

Public Comments Received for Case Number: 2025-00354  
Response Wednesday, December 24, 2025

Your comments in the above referenced matter have been received and will be placed into the case file for the Commission's consideration. Please cite the case number in this matter, 2025-00354 in any further correspondence.

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Received through Public Comments

Tuesday, December 23, 2025

From: Joe Malessa Taylor  
City: West Paducah  
State: Kentucky  
Zip: 42086

Comments:

Hello - received a letter from Bluegrass Water on 12/11/2025 - I would like to make a complaint on the notice of a rate increase. The current rate is \$77.77 and they propose an increase to \$114.00. this is an increase of 46.6%. Im still trying to figure out exactly what they do with the current rate amount. In Murray, KY there has been a boil-water alert twice in the last month. My family income is down to just myself and this increase will not go over well with my budget. Alot of others in my subdivision feel the same way (which is Carriage Park). Thank you for your time and attention to this matter  
Malessa E. Taylor

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Received through Public Comments

Tuesday, December 23, 2025

From: LARRY AVERITT  
City: Paducah  
State: KY  
Zip: 42003

Comments:

As an unwilling customer of Bluegrass Water Utility Operating Company, LLC (Bluegrass Water), I wish to file a formal complaint regarding their December 11, 2025 request for an egregious increase in both water and sewer rates.

On February 27th, 2023, Bluegrass Water submitted an application to the KPSC for a 15.6% increase, from \$85.97 to \$99.37, in Case No. 2022-00432. The Commission subsequently denied Bluegrass Waters rate increase request, and instead, in their Final Order, reduced the monthly sewer rate to \$77.77.

Bluegrass Water now proposes a sewer rate increase of 46.6%, from \$77.77 to \$114.00/mo, in the current Rate Case No. 2025-00354.

It seems vividly obvious that the applicant, Bluegrass Water, is simply attempting to equal or exceed the \$99.37 monthly rate they were previously denied by this Commission, with their unjustified request for a 46.6% increase in the monthly sewer rate.

Likewise, Bluegrass Water now proposes a water rate increase from \$77.63 to \$106.12/mo in the same KPSC Rate Case No. 2025-00354. That just exceeds the \$105.84 monthly rate they were also previously denied by this Commission in the Final Order of Case No. 2020-00290, with this unjustified request for a 36.7% increase in the monthly water rate.

Additionally, Bluegrass Water asserted among other things, that customers were benefiting from the acquisition of their systems by Bluegrass Water, LLC:

the purchase by Bluegrass Water has created numerous benefits and economies of scale, including the cost savings from operational contractors and additional services provided by Bluegrass Water.

~Final Order, Case No. 2022-00432, p12, Feb14, 2024

However, this claim is clearly false, since Bluegrass Water has continued in its acquisition of numerous additional utility systems since it first began conducting business in 2019, and yet the rate payers in every system under its ownership have experienced no benefits whatsoever from said economies of scale. Quite the opposite, in fact. The service rates for all systems have continuously been dramatically increased.

Therefore, I contend that Bluegrass Water, LLC has failed to meet its burden of proof that rates are just and reasonable in past rate cases, in accordance with, and pursuant to, KRS 278.190(3). I further contend that the monthly service rates approved by the Commission in the Case No. 2022-00432 Final Order, and currently in effect, are not fair, just, and reasonable pursuant to KRS 278.030(1).

That same sentiment was expressed by then, Vice Chairman Kent Chandler:

I take no position on Bluegrass Water's business model at this time, but I would note that to-date I have yet to see the type of "economies of scale and scope that can sustain and improve existing service" and a rate that appears to me as being fair, just or reasonable.

~Vice Chairman Kent Chandler, Concurring In Part and Dissenting In Part,  
KPSC Final Order, Case No. 2020-00290 August 2, 2021 pp.4,5

Furthermore, this Commission, itself, acknowledged the fact that service rates for Bluegrass Water customers are high, in the Final Order, Case No. 2023-00181, regarding Bluegrass Waters request for a CPCN, in its application for the acquisition of Commonwealth Wastewater Systems, LLC, Yung Farm Estate Homeowners Association, Inc., and Moon River Marina and Resort, LLC with the following statement:

If the resort at Moon River were to cease operations after Bluegrass Water began operating and made investments in the systems, which would be a serious risk if the Commission approved this CPCN, then the Commission would be left with one of two bad options: (1) allowing Bluegrass Water to recover its investment in the Moon River system from other customers, and thereby, increasing their already high rates;. . .

