

**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 )**

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**INITIAL DATA REQUESTS OF THE ATTORNEY GENERAL**

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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 May 12, 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 April 28, 2023, a copy of the forgoing was served by electronic mail via the Commission's electronic filing system.

this 28th day of April, 2023.

A handwritten signature in blue ink, appearing to read "J. Michael New". The signature is written in a cursive style with a horizontal line extending from the end.

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Assistant Attorney General

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

**Data Requests**

1. The filing discloses the number of connections served by Bluegrass at the various systems. A single connection may serve multiple people in a family or at location. To the extent known, identify how many individual customers are served by each Bluegrass system. If such a number is not known, but the Company has a reasonable metric to estimate the number of individuals served, please provide that.
2. List the CPCN approval for each construction project included and proposed to be included in rate base, including the case number and date of the order approving the project.
3. For the systems acquired since the Company's last rate case, provide the rate history to the extent known for the 20 previous years.
4. Provide detailed calculations and all workpapers related to the annualization of revenues and expenses for Darlington Creek.
5. Discuss the Company's procurement practices related to fuel, chemicals, and equipment. Specifically, is the Company able to achieve any cost efficiencies by procuring these items in bulk for multiple systems? If not, why not?
6. For CSWR and Bluegrass, provide calculations demonstrating that any charitable, lobbying/political, advertising, dues or membership fees paid to trade groups or law firms, and business development costs have been removed.
  - a. For each item of dues or membership fees included above the line, explain whether any portion of the dues / fees are utilized to pay for any of the following expenditures, and if so, provide complete details:
    - i. Legislative advocacy;
    - ii. Regulatory advocacy;
    - iii. Public relations;
    - iv. Influencing federal or Kentucky legislation or regulations;
    - v. Legislative policy research;
    - vi. Regulatory policy research

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- vii. Any media advertising campaigns backing the Company's or the Dues Requiring Organization's advocacy positions;
  - viii. Contributions from any Dues Requiring Organizations to third-party organizations and contractors including any of the expenditures identified in the subparts to this question, above.
- b. For each item of dues or membership fees included above the line:
- i. Provide any and all documents in the Company's possession that depict how each Dues Requiring Organization spends the dues it collects from the Company.
  - ii. Provide a detailed description of the services each Dues Requiring Organization provides to the Company.
  - iii. Provide a complete copy of invoices received from each Dues Requiring Organization applicable to the test year.
- c. If any affiliate of the Company pays dues to one or more Dues Requiring Organizations, and a jurisdictional portion of those dues are charged back to the Company, explain whether the dues are being recovered in rates, the amounts thereof, and precisely where they can be found in the application.
7. See Schedule BT-13. Describe why ratepayers should not be held harmless from transaction and transition costs that would not have been incurred but for Bluegrass's acquisition of the systems?
  8. Discuss why the Company has estimated cash working capital based on the 1/8<sup>th</sup> method and has failed to perform a lead/lag study despite the Commission's statement in its Order of December 28, 2021 in Case No. 2021-00183 that, "the Commission places Columbia Kentucky and all other utilities on notice that in any future rate cases, a lead/lag study is to be performed and shall exclude noncash items and balance sheet adjustments."
  9. Discuss why rate case expense should not be reduced in rate base to allow for amortization over a period of time.
  10. See Direct Testimony of Theis at 30. Provide authority where the Commission has previously authorized a "positive acquisition adjustment."



