

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

In the Matter of:

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

DIRECT TESTIMONY

OF

TIMOTHY S. LYONS

ON BEHALF OF

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC

FILED: February 27, 2023

DIRECT TESTIMONY
OF
TIMOTHY S. LYONS

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1 **DIRECT TESTIMONY**

2 **OF**

3 **TIMOTHY S. LYONS**

4

5 **I. INTRODUCTION**

6 **Q. Please state your name and business address.**

7 A. My name is Timothy S. Lyons. My business address is 1900 West Park Drive, Suite 250,
8 Westborough, Massachusetts 01581.

9 **Q. By whom are you employed and in what capacity?**

10 A. I am a Partner at ScottMadden, Inc. (“ScottMadden”).

11 **Q. On whose behalf are you testifying in this proceeding?**

12 A. I am testifying on behalf of Bluegrass Water Utility Operating Company, LLC (“Bluegrass
13 Water” or the “Company”).

14 **Q. Please describe your professional and educational experience.**

15 A. I have more than 30 years of experience in the utility industry. I started my career in 1985
16 at Boston Gas Company, eventually becoming Director of Rates and Revenue Analysis.
17 In 1993, I moved to Providence Gas Company, eventually becoming Vice President of
18 Marketing and Regulatory Affairs. Starting in 2001, I held several management consulting
19 positions in the energy industry first at KEMA and then at Quantec, LLC. In 2005, I
20 became Vice President of Sales and Marketing at Vermont Gas Systems, Inc. In 2013, I

1 joined Sussex Economic Advisors, LLC (“Sussex”). Sussex was acquired by ScottMadden
2 in 2016.

3 I hold a bachelor’s degree from St. Anselm College, a master’s degree in
4 Economics from The Pennsylvania State University, and a master’s degree in Business
5 Administration from Babson College.

6 **Q. Have you previously sponsored testimony before a regulatory agency?**

7 A. Yes. I previously sponsored testimony before 22 state regulatory commissions. A
8 summary of my testimony experience is included in Direct Schedule TSL-1.

9 **Q. What is the purpose of your Direct Testimony?**

10 A. The purpose of my direct testimony is to sponsor the Company’s proposed sewer rates.
11 My Direct Testimony includes: (a) a description of the current rate classes and rates; (b)
12 discussion of the Company’s cost of service; and (c) development of the proposed rates
13 and bill impact analyses.

14 **Q. Have you prepared schedules to support this testimony?**

15 A. Yes. Direct Schedule TSL-2 through Direct Schedule TSL-4 summarize the results of the
16 Company’s cost of service, rate design proposals, and bill impact analysis. The Schedules
17 were prepared by me or under my direction.

18 **II. OVERVIEW**

19 **Q. Please describe the Company’s sewer service area.**

20 A. The Company’s sewer service area consists of 20 service areas in Kentucky, providing
21 service to 2,488 customers, as shown in Figure 1 (below).

1 **Q. What is the Company's rate structure for sewer service?**

2 A. Presently, the Company's rate structure for unmetered sewer service consists of a fixed
3 charge for residential, Persimmon Ridge non-residential, and Brocklyn multifamily
4 service, and for metered sewer service a usage charge for Delaplain commercial service,
5 as shown in Figure 1 (above). The fixed charge for unmetered residential sewer service is
6 \$85.97 per month for approximately 75.00 percent of residential customers. The remaining
7 25.00 percent of residential sewer service customers are charged varying fixed rates for
8 residential sewer service. The current unmetered fixed charges for Persimmon Ridge non-
9 residential and Brocklyn multifamily service are \$214.93 and \$64.48, respectively. The
10 metered usage charge for Delaplain commercial service is \$8.89 per 1,000 gallons.

11 **III. COST OF SERVICE STUDY**

12 **Q. Did you perform a traditional class cost of service study for your analysis?**

13 A. No, I did not perform a traditional class cost of service study. Performing a traditional class
14 cost of service study requires demand information to be available for each class to
15 determine how much sewage is attributable to each class. In the case of Bluegrass Water,
16 most of its customers receive unmetered service and are charged a flat monthly rate for
17 sewage services. Without demand information, a traditional cost of service study cannot
18 be credibly performed.

