

November 15, 2010

Deborah M. Feige
8706 Avondale
Louisville, KY 40299

Jeff Derouen
Executive Director
211 Sower Boulevard
Franfort, KY 40602-0615

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**PUBLIC SERVICE
COMMISSION**

In Re: Motion to Intervene, Hillridge Facilities, Inc., PSCSCF case 2010-00426

Dear Sir:

I am a customer of Hillridge Facilities, Inc. I wish to file a Motion to Intervene in the issue of a rate increase requested by Hillridge. I received a notice from Hillridge stating that they had requested an increase of \$8.02 or 34.7%. In addition they had asked permission for a surcharge of \$11.19 or 46.4%, per month for 36 months to pay for sewer line repairs. For the next three years they are requesting an increase of \$19.21 a month or 81.1%.

As we are all aware, the price of goods and supplies has risen. The request for \$8.02 to help cover those costs is excessive. The highest increase that I could find that had been granted to a public utilities provider in this service area is LG & E, which was granted an 12.1% increase in January 2010. In the tough economic climate that we find ourselves in, any increase is hard to accept. But if the alternative is for them to lose money, a reasonable increase is understandable. Public service companies have to remain viable.

The request for a surcharge of \$11.19 a month should be denied. Hillridge is a for profit company. The sewer line repairs that have been mandated by the Kentucky Division of Water should be paid for by Hillridge without expecting the customers to foot the bill. The customers should not be penalized because the plant has not been properly maintained or updated. Maintenance and upkeep is the responsibility of the company. For many years MSD has tried to purchase this plant. The sticking point has always been the price. If the owners are trying to sell at a high price it must logically follow that their asking price must be a reflection of the profit that they stand to lose. I am certain that greed or the fact that the owners may think they have MSD over the proverbial barrel has played no part in the negotiation process. If a movie theater increases the ticket price by 46.4% to cover the cost of new screens, I think a large majority of customers would choose not to go there. In this example, customers have the choice to go or not go. We do not have the choice. We have to use Hillridge Facilities.

The request for an increase in the monthly sewer rate should be approved at a more reasonable rate. A rate of 6.5% is reasonable and is the same rate increase approved for MSD this year. The request for the monthly surcharge should be denied.

Sincerely,

Deborah M. Feige

Cc: Councilman Stuart Benson
Attorney General
Office of Rate Intervention

NOTICE

Hillridge Facilities, Inc. has filed an application with the Public Service Commission proposing to increase its monthly sewer rate from \$24.13 to \$32.50, an increase of 34.7%. Hillridge believes it could justify a rate increase of 55.6% based upon its operating costs, but has requested the much lower increase to reduce the burden upon its customers. Hillridge is also proposing to begin charging a surcharge of \$11.19 per month for 36 months to pay for sewer line repairs and replacements mandated by the Kentucky Division of Water. The proposed effective date of the change is November 29, 2010.

Monthly Rate:

<u>Current</u> Flat Rate	\$24.13	<u>Proposed</u> Flat Rate	\$32.50
Surcharge	\$ 0.00	Surcharge	\$11.19
<u>MONTHLY</u> <u>USAGE</u>	<u>MONTHLY BILL AT</u> <u>CURRENT RATE</u>	<u>MONTHLY BILL AT</u> <u>PROPOSED RATE</u>	<u>PERCENT</u> <u>INCREASE</u>
ALL USAGE	\$24.13	\$32.50	34.7%
SURCHARGE	<u>\$ 0.00</u>	<u>\$11.19</u>	N/A
TOTAL BILL	\$24.13	\$43.69	81.1%

The rates contained in this notice are the rates proposed by Hillridge Facilities, Inc.. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the utility office at Hillridge Facilities, Inc., 17825 Bradbe Road, Fisherville, KY 40023. Upon request from an intervenor, the utility shall furnish to the intervenor a copy of the application and supporting documents.

Hillridge Facilities, Inc.