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June 16, 2025

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**PUBLIC SERVICE
COMMISSION**

Via Electronic Filing

Linda C. Bridwell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

Re: *Bernice Coyle Watson Tackett, Complainant v. Bluegrass Water Utility Operating Company, LLC, Defendant, Case No. 2025-00148*

Dear Executive Director Bridwell:

Enclosed for electronic filing in the above-captioned matter is Bluegrass Water Utility Operating Company, LLC's Verified Answer and Motion to Dismiss the Complaint. The certificate of service below certifies that the enclosed was filed electronically today. The filing may be accessed at the Commission's Electronic Filing Center located at <http://psc.ky.gov/efs/efsmain.aspx>.

Thank you, and if you have any questions with respect to this matter, please call me.

Sincerely yours,

DINSMORE & SHOHL LLP

/s/ Edward T. Depp

Edward T. Depp

June 16, 2025

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Certification

I hereby certify that a copy of this filing has been served electronically on all parties of record through the use of the Commission's electronic filing system, and there are currently no parties that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission.

/s/ Edward T. Depp
Counsel to Bluegrass Water Utility Operating
Company, LLC

ETD/htd

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BERNICE COYLE WATSON TACKETT,)	
)	CASE NO.
COMPLAINANT)	2025-00148
)	
v.)	
)	
BLUEGRASS WATER UTILITY OPERATING)	
COMPANY, LLC,)	
)	
DEFENDANT)	

BLUEGRASS WATER’S VERIFIED ANSWER AND MOTION TO DISMISS

Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water” or the “Company”), by counsel, and pursuant to the June 4, 2025 Order (“Order”) of the Kentucky Public Service Commission in this matter, hereby respectfully tenders its verified answer to the April 8, 2025 Complaint of Ms. Bernice Coyle Watson Tackett (“Ms. Tackett”) and moves the Commission to dismiss the Complaint for failure to state a claim upon which relief can be granted.¹

A. FACTUAL BACKGROUND

1. Summary of the Complaint

The Complaint seeks monetary damages in connection with a sewer backup that allegedly entered the basement of Ms. Tackett’s home at 2029 Longview Drive, Georgetown, KY 40324.² According to the Complaint, on March 16, 2025, Ms. Tackett discovered that there were approximately eight inches of water in the basement.³ Ms. Tackett’s son, Charles Tackett II, who

¹ Order (Ky. PSC June 4, 2025) at 1-2.
² Appendix to Order (Ky. PSC June 4, 2025) at 2-4.
³ *Id.* at 4-6.

has filed the Complaint on behalf of Ms. Tackett as her power of attorney (“Mr. Tackett”), removed the water using buckets, a vacuum, dehumidifiers, and fans.⁴ The Complaint alleges that on March 20, 2025, Mr. Tackett hired a private plumber to inspect the sewer line, who indicated that the backup may have been caused by a tree root obstruction on the main line.⁵ That same day, Mr. Tackett made a complaint to the Commission, and Bluegrass Water was subsequently informed of the sewer backup at Ms. Tackett’s residence.⁶

The Complaint asserts that on the following day, March 21, 2025, representatives from Bluegrass Water visited the residence to address Mr. Tackett’s complaint.⁷ Bluegrass Water checked the sewer lines for any obstructions and subsequently cleared all tree roots and other debris that could have blocked the line.⁸ Bluegrass Water further attempted to contact Mr. Tackett to inform him of the resolution.⁹

Now, Mr. Tackett seeks reimbursement for property damage he alleges resulted from the sewer backup.¹⁰ Specifically, the Complaint seeks:

[D]amages cost to replace deep freezer and contents, remove [and] replace carpet [and] flooring, baseboards, dry wall, furniture and the tools required to remove the water (shop vac, 3 dehumidifiers, mop heads, carpet fans and compensation for time spent). An itemized list of miscellaneous [sic] will have to be appraised [and] documented and cost for black mold removal.¹¹

The Complaint does not set forth any additional claims or damages.¹²

⁴ *Id.* at 2-4.

⁵ *Id.* at 4.

⁶ *Id.* at 7; *see also* Exhibit A, Bluegrass Water PSC Complaint No. 2025-00899.

⁷ Appendix to Order (Ky. PSC June 4, 2025) at 4.

⁸ *Id.* at 4; *see also* Exhibit A, Bluegrass Water PSC Complaint No. 2025-00899.

⁹ Exhibit A, Bluegrass Water PSC Complaint No. 2025-00899.

¹⁰ Appendix to Order (Ky. PSC June 4, 2025) at 2-4.

¹¹ *Id.* at 2-4.