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11. Admit that Bluegrass cannot satisfy the criteria for recovery of acquisition prices above net book value established in the Commission’s Order of April 27, 2021 in Case No. 2020-000396 that, “the initial investment plus the cost of restoring the facilities to required standards will not adversely impact the overall costs and rates of the existing and new customers,” because the costs Bluegrass has incurred plus the initial investment have adversely impacted the costs and rates of new and existing customers.
  - a. If denied explain why this is not the case for new and existing customers.
12. Discuss how the Company’s proposal to charge late payment fees is consistent with the Commission’s statement in its Order of November 20, 2020 in Case No. 2020-00195 that, “the collection of late fees is not recovering an actual cost that the utility incurs, it is purely a punitive exercise that disproportionately affects those customers already unable to pay for service rendered, and the uncontroverted evidence indicates that it has little-to-no effect on a customer's timeliness of payment.”
13. In support of its request for approval to charge a late fee, Bluegrass cites to the approval of a 10% late payment penalty by certain Water Districts. Discuss whether Bluegrass qualifies for the 10% late payment penalty authorization under KRS 278.0154.
14. Discuss the tax status of Bluegrass Water and whether this status supports removing ADIT from rate base.
15. Discuss generally whether Bluegrass owns and maintains lines between residences and treatment facilities.
  - a. Specifically, where does Bluegrass’s ownership and authority begin with respect to a system?
  - b. Specifically discuss this issue as it relates to the Airview system after reviewing the news report, “Residents in Hardin County neighborhood tired of long-term sewage problem in their backyards,” which can be accessed at [https://www.wdrb.com/news/residents-in-hardin-county-neighborhood-tired-of-long-term-sewage-problem-in-their-backyards/article\\_14aae7da-4a90-11ed-b77f-a316169d57af.html](https://www.wdrb.com/news/residents-in-hardin-county-neighborhood-tired-of-long-term-sewage-problem-in-their-backyards/article_14aae7da-4a90-11ed-b77f-a316169d57af.html).
    - i. Does Bluegrass have ownership of the lines at issue and/or the authority to make the repairs to the lines discussed in the report?

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

- ii. Has Bluegrass made any repairs to the lines at issue in the report?
    - 1. If yes, please detail those repairs or replacements.
  - iii. If it has not made repairs or replacements, does Bluegrass plan to make those repairs or replacements?
    - 1. If yes, detail those plans.
    - 2. If yes, will it file a CPCN to do so or will it make the repairs without a CPCN?
16. Please discuss Bluegrass's operations (and/or those of its contractors) related to taking complaints and/or requests for repair.
- a. Discuss all ways a ratepayer may make a complaint or request and all procedures related to receiving and responding to those complaints or requests, including the timing of responses.
  - b. Discuss quality assurance checks that are in place to ensure that phone calls, letters, emails, and other messages from ratepayers are promptly returned.
17. Discuss Bluegrass's processes for handling and accepting payments made by check through the mail.
- a. Where are payments mailed?
  - b. Who processes the mail?
  - c. If a ratepayer sends in a letter with information or a request along with payment, who reviews that information or request?
18. Does Bluegrass have a physical office in the Commonwealth where ratepayers can pay a bill or discuss an issue with an employee? If so, where are the office(s) located?
19. Discuss why it makes sense to have a unified rate schedule for systems that utilize different technologies and therefore have varying levels of capital need. For example, the wet well and land application system at Springcrest employs a much different process than the package plants that are more common to the systems owned by Bluegrass. Additionally, the lagoon system at Arcadia Pines is another technology, which differs from a package plant.
20. Discuss whether Bluegrass has removed costs from rate base related to annual vehicle allowance for CSWR executives as the Commission required in Case No. 2020-00290. If

