

May 15, 2009

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SEP 08 2009

PUBLIC SERVICE
COMMISSION

Executive Director
Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, KY 40602

RE: PSC Case No: 2009-00171 (Big Bear Wastewater, Inc.)

Dear Sir or Madam:

My wife and I own unit 2A, one of the 27 condo units that make up The Dens Condominium Association at Big Bear Resort in Benton, KY. I have previously been president and currently serve as vice-president of the association. To the best of my knowledge, The Dens has only one full-time resident. The balance of The Dens condos are occupied on a part-time basis primarily during the warmer months of the year. For example, my wife and I typically use our condo a total of 4 – 6 days during the winter months of November, December, January and February.

The Treetops Condominiums, also at Big Bear Resort, currently have 24 units with plans to expand to a total of 28 units. Since the Treetops are still in the process of being developed, Big Bear Resort acts as the manager of the Treetops Condominium Association. The Treetops have 6 full-time residents to the best of my knowledge.

The Dens Condominium Association, therefore, is the only independently managed group within Big Bear Resort and the only independent entity served by Big Bear Wastewater, Inc.

We understand Big Bear Wastewater, Inc. cannot operate and maintain proper equipment without revenue and growing operating expenses lead to rate increases. However, we question Big Bear Wastewater's method of calculating **Total Operating Revenue** and even more the data they use for calculating **Normalized Revenues**.

1. **Routine Maintenance Fees Expense** (See Reference Note G in Big Bear Wastewater ARF application; Attachment A)
2. Big Bear Wastewater used the average of four (4) sewer utilities without regard to the design capacity of each facility and came to an average annual cost of \$16,469.
 - a. It seems to us that using an average cost per 1,000 GPD (Gallons Per Day) for each utility would be a more accurate method. This

method yields an average annual cost of \$11,265. A difference of \$5,204.

b. See table immediately below

Sewer Utility	2007 Routine Mt. Fee	Design Capacity	Dollars/1000GPD
Airview	\$8,400	35,000 GPD	\$240.00
Farmdale Dev.	\$13,020	80,000 GPD	\$162.75
Great Oaks	\$21,162	70,000 GPD	\$302.31
Thomas Cntry	\$23,294	40,000 GPD	\$582.35
Average	\$11,265	35,000 GPD	\$377.14

3. Normalized Revenues (See Reference Note A in Big Bear Wastewater ARF application; Attachment A)

- a. Big Bear Wastewater calculates Normalized Revenues based on 1024 bills which are based on the number of customers (66 for 4 months, and 95 for 8 months, of the year)
 - i. With 27 units in The Dens and 24 units in the Treetops, Big Bear Resort claims only 15 units (66-51) for the entire year and another 29 units (95-51) for 8 months of the year.
 - ii. This number of units is much lower than the number of units advertised on Big Bear Resort's website <http://www.bigbearkentuckylake.com> which includes:
 1. 8 – Marina Townhouses
 2. 2 – Chalets
 3. 1 – Woodland Villa
 4. 4 – Fisherman's Cottages (2 Bedroom)
 5. 3 – 1 Bedroom Cottages
 6. 1 – Fisherman's Duplex
 7. 1 – Fisherman's Apartment
 8. 1 – Fisherman's Motel
 9. 1 – Executive Cottage
 10. 1 – Log Cabin
 11. 75 – Hookups for RV's and Campers
 12. 1 – Dump Station
 13. 1 – Shower House
 14. 1 – Restaurant
 15. Office Restroom(s)
 16. Poolside Restrooms
- b. The Dens and Treetops Condominium owners are currently being billed for 59% of Big Bear Wastewater's revenue without any full accounting of the percentage of wastewater created by Big Bear units as compared to the wastewater created by condominium units.
- c. We propose an annual determination of wastewater based on either:

- i. Actual annual water usage by condominium groups, i.e. The Dens, and the Treetops separately or combined as compared to water usage by Big Bear Resort.
 1. Total annual water usage for The Dens has already been sent via email to Janet Caldemeyer, President of Big Bear Resort.
 2. Ms. Caldemeyer has not been willing to provide us annual water usage information.

OR

- ii. A listing of each Big Bear unit by type and an annual estimate of the wastewater generated by type of unit as compared with a typical condo. For example:
 1. A shower house seems likely to create more wastewater per year than a typical condo.
 2. A restaurant seems likely to create more wastewater per year than a typical condo.

We ask the Public Service Commission to consider an alternate method to the current method for calculation of **Normalized Revenue** required to support Big Bear Wastewater, Inc. We believe Big Bear Resort has not been paying their fair share of the revenue and that the proposed rate increase shifts additional burden to condominium owners such as ourselves.

Big Bear Wastewater, Inc. has indicated the rate increase will become effective May 30, 2009. We respectfully request the Public Service Commission allow us an opportunity to respond further to this rate increase proposal after The Dens Condominium Association annual meeting which will take place on May 23, 2009.

Thank you for your time and consideration of these matters.

Sincerely,



J. Richard Schien
PO Box 25
Carlinville, IL

September 4, 2009

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PUBLIC SERVICE
COMMISSION

KY Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankford, KY 40602-0615

RE: PSC Case No: 2009-00171 (Big Bear Wastewater, Inc.)

Dear Sir or Madam:

I sent the enclosed letter to the Kentucky Public Service Commission on May 15, 2009 but have reason to believe the letter was either misplaced or never arrived.

Please add the enclosed letter to those responding to this case.

Thank You.

Sincerely,



J. Richard Schien
P.O. Box 25
Carlinville, IL 62626