

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

**In the Matter of:**

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

**BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC’S  
RESPONSES TO COMMISSION STAFF’S FIRST REQUEST FOR INFORMATION**

Bluegrass Water Utility Operating Company, LLC, (“Bluegrass Water” or the “Company”) by counsel, files its responses to the Commission Staff’s First Request for Information, issued in the above-captioned case on April 14, 2023.

**FILED:        April 21, 2023**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-1:** Provide Bluegrass Water's and CSWR, LLC's (CSWR) internal accounting manuals, directives, and policies and procedures.

**RESPONSE:** See the Cost Allocation Manual ("CAM") attached as Exhibit PSC 1-1. **The Company's other accounting policies and procedures have not been formally documented. The Company keeps books and records in accordance with all GAAP principles and USOA guidelines.**

**Witness: Brent Thies**



## **Cost Allocation Manual**

Effective Date: 01/01/2022

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## **1. Introduction**

This Cost Allocation Manual ("CAM") is intended to explain the services provided by CSWR, LLC ("the Company") to its subsidiaries and to describe the charge methodologies used to allocate costs associated with those services. This CAM has been completed in accordance with the National Association of Regulatory Utility Commissioners Guidelines for Cost Allocations and Affiliate Transactions ("NARUC Guidelines"). CSWR, LLC will periodically evaluate its cost allocation methodologies to determine if changes are appropriate and make revisions, as necessary.

## **2. CSWR, LLC Organizational Structure**

CSWR, LLC is an investor-owned company whose mission is to bring safe, reliable and environmentally responsible water resources to every community in the United States. The Company currently provides water and wastewater utility services to customers in Missouri, Arkansas, Tennessee, Kentucky, Louisiana, Mississippi, Texas, Arizona and North Carolina. The Company is comprised of the following business units:

- CSWR, LLC provides water and wastewater to customers located throughout Missouri via its affiliate Confluence Rivers Utility Operating Company, Inc.
- CSWR, LLC provides water and wastewater services to customers located throughout Arkansas via the following affiliates: Hayden's Place Utility Operating Company, LLC, St. Joseph's Glen Utility Operating Company, LLC, Sebastian Lake Utility Operating Company, LLC, Flushing Meadows Utility Operating Company, LLC, Eagle Ridge Utility Operating Company, LLC and Oak Hill Utility Operating Company, LLC.
- CSWR, LLC provides water and wastewater services to customers located throughout Texas via its affiliate CSWR-Texas Utility Operating Company, LLC.
- CSWR, LLC provides water and wastewater services to customers located throughout Tennessee via its affiliate Limestone Water Utility Operating Company, LLC.
- CSWR, LLC provides water and wastewater services to customers located throughout Kentucky via its affiliate Bluegrass Water Utility Operating Company, LLC.
- CSWR, LLC provides water and wastewater services to customers located throughout Louisiana via its

**Cost Allocation Manual  
CSWR, LLC**

affiliate Magnolia Water Utility Operating Company, LLC.

- CSWR, LLC provides water and wastewater services to customers located throughout Mississippi via its affiliate Great River Utility Operating Company, LLC.
- CSWR, LLC provides water and wastewater to customers located throughout Arizona via its affiliate Cactus State Utility Operating Company, LLC.
- CSWR, LLC provides water and wastewater to customers located throughout North Carolina via its affiliate Red Bird Utility Operating Company, LLC.

### **3. Delegation of Responsibility**

The responsibility for setting and determining the appropriateness CSWR, LLC's cost allocation policies and procedures will be with the Chief Financial Officer. The ongoing responsibility to maintain the CAM and ensuring that accounting records reflect the cost allocation policies and procedures rests with the Corporate Controller.

### **4. Operational Definitions**

- **Affiliates** – entities that are related to each other due to common ownership or control.
- **Commission** - appropriate State Regulatory Commission.
- **Cost Allocations** – the apportionment of costs among a group of entities. A cost allocation can be specific or general. General costs require allocation by a factor or ratio.
- **Cost Driver** - a measurable unit which influences the level of costs incurred and can be traced to the origin of the costs themselves.
- **Direct Cost** - costs incurred by or assigned to one entity for the exclusive benefit of that entity.
- **Indirect Costs** - costs incurred by one entity, usually CSWR, LLC, that benefit multiple CSWR, LLC subsidiaries and which are charged to the benefiting subsidiaries using a methodology of ratios and factors that establish a rational relationship to the drivers of those costs. For CSWR, this includes administrative overhead costs.
- **Subsidiaries** – utility operating companies (UOCs) owned and managed by CSWR, LLC
- **Subsidization** - recovery of costs from an entity, which are more properly attributable to another.

## **5. Guiding Principles**

The following principles guide the allocation of costs for services provided by CSWR, LLC to its subsidiaries. The principles are based on those outlined by the National Association of Regulatory Utility Commissioners' Guidelines for Cost Allocations and Affiliate Transactions.

- Incurred costs should be directly charged as fully and completely as possible to the entity that receives a specific service.
- Costs that cannot be directly charged to the Company's subsidiaries should be fully and fairly allocated.
- All direct and allocated costs should be traceable on the books of each subsidiary to the applicable NARUC Uniform System of Accounts.
- Allocation methodologies should be applied to the Company's subsidiaries in a way that prevents subsidization of an entity by an affiliate.
- The primary cost driver of common costs should be identified and used to allocate the costs among subsidiaries.

**6. Services Provided to Subsidiaries by CSWR, LLC**

The services provided by CSWR, LLC include the corporate leadership functions of executive management, legal services, information technology, finance, human resources, and customer experience management.

Costs associated with these services are allocated to the affiliated subsidiaries of CSWR, LLC as described in section 5. The primary cost component of the services is payroll and other employee expenses. Detailed descriptions of these services are described in more detail in the table below:

<b>Service</b>	<b>Description</b>
Executive Management	The executive management function is responsible for business strategy, vision, direction and oversight.
Legal Services	Legal Services is responsible for all legal matters and affairs including employment matters, real estate law, transactions, regulatory issues, general legal affairs, and management of outside counsel.
Finance	The finance function is responsible to perform accounting for transactions and the preparation of financial statements, budgets, and forecasts. Other services provided include accounts payable, treasury management, risk management, audit, tax, and management reporting.
Human Resources	The human resources function is responsible for policies and procedures in support of the Company and its employees. Human resources activities include recruiting new employees, management of employee benefit and workers compensation programs, employee and organizational development and payroll administration.
Customer Experience Management	The customer experience function is responsible for designing and reacting to customer interactions in order to meet or exceed customer expectations and, thus, increase customer satisfaction, loyalty and advocacy. This includes management of vendors responsible for customer billing, service, and support.
Business Services	Business Services describes the miscellaneous logistical and support functions that are necessary to the efficient operations of CSWR, LLC and its subsidiaries. These services are largely provided through outside vendors rather than employees. They include information technology, miscellaneous supply procurement and other logistical and administrative support.



## **7. Cost Allocation Methodology**

Across its corporate entities, CSWR, LLC incurs three distinct types of costs.

- **Direct Charge** - Costs charged directly to a subsidiary of CSWR, LLC

These costs are procured in the name of the subsidiary and in nearly all cases, the costs are invoiced directly to the subsidiary entity.

- **Jointly Billed Charge** - Costs charged to CSWR, LLC but which benefit one or more subsidiaries in a directly identifiable way.

In certain cases, economies of scale or other efficiencies can be obtained by procuring costs as a group of companies in the name of CSWR, LLC. Every effort is made to identify the cost drivers and to include that information on vendor invoices or other vendor supplied documentation. Examples of Jointly Billed Charges include:

- **Insurance Coverage** - The cost of certain of the Company's consolidated insurance coverages are charged to subsidiaries based on the cost driver that determines the pricing of the policy. The cost of property insurance is charged based on the respective values of covered property as a proportion of the total covered property value of the Company.
- **Software as a Service (SaaS)** - When certain scale factors affect the pricing of software services, those services may be procured by CSWR, LLC and charged to subsidiaries on a direct basis.
- **Indirect Charge** - Costs incurred by CSWR, LLC which are not directly identifiable with a subsidiary, and which must be indirectly charged to all subsidiaries using a multi-factor allocation methodology.

CSWR, LLC currently uses a three-factor methodology based on the Massachusetts method of cost allocation for utilities. The methodology uses the average proportion of connection count, operating expenses and utility plant in service. CSWR, LLC management has determined that these three components best reflect the underlying cost drivers associated with the circumstances and business model of CSWR, LLC. The table below provides an example of how the cost allocation methodology works.

<b>Three-Factor Method for Cost Allocation</b>					
	<b>Connection Count</b>	<b>% of Company Total</b>		<b>Operating Expense</b>	<b>% of Company Total</b>
Subsidiary A	5,000	23.8%	Subsidiary A	10,000	19.2%
Subsidiary B	10,000	47.6%	Subsidiary B	22,000	42.3%
Subsidiary C	6,000	28.6%	Subsidiary C	20,000	38.5%
<b>TOTAL</b>	<b>21,000</b>	<b>100.0%</b>	<b>TOTAL</b>	<b>52,000</b>	<b>100.0%</b>

	<b>Utility Plant In Service</b>	<b>% of Company Total</b>		<b>Subsidiary Allocation %</b>
Subsidiary A	1,000,000	23.5%	<b>Subsidiary A</b>	<b>22.2%</b>
Subsidiary B	1,250,000	29.4%	<b>Subsidiary B</b>	<b>39.8%</b>
Subsidiary C	2,000,000	47.1%	<b>Subsidiary C</b>	<b>38.0%</b>
<b>TOTAL</b>	<b>4,250,000</b>	<b>100.0%</b>	<b>TOTAL</b>	<b>100.0%</b>

## **8. Record Keeping**

Records of each subsidiary will be maintained such that affiliate transactions are auditable. The records will document the transaction costs, charge methodology and descriptions of the services provided.

## **9. Updates to Allocations**

Allocation percentages are updated quarterly coming into effect each January 1st, April 1st, July 1st and October 1st and are valid through the end of the respective quarter. The factors are expected to remain consistent even though the input figures should be expected to change each quarter and, at times, may show significant changes. The source of all input factors is the Company's internal accounting records. Operating expense is annualized based on the actual values from the preceding quarter; connection counts and utility plant values are actual as of the last day of the preceding quarter.

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BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
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**REQUEST NO. 1-2:** Provide Bluegrass Water's and CSWR's budget instructions, assumptions, directives, manuals, policies and procedures, timelines, and descriptions of budget procedures.

**RESPONSE:** Bluegrass Water's budget process is as follows:

**Revenue:** Bluegrass leverages historical data when enough history is available to project revenue. When historical data is not available Bluegrass utilizes both tariff and annual reports for newly acquired systems to estimate revenue. This is subsequently reviewed by Management for approval.

**Operating Expense:** Bluegrass leverages historical data when enough history is available to project Operating Expense. When historical data is not available Bluegrass takes the type of physical plant and number of customers served then compares it to similar systems to estimate expense. These amounts are then reviewed by Regional Managers and any adjustments are made. Management reviews and provides final approval of annual budgets.

**SG&A Expense:** Bluegrass uses historical information to baseline the projected expense for the budget, then adjusts for known changes (increases/decreases) and considers inflationary factors. Once a budget is prepared by the company's financial planning and analysis team, it is reviewed and approved by Management.

**Capital Planning:** Capital Improvement budgets are developed by the Engineering department. Bluegrass also maintains a Capital Maintenance budget for contingencies outside of planned construction to keep the system(s) functioning properly. This expense is

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**approximately depreciation less any debt principal payments. These dollars are reviewed  
and approved as appropriate by Management.**

**Witness: Brent Thies**

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BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-3:** Provide a trial balance as of the last day of the base period showing account number, account title, and actual base period accounts. All income statement accounts should show activity for 12 months.

**RESPONSE:** Please see attached Exhibit PSC 1-3 – Bluegrass Water's Trial Balance.

**Witness: Brent Thies**

Exhibit PSC 1-3  
Bluegrass Water's Trial Balance

**Bluegrass Utility Operating Company, LLC**  
**DR 3 - Trial Balance 7/1/21 - 6/30/22**

<u>Name</u>	<u>NARUC Account</u>	<u>Beginning Balance</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
105.001-04-012 - Water - CIP (Plant) (KY, Bluegra )	105.0	109,619.78	74,571.00	18,245.45	165,945.33
105.002-04-012 - Water - CIP (Engineering) (KY, Bluegra )	105.0	45,264.13	550		45,814.13
105.003-04-012 - Water - CIP (Legal) (KY, Bluegra )	105.0	10,938.59	4,105.65	30	15,014.24
105.006-04-012 - Water - CIP (From Operations) (KY, Bluegra)	105.0	7,902.53	84,074.96	31,724.41	60,253.08
106.000-04-012 - Utility Plant Purchased/Sold (KY, Bluegra)	106.0	11,570.08	4,120.00	4,120.00	11,570.08
107.001-04-012 - CIP (Plant) (KY, Bluegra)	107.0	848,517.99	869,110.25	901,036.49	816,591.75
107.002-04-012 - CIP (Engineering) (KY, Bluegra)	107.0	135,228.60	433,786.62	153,169.96	415,845.26
107.003-04-012 - CIP (Legal) (KY, Bluegra)	107.0	141,075.89	240,503.89	109,998.92	271,580.86
107.006-04-012 - CIP (From Operations) (KY, Bluegra)	107.0	135,672.04	532,523.65	139,398.50	528,797.19
108.000-04-012 - AccumDepre Plant in Service (KY, Bluegra)	108.0	-3,331,307.47	163,150.17	207,832.79	-3,375,990.09
114.000-04-012 - Utility Plant Acq Adj (KY, Bluegra)	114.0	100,171.27			100,171.27
131.100-04-012 - Cash Operating (KY, Bluegra)	131.1	270,321.50	4,931,793.72	5,064,361.57	137,753.65
131.200-04-012 - Cash Receipts (KY, Bluegra)	131.2	2,833.46	2,360,589.66	2,299,051.18	64,371.94
134.001-04-012 - Other Special Deposits (KY, Bluegra )	134.0	4,550.00			4,550.00
142.000-04-012 - AR Trade (KY, Bluegra)	142.0	288,412.73	2,717,900.58	2,428,369.16	577,944.15
144.000-04-012 - Accum Prov for Uncoll Accts (KY, Bluegra)	144.0	-6,098.35		34,008.09	-40,106.44
166.000-04-012 - Prepayments (KY, Bluegra)	166.0	41,987.16	50,122.14	81,336.19	10,773.11
183.000-04-012 - Preliminary Survey and Investigation Charges (KY, Bluegra)	183.0	20,803.29		9,319.68	11,483.61
183.001-04-012 - PSI - Engineering (KY, Bluegra)	183.0	71,790.99	61,891.82	121,003.15	12,679.66
183.002-04-012 - PSI - Legal (KY, Bluegra)	183.0	281,444.34	112,855.11	339,976.30	54,323.15
184.200-04-012 - Customer Cash Clearing Acct (KY, Bluegra )	184.2	8,362.50	2,377,688.04	2,369,097.37	16,953.17
186.000-04-012 - Misc Deferred Debits (KY, Bluegra)	186.0	104,190.90			104,190.90
186.001-04-012 - Deferred Rate Case Expense (KY, Bluegra)	186.0	314,860.66	157,557.60		472,418.26
186.010-04-012 - Other Deferred Debits (KY, Bluegra)	186.0	13,761.03	67,386.71	16,317.32	64,830.42
201.000-04-012 - Common Stock Issued (KY, Bluegra)	201.0	-4,556,942.39	241	4,602.00	-4,561,303.39
232.000-04-012 - AP Trade (KY, Bluegra)	232.0	-587,942.94	5,344,355.09	4,870,166.45	-113,754.30
233.000-04-012 - Notes Payable Associated Companies (KY, Bluegra)	233.0	-3,922,946.82	11,532.00	2,790,399.12	-6,701,813.94
241.000-04-012 - Tax Collections Payable (KY, Bluegra)	241.0	-10,345.65	35,482.37	27,080.36	-1,943.64
242.000-04-012 - Misc Current & Accrued Liab (KY, Bluegra)	242.0	-84,308.02	351,400.99	363,137.68	-96,044.71
242.001-04-012 - LT Debt (Current Portion) (KY, Bluegra)	242.0	-1,170.00			-1,170.00
271.000-04-012 - CIAC (KY, Bluegra)	271.0	-1,094,251.50		2,550.00	-1,096,801.50
272.000-04-012 - CIAC Accum Amort (KY, Bluegra)	272.0	860,268.36	36,516.43		896,784.79
303.000-04-012 - Miscellaneous Intangible Plant (KY, Bluegra)	303.0	65,413.43			65,413.43
304.000-04-012 - Water - Structures & Improvements (KY, Bluegra )	304.0	105,584.01	12,357.54	7,230.23	110,711.32
307.000-04-012 - Water - Wells and Springs (KY, Bluegra )	307.0	1,110.00			1,110.00
310.100-04-012 - Land and Land Rights (KY, Bluegra)	310.1	762,540.13	22,000.00		784,540.13

