

From: PSC - Public Information Officer
To: ["Grayson Vandegrift"](#)
Subject: your comments in case 2018-00358 - Kentucky American Water Co. rates
Date: Wednesday, May 15, 2019 12:03:00 PM

Dear Mayor Vandegrift:

Thank you for your comments on the application of the Kentucky American Water Co. for a rate adjustment.

Your comments in the above-referenced matter have been received and will be placed into the case file for the Commission's consideration.

As you noted, the case number in this matter is 2018-00358. It would be helpful if you would please refer to it in any further correspondence.

The documents in this case are available at http://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?case=2018-00358.

Thank you for your interest in this matter.

Andrew Melnykovich

Director of Communications
Kentucky Public Service Commission
502-782-2564 (direct) or 502-564-3940 (switchboard)
502-330-5981 (cell)
Andrew.Melnykovich@ky.gov

RECEIVED

By Kentucky PSC at 12:09 pm, May 15, 2019

From: Grayson Vandegrift [REDACTED]
Sent: Monday, May 13, 2019 3:07 PM
To: PSC - Public Information Officer <PSC.Info@ky.gov>
Subject: Letter to PSC - Case No. 2018-00358

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk S [REDACTED] for any assistance.**

Please see below for attached letter.
Thanks

Grayson Vandegrift, Mayor
City of Midway

Begin forwarded message:

From: Katie Vandegrift [REDACTED]
Date: May 13, 2019 at 2:59:07 PM EDT



CITY OF MIDWAY

P.O. Box 4275
Midway, Kentucky 40347-4275

Grayson Vandegrift, Mayor

May 13, 2019

To the members of the Public Service Commission,

My name is Grayson Vandegrift and I am the mayor of Midway, Kentucky. We are a wholesale customer of Kentucky American Water, and while I appreciate the quality and dedication of KAW, I must firmly protest the most recent rate hike request from this public utility company.

For years, we have watched as KAW has requested one rate hike after another - if this request is granted it will be their 6th in just 12 years. We were so unsettled by the last hike that we budgeted appropriately and did the necessary things to absorb that increase so it wasn't passed on to our consumers, many of whom struggle as it is to pay for the planet's most abundant resource. We as a city have worked tirelessly to raise revenue and bring expenses down while still investing in our infrastructure. Through this hard work and due diligence we were able to lower our sewer rates by 25% last December. This is a considerable achievement, and one that is coupled with our investment in our aging infrastructure.

Oddly enough, infrastructure repair is one of the reasons given for this year's increase request by KAW. We in Midway know all about that - we are likely looking at 10-20 million dollars in water and sewer infrastructure upgrades over the next two decades. This is what is most puzzling to me, because KAW has made it no secret that they wish to purchase our aging system. On multiple occasions they have signified this, the most recent being in a meeting with KAW executives within the last 2 years who plainly reminded me of their desire to buy our lines in their entirety. I feel that this is a perfectly fair question to ask: why would a company that needs more money to fix infrastructure also want to purchase some that they know to be ready for investment? Why would a company want to take on more debt if it can't meet its current obligations?

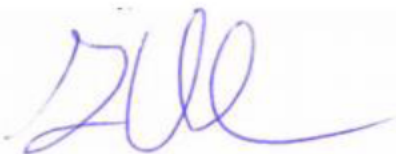
The job you have as members of this commission is no easy one, and I have no doubt that KAW will present compelling math that will indicate their need for another rate increase. What I ask you to consider is the toll these continual rate increases take on the people who are footing the bill. I watch as people come in to Midway City Hall and literally pay their water and sewer bill with pennies.

We will not be able to absorb another rate increase. Additionally, the hard work and planning that went into lowering our rates by 25% - all while improving our ability to invest - will effectively be offset by another rate hike.

As someone who comes from the business arena, I understand the constraints of profit and loss. I also understand the importance of clean potable water. But I believe it's time KAW be told in no uncertain terms that they can no longer run a business model predicated upon the concept that they can ask - and be given - a rate increase every two years.

I urge you to protect the public from unnecessary tax increases, to help Kentucky American Water take a longer look at their operations and to adjust accordingly, as we all do, whether we're an individual, a business owner, or a city. If we, a city of 1800 people with limited resources can make it happen, so can a publicly traded company like Kentucky American Water.

Respectfully,



Grayson Vandegrift, Mayor
City of Midway

*Andrea C Brown
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KENTUCKY 40507

*Honorable Lindsey W Ingram, III
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Honorable David J. Barberie
Managing Attorney
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KENTUCKY 40507

*Larry Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Kentucky-American Water Company
2300 Richmond Road
Lexington, KY 40502

*Linda C Bridwell
Director Engineering
Kentucky-American Water Company
2300 Richmond Road
Lexington, KY 40502

*James W Gardner
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

*Melissa Schwarzell
Kentucky-American Water Company
2300 Richmond Road
Lexington, KY 40502

*Janet M Graham
Commissioner of Law
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KENTUCKY 40507

*Monica Braun
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Justin M. McNeil
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Rebecca W Goodman
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Kent Chandler
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507