

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS)
WATER UTILITY OPERATING COMPANY, LLC) CASE NO.
FOR AN ADJUSTMENT OF WATER AND) 2025-00354
SEWAGE RATES)

O R D E R

This matter arises upon the motion of Scott County, Kentucky, through its County Judge Executive and Fiscal Court (Scott County) filed January 6, 2026, for full intervention pursuant to 807 KAR 5:001, Section 4(11).¹ Bluegrass Water Utility Operating Company, LLC (Bluegrass Water) filed a response to the motion on January 12, 2026.² On January 15, 2026, Scott County filed a reply to Bluegrass Water's response.³

LEGAL STANDARD

The only person who has a statutory right to intervene in a Commission case is the Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention (Attorney General), pursuant to KRS 367.150(8)(b). The Attorney General was granted intervention on October 30, 2025.⁴ With limited exception, intervention by all others is permissive and within the sole discretion of the Commission.⁵

¹ Scott County's Motion to Intervene (Scott County's Motion) (filed Jan. 6, 2026).

² Bluegrass Water's Response to Scott County's Motion (Bluegrass Water's Response) (filed Jan. 12, 2026).

³ Scott County's Reply (filed Jan. 16, 2026).

⁴ Order (Ky. PSC Oct. 30, 2025).

⁵ KRS 164.2807.

The regulatory standard for permissive intervention, set forth in 807 KAR 5:001, Section 4, is twofold. Commission regulation 807 KAR 5:001, Section 4(11), requires a person to set forth in the motion to intervene either (1) a special interest in the proceeding that is not otherwise adequately represented in the case, or (2) that intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.

MOTION TO INTERVENE

As a basis for its motion, Scott County stated that it has broad statutory powers in representing the interests of Scott County and its citizens in representing the economic and public health impacts of operations of wastewater services within Scott County.⁶ A resolution was passed authorizing Scott County's request for intervention in this case.⁷

Scott County argued that it had a special interest in this proceeding because two of Bluegrass Water's facilities, Longview/Homestead and Delaplain, are located within Scott County and contain approximately one-fourth of Bluegrass Water's wastewater customers.⁸ Furthermore, Delaplain has both metered and unmetered connections, and Scott County provided that the Delaplain commercial class is the only current class receiving metered service.⁹ Scott County also noted that Bluegrass Water's proposed rates, if approved, would result in a 46.6 percent rate increase for its residential customers, a 44.4 percent rate increase for the meter charge for its non-residential

⁶ Scott County's Motion at 2.

⁷ Scott County's Motion at 2.

⁸ Scott County's Motion at 2.

⁹ Scott County's Motion at 2.

Delaplain customers, and a 378.7 percent rate increase (per 1,000 gallons) for the volumetric component for its Scott County non-residential Delaplain customers.¹⁰ Scott County argued that it has a special interest in the case not otherwise represented because the rate increase impacts rate affordability, health, safety, and economic development in Scott County.¹¹ Scott County, recognizing the Attorney General's role as an intervenor in this case, argued that the Attorney General's statutory role representing consumers in Commission proceedings does not preclude other governmental entities from representing their special interests as intervenors in Commission proceedings.¹²

In Bluegrass Water's response, it argued that Scott County's motion should be denied because Scott County failed to demonstrate a special interest in the case that is not otherwise adequately represented by the Attorney General, who represents all consumer interests.¹³ Bluegrass Water also argued that Scott County's request did not show that intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.¹⁴ Lastly, Bluegrass Water argued that Scott County governmental entities do not take wastewater services from Bluegrass Water and thus do not have an interest in rates or services.¹⁵

¹⁰ Scott County's Motion at 3.

¹¹ Scott County's Motion at 2-3.

¹² Scott County's Motion at 4.

¹³ Bluegrass Water's Response at 2.

¹⁴ Bluegrass Water's Response at 2.

¹⁵ Bluegrass Water's Response at 3.

On January 15, 2026, Scott County filed a reply to Bluegrass Water's response.¹⁶ Scott County argued that the Commission had previously found it had a special interest in Case No. 2022-00432,¹⁷ and the facts in this case are substantially similar.¹⁸ Furthermore, Scott County provided that “[g]overnmental entities routinely represent and consider the interests of diverse constituencies- residential, commercial, and otherwise- and the fact that ratemaking decisions may affect customer classes differently does not create an ethical conflict or disqualify governmental participation.”¹⁹

DISCUSSION AND FINDINGS

Based on a review of the pleadings at issue and being otherwise sufficiently advised, the Commission finds that Scott County has demonstrated that it has a special interest in the proceeding over which the Commission has jurisdiction that is not otherwise adequately represented and, although not required as one prong of the intervention standard has been met, that Scott County is likely to present issues or develop facts that will assist the Commission in considering this matter without unduly complicating or disrupting the proceedings for the reasons discussed below.

The Commission finds that Scott County has a special interest in this case due to economic and public health impact of operations of wastewater services within Scott County. The economic impact on the Delaplain residential and commercial customers is significant and unique because those are the only Bluegrass Water customers taking

¹⁶ Scott County's Reply.

¹⁷ Case No. 2022-00432, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Sewage Rates* (Ky. PSC May 5, 2023), Order.

¹⁸ Scott County's Reply at 1-2.

¹⁹ Scott County's Reply at 7.

metered service and Delaplain also includes Bluegrass Water's only commercial customers, whose interests are different than interests represented by the Attorney General because commercial customers take service on different rate schedules than residential customers.²⁰ Scott County is also likely to present issues and develop facts that will assist the Commission in fully considering this matter without unduly complicating or disrupting the proceedings as it has done in prior cases.²¹

Based on the above, the Commission finds that Scott County should be granted full rights of a party in this proceeding. The Commission directs Scott County to the Commission's July 22, 2021 Order in Case No. 2020-00085²² regarding filings with the Commission.

IT IS HEREBY ORDERED that:

1. Scott County's motion to intervene is granted.
2. Scott County is entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.

²⁰ See Case No. 2021-0048, *Electronic Joint Application of American Electric Power Company, Inc., Kentucky Power Company and Liberty Utilities Co. for Approval of the Transfer of Ownership and Control of Kentucky Power Company* (Ky. PSC Jan. 10, 2022), Order at 3 (finding that intervention was appropriate for a party seeking to represent the interests of industrial customers, who take service on different rate schedules than residential customers). See also See Case No. 2022-00402, *Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan* (Ky. PSC Feb. 7, 2023), Order at 2 (in which a municipality/county, Lexington Fayette Urban County Government, was found to have a special interest in part because of potential rate effects on its residents).

²¹ See Case No. 2022-00432, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Sewage Rates* (Bluegrass Water's last general rate case in which Scott County was granted intervention).

²² Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

3. Scott County shall comply with all provisions of the Commission's regulations, 807 KAR 5:001, Section 8, related to the service and electronic filing of documents.

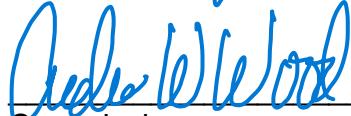
4. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of service of this Order, Scott County shall file a written statement with the Commission that:

- a. Certifies that it, or its agent, possesses the facilities to receive electronic transmissions; and
- b. Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

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PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Linda Bridwell RP

Executive Director

ENTERED

JAN 27 2026 AB

KENTUCKY PUBLIC
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