

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 RESPONSE TO
BLUEGRASS WATER UTILITY OPERATING
COMPANY, LLC'S FIRST REQUEST FOR INFORMATION**

Comes now Scott County, Kentucky (Scott County), by and through counsel, and submits Response to Bluegrass Water Utility Operating Company, LLC's First Request for Information.

Respectfully submitted,

/s/ David E. Spenard

Randal A. Strobo
David E. Spenard
STROBO BARKLEY PLLC
730 West Main Street, Suite 202
Louisville, Kentucky 40202
Phone: 502-290-9751
Facsimile: 502-378-5395
Email: rstrobo@strobobarkley.com
Email: dspenard@strobobarkley.com

Cameron R. Culbertson
Scott County Attorney
198 E. Washington St.
Georgetown, KY 40324
Email: cameron.culbertson@scottky.gov

Counsel for Scott County

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 28th day of July, 2023, 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

Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Bluegrass Water Utility Operating Company, LLC

Witnesses Responsible:

Judge/Executive Joseph Pat Covington; Magistrate Kelly Corman; Magistrate Dwayne Ellison; Magistrate Rick Hostetler; Magistrate Rob Jones; Magistrate David Livingston; Magistrate Ryan Pratt; and Magistrate Chad Wallace.

1. Please identify any and all Scott County officials who have a financial interest in any utility operating in the Commonwealth of Kentucky, or who had a financial interest in any utility operating in the Commonwealth of Kentucky in the last five (5) years.

For each such official and interest, state:

- a. Who holds the interest;
- b. That person's position;
- c. The amount of the financial interest;
- d. The type of financial interest (stockholding, etc.);
- e. When that interest was acquired; and
- f. Whether Scott County has moved to intervene in a rate proceeding involving that utility.

Objection:

Scott County objects to the oppressively broad nature of the request for information concerning a financial interest in "any utility" in the Commonwealth of Kentucky in the last five (5) years. It is possible that a past or present official may have had an interest through a fund or other investment; however, asking all Scott County officials, past and present, for the last five (5) years to review their records for such an investment (regardless of how minimal) results in an undue burden or expense, particularly the disruption of government services for individuals who have no direct connection with the instant case, and annoyance of those Scott County officials. Moreover, as to any former Scott County officials, the request seeks information from individuals who are not parties to the instant case and, therefore, information not within the control of Scott County.

Response:

The above objection notwithstanding: Scott County notes that "utility" is a term defined in KRS Chapter 278 and also a term with a general meaning. Scott County responds using the general meaning for parts (a) through (e) and responds to part (f) with the meaning established by KRS 278.010(3).

For parts (a) through (e):

The above objection notwithstanding: Scott County provides the current year Statement of Financial Disclosure for each person subject to Scott County Ordinance 94-014, the

local government ethics code, attached as Exhibit 1a. For the current year, no Scott County official appears to have a reportable interest in any utility.

Furthermore; the County Judge/Executive and the individual Magistrates listed in this response separately state that, for the past five (5) years, they have not had an interest in any utility operating in Kentucky.

For part (f): No.

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Witness Responsible:

Judge/Executive Joseph Pat Covington

2. Please identify all Scott County officials who were involved in the decision to move for formal intervention in this case.

Response:

County Judge/Executive Joe Pat Covington, the Members of the Scott County Fiscal Court, and the Scott County Attorney. The Scott County Attorney did not vote on the matter.

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Witness Responsible:

Ariel E. Miller

3. For each of your witnesses, please identify the witness's specific experience (by proceeding caption and case number) testifying in rate cases. Please identify the party on whose behalf each witness testified in those proceedings, and provide a copy of or link to any written testimony of such witness in such case.

Response:

Ms. Miller has not testified for any party in a rate case. However, she has written numerous Staff Reports on behalf of Commission Staff in Kentucky Public Service Commission proceedings. The case number, case style, and link to those reports are listed below:

Case No. 2013-00350, ALTERNATIVE RATE ADJUSTMENT FILING GARRISON-QUINCY -KY-O-HEIGHTS WATER DISTRICT
https://psc.ky.gov/pscscf/2013%20Cases/2013-00350/20140117_PSC_ORDER.pdf

Case No. 2013-00485, ALTERNATIVE RATE FILING OF FARMDALE WATER DISTRICT
https://psc.ky.gov/pscscf/2013%20Cases/2013-00485/20140630_PSC_Notice.pdf

Case No. 2014-00385, ALTERNATIVE RATE FILING OF EASTERN ROCKCASTLE WATER ASSOCIATION, INC.
https://psc.ky.gov/pscscf/2014%20Cases/2014-00385/20150225_PSC_Staff%20Report.pdf

