

October 26, 2010

292 Lakepoint Lane
Hamlin, KY 42076

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PUBLIC SERVICE
COMMISSION

Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

Motion to Intervene Case #2010-397

Dear Commission Members:

I currently own a second home on Lakepoint Lane in Pine Bluff Shores subdivision, New Concord, Kentucky served by Center Ridge Water District #2. I have owned this house for 22 years and consider it my home away from home.

I believe the 39.6% rate increase proposed by Center Ridge Water District, Inc. is extremely excessive. Please consider the following:

- The proposed increase amounts to a nearly 285% increase since 2003 or 12.5% compounded annually. The proposed increase is far in excess of inflation over the same period. This area is primarily retirement and vacation homes. Many of the residents such as myself are retired and on fixed incomes which have not even kept pace with inflation over the period much less rate increases of this magnitude.
- In approx. 2004 a large grant was awarded for a new water distribution system in Center Ridge Water District #2. The new system was installed and has significantly improved the reliability of the system. Thus the operating cost of this particular district has actually decreased. Now the customers in Center Ridge Water District #2 are being asked to subsidize less reliable or more costly systems located in geographically dispersed areas of the county acquired since that time by Center Ridge Water District, Inc. The rates should be set based on operating costs surrounding each individual system.
- It appears from the case information that there are significant costs saving measures that could be implemented by Center Ridge Water District, Inc. to reduce travel costs. Perhaps local part time employees located in each district could be trained to operate the systems as well as do other day to day tasks. Reducing the 43,800 miles driven by the owner each year. Thus requiring only periodic supervision trips and those required for repair work.
- The owner of Center Ridge Water District, Inc. does significant amounts of work outside of that associated with the water works such as excavation, land clearing, etc. Much of the the same equipment is employed in that business and should share proportionally in equipment and maintenance costs.

Center Ridge Water District is located on the Western shore of Kentucky Lake in Calloway County and is comprised of mostly retirement homes, vacation homes and cabins owned by families living

outside of the area, frequently in other states. Advertisement of the rate increased has only appeared in the classified section of the Murray, Kentucky Ledger Newspaper. Only a small fraction of the customers will ever know about the proposal until it's a done deal. Notice of this proposed rate increase should be mailed to each customer with an appropriate period allowed for motions to intervene beginning after that mailing. The best interest of the public is not being served here.

In summary, the proposed 39.6% increase effective Nov. 15, 2010 is excessive due in part to the reasons listed above. Discussions with other residents around District #2 agree that an increase in the sub 15% range is not out of line considering the improved operating costs being experienced here.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Bobby J. Dazier". The signature is written in black ink and is positioned in the lower-left quadrant of the page.