

136 STRAWBERRY LANE
Frankfort, KY 40601-8121

August 20, 2008

Public Service Commission (PSC)
ATTN: Ms. S. Stumbo
211 Sower Boulevard
Frankfort, KY 40601

RECEIVED
AUG 21 2008
PUBLIC SERVICE
COMMISSION

Ms. Stumbo:

Reference, PSC Case No. 2007-00436, documentation dated August 13, 2008.

I desire to continue to oppose the outlandish sewer rate increase requested by the Farmdale Sewer Corporation.

My concerns remain the same as my May 11, 2008 letter, with one exception. I attended the formal hearing on June 24, 2008, and heard Mr. Cougan, Corporation President, state he had not received any compensation for 10 years. I find this extremely hard to believe.

I have my personal opinion what he is trying to do based on the number of sewage systems he has owned (per his statements) over the years. Apparently, he was successful in selling most of his systems to Jefferson County. But now, he is down to a few and it seems he wants us, the customers, pay his way out.

Since the June 24, 2008 hearing, what could have possibly transpired to allow another hearing so soon?

The decision has been made by the PSC, so let us stick with it. The sewer rate is high as it has been set.

I own property in Carlisle, KY and my sewer bill for the past three months has been: May - \$14.43, June - \$14.49, and July - \$14.49.

I suggest: 1) the rate established on July 9, 2008 remain, 2) the Farmdale Sewer Corporation be advertised for sale, or 3) the Franklin County Fiscal Court be requested to take over the corporation.

I know nothing about running a sewer facility, but, the current expenses reported by the corporation seems extremely high. I have lived at my current residence since December 1978 and it appears they have never had a maintenance fund to take care of needed repairs over the years.

Aug 20, 2008

If Mr. Cougan can appeal the decisions by the PSC immediately after every decision is made known, then I want to be an eternal opposing individual.

Respectfully,


BOBBY G ANDERSON
(502) 875-3598

Enclosure

My letter dated May 11, 2008

136 STRAWBERRY LANE
Frankfort, KY 40601-8121

May 11, 2008

Public Service Commission (PSC)
ATTN: Ms. S. Stumbo
P O Box 615
Frankfort, KY 40601

Ms. Stumbo:

This is in reference to the latest Order for Case No. 2007-00436, dated May 5th, 2008.

More specific, reference is to Attachment A regarding category and amount of expenses.

- a. **Sludge Hauling.** - It seems to me this could be disposed of by giving it away for land fill or is it possible to give it away for processing as fertilizer. I assume that the sewage plant adds chemicals to remove any adverse affect on the environment.
- b. **Mt.-Collection System.**
Mt. of Trmnt & Disp.
Mt. of Other.
I presume these are some type of MAINTENANCE FEES (?). Who knows what they are and are they included in some other category?
- c. **Agency Collection Fee.**– There are, as I have read in previous correspondence, 241 customers. As of today stamps are \$.42 apiece for a monthly cost of \$101.22, and for the year \$1,214.64. I know the Farmdale Sewage Corporation has office personnel because I have talked to them on the phone. How much of a work load doing their own billing would cause, I do not know, but, this is the age of the computer.
- d. **Depreciation Expense.** – Whoever came up with this category has to be kidding. I would think this would be a TAX DEDUCTION for the corporation. Is this actual money out of their pocket? Doubt it.
- e. **Amortization Expense.** – In my opinion, this should not be a consumer expense. After all the sewage plant here in Farmdale has been owned by the Farmdale Sewage Corporation, Louisville, KY for a number of years. It would be interesting to know whether the corporation operates on a budget or just “wings it” until the end of a tax year.

Reference, PSC Order dated May 5th, 2008 regarding Case Number 2007-00436

- f. Taxes OT Income. – Income taxes and social security on Overtime Pay?
- g. Interest Expense.- If one can not afford to run a business, then one should not do it. Do you know who pays my mortgage interest, taxes, and insurance.

I think Farmdale Sewage Corporation should be audited for the past ten (10) years by the State Auditors Office. It has been amazing that just last year these enormous costs popped up.

And they show a Net Income of \$1,519. Recommend they find a buyer here in Franklin County because it does not appear to me it is worthwhile for them to be in the sewage disposal business in this community. (No, I do not want to buy it. I am retired and practically 71 years of age.)

Further, I oppose the surcharge added to the sewage bill and request they be ordered to return it and cease any further collections.

The Preamble/US Constitution says we are a government “of the people, by the people, and for the people”. I do not believe it mentions corporations or companies.

Respectfully,

BOBBY G ANDERSON

P S : Following are actual costs added to my bills authorized by the PSC that do not sit well with me. This is just a way for the utilities to circumvent the system. See attachments.

- 1) Blue Grass Energy (BGE), 8 Jul 07 bill – Fuel Adjustment: \$30.51
 Environ S/charge 10.73

In April 3rd, 2007 Lexington Herald stated the PSC granted an interim rate increase. In my April 2008 issue, the “Kentucky Living” BGE publication, Dan Brewer, President and CEO states BGE “to officially file for rate increase”.

- 2) Farmdale Water District, April 2007 bill. Sewer surcharge \$9.92
 - 3) Kentucky Utilities January 2008 bill. Customer charge \$5.00
 - 4) Frankfort Plant Board August 2007 bill. Bill reflects a \$1.00 increase per month.
 - 5) AT & T Telephone bill for July 2007. KY- GRT Surcharge of \$.32 (Not sure when this started.)
- WHEN IS ALL THIS MADDNESS GOINT TO END?