (1) a special interest in the proceeding that is not otherwise adequately represented in the case, or (2) that intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.¹¹

⁶ Supplemental Request to Merge Both Cases (Supplemental Request) (filed Oct. 12, 2026).

⁷ Supplemental Request at 1-2.

⁸ See Public Comments (multiple submissions by Michael Hemphill).

⁹ KRS 367.150(8)(b).

¹⁰ KRS 164.2807; 807 KAR 5:001, Section 4(11)(b).

¹¹ 807 KAR 5:001, Section 4(11)(a)1. and (b).

Under 807 KAR 5:001, Section 4(14)(a), the Commission may consolidate proceedings involving a similar question of law or fact if the rights of the parties or the public interest will not be prejudiced.¹² Consolidation is discretionary.

DISCUSSION AND FINDINGS

Based on a review of the pleadings at issue and being otherwise sufficiently advised, the Commission finds that Mr. Hemphill has failed to demonstrate that he has a special interest in the proceeding over which the Commission has jurisdiction that is not otherwise adequately represented or that he is likely to present issues or develop facts that will assist the Commission in considering this matter without unduly complicating or disrupting the proceedings for the reasons discussed below.

Special Interest Not Otherwise Adequately Represented.

A customer's general interest in the rates charged by a utility does not, by itself, establish a special interest warranting full intervention. In Case No. 2018-00294, the Commission denied intervention where the applicants identified interests shared with other customers and did not show that their participation would assist resolution of the rate application.¹³ The inquiry here is whether Mr. Hemphill's stated interests or proposed contribution satisfy the regulation in this particular rate proceeding.

Mr. Hemphill's status as a customer and as the complainant in Case No. 2026-00191 does not itself establish a special interest in this rate adjustment.¹⁴ The existence or timing of a separate complaint does not make its allegations part of the rate

¹² 807 KAR 5:001, Section 4(14)(a).

¹³ Case No. 2018-00294, *Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates* (Ky. PSC Nov. 16, 2018), Order at 2–3.

¹⁴ Motion at 1, paragraph 1. 807 KAR 5:001, Section 4(11)(b).

determination. The relevant inquiry concerns the matters to be decided in this case, rather than whether Mr. Hemphill has a personal interest in disputes with South Eastern Water.¹⁵

Mr. Hemphill alleged that South Eastern Water improperly assessed state sales and local utility taxes on his agricultural accounts despite his farm's exemption status and previously submitted exemption forms.¹⁶ Those allegations concern the application of existing billing and exemption requirements to particular accounts. The motion identifies no proposed change to agricultural exemptions and no proposed rate provision that would treat his accounts differently from other similarly situated customers.¹⁷ Thus, his interest in the proposed minimum-charge increase is substantially similar to other South Eastern Water customers participating in the rates applicable to his meter classification. Whether his individual accounts qualify for exemptions is a separate issue and is not decided here.

Similarly, other allegations raised by Mr. Hemphill fail to establish the special interest necessary for intervention. The allegation that South Eastern Water delayed imposing a minimum charge on his third meter likewise concerns the administration of existing billing requirements for an individual account.¹⁸ His ownership claim concerning the tank site is personal to the property dispute, but the motion does not identify a distinct interest in a proposed rate provision arising from that claim.¹⁹ Similarly, his allegations

¹⁵ Motion at 1; Response at 3-4.

¹⁶ Motion at 1, paragraph 2.

¹⁷ Motion at 1-2.

¹⁸ Motion at 1-2, paragraph 5.

¹⁹ Motion at 1, paragraph 3.

about Burnside and counsel do not identify a special rate treatment applicable to him.²⁰ Taken together, these allegations do not establish a special interest in this rate proceeding. Because that threshold showing is absent, the assertion that his personal disputes would otherwise be unrepresented does not satisfy the first ground.

Likely Assistance Without Undue Complication or Disruption.

The Commission separately considers whether Mr. Hemphill's proposed participation would present issues or develop facts that would assist the rate review without unduly complicating or disrupting it.²¹ A customer may satisfy this ground even without a special interest. The issue is the relevance and likely contribution of the proposed evidence to this application.

The Commission does not deny intervention merely because Mr. Hemphill's allegations are disputed or because he is not a financial expert. The tax and exemption allegations would require examination of account-specific exemption documentation, eligibility, and billing treatment. The motion does not connect those disputes to a proposed revenue adjustment or explain how resolving them would affect rates for South Eastern Water's customers as a whole.²² If appropriate, such individual billing allegations may be evaluated in Case No. 2026-00191 to the extent properly presented and within the Commission's jurisdiction.²³ Examining them in this docket would duplicate complaint issues without a demonstrated contribution to the rate determination.

