From: PSC Public Comment
To: Gingy Grider
Subject: RE: Case #2025-00354
Date: Wednesday, September 16, 2026 8:27:00 AM

Case No. 2025-00354

Thank you for your comments on the application of Bluegrass Water Utility Operating Company, LLC. 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).

Thank you for your interest in this matter.

From: Gingy Grider [redacted]
Sent: Saturday, September 12, 2026 3:42 PM
To: PSC Public Comment <PSC.Comment@ky.gov>
Cc: [redacted]
Subject: Case #2025-00354

Kentucky Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Rate increase opposition Case #2025-00354
Date: 9/15/26

Commission Members:

We have lived in Center Ridge Water District Water District in Calloway County for over 40 years.

Bluegrass purchased our water system in May 2020 for $120,000. It is the only water system they own in Kentucky, along with 22 sewage systems.

There are approximately 322 water customers currently on the Bluegrass system. Bluegrass collected over $120,000 the first 5 months of owning this system.

Since their 340% rate increase in 2020 ($22.79 per month to $77.63 per month), they have collected about 1.8 million dollars.

OUR WATER SYSTEM RATES SHOULD BE CALCULATED INDEPENDENTLY FROM THE SEWAGE SYSTEMS, AS THEY ARE NOT GERMANE.

Please do no allow Bluegrass to commingle their alleged expenses in order to try to confuse or mislead the commission.

Bluegrass should be ordered to provide a detailed list of all expenses for Center Ridge Water to justify their unfair, unjust and unreasonable request to raise our current rate from $77.63 to over $100 monthly.

Finally, I ask the commission to lower our water rate to $50.00 per month. That rate would provide income of approximately $193,200 annually from the 322 customers currently being serviced.

Thank you for your serious consideration concerning this matter.

Sincerely,

Phil Hazle
[redacted]
New Concord, KY 42076
[redacted]

CC: Kentucky Attorney General's Office of Rate Intervention
Kenny Imes, Calloway County Judge Executive

From: PSC Public Comment
To: [redacted]
Subject: RE: public comment submission for case number 2025-00354
Date: Wednesday, September 16, 2026 8:27:00 AM

Case No. 2025-00354

Thank you for your comments on the application of Bluegrass Water Utility Operating Company, LLC. 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).

Thank you for your interest in this matter.

From: [redacted]
Sent: Sunday, September 13, 2026 7:15 PM
To: PSC Public Comment <PSC.Comment@ky.gov>
Subject: public comment submission for case number 2025-00354

My wife and I bought a house in Marshall Ridge subdivision in West Paducah, KY about 5 months ago and were shocked to find that the monthly sewer charge was $77.77 per month. Of all of our monthly bills, this represents the second highest we pay, behind our electric bill. In comparison, at our previous 1,400 sq.ft. 2 person home in Hopkinsville, KY, our monthly sewer charge was always $24. In fact, our monthly water, sewer and trash pickup charge combined was less than $77.77. When I questioned a local friend who lives in the city of Paducah, he provided a recent water/sewer bill that showed a sewage charge of $21.72. So this begs the question…why does Bluegrass Water charge what equates to triple the normal sewage charge? And…how is it even possible that they're now wanting to increase that charge by 46.6% to $114 per month? It defies logic.

In creating my comments to the PSC regarding the rate increase request by Bluegrass Water, I discovered that Central States Water Resources (Bluegrass Water's parent company) has a history of purchasing distressed water/sewer systems, promising upgrades, and ultimately seeking substantial increases in rates. In many cases, the rate increases are not nominal increases, but tend to be huge increases of 50-100%. In light of the fact that the rate payers only have one choice for these services, CSWR proves why the KY Public Service Commission is so important in the protection of its residents from monopolistic, for-profit utility providers.

