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February 6, 2026

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

**Re: *Graves County Water District
Case No. 2025-00060***

Dear Ms. Bridwell:

Graves County Water District (“the District”) acknowledges receipt of Commission Staff’s memorandum summarizing the discussion at the January 23, 2026 videoconference in the above-referenced matter. As permitted by your letter of February 2, 2026, this letter supplements that summary.

During the videoconference, Mr. Wuetcher presented the District’s position as set forth in its Application for Rehearing regarding the errors contained in the Public Service Commission’s Order of December 23, 2025 (“the Order”).

As to the Order’s requirement that the District publish notice of the Commission-approved meter tap fees, the District stated that 807 KAR 5:011 did not require such notice as the District had proposed no revisions to its meter tap fees and 807 KAR 5:011 required publication of notice *only of utility proposed charges*. It noted that 807 KAR 5:011, Section 8, which specifies the contents of any published notice, addresses only *utility proposed charges*. The District further noted that the required notice refers to an interested party’s right to intervene in a Commission initiated proceeding on the *proposed rates* and the possibility of *final action* being taken on the *proposed rates*. Since the Commission had already reviewed the District’s cost to perform meter taps and, on its own motion, revised the District’s meter tap charges, any notice using the Section 8 language would only mislead and confuse the public. The proceeding to review the charges had already been conducted and the Commission had already taken final action.

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At no time during the conference did the District's representatives request a deviation from 807 KAR 5:011 or suggest such a deviation was necessary. No deviation was necessary as the regulation does not require public notice of Commission approved rates.

The District noted the discrepancy in the Commission's treatment of the revised meter tap fees from other District charges that the Commission ordered on its own motion to be increased. The Order did not require public notice of those other increased charges. The District also noted that the Commission did not require public notice in other proceedings in which the Commission took similar action.¹ Commission Staff offered no explanation for the disparate treatment.

Recognizing that the Commission may have reasons other than 807 KAR 5:011 for requiring publication of notice, the District requested that, if the Commission determined that published notice of the Commission-approved meter tap fees was necessary in the public interest, the Commission provide the contents of that notice in its order addressing the District's application for rehearing.

Regarding the Commission's failure to address the merits of the proposed Water Loss Detection and Repair Notice Surcharge, the District stated that failure to address the proposed surcharge rate on its merits within the ten-month period specified by KRS 278.190(3) results in the surcharge becoming effective by operation of law. The District further stated that it sought to avoid that uncertainty and likely litigation from such event by requesting rehearing for the Commission to consider the merits of the proposed surcharge.

The District addressed whether the proposed surcharge was properly before the Commission in Case No. 2025-00060. In its presentation, the District asserted that it had provided notice of the proposed surcharge in accordance with Commission regulations and KRS 278.180. The District's schedule of current and proposed rates (ARF Form 1, Attachment CPR) listed the proposed Water Loss Detection and Repair Notice Surcharge being charged for a period of five years. The District's initial and corrected published notice of the filing of the District's rate

¹ See, e.g., *Electronic Application of Hyden-Leslie County Water District for An Alternative Rate Adjustment*, Case No. 2020-00141 (Ky. PSC Nov. 6, 2020) (water loss control surcharge); *Electronic Application of Dexter-Almo Heights Water District for A Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2024-00273 (Ky. PSC Oct. 20, 2025) (tap-on fees); *Electronic Application of Western Fleming County Water Association for A Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2024-00275 (Ky. PSC Mar. 28, 2025) (tap-on fees and non-recurring charges); *Electronic Application of Crittenden-Livingston Water District for An Alternative Rate Filing Pursuant to 807 KAR 5:076*, Case No. 2024-00278 (Ky. PSC Nov. 4, 2025) (tap-on fee and non-recurring charge); *Electronic Application of Western Rockcastle County Water Association, Inc. for A Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2025-00001 (Ky. PSC Aug. 12, 2025) (tap fees); *Electronic Application of Allen County Water District for A Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2025-00014 (Ky. PSC July 18, 2025) (tap-on fees and non-recurring charges); *Electronic Application of Bath County Water District for A Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2025-00132 (Ky. PSC Nov. 3, 2025) (non-recurring charges); *Electronic Application of McKinney Water District for A Rate Adjustment Pursuant to 807 KAR 5:076*, Case No. 2025-00014 (Ky. PSC Dec. 4, 2025) (tap-on fees and non-recurring charges).

