

March 17, 2009

Public Service Commission

211 Sower Blvd

Frankfort, KY 40601

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PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2008-00563

We are writing in reference to the water rate increase proposed by Water Service Corporation of KY, a division of Utilities, Inc and owned by American International Group (AIG). The sewer system is owned by the city but managed by Water Service Corp of KY. We are currently in the midst of a sewer renovation which is being administered by our local PADD office. After the city started this project we found there was not as much grant money as originally thought, more loans had to be secured, sewer rates had to be raised from \$18 per month to 133% of water usage in order to meet debt obligation. The water / sewer bills became more than a lot of the residents could afford as our community has a large percentage of seniors , disability, and low income.

In June 2008 residents received the first billings after Water Service went to a new system. None of the bills were right. Many customers did not have any sewer charges and the ones that did were incorrect. When they were corrected customers got bills going back six months as high as \$377.00. They were also sending bills twice a month. This past month the payment date was 3/4/09 but they cut off on 3/2/09 and sent a new bill adding the two totals together. People don't know what to pay.

At the same time our local water office was closed and we now have to contact Middlesboro regarding our bills or any other services. Numerous complaints have been made to this office but we still have the same incompetence in accounting.

The city council was told at our March meeting by Mike Pickard our local manager employed by Water Service Corp of KY that the 50.80% rate increase was going to go through and there was nothing we could do about it. He also asked the city and council not to oppose it.

Residents were told they would get a discount for filling swimming pools if we called and had the meter read before and after. When we filled last year Mr. Pickard informed us there was no discount. At the March meeting one lady advised that she did receive a discount of \$200.00 so there are no exact regulations to depend on. Another resident at the meeting asked about putting in a separate meter for her pool and was given a price of \$1500.00 for the meter.

The residents of this town cannot afford this increase. They also feel they cannot afford to hire an attorney and travel to Frankfort . The City of Clinton has a serious problem in getting sufficient revenue

to repay the sewer loans with the incorrect billings of Water Service Corporation of KY. We would hope that a public hearing could be held in Clinton so residents can have a part and voice their opinions.

Yours truly,

Jeff Morrow, Clinton City Councilman



Betty Morrow, County Contact for Governor's Office

