

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC TARIFF FILING OF)
FRANKFORT ELECTRIC & WATER)
PLANT BOARD OF AN AMENDMENT) CASE NO. 2020-00269
TO WATER SUPPLY AGREEMENT)
WITH FARMDALE WATER DISTRICT)**

MOTION FOR LEAVE TO INTERVENE

Pursuant to 807 KAR 5:001, Section 4(11), Farmdale Water District (“Farmdale District”) moves for leave to intervene in this proceeding. In support of its Motion, Farmdale District states:

1. Farmdale District, a water district organized pursuant to KRS Chapter 74, provides retail water service to approximately 2,666 customers in Franklin, Anderson, and Shelby counties.
2. The Electric and Water Plant Board of the City of Frankfort, Kentucky (“Frankfort Plant Board”) is Farmdale District’s sole and exclusive water supplier.
3. Since 1967 Farmdale District has purchased all of its water requirements from Frankfort Plant Board. Pursuant to its most recent Water Supply Agreement with Frankfort Plant Board, which was executed in 2011 (the “Agreement”), Farmdale District is required to purchase a minimum number of gallons from each of Frankfort Plant Board’s master meter locations.

4. Farmdale District requested Frankfort Plant Board to amend the Agreement so that the term of the Agreement would be extended to 42 years. This is necessary to enable Farmdale District to obtain a 40 year, low interest loan from the United States Department of Agriculture, Rural Development (“Rural Development”) in the amount of \$2,458,000. On April 13, 2020, Rural Development issued a Letter of Conditions to Farmdale District. The Letter of Conditions establishes certain conditions which must be met by Farmdale District before the loan can be finalized. One of these conditions is that the Agreement must have 40 years left on its term. This condition is set forth in Paragraph 30 of the Letter of Conditions, which provides as follows:

Water Purchase Contract:

The District will submit a Water Purchase Contract for approval by Rural Development before advertising for construction bids. If the contract is not on Form RD 442-30, “Water Purchase Contract,” the contract will require approval by our Regional Attorney. The contract must meet the requirements of subsection 1780.62 of RUS Instruction 1780, which includes there must be 40 years left on the term of the water purchase contract. The contract term must match the term of the loan.

5. On July 23, 2020, Frankfort Plant Board filed an amendment to the Agreement with the Kentucky Public Service Commission (the “Commission”). The amendment extends the term of the Agreement for 42 years from the date of the amendment (the “Amendment”).

6. In its August 20, 2020 Order, the Commission recognized that Farmdale District has a significant interest in this proceeding.¹ Farmdale District has a very substantial interest in this proceeding. It has an interest in ensuring that the Agreement continues in full force and effect so that it can maintain water service to its customers. In addition, if the Commission does not approve the Amendment, then the proposed loan from Rural Development to Farmdale District may be jeopardized. Furthermore, Farmdale District has an interest in ensuring that any adjustment to the Agreement is reasonable and does not unduly burden Farmdale District or its customers.

7. No party to this proceeding represents Farmdale District's interests.

8. Farmdale District's intervention is likely to present issues and to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting these proceedings. Farmdale District is familiar with Frankfort Plant Board's operations and with the terms of the Agreement that governs Frankfort Plant Board's sale of water to Farmdale District.

¹ August 20, 2020 Order at 2.

WHEREFORE, Farmdale District requests an Order granting its Motion for

Leave to Intervene.

Dated: September 4, 2020

Respectfully submitted,



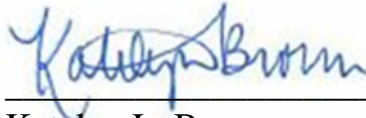
Katelyn L. Brown
Stoll Keenon Ogden PLLC
500 West Jefferson Street, Suite 2000
Louisville, Kentucky 40202
Telephone: (502) 568-5711
Fax: (502) 333-6099
katelyn.brown@skofirm.com

Damon R. Talley
Stoll Keenon Ogden PLLC
P.O. Box 150
Hodgenville, KY 42748-0150
Telephone: (270) 358-3187
Fax: (270) 358-9560
damon.talley@skofirm.com

Counsel for Farmdale Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001 Section 8(7) and the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085, this is to certify that Farmdale Water District's electronic filing was transmitted to the Commission on September 4, 2020; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a physical copy of the filing will be submitted to the Commission once the State of Emergency has ceased.



Katelyn L. Brown