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- not, explain why not. Also, quantify such vehicle allowance costs by employee allocated or otherwise charged to Bluegrass and included in the revenue requirement request.
21. Discuss whether rate base includes any expenses related to management consulting. If so, quantify the amount of Rate Base included in this application associated with management consulting.
  22. Regarding Return on Equity, discuss why Mr. D'Ascendis included a 1% "business risk adjustment," in his modeling despite the fact that not two years ago the Commission stated, in Bluegrass's last rate case and where his testimony was at issue, "a business risk or size adjustment has not been approved in the past and the Commission agrees with the Attorney General and the Joint Intervenors that the explicit inclusion is not reasonable as such an adjustment is arbitrary and inflates the model results."
  23. Regarding Return on Equity, define "indicated range of common equity cost rates."
    - a. Explain why the "indicated range of common equity cost rates" excludes the 9.16% rate calculated by Mr. D'Ascendis under the DCF model.
  24. For each system, discuss whether the ratepayer has the authority to have a stand-alone septic system installed at their home, which they pay to have pumped, and may thereby discontinue participation in Bluegrass's treatment system.
  25. Discuss why it is appropriate to charge a flat rate for ratepayers who have the technology in place for metered service.
  26. Some ratepayers have complained of bills erroneously showing past due amounts. See complaint of Carl and Lori Wasbutsky of Marshall Ridge filed in this docket on March 20, 2023.
    - a. Please discuss this billing issue.
    - b. Specifically, discuss whether any ratepayers paid past due amounts that were not legitimate and if so, how this was rectified.
    - c. Discuss the Wasbutsky's allegations related to the worsened condition of the lagoon at Marshall Ridge.
  27. With respect to each system, discuss whether the ability to meter service currently exists. If it does not, discuss how much it would cost to install equipment necessary to facilitate metered service.

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28. For each system, provide:
  - a. A list of regular maintenance activities performed on the system;
  - b. A list of improvements completed since Bluegrass's purchase of the system;
  - c. Status of any corrective actions identified by local or state agencies;
  - d. Discussion of whether odor issues exist, and if so, the status of elimination of those odor issues.
29. Do you maintain legal agreements with the owners of property through which the infrastructure of your systems run? If so, describe the type of agreement.
30. Is it possible that some of the residences utilizing the systems at issue here are not being billed by Bluegrass? If so, how would this occur and what does Bluegrass do to make sure that all residences that utilize the system are identified.
31. Does Bluegrass consider affordability of its rates when calculating proposed rates?
  - a. If so, explain how.
  - b. Does Bluegrass maintain or have access to any demographic and/or income data for the ratepayers who utilize its systems? If so, please provide all of that data.
32. Does Bluegrass maintain any data on the property values of the residences served by its systems?
  - a. If so, please provide that data.
  - b. Discuss whether Bluegrass has any data on the impact of its rate increases on property values.
33. Provide copies of all Permits, Notices, Citations, Notices of Violation, Orders, and all correspondence relating to the same issued to or regarding Bluegrass's systems. This includes those documents issued by any agency of the Commonwealth of Kentucky or through a local government agency. These shall include the agencies of the Energy and Environment Cabinet and the County Health Departments for the jurisdiction of the systems.
34. Please describe the condition of the Marshall Ridge system.
  - a. Is the system still experiencing overflows?
  - b. Provide all correspondence and documentation that has been exchanged with the McCracken County Health Department related to this issue.

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- c. Provide all documentation and correspondence exchanged with the McCracken County Attorney related to this issue.
  - d. Provide all documentation and correspondence exchanged the Division of Water related to this issue.
  - e. If the overflows have not been remedied, please discuss the plan for addressing those.
  - f. Discuss whether ratepayers are impacted if and when Bluegrass is ordered to pay fines or penalties associated with identified violations.
  - g. Provide a detailed timeline for each instance where Bluegrass was contacted by the McCracken County Health Department related to these issues and each time when Bluegrass responded.
35. See Comment from Aichi Forge USA, filed in this docket on April 3, 2023. Did Bluegrass perform any analysis on the bill impacts for commercial customers that would result from the proposal? If so, please provide that analysis.
- a. How many commercial ratepayers are served by the Bluegrass systems?
  - b. What will be the revenue impact of the proposed rate increases to those commercial customers?
  - c. Did Bluegrass conduct any stakeholder outreach to commercial ratepayers related to the rate proposal? If yes, please describe and if any correspondence or presentations exist related to that outreach, please provide.
36. Has Bluegrass received correspondence providing feedback on the proposed rate increase directly that has not been filed as a public comment or request to intervene in this docket? If yes, please provide copies of all comments and correspondence.
37. Provide the current capital expenditure budget for Bluegrass for the period 2023 – 2026, further split by system.
38. Provide all documentation in the Applicant’s possession supporting the reasonableness of the proposed rates from the perspective of the customer.
39. Provide all documentation in the Applicant’s possession that suggests the proposed rates are affordable.