Exhibit PSC 1-3  
Bluegrass Water's Trial Balance

<u>Name</u>	<u>NARUC Account</u>	<u>Beginning Balance</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
311.000-04-012 - S&I Source of Supply (KY, Bluegra)	311.0	597,278.40	381,214.43	8,106.04	970,386.79
320.000-04-012 - Water Treatment Equipment (KY, Bluegra)	320.0	10,624.22	19,888.39	710	29,802.61
330.000-04-012 - Distribution Reservoirs & Standpipes (KY, Bluegra)	330.0	54,530.00			54,530.00
331.000-04-012 - S&I Treatment Plant (KY, Bluegra)	331.0	439,318.98	34,131.28		473,450.26
333.000-04-012 - Services (KY, Bluegra)	333.0	20,208.49		1,400.00	18,808.49
334.000-04-012 - Meters & Meter Installations (KY, Bluegra)	334.0	13,320.47	6,807.94	8,412.00	11,716.41
340.000-04-012 - Office Furniture & Equipment (KY, Bluegra)	340.0	4,795.41			4,795.41
346.000-04-012 - Meters (KY, Bluegra)	346.0	67,805.50		60,220.50	7,585.00
352.100-04-012 - Collection Sewers Force (KY, Bluegra)	352.1	1,588,918.74	115,016.32	156,527.44	1,547,407.62
352.200-04-012 - Collection Sewers Gravity (KY, Bluegra)	352.2	1,550,379.91	448,834.07	36,140.00	1,963,073.98
353.000-04-012 - Services to Sewer Customers (KY, Bluegra)	353.0	707,286.77			707,286.77
355.000-04-012 - Flow Measuring Installations (KY, Bluegra)	355.0	5,915.35	7,898.73		13,814.08
363.000-04-012 - Electric Sewer Pumping Equip (KY, Bluegra)	363.0	81,256.05	126,422.91	5,554.12	202,124.84
370.000-04-012 - Land and Land Rights (KY, Bluegra)	370.0	47,092.54	21,404.00		68,496.54
370.100-04-012 - Oxidation Lagoon Land (KY, Bluegra)	370.1	3,753.73	35,000.00		38,753.73
372.000-04-012 - Treatment & Disposal Equipment (KY, Bluegra)	372.0	1,259,950.41	176,713.69	182,432.47	1,254,231.63
373.000-04-012 - Plant Sewers (KY, Bluegra)	373.0	579,754.69	3,446.00	2,943.75	580,256.94
374.000-04-012 - Outfall Sewer Lines (KY, Bluegra)	374.0	65,974.84	22,240.00	2,381.25	85,833.59
375.000-04-012 - Sewer - Outfall Sewer Lines (KY, Bluegra )	375.0	4,756.38	1,212.07		5,968.45
376.000-04-012 - Sewer - Other Treatment and Disposal Equipment (KY, Bluegra )	376.0	959			959
391.000-04-012 - Office Furniture and Equipment (KY, Bluegra)	391.0	2,440.00			2,440.00
393.000-04-012 - Sewer - Other General Equipment (KY, Bluegra )	393.0	117,356.70	77,366.16	34,456.69	160,266.17
397.000-04-012 - Communication Equipment (KY, Bluegra)	397.0		5,000.00		5,000.00
403.000-04-012 - Depreciation Expense (KY, Bluegra)	403.0		207,832.79	1,357.17	206,475.62
403.100-04-012 - Depreciation Expense CIAC (KY, Bluegra)	403.1			36,516.43	-36,516.43
408.100-04-012 - Taxes (Other) (KY, Bluegra )	408.1		24,348.27	1,960.00	22,388.27
408.160-04-012 - Taxes Property (KY, Bluegra)	408.1		31,455.16	18,900.05	12,555.11
409.000-04-012 - Taxes Income (KY, Bluegra)	409.0		175		175
461.000-04-012 - Revenue Water (KY, Bluegra)	461.0		4,025.05	274,850.50	-270,825.45
470.000-04-012 - Late Fees Water (KY, Bluegra)	470.0		38.76	310.56	-271.8
471.000-04-012 - Miscellaneous Service Revenues (KY, Bluegra)	471.0			152.85	-152.85
521.000-04-012 - Revenue Sewer (KY, Bluegra)	521.0		24,411.09	1,947,947.62	-1,923,536.53
522.000-04-012 - Sewer-Measured Revenues (KY, Bluegra)	522.0			420,859.79	-420,859.79
532.000-04-012 - Late Fees Sewer (KY, Bluegra)	532.0		723.95	14,968.30	-14,244.35
536.000-04-012 - Miscellaneous Service Revenues (KY, Bluegra)	536.0		28	245.19	-217.19
615.100-04-012 - Water - O&M - Purchased Power - Pumping (KY, Bluegra )	615.1		9,829.84	366.55	9,463.29
618.300-04-012 - Water - O&M - Chemicals - Treatment (KY, Bluegra )	618.3		2,585.44		2,585.44
618.500-04-012 - Water - O&M - Chemicals - Trans & Distr (KY, Bluegra )	618.5		238.09		238.09
620.100-04-012 - Water - O&M - Materials & Supplies - Pumping Ops (KY, Bluegra )	620.1		1,143.33	326.66	816.67

Exhibit PSC 1-3  
Bluegrass Water's Trial Balance

<u>Name</u>	<u>NARUC Account</u>	<u>Beginning Balance</u>	<u>Debit</u>	<u>Credit</u>	<u>Balance</u>
620.200-04-012 - Water - O&M - Materials & Supplies - Pumping Maint (KY, Bluegra	620.2		201.68		201.68
620.400-04-012 - Water - O&M - Materials & Supplies - Treatment Maint (KY, Blueg	620.4		260.38	74.4	185.98
620.600-04-012 - Water - O&M - Materials & Supplies - Trans & Distr Maint (KY, Blu	620.6		4,629.35	188.66	4,440.69
633.000-04-012 - Maintenance Pumping Equipment (KY, Bluegra)	633.0		780		780
635.300-04-012 - Water - O&M - Contractual Services - Water Testing - Treatment C	635.3		4,749.50		4,749.50
636.100-04-012 - Water - O&M - Contractual Services - Other Pumping Ops (KY, Blu	636.1		1,204.00	294	910
636.300-04-012 - Water - O&M - Contractual Services - Other Treatment Ops (KY, B	636.3		195,538.48	32,182.98	163,355.50
636.400-04-012 - Water - O&M - Contractual Services - Other Treatment Maint (KY, B	636.4		1,336.23	100	1,236.23
636.600-04-012 - Water - O&M - Contractual Services - Other Trans & Distr Maint (t	636.6		7,093.37	1,176.94	5,916.43
641.000-04-012 - Chemicals (KY, Bluegra)	641.0		14,315.55		14,315.55
675.400-04-012 - Water - Miscellaneous Expense - Treatment Maint (KY, Bluegra)	675.4		4,009.17	577.5	3,431.67
701.000-04-012 - Sewer - O&M - Operations Labor and Expense (KY, Bluegra)	701.0		1,051,796.03	52,757.99	999,038.04
702.000-04-012 - Sewer - Rents (Easement) (KY, Bluegra)	702.0		2,000.03		2,000.03
703.000-04-012 - Sewer - O&M - Fuel & Power for Pumping and Treatment (KY, Blu	703.0		193,468.02	14,154.43	179,313.59
704.000-04-012 - Sewer - O&M - Chemicals (KY, Bluegra)	704.0		104,981.18	1,015.02	103,966.16
705.000-04-012 - Sewer - O&M - Miscellaneous Supplies (KY, Bluegra )	705.0		104,005.11	45,428.94	58,576.17
711.000-04-012 - Sewer - O&M - Maintenance Structures and Improvements (KY, B	711.0		109,252.57	14,123.34	95,129.23
712.000-04-012 - Sewer - O&M - Maintenance of Collection Sewer System (KY, Blue	712.0		85,187.20	45,557.61	39,629.59
713.000-04-012 - Maintenance Services to Cust (KY, Bluegra)	713.0		6,026.12	1,957.50	4,068.62
713.001-04-012 - Sewer - O&M - Maintenance of Pumping System (KY, Bluegra )	713.0		50,972.89	1,936.68	49,036.21
714.000-04-012 - Sewer - O&M - Maintenance of Treatment & Disposal Plant (KY, B	714.0		26,353.90	7,718.97	18,634.93
715.000-04-012 - Sewer - O&M - Maintenance of Other Plant Facilities (KY, Bluegra)	715.0		17,916.07	4,445.02	13,471.05
722.000-04-012 - Pumping Labor & Expenses (KY, Bluegra)	722.0		68,183.05	24,918.36	43,264.69
732.000-04-012 - Maintenance Sewer Pump Equip (KY, Bluegra)	732.0		233.33		233.33
741.000-04-012 - Sewer Treatment Chemicals (KY, Bluegra)	741.0		3,312.50		3,312.50
752.000-04-012 - Maintenance T&D Plant (KY, Bluegra)	752.0		151.99		151.99
903.100-04-012 - Cust Record Collect (Billing) (KY, Bluegra)	903.1		85,959.65		85,959.65
903.280-04-012 - Cust Record Collect (Bank Fees) (KY, Bluegra)	903.2		11,812.66	111.19	11,701.47
904.000-04-012 - Uncollectible Accounts (KY, Bluegra)	904.0		35,580.69		35,580.69
922.000-04-012 - Administrative Expenses Transferred (KY, Bluegra)	922.0		512,150.00	17,091.34	495,058.66
923.100-04-012 - Outside Services (Bank Fees) (KY, Bluegra)	923.1		293.73		293.73
923.400-04-012 - OutsideService (Legal Fees) (KY, Bluegra)	923.4		58,220.22		58,220.22
923.500-04-012 - OutsideService (Audit/Accounting) (KY, Bluegra)	923.5		12,155.22	397.5	11,757.72
923.600-04-012 - OutsideService (Manage Consult) (KY, Bluegra)	923.6		24,320.19	9,169.44	15,150.75
923.900-04-012 - Outside Services (IT) (KY, Bluegra)	923.9		36,707.17	300	36,407.17
924.400-04-012 - Property Insurance Commercial (KY, Bluegra)	924.4		248,191.02	2,401.69	245,789.33
928.100-04-012 - Regulatory Expense DNR (KY, Bluegra)	928.1		2,051.92	20,000.00	-17,948.08
930.200-04-012 - Misc General Expense (KY, Bluegra)	930.2		7,755.59	6,569.12	1,186.47
930.300-04-012 - Customer Courtesy Credit Expense (KY, Bluegra)	930.3		543.41		543.41



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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-4:** Provide a reconciliation and a detailed explanation of each difference, if any, in the capitalization and the net investment rate base of Bluegrass Water for the base period.

**RESPONSE:** Please see attached Exhibit PSC 1-4 - Investment & Capital Reconciliation. The difference between capitalization and net investment rate base is working capital funds used to fund assets and is reconciled in the attachment.

**Witness: Brent Thies**

## Bluegrass Utility Operating Company, LLC

DR 4 Investment & Capital Reconciliation

As of June 30, 2022

8,240,528	Property, Plant & Equipment, Net
<u>200,017</u>	less: Contributions in Aid of Construction
<b>8,040,511</b>	<b>Net Investment Rate Base</b>

6,701,814	Payable to Associated Companies
4,561,303	Paid in Capital
<u>(1,960,130)</u>	Retained Earnings
<b>9,302,987</b>	<b>Capitalization</b>

### **1,262,477 Working Capital**

201,984	Cash on Hand
61,709	Preliminary Survey & Investigation
537,838	Customer Receivables
(113,752)	Accounts Payable
574,698	Net Other Assets/Other Liabilities

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-5:** Provide the information in the format listed in Schedule 10, attached hereto, regarding Certain Deferred Credits, Accumulated Deferred Income Taxes, and Other Rate Base items included in the forecasted test-period rate base.

**RESPONSE:** Please see attached Exhibit PSC 1-5 - Schedule 10.

**Witness: Brent Thies**

Bluegrass Water  
Case No. 2022-00432  
Schedule 10

Certain Deferred Credits and Accumulated Deferred Income Taxes\*  
As of June 30, 2022

Line No.	Account No.	Description	Amount
1			
2	252.000	Customers' Advances for Construction	\$ -
3			
4	271.000	Contributions in Aid of Construction	\$ 200,017.00
5			
6	255.000	Investment Tax Credits:	\$ -
7		Pre 1971 3% Credit	-
8		1971 4% Credit	-
9		1975 6% Additional Credit	-
10		1981 10% Credit on Recovery Property	-
11		ITC Tax Benefits Sold	-
12			
13	283.000	Deferred Income Taxes:	\$ -
14	281.000	Accelerated Amortization	-
15	282.000	Liberalized Depreciation	-
16		ACRS Tax Benefits Sold	-
17			
18			
19			
20			

\*Also provide the ITC option elected in 1971 and 1975 under Section 46(f) of the 1954 Internal Revenue Code.

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-6:** Provide a calculation of federal and state income tax expense, including a reconciliation of book to taxable income, for the base period and the forecasted period in the format shown in Schedule 11, attached hereto.

**RESPONSE:** Please refer to attached Exhibit PSC 1-6 - Schedule 11 - Income Taxes.  
**There is no forecasted test period proposed in this case.**

**Witness: Brent Thies**

Bluegrass Water  
Case No. 2022-00432  
Schedule 11

Adjusted Jurisdictional State Income Taxes  
For the 12 Months Ended June 30, 2022

Line No.	Description	<u>At Current Rates</u>			<u>At Proposed Rates</u>	
		Unadjusted (1)	Adjustments (2)	Adjusted (3)	Adjustments (4)	Adjusted (5)
1	Operating Income Before Taxes	(\$139,902)	(\$165,269)	(\$305,171)	\$1,278,576	\$973,405
2	Reconciling Items	\$0	\$0	\$0	\$0	\$0
3	Interest Charges	\$0	(\$168,717)	(\$168,717)	\$0	(\$168,717)
4	Tax Accelerated Depreciation	\$0	\$0	\$0	\$0	\$0
5	Book Depreciation	(\$187,171)	(\$11,043)	(\$198,215)	\$0	(\$198,215)
6	Excess of Tax Over Book Depreciation	\$0	\$0	\$0	\$0	\$0
7	Other Reconciling Items (Specify and List)	\$0	\$0	\$0	\$0	\$0
8	Total Reconciling Items	\$0	\$0	\$0	\$0	\$0
9	Taxable Income	(\$327,073)	(\$345,029)	(\$672,102)	\$1,278,576	\$606,474
10	State Income Tax Rate:					
11	5%					
12						
13						
14						
15						
16	State Income Tax Liability	(\$16,354)	(\$17,251)	(\$33,605)	\$63,929	\$30,324
17	Investment Tax Credits	\$0	\$0	\$0	\$0	\$0
18	State Income Taxes - Current	(\$16,354)	(\$17,251)	(\$33,605)	\$63,929	\$30,324
19	Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0
20	Tax Accelerated Depreciation	\$0	\$0	\$0	\$0	\$0
21	Tax Straight-Oline Depreciation	\$0	\$0	\$0	\$0	\$0

Bluegrass Water  
Case No. 2022-00432  
Schedule 11

Adjusted Jurisdictional State Income Taxes  
For the 12 Months Ended June 30, 2022

Line No.	Description	<u>At Current Rates</u>			<u>At Proposed Rates</u>	
		Unadjusted (1)	Adjustments (2)	Adjusted (3)	Adjustments (4)	Adjusted (5)
22	Excess of Accelerated Over Straight-Line Depreciation	\$0	\$0	\$0	\$0	\$0
23	Deferred Income Tax @ _____%	\$0	\$0	\$0	\$0	\$0
24	Amortization of Prior Years Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0
25	Net Deferred Income Taxes Resulting from Depreciation	\$0	\$0	\$0	\$0	\$0
26	Investment Tax Credit Deferred	\$0	\$0	\$0	\$0	\$0
27	Amortization of Prior Years I.T.C.	\$0	\$0	\$0	\$0	\$0
28	Investment Tax Credit - Net	\$0	\$0	\$0	\$0	\$0
29	Other Tax Deferrals (Specify and List Separately)	\$0	\$0	\$0	\$0	\$0
30	Total Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0
31	Total State Income Taxes (18 + 30)	<b>(\$16,354)</b>	<b>(\$17,251)</b>	<b>(\$33,605)</b>	<b>\$63,929</b>	<b>\$30,324</b>

Bluegrass Water  
Case No. 2022-00432  
Schedule 11

Adjusted Jurisdictional Federal Income Taxes  
For the 12 Months Ended June 30, 2022

Line No.	Description	<u>At Current Rates</u>			<u>At Proposed Rates</u>	
		Unadjusted (1)	Adjustments (2)	Adjusted (3)	Adjustments (4)	Adjusted (5)
1	Operating Income Before Taxes	(\$139,902)	(\$165,269)	(\$305,171)	\$1,278,576	\$973,405
2	Reconciling Items	\$0	\$0	\$0	\$0	\$0
3	Interest Charges	\$0	(\$168,717)	(\$168,717)	\$0	(\$168,717)
4	Tax Accelerated Depreciation	\$0	\$0	\$0	\$0	\$0
5	Book Depreciation	(\$187,171)	(\$11,043)	(\$198,215)	\$0	(\$198,215)
6	Excess of Tax Over Book Depreciation	\$0	\$0	\$0	\$0	\$0
7	Other Reconciling Items (Specify and List)	\$0	\$0	\$0	\$0	\$0
8	Total Reconciling Items	\$0	\$0	\$0	\$0	\$0
9	Taxable Income	(\$327,073)	(\$345,029)	(\$672,102)	\$1,278,576	\$606,474
10	Federal Income Tax Rate:					
11	21%					
12						
13						
14						
15						
16	Federal Income Tax Liability	(\$65,251)	(\$68,833)	(\$134,084)	\$0	\$255,076
17	Investment Tax Credits	\$0	\$0	\$0	\$0	\$0
18	Federal Income Taxes - Current	(\$65,251)	(\$68,833)	(\$134,084)	\$255,076	\$120,992
19	Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0
20	Tax Accelerated Depreciation	\$0	\$0	\$0	\$0	\$0
21	Tax Straight-Oline Depreciation	\$0	\$0	\$0	\$0	\$0



Bluegrass Water  
Case No. 2022-00432  
Schedule 11

Adjusted Jurisdictional Federal Income Taxes  
For the 12 Months Ended June 30, 2022

Line No.	Description	<u>At Current Rates</u>			<u>At Proposed Rates</u>	
		Unadjusted (1)	Adjustments (2)	Adjusted (3)	Adjustments (4)	Adjusted (5)
22	Excess of Accelerated Over Straight-Line Depreciation	\$0	\$0	\$0	\$0	\$0
23	Deferred Income Tax @ _____%	\$0	\$0	\$0	\$0	\$0
24	Amortization of Prior Years Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0
25	Net Deferred Income Taxes Resulting from Depreciation	\$0	\$0	\$0	\$0	\$0
26	Investment Tax Credit Deferred	\$0	\$0	\$0	\$0	\$0
27	Amortization of Prior Years I.T.C.	\$0	\$0	\$0	\$0	\$0
28	Investment Tax Credit - Net	\$0	\$0	\$0	\$0	\$0
29	Other Tax Deferrals (Specify and List Separately)	\$0	\$0	\$0	\$0	\$0
30	Total Deferred Income Taxes	\$0	\$0	\$0	\$0	\$0
31	Total Federal Income Taxes (18 + 30)	<b>(\$65,251)</b>	<b>(\$68,833)</b>	<b>(\$134,084)</b>	<b>\$255,076</b>	<b>\$120,992</b>

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-7:** Describe the procedures that Bluegrass Water uses to plan and approve construction projects.

**RESPONSE:** Prior to acquiring a water or wastewater system, Bluegrass Water hires a third-party engineering firm to perform a preliminary assessment of existing facilities. This includes a physical inspection of all assets and a review of the regulatory history of the system's performance. Based upon this assessment, the third-party engineering firm prepares a report that includes recommendations regarding required improvements during the initial 3-5 years of ownership.

After an acquisition is completed, Bluegrass Water collects additional information regarding the system's operations and required improvements. Using this additional data and the preliminary assessment prepared by the third-party engineering firm, Bluegrass Water refines plans for necessary improvements and engages third-party engineers to complete design work required for those improvements. If Bluegrass Water determines those improvements require permit modifications and/or a CPCN application, required filings are made. When all required approvals have been received, Bluegrass Water submits a construction permit application with EEC/DOW. Once all required approvals have been obtained, bids are let and construction commences.

A similar process is followed for capital improvements identified as necessary due to changes in permit requirements, where systems are unable to meet regulatory requirements, or are otherwise failing to provide customers safe and reliable service, or where a developer seeks to connect infrastructure to an existing Bluegrass Water system.

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**In all cases, whenever possible, Bluegrass Water seeks to defer or eliminate the need for capital investment through operational improvements.**

**Witness: Jacob Freeman**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-8:** Describe any planned improvements, including estimated costs and timetable for construction for the next ten years.

**RESPONSE:** Current and upcoming projects include the ongoing renovations at the following systems: River Bluffs (only remaining work is finishing steps on the new blower building); Timberland (final aeration system work and pump installations are being completed); Fox Run (only remaining work is related to the digester); and Darlington Creek (digester work similar to Fox Run and Great Oaks). The work at these sites has previously been presented with capital estimates and timelines in both of Bluegrass's rate cases and other filings. *See Ky. PSC Case Nos. 2022-00015, 2022-0046, 2022-00102, and 2022-00104; see also Application Exhibit 5, Direct Testimony of Jacob Freeman, Page 74-81 (discussing the Darlington Creek facility).* The work at River Bluffs is expected to be completed by the end of May 2023, at Timberland by early summer 2023, at Fox Run by late fall of 2023, and at Darlington Creek by end of year 2023.

