

**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
SECOND SUPPLEMENTAL RESPONSES TO COMMISSION STAFF’S
THIRD REQUEST FOR INFORMATION**

Bluegrass Water Utility Operating Company, LLC, (“Bluegrass Water” or the “Company”) by counsel, files its second supplemental responses to the Commission Staff’s Third Request for Information, issued in the above-captioned case on May 31, 2023.

FILED: September 13, 2023

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REQUEST NO. 3-7: Refer to the Direct Testimony of Brent Thies (Thies Direct Testimony), at pages 25–26. Provide the revenue requirement calculations necessary to remove capital additions related to the projects in which a CPCN has not yet been granted.

ORIGINAL RESPONSE: Please see Exhibit PSC 3-7. Bluegrass Water acknowledges that inclusion of these amounts in the proposed revenue requirement prior to issuance of a CPCN was an oversight. As reflected in the Application and Direct Testimony, Bluegrass Water intends to request recovery of those amounts in this proceeding only upon approval of the CPCN by the Commission.

SUPPLEMENTAL RESPONSE: Please see Supplemental Exhibit PSC 3-7, which provides an updated, proposed revenue requirement to account for the Commission's Orders in the CPCN cases that were pending at the time the Application was filed. The updated revenue requirement includes the cost savings from the site visit waiver at Bluegrass Water's discharging systems granted in Case No. 2022-00216; the associated costs for installation of High Tide equipment at its discharging systems as set forth in Bluegrass Water's filings in Case No. 2022-00216; the removal of depreciation expense and rate base from the sale of the Randview system approved in Case No. 2022-000218. Consistent with the Rebuttal Testimony of Brent Thies, the updated, proposed revenue requirement in Supplemental Exhibit PSC 3-7 includes the insurance expense adjustment (a decrease) set forth in that Rebuttal Testimony and likewise does not include any requested pro forma

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adjustments as a result of the CPCN granted for improvements at the Delaplain facility in

Case No. 2022-00104.

Witness: Brent Thies