

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 Rates and Approval)
of Construction)

Case No. 2020-00290

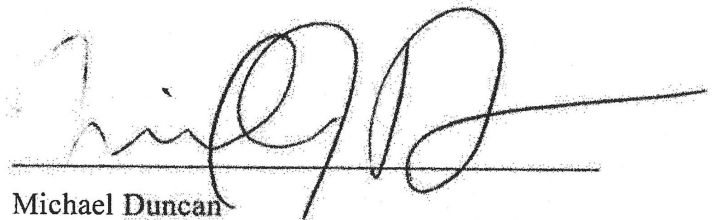
Proof of Notice Affidavit

Pursuant to 807 KAR 5:001, Section 17(3)(a), I, an authorized representative of the Applicant, Bluegrass Water Utility Operating Company, LLC (“Bluegrass” or “the Applicant”), which submitted an application for the adjustment of rates and approval of construction to the Commission on September 30, 2020, and supplements thereto on November 19, 2020, do hereby provide this affidavit that notice of the application and supplements has been completed in all respects as follows:

1. Bluegrass is a utility with more than twenty customers. It provided customer notice by the Section 17(2)(b)(3) method of mailing a written notice to each customer of the related system no later than the date the application or related supplement was submitted to the Commission. I verify that:
 - a. On September 30, 2020, the notice — letter and enclosure — with the content shown in the copy attached as Exhibit 3.1 was mailed to all customers on systems served by Bluegrass on that day.
 - b. On November 19, 2020, the notice — letter and enclosure — with the content shown in the copy attached as Exhibit 3.2 was mailed to all customers of four systems for which Bluegrass was granted approval to acquire and operate by the final Order in Case No. 2020-00028 and which Bluegrass acquired and began to operate on November 19, 2020.

- c. On November 19, 2020, the notice — letter and enclosure — with the content shown in the copy attached as Exhibit 3.3 was mailed to all customers of four systems for which transfer to and acquisition by Bluegrass is sought in pending Case No. 2020-00297.
- 2. Public postings of the proposed rate adjustments, application, and supplements have been made in accordance with Section 17(1). The postings will not be removed until the Commission issues a final decision on the application.
 - a. Bluegrass posted a copy of the Exhibit 3.1 notice and the Exhibits 3.2 and 3.3 notices, at its principal place of business, 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131, on September 30, 2020, and November 19, 2020, respectively.
 - b. Bluegrass maintains a Web site and, within five business days of the date the application was submitted to the Commission (9/30/20), posted on its Web site a copy of the Exhibit 3.1 notice and a hyperlink to the location on the Commission's Web site where the Case No. 2020-00290 documents are available. Within five business days of the date the related application supplements were submitted to the Commission (11/19/20), Bluegrass posted on its Web site a copy of the Exhibit 3.2 notice and of the Exhibit 3.3 notice.

Further affiant sayeth not.



Michael Duncan
Vice President
Bluegrass Water Utility Operating
Company, LLC



MERANDA K. KEUBLER
My Commission Expires
November 13, 2022
St. Louis County
Commission #14631487

STATE OF MISSOURI
COUNTY OF ST. LOUIS

Subscribed and sworn to on December 30 2020, before me, a Notary Public in
and before said County and State.



MERANDA K. KEUBLER
My Commission Expires
November 13, 2022
St. Louis County
Commission #14631487

Meranda K Keubler
Notary Public

(SEAL)

My Commission Expires: 11/13/2022



Dear Customer:

We're writing to update you on the water or wastewater services that serve your community.

Since purchasing the infrastructure that serves your home, Bluegrass Water Utility Operating Company (Bluegrass Water) has invested nearly \$2.5 million in urgently needed improvements in Kentucky communities to ensure you, your families and neighbors have access to clean, safe and reliable drinking water and wastewater systems. Additionally, Bluegrass Water intends to invest an additional \$3.5 million to ensure safe and reliable service. These improvements include remote monitoring equipment at each location to assure facilities are closely tracked and work properly at all times; sewer plant improvements to ensure proper treatment, including flow equalization, replacement of blowers, pipes, and diffusers in aeration tankage, and many more improvements. As a result of these efforts and additional improvements planned for the next 18 months, Bluegrass Water expects to submit a request on September 30, 2020, to the Kentucky Public Service Commission (PSC) for a general adjustment of rates charged for service in order to increase annual water operating revenues by \$336,747 and sewer operating revenues by \$2,177,052.

Please take notice of the following information about the proposed rate adjustment that is presented below and *on the enclosed sheet*:

The PSC, the state agency that regulates all utility services in Kentucky, will rule on this request and may order rates to be charged that differ from the proposed rates found in this notice. *On the enclosed sheet* is a table that compares present and proposed rates and the amount of the change requested (in dollar and percentage change) for each customer classification to which the proposed rates will apply. The date the proposed rates are expected to be filed with the PSC is September 30, 2020; the proposed effective date of the rates is for service rendered on and after October 31, 2020. As there are only flat rates included in the existing tariff or which affect existing customers, the average customer usage is unknown and the average bill in each service area relates directly to the current rates per month shown in the enclosed sheet.