Case No. 2014-00421, ALTERNATIVE RATE ADJUSTMENT FILING OF WESTERN MASON COUNTY WATER DISTRICT
https://psc.ky.gov/pscscf/2014%20Cases/2014-00421/20150324_PSC_Staff%20Report.pdf

Case No. 2015-00022, APPLICATION OF MAGOFFIN COUNTY WATER DISTRICT FOR RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076
https://psc.ky.gov/pscscf/2015%20Cases/2015-00022/20150731_PSC_Staff%20Report.pdf

Case No. 2015-00065, APPLICATION OF WEBSTER COUNTY WATER DISTRICT FOR RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076
https://psc.ky.gov/pscscf/2015%20Cases/2015-00065/20150528_PSC_STAFF%20REPORT.pdf

Case No. 2015-00142, ALTERNATIVE RATE ADJUSTMENT FILING OF KNOX COUNTY UTILITY COMMISSION
https://psc.ky.gov/pscscf/2015%20Cases/2015-00142/20150728_Staff%20Report.pdf

Case No. 2015-00278, APPLICATION OF SOUTH 641 WATER DISTRICT FOR RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076
https://psc.ky.gov/pscscf/2015%20Cases/2015-00278/20151109_STAFF_REPORT.pdf

Case No. 2015-00308, ALTERNATIVE RATE ADJUSTMENT FILING OF HARRISON COUNTY WATER ASSOCIATION
https://psc.ky.gov/pscscf/2015%20Cases/2015-00308/20151216_STAFF_REPORT.pdf

Case No. 2016-00435, APPLICATION FOR RATE ADJUSTMENT OF NEBO WATER DISTRICT
https://psc.ky.gov/pscscf/2016%20Cases/2016-00435/20170328_STAFF_REPORT.pdf

Case No. 2017-00074, APPLICATION OF WESTERN LEWIS RECTORVILLE WATER AND GAS DISTRICT FOR RATE ADJUSTMENT FOR SMALL UTILITIES PURSUANT TO 807 KAR 5:076
https://psc.ky.gov/pscscf/2017%20Cases/2017-00074/20170717_STAFF_REPORT.pdf

Case No. 2017-00244, ELECTRONIC APPLICATION OF WEST CARROLL WATER DISTRICT FOR RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2017%20Cases/2017-00244//20171204_STAFF_REPORT.pdf

Case No. 2017-00253, APPLICATION OF NORTH MCLEAN COUNTY WATER DISTRICT FOR ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2017%20Cases/2017-00253/20171018_STAFF_REPORT.pdf

Case No. 2017-00309, APPLICATION OF CAWOOD WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2017%20Cases/2017-00309/20171114_STAFF_REPORT.pdf

Case No. 2018-00017, ELECTRONIC APPLICATION OF MARTIN COUNTY WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2018%20Cases/2018-00017//20180522_STAFF_REPORT.pdf

Case No. 2018-00117, APPLICATION OF LEDBETTER WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2018%20Cases/2018-00117/20180716_STAFF_REPORT01.pdf

Case No. 2018-00205, APPLICATION OF FOUNTAIN RUN WATER DISTRICT #1 FOR RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076
https://psc.ky.gov/pscscf/2018%20Cases/2018-00205/20181001_STAFF_REPORT.pdf

Case No. 2018-00230, ELECTRONIC APPLICATION OF SOUTHERN WATER AND SEWER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2018%20Cases/2018-00230//20181024_STAFF_REPORT.pdf

Case No. 2018-00387, APPLICATION OF SOUTH HOPKINS WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2018%20Cases/2018-00387/20190305_STAFF_REPORT.pdf

Case No. 2018-00414, APPLICATION OF CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2018%20Cases/2018-00414/20190405_STAFF_REPORT.pdf

Case No. 2019-00131, APPLICATION OF SOUTHERN WATER AND SEWER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2019%20Cases/2019-00131/20190815_STAFF_REPORT.pdf

Case No. 2019-00268, APPLICATION OF KNOTT COUNTY WATER AND SEWER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2019%20Cases/2019-00268/20191120_STAFF_REPORT.pdf

Case No. 2020-00311, ELECTRONIC APPLICATION OF CAWOOD WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2020%20Cases/2020-00311//20210122_STAFF_REPORT.pdf

Case No. 2021-00154, ELECTRONIC APPLICATION OF MARTIN COUNTY WATER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT
https://psc.ky.gov/pscscf/2021%20Cases/2021-00154//20210811_STAFF_REPORT.pdf

Case No. 2021-00285, ELECTRONIC APPLICATION OF LARUE COUNTY WATER DISTRICT NO. 1 FOR A RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076
https://psc.ky.gov/pscscf/2021%20Cases/2021-00285//20211118_STAFF_REPORT.pdf

