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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

September 25, 2018

Gwen R. Pinson, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RE: Water Service Corporation of Kentucky
Case No. 2018-00208

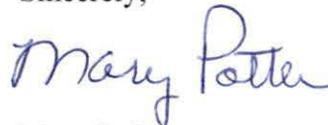
Dear Ms. Pinson:

Applicant Water City of Clinton, by counsel, hereby provides notice that it is electronically filing its Motion to Intervene. The undersigned counsel certifies that the application filed electronically is a true, accurate and complete representation of the original document and has been transmitted to the Commission. City of Clinton is aware that no party to this case has been excused from participation by electronic means and is ready, willing and able to comply with filing requirements.

Pursuant to the 807 KAR 5:001, Section 8, an original in paper medium of the responses shall be filed with the Commission within two business days following the electronic transmission.

Please contact me if you have any questions.

Sincerely,



Mary B. Potter
City of Clinton Attorney

SEP 28 2018

PUBLIC SERVICE
COMMISSION

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. 2018-00208

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 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. The funds collected are deposited in a WSKY account and payment to the City is made by WSKY. Timing of that payment has been a source of friction between the City and WSKY.

3. The City Council of the City of Clinton voted on August 16, 2018 to request permission to intervene in the above styled case. (See attached City of Clinton City Council meeting minutes). Minutes of the August meeting were approved on September 10, 2018. (See Attachment A)

4. The City of Clinton has a unique perspective into the operation of WSKY because of its business relationship.

5. In addition to the relationship referred to above, the City of Clinton has paid to WSKY for maintenance of its sewer system an average of \$150,000 yearly. The

Council receives reports monthly on the services provided and amounts paid to WSKY.
(See Attachment B)

6. It is understood that the time to intervene ran on July 27, 2018 by Order of the Commission. It is also understood that a deviation from the Commission's Order can be made "for good cause shown" under 807 KAR 5:001, Section 22.

7. The City of Clinton has been an active participant in every rate increase request by WSKY since 2008. In the most recent rate increase request, the City took part in negotiations that led to a mutually agreeable and acceptable rate increase.

8. Notice of the rate increase for Clinton was published in the June 27, 2018 Hickman County Times, the paper of record. It is noted that publication on that date shortly before the 4th of July holiday. Traditionally, residents of Clinton are traveling, vacationing or entertaining out of town family members. Because of that timing, notice of rate increase went largely unremarked.

9. When the Clinton City Council met on July 2, 2018, the matter of the rate increase was not on the agenda. Even had it been, the motion to intervene could not have been approved until the August 6, 2018 meeting, again missing the time limit on the motion to intervene.

10. Residents of Clinton have expressed to the City their opposition to this request which come a scant two years after the last request. In prior rate increase requests, residents have in disproportionate numbers to Middlesboro, the only other municipality in Kentucky served by WSCK, protested increases with written letters and attendance at the public meeting. Travel to hearings at the Commission Offices for public hearings is prohibitive for the vast majority of residents because of the distance of

over 270 miles, requiring a significant cost in gas and overnight accommodations.

11. 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. The increase will cause hardship to churches, government agencies and nonprofit organizations located in Clinton. Since the last rate increase request, a major water and sewage user, the Hickman County Detention Center, has closed. That increases the pressure on the local population to reach the income desired by the Company.

12. The City of Clinton possesses information related to the services provided by WSKY which would be helpful to the finder of fact. Due to the City of Clinton's management contract with WSKY for sewer services, it has a special interest in the case which is not already represented, and its consistent participation in past rate cases will help identify issues and develop facts helpful to the Commission. The Attorney General has intervened and is tasked with representing all consumers, but the City of Clinton is better able to represent the distinct interests of its residents. Furthermore, the City of Clinton would agree to abide by the procedural schedule set in this matter, so its intervention will not unduly complicate or disrupt the proceedings. The City of Clinton also understands that both rounds of discovery are already complete, but submits that it would be able to contribute at the hearing, by filing a brief, or in settlement discussions. Therefore, the City of Clinton respectfully requests the Commission deviate from its prior order denying requests for intervention filed after July 27, 2018 and that the City be allowed to intervene in the above styled case under 807 KAR 5:001, Section 4(11).

ATTACHMENT A
CASE NO. 2018-00208

August 6, 2018
5:00 p.m.

The city council met with Mayor Campbell, calling the meeting to order. Chad Frizzell led in prayer. The city clerk called roll with the following members present: John Kelly, Chad Frizzell, Fred Cox, Tommy Kimbro, and Betty Morrow.

The minutes of the previous meeting were read with Betty Morrow making a motion to approve the minutes and Fred Cox seconding. Motion carried.

The treasurer and financial reports were given. Betty Morrow made a motion to approve the reports with Chad Frizzell seconding. Motion carried.

The gas report was given. There was no gas meeting this month. There was no further discussion or action taken.

The waste water report was given. The mayor passed around pictures of the progress down at the lagoon. There was no further discussion or action taken.

