

Request

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.
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Response

The non-recurring charges for water service shown on proposed Water Tariff 1, Revised Sheet No. 2 (Application Exh. 1-A), are the existing tariffed charges, carried over from the tariff of the former utility service provider. Bluegrass Water is not proposing any change to the present, tariffed non-recurring charges. *See* Application Exhibit 2-A (showing in redlined form the changes, which are to the text and to the recurring charges). It is not known what cost justification (if any) the former utility service provider had or presented when it adopted the recurring charges that Bluegrass Water adopted effective May 29, 2020, and then incorporated into its tariff, PSC Ky. No. 1.

Request

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.
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Response

Bluegrass Water adopted at closing the tariffed non-recurring charges then in effect for the Center Ridge systems it acquired, and is not proposing any changes to those charges. (See response to 4 PSC 01). Those charges — for connections, reconnections, late payment, and returned checks — are the same for both residential and non-residential customers. In its forecasted test year, Bluegrass Water did not include any forecast of occurrences for events to which the nonrecurring charges apply, and expenses and revenues arising from connections, reconnections, late payments, and returned checks are not part of the revenue requirement used to develop the proposed adjustment of the recurring per-month, flat-rate service charge.

Request

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
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Response

- a. The late payment penalty of 10% was proposed to recover administrative costs, provide customers incentives for paying their bills in a timely manner, reduce bad debt and carrying costs, and push the costs of late payment directly to the cost-causer so that they would not be borne by the general body of rate payers. The transferee utilities who specified a late payment penalty in their rates schedules (which were adopted by Bluegrass at closing for the corresponding service area) set the rate at 10%. Because of disruptions in normal billing and payment protocols resulting from the COVID 19 pandemic and because historical data sufficient to predict a normalized level of late payment incidents, Bluegrass does not have itemized data for this charge as listed in the referenced Appendix A.
- b. The Returned Check Charge of \$20 was proposed to recoup a portion of the bank fees incurred by Bluegrass as well as fees revolving around notifying the customer such as administrative costs with drafting and mailing letters. A \$20 returned check charge was included in the tariffs of some transferee utilities that were adopted by Bluegrass for the

corresponding service area. Bluegrass does not have itemized data for this charge as listed in the referenced Appendix A.

- c. The New Tap Fee of \$750 is proposed to recoup a small amount of the cost incurred by Bluegrass. Bluegrass does not have itemized data for this charge as listed in the referenced Appendix B for average connection expense. Bluegrass's proposal for the termination/reconnection charge is for it to be set at actual cost.
- d. A Field Collection Fee of \$25 per trip is proposed to recoup some of the cost of performing this service. Should an operations contractor be deployed to make a field shutoff, Bluegrass would be charged for the cost of that labor. Bluegrass does not have itemized data for this charge as listed in the referenced Appendix A.

Request

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.
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Response

Bluegrass has not forecasted the number of occurrences for its proposed non-recurring charges or the amount that will be collected on such charges. Expenses and revenues arising from connections, reconnections, late payments, and returned checks are not part of the analysis supporting the proposed adjustments to *recurring* service charges.

- a. Bluegrass's proposed Schedule of Non-Recurring Service Charges for sewer service, PSC Ky No. 2, Original Sheet No. 5, applies to all classifications of service without distinction between a residential and non-residential late payment penalty. Bluegrass has not forecasted the number of occurrences or the collection of this charge due to restrictions around late payments revolving around the COVID19 pandemic. Due to the lack of data in the base year, the Company was not able to forecast these charges.
- b. See response to subpart (a), above.
- c. Bluegrass has not forecasted the number of occurrences or the collection of this charge due to the lack of data in the base year. However, because the Company has proposed

that the termination/reconnection charge be the actual cost, it can forecast that the charges will be equal to the costs regardless of the number of occurrences.

- d. Bluegrass has not forecasted the number of occurrences or the collection of this charge.
- e. Bluegrass has not forecasted the number of occurrences or the collection of this charge, in part because the Company does not project customer growth.
- f. Bluegrass has not forecasted the number of occurrences or the collection of this charge due to the lack of data revolving around shutoffs in the base year.

Request

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.
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Response

The requested information is provided separately — under seal and with a request for confidential treatment — in an Excel spreadsheet. A one-page *redacted* print-out of the spreadsheet is attached hereto.

