

1 ENERGY AND ENVIRONMENT CABINET

2 Public Service Commission

3 (Amendment)

4 807 KAR 5:001. Rules of procedure.

5 RELATES TO: KRS 61.870-884, 278.020(3), 278.300[Chapter 278]

6 STATUTORY AUTHORITY: KRS 278.040(3), 278.310[(2)]

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.040(3) authorizes the
8 commission to adopt reasonable regulations to implement the provisions of KRS Chapter
9 278. KRS 278.310[(2)] provides that all hearings and investigations before the
10 commission or any commissioner shall be governed by rules adopted by the commission.
11 This administrative regulation prescribes requirements with respect to formal and informal
12 proceedings before the commission.

13 Section 1. Definitions.

14 (1) "Case" means a matter coming formally before the commission.

15 (2) "Commission" is defined by KRS 278.010(15).

16 (3) "Electronic mail" means an electronic message that is sent to an electronic
17 mail address and transmitted between two (2) or more telecommunications devices,
18 computers, or electronic devices capable of receiving electronic messages.

19 (4) "Electronic mail address" means a destination, commonly expressed as a
20 string of characters, to which electronic mail can be sent or delivered, and consists of a
21 user name or mailbox and a reference to an Internet domain;

1 (5) “Executive Director” means the person appointed to the position established
2 in KRS 278.100 or a person that he has designated to perform a duty or duties assigned
3 to that position.

4 (6) “Party” means any person who:

5 (a) Initiates action through the filing of a formal complaint, application, or petition;

6 (b) Files a tariff or tariff sheet with the commission pursuant to KRS 278.180 and
7 807 KAR 5:011 that the commission has suspended and established a case to
8 investigate or review;

9 (c) Is named as a defendant in a formal complaint filed pursuant to Section 19 of
10 this administrative regulation;

11 (d) Is granted leave to intervene pursuant to Section 4(11) of this administrative
12 regulation; or

13 (e) Is joined as a party to a commission proceeding.

14 (7) “Person” is defined by KRS 278.010(2).

15 (8) “Sewage” means a utility that meets the requirements of KRS 278.010(12).

16 (9) “Signature” means an original signature or an electronic signature as defined
17 by KRS 369.102(8).

18 (10) “Utility” is defined by KRS 278.010(3).

19 Section 2. General Offices and Hearings. (1) The commission will be in
20 continuous session for the performance of administrative duties.

21 (2) Meetings of the commission for the consideration of all matters requiring formal
22 hearings shall be held on days, at hours and at places as the commission may designate.

1 (3) The commission shall provide notice of hearing in a case by order except when
2 a hearing is not concluded on the designated day and the presiding officer verbally
3 announces the date for continuation of the hearing. Verbal announcements made by the
4 presiding officer shall be deemed proper notice of the continued hearing.

5 Section 3. Executive Director to Furnish Information. (1) Upon request, the
6 executive director will:

7 (a) Advise any person as to the form of a petition, complaint, answer, application or
8 other document desired to be filed;

9 (b) Provide general information regarding the commission's procedures and
10 practices; and

11 (c) Make available from the commission's files, upon request, any document or
12 record pertinent to any matter before the commission unless KRS 61.878 expressly
13 exempts the document or record from inspection or release.

14 (2) The executive director may reject for filing any document which on its face does
15 not comply with the administrative regulations of the commission.

16 Section 4. General Matters Pertaining to All Formal Proceedings. (1) Address of
17 the commission. All communications shall be addressed to "Public Service Commission,
18 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky, 40601."

19 (2) Case numbers and styles. Each case shall receive a number and a style
20 descriptive of the subject matter. The number and style shall be placed on all subsequent
21 documents filed in the case.

22 (3) Signing of pleadings.

1 (a) A pleading shall be signed by the submitting party or attorney and shall include
2 the name, address, telephone number, facsimile number, and electronic mail address, if
3 any, of the attorney of record or filing party.

4 (b) A pleading shall be verified or under oath when required by statute,
5 administrative regulation or order of the commission.

6 (4). No person shall file any pleading on behalf of another person, or otherwise
7 represent another person, unless they are an attorney licensed to practice law in
8 Kentucky or an attorney who has complied with SCR 3.030(2). An attorney who is not
9 licensed to practice law in Kentucky shall present evidence of his compliance with SCR
10 3.030(2) when appearing before the commission.

11 (5) Amendments. Upon motion of a party, the commission may allow any
12 complaint, application, answer or other pleading or document to be amended or corrected
13 or any omission supplied therein. Unless the commission orders otherwise, the
14 amendment shall not relate back to the date of the original pleading or document.

15 (6) Witnesses and subpoenas.

16 (a) Upon the application of any party to a proceeding, subpoenas requiring the
17 attendance of witnesses for the purpose of taking testimony may be signed and issued by
18 a member of the commission.

19 (b) Subpoenas for the production of books, accounts, documents or records
20 (unless directed to issue by the commission on its own authority) may be issued by the
21 commission, or any commissioner, upon application in writing, stating as nearly as
22 possible the books, accounts, documents or records desired to be produced.

1 (c) A party shall submit a completed subpoena with its application when
2 necessary.

3 (d) Every subpoena shall be served, in the manner prescribed by subsection 8 of
4 this regulation, on each party and any person whose information is being requested.

5 (e) Copies of all documents received in response to a subpoena shall be filed with
6 the commission and furnished to all other parties to the case, except on motion and for
7 good cause shown. Any other tangible evidence received in response to the subpoena
8 shall be made available for inspection by the commission and all other parties to the
9 action.

10 (7) Computation of Time.

11 (a) In computing any period of time prescribed or allowed by order of the
12 commission or by any applicable administrative regulation or statute, the day of the act,
13 event, or default after which the designated period of time begins to run is not to be
14 included.

15 (b) The last day of the period so computed is to be included, unless it is a
16 Saturday, a Sunday, a legal holiday, or other day commission offices are legally closed, in
17 which event the period runs until the end of the next day which is not a Saturday, a
18 Sunday, a legal holiday, or other day commission offices are legally closed.

19 (8) Service.

20 (a) Unless the commission orders otherwise, service shall be made upon the
21 party's attorney when the party is represented by an attorney.

22 (b) Service upon an attorney or upon a party shall be made by delivering a copy to
23 the attorney or party or by mailing it to the attorney or party at the last known address or

1 by sending it by electronic means to the electronic mail address listed on pleadings that
2 the attorney or party has submitted in the case. Service is complete upon mailing or
3 electronic transmission, but electronic transmission is not effective if the serving party
4 learns that it did not reach the person to be served.

5 (9) Filing.

6 (a) Unless electronic filing procedures set forth in Section 8 are used, a document
7 shall not be deemed filed with the commission until it is physically received by the
8 executive director at the commission's offices during the commission's official business
9 hours.

10 (b) The executive director shall endorse upon each pleading or document
11 accepted for filing the date of its filing. The endorsement shall constitute the filing of the
12 pleading or document.

13 (10) Privacy Protection for Filings.

14 (a) If a party files a document containing an individual's social security number,
15 taxpayer identification number, birth date, or a financial account number, the party shall
16 redact the document so the following information cannot be read:

17 1. The digits of the Social Security number or taxpayer identification number;

18 2. The month and day of an individual's birth; and

19 3. The digits of the financial account number.

20 (b) To redact the document, the filing party shall replace the identifiers with neutral
21 placeholders or cover the identifiers with an indelible mark, that so obscures the
22 identifiers that they cannot be read.

1 (c) The executive director is not required to review documents for compliance with
2 this section. The responsibility to redact a document rests with the party that files the
3 document.

4 (11) Intervention and parties.

5 (a) In any formal proceeding, any person who wishes to become a party to a
6 proceeding before the commission may by timely motion request that leave to intervene
7 be granted. The motion shall include the movant's name and address and shall state his
8 interest in the proceeding and how his intervention is likely to present issues or develop
9 facts that will assist the commission in fully considering the matter without unduly
10 complicating or disrupting the proceedings.

11 (b) The commission shall grant a person leave to intervene if it finds that a person
12 has a special interest in the case which is not otherwise adequately represented or that
13 his intervention is likely to present issues or to develop facts that assist the commission in
14 fully considering the matter without unduly complicating or disrupting the proceedings.

15 (c) Persons granted leave to intervene shall be served with filed testimony,
16 exhibits, pleadings, correspondence, and all other documents submitted by the parties in
17 the case.

18 (d) Any person who the commission has not granted leave to intervene in a case
19 may file written comments regarding the subject matter of the case. These comments
20 shall be filed in the case record.

21 Section 5. Motion Practice.

22 (1) All requests for relief which are not required to be made in a pleading shall be
23 by motion. A motion shall state precisely the relief requested.

1 (2) Unless the commission orders otherwise, a party to a case shall file any
2 response to a motion no later than seven (7) days from the date of filing of a motion.

3 (3) Unless the commission orders otherwise, a party shall file any reply no later
4 than five (5) days of the filing of the most recent response to the party's motion. The reply
5 shall be limited to the matters initially raised in the responses to the party's motion.

6 Section 6. Certificate of Service. All documents served under these administrative
7 regulations shall have a proof of service certification. Proof of service shall state the date
8 and method of service and shall be signed by a person who can verify service.

9 Section 7. Filing Procedures.

10 (1) Unless the commission orders otherwise or the electronic filing procedures set
11 forth in Section 8 of this administrative regulation are used, when an original document is
12 filed with the commission, ten (10) additional copies shall also be filed.

13 (2) All documents filed with the commission shall conform to the following
14 requirements:

15 (a) Form. Filings shall be printed or typewritten, double spaced and on one (1)
16 side of the paper only.

17 (b) Size. Filings shall be on eight and one-half (8 ½) inches by eleven (11) inches
18 paper stock.

19 (c) Font. Filings shall be in type no smaller than twelve (12) point, except
20 footnotes which may be in type no smaller than ten (10) point.

21 (d) Binding. Any side-bound or top-bound filing shall also include an identical
22 unbound copy.

1 (3) Except as provided for in Section 8 of this administrative regulation, any filing
2 made with the commission outside its business hours shall be considered as filed on the
3 commission's next business day.

4 (4) Documents submitted by facsimile transmission shall not be accepted.

5 Section 8. Electronic Filing Procedures. (1) Upon an applicant's timely election of
6 the use of electronic filing procedures or upon motion of the commission, the procedures
7 established in this section shall be used in lieu of other filing procedures set forth in this
8 administrative regulation.

9 (2) At least seven (7) days prior to the submission of its application, an applicant
10 shall:

11 (a) File with the commission written notice of its election to use electronic filing
12 procedures using the Notice of Election of Electronic Filing Procedures Form; and

13 (b) If it does not have an account for electronic filing with the commission, register
14 for an account at <http://psc.ky.gov/Account/Register>.

15 (3) All pleadings, documents, and exhibits shall be filed with the commission by
16 uploading an electronic version of the document using the commission's E-Filing System
17 at <http://psc.ky.gov>. In addition, the filing party shall file one (1) original with the
18 commission as required by subsection 12(a)2 of this section.

19 (4) Each file in an electronic submission shall be:

20 (a) In portable document format;

21 (b) Search-capable;

22 (c) Optimized for viewing over the Internet;

23 (d) Bookmarked to distinguish sections of the pleading or document; and

1 (e) If a scanned document, scanned at a resolution of no less than 300 dots per
2 inch.

3 (5)(a) All electronic submissions shall include an introductory file in portable
4 document format that is named "Read1st" and that contains:

5 1. A general description of the filing;

6 2. A list of all materials not included in the electronic filing; and

7 3. A statement attesting that the electronically filed documents are a true
8 representation of the original documents.

9 (b) The "Read1st" file and any other document that normally contains a signature
10 shall contain a signature in the electronically submitted document.

11 (c) The electronic version of the cover letter accompanying the paper filing may be
12 substituted for a general description.

13 (d) If the electronic submission does not include all documents contained in the
14 paper version (e.g., confidential materials, materials that are too large to transfer by
15 electronic medium), the absence of these documents shall be noted in the "Read1st"
16 document.

17 (6)(a) An electronic transmission or uploading session shall not exceed twenty (20)
18 files.

19 (b) An individual file shall not exceed fifty (50) megabytes.

20 (c) If a filing party's submission exceeds the limitations established in paragraph
21 (a) or (b) of this subsection, the filer shall make its electronic submission in two (2) or
22 more consecutive electronic transmission or uploading sessions.

23 (7) If filing any document with the commission, the filing party shall certify that:

1 (a) The electronic version of the filing is a true and accurate copy of each
2 document filed in paper medium;

3 (b) The electronic version of the filing has been transmitted to the commission; and

4 (c) A copy of the filing in paper medium has been mailed to all parties that the
5 commission has excused from participation by electronic means.

6 (8)(a) Upon completion of a party's uploading of an electronic submission, the
7 commission shall cause an electronic mail message to be sent to all parties of record
8 advising that an electronic submission has been made to the commission.

9 (b) Upon a party's receipt of this message, it shall be the receiving party's
10 responsibility to access the commission's electronic file depository at <http://psc.ky.gov>
11 and view or download of the submission.

12 (9) Unless it states its objection to the use of electronic filing procedures in its
13 motion for intervention, a party granted leave to intervene shall:

14 (a) Be deemed to have consented to the use of electronic filing procedures and the
15 service of all documents and pleadings, including orders of the commission, by electronic
16 means; and

17 (b) File with the commission within seven (7) days of the date of an order of the
18 commission granting its intervention a written statement that:

19 1. It waives any right to service of commission orders by United States mail; and

20 2. It, or its authorized agent, possesses the facilities to receive electronic
21 transmissions.

1 (10) Unless a party to a case states its objection to the use of electronic filing
2 procedures within seven (7) days of issuance of an order in which the commission orders
3 the use of electronic filing procedures on its own motion, that party shall:

4 (a) Be deemed to have consented to the use of electronic filing procedures and the
5 service of all documents and pleadings, including orders of the commission, by electronic
6 means; and

7 (b) File with the commission within seven (7) days of the date of an order directing
8 the use of electronic filing procedures a written statement that:

9 1. It waives any right to service of commission orders by United States mail; and

10 2. It, or its authorized agent, possesses the facilities to receive electronic
11 transmissions.

12 (11) If a party objects to the use of electronic filing procedures and the commission
13 determines that good cause exists to excuse that party from the use of electronic filing
14 procedures, service of documents on that party and by that party shall be made in
15 accordance with Section 4(8) of this administrative regulation.

16 (12)(a) A document shall be considered timely filed with the commission if:

17 1. It has been successfully transmitted in electronic medium to the commission
18 within the time allowed for filing and meets all other requirements imposed by this
19 administrative regulation and any order of the commission; and,

20 2. The original document, in paper medium, is filed at the commission's offices no
21 later than the second business day following the electronic filing.

1 (b) Parties shall attach to the top of the paper submission a paper copy of the
2 electronic mail message from the commission confirming transmission and receipt of its
3 electronic submission.

4 (13) Except as expressly provided in this section, a party making a filing in
5 accordance with the procedures set forth in this section is not required to comply with
6 Section 4(8) of this administrative regulation.

7 Section 9. Hearings and Rehearings. (1) Except as otherwise determined in
8 specific cases, the commission shall grant a hearing in the following classes of cases:

9 (a) If an order to satisfy or answer a complaint has been made and the person
10 complained of has not satisfied the complaint to the satisfaction of the commission.

11 (b) If an application has been made in a formal proceeding.

12 (2) Publication of notice. Upon the filing of any application, the commission may
13 order an applicant to give notice on all other persons who may be affected by service of a
14 copy of the application upon those persons or by publication. The applicant shall bear the
15 expense of providing the notice. If the notice is given by publication, the commission may
16 designate the length of time and the newspaper in which the notice shall appear. Proof of
17 the publication shall be filed at or before the hearing.

18 (3) Investigation on commission's own motion. The commission may at any time,
19 on its own motion, make investigations and order hearings into any act or thing done or
20 omitted to be done by a utility, which the commission may believe is in violation of any
21 law or of any order or administrative regulation of the commission. It may also through its
22 own experts or employees, or otherwise, obtain any evidence as it may consider

1 necessary or desirable in any formal proceeding in addition to the evidence presented by
2 the parties.

3 (4) Conferences with commission staff. The commission, on its own motion,
4 through its executive director or upon a request of a party, may convene a conference
5 either prior to, or during the course of hearings in a case. To provide opportunity for
6 settlement of a proceeding or any issues, the parties to a proceeding may meet in the
7 presence of commission staff upon approval of the executive director. Participation in
8 conferences with commission staff shall be limited to parties of the subject proceeding
9 and their representatives.

10 (5) Conduct of hearings. Hearings will be conducted before the commission or a
11 commissioner or before a person designated by the commission to conduct a specific
12 hearing.

13 (6) Stipulation of facts. By a stipulation in writing, filed with the commission the
14 parties to any proceeding or investigation by the commission may agree upon the facts or
15 any portion of the facts involved in the controversy, which stipulation shall be regarded
16 and used as evidence at the hearing.

17 (7) Testimony. All testimony given before the commission will be given under oath
18 or affirmation.

19 (8) Objections and exceptions. A party objecting to the admission or exclusion of
20 evidence before the commission shall state the grounds for its objection. Formal
21 exceptions are unnecessary and shall not be taken to rulings on objection.

22 (9) Record of evidence. (a) The commission shall cause to be made a record of all
23 hearings. Unless the commission orders otherwise, this record shall be in digital video

1 recording. A party to a case may, by motion made prior to the hearing, request that a
2 stenographic transcript be made by a reporter approved by the commission. The
3 commission shall grant the motion. The requesting party shall bear the cost of the
4 stenographic transcript and shall ensure a copy of the transcript is filed with the
5 commission within a reasonable time after completion of the hearing.