The other projects currently planned and underway are the CPCN projects which have had costs thoroughly presented to the PSC in the respective CPCN cases. The Herrington Haven, Woodland Acres, and Persimmon Ridge projects are currently being bid out and are expected to be completed before the end of 2024, and the Delaplain project is in final bid package review and is expected to be completed by Spring of 2025.

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**The total estimated cost and estimated completion date for the Herrington Haven,  
Woodland Acres, and Permission Ridge projects are included within Application Exhibits  
17 and 18.**

**Witness: Jacob Freeman**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-9:** Provide, in the format contained in Schedule 15 attached hereto, an analysis of the Construction Work in Progress as defined in the Uniform System of Accounts for the 12-month period preceding the base period, the base period, and the forecasted test period.

**RESPONSE:** Please refer to attached Exhibit PSC 1-9 - CWIP. There is no forecasted test period proposed in this case.

**Witness: Brent Thies**

Bluegrass Water:  
Case No. 2022-00432  
Construction Work in Progress As of 7/1/20-6/30/21

Accumulated Costs							
Line No.	Project No.	Description of Project	Construction Amount	AFDUC Capitalized	Cost Other	Total Cost	Estimated Physical Percent Completed
(A)	(B)	(C)	(D)	(E)	(F)*	(G=D+E+F)	(H)
1	KY-Airview	initial upgrades, refurbishments & improvements	134,451.99			134,451.99	
2	KY-Arcadia Pines	initial upgrades, refurbishments & improvements	2,440.75			2,440.75	
3	KY-Brocklyn	initial upgrades, refurbishments & improvements	72,406.69			72,406.69	
4	KY-Carriage Park	initial upgrades, refurbishments & improvements	4,449.75			4,449.75	
5	KY-Delaplain Disposal	initial upgrades, refurbishments & improvements	63,546.01			63,546.01	
6	KY-Fox Run	initial upgrades, refurbishments & improvements	91,137.93			91,137.93	
7	KY-Golden Acres	initial upgrades, refurbishments & improvements	36,512.40			36,512.40	
8	KY-Great Oaks	initial upgrades, refurbishments & improvements	30,910.79			30,910.79	
9	KY-Herrington Haven	initial upgrades, refurbishments & improvements	30,680.63			30,680.63	
10	KY-Kingswood	initial upgrades, refurbishments & improvements	34,682.84			34,682.84	
11	KY-Lake Columbia	initial upgrades, refurbishments & improvements	21,733.43			21,733.43	
12	KY-LH Treatment	initial upgrades, refurbishments & improvements	30,050.16			30,050.16	
13	KY-Marshall Ridge	initial upgrades, refurbishments & improvements	1,100.00			1,100.00	
14	KY-Persimmon Ridge	initial upgrades, refurbishments & improvements	118,732.06			118,732.06	
15	KY-Randview	initial upgrades, refurbishments & improvements	37,909.49			37,909.49	
16	KY-River Bluffs	initial upgrades, refurbishments & improvements	329,226.79			329,226.79	
17	KY-Springcrest	initial upgrades, refurbishments & improvements	25,605.95			25,605.95	
18	KY-Timberland	initial upgrades, refurbishments & improvements	144,368.71			144,368.71	
19	KY-Woodland Acres	initial upgrades, refurbishments & improvements	33,279.26			33,279.26	
20	KY-Airview	capital repairs	905.00			905.00	
21	KY-Brocklyn	capital repairs	780.53			780.53	
22	KY-Delaplain Disposal	capital repairs	20,747.79			20,747.79	
23	KY-Fox Run	capital repairs	11,096.11			11,096.11	
24	KY-Herrington Haven	capital repairs	7,907.37			7,907.37	
25	KY-Kingswood	capital repairs	13,187.58			13,187.58	
26	KY-Lake Columbia	capital repairs	2,460.00			2,460.00	
27	KY-LH Treatment	capital repairs	2,700.83			2,700.83	
28	KY-Persimmon Ridge	capital repairs	13,363.90			13,363.90	
29	KY-River Bluffs	capital repairs	47,912.95			47,912.95	
30	KY-Springcrest	capital repairs	9,739.14			9,739.14	
31	KY-Timberland	capital repairs	1,353.33			1,353.33	
32	KY-Woodland Acres	capital repairs	3,517.50			3,517.50	
33							
34							
35							
36							
<b>Total</b>			<b>1,378,897.66</b>	<b>-</b>	<b>-</b>	<b>1,378,897.66</b>	

\*Explain the nature of all other indirect cost in footnotes

Bluegrass Water:  
Case No. 2022-00432  
Construction Work in Progress As of 7/1/21-6/30/22

Line No.	Project No.	Description of Project	Construction Amount	AFDUC Capitalized	Accumulated Costs			Estimated Physical Percent Completed
					Cost Other	Total Cost		
(A)	(B)	(C)	(D)	(E)	(F)*	(G=D+E+F)	(H)	
1		KY-Airview initial upgrades, refurbishments & improvements	141,195.67			141,195.67		
2		KY-Arcadia Pines initial upgrades, refurbishments & improvements	2,936.36			2,936.36		
3		KY-Brocklyn initial upgrades, refurbishments & improvements	70,018.35			70,018.35		
4		KY-Carriage Park initial upgrades, refurbishments & improvements	4,749.95			4,749.95		
5		KY-Darlington Creek initial upgrades, refurbishments & improvements	115,608.79			115,608.79		
6		KY-Delaplain Disposal initial upgrades, refurbishments & improvements	207,791.59			207,791.59		
7		KY-Fox Run initial upgrades, refurbishments & improvements	70,507.76			70,507.76		
8		KY-Golden Acres initial upgrades, refurbishments & improvements	61,572.03			61,572.03		
9		KY-Great Oaks initial upgrades, refurbishments & improvements	86,205.94			86,205.94		
10		KY-Herrington Haven initial upgrades, refurbishments & improvements	32,405.72			32,405.72		
11		KY-Kingswood initial upgrades, refurbishments & improvements	16,616.09			16,616.09		
12		KY-Lake Columbia initial upgrades, refurbishments & improvements	24,642.83			24,642.83		
13		KY-LH Treatment initial upgrades, refurbishments & improvements	18,605.77			18,605.77		
14		KY-Marshall County initial upgrades, refurbishments & improvements	1,882.10			1,882.10		
15		KY-Marshall Ridge initial upgrades, refurbishments & improvements	4,179.22			4,179.22		
16		KY-Persimmon Ridge initial upgrades, refurbishments & improvements	60,770.99			60,770.99		
17		KY-Randview initial upgrades, refurbishments & improvements	79,046.20			79,046.20		
18		KY-River Bluffs initial upgrades, refurbishments & improvements	223,964.02			223,964.02		
19		KY-Springcrest initial upgrades, refurbishments & improvements	30,858.50			30,858.50		
20		KY-Timberland initial upgrades, refurbishments & improvements	187,066.58			187,066.58		
21		KY-Woodland Acres initial upgrades, refurbishments & improvements	48,028.67			48,028.67		
22		KY-Airview capital repairs	38,244.19			38,244.19		
23		KY-Brocklyn capital repairs	9,064.30			9,064.30		
24		KY-Darlington Creek capital repairs	16,883.55			16,883.55		
25		KY-Delaplain Disposal capital repairs	45,350.67			45,350.67		
26		KY-Fox Run capital repairs	24,640.54			24,640.54		
27		KY-Golden Acres capital repairs	7,461.06			7,461.06		
28		KY-Great Oaks capital repairs	3,829.30			3,829.30		
29		KY-Herrington Haven capital repairs	24,953.26			24,953.26		
30		KY-Kingswood capital repairs	58,308.67			58,308.67		
31		KY-Lake Columbia capital repairs	36,889.30			36,889.30		
32		KY-LH Treatment capital repairs	17,397.00			17,397.00		
33		KY-Persimmon Ridge capital repairs	55,533.65			55,533.65		
34		KY-Randview capital repairs	7,349.26			7,349.26		
35		KY-River Bluffs capital repairs	137,929.85			137,929.85		
36		KY-Springcrest capital repairs	61,352.76			61,352.76		
37		KY-Timberland capital repairs	4,204.98			4,204.98		
38		KY-Woodland Acres capital repairs	10,956.77			10,956.77		
39								
40								
41								
42								
<b>Total</b>			<b>2,049,002.24</b>	-	-	<b>2,049,002.24</b>		

\*Explain the nature of all other indirect cost in footnotes



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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-10:** Provide the following (original cost) monthly account balances a calculation of the average 12-month account balances for total company and jurisdictional operations:

- a. Plant in Service;
- b. Plant Purchased or Sold;
- c. Property Held for Future Use;
- d. Construction Work in Progress (CWIP) (Separate this balance into CWIP eligible for capitalized interest and other CWIP.);
- e. Completed Construction Not Classified;
- f. Accumulated Depreciation and Amortization;
- g. Plant Acquisition Adjustment;
- h. Amortization of Utility Plant Acquisition Adjustment;
- i. Materials and Supplies;
- j. Balance in Accounts Payable Applicable to each account in (i) above (If actual cannot be determined, give a reasonable estimate.);
- k. Unamortized Investment Tax Credit–Pre-Revenue Act of 1971;
- l. Unamortized Investment Tax Credit–Revenue Act of 1971;
- m. Accumulated Deferred Income Taxes;
- n. Summary of Customer Deposits;
- o. Computation and Development of Minimum Cash Requirements;

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

p. Balance in Accounts Payable Applicable to amounts included in utility plant in service  
(If actual cannot be determined, provide a reasonable estimate.);

q. Balance in Accounts Payable Applicable to prepayments by major category or  
subaccount;

r. Balance in Accounts Payable applicable to amounts included in plant under construction  
(If actual cannot be determined, provide a reasonable estimate.); and

s. All Current Assets and Current Liability accounts not included above.

**RESPONSE: Please see attached Exhibit PSC 1-10 - Monthly Account Balances.**

**Witness: Brent Thies**

**Bluegrass**

**DR 10 a-s Monthly Account Balances**

	<b>Row on Balance Sheet</b>
(A) <b>Plant in Service</b>	Line 9
(B) <b>Plant Purchased or Sold</b>	Line 5
(C) <b>Property Held for Future Use</b>	n/a
(D) <b>Construction Work in Progress (CWIP)</b>	Line 6
(E) <b>Completed Construction Not Classified</b>	n/a
(F) <b>Accumulated Depreciation &amp; Amortization</b>	Line 7
(G) <b>Plant Acquisition Adjustment</b>	Line 8
(H) <b>Amortization of Utility Plant Acq Adjustment</b>	n/a
(I) <b>Materials and Supplies</b>	n/a
(J) <b>Balance in AP to each account above</b>	n/a
1 Plant in Service	n/a
2 Plant Purchased or Sold	n/a
3 Property Held for Future Use	n/a
4 Construction Work in Progress (CWIP)	Line 29
5 Completed Construction Not Classified	n/a
6 Accumulated Depreciation & Amortization	n/a
7 Plant Acquisition Adjustment	n/a
8 Amortization of Utility Plant Acq Adjustment	n/a
9 Materials and Supplies	n/a
(K) <b>Unamortized Investment Tax Credit–Pre-Revenue Act of 1971</b>	n/a
(L) <b>Unamortized Investment Tax Credit–Revenue Act of 1971</b>	n/a
(M) <b>Accumulated Deferred Income Taxes</b>	n/a
(N) <b>Summary of Customer Deposits</b>	n/a
(O) <b>Computation and Development of Minimum Cash Requirements</b>	n/a
(P) <b>Balance in Accounts Payable Applicable to amounts included in utility plant in service</b>	n/a
(Q) <b>Balance in Accounts Payable Applicable to prepayments by major category or subaccount</b>	n/a
(R) <b>Balance in Accounts Payable applicable to amounts included in plant under construction</b>	Line 29
(S) <b>All Current Assets and Current Liability accounts not included above</b>	n/a
1 Current Assets	Line 2
2 Current Liability	Line 22

	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	Average 12 month Balance
<b>Total All Other Current Asset - Current Asset</b>	\$788,426.51	\$978,148.16	\$626,801.70	\$1,084,751.30	\$1,137,195.05	\$1,150,975.97	\$1,079,678.85	\$1,180,860.62	\$1,228,410.77	\$1,386,525.28	\$1,345,267.17	\$1,309,488.26	\$1,108,044.14
<b>Plant Purchased/Sold</b>	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08	\$11,570.08
<b>CWIP</b>	\$1,538,563.64	\$1,683,462.71	\$1,882,759.75	\$1,980,651.91	\$2,072,031.84	\$2,020,275.23	\$1,694,058.86	\$1,803,366.64	\$2,032,704.40	\$2,046,955.54	\$2,178,573.64	\$2,319,841.84	\$1,937,770.50
<b>Accumulated Depreciation</b>	(\$3,347,211.87)	(\$3,295,995.31)	(\$3,311,823.97)	(\$3,327,652.62)	(\$3,343,481.21)	(\$3,362,975.59)	(\$3,379,608.51)	(\$3,401,841.90)	(\$3,419,385.10)	(\$3,436,928.50)	(\$3,454,471.71)	(\$3,375,990.09)	(\$3,371,447.37)
<b>Utility Plant Acq Adjustment</b>	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27	\$100,171.27
<b>Plant in Service</b>	\$8,183,364.15	\$8,117,596.15	\$8,117,596.15	\$8,117,596.15	\$8,117,596.15	\$8,610,243.96	\$8,966,308.96	\$9,260,668.19	\$9,264,788.19	\$9,264,788.19	\$9,264,788.19	\$9,168,763.19	\$8,799,764.14
<b>Total Fixed Asset - Fixed Asset</b>	\$6,486,455.27	\$6,616,804.90	\$6,800,273.28	\$6,882,336.79	\$7,450,535.94	\$7,735,349.95	\$7,686,859.89	\$7,773,934.28	\$7,989,848.84	\$7,986,556.58	\$8,100,631.47	\$8,224,356.29	\$7,477,828.62
<b>Other Asset - Other Asset</b>	\$484,793.03	\$489,518.00	\$498,030.86	\$515,936.77	\$186,261.48	\$200,090.13	\$240,267.12	\$242,343.66	\$170,007.77	\$174,748.37	\$179,135.37	\$182,677.32	\$296,984.16
	<b>\$7,759,674.81</b>	<b>\$8,084,471.06</b>	<b>\$7,925,105.84</b>	<b>\$8,483,024.86</b>	<b>\$8,773,992.47</b>	<b>\$9,086,416.05</b>	<b>\$9,006,805.86</b>	<b>\$9,197,138.56</b>	<b>\$9,388,267.38</b>	<b>\$9,547,830.23</b>	<b>\$9,625,034.01</b>	<b>\$9,716,521.87</b>	<b>\$8,882,856.92</b>
<b>AP - Accounts Payable</b>	\$521,997.02	\$735,030.16	\$177,625.70	\$214,047.96	\$339,840.80	\$540,294.64	\$155,537.29	\$142,702.92	\$205,549.35	\$65,064.78	\$130,176.82	\$113,754.30	\$278,468.48
<b>CIAC</b>	\$230,943.55	\$228,253.96	\$235,214.37	\$222,522.84	\$219,481.31	\$217,789.78	\$214,744.50	\$211,699.22	\$208,653.94	\$205,608.66	\$200,063.38	\$200,016.71	\$215,666.02
<b>Total All Other CL - Other Current Liabilities</b>	\$4,162,232.56	\$4,282,266.69	\$4,706,734.46	\$5,375,047.70	\$5,453,203.07	\$5,584,278.51	\$5,895,235.58	\$6,108,584.68	\$6,253,112.35	\$6,598,716.21	\$6,659,539.35	\$6,800,972.29	\$5,646,343.62
<b>Total Equity</b>	\$2,844,501.68	\$2,838,920.25	\$2,815,531.31	\$2,771,006.36	\$2,761,467.29	\$2,744,053.12	\$2,741,288.49	\$2,734,351.74	\$2,720,951.74	\$2,678,440.58	\$2,632,254.46	\$2,601,778.57	\$2,740,378.80
	<b>\$7,759,674.81</b>	<b>\$8,084,471.06</b>	<b>\$7,925,105.84</b>	<b>\$8,483,024.86</b>	<b>\$8,773,992.47</b>	<b>\$9,086,416.05</b>	<b>\$9,006,805.86</b>	<b>\$9,197,138.56</b>	<b>\$9,388,267.38</b>	<b>\$9,547,830.23</b>	<b>\$9,625,034.01</b>	<b>\$9,716,521.87</b>	<b>\$8,882,856.92</b>
<b>AP Balance applicable to CWIP (estimated at 45% of AP)</b>	\$234,898.66	\$330,763.57	\$79,931.57	\$96,321.58	\$152,928.36	\$243,132.59	\$69,991.78	\$64,216.31	\$92,497.21	\$29,279.15	\$58,579.57	\$51,189.44	\$125,310.82

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-11:** Provide a copy of the current management contracts, if any, between Bluegrass Water and CSWR; Bluegrass Water and Central States Water Resources, Inc. (Central States); and CSWR and Central States. Describe any such agreements that have not been memorialized in writing.

**RESPONSE:** Bluegrass Water has no written management contracts with either CSWR, LLC, or Central States Water Resources, Inc., nor are there any management agreements that have not been memorialized in writing. Direct charges or allocations to Bluegrass Water from CSWR, LLC are made in accordance with the Cost Allocation Manual. *See* Exhibit PSC 1-1. Because it provides no services to Bluegrass Water, no costs associated with Central States Water Resources, Inc. are directly charged or allocated.

**Witness: Aaron Silas**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-12:** Provide a copy of all contracts, if any, between Bluegrass Water and any person or entity retained to perform billing or customer service for or on behalf of Bluegrass Water and all contracts between Bluegrass Water and any person or entity retained to operate Bluegrass Water's utility plant. Describe in detail any such agreements that have not been memorialized in writing.

**RESPONSE:** Subject to Bluegrass Water's February 27, 2023 Motion for Confidential Treatment, redacted copies of the agreements with Nitor Billing Services, LLC and Midwest Water Operations, LLC were filed in this proceeding as Application Exhibit 22. Please also find attached CONFIDENTIAL Exhibit PSC 1-12, which is a redacted copy of the contract with Link Computer Corporation (d/b/a Muni-Link). A Motion for Confidential Treatment, seeking confidential treatment of the pricing provisions of the Muni-Link contract is filed contemporaneously herewith.

**Witness: Brent Thies**



SCHEDULE A

MUNI-LINK BILLING

CUSTOMER INFORMATION

Name: CSWR, LLC

**BILLING** Address: Suite 303  
1650 Des Peres Road  
Des Peres, MO 63131

Phone: (314) 380-8563

Website: [www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

Management Contact: Mike Duncan  
Title: Vice President  
Phone: (314) 380-8563  
Email Address: [mduncan@cswrgroup.com](mailto:mduncan@cswrgroup.com)

Primary Muni-Link Contact: Same  
Title:  
Phone:  
Email Address:

Accounts Payable Contact: Same  
Title:  
Phone:  
Email Address:

Tax Exemption ID: \_\_\_\_\_ (certificate attached)

Service Types Billed for: Water and Sewer

Services Billing Cycle: Monthly

How many Total Accounts: 60,000 – initially, and as of the effective date of this agreement

MUNI-LINK SERVICE

Muni-Link Billing is a comprehensive cloud based software solution that incorporates Customer Information System, Utility Billing, and Collections Management in an integrated environment.

