COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF KENTUCKY-AMERICAN WATER COMPANY FOR AN ADJUSTMENT OF ITS RATES

Case No. 2004-00103

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S RESPONSE TO BLUEGRASS FLOW, INC.'S MOTION TO INTERVENE AND THE RESPONSE OF KENTUCKY-AMERICAN WATER COMPANY

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Comes now the Lexington-Fayette Urban County Government (the "LFUCG"), by counsel, and submits this Response to both the Motion of Bluegrass FLOW, Inc. ("BGFLOW") to Intervene, and the Response of Kentucky-American Water Company ("KAWC") thereto. The LFUCG does not necessarily represent the interests of BGFLOW in this matter. The LFUCG has intervened in this matter to represent its interests as a customer of KAWC, as well as the interests of the citizens of Fayette County, most of whom are also KAWC ratepayers.

Although it is possible that there could be issues raised in this action in which the interests of the LFUCG and BGFLOW are similar, it is entirely inaccurate to represent that the LFUCG somehow fully represents the interests of BGFLOW in this matter. It is undisputed that BGFLOW is a special interest group. In that regard, it would appear that it is substantially similar in nature to the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc. ("CAC"), which has already been granted full intervenor status.

The LFUCG cannot be substituted for BGFLOW as a party, and objects to KAWC's representations and/or inferences that it is somehow one and the same as BGFLOW for the purposes of this rate case. Any special interest group or party that

desires to intervene in a matter before the Commission should be considered on its own merits. It is disingenuous at best to rely on the fact that there other parties already involved in this case that may potentially have some cross-over interests. To do so is to create a great disservice to the concept of allowing intervention in the first place.

Simply stated, the LFUCG is not the same as BGFLOW in this case (or otherwise), and any decision as to whether BGFLOW is granted intervenor status in this action should not be decided on this or a similar basis.

Respectfully submitted,

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT Department of Law 200 East Main Street Lexington, Kentucky 40507 (859) 258-3500

BY: <u>/s/ David J. Barberie</u> David J. Barberie Corporate Counsel <u>dbarberi@lfucg.com</u> Leslye M. Bowman Director of Litigation

CERTIFICATION

In accordance with the Commission's procedural order of May 27, 2004, the undersigned counsel hereby certifies that the original and one copy of the foregoing document have been filed by United States Mail, first class postage prepaid, to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602-0615, and by uploading the document to the file transfer protocol site designated by the Commission. The undersigned counsel hereby certifies that the electronic version is a true and accurate copy of the document(s) filed in paper medium, the electronic version has been transferred to the Commission, and the Commission and other parties have been notified by electronic mail that the electronic version has been transmitted to the Commission. Undersigned counsel also certifies that a copy of the foregoing was served by first class U.S. Mail delivery, postage prepaid, on the following, all on this the 23rd day of June 2004:

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