6 (b) The commission shall cause to be made a written exhibit list, a written
7 hearing log, and a written log listing the date and time of where each witness' testimony
8 begins and ends on the digital video recording.

9 (c) If a party introduces an exhibit that is neither a document nor a photograph,
10 the commission may direct a photograph of the exhibit be substituted for the exhibit.

11 Section 10. Briefs. (1) All briefs shall be filed within the time fixed. The
12 commission may refuse to consider any brief filed beyond the time fixed. Any request
13 for extension of time to file a brief shall be made to the commission by written motion.

14 (2) Form of briefs. All briefs filed with the commission shall be in the form
15 prescribed by the commission.

16 (3) A person wishing to submit an amicus curiae brief shall file a motion with the
17 commission specifying with particularity the nature of his interest, the points to be
18 presented, and their relevance to the disposition of the case. This motion shall be filed
19 within fifteen (15) days of the time fixed for the filing of the parties' briefs. An amicus
20 curiae brief shall be tendered with the motion.

21 Section 11. Documentary Evidence. (1) If documentary evidence is offered, the
22 commission, in lieu of requiring the originals to be filed, may accept certified, or otherwise

1 authenticated, copies of the documents or portions of the same as may be relevant, or
2 may require evidence to be entered as a part of the record.

3 (2) Where relevant and material matter offered in evidence by any party is
4 embraced in a book, paper or document containing other matter not material or relevant,
5 the party shall plainly designate the matter so offered. If any immaterial matter
6 unnecessarily encumbers the record, the book, paper or document will not be received in
7 evidence, but may be described for identification, and if properly authenticated, the
8 relevant and material matter may be read into the record, or if the commission, or
9 commissioner conducting the hearing, so directs, a true copy of the matter in proper form
10 shall be received as an exhibit, and like copies delivered by the parties offering same to
11 opposing parties, or their attorneys, appearing at the hearing, who shall be offered the
12 opportunity to examine the book, paper or document, and to offer evidence in like manner
13 other portions thereof if found to be material and relevant.

14 (3) The sheets of each exhibit and the lines of each sheet shall be numbered and if
15 the exhibit consists of two (2) or more sheets, the first sheet or title page shall contain a
16 brief statement of what the exhibit purports to show, with reference by sheet and line to
17 illustrative or typical examples contained in the exhibit. Rate comparisons and other
18 evidence shall be condensed into tables.

19 (4) Except as may be expressly permitted in particular instances, the commission
20 will not receive in evidence or consider as a part of the record any book, paper or other
21 document for consideration in connection with the proceeding after the close of the
22 testimony.

1 (5) Upon motion of any party to a proceeding, any case in the commission's files or
2 any document on file with the commission may be made a part of the record by
3 "reference only." By reference only, the case or document made a part of the record will
4 not be physically incorporated into the record. Upon action in the Franklin Circuit Court,
5 excerpts from any case or part of any document may be made a part of the record before
6 the court, at the request of any party.

7 Section 12. Financial Exhibit. If this regulation requires that a financial exhibit be
8 annexed to the application, the exhibit shall cover operations for a twelve (12) month
9 period, the period ending not more than ninety (90) days prior to the date the application
10 is filed. The exhibit shall disclose the following information in the order indicated below:

11 (1) Amount and kinds of stock authorized.

12 (2) Amount and kinds of stock issued and outstanding.

13 (3) Terms of preference of preferred stock whether cumulative or participating, or
14 on dividends or assets or otherwise.

15 (4) Brief description of each mortgage on property of applicant, giving date of
16 execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness
17 authorized to be secured, and the amount of indebtedness actually secured, together with
18 any sinking fund provisions.

19 (5) Amount of bonds authorized, and amount issued, giving the name of the public
20 utility which issued the same, describing each class separately, and giving date of issue,
21 face value, rate of interest, date of maturity and how secured, together with amount of
22 interest paid during the last fiscal year.

1 (6) Each note outstanding, giving date of issue, amount, date of maturity, rate of
2 interest, in whose favor, together with amount of interest paid during the last fiscal year.

3 (7) Other indebtedness, giving same by classes and describing security, if any,
4 with a brief statement of the devolution or assumption of any portion of the indebtedness
5 upon or by person or corporation if the original liability has been transferred, together with
6 amount of interest paid during the last fiscal year.

7 (8) Rate and amount of dividends paid during the five (5) previous fiscal years, and
8 the amount of capital stock on which dividends were paid each year.

9 (9) Detailed income statement and balance sheet.

10 Section 13. Confidential Material. (1) All material on file with the commission shall
11 be available for examination by the public unless the commission or the official custodian
12 of the commission's records determines the material is confidential.

13 (2) Procedure for determining confidentiality of material submitted in a case.

14 (a) Any person requesting confidential treatment of any material shall file a motion
15 that:

16 1. Sets forth specific grounds pursuant to KRS 61.878, upon which the
17 commission should classify that material as confidential; and

18 2. Attaches one (1) copy of the material which identifies by underscoring,
19 highlighting with transparent ink, or other reasonable means only those portions which
20 unless redacted would disclose confidential material. Text pages or portions thereof
21 which do not contain confidential material shall not be included in this identification.

1 (b) The motion, one (1) copy of the material which is identified by underscoring or
2 highlighting, and ten (10) copies of the material with those portions obscured for which
3 confidentiality is sought, shall be filed with the commission.

4 (c) The motion and one (1) copy of the material, with only those portions for which
5 confidentiality is sought obscured, shall be served on all parties. The motion shall contain
6 a certificate of service on all parties.

7 (d) The burden of proof to show that the material falls within the exclusions from
8 disclosure requirements enumerated in KRS 61.878 shall be upon the party requesting
9 confidential treatment.

10 (e) Any party may respond to a motion for confidential treatment within seven (7)
11 days after it is filed with the commission.

12 (f) If the case is being conducted using electronic filing procedures set forth in
13 Section 8 of this administrative regulation, the parties shall comply with those procedures
14 except that an unobscured copy of the material for which confidentiality is sought shall not
15 be transmitted electronically.

16 (3) Procedure for determining confidentiality of material submitted outside of a
17 formal proceeding.

18 (a) Any person requesting confidential treatment of any material filed with the
19 commission outside of a case shall submit a written request to the executive director that:

20 1. Sets forth specific grounds upon which the material should be classified as
21 confidential; and

22 2. Attaches one (1) copy of the material which identifies by underscoring,
23 highlighting with transparent ink, or other reasonable means only those portions which

1 unless redacted would disclose confidential material. Text pages or portions thereof
2 which do not contain confidential material shall not be included in this identification.

3 (b) The written request, one (1) copy of the material which is identified by
4 underscoring or highlighting, and one (1) copy of the material with those portions
5 obscured for which confidentiality is sought, shall be filed with the commission.

6 (c) The burden of proof to show that the material falls within the exclusions from
7 disclosure requirements set forth in KRS 61.878 shall be upon the person requesting
8 confidential treatment.

9 (d) The executive director, as official custodian of the commission's records, shall
10 determine if the material falls within the exclusions from disclosure requirements set forth
11 in KRS 61.878 and shall advise the requestor of his determination by letter.

12 (e) A person whose request for confidential treatment is denied by the executive
13 director may petition the commission for confidential treatment of the material in
14 accordance with the procedures set forth in subsection 2 of this administrative regulation.
15 The commission shall review the petition without regard to the executive director's
16 determination.

17 (4) Pending commission action on a request or motion for confidential treatment,
18 the material specifically identified shall be accorded confidential treatment.

19 (5) If the petition, motion or request for confidential treatment of material is denied,
20 the material shall not be placed in the public record for twenty (20) days to allow the
21 petitioner to seek any remedy afforded by law.

22 (6) Procedure for any party to request access to confidential material filed in any
23 proceeding.

1 (a) No party to any proceeding before the commission shall fail to respond to
2 discovery by the commission or its staff or any other party to the proceeding on grounds
3 of confidentiality. If any party responding to discovery requests seeks to have a portion or
4 all of the response held confidential by the commission, it shall follow the procedures for
5 petitioning for confidentiality contained in this administrative regulation. Any party's
6 response to discovery requests shall be served upon all parties, with only those portions
7 for which confidential treatment is sought obscured.

8 (b) If the commission grants confidential protection to the responsive material and
9 if parties have not entered into protective agreements, then any party may petition the
10 commission requesting access to the material on the grounds that it is essential to a
11 meaningful participation in the proceeding. The petition shall include a description of
12 efforts to enter into a protective agreement and any unwillingness to enter into a
13 protective agreement shall be fully explained. Any party may respond to the petition within
14 seven (7) days after it is filed with the commission. The commission shall determine if the
15 petitioner is entitled to the material, and the manner and extent of the disclosure
16 necessary to protect confidentiality.

17 (7) Requests for access to records pursuant to KRS 61.870-884. No time period
18 prescribed in this section shall limit the right of any person to request access to
19 commission records pursuant to KRS 61.870-884. Upon a request filed pursuant to KRS
20 61.870-884, the commission shall respond in accordance with the procedure prescribed
21 in KRS 61.880.

22 (8) Procedure for request for access to confidential material. Any person denied
23 access to records requested pursuant to KRS 61.870-884 or to material deemed

1 confidential by the commission in accordance with the procedures set out in this section,
2 may obtain this information only pursuant to KRS 61.870-884 and other applicable law.

3 (9) Use of confidential material during formal proceedings. (a) Any party that
4 files material that contains or reveals material that has previously been deemed
5 confidential shall submit with the filed material:

6 1. A written notice identifying the date on which the confidentiality of the original
7 material was determined and, if applicable, the case number in which the determination
8 was made; and

9 2. One (1) copy of the filed material which is identified by underscoring or
10 highlighting , and ten (10) copies of the material with those portions obscured for which
11 confidentiality has previously been granted.

12 (b) Any material deemed confidential by the commission may be addressed and
13 relied upon during a formal hearing by the following procedure:

14 1. The party seeking to address the confidential material shall advise the
15 commission prior to the use of the material.

16 2. All persons other than commission employees not a party to a protective
17 agreement related to the confidential material shall be excused from the hearing room
18 during direct testimony and cross-examination directly related to confidential material.

19 3. Any portion of the record directly related to the confidential material shall be
20 sealed.

21 (10) Material granted confidentiality which later becomes publicly available or
22 otherwise no longer warrants confidential treatment.

1 (a) Unless the commission orders otherwise, confidential treatment shall be
2 afforded to material for no more than two (2) years. At the end of this period, the person
3 who sought confidential treatment for the material shall request that the material continue
4 to be treated as confidential and shall demonstrate that the material still falls within the
5 exclusions from disclosure requirements set forth in KRS 61.878. Absent any showing,
6 the material will be placed in the public record. If no request is made for continued
7 confidential treatment, the material will be placed in the public record without notice to the
8 person who originally requested confidential treatment.

9 (b) The petitioner who sought confidential protection shall inform the commission in
10 writing at any time when any material granted confidentiality becomes publicly available.

11 (c) If the commission becomes aware that material granted confidentiality is
12 publicly available or otherwise no longer qualifies for confidential treatment, it shall by
13 order so advise the petitioner who sought confidential protection, giving ten (10) days to
14 respond. If the commission finds that material has been disclosed by someone other than
15 the person who requested confidential treatment, in violation of a protective agreement or
16 commission order, the information shall not be deemed or considered to be publicly
17 available and shall not be placed in the public record.

18 (d) The material shall not be placed in the public record for twenty (20) days
19 following any order finding that the material no longer qualifies for confidential treatment
20 to allow the petitioner to seek any remedy afforded by law.

21 Section 14. Applications. (1) Contents of application. All applications shall be by
22 petition. The petition shall set forth the full name, mailing address, and electronic mail
23 address of the applicant, and shall contain fully the facts on which the application is

1 based, with a request for the order, authorization, permission or certificate desired and a
2 reference to the particular law requiring or providing for same.

3 (2) Articles of incorporation.

4 (a) If the applicant is a corporation, a certified copy of its articles of incorporation
5 and all amendments, if any, shall be annexed to the application, or a written statement
6 attesting that its articles and all amendments have been filed with the commission in a
7 prior proceeding and referencing the case number of the prior proceeding.

8 (b) If the applicant is a limited liability company, a certified copy of the its articles of
9 organization and all amendments, if any, shall be annexed to the application, or a written
10 statement attesting that its articles and all amendments have been filed with the
11 commission in a prior proceeding and referencing the case number of the prior
12 proceeding.

13 (c) If the applicant is a limited partnership, a certified copy of its limited partnership
14 agreement and all amendments, if any, shall be annexed to the application, or a written
15 statement attesting that its partnership agreement and all amendments have been filed
16 with the commission in a prior proceeding and referencing the case number of the prior
17 proceeding.

18 Section 15. Applications for Certificates of Public Convenience and Necessity.

19 (1) Application to bid on a franchise pursuant to KRS 278.020(3). Upon application
20 to the commission by the utility for a certificate of convenience and necessity authorizing
21 applicant to bid on a franchise, license or permit offered by any governmental agency, the
22 applicant shall submit with its application, the following:

1 (a) A copy of its articles of incorporation, partnership agreement, or articles of
2 organization pursuant to Section 14(2) of this administrative regulation;

3 (b) The name of the governmental agency offering the franchise;

4 (c) The type of franchise offered; and

5 (d) A statement showing the need and demand for service. If the applicant is
6 successful in acquiring the franchise, license or permit, it shall file a copy with the
7 commission.

8 (2) New construction or extension. When application is made by the utility, person,
9 firm, or corporation for a certificate that the present or future public convenience or
10 necessity requires, or will require, the construction or extension of any plant, equipment,
11 property or facility, the applicant, in addition to complying with Section 14 of this
12 administrative regulation, shall submit the following data, either in the application or as
13 attached exhibits:

14 (a) The facts relied upon to show that the proposed new construction is or will be
15 required by public convenience or necessity.

16 (b) Copies of franchises or permits, if any, from the proper public authority for the
17 proposed new construction or extension, if not previously filed with the commission.

18 (c) A full description of the proposed location, route, or routes of the new
19 construction or extension, including a description of the manner in which same will be
20 constructed, and also the names of all public utilities, corporations, or persons with whom
21 the proposed new construction or extension is likely to compete.

22 (d) Maps to suitable scale showing the location or route of the proposed new
23 construction or extension, as well as the location to scale of any like facilities owned by

1 others located anywhere within the map area with adequate identification as to the
2 ownership of the other facilities. The utility shall supply one (1) copy of the map(s) in an
3 electronic format and one (1) copy of the map(s) in a paper format.

4 (e) The manner in detail in which it is proposed to finance the new construction or
5 extension.

6 (f) An estimated cost of operation thirty (30) days after the proposed facilities are
7 completed.

8 (g) All other information necessary to afford the commission a complete
9 understanding of the situation.

10 (3) Extensions in the ordinary course of business. No certificate of public
11 convenience and necessity will be required for extensions that do not create wasteful
12 duplication of plant, equipment, property or facilities, or conflict with the existing
13 certificates or service of other utilities operating in the same area and under the
14 jurisdiction of the commission that are in the general or contiguous area in which the utility
15 renders service, and that do not involve sufficient capital outlay to materially affect the
16 existing financial condition of the utility involved, or will not result in increased charges to
17 its customers.

18 (4) Renewal applications. Insofar as procedure is concerned, applications for a
19 renewal of a certificate of convenience and necessity will be treated as an original
20 application.

21 Section 16. Applications for General Adjustments in Existing Rates. (1) All
22 applications requesting a general adjustment in existing rates shall be:

23 (a) Supported by:

- 1 1. (a) A twelve (12) month historical test period which may include adjustments for
2 known and measurable changes; or
- 3 2. (b) A fully forecasted test period; and,
4 (b) Shall include:
- 5 1. A statement of the reason the adjustment is required;
6 2. If the utility is incorporated or is a limited partnership, a certificate of good
7 standing or certificate of authorization dated within sixty (60) days of the date the
8 application is filed;
- 9 3. A certified copy of a certificate of assumed name as required by KRS 365.015
10 or a statement that a certificate is not necessary;
- 11 4. Any new or revised tariff sheets in a format which complies with 807 KAR 5:011
12 with an effective date not less than thirty (30) days from the date the application is filed;
- 13 5. Any new or revised tariff sheets identified in compliance with 807 KAR 5:011,
14 shown either by:
- 15 a. Providing the present and proposed tariffs in comparative form on the same
16 sheet side by side or on facing sheets side by side; or
- 17 b. Providing a copy of the present tariff indicating proposed additions by italicized
18 inserts or underscoring and striking over proposed deletions; and
- 19 6. A statement that customer notice has been given in compliance with
20 subsections (3) and (4) of this section with a copy of the notice.
- 21 7. For the purposes of this administrative regulation, an affiliate is an entity:
22 a. That is wholly owned by a utility;
23 b. In which a utility has a controlling interest;

1 c. That wholly owns a utility;
2 d. That has a controlling interest in a utility; or
3 e. That is under common control with the utility.
4 8. For the purposes of this administrative regulation, a utility, or other entity, shall
5 be deemed to have a controlling interest in, or be under common control with, an entity or
6 utility if it:
7 a. Directly or indirectly has the power to direct, or to cause the direction of, the
8 management or policies of any entity; and
9 b. Exercises that power:
10 (i) Through one (1) or more intermediary companies, or alone;
11 (ii) In conjunction with, or pursuant to an agreement;
12 (iii) Through ownership of ten (10) percent or more of the voting securities;
13 (iv) Through common directors, officers, stockholders, voting or holding trusts,
14 associated companies;
15 (v) Contract; or
16 (vi) Any other direct or indirect means.
17 (2) Notice of intent. A utility with gross annual revenues greater than \$5,000,000
18 shall notify the commission in writing of intent to file a rate application at least thirty (30)
19 days, but not more than sixty (60) days, prior to filing its application. The notice of intent
20 shall state whether the rate application will be supported by a historical test period or a
21 fully forecasted test period. When filing the notice of intent, an application may be made
22 to the commission for permission to use an abbreviated form of newspaper notice of
23 proposed rate increases provided the notice includes a coupon which may be used to

1 obtain a copy from applicant of the full schedule of increases or rate changes. The
2 applicant shall also transmit by electronic mail a copy of the notice in a portable document
3 format to the Attorney General's Office of Rate Intervention at
4 rateintervention@ag.ky.gov.