Anticipated Go Live Date: Approximately 6 months from the project kick-off call

Implementation, Training and Data Conversion Fee: [REDACTED] – for a full remote implementation. Travel and expenses can be quoted for on-site training and implementation days. This fee is for our standard best practice data conversion and implementation process including customer readiness and acceptance prior to go live, and includes 3 years of history being imported directly into our system from one database of documented data, as provided by the Customer. See Schedule B for more details. One third of this fee is due after the Implementation Project Kick-off Call. One third is due 45 days later, and the remaining third is due 45 days after that.



SCHEDULE A

**Muni-Link Software Fee:** [REDACTED] per month – for 60,000 accounts – and includes the Software License, Updates and Enhancements, Hosting and Unlimited Support. Invoicing of the Software Fee will begin 30 days before the agreed upon original Go Live Target Date established during the Implementation Project Kick-off Call (or the actual Go Live Date if sooner). One lump sum invoice for the total number of accounts will be provided to CSWR each month (i.e. not broken down by operating company or system). See Schedule B for further pricing details.

**Timely Payments:** Payments for the Implementation/Data Conversion and initial recurring Software Fee invoices are due on time regardless of project delays not specifically caused by Muni-Link.

**Muni-Link Invoicing Cycle:** Monthly – 30 days in advance

**Automatic Price Adjustment:** The Software Fee will increase on a prorated basis, each time the total number of accounts (excluding inactive accounts) increases by more than 50.

**Annual Price Adjustment:** After two years, the Software Fee and Pricing Schedule / Import Fees for additional accounts are subject to an annual increase of 2.5%, or the annualized Cost of Living increase as per the Bureau of Labor Statistics Northeast Region CPI Index, if higher, starting one year after the first Software Fee invoice.

**LINK COMPUTER CORPORATION CONTACT INFORMATION**

**Corporate Name and Address:** Link Computer Corporation  
140 Stadium Drive  
PO Box 250  
Bellwood, PA 16617

**Phone:** (814) 742-7700

**Fax:** (814) 742-7900

**Websites:** [www.muni-link.com](http://www.muni-link.com); [www.linkcorp.com](http://www.linkcorp.com)

**Sales Contacts:**

Scott Baker Senior Account Rep (814) 742-7700, ext. 417 <a href="mailto:sbaker@muni-link.com">sbaker@muni-link.com</a>	Ryan Shaulis VP of Sales and Marketing (814) 742-7700, ext. 446 <a href="mailto:rshaulis@Muni-Link.com">rshaulis@Muni-Link.com</a>
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**Other Contacts:**

Jim Rokosky Sr. VP of Operations (814) 742-7700, ext. 378 <a href="mailto:jrokosky@muni-link.com">jrokosky@muni-link.com</a>	Tim J Link Manager of Implementations (814) 742-7700, ext. 323 <a href="mailto:tjlink@muni-link.com">tjlink@muni-link.com</a>
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Mariah Papi  
Customer Support Manager  
(814) 742-7700, ext. 350  
[mpapi@linkcorp.com](mailto:mpapi@linkcorp.com)






SCHEDULE A

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by a duly authorized representative.

LINK COMPUTER CORPORATION

By:   
Tim Link, President

Date: 2-7-2022

CSWR, LLC

By:   
Print Name: Michael Duncan

Date: 2/4/2022

Title: Vice President



SCHEDULE B

MUNI-LINK BILLING

1. **MONTHLY SOFTWARE FEE SCHEDULE**

<u>TIERS (# of Accounts)</u>	<u>FEE – per 50,000 Accounts</u>
• Up to 50,000	[REDACTED]
• 50,001 – 100,000	
• 100,001 – 150,000	
• 150,001 – 200,000	
• 200,001 – 250,000	
• Over 250,000	

Partial Tiers are billed for on a prorated basis.

The total number of accounts include active and suspended, but excludes inactive.

This Fee Schedule is subject to the annual COL Price Adjustment referenced in Schedule A.

This Fee Schedule includes no more than 2 services per account, including water and wastewater. Each additional service, except for irrigation water, will incur a 10% surcharge of the MRR for that community/system.

2. **INITIAL IMPLEMENTATION, TRAINING AND DATA CONVERSION**

See Attachments B-1 and B-2 for Statement of Work and other implementation information.

3. **SUBSEQUENT AND ONGOING IMPORTING OF ADDITIONAL ACCOUNTS**

See Attachment B-3 for Statement of Work.

ONE-TIME FEES – for each import of new acquisitions and additional accounts

- Less than 2,000 Accounts
- 2,001 – 5,000
- 5,001 – 10,000
- 10,001 – 20,000
- Over 20,000 Accounts

[REDACTED]
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These fees are subject to the annual COL Price Adjustment referenced in Schedule A.



SCHEDULE B

4. ONGOING SUPPORT

See Attachment B-4 for Statement of Understanding.

5. PREMIUM NOTIFICATIONS USAGE COSTS

The following charges apply:

- Calls [REDACTED] per minute (whole minute increments)
- SMS [REDACTED] each
- Email [REDACTED] per 1,000 [REDACTED] per 100, [REDACTED] each)

Attachments B-1, B-2, B-3 and B-4 are incorporated as part of this Schedule B and the Software License Agreement.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by a duly authorized representative.

LINK COMPUTER CORPORATION

By: [Signature]  
Tim Link, President

Date: 2-7-2022

CSWR, LLC

By: [Signature]  
Print Name: Michael Duncan  
Title: Vice President

Date: 2/4/2022



Attachment B-1

## Statement of Work – Initial Implementation, Training, and Data Conversion

---

### Statement of Work

#### *Initial Implementation, Training, and Data Conversion*

The below is an outline of our commitment to deliverables between CSWR, LLC (CSWR) and Muni-Link for Data Conversion and Implementation of 60,000 Accounts with history.

- Conversion – will complete conversion from current system to Muni-Link for up to 60,000 accounts
  - We will work with CSWR and/or your current vendor to import your existing data. Our standard practice is to convert (3) years of historical data from your current system into the Muni-Link Billing solution.
- Migration of your legacy data to the Muni-Link software is a multi-step process:
  - Pre-Conversion Setup: The Muni-Link Implementation Lead (IL) and the customer project team work together to perform the initial system configuration in preparation for the data migration.
  - Data Pull: The Muni-Link Data Engineer (DE) provides the customer with a link for uploading the legacy data to a secure FTP site in a mutually agreed to format. The format will vary based on the legacy system that the customer is migrating data from and the capabilities available to export it.
  - Data Staging: The DE maps the source data to a set of standard Muni-Link staging tables that are used to prepare the data for migration.
  - Data Quality Check: The DE runs a set of automated data quality checking routines over the staged data to ensure that it meets the minimum requirements for migrating the data to Muni-Link Billing. Any issues that are found are resolved through collaboration with the IL and customer and the process repeats until all data quality issues have been resolved.
  - Initial Data Conversion: The DE executes the automated data migration process on the staged data after all data quality checks have passed. The DE inspects the converted data through direct database queries as well as through the Muni-Link Billing application. The converted database is then made available to the IL and customer for data review.
  - Data Review: The IL and customer project team review the converted data using the Muni-Link Billing application. All discrepancies, missing items, and questions are noted in the Muni-Link project management software and shared to the DE for remediation.
  - Refinement: The process is repeated for several iterations until the data has been fully and accurately migrated and signed off on by CSWR.



## Attachment B-1

## Statement of Work – Initial Implementation, Training, and Data Conversion

- Go-Live. At the time of go-live, the customer ceases making productive use of their legacy system, pulls the data and uploads it to the Muni-Link secure FTP site, and the Data Engineer performs a final conversion using the data staging scripts that were developed for the practice conversion.
- Implementation and Training
  - Implementation Schedule will be determined shortly after contract signature and with input from CSWR.
  - Will follow our normal implementation plan which consists of a 10 Step plan. See attached *Muni-Link Implementation Plan*
    - Includes: Client Profile Sessions, Pre-Conversion Set-up, Data Conversion Tasks, Education, Go-Live, After Go-Live Support
    - CSWR will be assigning Power Users/SME's (PU/SME's) that we will be educating to set up the new acquisition systems after the initial training is complete
  - Go-Live
    - Prior to go-live we will work with CSWR to confirm readiness and acceptance
      - Confirmation will occur through a series of steps that we've developed for the acceptance of the Muni-Link System
- Additional Education/Training – In addition to the above, we will continue to provide education/training for up to 1 Year to the PU/SME from date of signed contract
  - Sessions must be scheduled in advance
- Software Development
  - Muni-Link software will be implemented "as-is" basis
  - We will provide our standard CSV File or PDF File to your Print/Mail vendor for printing and mailing of bills
  - Development Items – We have the following two development items that we are agreeing to as part of this SOW.
    - Utility Cloud Integration Update
      - We will be working with Utility Cloud and CSWR to clearly define the needs, develop, and update the integration prior to go-live
        - Business analysis to identify and document all anticipated use cases.
        - Gap analysis to determine any new feature/functionality that is required to address all use cases captured during business analysis. Currently there is one known gap, which is sending additional data so that Utility Cloud can determine which water system a service order belongs to.
        - Software construction and unit testing.



**Attachment B-1**

**Statement of Work – Initial Implementation, Training, and Data Conversion**

- Integration testing.
- User acceptance testing. This final phase of the effort involves CSWR, Muni-Link, and Utility Cloud processing a representative set of use cases end-to-end through the fully configured and integrated systems.
- Read Replica Database will be included
  - This database will give CSWR a read only connection to the database where data analytics and creating of additional reports can be completed by CSWR
    - We currently have more than 100 reports within our system. CSWR will be able to use the read replica to create highly customized reports that are needed
  - To provide the read replica of the database we will:
    - Provision a virtual machine and configure the network and operating system.
    - Install and configure MariaDB.
    - Create a backup of the production database and restore it to the replica node.
    - Configure the read replica to sync with one of the production database nodes.
    - Configure replication monitoring to ensure alerts are received if replication breaks and requires maintenance.
    - Provision a virtual machine and configure it as a bastion host to allow create a “gateway” for CSWR access the read replica.
    - Monitor and perform ongoing maintenance such as OS upgrades, MariaDB upgrades, general housekeeping tasks, and any break/fix response should replication fail for any reason

CSWR, LLC

Print Name: Michael Duncan

Date: 2/4/2022

Initials: 



## Attachment B-2 Muni-Link Implementation Plan

### STEP 1: IMPLEMENTATION KICK-OFF MEETING

- Describe Implementation Process: Review tentative schedule including required milestones
- Discuss Implementation Meeting Questions
- Schedule Client Profile Session
- Send documentation to set up at least one PC on-site to access Muni-Link

### STEP 2: CLIENT PROFILE SESSION

- Complete Client Profile
- Identify any issues with processes and procedures
- Discuss import/export procedures, including reader interface

### STEP 3: PRE-CONVERSION SET UP SESSION

- Client enters fundamental information including Users, Services, Rates, G/L Accounts and Miscellaneous Charges into the Muni-Link system. Note: these are setup items that are not converted into Muni-Link.

### STEP 4: INITIAL DATA CONVERSION

- Receive initial copy of the data for conversion
- First Data Conversion to Muni-Link
- Schedule Data Conversion Review and training sessions
- Additional re-conversions completed as necessary (using the initial data pull)

### STEP 5: DATA CONVERSION REVIEW

- Guided review of the converted data
- Client continues data conversion review *independently*
- Client performs additional review of re-converted data as necessary

### STEP 6: TRAINING SESSION

- Receive training on Muni-Link features and processes
- Guided review of settings and configurations from Step 3 within Muni-Link processes for client to verify their business processes.
- Client reviews all business processes in Muni-Link (bill cycle, notices, penalties, etc.)



**Attachment B-2**  
**Muni-Link Implementation Plan**

- Client approves bill formats and notices
- Client verifies any required import/export processes
- Client independently runs and reviews required reports

**STEP 7: CONFIRM CUSTOMER READINESS**

- Client verifies all converted data has been reviewed
- Client verifies all tables are setup correctly
- Client verifies that all training has been completed
- Client verifies that all implementation tasks are on schedule
- Client verifies all processes are operational and approved
- Review/Confirm Go-Live Date

**STEP 8: GO LIVE**

- Final Data Conversion to Muni-Link completed
- Client confirms ending balances in old system match beginning balances in Muni-Link
- Client performs FINAL converted data review
- Client begins daily operations in Muni-Link: enter payments, work orders, etc.

**STEP 9: COMPLETE ONE BUSINESS CYCLE**

- Apply penalties/interest
- Prepare delinquent notices
- Generate first billing

**STEP 10: CONTINUED SUPPORT**

- Transition to Support Team for ongoing support

<p><b>KEY</b></p> <ul style="list-style-type: none"> <li>• Muni-Link &amp; Client Participation Required</li> <li>• Client Participation Required</li> </ul>
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Attachment B-3

**Statement of Work – Subsequent and ongoing importing of Additional Accounts**

**Statement of Work**

**Subsequent and ongoing importing of Additional Accounts**

The below is an outline of our commitment to deliverables between CSWR, LLC (CSWR) and Muni-Link for New Acquisitions by CSWR.

- Conversion – we will provide a spreadsheet for CSWR to fill in for each new acquisition
  - We will import from our standard spreadsheet provided to CSWR
  - No transaction history will be converted
- Process –
  - Create a test DB from the customer Live database
  - Add mapping logic for the last reading.
  - Map the data from the spreadsheets and run the Conversion process to add New Accounts to the test database
  - Validate the results of the Conversion and review with the customer
  - Once approved, determine the date to run the process against Live (CSWR must remain out of the system until the process is complete)
  - Once the conversion is complete, the monthly charge for Muni-Link will be for the additional accounts added
- Education – during the initial conversion and first year the CSWR staff will be shown how to set up all new configurations for acquisitions
  - Setup and configuration is not included as we are educating the CSWR to be able proceed with these tasks for new acquisitions

CSWR, LLC

Print Name: Michael Duncan

Date: 2/4/2022

Initials: 



Attachment B-4

## Statement of Understanding – Ongoing Support

### Statement of Understanding

#### ***Ongoing Support***

The below is an outline of our commitment to deliverables between CSWR, LLC (CSWR) and Muni-Link for Support.

- CSWR will have Power Users/Subject Matter Experts (PU/SME's) that will be level 1 support to their contracted employees.
  - If these users would need further assistance then the PU/SME's would initiate a contact with Muni-Link Support
- Business hours support: Muni-Link support will be available from 8am – 6pm, Eastern Time, M-F excluding holidays. Support is available by phone, email, and chat.
  - After hours support: After hours support is available through email or phone with a call back. After hours support can also be scheduled if a customer knows they will need assistance during non-business hours times.
- The help desk is staffed by Support Specialists who are the first line of contact with a customer that calls for support. Support Specialists can answer questions, investigate issues, provide walkthroughs of functionality, resolve configuration issues, and qualify break/fix issues for escalation to the Software Development Team. Support Specialists are able to do screen sharing with the customer to demonstrate functionality, observe what the customer is seeing, or assist the customer with understanding a task.
- A full time Support Liaison from the Software Development team is assigned to the Support team to handle engineering level escalations. The Support Liaison triages escalations, resolves them if possible, or assigns them to a member of the Software Development team for resolution.
- Support consulting: In addition to Support Specialists, the Support Team has Support Consultants who handle issues that involve research, detailed training, business analysis, complex setup and configuration, or longer-term engagements with the customer. The Support Consultants are available to work with customers on issues that are more involved than question/answer, break/fix, or simple configuration/setup issue that can be resolved on first contact or within the scope of a narrow engagement window.
- Upgrades
  - Upgrades are provided monthly. The third Wednesday of every month a webinar is provided to demonstrate the new features that will be released that month and then the software is released the following weekend. Because Muni-Link Billing is cloud-



Attachment B-4

Statement of Understanding – Ongoing Support

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based, software as a service the new functionality is immediately available to all customers upon release.

- Additional education can be provided on a quarterly basis (scheduled in advance) to review new features and functions with the CSWR Staff.

CSWR, LLC

Print Name: Michael Duncan

Date: 2/4/2022

Initials: 



## SOFTWARE LICENSE AGREEMENT

THIS AGREEMENT, effective as of the date the last party executes this Agreement as set forth next to their signature below, is made between LINK COMPUTER CORPORATION, 140 Stadium Drive, PO Box 250, Bellwood, PA, 16617 (hereinafter "Link"), and CSWR, LLC, Suite 303, 1650 Des Peres Road, Des Peres, MO, 63131 (hereinafter "Customer").

### 1. LICENSE GRANT

Link hereby grants to Customer a non-exclusive, non-transferable, non-sublicenseable right to use the Services identified in Schedules A and B attached hereto or additional Schedules to be attached hereto in the future (Schedule A and/or future Schedules referred to hereinafter as "the Schedules") (hereinafter "Services") solely for Customer's own internal business purposes. All rights not expressly granted to Customer are reserved by and to Link. No ownership in the Services is transferred hereunder. Customer grants to Link an irrevocable license to use or incorporate into the Services any suggestions, ideas, enhancement requests, feedback, recommendations or other information provided by Customer or Customer's users.

### 2. LINK SERVICE SUPPORT TO CUSTOMER

Link maintains a full-time, dedicated, and professional support staff to provide assistance to Customers. The support staff will answer process and "how-to" questions, resolve user problems, configure software changes requested by Customer, and review and explain new features when they are released. This support is available by telephone and email. Additionally, Link provides video tutorials, "Help Cards", periodic webinars and other support resources. This support is included as part of the standard monthly fee referenced on the Schedules attached hereto with respect to those particular services.

### 3. LINK RESPONSIBILITIES

3.1 Link shall use commercially reasonable efforts to make the Services generally available 99.5% of each calendar month, except for: (a) planned downtime, with at least 48 hours of advance notice to the Customer, which will be scheduled during hours other than Monday through Friday, 8:00 AM to 6:00 PM (EST), whenever reasonably possible; and (b) downtime caused by circumstances beyond Link's reasonable control, including but not limited to, acts of nature, acts of government, flood, fire, civil unrest, threat of terrorism, strike or other labor problem not involving Link's employees, telecommunications or computer failures or delays, and unauthorized and/or illegal network intrusions or cyber-attacks that result in damage to the Services or operate to prevent use of the Services by Link and/or the Customer.

3.2 Link shall use commercially reasonable efforts to maintain the confidentiality of Customer Data, the security and integrity of the Services, and to promptly respond to and attempt to fix problems that interfere with the smooth and effective operation of the Services and/or Customer's use thereof.

3.3 Link shall use commercially reasonable efforts to monitor its Services and take commercially reasonable actions to make Link's Services secure from unauthorized access, network intrusions, cyber-attack, or subject to viruses or malware.

### 4. CUSTOMER RESPONSIBILITIES

4.1 Customer may use the Services only for Customer's internal business purposes. Customer and its authorized users shall not: (a) send or store material with any virus, worm, or other harmful computer code; (b) interfere with or disrupt the integrity or performance of the Services in whole or in part; or (c) attempt to gain unauthorized access to the Services or any related system or network. Customer shall take reasonable measures to protect Customer's information technology system from unauthorized access and to prevent anyone from engaging in the foregoing prohibited actions. If Customer or its authorized users engage in the foregoing prohibited actions or if Customer fails to take reasonable steps to protect Customer's information technology system from unauthorized access that results in an unauthorized user engaging in the foregoing prohibited actions, Link may immediately suspend Customer



## SOFTWARE LICENSE AGREEMENT

from accessing the Services until Customer corrects the violation, or Link may also terminate Customer's license and this Agreement for such breach.

