

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS)	
WATER UTILITY OPERATING COMPANY, LLC)	CASE NO.
FOR AN ADJUSTMENT OF SEWAGE RATES)	2022-000432

**SCOTT COUNTY, KENTUCKY'S
APPLICATION FOR REHEARING**

Comes now Scott County, Kentucky (Scott County), by and through counsel, and pursuant to KRS 278.400 applies to the Kentucky Public Service Commission ("Commission" or "PSC") for a rehearing of its February 14, 2024 Order in the instant case. This Application for Rehearing is timely-filed. In support of this Application, Scott County states the following.

KRS 278.400 authorizes a party to "apply for a hearing with respect to any of the matters determined." Scott County applies to the Commission for an Order on Rehearing which changes and modifies the February 14, 2024 Order through extending the discussion upon two (2) subjects at issue so that findings of fact and conclusions of law are provided.

1. Rate Allocation Assignment

Through, among other things, evidence entered into the record by Scott County through its expert witness¹ and argument in its Memorandum Brief² and Reply Brief,³ Scott County contested the percentage of revenue requirement proposed by Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water” or “Company”) apportioned or allocated to customers receiving metered service. Bluegrass Water, as the applicant, has the burden of proof on this issue.

While the results of the February 14, 2024 Order are consistent with the acceptance by the Commission of the Bluegrass Water proposal on this point, there are no findings of fact or conclusions of law. Scott County requests that the Commission change and modify its Order through an extension to supply the findings of fact and conclusions of law upon the arguments and evidence presented on this issue including the satisfaction of its burden of proof by the Bluegrass Water.

2. Phase-In Rate and Gradualism

Through, among other things,⁴ evidence entered into the record by Scott County through its expert witness⁵ and argument in its Memorandum Brief⁶ and Reply Brief,⁷

¹ Direct Testimony of Ariel E. Miller (filed June 30, 2023) at pages 9 and 10.

² Scott County Memorandum Brief (filed Oct. 27, 2023) at pages 15 to 17.

³ Scott County Reply Brief (filed Nov. 10, 2023) at pages 5 and 6.

⁴ Including responses to requests for information and other filings.

⁵ Direct Testimony of Ariel E. Miller (filed June 30, 2023) at pages 10 through 12.

⁶ Scott County Memorandum Brief (filed Oct. 27, 2023) at pages 17 through 24.

⁷ Scott County Reply Brief (filed Nov. 10, 2023) at pages 6 through 8.

Scott County argued in favor of a limited or phased-in rate increase for the Delaplain service area in accordance with the principle of gradualism and avoidance of rate shock. Scott County did not request the establishment of indefinite separate rates for any of Bluegrass Water's service areas.⁸ Scott County's arguments upon this point were based upon Commission precedent in which the principles gradualism and rate shock were considered, and rates were designed to implement those principles.⁹

While the Commission's February 14, 2024 Order finds that the proposed unified rate should be approved,¹⁰ the Order does not contain any findings of fact or conclusions of law as to why the principles of gradualism and rate shock should not be deployed in the instant case. Scott County requests that the Commission change and modify its Order through an extension to supply the findings of fact and conclusions of law upon the arguments and evidence presented on this issue regarding gradualism and rate shock.

Statement Concerning KRS 278.400

Through this Application, Scott County relies upon argument and evidence of record in the instant case prior to the entry of the Order at issue; therefore, there is no offer of additional evidence (or argument). Extension of the Order to set forth findings of fact and conclusions of law supporting the results of the issues adjudicated in the February 14, 2024 Order does not prejudice the rights of any party in the instant case or

⁸ See, for example, Scott County Memorandum Brief (filed Oct. 27, 2023) at pages 21 and 22 ("Scott County, though, is not proposing the maintenance of an indefinite rate differential between similar customer groups in different service areas; instead, Scott County seeks an interim or rate step for twelve (12) months on the path to unified rates.").

⁹ See, for example, Scott County Memorandum Brief (filed Oct. 27, 2023) at page 20.

¹⁰ Order (Ky. P.S.C. Feb. 14, 2024) at page 96.

subsequent proceedings. This request for findings of fact and conclusions of law directly pertains to matters within the scope of the proceeding.

WHEREFORE, Scott County submits its Application for Rehearing and asks for the Commission to change and modify its February 14, 2024 Order as described above and revise the results of the Order accordingly.

Respectfully submitted,

/s/ David E. Spenard

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Notice And Certification For Filing

Undersigned counsel provides notice that the electronic version of the paper has been submitted to the Commission by uploading it using the Commission's E-Filing System on this 28nd day of February 2024, in conformity with the Commission's April 14, 2023 Order of procedure in the instant case. Pursuant to the Commission's Orders in Case No. 2020-00085, *Electronic Emergency Docket Related to Novel Coronavirus Covid-19*, the paper, in paper medium, is not required to be filed.

/s/ David E. Spenard

Notice And Certification Concerning Service

No party has been excused from the electronic filing procedures in the instant proceeding.

/s/ David E. Spenard