5 (3) Manner of notification. (a) If the utility has twenty (20) or fewer customers or is
6 a sewage utility, it shall:

7 1. Mail written notice to each customer no later than the date on which the
8 application is filed with the commission. The notice shall meet the requirements set forth
9 in subsection (3) of this section;

10 2. Post at its place of business no later than the filed date of the application a
11 sheet containing the information provided in the written notice to its customers; and

12 3. Keep the notice posted until the commission has issued a final decision on the
13 application.

14 (b) An applicant that has more than twenty (20) customers and is not a sewage
15 utility shall post at its place of business a sheet containing the information required by
16 subsection (4) of this section and shall:

17 1. Include notice with customer bills mailed by the date the application is filed;

18 2. Publish notice in a trade publication or newsletter going to all customers by the
19 date the application is filed; or

20 3. Publish notice once a week for three (3) consecutive weeks in a prominent
21 manner in a newspaper of general circulation in the utility's service area, the first
22 publication to be made by the date the application is filed.

1 (c). Utilities providing service in multiple counties may use a combination of the
2 notice methods listed in subsection (3)(b) of this section.

3 (4) Notice Requirements. Each notice shall contain the following information:

4 (a) The present rates and proposed rates for each customer class to which the
5 proposed rates will apply;

6 (b) The amount of the change requested in both dollar amounts and percentage
7 change for customer classification to which the proposed rate change will apply;

8 (c) The amount of the average usage and the effect upon the average bill for each
9 customer class to which the proposed rate change will apply, except for local exchange
10 companies which shall include the effect upon the average bill for each customer class for
11 the proposed rate change in basic local service;

12 (d) A statement that the rates contained in this notice are the rates proposed by
13 (name of utility) but that the Public Service Commission may order rates to be charged
14 that differ from the proposed rates contained in this notice;

15 (e) A statement that any corporation, association, or person may within thirty (30)
16 days after the initial publication or mailing of notice of the proposed rate changes, submit
17 a written request to intervene to the Public Service Commission, 211 Sower Boulevard,
18 P.O. Box 615, Frankfort, Kentucky 40602 that sets forth the grounds for the request
19 including the status and interest of the party, and states that intervention may be granted
20 beyond the thirty (30) day period for good cause shown;

21 (f) A statement that any person may examine this filing and any other documents
22 the utility has filed with the Public Service Commission at the offices of (the name of the

1 utility) located at (the utility's address) and on the utility's Web site at (the utility's Web site
2 address), if the utility maintains a public Web site; and

3 (g) A statement that this filing and any other related documents can be found on
4 the Public Service Commission's Web site at <http://psc.ky.gov/>.

5 5. Proof of notice. An applicant shall file with the commission no later than forty-
6 five (45) days from the date of the initial filing:

7 (a) If its notice is published, an affidavit from the publisher verifying the notice
8 was published, including the dates of the publication with an attached copy of the
9 published notice;

10 (b) If its notice is published in a trade publication or newsletter going to all
11 customers, an affidavit from an authorized representative of the utility verifying the trade
12 publication or newsletter was mailed; or

13 (c) If the notice is mailed, an affidavit from an authorized representative of the
14 utility verifying the notice was mailed.

15 6. Additional notice requirements. In addition to the notice requirements listed in
16 subsection (4) of this section:

17 (a) A utility shall post a sample copy of the required notification at its place of
18 business no later than the date on which the application is filed and shall not remove the
19 notification until issuance of a final order from the commission establishing the utility's
20 approved rates; and

21 (b) A utility that maintains a public web site shall, within seven (7) days of filing
22 an application, post a copy of the public notice as well as a hyperlink to its filed

1 application on the commission's web site and shall not remove the notification until
2 issuance of a final order from the commission establishing the utility's approved rates.

3 7. Abbreviated form of notice. Upon written request, the commission may grant a
4 utility permission to use an abbreviated form of published notice of the proposed rates
5 provided the notice includes a coupon which may be used to obtain all of the required
6 information.

7 (5) Notice of hearing scheduled by the commission upon application by a utility for
8 a general adjustment in rates shall be advertised by the utility by newspaper publication in
9 the areas that will be affected in compliance with KRS 424.300.

10 (6) All applications supported by a historical test period shall include the following
11 information or a statement explaining why the required information does not exist and is
12 not applicable to the utility's application:

13 (a) A complete description and quantified explanation for all proposed adjustments
14 with proper support for any proposed changes in price or activity levels, and any other
15 factors which may affect the adjustment;

16 (b) If the utility has gross annual revenues greater than \$5,000,000, the prepared
17 testimony of each witness the utility proposes to use to support its application;

18 (c) If the utility has gross annual revenues less than \$5,000,000, the prepared
19 testimony of each witness the utility proposes to use to support its application or a
20 statement that the utility does not plan to submit any prepared testimony;

21 (d) A statement estimating the effect that the new rate(s) will have upon the
22 revenues of the utility including, at minimum, the total amount of revenues resulting from
23 the increase or decrease and the percentage of the increase or decrease;

- 1 (e) If the utility provides electric, gas, water or sewer service the effect upon the
2 average bill for each customer classification to which the proposed rate change will apply;
- 3 (f) If the utility is an incumbent local exchange company the effect upon the
4 average bill for each customer class for the proposed rate change in basic local service;
- 5 (g) A detailed analysis of customers' bills whereby revenues from the present and
6 proposed rates can be readily determined for each customer class;
- 7 (h) A summary of the utility's determination of its revenue requirements based on
8 return on net investment rate base, return on capitalization, interest coverage, debt
9 service coverage, or operating ratio, with supporting schedules;
- 10 (i) A reconciliation of the rate base and capital used to determine its revenue
11 requirements;
- 12 (j) A current chart of accounts if more detailed than the Uniform System of
13 Accounts prescribed by the commission;
- 14 (k) The independent auditor's annual opinion report, with any written
15 communication from the independent auditor to the utility which indicates the existence of
16 a material weakness in the utility's internal controls;
- 17 (l) The most recent Federal Energy Regulatory Commission or Federal
18 Communication Commission audit reports;
- 19 (m) The most recent Federal Energy Regulatory Commission Form 1 (electric),
20 Federal Energy Regulatory Commission Form 2 (gas), or Public Service Commission
21 Form T (telephone);
- 22 (n) A summary of the utility's latest depreciation study with schedules by major
23 plant accounts, except that telecommunications utilities that have adopted the

1 commission's average depreciation rates shall provide a schedule that identifies the
2 current and test period depreciation rates used by major plant accounts. If the required
3 information has been filed in another commission case a reference to that case's number
4 and style will be sufficient;

5 (o) A list of all commercially available or in-house developed computer software,
6 programs, and models used in the development of the schedules and work papers
7 associated with the filing of the utility's application. This list shall include each software,
8 program, or model; what the software, program, or model was used for; identify the
9 supplier of each software, program, or model; a brief description of the software, program,
10 or model; the specifications for the computer hardware and the operating system required
11 to run the program;

12 (p) Prospectuses of the most recent stock or bond offerings;

13 (q) Annual report to shareholders, or members, and statistical supplements
14 covering the two (2) most recent years from the utility's application filing date;

15 (r) The monthly managerial reports providing financial results of operations for the
16 twelve (12) months in the test period;

17 (s) A copy of the utility's annual report on Form 10-K as filed with the Securities
18 and Exchange Commission for the most recent two (2) years, any Form 8-K issued during
19 the past two (2) years, and any Form 10-Q issued during the past six (6) quarters updated
20 as current information becomes available;

21 (t) If the utility had any amounts charged or allocated to it by an affiliate or general
22 or home office or paid any monies to an affiliate or general or home office during the test
23 period or during the previous three (3) calendar years, the utility shall file;

1 1. A detailed description of the method and amounts allocated or charged to the
2 utility by the affiliate or general or home office for each charge allocation or payment;
3 2. An explanation of how the allocator for the test period was determined; and
4 3. All facts relied upon, including other regulatory approval, to demonstrate that
5 each amount charged, allocated or paid during the test period was reasonable;
6 (u) If the utility provides gas, electric, water or sewage utility service and has
7 annual gross revenues greater than \$5,000,000, a cost of service study based on a
8 methodology generally accepted within the industry and based on current and reliable
9 data from a single time period; and
10 (v) Incumbent local exchange carriers with fewer than 50,000 access lines shall
11 not be required to file cost of service studies, except as specifically directed by the
12 commission. Local exchange carriers with more than 50,000 access lines shall file:
13 1. A jurisdictional separations study consistent with Part 36 of the Federal
14 Communications Commission's rules and regulations; and
15 2. Service specific cost studies to support the pricing of all services that generate
16 annual revenue greater than \$1,000,000, except local exchange access:
17 a. Based on current and reliable data from a single time period; and
18 b. Using generally recognized fully allocated, embedded, or incremental cost
19 principles.
20 (7) Upon good cause shown, a utility may request pro forma adjustments for
21 known and measurable changes to ensure fair, just and reasonable rates based on the
22 historical test period. The following information shall be filed with applications requesting

1 pro forma adjustments or a statement explaining why the required information does not
2 exist and is not applicable to the utility's application:

3 (a) A detailed income statement and balance sheet reflecting the impact of all
4 proposed adjustments;

5 (b) The most recent capital construction budget containing at least the period of
6 time as proposed for any pro forma adjustment for plant additions;

7 (c) For each proposed pro forma adjustment reflecting plant additions provide the
8 following information:

9 1. The starting date of the construction of each major component of plant;

10 2. The proposed in-service date;

11 3. The total estimated cost of construction at completion;

12 4. The amount contained in construction work in progress at the end of the test
13 period;

14 5. A schedule containing a complete description of actual plant retirements and
15 anticipated plant retirements related to the pro forma plant additions including the actual
16 or anticipated date of retirement;

17 6. The original cost, cost of removal and salvage for each component of plant to be
18 retired during the period of the proposed pro forma adjustment for plant additions;

19 7. An explanation of any differences in the amounts contained in the capital
20 construction budget and the amounts of capital construction cost contained in the pro
21 forma adjustment period; and

22 8. The impact on depreciation expense of all proposed pro forma adjustments for
23 plant additions and retirements;

1 (d) The operating budget for each month of the period encompassing the pro
2 forma adjustments;

3 (e) The number of customers to be added to the test period end level of customers
4 and the related revenue requirements impact for all pro forma adjustments with complete
5 details and supporting work papers.

6 (8) All applications requesting a general adjustment in rates supported by a fully
7 forecasted test period shall comply with the following requirements:

8 (a) The financial data for the forecasted period shall be presented in the form of
9 pro forma adjustments to the base period.

10 (b) Forecasted adjustments shall be limited to the twelve (12) months immediately
11 following the suspension period.

12 (c) Capitalization and net investment rate base shall be based on a thirteen (13)
13 month average for the forecasted period.

14 (d) After an application based on a forecasted test period is filed, there shall be no
15 revisions to the forecast, except for the correction of mathematical errors, unless the
16 revisions reflect statutory or regulatory enactments that could not, with reasonable
17 diligence, have been included in the forecast on the date it was filed. There shall be no
18 revisions filed within thirty (30) days of a scheduled hearing on the rate application.

19 (e) The commission may require the utility to prepare an alternative forecast based
20 on a reasonable number of changes in the variables, assumptions, and other factors used
21 as the basis for the utility's forecast.

22 (f) The utility shall provide a reconciliation of the rate base and capital used to
23 determine its revenue requirements.

1 (9) All applications requesting a general adjustment in rates supported by a fully
2 forecasted test period shall include the following or a statement explaining why the
3 required information does not exist and is not applicable to the utility's application:

4 (a) The prepared testimony of each witness the utility proposes to use to support
5 its application which shall include testimony from the utility's chief officer in charge of
6 Kentucky operations on the existing programs to achieve improvements in efficiency and
7 productivity, including an explanation of the purpose of the program;

8 (b) The utility's most recent capital construction budget containing at minimum a
9 three (3) year forecast of construction expenditures;

10 (c) A complete description, which may be filed in prefiled testimony form, of all
11 factors used in preparing the utility's forecast period. All econometric models, variables,
12 assumptions, escalation factors, contingency provisions, and changes in activity levels
13 shall be quantified, explained, and properly supported;

14 (d) The utility's annual and monthly budget for the twelve (12) months preceding
15 the filing date, the base period and forecasted period;

16 (e) A statement of attestation signed by the utility's chief officer in charge of
17 Kentucky operations which shall provide:

18 1. That the forecast is reasonable, reliable, made in good faith and that all basic
19 assumptions used in the forecast have been identified and justified;

20 2. That the forecast contains the same assumptions and methodologies as used in
21 the forecast prepared for use by management, or an identification and explanation for any
22 differences that exist; and

23 3. That productivity and efficiency gains are included in the forecast;

1 (f) For each major construction project which constitutes five (5) percent or more of
2 the annual construction budget within the three (3) year forecast the following information
3 shall be filed:

4 1. The date the project was started or estimated starting date;

5 2. The estimated completion date;

6 3. The total estimated cost of construction by year exclusive and inclusive of
7 allowance for funds used during construction ("AFUDC") or interest during construction
8 credit; and

9 4. The most recent available total costs incurred exclusive and inclusive of AFUDC
10 or interest during construction credit;

11 (g) For all construction projects which constitute less than five (5) percent of the
12 annual construction budget within the three (3) year forecast, the utility shall file an
13 aggregate of the information requested in paragraph (f)3 and 4 of this subsection;

14 (h) A financial forecast corresponding to each of the three (3) forecasted years
15 included in the capital construction budget. The financial forecast shall be supported by
16 the underlying assumptions made in projecting the results of operations and shall include
17 the following information:

18 1. Operating income statement (exclusive of dividends per share or earnings per
19 share);

20 2. Balance sheet;

21 3. Statement of cash flows;

22 4. Revenue requirements necessary to support the forecasted rate of return;

23 5. Load forecast including energy and demand (electric);

- 1 6. Access line forecast (telephone);
- 2 7. Mix of generation (electric);
- 3 8. Mix of gas supply (gas);
- 4 9. Employee level;
- 5 10. Labor cost changes;
- 6 11. Capital structure requirements;
- 7 12. Rate base;
- 8 13. Gallons of water projected to be sold (water);
- 9 14. Customer forecast (gas, water);
- 10 15. MCF sales forecasts (gas);
- 11 16. Toll and access forecast of number of calls and number of minutes
- 12 (telephone); and
- 13 17. A detailed explanation of any other information provided;
- 14 (i) The most recent Federal Energy Regulatory Commission or Federal
- 15 Communications Commission audit reports;
- 16 (j) The prospectuses of the most recent stock or bond offerings;
- 17 (k) The most recent Federal Energy Regulatory Commission Form 1 (electric),
- 18 Federal Energy Regulatory Commission Form 2 (gas), or Public Service Commission
- 19 Form T (telephone);
- 20 (l) The annual report to shareholders or members and the statistical supplements
- 21 covering the most recent two (2) years from the application filing date;
- 22 (m) The current chart of accounts if more detailed than the Uniform System of
- 23 Accounts chart prescribed by the commission;

- 1 (n) The latest twelve (12) months of the monthly managerial reports providing
2 financial results of operations in comparison to the forecast;
- 3 (o) Complete monthly budget variance reports, with narrative explanations, for the
4 twelve (12) months immediately prior to the base period, each month of the base period,
5 and any subsequent months, as they become available;
- 6 (p) A copy of the utility's annual report on Form 10-K as filed with the Securities
7 and Exchange Commission for the most recent two (2) years, and any Form 8-K issued
8 during the past two (2) years, and any Form 10-Q issued during the past six (6) quarters;
- 9 (q) The independent auditor's annual opinion report, with any written
10 communication from the independent auditor to the utility which indicates the existence of
11 a material weakness in the utility's internal controls;
- 12 (r) The quarterly reports to the stockholders for the most recent five (5) quarters;
- 13 (s) The summary of the latest depreciation study with schedules itemized by major
14 plant accounts, except that telecommunications utilities that have adopted the
15 commission's average depreciation rates shall provide a schedule that identifies the
16 current and base period depreciation rates used by major plant accounts. If the required
17 information has been filed in another commission case a reference to that case's number
18 and style will be sufficient;
- 19 (t) A list of all commercially available or in-house developed computer software,
20 programs, and models used in the development of the schedules and work papers
21 associated with the filing of the utility's application. This list shall include each software,
22 program, or model; what the software, program, or model was used for; identify the
23 supplier of each software, program, or model; a brief description of the software, program,

1 or model; the specifications for the computer hardware and the operating system required
2 to run the program;

3 (u) If the utility had any amounts charged or allocated to it by an affiliate or a
4 general or home office or paid any monies to an affiliate or a general or home office
5 during the base period or during the previous three (3) calendar years, the utility shall file:

6 1. A detailed description of the method and amounts allocated or charged to the
7 utility by the affiliate or general or home office for each allocation or payment;

8 2. The method and amounts allocated during the base period and the method and
9 estimated amounts to be allocated during the forecasted test period;

10 3. An explanation of how the allocator for both the base period and the forecasted
11 test period were determined; and

12 4. All facts relied upon, including other regulatory approval, to demonstrate that
13 each amount charged, allocated or paid during the base period is reasonable;

14 (v) If the utility provides gas, electric, sewage utility or water utility service and has
15 annual gross revenues greater than \$5,000,000, a cost of service study based on a
16 methodology generally accepted within the industry and based on current and reliable
17 data from a single time period; and

18 (w) Incumbent local exchange carriers with fewer than 50,000 access lines shall
19 not be required to file cost of service studies, except as specifically directed by the
20 commission. Local exchange carriers with more than 50,000 access lines shall file:

21 1. A jurisdictional separations study consistent with Part 36 of the Federal
22 Communications Commission's rules and regulations; and

1 2. Service specific cost studies to support the pricing of all services that generate
2 annual revenue greater than \$1,000,000 except local exchange access:
3 a. Based on current and reliable data from a single time period; and
4 b. Using generally recognized fully allocated, embedded, or incremental cost
5 principles.
6 (10) All applications seeking a general adjustment in rates supported by a
7 forecasted test period shall include the following data:
8 (a) A jurisdictional financial summary for both the base period and the forecasted
9 period which details how the utility derived the amount of the requested revenue increase;
10 (b) A jurisdictional rate base summary for both the base period and the forecasted
11 period with supporting schedules which include detailed analyses of each component of
12 the rate base;
13 (c) A jurisdictional operating income summary for both the base period and the
14 forecasted period with supporting schedules which provide breakdowns by major account
15 group and by individual account;
16 (d) A summary of jurisdictional adjustments to operating income by major account
17 with supporting schedules for individual adjustments and jurisdictional factors;
18 (e) A jurisdictional federal and state income tax summary for both the base period
19 and the forecasted period with all supporting schedules of the various components of
20 jurisdictional income taxes;
21 (f) Summary schedules for both the base period and the forecasted period (the
22 utility may also provide a summary segregating those items it proposes to recover in
23 rates) of organization membership dues; initiation fees; expenditures at country clubs;

1 charitable contributions; marketing, sales, and advertising expenditures; professional
2 service expenses; civic and political activity expenses; expenditures for employee parties
3 and outings; employee gift expenses; and rate case expenses;

4 _____ (g) Analyses of payroll costs including schedules for wages and salaries,
5 employee benefits, payroll taxes, straight time and overtime hours, and executive
6 compensation by title;

7 _____ (h) A computation of the gross revenue conversion factor for the forecasted period;

8 _____ (i) Comparative income statements (exclusive of dividends per share or earnings
9 per share), revenue statistics and sales statistics for the five (5) most recent calendar
10 years from the application filing date, the base period, the forecasted period, and two (2)
11 calendar years beyond the forecast period;

12 _____ (j) A cost of capital summary for both the base period and forecasted period with
13 supporting schedules providing details on each component of the capital structure;

14 _____ (k) Comparative financial data and earnings measures for the ten (10) most recent
15 calendar years, the base period, and the forecast period;

16 _____ (l) A narrative description and explanation of all proposed tariff changes;

17 _____ (m) A revenue summary for both the base period and forecasted period with
18 supporting schedules which provide detailed billing analyses for all customer classes; and

19 _____ (n) A typical bill comparison under present and proposed rates for all customer
20 classes.

21 _____ (11) The commission shall notify the utility of any deficiencies in the application
22 within thirty (30) days of receiving it. For the application to be considered filed with the

1 commission, the utility shall cure any deficiencies within thirty (30) days' of the
2 commission giving notice of any deficiencies.

3 (12) A request for waiver of any of the provisions of these filing requirements shall
4 set forth the specific reasons for the request. The commission shall grant the request for
5 waiver upon good cause shown by the utility. In determining whether good cause has
6 been shown, the commission may consider:

7 (a) Whether other information which the utility would provide if the waiver is
8 granted is sufficient to allow the commission to effectively and efficiently review the rate
9 application;

10 (b) Whether the information which is the subject of the waiver request is normally
11 maintained by the utility or reasonably available to it from the information which it
12 maintains; and

13 (c) The expense to the utility in providing the information which is the subject of the
14 waiver request.

15 Section 17. Application for Authority to Issue Securities, Notes, Bonds, Stocks or
16 Other Evidences of Indebtedness. (1) When application is made by the utility for an order
17 authorizing the issuance of securities, notes, bonds, stocks or other evidences of
18 indebtedness payable at periods of more than two (2) years from the date thereof, under
19 the provisions of KRS 278.300, the application, in addition to complying with the
20 requirements of Section 14 of this administrative regulation, shall contain:

21 (a) A general description of applicant's property and the field of its operation,
22 together with a statement of the original cost of the same and the cost to the applicant, if it
23 is impossible to state the original cost, the facts creating the impossibility shall be stated.

1 (b) The amount and kinds of stock, if any, which the utility desires to issue, and, if
2 preferred, the nature and extent of the preference; the amount of notes, bonds or other
3 evidences of indebtedness, if any, which the utility desires to issue, with terms, rate of
4 interest and whether and how to be secured.

5 (c) The use to be made of the proceeds of the issue of any securities, notes,
6 bonds, stocks or other evidence of indebtedness with a statement indicating how much is
7 to be used for the acquisition of property, the construction, completion, extension or
8 improvement of facilities, the improvement of service, the maintenance of service and the
9 discharge or refunding of obligations.

10 (d) The property in detail which is to be acquired, constructed, improved or
11 extended with its cost, a detailed description of the contemplated construction,
12 completion, extension or improvement of facilities set forth in a manner whereby an
13 estimate of the cost may be made, a statement of the character of the improvement of
14 service proposed, and of the reasons why the service should be maintained from its
15 capital. Whether any contracts have been made for the acquisition of any property, or for
16 any construction, completion, extension or improvement of facilities, or for the disposition
17 of any of the securities, notes, bonds, stocks or other evidence of indebtedness which it
18 proposes to issue or the proceeds thereof and if any contracts have been made, copies
19 thereof shall be annexed to the petition.

20 (e) If it is proposed to discharge or refund obligations, a statement of the nature
21 and description of the obligations including their par value, the amount for which they
22 were actually sold, the associated expenses, and the application of the proceeds from the

1 sales. If notes are to be refunded, the petition shall show the date, amount, time, rate of
2 interest, and payee of each and the purpose for which their proceeds were expended.

3 (f) Any other facts as may be pertinent to the application.

4 (2) The following exhibits shall be filed with the application:

5 (a) Financial exhibit (see Section 12 of this administrative regulation).

6 (b) Copies of trust deeds or mortgages, if any, unless they have already been filed
7 with the commission, in which case reference shall be made, by style and case number,
8 to the proceeding in which the trust deeds or mortgages have been filed.

9 (c) Maps and plans of the proposed property and constructions together with
10 detailed estimates in a form that they can be reviewed by the commission's engineering
11 division. Estimates shall be arranged according to the uniform system of accounts
12 prescribed by the commission for the various classes of utilities.

13 Section 18. Petition for Declaratory Order. (1) The commission may, upon
14 application by any person substantially affected, issue a declaratory order with respect
15 to the jurisdiction of the commission, the applicability to any person, property or state of
16 facts of any order or administrative regulation of the commission or provision of KRS
17 Chapter 278, or with respect to the meaning and scope of any order or administrative
18 regulation of the commission or provision of KRS Chapter 278.

19 (2) An application for declaratory order shall:

20 (a) Be in writing;

21 (b) Contain a complete, accurate, and concise statement of the facts upon which
22 the application is based;

23 (c) Fully disclose the applicant's interest;

1 (d) Identify all statutes, regulations and orders to which the application relates
2 order or administrative regulation; and

3 (e) State the applicant's proposed resolution or conclusion

4 (3) The commission may in its discretion direct that a copy of the application for a
5 declaratory order be served on any person the commission deems may be affected by
6 the application.

7 (4) Responses, if any, to an application for declaratory order shall be filed with
8 the commission within 21 days after the date on which the application was filed with the
9 commission or within the time the commission directs; and be served upon the
10 applicant.

11 (5) Replies to responses may be filed with the commission within 14 days after
12 service, or within the time the commission directs

13 (6) All applications, responses and replies containing allegations of fact shall be
14 supported by affidavit or verified.

15 (7) The commission may in its sole discretion dispose of a application for a
16 declaratory order solely on the basis of the written submissions filed before it.

17 (8) The commission may take any action necessary to ensure a complete record,
18 to include holding oral arguments on the application and requiring the production of
19 additional documents and materials.

20 Section 19. Formal Complaints. (1) Contents of complaint. Each complaint shall be
21 headed "Before the Public Service Commission," shall set out the names of the
22 complainant and the name of the defendant, and shall state:

23 (a) The full name and post office address of the complainant.

1 (b) The full name and post office address of the defendant.

2 (c) Fully, clearly, and with reasonable certainty, the act or thing done or omitted to
3 be done, of which complaint is made, with a reference, where practicable, to the law,
4 order, or section, and subsections, of which a violation is claimed, and other matters, or
5 facts, if any, as may be necessary to acquaint the commission fully with the details of the
6 alleged violation. The complainant shall set forth definitely the exact relief which is
7 desired.

8 (2) Signature. The complaint shall be signed by the complainant or his attorney, if
9 any, and if signed by an attorney, shall show his post office address. Complaints by
10 corporations or associations, or any other organization having the right to file a complaint,
11 shall be signed by its attorney.

12 (3) Number of copies required. When the complainant files his original complaint,
13 he shall also file two (2) more copies than the number of persons or corporations to be
14 served.

15 (4) Procedure on filing of complaint.

16 (a) Upon the filing of a complaint, the commission will immediately examine the
17 same to ascertain whether it establishes a prima facie case and conforms to this
18 administrative regulation. If the commission is of the opinion that the complaint does not
19 establish a prima facie case or does not conform to this administrative regulation, it will
20 notify the complainant or his attorney to that effect, and opportunity may be given to
21 amend the complaint within a specified time. If the complaint is not so amended within the
22 time or the extension as the commission, for good cause shown, may grant, it will be
23 dismissed.

1 (b) If the commission is of the opinion that the complaint, either as originally filed or
2 as amended, does establish a prima facie case and conforms to this administrative
3 regulation, the commission will serve an order upon any person complained of under the
4 hand of its executive director and attested by its seal, accompanied by a copy of the
5 complaint, directed to the person and requiring that the matter complained of be satisfied,
6 or that the complaint be answered in writing within ten (10) days from the date of service
7 of the order, provided that the commission may, in particular cases, require the answer to
8 be filed within a shorter time.

9 (5) Satisfaction of the complaint. If the defendant desires to satisfy the complaint,
10 he shall submit to the commission, within the time allowed for satisfaction or answer, a
11 statement of the relief which he is willing to give. Upon the acceptance of this offer by the
12 complainant and the approval of the commission, no further proceedings need be taken.

13 (6) Answer to complaint. If complainant is not satisfied with the relief offered, the
14 person complained of shall file an answer to the complaint, with certificate of service on
15 other endorsed parties, within the time specified in the order or the extension as the
16 commission, for good cause shown, may grant. The answer shall contain a specific denial
17 of the material allegations of the complaint as controverted by the defendant and also a
18 statement of any new matter constituting a defense. If the answering party has no
19 information or belief upon the subject sufficient to enable him to answer an allegation of
20 the complaint, he may so state in his answer and place his denial upon that ground.

21 Section 20. Informal Complaints. (1) Informal complaints shall be made to the
22 commission's division of consumer services in any manner that specifically states the
23 complainant's concerns and identifies the utility.

1 (2) The commission's division of consumer services shall address by
2 correspondence or other means the complaint. If an informal complaint is referred to a
3 utility, the utility shall acknowledge to the commission's division of consumer services
4 referral of the complaint and shall report on its efforts to contact the complainant within
5 three (3) business days of the referral, or a lesser period as commission staff may
6 require. If commission staff requires a period less than three (3) business days for a
7 response, that period shall be reasonable under the circumstances.

8 (3) Upon resolution of the informal complaint, the utility shall notify the
9 commission's division of consumer services.

10 (4) In the event of failure to bring about satisfaction of the complaint because of the
11 inability of the parties to agree as to the facts involved, or from other causes, the
12 proceeding is held to be without prejudice to the complainant's right to file and prosecute
13 a formal complaint whereupon the informal proceedings will be discontinued.

14 Section 21. Deviations from Rules. In special cases, for good cause shown, the
15 commission may permit deviations from these rules.

16 Section 22. Incorporation by Reference. (1) The following material is incorporated
17 by reference:

18 (a) "FERC Form-1", Annual Report of Major Electric Utilities, Licensees and
19 Others; March 2007;

20 (b) "FERC Form-2", Annual Report of Major Natural Gas Companies; December
21 2007;

22 (c) "PSC Notice of Electronic Filing Procedures Form"; July 2012;

23 (d) "PSC Form-T (telephone)"; August 2005;

1 (e) "SEC Form-8K"; January 2012;

2 (f) "SEC Form-10K"; January 2012;

3 (g) "SEC Form-10Q"; January 2012;

4 (2) This material may be inspected, copied, or obtained, subject to applicable
5 copyright law, at the commission's offices located at 211 Sower Boulevard, Frankfort,
6 Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the
7 commission's Web site at <http://psc.ky.gov/>.

8 ~~[Section 1. General Offices and Hearings. (1) The commission will be in~~
9 ~~continuous session for the performance of administrative duties.~~

10 ~~———(2) Meetings of the commission for the consideration of all matters requiring formal~~
11 ~~hearings will be held on such days, at such hours and at such places as the commission~~
12 ~~may designate.~~

13 ~~———(3) Notice of hearing will be given by the secretary to parties to proceedings before~~
14 ~~the commission, except when a hearing is not concluded on the day appointed therefor~~
15 ~~and verbal announcement is made by the presiding commissioner or hearing examiner of~~
16 ~~an adjourned date. Verbal announcements so made shall be deemed due notice of~~
17 ~~continued hearing.~~

18 ~~———Section 2. Secretary to Furnish Information. (1) Upon request, the secretary will~~
19 ~~advise any party as to the form of a petition, complaint, answer, application or other paper~~
20 ~~desired to be filed; and he will make available from the commission's files, upon request,~~
21 ~~any document or record pertinent to any matter before the commission.~~

22 ~~———(2) The secretary may reject for filing any document which on its face does not~~
23 ~~comply with the rules and administrative regulations of the commission.~~

1 ~~Section 3. General Matters Pertaining to All Formal Proceedings. (1) Address of~~
2 ~~the commission. All communications should be addressed to "Public Service~~
3 ~~Commission, Frankfort, Kentucky."~~

4 ~~(2) Case numbers and styles. Each matter coming formally before the commission~~
5 ~~will be known as a case and will receive a number and style, descriptive of the subject~~
6 ~~matter. Such number and style shall be placed on all subsequent papers in such case.~~

7 ~~(3) Form of papers filed. All pleadings and applications filed with the commission in~~
8 ~~formal proceedings shall be printed or typewritten on one (1) side of the paper only, and~~
9 ~~typewriting shall be double spaced.~~

10 ~~(4) Signing of pleadings. Every pleading of a party represented by an attorney shall~~
11 ~~be signed by at least one (1) attorney of record in his individual name and shall state his~~
12 ~~address. Except when otherwise specifically provided by statute, pleadings need not be~~
13 ~~verified or accompanied by affidavit.~~

14 ~~(5) Amendment. At its discretion, the commission may allow any complaint,~~
15 ~~application, answer or other paper to be amended or corrected or any omission supplied~~
16 ~~therein.~~

17 ~~(6) Witnesses and subpoenas.~~

18 ~~(a) Upon the application of any party to a proceeding, subpoenas requiring the~~
19 ~~attendance of witnesses for the purpose of taking testimony may be signed and issued by~~
20 ~~a member of the commission.~~

21 ~~(b) Subpoenas for the production of books, accounts, papers or records (unless~~
22 ~~directed to issue by the commission on its own authority) will be issued only at the~~

1 ~~discretion of the commission, or any commissioner, upon application in writing, stating as~~
2 ~~nearly as possible the books, accounts, papers or records desired to be produced.~~

3 ~~—— (7) Service of process. When any party has appeared by attorney, service upon~~
4 ~~such attorney will be deemed proper service upon the party.~~

5 ~~—— (8) Intervention and parties. In any formal proceeding, any person who wishes to~~
6 ~~become a party to a proceeding before the commission may by timely motion request that~~
7 ~~he be granted leave to intervene. Such motion shall include his name and address and~~
8 ~~the name and address of any party he represents and in what capacity he is employed by~~
9 ~~such party.~~

10 ~~—— (a) Each person granted leave to intervene shall be considered as making a~~
11 ~~limited intervention unless he submits to the secretary a written request for full~~
12 ~~intervention. A person making only a limited intervention shall be entitled to the full rights~~
13 ~~of a party at the hearing in which he appears and shall be served with the commission's~~
14 ~~order, but he shall not be served with filed testimony, exhibits, pleadings, correspondence~~
15 ~~and all other documents submitted by parties. A person making a limited appearance will~~
16 ~~not be certified as a party for the purposes of receiving service of any petition for~~
17 ~~rehearing or petition for judicial review.~~

18 ~~—— (b) If a person granted leave to intervene desires to be served with filed testimony,~~
19 ~~exhibits, pleadings, correspondence and all other documents submitted by parties, and to~~
20 ~~be certified as a party for the purposes of receiving service of any petition for rehearing or~~
21 ~~petition for judicial review, he shall submit in writing to the secretary a request for full~~
22 ~~intervention, which shall specify his interest in the proceeding. If the commission~~
23 ~~determines that a person has a special interest in the proceeding which is not otherwise~~

1 adequately represented or that full intervention by party is likely to present issues or to
2 develop facts that assist the commission in fully considering the matter without unduly
3 complicating or disrupting the proceedings, such person shall be granted full intervention.

