

From: [PSC Public Information Officer](#)
To: [Sheri Scott; PSC Executive Director](#)
Cc:
Subject: RE: Request For Intervention Regarding Case # 2022-00432
Date: Monday, March 27, 2023 12:39:39 PM

Dear Ms. Scott,

I have included the mailbox for the PSC Executive Director. The staff monitoring the mailbox will file your request in the case to be processed.

Thank you,
Linda

Linda C. Bridwell, PE
Executive Director | Kentucky Public Service Commission | 211 Sower Boulevard | Frankfort, KY
40601 | 502.782.2560

From: Sheri Scott
Sent: Thursday, March 23, 2023 11:34 AM
To: PSC Public Information Officer <PSC.Info@ky.gov>
Cc: joe.covington@scottky.gov
Subject: Request For Intervention Regarding Case # 2022-00432

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To: PSC Public Information Officer Psc.info@ky.gov
From: Sheri H. Scott, 130 Alexandra Jett Ln., Georgetown, KY 40324
Subject: Request For Intervention Regarding Case # 2022-00432

To Whom It May Concern,

I recently received a letter from Bluegrass Water Utility Operating Company, LLC dated February 27, 2023 indicating their application and request for adjustment of rates and approval of construction per PSC Case #2022-00432.

My contact information is as follows:

Sheri H. Scott, 130 Alexandra Jett Lane, Georgetown, KY 40324

I live in the I-75/Delaplain Exchange (Riffton Meadows) neighborhood, which as part of Case #2022-00432. Our neighborhood is facing a potential increase in Total Monthly Sewer - Single Residential service from \$12.50 per month to \$99.37 per month. This is a proposed monthly rate increase of 694.9%.

I strongly request intervention regarding this case under the following grounds:

1. **Power Imbalance/Monopoly/Market Failure/Fairness in Taxation** – This is a private company, buying up sewer systems that provide a public good (sewer + environmental impact). Bluegrass Water speaks about costs/benefits, etc. as if we had a market here. But, I have only one choice of where to get my sewer services and no other choice of rates. If they dramatically increase their revenue stream, they can sell this system for a profit based on years of higher rates extracted from me and my

neighbors without assistance from state or local governments and outside a system of state and municipal grants. Systems owned by municipalities all over Kentucky are eligible for grants and are receiving grants, because they are facing many of the same repair issues that we are facing, related to providing clean water and living conditions. State and local taxes are available to assist them, but not available to assist me. Other systems, further out in the county (Mallard Point, etc) were acquired years ago by GMWSS. This is a course that enables their taxes to support maintenance and upgrade to their systems. I challenge the legitimacy of a private system like this that provides a public good, where the “buyers” have no recourse to seek better rates in the market and where the “seller” is free to seek an almost 7x increase. Our only advocate is the PSC. I want more government involvement in ensuring that the burden of these public matters do not fall unfairly to a subset of private systems without government grants and assistance that are available to other taxpayers and municipal systems.

2. **Outrageous Amount of Increase** - The proposed rate increase of 694.9% is totally outrageous and beyond reason. A recent report from [energy.gov](https://www.energy.gov) showed that from 2008-2016, the average annual wastewater price escalation rate in the South-South East region, which includes the state of Kentucky, was 3.2% (U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Water and Wastewater Annual Price Escalation Rates For Selected Cities across the United States, September 2017). Based on this information, the proposed rate increase of 694.9% requested by Bluegrass Water Utility Operating Company, LLC would equate to the average annual wastewater price escalation rate of 3.2% being applied for 209 consecutive years all at once. Some regulation of the amount of increase allowed in a year or over a period of time needs to be applied.
3. **Financial Hardship** - This increase will place an undue hardship on me. Like me, others in the Delaplain area face hardship as people on fixed incomes, single parents, elderly, workers who haven't seen raises in years and others. A significant portion of us don't get an \$86.87 monthly raise – ever. Comparable sewer rates (even in cities that include both water and garbage in their costs) are more like \$45/month. As rural customers, we pay over \$30/month for garbage service AND we pay for sewer costs separately. With this increase, we would have a combined garbage/sewer bill of \$130/month, \$90 more than our peers. We have no city to advocate for us. And, since we are small, non-municipal systems, we are unlikely to receive state funds for system upgrades.
4. **Lack of Diligence** - It is not clear that Bluegrass Water Utility Water Operating Company, LLC has diligently looked to control costs or obtain multiple bids for proposed system improvements.
5. **Excess Profit for a Public Utility** - According to its letter dated 02/27/2023, Bluegrass Water Utility Water Operating Company, LLC states that it seeks to increase revenues by \$1,291,491 per year. They would recover their investment in only a few years; this is for systems with a life far beyond. This is too much burden to place on small residential customers.
6. **Inadequate Records Access** - In the filing per Case #2022-00432, many of the financial records of Bluegrass Water Utility Operating Company, LLC and their presumed attempts to justify the proposed rate increase are redacted. This makes it impossible for residents of Delaplain or their representatives to fully vet the claims of

Bluegrass Water Utility Operating Company, LLC and properly challenge their outrageous, proposed rate increase of 694.9%.

Thank you for your timely consideration of the concerns stated above regarding the proposed rate increase of 694.9% in residential sewer service for I-75/Delaplain residents like us. I look forward to your rejection of this outrageous request of Bluegrass Water Utility Operating Company, LLC per Case #2022-00432.

Sincerely,

Sheri H. Scott

130 Alexandra Jett Lane

Georgetown, KY 40324