~ KPSC Final Order, Case No. 2023-00181 p. 20

The term, high, as used in this context, denotes rates that are significantly above the level of what is considered usual and customary charges for similar services from other providers. This directly contravenes the Commissions statement in the Final Order of the previous Bluegrass Water Rate Case:

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. The rates set forth in Appendix B to this Order are the fair, just and reasonable rates for Bluegrass Water to charge for service rendered on and after the date of this Order.
2. The rate of return granted herein is fair, just and reasonable and will provide sufficient revenue for Bluegrass Water to meet its financial obligations with a reasonable amount remaining for equity growth.

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Tuesday, December 23, 2025

From: Arthur Jaramillo  
City: Richmond  
State: KY  
Zip: 40475

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

Re: Bluegrass Water Utility Operating Company, LLC  
Proposed General Rate Adjustment – Filed December 11, 2025

Dear Commissioners,

I am writing to formally object to and request heightened scrutiny of the proposed wastewater rate increase submitted by Bluegrass Water Utility Operating Company, LLC ("Bluegrass Water").

While I understand and support the need for safe, reliable, and compliant wastewater infrastructure, the magnitude, timing, and justification of the proposed rate increase raise serious concerns regarding affordability, proportionality, transparency, and fairness to customers.

#### 1. Excessive and Burdensome Rate Increase

Bluegrass Water proposes to raise the residential wastewater rate from the current approved flat rate of \$77.77 per month to \$114.00 per month, an increase of \$36.23 or approximately 46.6%. Increases of similar magnitude are proposed for multi-residential and commercial customers.

An increase approaching 50% is extraordinary by any standard and would impose a significant financial burden on households and businesses, particularly during a period of rising costs for housing, food, utilities, and healthcare. Such an increase demands compelling, system-specific justification, which is not provided in the notice sent to customers.

#### 2. Prior Commission Action and Repeated Attempts at Large Increases

This is not the first time Bluegrass Water has sought a substantial increase for this system. In a prior rate proceeding, the Company attempted to raise residential wastewater rates to approximately \$100 per month. The Commission reviewed that request and ultimately reduced it, resulting in the current approved rate of \$77.77 per month.

The present proposal to raise rates to \$114.00 per month appears to be a renewed effort to achieve a rate level that the Commission has previously determined to be unreasonable. Absent a clear demonstration of materially changed circumstances specific to this system, this repeated escalation raises concerns that the Company is attempting to incrementally achieve a previously rejected rate outcome rather than operate within the bounds of prior Commission determinations.

### 3. Historical Context: Pre-Acquisition Rates and Proportionality

Prior to Bluegrass Water's acquisition of the wastewater system, customers paid less than \$20 per month for wastewater service under Brooklyn Utilities. I acknowledge that rates at that level were likely unsustainable and that an increase following acquisition was justified.

However, the current approved rate of \$77.77 per month already represents nearly a fourfold increase from pre-acquisition levels. The proposed increase to \$114.00 per month would represent an increase of more than five times the original rate.

Even allowing for necessary infrastructure investment, regulatory compliance, and reasonable returns, this escalation is disproportionate to the service provided and raises serious concerns about whether customers are being asked to bear costs that exceed what is reasonable, necessary, or prudently incurred.

### 4. Lack of Transparency and System-Specific Detail

The notice references approximately \$18.6 million in investments across Kentucky communities, but does not clearly explain:

- What portion of those investments directly benefits the system serving affected customers
- Which improvements are completed versus merely planned
- How those investments were financed
- Why such a large revenue increase is required immediately rather than phased in

General references to upgrades and monitoring equipment, without system-level detail, do not provide customers or regulators with sufficient information to assess the necessity, efficiency, or reasonableness of the proposed increase.

### 5. Current Rates Already Exceed Local Norms

Even before this proposed increase, the current wastewater charge of \$77.77 per month already exceeds typical wastewater rates within Madison County and surrounding communities. Customers are not starting from a discounted or below-market rate; they are already paying more than what many comparable systems charge.

Increasing an already-elevated rate by nearly 50% would push customer costs far beyond local and regional norms without adequate justification.

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Tuesday, December 23, 2025

From: Barry Male (M) Ellison  
City: Louisville  
State: KY  
Zip: 40245

Comments:

Dear sir/madam,

I am writing to ask the commission to reject the proposed rate increase request by Bluegrass Water Utility Operating Company for Persimmon Ridge in Louisville 40245 for wastewater treatment from \$77.77 a month to \$114.00 a month. A 46.6% proposed increase. With producer price increases running just over 3% for the last 2 years as of September 2025, how can any company justify a 46.6% increase? Only reasons I can think of would be poor management or greed.

Thank you for your consideration in this matter.

Respectfully  
Barry Ellison

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