19 **Q. Are there accepted alternatives for allocating cost of service in the absence of demand**
20 **information?**

21 A. Yes. Bluegrass Water has historically used an accepted method for allocating cost of
22 service in the absence of a cost of service study, class equivalencies. In its current unified

1 rates, Bluegrass Water applies to its commercial/non-residential class an equivalency of
2 2.5 times that of the residential class and to the multifamily class an equivalency of 0.75
3 times that of the residential class. It is my understanding that these equivalences were
4 approved by the Commission in Bluegrass Water's last rate case.

5 **Q. Do you believe the equivalencies are appropriate for setting a fair, just and reasonable**
6 **rates?**

7 A. Yes. In the absence of the ability to perform a traditional class cost of service study, I
8 believe that the equivalencies applied by Bluegrass Water fairly allocate the cost of service
9 among Bluegrass Water's various classes of customers and I used those previously
10 approved equivalencies in developing the rate design herein.

11 **IV. COST OF SERVICE**

12 **Q. What were the results of the sewer cost of service?**

13 A. A summary of the Sewer cost of service is shown in Figure 2 (below).

1

Figure 2: Summary of Sewer Cost of Service

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

2

3

4

The Figure shows the Company’s proposed cost of service or revenue requirement is \$3.7 million, which reflects an increase of \$1.3 million over current revenues, or 53.03 percent.

5

V. RATE DESIGN

6

Q. How were the proposed rates for sewer service derived?

7

A. The proposed rates for sewer service were derived by apportioning the revenue requirement of \$3.7 million between unmetered and metered service based on the distribution of current

8

1 revenues, adjusted to address potential bill continuity concerns, as shown in Figure 3
 2 (below).

3 **Figure 3: Derivation of Proposed Fixed and Variable Charges**

Bluegrass Water Utility Operating Company, LLC Rate Design	Revenue Requirement [1]	Current Revenues	Revenue Increase	Revenue Increase	Adjusted Bills	Proposed Fixed Charge	Water Usage	Proposed Variable Charge
Sewer								
Unmetered Service	\$ 2,869,115	\$ 1,973,501	\$ 895,615	45.4%	28,872	\$ 99.37		
Metered Service	\$ 843,508	\$ 447,632	\$ 395,876	88.4%	408	\$ 248.43	49,776,577	\$ 14.91
Total	\$ 3,712,623	\$ 2,421,133	\$ 1,291,491	53.3%				
[1] Revenue Requirements excludes other revenues								

4
 5 The Figure shows 77.28 percent of the revenue requirement was apportioned to unmetered
 6 service and 22.72 percent was apportioned to metered service.²

7 The proposed fixed charge for residential sewer service of \$99.37 per month was
 8 derived by dividing the revenue requirement for unmetered service of \$2.9 million by the
 9 number of adjusted bills of 28,872.³ The proposed fixed charge for commercial sewer
 10 service of \$248.43 per month was derived by multiplying the proposed fixed charge for
 11 residential service of \$99.37 per month by 2.50, consistent with how current fixed charges
 12 for commercial sewer service were derived in the Persimmon Ridge service area. The
 13 Company proposes to implement a fixed charge for commercial customers in the Delaplain
 14 service area to better align the Company's charges and its cost of service across the
 15 Kentucky systems and to better stabilize the Company's revenues and customer bills. The
 16 proposed fixed charge for multifamily sewer service of \$74.53 per month was derived by

² Presently, Delaplain commercial charges represent 18.5 percent of current revenues.

³ Adjusted bills reflects that commercial and multifamily fixed charges are, respectively, 2.50 and 0.75 times the residential fixed charge.

1 multiplying the proposed fixed charge for residential service of \$99.37 by 0.75, consistent
2 with how current fixed charges for multifamily sewer service were derived.

3 The proposed usage charge for metered service of \$14.70 per 1,000 gallons was
4 derived by dividing the revenue requirement for metered service of \$0.8 million by metered
5 water usage of 49,777 1,000-gallons, after adjusting for the amount recovered through the
6 proposed fixed charge.

7 **Q. Have you examined the bill impacts of the proposed charges?**

8 A. Yes. The proposed unmetered residential sewer fixed charge of \$99.37 represents an
9 increase that varies by service area, as shown in Direct Schedule TSL-4. The Schedule
10 shows the proposed residential sewer fixed charge of \$99.37 represents an increase for
11 approximately 75.00 percent of residential customers of \$13.40 per month, or 15.60
12 percent.