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application also listed proposed Water Loss Detection and Repair Notice Surcharge being charged for five years. No member of Commission Staff challenged these assertions or suggested that the notice was inadequate or incomplete. No member of Commission Staff stated that the application was deficient or failed to comply with Commission regulations.²

Mr. Wuetcher questioned why, in light of the District's response to the Commission Staff Report, the reasonableness of the proposed surcharge was not addressed in the Order. After considerable silence, one Staff member stated that it was felt that the surcharge issue was better addressed in Case No. 2019-00347, which the Commission had established to monitor the assessment and collection of the surcharge ordered in Case No. 2018-00429. Commission Staff provided no further response to the question. No Commission Staff member suggested that the proposed surcharge was denied because it was not properly proposed as a new rate schedule in Case No. 2025-00060 or otherwise not properly before the Commission.

The District also questioned whether the Order's suggestion that the District file a motion in Case No. 2019-00347 to extend the existing surcharge or assess a new surcharge was consistent with Commission precedent. It noted that the Commission had previously found that the assessment of a surcharge to every customer constituted a general rate adjustment and an application to assess such surcharge must meet the requirements for a general rate adjustment.³ The District contended that filing a motion in Case No. 2019-00347 would not be consistent with that precedent and any surcharge resulting from such motion would be on questionable legal grounds and subject to attack. From the District's perspective, if the application for rehearing was not granted, the only available option to the District was to file an application for general rate adjustment with the only requested relief being authority to assess the proposed Water Loss Detection and Repair Notice Surcharge. Commission Staff offered no response to the District's

² Commission Staff found the District's initial filing deficient as to the public notice and ARF Form 1, Attachment CPR. See letter from Linda C. Bridwell, Executive Director, Kentucky Public Service Commission, to R. Brent Shultz, Graves County Water District, re: Case No. 2025-00060 – Filing Deficiencies (Mar. 11, 2025). Neither document had contained a comparison of the current rates with the final proposed rates. When the District subsequently submitted revised documents that addressed these deficiencies, the Commission accepted the District's application for filing. See Order of Mar. 19, 2025 (finding the filing deficiencies corrected, accepting the corrected application for filing, and authorizing a deviation from the publication of notice requirements).

³ See, e.g., *Electronic Application of Kentucky-American Water Company for a Qualified Infrastructure Program Rider*, Case No. 2017-00313 (Ky. PSC Aug. 23, 2017), Order at 3 (“[A] request for a rate surcharge is a request for a general adjustment of existing rates and must conform to the filing requirements set forth in 807 KAR 5:001, Section 16.”); *Application of Bullitt Utilities, Inc. for a Certificate of Convenience and Necessity and Surcharge for Same*, Case No. 2014-00255 (Ky. PSC Dec. 23, 2014); *Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of Purchased Power Agreements and Recovery of Associated Costs*, Case No. 2009-00353 (Ky. PSC Oct. 21, 2009); *The Application of Louisville Gas and Electric Company for Approval of New Rate Tariffs Containing a Mechanism for the Pass-Through of MISO-Related Revenues and Costs Not Already Included in Existing Base Rates*, Case No. 2004-00459, (Ky. PSC Apr. 15, 2005); *The Application of Kentucky Utilities Company for Approval of New Rate Tariffs Containing a Mechanism for the Pass-Through of MISO-Related Revenues and Costs Not Already Included in Existing Base Rates*, Case No. 2004-00460 (Ky. PSC Apr. 15, 2005).

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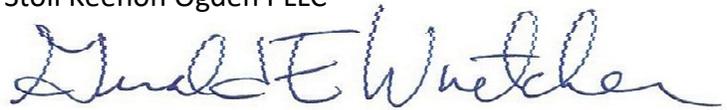
interpretation of the Commission precedent or disputed the District's contention that a general rate proceeding was necessary to obtain authorization for the proposed surcharge.

The video conference lasted approximately twenty-five minutes.

Thank you for the opportunity to supplement the memorandum summarizing the discussion that took place during the videoconference of January 23, 2026.

Sincerely,

Stoll Keenon Ogden PLLC

A handwritten signature in blue ink that reads "Gerald E. Wuetcher". The signature is written in a cursive style with a large, stylized initial "G".

Gerald E. Wuetcher