

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 WATER AND	)	2025-00354
SEWAGE RATES	)	

COMMISSION STAFF'S POST-HEARING 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 no later than October 12, 2026. The Commission directs Bluegrass Water to the Commission's July 22, 2021, Order in Case No. 2020-00085¹ 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

¹ 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).

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 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 the September 21, 2026, Hearing Testimony of Josiah Cox (Cox HVT), approximately 10:08:50 – 10:09:22. Refer also to the September 22, 2026, Hearing Testimony of Aaron Silas (Silas HVT), approximately 09:56:00. Provide the location for each of the receiving centers for mail-in bill payments.

2. Refer to September 21, 2026, Cox HVT, approximately 10:10:40–10:11:04. Provide the customer count individually for each of Central States Water Resources' (CSWR) affiliates as of December 31 of each year 2020 through 2025, and as of August 31, 2026.

3. Refer to September 21, 2026, Cox HVT, approximately 10:37:40–10:38:20. For each system of the three systems acquired since the last rate application, explain whether the system acquired had a daily operator prior to acquisition. As part of that response, identify the operator, if applicable, and state whether they have been hired as Bluegrass Water employees.

4. Refer to September 21, 2026, Cox HVT, approximately 11:15:00–11:17:05. Provide the details regarding the Arizona program providing funding to similar businesses for lower income customers.

5. Refer to the September 21, 2026, Hearing Testimony of Matthew Howard (Howard HVT), approximately 11:46:00–11:50:00. Include the data for York Water Company and all applicable schedules in which the inclusion of York Water Company's data would change Mr. Howard's Return on Equity (ROE) recommendation. Provide all applicable updated schedules and workpapers in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

6. Refer to the September 21, 2026, Howard HVT, approximately 11:49:00–11:50:00. Refer also to Bluegrass Water's response to Commission Staff's Seventh Request for Information (Staff's Seventh Request), Item 1, Exhibit PSC 7-1(d).

a. Confirm that for Mr. Howard's Constant Growth Discounted Cash Flow (DCF) and Capital Asset Pricing Model (CAPM) analyses, the data for Global Water

Resources, Inc. (GWRS) was excluded from Mr. Howard's calculation of his recommended mean and median ROE from each respective model.

b. If the answer to subpart (a) is confirmed, explain in detail how that is not equivalent to excluding GWRS from the Utility Proxy Group utilized in this proceeding.

c. If the answer to subpart (a) is anything but confirmed, explain how the data obtained from GWRS was utilized in support of Mr. Howard's ROE recommendations.

d. Refer to Bluegrass Water's response to Staff's Seventh Request, Item 1, Exhibit PSC 7-1(d). Confirm that it is now appropriate to exclude American Water Works Company (AWK) and Essential Utilities, Inc (WTRG) from the Utility Proxy Group, due to the announced merger between the two companies. If not confirmed, explain.

e. Refer to Bluegrass Water's response to Staff's Seventh Request, Item 1, Exhibit PSC 7-1(d). Explain whether it is now appropriate to include York Water Group (YORW) in the Utility Proxy Group.

f. Explain in detail whether a Utility Proxy Group relying on data from five regulated water/wastewater utilities, although technically six regulated water/wastewater utilities fit the criteria to be included in the Utility Proxy Group, provides sufficient data to support a ROE recommendation.

7. Refer to Bluegrass Water's response to Commission Staff's Sixth Request for Information (Staff's Sixth Request), Item 24 and Case No. 2022-00046.²

² Case No. 2022-00046, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for Certificates of Public Convenience and Necessity for Projects at the Persimmon Ridge Site*.

a. Explain the variance in the price between the project estimated cost provided in Case No. 2022-00046 Application of \$253,000, in the post-case correspondence file in Case No. 2022-00046 of \$492,696, and the project actual cost listed in Exhibit PSC 6-24 of \$496,545. In the response, provide specific reasons for the increase as it pertains to this project/system.

b. Provide the total utility plant in service associated with the project at issue in Case No. 2022-00046, including an itemized breakdown of the amounts placed in plant in service to date and any amounts for the project expected to be added to plant in service in the future.

c. Provide the plant in-service date(s) for the project at issue in Case No. 2022-00046 or any portions thereof.

d. Explain why no post-case filings were made pursuant to the final Order, ordering paragraphs 4 and 5.

