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

COMMISSION STAFF'S SIXTH 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 28, 2026. The Commission directs Bluegrass Water to the Commission's July 22, 2021 Order in Case No. 2020-00085[1] 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

[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).

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 Bluegrass Water's response to Commission Staff's Fourth Request for Information (Staff's Fourth Request), Item 14. Refer also to all wastewater utility tariffs currently filed in the PSC tariff library. Confirm that the majority of wastewater utilities in Kentucky use a volumetric usage rate in conjunction with a fixed monthly charge. If confirmed, explain why Bluegrass Water does not use this type of rate structure.

2. Refer to Bluegrass Water's response to Staff's Fourth Request, Item 14.

a. Provide in dollar amount all variable costs for Bluegrass Water.

b. Confirm that adding a volumetric usage rate could cover just the variable costs associated with providing service. If not confirmed, explain the response.

3. Refer to Bluegrass Water's response to Staff's Fourth Request, Item 14. Conduct and provide a formal cost-benefit analysis of adding a volumetric usage rate for customers.

4. Refer to Bluegrass Water's response to Staff's Fourth Request, Item 14, where Bluegrass Water states that its wastewater rate design is based upon a flat monthly charge rather than volumetric charges. Explain how the use of a flat monthly charge affects the business risk of Bluegrass Water in recovering the revenues necessary to maintain an adequate, reliable wastewater system as opposed to a monthly volumetric charge.

5. Refer to Bluegrass Water's response to Staff's Fourth Request, Item 17.

a. Provide the method in which Bluegrass Water contacted the water utilities.

b. Provide a copy of all correspondence relating to Bluegrass Water's attempt to contact the water utilities.

c. State whether the correspondence also included arranging an agreement to purchase or obtain the usage data of Bluegrass Water customers.

6. Refer to Bluegrass Water's response to Staff's Fourth Request, Item 18. Refer also to Bluegrass Water's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 19.

a. Explain in detail how closely aligned the individual components of the proposed revenue requirement in the instant proceeding, utilizing the Personal Consumption Expenditures (PCE) Price Index, is to Bluegrass Water's internal budget set for the 12-month period ending July 31, 2027.

b. Provide a comparison of the impact on the revenue requirement if Bluegrass Water removed all adjustments using the PCE Price Index from its forecasted test period. Provide the response in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

c. Provide a comparison of the impact on the revenue requirement if Bluegrass Water used its internal budgets to forecast its forecasted test period. Provide the response in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

7. Refer to Bluegrass Water's response to Staff's Fourth Request, Item 24(c), where Bluegrass Water stated that it hired Woodsmall Law for direct testimony preparation and other application materials in the instant proceeding.

a. Explain in detail what Bluegrass Water means by "other application materials."

b. Explain in detail whether Dinsmore and Shohl LLP has engaged in testimony preparation or any other activity listed in subpart (a) to this request throughout the pendency of this proceeding.

8. Refer to Bluegrass Water's response to Staff's Fourth Request, Item 58b. Provide the actual length of time for arrearages past 120 days by account.

9. Refer to Bluegrass Water's response to Commission Staff's Fifth Request for Information (Staff's Fifth Request), Item 4a. Provide the total revenues for each year, separating the water and wastewater operations. Provide this response in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

10. Refer to Bluegrass Water's Supplemental response to the Commission Staff's First Request for Information (Staff's First Request), "Financial_Workbook_-_Updated_Data_for_Base_Period.xlsx", tab "Balance Sheet Summary".

a. Provide a detailed breakdown of the differences in Utility Plant in Service (UPIS) between 2024 ($10,238,569) and 2025 ($14,481,042), including the start date and in-service date for each project. Provide this response in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

b. Provide a detailed breakdown of the differences in Construction Work in Progress (CWIP) between 2024 ($6,770,602) and 2025 ($4,634,377), including the start date and estimated in-service date or actual in-service date for each project. Provide this response in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

11. Refer also to the Supplemental Updated Financial Information, Financial Information May 2026 – Actuals, "Financial_Workbook_-_May_2026_Actuals.xlsx". Explain the categories included in Other Non-Current Assets and provide a detailed explanation of the changes between the 2025 balance of $2,937,248 and the May 2026 balance of $1,279,602, including the reasons for the decrease.

12. Refer to Bluegrass Water's Supplemental response to Staff's First Request, "Financial_Workbook_-_Updated_Data_for_Base_Period.xlsx", tab "Balance Sheet

Summary". Refer also to Bluegrass Water's Supplemental response to the Attorney General's First Request for Information, Amended Exhibit 1-141, "Amended_Exhibit_OAG_1-141_UPIS.xlsx". The UPIS for Water ($1,354,615) and Wastewater ($11,235,343) results in total UPIS of $12,235,343. Explain the UPIS of $14,481,042 in 2025.