In conducting research regarding Central States Water Resources, the parent company of Bluegrass Water Utility Operating Company, there are a couple of things that became evident:

1. Executive pay at CSWR appears to be significantly higher than what is seen at other similar

sized (number of customer connections) utilities in the area surrounding Paducah, KY. Below are the current (or within past 2 years) salaries of CEOs at other similarly sized water systems in the area. It is worth noting that these positions are at major metropolitan municipal utilities in the region.
    a. Nashville Metro Water- $297,625 (2024)
    b. Louisville MSD- $330,000 (2024)
    c. MLGW (Memphis)- $320,000 (current)
2. However, according to recent documents submitted by CSWR to the KY PSC, the current salary for the CSWR CEO is $792,000, which is more than double the same or slightly larger water systems.
3. Taking a look at the top 5 highest paid positions at MLGW (Memphis Light, Gas & Water) reveals that the executives at CSWR are much more highly compensated (in many cases double) than their counterparts at MLGW. It's not hard to reason that the executives operate CSWR more for their own benefit than that of their rate payers.
    a. MLGW
        i. CEO- $320,000
        ii. COO- $234,770
        iii. CFO- $231,608
        iv. Lawyer- $214,989
        v. VP Safety- $232,523
        vi. Total- $1,233,890
    b. CSWR
        i. President- $792,000
        ii. CFO- $550,000
        iii. Sr. VP- $548,000
        iv. Controller- $450,000
        v. Lawyer- $412,462
        vi. Total- $2,752,462

It is also worth noting that the lagoon system in place at Marshal Ridge subdivision in West Paducah, KY appears to be relatively inexpensive to operate. I asked ChatGPT and Gemini Ai systems to create yearly operating budgets. ChatGPT provided one scenario and estimated the medium annual operating budget to be approximately $20,000 per year. This translates to a monthly charge to each of the approximately 60 homes in the subdivision to be $27.80 per month. Gemini produced two models with total yearly operating costs estimated to be between $10,200-$38,000, resulting in a monthly charge to each of the approximately 60 homes in the subdivision to between $14.17-$53 per month. Using the median numbers, it appears that Marshal Ridge residents could be paying much less than the current $77.77 per month that is being charged by CSWR and possibly rates more in line with sewer rates paid by area municipal customers.

I know I speak for other affected KY rate payers in thanking the PSC for rigorously reviewing and analyzing the financial and operational documentation supplied by CSWR and BW. It is quite evident from the two previous rate increase requests by BW that the PSC is truly advocating for KY residents. But even with the last rate decrease dictated to BW by the PSC at their last rate increase request, Kentucky BW customers are still paying double to triple the charges of their nearby municipal rate payers. This is why I entreat the PSC to deny the current BW rate increase and reexamine whether the current $77.77 monthly rate is justified. If CSWR and BW can't operate the KY water and sewer systems at rates comparable to area municipal utilities, perhaps those systems need to be divested to other companies that can run them more efficiently and more for the benefit of the customer vs. the company executives.

Thank you,

Robert & Nancy Kieffer
[redacted]
West Paducah, KY 42086
[redacted]

From: PSC Public Comment
To: [redacted]
Subject: RE: Kentucky PSC Case No. 2025-00354 - Bluegrass Water Utility Operating Company
Date: Wednesday, September 16, 2026 8:28:00 AM

Case No. 2025-00354

Thank you for your comments on the application of Bluegrass Water Utility Operating Company, LLC. 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).

Thank you for your interest in this matter.

From: [redacted]
Sent: Monday, September 14, 2026 11:21 AM
To: PSC Public Comment <PSC.Comment@ky.gov>
Subject: Kentucky PSC Case No. 2025-00354 - Bluegrass Water Utility Operating Company

This Message Originated from Outside the Organization

You have not previously corresponded with this sender.

Report Suspicious

September 14, 2026

Kentucky Public Service Commission
Attn: Chair Angie C. Hatton
Commissioner Mary Pat Regan
Commissioner Andrew W. Wood
211 Sower Blvd.
Frankfort, KY 40601-8294

Re: Kentucky PSC Case No. 2025-00354 - Bluegrass Water Utility Operating Company

Dear Chair Hatton and Commissioners Regan and Wood:

I am writing regarding Kentucky PSC Case No. 2025-00354 and Bluegrass Water Utility Operating Company's request for another substantial increase in wastewater rates.