4.2 Customer shall not: (a) license, sublicense, sell, resell, transfer, assign, distribute, or otherwise commercially exploit or make available to any third party any Services or the Content in any way; (b) modify, copy, or make derivative works based upon the Services or the Content; (c) create Internet "links" to or from the Services or "frame" or "mirror" any Content, other than on Customer's own intranets or otherwise for Customer's own internal business purposes; or (d) disassemble, reverse engineer, or decompile the Services in order to: (i) build a competitive product or service, (ii) build a product using similar ideas, features, functions, designs or graphics of the Services, or (iii) copy any idea, feature, function, design, or graphic of the Services. The Services licensed hereunder cannot be shared with anyone else or used by anyone other than Customer and its authorized users. "Content" means visual information, documents, software, products and services contained or made available to Customer as part of the Services.

4.3 Customer shall: (a) use reasonable efforts to prevent unauthorized access to or use of the Services or any Content in whole or in part; (b) notify Link promptly of any actual or suspected unauthorized access/use; (c) abide by all applicable local, state, and national laws and regulations, including those related to data privacy, communications, and the transmission of technical or personal data; (d) be responsible to ensure the accuracy, quality, integrity, legality, reliability, and appropriateness of all Customer Data; and (e) comply with Link's policies to obtain support and other services under this Agreement.

### 5. CUSTOMER DATA

5.1 All Customer Data (any data or information Customer provides or submits within the parameters of the Services including the initial conversion of data during implementation and set up) shall be and always remain Customer's and shall be considered Customer's Confidential Information. Link will retain Customer Data up to ten (10) years. Customer shall grant Link access to the Customer Data so that Link can respond to, assess, or resolve service or technical problems; in doing so, Link will maintain the confidentiality of the Customer Data.

5.2 Upon termination of this Agreement, Customer Data shall be provided to Customer in a standardized electronic format capable of being converted and/or uploaded into most databases upon payment of all outstanding invoices to Link. Link shall have no obligation to retain a copy of Customer Data longer than 30 days after delivery to Customer of the Customer Data.

5.3 Link can provide Customer Data in a standardized electronic format capable of being converted and/or uploaded into most databases to Customer during the term of this Agreement upon request of the Customer. Customer will be responsible to pay Link's standard processing fee in effect at the time of the request.

### 6. CHANGES TO SERVICES

Link reserves the right to: (a) upgrade, modify, replace, or reconfigure the Services at any time, and (b) change the terms of this Agreement, including Link's fee schedule, support and service terms and standards. Link will give Customer at least 30 days' advance notice of any change that significantly affects the use or cost of any Service by either an email to Customer's representative or by a posting on the Service to which the change applies. For 30 days after the foregoing notice, Customer shall have the right to terminate the Service; in which case, at Customer's request, Link will continue to provide the Service for up to 90 days so long as the monthly fee is paid current during this transition period. Otherwise, the change will be deemed effective 30 days after the notice if Customer uses the Service to which the change applies thereafter.

### 7. FEES AND PAYMENT

7.1 Link will invoice Customer in accordance with the terms specified in the Schedules attached hereto. Customer shall pay all amounts due when they are due.



## SOFTWARE LICENSE AGREEMENT

7.2 Past due invoices will be subject to a late charge equal to 1.5% of the outstanding balance per month from the due date until paid. Customer shall also be responsible for any applicable expenses incurred with collection efforts, including but not limited to pre-litigation collection efforts, by an attorney or collection agency and court costs and attorneys' fees.

7.3 If Customer's account has a past due balance, Link reserves the right to suspend the Services until such amounts are paid in full, including all accrued liabilities and obligations. Customer will continue to be charged during any period of suspension. Link reserves the right to impose a reconnection fee if Customer access to the Service is suspended for non-payment, and Customer thereafter requests access to the Services.

### 8. TERM AND TERMINATION

8.1 The term of this Agreement shall be for one (1) year from the date the last party executes this Agreement as set forth next to their signature below. Upon signing this Agreement, the Customer is obligated to pay the fees as specified in the attached Schedules, including the Implementation, Training and Data Conversion Fee in full, and Muni-Link Software Fees for one year. This Agreement shall renew automatically for additional one-year terms unless either party provides written notice of the party's intent to not renew the Agreement to the other party at least 90 days prior to the expiration of the then existing term. Upon termination and payment to Link of all outstanding invoices, Link shall provide Customer with the Customer Data in a standardized electronic format as provided for in Section 5.2.

8.2 If Customer breaches this Agreement for any reason including nonpayment of invoices for Services, except for breach of Customer's duties in Section 4.1 in which Link may terminate the Agreement immediately, Link may terminate this Agreement after 30 days' written notice to Customer, and Customer fails to cure the breach during such 30-day period. If Link terminates the Agreement, Customer shall remain responsible to pay any balance remaining due and upon payment of the same, Link shall provide Customer Data in a standardized electronic format as provided for in Section 5.2.

8.3 If Link breaches this Agreement for any reason, Customer may terminate this Agreement upon the following: thirty (30) days after written notice to Link detailing the breach and Link failing to cure the breach during such thirty (30) day period.

8.4 Upon termination of this Agreement and prior to the release of the Customer Data to Customer, Customer shall submit to Link a written and signed letter affirming that Customer has (a) not given, sold, rented, or lent any copy or any part of the Confidential Information (defined in Section 9) in any shape or form to any third party, including any user login credentials; and (b) releasing Link from any and all claims related to this Agreement and the Services.

### 9. PROPRIETARY RIGHTS AND CONFIDENTIALITY

9.1 Link owns all right, title and interest in and to the Services and the Content, including but not limited to copyrights, patents, trade secrets, trademarks, and intellectual property not subject to copyright or patent but are proprietary and valuable to Link (collectively, "Proprietary Rights"). The "MUNI-LINK" name and logo are registered trademarks of Link, and the product names associated with the Services are trademarks of Link. Customer shall have no right or license to use the trademarks without Link's written permission. Customer shall not challenge any ownership or other right of Link with respect to the trademarks or Proprietary Rights while a customer or after termination of this Agreement.

9.2 Proprietary Rights shall constitute "Confidential Information" under this Agreement. Without Link's prior written consent, Customer shall not use any Confidential Information except on a "need to know" basis to use the Services, nor shall Customer disclose any Confidential Information except as required by the laws of the states in which the Customer conducts business with respect to the public's "right-to-know" or "freedom of information" (hereinafter "RTK/FOIA laws"). Customer shall give Link 5 days' notice before releasing Confidential Information under RTK/FOIA laws in order to allow Link to assert any rights it may have to keep the Confidential Information confidential and not subject to disclosure. In the unlikely event that Customer is subpoenaed or otherwise compelled to produce Confidential Information, Customer shall



## SOFTWARE LICENSE AGREEMENT

immediately notify Link so Link can assert any and all rights to prevent the disclosure or limit the disclosure of Confidential Information. Customer shall utilize all reasonable security measures to protect the confidentiality of the Confidential Information. Customer acknowledges the importance of the Confidential Information and that, because other remedies are inadequate, if Customer discloses or uses (or threatens to disclose or use) any Confidential Information in breach of this Section 9.2, Link shall have the right to seek injunctive relief, and Customer waives any obligation that a bond be posted by Link in connection with such relief. If requested by Link, Customer shall return all of the Confidential Information or provide proof of destruction of the same.

9.3 This Section 9 shall survive the termination of this Agreement.

### 10. REPRESENTATIONS; WARRANTIES; AND LIMITATIONS

10.1 Customer represents and warrants that the undersigned has the legal authority to enter into this Agreement, and all necessary legal action, including adoption at a public meeting, if required by Customer's state's laws, has occurred. Upon execution by the undersigned, this Agreement shall be a legally binding contract between Customer and Link.

10.2 The Services may be subject to limitations, delays, and other problems inherent in the use of the Internet and electronic communications beyond both Customer's and/or Link's control. Link is not responsible for any delays, delivery failures, or other damage resulting from the foregoing.

10.3 Link warrants and represents that the Services will conform to Link's specifications that are in effect for the Services at that time, that the Services will perform substantially in accordance with what was presented and demonstrated to Customer, and that Services will operate in a manner consistent with general industry standards, which means the Services will be reasonably free from program coding errors. Link does not warrant that the Services will be free from all errors or that all possible program defects can be corrected. Customer shall give notice to Link immediately of any perceived error, and Link shall make every attempt to resolve any error in the Services at no cost to Customer to the extent the error is related to Link's Services and not a third party. Link will provide updates to the Services as are commercially reasonable in light of changes in third party software such as computer operating systems and internet web browsers or advise Customer of any third party product or upgrade of a product that Link becomes aware cannot operate in conjunction with Link's Services. Link is not responsible for changes in Customer's intellectual technology system, including hardware or software, in the absence of Customer's prior consultation with Link, that causes the Services not to operate or operate as the Services previously operated. **THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.**

10.4 Neither party shall be liable to the other for special, incidental, punitive, exemplary, or consequential damages (including loss of data, revenue, profits, use, or other economic advantage) arising from the Services and/or this Agreement even if one party has advised the other party of the possibility of such damages and regardless of the basis of any claim, i.e., contract, warranty, tort, or strict liability. In no event shall Link's aggregate liability to Customer exceed the amounts actually paid by the Customer in the 12-month period immediately preceding the event giving rise to Customer's first claim, regardless of the number of claims arising out of or related to this Agreement. Both parties acknowledge this Section 10.4 is reasonable in light of the cost of the Services and the length of the term of the Agreement.

10.5 Customer shall indemnify, defend, save and hold harmless Link, its affiliates, officers, directors, and employees from and against any and all claims brought against Link by a third party (person or entity not a party to this Agreement) relative to Customer's use of the Services hereunder and the Customer Data. Link shall provide written notice of a potential or actual claim to Customer within 7 business days of becoming aware of such potential or actual claim.

10.6 Link shall indemnify, defend, save and hold harmless Customer, its affiliates, officers, directors, and employees from and against any and all claims brought against Customer by a third party (person or entity not a part to this Agreement) relative to the services provided by Link in accordance with this

**SOFTWARE LICENSE AGREEMENT**

Agreement. Customer shall provide written notice of a potential or actual claim to Link within 7 business days of becoming aware of such potential or actual claim.

**11. GENERAL**

11.1 Customer may not assign any rights or obligations hereunder, whether by operation of law or otherwise, without Link's prior express written consent, which consent shall not be unreasonably withheld. The Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

11.2 No joint venture, partnership, employment, or agency relationship exists between Link and Customer. Customer agrees that Link can reference Customer's name and/or logo for the sole purpose of simply acknowledging Customer as one of Link's customers until Customer gives notice of its intent to terminate this Agreement or this Agreement otherwise terminates as provided for herein.

11.3 Link may notify Customer by means of a general notice on the Services, by email, or by written mailed communication, as per Customer's contact information in the Schedules attached hereto with respect to the Services in such Schedules. Notice shall be deemed to have been given within three (3) business days after mailing or 12 hours after sending an email or posting a change on the Services. Customer may notify Link (and such notice shall be deemed given when received) at any time by email, fax, or written mailed communication as per Link's contact information in the Schedules attached hereto.

11.4 The failure of either party to insist on strict performance by the other party to any provision of this Agreement shall not be construed as a waiver, release, or relinquishment thereof. Any waiver must be in writing signed by the waiving party in order to be effective, and such waiver shall only be effective to the breach being waived at that point in time and not to future breaches unless later waived in writing as provided for herein. No failure or delay by either party in exercising any right shall constitute a waiver of that right. Except as expressly provided herein, all of the parties' rights and remedies shall be cumulative, and none of them shall be in limitation of any other right or remedy in law or equity.

11.5 If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of the provision or this Agreement shall not be affected thereby and that provision or this Agreement shall be enforced to the greatest extent permitted by law.

11.6 THE PARTIES EXPRESSLY WAIVE THEIR RIGHTS TO A TRIAL BY JURY, AND AGREE AND CONSENT TO A TRIAL BY COURT. The parties irrevocably agree that jurisdiction and venue with respect to any action arising from this Agreement shall be solely in the Court of Common Pleas of Blair County, Pennsylvania, and each party waives all objections to personal jurisdiction and venue. The parties agree that the provisions of this Agreement shall be interpreted in accordance with the laws of the Commonwealth of Pennsylvania without regard to its choice of law provisions.

11.7 This Agreement contains the entire understanding of the parties relating to the subject matter hereof. No amendment or modification of this Agreement shall be valid or binding upon the parties unless it is in writing and signed by the duly authorized officers of the parties. No other agreements or understandings, either written or oral, shall apply. This Agreement shall control over any purchase order with any contrary or additional terms issued by the Customer.





SOFTWARE LICENSE AGREEMENT

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by a duly authorized representative.

LINK COMPUTER CORPORATION

By: [Signature]  
Tim Link, President

Date: 2-7-2022

CSWR, LLC

By: [Signature]  
Print Name: Michael Duncan

Date: 2/4/2022

Title: Vice President

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-13:** Provide a copy of any and all bills or invoices for the last five years from any person or entity retained to perform billing or customer service for or on behalf of Bluegrass Water and any person or entity retained to operate Bluegrass Water's utility plant.

**RESPONSE:** Please refer to the attached Exhibit PSC 1-13 – Invoices, which is attached in sixteen (16) subparts and labeled accordingly.

**Witness: Brent Thies**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-14:**

- a. Provide a copy of each service agreement or contract that Bluegrass Water has with an affiliate company.
- b. Describe in detail the pricing policies of Bluegrass Water and its affiliates with regard to affiliate company transactions.
- c. List and describe each service that each affiliated company renders to Bluegrass Water.
- d. For each service listed above, describe the benefit(s), if any, that Bluegrass Water derives from the provision of this service from the affiliate.

**RESPONSE:**

- a. **There are no written service agreements or contracts between Bluegrass Water and any affiliate. As stated in the response to PSC 1-11, costs for services provided by CSWR, LLC – the only affiliate providing services to Bluegrass Water – are directly charged or allocated in accordance with the Cost Allocation Manual, which is produced in response to PSC 1-1.**
- b. **The pricing policies of Bluegrass Water and its affiliates regarding affiliate company transactions are described in the Cost Allocation Manual, which is produced in response to PSC 1-1.**
- c. **The services CSWR, LLC provides to Bluegrass Water include all management, financial reporting, underground utility safety and location services, Commission regulatory reporting, environmental regulatory reporting and management,**

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operations oversight, ongoing utility maintenance, utility record keeping, utility asset planning, engineering planning, ongoing utility maintenance, utility record keeping, and final customer dispute management and resolution. CSWR personnel would also monitor the activities of the non-employee contractors to make sure Bluegrass Water's systems are being operated and maintained properly and that customers' needs are being met. The level of experience and expertise CSWR currently provides is not usually available to utilities the size of Bluegrass Water. No other affiliates provide services to Bluegrass Water.

d. Because it provides the services identified in the response to part (c) above for utilities operating in eleven states, CSWR's centralized management structure can achieve economies of scale that would not be available if Bluegrass Water was required to acquire the expertise necessary to perform those same services on a stand-alone basis. Those economies of scale result in lower operating costs, which are reflected in customer rates.

In addition to these economies of scale, CSWR's size and the experience and expertise its employees have gained providing services to more than 800 water and wastewater systems nationwide provide qualitative benefits that are difficult to precisely measure. For example, CSWR uses a Computerized Maintenance Management System (CMMS) program, Utility Cloud, to facilitate field work, inspections, maintenance schedules, and reporting for all affiliate facilities. This allows CSWR to manage data, work, and compliance across plant and distributed field assets. Utility Cloud has been implemented in Kentucky to assist in avoiding compliance and equipment failures by allowing real-time data monitoring across people, machines, and sensors throughout Bluegrass Water's service area. The main benefit that

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Utility Cloud offers CSWR's affiliates is that the system is a highly configurable, easy-to-use asset management tool that helps all parties distribute work, report on maintenance, and streamline compliance reports. This allows CSWR to build out systems efficiently and immediately begin tracking maintenance and improvements. Features of Utility Cloud that benefit Bluegrass Water include:

- Automating the completion and submission of compliance reports using the exact field data that crews collect;
- Using custom accounts, security roles, and user rights to maintain the separation between projects;
- Managing multiple contractors while storing all CSWR's data in one database;
- Managing and tracking maintenance history on all assets to assist in identifying potential capital improvement projects;
- Creating custom alerts as issues arise;
- Leveraging digital SOPs, manuals, and layouts helping to standardize complex work and to meet regulatory, county, and OSHA requirements;
- Creating powerful workflows and reports for our compliance objectives;
- Integrating with the survey database to create a useable asset for field work tracking; and
- Using real-time data and leveraging analytical tools to trend plant performance.

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Another benefit of Bluegrass Water's affiliation with CSWR is in the area of customer service. CSWR has built from scratch customer service systems that provide substantial benefits to Bluegrass Water's customers. Those systems include:

- 24-hour emergency service phone lines for potential service issues;
- On-call emergency service contractor personnel;
- Implementation of a computerized maintenance management system for wastewater and drinking water utility assets;
- Real time remote monitoring to ensure service stability;
- On-line bill-pay options;
- Up-to-date website bulletins about current service status; and
- Service initiation or discontinuance procedures.

Being part of the CSWR affiliate group also gives Bluegrass Water access to capital – especially equity capital – that almost certainly would not be available to such a small company on a stand-alone basis.

Witness: Aaron Silas

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING  
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BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-15:** Provide a comprehensive list and detailed description of the  
services that Bluegrass Water has provided to affiliated companies.

**RESPONSE:** Bluegrass Water does not provide services to affiliated companies.

**Witness: Aaron Silas**

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING  
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BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
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**REQUEST NO. 1-16:** Provide a spreadsheet with the following information for Bluegrass Water and CSWR's jurisdictional operations for each corporate officer and, as a group, in total, by category, the Directors, Managers, Supervisors, and Exempt and Non-Exempt employees for the historical test-period:

- a. Regular salary or pay.
- b. Overtime pay.
- c. Excess vacation payout.
- d. Standby/Dispatch pay.
- e. Bonus and incentive pay.
- f. Any other forms of incentives (may include stock options or forms of deferred compensation).
- g. Other amounts paid and reported on the employees' W-2 (specify).
- h. Healthcare benefit cost for employees.
  1. Amount paid by the employer.
  2. Amount paid by the employee.
- i. Dental benefits cost for employees.
  1. Amount paid by the employer.
  2. Amount paid by the employee.
- j. Vision benefits costs for employees.
  1. Amount paid by the employer.
  2. Amount paid by the employee.



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- k. Life insurance cost for employees.
  - 1. Amount paid by the employer.
  - 2. Amount paid by the employee.
- l. Accidental death and disability benefits.
  - 1. Amount paid by the employer.
  - 2. Amount paid by the employee.
- m. Defined Contribution – 401(k) or similar plan cost for employees.
  - 1. Amount paid by the employer.
  - 2. Amount paid by the employee.
- n. Defined Benefit Retirement cost for employees.
  - 1. Amount paid by the employer.
  - 2. Amount paid by the employee.
- o. Cost of any other benefit available to an employee (specify).

**RESPONSE: Please see attached CONFIDENTIAL Exhibit PSC 1-16.**

**Witness: Brent Thies**

Bluegrass Water Utility Operating Company  
DR 16 - Employee Cost Data

Full Name	Group	Status	Job Title	a. Total Salary	b. Total Overtime	e. Total Bonus & Other Comp	h. Total ER Cost Medical/Dental/Vision	h. Total EE Cost Medical/Dental/Vision	h. Total ER Cost - LTD/AD&D/STD	m. Total ER 401k Contribution
	Executive/Officer	Active	President							
	Executive/Officer	Active	Vice President							
	Executive/Officer	Active	Chief Financial Officer							
	Executive/Officer	Active	Vice President/Corporate Controller							
	Executive/Officer	Active	Senior Vice President							
	Executive/Officer	Active	In House General Counsel							
	Directors									
	Managers									
	Exempt									
	Non-Exempt									

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**REQUEST NO. 1-17:** For each item of benefits listed in response to Request No. 16 above where an employee is required to pay part of the cost, provide a detailed explanation as to how the employee contribution rate was determined.

