



Dear Customer:

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

Since purchasing the infrastructure that serves your home, Bluegrass Water Utility Operating Company (Bluegrass Water) has invested nearly \$2.5 million in urgently needed improvements in Kentucky communities to ensure you, your families and neighbors have access to clean, safe and reliable drinking water and wastewater systems. Additionally, Bluegrass Water intends to invest an additional \$3.5 million to ensure safe and reliable service. These improvements include remote monitoring equipment at each location 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 improvements. As a result of these efforts and additional improvements planned for the next 18 months, Bluegrass Water expects to submit a request on September 30, 2020, to the Kentucky Public Service Commission (PSC) for a general adjustment of rates charged for service in order to increase annual water operating revenues by \$336,747 and sewer operating revenues by \$2,177,052.

Please take notice of the following information about the proposed rate adjustment that is presented below and *on the enclosed sheet*:

The PSC, the state agency that regulates all utility services in Kentucky, will rule on this request and may order rates to be charged that differ from the proposed rates found in this notice. *On the enclosed sheet* is a table that compares present and proposed rates and the amount of the change requested (in dollar and percentage change) for each customer classification to which the proposed rates will apply. The date the proposed rates are expected to be filed with the PSC is September 30, 2020; the proposed effective date of the rates is for service rendered on and after October 31, 2020. As there are only flat rates included in the existing tariff or which affect existing customers, the average customer usage is unknown and the average bill in each service area relates directly to the current rates per month shown in the enclosed sheet.

By prior arrangement, you may examine Bluegrass Water's application at the offices of McBrayer PLLC, 201 East Main Street, Suite 900, Lexington, Kentucky; please contact Holly Lewis at 859-551-3648 or hlewis@mcbrayerfirm.com to visit the McBrayer offices to examine the application. 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 or timely requests for intervention (establishing the grounds for the request, including the status and interest of the requester) may be submitted to the PSC through its website or by mail to:

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

If the PSC does not receive a written request for intervention establishing the grounds for the request (including the status and interest of the party) within thirty (30) days of initial publication or mailing of this notice, the PSC may take final action on the application.

Josiah Cox

President

Bluegrass Water Utility Operating Company, Inc.



Rate Comparison Table

Type of Charge	Service Area	Present Rates (per month)	Proposed Rates (per month)	Change Requested	
				\$	%
Total Monthly Sewer – Single Residential per unit					
	Airview Estates	\$41.36	\$96.14	\$54.78	132.4%
	Brocklyn Subdivision- Single Unit	\$40.00	\$96.14	\$56.14	140.4%
	Fox Run Estates	\$55.85	\$96.14	\$40.29	72.1%
	Great Oaks Subdivision	\$28.84	\$96.14	\$67.30	233.4%
	Golden Acres Subdivision	\$39.57	\$96.14	\$56.57	143.0%
	Kingswood Development	\$38.84	\$96.14	\$57.30	147.5%
	Lake Columbia Estates	\$50.32	\$96.14	\$45.82	91.1%
	Longview and Homestead Subdivisions	\$30.00	\$96.14	\$66.14	220.5%
	Persimmon Ridge Subdivision	\$35.00	\$96.14	\$61.14	174.7%
	City of River Bluff and environs	\$58.16	\$96.14	\$37.98	65.3%
	Timberland Subdivision	\$34.71	\$96.14	\$61.43	177.0%
Total Monthly Sewer – Multi Residential per unit					
	Brocklyn Subdivision – Multi Unit	\$30.40	\$72.11	\$41.71	137.2%
Total Monthly Sewer Bill – Commercial (Flat)					
	Persimmon Ridge Subdivision	\$35.00 per residential equivalent of 12,000 gallons	\$240.36	\$205.36	234.7%
Total Monthly Sewer – Industrial/Commercial (Metered)					
	I-75 & Delaplain Road interchange area (Scott County)	\$8.89 per 1000 gal	\$25.65 per 1000 gal	\$16.76	188.52%
Total Monthly Water Bill - Residential					
	Center Ridge	\$22.79	\$105.84	\$83.05	364.4%