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40. Regarding the PSC order in Docket No. 2020-00290, dated August 2, 2021, provide the following:
  - a. Identify all accounting entries made to Plant in Service and Accumulated Depreciation resulting from this order.
  - b. Provide a description for each entry identifying how such account balances were determined.
41. Identify the portion of plant in service included in this filing, by account, by operating system that was acquired by Bluegrass. This response would exclude capital expenditures incurred by Bluegrass subsequent its ownership of the various systems.
42. Identify the portion of Accumulated Depreciation included in this filing, by account, by operating system associated with plant acquired by Bluegrass. This response would exclude Accumulated Depreciation related to capital expenditures made by Bluegrass subsequent to its acquisition of the various Kentucky systems.
43. Identify the Direct Labor, Capital Investment and Gross Revenue of each CSWR affiliate through 2022. Provide the underlying support for this data and confirm that this data is that which is used to allocate CSWR common costs to Bluegrass Water.
44. Identify all open PSC dockets involving affiliates of Bluegrass Water or CSWR as of December 31, 2022. Provide an explanation of each open docket, including identification of the applicable jurisdiction and the status of the case as of April 1, 2023.
45. Provide the monthly customer count of CSWR by jurisdiction for the period December 2021 through the most recent date available. Please include a definition of how the Company defines customers for purposes of this response. Please update this response as new information becomes available.
46. Regarding business development expense, provide the following:
  - a. Identify all business development costs that have been excluded from the pending application and explain how such costs were determined. Identify each employee, including their department, and any outside contractors whose costs were excluded from this filing.

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- b. Identify the accounts and amounts charged to business development expense annually for calendar years 2020 through 2022 and monthly for the period January, 2023 through March, 2023.
  - c. For any employee whose costs are identified and charged to Business Development Expense during 2022, provide the employee's job description and all job descriptions for those employees whom the "Business Development" employee reports to.
  - d. Confirm that no costs allocated through the Massachusetts formula are assigned to the business development function. If this is not confirmed, identify the amount of such common costs assigned to the Business Development function by month for the period January, 2020 through March, 2023.
47. With regard to employee medical costs, provide the following:
- a. Provide the annual medical costs split between those costs capitalized and charged to O&M by month for the period January 2020 through March 2023.
  - b. Provide the portion of company-incurred medical costs related to the payment of insurance premiums by month for the period January 2020 through March 2023.
  - c. Provide documentation and evidence of the portion of total medical insurance premiums incurred by employees.
48. With regard to employee dental costs, provide the following:
- a. Provide the annual dental costs split between those costs capitalized and charged to O&M by month for the period January 2020 through March 2023.
  - b. Provide the portion of company-incurred dental costs related to the payment of insurance premiums by month for the period January 2020 through March 2023.
  - c. Provide documentation and evidence of the portion of total dental insurance premiums incurred by employees.
49. Provide a copy of all workpapers relied upon by the Company in preparing its rate application and related filings with cell references intact.
50. Provide a copy of all Exhibits in excel format with cell references and formulas intact.
51. Provide an organizational chart identifying each employee, by department, whose costs are included as a component of the proposed revenue requirement.