²⁰ Motion at 2, paragraph 6.

²¹ 807 KAR 5:001, Section 4(11)(b).

²² Motion at 1, paragraph 2.

²³ Case No. 2026-00191, *Michael Hemphill v. South Eastern Water Association, Inc.* (Ky. PSC Aug. 20, 2026).

Regarding the third meter, South Eastern Water stated that it delayed the minimum charge after a misunderstanding about when Mr. Hemphill intended to connect to the system.²⁴ Mr. Hemphill characterizes that delay as preferential treatment prohibited by KRS 278.160 and KRS 278.170.²⁵ Here, the Commission makes no finding that the delayed charge was lawful or that the alleged violation occurred; however the motion identifies a delayed charge for one meter and does not demonstrate a material effect on overall revenues or a broader billing practice requiring a rate adjustment.²⁶ A citation to tariff and discrimination statutes does not, without that connection, establish that adjudicating the individual dispute would assist this rate case.

Mr. Hemphill also proposes survey, mapping, and historical evidence to establish that the Blue John Water Storage Tank encroaches on his land.²⁷ Determining ownership, boundaries, or trespass would require adjudicating the property dispute pending in Pulaski Circuit Court.²⁸ In its August 20, 2026 Order in Case No. 2026-00191, the Commission addressed its lack of jurisdiction over that dispute and permitted an amended complaint limited to matters outside the pending Circuit Court litigation.²⁹ This rate proceeding does not provide a forum to obtain a different resolution of the title or boundary claims.

²⁴ Response at 7-8.

²⁵ Motion at 1-2, paragraph 5.

²⁶ Motion at 1-2, paragraph 5.

²⁷ Motion at 1, paragraph 3.

²⁸ Response at 1-2 and 5-6.

²⁹ Case No. 2026-00191, Aug. 20, 2026 Order at 3-5.

Asset costs, depreciation, and recoverable expenses can be relevant to ratemaking. However, the motion's general references to asset management and revenue requirements do not identify a particular asset value, depreciation calculation, or expense adjustment that the proposed property evidence would establish.³⁰ The asserted uniqueness of the historical and geographic evidence does not supply that missing connection. Developing the proposed boundary and title evidence would instead draw this case into an unresolved dispute that at a minimum, large portions of which, the Commission cannot adjudicate.

As to the alleged location discrepancy, South Eastern Water explained that 2419 Blue John Road is a Division of Water-approved sampling location containing a hydrant and sampling port where quarterly samples are collected.³¹ That explanation distinguishes a water-quality sampling location from the physical location of the storage tank. Mr. Hemphill does not identify how the asserted address discrepancy changes an asset valuation, depreciation calculation, or recoverable expense in the application.³² The Commission need not determine the accuracy of every referenced location record to decide intervention; the motion does not demonstrate how the proposed inquiry would assist the rate determination.

The allegations concerning Burnside and Molly Hardy likewise lack a demonstrated connection to a particular proposed rate or expense. Mr. Hemphill describes Burnside as South Eastern Water's wholesale supplier and alleges that Ms.

³⁰ Motion at 1, paragraphs 3-4.

³¹ Response at 6.

³² Motion at 1, paragraph 4.

Hardy's roles distort wholesale expenses.³³ South Eastern Water stated that Burnside is its wholesale customer, that Ms. Hardy represents it in the civil property litigation and other non-regulatory matters, and that she has not appeared and does not intend to appear in this rate case.³⁴ Regardless of the disputed description of those roles, the motion identifies no specific transaction, expense, or rate adjustment affected by the alleged conflict.³⁵ Investigating the relationships on this showing would add a collateral dispute without demonstrated assistance to the rate review.

Finally, the motion describes the November 3, 2026 deadline as requiring a three-year full audit under oath.³⁶ The September 24, 2026 Order instead required responses to Commission Staff's (Staff) requests for information, including financial records, under oath or signed certification.³⁷ It did not direct the three-year full audit described in the motion. Mr. Hemphill's characterization of that requirement does not explain how his mapping or historical property evidence would assist the financial review required in this case.

The Commission considers Mr. Hemphill's assurance that he would not disrupt the proceeding.³⁸ However, the participation he proposes would require developing individual exemption and billing disputes, litigating survey and title questions, and investigating counsel's relationships without a specific demonstrated effect on the

³³ Motion at 2, paragraph 6.

³⁴ Response at 8-9.

³⁵ Motion at 2, paragraph 6.

³⁶ Motion at 2, paragraph 7.

³⁷ Order (Ky. PSC Sept. 24, 2026) at 2, Appendix A, and Appendix B at 1-3.