4 ~~Section 4. Hearings and Rehearings. (1) When hearings will be granted. Except as~~
5 ~~otherwise determined in specific cases, the commission will grant a hearing in the~~
6 ~~following classes of cases:~~

7 ~~(a) When an order to satisfy a complaint or to make answer thereto has been~~
8 ~~made and the corporation or person complained of has not satisfied the complaint to the~~
9 ~~satisfaction of the commission.~~

10 ~~(b) When application has been made in a formal proceeding.~~

11 ~~(2) Publication of notice. Upon the filing of any application the commission may, in~~
12 ~~its discretion, give all other corporations or persons who may be affected thereby an~~
13 ~~opportunity to be heard by service upon them of a copy of the petition or by publication of~~
14 ~~the substance thereof, at the expense of the applicant, for such length of time and in such~~
15 ~~newspaper or newspapers as the commission may designate. In such cases the form of~~
16 ~~notice will be prepared by the secretary, and a proof of the publication thereof must be~~
17 ~~filed at or before the hearing.~~

18 ~~(3) Investigation on commission's own motion. The commission may at any time,~~
19 ~~on its own motion, make investigations and order hearings into any act or thing done or~~
20 ~~omitted to be done by the public utility, which the commission may believe is in violation~~
21 ~~of any provision of law or of any order or administrative regulation of the commission. It~~
22 ~~may also through its own experts or employees, or otherwise, obtain such evidence as it~~

1 may consider necessary or desirable in any formal proceeding in addition to the evidence
2 presented by the parties.

3 ~~—— (4) Conferences with commission staff. In order to provide opportunity for
4 settlement of a proceeding or any of the issues therein, an informal conference with the
5 commission staff may be arranged through the secretary of the commission either prior
6 to, or during the course of hearings in any proceeding, at the request of any party.~~

7 ~~—— (5) Conduct of hearings. Hearings will be conducted before the commission or a
8 commissioner or before a person designated by the commission to conduct a specific
9 hearing.~~

10 ~~—— (6) Stipulation of facts. By a stipulation in writing, filed with the secretary, the
11 parties to any proceeding or investigation by the commission may agree upon the facts or
12 any portion of the facts involved in the controversy, which stipulation shall be regarded
13 and used as evidence at the hearing.~~

14 ~~—— (7) Testimony. All testimony given before the commission will be given under oath
15 or affirmation.~~

16 ~~—— (8) Objections and exceptions. When objections are made to the admission or
17 exclusion of evidence before the commission, the grounds relied upon shall be stated
18 briefly. Formal exceptions are unnecessary and will not be taken to rulings therein.~~

19 ~~—— (9) Transcript of evidence. The commission will cause to be made a stenographic
20 record of all public hearings and such copies of the transcript thereof as it requires for its
21 own purposes. Participants desiring copies of such transcripts may obtain the same from
22 the official reporter upon payment of the fees fixed therefor.~~

1 ~~—— (10) Briefs and petitions for rehearing. All briefs and petitions for rehearing in any~~
2 ~~proceeding must be accompanied with notice, showing service upon all other parties or~~
3 ~~their attorneys, and, in addition to the filed original, ten (10) copies of each such~~
4 ~~document shall be furnished for the use of the commission.~~

5 ~~—— (11) Filing of briefs. All briefs must be filed within the time fixed, and the~~
6 ~~commission may refuse to consider any brief filed thereafter. Applications for extensions~~
7 ~~of time to file briefs must be made to the commission in writing.~~

8 ~~—— (12) Form of briefs. All briefs filed with the commission shall be in the form~~
9 ~~prescribed by the commission.~~

10 ~~—— Section 5. Documentary Evidence. (1) If documentary evidence is offered, the~~
11 ~~commission, in lieu of requiring the originals to be filed may, in its discretion, accept~~
12 ~~certified, or otherwise authenticated, copies of such documents or such portions of the~~
13 ~~same as may be relevant, or may require such evidence to be transcribed as a part of the~~
14 ~~record.~~

15 ~~—— (2) Where relevant and material matter offered in evidence by any party is~~
16 ~~embraced in a book, paper or document containing other matter not material or relevant~~
17 ~~the party must plainly designate the matter so offered. If such immaterial matter~~
18 ~~unnecessarily encumbers the record, such book, paper or document will not be received~~
19 ~~in evidence, but may be described for identification, and if properly authenticated, the~~
20 ~~relevant and material matter may be read into the record, or if the commission, or~~
21 ~~commissioner conducting the hearing, so directs, a true copy of such matter in proper~~
22 ~~form shall be received as an exhibit, and like copies delivered by the parties offering~~
23 ~~same to opposing parties, or their attorneys, appearing at the hearing, who shall be~~

1 offered the opportunity to examine such book, paper or document, and to offer evidence
2 in like manner other portions thereof if found to be material and relevant.

3 ~~—— (3) Whenever practicable the sheets of each exhibit and the lines of each sheet
4 shall be numbered and if the exhibit consists of two (2) or more sheets, the first sheet or
5 title page shall contain a brief statement of what the exhibit purports to show, with
6 reference by sheet and line to illustrative or typical examples contained in the exhibit.
7 Wherever practicable, rate comparisons and other such evidence shall be condensed into
8 tables.~~

9 ~~—— (4) Except as may be expressly permitted in particular instances, the commission
10 will not receive in evidence or consider as a part of the record any book, paper or other
11 document for consideration in connection with the proceeding after the close of the
12 testimony.~~

13 ~~—— (5) Upon motion of any party to a proceeding, any case in the commission's files or
14 any document on file with the commission, at the discretion of the commission may be
15 made a part of the record by "reference only." By reference only, the case or document
16 made a part of the record will not be physically incorporated into the record. Upon action
17 in the Franklin Circuit Court, excerpts from any case or part of any document may be
18 made a part of the record before such court, at the instance of any party.~~

19 ~~—— Section 6. Financial Exhibit. Whenever in these rules it is provided that a financial
20 exhibit shall be annexed to the application, the said exhibit shall cover operations for a
21 twelve (12) month period, said period ending not more than ninety (90) days prior to the
22 date the application is filed. The said exhibit shall disclose the following information in the
23 order indicated below:~~

- 1 ~~—— (1) Amount and kinds of stock authorized.~~
- 2 ~~—— (2) Amount and kinds of stock issued and outstanding.~~
- 3 ~~—— (3) Terms of preference of preferred stock whether cumulative or participating, or~~
4 ~~on dividends or assets or otherwise.~~
- 5 ~~—— (4) Brief description of each mortgage on property of applicant, giving date of~~
6 ~~execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness~~
7 ~~authorized to be secured thereby, and the amount of indebtedness actually secured,~~
8 ~~together with any sinking fund provisions.~~
- 9 ~~—— (5) Amount of bonds authorized, and amount issued, giving the name of the public~~
10 ~~utility which issued the same, describing each class separately, and giving date of issue,~~
11 ~~face value, rate of interest, date of maturity and how secured, together with amount of~~
12 ~~interest paid thereon during the last fiscal year.~~
- 13 ~~—— (6) Each note outstanding, giving date of issue, amount, date of maturity, rate of~~
14 ~~interest, in whose favor, together with amount of interest paid thereon during the last~~
15 ~~fiscal year.~~
- 16 ~~—— (7) Other indebtedness, giving same by classes and describing security, if any,~~
17 ~~with a brief statement of the devolution or assumption of any portion of such indebtedness~~
18 ~~upon or by person or corporation if the original liability has been transferred, together with~~
19 ~~amount of interest paid thereon during the last fiscal year.~~
- 20 ~~—— (8) Rate and amount of dividends paid during the five (5) previous fiscal years, and~~
21 ~~the amount of capital stock on which dividends were paid each year.~~
- 22 ~~—— (9) Detailed income statement and balance sheet.~~

1 ~~Section 7. Confidential Material. (1) All material on file with the commission shall~~
2 ~~be available for examination by the public unless the material is confidential as provided~~
3 ~~herein.~~

4 ~~(2) Procedure for determining confidentiality.~~

5 ~~(a) Any person requesting confidential treatment of any material shall file a petition~~
6 ~~which:~~

7 ~~1. Sets forth specific grounds pursuant to KRS 61.870 et seq., the Kentucky Open~~
8 ~~Records Act, upon which the commission should classify that material as confidential; and~~

9 ~~2. Attaches one (1) copy of the material which identifies by underscoring,~~
10 ~~highlighting with transparent ink, or other reasonable means only those portions which~~
11 ~~unless deleted would disclose confidential material. Text pages or portions thereof which~~
12 ~~do not contain confidential material shall not be included in this identification.~~

13 ~~(b) The petition, one (1) copy of the material which is identified by underscoring or~~
14 ~~highlighting, and ten (10) copies of the material with those portions obscured for which~~
15 ~~confidentiality is sought, shall be filed with the commission.~~

16 ~~(c) The petition and a copy of the material, with only those portions for which~~
17 ~~confidentiality is sought obscured, shall be served on all parties. The petition shall contain~~
18 ~~a certificate of service on all parties.~~

19 ~~(d) The burden of proof to show that the material falls within the exclusions from~~
20 ~~disclosure requirements enumerated in KRS 61.870 et seq., shall be upon the person~~
21 ~~requesting confidential treatment.~~

22 ~~(e) Any person may respond to the petition for confidential treatment within ten~~
23 ~~(10) days after it is filed with the commission.~~

1 ~~—— (3) Pending commission action on the petition, the material specifically identified~~
2 ~~shall be temporarily accorded confidential treatment.~~

3 ~~—— (4) If the commission denies the petition for confidential treatment of material, the~~
4 ~~material shall not be placed in the public record for twenty (20) days to allow the petitioner~~
5 ~~to seek any remedy afforded by law.~~

6 ~~—— (5) Procedure for any party to request access to confidential material filed in any~~
7 ~~proceeding.~~

8 ~~—— (a) No party to any proceeding before the commission shall fail to respond to~~
9 ~~discovery by the commission or its staff or any other party to the proceeding on grounds~~
10 ~~of confidentiality. If any party responding to discovery requests seeks to have a portion or~~
11 ~~all of the response held confidential by the commission, it shall follow the procedures for~~
12 ~~petitioning for confidentiality contained in this administrative regulation. Any party's~~
13 ~~response to discovery requests shall be served upon all parties, with only those portions~~
14 ~~for which confidential treatment is sought obscured.~~

15 ~~—— (b) If the commission grants confidential protection to the responsive material and~~
16 ~~if parties have not entered into protective agreements, then any party may petition the~~
17 ~~commission requesting access to the material on the grounds that it is essential to a~~
18 ~~meaningful participation in the proceeding. The petition shall include a description of~~
19 ~~efforts to enter into a protective agreement and any unwillingness to enter into a~~
20 ~~protective agreement shall be fully explained. Any party may respond to the petition within~~
21 ~~ten (10) days after it is filed with the commission. The commission shall determine if the~~
22 ~~petitioner is entitled to the material, and the manner and extent of the disclosure~~
23 ~~necessary to protect confidentiality.~~

1 ~~—— (6) Requests for access to records pursuant to KRS 61.870-884. No time period~~
2 ~~prescribed in this section shall limit the right of any person to request access to~~
3 ~~commission records pursuant to KRS 61.870-884. Upon a request filed pursuant to KRS~~
4 ~~61.870-884, the commission shall respond in accordance with the procedure prescribed~~
5 ~~in KRS 61.880.~~

6 ~~—— (7) Procedure for request for access to confidential material. Any person denied~~
7 ~~access to records requested pursuant to KRS 61.870-884 or to material deemed~~
8 ~~confidential by the commission in accordance with the procedures set out in this section,~~
9 ~~may obtain this information only pursuant to KRS 61.870-884, and other applicable law.~~

10 ~~—— (8) Use of confidential material during formal proceedings. Any material deemed~~
11 ~~confidential by the commission may be addressed and relied upon during a formal~~
12 ~~hearing by the following procedure:~~

13 ~~—— (a) The person seeking to address the confidential material shall advise the~~
14 ~~commission prior to the use of such material.~~

15 ~~—— (b) All persons other than commission employees not a party to a protective~~
16 ~~agreement related to the confidential material shall be excused from the hearing room~~
17 ~~during direct testimony and cross-examination directly related to confidential material.~~

18 ~~—— (c) The court reporter shall produce a sealed transcript of that portion of the record~~
19 ~~directly related to the confidential material.~~

20 ~~—— (9) Material granted confidentiality which later becomes publicly available or~~
21 ~~otherwise no longer warrants confidential treatment.~~

22 ~~—— (a) The petitioner who sought confidential protection shall inform the commission in~~
23 ~~writing at any time when any material granted confidentiality becomes publicly available.~~

1 ~~—— (b) If the commission becomes aware that material granted confidentiality is~~
2 ~~publicly available or otherwise no longer qualifies for confidential treatment, it shall by~~
3 ~~order so advise the petitioner who sought confidential protection, giving ten (10) days to~~
4 ~~respond. If the commission finds that material has been disclosed by someone other than~~
5 ~~the person who requested confidential treatment, in violation of a protective agreement or~~
6 ~~commission order, such information shall not be deemed or considered to be publicly~~
7 ~~available and shall not be placed in the public record.~~

8 ~~—— (c) The material shall not be placed in the public record for twenty (20) days~~
9 ~~following any order finding that the material no longer qualifies for confidential treatment~~
10 ~~to allow the petitioner to seek any remedy afforded by law.~~

11 ~~—— Section 8. Applications. (1) Contents of application. All applications must be by~~
12 ~~petition in writing. The petition must set forth the full name and post office address of the~~
13 ~~applicant, and must contain fully the facts on which the application is based, with a~~
14 ~~request for the order, authorization, permission or certificate desired and a reference to~~
15 ~~the particular provision of law requiring or providing for same.~~

16 ~~—— (2) Number of copies. At the time the original application is filed, ten (10) additional~~
17 ~~copies must also be filed, and where parties interested in the subject matter of the~~
18 ~~application are named therein, there shall be filed an additional copy for each named~~
19 ~~party and such other additional copies as may be required by the secretary.~~

20 ~~—— (3) Articles of incorporation. If the applicant is a corporation, a certified copy of its~~
21 ~~articles of incorporation, and all amendments thereto, if any, shall be annexed to the~~
22 ~~application. If applicant's articles of incorporation and amendments thereto, if any, have~~
23 ~~already been filed with the commission in some prior proceeding, it will be sufficient if this~~

1 fact is stated in the application and reference is made to the style and case number of the
2 prior proceeding.