8. Refer to Bluegrass Water's response to Staff's Sixth Request, Item 24 and Case No. 2022-00015.³

a. Explain the variance in the price between the project estimated cost provided in Case No. 2022-00015 Application of \$302,250, in the post-case correspondence file in Case No. 2022-00015 of \$602,752, and the project actual cost listed in Exhibit PSC 6-24 of \$757,581. In the response, provide specific reasons for the increase as it pertains to this project/system.

³ Case No. 2022-00015, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for Certificate of Public Convenience and Necessity for Projects at the Woodland Acres Site*.

b. Provide the total utility plant in service associated with the project at issue in Case No. 2022-00015, including an itemized breakdown of the amounts placed in plant in service to date and any amounts for the project expected to be added to plant in service in the future.

c. Provide the plant in-service date(s) for the project at issue in Case No. 2022-00015 or a portion thereof.

d. Explain why no post-case filings were made pursuant to the final Order, ordering paragraphs 4 and 5.

9. Refer to Bluegrass Water's response to Staff's Sixth Request, Item 24 and Case No. 2022-00102.⁴

a. Confirm that the actual project cost was \$525,420. If not confirmed, explain the variance in the price between the project estimated cost provided in Case No. 2022-00102 Application of \$206,550 and in the post-case correspondence file in Case No. 2022-00015 of \$525,420.

b. Provide the total utility plant in service associated with the project at issue in Case No. 2022-00102, including an itemized breakdown of the amounts placed in plant in service to date and any amounts for the project expected to be added in the future.

c. Provide the plant in-service date(s) for the project at issue in Case No. 2022-00102 or any portion thereof.

⁴ Case No. 2022-00102, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for Certificate of Public Convenience and Necessity for Projects at the Herrington Haven Site*.

d. Explain why no post-case filings were made pursuant to the final Order, ordering paragraphs 4 and 5.

10. Refer to Bluegrass Water's response to Staff's Sixth Request, Item 24 and Case No. 2022-00104.⁵

a. Explain the variance in the price between the project estimated cost provided in Case No. 2022-00104 Application of \$609,900, the amount approved in Case No. 2022-00104 of \$1,322,958, and the project actual cost listed in Exhibit PSC 6-24 of \$2,412,387.13. In the response, provide specific reasons for the increase as it pertains to this project/system.

b. Provide the most recent updated project total associated with the project at issue in Case No. 2022-00104, including an itemized breakdown of the amounts spent to date and that the amounts expected to be spent in the future.

c. Provide the most recent estimated project completion date and the expected plant in-service date(s) for the project or any portion thereof.

d. Explain why no post-case filings were made pursuant to the final Order, ordering paragraphs 4 and 5.

11. Refer to Bluegrass Water's response to Staff's Sixth Request, Item 24, Exhibit_PSC_6-24_-_Project_Information.xlsx, providing total actual costs and updated total budgeted costs for projects for which Bluegrass Water indicated CPCNs were approved in Case Nos. 2022-00015, 2022-00046, 2022-00102, and 2022-00104. Refer also to Bluegrass Water's supplemental response to Staff's Second Request, Item 52

⁵ Case No. 2022-00104, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for Certificate of Public Convenience and Necessity for Projects at the Delaplain Site*.

filed on May 8, 2026, in which the narrative response identifies projects for which CPCNs were approved in Case Nos. 2022-00015, 2022-00046, 2022-00102, and 2022-00104, as contributing \$812,141, \$485,412, \$505,816, and \$2,078,288 to plant in service, respectively.

a. Identify, explain, and provide an itemized breakdown of each difference in the plant in service increases Bluegrass Water indicated were attributable to capital improvements approved in Case No. 2022-00015 in response to Staff's Second Request, Item 52, \$812,141, and the Total Actual Project Cost, \$757,581, provided in response to Staff's Sixth Request, Item 24.

b. Identify, explain, and provide an itemized breakdown of each difference in the plant in service increases Bluegrass Water indicated were attributable to capital improvements approved in Case No. 2022-00046 in response to Staff's Second Request, Item 52, \$485,412, and the Total Actual Project Cost, \$496,545, provided in response to Staff's Sixth Request, Item 24.

c. Identify, explain, and provide an itemized breakdown of each difference in the plant in service increases Bluegrass Water indicated were attributable to capital improvements approved in Case No. 2022-00102 in response to Staff's Second Request, Item 52, \$505,816, and the Total Actual Project Cost, \$525,420, provided in response to Staff's Sixth Request, Item 24.

d. Identify, explain, and provide an itemized breakdown of each difference in the plant in service increases Bluegrass Water indicated were attributable to capital improvements approved in Case No. 2022-00104 in response to Staff's Second

Request, Item 52, \$2,078,288, and the Updated Total Budget Projected Costs, \$2,634,000, provided in response to Staff's Sixth Request, Item 24.