¹² *Id.*

2. Bluegrass Water's Tariff

Bluegrass Water's Residential Rules and Regulations contained in the tariff broadly exempt Bluegrass Water from liability for property damages resulting from sewer service.

Specifically, Tariff Sheet No. 17 provides in relevant part:

Bluegrass Water UOC shall not in any way or under any circumstances be held liable or responsible to any person or persons for any loss or damage resulting from the sewer service, due to any cause whatsoever.

...

Bluegrass Water UOC shall not be responsible for accidents or damages resulting from the discontinuance of service, nor by reason of the breaking of any main, sewer pipe, fixture or appliance whether owned by the Company or Customer, and no person shall be entitled to damages nor have any portion of a payment refunded for any interruption of service.

Bluegrass Water UOC shall not be considered in any manner an insurer of property or persons and it shall be free and exempt from any and all claims for damages on account of any injury to property or persons for any cause whatsoever.¹³

Furthermore, the limitation of liability applies to all customers receiving residential service in Bluegrass Water's service areas, including Ms. Tackett.¹⁴

B. ANSWER

In response to Mr. Tackett's averments, Bluegrass Water states as follows:

1. Bluegrass Water admits the names and addresses contained in paragraphs (a) and (b) of the Complaint.

2. Bluegrass Water generally lacks information or knowledge sufficient to form a belief about the truth of the allegations in paragraph (c) and therefore denies them, with the exception of the following:

¹³ Bluegrass Water Utility Operating Company, LLC, KY P.S.C. Tariff No. 1, Rules and Regulations, Original Sheet No. 17.

¹⁴ Bluegrass Water Utility Operating Company, LLC, KY P.S.C. Tariff No. 1, Rules and Regulations, Original Sheet No. 1.3.

- a. On March 20, 2025, Bluegrass Water received a complaint from the Commission regarding a sewer backup at 2029 Longview Drive, Georgetown, KY 40324.
 - b. On March 21, 2025, after receiving this complaint, Bluegrass Water sent representatives to this address to respond to the complaint. During this site visit, Bluegrass Water checked for any obstructions of the sewer lines and subsequently jetted to clear any tree roots or debris.
 - c. Following the completion of this work, Bluegrass Water attempted to contact Mr. Tackett to inform him of the resolution of the sewer line obstruction.
 - d. Shortly after, Mr. and Ms. Tackett submitted a claim request to Bluegrass Water's internal claims processing department, seeking reimbursement for property damage arising from the sewer backup.
 - e. On May 21, 2025, Bluegrass Water sent Mr. and Ms. Tackett a letter denying their request for reimbursement. In this letter, Bluegrass Water informed Mr. and Ms. Tackett that under the Rules and Regulations of Bluegrass Water UOC, which have been approved by the Commission, Bluegrass Water is not liable to any person for any loss or damage resulting from sewer service.¹⁵
3. Bluegrass Water generally lacks information or knowledge sufficient to form a belief about the truth of the remaining allegations set forth in the Complaint and therefore denies them.
 4. All averments in the Complaint not expressly and affirmatively admitted herein are hereby expressly denied.

¹⁵ See Exhibit B, Bluegrass Water's Claim Request Response, dated May 21, 2025.

C. MOTION TO DISMISS

In addition to the foregoing Answer, Bluegrass Water moves to dismiss the Complaint for failure to state a claim upon which this Commission may grant relief. Bluegrass Water moves for dismissal on two grounds: (1) the Commission does not have the statutory authority to award the damages sought in the Complaint; and (2) Bluegrass Water's tariff clearly exempts Bluegrass Water from any liability for any losses or damages resulting from the provision of sewer service.

1. The Commission does not have the legal authority to award monetary damages.

First, it is well-settled that the Commission lacks legal authority to award monetary damages to individual utility customers. KRS 278.260 confers the Commission with original jurisdiction over the regulation of utility rates and service, but nothing in KRS Chapter 278 confers authority upon the Commission to award damages.¹⁶ In fact, the Kentucky Court of Appeals has expressly declined to extend the Commission's jurisdiction to include monetary damage claims.¹⁷ When faced with customer complaints seeking monetary damages from a utility, the Commission routinely finds that it lacks authority to adjudicate such claims and subsequently dismisses the complaint.¹⁸

¹⁶ See KRS 278.260(1) ("The commission shall have original jurisdiction over complaints as to rates or service of any utility..."); *In the Matter of: Judy Keith, Complainant v. Southern Madison Water District, Defendant*, Case No. 2020-00409, 2021 Ky. PUC LEXIS 515, at *1 (Ky. PUC Apr. 26, 2021).

