

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

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

SUPPLEMENTAL DATA REQUESTS OF THE ATTORNEY GENERAL

The Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention (“Attorney General”) submits these Data Requests to Bluegrass Water Operating Company, LLC (hereinafter “Bluegrass Water,” “Bluegrass,” or the “Company”) to be answered by June 16, 2023, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person’s knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) 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.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words “document” or “documents” are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other

demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) 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 and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and

method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

(16) “Update” indicates that the request should be periodically updated through the course of this matter.

Respectfully submitted,

DANIEL J. CAMERON
ATTORNEY GENERAL



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Certificate of Service and Filing

Pursuant to the Commission's Orders in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that, on June 1, 2023, a copy of the forgoing was served by electronic mail via the Commission's electronic filing system.

this 1st day of June, 2023.

A handwritten signature in blue ink, appearing to read "J. Michael New". The signature is fluid and cursive, with a long horizontal stroke at the end.

Assistant Attorney General

**ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY,
LLC FOR AN ADJUSTMENT OF SEWAGE RATES**

Supplemental Data Requests

1. Regarding all open dockets as of March 31, 2023, at state utility regulatory commissions involving wastewater or water utilities owned by CSWR, provide the following information for each:
 - a. Identify the applicable state regulatory agency,
 - b. The Docket or Case Number,
 - c. A brief description of the nature of the docket.
 - d. Identify the employees of CSWR who've provided testimony in the docket.
2. Refer to the response to PSC 2-21. Provide data in the format provided in response to PSC 2-21 for the period 7/1/22 through 4/30/23.
3. Provide all due diligence performed prior to entering into an operating agreement with Midwest Water Operations LLC. This response should include any bid information from other vendors as well as internal memos outlining the various options to acquire such services from other vendors with conclusions on why Midwest Water was the preferable option.
4. Regarding the proposal to implement a 10% late fee as set forth on page 36 of Mr. Thies' testimony, provide cost support justifying this proposal.
5. Provide a specific description of the types of revenue recorded in accounts 532, Revenue-Sewer Other and 536 Revenue-Sewer Other.
6. Refer to page 36 of Mr. Thies' testimony and provide the following:
 - a. Provide the monthly revenue from each of these systems for the period July, 2021 through June 2022.
 - b. Specify how the due date is determined. For example, is it 30 days from customer receipt of the bill, 30 days from the date Bluegrass issues the bill, or some other definition?
 - c. Provide the active past due 30 days monthly activity for the Herrington Haven, Woodland Estates and Springcrest service areas for the period July 1, 2021 through June 30, 2022.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

7. Refer to the attachment supplied in response to OAG 1-66. The pro-forma late fee revenue is based upon the amount of active 30 days past due balances. However, according to the proposed tariff as well as the testimony of Mr. Thies, the late fee would be assessed to any balance that is past due, rather than 30 days past due. Please amend the attachment 1-66 to calculate pro-forma late penalty fees to all balances past due to which the late payment fee would apply. For purposes of this response, exclude those past due balances which are associated with systems already subject to the 10% late payment fee.
8. Refer to the attachment supplied in response to OAG 1-66. The response suggests that there were 9 returned checks. Please confirm the accuracy of this response in light of an annualized number of bills of approximately 41,652 (3,471 monthly customers multiplied by 12). If this returned check count is accurate, describe why the Company believes it is cost effective to implement such a charge given the rarity of returned checks.
9. Does CSWR incur hourly charges for mowing? If so, provide the justification for incurring such costs in light of the contractual terms contained in the operating contract [REDACTED]
[REDACTED]
10. Refer to the Attachment to OAG discovery request 1-105. Please provide the May 2022 invoices from Bluegrass' vendor Nitor and Muni Link, respectively.
11. See response to OAG 1-107. Identify the Starnik costs reflected on the books of Bluegrass, split between those direct charged, jointly allocated and those allocated using the three-part allocator, by month for the period January, 2020 through December 31, 2022.
12. Regarding the legal expenditures reflected in tab BT-12 of Exhibit PSC 2-17, provide the following:
 - a. The monthly costs incurred to date by Dinsmore & Shohl LLP for services performed associated with this rate filing.
 - b. A copy of the firm's invoice for April, 2022.
 - c. Support for the total expenses reflected for D&S reflected in Exhibit BT-12.
13. Regarding the Depreciation Study costs identified in tab BT-12 found within Exhibit PSC 2-17, provide the costs of Gannet Fleming through April 30, 2023.
14. Regarding the response to OAG 1-117, provide the following:

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

- a. Identify the monthly accrual made each month for the period January 1, 2021 through April 30, 2023.
 - b. Quantify the amounts of annual 'write-offs' referenced in this response for the years 2020 - 2022, further identified by system.
 - c. For each account written off during the 2020 - 2022 period, indicate whether such customer or address later returned to the system as a customer and/or connection.
15. Refer to the response to OAG 1-120. The insurance costs assigned to Bluegrass decreased significantly in January 2023. With respect to this reduced level of expense provide the following:
 - a. Provide a copy of all insurance invoices or cost support for December 2022 and January 2023's accounting entries, including the basis by which costs were assigned to Bluegrass.
 - b. Provide a comprehensive explanation of why insurance costs decreased in January, 2023.
16. Refer to the attachment provided in response to OAG 1-130 and respond to the following:
 - a. Provide a comprehensive explanation of the source used to develop the values reflected as Operating Expense adjustments.
 - b. Provide a copy of the excel file supporting the response to PSC 1-32.
17. Refer to Exhibit PSC 2-17. Provide a breakdown of the components of 2023 Long-Term Liabilities as shown of [REDACTED]. This response should clearly identify each account and account title that makes up this balance.
18. Refer to the Trial Balance provided as attachment to PSC request 1-3 as of June 30, 2022, and respond to the following concerning Contributions in Aid of Construction, account 272-000-04-012:
 - a. Activity in this account for the twelve months ended June 30, 2022, reflects net debit activity of \$36,516. Please reconcile this amount with the CIAC Amortization amount of \$24,960 reflected in the attachment to PSC Request 2-17, specifically on tab "Exhibit 26", row 51.
 - b. Identify any adjustments made by Bluegrass to the balance of Accumulated Contributions in Aid of Construction – Amortization at the time of, or subsequent

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

to any acquisition of a Kentucky wastewater system during the period January 2020 through April 30, 2023. If such an adjustment was made, provide the amount of the adjustment to the contra-liability account as well as the supporting calculation and the rationale for the adjusting entry. This response would include any such adjustments made to record the acquisition of a new system on the books of Bluegrass.

- c. Provide the underlying calculations for the CIAC Amortization reflected in this case of \$24,960, including the basis for the amortization period utilized.
19. Refer to the Trial Balance provided as attachment to PSC request 1-3 as of June 30, 2022, and respond to the following concerning accounts 183.001 and 183.002, PSI – Engineering and PSI – Legal, respectively.
- a. PSI-Engineering had total credits recorded in the test period of \$121,003. Identify the account(s) that were debited for these amounts. If such debits were recorded as an expense as a component of the revenue requirement sought in this case, provide the underlying support for the costs charged to expense and provide the rationale for why they should be recovered from ratepayers.
 - b. PSI-Legal had total credits recorded in the test period of \$339,976. Identify the account(s) that were debited for these amounts. If such debits were recorded as an expense as a component of the revenue requirement sought in this case, provide the underlying support for the costs charged to expense and provide the rationale for why they should be recovered from ratepayers.
20. Refer to the annualization adjustment identified in the workpapers provided in OAG 1-113 as well as data provided in the attachment to PSC 2-21. The average monthly costs incurred from Midwest Water in the last quarter of the test period, the period used to annualize the Darlington Creek acquisition, was less than the overall test period monthly average cost.
- a. In light of the data contained in the attachment to PSC 2-21, what is the justification for the annualization adjustment applicable to Darlington Creek?
 - b. Provide support for the \$8,849.63 value found in the formula within cell Q9.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

- c. For each of the Darlington Creek annualization adjustments provide evidence that the costs incurred are truly incremental to Bluegrass and not simply an allocation of existing costs to the Darlington system.
 - d. The source for the \$8,583 adjustment identified as “Depreciation Study Adjustment” is not sourced to any other supporting schedule. Provide all documentation supporting this increase to depreciation expense.
21. Refer to the annualization adjustment identified in the workpapers provided in OAG 1-113 and provide the following;
- a. Identify the amount of internal labor charged accounts 701, 703, 705 and 711 as found within the Darlington Creek Details tab within the attachment to OAG 1-113. Provide the name of the employee(s) whose time is charged to these accounts.
 - b. For each employee identified above provide the level of base compensation charged to Bluegrass by month for the period July 2021 through June 2022.
22. Please reconcile the pro-forma depreciation expense value found in Schedule BT-2, found within the Exhibit PSC 2-17 file of \$198,215 with the total annual depreciation expense identified in Mr. Spanos’ testimony of \$193,680.
23. Please specify how the Company defines Business Development activities for purposes of determining the appropriate level of costs to exclude from the revenue requirement.
24. For the period January through March 2023, provide the percentage of customer payments made online.
25. With respect to the response to OAG 1-53 (Confidential), respond to the following:
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