I respectfully ask the Commission **not to approve Bluegrass Water's requested rate increase unless and until the company provides sufficient system-specific financial information to demonstrate that the proposed rates are fair, just, reasonable, and supported by the actual costs of providing service.**

My greatest concern is not simply the amount of the proposed rate increase. It is whether customers of Bluegrass Water's individual wastewater systems are being asked to pay costs that are actually attributable to serving their system—or whether a consolidated rate structure is causing customers of some systems to subsidize the acquisition, rehabilitation, capital investment, or unusually high operating costs of others.

T

he PSC anticipated this problem in 2019

When the Commission approved Bluegrass Water's acquisitions in 2019, it specifically required Bluegrass Water to maintain its records in a manner that would allow violations, repairs, investments, and other activities to be readily distinguished **for each individual system**.

The Commission explained that this requirement would allow it to review Bluegrass Water's practices and help determine the reasonableness of its expenses in future ratemaking proceedings.

We are now in that future rate proceeding.

Yet when the Attorney General's Office of Rate Intervention requested information concerning revenues, operating costs, capital costs, and customer counts by individual system, Bluegrass Water objected that the request was overly broad and unduly burdensome and did not provide the requested system-level information.

That raises a fundamental question:

If Bluegrass Water has been required since 2019 to maintain records that distinguish costs and investments by individual system, why should producing those records in a rate case now be considered unduly burdensome?

Without this information, how can the Commission determine:

- Which systems are actually responsible for Bluegrass Water's operating expenses and capital investment?
- Whether individual systems are financially sustainable at rates reflecting their own costs?
- Whether customers of one system are subsidizing costs associated with another?
- Whether the consolidated rate fairly reflects cost causation?
- Whether the economies of scale and efficiencies expected from consolidation have actually materialized?

Persimmon Ridge demonstrates why this matters

Persimmon Ridge provides a particularly clear example.

Prior to Bluegrass Water's acquisition, P.R. Wastewater Management had gone nearly 20 years without a rate increase. Its longstanding monthly rate of approximately $26.30 had only recently increased to $35.00.

In the prior Bluegrass Water rate proceeding, former P.R. Wastewater owner/operator Lawren Just told the Commission that the Persimmon Ridge system **"was in good shape when purchased."** She contrasted Persimmon Ridge with other acquired facilities requiring significant rehabilitation and specifically questioned the fairness of combining Persimmon Ridge with systems requiring extensive work.

She asked that Persimmon Ridge's rates reflect the work and costs associated with Persimmon Ridge rather than the costs of other facilities or projected future work elsewhere.

Six years later, that concern remains remarkably relevant.

Persimmon Ridge customers who once paid approximately $26 per month ultimately saw wastewater rates rise to approximately $94 before being reduced to approximately $77. Bluegrass Water is now proposing a rate of approximately **$114 per month**.

A change from approximately $26 to $114 represents an increase of more than **330%** and a monthly charge more than four times the historical rate.

Perhaps Bluegrass Water can demonstrate that the actual cost of operating, maintaining, and appropriately investing in Persimmon Ridge justifies that level of rate.

If so, show us the numbers.

Customers should not be required to simply assume that it does.

This is not only about Persimmon Ridge

Other Bluegrass Water communities may have very different histories, infrastructure conditions, capital requirements, and operating expenses.

That is precisely the point.

A wastewater system requiring substantial rehabilitation is fundamentally different from a well-maintained system requiring relatively modest investment. A system with a few dozen customers is different from a system with hundreds of customers over which fixed costs can be spread.

Those differences disappear when customers are presented only with consolidated financial information and a single rate.