13 The proposed metered usage charge of \$14.91 per 1,000 gallons represents an
14 increase of \$6.02 per 1,000 gallons, as shown in Direct Schedule TSL-4.

15 **Q. Does this conclude your Direct Testimony?**

16 A. Yes, it does.

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC

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

VERIFICATION

I, Timothy S. Lyons, verify, state, and affirm that I prepared or supervised the preparation of the Direct Testimony filed with this Verification, and that Direct Testimony is true and accurate to the best of my knowledge, information, and belief after a reasonable inquiry on this 27th day of February, 2023.

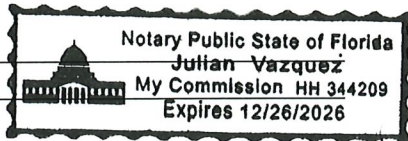
Timothy S. Lyons.

Timothy S. Lyons

STATE OF Florida)
COUNTY OF Pinellas)

SUBSCRIBED AND SWORN TO before me on this the 27th day of February, 2023.

My commission expires:
Notary ID No.



Julian Vazquez

NOTARY PUBLIC

Julian Vazquez

Printed Name

EXHIBIT 1

Summary

Tim Lyons is a partner with ScottMadden with more than 30 years of experience in the energy industry. Tim has held senior positions at several gas utilities and energy consulting firms. His experience includes rates and regulatory support, sales and marketing, customer service and strategy development. Prior to joining ScottMadden, Tim served as Vice President of Sales and Marketing for Vermont Gas. He has also served as Vice President of Marketing and Regulatory Affairs for Providence Gas Company, Director of Rates at Boston Gas Company, and Project Director at Quantec, LLC, an energy consulting firm.

Tim has sponsored testimony before 22 state regulatory commissions. Tim holds a B.A. from St. Anselm College, an M.A. in Economics from The Pennsylvania State University, and an M.B.A. from Babson College.

Areas of Specialization

- Regulation and Rates
- Retail Energy
- Utilities
- Natural Gas

Capabilities

- Regulatory Strategy and Rate Case Support
- Strategic and Business Planning
- Capital Project Planning
- Process Improvements

Articles

- "Country Strong: Vermont Gas shares its comprehensive effort to expand natural gas service into rural communities." **American Gas Association**, June 2011 (with Don Gilbert).
- "Talking Safety With Vermont Gas." **American Gas Association**, February 2009 (with Dave Attig).
- "Consumers Say 'Act Now' To Stabilize Prices." **Power & Gas Marketing**, September/October 2001 (with Jim DeMetro and Gerry Yurkevicz).
- "Rate Reclassification: Who Buys What and When." **Public Utilities Fortnightly**, October 15, 1991 (with John Martin).

Sponsor	Date	Docket No.	Subject
Regulatory Commission of Alaska			
Cook Inlet Natural Gas Storage Alaska, LLC	7/21	Docket No. U-21-058	Sponsored testimony supporting the lead-lag study/cash working capital requirement for a general rate case proceeding.
ENSTAR Natural Gas Company	06/16	Docket No. U-16-066	Adopted and sponsored testimony supporting a lead-lag study for a general rate case proceeding.
Arizona Corporation Commission			
Southwest Gas Corporation	12/21	Docket No. G-01551A-21-0368	Sponsored testimony supporting class cost of service, rate design and bill impact analysis for a general rate case proceeding.
Arkansas Public Service Commission			
Liberty Utilities (Pine Bluff Water)	10/18	Docket No. 18-027-U	Sponsored testimony supporting the cost of service, rate design and bill impact studies for a general rate case proceeding.
California Public Utilities Commission			
Liberty Utilities (CalPeco Electric)	5/21	Docket No. A 21-05-017	Sponsored testimony supporting the lead-lag study/cash working capital, marginal cost study, rate design and bill impact analysis for a general rate case proceeding.
Southwest Gas Corporation (Southern California, Northern California and South Lake Tahoe jurisdictions)	8/19	Docket No. A.19-08-015	Sponsored testimony on behalf of three separate rate jurisdictions supporting revenue requirements, lead-lag/ cash working capital, and class cost of service, rate design and bill impact analysis for a general rate case proceeding.
Connecticut Public Utilities Regulatory Authority			
Yankee Gas Company	07/14	Docket No. 13-06-02	Sponsored report and testimony supporting the review and evaluation of gas expansion policies, procedures and analysis.
Illinois Commerce Commission			
Liberty Utilities (Midstates Natural Gas)	07/16	Docket No. 16-0401	Sponsored testimony supporting the cost of service, rate design and bill impact studies for a general rate case proceeding. The testimony includes proposal for new commercial classes and a decoupling mechanism.
Iowa Utilities Board			
Liberty Utilities (Midstates Natural Gas)	07/16	Docket No. RPU-2016-0003	Sponsored testimony supporting the cost of service, rate design and bill impact studies for a general rate case proceeding. The testimony includes proposal for new commercial classes.
Kansas Corporation Commission			
The Empire District Electric Company	12/18	Docket No. 19-EPDE-223-RTS	Sponsored testimony supporting cost of service, rate design, bill impact and lead-lag studies for a general rate case proceeding.
Maine Public Utilities Commission			
Maine Water Company	03/21	Docket No. 2021-00053	Sponsored testimony supporting a proposed rate smoothing mechanism.
Northern Utilities, Inc. d/b/a Unitol	06/19	Docket No. 2019-00092	Sponsored testimony supporting a proposed capital investment cost recovery mechanism.