12. For the three most recently acquired systems, explain whether any of the operators of those systems were deemed qualified and then subsequently tendered a response to a request for proposal. If an operator tendered a proposal, provide both the request for proposal and the subsequent response. Include in the response, any documentation related to qualifications of the operator from the initial evaluation.

13. Provide, in gallons, the amount of water produced by Bluegrass Water's water utility by month per system for the years 2023, 2024, 2025, and 2026 year to date.

14. Refer to the September 21, 2026 Hearing Testimony of Caitlin O'Reilly (O'Reilly HVT), approximately 03:48:00–03:49:00. Provide the allocation factor for each specific expense category for the most recent quarter.

15. Refer to O'Reilly HVT, approximately 03:50:00–03:51:00 and Bluegrass Water's response to Staff's Sixth Request, Item 6, Exhibit PSC 6-6. Provide a comparison of the revenue requirement with the Personal Consumption Expenditures (PCE) Price Index and without the PCE Price Index for the water operations.

16. Refer to O'Reilly HVT, approximately 03:52:00–03:53:00 and Bluegrass Water's response to Staff's Sixth Request, Item 6, Exhibit PSC 6-6. Provide an updated Excel spreadsheet that extends to include the forecasted test year.

17. Refer to O'Reilly HVT, approximately 03:53:00–03:54:06.

a. Identify the employees that work on business development that do not have business development in their title and the total amount allocated toward business development in 2023, 2024, and 2025.

b. Provide the total amount and a breakdown of the business development costs that were removed for 2023, 2024, 2025.

c. Explain in detail the role of CSWR's professional and technical staff, such as accountants, in-house lawyers, engineers, and environmental compliance staff, in evaluating new systems that are being considered or targeted for acquisition and in addressing issues related to acquisitions, including their role in reviewing any financial information regarding the systems prior to acquisition, their role in preparing or reviewing contracts pertaining to the acquisition of systems, their role prior to acquisition in evaluating the condition of systems or projects that might be required for the systems, their role prior to acquisition in coordinating with environmental regulatory agencies to obtain some agreement to avoid or limit enforcement actions if the acquisition is completed, and their role in overseeing outside contractors performing similar tasks.

d. Explain whether costs associated with work identified in response to subpart c. is included in the business development costs removed, and if so, identify the amounts and where those costs were removed. If not, explain why those costs were or should not be removed.

18. Refer to O'Reilly HVT, approximately 03:55:00. Explain how the amount of business development is determined from the executives' and directors' salaries. In the response, provide the amount that was allocated to business development from these individuals' salaries in 2023, 2024, and 2025.

19. Refer to O'Reilly HVT, approximately 04:02:00–04:02:30 and the Attorney General's Third Request for Information, Item 20. Provide a breakdown of the costs that were removed as business development and reconcile the discrepancy between the

salary of five employees from the response to the Attorney General and the amount provided as the total salaries of business development employees listed in response to Bluegrass Water's response to the Attorney General First Request for Information, Item 25- Exhibit AG 1-25.

20. Refer to O'Reilly HVT, approximately 04:06:01.

a. Provide the total amounts paid to Bluegrass Water's operator contractors in each year from 2020 through 2025 and provide a breakdown showing the portions of those totals that were expensed in each year and the portions that were capitalized in each year.

b. Provide the total amounts projected to be paid to the ClearWater Solutions in the test year, as reflected in Bluegrass Water's revenue requirement calculation, and provide a breakdown showing the portion of that total that was projected to be recorded as expense and the portion that was projected to be capitalized as part of plant in service. Include in the response the account(s) where the expense(s) and capitalized amounts may be found.

