

March 20, 2023

Public Service Commission

Post Office Box 615

Frankfort, KY 40602

RECEIVED

MAR 27 2023

PUBLIC SERVICE
COMMISSION

To whom it may concern,

This letter is to request intervention of the Public Service Commission in regard to Bluegrass Water Utility Operating Company's flat rate increase proposal filed on 2/27/2023. We reside in the Deer Run Estates Subdivision in Georgetown KY. While I agree that the current rate is unreasonably low, the proposed increase is an over 694% increase taking us from \$12.50 per month to \$99.37 per month. This is a flat rate increase which also seems unreasonable as it does not take into consideration any meter readings which would relate to utilization of the utility.

The letter states that they have provided infrastructure upgrades, however we have seen none of this to date. As part of this subdivision each owner has had to install and maintain their own sewage grinder on each home lot prior to even reaching the public sewer line. In the case that Bluegrass water is making improvements they should also take responsibility for the individual sewage grinders for residents as that is part of the sewage treatment process included in other providers.

While I agree that our current sewer rate is low and feel that an increase is in order, the new rate proposed should be reasonable and logically relative to the sewer usage. This unreasonable demand is a deterrent for future home sales, property values as well as existing residents' budget. The proposed increase of \$99.37, a 694.9% increase, is not reasonable and should not be allowed to be put into place as it is basic price gouging of customers who have no option to go to another provider. They purchased the existing sewage system knowing the state of the operations, improvements are appreciated but part of the business of buying such operations is to understand the return on investment and have a long-term plan for that return not attacking the very customers that provide the business for them.

Based on these facts, and the documents presented to the PSC to back up the need for an increase, it appears that they are not being fully transparent as to their costs (example "allocated overhead", "Misc Operations") and shows poor management regarding controllable expenses such as Billing expenses, legal, accounting, and other outside service fees. I would like this letter to be used as grounds for intervention in the proposed flat rate increase.

Sincerely,



Janet L. Bays

180 Fallow Circle

Georgetown KY 40324



Dear Customer:

We're writing to update you on the wastewater services that serve your community.

Since purchasing the sewer system that serves you, Bluegrass Water Utility Operating Company, LLC (Bluegrass Water) has invested nearly \$16 million in Kentucky communities to ensure that you, your families and your neighbors have access to clean, safe and reliable wastewater resources. The infrastructure upgrades to the sewer system serving you may include installation of remote monitoring equipment to assure facilities are closely tracked and work properly at all times; sewer plant improvements to ensure proper treatment including flow equalization, replacement of blowers, pipes, and diffusers in aeration tankage, and many more necessary repairs. As a result of these efforts and additional improvements planned, Bluegrass Water expects to submit a request on February 27, 2023 to the Kentucky Public Service Commission (PSC) for a general adjustment of rates charged for service in order to increase annual sewer operating revenues by \$1,291,491.

Please take notice of the following information about the proposed rate adjustment that is presented below:

The rates contained in this notice are the rates proposed by Bluegrass Water, but the PSC, the state agency that regulates all utility services in Kentucky, may order rates to be charged that differ from the proposed rates found in this notice. The Company has proposed raising your residential rate from the present rate of \$12.50 to the proposed rate of \$99.37 which represents an increase of \$86.87 or 694.9% and also represents the effect upon the average bill for residential customer the change in an average bill. The Company has proposed raising your commercial rate from the present rate of \$8.89 per 1000 gallons to the proposed rate of \$248.43 fixed charge plus a usage charge of \$14.91 per 1000 gallons. The average customer usage for commercial customers is approximately 122,001 gallons and the effect the proposed rate will have on the average bill for each customer is \$982.83 or 90.6%. The date the proposed rates are expected to be filed with the PSC is February 27, 2023; the proposed effective date of the rates is for service rendered on and after March 31, 2023.

You may examine Bluegrass Water's application at the offices of Dinsmore & Shohl LLP, 101 South Fifth St., Suite 2500, Louisville, KY 40202. If you would like to make prior arrangements to view the application at Dinsmore & Shohl LLP, please contact Brooks Herrick at 502-540-2376 or brooks.herrick@dinsmore.com. Bluegrass Water's application may also be examined at the PSC'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 Web site at <http://psc.ky.gov>. Comments regarding the application may be submitted to the PSC through its Web site or by mail to:

Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

You may submit a timely written request for intervention to the PSC, establishing the grounds for the request including your status and interest in the proceeding, by mail to:

Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

If the PSC does not receive a written request for intervention within thirty (30) days of the mailing of this notice, the PSC may take final action on the application.

Josiah Cox , President of Bluegrass Water Utility Operating Company, LLC