**RESPONSE:** As CSWR, LLC has grown in its mission to bring safe and reliable water and wastewater service to its customers, it has worked to attract top talent to the company. Part of this strategy has included a benefits package that is designed to be competitive with the levels of larger water and wastewater utilities. The employee contribution rate(s) currently in place were determined based on those objectives.

**Witness: Brent Thies**

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BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-18:** Provide a listing of all health care plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt and Non-Exempt employees, i.e., single, married no dependents, single parent with dependents, family, etc. Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts.

**RESPONSE:** All employees, including Directors, Managers, Supervisors, Exempt and Non-Exempt employees, have access to the same benefit plan categories. All health, dental, and vision plan categories and contribution rates are included in the Company's response to PSC 1-16.

**Witness: Brent Thies**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-19:** Provide a listing of all life insurance plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, and Non-Exempt employees. Include the associated employee contribution rates and employer contribution rates of the total premium cost for each plan category.

**RESPONSE:** All employees, including Directors, Managers, Supervisors, Exempt and Non-Exempt employees, have access to the same benefit plan categories. All life insurance plan categories and contribution rates are included in the Company's response to PSC 1-16.

**Witness: Brent Thies**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-20:** Provide a listing of all retirement plans categories available to corporate officers individually, and to groups defined as Directors, Managers, Supervisors, Exempt, and Non-Exempt employees. Include the associated employee contribution rates, if any, and employer contribution rates of the total cost for each plan category.

**RESPONSE:** All employees regardless of whether they are Directors, Managers, Supervisors, Exempt or Non-Exempt employees have access to the same benefit plan categories. All retirement plan categories and contribution rates are included in the Company's response to PSC 1-16.

**Witness: Brent Thies**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-21:** Provide schedules showing the current capital structure of  
Central States and CSWR in both dollars and percentages.

**RESPONSE:** Please see the attached Exhibit PSC 1-21 - CSWR Capital Structure.

**Witness: Brent Thies**

CSWR, LLC  
DR 21 CSWR Capital Structure

	<u>2/28/2023</u>
Notes Payable	39,907,382
<b>Total Long Term Debt</b>	<u>39,907,382</u>
Paid-In Capital - Common Stock	431,368,625
Retained Earnings	(39,681,529)
<b>Total Equity</b>	<u>391,687,096</u>
<b>Total Debt Ratio</b>	<u>9.25%</u>
<b>Total Equity Ratio</b>	<u>90.75%</u>



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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-22:** Explain the process by which CSWR raises equity capital on  
behalf of Bluegrass Water.

**RESPONSE:** US Water Resources, LLC provides the equity capital that CSWR,  
LLC, invests in Bluegrass Water.

**Witness: Brent Thies**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-23:** Explain the process by which CSWR raises debt capital on behalf of Bluegrass Water.

**RESPONSE:** Bluegrass Water has as its goal a balanced capital structure which over time will require more debt. As shown in Case No. 2022-00217, the Company was able to source debt from a commercial lender; that financing closed in December 2022. The Company will continue conversations with its current lender and other lenders over time, similar to the process followed in the aforementioned docket, to increase the amount of debt in its capital structure. Debt financing necessary to reach a 50/50 capital structure is subject to cash flow requirements which Bluegrass Water is currently unable to meet. The Company believes that the revenue change resulting from this filing will improve Bluegrass Water's creditworthiness and allow for the sourcing of additional commercial debt.

**Witness: Brent Thies**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-24:** Explain how Bluegrass Water distinguishes or will distinguish the debt financing it receives from CSWR from the equity financing it receives from CSWR if Bluegrass Water will obtain both debt and equity from CSWR.

**RESPONSE:** Bluegrass Water does not obtain debt from CSWR and therefore does not need to distinguish debt financing from equity financing. Bluegrass Water obtained the debt financing from a commercial lender, as addressed in Case No. 2022-00217.

**Witness: Brent Thies**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-25:** Explain why the systems managed by CSWR and Central States in Kentucky are connected to CSWR, LLC through Bluegrass Water UOC, LLC; Bluegrass Water UHC, LLC, and Kentucky CSWR, LLC; and identify which entity actually owns the real and personal property used to provide utility service to Bluegrass Water's customers.

**RESPONSE:** Bluegrass Water UOC, LLC owns the real and personal property used to provide utility service to Bluegrass Water's customers. The general corporate structure (i.e., the creation of state utility holding companies) is a legacy structure that was instituted when CSWR was first created. The creation of these state utility holding companies was designed to maximize corporate flexibility.

**Witness: Aaron Silas**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-26:** State whether Bluegrass Water UOC, LLC; Bluegrass Water UHC, LLC, and Kentucky CSWR, LLC have any employees, and if so, identify the number of persons employed by each entity and describe the [role] of each such person.

**RESPONSE:** Bluegrass Water UOC, LLC; Bluegrass Water UHC, LLC; and Kentucky CSWR, LLC do not have any employees.

**Witness: Aaron Silas**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-27:** Provide the most recent balance sheets for Bluegrass Water UOC,  
LLC; Bluegrass Water UHC, LLC, and Kentucky CSWR, LLC.

**RESPONSE:** Please refer to the attached Exhibit PSC 1-27 - Bluegrass Water's  
Consolidated Balance Sheets. Bluegrass Water UHC does not have a balance sheet.

**Witness: Brent Thies**

# Bluegrass Water Utility Operating Company, LLC

February 28, 2023

## Consolidated Balance Sheet

Current Assets	
Cash	2,798,396
Accounts Receivable	730,122
Other Current Assets	67,781
Total Current Assets	<u>3,596,299</u>
Property, Plant & Equipment, Net	9,660,635
Misc Long-Term Assets	
Preliminary Survey & Investigation	183,282
Unamortized Debt Expense	21,750
Other Long-Term Assets	772,520
Total Misc Long-Term Assets	<u>977,552</u>
<b>Total Assets</b>	<b><u><u>14,234,485</u></u></b>
Current Liabilities	
Accounts Payable	568,379
Other Current Liabilities	28,617
Total Current Liabilities	<u>596,995</u>
Long-Term Liabilities	
Notes Payable	2,900,000
Payable to Associated Companies	8,513,372
Contributions in Aid of Construction	176,479
Total Long-Term Liabilities	<u>11,589,851</u>
Capitalization	
Paid-In Capital	4,567,315
Retained Earnings	(2,400,550)
Net Income	(119,126)
Total Capitalization	<u>2,047,639</u>
<b>Total Liabilities and Capitalization</b>	<b><u><u>14,234,485</u></u></b>

# Kentucky-CSWR, LLC

February 28, 2023

## Consolidated Balance Sheets

Current Assets	
Cash	528
Accounts Receivable	-
Other Current Assets	-
Total Current Assets	<u>528</u>
Property, Plant & Equipment, Net	-
Misc Long-Term Assets	
Preliminary Survey & Investigation	-
Investment in Associated Companies	4,567,315
Unamortized Debt Expense	-
Other Long-Term Assets	-
Total Misc Long-Term Assets	<u>4,567,315</u>
<b>Total Assets</b>	<b><u><u>4,567,842</u></u></b>
Current Liabilities	
Accounts Payable	-
Other Current Liabilities	-
Total Current Liabilities	<u>-</u>
Long-Term Liabilities	
Payable to Associated Companies	500
Contributions in Aid of Construction	-
Other Long-Term Liabilities	-
Total Long-Term Liabilities	<u>500</u>
Capitalization	
Paid-In Capital	4,568,277
Retained Earnings	(934)
Net Income	-
Total Capitalization	<u>4,567,342</u>
<b>Total Liabilities and Capitalization</b>	<b><u><u>4,567,842</u></u></b>



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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-28:** Provide the number of wastewater customers separated by each system operated by Bluegrass Water. For systems that have differing customer classifications, provide the number of customers for each classification.

**RESPONSE:** Please refer to Exhibit PSC 1-28 - Customer Connection by Class.

**Witness: Aaron Silas**

**DRs 28 & 29: Customer Breakdown by Classification**

Service	Service Area	Customer Count
Sewer	Homestead/Longview	346
Sewer	Airview	210
Sewer	Fox Run	39
Sewer	Marshall Ridge	40
Sewer	Persimmon Ridge	
	<u>Residential</u>	361
	<u>Commercial</u>	1
Sewer	Delaplain	
	<u>Residential</u>	342
	<u>Commercial*</u>	737
Sewer	Lake Columbia	33
Sewer	Herrington Haven	24
Sewer	Arcadia Pines	25
Sewer	Golden Acres	29
Sewer	Carriage Park	38
Sewer	Springcrest	42
Sewer	Randview	56
Sewer	Timberland	69
Sewer	Woodland Acres	91
Sewer	Darlington Creek	117
Sewer	Kingswood	131
Sewer	Great Oaks	161
Sewer	Brocklyn	
	<u>Residential</u>	73
	<u>Multi-Family*</u>	97
Sewer	River Bluffs	179
Water	Center Ridge 4	51
Water	Center Ridge 3	66
Water	Center Ridge 2	134
Water	Center Ridge 1	96

\*The Company utilized Equivalent Residential Units to derive a customer count

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-29:** Provide the number of water customers for the water system served by Bluegrass Water. For systems that have differing customer classifications, provide the number of customers for each classification.

**RESPONSE:** Please refer to the attached Exhibit PSC 1-28 – Customer Connection by Class. The Company notes that water customers are not impacted by the proposed rate increase adjustment.

**Witness: Aaron Silas**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-30:** For each individual wastewater system and water system that Bluegrass Water operates, provide a test year analysis of customers' bills in sufficient detail that revenues from the present rates and proposed rates can be readily determined. Provide this information in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

**RESPONSE:** Please see Application Exhibit 11, titled "Lyons Workpapers - Cost of Service Analysis" filed with the Commission on February 27, 2023 for an Excel spreadsheet containing the requested information, which is unprotected and fully accessible.

**Witness: Brent Thies**

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-31:** Provide the remaining useful lives of existing equipment for all  
systems.

**RESPONSE:** Please refer to attached Exhibit PSC 1-31 – Remaining Life.

**Witness: Brent Thies**

Bluegrass Water  
DR 31 Remaining Life (depreciable/economic)

Asset ID	NARUC Account	Service Area	Description	Placed in Service Date	Remaining Life as of 6/30/2022 (in years)
AP.352.100.01	352.100	KY-Arcadia Pines	Acquisition - Legal & Engineering	1/31/2021	43.6
AP.352.200.01	352.200	KY-Arcadia Pines	Acquisition Asset	12/31/2020	40.2
AP.352.200.02	352.200	KY-Arcadia Pines	Acquisition - Legal & Engineering	6/30/2021	89.0
AP.353.000.01	353.000	KY-Arcadia Pines	Acquisition Asset	12/31/2020	12.8
AP.370.000.01	370.000	KY-Arcadia Pines	Acquisition Cost	12/31/2020	n/a
AP.370.100.01	370.100	KY-Arcadia Pines	Acquisition Asset	12/31/2020	6.6
AP.372.000.01	372.000	KY-Arcadia Pines	Acquisition Asset	12/31/2020	21.1
AV.311.000.01	311.000	KY-Airview	Plant Cleanup	1/31/2020	14.9
AV.311.000.02	311.000	KY-Airview	Repair Handrail	2/29/2020	15.0
AV.311.000.03	311.000	KY-Airview	Site Cleanup	3/31/2020	15.1
AV.311.000.04	311.000	KY-Airview	Safety Rails/Walkways for Aeration tank and Clarifier	4/30/2020	15.1
AV.311.000.05	311.000	KY-Airview	Safety Rails/Walkways for Aeration tank and Clarifier	6/30/2020	15.3
AV.311.000.06	311.000	KY-Airview	Treatment & Disposal Equipment	1/31/2020	14.9
AV.311.000.07	311.000	KY-Airview	Fencing	2/28/2021	16.0
AV.311.000.08	311.000	KY-Airview	Sludge Holding Tank Renovation	9/1/2021	16.5
AV.311.000.09	311.000	KY-Airview	Site Cleanup	1/1/2022	16.8
AV.352.100.01	352.100	KY-Airview		1/31/2020	42.6
AV.352.100.02	352.100	KY-Airview	Manhole Risers	2/29/2020	42.7
AV.352.100.03	352.100	KY-Airview	Acquisition - Legal & Engineering	3/31/2020	42.8
AV.352.100.04	352.100	KY-Airview	Acquisition - Legal & Engineering	1/31/2021	43.6
AV.352.100.05	352.100	KY-Airview	Acquisition - Legal & Engineering	1/31/2021	43.6
AV.352.100.06	352.100	KY-Airview		1/31/2020	42.6
AV.355.000.01	355.000	KY-Airview	Acquisition - Legal & Engineering	1/31/2020	6.8
AV.363.000.01	363.000	KY-Airview	Pumping Equipment	1/31/2020	19.3
AV.363.000.02	363.000	KY-Airview	Pumping Equipment	2/29/2020	19.4
AV.363.000.03	363.000	KY-Airview	Pump	3/31/2020	19.5
AV.363.000.04	363.000	KY-Airview	New Motor-Starter for LS	4/30/2020	19.5
AV.363.000.05	363.000	KY-Airview	New Motor-Starter for Pump	6/30/2020	19.7
AV.370.000.01	370.000	KY-Airview	Acquisition Cost	9/30/2019	n/a
AV.370.100.01	370.100	KY-Airview	Clear Lagoon Berm	6/1/2021	8.7
AV.372.000.01	372.000	KY-Airview	Acquisition Asset	9/30/2019	21.1
AV.372.000.02	372.000	KY-Airview	Treatment & Disposal Equipment	2/29/2020	40.2
AV.372.000.03	372.000	KY-Airview	Treatment & Disposal Equipment	1/31/2020	40.1
AV.372.000.04	372.000	KY-Airview	Aeration system & Blower work	6/30/2020	40.5
AV.372.000.05	372.000	KY-Airview	Upgrades to plant	3/31/2020	40.3
AV.372.000.06	372.000	KY-Airview	Plant Improvements, Paint, install new bar screen	12/31/2020	41.0
AV.372.000.07	372.000	KY-Airview	Acquisition - Legal & Engineering	1/31/2021	41.1
AV.372.000.08	372.000	KY-Airview		1/31/2020	40.1
AV.372.000.09	372.000	KY-Airview		1/31/2020	40.1
AV.372.000.10	372.000	KY-Airview		1/31/2020	40.1
AV.372.000.11	372.000	KY-Airview		1/31/2020	40.1
AV.372.000.12	372.000	KY-Airview	Blower Repair	1/1/2022	42.0
AV.375.000.01	375.000	KY-Airview	Outfall sewer lines	2/29/2020	10.7
AV.375.000.02	375.000	KY-Airview	Effluent Lines	3/31/2020	10.8
AV.375.000.03	375.000	KY-Airview	Installed Gravity Effluent at Plant	4/30/2020	10.8

Asset ID	NARUC Account	Service Area	Description	Placed in Service Date	Remaining Life as of 6/30/2022 (in years)
AV.375.000.04	375.000	KY-Airview	Foundation/Brackets/Conduit	5/31/2020	10.9
AV.375.000.05	375.000	KY-Airview		1/31/2020	10.6
AV.393.000.01	393.000	KY-Airview		1/31/2020	12.6
AV.393.000.02	393.000	KY-Airview	Mission	2/29/2020	12.7
AV.393.000.03	393.000	KY-Airview	Mission Unit	1/1/2022	14.5
AV.393.000.04	393.000	KY-Airview	Mission Unit	1/1/2022	14.5
BR.311.000.01	311.000	KY-Brocklyn	Site Cleanup	1/31/2020	14.9
BR.311.000.02	311.000	KY-Brocklyn	New Walkway	3/31/2020	15.1
BR.311.000.03	311.000	KY-Brocklyn	equipment/operator rate, pumping of lagoon, disposal fee	12/31/2020	15.8
BR.311.000.04	311.000	KY-Brocklyn	New Control Panel	1/1/2022	16.8
BR.352.100.01	352.100	KY-Brocklyn	Jet Sewer Lines	1/31/2020	42.6
BR.352.100.02	352.100	KY-Brocklyn	Acquisition - Legal & Engineering	3/31/2020	42.8
BR.352.100.03	352.100	KY-Brocklyn	Acquisition - Legal & Engineering	4/30/2020	42.8
BR.352.100.05	352.100	KY-Brocklyn	Acquisition - Legal & Engineering	1/31/2021	43.6
BR.352.100.06	352.100	KY-Brocklyn	Acquisition - Legal & Engineering	1/31/2021	43.6
BR.363.000.01	363.000	KY-Brocklyn	Effluent Pump Work	1/31/2020	19.3
BR.363.000.02	363.000	KY-Brocklyn	Pump	4/30/2020	19.5
BR.370.000.01	370.000	KY-Brocklyn	Acquisition Cost	9/30/2019	n/a
BR.372.000.02	372.000	KY-Brocklyn	New Blower	1/31/2020	40.1
BR.372.000.03	372.000	KY-Brocklyn	Aeration System & Blower Parts & Control Panel	3/31/2020	40.3
BR.372.000.04	372.000	KY-Brocklyn	Mounting Brackets and Brace for Skimmer/Clarifier	4/30/2020	40.3
BR.372.000.05	372.000	KY-Brocklyn	Bar Grating	6/30/2020	40.5
BR.372.000.06	372.000	KY-Brocklyn	Installed Blower	12/31/2020	41.0
BR.372.000.07	372.000	KY-Brocklyn	Blower	1/1/2022	42.0
BR.393.000.01	393.000	KY-Brocklyn	Mission Unit	1/31/2020	12.6
BR.393.000.02	393.000	KY-Brocklyn	Mission Unit	3/31/2020	12.8
BR.393.000.03	393.000	KY-Brocklyn	Mission Unit	1/1/2022	14.5
CP.311.000.01	311.000	KY-Carriage Park	Access Road	10/1/2021	16.6
CP.352.100.01	352.100	KY-Carriage Park	Acquisition - Legal & Engineering	1/31/2021	43.6
CP.352.200.01	352.200	KY-Carriage Park	Acquisition Asset	12/31/2020	40.2
CP.352.200.02	352.200	KY-Carriage Park	Acquisition - Legal & Engineering	6/30/2021	89.0
CP.353.000.01	353.000	KY-Carriage Park	Acquisition Asset	12/31/2020	12.8
CP.370.000.01	370.000	KY-Carriage Park	Acquisition Cost	12/31/2020	n/a
CP.370.100.01	370.100	KY-Carriage Park	Acquisition Asset	12/31/2020	6.6
CP.372.000.01	372.000	KY-Carriage Park	Acquisition Asset	12/31/2020	21.1
DC.370.000.01	370.000	KY-Darlington Creek		3/31/2022	n/a
DP.310.000.04	310.000	KY-Delaplain Disposal	Acquisition Cost	1/1/2022	n/a
DP.310.100.01	310.100	KY-Delaplain		2/28/2021	n/a
DP.310.100.02	310.100	KY-Delaplain	Acquisition Asset	2/28/2021	n/a
DP.310.100.03	310.100	KY-Delaplain	Acquisition Asset	2/28/2021	n/a
DP.311.000.01	311.000	KY-Delaplain	Acquisition Asset	2/28/2021	16.9
DP.352.200.01	352.200	KY-Delaplain	Acquisition Asset	2/28/2021	40.2
DP.352.200.02	352.200	KY-Delaplain Disposal	Acquisition - Legal & Engineering	10/31/2021	89.3
DP.353.000.01	353.000	KY-Delaplain	Acquisition Asset	2/28/2021	12.8
DP.355.000.01	355.000	KY-Delaplain	Acquisition Asset	2/28/2021	6.3
DP.363.000.01	363.000	KY-Delaplain Disposal	Pump	1/1/2022	21.2
DP.372.000.01	372.000	KY-Delaplain	Acquisition Asset	2/28/2021	21.1
DP.376.000.01	376.000	KY-Delaplain	Acquisition Asset	2/28/2021	1.0
DP.393.000.01	393.000	KY-Delaplain Disposal	Mission	1/1/2022	14.5
DP.393.000.02	393.000	KY-Delaplain Disposal	Mission	1/1/2022	14.5

