

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the matter of: :

ELECTRONIC TARIFF FILING OF LOUISVILLE : CASE NO.
GAS AND ELECTRIC COMPANY TO REVISE ITS : 2024-00125
LOCAL GAS DELIVERY SERVICE TARIFF :

**LOUISVILLE/JEFFERSON COUNTY METROPOLITAN SEWER
DISTRICT’S MOTION TO INTERVENE**

Comes the Louisville/Jefferson County Metropolitan Sewer District (“MSD”), 700 West Liberty Street, Louisville, Kentucky 40203 pursuant to 807 KAR 5:001 Section 4(11), KRS 278.310, and KRS 278.040(2), by counsel, and moves for full intervenor status in this action. In support of this motion, MSD states as follows:

MSD is a political subdivision, or municipal corporation, of the Commonwealth of Kentucky established by enabling legislation in June of 1946 (i.e., KRS Chapter 76). *See also, Louisville/Jefferson County Metro Ethics Com’n v. Schardein*, 259 S.W.3d 510 (Ky.App.2008); <https://louisvillemetro.org/about-us/msd-history>.¹ MSD is three utilities in one agency. Specifically, MSD protects Louisville’s overall health and safety by providing clean waterways through wastewater treatment, stormwater/drainage management, and Ohio River flood protection. MSD employees service the majority of Louisville Metro’s 376 square miles by operating and maintaining Louisville Metro’s sewer and floodwall systems, water quality treatment centers and flood pumping stations. MSD also invests in hundreds of infrastructure improvement projects each year. *See, https://louisvillemetro.org/what-we-do*.

MSD’s enabling legislation empowers MSD, among many other things, to possess, supervise and operate the sewer and drainage systems in Louisville including to make additions,

¹ Of note, MSD is financially independent and technically not an agency of the urban-county government Louisville Metro. *Louisville/Jefferson County Metro Ethics Com’n v. Schardein*, 259 S.W.3d 510 (Ky.App.2008).

betterments and extensions to the facilities thereto within the district area. KRS § 76.080. MSD strives to provide economic savings to its hundreds of thousands of customers, improve local air quality and reduce greenhouse gas emissions. A byproduct of digesters at water resource recovery facilities operated by MSD (wastewater treatment plants) includes biogas a/k/a renewable natural gas (RNG).² As a substitute for natural gas, RNG's end use includes generating electricity and vehicle fuel. RNG can be injected into natural gas transmission or distribution pipelines such as Louisville Gas and Electric Company's (LG&E) pipelines. Use of RNG can also provide benefits in terms of fuel security, economic revenues or savings, improving local air quality and greenhouse gas emission reductions. See, <https://www.epa.gov/lmop/renewable-natural-gas>.

MSD's overarching mission includes providing quality wastewater, stormwater and flood protection services to protect public health and safety through sustainable solutions, fiscal stewardship and strategic partnerships. See, <https://louisvillemsd.org/mission>. And, consistent with MSD's mission, RNG presents a sustainable commodity source for MSD's energy needs that would provide economic benefit (fiscal stewardship) by reducing operating costs to MSD's customers through LG&E's current Local Gas Delivery Service (LGDS) Tariff.

In this matter the Commission is in the process of examining proposed changes to the LGDS Tariff for Louisville Gas and Electric Company. Promoting and providing sustainable energy through RNG and good fiscal stewardship is of paramount importance to MSD. In fact, MSD has been coordinating with LG&E since November of 2022 on two changes at the Morris

² Renewable natural gas (RNG) is a term used to describe biogas that has been upgraded for use in place of fossil natural gas. The biogas used to produce RNG comes from a variety of sources, including municipal solid waste landfills, digesters at water resource recovery facilities (wastewater treatment plants), livestock farms, food production facilities and organic waste management operations. See, <https://www.epa.gov/lmop/renewable-natural-gas>

Forman Water Quality Treatment Center³ (“Morris-Forman”) to-wit: (1) inclusion of a proposed renewable natural gas facility; and (2) installation of a new supply and RNG metering facility in conjunction with the Biosolids Processing Improvements project (an approximate \$198 Million dollar project).⁴ Likewise, MSD made application for approval and acceptance of customer supplied RNG through submittal of a Rate LGDS service request form to LG&E on or about November 13, 2022. MSD further responded to questions provided by LG&E regarding MSD’s application specific to uptime and expected gas production variability on January 12, 2023. LG&E thereafter informed MSD via a meeting on March 17, 2023 that it had hired an independent consultant to help develop best practices for customer supplied RNG and to evaluate gas quality considerations. Most recently, on March 29, 2024, MSD received notice from LG&E that it had submitted proposed changes to its LGDS tariff to the Commission. *See*, letter and redline of proposed LGDS tariff changes provided to MSD from LG&E dated March 29, 2024, incorporated as **Ex.1**.