3 ~~Section 9. Applications for Certificates of Public Convenience and Necessity.~~

4 ~~(1) Application to bid on a franchise pursuant to KRS 278.020(3). Upon application~~
5 ~~to the commission by the utility for a certificate of convenience and necessity authorizing~~
6 ~~applicant to bid on a franchise, license or permit offered by any governmental agency, the~~
7 ~~applicant shall submit with its application, the following:~~

8 ~~(a) A copy of its articles of incorporation (see Section 8(3) of this administrative~~
9 ~~regulation).~~

10 ~~(b) The name of the governmental agency offering the franchise.~~

11 ~~(c) The type of franchise offered.~~

12 ~~(d) A statement showing the need and demand for service. Should the applicant~~
13 ~~be successful in acquiring said franchise, license or permit, it shall file a copy thereof with~~
14 ~~the commission.~~

15 ~~(2) New construction or extension. When application is made by the utility, person,~~
16 ~~firm, or corporation for a certificate that the present or future public convenience or~~
17 ~~necessity requires, or will require, the construction or extension of any plant, equipment,~~
18 ~~property or facility, the applicant, in addition to complying with Section 8 of this~~
19 ~~administrative regulation, shall submit the following data, either in the application or as~~
20 ~~exhibits attached thereto:~~

21 ~~(a) The facts relied upon to show that the proposed new construction is or will be~~
22 ~~required by public convenience or necessity.~~

1 ~~—— (b) Copies of franchises or permits, if any, from the proper public authority for the~~
2 ~~proposed new construction or extension, if not previously filed with the commission.~~

3 ~~—— (c) A full description of the proposed location, route, or routes of the new~~
4 ~~construction or extension, including a description of the manner in which same will be~~
5 ~~constructed, and also the names of all public utilities, corporations, or persons with whom~~
6 ~~the proposed new construction or extension is likely to compete.~~

7 ~~—— (d) Three (3) maps to suitable scale (preferably not more than two (2) miles per~~
8 ~~inch) showing the location or route of the proposed new construction or extension, as well~~
9 ~~as the location to scale of any like facilities owned by others located anywhere within the~~
10 ~~map area with adequate identification as to the ownership of such other facilities.~~

11 ~~—— (e) The manner in detail in which it is proposed to finance the new construction or~~
12 ~~extension.~~

13 ~~—— (f) An estimated cost of operation after the proposed facilities are completed.~~

14 ~~—— (g) All other information necessary to afford the commission a complete~~
15 ~~understanding of the situation.~~

16 ~~—— (3) Extensions in the ordinary course of business. No certificate of public~~
17 ~~convenience and necessity will be required for extensions that do not create wasteful~~
18 ~~duplication of plant, equipment, property or facilities, or conflict with the existing~~
19 ~~certificates or service of other utilities operating in the same area and under the~~
20 ~~jurisdiction of the commission that are in the general area in which the utility renders~~
21 ~~service or contiguous thereto, and that do not involve sufficient capital outlay to materially~~
22 ~~affect the existing financial condition of the utility involved, or will not result in increased~~
23 ~~charges to its customers.~~

1 ~~—— (4) Renewal applications. Insofar as procedure is concerned, applications for a~~
2 ~~renewal of a certificate of convenience and necessity will be treated as an original~~
3 ~~application.~~

4 ~~—— Section 10. Applications for General Adjustments in Existing Rates. (1) All~~
5 ~~applications requesting a general adjustment in existing rates shall be supported by:~~

6 ~~—— (a) A twelve (12) month historical test period which may include adjustments for~~
7 ~~known and measurable changes; or~~

8 ~~—— (b) A fully forecasted test period and shall include:~~

9 ~~—— 1. A statement of the reason the adjustment is required;~~

10 ~~—— 2. A statement that the utility's annual reports, including the annual report for the~~
11 ~~most recent calendar year, are on file with the commission in accordance with 807 KAR~~
12 ~~5:006, Section 3(1);~~

13 ~~—— 3. If the utility is incorporated, a certified copy of the utility's articles of incorporation~~
14 ~~and all amendments thereto or out-of-state documents of similar import. If the utility's~~
15 ~~articles of incorporation and amendments have already been filed with the commission in~~
16 ~~a prior proceeding, the application may state this fact making reference to the style and~~
17 ~~case number of the prior proceeding;~~

18 ~~—— 4. If the utility is a limited partnership, a certified copy of the limited partnership~~
19 ~~agreement and all amendments thereto or out-of-state documents of similar import. If the~~
20 ~~utility's limited partnership agreement and amendments have already been filed with the~~
21 ~~commission in a prior proceeding, the application may state this fact making reference to~~
22 ~~the style and case number of the prior proceeding;~~

- 1 ~~5. If the utility is incorporated or is a limited partnership, a certificate of good~~
2 ~~standing or certificate of authorization dated within sixty (60) days of the date the~~
3 ~~application is filed;~~
- 4 ~~6. A certified copy of a certificate of assumed name as required by KRS 365.015~~
5 ~~or a statement that such a certificate is not necessary;~~
- 6 ~~7. The proposed tariff in a form which complies with 807 KAR 5:011 with an~~
7 ~~effective date not less than thirty (30) days from the date the application is filed;~~
- 8 ~~8. The utility's proposed tariff changes, identified in compliance with 807 KAR~~
9 ~~5:011, shown either by:~~
- 10 ~~a. Providing the present and proposed tariffs in comparative form on the same~~
11 ~~sheet side by side or on facing sheets side by side; or~~
- 12 ~~b. Providing a copy of the present tariff indicating proposed additions by italicized~~
13 ~~inserts or underscoring and striking over proposed deletions; and~~
- 14 ~~9. A statement that customer notice has been given in compliance with~~
15 ~~subsections (3) and (4) of this section with a copy of the notice.~~
- 16 ~~10. For the purposes of this administrative regulation, an affiliate is an entity that:~~
- 17 ~~a. Is wholly owned by a utility; or~~
- 18 ~~b. In which a utility has a controlling interest; or~~
- 19 ~~c. That wholly owns a utility; or~~
- 20 ~~d. That has a controlling interest in a utility; or~~
- 21 ~~e. That is under common control with the utility.~~

1 ~~11. For the purposes of this administrative regulation, a utility, or other entity, shall~~
2 ~~be deemed to have a controlling interest in, or be under common control with, an entity or~~
3 ~~utility if it:~~

4 ~~a. Directly or indirectly has the power to direct, or to cause the direction of, the~~
5 ~~management or policies of any entity; and~~

6 ~~b. Exercises such power:~~

7 ~~(i) Through one (1) or more intermediary companies, or alone; or~~
8 ~~(ii) In conjunction with, or pursuant to an agreement; or~~
9 ~~(iii) Through ownership of ten (10) percent or more of the voting securities; or~~
10 ~~(iv) Through common directors, officers, stockholders, voting or holding trusts,~~
11 ~~associated companies; or~~

12 ~~(v) Contract; or~~

13 ~~(vi) Any other direct or indirect means.~~

14 ~~(2) Notice of intent. Utilities with gross annual revenues greater than \$1,000,000~~
15 ~~shall file with the commission a written notice of intent to file a rate application at least four~~
16 ~~(4) weeks prior to filing their application. The notice of intent shall state whether the rate~~
17 ~~application will be supported by a historical test period or a fully forecasted test period.~~
18 ~~This notice shall be served upon the Attorney General, Utility Intervention and Rate~~
19 ~~Division.~~

20 ~~(3) Form of notice to customers. Every utility filing an application pursuant to this~~
21 ~~section shall notify all affected customers in the manner prescribed herein. The notice~~
22 ~~shall include the following information:~~

1 ~~—— (a) The amount of the change requested in both dollar amounts and percentage~~
2 ~~change for each customer classification to which the proposed rate change will apply;~~

3 ~~—— (b) The present rates and the proposed rates for each customer class to which the~~
4 ~~proposed rates would apply;~~

5 ~~—— (c) Electric, gas, water and sewer utilities shall include the effect upon the average~~
6 ~~bill for each customer class to which the proposed rate change will apply;~~

7 ~~—— (d) Local exchange companies shall include the effect upon the average bill for~~
8 ~~each customer class for the proposed rate change in basic local service;~~

9 ~~—— (e) A statement that the rates contained in this notice are the rates proposed by~~
10 ~~(name of utility); however, the Public Service Commission may order rates to be charged~~
11 ~~that differ from the proposed rates contained in this notice;~~

12 ~~—— (f) A statement that any corporation, association, or person with a substantial~~
13 ~~interest in the matter may, by written request, within thirty (30) days after publication or~~
14 ~~mailing of this notice of the proposed rate changes request to intervene; intervention may~~
15 ~~be granted beyond the thirty (30) day period for good cause shown;~~

16 ~~—— (g) A statement that any person who has been granted intervention by the~~
17 ~~commission may obtain copies of the rate application and any other filings made by the~~
18 ~~utility by contacting the utility through a name and address and phone number stated in~~
19 ~~this notice;~~

20 ~~—— (h) A statement that any person may examine the rate application and any other~~
21 ~~filings made by the utility at the main office of the utility or at the commission's office~~
22 ~~indicating the addresses and telephone numbers of both the utility and the commission;~~
23 ~~and~~

1 ~~—— (i) The commission may grant a utility with annual gross revenues greater than~~
2 ~~\$1,000,000, upon written request, permission to use an abbreviated form of published~~
3 ~~notice of the proposed rates provided the notice includes a coupon which may be used to~~
4 ~~obtain all of the information required herein.~~

5 ~~—— (4) Manner of notification.~~

6 ~~—— (a) Sewer utilities shall give the required typewritten notice by mail to all of their~~
7 ~~customers pursuant to KRS 278.185.~~

8 ~~—— (b) Applicants with twenty (20) or fewer customers affected by the proposed~~
9 ~~general rate adjustment shall mail the required typewritten notice to each customer no~~
10 ~~later than the date the application is filed with the commission.~~

11 ~~—— (c) Except for sewer utilities, applicants with more than twenty (20) customers~~
12 ~~affected by the proposed general rate adjustment shall give the required notice by one (1)~~
13 ~~of the following methods:~~

14 ~~—— 1. A typewritten notice mailed to all customers no later than the date the~~
15 ~~application is filed with the commission;~~

16 ~~—— 2. Publishing the notice in a trade publication or newsletter which is mailed to all~~
17 ~~customers no later than the date on which the application is filed with the commission; or~~

18 ~~—— 3. Publishing the notice once a week for three (3) consecutive weeks in a~~
19 ~~prominent manner in a newspaper of general circulation in the utility's service area, the~~
20 ~~first publication to be made within seven (7) days of the filing of the application with the~~
21 ~~commission.~~

22 ~~—— (d) If the notice is published, an affidavit from the publisher verifying the notice was~~
23 ~~published, including the dates of the publication with an attached copy of the published~~

1 notice, shall be filed with the commission no later than forty-five (45) days of the filed date
2 of the application.

3 ~~—— (e) If the notice is mailed, a written statement signed by the utility's chief officer in
4 charge of Kentucky operations verifying the notice was mailed shall be filed with the
5 commission no later than thirty (30) days of the filed date of the application.~~

6 ~~—— (f) All utilities, in addition to the above notification, shall post a sample copy of the
7 required notification at their place of business no later than the date on which the
8 application is filed which shall remain posted until the commission has finally determined
9 the utility's rates.~~

10 ~~—— (g) Compliance with this subsection shall constitute compliance with 807 KAR
11 5:051, Section 2.~~

12 ~~—— (5) Notice of hearing scheduled by the commission upon application by a utility for
13 a general adjustment in rates shall be advertised by the utility by newspaper publication in
14 the areas that will be affected in compliance with KRS 424.300.~~

15 ~~—— (6) All applications supported by a historical test period shall include the following
16 information or a statement explaining why the required information does not exist and is
17 not applicable to the utility's application:~~

18 ~~—— (a) A complete description and quantified explanation for all proposed adjustments
19 with proper support for any proposed changes in price or activity levels, and any other
20 factors which may affect the adjustment;~~

21 ~~—— (b) If the utility has gross annual revenues greater than \$1,000,000, the prepared
22 testimony of each witness the utility proposes to use to support its application;~~

- 1 ~~—— (c) If the utility has gross annual revenues less than \$1,000,000, the prepared~~
2 ~~testimony of each witness the utility proposes to use to support its application or a~~
3 ~~statement that the utility does not plan to submit any prepared testimony;~~
- 4 ~~—— (d) A statement estimating the effect that the new rate(s) will have upon the~~
5 ~~revenues of the utility including, at minimum, the total amount of revenues resulting from~~
6 ~~the increase or decrease and the percentage of the increase or decrease;~~
- 7 ~~—— (e) If the utility provides electric, gas, water or sewer service the effect upon the~~
8 ~~average bill for each customer classification to which the proposed rate change will apply;~~
- 9 ~~—— (f) If the utility is a local exchange company the effect upon the average bill for~~
10 ~~each customer class for the proposed rate change in basic local service;~~
- 11 ~~—— (g) An analysis of customers' bills in such detail that revenues from the present~~
12 ~~and proposed rates can be readily determined for each customer class;~~
- 13 ~~—— (h) A summary of the utility's determination of its revenue requirements based on~~
14 ~~return on net investment rate base, return on capitalization, interest coverage, debt~~
15 ~~service coverage, or operating ratio, with supporting schedules;~~
- 16 ~~—— (i) A reconciliation of the rate base and capital used to determine its revenue~~
17 ~~requirements;~~
- 18 ~~—— (j) A current chart of accounts if more detailed than the Uniform System of~~
19 ~~Accounts prescribed by the commission;~~
- 20 ~~—— (k) The independent auditor's annual opinion report, with any written~~
21 ~~communication from the independent auditor to the utility which indicates the existence of~~
22 ~~a material weakness in the utility's internal controls;~~

1 ~~—— (l) The most recent Federal Energy Regulatory Commission or Federal~~
2 ~~Communication Commission audit reports;~~

3 ~~—— (m) The most recent Federal Energy Regulatory Commission Form 1 (electric),~~
4 ~~Federal Energy Regulatory Commission Form 2 (gas), or Automated Reporting~~
5 ~~Management Information System Report (telephone) and Public Service Commission~~
6 ~~Form T (telephone);~~

7 ~~—— (n) A summary of the utility's latest depreciation study with schedules by major~~
8 ~~plant accounts, except that telecommunications utilities that have adopted the~~
9 ~~commission's average depreciation rates shall provide a schedule that identifies the~~
10 ~~current and test period depreciation rates used by major plant accounts. If the required~~
11 ~~information has been filed in another commission case a reference to that case's number~~
12 ~~and style will be sufficient;~~

13 ~~—— (o) A list of all commercially available or in-house developed computer software,~~
14 ~~programs, and models used in the development of the schedules and work papers~~
15 ~~associated with the filing of the utility's application. This list shall include each software,~~
16 ~~program, or model; what the software, program, or model was used for; identify the~~
17 ~~supplier of each software, program, or model; a brief description of the software, program,~~
18 ~~or model; the specifications for the computer hardware and the operating system required~~
19 ~~to run the program;~~

20 ~~—— (p) Prospectuses of the most recent stock or bond offerings;~~

21 ~~—— (q) Annual report to shareholders, or members, and statistical supplements~~
22 ~~covering the two (2) most recent years from the utility's application filing date;~~

1 ~~—— (r) The monthly managerial reports providing financial results of operations for the~~
2 ~~twelve (12) months in the test period;~~

3 ~~—— (s) Securities and Exchange Commission's annual report for the most recent two~~
4 ~~(2) years, Form 10-Ks and any Form 8-Ks issued within the past two (2) years, and Form~~
5 ~~10-Qs issued during the past six (6) quarters updated as current information becomes~~
6 ~~available;~~

7 ~~—— (t) If the utility had any amounts charged or allocated to it by an affiliate or general~~
8 ~~or home office or paid any monies to an affiliate or general or home office during the test~~
9 ~~period or during the previous three (3) calendar years, the utility shall file:~~

10 ~~—— 1. A detailed description of the method and amounts allocated or charged to the~~
11 ~~utility by the affiliate or general or home office for each charge allocation or payment;~~

12 ~~—— 2. An explanation of how the allocator for the test period was determined; and~~

13 ~~—— 3. All facts relied upon, including other regulatory approval, to demonstrate that~~
14 ~~each amount charged, allocated or paid during the test period was reasonable;~~

15 ~~—— (u) If the utility provides gas, electric or water utility service and has annual gross~~
16 ~~revenues greater than \$5,000,000, a cost of service study based on a methodology~~
17 ~~generally accepted within the industry and based on current and reliable data from a~~
18 ~~single time period; and~~

19 ~~—— (v) Local exchange carriers with fewer than 50,000 access lines shall not be~~
20 ~~required to file cost of service studies, except as specifically directed by the commission.~~

21 ~~Local exchange carriers with more than 50,000 access lines shall file:~~

22 ~~—— 1. A jurisdictional separations study consistent with Part 36 of the Federal~~
23 ~~Communications Commission's rules and regulations; and~~

1 ~~—— 2. Service specific cost studies to support the pricing of all services that generate~~
2 ~~annual revenue greater than \$1,000,000, except local exchange access:~~
3 ~~—— a. Based on current and reliable data from a single time period; and~~
4 ~~—— b. Using generally recognized fully allocated, embedded, or incremental cost~~
5 ~~principles.~~
6 ~~—— (7) Upon good cause shown, a utility may request pro forma adjustments for~~
7 ~~known and measurable changes to ensure fair, just and reasonable rates based on the~~
8 ~~historical test period. The following information shall be filed with applications requesting~~
9 ~~pro forma adjustments or a statement explaining why the required information does not~~
10 ~~exist and is not applicable to the utility's application:~~
11 ~~—— (a) A detailed income statement and balance sheet reflecting the impact of all~~
12 ~~proposed adjustments;~~
13 ~~—— (b) The most recent capital construction budget containing at least the period of~~
14 ~~time as proposed for any pro forma adjustment for plant additions;~~
15 ~~—— (c) For each proposed pro forma adjustment reflecting plant additions provide the~~
16 ~~following information:~~
17 ~~—— 1. The starting date of the construction of each major component of plant;~~
18 ~~—— 2. The proposed in-service date;~~
19 ~~—— 3. The total estimated cost of construction at completion;~~
20 ~~—— 4. The amount contained in construction work in progress at the end of the test~~
21 ~~period;~~

- 1 ~~—— 5. A schedule containing a complete description of actual plant retirements and~~
2 ~~anticipated plant retirements related to the pro forma plant additions including the actual~~
3 ~~or anticipated date of retirement;~~
- 4 ~~—— 6. The original cost, cost of removal and salvage for each component of plant to be~~
5 ~~retired during the period of the proposed pro forma adjustment for plant additions;~~
- 6 ~~—— 7. An explanation of any differences in the amounts contained in the capital~~
7 ~~construction budget and the amounts of capital construction cost contained in the pro~~
8 ~~forma adjustment period; and~~
- 9 ~~—— 8. The impact on depreciation expense of all proposed pro forma adjustments for~~
10 ~~plant additions and retirements;~~
- 11 ~~—— (d) The operating budget for each month of the period encompassing the pro~~
12 ~~forma adjustments;~~
- 13 ~~—— (e) The number of customers to be added to the test period – end level of~~
14 ~~customers and the related revenue requirements impact for all pro forma adjustments~~
15 ~~with complete details and supporting work papers.~~
- 16 ~~—— (8) All applications requesting a general adjustment in rates supported by a fully~~
17 ~~forecasted test period shall comply with the following requirements:~~
- 18 ~~—— (a) The financial data for the forecasted period shall be presented in the form of~~
19 ~~pro forma adjustments to the base period.~~
- 20 ~~—— (b) Forecasted adjustments shall be limited to the twelve (12) months immediately~~
21 ~~following the suspension period.~~
- 22 ~~—— (c) Capitalization and net investment rate base shall be based on a thirteen (13)~~
23 ~~month average for the forecasted period.~~

