

YEAGER  
193 Gemini Trail  
Georgetown, KY 40324  
March 23, 2023

Public Service Commission  
PO Box 615  
Frankfort, KY 40602

RECEIVED

MAR 27 2023

PUBLIC SERVICE  
COMMISSION

Dear Public Service Commission Members:

I am a current residential customer of Bluegrass Water Utility Operating Company, LLC, an independent wastewater treatment company. Bluegrass Water purchased our service from Delaplain Disposal Company in March of 2021. Delaplain Disposal had been the wastewater treatment company since we purchased our home in 1989. We live in Moon Lake Estates, a relatively small rural subdivision on the northern end of Scott County, Kentucky. Since Bluegrass Water purchased our service I have talked to several homeowners in other rural subdivisions in Scott County and have found that they have also had their service purchased by Bluegrass Water. This transition has all taken place during the pandemic and none of us had any notification that Delaplain Disposal was going out of business.

My sewer bill with Delaplain Disposal in February of 2021 was \$12.50 per month. Bluegrass Water continued to charge that amount. On February 27, 2023, I received notification from them that they were proposing a rate increase to the Public Service Commission to a rate of \$99.37 per month, an increase of \$86.87 per month – a 694.9% increase. This increase is proposed to take effect March 31, 2023. Their reason for the increase is an “investment of nearly \$16 million in Kentucky communities”. By their notification this will increase their revenue by \$1,291,491, which mean they will recoup their investment in 12 years. This is a relatively short time for a revenue recoup by a company that purchased other companies knowing they probably needed work. During this strained time of inflation where most families are experiencing less expendable income an increase of 695% on one bill is price gauging.

To that end, I have reviewed relative cost of sewer service in the city of Georgetown and Lexington, the two closest areas with sewer service. Please note that our rate is not dependent on water usage since it is a private company not associated with Kentucky American Water, our water company. GMWSS Rates for sewer only are \$14.53 for the first 2000 gallons and \$9.22 for each additional 1000 gallons. Given those rates I would have to use approximately 11,000 gallons of water per month to have a bill of \$99.37. They state on their rate schedule that the average person uses approximately 60 gallons per day or 1800 per month. For a family of two that would be 3600 per month for an average bill of \$less than \$35.00 per month. After upgrades to their system, GMWSS proposed an increase of 39% for 2023. After push back from

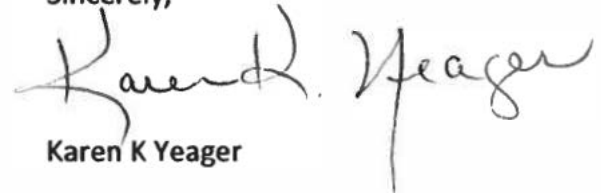
customers they amended the increase to 17% for 2023. There will be increases over the next 6 years that will total a compounded increase of 84.7%, substantially less than the 694.9% increase, which is an immediate and on-going increase.

Lexington sewer rates are \$8.30 for the first 100 cubic feet (748 gallons) and \$6.25 for each additional 100 cubic feet. Again, taking into consideration that our rate is a flat rate, not determined by water usage, I am estimating how many gallons of water I would need to use to have a \$99.37 per month bill. In Lexington, I would need to use 11,647 to have a sewer bill of \$99.37 per month. If I again use an average of 3600 gallons of water per month my sewer bill would be around \$32.13, again less than \$35 per month.

Bluegrass Water is proposing an increase that would have our sewer bill be almost 3 times as expensive as surrounding areas. While they may have done work to upgrade systems, it would make sound business to make offers that would at least offset some of those expenses. Homeowners make offers for real estate that are based on many factors, including any work needed. Businesses should not be allowed to have their customers bear such a large portion of their operating expenses. Upgrades to equipment must be considered as an operating expense.

I request that the PSC deny such an exorbitant rate hike. If a hike is needed it should be in line with surrounding area. A 17% increase is not ideal but it is in line with the rates charged by both GMWSS and Lexington Public Service. Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink that reads "Karen K. Yeager". The signature is written in a cursive style with a large, looped initial "K".