¹⁷ See *Carr v. Cincinnati Bell, Inc.*, 651 S.W.2d 126, 128 (Ky. App. 1983) ("Nowhere in Chapter 278 do we find a delegation of power to the PSC to adjudicate contract claims for unliquidated damages. Nor would it be reasonable to infer that the Commission is so empowered or equipped to handle such claims consistent with [its] constitutional requirement.").

¹⁸ See, e.g., *In the Matter of: Judy Keith, Complainant v. Southern Madison Water District, Defendant*, Case No. 2020-00409, 2021 Ky. PUC LEXIS 515, at *1 (Ky. PUC Apr. 26, 2021) (dismissing a customer complaint seeking reimbursement for damages resulting from excessive water pressure); *In the Matter of Tyre Hinshaw, Complainant; v. Kentucky Utilities Company, Defendant*, Case No. 2007-00096, 2007 Ky. PUC LEXIS 214, at *4 (Ky. PUC Mar. 27, 2007) ("As the only relief which Complainant seeks is monetary damages, and as the award of such damages is outside the Commission's jurisdiction, the Commission finds that the complaint fails

Here, the Complaint seeks reimbursement for the property damage arising from the sewer backup in Ms. Tackett’s basement. Mr. Tackett seeks to recover the cost of replacing the flooring, furniture, and dry wall in Ms. Tackett’s home, as well as the costs of the tools used to remove the water from the basement. The Complaint does not set forth any additional claims or other forms of relief. As a matter of well-settled law, the Commission does not have the authority to award the requested property damages to Mr. Tackett and therefore, the Complaint should be dismissed.¹⁹

2. Bluegrass Water is Not Liable for Any Losses or Damages Resulting from Sewer Service.

Second, as Bluegrass Water previously informed Mr. Tackett, Bluegrass Water cannot be liable for property damage under the clear terms of its tariff. As indicated above, the tariff clearly exempts Bluegrass Water from any liability for any loss or damage resulting from sewer service, due to any cause whatsoever, which would include the property damages sought here.²⁰ As a residential customer, Ms. Tackett is undoubtedly bound by this term. Because the Complaint only seeks to recover property damages resulting from the sewer backup in Ms. Tackett’s basement,

to state a prima facie case and, if not amended to request relief which is within the Commission’s authority, should be dismissed.”); *In the Matter of Gene Ray Hardy, Complainant; v. Louisville Gas and Electric Company, Defendant*, Case No. 2006-00043, 2006 Ky. PUC LEXIS 110, at *2 (Ky. PUC Feb. 17, 2006) (“Mr. Hardy’s complaint...makes a claim only for reimbursement for damage to property caused by the surge of electricity...Therefore, the Commission lacks authority to adjudicate Complainant’s claim for damages.”); *In the Matter of: Stuart I. Gross, Sr., Complainant v. Green River Valley Water District, Defendant*, Case No. 2019-000258, 2021 Ky. PUC LEXIS 1293, at *6 (Ky. PUC Dec. 16, 2021) (dismissing a customer complaint seeking reimbursement for expenses incurred while water pressure was below the required 30 psig because “the Commission does not have statutory authority to award damages...”).

¹⁹ See *In the Matter of: Ruie Faye Cantrell, Ira Cantrell, Complainant v. Licking Valley Rural Electric Cooperative Corporation, Defendant*, Case No. 2017-00431, 2018 Ky. PUC LEXIS 82, at *2-3 (Ky. PUC Jan. 19, 2018) (finding that the Commission lacked authority to adjudicate the complainants’ claims for damages resulting from a burned down mobile home caused by a transformer explosion and dismissing the complaint).

²⁰ Bluegrass Water Utility Operating Company, LLC, KY P.S.C. Tariff No. 1, Rules and Regulations, Original Sheet No. 17 (emphasis added).

Bluegrass Water cannot be liable under the express terms of its filed and approved tariff.²¹
Therefore, the Complaint should be dismissed.

D. CONCLUSION

Having answered the Complaint in this manner, Bluegrass Water respectfully requests the following:

1. That the Complaint be dismissed in its entirety;
2. That this matter be removed from the Commission's active docket; and
3. Any other relief to which Bluegrass Water may be entitled.

This 16th day of June, 2025.

Respectfully submitted,

/s/ Edward T. Depp

Edward T. Depp

Hannah D. Thompson

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Operating Company, LLC*

²¹ See *In the Matter of: Nancy A. Stadlander v. Kenergy Corp.*, Case No. 2016-00187, 2016 Ky. PUC LEXIS 642, at *6 (Ky. PUC July 12, 2016) (dismissing a customer's complaint asserting a trespass claim against a utility because the tariff clearly gave the utility the right to access a customer's meter located on the customer's premises at all reasonable hours).