1 ~~—— (d) After an application based on a forecasted test period is filed, there shall be no~~
2 ~~revisions to the forecast, except for the correction of mathematical errors, unless such~~
3 ~~revisions reflect statutory or regulatory enactments that could not, with reasonable~~
4 ~~diligence, have been included in the forecast on the date it was filed. There shall be no~~
5 ~~revisions filed within thirty (30) days of a scheduled hearing on the rate application.~~

6 ~~—— (e) The commission may require the utility to prepare an alternative forecast based~~
7 ~~on a reasonable number of changes in the variables, assumptions, and other factors used~~
8 ~~as the basis for the utility's forecast.~~

9 ~~—— (f) The utility shall provide a reconciliation of the rate base and capital used to~~
10 ~~determine its revenue requirements.~~

11 ~~—— (9) All applications requesting a general adjustment in rates supported by a fully~~
12 ~~forecasted test period shall include the following or a statement explaining why the~~
13 ~~required information does not exist and is not applicable to the utility's application:~~

14 ~~—— (a) The prepared testimony of each witness the utility proposes to use to support~~
15 ~~its application which shall include testimony from the utility's chief officer in charge of~~
16 ~~Kentucky operations on the existing programs to achieve improvements in efficiency and~~
17 ~~productivity, including an explanation of the purpose of the program;~~

18 ~~—— (b) The utility's most recent capital construction budget containing at minimum a~~
19 ~~three (3) year forecast of construction expenditures;~~

20 ~~—— (c) A complete description, which may be filed in prefiled testimony form, of all~~
21 ~~factors used in preparing the utility's forecast period. All econometric models, variables,~~
22 ~~assumptions, escalation factors, contingency provisions, and changes in activity levels~~
23 ~~shall be quantified, explained, and properly supported;~~

1 ~~—— (d) The utility's annual and monthly budget for the twelve (12) months preceding~~
2 ~~the filing date, the base period and forecasted period;~~

3 ~~—— (e) A statement of attestation signed by the utility's chief officer in charge of~~
4 ~~Kentucky operations which shall provide:~~

5 ~~—— 1. That the forecast is reasonable, reliable, made in good faith and that all basic~~
6 ~~assumptions used in the forecast have been identified and justified; and~~

7 ~~—— 2. That the forecast contains the same assumptions and methodologies as used in~~
8 ~~the forecast prepared for use by management, or an identification and explanation for any~~
9 ~~differences that exist; and~~

10 ~~—— 3. That productivity and efficiency gains are included in the forecast;~~

11 ~~—— (f) For each major construction project which constitutes five (5) percent or more of~~
12 ~~the annual construction budget within the three (3) year forecast the following information~~
13 ~~shall be filed:~~

14 ~~—— 1. The date the project was started or estimated starting date;~~

15 ~~—— 2. The estimated completion date;~~

16 ~~—— 3. The total estimated cost of construction by year exclusive and inclusive of~~
17 ~~allowance for funds used during construction ("AFUDC") or interest during construction~~
18 ~~credit; and~~

19 ~~—— 4. The most recent available total costs incurred exclusive and inclusive of AFUDC~~
20 ~~or interest during construction credit;~~

21 ~~—— (g) For all construction projects which constitute less than five (5) percent of the~~
22 ~~annual construction budget within the three (3) year forecast, the utility shall file an~~
23 ~~aggregate of the information requested in paragraph (f)3 and 4 of this subsection;~~

1 ~~—— (h) A financial forecast corresponding to each of the three (3) forecasted years~~
2 ~~included in the capital construction budget. The financial forecast shall be supported by~~
3 ~~the underlying assumptions made in projecting the results of operations and shall include~~
4 ~~the following information:~~

- 5 ~~—— 1. Operating income statement (exclusive of dividends per share or earnings per~~
6 ~~share);~~
- 7 ~~—— 2. Balance sheet;~~
- 8 ~~—— 3. Statement of cash flows;~~
- 9 ~~—— 4. Revenue requirements necessary to support the forecasted rate of return;~~
- 10 ~~—— 5. Load forecast including energy and demand (electric);~~
- 11 ~~—— 6. Access line forecast (telephone);~~
- 12 ~~—— 7. Mix of generation (electric);~~
- 13 ~~—— 8. Mix of gas supply (gas);~~
- 14 ~~—— 9. Employee level;~~
- 15 ~~—— 10. Labor cost changes;~~
- 16 ~~—— 11. Capital structure requirements;~~
- 17 ~~—— 12. Rate base;~~
- 18 ~~—— 13. Gallons of water projected to be sold (water);~~
- 19 ~~—— 14. Customer forecast (gas, water);~~
- 20 ~~—— 15. MCF sales forecasts (gas);~~
- 21 ~~—— 16. Toll and access forecast of number of calls and number of minutes~~
22 ~~(telephone); and~~
- 23 ~~—— 17. A detailed explanation of any other information provided;~~

- 1 ~~—— (i) The most recent Federal Energy Regulatory Commission or Federal~~
2 ~~Communications Commission audit reports;~~
- 3 ~~—— (j) The prospectuses of the most recent stock or bond offerings;~~
- 4 ~~—— (k) The most recent Federal Energy Regulatory Commission Form 1 (electric),~~
5 ~~Federal Energy Regulatory Commission Form 2 (gas), or the Automated Reporting~~
6 ~~Management Information System Report (telephone) and Public Service Commission~~
7 ~~Form T (telephone);~~
- 8 ~~—— (l) The annual report to shareholders or members and the statistical supplements~~
9 ~~covering the most recent five (5) years from the application filing date;~~
- 10 ~~—— (m) The current chart of accounts if more detailed than the Uniform System of~~
11 ~~Accounts chart prescribed by the commission;~~
- 12 ~~—— (n) The latest twelve (12) months of the monthly managerial reports providing~~
13 ~~financial results of operations in comparison to the forecast;~~
- 14 ~~—— (o) Complete monthly budget variance reports, with narrative explanations, for the~~
15 ~~twelve (12) months immediately prior to the base period, each month of the base period,~~
16 ~~and any subsequent months, as they become available;~~
- 17 ~~—— (p) The Securities and Exchange Commission's annual report for the most recent~~
18 ~~two (2) years, Form 10-Ks and any Form 8-Ks issued during the prior two (2) years and~~
19 ~~any Form 10-Qs issued during the past six (6) quarters;~~
- 20 ~~—— (q) The independent auditor's annual opinion report, with any written~~
21 ~~communication from the independent auditor to the utility which indicates the existence of~~
22 ~~a material weakness in the utility's internal controls;~~
- 23 ~~—— (r) The quarterly reports to the stockholders for the most recent five (5) quarters;~~

1 ~~—— (s) The summary of the latest depreciation study with schedules itemized by major~~
2 ~~plant accounts, except that telecommunications utilities that have adopted the~~
3 ~~commission's average depreciation rates shall provide a schedule that identifies the~~
4 ~~current and base period depreciation rates used by major plant accounts. If the required~~
5 ~~information has been filed in another commission case a reference to that case's number~~
6 ~~and style will be sufficient;~~

7 ~~—— (t) A list of all commercially available or in-house developed computer software,~~
8 ~~programs, and models used in the development of the schedules and work papers~~
9 ~~associated with the filing of the utility's application. This list shall include each software,~~
10 ~~program, or model; what the software, program, or model was used for; identify the~~
11 ~~supplier of each software, program, or model; a brief description of the software, program,~~
12 ~~or model; the specifications for the computer hardware and the operating system required~~
13 ~~to run the program;~~

14 ~~—— (u) If the utility had any amounts charged or allocated to it by an affiliate or a~~
15 ~~general or home office or paid any monies to an affiliate or a general or home office~~
16 ~~during the base period or during the previous three (3) calendar years, the utility shall file:~~

17 ~~—— 1. A detailed description of the method and amounts allocated or charged to the~~
18 ~~utility by the affiliate or general or home office for each allocation or payment;~~

19 ~~—— 2. The method and amounts allocated during the base period and the method and~~
20 ~~estimated amounts to be allocated during the forecasted test period;~~

21 ~~—— 3. An explanation of how the allocator for both the base period and the forecasted~~
22 ~~test period were determined; and~~

1 ~~4. All facts relied upon, including other regulatory approval, to demonstrate that~~
2 ~~each amount charged, allocated or paid during the base period is reasonable;~~
3 ~~(v) If the utility provides gas, electric or water utility service and has annual gross~~
4 ~~revenues greater than \$5,000,000, a cost of service study based on a methodology~~
5 ~~generally accepted within the industry and based on current and reliable data from a~~
6 ~~single time period; and~~
7 ~~(w) Local exchange carriers with fewer than 50,000 access lines shall not be~~
8 ~~required to file cost of service studies, except as specifically directed by the commission.~~
9 ~~Local exchange carriers with more than 50,000 access lines shall file:~~
10 ~~1. A jurisdictional separations study consistent with Part 36 of the Federal~~
11 ~~Communications Commission's rules and regulations; and~~
12 ~~2. Service specific cost studies to support the pricing of all services that generate~~
13 ~~annual revenue greater than \$1,000,000 except local exchange access:~~
14 ~~a. Based on current and reliable data from a single time period; and~~
15 ~~b. Using generally recognized fully allocated, embedded, or incremental cost~~
16 ~~principles.~~
17 ~~(10) All applications seeking a general adjustment in rates supported by a~~
18 ~~forecasted test period shall include the following data to be submitted using schedule~~
19 ~~forms hereby incorporated by reference and which may be inspected, copied or obtained~~
20 ~~at the commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday~~
21 ~~through Friday between the hours of 8 a.m. and 4:30 p.m., local time. The commission~~
22 ~~shall notify the utility of any deficiencies in the application within thirty (30) days of~~

1 receiving it. The utility may cure such filing deficiencies within thirty (30) days' written
2 notice from the commission.

3 ~~—— (a) A jurisdictional financial summary for both the base period and the forecasted~~
4 ~~period which details how the utility derived the amount of the requested revenue increase;~~

5 ~~—— (b) A jurisdictional rate base summary for both the base period and the forecasted~~
6 ~~period with supporting schedules which include detailed analyses of each component of~~
7 ~~the rate base;~~

8 ~~—— (c) A jurisdictional operating income summary for both the base period and the~~
9 ~~forecasted period with supporting schedules which provide breakdowns by major account~~
10 ~~group and by individual account;~~

11 ~~—— (d) A summary of jurisdictional adjustments to operating income by major account~~
12 ~~with supporting schedules for individual adjustments and jurisdictional factors;~~

13 ~~—— (e) A jurisdictional federal and state income tax summary for both the base period~~
14 ~~and the forecasted period with all supporting schedules of the various components of~~
15 ~~jurisdictional income taxes;~~

16 ~~—— (f) Summary schedules for both the base period and the forecasted period (the~~
17 ~~utility may also provide a summary segregating those items it proposes to recover in~~
18 ~~rates) of organization membership dues; initiation fees; expenditures at country clubs;~~
19 ~~charitable contributions; marketing, sales, and advertising expenditures; professional~~
20 ~~service expenses; civic and political activity expenses; expenditures for employee parties~~
21 ~~and outings; employee gift expenses; and rate case expenses;~~

1 ~~—— (g) Analyses of payroll costs including schedules for wages and salaries,~~
2 ~~employee benefits, payroll taxes, straight time and overtime hours, and executive~~
3 ~~compensation by title;~~

4 ~~—— (h) A computation of the gross revenue conversion factor for the forecasted period;~~

5 ~~—— (i) Comparative income statements (exclusive of dividends per share or earnings~~
6 ~~per share), revenue statistics and sales statistics for the five (5) most recent calendar~~
7 ~~years from the application filing date, the base period, the forecasted period, and two (2)~~
8 ~~calendar years beyond the forecast period;~~

9 ~~—— (j) A cost of capital summary for both the base period and forecasted period with~~
10 ~~supporting schedules providing details on each component of the capital structure;~~

11 ~~—— (k) Comparative financial data and earnings measures for the ten (10) most recent~~
12 ~~calendar years, the base period, and the forecast period;~~

13 ~~—— (l) A narrative description and explanation of all proposed tariff changes;~~

14 ~~—— (m) A revenue summary for both the base period and forecasted period with~~
15 ~~supporting schedules which provide detailed billing analyses for all customer classes; and~~

16 ~~—— (n) A typical bill comparison under present and proposed rates for all customer~~
17 ~~classes.~~

18 ~~—— (11) A request for waiver of any of the provisions of these filing requirements must~~
19 ~~set forth the specific reasons for the request. The commission shall grant the request for~~
20 ~~waiver upon good cause shown by the utility. In determining whether good cause has~~
21 ~~been shown, the commission may consider:~~

1 ~~—— (a) Whether other information which the utility would provide if the waiver is~~
2 ~~granted is sufficient to allow the commission to effectively and efficiently review the rate~~
3 ~~application;~~

4 ~~—— (b) Whether the information which is the subject of the waiver request is normally~~
5 ~~maintained by the utility or reasonably available to it from the information which it~~
6 ~~maintains; and~~

7 ~~—— (c) The expense to the utility in providing the information which is the subject of the~~
8 ~~waiver request.~~

9 ~~—— Section 11. Application for Authority to Issue Securities, Notes, Bonds, Stocks or~~
10 ~~Other Evidences of Indebtedness. (1) When application is made by the utility for an order~~
11 ~~authorizing the issuance of securities, notes, bonds, stocks or other evidences of~~
12 ~~indebtedness payable at periods of more than two (2) years from the date thereof, under~~
13 ~~the provisions of KRS 278.300, said application, in addition to complying with the~~
14 ~~requirements of Section 8 of this administrative regulation, shall contain:~~

15 ~~—— (a) A general description of applicant's property and the field of its operation,~~
16 ~~together with a statement of the original cost of the same and the cost to the applicant, if it~~
17 ~~is impossible to state the original cost, the facts creating such impossibility shall be stated.~~

18 ~~—— (b) The amount and kinds of stock, if any, which the utility desires to issue, and, if~~
19 ~~preferred, the nature and extent of the preference; the amount of notes, bonds or other~~
20 ~~evidences of indebtedness, if any, which the utility desires to issue, with terms, rate of~~
21 ~~interest and whether and how to be secured.~~

22 ~~—— (c) The use to be made of the proceeds of the issue of such securities, notes,~~
23 ~~bonds, stocks or other evidence of indebtedness with a statement indicating how much is~~

1 ~~to be used for the acquisition of property, the construction, completion, extension or~~
2 ~~improvement of facilities, the improvement of service, the maintenance of service and the~~
3 ~~discharge or refunding of obligations.~~

4 ~~—— (d) The property in detail which is to be acquired, constructed, improved or~~
5 ~~extended with its cost, a detailed description of the contemplated construction,~~
6 ~~completion, extension or improvement of facilities set forth in such a manner that an~~
7 ~~estimate of cost may be made, a statement of the character of the improvement of~~
8 ~~service proposed, and of the reasons why the service should be maintained from its~~
9 ~~capital. Whether any contracts have been made for the acquisition of such property, or for~~
10 ~~such construction, completion, extension or improvement of facilities, or for the disposition~~
11 ~~of any of the securities, notes, bonds, stocks or other evidence of indebtedness which it~~
12 ~~proposes to issue or the proceeds thereof and if any contracts have been made, copies~~
13 ~~thereof shall be annexed to the petition.~~

14 ~~—— (e) If it is proposed to discharge or refund obligations, a statement of the nature~~
15 ~~and description of such obligations including their par value, the amount for which they~~
16 ~~were actually sold, the expenses associated therewith, and the application of the~~
17 ~~proceeds from such sales. If notes are to be refunded, the petition must show the date,~~
18 ~~amount, time, rate of interest, and payee of each and the purpose for which their~~
19 ~~proceeds were expended.~~

20 ~~—— (f) Such other facts as may be pertinent to the application.~~

21 ~~—— (2) The following exhibits must be filed with the application:~~

22 ~~—— (a) Financial exhibit (see Section 6 of this administrative regulation).~~

1 ~~—— (b) Copies of trust deeds or mortgages, if any, unless they have already been filed~~
2 ~~with the commission, in which case reference should be made, by style and case number,~~
3 ~~to the proceeding in which the trust deeds or mortgages have been filed.~~

4 ~~—— (c) Maps and plans of the proposed property and constructions together with~~
5 ~~detailed estimates in such form that they can be checked over by the commission's~~
6 ~~engineering division. Estimates must be arranged according to the uniform system of~~
7 ~~accounts prescribed by the commission for the various classes of utilities.~~

8 ~~—— Section 12. Formal Complaints. (1) Contents of complaint. Each complaint shall be~~
9 ~~headed "Before the Public Service Commission," shall set out the names of the~~
10 ~~complainant and the name of the defendant, and shall state:~~

11 ~~—— (a) The full name and post office address of the complainant.~~

12 ~~—— (b) The full name and post office address of the defendant.~~

13 ~~—— (c) Fully, clearly, and with reasonable certainty, the act or thing done or omitted to~~
14 ~~be done, of which complaint is made, with a reference, where practicable, to the law,~~
15 ~~order, or section, and subsections, of which a violation is claimed, and such other~~
16 ~~matters, or facts, if any, as may be necessary to acquaint the commission fully with the~~
17 ~~details of the alleged violation. The complainant shall set forth definitely the exact relief~~
18 ~~which is desired (see Section 15(1) of this administrative regulation).~~

19 ~~—— (2) Signature. The complaint shall be signed by the complainant or his attorney, if~~
20 ~~any, and if signed by such attorney, shall show his post office address. Complaints by~~
21 ~~corporations or associations, or any other organization having the right to file a complaint,~~
22 ~~must be signed by its attorney and show his post office address. No oral or unsigned~~
23 ~~complaints will be entertained or acted upon by the commission.~~

