

From: [PSC Public Comment](#)
To: ["David Haines"](#)
Subject: RE: [Case Number:2025-00354]BlueGrass Water Utility Operating Company
Date: Tuesday, December 16, 2025 10:37:00 AM

Case No. 2025-00354

Thank you for your comments on the application of Bluegrass Water Utility Operating Company, LLC. 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 \(ky.gov\)](#).

Thank you for your interest in this matter.

From: David Haines [REDACTED]
Sent: Monday, December 15, 2025 9:59 PM
To: PSC Consumer Inquiry <PSC.Consumer.Inquiry@ky.gov>; PSC Public Comment <PSC.Comment@ky.gov>
Subject: [Case Number:2025-00354]BlueGrass Water Utility Operating Company

[REDACTED]

[REDACTED]

To Whom it may concern,

My family and I recently moved to Kentucky, from Minnesota, purchased a house, and began settling in. We were surprised to discover that we had a monthly bill for sewage, but paid it assuming that this was normal in this part of the country. Today, December 11, 2025, we received a formal letter in the mail from BlueGrass Water Utility Operating Company (henceforth BGW) proposing a rate increase for all of its customers. The increase for

residential homes (the people of Kentucky—that the Public Service Commission is supposed to represent and assist in their decisions) is from \$77.77 to \$114.00, “an increase of \$36.23 or 46.6%.” That is quite the rate increase.

I decided to do some research to discover what is going on, why I am getting this letter, why such an enormous increase in rates. I discovered that BGW (a company located in St. Louis, MO, with its parent company being located in Texas...not Kentucky) has been in the process of acquiring, over the past 5-10 years, a number of smaller sewage and water companies (I believe they acquired no less than 15 of them). In 2019, the Attorney General moved to block these acquisitions, stating that "As proposed, the acquisition subject to the application is not in the public interest," Assistant Attorney General Kent Chandler wrote in a brief after a public service commission hearing in July. "The Attorney General is sincerely worried about the level of service that an out-of-state entity with no presence in Kentucky can provide.

(https://www.wdrb.com/news/attorney-general-sincerely-worried-about-proposed-purchase-of-troubled-kentucky-sewage-treatment-plant/article_411ef310-b957-11e9-8eaf-7f74ff15f8ab.html). The same article notes that other clients of BGW have has similar experiences: (1) Their troubled systems come under the control of BGW promising repairs, (2) rate increases ensue. Testimonies of people who have been living here for years, on social media (there is an entire Facebook group dedicated to opposing BGW and their price increases) and in the letters sent to the PSC in relation to this case and others concerning BGW, do not paint a pretty picture about the way that BGW treats its clients (who are unable to change their service provider if they find the service is lacking or to find a less expensive service provider).

In fact, a small web search reveals a formal letter from Bryan J. Dillon, mayor of the City of River Bluff, sent to the PSC in 2020, to contest rate increases (attached below). It would appear that this is not the first time that BGW has attempted a rate increase, I suspect it will not be the last. In this letter, Dillon notes that, in 2020, BGW was seeking to increase the rates on all 11 of the sewage plants it had acquired in Kentucky. Earlier this year, there was a complaint made by a certain Gary A. Smith against the GBW, again related to rate increases [2024-00302].

There are a number of reasons why the PSC should act to refuse this request (and, ideally, force the BGW to decrease its rates):

(1) The request should be refused on the basis of a principle related to political Localism: Localism, which is promoted by one of Kentucky’s greatest philosophers and scholars, Wendell Berry, argues that socio-political issues should be taken care of at a local level, and not farmed out to people or corporations with no ties to the area in question. Sewage, water,

electricity, and all utilities, are the types of things which should be taken care of at a local level. It is better for those who live in an area that they be able to have a say in how their basic needs are met. However, the company that is requesting these rate increases is not a local company. As the Attorney General said in 2019, this is “not in the public interest...[they have] no presence in Kentucky.” The Commonwealth of Kentucky should not look favorably upon a company coming from out-of-state, with no ties to the people, continually milking the people for money in relation to things that they cannot do without. This money is not returning to the State. This company is not listening to the people it is serving. Furthermore, to appeal their case, they are presenting so many documents (written in legal format and language), that it would be impossible for the majority of the residents of the affected areas to be able to reasonably read through them, understand them, and legitimately oppose them with relevant arguments. Indeed, some of the contrary opinions may take the form of emotional appeals and frustration. This is, presumably, why the PSC exists, to understand the needs of the people in the affected localities, to consider the situation, and to uphold the needs of the people. I am new to the area, but, my neighbors (some of whom have been here for 20 years) have told me that there have been no improvements since BGW took over, and the sewers work the same as ever. So, despite rate increases, the people have not benefited (at least not in our neighborhood).