Before approving a consolidated rate, I respectfully ask the Commission to require Bluegrass Water to provide, for **each individual wastewater system**, its revenues, direct operating and maintenance expenses, repair costs, capital expenditures and improvements, rate base, customer count, contract-operator expenses, affiliate charges, corporate and administrative allocations, and other material costs used to establish the revenue requirement.

Only then can the Commission meaningfully determine whether consolidation is producing fair results or inappropriate cross-subsidization among systems.

Corporate and affiliate expenses also deserve scrutiny

I am also concerned about Bluegrass Water's corporate and administrative cost structure.

Bluegrass Water itself has no employees. Many operating functions are performed through contractors, while management, administrative, and other expenses are allocated from the larger CSWR organization.

Before those expenses are recovered from captive Kentucky ratepayers, Bluegrass Water should be required to demonstrate that they are **reasonable, necessary, prudently incurred, appropriately allocated to Kentucky customers, and provide a demonstrable benefit to those customers.**

The Attorney General and Scott County's expert witness has already recommended adjustments to multiple expenses included in Bluegrass Water's requested revenue requirement.

This demonstrates why the Commission should not begin with the assumption that Bluegrass Water's claimed expenses automatically represent the amount customers should be required to fund.

Did consolidation deliver what customers were promised?

Bluegrass Water's acquisition and consolidation model was expected to create efficiencies and economies of scale.

After approximately seven years of operation, customers should be entitled to see measurable evidence of those benefits.

If consolidation is working, the financial records should demonstrate it.

If operating expenses, administrative expenses, affiliate allocations, and customer rates have instead increased substantially, the Commission should determine why.

Most importantly, **the burden should not be placed on customers to prove that Bluegrass Water's costs are unreasonable. Bluegrass Water should be required to demonstrate that the costs it seeks to recover from customers are reasonable and justified.**

If this model cannot be justified, customers deserve to know their alternatives

I also respectfully ask the Commission to consider a larger question.

If Bluegrass Water cannot demonstrate through transparent, system-level financial records that its consolidated ownership and rate structure produces fair, just, and reasonable rates for Kentucky customers, **what alternatives are available to these communities?**

I ask the Commission to examine the lawful mechanisms available for individual Bluegrass Water systems to transition to qualified municipal, public, nonprofit, regional, cooperative, or other responsible utility ownership when such a transfer would better serve customers and the public interest.

This consideration is particularly important for systems that were financially and operationally viable before Bluegrass Water acquired them.

Customers should not be permanently locked into a consolidated private-utility model merely because their wastewater systems were acquired years ago if the company cannot demonstrate that consolidation continues to benefit those customers.

I am not asking the Commission to assume that alternative ownership is appropriate for every Bluegrass Water system.

I am asking the Commission to determine whether **customers have a viable exit path when the consolidated model cannot be demonstrated to serve their interests.**

Therefore, I respectfully ask the Commission to:

1. **Require complete system-level financial and operating information** before approving the requested rate increase.
2. Determine whether customers of individual systems are paying costs reasonably attributable to serving their systems or **subsidizing costs associated with other systems**.
3. Closely scrutinize **affiliate charges, corporate and administrative allocations, management costs, contract operations, professional expenses, and other costs** allocated to Kentucky ratepayers.
4. Require Bluegrass Water to demonstrate, with actual financial evidence, the **economies of scale and efficiencies produced by consolidation**.
5. Examine whether a **single consolidated wastewater rate remains fair and reasonable** given the significant differences in size, condition, capital requirements, and operating costs among Bluegrass Water's systems.
6. Disallow expenses that are **unsupported, inadequately documented, imprudent, excessive, or not demonstrated to benefit Kentucky ratepayers**.
7. If Bluegrass Water cannot demonstrate that its consolidated model produces fair, just, and reasonable rates, **investigate and identify the lawful mechanisms available for affected systems to transition to alternative qualified ownership** when doing so would better protect customers and the public interest.

Bluegrass Water operates monopoly wastewater utilities. Its customers cannot simply select another provider when they believe their rates are unreasonable.

That makes the Commission's oversight particularly important.