Sponsor	Date	Docket No.	Subject
Northern Utilities, Inc. d/b/a Unitil	06/15	Docket No. 2015-00146	Sponsored testimony supporting the proposed gas expansion program, including a zone area surcharge.
Maryland Public Service Commission			
Sandpiper Energy, a Chesapeake Utilities company	12/15	Case No. 9410	Sponsored testimony supporting the cost of service, rate design and bill impact studies for a general rate case proceeding. The testimony includes proposal for new residential and commercial classes.
Massachusetts Department of Public Utilities			
Liberty Utilities (New England Gas Company)	08/20	Docket No. DPU 20-92	Sponsored the Long-Range Forecast and Supply Plan filing for the five-year forecast period 2020/2021 through 2024/2025.
Liberty Utilities (New England Gas Company)	07/18	Docket No. DPU 18-68	Sponsored the Long-Range Forecast and Supply Plan filing for the five-year forecast period 2018/2019 through 2022/2023.
Liberty Utilities (New England Gas Company)	07/16	Docket No. DPU 16-109	Sponsored the Long-Range Forecast and Supply Plan filing for the five-year forecast period 2016/2017 through 2020/2021.
Boston Gas	10/93	Docket No. DPU 92-230	Sponsored testimony describing the Company's position regarding rate treatment of vehicular natural gas investments and expenses.
Boston Gas	03/90	Docket No. DPU 90-55	Sponsored testimony supporting the weather and other cost of service adjustments, rate design and customer bill impact studies for a general rate case proceeding.
Boston Gas	03/88	Docket No. DPU 88-67-II	Sponsored testimony supporting the rate reclassification of commercial and industrial customers for a rate design proceeding.
Michigan Public Service Commission			
Lansing Board of Water & Light and Michigan State University	04/20	Docket No. U-20650	Sponsored testimony evaluating Consumer Energy's cost of service and rate design proposals.
Lansing Board of Water & Light and Michigan State University	04/19	Docket No. U-20322	Sponsored testimony evaluating Consumer Energy's cost of service and rate design proposals.
Midland Cogeneration Ventures, LLC	09/18	Docket No. U-18010	Sponsored testimony evaluating Consumer Energy's cost of service and rate design proposals.
Minnesota Public Utilities Commission			
Northern States Power Company (XcelEnergy)	10/21	Docket No. E002/GR-21-630	Sponsored testimony supporting a Return on Equity (ROE) adjustment mechanism that would allow the Company to symmetrically adjust its ROE to reflect significant changes in financial market conditions.
Missouri Public Service Commission			
The Empire District Gas Company	08/21	Docket No. GR-2021-0320	Sponsored testimony supporting the cost of service, rate design, bill impact and lead-lag studies for a general rate case proceeding.

