Public Comments Received for Case Number: 2025-00354
Response Thursday, October 29, 2026

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.

The documents in this case are available at: View Case Filings for: 2025-00354 (ky.gov).

Received through Public Comments Wednesday, October 28, 2026

From: Alex Freeman
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Comments:
Public Comment – Kentucky Public Service Commission
Case No. 2025-00354 – Bluegrass Water Utility Operating Company, LLC

The Commission should not approve Bluegrass Water's proposed rate increases based solely on the company's financial projections, contractor invoices, photographs, or assurances that improvements have been completed. Ratepayers deserve independent verification that the investments being used to justify these increases have actually resulted in completed, functioning, and necessary improvements at the systems serving their communities.

In its October 27, 2026, response brief, Bluegrass Water asks the Commission to approve its proposed unified rates without a phase-in. The company argues that unified rates will prevent rate shock by spreading costs across its customer base. However, spreading costs does not eliminate rate shock. It distributes the financial burden among more households. For residents facing substantial increases in their monthly bills, the impact is real, immediate, and potentially unaffordable.

Bluegrass Water acknowledges financial difficulties, including a technical default under its CoBank credit facility, and argues that higher rates are necessary to restore financial stability and support its investments. Those concerns should not automatically outweigh the financial realities faced by the people paying the bills. Customers should not be expected to absorb significant rate increases without clear, independently verified evidence demonstrating what was improved, what those improvements cost, whether the work was necessary, and whether the systems are performing as represented.

Affordability must also be evaluated fairly. Basing assumptions about a customer's ability to pay on neighborhood home values or median household income is an inadequate way to determine whether proposed rates are affordable. A home's market value does not tell the Commission how much disposable income its owner has available to pay utility bills. Property values do not account for mortgage payments, property taxes, insurance, medical expenses, household debt, retirement income, or other financial obligations. A homeowner may live in an area with rising property values while living paycheck to paycheck or on a fixed income.

A home is not a measure of disposable income, and a neighborhood's perceived wealth should not be used to justify rates that individual households may struggle to afford. I urge the Commission to consider the actual financial burden these increases will place on customers rather than relying on generalized affordability benchmarks that may fail to reflect individual circumstances. The ability to pay should not be presumed from the value of a person's home.

I also challenge the company's broad claims about completed improvements. In Arcadia Pines, my observations of the lagoon and surrounding infrastructure raise serious questions about the extent of the work actually performed compared with the company's representations of its investments. The Commission should not assume that paperwork documenting expenditures proves that the promised improvements were completed or that the amount spent corresponds to the value received by customers.

I respectfully request that the Commission require an independent, system-by-system verification before relying on these claimed improvements to justify higher rates. That verification should include:

1. On-site inspections of every Bluegrass Water system in Kentucky for which capital improvements or significant expenditures are being used to justify the proposed rates.
2. Independent interviews with residents in each respective neighborhood to determine what work they have actually witnessed, what changes they have observed, whether service has improved, and whether the company's descriptions match conditions on the ground.
3. A comparison of claimed improvements against physical conditions, including contractor invoices, project costs, permits, inspection records, photographs, and evidence that installed equipment is operating as intended.
4. Publicly available findings for each system, identifying what work was verified, what remains incomplete, what could not be independently confirmed, and whether the costs appear reasonable in relation to the improvements delivered.
5. A meaningful affordability assessment that considers the actual financial impact of proposed rates on households, rather than relying solely on neighborhood property values, median income figures, or generalized affordability benchmarks.

Bluegrass Water's response brief argues that an inspection is unnecessary because the record already contains substantial documentation. Yet independent verification is not redundant when the accuracy of the company's representations and the justification for substantial rate increases are precisely what customers are questioning. The company's willingness to host scheduled visits after a final order does not eliminate the need for meaningful verification before the Commission makes its decision.

The Commission has a responsibility to protect both the integrity of the regulatory process and the public paying for these services. Financial stability for a utility is important, but it cannot become a substitute for accountability, demonstrated performance, and reasonable rates. Nor should the perceived value of a customer's home be treated as evidence that the customer can afford whatever increase the utility requests.

I urge the Commission not to approve these proposed increases without independently verifying the claimed improvements, examining the actual conditions in every affected neighborhood, and fairly evaluating the affordability of the resulting bills.

The people paying these bills deserve more than assurances from the company seeking the

increase. They deserve proof that the work was completed, that the costs are justified, and that the resulting rates are fair and affordable. The Commission should put verified facts and the interests of Kentucky ratepayers ahead of assumptions and financial projections.

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