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Kentucky Public Service Commission
Post Office Box 615
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PUBLIC SERVICE
COMMISSION

Dear Commissioner,

I am writing to you in response to a letter my neighbors and I received from Bluegrass Water Utility Operating Company, dated February 27, 2023. The letter proposes rate hikes of 694.9%. This rate hike represents a flat rate of \$99.37 for all residential customers. I am a residential customer, and this rate hike affects me financially. I am requesting intervention by the Public Service Commission (PSC).

Research of Kentucky Revised Statutes has revealed, which I've included excerpts for my edification, that the utility company must conform with KRS 278.230 (3). KRS 278.280 (2) ... "promulgate an administrative regulation", which... "established requirements that apply to electric, gas, water, sewage, and telephone utilities." "Section 7. Billings, Meter Readings, and Information. (1) Information on bills. (a) Each bill for utility service issued periodically by a utility shall clearly show:" ... "a) 3. Present and last preceding meter readings;" ... "(a) 5. Number of units consumed;". "(2) Flat rate. Flat rates for unmetered services shall approximate as closely as possible the utility's rates for metered service. The rate schedule shall clearly establish the basis upon which consumption is estimated."

As related to this proposal, I fail to see how this utility company can establish a flat rate based on metered service. It should be clear that residential sewer usage, in most cases, is based on water consumption. That raises the question why would a family of two living in a home with one bathroom pay the same rate as a family of six living in a home with four bathrooms? Their water consumption based on laundering, bathing, toileting, and dishwashing is clearly different.

In my opinion, the current sewer rate of \$12.50 is inadequate, but the 694.9% rate hike is excessive by any measure. Based on the letter I received from Bluegrass Water UOC, it appears it has a poorly conceived investment strategy and is making up for the shortfall with extreme rate hikes.

My proposal is Bluegrass Water UOC establishes a reasonable rate based on usage, whether installing their own meters or basing it on water supply usage. If the commission deems a flat rate appropriate, then I recommend a rate commiserate with the average water bill (usage) for the residential customers serviced by Bluegrass Water UOC.

I appreciate your consideration in this matter.

Sincerely,



Martin Carpenter
Colonel, US Army
Retired