Case No. 2021-00391, ELECTRONIC APPLICATION OF LYON COUNTY WATER DISTRICT FOR A RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076
https://psc.ky.gov/pscscf/2021%20Cases/2021-00391//20220406_STAFF_REPORT.pdf

Case No. 2021-00394, ELECTRONIC APPLICATION OF MARION COUNTY WATER DISTRICT FOR A RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076
https://psc.ky.gov/pscscf/2021%20Cases/2021-00394//20220302_STAFF_REPORT.pdf

Case No. 2021-00415, ELECTRONIC APPLICATION OF BRACKEN COUNTY WATER DISTRICT FOR A RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076
https://psc.ky.gov/pscscf/2021%20Cases/2021-00415//20220602_STAFF_REPORT.pdf

Case No. 2021-00445, ELECTRONIC APPLICATION OF WESTERN PULASKI COUNTY WATER DISTRICT FOR A RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076

https://psc.ky.gov/pscscf/2021%20Cases/2021-00445//20220426_STAFF_REPORT.pdf

Case No. 2022-00044, ELECTRONIC APPLICATION OF BIG SANDY WATER DISTRICT FOR AN ADJUSTMENT OF ITS WATER RATES PURSUANT TO 807 KAR 5:076

https://psc.ky.gov/pscscf/2022%20Cases/2022-00044//20220817_STAFF_REPORT.pdf

Case No. 2022-00099, ELECTRONIC APPLICATION OF SOUTHERN WATER AND SEWER DISTRICT FOR AN ALTERNATIVE RATE ADJUSTMENT

https://psc.ky.gov/pscscf/2022%20Cases/2022-00099//20220826_STAFF_REPORT.pdf

Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Ariel E. Miller

4. Please identify and provide a copy of all engagement letters or agreements by which Ms. Miller was engaged to testify on behalf of Scott County in this matter.

Response:

Please see the attached Exhibits 4a and 4b, respectively, that include the initial proposal from Scott County's expert witness and contract for services in the pending case.

Note: Consistent with 807 KAR 5:001, Section 4 (10), certain identifiers in the response have been obscured.

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Witness Responsible:

Ariel E. Miller

5. Please refer to Exhibit AEM-1: Curriculum Vitae of Ariel E. Miller, which indicates that Ms. Miller served as “Public Service Rates and Tariffs Manager” and “Public Utilities Financial Analyst” for the Commission. Please identify all Bluegrass Water cases before the Commission in which Ms. Miller provided oversight, direct review, or any other service as a member of Commission staff. With respect to each matter identified, please describe the nature of all services provided by Ms. Miller in her then-current role(s). For clarity, this request includes but is not limited to services provided with respect to the Notice of Intent filed in this matter on December 28, 2022.

Response:

Ms. Miller has not provided oversight, direct review, or any other services as a member of Commission Staff in relation to any Bluegrass Water case before the Commission in her roles as Public Utilities Financial Analyst and as Public Service Rates and Tariffs Manager.

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Witness Responsible:

Ariel E. Miller

6. Please identify and provide copies of all opinions or other rulings or determinations that Ms. Miller sought in connection with her decision to testify in this matter and whether that decision was appropriate in light of her recent roles on Commission staff.

Response:

Ms. Miller did not seek any other rulings or determinations in connection with her decision to testify in this matter. However, prior to her exit from her employment from the Kentucky Public Service Commission, Ms. Miller met with the Ethics Officer for the PSC and discussed her responsibilities pursuant to 9 KAR 1:025 and KRS 11A.040(8) and (9).

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Witness Responsible:

Ariel E. Miller

7. Please identify the date on which Scott County first communicated with Ms. Miller regarding this case, and please identify the individual(s) involved in that communication. Please provide a copy of those communications.

Response:

Ms. Miller first communicated with David Spenard from Strobo Barkley, PLLC on May 08, 2023 by telephone regarding this case.

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Witness Responsible:

Ariel E. Miller

8. Please identify and provide all agreements by which Ms. Miller purported to protect the confidentiality of Bluegrass Water information that was subject to confidentiality protections in other Commission cases filed before she left employment of the Commission.

Response:

There are no signed confidentiality agreements that exist for information that would be subject to confidentiality protections before leaving the Kentucky Public Service Commission.

Scott County, Kentucky
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Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Ariel E. Miller

9. Please state whether you have evaluated the effects your recommendations will have on Bluegrass Water's financial integrity and provide all such studies, analyses, and related documents and calculations, including any in electronic format. In the event you have evaluated such effects, please identify your conclusion(s) and describe in detail the basis for those conclusions.