Sponsor	Date	Docket No.	Subject
The Empire District Electric Company	05/21	Docket No. ER-2021-0312	Sponsored testimony supporting the cost of service, rate design, bill impact and lead-lag studies for a general rate case proceeding.
Spire Missouri, Inc.	12/20	Docket No. GR-2021-0108	Sponsored testimony supporting class cost of service, rate design, and lead-lag study proposals for a general rate case proceeding. The testimony also included support for a proposed revenue adjustment mechanism.
The Empire District Electric Company	08/19	Docket No. ER-2019-0374	Sponsored testimony supporting the cost of service, rate design, bill impact and lead-lag studies for a general rate case proceeding. The testimony also included proposals for a weather normalization mechanism.
Liberty Utilities (Midstates Natural Gas)	09/17	Docket No. GR-2018-0013	Sponsored testimony supporting the cost of service, rate design, bill impact and lead-lag studies for a general rate case proceeding. The testimony also included proposals for a revenue decoupling/ weather normalization mechanism as well as tracker accounts for certain O&M expenses and capital costs.
Missouri Gas Energy	04/17	Docket No. GR-2017-0216	Sponsored testimony supporting the cost of service, rate design, bill impact and Lead/Lag studies for a general rate case proceeding. The testimony included support for a decoupling mechanism.
Laclede Gas Company	04/17	Docket No. GR-2017-0215	Sponsored testimony supporting the cost of service, rate design, bill impact and Lead/Lag studies for a general rate case proceeding. The testimony included support for a decoupling mechanism.
Nevada Public Utilities Commission			
Southwest Gas Corporation	09/21	Docket No. 21-09001	Sponsored testimony supporting the class cost of service, rate design, bill impact and Lead/Lag studies for a general rate case proceeding.
Southwest Gas Corporation	02/20	Docket No. 20-02023	Sponsored testimony supporting the class cost of service, rate design, bill impact and Lead/Lag studies for a general rate case proceeding.
New Hampshire Public Utilities Commission			
Unitil (Northern Utilities, Inc.)	8/21	Docket No. DG 21-104	Sponsored testimony supporting a revenue decoupling mechanism.
Unitil Energy Systems, Inc.	4/21	Docket No. DE 21-030	Sponsored testimony supporting a revenue decoupling mechanism.
Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities	11/17	Docket No. DG 17-198	Sponsored testimony supporting a levelized cost analysis for approval of firm supply and transportation agreements.
Liberty Utilities d/b/a Granite State Electric Company	04/16	Docket No. DE 16-383	Adopted testimony and sponsored Lead/Lag study for a general rate case proceeding.
New Jersey Board of Public Utilities			

Sponsor	Date	Docket No.	Subject
South Jersey Gas Company	04/22	Docket No. GR22040253	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Elizabethtown Gas Company	12/21	Docket No. GR21121254	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
South Jersey Gas Company	03/20	Docket No. GR20030243	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Elizabethtown Gas Company	04/19	Docket No. GR19040486	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas Company	08/16	Docket No. GR16090826	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Corporation Commission of Oklahoma			
The Empire District Electric Company	02/21	Cause No. PUD 202100163	Sponsored testimony supporting the cost of service, rate design, bill impact and Lead/Lag studies for a general rate case proceeding.
The Empire District Electric Company	03/19	Cause No. PUD 201800133	Sponsored testimony supporting the cost of service, rate design, bill impact and Lead/Lag studies for a general rate case proceeding.
The Empire District Electric Company	04/17	Cause No. PUD 201600468	Adopted direct testimony and sponsored rebuttal testimony supporting the revenue requirements for a general rate case proceeding. The testimony included proposals for alternative ratemaking mechanisms.
Rhode Island Public Utilities Commission			
Providence Gas Company	08/01 09/00 08/96	Docket No. 1673	Sponsored testimony supporting the changes in cost of gas adjustment factor related to projected under-recovery of gas costs; Filed testimony and witness for pilot hedging program to mitigate price risks to customers; Filed testimony and witness for changes in cost of gas adjustment factor related to extension of rate plan.
Providence Gas Company	08/00	Docket No. 2581	Sponsored testimony supporting the extension of a rate plan that began in 1997 and included certain modifications, including a weather normalization clause.
Providence Gas Company	03/00	Docket No. 3100	Sponsored testimony supporting the de-tariff and deregulation of appliance repair service, enabling the Company to have needed pricing flexibility.
Providence Gas Company	06/97	Docket No. 2581	Sponsored testimony supporting a rate plan that fixed all billing rates for three-year period; included funding for critical infrastructure investments in accelerated replacement of mains and services, digitized records system, and economic development projects.