21. Refer to the Silas HVT, approximately 09:37:30–09:38:30.

a. Provide call logs related to customer complaints for the year 2025 and year to date 2026.

b. Provide the percentage of calls resulting in a conversation with a customer as it relates to this application. Include in the response the number of calls attempted and the number of calls resulting in a conversation.

22. Refer to Silas HVT 09:46:40–09:48:40. Provide a proxy group of at least five water utilities that have similar operating characteristics as Bluegrass Water’s water system, including possible unaccounted-for water loss.

23. Refer to Bluegrass Water’s response to Staff’s Fourth Request for Information (Staff’s Fourth Request), Item 12- Exhibit PSC 4-12. Also refer to Silas HVT 09:49:50–09:53:28.

a. Provide a definition of each type of payment method listed in the chart.

b. Identify where the fee free options or locations are listed in this Exhibit.

c. Update the Exhibit to include the number of months and number of payments received by call-in service agents since the implementation of that option.

d. Update the Exhibit to include the fee, if applicable, or indicate that there is no fee for each option including the new call-in payment agent option.

e. State which category would include the check-free pay station. If the check-free pay station is not included in one of the categories, provide the number of months and payments received and the fee amount, if applicable.

24. Refer to Silas HVT, at approximately 10:38:50, where he explains he works with the legal department and the engineering department to determine when or if a Certificate of Public Convenience and Necessity (CPCN) will be required. Explain Mr. Silas’s role in Bluegrass Water’s filing of a CPCN and when an application for a CPCN is filed.

25. Refer to Bluegrass Water's supplemental response to Staff's Second Request, Item 52, Exhibit_PSC_2-52_-_Plant_in_Service.xlsx, filed on May 8, 2026. Refer also to Thies HVT at 11:41:52–11:43:13, and at approximately 12:33:00.

a. For any amounts included in the "Improvements since the last rate case" or "Future improvements" columns of Exhibit_PSC_2-52_-_Plant_in_Service.xlsx attributable to improvements for which no CPCN was obtained, provide a spreadsheet in Excel format that identifies and briefly describes the improvement, identifies the system to which the improvement was made, provides an itemized breakdown of the costs and, if not completed, the expected costs of the improvement, and provides the in-service or expected in service date of the improvement.

b. Provide any engineering report, corrective action plan, or similar document that recommended or otherwise supports the need for the improvements identified in response to subpart a.

c. Explain how the amounts included in the "Retirements" column in Exhibit_PSC_2-52_-_Plant_in_Service.xlsx were determined.

26. Provide the date Bluegrass Water stopped recording the regulatory liability related to late fees.

27. Provide the amount of late fees from April 1, 2024, through the year-to-date 2026, by month.

28. Refer to Bluegrass Water's response to Commission Staff's Fifth Request for Information (Staff's Fifth Request), Item 1.

a. State whether Bluegrass Water used 1.00 percent or 1.50 percent to calculate the bad debt expense included in the test year.

- b. Provide the basis for the 1.50 percent estimate.
- 29. Refer to Thies HVT at 12:00:10–12:00:37.
 - a. Explain the lack of bad debt write-offs for wastewater in 2021 and 2025.
 - b. Provide the net write-offs for wastewater in 2021.
- 30. Refer to Thies HVT, at approximately 12:05:00. Refer also to the final Order in Case No. 2022-00432, at 34-35, in which the Commission declined to include alleged stranded costs in rate base. Explain the difference, both narratively and using specific amounts, between the request in this application and the request in the previous rate adjustment as it relates to the acquisition of Randview.
- 31. Refer to Thies HVT, at approximately 12:06:15. Refer also to the final Order in Case No. 2022-00432, at 34-36 , in which the Commission declined to include alleged stranded costs in rate base but also noted that the costs included attorney fees that the Commission determined should not have been capitalized for other reasons.
 - a. Provide an itemized breakdown of the \$173,410 figure of the stranded costs related to the Randview system, including an itemized breakdown of all investment in the Randview system that Bluegrass Water seeks to recovery and an itemized breakdown of the amounts received to date to offset that investment.
 - b. Explain whether the investment Bluegrass Water is seeking recovery as stranded costs related to the Randview systems includes attorney fees that the Commission determined could not be capitalized in Case No. 2022-00432, and if so, identify the amount of those attorney fees included.

