

**MARY B. POTTER
ATTORNEY AT LAW
113 N. WASHINGTON STREET
CLINTON, KY 42031
1-270-653-3312 (Office)
1-270-207-8743 (Cell)
MaryBPotter@bellsouth.net**

June 19, 2020

Kent Chandler, Executive Director Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RE: Water Service Corporation of Kentucky Case No. 2020-00160

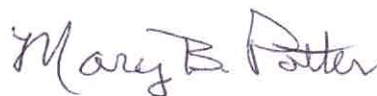
Dear Mr. Chandler:

The City of Clinton, by counsel, hereby provides notice that it is electronically filing its Motion to Intervene in the above styled case.

The undersigned counsel certifies that the document filed electronically is a true, accurate and complete representation of the original document and has been transmitted to the Commission. No party to this case has been excused from participation by electronic means.

An original and a copy of the filing will be filed with the Commission within 30 days after the lifting of the emergency, as discussed in Case No. 2020-00085.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary B. Potter".

Mary B. Potter

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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

CASE NO. 2020-00160

CITY OF CLINTON MOTION TO INTERVENE

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

1. The City of Clinton (Clinton) is one of two jurisdictions with water supplied by Water Service Corporation of Kentucky ("WSCKY"). The City of Middlesboro is the other. Clinton comprises approximately 20% of WSCKY's customer base.
2. A mailed notice was sent to Clinton customers of WSCKY of the Company's intent to seek an increase in water rates. It is not known when the notice was mailed by WSCKY. Customers received notice of the request by mail no earlier than June 5, 2020. There was no publication in the local paper of record, The Hickman County Times.
3. The notice stated that intervention is necessary before the expiration of thirty days from the mailing or initial publication of the notice.
4. The Application for Increase correctly states that the City of Clinton has a contractual relationship with WSCKY for upkeep and management of Clinton's wastewater plant and sewer system. It also correctly states that adjustment of the sewer rates is not included in the rate increase request.

In addition to managing the wastewater plant and sewer system, Clinton and WSCKY have a financial arrangement for collection of accounts. The City of Clinton collects customer payments on behalf of WSCKY from customers who choose to pay at the city offices. Billing for the Clinton sewer system are prepared and mailed by WSCKY.

A computer was furnished to the City of Clinton by WSCKY in YEAR 2000 to record payments. The City is paid \$2 per bill for each bill collected.

5. Because of its relationship with WSCKY, the City of Clinton is the first stop for disgruntled water customers to complain. When a complaint comes in, the City Clerk attempts to assist the customer in contacting WSCKY in order to address their concern.

6. The City Council of the City of Clinton voted on June to request permission to intervene in the above styled case. A copy of the Agenda and Roll Call Vote are included herewith and designated Exhibit 1.

7. The City Council of Clinton met with executives and employees of WSCKY on January 21, 2020 at a special called meeting. Interested customers, community members, and Chief Curtis Weatherford, the Clinton City Fire Chief, and members of his department, were also present. Present at the meeting for the Company were President Steve Lubertozi, Vice President Justin Kersey, Area Manager Stephen Vaughn, and Chris Cannon, Clinton's city worker. Fire Department officials expressed concern that a some of the hydrants they have been renting since the 1980s would be only available for flushing and not for fire fighting. The City raised the issue of monthly reports to the state which are the responsibility of the waste manager in addition to other issues with the water company

At this writing, the questions raised at the January 21, 2020 meeting remain unanswered. Minutes of that meeting are included herewith and designated Exhibit 2.

8. Clinton has an ongoing issue with WSCKY over payments due and owing the City and unpaid in a timely manner. WSCKY has sole power to write checks from a joint account and has repeatedly refused to account to the City for late payments and to agree to allow the City to write checks for sewer payments it collects. The issue of self payment has been a problem since at least 2015 when the City first raised it in a prior rate case.

9. Clinton paid to WSKY for maintenance of its sewer system \$138,626.48 over the past year. During that year, WSKY has exposed Clinton and its subsidiary company, Utilities Inc. to potential fines for failure to file timely reports with the Kentucky Department of Water.

10. The Auditor for the City of Clinton wrote in the audit for 2019: "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."

11. Clinton has a large population of senior and low-income residents. An increase in the amount requested will be devastating to them. Even with the proposed low-income assistance, the rate after the increase will be more than many residents can afford. It is unclear who will assist low income residents in obtaining the lower rate proposed by the Company. Social Security recipients have received increases of 1% in the past year. It is estimated that the average recipient in Clinton receives \$720 monthly.

12. During the time of the pandemic, many customers are isolated in their homes. The City Offices are closed to the public due to the state shutdown. Residents of Clinton are more unaware of this rate request than any time in the past. Many will not have understood the written notice mailed to them at the beginning of June.

13. A rate increase will also adversely affect the tiny business community. Businesses are just beginning to reopen in Clinton. The three-hair salon/barber shops just recently began to be able to take customers. Peerless Premier, the stove factory and only manufacturer in town, has suffered lost sales since March. Hickman County Schools, one of the largest customers, is anticipating budget cuts in state funding.

14. Clinton has asked questions of the Water Services Corporation of Kentucky for the past year that have gone unanswered. Clinton has an issue with WSKY requesting

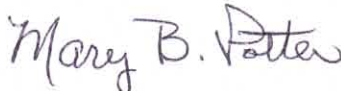
a 43% average increase when the only variable from the last four requests for increase is the passage of time.