Before approving another substantial increase, I respectfully ask the Commission to require Bluegrass Water to answer a very simple request:

Show us the numbers by system.

And if consolidation cannot be demonstrated to benefit Kentucky ratepayers:

Tell customers what lawful options exist to get out of this model.

Thank you for your consideration and for your responsibility to ensure that Kentucky utility rates are fair, just, and reasonable.

Sincerely,

Traci Omlor
Persimmon Ridge
Bluegrass Water Utility Operating Company Customer
Kentucky PSC Case No. 2025-00354

From: PSC Public Comment
To: "Rebecca Gousha"
Subject: RE: PSC Case No. 2025-00354 and Bluegrass Water Utility Operating Company
Date: Wednesday, September 16, 2026 8:28:00 AM

Case No. 2025-00354

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Thank you for your interest in this matter.

From: Rebecca Gousha [redacted]
Sent: Monday, September 14, 2026 6:46 PM
To: PSC Public Comment <PSC.Comment@ky.gov>
Subject: PSC Case No. 2025-00354 and Bluegrass Water Utility Operating Company

This Message Originated from Outside the Organization
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Report Suspicious

Dear Commissioners:

I am writing regarding Kentucky PSC Case No. 2025-00354 and Bluegrass Water Utility Operating Company's request for another substantial increase in wastewater rates.

I respectfully ask the Commission not to approve Bluegrass Water's requested rate increase unless and until the company provides sufficient system-specific financial information to demonstrate that the proposed rates are fair, just, reasonable, and supported by the actual costs of providing service.

My greatest concern is not simply the amount of the proposed rate increase. It is whether customers of Bluegrass Water's individual wastewater systems are being asked to pay costs that are actually attributable to serving their system—or whether a consolidated rate structure is causing customers of some systems to subsidize the acquisition, rehabilitation, capital investment, or unusually high operating costs of others.

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We are now in that future rate proceeding.

Yet when the Attorney General's Office of Rate Intervention requested information concerning revenues, operating costs, capital costs, and customer counts by individual system, Bluegrass Water objected that the request was overly broad and unduly burdensome and did not provide the requested system-level information.

That raises a fundamental question:

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Most importantly, the burden should not be placed on customers to prove that Bluegrass Water's costs are unreasonable. Bluegrass Water should be required to demonstrate that the costs it seeks to recover from customers are reasonable and justified.

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I ask the Commission to examine the lawful mechanisms available for individual Bluegrass Water systems to transition to qualified municipal, public, nonprofit, regional, cooperative, or other responsible utility ownership when such a transfer would better serve customers and the public interest.

This consideration is particularly important for systems that were financially and operationally viable before Bluegrass Water acquired them.

Customers should not be permanently locked into a consolidated private-utility model merely because their wastewater systems were acquired years ago if the company cannot demonstrate that consolidation continues to benefit those customers.

I am not asking the Commission to assume that alternative ownership is appropriate for every Bluegrass Water system.

I am asking the Commission to determine whether customers have a viable exit path when the consolidated model cannot be demonstrated to serve their interests.

Therefore, I respectfully ask the Commission to:

1. Require complete system-level financial and operating information before approving the requested rate increase.

2. Determine whether customers of individual systems are paying costs reasonably attributable to serving their systems or subsidizing costs associated with other systems.

3. Closely scrutinize affiliate charges, corporate and administrative allocations, management costs, contract operations, professional expenses, and other costs allocated to Kentucky ratepayers.

4. Require Bluegrass Water to demonstrate, with actual financial evidence, the economies of scale and efficiencies produced by consolidation.

5. Examine whether a single consolidated wastewater rate remains fair and reasonable given the significant differences in size, condition, capital requirements, and operating costs among Bluegrass Water's systems.

6. Disallow expenses that are unsupported, inadequately documented, imprudent, excessive, or not demonstrated to benefit Kentucky ratepayers.

