

Public Comments Received for Case Number: 2025-00354
Response Tuesday, September 15, 2026

Your comments in the above referenced matter have been received and will be placed into the case file for the Commission's consideration. Please cite the case number in this matter, 2025-00354 in any further correspondence.

The documents in this case are available at: [View Case Filings for: 2025-00354 \(ky.gov\)](#).

Received through Public Comments

Monday, September 14, 2026

From: William Bell
City: Wingo
State: KY
Zip: 42088

Comments:

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY,
LLC FOR AN ADJUSTMENT OF WATER AND SEWAGE RATES

Case No. 2025-00354

PUBLIC COMMENT OF THE KENIANA HOMEOWNERS' ASSOCIATION
OPPOSING THE PROPOSED WATER RATE INCREASE

To the Kentucky Public Service Commission:

The Keniana Homeowners' Association ("Association") respectfully submits this public comment in opposition to the proposed rate increase requested by Bluegrass Water Utility Operating Company, LLC ("Bluegrass Water"). The Association represents homeowners who are directly affected by the rates charged for water service to the Keniana community. The Association respectfully asks the Kentucky Public Service Commission ("Commission") to consider not only the financial information presented by Bluegrass Water in this rate proceeding, but also important historical facts concerning the ownership, control, operation, and disposition of the water system serving Keniana. These facts are particularly important because they may affect the Commission's understanding of the assets being operated by Bluegrass Water and the circumstances under which those assets came into the utility's possession.

I. THE CURRENT RATE IS ALREADY CREATING A SERIOUS AFFORDABILITY PROBLEM

Keniana residents have experienced dramatic increases in their monthly water charges.

Members of the Association are currently paying approximately \$156.00 per month for water service.

For many homeowners, this is not simply an inconvenience. It is an affordability crisis.

Several Association members have advised the Association that they are considering selling their homes or installing private wells rather than continuing to bear the cost of water service at the current rate. Those responses demonstrate the real-world consequences of continued rate increases.

A water utility provides an essential public service. The Commission therefore should carefully evaluate whether additional increases are reasonable, necessary, and supported by the utility's actual cost of providing service to this particular community.

The Association respectfully requests that the Commission give substantial consideration to the economic impact of the proposed increase on Keniana customers, particularly where those customers have already experienced substantial increases in their monthly bills.

II. IMPORTANT HISTORICAL FACTS CONCERNING THE KENIANA WATER SYSTEM SHOULD BE CONSIDERED

The Association also wishes to bring information to the Commissions attention that, to the Associations knowledge, has not been adequately addressed in the present rate proceeding. The Associations records indicate that Lake Shore Waterworks, Inc. was dissolved in 1996. Following that dissolution, the Association retained and administered the water-system assets in the nature of a receiver. The Association did so in order to continue operation of the water system and preserve the systems assets for the benefit of the customers who depended upon the service.

The Associations records further document Board discussions in approximately 2003 concerning the transition of day-to-day operation of the system to Mr. Bill Duncan.

These historical circumstances are significant because the Commission should have a complete understanding of the chain of ownership, possession, operation, and transfer of the water-system assets before determining whether the costs and assets being relied upon by Bluegrass Water should be included in the rate base or otherwise considered in establishing customer rates.

III. THE TITLE AND ASSET HISTORY SHOULD BE RESOLVED BEFORE CUSTOMERS ARE REQUIRED TO PAY ADDITIONAL RATES

The Association understands that Bluegrass Water is presently attempting to establish clear title to Lot 18 and to resolve the historical receivership involving the assets of Lake Shore Waterworks, Inc.

The Association has retained counsel regarding these matters.

A letter concerning this issue confirms that the Associations records reflect the dissolution of Lake Shore Waterworks, Inc. in 1996 and the Associations subsequent role in holding and preserving the systems assets for the benefit of customers.

The Association respectfully submits that these issues should not be treated as merely private disputes unrelated to the rate proceeding.

They potentially bear directly upon fundamental questions relevant to ratemaking, including:

- Who owned the water-system assets during the period following the dissolution of Lake Shore Waterworks, Inc.?
- In what capacity did the Association possess, operate, maintain, or preserve those assets?
- What assets were subsequently transferred or otherwise made available to the entity now operating the system?
- What consideration, if any, was paid for those assets?
- What is the documented chain of title for the property and infrastructure being relied upon by Bluegrass Water?
- Are all assets included in Bluegrass Waters rate base properly owned by, or legally available to, Bluegrass Water?
- What portion of the utilitys claimed investment represents assets actually acquired from prior owners or operators?
- Have customers already paid for any of these assets through historical rates, assessments, contributions, or other mechanisms?
- Are customers being asked to pay again, through current or proposed rates, for assets that were historically held for their benefit?