Certification

I hereby certify that a copy of this filing and its exhibits have been served electronically on the Kentucky Public Service Commission. Additionally, a true and accurate copy of the foregoing was placed in the U.S. Mail, postage prepaid, on June 16, 2025 to the following:

Bernice Coyle Watson Tackett
2029 Longview Drive
Georgetown, KY 40324

Charles Tackett
134 Robinson Lane
Georgetown, KY 40324

Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission.

/s/ Edward T. Depp
Counsel to Bluegrass Water Utility
Operating Company, LLC

Exhibit A, Bluegrass Water PSC Complaint No. 2025-00899

Bluegrass Water PSC Complaint Response -Charles Tackett, [REDACTED]

Complaint Received: 3/20/25

Complaint NO: 2025-00899

Escalation: Rosemary Tutt

Date of Response: 3/31/25

Customer Name: Charles Tackett

Address: 2029 Longview Dr

Service Area: KY-Homestead/Longview

Phone number or email: [REDACTED]

Account: [REDACTED]

Reason for complaint: Sewer Backup

Chuck Tackett came into the PSC in Frankfort KY. He is wanting to file a complaint against Bluegrass Water. In 2021 Mr. Tackett filed a complaint about the sewage system getting blocked and flooding the basement, according to the response from Bluegrass was sent out to clear the lines that had tree roots in the lines. However this past weekend there was a lot to rain and the basement ended up with 8 inches of water, customer knows that if the line had been cleared in 2021 the backup would not have happened. Customer does have pictures if needed. Please investigate with a response to the customer and the Public Service Commission.

Response:

We visited the premises on March 21, 2025, to address the customer's concerns. The line was televised to check for any obstructions, then jetted to clear any roots. We made an attempt to contact the customer to share the findings and the resolution.

It is important to note that when Mr. Tackett initially contacted us on October 8, 2021, we thoroughly investigated and resolved the issue on October 13, 2021. He was informed of the resolution on that date.

Customer Contact:

I called Mr. Tackett to address his concerns. He mentioned that the workers did an excellent job while on site. His primary concern is that the issue does not recur, and he is seeking compensation for out-of-pocket expenses. I explained the claims process to him and provided the email address (support@bluegrasswateruoc.com) to submit all relevant information. Our records show no additional contact from Mr. Tackett prior to the filing of this complaint.

We do sincerely hope that this will resolve the concerns expressed by Mr. Tackett. If there are any questions or additional items needed, please contact us at ccarter@cswrgroup.com.

Sincerely,

Chelsie Carter

Director, Customer Experience

314-380-8520

Exhibit B, Bluegrass Water's Claim Request Response, dated May 21, 2025.



BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

May 21, 2025

Charles M & Bernice Tackett
2029 Longview Dr.
Georgetown, KY 40324

RE: Claim Request Response

Dear Mr. & Mrs. Tackett,

We have received your recent request for reimbursement for services related to a sewer backup you indicated occurred on March 16, 2025, at your property. After a thorough assessment of the situation, we have determined **your claim must be denied and no further action** will be taken.

Bluegrass Water was first made aware of your concern on March 20, 2025, upon receipt of the complaint filed with the PSC. Prior to this, we had not received any direct contact from you regarding a sewer backup at your property on or around March 16, 2025.

In response to the PSC complaint, our team promptly visited your property on March 21, 2025. During the site visit, the sewer line was televised to check for any obstructions and subsequently jetted to clear any roots. Following this work, we made an attempt to contact you directly to share the findings and the steps taken to resolve the issue.

Regarding your reference to a prior incident in 2021, we can confirm that you contacted us on October 8, 2021, at which time Bluegrass Water investigated the issue and resolved it by October 13, 2021. The line was cleared of roots, and you were notified of the resolution at that time.

Per the **Rules and Regulations of Bluegrass Water UOC**, approved by the Public Service Commission of the Commonwealth of Kentucky:

“Bluegrass Water UOC shall not in any way or under any circumstances be held liable or responsible to any person or persons for any loss or damage resulting from the sewer service, due to any cause whatsoever.”



bluegrasswateruoc.com



1-866-752-8982



support@bluegrasswateruoc.com



BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

In addition, the tariff clearly states that the company:

“shall not be responsible for accidents or damages resulting from the discontinuance of service... nor be considered in any manner an insurer of property or persons... and shall be free and exempt from any and all claims for damages on account of any injury to property or persons for any cause whatsoever.”

For these reasons, we must respectfully deny your request for reimbursement.

We understand this may not be the response you wished for, but we want to take this opportunity to reiterate our commitment to provide you with excellent service as part of our mission statement.

Sincerely,

Bluegrass Water UOC

