

**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) NOTICE OF  
NO FILING OF DIRECT TESTIMONY WITH RESERVATION TO USE REBUTTAL TESTIMONY  
THAT MAY ARISE FROM CROSS-EXAMINATION THAT HAS NOT BEEN ADDRESSED  
HEREIN, AND RESERVATION OF RIGHT TO CROSS-EXAMINE ANY WITNESSES AT THE  
SCHEDULED HEARING HEREIN.**

**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 places notice of it not filing any direct testimony, by June 6, 2025, with reservation of right to use rebuttal testimony that may arise from cross-examination that has not been addressed herein, and the reservation of right to cross-examine any witness at the scheduled hearing herein.

The intervening party, i.e. BCWD, states that the rate increase is based upon a 2016 primary water purchase contract rate calculation, as approved by KY PSC, in Case No. 2015-00039; and thereafter modified, and approved in 2021, as evidenced by KY PSC, in Case No. 2020-00277. *See. Page 4 through 5 of 2016 water purchase contract, Number 16.* The agreed contractual terms, call for the wholesale water rate to be based upon calculations from the most recent financial year of the City of Augusta, that has

been audited. *See. Page 4 of 2016 water purchase contract, Number 16, alphabetical paragraph a.* The City of Augusta has chosen fiscal year July 1, 2022 to June 30, 2023. The contract does allow that “the test period costs may be adjusted to reflect known and measurable changes.” *See. Page 4 of 2016 water purchase contract, Number 16, alphabetical paragraph f.* The City of Augusta has requested modifications to the expenses/costs and the amount of water purchased, during the audited financial year, under a pro-forma calculation, to modify the numbers used in the agreed and approved rate calculation as referenced, and/or to wholly disregard the contractual terms (i.e. unified rate).

Therefore, the issue of the appropriate rate is not a direct testimony issue, as much as it is an issue of the use and/or application of the appropriate numbers in the prior agreed to and approved contractual terms for a wholesale water rate increase calculation, as established in the 2016 contract; and as twice approved in original and amended form as referenced 2016 and 2021, *see KY PSC Case No.’s 2015-00039 and 2020-00277, respectively.*

Further, although there are references, suggestions and requests to modify and/or essentially terminate the existing contract, no such specific request has been made by the City of Augusta to the KY PSC, nor adequate supporting documentation; and all references to such desire by the City of Augusta, are not admissible (to be determined by KY PSC prior to hearing by applicable motion of BCWD), as not relevant to this particular rate increase request. Additionally, BCWD would assert as noted in the 2016 contract in the numerously cited *whereas’*; the issues between the parties have

been ongoing for decades. In the 2016 contract BCWD negotiated the agreed rate increase calculation and waived all of its interest in equity to the water treatment plant, in detrimental reliance upon the agreed rate calculation. Therefore, any adjustment/deviation to the agreed rate calculation methodology would necessitate an adjustment to BCWD for receipt in equity in the water treatment plant and/or create actionable damages for such deviation.

The intervenor, fully reserves the right to call direct rebuttal testimony, if any and if necessary, at any hearing, by submitting rebuttal testimony by submission with brief, if any previously unasserted averments are presented by the City of Augusta which are relevant to the rate increase calculation. Additionally, the intervenor, fully reserves the right to cross-examine any witnesses at the hearing in this matter

Respectfully submitted,

/s/ JESSE P. MELCHER, ESQ.  
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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 6<sup>th</sup> day of June, 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:

KY PSC, filed by web portal in this case number

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