[REDACTED]

26. With respect to the response to OAG 1-53, [REDACTED]

27. Refer to the Attachment OAG 1-43, part 6 of 8. The Direct Labor charges attributed to Bluegrass for this quarter totaled \$1,125,000. Please provide a breakdown of the employee's name and title comprising the total labor charges of \$1,125,000.

28. Please refer to the testimony of Mr. Thies on page 16, lines 1 – 5, as well as to the attachment to the response to OAG 1-43.

a. In testimony, Mr. Thies indicates that one of the three factors used to allocate general and administrative costs is Operating Expenses. In the attachment to OAG 1-43, the corresponding factor is clearly labeled "Direct Labor". Please define the third factor other than Utility Plant in Service and Customer Connections is used within the three-factor overhead calculation; is it Direct Labor or Operating Expenses?

b. If this represents Operating Expenses, provide a summary of such costs which supports the \$1,125,000 amount used in developing the 2022 2nd quarter Overhead Allocation Percentages.

29. Provide the job descriptions for the following employees:

Title	Date of Hire
President	3/19/2014
Director Business Development	8/20/2018
Director Business Development	4/1/2019
In House General Counsel	6/10/2019

30. Refer to the attachment to response OAG 1-124 and respond to the following questions:

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

- 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.
31. For any management consulting service costs that have not been adjusted out of the corporate costs allocated to Bluegrass, identify the outside contractor and provide a full description of services to be performed and a copy of the consulting contract.
32. For any legal related costs incorporated in the response to OAG 1.124, that have not been adjusted out of the corporate costs allocated to Bluegrass, identify the outside legal firms and provide a full description of services to be performed and a copy of the contract and/or engagement letter.
33. Refer to the response to OAG 1-128 and provide copies of invoices supporting the following acquisition costs:

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

Asset No.	Vendor	Invoice No.	Amount
AP.352.100.01	McBrayer McGinnis Leslie & Kirkland PLL	415185 JHF	2,350.98
AP.352.100.01	The Beckemeier Law Firm LC	67-035	5,000.00
AP.352.200.02	The Beckemeier Law Firm LC	67-030	4,255.00
BR.352.100.02	21 Design Group Inc.	3666	10,401.25
FR.311.000.03	Midwest Water Operations LLC	809	10,283.59
HH.352.200.03	21 Design Group Inc.	5564	11,497.50
PR.352.100.03	The Beckemeier Law Firm LC	61-012	12,586.50

34. See response to AG DR 1-31. Confirm that this response indicates the Company does not consider affordability in setting rates.
35. See response to AG R 1-121. Please supplement all answers to all sections of the request to include a definition of legislative advocacy which defines legislative advocacy to include activities performed, by an employee or a contractor on behalf of CSWR or Bluegrass Water, to affect the passage of legislation and/or rules before the legislative body of any state, any administrative agency of any state, as well as Congress and federal executive agencies.
36. Reference Discovery Response to OAG 1-33 response regarding Airview Wastewater Treatment Facility (Exhibit_OAG_1-33_(Part_1_of_4)_-_KY_Permits.pdf). Please provide the following:
 - a. Explain why the average flow is greater than the design flow (0.057 MGD vs 0.055 MGD).
 - b. Provide the expected average flow and design flow after completion of the upgrades approved in Case No. 2020-290.
 - c. Provide all an update on the progress, scope, costs and any design and construction change orders related to the improvements approved in Case No. 2020-290.
37. Reference Discovery Response to OAG 1-33 regarding Brocklyn Wastewater Treatment Facility (Exhibit_OAG_1-33_(Part_1_of_4)_-_KY_Permits.pdf). Please provide the following:
 - a. Provide the expected average flow and design flow after completion of the upgrades approved in Case No. 2020-290.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

