

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
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Comes now Scott County, Kentucky (Scott County), by and through counsel, and submits Response to Commission Staff'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 Commission Staff

Witness Responsible:

Ariel E. Miller

1. Refer to the Direct Testimony of Ariel E. Miller, Exhibit AEM-2. Provide Exhibit AEM-2 and all related work papers in Excel spreadsheet format with all formulas, rows, and columns fully accessible, unprotected, and intact.

Response:

Please see the attached Exhibit 1a for the workpapers related to Ms. Miller's Direct Testimony.

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 response and attached exhibit was prepared by her and are, to the best of her information and belief, true and correct.

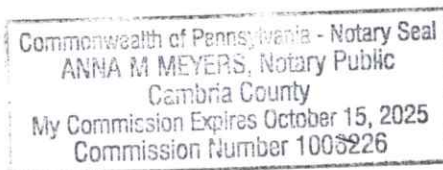


Commonwealth of Pennsylvania
County of Cambria

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



Notary Public



**Scott County, Kentucky
KY PSC Case No. 2022-00432
Response to Public Service Commission Staff**

Exhibit 1a

KY PSC Case No. 2022-00432
 Revised Revenue Requirement
 For the Period Ending June 30, 2022

Line Number	Description	Adjusted Sewer	Removal of Acquisition Costs	Adjusted Sewer
(A)	(B)	(C)	(D)	(E)
1				
2	Total Original Cost Rate Base	\$6,238,746	(\$629,772)	\$5,608,974
3				
4	Operating Income at Present Rates	(\$472,215)		(\$472,215)
5				
6	Earned Rate of Return	-7.6%		-8.4%
7				
8	Requested Rate of Return	9.8%		9.8%
9				
10	Required Return on Rate Base	\$609,292		\$547,787
11				
12	Weighted Return on Equity	7.1%		7.1%
13				
14	Operating Income Deficiency	\$1,081,507		\$1,020,002
15				
16	Net Income Required for Return on Equity	\$444,519		\$399,647
17				
18	Gross Revenue Conversion Factor	1.01		1.01
19	Gross Income Conversion Factor	1.35		1.35
20				
21	Revenue Deficiency	\$1,241,702		\$1,164,508
22				
23	Pro Forma Revenue at Present Rates	\$2,435,594		\$2,435,594
24				
25	Overall Revenue Requirement	\$3,677,297		\$3,600,102 (\$77,195)
26	Less: Other Revenues	\$14,462		(\$14,462)
27				
28	Base Rate Revenue Requirement	\$3,691,759		\$3,585,640
29	Percentage Increase	51.58%		47.22%

	Bills	Percentage of Bills	Current Fixed Charges	Current Volumetric Charges	Metered Usage	Scott Co Proposed Fixed Rate	Scott Co Phase 1 Volumetric Rate	Current Total Charge	Scott Co Proposed Phase 1 Charge	Difference	Percent Difference
Airview Residential	2,373	8.03%	85.97	\$		95.25		\$	226,048	\$ 22,023	10.8%
Arcadia Pines	310	1.05%	85.97			95.25		26,650	29,527	2,877	10.8%
Brocklyn Multifamily (2)	1,119	3.79%	64.48			71.44		72,153	79,939	7,785	10.8%
Brocklyn Residential	884	2.99%	85.97			95.25		75,996	84,199	8,203	10.8%
Carriage Park	454	1.54%	85.97			95.25		39,045	43,259	4,215	10.8%
Darlington Creek	1,400	4.74%	45.00			95.25		63,011	133,373	70,362	111.7%
Delaplain Commercial (1)	408	1.38%	-	\$ 8.89	49,777	238.13	9.41	442,518	565,557	123,039	27.8%
Delaplain	3,654	12.37%	12.50			25.00		45,678	91,356	45,678	100.0%
Fox Run Residential	420	1.42%	85.97			95.25		36,107	40,005	3,898	10.8%
Golden Acres Residential	348	1.18%	85.97			95.25		29,918	33,147	3,229	10.8%
Great Oaks Residential	1,927	6.52%	85.97			95.25		183,577	193,577	10,000	10.8%
Herrington Haven	288	0.97%	49.66			95.25		14,302	27,432	13,130	91.8%
Kingswood Residential	1,570	5.32%	85.97			95.25		135,010	149,584	14,574	10.8%
Lake Columbia Flat	396	1.34%	85.97			95.25		34,044	37,719	3,675	10.8%
Longview Residential	3,960	13.41%	85.97			95.25		340,456	377,206	36,750	10.8%
Marshall Ridge	479	1.62%	-85.97			95.25		41,139	45,580	4,441	10.8%
Persimmon Non-Residential (1)	12	0.04%	214.93			238.13		2,579	2,858	278	10.8%
Persimmon Residential	4,292	14.53%	85.97			95.25		368,988	408,818	39,830	10.8%
Randview	661	2.24%	85.97			95.25		56,814	62,947	6,133	10.8%
River Bluffs	2,164	7.33%	85.97			95.25		186,056	206,140	20,084	10.8%
Springcrest	504	1.71%	27.43			95.25		13,825	48,006	34,181	247.2%
Timberland	826	2.80%	85.97			95.25		71,039	78,707	7,668	10.8%
Woodland Acres	1,091	3.69%	19.47			95.25		21,245	103,934	82,689	389.2%
	29,542	100.00%						\$ 2,486,287	\$ 3,058,915	\$ 572,628	23.0%

