

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of: APPLICATION OF WATER SERVICE
CORPORATION OF KENTUCKY FOR A GENERAL
ADJUSTMENT IN EXISTING RATES

CASE NO. 2015-00382

MOTION TO INTERVENE

Comes the City of Clinton Kentucky by counsel and by and for it's Motion to Intervene does herein state as follows:

1. The City of Clinton is one of two jurisdictions served by Water Service Corporation of Kentucky ("WSKY").
2. The City of Clinton ("Clinton") has a business relationship with WSKY. Clinton has a contract with WSKY for upkeep and management of Clinton's sewer system. Clinton collects payments for WSKY from water company customers. Customer bills include both WSKY water bills and sewer bills.
3. The City Council of the City of Clinton voted on December 7, 2015 to request permission to intervene in the above styled case.
4. The City of Clinton has a unique perspective into the operation of WSKY because of its business relationship.
5. The City of Clinton has paid to WSKY for maintenance of its sewer system an average of \$144,000 over the past year.

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6. An audit of the City of Clinton's account recommended that the City review its relationship with WSKY. E. Dennis Driver, CPA. in an independent auditor's report expressed concern about Utilities, Inc., aka, Water Services Corporation, saying in his Schedule of Findings and Responses :

"Finding 2015-003 – Monitoring of Agents Operating City Proprietary Funds

Condition: The City currently has limited ability to monitor transactions with Utilities, Inc., the operator of the City's wastewater system...

Recommendation: The City should be provided with monthly billing reports, aged accounts receivable reports, collections journals and other documents deemed necessary to adequately monitor the contractor. The City's contract with Utilities, Inc. should be reviewed by the City's attorney to insure that all rights of the City are adequately enforced."

7. Clinton recently elected a new mayor. Mayor Campbell and her administration have discovered that WSKY has the ability to write itself checks out of a joint account shared with the City without prior notice to the City. It cannot be ascertained from the application for rate increase at this writing whether those withdrawals were shown as income to WSKY.

8. Clinton has been allowed to intervene in prior rate increase requests by WSKY.

9. Residents of Clinton have expressed to the City their opposition to this request which come a scant two years after the last request.

10. In the past, Clinton has tied its sewer rates to water rates set by WSKY. To increase both water and sewer rates will cause substantial hardship to residents of the City of Clinton.

11. The City of Clinton possesses information related to the services provided by WSKY which would be helpful to the finder of fact.

Therefore, the City of Clinton respectfully requests it be allowed to intervene in the above styled case.

Respectfully submitted,

Mary B. Potter

MARY B. POTTER
CLINTON CITY ATTORNEY
113 N. WASHINGTON ST.
CLINTON KY 42031
270-653-3312
marybpotter@bellsouth.net

CERTIFICATE OF SERVICE

I hereby certify a true and correct copy of the foregoing Motion to Intervene was served upon Water Service Corporation of Kentucky by first class mailing, postage prepaid, to its attorney of record:

M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

this 18th day of December, 2015.

Mary B. Potter

MARY B. POTTER
113 NORTH WASHINGTON ST.
CLINTON, KY 42031
1-270-653-3312