

280 Swan Court
Perry Park, KY 40363
September 16, 2013

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

SEP 18 2013
PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen:

As a homeowner in the Perry Park Golf Resort, Perry Park, Kentucky, my sewer system is owned and operated by Par-Tee LLC d/b/a Perry Park Resort sewer utility. I recently received notice from Par-Tee LLC indicating a fifty percent (50%) rate increase was to become effective on September 30, 2013. The application submitted by Par-Tee requesting this rate increase was date stamped by your office as having been received August 19, 2013, and was assigned case number 2013-00314.

A rate increase has not occurred in the past several years; however, an increase of 50% to the 207 customers affected seems excessive, given the recent changes that have occurred within the Resort.

The Perry Park Golf Resort, owned and operated by Par-Tee LLC, contains a twenty-seven (27) hole golf course, two (2) hotels with a capacity of 64 rooms, a pro-shop, a restaurant, and several free standing properties (houses) that Par-Tee rents regularly to individuals, usually golfers. Both hotels and two rental property houses have been built since the last rate increase. In addition, Par-Tee is currently building a new rental property house, expected to be completed within the next few months.

These additional hotels and rental property houses have required more work on the part of the existing sewer system. It should be noted that a few additional residents' homes have been built since the building of the hotels and rental property houses, but the amount of waste created by those residents' homes could hardly compare with that created by the hotels. When questioned as to why any rate increase should not be borne equally by the homeowners and Par-Tee, allowing a more reasonable increase to all parties involved, the argument was made that the hotels operate only during periods of weather compatible for playing golf. While this may be true, the golf season in our area begins in early spring and runs through late fall; obviously not year-round, but enough to justify that Par-Tee's usage has increased far more than the 207 independent homeowners.

Par-Tee maintains three small sewer plants: two that serve the residential customers and one that serves the hotels, the additional houses that Par-Tee has built and the restaurant. In the application filed by Par-Tee, they mention that one of the additional costs is that of sludge removal from the sewer plants. When I spoke to several long-time residents, they cannot ever remember Par-Tee removing sludge from any of the sewer plants with the exception of the cleaning of the grease traps of the restaurant that Par-Tee owns. Likewise, the application states that they would like to recoup expenses of additional office space. Currently the offices of Par-Tee are located in the clubhouse and there are no plans offered to increase any capacity for additional space or manpower to serve the needs of the sewer fee collection process. It is the same process and space that has always been used.

In the application that Par-Tee submitted to your office, they state that the current resident rate totals \$45,284 per year while the current commercial revenue from resort operations is \$3,500. Their proposal asks for an increase of \$23,027 for residential customers while increasing resort operations by \$1,780. That simply does not seem fair as the residential usage has remained almost

stagnant while Par-Tee has increase their usage by adding two hotels, at least three additional properties, and nine more holes of golf during the same time period.

I am asking the Public Service Commission to review the usage amount on both the part of resident homeowners and Par-Tee LLC when considering the granting of Par-Tee's proposal. I will agree that a rate increase is justifiable, but I find a 50% increase in the existing rate to be excessive given the information provided above. My fear is that Par-Tee is attempting to make improvements to their proprieties on the backs of the homeowners. I fear that the sewer plants used by the residents will see no improvements as stated in the proposal.

In order for me to stay informed as this rate request moves forward, I am asking to be identified as having intervener status so that I might be notified when any public hearings or meetings are scheduled in which Case number 2013-00314 will be discussed. Please direct any communication to me at Mark Cleveland, PO Box 160, Perry Park, KY 40363, mcleveland21@gmail.com, or phone number 502/484-0000.

Respectfully,



Mark Cleveland