Sponsor	Date	Docket No.	Subject
Providence Gas Company	04/97	Docket No. 2552	Sponsored testimony supporting the rate design, customer bill impact studies and retail access tariffs for commercial and industrial customers, including redesign of cost of gas adjustment clause, for a rate design proceeding.
Providence Gas Company	02/96	Docket No. 2374	Sponsored testimony supporting the rate design, customer bill impact studies and retail access tariffs for largest commercial and industrial customers for a rate design proceeding.
Providence Gas Company	01/96	Docket No. 2076	Sponsored testimony supporting the rate reclassification of customers into new rate classes, rate design (including introduction of demand charges), and customer bill impact studies for a rate design proceeding.
Providence Gas Company	11/92	Docket No. 2025	Sponsored testimony supporting the Integrated Resource Plan filing, including a performance-based incentive mechanism.
Railroad Commission of Texas			
Texas Gas Service Company – Central Texas and Gulf Coast Service Areas	12/19	GUD No. 10928	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
CenterPoint Energy – Beaumont/ East Texas Division	11/19	GUD No. 10920	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Texas Gas Service Company – Borger/ Skellytown Service Area	08/18	GUD No. 10766	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Texas Gas Service Company – North Texas Service Area	06/18	GUD No. 10739	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
CenterPoint Energy – South Texas Division	11/17	GUD No. 10669	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Texas Gas Service Company – Rio Grande Valley Service Area	06/17	GUD No. 10656	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Atmos Pipeline – Texas	01/17	GUD No. 10580	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
CenterPoint Energy – Texas Gulf Division	11/16	GUD No. 10567	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Public Utility Commission of Texas			
CenterPoint Energy Houston Electric, LLC	04/19	Docket No. 49421	Sponsored testimony supporting the Lead/Lag study for a general rate case proceeding.
Vermont Public Utilities Commission			
Vermont Gas Systems	12/12	Docket No. 7970	Sponsored testimony describing the market served by \$90 million natural gas expansion project to Addison County, VT. Also described the terms and economic benefits of a special contract with International Paper.

Sponsor	Date	Docket No.	Subject
Vermont Gas Systems	02/11	Docket No. 7712	Sponsored testimony supporting the market evaluation and analysis for a system expansion and reliability regulatory fund.
<i>Virginia State Corporation Commission</i>			
American Electric Power - Appalachian Power Company	3/20	Case No. PUR-2020-00015	Sponsored testimony supporting the Lead/Lag study for the 2020 triennial review of base rates, terms, and conditions.

EXHIBIT 2

Sewer Service

Cost of Service Summary

Bluegrass Water Utility Operating Company, LLC	
Class Cost of Service Summary	Total
Base Revenues	\$ 2,421,133
Other Revenues	\$ 14,462
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Gross Income Conversion Factor	134.59%
Revenue Deficiency	\$ 1,291,491
Total Revenue Requirement	\$ 3,727,085
Revenue Increase	\$ 1,291,491
Revenue Increase %	53.03%

EXHIBIT 3

Sewer Service

Proposed Revenues and Rates

Bluegrass Water Utility Operating Company, LLC Rate Design	Revenue Requirement [1]	Current Revenues	Revenue Increase	Revenue Increase	Adjusted Bills	Proposed Fixed Charge	Water Usage	Proposed Variable Charge
Sewer								
Unmetered Service	\$ 2,869,115	\$ 1,973,501	\$ 895,615	45.4%	28,872	\$ 99.37		
Metered Service	\$ 843,508	\$ 447,632	\$ 395,876	88.4%	408	\$ 248.43	49,776,577	\$ 14.91
Total	\$ 3,712,623	\$ 2,421,133	\$ 1,291,491	53.3%				
[1] Revenue Requirements excludes other revenues								