Base Rate Revenue Requirement \$ 3,585,640
Unrecovered Phase 1 Revenue \$ (526,725)

Total Phase 1 Proposed Charges \$ 3,058,915
Delaplain Commercial Proposed Charges 565,557

Percent of Revenue 18.49%

	Bills	Percentage of Bills	Phase 1 Fixed Charges	Phase 1 Volumetric Charges	Metered Usage	Scott Co Proposed Fixed Rate	Scott Co Phase 2 Volumetric Rate	Current Total Charge	Scott Co Proposed Phase 2 Charge	Difference	Percent Difference
Airview Residential	2,373	8.03%	\$ 95.25	\$ 9.41	49,777	\$ 97.00	10.00	\$ 226,048	\$ 230,201	\$ 4,153	1.8%
Arcadia Pines	310	1.05%	95.25			97.00		29,527	30,069	542	1.8%
Brooklyn Multifamily (2)	1,119	3.79%	71.44			72.75		79,939	81,407	1,469	1.8%
Brooklyn Residential	884	2.99%	95.25			97.00		84,199	85,746	1,547	1.8%
Carriage Park	454	1.54%	95.25			97.00		43,259	44,054	795	1.8%
Darlington Creek	1,400	4.74%	95.25			97.00		133,373	135,823	2,450	1.8%
Delaplain Commercial (1)	408	1.38%	238.13	\$ 9.41		242.50		565,557	596,710	31,153	5.5%
Delaplain	3,654	12.37%	25.00			50.00		91,356	182,711	91,356	100.0%
Fox Run Residential	420	1.42%	95.25			97.00		40,005	40,740	735	1.8%
Golden Acres Residential	348	1.18%	95.25			97.00		33,147	33,756	609	1.8%
Great Oaks Residential	1,927	6.52%	95.25			97.00		183,577	186,950	3,373	1.8%
Herrington Haven	288	0.97%	95.25			97.00		27,432	27,936	504	1.8%
Kingswood Residential	1,570	5.32%	95.25			97.00		149,584	152,332	2,748	1.8%
Lake Columbia Flat	396	1.34%	95.25			97.00		37,719	38,412	693	1.8%
Longview Residential	3,960	13.41%	95.25			97.00		377,206	384,136	6,930	1.8%
Marshall Ridge	479	1.62%	95.25			97.00		45,580	46,417	837	1.8%
Persimmon Non-Residential (1)	12	0.04%	238.13			242.50		2,858	2,910	53	1.8%
Persimmon Residential	4,292	14.53%	95.25			97.00		408,818	416,329	7,511	1.8%
Randview	661	2.24%	95.25			97.00		62,947	64,104	1,157	1.8%
River Bluffs	2,164	7.33%	95.25			97.00		206,140	209,927	3,787	1.8%
Springcrest	504	1.71%	95.25			97.00		48,006	48,888	882	1.8%
Timberland	826	2.80%	95.25			97.00		78,707	80,153	1,446	1.8%
Woodland Acres	1,091	3.69%	95.25			97.00		103,934	105,844	1,910	1.8%
	29,542	100.00%						\$ 3,058,915	\$ 3,225,556	\$ 166,640	5.4%

