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

DEC 03 2020

PUBLIC SERVICE
COMMISSION

November 30, 2020

RE: Case #2020-00290 Rate Application by Bluegrass Water Utility Operating Company (Bluegrass Water), Specifically for "Carriage Park Subdivision"

To Whom It May Concern:

We are 11-year residents of Carriage Park Subdivision in West Paducah, KY. This correspondence is in reference to the rate increase requested by Bluegrass Water (see attachment).

Bluegrass Water claims regarding our wastewater treatment facility: 1. Limited access; 2. Signage; 3. Perimeter fencing; 4. Damage to berms and erosion.

During our 11 years in Carriage Park, we have NOT experienced any problems with our water treatment. In fact, our 10-year sewer tank maintenance evidenced no problems and no pending concerns were discussed to monitor. We question the \$106,000 cost necessary to making these repairs and then saddling homeowners with such a high rate increase.

We have other concerns regarding the rate increase.

- In early 2019, Sharon Sanderson, realtor-developer of Carriage Park, called a meeting of neighborhood homeowners in regards to turning over the sewer operation of Carriage Park to Bluegrass Water. A Bluegrass Water staff member was a presenter. During the meeting, homeowner attendees understood that there was in excess of \$42,000 in the wastewater utility fund and that those funds should last 8 - 10 years to take care of potential sewer problems and maintenance. That coupled with our monthly wastewater treatment fee (\$16/month), should be adequate to provide service to our home. What has happened to those funds? Could part of that money be used to offset the cost of any stated necessary remediation?
- The high utility fee could be a hinderance to future home buyers wishing to relocate to this neighborhood. The rate increase could impact any Carriage Park homeowners from selling their properties because utility rates would have to be declared (\$1,153.68 annually with the requested rate hike) before any potential sale could occur, possibly causing prospective buyers to look elsewhere.
- It's interesting that Bluegrass Water's requested rate increase to \$96.14/month is shared by all 19 (Single Residential per unit) subdivisions they currently operate or plan to operate (see attachment). Presently, each subdivision seems to have its own unique wastewater systems, depending on time of development. Those systems would have unique problems and costs associated with operating the plants. For example; Timberland Subdivision wastewater treatment plant has mechanical parts in its operation, Carriage Park's system does not. It seems that the cost of operating and maintaining those 2 systems would be different.

- Our neighborhood ranges from families with young children to retirees. Such a large increase can present a definite hardship to household budgets.

In summary, we think a 500.9% rate increase to operate the wastewater treatment plant in Carriage Park Subdivision is an unconscionable burden being imposed on its residents. We ask that the Public Service Commission reject this rate increase.

Michael M. Legendre
Mary Legendre

Michael and Mary Legendre
8255 Danube Dr
West Paducah, KY 42086



Attachment 1

ATTACHMENT



BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

November 19, 2020

Dear Bluegrass Customer:

We're writing to you about the wastewater services in your community.

Bluegrass Water Utility Operating Company, LLC (Bluegrass Water) has asked the Kentucky Public Service Commission (Commission) to acquire the system that serves your community. The Commission case number for that application is 2020-00028.

On September 30, 2020, Bluegrass Water submitted to the Commission a request for a general adjustment of rates charged for service. The request seeks to increase annual sewer operating revenues by \$2,177,052 (Case # 2020-00290). Since last year, Bluegrass Water has invested nearly \$2.5 million in urgently needed improvements in the Kentucky communities it serves to ensure access to clean, safe and reliable drinking water and wastewater systems. Over the next 18 months, Bluegrass Water intends to invest approximately \$5 million more in its Kentucky systems to ensure they are able to provide safe and reliable service. Increased costs attributable to these and other improvements make it necessary to seek a rate increase at this time.

As of November 19, 2020, Bluegrass Water Utility Operating Company, Inc. (Bluegrass Water), a Central States Water Resources (CSWR) company, is your new sewer services provider. We are committed to bringing you safe, reliable sewer services today, and every day, 365 days a year.

