

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 RATES AND)	2020-00290
APPROVAL OF CONSTRUCTION)	

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

Bluegrass Water Utility Operating Company, LLC (Bluegrass Water), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due within 14 days of this request. The Commission directs Bluegrass Water to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

preparer or the person supervising the preparation of the response on behalf of the entity that the 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 when made or, though correct when made, is now incorrect 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 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 the Application, Exhibit 1-A, Bluegrass Water's proposed Water Tariff 1, Revised Sheet No. 2.

a. Provide cost justification based upon the document found in Appendix A for the proposed Late Payment Penalty.

b. Provide cost justification based upon the document found in Appendix A for the proposed Returned Check Charge.

c. Provide cost justification based upon the document found in Appendix B for the proposed Connection Charge.

d. Provide cost justification based upon the document found in Appendix B for the proposed Reconnection Charge.

2. For the proposed nonrecurring charges for water customers listed below, provide the number of occurrences forecasted, the forecasted collection, and support for the forecasted number of occurrences.

a. Connection Charge;

b. Residential Late Payment Penalty;

c. Non-Residential Late Payment Penalty;

d. Reconnection Charge; and

e. Returned Check Charge.

3. Refer to the Application, Exhibit 1-B, Bluegrass Water's proposed Sewer Tariff 2, Original Sheet No. 5.

a. Provide cost justification based upon the document found in Appendix A for the proposed Late Payment Penalty.

b. Provide cost justification based upon the document found in Appendix A for the proposed Returned Check Charge.

c. Provide cost justification based upon the document found in Appendix B for the proposed New Tap Fee.

d. Provide cost justification based upon the document found in Appendix A for the proposed Field Collection Fee.

4. For the proposed sewer tariff nonrecurring charges listed below, provide the number of occurrences forecasted, the forecasted collection, and support for the forecasted number of occurrences.

- a. Residential Late Payment Penalty;
- b. Non-Residential Late Payment Penalty;
- c. Reconnection Charge;
- d. Returned Check Charge;
- e. New tap Fee; and
- f. Field Collection Fee.

5. Refer to Bluegrass Water's responses to Commission Staff's Second Request for Information, Item 1(c), attachment 2 *PSC 01c.xlsx*.

a. Identify the dollar amounts in each line item of the SG&A Forecasted Period Budget in 2 *PSC 01c.xlsx* that Bluegrass Water identifies as BD Expense.

b. Explain how Bluegrass Water forecasted those BD expenses.

c. For each line item of the Total Corporate SG&A budgets other than Admin & Human Resources, identify and explain all adjustments Bluegrass Water made to the amount in the 2020 Budget to project the amounts in each line item in the Forecasted Period Budget, and explain why Bluegrass Water made such adjustments.

6. For each employee listed in confidential attachment *PSC 2-14.xlsx*, provide a spreadsheet listing their starting salary, their actual salary as of December 31, 2020 (or at separation if they were separated before December 31, 2020), and their start date and, if applicable, date of separation.

7. Refer to Bluegrass Water's response to Commission Staff's Third Request for Information, Item 12.

a. Provide CSWR's actual travel expense for 2018, 2019, and 2020, and provide an itemized breakdown of those costs for each year by vendor.

b. Identify each trip to Kentucky in 2019, 2020, and 2021 for which travel expenses were incurred by CSWR, describe the reason for the trip, identify those who traveled to Kentucky, and provide an itemized breakdown of the costs for each such trip.

c. For each vendor or individual listed in response to Item 12(b) or (c), provide a narrative description of all services provided by each vendor or individual.

d. Provide all invoices from 2019 to present for any of the vendors or individuals listed in response to Item 12(b) or (c).

8. Refer to BGUOC2020RateCase-Schedule_CE4.xlsx at Tab *Base & Forecast Detail*.

a. Provide the amount of expense for Elasticity, LLC included in account 923.600 for each month from January 2020 through August 2020.

b. Provide the amount of expense for Elasticity, LLC included in account 634.000 for August 2020.

c. Provide all retainer reconciliations received from Elasticity, LLC from January 1, 2020, to present.

9. Refer to BYupdate-Schedule_CE4.xlsx filed by Bluegrass Water.

a. Identify who provided the Manage Consult and IT services for sewer and water by providing their name, job title, and employer.

b. Identify any specific Manage Consult and IT services such persons provided; explain the scope of the services they provided; and explain how those services differed from services provided by or through CSWR.

c. Provide all contracts and invoices for the Manage Consult and IT services identified in BYupdate-Schedule_CE4.xlsx.

d. Explain how Bluegrass Water projected the cost of the Manage Consult and IT services in the forecasted period, including specifically the basis for each adjustment between the base and forecasted periods.

e. Provide the amount of expense for each Manage Consult or IT vendor, by account and month, included in accounts 923.600, 923.900, 634.000, and 634.100 for each month from January 2020 through December 2020.

f. Explain in detail each basis for any change between BYupdate-Schedule_CE4.xlsx and BGUOC2020RateCase-Schedule_CE4.xlsx.