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52. For each contractor whose costs are included in the proposed revenue requirement, provide the following:
- a. A copy or the contract entered into between the contractor and a) CSWR or b) Bluegrass.
  - b. The amount of contractor costs a) directly incurred by Bluegrass, or b) allocated to Bluegrass by month in 2022.
  - c. For those contractor costs allocated to Bluegrass, identify the allocation methodology relied upon.
  - d. A copy of each contractor's invoice for December, 2022
  - e. Each contractors' costs included in the proposed revenue requirement.
53. For each CSWR or Bluegrass employee whose time is directly charged to Bluegrass, provide the following information:
- a. Provide the name and job title of each employee.
  - b. The percentage of their time direct charged to Bluegrass in 2022.
  - c. The base salary for each employee incurred in 2022.
  - d. The base salary for each employee incorporated into the revenue requirement in this filing.
  - e. The amount of incentive compensation incorporated into the revenue requirement in this filing.
54. For each CSWR employee whose time is allocated to Bluegrass provide the following information:
- a. Provide the name and job of each employee.
  - b. Provide the percentage of compensation allocated to Bluegrass in 2022 and identify the allocation method used in the allocation.
  - c. The base salary for each employee incurred in 2022.
  - d. The base salary for each employee incorporated into the revenue requirement in this filing, if different from the 2022 level.
  - e. The amount of incentive compensation incorporated into the revenue requirement in this filing.



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55. For the ten highest compensated CSWR employees in a) 2020, b) 2021 and c) 2022, respond to the following:
- a. Identify each employee within each period.
  - b. Identify the level of base compensation each period.
  - c. Identify the amount of a) bonus or b) incentive compensation incurred in each period.
  - d. Identify the amount of base compensation allocated to Bluegrass and identify the allocation methodology used.
56. Refer to page 3 of the application. Identify the following regarding the Randview System:
- a. Monthly revenue generated by the system, including the number of customers by month;
  - b. Operating and Maintenance costs direct charged to the system.
  - c. Operating and Maintenance costs allocated to the system.
  - d. Plant in Service by account for the period December 31, 2021 through the most recent period available.
  - e. Accumulated Depreciation associated with each plant account for the period December 31, 2021 through the most recent period available.
  - f. Provide all adjustments to the pending rate increase proposal, by revenue requirement component Bluegrass would support in the event the Commission approves the transfer.
  - g. Describe compensation Bluegrass will receive from the City of Mayfield if the transaction is approved.
  - h. Identify the amount of costs that may be “stranded” if the transaction is approved and explain how such costs were determined.
57. For each commercial customer on the Delaplain system provide the metered usage by month for the period January 2021 through the most recent information available.
58. Provide monthly general ledger O&M balances for the period July 1, 2020, through March 31, 2023.
59. Provide a copy of the two most recent tax returns of Bluegrass. Within each return identify the amount of Repair Deductions taken, if any.

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60. Regarding Exhibit DWD-1, page 1 of 2, footnote 1 indicates the capitalization ratios were provided by the Company. Provide all support for the capitalization ratios used within this Exhibit.
61. Provide the audited financial statements of US Water, LLC for the periods 2021 and 2022. If audited financial statements are not prepared, provide unaudited financial statements for the most recent two fiscal years.
62. Provide all supporting documents underlying the data contained in Exhibit DWD-3.
63. Provide the date each Bluegrass system was acquired by CSWR.
64. Provide a breakdown of Other Revenues of \$14,462 by component as reflected on page 6 of Mr. Lyon's testimony.
65. Provide an explanation and all documentation supporting the apportionment of 77.28% of the revenue requirement to unmetered service, and 22.72% to metered service.
66. Refer to Mr. Thies' testimony beginning on page 36. Has the Company adjusted its test period revenue to reflect its proposal to implement a late payment charge and returned check charge to those districts in which such fees are not charged? If not, identify the amount of revenue, which would have been generated if such fees had been in effect in 2022. Provide supporting documentation for the calculation.
67. Provide any correspondence from the Kentucky Division of Water requiring that improvements or repairs be made to any and all of the systems identified in the table on page 7 of the Direct Testimony of Jacob Freeman.
68. Please provide a corrected version of page 76 of 81 of the Direct Testimony of Jacob Freeman. The one provided as Exhibit 5 is formatted incorrectly and does not show up entirely on the page.
69. Refer to the Direct Testimony of Jacob Freeman. Please provide the following information regarding the table on page 6:
  - a. Does the table accurately describe and list all wastewater systems owned and operated by Bluegrass Water?
  - b. Are there any other wastewater systems in Kentucky that Bluegrass Water is in the process of acquiring or in discussions to acquire? If so, please discuss the status of

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these discussions and provide any related reports and written and electronic communication.

