

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)	

ORDER

By Order issued April 2, 2026, Bluegrass Water Utility Operating Company, LLC’s (Bluegrass Water) motion to amend¹ its application by May 8, 2026, was granted in part.² In its Motion, Bluegrass Water stipulated that the corrections to the “[a]pplication will result in a restart of the time period in which the Commission must issue a decision pursuant to KRS 278.190(3) and the date on which Bluegrass Water may implement rates subject to refund pursuant to KRS 278.190(2).”³ On May 8, 2026, Bluegrass Water filed supplemental responses to prior responses to requests for information, which included amended exhibits to the application.⁴

¹ Bluegrass Water’s Motion to Amend its Application (Motion) (filed Mar. 20, 2026).

² Order (Ky. PSC Apr. 2, 2026) at 5, ordering paragraph 5.

³ Motion at 2.

⁴ Bluegrass Water’s Supplemental Responses to Commission Staff’s First Request for Information (filed May 8, 2026); Bluegrass Waters Supplemental Request to Commission Staff’s Second Request for Information (filed May 8, 2026); Bluegrass Water’s Supplemental Request to the Attorney General’s First Request for Information (filed May 8, 2026); and Bluegrass Water’s Supplemental Response to Scott County’s First Request for Information (filed May 8, 2026).

BACKGROUND

On December 11, 2025, Bluegrass Water tendered an application pursuant to 807 KAR 5:001, Section 16, and sought to increase rates for its drinking water and wastewater treatment service. On January 5, 2026, the Commission issued an Order granting several requests for deviation; however, the application was deemed deficient for a failure to comply with 807 KAR 5:001 Section 17(4), and 807 KAR 5:011 Section 8.⁵ Bluegrass Water resolved the deficiencies, and the application was deemed filed on January 9, 2026. The Attorney General, by and through the Office of Rate Intervention, (Attorney General) was granted intervention by Order dated October 30, 2025.⁶ By Order dated January 27, 2026, Scott County, Kentucky, through its County Judge Executive and Fiscal Court (Scott County), was granted intervention.⁷

The Commission issued an Order suspending the proposed rates and setting a procedural schedule on January 28, 2026.⁸ That schedule was amended on March 5, 2026⁹ as the result of Bluegrass Water's request for an extension of time to respond to certain requests for information.¹⁰ Prior to the response date set forth in the schedule for supplemental requests for information, Bluegrass Water filed a motion for an informal conference.¹¹ During the informal conference, Bluegrass Water explained that, while

⁵ Order (Ky. PSC Jan. 5, 2026) at 5.

⁶ Order (Ky. PSC Oct. 30, 2025).

⁷ Order (Ky. PSC Jan. 27, 2026).

⁸ Order (Ky. PSC Jan. 28, 2026), as amended by *nunc* (Ky. PSC Feb. 5, 2026).

⁹ Order (Ky. PSC Mar. 5, 2026).

¹⁰ Bluegrass Water's Motion for Confidential Treatment and Extension of Time (filed Mar. 2, 2026).

¹¹ Bluegrass Water's Motion for an Informal Conference (filed Mar. 16, 2026).

preparing its responses, it became aware that information provided in the record may have been inaccurate and the utility would need time to investigate the issue to determine the impact to the requested base rate increase.¹² Bluegrass Water filed a motion to amend the procedural schedule on March 20, 2026.¹³ The Commission issued an Order allowing Bluegrass Water until May 8, 2026, to amend its application, but instead of implementing a new procedural schedule proposed by Bluegrass Water, the Commission indicated that a new procedural schedule would be established once the amended application is deemed filed.¹⁴ On May 8, 2026, Bluegrass Water filed updated responses to requests for information and updated exhibits to its Application.¹⁵

LEGAL STANDARD

KRS 278.190(2) states that “[p]ending the hearing and the decision thereon, and after notice to the utility, the commission may, at any time before the schedule becomes effective, suspend the operation of the schedule and defer the use of the rate, charge, classification, or service, but not for a longer period than five (5) months beyond the time when it would otherwise go into effect if an historical test period is used, or longer than six (6) months if a forward-looking test period is used, pursuant to KRS 278.192.” Additionally, pursuant to KRS 278.192(2)(a), “[a]ny application utilizing a forward-looking test period shall include a base period to be filed with the application, which belongs not

¹² Notice of Filing of Informal Conference Memorandum and Attendance List (filed Mar. 24, 2026).

