

EXHIBIT 1

**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)**

STATUTORY AND REGULATORY INDEX

APPLICATION FOR ADJUSTMENT OF RATES

BY

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC

Requirement	Citation	Place in Application
Utilities with less than \$5 million in annual gross revenue must either (a) cover operations for a 12-month period, no more than 90 days before the Application filing date; or (b) state that either (1) material changes have not occurred since end of 12-month period; or (2) identify all material changes since end of 12-month period.	807 KAR 5:001 § 12(1)(b)	App. ¶¶ 16, 70 Exhibit 4
Financial Exhibit must contain: a) amount and kind of stock authorized; b) amount and kind of stock issued and outstanding; c) terms of preference for preferred stock, dividends, assets, or otherwise; d) describe each mortgage on applicant’s property; e) amount of bonds authorized and amount issued; f) each outstanding note; g) other indebtedness; h) rate and amount of dividends paid; and i) a detailed income statement and balance sheet.	807 KAR 5:001 § 12(2)	App. ¶¶ 16, 70 Exhibit 4

Applicant's name, address, and email address	807 KAR 5:001 § 14(1)	App. ¶ 9
Facts on which Bluegrass Water bases Application, with a request for the authorization desired and referring to the particular law providing for the information.	807 KAR 5:001 § 14(1)	<i>In Passim</i>
Corporate information	807 KAR 5:001 § 14(2)	N/A. Bluegrass Water is a limited liability company.
Limited liability company information	807 KAR 5:001 § 14(3)	App. ¶ 10
Limited partnership information	807 KAR 5:001 § 14(4)	N/A. Bluegrass Water is a limited liability company.

Applications for General Adjustments of Existing Rates, 807 KAR 5:001 § 16		
807 KAR 5:001 § 16(1), General		
Either a (1) 12-month historical test period that may include adjustments for known and measurable changes; or (2) a fully forecasted test period.	807 KAR 5:001 § 16(1)(a)	App. ¶ 35
Statement of the reason the adjustment is required	807 KAR 5:001 § 16(1)(b)(1)	<i>In Passim</i>
Certified copy of assumed name certificate, if required by KRS § 365.015	807 KAR 5:001 § 16(1)(b)(2); KRS § 365.015	N/A, Application ¶ 37. Bluegrass Water does not operate in Kentucky under an assumed name.
New or revised tariff sheets, if applicable, with an effective date no later than 30 days from application filing date	807 KAR 5:001 § 16(1)(b)(3)	App. ¶ 38; Exhibit 7
New or revised tariff sheets, if applicable, providing either (a) present and proposed tariffs in comparative form or side by side; or (b) the present tariff indicating proposed changes	807 KAR 5:001 § 16(1)(b)(4)	App. ¶ 39; Exhibit 8

A statement that notice has been given complying with 807 KAR 5:001 § 17	807 KAR 5:001 § 16(1)(b)(5)	App. ¶ 40; Exhibit 9.
807 KAR 5:001 § 16(2) & (3), Notice of Intent		
A utility with over \$5 million in revenues must notify the Commission of its intent to file for a rate change at least 30 but no more than 60 days before filing the Application.	807 KAR 5:001 § 16(2)	Bluegrass Water filed its Notice of Intent on December 28, 2022, which is more than 30 but less than 60 days ago. App. ¶ 41.
The notice of intent must indicate if the utility will rely on a historical test period or a fully forecasted test period.	807 KAR 5:001 § 16(2)(a)	The Notice of Intent indicated that Bluegrass Water would rely on a historical test period. App. ¶ 42.
A utility may apply for permission to use an abbreviated newspaper notice of a proposed rate increase.	807 KAR 5:001 § 16(2)(b)	N/A. Bluegrass Water did not seek permission to use an abbreviated newspaper notice. App. ¶ 42.
The applicant must mail or email the AG's Office of Rate Intervention its notice of intent.	807 KAR 5:001 § 16(2)(c)	Counsel for Bluegrass Water served the Attorney General with its Notice of Intent. App. ¶ 43.
The notice must comply with 807 KAR 5:051 § 2.	807 KAR 5:001 § 16(3)	N/A. The Commission has not promulgated 807 KAR 5:051.
807 KAR 5:001 § 16(4) Historical test period requirements		
Describe and explain all proposed adjustments while supporting proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment.	807 KAR 5:001 § 16(4)(a)	App. ¶ 45; Exhibit 10 (Testimony of Brent Thies)
Utilities with annual revenues over \$5 million must provide written testimony of each witness supporting the Application.	807 KAR 5:001 § 16(4)(b)	N/A. App. ¶ 45 n.12.
Utilities with annual revenues less than \$5 million may provide written testimony or a statement that it does not intend to submit testimony.	807 KAR 5:001 § 16(4)(c)	App. ¶ 45; Exhibit 2 (Testimony of Josiah Cox); Exhibit 5 (Testimony of Jacob Freeman); Exhibit 6 (Testimony of Dylan D'Ascendis); Exhibit 10 (Testimony of Brent Thies); Exhibit 11 (Testimony of Timothy Lyons); Exhibit 12 (Testimony of Quentin Watkins); Exhibit 14 (Testimony of John