32. Refer to Bluegrass Water's Response to the Attorney General's Fourth Request for Information, Item 14, Exhibit OAG 4-14. Refer also to the final Order in Case No. 2022-00432⁶ at 8. The difference in Bluegrass Water's "Acquisition Adjustment" component of rate base between Case No. 2022-00432 and the instant proceeding is the inclusion of acquisition adjustments for the Commonwealth Wastewater and Woodland Acres systems. However, in Case No. 2022-00432, it was noted that Bluegrass assigned the purchase price of Woodland Acres to its Plant in Service balances. Confirm that the \$10,000 included in Bluegrass Water's "Acquisition Adjustment" component of rate base is not duplicative to the plant in service addition approved in Case No. 2022-00432.

33. Provide a calculation of the cash working capital without non-cash items using the 1/8th method.

34. Provide a detailed monthly income statement for the test year.

35. Provide a copy of the wage and benefit study performed for Bluegrass Water from the most recent application for a general rate adjustment, Case No. 2022-00432.

36. Refer to Thies HVT at 12:15:57–12:16:04. Provide a breakdown of the bonuses and state the reason the bonus was granted for all employees listed in Bluegrass Water's response to the Attorney General's First Request for Information, Item 25, Confidential Exhibit 1-25 as well as the directors and executives. In the response, indicate if the bonus was received for performance based on an acquisition, and if so, how many connections were associated with that acquisition.

⁶ Case No. 2022-00432, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Sewage Rates*, (Feb. 14, 2024) Order at 8.

37. Refer to Thies HVT at 12:20:53–12:21:38. Provide the most recently authorized cost of long-term debt for each CSWR affiliate. Further, provide the docket number in which a Commission authorized that cost of long-term debt.

38. Refer to Thies HVT at 12:31:32–12:31:42. Provide the revenue requirement for each system that Bluegrass Water owns.

39. Refer to the September 22, 2026 Cox HVT, approximately 12:54:00, Silas HVT at 10:03:09–10:03:41 and Bluegrass Water’s response to Staff’s Fourth Request, Item 49, Confidential Exhibit PSC 4-29.

a. Identify the expenses or costs related to moving operations in-house that actually increased as a result of the termination of the Clearwater Solutions contract.

b. Provide the difference between the estimated in-house study expense and the actual in-house operations expense. Explain where the actual expense is more than the expense expected based on in the study and explain how Bluegrass Water determined that the expense was greater.

c. Provide an explanation as to how Bluegrass Water is allocating the actual costs and expenses between its water and wastewater operations. In the response include the breakdown for the actuals from May 2026 to present.

d. For each item listed on the “Total Cost” tab of Confidential Exhibit PSC 4-29 as an expected expense, identify the account or accounts in which Bluegrass Water has or expects to record those amounts.

e. For each account identified in response to subpart b., provide the amounts actually recorded in each account from May 2026 to present, the amounts recorded in each account during the same period of 2025, and the amounts Bluegrass

Water projected would be recorded in each of those accounts in each month of the forecasted test year when calculating its proposed revenue requirement.

f. Identify any transportation equipment or tools purchased for the operations employees, provide an itemized breakdown of the cost of that transportation equipment and tools, and explain any differences between the actual cost and the costs as reflected on the “Equip” tab of Confidential Exhibit PSC 4-29.

40. Refer to the September 22, 2026 Silas HVT at 10:05:20–10:20:45 and Bluegrass Water’s response to Staff’s Fourth Request, Item 49, Confidential Exhibit PSC 4-29.

a. Explain what costs are capitalized at 25 percent within the in-house study.

b. State what actual costs are capitalized for in-house operations.

c. Provide the capitalization rate for CSWR’s affiliates in Missouri and Louisiana.

d. Provide a breakdown of the training costs listed on the total cost tab, column D, line 44.

e. Provide the annual fee for each Bluegrass Water operator to be licensed and certified.

f. State whether an office structure or office trailer exists for Bluegrass Water in-house operations. Provide in the response an estimated date that it will be open, or, if already installed, the date it opened.

g. Provide an explanation as to how the HR Expenses and Workers’ Comp Insurance Expense on the Assumptions tab were determined.

h. Identify by job title any operations personnel retained to bring the work of the contractor in house and provide a breakdown of their base salaries similar to that provided in the “Staffing Plan” tab of Confidential Exhibit PSC 4-29.

i. Explain how the data on the Distance Tab was determined and provide an explanation as to how it differs from the actual data now that employees have been hired. Include in the response if Bluegrass Water anticipates the data changing if an office structure is opened.