- c. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of any of these systems being considered for acquisition.

70. Refer to the table on page 7 of the Direct Testimony of Jacob Freeman. While 13 of the 20 wastewater utilities listed are discussed in greater detail in the subsequent testimony, Kingswood is not. Please provide the following regarding this Wastewater system:

- a. A discussion of the condition of this wastewater utility and supporting documentation.
- b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
- c. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.

71. Refer to the table on page 7 of the Direct Testimony of Jacob Freeman. While 13 of the 20 wastewater utilities listed are discussed in greater detail in the subsequent testimony, Lake Columbia is not. Please provide the following regarding this Wastewater system:

- a. A discussion of the condition of this wastewater utility and supporting documentation.
- b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
- c. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.

72. Refer to the table on page 7 of the Direct Testimony of Jacob Freeman. While 13 of the 20 wastewater utilities listed are discussed in greater detail in the subsequent testimony, LH Treatment is not. Please provide the following regarding this Wastewater system:

- a. A discussion of the condition of this wastewater utility and supporting documentation.
- b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.

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- c. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
73. Refer to the table on page 7 of the Direct Testimony of Jacob Freeman. While 13 of the 20 wastewater utilities listed are discussed in greater detail in the subsequent testimony, Timberland is not. Please provide the following regarding this Wastewater system:
  - a. A discussion of the condition of this wastewater utility and supporting documentation.
  - b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - c. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
74. Refer to the table on page 7 of the Direct Testimony of Jacob Freeman. While 13 of the 20 wastewater utilities listed are discussed in greater detail in the subsequent testimony, Arcadia Pines is not. Please provide the following regarding this Wastewater system:
  - a. A discussion of the condition of this wastewater utility and supporting documentation.
  - b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - c. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
75. Refer to the table on page 7 of the Direct Testimony of Jacob Freeman. While 13 of the 20 wastewater utilities listed are discussed in greater detail in the subsequent testimony, Carriage Park is not. Please provide the following regarding this Wastewater system:
  - a. A discussion of the condition of this wastewater utility and supporting documentation.
  - b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - c. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.

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76. Refer to the table on page 7 of the Direct Testimony of Jacob Freeman. While 13 of the 20 wastewater utilities listed are discussed in greater detail in the subsequent testimony, Marshall Ridge is not. Please provide the following regarding this Wastewater system:
- a. A discussion of the condition of this wastewater utility and supporting documentation.
  - b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - c. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
77. Refer to the Direct Testimony of Jacob Freeman, p. 9-10 discussing the Brocklyn Wastewater System. Please provide the following:
- a. Current EEC CAP
  - b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - c. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
  - d. Describe any discussions with the City of Richmond on interconnecting the system and associated reports or analysis. Provide copies of all related written or electronic communication.
78. Refer to the Direct Testimony of Jacob Freeman, p. 74-81 and Schedule JF-5 regarding the Darlington Creek Wastewater system. Please provide the following:
- a. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - b. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
  - c. All reports, inspections, memos or related communication provided by Bluewater's third-party engineer at the time of acquisition.
  - d. Any and all updates to compliance history in Schedule JF-5 on a current and ongoing basis.