		Spanos); Exhibit 23 (Testimony of Todd Thomas)
A statement estimating the effect that each new rate will have on revenues, including the amount of revenues from the increase and the percentage of the increase.	807 KAR 5:001 § 16(4)(d)	App. ¶ 46; Exhibit 11 (Testimony and Schedules of Timothy Lyons) & Schedule TSL-3
The proposed rate increase's effect on the average bill for each customer classification.	807 KAR 5:001 § 16(4)(e)	App. ¶ 47; Exhibit 11 (Testimony and Schedules of Timothy Lyons) & Schedule TSL-3
Local exchange companies must state the proposed change's effect on the average bill for basic local service.	807 KAR 5:001 § 16(4)(f)	N/A. Bluegrass Water is not a local exchange company.
A detailed analysis of customers' bills for ready determination of revenues from the current and proposed rates for each customer class.	807 KAR 5:001 § 16(4)(g)	App. ¶ 48; Exhibit 11 (Testimony and Schedules of Timothy Lyons) & Schedule TSL-4
Summarize how the utility determined its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.	807 KAR 5:001 § 16(4)(h)	App. ¶ 49; Exhibit 10 (Testimony and Schedules of Brent Thies); Exhibit 6 (Testimony and Schedules of Dylan D'Ascendis); Exhibit 12 (Testimony and Schedules of Quentin Watkins)
Reconcile the rate base and capital used to determine its revenue requirements.	807 KAR 5:001 § 16(4)(i)	App. ¶ 50; Exhibit 10 (Testimony of and Schedules Brent Thies)
A current chart of accounts if more detailed than Uniform System of Accounts.	807 KAR 5:001 § 16(4)(j)	App. ¶ 51; Exhibit 27
An independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, indicating whether a material weakness in utility's internal controls exists.	807 KAR 5:001 § 16(4)(k)	App. ¶ 52; Exhibit 13
The most recent FERC or FCC audit reports.	807 KAR 5:001 § 16(4)(l)	N/A, App. ¶ 53. Bluegrass Water is not subject to FERC or FCC regulation.

The most recent FERC Financial Report FERC Form No. 1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone).	807 KAR 5:001 § 16(4)(m)	N/A, App. ¶ 53. Bluegrass Water is not subject to FERC or FCC regulation.
Summarize the utility's latest depreciation study with schedules by major accounts.	807 KAR 5:001 § 16(4)(n)	App. ¶ 54; Exhibit 14 (Testimony and Schedules of John Spanos)
List all commercially available or in-house developed computer software, programs, and models used in developing the schedules and work papers for the Application. The list shall include 1) each software, program, or model; 2) what it was used for; 3) the supplier; 4) a brief description; and 5) the specifications for the hardware and operating system to run the program.	807 KAR 5:001 § 16(4)(o)	App. ¶ 55; Exhibit 15
Prospectuses for most recent stock or bond offerings.	807 KAR 5:001 § 16(4)(p)	N/A, App. ¶ 56
Annual report to members and statistical supplements covering the 2 years from Application filing date.	807 KAR 5:001 § 16(4)(q)	App. ¶ 57; Motion for Deviation
Monthly managerial reports providing financial results of operations for the 12-month test period.	807 KAR 5:001 § 16(4)(r)	App. ¶ 58; Exhibit 16
Utility's annual 10-K Report for last 2 years, any form 8-K for last 2 years, and any Form 10-Q for past 6 quarters.	807 KAR 5:001 § 16(4)(s)	N/A, App. ¶ 59
Requirements if utility had amounts charged or allocated to it by an affiliate.	807 KAR 5:001 § 16(4)(t)	App. ¶ 60; Exhibit 10 (Testimony and Schedules of Brent Thies)
A utility with revenues over \$5 million must include a cost of service study.	807 KAR 5:001 § 16(4)(u)	N/A, App. ¶ 61. Bluegrass Water's annual gross revenues are less than \$5,000,000; Exhibit 11 (Direct Testimony of Timothy S. Lyons and corresponding exhibits); Motion for Deviation.
Requirements for local exchange carriers.	807 KAR 5:001 § 16(4)(v)	N/A. Bluegrass Water is not a local exchange carrier.