¹³ Bluegrass Water’s Motion to Amend the Procedural Schedule (filed Mar. 20, 2026).

¹⁴ Order (Ky. PSC Apr. 2, 2026).

¹⁵ See Bluegrass Water’s Supplemental Responses to Commission Staff’s First Request for Information; Bluegrass Water’s Supplemental Request to Commission Staff’s Second Request for Information; Bluegrass Water’s Supplemental Request to the Attorney General’s First Request for Information; and Bluegrass Water’s Supplemental Response to Scott County’s First Request for Information.

more than nine (9) months prior to the date of filing, consisting of not less than six (6) months of estimated data at the time of filing.”

Absent a waiver or grant of a deviation from the filing requirements, an application shall not be deemed filed with the Commission unless it meets all applicable requirements of KRS Chapter 278 and 807 KAR Chapter 5.¹⁶ Pursuant to 807 KAR 5:001, Section 4(5), “the commission shall allow a complaint, application, answer, or other paper to be amended or corrected or an omission supplied” “ [u]pon motion of a party and for good cause shown.” However, “[u]nless the commission orders otherwise, the amendment shall not relate back to the date of the original paper.”¹⁷

Commission regulation 807 KAR 5:001, Sections 17(2) Customer Notice requires:

(b) if a utility has more than twenty (20) customers, it shall provide notice by:

1. Including notice with customer bills mailed no later than the date the application is submitted to the commission;
2. Mailing a written notice to each customer no later than the date the application is submitted to the commission;
3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility’s service area, the first publication to be made no later than the date the application is submitted to the commission or;
4. Publishing notice in a trade publication or newsletter delivered to call customers no later than the date the application is submitted to the commission.

¹⁶ 807 KAR 5:001, Section 4(9); see also 807 KAR 5:001, Section 8(3); *Bullitt Utilities, Inc. v. Kentucky Public Service Commission*, 2018-CA-000559-MR, 2019 WL 2157926 (Ky. App. May 17, 2019) (unpublished) (noting that KRS 278.160 gives the Commission the authority to establish the manner in which a schedule, i.e. a tariff, containing rates should be filed and indicating that the Commission acted within its authority in determining that an application for a surcharge should not be deemed filed until the application complied with Commission regulations).

¹⁷ 807 KAR 5:001, Section 4(5)

While Section 17(4) Content requires:

(a) the proposed effective date and the date the proposed rates are expected to be filed with the commission.

(b) the present rates and proposed rates for each customer classification to which the proposed rates will apply.

(c) the amount of change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply.

(d) the amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rate will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service.

The Commission may for good cause deviate from the regulations set forth in 807 KAR 5:001 pursuant to 807 KAR 5:001, Section 22.

DISCUSSION AND FINDINGS

For the reasons outlined below, the Commission finds that the updated responses constitute an amendment to the application pursuant to 807 KAR 5:001 Section 4(5) and deems the amended application filed as of May 8, 2026. While the Commission is accepting the multiple corrected filings as an amendment to the application, the Commission finds it is necessary to highlight some concerns. The amended application has the same base period as the original application.¹⁸ The Order approving Bluegrass Water's request for additional time to amend its application stated, "[t]he Commission notes that the filing should comply with all relevant filing requirements, including updated data for the base period pursuant to KRS 278.192(2)."¹⁹ Although the base period was not updated, Bluegrass Water provided updated data for the months

¹⁸ Bluegrass Water's Amended Exhibit 9 (Financial Workbook), Revenue Requirement Tab, Column H.