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79. Refer to the Direct Testimony of Jacob Freeman, p. 44-54 and Schedule JF-2 and JF-3 regarding the Herrington Haven Wastewater system, please provide the following:

- a. Any and all updates to compliance history in Schedule JF-2 on a current and ongoing basis.
- b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system both in preparation for the Case No. 2022-00102 filing or since.
- c. All major work items and related costs completed outside the scope of work anticipated in the Case No. 2022-00102 filing.
- d. Regarding the scope of work encompassed by the approved CPCN in Case No. 2022-00102:
  - i. Latest project schedule.
  - ii. Latest cost estimate and projected final cost.
  - iii. Identify all contractors, vendors, suppliers, etc. and their responsibility and the related purchase orders or contracts associated with each major piece of equipment or construction activity.
  - iv. Describe the process used to select contractors, vendors, suppliers, etc. Provide any documentation of bidding, responses and bid evaluations.
  - v. Provide any and all major changes to the project and supporting documentation, change orders etc.
  - vi. Describe how the project is managed and provide any associated contractual agreements for project management.
  - vii. Provide any and all project management or project status written or electronic reports provided by or to Bluegrass Water to the present and on an ongoing basis.
  - viii. Provide updates to this information on a periodic basis as schedules, suppliers, vendors, contractors, project managers, estimated costs and cost projections, and scope changes.

80. Refer to the Direct Testimony of Jacob Freeman, p. 10-11 and p. 32-34 and Schedule JF-1 regarding the Delaplain Disposal Wastewater system. Please provide the following:

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- a. Any and all updates to compliance history in Schedule JF-1 on a current and ongoing basis.
  - b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system both in preparation for the Case No. 2022-00104 filing or since.
  - c. All major work items and related costs completed outside the scope of work anticipated in the Case No. 2022-00104 filing.
  - d. Regarding the scope of work encompassed by the approved CPCN in Case No. 2022-00104:
    - i. Latest project schedule.
    - ii. Latest cost estimate and projected final cost.
    - iii. Identify all contractors, vendors, suppliers, etc. and their responsibility and the related purchase orders or contracts associated with each major piece of equipment or construction activity.
    - iv. Describe the process used to select contractors, vendors, suppliers, etc. Provide any and all documentation of bidding, responses and bid evaluations.
    - v. Provide any and all major changes to the project and supporting documentation, change orders etc.
    - vi. Describe how the project is managed and provide any and all associated contractual agreements for project management.
    - vii. Provide any and all project management or project status written or electronic reports provided by or to Bluegrass Water to the present and on an ongoing basis.
81. Refer to the Direct Testimony of Jacob Freeman, p. 59-74 and Schedule JF-4 regarding the Woodland Acres Wastewater system, please provide the following:
- a. Any and all updates to compliance history in Schedule JF-4 on a current and ongoing basis.

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- b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system both in preparation for the Case No. 2022-00015 filing or since.
  - c. All major work items and related costs completed outside the scope of work anticipated in the Case No. 2022-00015 filing.
  - d. Regarding the scope of work encompassed by the approved CPCN in Case No. 2022-00015:
    - i. Latest project schedule.
    - ii. Latest cost estimate and projected final cost.
    - iii. Identify all contractors, vendors, suppliers, etc. and their responsibility and the related purchase orders or contracts associated with each major piece of equipment or construction activity.
    - iv. Describe the process used to select contractors, vendors, suppliers, etc. Provide any and all documentation of bidding, responses and bid evaluations.
    - v. Provide any and all major changes to the project and supporting documentation, change orders etc.
    - vi. Describe how the project is managed and provide any and all associated contractual agreements for project management.
    - vii. Provide any and all project management or project status written or electronic reports provided by or to Bluegrass Water to the present and on an ongoing basis.
82. Refer to the Direct Testimony of Jacob Freeman, p. 28-29 regarding the Persimmon Ridge Wastewater system please provide the following:
- a. Documentation of KPDES permit exceedances since acquisition by Bluegrass Water and on an ongoing basis.
  - b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system both in preparation for the Case No. 2022-00046 filing or since.



