

March 22, 2026

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COMMISSION

Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Bluegrass Water Utility Operating Company Case # 2025-00354

Attn: Linda Bridwell, Executive Director
Chair Angie C. Hatton
Commissioner Mary Pat Regan
Commissioner Andrew W. Wood

I am writing out of concern for Bluegrass Water LLC's (Bluegrass Water) responses to the Commission and the Attorney General's requests for information in the above referenced utility rate case. Since the very founding of their Kentucky subsidiary, CSWR, LLC and Bluegrass Water's submissions have been-- and continue to be-- inappropriate, uncooperative, and non-compliant with multiple state regulations governing utility cases.

For example, on April 16, 2019, in system acquisition Case No. 2019-00104, the Commission issued specific instructions regarding such information, and declared it's approval to be contingent upon Bluegrass Water's compliance with those instructions. In said case, the Commission stated:

"Bluegrass Water shall maintain its records in such a way to be able to readily distinguish between violations, repairs, investments, etc. for each system."

However, Bluegrass Water has thus far simply objected to such requests as overly "broad and unduly burdensome," and on many occasions failed to provide the requested information.

Additionally, Bluegrass Water's response to DR 2-33 in Commission staff's second request for information was wholly illogical and inadequate to explain the degree of variance in reported customer connections for calendar years 2023 - 2025.

Furthermore, in the Commission's Final Order, Case No. 2020-00290 pp. 86, 87, dated August 2, 2021, when discussing employee salary increases, the Commission mandated that CSWR, LLC salaries remain in line with the Bureau of Labor Statistics

average of a 3% yearly increase. On that date, CSWR President Josiah Cox's salary was quoted at \$350,228.00.

However, in the current Rate Case No. 2025-00354, Exhibit 16 revealed that President Cox's annual salary was since increased to \$792,000.00, that multiple company executive salaries exceed \$400,000.00 annually, and the total CSWR, LLC Admin & Human Resources budget had swelled to an outrageous \$14,684,957.68.

Furthermore, in Exhibit AG 1-24(a), we find that CSWR President, Josiah Cox's annual salary for 2026 has again been increased to the extraordinary amount of \$1,100,000.00, and that many other executive salaries were granted similar dramatic increases.

This, while continuously imposing further outrageous rate increases on Bluegrass Water customers. These actions by CSWR, LLC / Bluegrass Water, clearly demonstrate a complete disregard for the authority of this Commission, and the undue financial burden imposed on their customers.

The Kentucky Public Service Commission specifically has the responsibility, and the legal authority, pursuant to KAR 807.005:001(9)(3) and KRS 278.990 to deal with any such violations by a utility under its jurisdiction:

KAR 807.005:001(9)

(3) Investigation on commission's own motion.

(a) The commission may, on its own motion, conduct investigations and order hearings into any act or thing done or omitted to be done by a utility, which the commission believes is in violation of an order of the commission or KRS Chapters 74 or 278 or 807 KAR Chapter 5.

(b) The commission may, through its own experts, employees, or otherwise, obtain evidence the commission finds necessary or desirable in a formal proceeding in addition to the evidence presented by the parties.

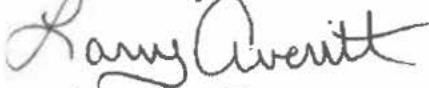
KRS 278.990 Penalties.

(1) Any officer, agent, or employee of a utility. . . who willfully violates any of the provisions of this chapter. . . or fails to obey any order of the commission. . . shall be subject to either a civil penalty to be assessed by the commission not to exceed two thousand five hundred dollars (\$2,500) for each offense or a criminal penalty of imprisonment for not more than six (6) months, or both.

It is just this kind of non-compliance that led the South Carolina Public Service Commission to deny CSWR-SC the acquisition of four systems in Columbia, South Carolina on October 18, 2024, contending that "CSWR-SC lacks the qualifications to own and operate water and sewer systems in South Carolina."

I therefore request that this Commission act accordingly and deny Bluegrass Water's application for a general rate increase in Case No. 2025-00354, and further, consider whether CSWR, LLC / Bluegrass Water lacks the qualifications to own and operate water and sewer systems in Kentucky.

Sincerely,



Larry Averitt
5900 Greenvale Ln.
Paducah, KY 42003

cc: John Horne, Executive Director
Office of Rate Intervention
Michael West, Deputy Director
T. Toland Lacy, Second Chair Attorney