Response:

No studies or analyses were performed regarding Bluegrass Water's financial integrity in relation to Ms. Miller's recommendations.

Scott County, Kentucky
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Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Ariel E. Miller

10. Please state whether you have evaluated the effects your recommendations will have on Bluegrass Water's credit ratings and provide all such studies, analyses, and related documents and calculations, including any in electronic format. In the event you have evaluated such effects, please identify your conclusion(s) and describe in detail the basis for those conclusions.

Response:

No studies or analyses were performed regarding Bluegrass Water's credit ratings in relation to Ms. Miller's recommendations.

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Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Ariel E. Miller

11. Please state whether you have evaluated the effects your recommendations will have on Bluegrass Water's ability to borrow funds in the marketplace or the interest rates Bluegrass Water would pay if your recommendations are accepted by the Commission, and provide all such studies, analyses, and related documents and calculations, including any in electronic format. In the event you have evaluated such effects, please identify your conclusion(s) and describe in detail the basis for those conclusions.

Response:

No studies or analyses were performed regarding Bluegrass Water's ability to borrow funds in the marketplace or interest rates Bluegrass Water would pay in relation to Ms. Miller's recommendations.

Scott County, Kentucky
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Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Ariel E. Miller

12. Please provide all calculations, workpapers, and other documents used to derive each adjustment shown in Exhibit AEM-2 to the Direct Testimony of Ariel Miller. Please provide these documents in electronic format with all formulas intact. For each input and for each amount listed in the exhibit, please provide the source of the input or amount and a record citation.

Response:

Please see the attached Exhibit 12a for the workpapers related to Ms. Miller's Direct Testimony.

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Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Judge/Executive Joseph Pat Covington

13. Please provide all of Scott County's policies and procedures discussing when it initiates or intervenes in court and administrative agency proceedings.

Objection:

Scott County objects to the oppressively broad nature of the request for information concerning the initiation or intervention in court and administrative proceedings. Scott County has a broad range of governmental interests and functions, and identifying and explaining policies and procedures is an undue burden. Scott County further objects to any collateral attack by Bluegrass Water upon the Commission's Order granting Scott County intervention into the instant case and the attempt to develop or present any claims or theories that have been procedurally defaulted or waived.

Response:

The above objection notwithstanding: Scott County considers intervention in utility proceedings on a case-by-case basis.

Scott County, Kentucky
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Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Judge/Executive Joseph Pat Covington

14. Please provide Scott County's resolution authorizing it to move for intervention in this proceeding.

Response:

A copy of the Resolution is attached to this Response as Exhibit 14a.

Scott County, Kentucky
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Witness Responsible:

Judge/Executive Joseph Pat Covington

15. Please provide all dissenting opinions or communications regarding your decision to move to intervene in this proceeding.

Response:

The vote of the Fiscal Court on this matter was unanimous. The pertinent Minutes are attached as Exhibit 15a.

Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Judge/Executive Joseph Pat Covington

16. Please provide any and all internal communications regarding Bluegrass Water, CSWR, LLC, and/or Central States Water Resources, Inc. between or among the County Judge Executive, Fiscal Court, employees, agents, commissioners, city council members, or other officials of Scott County since December 1, 2022.

Assertion of Privilege:

Scott County asserts lawyer-client privilege for its confidential communications in furtherance of the rendition of professional legal services.

Objection:

Scott County objects to the request for any trial preparation materials or work-product including any communications that concern the mental impressions, conclusions, opinions, or legal theories of counsel or other representative of Scott County concerning the litigation and objects to the request for information concerning assessments of and strategy for the instant case.

Response: The assertion of privilege and the above objection notwithstanding: See Exhibits 15a, 17a, and 19a.

Note: Scott County's response does not include communications involving persons with an indirect interest such as employees who process invoices, etc.

Note: Consistent with 807 KAR 5:001, Section 4 (10), certain identifiers in the response have been obscured.

Scott County, Kentucky
KY PSC Case No. 2022-00432
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Witness Responsible:

Judge/Executive Joseph Pat Covington

17. Please provide any and all correspondence received by Scott County from any member of the public discussing wastewater rates of any wastewater utility (municipal, investor-owned, or otherwise) in the county since December 1, 2018.

Response:

The County Judge/Executive supplies the documents in his possession in Exhibit 17a.

Note: Consistent with 807 KAR 5:001, Section 4 (10), certain identifiers in the response have been obscured.

Scott County, Kentucky
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Witness Responsible:

Not Applicable – Response by Counsel. Each document speaks for itself.

18. Please provide all documents showing communications between Scott County (or its agents, employees, or witnesses) and any representative(s) of the Office of the Attorney General regarding this case or any anticipated filing of this case.