The police report was given. There was no further discussion or action taken.

The street report was given. The mayor announced that the back hoe lease is due for renewal and she will look into our options and bring it back at the next meeting. She also passed out several projects with pictures that the back hoe has been involved in and saved the City money from not having to bid and contract out these jobs. There was no further discussion or action taken.

Visitors: Helen Greer-she was here asking that 403 Webb lane be cleaned up. The grass and overgrowth are becoming a problem. Jerome Jenkins was here about the flooding on Blair Street coming from rain out of the cornfields. Ivan Potter was here representing the Historical Society. Potter asked for a \$200 donation for the Heritage Days. Betty Morrow made a motion to approve the donation with Chad Frizzell seconding. Chad Frizzell, yes, Fred Cox, yes, Tommy Kimbro, yes, Betty Morrow, yes, John Kelly, no. Motion carried.

In new business: Wastewater Budget. Betty Morrow made a motion to approve the budget with Chad Frizzell seconding. Chad Frizzell, yes, Fred Cox, yes, Tommy Kimbro, yes, Betty Morrow, yes, John Kelly, yes. Motion carried.

2017-2018 Amended Budget: Betty Morrow made a motion to approve the budget with Fred Cox seconding. Chad Frizzell, yes, Fred Cox, yes, Tommy Kimbro, yes, Betty Morrow, yes, John Kelly, yes. Motion carried.

2018-2019 Amended Budget: After questions on the balance forward amount, Chad Frizzell made a motion to table this until the next scheduled meeting with Fred Cox seconding.

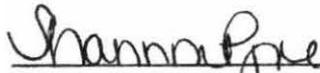
Mary Potter-intervention of Wastewater Rates: Chad Frizzell made a motion to file a motion to intervene on behalf of the City of Clinton with John Kelly seconding. Chad Frizzell, yes, Fred Cox, yes, Tommy Kimbro, yes, Betty Morrow, yes, John Kelly, yes. Motion carries.

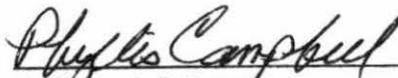
Property Tax Rate. Chad Frizzell made a motion to leave tax rates as they are with Tommy Kimbro seconding. All in favor said "I".

Old business: Trash Contract. Fred Cox made a motion to continue the contract with Freedom Waste and Betty Morrow seconded. Chad Frizzell, no, Fred Cox, yes, Tommy Kimbro, no, Betty Morrow, yes, John Kelly, yes. Motion carried.

Nuisance Ordinance: Councilman Frizzell asked if we could hold landlords responsible for a tenant not abiding by the ordinance. The mayor stated these are some of the things she wants looked at and for the council to bring it back next month.

Betty Morrow made a motion to adjourn with Fred Cox seconding. Motion carried.


Shannon Payne, City Clerk (attest)


Phyllis Campbell, Mayor

ATTACHMENT B
CASE NO. 2018-00208

Utilities, Inc.
 Invoice for Management Services City of Clinton Wastewater
 Jul-18

Management Fee		
Flat Fee*		\$ 2,050.00
Gross Systems Revenues 3%	21,978.22	<u>659.35</u>
Sub Total Management Fee		\$ 2,709.35

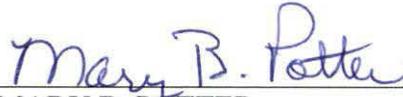
Reimbursement of Costs		
Direct Labor and Benefits	3,220.02	
Office Expenses (phone, computer, fax lines, etc)	150.00	
Transportation Expense	275.00	
Kentucky Utilities - Lift Station	255.23	
Kentucky Utilities - Lagoon	213.03	
McCoy & McCoy Laboratories Inc. #1364377	11.00	
BIO-CHEM #M256KY	1,640.54	
Fouser Environmental Services #58671	690.00	
Fouser Environmental Services #58731	265.00	
Clinton Hardware #28988	26.27	
Ray Farms #500527	500.00	
Sub Total Reimbursement of Costs		\$ 7,246.09

	<u>Hours</u>	<u>Rate</u>
Ronald G. Rushing	41.00	36.18
John Turner	25.00	
Billy Nelms Jr.	5.00	
Stephen Vaughn	<u>18.00</u>	
	<u>89.00</u>	

Total Fee for Month **\$ 9,955.44**

*Flat management fee increased by 2017 CPI of 2.11%

Respectfully submitted,



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

CASE NO. 2018-00203

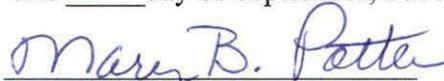
CERTIFICATE OF SERVICE

I hereby certify a true and correct copy of the foregoing Motion to Intervene was served upon Water Service Corporation of Kentucky and upon the Attorney General electronic filing and 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, KY 40507

Justin McNeil
Kent A. Chandler
Lawrence W. Cook
Rebecca W. Goodman
Assistant Attorneys General
700 Capitol Ave, Suite 20
Frankfort, KY 40601

this 25 day of September, 2018.



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

CASE NO. 2018-00203