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PUBLIC SERVICE  
COMMISSION

October 25, 2010

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

Motion to Intervene Case #2010-397

Dear Commission Members:

My wife and I have owned a home on Lakepoint Lane in the Pine Bluff section of New Concord for about 30 years.

I am opposed to the 39.6% rate increase proposed by Center Ridge Water District, Inc. Any rate increase of more than 15% would seem to be excessive.

It should be noted that in the application for rate increase to the Commission it states that "Center Ridge is unique because it has 4 entirely separate water production and distribution systems." The fact that two of the systems (#1 and #4) are located in the north end of Calloway County and district #2 and #3 are located in the south end of the county causes management issues. I use water in the south area, system #2. In approximately 2003 a grant of \$200,000 - \$250,000 was awarded and Center Ridge supervised the installation and upgrades in District #2. With relatively new lines in #2 we should have very little maintenance issues and little cost to the corporation. The water district has elected to expand to other remote areas of the county as recently as 2006 which drives up expenses.

It appears to me that improved management could drastically reduce the daily mileage expense incurred to check chlorine levels at the four distribution points. Mileage claimed was 43,800, an expense to the district of \$24,090 (43,800 x \$0.55). The application reports that the owner makes the 120 mile round trip 365 days a year. The owner's residence and office, 69 Marguerite Blvd., are within a 5 mile round trip of system #2 and #3 in the south end of the county. Wells in the north end account for the other 115 miles reported as daily expenses. The corporation could reduce expenses by hiring and training someone that resides near the wells in the north section to check chlorine levels. I suggest that a responsible person could be hired and paid \$20 per day (\$7,300 annually) to do these daily checks. Current mileage of 115/per day is claimed as a daily expense of \$63.25/day or \$23,086 annually. Outsourcing would save \$15,786/ year (23,086-7,300).

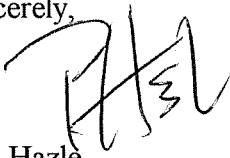
In the application Center Ridge listed "O & M" expenses of \$90,595. I assume this means operating and maintenance expenses. It should be noted that the owner is also in private business and that equipment and machinery is used outside the duties of Center Ridge Water District.

Apparently, the water district received a grant of \$12,540 in 2009 but its purpose was not listed.

Center Ridge's application states that aged systems "require significant monitoring" and repairs and expenses have increased "because of the addition of system #4 in 2006". System #4 is located north of our district. I feel that our district, #2, should be profitable due to new lines and very little maintenance and monitoring costs. It seems to me that it would be unfair to the consumers in the south to receive a substantial rate increase to support the aged systems the corporation chose to purchase several miles away in the northern part of the county.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "PHIL HAZLE". The signature is stylized and written in a cursive-like font.

Phil Hazle  
206 Lakepoint Lane  
New Concord, KY 42076  
philhazle@wk.net