1 ~~—— (3) Number of copies required. At the time the complainant files his original~~
2 ~~complaint, he must also file copies thereof equal in number to ten (10) more than the~~
3 ~~number of persons or corporations to be served.~~

4 ~~—— (4) Procedure on filing of complaint.~~

5 ~~—— (a) Upon the filing of such complaint, the commission will immediately examine the~~
6 ~~same to ascertain whether it establishes a prima facie case and conforms to this~~
7 ~~administrative regulation. If the commission is of the opinion that the complaint does not~~
8 ~~establish a prima facie case or does not conform to this administrative regulation, it will~~
9 ~~notify the complainant or his attorney to that effect, and opportunity may be given to~~
10 ~~amend the complaint within a specified time. If the complaint is not so amended within~~
11 ~~such time or such extension thereof as the commission, for good cause shown, may~~
12 ~~grant, it will be dismissed.~~

13 ~~—— (b) If the commission is of the opinion that such complaint, either as originally filed~~
14 ~~or as amended, does establish a prima facie case and conforms to this administrative~~
15 ~~regulation, the commission will serve an order upon such corporations or persons~~
16 ~~complained of under the hand of its secretary and attested by its seal, accompanied by a~~
17 ~~copy of said complaint, directed to such corporation or person and requiring that the~~
18 ~~matter complained of be satisfied, or that the complaint be answered in writing within ten~~
19 ~~(10) days from the date of service of such order, provided that the commission may, in~~
20 ~~particular cases, require the answer to be filed within a shorter time.~~

21 ~~—— (5) Satisfaction of the complaint. If the defendant desires to satisfy the complaint,~~
22 ~~he shall submit to the commission, within the time allowed for satisfaction or answer, a~~

1 ~~statement of the relief which he is willing to give. Upon the acceptance of this offer by the~~
2 ~~complainant and the approval of the commission, no further proceedings need be taken.~~

3 ~~———(6) Answer to complaint. If satisfaction be not made as aforesaid, the corporation~~
4 ~~or person complained of must file an answer to the complaint, with certificate of service~~
5 ~~on other parties endorsed thereon, within the time specified in the order or such extension~~
6 ~~thereof as the commission, for good cause shown, may grant. The answer must contain a~~
7 ~~specific denial of such material allegations of the complaint as controverted by the~~
8 ~~defendant and also a statement of any new matter constituting a defense. If the~~
9 ~~answering party has no information or belief upon the subject sufficient to enable him to~~
10 ~~answer an allegation of the complaint, he may so state in his answer and place his denial~~
11 ~~upon that ground (see Section 15(2) of this administrative regulation).~~

12 ~~———Section 13. Informal Complaints. (1) Informal complaints must be made in writing.~~
13 ~~Matters thus presented are, if their nature warrants, taken up by correspondence with the~~
14 ~~utility complained against in an endeavor to bring about satisfaction of the complaint~~
15 ~~without formal hearing.~~

16 ~~———(2) No form of informal complaint is prescribed, but in substance it must contain~~
17 ~~the essential elements of a complaint, including the name and address of complainant,~~
18 ~~the correct name and post office address of the utility against whom complaint is made, a~~
19 ~~clear and concise statement of the facts involved, and the relief requested.~~

20 ~~———(3) In the event of failure to bring about satisfaction of the complaint because of the~~
21 ~~inability of the parties to agree as to the facts involved, or from other causes, the~~
22 ~~proceeding is held to be without prejudice to the complainant's right to file and prosecute~~
23 ~~a formal complaint whereupon the informal proceedings will be discontinued.~~

1 ~~Section 14. Deviations from Rules. In special cases, for good cause shown, the~~
2 ~~commission may permit deviations from these rules.~~

3 ~~Section 15. Forms. (1) In all practice before the commission the following forms~~
4 ~~shall be followed insofar as practicable:~~

5 ~~(a) Formal complaint.~~

6 ~~(b) Answer.~~

7 ~~(c) Application.~~

8 ~~Notice of adjustment of rates.~~

9 ~~(2) Forms of formal complaint.~~

10 ~~Before the Public Service Commission~~

11 ~~(Insert name of complainant) _____)~~

12

13 ~~Complainant _____)~~

14 ~~_____) No. _____~~

15 ~~vs. _____) (To be inserted by the~~

16 ~~_____) secretary)~~

17 ~~(Insert name of each defendant) _____)~~

18 ~~Defendant _____)~~

19

20

21

22 **COMPLAINT**

23 ~~The complaint of (here insert full name of each complainant) respectfully shows:~~

1 ~~_____ (a) That (here state name, occupation and post office address of each~~
2 ~~complainant).~~

3 ~~_____ (b) That (here insert full name, occupation and post office address of each~~
4 ~~defendant).~~

5 ~~_____ (c) That (here insert fully and clearly the specific act or thing complained of, such~~
6 ~~facts as are necessary to give a full understanding of the situation, and the law, order, or~~
7 ~~rule, and the section or sections thereof, of which a violation is claimed).~~

8 ~~_____ WHEREFORE, complainant asks (here state specifically the relief desired).~~

9 Dated at _____, Kentucky, this _____ day of _____, 19_____

10 ~~_____ (Name of each complainant)~~

11 ~~_____ Name and address of attorney, if any)~~

12 ~~_____ (3) Form of answer to formal complaint.~~

13 ~~_____ Before the Public Service Commission _____~~

14 ~~_____ (Insert name of complainant) _____)~~

15 ~~_____ COMPLAINANT _____) _____~~

16 ~~_____) No. _____~~

17 ~~_____ vs. _____) (To be inserted by the~~

18 ~~_____) secretary)~~

19 ~~_____ (Insert name of each defendant) _____) _____~~

20 ~~_____ DEFENDANT _____) _____~~

21

22 ANSWER

1 ~~_____ The above-named defendant, for answer to the complaint in the proceeding,~~
2 ~~respectfully states:~~

3 ~~_____ That (here follow specific denials of such material, allegations as are controverted~~
4 ~~by the defendant and also a statement of any new matter constituting a defense.~~
5 ~~Continue lettering each succeeding paragraph).~~

6 ~~_____ WHEREFORE, the defendant prays that the complaint be dismissed (or other~~
7 ~~appropriate prayer).~~

8 ~~_____ (Name of defendant)~~

9 ~~_____ (Name and address of attorney, if any)~~

10 ~~_____ (4) Form of application.~~

11 ~~_____ Before the Public Service Commission _____~~

12 ~~_____ In the matter of the application of _____) _____~~

13 ~~_____ (here insert name of each _____) _____~~

14 ~~_____ applicant) for (here insert desired _____) _____ No. _____~~

15 ~~_____ order, authorization, permission _____) _____ (To be inserted by the~~

16 ~~_____ or certificate, thus: "Order _____) _____ secretary)~~

17 ~~_____ authorizing issue of stocks _____) _____~~

18 ~~_____ and bonds) _____) _____~~

19

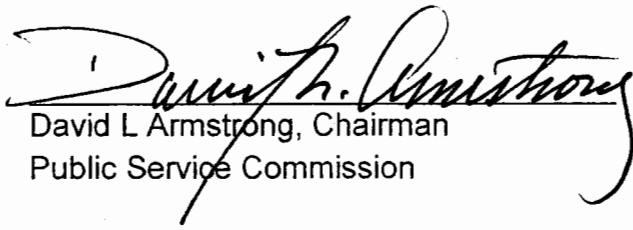
20

APPLICATION

21 ~~_____ The petition of (here insert name of each applicant) respectfully shows:~~

22 ~~_____ (a) That applicant is engaged in the business of (here insert nature of business~~
23 ~~and territorial extent thereof).~~

1 ~~_____ (b) That the post office address of each applicant is _____.~~
2 ~~_____ (c) That (here state fully and clearly the facts required by these rules, and any~~
3 ~~additional facts which applicant desires to state).~~
4 ~~_____ WHEREFORE, applicant asks that the Public Service Commission of the~~
5 ~~Commonwealth of Kentucky make its order authorizing applicant to (here state~~
6 ~~specifically the action which the applicant desires the commission to take).~~
7 ~~_____ Dated at _____, Kentucky, this _____ day of _____, 19____.~~
8 ~~_____ (Name of applicant)~~
9 ~~_____ (Name and address of attorney, if any)~~
10 ~~_____ (5) Form of notice to the commission of adjustment of rates.~~
11 ~~_____ Before the Public Service Commission _____~~
12 ~~_____ In the matter of adjustment _____) _____ No. _____~~
13 ~~_____ of rate of the (state name _____) _____ (To be inserted by the~~
14 ~~_____ of corporation). _____) _____ the secretary)~~
15 ~~_____ The (here insert name of company) informs the commission that it is engaged in~~
16 ~~the business of (set out character of business) in (set out place of operation) and does~~
17 ~~hereby propose to adjust its rates, effective the _____ day of _____, 19____, in~~
18 ~~conformity with the attached schedule.~~
19 ~~_____ (See Section 9 of this administrative regulation for required information.)~~
20 ~~(Name and address of company)~~
21 ~~(Name and address of attorney)]~~


David L. Armstrong, Chairman
Public Service Commission

DATE: 7/12/12

PUBLIC HEARING: A public hearing on this administrative regulation shall be held on August 27, 2012, at 9:00 a.m., Eastern Daylight Time, at the Public Service Commission's office, 211 Sower Boulevard, Frankfort, Kentucky. Individuals interested in attending this hearing shall notify this agency in writing by August 20, 2012, five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until August 31, 2012. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

Gerald E. Wuetcher
Executive Advisor/Attorney
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602
Tel: (502) 564-3940
Fax: (502) 564-7279

REGULATORY IMPACT ANALYSIS

Administrative Regulation #: 807 KAR 5:001

Contact Person: Gerald E. Wuetcher, Executive Advisor

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation provides the rules of procedures for the hearings and formal proceedings before the Public Service Commission.

(b) The necessity of this administrative regulation: This administrative regulation is needed to provide the structural framework for hearings and formal proceedings that the Public Service Commission conducts.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 278.040(3) authorizes the Commission to adopt reasonable regulations to implement the provisions of KRS Chapter 278.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: It sets forth the rules of procedure that utilities and the commission must follow.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The proposed amendment sets forth rules for the electronic filing of cases, updates the procedures for confidentiality, and revises general operational practices of the Commission that have not been changed in 19 years.

(b) The necessity of the amendment to this administrative regulation: This regulation has not been amended in 19 years and currently makes no provision for the use of electronic filing procedures. This amendment will incorporate Public Service Commission practices developed since the regulations last amendment in 1993 and will also establish guidelines and procedures for a utility to electronically file cases with the Public Service Commission.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 278.040(3) authorizes the Commission to adopt reasonable regulations to implement the provisions of KRS Chapter 278.

(d) How the amendment will assist in the effective administration of the statutes: This amendment provides more choices and flexibility for utilities when submitting filings to the commission and utilities choosing to electronically file will benefit themselves and the Public Service Commission by reducing expenses for paper, printing, and postage as well as eliminating timing inefficiencies caused by postal delays.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The proposed amendment will affect all utilities regulated by the Public Service Commission.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This amendment will not require additional actions by the utilities, but rather provides more choices and flexibility when filing with the commission.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no costs to comply with this amendment.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The proposed amendment generally reflects and incorporates informal practices and procedural devices that the Public Service Commission has developed and used in formal proceedings since the last revision to its rules of procedure. For a utility that electronically files a case before the commission, this amendment is expected to reduce litigation costs and expedite a final decision.

(5) Provide an estimate of how much it will cost to the administrative body to implement this administrative regulation:

(a) Initially: Implementation of the proposed amendment will not involve additional costs.

(b) On a continuing basis: No additional costs are expected.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No additional funding is required.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding is necessary or will be required.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: No.

(9) TIERING: Is tiering applied? No.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No.: 807 KAR 5:001

Contact Person: Gerald Wuetcher
(502) 564-3940 x259
gerald.wuetcher@ky.gov

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? **Public Service Commission; Office of Attorney General (Utility Rate and Intervention Division); water districts; sewer districts; municipalities.**

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 278.040(3) authorizes the commission to adopt reasonable regulations to implement the provisions of KRS Chapter 278. KRS 278.310 provides that all hearings and investigations before the commission or any commissioner shall be governed by rules adopted by the commission.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? **No direct increase in revenue will result from the adoption of the proposed amendment for any governmental agency. The proposed amendment does not provide for the Public Service Commission to assess any fee or charge.**

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? **No direct increase in revenue will result from the adoption of the proposed amendment for any governmental agency. The proposed amendment does not provide for the Public Service Commission to assess any fee or charge.**

(c) How much will it cost to administer this program for the first year? **There should be no increase in the Public Service Commission's cost of operations related to the revision of the administrative regulation for the first year. The Public Service Commission will continue performing the same level of review and require the same number of employees to conduct its review.**

(d) How much will it cost to administer this program for subsequent years? **There should be no increase in the Public Service Commission's cost of operations related to the revision of the administrative regulation for subsequent years. The Public Service Commission will continue performing the same level of review and require the same number of employees to conduct its review.**

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

SUMMARY OF INCORPORATED MATERIAL

(1) “FERC Form-1” - Annual Report of Major Electric Utilities, Licensees and Others (Mar. 2007). 18 C.F.R. § 141.1 requires all major electric utilities, licensees and others to file a FERC Form-1 annually with the Federal Energy Regulatory Commission (“FERC”). This report is designed to collect financial and operational information from electric utilities, licensees and others subject to FERC jurisdiction. It is 134 pages in length. The Public Service Commission, pursuant to 807 KAR 5:001, requires any electric utility that must file a FERC Form-1 with FERC to file a copy of that completed form with its application for rate adjustment.

KRS 278.230(3) supports the use of this form. It provides:

Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter. All such reports shall be under oath when required by the commission.

A completed FERC Form-1 will allow the Public Service Commission to determine an electric utility’s reasonable revenue requirements and assess the reasonableness of the utility’s proposed rates.

(2) “FERC Form-2” - Annual Report of Major Natural Gas Companies (Dec. 2007). 18 C.F.R. §§ 260.1 and 260.2 requires each natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years to submit a FERC Form-2 annually with FERC. This report is designed to collect financial and operational information from natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission FERC jurisdiction. It is 143 pages in length. The Public Service Commission, pursuant to 807 KAR 5:001, requires any natural gas utility that must file a FERC Form-2 with FERC to file a copy of that completed form with its application for rate adjustment.

KRS 278.230(3) supports the use of this form. It provides:

Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter. All such reports shall be under oath when required by the commission.

A completed FERC Form-2 will allow the Public Service Commission to determine a natural gas utility's reasonable revenue requirements and assess the reasonableness of the utility's proposed rates.

(3) Use of Electronic Filing Procedures Form (July 2012) is one page in length that an applicant who intends to file an application or other request for relief from the Public Service Commission and who wishes his application to be processed through electronic filing procedures will file shortly before filing his application. KRS 278.310 authorizes the Public Service Commission to adopt rules regarding the conduct its proceedings.

(4) PSC Form-T (Aug. 2005) is a 32-page form that telephone utilities are required to file annually with the Public Service Commission. It is designed to collect financial and operational information about telephone utilities. KRS 278.230(3) supports the use of this form. It provides:

Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter. All such reports shall be under oath when required by the commission.

A completed PSC Form-T will allow the Public Service Commission to determine a telephone utility's reasonable revenue requirements and assess the reasonableness of the utility's proposed rates.

(5) "SEC Form 8-K" (Jan. 2012) is a 23-page form that publicly traded companies must file with the Securities and Exchange Commission ("SEC") to report certain corporate events on a current basis to comply with Section 13 or 15(d) of the Securities and Exchange Act of 1934. The report provides critical information about the company's management and financial condition. The Public Service Commission, pursuant to 807 KAR 5:001, requires any utility that applies for a rate adjustment to file all SEC Form-8Ks submitted to the SEC within two years of the filing of the rate application.

KRS 278.230(3) supports the use of this form. It provides:

Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter. All such reports shall be under oath when required by the commission.

The SEC Form 8-Ks allow the Public Service Commission to determine the utility's reasonable revenue requirements and assess the reasonableness of the utility's proposed rates.

(6) "SEC Form 10-K" (Jan. 2012) is a 12-page form that publicly traded companies must file with the Securities and Exchange Commission ("SEC") annually to comply with Section 13 or 15(d) of the Securities and Exchange Act of 1934. It provides a comprehensive overview of the company's business and financial condition and includes audited financial statements. It provides critical information about the company's management and financial condition. The Public Service Commission, pursuant to 807 KAR 5:001, requires any utility that applies for a rate adjustment to file all SEC Form 10-Ks submitted to the SEC within two years of the filing of the rate application.

KRS 278.230(3) supports the use of this form. It provides:

Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter. All such reports shall be under oath when required by the commission.

The SEC Form 10-Ks allow the Public Service Commission to determine the utility's reasonable revenue requirements and assess the reasonableness of the utility's proposed rates.

(7) SEC Form 10-Q" (Jan. 2012) is a 7-page form that publicly traded companies must file with the Securities and Exchange Commission ("SEC") quarterly to comply with Section 13 or 15(d) of the Securities and Exchange Act of 1934. It includes unaudited financial statements and provides a continuing view of the company's business and financial condition. The Public Service Commission, pursuant to 807 KAR 5:001, requires any utility that applies for a rate adjustment to file all SEC Form 10-Ks submitted to the SEC within six months of the filing of the rate application.

KRS 278.230(3) supports the use of this form. It provides:

Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter. All such reports shall be under oath when required by the commission.

The SEC Form-10Ks allow the Public Service Commission to determine the utility's reasonable revenue requirements and assess the reasonableness of the utility's proposed rates