<u>Title</u>	<u>Name</u>	<u>Start Date</u>	<u>Termination Date</u>	<u>Starting Salary</u>	<u>12/31/2020 Salary</u>
Director of Business Development	Achee, Jill	2/1/19	10/16/20		
Intern-Business Operations	Aderibigbe, Oluwaseun	8/3/20	12/31/20		
Engineer	Alexander, Alica	2/1/20			
Senior Accountant	Bean, Bridget	2/26/18			
Utility Project Manager	Chavez, Enrique	10/12/20			
President, CEO	Cox, Josiah	3/19/14			
Director of Customer Experience	Culleton, Stacy	2/11/19			
Regulatory Analyst	Davis, Kathryn	10/12/20			
Engineer	Dick, Michael	10/12/20			
Director of Business Operations	Duncan, Mike	7/2/18			
Office Manager/HR Specialist	Eaton, Barb	10/1/19	6/30/20		
Customer Service Specialist	Eaves, Brenda	3/30/15	6/30/20		
Director of Environ. Health & Safety	Favor, Jami	1/22/19			
Director of Engineering	Freeman, Jake	1/7/19			
Senior Accountant	Gerges, Rehan	4/1/19	7/3/20		
AP Clerk	Havrilka, Curtis	11/16/20			
Director of FP&A	Hoppes, Spencer	8/3/20			
Accounting Manager	Indelicato, Mike	1/7/19			
Accounts Payable Clerk	Janowiak, Dan	4/24/17			
Office Manager	Keubler, Meranda	11/16/20			
Director of Business Development	Kreiss, Fred	3/16/20			
Engineer	Lucas, Ben	5/13/19			
Chief Financial officer	Macias, Phil	1/31/17	12/31/19		
Director of Regional Operations	McMahon, Jo Anna	7/23/20			
Engineer	Meany, Jon	4/9/18			
General Counsel	Mitten, Russ	6/10/19			
Chief Financial officer	Moore, Martin	4/27/20			
Director of Business Development	Neal, Sandy	4/1/19			
Director of Business Development	Nichols, Shawn	8/20/18			
Business Analyst	Nolan, Gina	6/22/20	11/20/20		
Accounts Payable Clerk	Obernuefemann, Krista	9/24/19			
Financial Analyst	O'Neill, Patrick	9/24/20			
Intern - Engineering	Pardo, Jacob	5/20/19	7/24/20		
Chief Operations Officer (temp)	Ramachandran, Heramb	9/1/19	5/31/20		
Business Analyst	Silas, Aaron	10/30/19			
EHS Auditor	Stephens, Kaleb	1/22/19			
Controller	Thies, Brent	7/3/17			
Senior Vice President	Thomas, Forrest	1/1/17			
Intern - Business Operations	Waskow, Paige	5/13/19	12/31/20		
Customer Service Specialist	Williams, Penny J	1/6/20			
Accounting Manager	Wilson, Thomas	9/14/20			

Request

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).
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Response

- a. Please refer to *tab 4-7a Listing By Vendor* of the separately provided Excel workbook with filename *4 PSC 07.xlsx*.
- b. Please refer to *tab 4-7b KY Travel* of the separately provided Excel workbook with filename *4 PSC 07.xlsx*.
- c. Please refer to *tab 4-7c Vendor Descriptions* of the separately provided Excel workbook with filename *4 PSC 07.xlsx*.
- d. The requested invoices for vendors or individuals listed in response to 3 PSC 12(b) or 12(c) are being filed separately (due to file size) concurrently herewith. Personal information has been redacted from the invoices pursuant to the privacy protection requirements of 807 KAR 5:001 § 4(10).

Request

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

For the capital projects listed in the Freeman Direct Testimony (Application Exh. 8-C), no RFPs have yet been issued.

Request

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

Response

Invoices containing at least one item that was capitalized for work on Bluegrass Water’s systems are provided separately in 53 blocks, organized by vendor, as follows:

Vendor(s)	# of blocks	filing part
21 Design	13	1
Asher-Flinn-Hawkins-JR	1	1
OR Colan	1	1
PH-Ramboll-TNT-Valbridge	1	1
Midwest Water	19	2
	18	3

Within each vendor set, the invoices are organized by invoice number or date. Many of the invoices provided encompass capitalized and non-capitalized work, and a significant portion include work or charges for affiliates in other states as well as for Bluegrass Water. Information in the invoices has been redacted pursuant to the privacy-protection regulation, 807 KAR 5:001§ 4(10).