

OCT 09 2020

From: [REDACTED]
To: [PSC Executive Director](#); [PSC Public Information Officer](#); [PSC Public Information Officer](#)
Subject: Patterson vs Bluegrass Water
Date: Friday, October 9, 2020 12:11:26 PM

PUBLIC SERVICE
COMMISSION

October 9, 2020

To the Kentucky Public Service Commissioners: Michael J. Schmitt, Kent A. Chandler, and Talina R. Mathews,

Please consider this letter a plea for intervention and rejection of the application submitted by Bluegrass Water Utility Operating Company to adjust rates for service. The company proposes that due to a large amount of improvements to water infrastructure, and plans to improve in the future, they propose to increase our monthly water bill by 364.4%. This is not only unfounded and greedy, but also not practical in this neighborhood, and based on misleading claims made by the company. We request that their application be denied.

Our current rate for water is \$22.79 a month. Bluegrass Water purchased the water services a few months ago. It's no surprise they are raising the price after speaking with a representative on the phone after the takeover. However, the company is now proposing that we pay \$105.84 a month. This company is a monopoly and borders on unethical. The company justifies this price increase stating that millions of dollars have been spent in infrastructure. However, this is untrue for our Center Ridgesubdivision. Below are my grounds for argument for intervention and rejection in the following:

- 1.) In this particular subdivision, (Center Ridge) our water is maintained through a shared well. Recently, prior to Bluegrass Water owning the services, the Homeowner's association for the subdivision purchased (via volunteer donations) a backup generator to ensure that the well is always running, despite power interruptions. No other upgrades to the system have been made. Furthermore, the system is working and reliable, and does not need any more upgrades at this time.
- 2.) Our subdivision has no sewer services. Center Ridge is located approximately 20 miles outside of the town of Murray, KY, at the end of a dead-end road with limited amenities and resources. I am not sure if any employee from the St. Louis located Bluegrass Water has ever visited, because their assessment has to be built on assumptions of what they think is here. Our subdivision is mostly small, older houses or mobile homes. This means, almost everyone in the subdivision is on a private septic tank. It is unlikely that Bluegrass Water can get sewer services to reach this area at all, much less in their proposed 18 months. Considering that the proposed increase is based on an estimate of \$2.2 million dollars allocated to sewer services, a feature we will never receive or want, and approximately \$300 thousand is estimated for water revenue increase, the amount proposed is unjustified.
- 3.) A vast majority of the homes in this area are not primary residences. Most of

these homes and trailers are used for a total of 2 months each year as a seasonal lake community with most owners visiting only weekends in the summer. Bluegrass Water, in their letter, admits that they have no knowledge of how much actual water is being used by each household, and wishes to continue a flat rate price. I imagine that is because the number is so small it would barely show up on a meter reading. Also, the well is not currently monitored. Many owners turn their water off and goes unused through the fall & winter months. Regardless, we are the subdivision least likely to see any improvements in service, but are impacted the greatest, as our increase is larger than any other subdivision (despite a lack of improvements or ability to actually improve).

4.) I appeal to your ethics. The vast majority of the homes in this area are not primary residences but these are not glamorous vacation homes. As stated previously, many of the homes are small, old, and in need of major upkeep. The people who own them are not rich people. The people who own these homes only visit a maximum of 2 months a year, so not much time is devoted to maintenance. Moreover, the residents who do live here permanently are on a fixed income. In either case, a water hike of 364% is unwarranted.. I assure you that the vast majority of the current homeowners simply cannot afford to pay \$1,270.08 a year for well water, that they were previously getting for \$275 annually. And, for Bluegrass Water to expect that they can shows a serious disconnect from reality with their control of a monopoly.

As an owner of a very small (800ft²) seasonal lake home in this subdivision I ask for you to intervene and reject the application from Bluegrass Water. This is not good for our subdivision nor any other homeowners they are taking advantage of in the State of Kentucky!

Chad Patterson
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