

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

In the Matter of:

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

**BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC’S
SUPPLEMENTAL RESPONSES TO OFFICE OF THE ATTORNEY
GENERAL’S SUPPLEMENTAL REQUEST FOR INFORMATION**

Bluegrass Water Utility Operating Company, LLC, (“Bluegrass Water” or the “Company”) by counsel, files its supplemental responses to the Office of the Attorney General’s Supplemental Request for Information, issued in the above-captioned case on June 2, 2023.

FILED: July 6, 2023

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BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S SUPPLEMENTAL
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REQUEST FOR INFORMATION

REQUEST NO. 2-30: Refer to the attachment to response OAG 1-124 and respond to the following questions:

- a. Provide the support for the actual charges of \$445,726 as reflected in cell I23 within the OHA Cal tab.
- b. Define the term Payroll/EE Removed as reflected in this schedule. Confirm this includes payroll that is direct charged to CSWR affiliates and define the reference to EE. Provide support for these total amounts. If the support can be extracted from the data supplied in the detail tab of Attachment OAG 1-124, please provide instructions on how to access the information.
- c. Explain how Executive and Business Development exclusions were developed and provide the support for the totals found in the OHA calc tab. If the support can be extracted from the data supplied in the detail tab of Attachment OAG 1-124, please provide instructions on how to access the information.
- d. Provide a supporting schedule for Other Line-Item Exclusions to the extent and independent reviewer could understand the nature of the excluded item. If the support can be extracted from the data supplied in the detail tab of Attachment OAG 1-124, please provide instructions on how to access the information.
- e. Provide support for the allocation of overhead costs between water and wastewater services.

ORIGINAL RESPONSE: Please see Exhibit OAG 2-30. For subpart (e), please also see Response to OAG 2-76.

SUPPLEMENTAL RESPONSE: (a) Please see Exhibit OAG 2-30. The monthly overhead allocation is based on budgeted expense and the quarterly allocation factors. The

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amount actually included in the revenue requirement is analyzed to adjust for any specific exclusions or variances. Please also see CONFIDENTIAL Supplemental Exhibit OAG 1-6.

(b) EE stands for Employee Expense. Please see the tab labeled 'Detail' of Exhibit OAG 1-124 for monthly payroll and employee expense line item charges. These line items are indicated with the description 'PAY' in column R. This includes payroll expense that is direct charged to CSWR affiliates.

(c) Please see the tab labeled 'Detail' for executive and business development line item charges. These line items are indicated with the description 'EBD' in column R. These were determined based on an analysis of the expenditures and vendor relationships. Please note that all Business Development salaries were removed as part of the total in the 'Payroll/EE Removed' lines in schedule OAG 1-124.

(d) Please see the tab labeled 'Detail' for the detail of Other Line-Item Exclusions. These items are indicated with the descriptions 'EXC' in column Q and 'NRC', 'NJ', 'ALD' or no description in column R. The definition of each description is located in the "Guide" tab of CONFIDENTIAL Exhibit OAG 1-6.

(e) Please see Connection Count in the "OHA Calc" tab of CONFIDENTIAL Exhibit PSC 3-18. Please also see Response to OAG 2-76.

Witness: Brent Thies

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REQUEST NO. 2-62: Please provide the weighted average cost of debt of US Water, with supporting calculations as of December 31, 2022. The support for this calculation should tie to the US Water financial statements requested in OAG 1-61.

ORIGINAL RESPONSE: Bluegrass Water objects to this Request as seeking the records of a non-applicant that is not its direct parent, which are not relevant to this proceeding, unduly burdensome to produce, overly broad, and outside the control of Bluegrass Water. Subject to and without waiver of the foregoing objections, please see CONFIDENTIAL Exhibit PSC 3-27, which contains the audited financial statements of CSWR, LLC, Bluegrass Water's direct parent, as of December 31, 2022.

SUPPLEMENTAL RESPONSE: Bluegrass does not possess, and is not in control of, any information regarding the weighted average cost of debt of US Water, LLC. Please also see Supplemental Response to OAG 1-61.

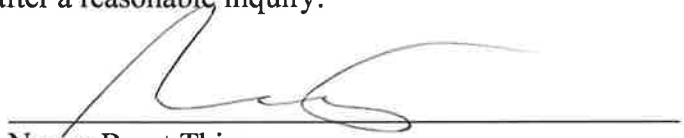
Witness: Brent Thies

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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 6th day of JULY, 2023.

My commission expires: OCT 16th, 2026


Notary Public