Please take notice of the following information about the proposed rate adjustment that is described below and presented *on the enclosed table*:

The table compares current rates for communities served by Bluegrass Water to the increased rates the company is requesting and shows the proposed increases as both a percentage and a dollar amount. The Commission, the state agency that regulates all utility services in Kentucky, will rule on this request and may order rates to be charged that differ from the proposed rates found in this notice. The average customer usage is unknown and the average bill in each service area relates directly to the current rates per month shown in the enclosed sheet. The date the proposed rates were filed with the Commission was September 30, 2020, with a proposed effective date of October 30, 2020. On October 30, 2020, the Commission suspended the proposed rates for six months while it reviews the application. As a result, the proposed rates will not go into effect before May 1, 2021.

By prior arrangement, you may examine Bluegrass Water's application at the offices of McBrayer PLLC, 201 East Main Street, Suite 900, Lexington, Kentucky. Please contact Bluegrass Water at 1-866-752-8982 to arrange to examine the application. Bluegrass Water's application also may be examined at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's website at <http://psc.ky.gov>. Comments regarding the rate application (case # 2020-00290) or timely requests for intervention (that establish the grounds for the request, including the status and interest of the requester) may be submitted to the Commission through its website or by mail to:

Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602

If the Commission does not receive a written request for intervention establishing the grounds for the request (including the status and interest of the party) within thirty (30) days of the initial mailing of this notice, it may take final action on the application.

Josiah Cox

President

Bluegrass Water Utility Operating Company, LLC.



BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Rate Comparison Table

Type of Charge	Service Area	Present Rates (per month)	Proposed Rates (per month)	Change Requested	
				\$	%
Total Monthly Sewer – Single Residential per unit					
	Airview Estates	\$41.36	\$96.14	\$54.78	132.4%
	Brocklyn Subdivision- Single Unit	\$40.00	\$96.14	\$56.14	140.4%
	Fox Run Estates	\$55.85	\$96.14	\$40.29	72.1%
	Great Oaks Subdivision	\$28.84	\$96.14	\$67.30	233.4%
	Golden Acres Subdivision	\$39.57	\$96.14	\$56.57	143.0%
	Kingswood Development	\$38.84	\$96.14	\$57.30	147.5%
	Lake Columbia Estates	\$50.32	\$96.14	\$45.82	91.1%
	Longview and Homestead Subdivisions	\$30.00	\$96.14	\$66.14	220.5%
	Persimmon Ridge Subdivision	\$35.00	\$96.14	\$61.14	174.7%
	City of River Bluff and environs	\$58.16	\$96.14	\$37.98	65.3%
	Timberland Subdivision	\$34.71	\$96.14	\$61.43	177.0%
	Arcadia Pines Subdivision	\$25.00	\$96.14	\$71.14	284.6%
	Carriage Park Subdivision	\$16.00	\$96.14	\$80.14	500.9%
	Marshall Ridge Subdivision	\$15.00	\$96.14	\$81.14	540.9%
	Randview Subdivision	\$25.00	\$96.14	\$71.14	284.6%
	I-75 & Delaplain Road interchange area (Scott County)	\$12.50	\$96.14	\$83.64	669.1%
	Herrington Haven and Woodland Estates	\$49.66	\$96.14	\$46.48	93.6%
	Springcrest Sewer (Jessamine County)	\$27.43	\$96.14	\$68.71	250.5%
	Woodland Acres	\$19.47	\$96.14	\$76.67	393.8%
Total Monthly Sewer – Multi Residential per unit					
	Brocklyn Subdivision – Multi Unit	\$30.40	\$72.11	\$41.71	137.2%
	Randview Subdivision – Duplex	\$25.00	\$72.11	\$47.11	188.4%
Total Monthly Sewer Bill – Commercial (Flat)					
	Persimmon Ridge Subdivision –	\$35.00 per residential equivalent of 12,000 gallons	\$240.36	\$205.36	234.7%
	Randview Subdivision	\$25 per residential equivalent	\$240.36	\$215.36	861.4%
Total Monthly Sewer – Industrial/Commercial (Metered)					
	I-75 & Delaplain Road interchange area (Scott County)	\$8.89 per 1000 gal	\$25.65 per 1000 gal	\$16.76 per 1000 gal	188.5%
Total Monthly Water Bill - Residential					
	Center Ridge	\$22.79	\$105.84	\$83.05	364.4%