These questions deserve careful examination before the Commission authorizes additional charges to the very customers who have historically depended upon the system.

IV. THE ASSOCIATIONS ROLE AS CUSTODIAN OF THE SYSTEMS ASSETS IS

RELEVANT TO THE PUBLIC INTEREST

The Associations historical role should also be viewed in the context in which it occurred. After Lake Shore Waterworks, Inc. was dissolved, the water system could not simply cease functioning. Residents still required potable water service. The Association therefore acted to preserve and maintain the system and protect the interests of the customers dependent upon it.

The Associations actions were undertaken to preserve the system rather than to create a private financial benefit for Association members.

Consequently, the Commission should carefully examine the historical record before accepting any characterization of the systems assets that does not account for the Associations involvement.

The Association respectfully requests that Bluegrass Water be required to provide complete documentation establishing its claimed ownership or legal right to use each material asset upon which it seeks to establish a rate base, particularly where the historical chain of title is disputed, incomplete, or dependent upon transactions involving the dissolved Lake Shore Waterworks, Inc.

V. THE COMMISSION SHOULD NOT APPROVE A RATE INCREASE WITHOUT A COMPLETE RECORD

The Commissions responsibility is to establish rates that are fair, just, and reasonable.

That responsibility requires more than determining whether a utility has incurred expenses. It requires the Commission to determine whether the expenses, investments, assets, and costs presented by the utility are properly attributable to the regulated service and should appropriately be recovered from customers.

The Association therefore respectfully requests that the Commission examine the historical ownership and disposition of the Keniana water-system assets before permitting customers to bear additional costs associated with those assets.

The Association further requests that the Commission consider whether the current and proposed rates are reasonably related to the actual cost of providing service to Keniana customers and whether the resulting rates are affordable for the households that must pay them.

VI. REQUEST FOR RELIEF

For the foregoing reasons, the Keniana Homeowners Association respectfully requests that the Kentucky Public Service Commission:

1. Reject or substantially reduce the proposed rate increase affecting Keniana customers unless Bluegrass Water establishes that the requested increase is fully supported by competent evidence and is just and reasonable.
2. Require a complete accounting and documentation of the ownership and chain of title of the water-system assets serving the Keniana community.
3. Investigate the historical ownership and control of the assets formerly associated with Lake Shore Waterworks, Inc., including the significance of its dissolution in 1996 and the subsequent possession and preservation of the systems assets by the Keniana Homeowners Association.
4. Examine the Associations historical role as custodian or receiver of the systems assets and the subsequent transition of day-to-day operations, including the Associations documented 2003 Board discussions concerning the transition of operations to Mr. Bill Duncan.
5. Require Bluegrass Water to establish its legal ownership or other legally sufficient right to use the assets for which it seeks recovery from customers through rates, including the circumstances surrounding its efforts to establish clear title to Lot 18.
6. Determine whether any assets included in Bluegrass Waters rate base were previously acquired, maintained, preserved, or paid for the benefit of customers and ensure that

customers are not required to provide duplicative recovery for those assets.

7. Consider the severe affordability impact of the current approximately \$156 monthly water charge on Keniana households and the evidence that some customers are contemplating selling their homes or installing private wells because of the cost.

8. Require Bluegrass Water to provide complete and transparent documentation sufficient for the Commission and affected customers to understand the basis for the proposed increase.

9. Defer consideration of any rate recovery dependent upon unresolved ownership or title questions until those questions have been adequately documented and resolved.

10. Grant the Association such other relief as the Commission determines to be fair, just, reasonable, and in the public interest.

CONCLUSION

The Keniana Homeowners Association recognizes the importance of maintaining a safe and reliable water system. The Association is not asking the Commission to compromise the quality or reliability of water service.

Rather, the Association is asking the Commission to ensure that Keniana homeowners are not required to pay an additional and potentially unaffordable price without first establishing exactly what assets Bluegrass Water owns or has the legal right to operate, how those assets were acquired, what customers have historically paid to preserve them, and whether the requested rates are actually justified.

The historical record concerning Lake Shore Waterworks, Inc., the Associations subsequent custodial role, the transition of system operations, and the unresolved title issues concerning Lot 18 are material facts that deserve the Commissions consideration.

At approximately \$156 per month, Keniana homeowners are already paying a substantial amount for an essential utility service. Further increasing that burden without resolving the underlying historical and ownership questions would impose an additional hardship on customers who have already demonstrated that the current cost is becoming unsustainable.

The Association therefore respectfully urges the Kentucky Public Service Commission to deny, reduce, or otherwise carefully scrutinize the proposed rate increase affecting Keniana customers and require a full examination of the historical ownership and disposition of the systems assets before allowing additional costs to be recovered from these homeowners.

Respectfully submitted,

William Bell

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