

AUG 26 2021

PUBLIC SERVICE  
COMMISSION

August 24, 2021

Kentucky Attorney General  
Office of Rate Intervention  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601

RE: Bluegrass Water Utility Operating Company, LLC  
Case No. 2020-00290

To Whom It May Concern,

I am writing on behalf of Phil Hazle and John Coyle, consumers of the former Center Ridge service area in Calloway County, Kentucky, which is now owned and operated by Bluegrass Water Utility Operating Company. Mr. Hazle and Mr. Coyle respectfully request the Office of Rate Intervention file a Petition for Rehearing in this matter pursuant to KRS 278.400. These consumers request a rehearing on this matter due to the increase in their water rates, granted by the Public Service Commission in its Order dated August 2, 2021, from \$22.79 per month to \$77.63 per month, an increase of 340%. Such a drastic increase in water rates is not just and reasonable to the consumers of the former Center Ridge service area especially considering, as is widely known to residents of Calloway County, that a majority of the residents in the Center Ridge service area are low income or even live below the poverty line. An increase such as the Commission approved will likely result in many residents of the Center Ridge service area to disconnect their water service and resort to other measures for their water needs, such as large tanks, purchasing water in gallon jugs, or having no water at all. This rate increase will be detrimental to many residents of Calloway County.

Additionally, Mr. Hazle and Mr. Coyle point to the well-reasoned and well-articulated partial dissent in this case written by then Vice Chairman of the Commission, Kent A. Chandler, who is now Chairman of the Commission. In his dissent, Mr. Chandler very clearly indicates his belief that Bluegrass Water failed to submit sufficient affirmative evidence for the Commission to make a decision that the rate increases requested are fair, just, and reasonable. The contents of Chairman Chandler's dissent provide more than sufficient grounds for this Office to petition the Commission for a rehearing and provide specific matters upon which the rehearing is requested.

Finally, it is Mr. Hazle and Mr. Coyle's fervent belief that the increase in rates for the former Center Ridge service area is intended to provide additional income to Bluegrass Water for service, repairs, maintenance, and/or improvements for other service areas owned by Bluegrass Water. No such service, repairs, maintenance, and/or improvements are needed within the

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Center Ridge service area. Therefore, the consumers of the Center Ridge service area are being forced to finance other service areas owned by Bluegrass Water. In no way is this shifting of expenses fair, just, and reasonable to the consumers of the Center Ridge service area. Consumers of Center Ridge should pay for Center Ridge and all other service areas should pay for the service, equipment, and materials needed to operate their water service.

It is respectfully requested that the Office of Rate Intervention consider this information carefully and file a Petition for Rehearing in this matter based on the positions of Mr. Hazle and Mr. Coyle as set out above. Thank you for your time and prompt attention to this matter.

Sincerely,



Chris Hendricks

cc: Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615