By prior arrangement, you may examine Bluegrass Water's application at the offices of McBrayer PLLC, 201 East Main Street, Suite 900, Lexington, Kentucky; please contact Holly Lewis at 859-551-3648 or hlewis@mcbayerfirm.com to visit the McBrayer offices to examine the application. Bluegrass Water's application may also be examined at the PSC's offices located at 211 Sower Boulevard, Frankfort Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <http://psc.ky.gov>. Comments regarding the application or timely requests for intervention (establishing the grounds for the request, including the status and interest of the requester) may be submitted to the PSC through its website or by mail to:

Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602

If the PSC does not receive a written request for intervention establishing the grounds for the request (including the status and interest of the party) within thirty (30) days of initial publication or mailing of this notice, the PSC may take final action on the application.

Josiah Cox

President

Bluegrass Water Utility Operating Company, Inc.



BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Rate Comparison Table

Type of Charge	Service Area	Present Rates (per month)	Proposed Rates (per month)	Change Requested	
				\$	%
Total Monthly Sewer – Single Residential per unit					
	Airview Estates	\$41.36	\$96.14	\$54.78	132.4%
	Brocklyn Subdivision- Single Unit	\$40.00	\$96.14	\$56.14	140.4%
	Fox Run Estates	\$55.85	\$96.14	\$40.29	72.1%
	Great Oaks Subdivision	\$28.84	\$96.14	\$67.30	233.4%
	Golden Acres Subdivision	\$39.57	\$96.14	\$56.57	143.0%
	Kingswood Development	\$38.84	\$96.14	\$57.30	147.5%
	Lake Columbia Estates	\$50.32	\$96.14	\$45.82	91.1%
	Longview and Homestead Subdivisions	\$30.00	\$96.14	\$66.14	220.5%
	Persimmon Ridge Subdivision	\$35.00	\$96.14	\$61.14	174.7%
	City of River Bluff and environs	\$58.16	\$96.14	\$37.98	65.3%
	Timberland Subdivision	\$34.71	\$96.14	\$61.43	177.0%
Total Monthly Sewer – Multi Residential per unit					
	Brocklyn Subdivision – Multi Unit	\$30.40	\$72.11	\$41.71	137.2%
Total Monthly Sewer Bill – Commercial (Flat)					
	Persimmon Ridge Subdivision	\$35.00 per residential equivalent of 12,000 gallons	\$240.36	\$205.36	234.7%
Total Monthly Sewer – Industrial/Commercial (Metered)					
	I-75 & Delaplain Road interchange area (Scott County)	\$8.89 per 1000 gal	\$25.65 per 1000 gal	\$16.76	188.52%
Total Monthly Water Bill - Residential					
	Center Ridge	\$22.79	\$105.84	\$83.05	364.4%



November 19, 2020

Dear Bluegrass Customer:

We're writing to you about the wastewater services in your community.

Bluegrass Water Utility Operating Company, LLC (Bluegrass Water) has asked the Kentucky Public Service Commission (Commission) to acquire the system that serves your community. The Commission case number for that application is 2020-00028.

On September 30, 2020, Bluegrass Water submitted to the Commission a request for a general adjustment of rates charged for service. The request seeks to increase annual sewer operating revenues by \$2,177,052 (Case # 2020-00290). Since last year, Bluegrass Water has invested nearly \$2.5 million in urgently needed improvements in the Kentucky communities it serves to ensure access to clean, safe and reliable drinking water and wastewater systems. Over the next 18 months, Bluegrass Water intends to invest approximately \$5 million more in its Kentucky systems to ensure they are able to provide safe and reliable service. Increased costs attributable to these and other improvements make it necessary to seek a rate increase at this time.

As of November 19, 2020, Bluegrass Water Utility Operating Company, Inc. (Bluegrass Water), a Central States Water Resources (CSWR) company, is your new sewer services provider. We are committed to bringing you safe, reliable sewer services today, and every day, 365 days a year.

Please take notice of the following information about the proposed rate adjustment that is described below and presented *on the enclosed table*:

The table compares current rates for communities served by Bluegrass Water to the increased rates the company is requesting and shows the proposed increases as both a percentage and a dollar amount. The Commission, the state agency that regulates all utility services in Kentucky, will rule on this request and may order rates to be charged that differ from the proposed rates found in this notice. The average customer usage is unknown and the average bill in each service area relates directly to the current rates per month shown in the enclosed sheet. The date the proposed rates were filed with the Commission was September 30, 2020, with a proposed effective date of October 30, 2020. On October 30, 2020, the Commission suspended the proposed rates for six months while it reviews the application. As a result, the proposed rates will not go into effect before May 1, 2021.