¹⁹ Order (Ky. PSC Apr. 2, 2026) at 4.

directly proceeding the base period through the forecasted period, and it may be viewed as complying with KRS 278.192(2)(a). However, to ensure that the Commission has accurate and updated information throughout the case, the Commission finds that Bluegrass Water should be required to update financial information in projected months with actuals as the information becomes available consistent with a base period update, notwithstanding the fact that the projected months are not in the period Bluegrass Water identified as its base period.

The Commission also notes the spreadsheets filed as part of this update generally contain plugged numbers as opposed to the original formulas and references that facilitate their review. To that end, within 14 days of service of this Order, Bluegrass Water shall file an updated Amended Financial Workbook with in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

The Commission further notes that no additional or updated written testimony was provided in support of the filings. To facilitate the review of the amendment, the Commission finds that Bluegrass Water shall review its filed testimony and file updated, redlined testimony to resolve any discrepancies between the testimony as originally filed and any updated information provided in the amended application within 14 days of the service date of this Order.

Similarly, the updated tariffs do not have an effective date.²⁰ However, based on the acceptance of the amended application, pursuant to KRS 278.180(1), the earliest rates may be placed into effect would be June 7, 2026.

²⁰ Bluegrass Water's Supplemental Responses to the Attorney General's First Request for Information, Items 35 and 38.

Finally, an updated notice was not provided with the filings. The Order approving Bluegrass Water's request for additional time to amend its application stated, "[i]f the amended application filed by Bluegrass Water results in an increase of the proposed rates, Bluegrass Water shall serve an updated customer notice in compliance with 807 KAR 5:001, Section 17(2)."²¹ The filings reflect that the corrections resulted in an overall decrease in the requested revenue requirement.²² Because the Order specified an updated notice would be required if the rates increased, the Commission, on its own motion, finds that granting a deviation for the notice required pursuant to 807 KAR 5:001 Section 22 is appropriate. The Commission also believes that, at this point, a third notice would increase customer confusion and with the lower requested revenue requirement and the cost of the notice, the benefit does not outweigh the costs.

Having reviewed Bluegrass Water's amended application, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed rates, and that an investigation cannot be completed by June 7, 2026. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for six months, up to and including December 7, 2026.

The Commission further finds that a new procedural schedule is necessary to review the reasonableness of the proposed rates. Therefore, the Commission establishes the procedural schedule attached as an Appendix to this Order.

The Commission finds that a hearing in this matter shall be held on September 21, 2026, at 9 a.m. Eastern Daylight Time and shall continue until called from the bench by

²¹ Order (Ky. PSC Apr. 2, 2026) at 5, paragraph 6.

²² Bluegrass Water's Amended Exhibit 9 (Financial Workbook), Revenue Requirement Tab, Cell I32.

the presiding officer, at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky.

Additionally, any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

IT IS THEREFORE ORDERED that:

1. Bluegrass Water's updated May 8, 2026 filings constitute an amendment to its application.
2. Bluegrass Water's amended application is deemed filed as of May 8, 2026.
3. Within 14 days of service of this Order, Bluegrass Water shall file an updated Amended Financial Workbook in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible as well as redline versions of written testimony as described in this Order.
4. Bluegrass Water shall continue to update financial information in projected months with actuals as the information becomes available consistent with a base period update notwithstanding the fact that the projected months are not in the period Bluegrass Water identified as its base period.

5. Bluegrass Water shall review its filed testimony and file updated, redlined testimony to resolve any discrepancies between the testimony as originally filed and any updated information provided in the amended application within 14 days of the service date of this Order.

6. The new procedural schedule set forth in the Appendix to this Order shall be followed.

7. Bluegrass Water's proposed rates are suspended up to and including December 7, 2026.

8. The Commission grants a deviation for the notice requirement set forth in 807 KAR 5:001, Section 22.

9. Bluegrass Water shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

10. A hearing in this matter shall be held on September 21, 2026, at 9 a.m. Eastern Daylight Time and continuing until called from the bench by the presiding officer, in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky.

11. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the

Commission's July 22, 2021 Order in Case No. 2020-00085²³ regarding filings with the Commission.