Asset ID	NARUC Account	Service Area	Description	Placed in Service Date	Remaining Life as of 6/30/2022 (in years)
DP.393.000.03	393.000	KY-Delaplain Disposal	Mission	1/1/2022	14.5
DP.393.000.04	393.000	KY-Delaplain Disposal	Mission	1/1/2022	14.5
DP.393.000.05	393.000	KY-Delaplain Disposal	Mission	1/1/2022	14.5
DP.393.000.06	393.000	KY-Delaplain Disposal	Mission	1/1/2022	14.5
FR.311.000.01	311.000	KY-Fox Run	Plant & Site Cleanup	1/31/2020	14.9
FR.311.000.02	311.000	KY-Fox Run	Fencing & Road Updates	3/31/2020	15.1
FR.311.000.03	311.000	KY-Fox Run	Acquisition - Legal & Engineering	12/31/2020	15.8
FR.311.000.04	311.000	KY-Fox Run	Site work Cleanup	1/1/2022	16.8
FR.311.000.05	311.000	KY-Fox Run	Built new Shed	1/1/2022	16.8
FR.352.100.01	352.100	KY-Fox Run	LS Repair	1/31/2020	42.6
FR.352.100.02	352.100	KY-Fox Run	Acquisition - Legal & Engineering	3/31/2020	42.8
FR.352.100.03	352.100	KY-Fox Run	Acquisition - Legal & Engineering	4/30/2020	42.8
FR.352.100.04	352.100	KY-Fox Run	Acquisition - Legal & Engineering	1/31/2021	43.6
FR.352.200.01	352.200	KY-Fox Run	Repair Leaks	1/1/2022	89.5
FR.363.000.01	363.000	KY-Fox Run	Acquisition Asset	9/30/2019	15.0
FR.363.000.02	363.000	KY-Fox Run	Refurbish Pump	1/31/2020	19.3
FR.363.000.03	363.000	KY-Fox Run	Install Pump Station	1/1/2022	21.2
FR.370.000.01	370.000	KY-Fox Run	Acquisition Cost	9/30/2019	n/a
FR.372.000.02	372.000	KY-Fox Run	Blower/Pump Refurb	3/31/2020	40.3
FR.372.000.03	372.000	KY-Fox Run	Acquisition - Legal & Engineering	6/30/2020	40.5
FR.372.000.04	372.000	KY-Fox Run	Blower/Pump Refurb	1/31/2020	40.1
FR.393.000.01	393.000	KY-Fox Run	Mission	1/31/2020	12.6
FR.393.000.02	393.000	KY-Fox Run	Mission	3/31/2020	12.8
FR.393.000.03	393.000	KY-Fox Run	Mission	1/1/2022	14.5
GA.311.000.01	311.000	KY-Golden Acres	Rock for Road	1/31/2020	14.9
GA.311.000.02	311.000	KY-Golden Acres	Sitework	12/31/2020	15.8
GA.311.000.03	311.000	KY-Golden Acres	Concrete Pad for Blower	1/1/2022	16.8
GA.311.000.04	311.000	KY-Golden Acres	patch cracks/add concrete around colvert & driveway	1/1/2022	16.8
GA.352.100.01	352.100	KY-Golden Acres	Smoke test TREKK	1/31/2020	42.6
GA.352.100.02	352.100	KY-Golden Acres	Acquisition - Legal & Engineering	3/31/2020	42.8
GA.352.100.03	352.100	KY-Golden Acres	Build LS Control Panels	6/30/2020	43.0
GA.352.100.04	352.100	KY-Golden Acres	Acquisition - Legal & Engineering	1/31/2021	43.6
GA.352.100.06	352.100	KY-Golden Acres	Collection System Repair	8/1/2021	44.1
GA.352.200.01	352.200	KY-Golden Acres	Acquisition Asset	9/30/2019	40.2
GA.355.000.01	355.000	KY-Golden Acres	Flow Monitor	1/1/2022	8.7
GA.363.000.01	363.000	KY-Golden Acres	New Pump	12/31/2020	20.2
GA.363.000.02	363.000	KY-Golden Acres	Acquisition Asset	9/30/2019	15.0
GA.370.000.01	370.000	KY-Golden Acres	Acquisition Cost	9/30/2019	n/a
GA.372.000.01	372.000	KY-Golden Acres	New main in control panel, replace motor pulleys,	1/31/2020	40.1
GA.372.000.02	372.000	KY-Golden Acres	Blower + New control panel	3/31/2020	40.3
GA.372.000.03	372.000	KY-Golden Acres	Pipes, Plugs, Panel, Timing Range	6/30/2020	40.5
GA.372.000.04	372.000	KY-Golden Acres	D.O. Aeration	8/1/2021	41.6
GA.374.000.01	374.000	KY-Golden Acres	Effluent Pipe Replacement	10/1/2021	16.5
GA.393.000.01	393.000	KY-Golden Acres	Mission	1/31/2020	12.6
GA.393.000.02	393.000	KY-Golden Acres	Mission	6/30/2020	13.0
GO.311.000.05	311.000	KY-Great Oaks	painting steps & handrails	1/1/2022	16.8
GO.311.000.01	311.000	KY-Great Oaks	Refurbish plant grounds	1/31/2020	14.9
GO.311.000.02	311.000	KY-Great Oaks	Plant structure upgrades - paint, tank coating, floor work	6/30/2020	15.3
GO.311.000.03	311.000	KY-Great Oaks	Gate	12/31/2020	15.8
GO.311.000.04	311.000	KY-Great Oaks	Sludge Holding Tank	11/1/2021	16.6



Asset ID	NARUC Account	Service Area	Description	Placed in Service Date	Remaining Life as of 6/30/2022 (in years)
GO.352.100.01	352.100	KY-Great Oaks	LS Refurbishment	1/31/2020	42.6
GO.352.100.02	352.100	KY-Great Oaks	Acquisition - Legal & Engineering	3/31/2020	42.8
GO.352.100.03	352.100	KY-Great Oaks	Refurbish LS/clarifier	6/30/2020	43.0
GO.352.100.04	352.100	KY-Great Oaks	Ran push camera in sewer lines	12/31/2020	43.5
GO.352.100.05	352.100	KY-Great Oaks	Site work, Lateral repair	12/31/2020	43.5
GO.352.100.06	352.100	KY-Great Oaks	Weld and installed lift station force main	12/31/2020	43.5
GO.352.100.07	352.100	KY-Great Oaks	Acquisition - Legal & Engineering	1/31/2021	43.6
GO.352.100.08	352.100	KY-Great Oaks	Acquisition - Legal & Engineering	1/31/2021	43.6
GO.352.200.01	352.200	KY-Great Oaks	Acquisition Asset	9/30/2019	40.2
GO.363.000.01	363.000	KY-Great Oaks	Pump for LS	3/31/2020	19.5
GO.363.000.02	363.000	KY-Great Oaks	Acquisition Asset	9/30/2019	15.0
GO.370.000.01	370.000	KY-Great Oaks	Acquisition Cost	9/30/2019	n/a
GO.372.000.01	372.000	KY-Great Oaks	Refurbish sludge holding/pumping equip	1/31/2020	40.1
GO.372.000.02	372.000	KY-Great Oaks	Blower + equipment/labor	3/31/2020	40.3
GO.372.000.03	372.000	KY-Great Oaks	Refurbish digester	6/30/2020	40.5
GO.372.000.04	372.000	KY-Great Oaks	Cleaned Clarifiers	12/31/2020	41.0
GO.372.000.05	372.000	KY-Great Oaks	Blowers	9/1/2021	41.7
GO.372.000.06	372.000	KY-Great Oaks	Build new Aeration System	1/1/2022	42.0
GO.373.000.01	373.000	KY-Great Oaks	Yard Piping	9/1/2021	54.2
GO.393.000.01	393.000	KY-Great Oaks	Mission	1/31/2020	12.6
GO.393.000.02	393.000	KY-Great Oaks	2 Missions	1/1/2022	14.5
HH.310.100.01	310.100	KY-Herrington Haven	Acquisition Cost	2/28/2021	n/a
HH.310.100.02	310.100	KY-Herrington Haven	Acquisition Asset	2/28/2021	n/a
HH.311.000.01	311.000	KY-Herrington Haven	Gravel Driveway	6/1/2021	16.2
HH.311.000.02	311.000	KY-Herrington Haven	Structural Grating & Hand Rails	6/1/2021	16.2
HH.352.200.01	352.200	KY-Herrington Haven	Acquisition Asset	2/28/2021	40.2
HH.352.200.02	352.200	KY-Herrington Haven	Acquisition Asset	2/28/2021	40.2
HH.352.200.03	352.200	KY-Herrington Haven	Acquisition - Legal & Engineering	10/31/2021	89.3
HH.373.000.01	373.000	KY-Herrington Haven	Acquisition Asset	2/28/2021	14.1
HH.393.000.01	393.000	KY-Herrington Haven	Mission	1/1/2022	14.5
KW.310.100.01	310.100	KY-Kingswood	Acquisition Asset	9/30/2019	n/a
KW.311.000.01	311.000	KY-Kingswood	Acquisition Asset	9/30/2019	16.9
KW.311.000.02	311.000	KY-Kingswood	Plant Structure Upgrades	3/31/2020	15.1
KW.311.000.03	311.000	KY-Kingswood	Plant Structure Upgrades	1/31/2020	14.9
KW.311.000.04	311.000	KY-Kingswood	Sitework	12/31/2020	15.8
KW.311.000.05	311.000	KY-Kingswood	Paint & Weld Handrails	7/31/2021	16.4
KW.311.000.06	311.000	KY-Kingswood	Site work cleanup	1/1/2022	16.8
KW.352.100.01	352.100	KY-Kingswood	Recondition sewer lines/LS	1/31/2020	42.6
KW.352.100.02	352.100	KY-Kingswood	Acquisition - Legal & Engineering	3/31/2020	42.8
KW.352.100.03	352.100	KY-Kingswood	Check Valves	5/31/2020	42.9
KW.352.100.04	352.100	KY-Kingswood	Acquisition - Legal & Engineering	1/31/2021	43.6
KW.352.100.05	352.100	KY-Kingswood	Acquisition - Legal & Engineering	1/31/2021	43.6
KW.352.200.01	352.200	KY-Kingswood	Acquisition Asset	9/30/2019	40.2
KW.363.000.01	363.000	KY-Kingswood	LS Pump	3/31/2020	19.5
KW.363.000.02	363.000	KY-Kingswood	Pump	12/31/2020	20.2
KW.363.000.03	363.000	KY-Kingswood	Pump	1/1/2022	21.2
KW.370.000.01	370.000	KY-Kingswood	Acquisition Cost	9/30/2019	n/a
KW.372.000.01	372.000	KY-Kingswood	Site Renovations/Replace Skimmer Motor	1/31/2020	40.1
KW.372.000.02	372.000	KY-Kingswood	Startup Ops & Plant Eval	3/31/2020	40.3
KW.372.000.03	372.000	KY-Kingswood		6/30/2020	40.5

Asset ID	NARUC Account	Service Area	Description	Placed in Service Date	Remaining Life as of 6/30/2022 (in years)
KW.372.000.04	372.000	KY-Kingswood	Acquisition - Legal & Engineering	1/31/2021	41.1
KW.372.000.05	372.000	KY-Kingswood	Diffusers	7/31/2021	41.6
KW.372.000.06	372.000	KY-Kingswood	Rebuild Blower	1/1/2022	42.0
KW.393.000.01	393.000	KY-Kingswood	2 mission units	1/31/2020	12.6
KW.393.000.02	393.000	KY-Kingswood	Labor for mounting mission	3/31/2020	12.8
KW.397.000.01	397.000	KY-Kingswood	Mission Equipment	7/31/2021	14.1
LC.311.000.01	311.000	KY-Lake Columbia	Upgrade to Plant Structure	1/31/2020	14.9
LC.311.000.02	311.000	KY-Lake Columbia	Upgrade to Plant Structure	3/31/2020	15.1
LC.311.000.03	311.000	KY-Lake Columbia	Site improvements	12/31/2020	15.8
LC.311.000.04	311.000	KY-Lake Columbia	Sludge Holding Tank & Blower	11/1/2021	16.6
LC.311.000.05	311.000	KY-Lake Columbia	Site Work; fence, paint tank	1/1/2022	16.8
LC.352.100.01	352.100	KY-Lake Columbia	Refurbish and jet sewer lines	1/31/2020	42.6
LC.352.100.02	352.100	KY-Lake Columbia	Manhole/LS Project	3/31/2020	42.8
LC.352.100.03	352.100	KY-Lake Columbia	Acquisition - Legal & Engineering	3/31/2020	42.8
LC.352.100.04	352.100	KY-Lake Columbia	Acquisition - Legal & Engineering	1/31/2021	43.6
LC.352.100.05	352.100	KY-Lake Columbia	Acquisition - Legal & Engineering	1/31/2021	43.6
LC.352.200.01	352.200	KY-Lake Columbia	Acquisition Asset	9/30/2019	40.2
LC.352.200.02	352.200	KY-Lake Columbia	Pump Holding Tank at lift station	9/30/2020	88.3
LC.363.000.01	363.000	KY-Lake Columbia	Acquisition Asset	9/30/2019	15.0
LC.370.000.01	370.000	KY-Lake Columbia	Acquisition Cost	9/30/2019	n/a
LC.372.000.01	372.000	KY-Lake Columbia	Chlorine system	1/31/2020	40.1
LC.372.000.02	372.000	KY-Lake Columbia	Disinfection Equipment Install Bar Screen	3/31/2020	40.3
LC.372.000.03	372.000	KY-Lake Columbia	Baffle reconstruction, new wiring, new Weir	6/30/2020	40.5
LC.372.000.04	372.000	KY-Lake Columbia	Aeration Install	8/1/2021	41.6
LC.372.000.05	372.000	KY-Lake Columbia	Motor for Blower	10/1/2021	41.8
LC.393.000.01	393.000	KY-Lake Columbia	Mission	1/31/2020	12.6
LC.393.000.02	393.000	KY-Lake Columbia	Install remote monitoring antenna	3/31/2020	12.8
LC.393.000.03	393.000	KY-Lake Columbia	Mission	12/31/2020	13.5
LH.303.000.01	303.000	KY-LH Treatment	Acquisition Asset	9/30/2019	20.0
LH.310.100.01	310.100	KY-LH Treatment	Acquisition Asset	9/30/2019	n/a
LH.311.000.01	311.000	KY-LH Treatment	Acquisition Asset	9/30/2019	16.9
LH.311.000.02	311.000	KY-LH Treatment	Safety Rails	6/30/2020	15.3
LH.311.000.03	311.000	KY-LH Treatment	Site Work	1/1/2022	16.8
LH.352.100.01	352.100	KY-LH Treatment	Acquisition - Legal & Engineering	3/31/2020	42.8
LH.352.100.02	352.100	KY-LH Treatment	Acquisition - Legal & Engineering	1/31/2021	43.6
LH.352.100.03	352.100	KY-LH Treatment	Acquisition - Legal & Engineering	1/31/2021	43.6
LH.352.200.01	352.200	KY-LH Treatment	Acquisition Asset	9/30/2019	40.2
LH.352.200.02	352.200	KY-LH Treatment	Clean Collection System	12/31/2020	88.5
LH.370.000.01	370.000	KY-LH Treatment	Acquisition Cost	9/30/2019	n/a
LH.370.000.02	370.000	KY-LH Treatment	Site Work	7/31/2021	n/a
LH.372.000.01	372.000	KY-LH Treatment	Acquisition Asset	9/30/2019	21.1
LH.372.000.02	372.000	KY-LH Treatment	Acquisition Asset	9/30/2019	21.1
LH.372.000.03	372.000	KY-LH Treatment	Repair Blower/Basin	3/31/2020	40.3
LH.372.000.04	372.000	KY-LH Treatment	Chemical Tank	6/30/2020	40.5
LH.372.000.05	372.000	KY-LH Treatment	Pumping Sludge from both digesters	12/31/2020	41.0
LH.372.000.06	372.000	KY-LH Treatment	Digester Improvements	1/1/2022	42.0
LH.393.000.01	393.000	KY-LH Treatment	Mission	3/31/2020	12.8
MR.352.100.01	352.100	KY-Marshall Ridge	Acquisition - Legal & Engineering	1/31/2021	43.6
MR.352.200.01	352.200	KY-Marshall Ridge	Acquisition Asset	12/31/2020	40.2
MR.352.200.02	352.200	KY-Marshall Ridge	Acquisition - Legal & Engineering	4/30/2021	88.8