(2) In the approach to Economics that we have tried to follow in the United States, we have attempted to do all that we can to avoid monopolies. One of the problems that we run into, is that it is hard to avoid monopolies when there are only so many ways to get things done. For example, we don't want to have 15 different power companies running 15 different sets of electric lines into a neighborhood to service the various clients. We can only set up, plausibly, a single sewage system per neighborhood or county, which means that we can only have one company that operates it. How, then do we deal with this reality—which would seem to create a monopoly on utilities? The way in which Kentucky, and many other states, have sought to avoid monopolies has been to allow companies to bid for the rights to service an area (i.e. - run a sewage treatment center). If their bid is accepted, they then take over the operations and billing. Some economists have suggested that this system will end up in a monopoly if there is not way to regulate the companies. So, in some places, they have attempted to solve this problem by allowing limited contracts, and permitting other bidders to apply. Another way that a monopoly can be avoided is by having the people being serviced speak into the question by calling for action against a company, resisting price increases, and so on. That is, presumably what is happening here. However, one of the difficulties with this system is that (i) if a majority of people do not speak out, or, (ii) if they speak up but are not listened to, then not only have we not avoided a monopoly, we have, in fact, created a worse form of monopoly—one which is apparently supported by the people. In the letter we have just received, we are told that we can reach out for help to pay the bills. What this entails is that the company will obtain their price

increase, and the Commonwealth of KY will pay the bill for those who cannot pay. What should in fact happen, is that Commonwealth of KY should tell the BGW that their price increase is not accepted, because the people of KY that are being serviced by BGW do not agree to this price increase. If BGW does not think that they can profit, they are more than welcome to sell to the highest bidder who can make the sewage system work for a more reasonable price, but, the PSC will not increase the burden on the people, nor pay the bills the people cannot pay. The product must be sold at a price the people can afford, or the “monopoly” of the sewage system will be given to a different company.

(3) Equity entails that this price increase should not only be rejected, but, furthermore, that the rates should be decreased. One need only compare what BGW is charging its clients with what other sewage treatment centers in KY are charging their customers. In Jefferson County, customers of MSD can expect a rate increase of \$5.19, and MSD customers in Oldham county an increase of \$3.74 ([https://louisvillemsd.org/news/2025-fiscal-year-rate-resolution#:~:text=2025%20Fiscal%20Year%20Rate%20Resolution%20*%20Average,increase%20\\$3.74.%20*%20Rate%20assistance%20programs%20continue.](https://louisvillemsd.org/news/2025-fiscal-year-rate-resolution#:~:text=2025%20Fiscal%20Year%20Rate%20Resolution%20*%20Average,increase%20$3.74.%20*%20Rate%20assistance%20programs%20continue.)). The average water and sewage bill for a regular single family home, with MSD, is between \$80-100, with roughly 70% of that going towards sewage. That means, that they are paying roughly \$60-70 per month for sewage. But, clients of BGW are already paying 77\$ per month, and they want to increase it to 114\$. Now, everyone knows that Oldman county is, in general, wealthier than the counties serviced by BGW. Why would they pay less for their sewage treatment? Equity alone, for the residents of Kentucky, entails that the PSC should not only refuse this price increase, but should also require the BGW to lower its rates to less than those of the MSD; or, what might be better for the people of KY, that the BGW could sell to a Kentucky based company. Counties with less wealth should not be charged more for essential needs. Furthermore, despite the price increases, there has been no evidence of improvement in our systems. Neighbors in my area have noted that nothing has changed in our system in 20 years.

In this email, I have sought to lay out a situation that is somewhat concerning about the farming out of the basic needs of our area to an out of state company, and suggested that its attempt to increase its monthly rates should be opposed by the PSC.

If there are other ways to let my concerns be considered, please let me know.

David Haines
PhD, Laval
Associate Professor of Philosophy
Boyce College



Louisville, KY

40280

“It is a scholar’s duty to try to formulate his opinion about each thing as it actually is.”

- Boethius, De Trinitate -

“The study of philosophy aims not at knowing what men feel, but at what is the truth of things.”

- Thomas Aquinas, Sententia de Caelo et Mundo, 1.22.228 -



November 24, 2020

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: PSC Case No. 2020-00290, Application of Bluegrass Water Utility Operating Company, LLC for rate increase

Dear Sir or Madam:

This letter is sent on behalf of the residents of the City of River Bluff, many of whom are customers of Bluegrass Water Utility Operating Company, LLC ("Bluegrass Water"), the applicant for a sewer rate increase in the above referenced application. Bluegrass is seeking to raise the rates of all customers across eleven sewer facilities it owns, to the same amount, \$96.14. This is regardless of the current rate which varies widely across the eleven sewer facilities. Currently, the customers on the River Bluffs sewer facility are paying \$58.16 per month.

Our residents are not unreasonable—they understand that the sewer plant servicing approximately half of our residents (the other half being on septic tanks) was in need of repair, and that providing that repair would entail some expense. However the requested rate represents an increase of 65% over the current rate. This appears to be excessive, and adds yet one more challenge to our residents during these trying times.

I request that the Commission carefully scrutinize the expenses claimed by Bluegrass in making its determination of the appropriate increase as allowed by Kentucky law. Thank you for your consideration.

Very truly yours,


Bryan J. Dillon, Mayor

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PROSPECT, KY 40059
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