In doing so, LG&E, by way of this proposed tariff change, seeks to revise the gas quality specifications on its LGDS tariff. Specifically, “LG&E proposes revising the total heating value to more closely align with gas received from LG&E’s interstate pipeline suppliers.” *See*, **Ex. 1**. The proposed changes to the gas quality and total heating value in the proposed tariff have the practical effect of eliminating the option of any LG&E customer including MSD to inject typical RNG into LG&E’s pipelines for use on the system. Effectively if granted the proposed tariff

³ The Morris Forman Water Quality Treatment Center is the largest water treatment facility in the Commonwealth of Kentucky. *See*, <https://louisvillemsd.org/programs/pretreatment-and-hazmat-program/morris-forman-water-quality-treatment-center>

⁴ *See*, <https://www.epa.gov/wifia/louisville-morris-forman-biosolids-processing-solution>. After project completion, the facility will treat all solids to Class A standards, producing approximately 40,000 dry tons of exceptional quality biosolids annually that can be used for beneficial reuse. For example, increasing digester biogas production and capture, allowing for renewable energy recovery for on-site use and reducing outside energy needs.

revisions, LG&E will no longer accept landfill gas, other bio-gas, or synthetic gas as the increased heating value is higher than digester gas, and, in the case of MSD, would require addition of propane or other high heating value gas at Morris-Forman prior to injection in the LG&E pipeline. Based on estimates by MSD consultants, the proposed tariff requirements will increase operational cost of the RNG facility at Morris-Forman by nearly \$1,000,000 per year and will negatively impact the economic feasibility of an RNG facility.

The Commission's review and potential approval of the proposed LGDS tariff has consequence to MSD and impacts MSD and MSD's customers. MSD employs hundreds of Kentucky citizens and corresponding MSD infrastructure projects employ many more related builders, workers and contractors. MSD has a significant interest in reliable and resilient power that also happens to be a renewable sustainable solution for energy needs of MSD along with reducing greenhouse gas emissions. MSD has a special interest which is not otherwise represented by any other party or prospective party in this above-captioned matter including that of the Attorney General and its participation will not unduly complicate or disrupt the proceeding.

MSD is in a unique position as a significant renewable fuel/biofuel producer to assist the Commission in evaluating whether LG&E's proposed amended LGDS tariff is fair, just and reasonable, consistent with KRS 278.030 and KRS 278.040. MSD's intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matters at hand. MSD has operated since before 1946 and was formally established in 1946. In this proceeding, MSD currently expects to, at a minimum, actively participate and provide tariff analysis regarding LG&E's suggested gas quality revisions from professional engineers at Hazen and Sawyer, along with other analysis, on behalf of MSD. See, www.hazenandsawyer.com.

Therefore, MSD will be a helpful and active participant should its request to intervene be granted along with this motion being timely. MSD intervention will not unduly complicate or disrupt the proceedings. Last, as addressed above, the potential changes to the LGDS tariff will significantly impact MSD's cost structure at Morris-Forman taking into account the Biosolids Processing Improvements Project *supra* and MSD a special interest in the "rates" or "services" of LG&E in this specific proceeding. KRS 278.010(12); KRS 278.010(13)("[a]nyone seeking to intervene must have an interest in the 'rates' or 'services' of a utility.").

The attorneys for MSD authorized to represent it in this proceeding and to take service of all documents are:

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Wherefore, MSD respectfully requests that it be granted full intervenor status in the above captioned proceeding.

Respectfully submitted,

/s/Matt Malone

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METROPOLITAN SEWER DISTRICT

CERTIFICATE OF SERVICE

I hereby certify that MSD's April 30, 2024 electronic filing is a true and accurate copy of MSD's pleading and Read 1st Document to be filed in paper medium; that the electronic filing has been transmitted to the Commission on April 30, 2024; that an original and one copy of the filing will not be mailed to the Commission given the pandemic orders; that there are currently no parties excused from participation by electronic service; and that, on April 30, 2024, electronic mail notification of the electronic filing is provided to all parties of record.

/s/Matt Malone

ATTORNEY FOR LOUISVILLE/JEFFERSON COUNTY

METROPOLITAN SEWER DISTRICT