

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
SECOND REQUESTS FOR INFORMATION TO
OFFICE OF ATTORNEY GENERAL

In accordance with the Scheduling Order by the Public Service Commission (“Commission”), Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water” or the “Company”), by counsel, hereby requests the response of the Office of the Attorney General to the following Requests for Information.

DEFINITIONS

1. Whenever it is necessary to bring within the scope of these information requests documents that might otherwise be construed to be outside their scope: (1) the use of “and” as well as “or” shall be construed both disjunctively and conjunctively; (2) the use of a word in its singular form shall be construed to include within its meaning its plural form as well, and vice versa; (3) the use of “include” and “including” shall be construed to mean “without limitation”; and (4) the use of a verb in any tense or voice shall be construed as the use of that verb in all other tenses and voices.

2. “**Commission**” means the Kentucky Public Service Commission.

3. “**Document**” means any written, recorded, transcribed, printed, or impressed matter of whatever kind, however produced, stored or reproduced, including but not limited to sound or pictorial recordings, computerized or electronic information, books, pamphlets, letters,

memoranda, telegrams, electronic or mechanical transmissions, communications of all kinds, reports, notes, working papers, handwritings, charts, paper, writings, printings, transcriptions, tapes and records of all kinds. “Document” includes, without limitation, all workpapers produced by or relied upon by a witness.

4. “Identify” mean the following:

a: when identifying a person, to give such person’s:

- (1) full name;
- (2) business address, residence address (if no business address is available), and telephone number;
- (3) his or her present or last known position and business affiliation at the time in question; and
- (4) the nature of such person’s participation in, and the scope of his/her responsibility with regard to, the facts and events underlying the present matter;

b: when identify an oral communication, to:

- (1) identify the author(s) thereof and the parties thereto;
- (2) state the date of the communication;
- (3) state the place of the communication;
- (4) state the substance of the communication; and
- (5) state whether such communication has been reduced to writing and, if so, identify each document and the present custodian thereof;

c: when identifying other information, to state:

- (1) the source thereof;
- (2) any oral communications pertaining thereto;
- (3) any documents pertaining thereto; and
- (4) the substance of the information;

d: when identifying a document, to:

- (1) identify the author thereof and the parties thereto;
- (2) state its title or other identifying data;
- (3) state the date of the document or, if no date appears thereon, the approximate date;
- (4) state the exact nature and substance thereof;
- (5) identify each person having possession, care, custody, or control of the original and any copies thereof; and
- (6) if such document was, but no longer is, in your possession or subject to your control, state what disposition was made of it.

5. **“Person”** includes a natural person, a business organization of any type, an unincorporated association, a governmental subdivision, agency, or entity, and a business trust.

6. **“Bluegrass Water”** shall mean Bluegrass Water Utility Operating Company, LLC as defined and identified in the first paragraph of this Request for Information.

8. **“You”** or **“your”** means the Office of the Attorney General, an intervenor in this action, and its agents, officers, employees, commissioners, consultants, and witnesses.

GENERAL INSTRUCTIONS

1. Please identify the witness who will be prepared to answer questions concerning each request.

2. If any request appears confusing, please request clarification directly from the undersigned.

3. To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper or information.

4. If you object to any request on the grounds that the requested information is proprietary in nature, or for any other reasons, please notify the undersigned as soon as possible.

5. For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown or explained; and the nature of and legal basis for the privilege asserted.

6. To the extent that a request calls for information not available for all categories or all periods of time for which the information is sought, please explain why the information is not available and answer the request for the time or categories for which it is available.

7. These requests shall be deemed continuing, and you should serve upon counsel: (1) supplemental responses to these data requests if additional information or information that changes your response to any data request is obtained during the course of this proceeding; and (2) any documents requested herein that become available or that are discovered after the date your responses to these requests are due.

REQUESTS FOR INFORMATION

1. Refer to Dittmore Supplemental Testimony at 3:18 and 4:1–2. Explain how the source of equity financing changes whether Bluegrass Water makes a “profit” or the amount of such “profit.”

2. Refer to Dittmore Supplemental Testimony at 4:5–16. Explain the expected impact on a Company’s credit ratings if the Commission were to apply a hypothetical lower cost of financing than the Company’s actual financing costs?

3. Please provide all calculations, workpapers, and other documents used to derive each adjustment shown in the Exhibit SDND-1. Please provide these documents in electronic

format with all formulas intact. For each input and for each amount listed in the exhibit, provide the source of the input or amount and a record citation.

4. Refer to Dittmore Supplemental Testimony at 5:4-8. Please provide all evidence available to Mr. Dittmore to suggest that Bluegrass Water’s capital structure contains “double leveraging.” If Mr. Dittmore has no evidence to suggest that double leveraging is occurring, please indicate as such.

5. Refer to Dittmore Supplemental Testimony at 5:18-19. Please provide all studies, research, literature, or articles to support Mr. Dittmore’s application of a hypothetical assumption that the “residual financing” is actually 75% debt and 25% equity.

On this the 25th day of July, 2023.

Respectfully submitted,

/s/ Edward T. Depp

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Certification

I hereby certify that a copy of this filing has been served electronically on all parties of record through the use of the Commission's electronic filing system, and there are currently no parties that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission.

/s/ Edward T. Depp
*Counsel to Bluegrass Water Utility Operating
Company, LLC*