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**From:** [PSC Public Information Officer](#)  
**To:** [PSC Executive Director](#)  
**Subject:** FW: Request for Intervention Case# 2020-00290  
**Date:** Wednesday, October 14, 2020 2:26:39 PM

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**From:** cindy rausch [REDACTED]  
**Sent:** Wednesday, October 14, 2020 12:18 PM  
**To:** PSC Public Information Officer <PSC.Info@ky.gov>  
**Subject:** Request for Intervention Case# 2020-00290

To: [psc.info@ky.gov](mailto:psc.info@ky.gov)

Subject: Case 2020-00290 [Request for Intervention](#)

Re: Bluegrass Utility Operating Company, LLC application for an adjustment to rates and Approval of Construction

From: Villas at Persimmon Ridge Condominium Council Inc

Address: PO Box 1014 Pewee Valley Ky 40056

Place of residence: Villas at Persimmon Ridge

Case: 2020-00290

Dear PSC,

On October 5, 2020, residents in our condominium development consisting of 42 families received a letter from Bluegrass Water Utility Operating Co., LLC indicating a proposed rate increase. As a Condominium Board this 174% rate increase is unreasonable and onerous. It places an undue burden on those consumers on fixed incomes in The Villas at Persimmon Ridge Condominiums. In 2018 PR Wastewater requested a rate increase from \$26.30 to \$35.00 which was a 33% increase effective November 2018. PSC granted the increase (Case No. 2018-00339). On the application it states the increase could have been more, but they only requested the 33% increase to "*lessen the affects on customers*". PR Wastewater noted it was increase was due to "*more stringent and regulatory requirements and inflation.*"

Shortly thereafter the facility was purchased by Bluegrass. In an article written in Kentucky Today, dated August 15, 2019, "Bluegrass Water stated in its application, filed jointly with the eight sewer utilities, that it will have to spend a total of \$2.9 million to correct the problems at the utilities. It intends to fund them through a combination of loans and equity capital." In addition, stating "P.R. Wastewater serves 361 customers in the Persimmon Ridge development in Shelby County. It is in generally good condition, but has had some problems meeting wastewater treatment standards."

Additionally, a formal PSC News Release, August 14 2019 basically says the same thing. There is no mention in the press release or in the Application that customers will face an increase in rates to pay for these problems at facilities. Even in the last couple paragraphs it mentions "*Bluegrass Water stated in the application that the rates for each utility initially will remain unchanged, but that it will eventually apply to the PSC for a unified rate for all of the systems. Any changes in rates will have to be approved by the PSC.*"

Let us pose a couple questions for PSC to consider. During the sale of property was the seller not under an obligation to disclose all the violations and necessary repairs to bring the plant into compliance with environmental obligations? Was this done? Has PSC reviewed the hearing video

regarding the conditions of the sewer treatment plants?

On the other hand, was the buyer, Bluegrass Utility not obligated and compelled to do a thorough inspection of the facility they were purchasing to determine the repairs necessary to bring the plant into full compliance with local state and federal regulations? Was a comprehensive inspection done? It seems the lack of candor of either entity should not fall upon the residents of the facility it serves, to pay for repairs to bring this facility in compliance with local state and federal regulations.

Therefore, the request to PSC by Bluegrass Water for an increase of 174% because of repairs they find necessary is highly suspect and should not be granted. We do agree that commercial entities may warrant a higher rate than residential rates but again not at the level requested. Residential consumers should not bear the undue burden of a 174% increase in residential rates, especially since a 33% increase was granted in November 2018.

Thank you for your consideration.

Respectfully Submitted,

Villas at Persimmon Ridge Condominium Board of Directors

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