

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                       |   |            |
|---------------------------------------|---|------------|
| ELECTRONIC JOINT APPLICATION OF       | ) |            |
| BLUEGRASS WATER UTILITY OPERATING     | ) |            |
| COMPANY, LLC FOR APPROVAL OF          | ) | CASE NO.   |
| ACQUISITION AND TRANSFER OF OWNERSHIP | ) | 2023-00218 |
| AND CONTROL OF ASSETS OF MAGRUDER     | ) |            |
| VILLAGE WATER COMPANY                 | ) |            |

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC

Bluegrass Water Utility Operating Company, LLC (Bluegrass Water), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 11, 2023. The Commission directs Bluegrass Water to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> 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).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Bluegrass Water shall make timely amendment to any prior response if Bluegrass Water obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Bluegrass Water fails or refuses to furnish all or part of the requested information, Bluegrass Water shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Bluegrass Water shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Application, Exhibit 4, Agreement for Sale of Utility System. The agreement refers to Central States Water Resources, Inc. (CSWR) as buyer.

- a. Provide an executed contract for transfer of wastewater treatment facilities between Magruder Village Water Company (Magruder Village) and Bluegrass Water.

b. Provide a copy of any documents authorizing the transfer by the governing body of Magruder Village.

c. Provide a copy of any documents authorizing the transfer by CSWR.

2. Refer to Application, page 7, paragraph 28.

a. Provide an executed contract, proposed contract, or essential terms of a proposed agreement, including but not limited to amount of compensation and scope of work, with Clearwater Solutions to provide operator services for the Magruder Village wastewater facility.

b. Describe the process by which Bluegrass Water selected Clearwater Solutions to provide operator services for the Magruder Village wastewater facility.

c. If other potential operators were considered, provide bids or offers solicited from or provided to these operators.

d. Describe Clearwater Solutions' technical and managerial abilities with regards to operating wastewater treatment facilities.

e. List all of Clearwater Solutions' certified operators qualified to operate the Magruder Village wastewater facility.

3. Refer to Application, Exhibit 3, Engineering Memo.

a. Provide the estimated cost of implementing the plans (Engineering Memo, pages 4–5) to correct effluent exceedances.

b. Provide the estimated cost of implementing any other planned capital investment, including but not limited to remote monitoring equipment.

c. Provide any Corrective Action Plan or Agreed Order with the Division of Water regarding Magruder Village facilities that Bluegrass Water has provided or executed.

d. Identify any exceedances of permitted limits the Magruder Village wastewater facility has been cited for since 2013.

e. State whether Bluegrass Water intends to recover the cost of any construction projects to remedy problems with the Magruder Village facility via surcharge charged exclusively to Magruder Village customers.

4. Refer to Application, page 11, paragraph 43, regarding rates.

a. Provide a calculation of the rate necessary to meet Bluegrass Water's revenue requirement for operation of the Magruder Village wastewater facility and recovery of any planned capital investments.

b. State whether and when Bluegrass Water intends to adjust Magruder Village wastewater facility customers' rates to Bluegrass Water's unified rate.

5. Refer to Application, page 9, paragraph 36. Describe Bluegrass Water's technical and managerial abilities with regards to operating wastewater treatment facilities.

6. Provide a copy of Bluegrass Water's most recent audited financial statements.

7. Refer to Application, page 9, paragraph 34. Describe the effect of the proposed financing of this proposed acquisition on Bluegrass Water's debt-to-equity ratio.



Linda C. Bridwell, PE  
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Public Service Commission  
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DATED     JUL 25 2023    

cc: Parties of Record

Case No. 2023-00218

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