EXHIBIT 4

Sewer Service Bill Impact Analysis

Development of Rates	Bills	% Bills	Proposed		Current		Usage	Proposed		Current		Difference	Difference (%)
			Fixed Charges	Fixed Charges	Usage Charge	Usage Charge		Total Charge	Total Charge				
Airview Residential	2,373	8.0%	\$ 99.37	\$ 85.97	-	-	-	\$ 235,833	\$ 204,024	\$ 31,809	15.6%		
Arcadia Pines	310	1.0%	\$ 99.37	\$ 85.97	-	-	-	\$ 30,805	\$ 26,650	\$ 4,155	15.6%		
Brocklyn Multifamily (2)	1,119	3.8%	\$ 74.53	\$ 64.48	-	-	-	\$ 83,399	\$ 72,153	\$ 11,246	15.6%		
Brocklyn Residential	884	3.0%	\$ 99.37	\$ 85.97	-	-	-	\$ 87,844	\$ 75,996	\$ 11,848	15.6%		
Carriage Park	454	1.5%	\$ 99.37	\$ 85.97	-	-	-	\$ 45,132	\$ 39,045	\$ 6,087	15.6%		
Darlington Creek	1,400	4.7%	\$ 99.37	\$ 45.00	-	-	-	\$ 139,146	\$ 63,011	\$ 76,135	120.8%		
Delaplain Commercial (1)	408	1.4%	\$ 248.43	\$ -	49,777	\$ 14.91	\$ 8.89	\$ 843,508	\$ 442,514	\$ 400,994	90.6%		
Delaplain	3,654	12.4%	\$ 99.37	\$ 12.50	-	-	-	\$ 363,133	\$ 45,678	\$ 317,455	695.0%		
Fox Run Residential	420	1.4%	\$ 99.37	\$ 85.97	-	-	-	\$ 41,737	\$ 36,107	\$ 5,629	15.6%		
Golden Acres Residential	348	1.2%	\$ 99.37	\$ 85.97	-	-	-	\$ 34,582	\$ 29,918	\$ 4,664	15.6%		
Great Oaks Residential	1,927	6.5%	\$ 99.37	\$ 85.97	-	-	-	\$ 191,524	\$ 165,691	\$ 25,832	15.6%		
Herrington Haven	288	1.0%	\$ 99.37	\$ 49.66	-	-	-	\$ 28,619	\$ 14,302	\$ 14,317	100.1%		
Kingswood Residential	1,570	5.3%	\$ 99.37	\$ 85.97	-	-	-	\$ 156,059	\$ 135,010	\$ 21,049	15.6%		
Lake Columbia Flat	396	1.3%	\$ 99.37	\$ 85.97	-	-	-	\$ 39,352	\$ 34,044	\$ 5,308	15.6%		
Longview Residential	3,960	13.4%	\$ 99.37	\$ 85.97	-	-	-	\$ 393,535	\$ 340,456	\$ 53,079	15.6%		
Marshall Ridge	479	1.6%	\$ 99.37	\$ 85.97	-	-	-	\$ 47,553	\$ 41,139	\$ 6,414	15.6%		
Persimmon Non-Residential (1)	12	0.0%	\$ 248.43	\$ 214.93	-	-	-	\$ 2,981	\$ 2,579	\$ 402	15.6%		
Persimmon Residential	4,292	14.5%	\$ 99.37	\$ 85.97	-	-	-	\$ 426,515	\$ 368,988	\$ 57,527	15.6%		
Randview	661	2.2%	\$ 99.37	\$ 85.97	-	-	-	\$ 65,672	\$ 56,814	\$ 8,858	15.6%		
River Bluffs	2,164	7.3%	\$ 99.37	\$ 85.97	-	-	-	\$ 215,063	\$ 186,056	\$ 29,007	15.6%		
Springcrest	504	1.7%	\$ 99.37	\$ 27.43	-	-	-	\$ 50,084	\$ 13,825	\$ 36,259	262.3%		
Timberland	826	2.8%	\$ 99.37	\$ 85.97	-	-	-	\$ 82,115	\$ 71,039	\$ 11,075	15.6%		
Woodland Acres	1,091	3.7%	\$ 99.37	\$ 19.47	-	-	-	\$ 108,433	\$ 21,245	\$ 87,188	410.4%		
Total	29,542	100.0%						\$ 3,712,623	\$ 2,486,283	\$ 1,226,340	49.3%		
(1) Commercial Fixed Charge reflects 2.50 times the Residential Fixed Charge			2.50										
(2) Multifamily Fixed Charge reflects 0.75 times the Residential Fixed Charge			0.75										