

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RE: ELECTRONIC TARIFF FILING OF THE CITY OF
AUGUSTA TO INCREASE THE WHOLESALE
WATER RATE CHARGED TO BRACKEN
COUNTY WATER DISTRICT

INTERVENOR, BRACKEN COUNTY WATER DISTRICT'S (BCWD'S) REQUEST FOR
A HEARING BEFORE THE KY PSC, AND ISSUANCE OF SUBPOENA'S FOR WITNESSES

CASE NUMBER 2024-00349

Comes now the intervening party, Bracken County Water District, ("BCWD"), by and through counsel, Mr. Jesse P. Melcher, Esq., and hereby files its request for hearing, before the KY PSC.

Whereas, the KY PSC, by Order dated December 27, 2024, required the parties to file a request for a hearing or submission by March 26, 2025. The City of Augusta filed a request for a decision by submission on March 25, 2025. BCWD objects to the request for decision by submission **without hearing**, and requests a full hearing on the matter at a date and time to be set by the Commission.

City of Augusta has essentially requested that the 2016 water purchase contract, and its 2021 amendment, which has been agreed to previously by the parties and approved by KY PSC, which establishes the wholesale water rate calculation, be invalidated. The contract has a specific method of wholesale water rate increases, based upon the most recently audited

financials. The City of Augusta initially requested to implement a pro-forma method of adjustments to the wholesale water rate calculation, based upon expenses from years prior to the audited financial year utilized (July 1, 2022 to June 30, 2023, audited financial year used), and based upon expenses used post the audited financial year. Further, City of Augusta, requests adjustments to the wholesale water purchase contract based upon pro-forma requests for adjustments to purchased water.

KRS 178.190(3) states “...the burden of proof to show that increased rate or charge is just and reasonable is upon the utility...” (the requesting utility).

The City of Augusta requested a rate increase of \$2.96 per 1000 gallons to go into effect on December 1, 2024, wherein, by Order of KY PSC, on November 19, 2024, the rate was suspended pursuant to KRS 278.190, for five months subject to 6 months.

The City of Augusta, then in its filing of alleged rebuttal testimony, asserted by notarized statement of the Mayor of Augusta, i.e., John Laycock, requested to increase its wholesale water request from \$2.96 per 1000 gallons to \$3.20. (*see. response of City of Augusta, Affidavit of Mayor John Laycock*). BCWD believes this constitutes a request for amendment of its wholesale water rate case, and requests the Commission (KY PSC) to rule on BCWD’s simultaneous motion to address the request to amend the wholesale water rate by City of Augusta, and to indefinitely suspend the rate increase request, and to establish upon Order of KY PSC Commission that the rate increase amendment go through the appropriate method of rate increase amendment (i.e. City of Augusta, City Council approval, formal notice of wholesale water rate increase to the new amount requested, appropriate advertisement, and appropriate amended tariff filing).

Also, see motion of BCWD to accept motion for rate amendment and indefinite suspension of rate increase.

BCWD asserts that not only is a hearing required for a rate increase (KRS 278.190(2)), but is required herein, to establish testimony and findings by the Commission, in the uneventful case, that the water purchase contract is amended and/or invalidated by the Commission. BCWD believes the wholesale water rate increase is simply a calculation of the contracted calculation based upon the audited financial year provided by the City of Augusta, with adjustments to expenses for known or measurable changes. *See water purchase contract of 2016.* Therefore, any ruling by KY PSC necessitates a full hearing on these matters, for all issues to be full established by recorded testimony, under oath, and subject to cross-examination.

Pursuant to 807 KAR 5:0001, (4)(6), BCWD requests that the KY PSC issue subpoenas for the following witnesses:

1. Doug Padgett, Augusta WTP Operator
2. John Laycock, Mayor
3. Gretchen England, City Treasurer
4. Scott Lawless, City of Augusta Expert

Respectfully submitted,

/s/ JESSE P. MELCHER, ESQ.
BRACKEN COUNTY WATER DISTRICT,
ATTORNEY
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CERTIFICATE OF SERVICE

I, Jesse P. Melcher, Esq. as counsel and representative of BCWD herein, do hereby certify that I have mailed out by electronic filing through the KY PSC web portal, pursuant to 807 KAR 5:001(8), this the 26th day of March, 2025; and that no party herein, has opted out of the electronic notice and/or filing herein, and proof of electronic filing and courtesy copy are as follows, of BCWD's responses to City of Augusta's questions:

KY PSC, filed by web portal in this case number

Ms. Cynthia Thompson, Esq.
Counsel for City of Augusta
ccthompsonatty@yahoo.com

Courtesy Copy by mail, U.S.P.S.
City of Augusta
Attn: Cynthia Thompson, Esq.
219 Main Street
P.O. Box 85
Augusta, KY 41002

/s/ MR. JESSE P. MELCHER, ESQ.