12. Bluegrass Water shall give notice of the hearing in compliance with 807 KAR 5:001, Section 9(2)(b). In addition, the notice of hearing shall include the following statements: "This hearing will be streamed live and may be viewed by connecting to the YouTube link posted on the PSC website, psc.ky.gov, on the day of the hearing" and "Public comments may be made at the beginning of the hearing. Those wishing to provide public comments may do so by arriving at 211 Sower Boulevard, Frankfort, Kentucky, before the start of the hearing." At the time the notice is mailed or publication is requested, Bluegrass Water shall forward a duplicate of the notice and request to the Commission.

13. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

14. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

15. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

²³ 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).

16. All parties shall file a witness list at least seven days prior to the hearing date.

17. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

18. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

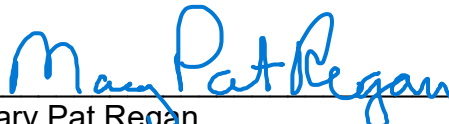
19. The Commission does not look favorably upon motions to substitute witnesses or excuse witnesses from testifying at Commission hearings. Accordingly, motions to substitute witnesses or excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing at least 14 days prior to the hearing and will be granted only upon a showing of good cause.

Entered on this 26th day of May, 2026.

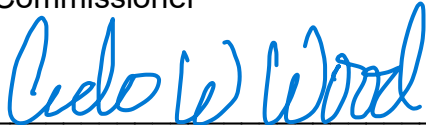
PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Commissioner



Andrew W. Wood
Commissioner



Barry L. Mayfield
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2025-00354 DATED MAY 26 2026

- All initial requests for information to Bluegrass Water shall be filed no later than 06/18/2026
- Bluegrass Water shall file responses to initial requests for information no later than..... 07/02/2026
- All supplemental requests for information to Bluegrass Water shall be filed no later than 07/16/2026
- Bluegrass Water shall file responses to supplemental requests for information no later than 07/30/2026
- Intervenor testimony, if any, in verified prepared form shall be filed no later than 08/13/2026
- All requests for information to intervenors shall be filed no later than 08/27/2026
- Intervenors shall file responses to requests for information no later than..... 09/03/2026
- Bluegrass Water shall file, in verified form, its rebuttal testimony no later than 09/10/2026
- Public hearing to be held at 9 a.m. Eastern Daylight Time in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of cross-examination of witnesses of Bluegrass Water and intervenors 09/21/2026
- Post-hearing briefs, if any..... To be scheduled

Service List for 2025-00354

* Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

* Aaron Silas
Central States Water Resources
1650 Des Peres Road
Suite 303
St. Louis, MO 63131

* R. Brooks Herrick
Dinsmore & Shohl, LLP
101 South Fifth Street
Suite 2500
Louisville, KY 40202

* Cameron R Culbertson
Scott County Attorney
198 E. Washington St.
Georgetown, KY 40324

* Honorable David Edward Spenard
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202

* Hannah Thompson
Dinsmore & Shohl, LLP
101 South Fifth Street
Suite 2500
Louisville, KY 40202

* Joe Pat Covington
Judge/Executive
101 East Main Street
Suite 210
Georgetown, KY 40324

* John Horne
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

* Denotes served by Email

* Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

* J. Michael West
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

* Bluegrass Water Utility Operating Company, LLC
1630 Des Peres Road, Suite 140
St. Louis, MO 63131

* Bluegrass Water Utility Operating Company, LLC
1630 Des Peres Road, Suite 140
St. Louis, MO 63131

* Russ Mitten
Bluegrass Water Utility Operating Company, LLC
1630 Des Peres Road, Suite 140
St. Louis, MO 63131

* Randal A. Strobo
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202

* Sreenu Dandamudi
Central States Water Resources
1650 Des Peres Road
Suite 303
St. Louis, MO 63131

* Toland Lacy
Office of the Attorney General
700 Capital Avenue
Frankfort, KY 40601

* Edward T Depp
Dinsmore & Shohl, LLP
101 South Fifth Street
Suite 2500
Louisville, KY 40202

* Timothy Mayer
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202