41. Refer to Bluegrass Water’s response to Staff’s Fourth Request, Item 9. Explain whether the labor included in the calculation of the inspection fee is contracted or in-house labor.

42. Refer to Bluegrass Water’s response to Staff’s Fourth Request, Item 13b. Explain and provide a detailed cost breakdown for how much it would cost to implement a customer outreach program similar to other CSWR affiliates.

43. Refer to the September 21, 2026 Cox HVT at 10:03:19–10:04:01. It was stated that gradually phasing in rates would be more expensive for customers due to carrying costs. Explain and provide a detailed cost breakdown of a 3-year phase-in of rates for the recently acquired systems.

44. Refer to Bluegrass Water’s Response to Staff’s Seventh Request, Item 11. Refer also to the Silas HVT at 09:41:51–09:43:06.

a. Explain whether the variance of usage flow between the Delaplain non-residential users is typical for commercial customer classes among the CSWR affiliates.

b. Explain whether Bluegrass Water has analyzed further classifying the Delaplain nonresidential customers in subclasses based on usage flow (small commercial, commercial, and industrial).

45. Refer to Bluegrass Water's current wastewater tariff, PSC KY No. 1, 1st Revised Sheets No. 1.4, regarding the late payment penalty of 10 percent.

a. Explain whether the implementation of the 10 percent late payment fee has improved the level of late bill payments in general. Provide any supportive data in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

b. Explain how a 10 percent late payment fee incentivizes customers to make on-time payments more compared to a set dollar amount late payment fee.

46. Refer to Silas HVT at 09:53:31–09:55:14.

a. Explain how Bluegrass Water ensures the internal policy of waiving late payment penalties is offered in a consistent manner.

b. Explain how the waiving of late payment penalties impacts Bluegrass Water's cost recovery.

c. Explain whether Bluegrass Water plans to propose any amendments to its tariff that outlines Bluegrass Water's discretionary policy pertaining to waving late fees.

47. Refer to Silas HVT at 10:00:40–10:00:57. Also refer to Bluegrass Water's Response to Staff's Fourth Request, Item 29. Break down the in-house study into water versus wastewater.

48. Refer to Thies HVT at 11:54:14–11:54:24. Provide the amount of sewer shut off valves that Bluegrass Water has installed.


Justin McNeil
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601-8294

DATED SEP 29 2026

cc: Parties of Record

Service List for Case 2025-00354

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

* Aaron Silas
Central States Water Resources
1650 Des Peres Road
Suite 303
St. Louis, MO 63131

* R. Brooks Herrick
Dinsmore & Shohl, LLP
101 South Fifth Street
Suite 2500
Louisville, KY 40202

* Cameron R Culbertson
Scott County Attorney
198 E. Washington St.
Georgetown, KY 40324

* Honorable David Edward Spenard
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202

* Hannah Thompson
Dinsmore & Shohl, LLP
101 South Fifth Street
Suite 2500
Louisville, KY 40202

* Joe Pat Covington
Judge/Executive
101 East Main Street
Suite 210
Georgetown, KY 40324

* John Horne
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

* Denotes served by Email

* Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

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

* Bluegrass Water Utility Operating Company, LLC
655 Maryville Centre Drive, Suite 200
St. Louis, MO 63141

* Bluegrass Water Utility Operating Company, LLC
655 Maryville Centre Drive, Suite 200
St. Louis, MO 63141

* Russ Mitten
Bluegrass Water Utility Operating Company, LLC
655 Maryville Centre Drive, Suite 200
St. Louis, MO 63141

* Randal A. Strobo
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202

* Sreenu Dandamudi
Central States Water Resources
1650 Des Peres Road
Suite 303
St. Louis, MO 63131

* Toland Lacy
Office of the Attorney General
700 Capital Avenue
Frankfort, KY 40601

* Edward T Depp
Dinsmore & Shohl, LLP
101 South Fifth Street
Suite 2500
Louisville, KY 40202

* Timothy Mayer
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202