³⁸ Motion at 2, paragraph 7.

requested rates. Those inquiries would duplicate matters raised elsewhere and expand the rate review into collateral disputes. The Commission therefore finds that the motion fails to show that granting intervention would present issues or develop facts that would likely assist in determining appropriate rates without unduly complicating this proceeding.

Request for Consolidation.

For the reasons set forth below, the Commission finds that consolidation is not warranted. This proceeding concerns South Eastern Water's revenue requirement and the rates necessary to provide adequate and reliable service.³⁹ The Supplemental Request characterizes Case No. 2026-00191 as Mr. Hemphill's individual billing complaint.⁴⁰ The use of some of the same records in responding to his intervention motion does not establish that combining these proceedings would assist the Commission in deciding either matter. The Supplemental Request identifies no particular proposed rate provision or financial adjustment that requires joint resolution of the cases.⁴¹

Mr. Hemphill alleges that maintaining separate cases permits counsel to charge twice for the same work and wastes administrative resources.⁴² South Eastern Water's response describes the complaint and separate civil actions initiated by Mr. Hemphill.⁴³ Work required to respond to separate filings does not, by itself, establish unnecessary duplication or improper billing. The Supplemental Request identifies no specific

³⁹ Order (Ky. PSC Sept. 24, 2026) at 1.

⁴⁰ Supplemental Request at 1.

⁴¹ Supplemental Request at 1-2.

⁴² Supplemental Request at 1-2, paragraphs 2 and 4.

⁴³ Response at 1-2.

duplicated billing entry.⁴⁴ Any legal expenses claimed for recovery can be evaluated in this rate proceeding without consolidating it with his individual complaint.⁴⁵

Mr. Hemphill also asserts that the issues affect other customers and that separate cases risk inconsistent decisions.⁴⁶ Concerns about other customers do not demonstrate that resolving his individual complaint is necessary to determine appropriate prospective rates. Decisions concerning the application of existing billing requirements and decisions setting prospective rates can be made consistently in separate proceedings. Consolidation would introduce account-specific billing and collateral property disputes into the rate review without a demonstrated benefit and would unduly complicate that review. It would not enlarge the Commission's jurisdiction over the property matters addressed in the August 20, 2026 Order.⁴⁷ The Commission finds that maintaining separate proceedings protects the orderly consideration of the issues and the public interest. The Supplemental Request should therefore be denied.

These determinations concern full intervention and consolidation in this case only. This Order does not resolve the merits of Mr. Hemphill's individual complaint, determine ownership or boundaries of the tank property, or decide the allegations concerning taxes, tariff compliance, or counsel. Those matters remain for consideration in the appropriate proceedings, subject to their applicable jurisdictional and procedural requirements.

⁴⁴ Supplemental Request at 1-2.

⁴⁵ Order (Ky. PSC Sept. 24, 2026), Appendix B at 6, Item 13.

⁴⁶ Supplemental Request at 1-2, paragraphs 3 and 5.

⁴⁷ Case No. 2026-00191, Aug. 20, 2026 Order at 3-5.

Mr. Hemphill remains free to participate in this proceeding by submitting written public comments regarding its subject matter.⁴⁸ All future filings submitted by Mr. Hemphill in Case No. 2026-00233 shall be placed in the public comment section of the record. Mr. Hemphill may review the public documents and monitor this proceeding on the Commission's website at <https://psc.ky.gov/Case/ViewCaseFilings/26-233>. Submission of public comments does not confer party status.⁴⁹

IT IS THEREFORE ORDERED that:

1. Michael Hemphill's motion for full intervention is denied.
2. Michael Hemphill's supplemental request to merge both cases, requesting consolidation of Case No. 2026-00191 with Case No. 2026-00233, is denied.
3. All future filings submitted by Michael Hemphill in Case No. 2026-00233 shall be placed in the public comment section of the record. Mr. Hemphill may continue to participate in this proceeding in that capacity.

⁴⁸ 807 KAR 5:001, Section 4(11)(e).

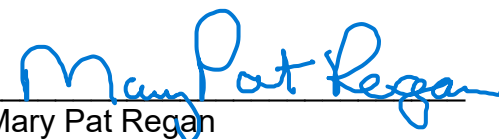
⁴⁹ 807 KAR 5:001, Section 4(11)(e)2.

Entered on this 23rd day of October, 2026.

PUBLIC SERVICE COMMISSION



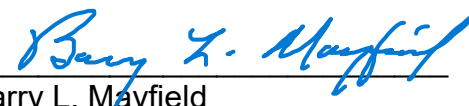
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