Commonwealth of Kentucky

702 CAPITAL AVENUE CAPITOL ANNEX 242 FRANKFORT: KENTUCKY 40601 502-564-2450



17TH SENATE DISTRICT
GRANT, KENTON AND SCOTT COUNTIES
damon.thayer@lrc.ky.gov
MESSAGE LINE 800-372-7181

RECEIVED

MAY 17 2021

PUBLIC SERVICE COMMISSION

May 14, 2021 Via Electronic Mail and U.S. Mail

Michael J. Schmitt, Chairman Kentucky Public Service Commission P.O. Box 615, 211 Sower Boulevard Frankfort, KY 40602-0615 Michael, Schmitt@ky.gov

Talina R. Mathews, Commissioner Kentucky Public Service Commission P.O. Box 615, 211 Sower Boulevard Frankfort, KY 40602-0615 Talina.Mathews@ky.gov Kent A. Chandler, Vice Chairman Kentucky Public Service Commission P.O. Box 615, 211 Sower Boulevard Frankfort, KY 40602-0615 Kent.Chandler@ky.gov

RE: In the Matter of the Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Rates and Approval of Construction: Case No. 2020-00290

Dear Commissioners Schmitt, Chandler, and Mathews:

I am writing to express my concerns regarding the request of Bluegrass Water Utility Operating Company, LLC ("Bluegrass") to substantially increase the monthly residential sewer rates for the Longview Subdivision in the proceeding that is scheduled for hearing before the Public Service Commission ("PSC") on May 18, 2021. I understand that Bluegrass is requesting that the PSC approve a monthly rate increase of \$65.46 from the current monthly rate of \$30.00 to \$95.46 which is a 218.2% increase in the monthly rate.

As you know, KRS § 278.030 allows utilities to "demand, collect and receive fair, just and reasonable rates for the services rendered." This substantial increase in the monthly rate requested by Bluegrass appears on its face to be unfair, unjust and unreasonable. Furthermore, the rate increase requested by Bluegrass violates the PSC's principal of gradualism in ratemaking which is designed to mitigate the financial impact on Kentucky families. The 218.2% rate increase requested by Bluegrass will impose an undue financial hardship on the members of the Longview Homeowners Association, Inc. particularly in these economically challenging times.

I respectfully request that you take my concerns into account in your deliberations regarding the request of Bluegrass for this excessive monthly rate increase and limit Bluegrass to rates that are fair, just and reasonable and consistent with the PSC's principal of gradualism.

Sincerely,

Damon Thayer

Kentucky State Senator