7. If Bluegrass Water cannot demonstrate that its consolidated model produces fair, just, and reasonable rates, investigate and identify the lawful mechanisms available for affected systems to transition to alternative qualified ownership when doing so would better protect customers and the public interest.

Bluegrass Water operates monopoly wastewater utilities. Its customers cannot simply select another provider when they believe their rates are unreasonable.

That makes the Commission's oversight particularly important.

Before approving another substantial increase, I respectfully ask the Commission to require Bluegrass Water to answer a very simple request:

Show us the numbers by system.

And if consolidation cannot be demonstrated to benefit Kentucky ratepayers:

Tell customers what lawful options exist to get out of this model.

Thank you for your consideration and for your responsibility to ensure that Kentucky utility rates are fair, just, and reasonable.

Sincerely,

Dan and Rebecca Gousha
Persimmon Ridge
Bluegrass Water Utility Operating Company Customer

From:	PSC Public Comment
To:	"Phil Hazle"
Subject:	RE: Case #2025-00354
Date:	Wednesday, September 16, 2026 8:28:00 AM

Case No. 2025-00354

Thank you for your comments on the application of Bluegrass Water Utility Operating Company, LLC. 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).

Thank you for your interest in this matter.

From: Phil Hazle [redacted]
Sent: Tuesday, September 15, 2026 9:45 AM
To: PSC Public Comment <PSC.Comment@ky.gov>
Subject: Fwd: Case #2025-00354

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Subject: Case #2025-00354
Date: Sat September 12, 2026 14:41
From: "Gingy Grider" [redacted]
To: PSC.comment@ky.gov
Cc: [redacted]

Kentucky Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Rate increase opposition Case #2025-00354
Date: 9/15/26

Commission Members:

We have lived in Center Ridge Water District Water District in Calloway County for over 40 years.

Bluegrass purchased our water system in May 2020 for $120,000. It is the only water system they own in Kentucky, along with 22 sewage systems.

There are approximately 322 water customers currently on the Bluegrass system. Bluegrass collected over $120,000 the first 5 months of owning this system.

Since their 340% rate increase in 2020 ($22.79 per month to $77.63 per month), they have collected about 1.8 million dollars.

OUR WATER SYSTEM RATES SHOULD BE CALCULATED INDEPENDENTLY FROM THE SEWAGE SYSTEMS, AS THEY ARE NOT GERMANE.

Please do no allow Bluegrass to commingle their alleged expenses in order to try to confuse or mislead the commission.

Bluegrass should be ordered to provide a detailed list of all expenses for Center Ridge Water to justify their unfair, unjust and unreasonable request to raise our current rate from $77.63 to over $100 monthly.

Finally, I ask the commission to lower our water rate to $50.00 per month. That rate would provide income of approximately $193,200 annually from the 322 customers currently being serviced.

Thank you for your serious consideration concerning this matter.

Sincerely,

Phil Hazle
[redacted]
New Concord, KY 42076
[redacted]

CC: Kentucky Attorney General's Office of Rate Intervention
Kenny Imes, Calloway County Judge Executive

From: PSC Public Comment
To: "Koichi_Miyachi@aichiforge.com"
Subject: RE: Case No. 2025-00354 – Submission of Public Comments from Aichi Forge USA, Inc.
Date: Wednesday, September 16, 2026 10:28:00 AM

Case No. 2025-00354

Thank you for your comments on the application of Bluegrass Water Utility Operating Company, LLC. 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).

Thank you for your interest in this matter.

-

From: Koichi Miyachi <[redacted]>
Sent: Wednesday, September 16, 2026 10:00 AM
To: PSC Consumer Inquiry <PSC.Consumer.Inquiry@ky.gov>
Cc: Rejeana Thompson <[redacted]>; Jeff Portwood <[redacted]>; Koichi Fukuta <[redacted]>; Katsumi Kotani <[redacted]>; James Stephens <[redacted]>; Oliver Treilobs [redacted]>; Martin Essig [redacted]; Jim Keenan [redacted]>; Amie Jimmerson [redacted]
Subject: Case No. 2025-00354 – Submission of Public Comments from Aichi Forge USA, Inc.

