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RECEIVED

JUN 24 2020

PUBLIC SERVICE
COMMISSION

June 18, 2020

Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

Re: Proposed Rate Increase
Middlesboro, KY

To Whom It May Concern:

My name is Randy Earle and I am the Executive Director of the Housing Authority of Middlesboro (PHA), which manages 463 apartments, with approximately 2,000 residents. We are a low-income, HUD subsidized, housing provider located in Middlesboro, Bell County, Kentucky.

I've been made aware of the proposed rate increase by Utilities, Inc. for Water & Sewer in Middlesboro, KY, and want to make known to the Public Service Commission (PSC) the delicate, if not desperate, situation most of our residents currently face. Please understand that I do not exaggerate when I say that most of our residents are elderly, disabled, or single mothers, most of whom are on fixed incomes. Others either cannot support themselves, or have very few, if any, job opportunities in the area. I can personally attest to the lack of job opportunities in this area and most of eastern Kentucky. What jobs that were available have been further diminished in light of the Coronavirus.

Even in the best of economic circumstances, the overwhelming majority of our residents are among the financially poorest in the entire region and their lives are a daily struggle. Most of our residents are unemployed, particularly after Coronavirus, and have little hope of being employed or re-employed in the foreseeable future. I want the Commission to be aware of the hardships that have impacted the City of Middlesboro in recent years, all of which were felt most keenly by the poorest citizens, including most of our residents at the Housing Authority of Middlesboro:

1. The City of Middlesboro has experienced the loss of most of its major employers in the last 15 years, and most of our few residents who did have jobs, have now lost them due to the impact of the Coronavirus shutdown.

2. In recent years HUD policies have driven up the amount of rent most of these already desperate residents must pay.
3. Food prices have increased over the last few years, and this has accelerated since Coronavirus.
4. Other utility costs (natural gas and electricity) have also risen sharply in the last couple years.
5. Utilities, Inc. and the PSC imposed a rate increase just last year!

And now, Utilities, Inc. is proposing, and the Public Service Commission is considering, to add an even greater burden to these individuals, who are already at a financial breaking point.

The members of the Public Service Commission have to understand that what they may consider to be a mild or moderate rate increase, can be a crushing financial burden to the most vulnerable citizens. Most “middle class” citizens can absorb these price increases by shuffling their financial priorities and “disposable income”. But to these citizens, who are on very modest, fixed incomes, food, medicine, and utilities are their financial priorities, and most already have zero “disposable income”. In fact, many already have to decide what necessity they will sacrifice this month, and then again next month, and so on.

These residents already face heart breaking choices in their daily life. If this rate increase is approved, it could literally result in many of our residents choosing between their “water bill” or food, “water bill” or medicine, “water bill” or electricity.

The timing of this proposed rate increase could not be worse - historic unemployment levels, soaring food and medicine prices, and a pandemic, in an area that is already financially depressed. It surprises me that Utilities, Inc. felt this was an appropriate time to advance this proposal.

I understand utility costs are increasing, like the cost of everything else. But at this financially perilous point in time for our most vulnerable citizens, and when their personal health and well-being are under constant threat, isn't Utilities, Inc. and the Public Service Commission in a much better position than them to manage these financial issues?

Conclusion

As Executive Director of the Housing Authority of Middlesboro, speaking on behalf of our 2,000 residents, I respectfully and sincerely request that the Public Service Commission acknowledge the grim financial realities of our residents and many of the citizens of Middlesboro, and deny or delay this proposed rate increase until the economic situation affords a more suitable time.

Thank you for your thoughtful consideration.

Best regards,
Housing Authority of Middlesboro

Executive Director
Randy Earle