



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 \$85.97 to the proposed rate of \$99.37 which represents an increase of \$13.40 or 15.6%. The Company has proposed raising your commercial rate from the present rate of \$214.93 to the proposed rate of \$248.43 which represents an increase of \$33.49 or 15.6%. 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. As there are only flat rates included in the existing tariff or which affect existing customers, the average customer usage is unknown and the effect the proposed rate will have on the average bill for each customer is either \$13.40 (residential) or \$33.49 (commercial) which both represent 15.6%.

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

Bluegrass Water Utility Operating Company, LLC