

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matters of

Electronic Proposed Acquisition by Bluegrass Water)
Utility Operating Company, LLC and the Transfer)
of Ownership and Control of Assets by: P.R.)
Wastewater Management, Inc.; Marshall County)
Environmental Services LLC; LH Treatment) No. 2019-00104
Company, LLC; Kingswood Development, Inc.;)
Airview Utilities, LLC; Brocklyn Utilities, LLC;)
Fox Run Utilities, LLC; and, Lake Columbia)
Utilities, Inc.)

Electronic Proposed Acquisition by Bluegrass Water)
Utility Operating Company, LLC and the Transfer)
of Ownership and Control of Assets by: Center) No. 2019-00360
Ridge Water District, Inc.; Joann Estates Utilities,)
Inc.; and River Bluffs, Inc.)

**Notice re Condition #5
(guaranteed financial instrument)**

Please take notice that Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water”), having requested an informal conference to discuss how it will meet the financial-instrument requirement, will proceed to post a guaranteed financial instrument in accordance with that discussion after the informal conference is held. The approval orders in Cases No. 2019-00104 and No. 2019-00360, respectively entered August 14, 2019, and February 17, 2020, each include as Condition #5 in the Appendix thereto the condition that Bluegrass Water “post a guaranteed financial instrument that is the equivalent of two-months of the cost of its third-party contractors” for the sewer systems approved to be acquired.

In December 2019, in Case No. 2019-00104, Bluegrass Water filed a Motion along with a proposed Letter of Credit (“LoC”) and requested that the Commission approve the LoC or otherwise provide guidance on its suitability as the required financial instrument. After the Commission specified a similar condition in the 2/17/20 Order, and in recognition that the proposed LoC would need to be revised to cover the condition in the 2/17/20 Order and that alternatives to the LoC would be more cost-effective, Bluegrass Water withdrew the LoC proposal and requested the informal conference. The Motion-Notice was filed on June 16, 2020, and Bluegrass Water anticipates that the informal conference will be held before mid-July 2020.

Respectfully submitted,

/s/ Katherine K. Yunker _____

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