- b. Provide all an update on the progress, scope, costs and any design and construction change orders related to the improvements approved in Case No. 2020-290.
 - c. Compare costs of upgrades with the estimates provided in the engineering memorandum provided in response to OAG 1-77 (Exhibit OAG 1-77(b) - CONFIDENTIAL Engineering Memo - Brocklyn.pdf) and explain the change in costs, scope and construction.
38. Reference Discovery Response to OAG 1-78(b) (Exhibit OAG 1-78(b) - CONFIDENTIAL Engineering Memo - Darlington Creek.pdf) regarding Darlington Creek Wastewater Treatment Facility. Please provide the following:
- a. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the actual work and expenditures completed to date and explain differences.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
39. Reference Discovery Response to OAG 1-80 (b) (Exhibit OAG 1-80(b) - CONFIDENTIAL Engineering Memo - Delaplain Disposal.pdf) regarding Delaplain Wastewater Treatment Facility. Please provide the following:
- a. Compare the cost, scope and design of the improvements addressed in Case No. 2022-104 with the referenced engineering memo and explain differences.
 - b. Provide the expected average flow and design flow after completion of the upgrades approved in Case No. 2022-00104.
40. Reference Discovery Response to OAG 1-85 (a) (Exhibit OAG 1-85(a) - CONFIDENTIAL Engineering Memo - Fox Run.pdf) regarding Fox Run Wastewater Treatment Facility. Please provide the following:
- a. Compare the cost, scope and design of the improvements to date with the referenced engineering memo and explain differences.
 - b. Provide the expected average flow and design flow after these improvements are completed.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

- c. Discuss any plans in the next five years to pursue improvements or upgrades that would require the Commission to issue a CPCN.
41. Reference Discovery Response to OAG 1-79 (b) (Exhibit OAG 1-79(b) - CONFIDENTIAL Engineering Memo - Herrington Haven.pdf) regarding Herrington Haven Wastewater Treatment Facility. Please provide the following:
 - a. Compare the cost, scope and design of the improvements addressed in Case No. 2022-102 with the referenced engineering memo and explain differences.
 - b. Provide the expected average flow and design flow after completion of the upgrades approved in Case No. 2022-00102.
42. Reference OAG 1-34 part 7 regarding LH Treatment Wastewater System. Please provide the following:
 - a. Average flow and design flow ratings of the facility.
 - b. 911 address for the facility.
43. Reference Discovery Response to OAG 1-72 (b) (Exhibit OAG 1-72(b) - CONFIDENTIAL Engineering Memo - LH Treatment.pdf) regarding LH Treatment Wastewater Treatment Facility. Please provide the following:
 - a. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the actual work and expenditures completed to date and explain differences.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
44. Reference OAG 1-34 part 9 regarding Arcadia Pines Wastewater Treatment. Please provide the following:
 - a. Average flow and design flow ratings of the facility.
 - b. 911 address for the facility.
45. Reference Discovery Response to OAG 1-74 (b) (Exhibit OAG 1-74(b) - CONFIDENTIAL Engineering Memo - Arcadia Pines) regarding Arcadia Pines Wastewater Treatment Facility. Please provide the following:

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

- a. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the actual work and expenditures completed to date and explain differences.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
46. Reference OAG 1-33 part 2 regarding the Magruder Village Water Corporation. Please provide the following:
- a. Why was information for this facility included in discovery response?
 - b. Explain why the average flow is greater than the design flow (0.0086 MGD vs 0.0075MGD).
47. Reference OAG 1-33 part 3 regarding the Moon River Resort Wastewater Treatment Plant. Please provide the following:
- a. Provide all confidential exhibits in Case No. 2023-00181 related to these facilities.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
48. Reference OAG 1-34 part 9 regarding the Carriage Park Wastewater Treatment. Please provide the following:
- a. Average flow and design flow ratings of the facility.
 - b. 911 address for the facility.
49. Reference Discovery Response to OAG 1-75 (b) (Exhibit OAG 1-75(b) - CONFIDENTIAL Engineering Memo - Carriage Park.pdf) regarding Carriage Park Wastewater Treatment Facility. Please provide the following:
- a. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the actual work and expenditures completed to date and explain differences.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

