

**BEFORE THE PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY**

In the Matter of:

**ELECTRONIC APPLICATION OF
BLUEGRASS WATER UTILITY
OPERATING COMPANY, LLC
FOR CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
FOR PROJECTS AT THE
WOODLAND ACRES SITE**

Case No. 2022-00015

ORDERING PARAGRAPH 2 NOTICE

In compliance with the Kentucky Public Service Commission’s (the “Commission”) Order entered on November 3, 2022, (the “Final Order”), approving Bluegrass Water Utility Operating Company, LLC’s (“Bluegrass Water”) Application for a Certificate of Public Convenience and Necessity (“CPCN”) to install a moving bed biofilm reactor (“MBBR”) treatment system, a peracetic acid disinfection system, and wet weather overflow prevention measures at its wastewater treatment plant at the Woodland Acres subdivision in Bullitt County, Kentucky, and ordering paragraph 2, Bluegrass Water hereby provides notice to the Commission of a material increase in costs of construction.

1. Bluegrass Water published this project, together with similar projects associated with Ky. PSC Case. No. 2022-046 and 2022-102, through Keeley Construction Company to thirty-six different construction companies, as depicted in the Bid Solicitation List attached hereto as Exhibit A.¹

¹ Pursuant to 807 KAR 5:001 Section 10, the personal information of individuals who are not parties to this matter and who have not requested to be parties to this matter have been redacted.

2. Herrick Company, Inc. was the only company to bid on the project and was awarded the project. (Bid Evaluation, attached hereto as Exhibit B; Bid Award Letter, attached hereto as Exhibit C.)

3. Pursuant to Exhibit F of the Application, Bluegrass Water estimated its total capital expenditure for this Application to be \$302,250.

4. The awarded contract price is \$602,752.00, which results in a change of \$300,502.

5. Since the COVID pandemic in 2020, increased inflation rates, labor costs, and material shortages have contributed to an increase in construction costs.

6. All other estimates submitted with the Application remain unchanged.

This the 28th day of June, 2023.

Respectfully submitted,

/s/ Edward T. Depp

Edward T. Depp

David N. Giesel

DINSMORE & SHOHL LLP

101 S. Fifth St., Suite 2500

Louisville, KY 40202

tip.depp@dinsmore.com

david.giesel@dinsmore.com

Telephone: (502) 540-2300

Facsimile: (502) 585-2207

*Counsel to Bluegrass Water Utility
Operating Company, LLC*

Certification

Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission. I hereby certify that a copy of this Notice has been served electronically on all parties of record for whom an e-mail address is given in the online Service List for this proceeding through use of the Commission's electronic filing system.

/s/ Edward T. Depp

*Counsel to Bluegrass Water Utility
Operating Company, LLC*