Response:

Documents showing communications between Scott County and the Kentucky Office of the Attorney General within the scope of this request are attached as Exhibit 18a. Note: To the extent that Scott County and the Office of the Attorney General have communicated through pleadings filed into the public record in the instant case, those pleadings are incorporated by reference.

Note: Consistent with 807 KAR 5:001, Section 4 (10), certain identifiers in the response have been obscured.

Scott County, Kentucky
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Witness Responsible:

Judge/Executive Joseph Pat Covington

19. Please provide a copy of all documents showing communications between Scott County (or its agents, employees, or witnesses) and any person (including, but not limited to elected or appointed officials at any level of government) not a party to this case regarding, arising out of, or related to this case or any anticipated filing of this case.

Assertion of Privilege:

Scott County asserts lawyer-client privilege for its confidential communications in furtherance of the rendition of professional legal services.

Objection:

Scott County objects to the oppressively broad nature of the request for information. It is possible that Scott County may have information falling within the scope of this request; however, asking all Scott County officials, agents, employees, and witnesses to review their records for such information (regardless of its nature) results in an undue burden or expense, particularly the disruption of government services for individuals who have no direct connection with the instant case, and annoyance of those individuals. Furthermore, Scott County asserts attorney/client privilege for communications with counsel.

Response:

The assertion of privilege and above objection notwithstanding: The attached Exhibit 19a contains communication falling with the scope of this request. Also see attached Exhibit 17a.

Note: Consistent with 807 KAR 5:001, Section 4 (10), certain identifiers in the response have been obscured.

Scott County, Kentucky
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Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Ariel E. Miller

20. Please refer to Ms. Miller's testimony at 2:1-3. Has Ms. Miller previously testified in front of any regulatory commissions other than the Commission? If so, please state the client, date, location, and agency before whom Ms. Miller testified and summarize the testimony.

Response:

Ms. Miller has not previously testified in front of any regulatory commissions other than the Kentucky Public Service Commission.

Scott County, Kentucky
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Witness Responsible:

Ariel E. Miller

21. Please refer to Ms. Miller's testimony at 7:11–15. Please explain the discrepancy between Ms. Miller's testimony suggesting that Bluegrass Water did not meet the "fifth criteria of the Delta Test [which] requires that the purchase price of utility and nonutility property can be clearly identified" with Ms. Miller's Testimony at 6:4–5.

Response:

Ms. Miller's testimony at 7:10-11 is misstated. Specifically, the testimony references the "fifth" criteria of the Delta Test, but references the "fourth" criteria in the narrative. For clarification, Ms. Miller is referencing the fourth criteria. Ms. Miller's testimony at 6:4-5 is in reference to the amounts booked to land incorrectly, that specifically should be booked to the acquisition adjustment account. Those amounts are not specifically broken out into the categories outlined in Ms. Miller's testimony at 7:10-11.

Scott County, Kentucky
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Witness Responsible:

Ariel E. Miller

22. Please refer to Ms. Miller's testimony at 7:10-11, which states that "the fifth criteria of the Delta Test requires that the purchase price of utility and nonutility property be clearly identified." Please explain what portion of the purchase price for any system purchased by Bluegrass Water Ms. Miller believes was not attributable to "utility property" and provide justification for this belief.

Response:

Bluegrass Water's response to Scott County 1-15 states numerous reasons why a purchase price above historic book value can be determined. Some of the reasons listed are not attributable to utility property, but rather, are nonutility items such as the last item listed in the response which states "since many owners are paying themselves to operate the facility, these previous owners will also demand a higher purchase price to account for the loss of this personal income stream." The record does not reflect which portions of the amounts paid in excess of book value are attributable to the items listed in the response.

Scott County, Kentucky
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Witness Responsible:

Ariel E. Miller

23. Please refer to Ms. Miller's testimony at 10:8-11. Is it Scott County's position that continuity concerns deem a rate allocation structure invalid? Please explain.

Response:

No. Continuity concerns are valid, assuming there is a quantifiable basis for the shift.

Scott County, Kentucky
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Witness Responsible:

Ariel E. Miller

24. Please refer to Ms. Miller's testimony at 10:14–17("Absent evidence in the current record to substantiate a shift from the current allocation..."), Bluegrass Water's Response to Scott County No. 1-3, PSC Exhibit 2-24, and OAG Exhibit 1-35. Please explain why Ms. Miller believes that Exhibit 2-24 does not identify the rationale underlying the allocation of costs between metered and unmetered service.

Response:

The response to Commission Staff's Request, Item 2-24 does not offer any quantifiable basis for why Bluegrass Water proposes a shift in the revenue requirement of 4.2 percent from unmetered service to metered service customers. The response and subsequent responses do not state why 4.2 percent is more appropriate than any other proposal.

