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To: PSC Public Information Officer Psc.info@ky.gov
From: Brian Shelton, 128 Alexandra Jett Ln., Georgetown, KY 40324

Subject: Request For Intervention Regarding Case #2020-00290

To Whom It May Concern,

I recently received a letter from Bluegrass Water Utility Operating Company, LLC dated September 30, 2020 indicating their application and request for adjustment of rates and approval of construction per PSC Case #2020-00290.

My contact information is as follows:

Brian Shelton
128 Alexandra Jett Lane
Georgetown, KY 40324

I live in the I-75/Delaplain Exchange (Riffon Meadows) neighborhood, which as part of Case #2020-00290. Our neighborhood is facing a potential increase in Total Monthly Sewer - Single Residential service from \$12.50 per month to \$96.14 per month. This is a proposed monthly rate increase of 669.1%.

I strongly request intervention regarding this case under the following grounds:

1. Deceptive Notice - The process used for the notice was deceptive. The letter came in a very plain envelope, from a name that is completely unrecognizable to us, because it is not where we currently pay our bills. The name was Bluegrass UOC, from an address in Missouri. Nowhere on the envelope did it use the words "utility" or "sewer", nor did it indicate that it contained notice of a utility rate change, proposed change, or anything we might need to respond to. It was mailed bulk first class, during a period when we get piles of junk mail daily. In addition, the notice period was 30 days from the mailing of the notice. The date on the letter was Nov. 19, but there was no postmark. I did not receive my letter until after Thanksgiving. So, when does the notice period begin? This may be within the letter of some law somewhere, but it is not honest or acceptable to approach us in this way. According to the letter, if we don't request an intervention before the 30 day period after the notice was mailed (Dec 18?), the PSC can take final action on the application for purchase (and presumably the proposed rate changes).
2. Outrageous Amount of Increase - The proposed rate increase of 669.1% is totally outrageous and beyond reason. A recent report from energy.gov showed that from 2008-2016, the average annual wastewater price escalation rate in the South-South East region, which includes the state of Kentucky, was 3.2% (U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Water and Wastewater Annual Price Escalation Rates For Selected Cities across the United States, September 2017). Based on this information, the proposed rate increase of 669.1% requested by Bluegrass Water

Utility Operating Company, LLC would equate to the average annual wastewater price escalation rate of 3.2% being applied for 209 consecutive years all at once.

3. **Financial Hardship** - This increase will place an undue hardship on me, particularly in the current economic down-turn that I am experiencing as a result of the COVID-19 pandemic. Others in the Delaplain area are single parents, the elderly, people on fixed incomes, hospital workers who haven't seen raises in years and others. A significant portion of us don't get an \$83.64 monthly raise – ever. Comparable sewer rates, even in cities that include water and garbage both in their costs are more like \$40/month. As rural customers, we pay over \$60/month for garbage service, we currently have no free dump available AND we pay for sewer costs separately. We have no city to advocate for us. And, since we are small, non-municipal systems, we are unlikely to receive state funds for system upgrades.
4. **Lack of Diligence** - It is not clear that Bluegrass Water Utility Water Operating Company, LLC has diligently looked to control costs or obtain multiple bids for proposed system improvements.
5. **Excess Profit for a Public Utility** - According to its letter dated 11/19/2020, Bluegrass Water Utility Water Operating Company, LLC states that it seeks to increase revenues by \$2,177,052 per year. They say that “Since Bluegrass Water acquired its first systems in Kentucky the company has invested more than \$2.5 million to improve and upgrade their facilities.” According to this proposal, they'd get back almost everything they've invested over the years in only one year. They say they have a larger plan to invest \$7.6 million. They would recover that in only 3.6 years; this is for systems with a life far beyond. This is too much burden to place on small residential customers.
6. **Inadequate Records Access** - In the filing per Case #2020-00290, many of the financial records of Bluegrass Water Utility Operating Company, LLC and their presumed attempts to justify the proposed rate increase are redacted. This makes it impossible for residents of Delaplain or their representatives to fully vet the claims of Bluegrass Water Utility Operating Company, LLC and properly challenge their outrageous, proposed rate increase of 669.1%.

Thank you for your timely consideration of the concerns stated above regarding the proposed rate increase of 669.1% in residential sewer service for I-75/Delaplain residents like us. I look forward to your rejection of this outrageous request of Bluegrass Water Utility Operating Company, LLC per Case #2020-00290.

Sincerely,
Brian Shelton
128 Alexandra Jett Lane
Georgetown, KY 40324