By prior arrangement, you may examine Bluegrass Water's application at the offices of McBrayer PLLC, 201 East Main Street, Suite 900, Lexington, Kentucky. Please contact Bluegrass Water at 1-866-752-8982 to arrange to examine the application. Bluegrass Water's application also may be examined at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's website at <http://psc.ky.gov>. Comments regarding the rate application (case # 2020-00290) or timely requests for intervention (that establish the grounds for the request, including the status and interest of the requester) may be submitted to the Commission through its website or by mail to:

Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602

If the Commission does not receive a written request for intervention establishing the grounds for the request (including the status and interest of the party) within thirty (30) days of the initial mailing of this notice, it may take final action on the application.

Josiah Cox

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	Golden Acres Subdivision	\$39.57	\$96.14	\$56.57	143.0%
	Kingswood Development	\$38.84	\$96.14	\$57.30	147.5%
	Lake Columbia Estates	\$50.32	\$96.14	\$45.82	91.1%
	Longview and Homestead Subdivisions	\$30.00	\$96.14	\$66.14	220.5%
	Persimmon Ridge Subdivision	\$35.00	\$96.14	\$61.14	174.7%
	City of River Bluff and environs	\$58.16	\$96.14	\$37.98	65.3%
	Timberland Subdivision	\$34.71	\$96.14	\$61.43	177.0%
	Arcadia Pines Subdivision	\$25.00	\$96.14	\$71.14	284.6%
	Carriage Park Subdivision	\$16.00	\$96.14	\$80.14	500.9%
	Marshall Ridge Subdivision	\$15.00	\$96.14	\$81.14	540.9%
	Randview Subdivision	\$25.00	\$96.14	\$71.14	284.6%
	I-75 & Delaplain Road interchange area (Scott County)	\$12.50	\$96.14	\$83.64	669.1%
	Herrington Haven and Woodland Estates	\$49.66	\$96.14	\$46.48	93.6%
	Springcrest Sewer (Jessamine County)	\$27.43	\$96.14	\$68.71	250.5%
	Woodland Acres	\$19.47	\$96.14	\$76.67	393.8%
Total Monthly Sewer – Multi Residential per unit					
	Brocklyn Subdivision – Multi Unit	\$30.40	\$72.11	\$41.71	137.2%
	Randview Subdivision — Duplex	\$25.00	\$72.11	\$47.11	188.4%
Total Monthly Sewer Bill – Commercial (Flat)					
	Persimmon Ridge Subdivision	\$35.00 per residential equivalent of 12,000 gallons	\$240.36	\$205.36	234.7%
	Randview Subdivision	\$25 per residential equivalent	\$240.36	\$215.36	861.4%
Total Monthly Sewer – Industrial/Commercial (Metered)					
	I-75 & Delaplain Road interchange area (Scott County)	\$8.89 per 1000 gal	\$25.65 per 1000 gal	\$16.76 per 1000 gal	188.5%
Total Monthly Water Bill - Residential					
	Center Ridge	\$22.79	\$105.84	\$83.05	364.4%

November 19, 2020

Dear Potential Bluegrass Customer:

We're writing to you about the wastewater services in your community.

Bluegrass Water Utility Operating Company, LLC (Bluegrass Water) has asked the Kentucky Public Service Commission (Commission) to acquire the system that serves your community. The Commission case number for that application is 2020-00297.

On September 30, 2020, Bluegrass Water submitted to the Commission a request for a general adjustment of rates charged for service. The request seeks to increase annual sewer operating revenues by \$2,177,052 (Case # 2020-00290). Since last year, Bluegrass Water has invested nearly \$2.5 million in urgently needed improvements in the Kentucky communities it serves to ensure access to clean, safe and reliable drinking water and wastewater systems. Over the next 18 months, Bluegrass Water intends to invest approximately \$5 million more in its Kentucky systems to ensure they are able to provide safe and reliable service. Increased costs attributable to these and other improvements make it necessary to seek a rate increase at this time.

Because the Commission has not yet ruled on either the acquisition or rate increase requests, there will be NO CHANGE in your billing at this time and you should continue to pay your current service provider for the service you receive. Any future change in the rates you are charged must first be approved by the Commission.

Please take notice of the following information about the proposed rate adjustment that is described below and presented *on the enclosed table*:

The table compares current rates for communities served by Bluegrass Water to the increased rates the company is requesting and shows the proposed increases as both a percentage and a dollar amount. The Commission, the state agency that regulates all utility services in Kentucky, will rule on this request and may order rates to be charged that differ from the proposed rates found in this notice. The average customer usage is unknown and the average bill in each service area relates directly to the current rates per month shown in the enclosed sheet. The date the proposed rates were filed with the Commission was September 30, 2020, with a proposed effective date of October 30, 2020. On October 30, 2020, the Commission suspended the proposed rates for six months while it reviews the application. As a result, the proposed rates will not go into effect before May 1, 2021.

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