13. Refer to Bluegrass Water's Supplemental response to the Attorney General's First Request for Information, Amended Exhibit OAG 1-63, "Amended_Exhibit_OAG_1-63_Capital_Expenditures.xlsx". Refer also to Amended Exhibit 1-777,[2] "Amended_Exhibit_OAG_1-177_Variance_Reports.xlsx" and Amended Exhibit 1-141, "Amended_Exhibit_OAG_1-141_UPIS.xlsx".

a. Explain if Bluegrass Water included its capital improvements in CWIP. If not, provide the breakdown of these capital improvements related to UPIS and CWIP.

b. Between these exhibits, explain the differences in UPIS for Water of ($1,354,615) and ($1,365,070) in 2025.

c. Between these exhibits, explain the differences in UPIS for Wastewater of ($11,235,343) and ($13,135,078) in 2025.

d. Provide a detailed breakdown of the differences in UPIS between 2024 ($963,167) and 2025 ($1,365,070) for Water, including the start date and in-service date for each project. Provide the information in an unprotected Excel spreadsheet with all formulas intact.

[2] The exhibit incorrectly refers to 1-777 instead of 1-177. To avoid confusion, Staff will refer to the exhibit as it is labeled, Amended Exhibit 1-777.

e. Provide a detailed breakdown of the differences in UPIS between 2024 ($8,404,893) and 2025 ($13,135,078) for Wastewater, including the start date and in-service date for each project. Provide the information in an unprotected Excel spreadsheet with all formulas intact.

14. Refer to Bluegrass Water's response to Staff's Fifth Request, Item 16b. Provide the dates that Bluegrass Water expects to file its updated rate case expenses through the date of the hearing in this matter.

15. Refer to Bluegrass Water's response to Staff's Fifth Request, Item 17a. Explain where in the revenue requirement Bluegrass Water included employee related expenses, with specific references to the relevant Excel files, tabs, and cells.

16. Refer to Bluegrass Water's response to Staff's Fifth Request, Item 17b, Attachment "Exhibit PSC - 5-17 Employee Related Expenses." Explain the increase in allocated costs for 2025 from 2023-2024 levels.

17. Refer to Bluegrass Water's response to Staff's Fourth Request, Item 47. Explain what Bluegrass Water defines as "employee-related expenses." Include a description of each item included.

18. Refer to Bluegrass Water's response to Staff's Fifth Request, Item 17, "Exhibit PSC - 5-17 Employee Related Expenses" and Bluegrass Water's response to Staff's Fifth Request, Item 18, "Exhibit PSC - 5-18." Explain the difference in the costs for each 12-month period in these responses.

19. Refer to Bluegrass Water's response to Staff's Fifth Request, Item 18. Confirm that the same process was used to determine the employee related costs during

the test year. If this cannot be confirmed, explain how the test year amount was forecasted.

20. Refer to Bluegrass Water's response to Staff's Fifth Request, Item 27. Provide the amount of the industry association dues included in the base period, the amount of the inflation applied to these expenses and the amount included in the forecasted period.

21. Refer to Bluegrass Water's response to the Attorney General's Fourth Request for Information, Item 14, Exhibit OAG 4-14 - "Acquisition Premium", Tab "Brocklyn Utilities." Explain why there are two lines that reference acquisition adjustments.

22. Refer to the Direct Testimony of Caitlin O'Reilly, page 24. Explain whether the "Factors for Allocation of Central States Water Resources (CSWR), LLC Expense" table listed reflects nine states or eleven states for the "Other Regulated Utility Affiliates."

23. Provide the following information for each construction project in progress, or planned to be in progress, during the 12 months preceding the base period, the base period, and the forecasted test period.

a. Accumulated construction amount;

b. Allowance for funds used during construction (AFUDC);

c. Indirect Costs, explaining the nature of these costs; and

d. Estimated physical percent complete.

24. For each project started during the last five calendar years, provide the following information as set forth below. Provide this response in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected. For each

project, include the amount of any cost variance and delay encountered, and explain in detail the reasons for such variances and delays.

(1) Project Description;

(2) Annual actual cost;

(3) Annual Original Budget;

(4) Percent of Budget;

(5) Total Actual Project Cost;

(6) Total Budget Project Cost;

(7) Original Budget Start Date;

(8) Original Budget End Date;

(9) Actual Start Date;

(10) Actual End Date.

25. In determining the capital additions reflected in the base period and forecasted test period, explain whether Bluegrass Water recognized a Slippage Factor.

26. Provide Bluegrass Water's Cash Working Capital if the 1/8th method was only applied to cash items, with non-cash items removed.

Justin McNeil RP

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DATED AUG 12 2026

cc: Parties of Record

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