807 KAR 5:001 § 16(5) pro forma adjustments		
Income statement and balance sheet reflecting impact of proposed change.	807 KAR 5:001 § 16(5)(a)	App. ¶ 63; Exhibit 25, Exhibit 26
The most recent capital construction budget for at least the period of time for the pro forma adjustment.	807 KAR 5:001 § 16(5)(b)	App. ¶ 64; Exhibit 17
Pro forma adjustments must include 1) construction start date; 2) proposed in-service date; 3) total estimated cost of construction at completion; 4) the amount of construction at end of test period; 5) schedule of plant retirements; 6) original cost and cost of removal for retiring plants; 7) differences between capital construction budget and costs in adjustment period; and 8) how pro forma adjustments impact depreciation expense.	807 KAR 5:001 § 16(5)(c)	App. ¶ 64; Exhibit 18
Operating budget for each month of pro forma adjustments.	807 KAR 5:001 § 16(5)(d)	App. ¶ 65; Exhibit 19
Number of customers added to test period end level and impact on related revenue requirements and workpapers	807 KAR 5:001 § 16(5)(e)	App. ¶ 66; Exhibit 10 (Testimony and Schedules of Brent Thies); Exhibit 20
Applicants relying on a fully forecasted test period must meet certain requirements.	807 KAR 5:001 §§ 16(6), (7), (8)	N/A. Bluegrass Water is relying on a historical test period instead of a fully forecasted test period. <i>See</i> 807 KAR 5:001 § 16(1)(a).
Requests to waive Section 16 requirements must include specific reasons for the request.	807 KAR 5:001 § 16(10)	Motion for Deviation
807 KAR 5:001 § 17 Customer Notice of General Rate Adjustment		
The utility must publicly post notice at its place of business and on website and may not remove the notices until Application is resolved.	807 KAR 5:001 § 17(1)	App. ¶ 67

Utilities with 20+ customers must 1) include a notice with the customer's bill; 2) mail a written notice to each customer; 3) publish notice in a prominent newspaper; or 4) publish notice in newsletter delivered to all customers. Utility must provide notice no later than when it files its Application.	807 KAR 5:001 § 17(2)(b)	App. ¶ 68; Exhibit 9
A utility serving multiple counties may use multiple forms of notice.	807 KAR 5:001 § 17(2)(c)	App. ¶ 69; Exhibit 9
Within 45 days of filing Application, utility must file proof of notice with Commission, including an affidavit detailing the notice provided.	807 KAR 5:001 § 17(3)	App. ¶ 69; Exhibit 9
The notice must contain: a) proposed effective date and filing date; b) current and proposed rates; c) dollar amount change and percentage change; d) average usage and average effect on each bill; e) office location where someone may examine the Application; f) Commission location where someone may examine the Application; g) how to submit public comments; h) statement that rates are proposed but subject to Commission's approval; i) statement about intervention; and j) Commission may act if no one intervenes within 30 days of when notice was mailed.	807 KAR 5:001 § 17(4)	App. ¶ 68; Exhibit 9
A utility may ask the Commission for permission to use an abbreviated notice.	807 KAR 5:001 § 17(5)	Not requested
Requirements for Wastewater Utilities, 807 KAR 5:071 § 3		
Utility must comply with Section 12 on Financial Exhibit.	807 KAR 5:071 § 3(2)	App. ¶¶ 16, 17, 70; Exhibit 4
Third-party beneficiary agreement guaranteeing the continued operation of sewage treatment facilities or other	807 KAR 5:071 § 3(2)(a)	App. ¶ 71; Exhibit 21

evidence insuring continuity of sewage service.		
Comparative income statement showing test period	807 KAR 5:071 § 3(2)(b)	App. ¶ 72; Exhibit 25
Detailed analysis of expenses in comparative income statement.	807 KAR 5:071 § 3(2)(c)	App. ¶ 72; Exhibit 25
Detailed depreciation schedule	807 KAR 5:071 § 3(2)(d)	App. ¶ 73; Exhibit 14 (Testimony and Schedules of John Spanos); Motion for Deviation
Service contracts	807 KAR 5:071 § 3(2)(e)	App. ¶ 74; Exhibit 22
Describe applicant's property and facilities.	807 KAR 5:071 § 3(2)(f)	App. ¶ 75; Exhibit 10 (Testimony and Schedules of Brent Thies) & Schedule BT-13
Detailed customer list showing number of customers in each class and average water consumption per class.	807 KAR 5:071 § 3(2)(g)	App. ¶ 76; Exhibit 11 (Testimony and Schedules of Timothy Lyons) & Schedule TSL-4
Remittance advices from Louisville Water Company if Louisville Water Company provides billing and collection services.	807 KAR 5:071 § 3(2)(h)	N/A. Louisville Water Company does not provide billing or collection services for Bluegrass Water; App. FN 17
Latest federal and state tax returns	807 KAR 5:071 § 3(2)(i)	App. ¶ 77; Exhibit 24
Explain corporate or business relationships for the Commission's understanding.	807 KAR 5:071 § 3(2)(j)	App. ¶ 12; Exhibit 2 (Testimony and Schedule of Josiah Cox) & Schedule JC-1; Exhibit 3