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Witness Responsible:

Ariel E. Miller

25. Please refer to Ms. Miller's testimony at 11:5–20 and 12:1–5. Please detail the proposed timeline for each phase of Scott County's proposed "phase-in" approach.

Response:

Scott County's proposed phase-in is as follows: Phase 1 rates would go into effect upon a Commission Order approving the phase-in. Phase 2 rates would be effective one year from the effective date of Phase 1 rates, and Phase 3 rates would be effective one year from the effective date of Phase 2 rates.

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Witness Responsible:

Ariel E. Miller

26. Please refer to Exhibit AEM-1 and the testimony of Ms. Miller at 2:1–3. Given the representations that Ms. Miller “[t]estified on behalf of Commission Staff in Case No. 2017- 00070” and “[t]estified on behalf of Commission Staff in Case No. 2018-00017,” Exhibit AEM1, please confirm that Ms. Miller has not previously testified on behalf of any other Person before, date, location, and agency before whom Ms. Miller testified and summarize the testimony.

Response:

Ms. Miller has not testified on behalf of any other person before the Kentucky Public Service Commission.

Scott County, Kentucky
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Witnesses Responsible:

Judge/Executive Joseph Pat Covington; Magistrate Kelly Corman; Magistrate Dwayne Ellison; Magistrate Rick Hostetler; Magistrate Rob Jones; Magistrate David Livingston; Magistrate Ryan Pratt; and Magistrate Chad Wallace.

27. Please explain whether Scott County or any of its elected officials owns any portion of the real property in the Delaplain service area. If so, please identify the property by service address.

Objection:

Scott County objects to the oppressively broad nature of the request for information concerning any elected Scott County official. A request for all Scott County elected officials to review their records results in an undue burden or expense, particularly the disruption of government services for elected officials who have no direct connection with the instant case, and annoyance of those Scott County elected officials.

Response:

The above objection notwithstanding: Scott County government does not own real property within the Delaplain service area with service by Bluegrass Water. The Scott County Judge/Executive and the members of the Fiscal Court do not own real property within the Delaplain Service area that is served by Bluegrass Water.

Scott County further notes that information concerning real estate holdings by the remaining Scott County elected officials is set forth in Exhibit 1a supplied in response to Bluegrass Water request item 1.

Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Judge/Executive Joseph Pat Covington

28. Please refer to the portions of your Motion to Intervene alleging that Scott County has an interest in the health and safety of Scott County residents. Please also refer to Bluegrass Water's Response to Scott County's Request for Information No. 1-7 and the Commission's March 30, 2023 Order (Case No. 2022-00104) referenced therein. Please describe in detail each action you took to ensure that the prior owner of the Delaplain system cured the environmental violations that were occurring in Scott County. Provide all communications evidencing the same.

Objection:

Scott County objects to any inference that it was required to "ensure" or that it could take actions to "ensure" that the prior owner of the Delaplain system cured the environmental violations discussed in the Response and Order referenced above. Scott County objects to the oppressively broad nature of the request for information concerning "each action" and also the lack of a fixed time frame. Asking all Scott County officials and employees, past and present, to review their records for such and/or document the matters (regardless nature of the action) results in an undue burden or expense, particularly the disruption of government services for individuals. Moreover, as to any former Scott County officials or employees, the request seeks information from individuals who are not parties to the instant case and, therefore, information not within the control of Scott County.

Response:

The above objection notwithstanding: Promoting and protecting the health and safety of Scott County residents is a cooperative effort of various local and state governmental entities including Scott County. The responsibilities and powers of the Kentucky Division of Water concerning the environmental violations by the prior owner of the Delaplain system are set forth by statute. Scott County was not mandated to ensure that the prior owner of the Delaplain system cure environmental violations referenced by Bluegrass Water.

Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Judge/Executive Joseph Pat Covington

29. Please identify the amount of ARPA funds received by Scott County, the amount of ARPA funds dedicated to water or wastewater services in Scott County, and the amount of ARPA funds allocated to Georgetown Municipal Water and Sewer Service.

Objection:

Scott County objects to this question to the extent that it seeks information concerning matters outside of the control of Scott County that is not in the possession of Scott County.

Response:

The above objection notwithstanding:

Amount of ARPA funds received \$11,000,000.00.

Amount of ARPA funds dedicated to water or wastewater services in Scott County. Zero (\$0.00).

Amount of ARPA funds allocated by Scott County Fiscal Court to Georgetown Municipal Water and Sewer Service. Zero (\$0.00). (Note: Bluegrass Water may wish to contact the City of Georgetown to determine if it allocated any ARPA funds to the Georgetown Municipal Water and Sewer Service.)

Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Judge/Executive Joseph Pat Covington

30. If you sought ARPA funds to address the environmental issues with the Delaplain system, please identify all amounts sought, whether such amounts were received or denied, and all communications pertaining to the receipt or denial of the same.

Response:

No ARPA funds were sought for the Delaplain system.

Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Judge/Executive Joseph Pat Covington

31. Please refer to Page 8 of the Commission's March 30, 2023 Order in Case No. 2022-00104. Please provide any and all documents related to any consideration given by Scott County to provide ARPA funds to Georgetown Municipal Water and Sewer Service for the purpose of connecting to the Delaplain facility.

Response:

Scott County is not in possession of documents within the scope of the request.

Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Bluegrass Water Utility Operating Company, LLC

Witness Responsible:

Judge/Executive Joseph Pat Covington

32. Please provide all documents, including public statements from any Scott County officials, regarding the 2023 rate increase approved by the City of Georgetown for the Georgetown Municipal Water and Sewer Service.

Objection:

Scott County objects to the oppressively broad nature of the request for information concerning any Scott County official and all documents. It is possible that an official may have a document arguably falling within the scope of this request; however, asking all Scott County officials to review their records for such documents (regardless of the nature of the document) results in an undue burden or expense, particularly the disruption of government services for individuals who have no direct connection with the instant case and/or concerning information that may not have any material or direct bearing on the instant case, and annoyance of those Scott County officials.

Response:

The above objection notwithstanding: The Judge/Executive is not in possession of any public statements from Scott County regarding the 2023 rate increase by the City of Georgetown for the Georgetown Municipal Water and Sewer Service and is not aware of any statement by a member of the Scott County Fiscal Court regarding the increase.

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	)	2022-00432

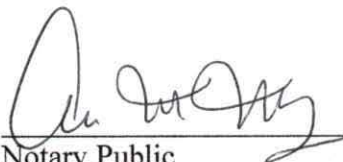
**VERIFICATION
BY AFFIDAVIT**

Comes the affiant, Ariel E. Miller, and being duly sworn states that the foregoing responses and attached exhibits were prepared by her and are, to the best of her information and belief, true and correct.



Commonwealth of Pennsylvania
County of Cambria

Subscribed and sworn to me by the Affiant Ariel E. Miller this 25 day of July, 2023.



Commonwealth of Pennsylvania - Notary Seal
ANNA M MEYERS, Notary Public
Cambria County
My Commission Expires October 15, 2025
Commission Number 1003226

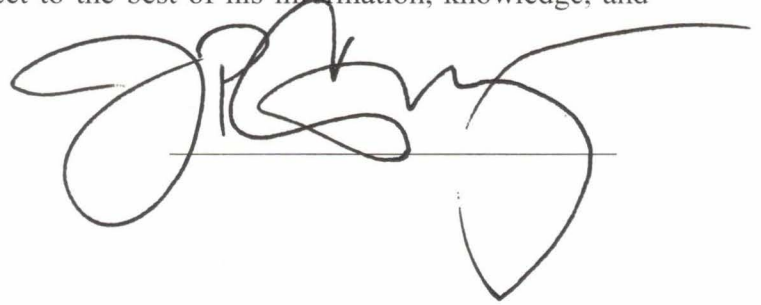
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS)
 WATER UTILITY OPERATING COMPANY, LLC) CASE NO.
 FOR AN ADJUSTMENT OF SEWAGE RATES) 2022-00432

**VERIFICATION
 BY AFFIDAVIT**

Comes the affiant, Joseph Pat Covington, and being duly sworn states that he has personal knowledge of the matters set forth in the responses for which his is identified as the witness, and the answers contain therein are true and correct to the best of his information, knowledge, and belief.



Commonwealth of Kentucky)
)
 County of Scott)

27 Subscribed and sworn to me, a Notary Public in and before said County and State, by this day of July, 2023.

St Hamilton
 Notary Public

STACY M. HAMILTON
 Notary Public
 Commonwealth of Kentucky
 Commission Number KYNP11148
 My Commission Expires Jul 24, 2024

Notary Public ID Number

My Commission Expires:

7.24.24

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	)	2022-00432

**VERIFICATION
BY AFFIDAVIT**

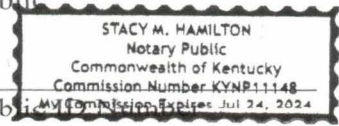
Comes the affiant, Rick Hostetler, and being duly sworn states that he has personal knowledge of the matters set forth in the responses for which his is identified as the witness, and the answers contain therein are true and correct to the best of his information, knowledge, and belief.