10. Refer to the Notice of Filing re Proposed Financing Application filed by Bluegrass Water on April 13, 2021, and the attachment thereto. Provide an update regarding the status of Bluegrass Water's efforts to obtain financing.

11. a. Provide the distance between each system owned by Bluegrass Water and the closest point at which the systems of each of those systems could be attached to the sewage service providers with the nearest known facilities, assuming the providers had capacity, and identify the sewer service provider with the nearest known facilities.

b. State whether Bluegrass Water obtained an estimate or otherwise investigated what it would cost to connect any of its systems to the facilities of another sewer provider, regardless of whether it is the closest, and if so, provide that estimate, explain the circumstances under which it was obtained, and state why it was decided not to connect to the system. If not, explain why no such investigation was made.

c. State whether Bluegrass Water has had any communication with a city, county, or other entity in which they indicated that Bluegrass Water could attach one or more of its systems to the collection system of the city, county, or other entity for treatment, and if so, describe any such communications and when they occurred.

12. Provide the projected customer count for each system listed in Schedule OHA1 for each month from April 2021 through April 2022.

13. Provide an update to *2-PSC-05c.xlsx* and *2-PSC-07c.xlsx* through March 2021.

14. Provide all requests for proposals, if any, for work on capital projects on Bluegrass Water's systems all responses thereto.

15. Provide all invoices for work on Bluegrass Water's systems that was capitalized.



Linda C. Bridwell, PE.
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED APR 29 2021

cc: Parties of Record

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00290 DATED APR 29 2021

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: _____

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

Total Field Expense \$ _____

2. Clerical and Office Expense

A. Supplies

\$ _____

B. Labor

Total Clerical and Office Expense \$ _____

3. Miscellaneous Expense

A. Transportation

\$ _____

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense \$ _____

Total Nonrecurring Charge Expense \$ _____

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00290 DATED APR 29 2021

**AVERAGE CONNECTION EXPENSE
COST JUSTIFICATION**

Name of Utility _____

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch 3/4-Inch 1-Inch 1 1/2 -Inch 2-Inch
Other (specify) _____

B. Materials Expense

	Unit		Total
	<u>Quantity</u>	<u>Cost</u>	<u>Cost</u>
1. Water Meter	_____	_____	_____
2. Meter Yoke	_____	_____	_____
3. Corporation Stop	_____	_____	_____
4. Meter Box and Top	_____	_____	_____
5. Miscellaneous Fittings	_____	_____	_____
6. Other (Itemize)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL MATERIALS EXPENSE			\$ _____
(add total cost)			

C. Service Pipe Expense

Type of Service Pipe _____ Size of Service Pipe _____

		Unit		Total
		<u>Quantity</u>	<u>Cost</u>	<u>Cost</u>
1.	Short Side Service	_____	_____	_____
2.	Long Side Service	_____	_____	_____
AVERAGE SERVICE PIPE EXPENSE				\$ _____
(add total cost and divide by 2)				

D. Installation Labor Expense

		Total	Hourly	Total
		<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
1.	Short Side Service	_____	_____	_____
2.	Long Side Service	_____	_____	_____
AVERAGE INSTALLATION LABOR EXPENSE				\$ _____
(add total cost and divide by 2)				

E. Installation Equipment Expense

		Total	Hourly	Total
		<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
1.	Short Side Service	_____	_____	_____
2.	Long Side Service	_____	_____	_____
AVERAGE INSTALLATION EQUIPMENT EXPENSE				\$ _____
(add total cost and divide by 2)				

F. Installation Miscellaneous Expense

	<u>Total</u>	<u>Hourly</u>	<u>Total</u>
	<u>Hours</u>	<u>Rate</u>	<u>Cost</u>
1. Inspection	_____	_____	_____
2. Site Clean-Up	_____	_____	_____
3. Other	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

AVERAGE INSTALLATION MISCELLANEOUS EXPENSE \$ _____
 (add total cost)

G. Overhead Expense

1. Installation expense (\$ _____) times
 overhead rate (____%) \$ _____

H. Administrative Expense

1. Office expense for establishing a new account
 and billing record. \$ _____

I. Total Expenses

Materials Expense \$ _____
 Service Pipe Expense _____
 Installation Labor Expense _____
 Installation Equipment Expense _____
 Installation Miscellaneous Expense _____
 Overhead Expense _____
 Administrative Expense _____

TOTAL CONNECTION EXPENSE \$ _____

*L Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*Bluegrass Water Utility Operating Company, LLC
1650 Des Peres Road, Suite 300
St. Louis, MO 63131

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

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

*David S Samford
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*John G Horne, II
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Kathryn A Eckert
McBrayer PLLC
201 East Main Street
Suite 900
Lexington, KENTUCKY 40507

*Katherine Yunker
McBrayer PLLC
201 East Main Street
Suite 900
Lexington, KENTUCKY 40507

*Larry Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204