Asset ID	NARUC Account	Service Area	Description	Placed in Service Date	Remaining Life as of 6/30/2022 (in years)
MR.353.000.01	353.000	KY-Marshall Ridge	Acquisition Asset	12/31/2020	12.8
MR.370.000.01	370.000	KY-Marshall Ridge		12/31/2020	n/a
MR.370.100.01	370.100	KY-Marshall Ridge	Acquisition Asset	12/31/2020	6.6
MR.372.000.01	372.000	KY-Marshall Ridge	Acquisition Asset	12/31/2020	21.1
PR.310.100.01	310.100	KY-Persimmon Ridge	Acquisition Asset	9/30/2019	n/a
PR.311.000.01	311.000	KY-Persimmon Ridge	Refurbish plant gate	3/31/2020	15.1
PR.311.000.02	311.000	KY-Persimmon Ridge	Gravel Road Repair	6/30/2020	15.3
PR.311.000.03	311.000	KY-Persimmon Ridge	install gate & put fence around perimeter	12/31/2020	15.8
PR.311.000.04	311.000	KY-Persimmon Ridge	Fencing	11/1/2021	16.6
PR.311.000.05	311.000	KY-Persimmon Ridge	Site Work	1/1/2022	16.8
PR.352.100.01	352.100	KY-Persimmon Ridge	Alarms at 3 lift Stations	1/31/2020	42.6
PR.352.100.02	352.100	KY-Persimmon Ridge	Manhole/LS Project	3/31/2020	42.8
PR.352.100.03	352.100	KY-Persimmon Ridge	Acquisition - Legal & Engineering	3/31/2020	42.8
PR.352.100.04	352.100	KY-Persimmon Ridge	LS work	6/30/2020	43.0
PR.352.100.05	352.100	KY-Persimmon Ridge	Acquisition - Legal & Engineering	1/31/2021	43.6
PR.352.100.06	352.100	KY-Persimmon Ridge	Acquisition - Legal & Engineering	1/31/2021	43.6
PR.352.200.01	352.200	KY-Persimmon Ridge	Install manhole risers	9/30/2020	88.3
PR.363.000.01	363.000	KY-Persimmon Ridge	Capacitor, check pumps and lift stations	1/31/2020	19.3
PR.363.000.02	363.000	KY-Persimmon Ridge	Rebuilt 2 pumps	1/1/2022	21.2
PR.370.000.01	370.000	KY-Persimmon Ridge	Acquisition Cost	9/30/2019	n/a
PR.372.000.01	372.000	KY-Persimmon Ridge	Replace Chemical Discharge	3/31/2020	40.3
PR.372.000.02	372.000	KY-Persimmon Ridge	Acquisition - Legal & Engineering	6/30/2020	40.5
PR.372.000.03	372.000	KY-Persimmon Ridge	Lagoon Baffle Repair	2/1/2021	41.1
PR.372.000.04	372.000	KY-Persimmon Ridge	Lagoon reconditioning	1/1/2022	42.0
PR.372.000.05	372.000	KY-Persimmon Ridge	Aerator	1/1/2022	42.0
PR.373.000.01	373.000	KY-Persimmon Ridge	Acquisition Asset	9/30/2019	14.1
PR.393.000.01	393.000	KY-Persimmon Ridge	7 Mission	1/31/2020	12.6
PR.393.000.02	393.000	KY-Persimmon Ridge	Mission	3/31/2020	12.8
PR.393.000.03	393.000	KY-Persimmon Ridge	2 Missions	1/1/2022	14.5
RB.303.000.01	303.000	KY-River Bluffs	Acquisition Asset	5/31/2020	20.0
RB.310.100.01	310.100	KY-River Bluffs	Acquisition Asset	5/31/2020	n/a
RB.310.100.02	310.100	KY-River Bluffs	Acquisition Asset	5/31/2020	n/a
RB.311.000.01	311.000	KY-River Bluffs	Operations	5/31/2020	15.2
RB.311.000.02	311.000	KY-River Bluffs	new cross supports & grating on digester	12/31/2020	15.8
RB.311.000.03	311.000	KY-River Bluffs	Installed conduit and lighting over aeration two	12/31/2020	15.8
RB.311.000.04	311.000	KY-River Bluffs	Structural steel and cat walks	12/31/2020	15.8
RB.311.000.05	311.000	KY-River Bluffs	Grading/Cleanup	12/31/2020	15.8
RB.311.000.06	311.000	KY-River Bluffs	Repair Building	6/1/2021	16.2
RB.311.000.07	311.000	KY-River Bluffs	Bar Grating, riprap, construction materials	1/1/2022	16.8
RB.311.000.09	311.000	KY-River Bluffs	Site Cleanup	1/1/2022	16.8
RB.352.100.01	352.100	KY-River Bluffs	LS Work	6/30/2020	43.0
RB.352.100.02	352.100	KY-River Bluffs	Acquisition - Legal & Engineering	1/31/2021	43.6
RB.352.100.03	352.100	KY-River Bluffs	Acquisition - Legal & Engineering	1/31/2021	43.6
RB.353.000.01	353.000	KY-River Bluffs	Acquisition Asset	5/31/2020	12.8
RB.363.000.01	363.000	KY-River Bluffs	Pump	12/31/2020	20.2
RB.363.000.02	363.000	KY-River Bluffs	LS pump failed- pump & haul from station	1/1/2022	21.2
RB.363.000.03	363.000	KY-River Bluffs	Sludge tank Work	1/1/2022	21.2
RB.372.000.01	372.000	KY-River Bluffs	Grinder Pump	6/30/2020	40.5
RB.372.000.02	372.000	KY-River Bluffs	Clean Contact Tank	12/31/2020	41.0
RB.372.000.03	372.000	KY-River Bluffs	Blowers	12/31/2020	41.0

Asset ID	NARUC Account	Service Area	Description	Placed in Service Date	Remaining Life as of 6/30/2022 (in years)
RB.372.000.04	372.000	KY-River Bluffs	Aeration	12/31/2020	41.0
RB.372.000.06	372.000	KY-River Bluffs	Aeration/Digester Installation	1/1/2022	42.0
RB.372.000.07	372.000	KY-River Bluffs	Assemble Digester Air Manifold	1/1/2022	42.0
RB.375.00001	375.000	KY-River Bluffs	Reinstalled on pump with rail brackets, Hydromatic 5HP	5/31/2020	10.9
RB.391.000.01	391.000	KY-River Bluffs	Acquisition Asset	5/31/2020	19.5
RB.393.000.01	393.000	KY-River Bluffs	7 Mission	1/1/2022	14.5
RV.311.000.01	311.000	KY-Randview	Lift Station 1	7/22/2021	16.4
RV.311.000.02	311.000	KY-Randview	Road Repair	1/1/2022	16.8
RV.352.100.01	352.100	KY-Randview	Acquisition Asset	12/31/2020	45.1
RV.352.100.02	352.100	KY-Randview	Acquisition - Legal & Engineering	1/31/2021	43.6
RV.352.100.03	352.100	KY-Randview	Acquisition - Legal & Engineering	1/31/2021	43.6
RV.352.200.01	352.200	KY-Randview	Acquisition Asset	12/31/2020	40.2
RV.352.200.02	352.200	KY-Randview	Acquisition - Legal & Engineering	5/31/2021	88.9
RV.353.000.01	353.000	KY-Randview	Acquisition Asset	12/31/2020	12.8
RV.370.000.01	370.000	KY-Randview	Acquisition Cost	12/31/2020	n/a
RV.370.000.02	370.000	KY-Randview	Site Work	2/1/2021	n/a
RV.370.100.01	370.100	KY-Randview	Acquisition Asset	12/31/2020	6.6
RV.372.000.01	372.000	KY-Randview	Acquisition Asset	12/31/2020	21.1
SC.310.100.01	310.100	KY-Springcrest		2/28/2021	n/a
SC.352.100.01	352.100	KY-Springcrest	Acquisition - Legal & Engineering	10/31/2021	44.3
SC.352.200.01	352.200	KY-Springcrest	Acquisition Asset	2/28/2021	40.2
SC.352.200.02	352.200	KY-Springcrest	Acquisition Asset	2/28/2021	40.2
SC.363.000.01	363.000	KY-Springcrest	Pump Replacement	1/1/2022	21.2
SC.372.000.01	372.000	KY-Springcrest	Acquisition Asset	2/28/2021	21.1
SC.393.000.01	393.000	KY-Springcrest	Mission	1/1/2022	14.5
TL.311.000.01	311.000	KY-Timberland	Site Work	12/31/2020	15.8
TL.311.000.02	311.000	KY-Timberland	Treatment Facility Repairs	11/1/2021	16.6
TL.311.000.03	311.000	KY-Timberland	Site work	1/1/2022	16.8
TL.352.100.01	352.100	KY-Timberland	Acquisition - Legal & Engineering	1/31/2021	43.6
TL.352.100.02	352.100	KY-Timberland	Acquisition - Legal & Engineering	1/31/2021	43.6
TL.352.100.03	352.100	KY-Timberland	LS Rehab	1/1/2022	44.5
TL.355.000.01	355.000	KY-Timberland	Flowmeter	12/31/2020	7.7
TL.363.000.01	363.000	KY-Timberland	LS Pump	6/30/2020	19.7
TL.363.000.02	363.000	KY-Timberland	Unclog LS Manhole	12/31/2020	20.2
TL.372.000.01	372.000	KY-Timberland	Blowers & Diffusers	9/1/2021	41.7
TL.375.000.01	375.000	KY-Timberland	Acquisition Asset	4/30/2020	3.9
TL.393.000.01	393.000	KY-Timberland	Mission	1/1/2022	14.5
WA.310.100.01	310.100	KY-Woodland Acres	Acquisition Cost	4/1/2021	n/a
WA.311.000.01	311.000	KY-Woodland Acres	Grating to Eliminate Fall Hazard	6/1/2021	16.2
WA.311.000.02	311.000	KY-Woodland Acres	Reseeding aeration bay with seed sludge	1/1/2022	16.8
WA.352.100.01	352.100	KY-Woodland Acres	Acquisition Asset	4/1/2021	45.1
WA.352.200.01	352.200	KY-Woodland Acres	Acquisition Asset	4/1/2021	40.2
WA.352.200.03	352.200	KY-Woodland Acres	Acquisition - Legal & Engineering	10/31/2021	89.3
WA.372.000.01	372.000	KY-Woodland Acres	Acquisition Asset	4/1/2021	21.1
WA.393.000.01	393.000	KY-Woodland Acres	Mission	1/1/2022	14.5

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-32:** Refer to Bluegrass Water's applications in Cases Nos. 2022-00104, 202200216, and 2022-00218.

a. Provide a calculation of revenue requirement if these applications are granted as proposed (including deviation request and excluding Randview remote monitoring), including how depreciation for newly constructed equipment and resulting retirements will be determined.

b. Provide a revised rate schedule resulting from these applications being granted as proposed (including deviation request and excluding Randview remote monitoring).

**RESPONSE:** Please see the attachment labeled Exhibit PSC 1- 32(a) for the calculation of revenue requirement if the applications in Case Nos. 2022-00104, 202200216, and 2022-00218 were to be approved. Additionally, please see the attachment labeled Exhibit PSC 1-32(b) for a revised rate schedule resulting from the revenue requirement impacts shown in Exhibit PSC 1-32(a). Please note that this impact is being presented on a standalone basis, based on the variables presented in Exhibit PSC 1-32(a).

**Witness: Brent Thies**

**Bluegrass Water Utility Operating Company**

DR 32a - Revenue Requirement Impact of Pending applications

Line No.	Line Description	Daily Visit Requirement/Remote Monitoring CPCN (2022-00216)	Randview Sale(2022-00218)	Delaplain CPCN (2022-00104)
1	Revenue Adjustment	-	(52,664)	0
2	<b>Operating Expense Adjustment</b>	<b>(250,070)</b>	<b>(58,647)</b>	
3				
4	Rate Base Adjustment	50,554	(100,000)	607,244.89
5				
6	Depreciation Expense Adjustment	3,372	(1,558)	17,693.08
7				
8	Rate of Return on Rate Base	9.8%	9.8%	9.8%
9	Return on Rate Base Adjustment (Line 4 x Line 8)	4,937	(9,766)	59,305
10	Capital Structure Equity %	61.2%	61.2%	61.2%
11	Gross Income Conversion Factor	1.35	1.35	1.35
12	Gross Income Conversion Adjustment(Line 9 x Line 10 x (Line 11 - 1))	1,044	(2,066)	12,546
13	<b>Total Return Adjustment (Line 9 + Line 12)</b>	<b>5,982</b>	<b>(11,832)</b>	<b>71,851</b>
14				
15	<b>Revenue Requirement Impact (Line 2 + Line 13)</b>	<b>(244,088)</b>	<b>(72,038)</b>	<b>89,544</b>
16				

**Bluegrass Water Utility Operating Company**  
Case No. 2022-00104 - Delaplain CPCN

**Rate Base Components**

Additional Rate Base Per CPCN Filing	609,900.00
UPIS Retired, Net	<u>(2,655.11)</u>
Total Additional Rate Base	607,244.89
Depreciation expense (additions)	18,652.05
Depreciation expense (retirements)	<u>(958.97)</u>
Total Depreciation Adjustment	17,693.08

**Delaplain CPCN component depreciation estimate**

<b>Project</b>	<b>Component</b>	<b>Cost</b>	<b>NARUC Account</b>	<b>Dep. Rate</b>	<b>Annual Dep. Expense</b>
MBBR	Blowers and Controls for New MBBR Assemblies (2 each)	87,800.00	372	2.4%	2,063.30
MBBR	Blower Pad	1,500.00	311	5.8%	87.00
MBBR	Blower Discharge Header Piping, Valves, Appurtenances	12,000.00	372	2.4%	282.00
MBBR	MBBR Assemblies Complete (3 each)	187,200.00	372	2.4%	4,399.20
MBBR	Electrical Distribution for MBBR Treatment System	23,000.00	311	5.8%	1,334.00
Solids Handling Enhancement	Polymer Feed Treatment System	20,000.00	372	2.4%	470.00
Solids Handling Enhancement	Filter Building and Foundation	58,000.00	311	5.8%	3,364.00
Solids Handling Enhancement	Filter Equipment	165,200.00	372	2.4%	3,882.20
Solids Handling Enhancement	Filter Backwash Piping	10,000.00	372	2.4%	235.00
Solids Handling Enhancement	Filter Building Pump and Sump	2,500.00	372	2.4%	58.75
Solids Handling Enhancement	Sodium Bisulfite Feed Location Relocated to Filter Building	2,500.00	311	5.8%	145.00
Solids Handling Enhancement	Electrical Distribution for Filter System	25,000.00	311	5.8%	1,450.00
Site Work	Security Fencing	9,200.00	311	5.8%	533.60
Site Work	Gravel Access Road	6,000.00	311	5.8%	348.00
					18,652.05

<b>Component</b>	<b>Cost</b>	<b>NARUC Account</b>	<b>Dep. Rate</b>	<b>Annual Dep. Expense</b>
Retired Plant	16,534.00	311	5.8%	958.97

**Bluegrass Water Utility Operating Company**

Case No. 2022-00216 - Daily Visit Waiver and Remote Monitoring CPCN

**Rate Base Components**

Additional Rate Base	54,834.57
Removal of Randview	(4,281.00)
Total Additional Rate Base	50,553.57

**Estimated Depreciation** **3,371.92** \* Rate (6.67%) per depreciation study

**Operating Expense Impact**

Annual Monitoring Subscription Cost	
Sites per 2022-00216 filing	22
Less Randview	(1)
Total Sites	21
Annual cost per subscription	581.40 * Per Dec 2022 invoicing
Total Annual Monitoring Subscription Cost	12,209.40
Annual Reduction in Operating Contract Costs	(262,279.56) * Does not include removal of Randview
<b>Total Operating Expense Impact</b>	<b>(250,070.16)</b>



**Bluegrass Water Utility Operating Company**

Case No. 2022-00218 - Randview Sale

**Rate Base in Filing**

Rate Base 6/30/2022	121,023.00	* See Confidential Exhibit BT-13
Sales Price	<u>(100,000.00)</u>	
Remaining RB	21,023.00	

**Income Statement Items**

Revenue	52,664.00	
Expense	(58,647.00)	
Depreciation Expense on UPIS	(2,121.80)	* UPIS x Rates per depreciation study
Estimated Amort of Abandoned Plant (2.68%)	<u>563.42</u>	
Dep/Amort Adjustment	(1,558.38)	

Bluegrass Water Utility Operating Company, LLC		Residential/Commercial	
Class Cost of Service Summary		Total	
<b>Base Revenues</b>	\$	<b>2,421,133</b>	\$ <b>2,421,133</b>
<b>Other Revenues</b>	\$	<b>14,462</b>	\$ <b>14,462</b>
<b>Operating Expenses</b>			
General & Admin	\$	(873,589)	\$ (873,589)
Operations and Maintenance	\$	(1,832,283)	\$ (1,832,283)
Interest	\$	-	\$ -
Depreciation & Amortization	\$	(233,108)	\$ (233,108)
<b>Total Operating Expenses</b>	<b>\$</b>	<b>2,938,979</b>	<b>\$ 2,938,979</b>
<b>Net Income</b>	\$	(503,385)	\$ (503,385)
Current ROR		-7.88%	-7.88%
<b>Rate Base</b>	<b>\$</b>	<b>6,388,068</b>	<b>\$ 6,388,068</b>
Required Rate of Return		9.7663%	9.7663%
<b>Required Net Income</b>	<b>\$</b>	<b>623,875</b>	<b>\$ 623,875</b>
<b>Operating Income Deficiency</b>	\$	1,127,261	\$ 1,127,261
Weighted Return on Equity		7.1251%	7.1251%
Net Income Required for Equity	\$	455,159	\$ 455,159
Gross Revenue Conversion Factor		101.01%	101.01%
Gross Income Conversion Factor		134.59%	134.59%
Revenue Deficiency	\$	1,291,491	\$ 1,291,491
<b>Total Revenue Requirement</b>	<b>\$</b>	<b>3,727,085</b>	<b>\$ 3,727,085</b>
Revenue Increase	\$	1,291,491	\$ 1,291,491
Revenue Increase %		53.03%	53.03%

Revenue Proof			
<b>Current Revenues</b>			
Fixed Charge	\$	1,950,936	81.5%
Variable Charge	\$	442,514	18.5%
<b>Total Calculated Revenues</b>	<b>\$</b>	<b>2,393,450</b>	
<b>Net Reported Revenues</b>	<b>\$</b>	<b>2,421,133</b>	
Difference (\$)	\$	(27,683)	
Difference (%)		-1.16%	

Revenue Requirement	
Revenue Requirement	\$ 3,727,085
Less: Other Revenues	\$ (14,462)
<b>Proposed Base Revenues</b>	<b>\$ 3,712,623</b>
<b>Less 2022-00216 Impact</b>	<b>\$ (244,088)</b>
<b>Less Randview Sale Impact</b>	<b>\$ (72,038)</b>
<b>Plus Delaplain CPCN</b>	<b>\$ 89,544</b>
<b>Hypothetical Proposed Base Revenues</b>	<b>\$ 3,486,042</b>
Current Base Revenues	\$ 2,421,133
<b>Deficiency</b>	<b>\$ 1,064,909</b>

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BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

VERIFICATION

I, Brent Thies, verify, state, and affirm that the information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

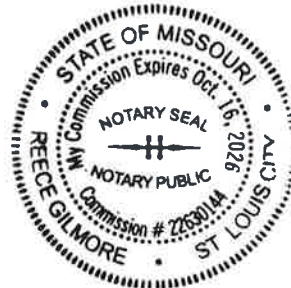


Name: Brent Thies  
Title: Vice President and Corporate Controller  
Bluegrass Water Utility Operating Company, LLC

STATE OF MISSOURI                    )  
  ) ss:  
COUNTY OF ST. LOUIS            )

SUBSCRIBED AND SWORN TO before me on this the 21<sup>ST</sup> day of APRIL, 2023.

My commission expires: OCTOBER 16<sup>TH</sup>, 2026

  
Notary Public

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**VERIFICATION**

I, Jacob Freeman, verify, state, and affirm that the information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



\_\_\_\_\_  
Name: Jacob Freeman  
Title: Director of Engineering  
Bluegrass Water Utility Operating Company, LLC

STATE OF MISSOURI )

) ss:

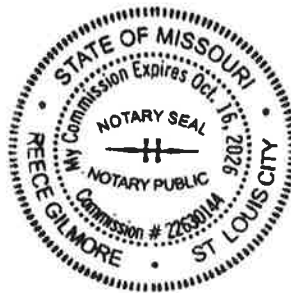
COUNTY OF ST. LOUIS )

SUBSCRIBED AND SWORN TO before me on this the 21<sup>st</sup> day of APRIL, 2023.

My commission expires: OCTOBER 10, 2026



\_\_\_\_\_  
Notary Public



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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

VERIFICATION

I, Aaron Silas, verify, state, and affirm that the information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



\_\_\_\_\_  
Name: Aaron Silas  
Title: Director of Regulatory Operations  
Bluegrass Water Utility Operating Company, LLC

STATE OF MISSOURI                    )  
  ) ss:  
COUNTY OF ST. LOUIS            )

SUBSCRIBED AND SWORN TO before me on this the 21<sup>ST</sup> day of APRIL, 2023.

My commission expires: OCTOBER 16, 2026

  
\_\_\_\_\_  
Notary Public