Rick Hostetler

Commonwealth of Kentucky)
)
County of Scott)

Subscribed and sworn to me, a Notary Public in and before said County and State, by this _____ day of July, 2023.

Stacy Hamilton
Notary Public



My Commission Expires:
7.24.24

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) 2022-00432

VERIFICATION
BY AFFIDAVIT

Comes the affiant, Rob Jones, and being duly sworn states that he has personal knowledge of the matters set forth in the responses for which his is identified as the witness, and the answers contain therein are true and correct to the best of his information, knowledge, and belief.

[Handwritten signature of Rob Jones]

Commonwealth of Kentucky)
County of Scott)

27 Subscribed and sworn to me, a Notary Public in and before said County and State, by this day of July, 2023.

[Handwritten signature of Stacy M. Hamilton]

Notary Public
[Notary Seal: STACY M. HAMILTON, Notary Public, Commonwealth of Kentucky, Commission Number KYNP11148, My Commission Expires Jul 24, 2024]

My Commission Expires:
7.24.24

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) 2022-00432

**VERIFICATION
BY AFFIDAVIT**

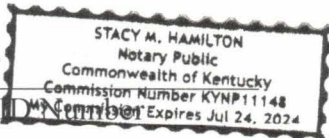
Comes the affiant, Chad Wallace, and being duly sworn states that he has personal knowledge of the matters set forth in the responses for which his is identified as the witness, and the answers contain therein are true and correct to the best of his information, knowledge, and belief.

Chad Wallace

Commonwealth of Kentucky)
County of Scott)

27 Subscribed and sworn to me, a Notary Public in and before said County and State, by this day of July, 2023.

Stacy M. Hamilton
Notary Public

Notary Public 

My Commission Expires:

7.24.24

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	)	2022-00432


**VERIFICATION
BY AFFIDAVIT**

Comes the affiant, Kelly Corman, and being duly sworn states that he has personal knowledge of the matters set forth in the responses for which his is identified as the witness, and the answers contain therein are true and correct to the best of his information, knowledge, and belief.



Commonwealth of Kentucky)
)
County of Scott)

27 Subscribed and sworn to me, a Notary Public in and before said County and State, by this day of July, 2023.



Notary Public

STACY M. HAMILTON Notary Public Commonwealth of Kentucky Commission Number KYNP11148 My Commission Expires Jul 24, 2024

Notary Public ID Number _____

My Commission Expires:

7.24.24

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	)	2022-00432

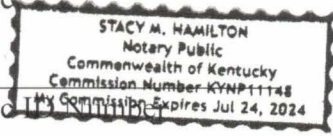
VERIFICATION BY AFFIDAVIT

Comes the affiant, Phillip Ryan Pratt, and being duly sworn states that he has personal knowledge of the matters set forth in the responses for which his is identified as the witness, and the answers contain therein are true and correct to the best of his information, knowledge, and belief.

Commonwealth of Kentucky)
)
County of Scott)

27 Subscribed and sworn to me, a Notary Public in and before said County and State, by this day of July, 2023.

Notary Public



Notary Public

My Commission Expires:

7.24.24

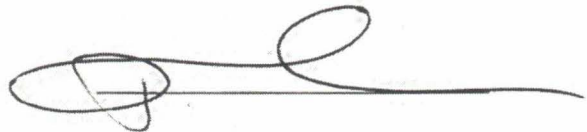
**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS)	
WATER UTILITY OPERATING COMPANY, LLC	)	CASE NO.
FOR AN ADJUSTMENT OF SEWAGE RATES	)	2022-00432

**VERIFICATION
BY AFFIDAVIT**

Comes the affiant, Dwayne Ellison, and being duly sworn states that he has personal knowledge of the matters set forth in the responses for which his is identified as the witness, and the answers contain therein are true and correct to the best of his information, knowledge, and belief.



Commonwealth of Kentucky)
)
County of Scott)

Subscribed and sworn to me, a Notary Public in and before said County and State, by this 27 day of July, 2023.

St Hamilton
Notary Public

Notary Public ID Number 

My Commission Expires:

7.24.24

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) 2022-00432

**VERIFICATION
BY AFFIDAVIT**

Comes the affiant, David Livingston, and being duly sworn states that he has personal knowledge of the matters set forth in the responses for which his is identified as the witness, and the answers contain therein are true and correct to the best of his information, knowledge, and belief.



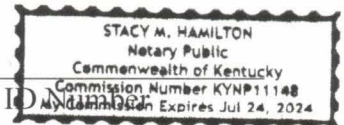
Commonwealth of Kentucky)
)
County of Scott)

27 Subscribed and sworn to me, a Notary Public in and before said County and State, by this day of July, 2023.



Notary Public

Notary Public ID Number



My Commission Expires:

7.24.24