15. The City of Clinton believes it is likely to present issues and develop facts that will assist the Commission in fully considering the rate increase request without unduly complicating or disrupting the proceeding. The City believes that the unique position it holds in relationship to WSKY makes it a helpful party to this action.

16. Counsel representing the Attorney General in this action have given permission to inform the Public Service Commission that the Attorney General supports the City of Clinton's Motion to Intervene.

THEREFORE, the City of Clinton respectfully moves this Commission for permission to intervene in this action.

Respectfully submitted,



MARY B. POTTER
CLINTON CITY ATTORNEY
113 N. WASHINGTON ST.
CLINTON KY 42031
270-207-8743 (cell)
270-653-3312 (office)
marybpotter@bellsouth.net

Case No. 2020-00160

CERTIFICATE OF SERVICE AND FILING

Pursuant to the Commissioner's Order dated March 17, 2020, in Case No. 2020-00085, and in accordance with applicable law, Counsel certifies an electronic copy of the filing was served and filed by e-mail to the following. A physical copy of the filing will be submitted to the Commission once the State of Emergency has ceased.

Hon. Todd Osterloh
tosterloh@sturgillturner.com

Hon. James Gardner
jgardner@sturgillturner.com

Hon J. Michael West
Michael.West@ky.gov

Hon. Lawrence W. Cook
Larry.Cook@ky.gov

Hon. John G. Horne II
John.Horne@ky.gov

This 19th day of June, 2020



Clinton City Attorney
MARY B. POTTER
113 NORTH WASHINGTON ST.
CLINTON KY 42031
1-270-207-8743 (cell)
1-270-653-3312 (office)
marybpotter@bellsouth.net

Case No. 2020-00160

EXHIBIT #1
(Two pages)

CLINTON CITY COUNCIL MEETING

SPECIAL CALLED MEETING

June 9, 2020

6:00 P.M.

AGENDA

Call to order

Pledge of Allegiance

Prayer

Roll Call

Water rate increase discussion

Adjourn

Preliminary notes-This document is the personal notes of the author and isn't a public record as defined under KRS 61.870 (Open Records Act). It is exempted pursuant to KRS 61.878(1) (l) and shall not be photocopied or released, without the owner's permission, unless so ordered by a court of proper jurisdiction.

CITY COUNCIL MEETING VOTES- June 9, 2020 SPECIAL CALLED MEETING

Call to order Mayor

Prayer TK

Roll Call:

- Dillard
- Kelly
- Frizzell
- Kimbro
- Morrow
- Poole

Water rate increase discussion:

Motion: CF

Second: TK motion for attorney many Pater
to intervene in the WSPK rate
increase, case 2020-00160

- Dillard
- Frizzell
- Poole
- Kimbro
- Morrow
- Kelly

Adjournment:

Motion AD

Second CF

SPECIAL CALLED MEETING
January 21, 2020
5:00 pm

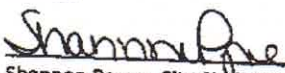
The city council met with the Mayor calling the meeting to order. The clerk called roll with the following members present Howard Dillard, John Kelly, Chad Frizzell, Laura Poole, Tommy Kimbro and Betty Morrow.


The purpose of the meeting was concerns the City has with Utilities, Inc. The following representatives with Utilities Inc were present: Steve Lubertozi, President, Justin Kersey, Vice President, Stephen Vaughn, Area Manager and Chris Cannon, Clinton worker.

- First on the list was lagoon issues and notice of violation letter. It was asked why the letter did not come to the City. Stephen Vaughn stated that it goes to the address on the permit. Attorney Potter stated we would contact the Division of Water and update the address.
- Payments to City collected by Utilities Inc.: Steve Lubertozi was unaware of the lack of reporting to the City, he stated they will start providing more reports.
- Utility Payments: payments as little as the electric bill are not being paid on time, resulting in late fees, that should be reimbursed to the City. Again, Steve Lubertozi was unaware of the situation and said he would speak to his accounts payable clerk about these issues.
- Monthly Reports submitted to state: Stephen Vaughn said this was a mistake by the EPA. Attorney Potter asked that we get this information in writing that it was a mistake.
- Audit information: The City doesn't understand why in all year's past, that when the auditors, Reed and Co. have asked for Financial Statements from Utilities Inc, that we have received them and this year the request has not been fulfilled. Steve Lubertozi stressed that he would like his questions answered by the CPA. He stated that they have went over his head in the past presenting these documents without him knowing.
- Use of Equipment: Questions were asked about use of the jetter. Stephen Vaughn stated that it is the City's jetter and can use it for storm drain cleaning, they must track water loss. Tommy Kimbro requested a list of equipment inventory being utilized by water to operate the sewer system.
- Curtis Weatherford and Justin Jackson both representatives with the Clinton Fire Department. They received a letter about fire hydrants being used for flushing only. They also stated they have paid rent on the hydrants since the 80's. Justin Kersey explained that there were no plans to upsize the water mains unless the City wants to discuss further.

Visitors: Jerry Garland with ICF nursing home stated that ICF was getting ready to build and wanted to know if sprinkler and hydrant system will be able to be provided at the new location.

Betty Morrow made a motion to adjourn with Howard Dillard seconding. Motion carried.


Shannon Payne, City Clerk (attest)


Fred Cox, Mayor