- b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
50. Reference OAG 1-33 part 3 regarding the Yung Farm Estates Wastewater Treatment Plant. Please provide the following:
- a. Provide all confidential exhibits in Case No. 2023-00181 related to these facilities.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
51. Regarding the Commonwealth Wastewater Treatment Plant Bluegrass Water is proposing to acquire in Case No. 2023-00181, please provide the following:
- a. Provide all confidential exhibits in Case No. 2023-00181 related to these facilities.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
52. Reference OAG 1-33 part 3 regarding the River Bluff Wastewater Treatment. Please provide the following:
- a. Explain why the average flow is greater than the design flow (0.0710 MGD vs 0.0660 MGD).
 - b. Update the information provided in the table on page 33 and 34 of the direct testimony of Jacob Freeman in Case No. 2020-00290 to reflect the actual scope, cost and status of improvements. If all improvements are not complete, provide a forecast of the final actual scope, cost and status.
 - c. Provide the expected average flow and design flow after these improvements are completed.
53. Reference OAG 1-33 part 3 regarding the Timberland Substation Wastewater Treatment, Please provide the following:

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

- a. 911 address for the facility.
 - b. Update the information provided in the table on page 19 of the direct testimony of Jacob Freeman in Case No. 2020-00290 to reflect the actual scope, cost and status of improvements. If all improvements are not complete, provide a forecast of the final actual scope, cost and status.
 - c. Provide the expected average flow and design flow after these improvements are completed.
54. Reference OAG 1-34 part 10 regarding the Springcrest Sewer Wastewater Treatment. Please provide the following:
- a. 911 address for the facility.
 - b. Average flow and design flow ratings of the facility.
 - c. A table showing the scope, cost and status of improvements. If all planned improvements are not complete, provide a forecast of the final actual scope, cost and status.
 - d. Provide the expected average flow and design flow after these improvements are completed.
55. Reference OAG 1-81 regarding the Woodland Acres Wastewater Treatment. Please provide the following:
- a. 911 address for the facility.
 - b. Average flow and design flow ratings of the facility.
 - c. A table showing the scope, cost and status of improvements. If all planned improvements are not complete, provide a forecast of the final actual scope, cost and status.
 - d. Compare costs of upgrades with the estimates provided in the engineering memorandum provided in response to OAG 1-81 (Exhibit OAG 1-81(b) - CONFIDENTIAL Engineering Memo - Woodland Acres.pdf) and explain the change in costs, scope and construction.
 - e. Provide the expected average flow and design flow after these improvements are completed.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

56. Reference OAG 1-76 regarding the Marshall Ridge Wastewater Treatment. Please provide the following:

- a. 911 address for the facility.
- b. Average flow and design flow ratings of the facility.
- c. Update the information provided in the table on page 28 of the direct testimony of Jacob Freeman in Case No. 2020-00290 to reflect the actual scope, cost and status of improvements. If all improvements are not complete, provide a forecast of the final actual scope, cost and status.
- d. Compare costs of upgrades with the estimates provided in the engineering memorandum provided in response to OAG 1-76 (Exhibit OAG 1-76(b) - CONFIDENTIAL Engineering Memo - Marshall Ridge.pdf) and explain the change in costs, scope and construction.
- e. Provide the expected average flow and design flow after these improvements are completed.

57. Reference OAG 1-86 regarding the Golden Acres Wastewater Treatment. Please provide the following:

- a. 911 address for the facility.
- b. Average flow and design flow ratings of the facility.
- c. Update the information provided in the table on page 15 of the direct testimony of Jacob Freeman in Case No. 2020-00290 to reflect the actual scope, cost and status of improvements. If all improvements are not complete, provide a forecast of the final actual scope, cost and status.
- d. Compare costs of upgrades with the estimates provided in the engineering memorandum provided in response to OAG 1-86 (Exhibit OAG 1-86(a) - CONFIDENTIAL Engineering Memo - Golden Acres.pdf) and explain the change in costs, scope and construction.
- e. Provide the expected average flow and design flow after these improvements are completed.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

58. Reference Discovery Response to OAG 1-82 (b) (Exhibit OAG 1-82(b) - CONFIDENTIAL Engineering Memo - Persimmon Ridge.pdf) regarding Persimmon Ridge Wastewater Treatment Facility. Please provide the following:
- a. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the actual work and expenditures completed to date and explain differences.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
59. Reference Discovery Response to OAG 1-87 (a) (Exhibit OAG 1-87(a) - CONFIDENTIAL Engineering Memo - Great Oaks.pdf) regarding Great Oaks Wastewater Treatment Facility. Please provide the following:
- a. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the actual work and expenditures completed to date and explain differences.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
60. Reference Discovery Response to OAG 1-70 (b) (Exhibit OAG 1-70(b) - CONFIDENTIAL Engineering Memo - Kingswood.pdf) regarding Kingswood Wastewater Treatment Facility. Please provide the following:
- a. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the actual work and expenditures completed to date and explain differences.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