Karen K Yeager

Attachments:

GMWSS sewer rates

Lexington KY sewer rates

Account Summary  
 Current Balance  
 Payment History  
 or E-Bills  
 Add

billing cycle.

### Sewer Rate Schedule

CURRENT Rates Effective March 1, 2023 - February 28, 2024

Water Usage per Month	Monthly Charge
First 2,000 Gallons	\$14.53 (Minimum Monthly Bill)
All Over 2,000 Gallons	\$9.2196 (per 1,000 Gallons) · (\$0.0092196 per 1 Gal)

PREVIOUS Rates Effective July 1, 2022 - February 28, 2023

Water Usage per Month	Monthly Charge
First 2,000 Gallons	\$12.42 (Minimum Monthly Bill)
All Over 2,000 Gallons	\$7.88 (per 1,000 Gallons) · (\$0.00788 per 1 Gal)

All charges shall be rounded to the nearest one cent.  
 Rate changes occurring in the middle of a billing cycle shall be deferred to the next billing cycle.

#### Average Consumer Rates - Water & Sewer Combined

		Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28
Water	Fixed (First 2,000 Gallons)	\$15.78	\$18.47	\$21.61	\$22.90	\$24.28	\$25.73
Water	Variable (Each Add'l 1,000 Gallons)	\$8.5176	\$9.9656	\$11.6597	\$12.3593	\$13.1008	\$13.8869
Sewer	Fixed (First 2,000 Gallons)	\$14.53	\$17.00	\$19.85	\$21.09	\$22.35	\$23.60
Sewer	Variable (Each Add'l 1,000 Gallons)	\$9.2196	\$10.7869	\$12.6207	\$13.3780	\$14.1876	\$15.0315
<b>Total Fixed Rates Per Year</b>		<b>\$30.31</b>	<b>\$35.47</b>	<b>\$41.50</b>	<b>\$43.99</b>	<b>\$46.63</b>	<b>\$49.42</b>

#### Average Monthly Charges

Number of People	Water Only	Water & Sewer	Water & Sewer W/ Garbage & 911 Fee	Sewer Only	Sewer W/ Garbage & 911 Fee
1	\$15.78	\$30.31	\$54.46	\$14.53	\$38.68
2	\$29.41	\$58.69	\$82.84	\$29.28	\$53.43
3	\$44.74	\$90.62	\$114.77	\$45.88	\$70.03
4	\$60.07	\$122.54	\$146.69	\$62.47	\$86.62
5	\$75.40	\$154.47	\$178.62	\$79.07	\$103.22

- This is an estimate based on national averages of water consumption. National averages state that the average person will use 60 gallons of water per day. **Your bill is determined by the amount of consumption showing on the meter at the time of reading.**
- Customers inside the Georgetown city limits will also pay \$16.15 for garbage collection and \$8 for the 911 Fee per month. Stamping Ground customers will pay \$21.08 per month for garbage collection.

### GMWSS Rates vs Kentucky Average rates

Source - Kentucky Water and Sewer Utility Survey 2022 - Cannon & Cannon, Inc.

[Click to review the full Kentucky Water and Sewer Utility Survey 2022.](#)

**GMWSS Water Rate (5000 Gals) - \$41.33**

**GMWSS Sewer Rate (5000 Gals) - \$42.19**

AA

gmwss.com



## 2022 rates

Rates July 1, 2022 – June 30, 2023

### Schedule A:

Applies to single-family dwellings or multi-unit dwellings which are individually metered.

First unit (0-100 cubic feet) | \$8.30

Each additional unit (100 cubic feet) | \$6.25

The spring/summer sewer user fee is charged on the lower of actual consumption or the previous fall/winter consumption average. This will allow for pool filling and landscape watering during spring/summer months. New customers with no fall/winter average are charged at a rate of 90 percent of water consumption until the fall quarter begins.

### Schedule B:

Applies to all users not classified under schedule A.

First unit (0-100 cubic feet) | \$10.08

Feedback

AA

[lexingtonky.gov](https://lexingtonky.gov)

