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October 5, 2026

Mr. Justin McNeil
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: **South Eastern Water Association**
Case No. 2026-00191

Dear Mr. McNeil:

Enclosed is South Eastern Water Association (the "Association") Response to the allegation contained in information filed on September 29, 2026 by Michael Hemphill. Should you have questions, please contact me.

Respectfully,

/s/Tina C. Frederick
Tina Frederick

TCF
Enclosure

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OCT 5 2026
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MICHAEL R. HEMPHILL	)	
	)	
COMPLAINANT	)	
	)	CASE NO.
V.	)	2026-00191
	)	
SOUTH EASTERN WATER	)	
ASSOCIATION, INC.	)	
	)	
DEFENDANT	)	

**SOUTH EASTERN WATER ASSOCIATION, INC’S RESPONSE TO
SUPPLEMENTAL INFORMATION FILED SEPTEMBER 29, 2026 AND
RENEWED MOTION TO DISMISS**

By and through the undersigned counsel, South Eastern Water Association (“South Eastern Water” or “the Association”) submits this Response to the Supplemental Information filed by Mr. Hemphill on September 29, 2026, and respectfully renews its Motion to Dismiss this Complaint with prejudice. In Response to the allegation made in Mr. Hemphill’s September 29, 2026 Supplemental Information, South Eastern Water states the following:

1. Pursuant to KRS 139.480 the sale of water is exempt from sales tax assessment if the sale meets the requirements for a Farm Exemption Certificate from the Commonwealth of Kentucky Department of Revenue (“Department of

Revenue”) An applicant must apply for this exemption with the Department of Revenue and certify that they are a farmer regularly engaged in the occupation of tilling and cultivating the soil for the production of crops; raising and feeding of livestock or poultry for use as food for human consumption; or raising and feeding llamas, alpacas, ratites, buffalo, aquatic organisms, cervids, or dairy cattle.¹ The Department of Revenue provides the Farm Exemption Certificate on form 51A158 to those applicants who meet the requirements.

2. Water utilities, such as the Association, when presented with the Farm Exemption Certificate, do not assess sales tax on water used for the purposes described in KRS 139.480. However, South Eastern Water Has **no record** of receiving a Farm Exemption Certificate (form 51A158) from Mr. Hemphill.

3. South Eastern Water has not violated KRS 139.480.

4. The Association has provided substantial evidence to show that it has followed its tariff, and all applicable statutes and regulations in its handling of Mr. Hemphill’s three accounts for water service. No rate charged to Mr. Hemphill has been unreasonable, unjustly discriminatory, or not included in the Associations schedule of rates included in its tariff on file with the Commission and supported by the applicable regulations. No practice of the Association in relation to Mr. Hemphill

¹ KRS 139.480(26).

has been unreasonable, unsafe, insufficient or unjustly discriminatory. The service provided to Mr. Hemphill has not been inadequate in any way.

WHEREFORE, on the basis of the foregoing, South Eastern Water renews its Motion to Dismiss, which was filed into the record of this proceeding on on July 16, 2026, and moves the Commission for an Order finding that this Complaint is dismissed with prejudice.

Respectfully submitted,

/s/Tina C. Frederick
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*Counsel for South Eastern Water
Association, Inc*

Filed October 5, 2026

CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on October 5, 2026; and that a true and accurate copy of this filing has been sent via U. S. Mail to Mr. Michael Hemphill at the address provided on the Complaint.

/s/Tina C. Frederick
Tina C. Frederick