

DEC 11 2020

PUBLIC SERVICE
COMMISSION

From: [PSC Public Information Officer](#)
To: [PSC Executive Director](#)
Subject: FW: 2020-00290 Request for Intervention
Date: Friday, December 11, 2020 2:23:24 PM

From: McLean Katrina [REDACTED]
Sent: Friday, December 11, 2020 12:05 PM
To: PSC Public Information Officer <PSC.Info@ky.gov>
[REDACTED]
Subject: 2020-00290 Request for Intervention

Dear Executive Director,

As residents of the Rifton Meadows community in Scott County Kentucky, this email is to express our opposition to the proposed sewer service acquisition by Bluegrass Water Company of Delaplain Road Disposal and to the subsequent rate increase filed prematurely by Bluegrass. We request that the acquisition and rate increase be denied. The proposal outlines an increase from Delaplain's current monthly rate of \$12.50 per household to \$96.14, which is a 669.1% increase and should be ruled as excessive by any reasonable standard. A monthly sewer rate of nearly \$100 for a single family residence is grossly egregious as compared to similar services found in other local communities. According to the filing, Bluegrass Water Company is seeking to spread the cost of improvements (some \$6M in total) to all of its facilities across its entire customer base. The filing documents cite that Bluegrass is seeking a Unified Tariff Rate to reduce "rate shock" and spread the burden of expenses incurred across the systems it owns/operates. Bluegrass should be expected to allocate all operating and necessary improvement expenses to each respective system and not set its rates in such a way that forces some systems to subsidize others. The methodology to spread the costs of its entire system across its entire customer base unfairly imposes any inherent disadvantages of its size and sub optimal acquisition decisions to systems/communities which should not suffer those negative impacts.

Based on the information provided in the filing and related documents, improvement costs at the Delaplain Disposal Wastewater Treatment System are cited as \$1,181,700 for a community of 300 residences. The proposed monthly increase of \$83.64 for those 300 residences increases Bluegrass revenue by \$25,092 per month, which is \$301,104 annually. Note that this does not include the revenue generated from the current monthly rate of \$12.50 per residence, nor does it include the Commercial increase that is proposed. This illustrates that the improvement costs would be recovered by Bluegrass in less than four years. However, the proposed higher rate would continue unsubstantiated in perpetuity. Clearly, Bluegrass seeks to make this acquisition in order to retain a quick return on its investment and then profit off the backs of its ratepayers for many years to come. In contrast, Delaplain has consistently held its rates at affordable levels for its ratepayers, while delivering safe and reliable sewer services to its community.

The filing does not demonstrate a just and reasonable, nor a sustained, need for that excessive rate in order to provide adequate sewer services to residents of Rifton Meadows,

or to those served by the Delaplain system in totality.

We appreciate your consideration of this letter of opposition and trust that the Commissioners will review this and any information provided by Intervening parties participating in this case.

Respectfully,
Katrina McLean
Resident of Rifton Meadows

125 Alexandra Jett Lane
Georgetown, KY 40324



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