61. Reference Discovery Response to OAG 1-71 (b) (Exhibit OAG 1-71(b) - CONFIDENTIAL Engineering Memo - Lake Columbia.pdf) regarding Lake Columbia Wastewater Treatment Facility. Please provide the following:
- a. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the actual work and expenditures completed to date and explain differences.
 - b. Compare the cost and scope of the improvements anticipated by the Engineering Memo and the forecasted work and expenditures over the next 5 years.
 - c. Provide the expected average flow and design flow after these improvements are completed.
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.
63. The response to OAG 1-116 did not provide any analytical support for the claimed 1% bad debt ratio. Provide any analytical support in the Company's possession which supports this revenue requirement component.
64. Does the Company have the capability to terminate service to customers? If so, identify the number of customers whose wastewater service was terminated for non-payment during the twelve-month period of July 1, 2021 through June 30, 2022.
65. For any customer whose service was terminated for non-payment during the July 1, 2021 through June 30, 2022 period, provide the disposition of each account into one of the following categories:
- a. The customer subsequently satisfied their arrearages and is currently a customer as of May 31, 2023.
 - b. The customer subsequently satisfied their arrearages but was later terminated.
66. Refer to the attachment to Confidential response to OAG 1-119. Has the Company considered the impact of its [REDACTED] on its risk in developing its ROE recommendation? If so, quantify the reduction in ROE that is achieved through the [REDACTED] and explain how such reduction was determined.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

67. Confirm that the Company in preparing its revenue requirement analysis, did not go beyond the end of the test period to reflect increases in Accumulated Depreciation. If confirmed, provide the rationale for including post test period capital projects in Rate Base, but not reflecting post test period increases in Accumulated Depreciation as an offset to Rate Base.

68. Does Bluegrass record Allowance for Funds Used During Construction on its books? If so, respond to the following:

- a. Identify and provide supporting documentation for the AFUDC rate.
- b. Identify the amount of AFUDC recorded in the twelve-month period ending June 30, 2022.
- c. Indicate the account(s) credited for AFUDC and whether such accounts are included in the revenue requirement calculation.

69. Refer to the Confidential response to OAG 1-119. Provide a copy of the corresponding insurance policy(ies) in place for the twelve month period ending June 30, 2022.

[REDACTED]

71. Provide monthly actual and budget expenses in the same format as contained in Exhibit 15 for the period July 2022 through April 2023.

72. Refer to Confidential Exhibit BT-14 provided within the Company's revenue requirement Exhibits file, (Exhibits 10, 15, 17, 18, 20, 26 and 27). Provide the date each identified system was acquired by Bluegrass.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF SEWAGE RATES

73. Refer to tab BT-13. Provide a table reconciling the information found on BT-13 with the balance of Utility Plant in Service at June 30, 2022 found on BT-14 into the following categories:
- a. The original cost of the acquired assets on the books of the acquired system,
 - b. Improvements – per BT-13
 - c. Acquisition related costs per BT-13
 - d. Acquisition adjustment as identified on page 29 of Mr. Thies’ testimony
 - e. Acquisition Premium (Account 114)
 - f. Value assigned to Land
 - g. Acquisition value recorded to account 352

The sum of the system totals should tie to the balance of Utility Plant in Service at June 30, 2022 as found in tab BT-14.

74. Please reconcile the balance of account 108 as found in the Exhibit provided in response to PSC 1-3 (\$3,375,990), with the Accumulated Provision for Depreciation balance found in tab BT-14 as of June 30, 2022 (3,134,954).
75. Refer to the Trial Balance provided in response to PSC 1-3. Provide the June 30, 2022 ending balances split between water and wastewater for all 300 series plant accounts.
76. Provide a comprehensive discussion supporting the methodology and supporting calculations used to assign overhead costs between the Company’s water and wastewater operations. This response should also include a discussion and support for the allocation of the operating contracts provided in Confidential Exhibit 22 as well as the various insurance costs incurred in the test period.