

Mailing Address: P.O. Box 3273
Paducah, KY 42002

Residence Address: 1240 Red Pine Circle
West Paducah, KY 42086

RECEIVED

DEC 18 2020

PUBLIC SERVICE
COMMISSION

December 15, 2020

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

Re: Case #2020-00290, Arcadia Pines Subdivision rate increase.

Reference Documents:

Bluegrass Water Letter to "Customer" dated November 19, 2020
Bluegrass Water letter to "Bluegrass Customer" dated November 19, 2020

Request: Deny the rate increase for Arcadia Pines Subdivision wastewater system.

I am a resident of Arcadia Pines Subdivision, West Paducah, KY. My residency here began October 2010 at 1240 Red Pine Circle and continues through the present time. When I purchased said property, the service fee for the Arcadia Pines Subdivision's wastewater disposal system was specified at \$25/month. It has remained at that level ever since. During the past 10 years, the system has been inspected regularly, mowed when needed, and remediated anytime required. Annual inspections by our County Health Department have all been satisfactory to the best of my knowledge. Having managed all required activities relating to the wastewater system, a significant balance has been accumulating to address any contingencies.

Bluegrass Water UOC acquired our wastewater system and immediately applied to the Public Service Commission for a nominal 300% increase in rates (\$25 to \$96.14), ridiculous. Their stated reasons and amount to be spent are "coincidentally" the same as other systems listed in the request for fee increases. This is clearly generic boiler plate with no justification in the case of Arcadia Pines.

At one point in my career, my responsibilities included Environment Affairs at a major chemical plant. I have personally walked the perimeter fence around the lagoon at Arcadia Pines. It is in good repair. Approximately half of the perimeter of the lagoon is 20-30 feet from a paved road; there is no need for an all-weather access road. The system is designed with NO equipment, rotating or fixed; the system has functioned well without an operator. The berm is inspected regularly, and is repaired when necessary due to small animals burrowing, minimal expense.

The fact that the requested rate for the 20+ plus systems listed in the Bluegrass rate increase letter is identical speaks to their arrogance in anticipating a "rubber stamp" approval from the PSC. It is appropriate for all residential houses on a given system to have the same fee assessment, whether there are thousands of points as in a city or less than a hundred in a subdivision. It is entirely INAPPROPRIATE for houses on different and unique wastewater treatment systems separated by a few to several miles to pay the exact same rate simply because they are administered by one organization. Rate increases must be based in fact regarding individual systems. Even if there were only two systems with the exact same requested fee to the penny, it would beg the question of unjustified coincidence.

Residents of Arcadia Pines represent many demographics: employed, retired, single mothers of multiple children, and individuals with fixed income whose home is their primary investment. An unjustified increase in fees of almost **\$1000 annually** is unconscionable.

I respectfully ask the Commission to deny the request for this unjustified rate increase and admonish Bluegrass Water to submit system specific data justifying any future rate increase.

Sincerely,



Robert W. Foster, B.S. Ch.E.

Arcadia Pines Resident

cc: The Honorable Danny Carroll, KY State Senator, Senate District 2
The Honorable Steven Rudy, KY State Representative, House District 1



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% |



BLUEGRASS WATER
Utility Operating Company

November 19, 2020

Dear Customer,

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 services today, and every day, 365 days a year.

Who Is Bluegrass Water?

Waterborne illness and unsafe environmental conditions caused by aging wastewater systems are on the rise. Bluegrass Water is committed to bringing safe, reliable and environmentally responsible water resources to every community we serve. We transform how water and sewer utilities work by using technology and innovation to quickly assess and invest in reliable infrastructure that meets stringent state and federal safety standards, ensuring your community has access to safe and reliable water resources while protecting the aquifers, lakes, rivers and streams that are essential to our world.

About Our Investment in Your Community:

Currently, the Arcadia Pines wastewater system is unable to properly treat wastewater because of the facility's profound damage and signs of failure. Currently, there is limited access to the plant, no all-weather access road, and damage to the facility perimeter fencing. Significant damage from animals to the berms and erosion to the lagoon berm discharges partially treated wastewater and represents a serious violation of environmental regulations.

We have submitted a request to the Kentucky Public Service Commission to acquire Arcadia Pines. Bluegrass Water plans to invest more than \$60,000 the Arcadia Pines system to ensure you have access to clean, safe and reliable wastewater systems – something that has not been the case for residents in your area for many years.

If approved, we plan to make improvements to address the issues with your wastewater system, including:

- Repairing the chain link fencing surrounding the facility to keep people safe.
- Repair the leaking berm, drain field and animal damage to stop wastewater discharge.
- Installing a new all-weather access road for safe and reliable plant access.
- Hiring and training of professional operators.
- Providing 24/7 Customer Service and emergency response.

Since Bluegrass Water acquired its first systems in Kentucky, the company has invested more than \$2.5 million to improve and upgrade facilities used to provide service. This investment is part of a larger plan to invest approximately \$7.6 million more on additional improvements to systems across the state, including in Arcadia Pines.



BLUEGRASS WATER
Utility Operating Company

This plan is part of a request Bluegrass Water submitted to the Kentucky Service Commission (PSC) to increase water and wastewater rates to its existing customers to cover the investments made to bring clean, safe and reliable water services to Kentuckians.

Bluegrass Water Utility Operating Company is regulated by the Kentucky Public Service Commission (PSC). You have the opportunity to provide comments to the PSC and Office of Public Counsel regarding Bluegrass Water's request within 30 days of the date of this notice.

Your comments should include a reference to case number 2020-00290. The Public Commission will review all customer comments submitted in response to this notice. All comments will be filed in the official case file for review by the commissioners.

You may contact the Kentucky Public Service Commission at: 1-800-772-4636 or P.O. Box 615, 211 Sower Blvd., Frankfort, Kentucky 40602-0615 or visit <https://psc.ky.gov/home/contact>

Once Acquisition Takes Place:

At Bluegrass Water, our operations and maintenance professionals are here to serve you. We also provide 24-hour emergency services for major utility issues. If you notice a problem, call our toll-free emergency number at 1-866-752-8982.

At this time, your wastewater rates will not change, although there may be an increase in rates once repairs and improvements of the sewer system are approved by the state's public service commission.

Soon, you will be receiving a new sewer bill in a monthly cycle which includes a new customer service telephone line available for questions about your bill or account status. You will receive your bill in the mail for the previous month during the first week of each month; bills are due the last business day of each month. Late fees are assessed before the next billing cycle. The customer service and account information will be included on the bill for reference.

Please mail payments to:

Bluegrass Water Utility Operating Company, LLC
P.O. Box 790379
St. Louis, MO 63179

Or make payments online at bluegrasswateruoc.com by setting up a customer account. Set up an on-line account by clicking on the 'Pay online by clicking here' button and following the prompts. The security code will be found on your bill. After opening the account, you are able to pay your bill on-line, set up auto pay, check your account balance and account history, change your billing address, sign up to receive e-bills, check to make sure your payment has been accepted, etc. Call toll-free at **1-866-752-8982** 8 a.m. – 5 p.m. from Monday through Friday with 24-hour messaging services. Or send us an email at: support@bluegrasswateruoc.com You can also visit us online at www.bluegrasswateruoc.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Josiah Cox".

Josiah Cox
President
Bluegrass Water Utility Operating Company