

October 26, 2010

4004 Beacon Pointe Ln.
Dickinson, TX 77539

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

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PUBLIC SERVICE
COMMISSION

Motion to Intervene Case #2010-397

Dear Commission Members:

I currently own a second home on Lakepoint Lane in Pine Bluff Shores subdivision, New Concord, Kentucky served by Center Ridge Water District #2. My wife and I have owned this house for 16 years and intend to retire here in 2011.

I believe the 39.6% rate increase proposed by Center Ridge Water District, Inc. is extremely excessive. Please consider the following:

- Although this is the first increase since about 2004, the increase in 2004 was approx. 100% making this currently proposed increase over 285% of the pre-2004 rate or nearly 12.5% compounded annually. That's excessive.
- In approx. 2004 a +/- \$250,000.00 grant was awarded for a new water distribution system in Center Ridge Water District #2. The new system was installed and has significantly improved the reliability of the system. This does not mean that the customers in Center Ridge Water District #2 should now subsidize less reliable or more costly systems located in geographically dispersed areas of the county acquired since that time by Center Ridge Water District, Inc.. The rates should be set based on operating costs surrounding each individual system.
- It appears from the case information that there are significant costs saving measures that could be implemented by Center Ridge Water District, Inc. to reduce travel costs. Perhaps local part time employees located in each district could be trained to operate the chlorinator systems, take samples and monitor the systems for leaks. This would significantly reduce the 43,800mi. per year driven by the owner. Requiring only periodic supervision trips and those required for repair work.
- My water bill received in December 2009 was for service dates Jan.1 – Dec. 31, 2010. I paid that bill in full for the full year, not for service Jan.1 – Nov. 15. Any approved increase should become effective on January 1, 2011.
- The owner of Center Ridge Water District, Inc. does significant amounts of work outside of that associated with the water works such as excavation, land clearing, etc. The same equipment is employed in those endeavors and should share proportionally in equipment and maintenance costs.

Center Ridge Water District is located on the Western shore of Kentucky Lake in Calloway County and is comprised of mostly vacation homes and cabins owned by families living in other cities, counties and states. On Lakepoint lane alone 8 of the 19 houses and cabins have full time occupants, the rest are part time and thus typically only here during vacation periods. Most of them will never know about this proposed rate increase or have the opportunity to intervene because they do not live in Murray, Kentucky and do not read the classified section of the Murray Ledger newspaper where the notice has been advertised. The ethical thing to do is to mail a notice of the proposed increase to each customer and allow 30 days for motions to intervene following that. Although technically legal, the public interest is certainly not being well served using the low visibility, short notice advertisement employed by Center Ridge Water District, Inc.

In summary, the proposed 39.6% increase effective Nov. 15, 2010 is excessive due in part to the reasons listed above and those outlined by the other customers already received by your office. Discussions with other residents around the subdivision agree that some increase is probably prudent considering the increased costs-of-living above and beyond the improved operating costs in District #2, but the increase should remain in the less than 15% range.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "John Coyle". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Coyle".

John Coyle

Affected property address:

310 Lakepoint lane
New Concord, KY 42076

Mailing address:

4004 Beacon Pointe Lane
Dickinson, TX. 77539