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Dear Kentucky Public Service Commission,

Please find attached the public comments submitted by Aichi Forge USA, Inc. regarding Case No. 2025-00354, Opposition to Proposed Bluegrass Water Wastewater Rate Increase.

We respectfully request that this document be included in the official record for this case.

If there are any questions or additional information required, please feel free to contact me.

Thank you for your consideration.

Sincerely,

Koichi Miyachi
Aichi Forge USA, Inc.
596 Triport Road
Georgetown, KY 40324

Aichi Forge USA, INC.
596 Triport Road
Georgetown, KY 40324

September 16, 2026

Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

SUBJECT: Case No. 2025-00354
Opposition to Proposed Bluegrass Water Wastewater Rate Increase

To the Commissioners:

I am writing on behalf of Aichi Forge USA, Inc., located in Georgetown, Kentucky, to express our strong opposition to the proposed wastewater rate increase requested by Bluegrass Water Utility Operating Company, LLC in Case No. 2025-00354.

As a manufacturing company operating within the Triport Industrial Park, wastewater service is an essential utility required for our daily operations. While we recognize the importance of maintaining and upgrading wastewater infrastructure, the proposed rate increase is excessive and would impose an unreasonable financial burden on industrial customers.

Using our actual wastewater usage from April through August 2026, we analyzed the impact of the proposed rate increase. During this five-month period, our facility discharged approximately 11.96 million gallons of wastewater. Under the current rate structure, our wastewater charges totaled approximately $139,529. Under the proposed rate structure, those same usage levels would have resulted in charges of approximately $655,088, representing an increase of approximately $515,559 in only five months.

The current wastewater rate applicable to our facility is approximately $11.67 per 1,000 gallons, while the proposed rate would increase to approximately $54.74 per 1,000 gallons, an increase of nearly 370%.

What is particularly concerning is that the proposed rate is dramatically higher than wastewater rates charged by other utilities in Kentucky.

For example:

Georgetown Municipal Water & Sewer Service currently charges approximately $13.38 per 1,000 gallons for sewer service.

Lexington-Fayette Urban County Government's non-residential sewer rate is approximately $11.72 per 1,000 gallons based on its published 2026 rate schedule. Louisville Metropolitan Sewer District (MSD) charges approximately $10.01 per 1,000 gallons in combined wastewater volume and infrastructure charges for commercial customers.

By comparison, Bluegrass Water's proposed rate of $54.74 per 1,000 gallons is approximately:

4.1 times higher than Georgetown
4.7 times higher than Lexington
5.5 times higher than Louisville MSD

These comparisons demonstrate that the proposed rate is not merely an increase, but an extreme outlier when compared with wastewater rates charged by major utilities throughout Kentucky.

Our company competes in a highly competitive global manufacturing market. Utility costs directly affect our ability to invest in future growth, maintain competitiveness, and retain jobs. A wastewater rate substantially above those charged in neighboring communities creates an economic disadvantage for businesses operating in Scott County and the Triport Industrial Park. The resulting impact extends beyond our company and affects the broader economic development objectives of the region.

We respectfully request that the Commission:

- Reject the proposed rate increase in its current form.
- Require greater transparency regarding the cost allocation methodology used to justify the proposed rates.
- Carefully evaluate whether the proposed rates are fair, just, and reasonable when compared with rates charged by other wastewater providers in Kentucky.
- Consider alternative approaches that would allow necessary infrastructure investment while avoiding severe economic harm to industrial customers and local employers.

Aichi Forge USA, Inc. supports responsible investment in wastewater infrastructure. However, the proposed rates are disproportionate to those charged elsewhere in Kentucky and would impose an extraordinary financial burden on industrial customers. We respectfully urge the Commission to reject the current proposal and ensure that any approved rate adjustment is reasonable, equitable, and consistent with the public interest.

Thank you for your consideration of these comments.

Respectfully submitted,

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