	Base Rate Revenue Requirement	Unrecovered Phase 1 Revenue	Unrecovered Phase 2 Revenue	Total Unrecovered Phase In Revenue	Total Phase 1 Proposed Charges	Delaplain Commercial Proposed Charges	Percent of Revenue
Commercial Residential Equivalents	\$ 3,585,640				\$ 3,225,556		
Multifamily Residential Equivalents		(526,725)	(360,085)	(886,809)	596,710		18.50%

	Bills	Percentage of Bills	Phase 2		Metered Usage	Scott Co Proposed		Current Total Charge	Scott Co Proposed		Percent Difference
			Fixed Charges	Volumetric Charges		Fixed Rate	Volumetric Rate		Phase 3 Charge	Phase 3 Charge	
Airview Residential	2,373	8.03%	\$ 97.00			\$ 106.28		\$ 230,201	\$ 252,224	\$ 22,023	9.6%
Arcadia Pines	310	1.05%	97.00			106.28		30,069	32,946	2,877	9.6%
Brocklyn Multifamily (2)	1,119	3.79%	72.75			79.71		81,407	89,195	7,788	9.6%
Brocklyn Residential	884	2.99%	97.00			106.28		85,746	93,949	8,203	9.6%
Carriage Park	454	1.54%	97.00			106.28		44,054	48,269	4,215	9.6%
Darlington Creek	1,400	4.74%	97.00			106.28		135,823	148,817	12,994	9.6%
Delaplain Commercial (1)	408	1.38%	242.50	\$ 10.00	49,777	265.70	11.81	596,710	696,272	99,562	16.7%
Delaplain	3,654	12.37%	50.00			106.28		182,711	388,372	205,660	112.6%
Fox Run Residential	420	1.42%	97.00			106.28		40,740	44,638	3,898	9.6%
Golden Acres Residential	348	1.18%	97.00			106.28		33,756	36,985	3,229	9.6%
Great Oaks Residential	1,927	6.52%	97.00			106.28		186,950	204,835	17,885	9.6%
Herrington Haven	288	0.97%	97.00			106.28		27,936	30,609	2,673	9.6%
Kingswood Residential	1,570	5.32%	97.00			106.28		152,332	166,906	14,574	9.6%
Lake Columbia Flat	396	1.34%	97.00			106.28		38,412	42,087	3,675	9.6%
Longview Residential	3,960	13.41%	97.00			106.28		384,136	420,886	36,750	9.6%
Marshall Ridge	479	1.62%	97.00			106.28		46,417	50,858	4,441	9.6%
Persimmon Non-Residential (1)	12	0.04%	242.50			265.70		2,910	3,188	278	9.6%
Persimmon Residential	4,292	14.53%	97.00			106.28		416,329	456,159	39,830	9.6%
Randview	661	2.24%	97.00			106.28		64,104	70,236	6,133	9.6%
River Bluffs	2,164	7.33%	97.00			106.28		209,927	230,011	20,084	9.6%
Springcrest	504	1.71%	97.00			106.28		48,888	53,565	4,677	9.6%
Timberland	826	2.80%	97.00			106.28		80,153	87,822	7,668	9.6%
Woodland Acres	1,091	3.69%	97.00			106.28		105,844	115,970	10,126	9.6%
	29,542	100.00%						\$ 3,225,556	\$ 3,764,799	\$ 539,244	16.7%

Commercial Residential Equivalents
Multifamily Residential Equivalents

Base Rate Revenue Requirement \$ 3,764,793
Difference \$ 6

Total Phase 1 Proposed Charges \$ 3,764,793
Delaplain Commercial Proposed Charges 696,272
Percent of Revenue 18.49%

\$472,557.48	post closing accounting entries 2020-297; OAG 2-73 exhibit
135,214.54	post closing accounting entries 2020-297; OAG 2-73 exhibit
<u>22,000.00</u>	OAG 2-73 exhibit

\$629,772.02	Total Booked to Land
--------------	----------------------

Total Unrecovered Phase In Revenue Amortized: Five Years	\$ 886,809 <u>5</u>
Annual Amortization Gross Revenue Conversion Factor	\$ 177,362 <u>1.01</u>
Additional Revenue Requirement Base Rate Revenue Requirement	\$ 179,153 <u>3,585,640</u>
Total Base Rate Revenue Requirement	<u><u>\$ 3,764,793</u></u>