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- c. All major work items and related costs completed outside the scope of work anticipated in the Case No. 2022-00046 filing.
  - d. Regarding the scope of work encompassed by the approved CPCN in Case No. 2022-00046:
    - i. Latest project schedule.
    - ii. Latest cost estimate and projected final cost.
    - iii. Identify all contractors, vendors, suppliers, etc. and their responsibility and the related purchase orders or contracts associated with each major piece of equipment or construction activity.
    - iv. Describe the process used to select contractors, vendors, suppliers, etc. Provide any and all documentation of bidding, responses and bid evaluations.
    - v. Provide any and all major changes to the project and supporting documentation, change orders etc.
    - vi. Describe how the project is managed and provide any and all associated contractual agreements for project management.
    - vii. Provide any and all project management or project status written or electronic reports provided by or to Bluegrass Water to the present and on an ongoing basis.
83. Refer to the Direct Testimony of Jacob Freeman, p. 54-60 regarding the Springcrest Sewer system. Please provide the following:
- a. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - b. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
  - c. All reports, inspections, memos, or related communication provided by Bluewater's third-party engineer at the time of acquisition.
  - d. Any and all updates to compliance history on a current and ongoing basis.

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84. Refer to the Direct Testimony of Jacob Freeman, p. 23-25 and the discussion on pages 26-28 of the August 2, 2021 Commission Order in Case No. 2020-00290 regarding the Airview Wastewater system, please provide the following:
- a. Any and all updates to the CAP with EEC discussed in Case No. 2020-00290, or subsequent compliance history to date and on an ongoing basis.
  - b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system provided in Case No. 2020-00290 or since.
  - c. All major work items and related costs completed outside the scope of work anticipated in the Case No. 2020-00290 filing.
  - d. Regarding the scope of work encompassed by the approved CPCN in Case No. 2020-00290:
    - i. Latest project schedule.
    - ii. Latest cost estimate and projected final cost.
    - iii. Identify all contractors, vendors, suppliers, etc. and their responsibility and the related purchase orders or contracts associated with each major piece of equipment or construction activity.
    - iv. Describe the process used to select contractors, vendors, suppliers, etc. Provide any and all documentation of bidding, responses and bid evaluations.
    - v. Provide any and all major changes to the project and supporting documentation, change orders etc.
    - vi. Describe how the project is managed and provide any and all associated contractual agreements for project management.
    - vii. Provide any and all project management or project status written or electronic reports provided by or to Bluegrass Water to the present and on an ongoing basis.
85. Refer to the Direct Testimony of Jacob Freeman, p. 26 regarding the Fox Run Sewer system. Please provide the following:

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- a. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - b. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
  - c. All reports, inspections, memos, or related communication provided by Bluewater's third-party engineer at the time of acquisition.
  - d. Any and all updates to compliance history on a current and ongoing basis.
86. Refer to the Direct Testimony of Jacob Freeman, p. 27-28 regarding the Golden Acres Sewer system. Please provide the following:
- a. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - b. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
  - c. All reports, inspections, memos, or related communication provided by Bluewater's third-party engineer at the time of acquisition.
87. Refer to the Direct Testimony of Jacob Freeman, p. 21-23 regarding the Great Oaks Sewer system. Please provide the following:
- a. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system.
  - b. Any and all reports, studies, analysis, or other written documentation prepared by or for Bluegrass Water in anticipation of filing a CPCN with the Commission.
  - c. All reports, inspections, memos, or related communication provided by Bluewater's third-party engineer at the time of acquisition.
88. Refer to the Direct Testimony of Jacob Freeman, p. 11-21 and the discussion on pages 32-35 of the August 2, 2021 Commission Order in Case No. 2020-00290 regarding the River Bluffs Wastewater system, please provide the following:
- a. All history of non-compliance with environmental regulations discussed in Case No. 2020-00290, or subsequent compliance history to date and on an ongoing basis.

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- b. All Bluegrass Water sponsored engineering contracts, studies, inspections or reports that have been prepared to evaluate the condition of the system provided in Case No. 2020-00290 or since.
  - c. All major work items and related costs completed both within and outside the scope of work anticipated in the Case No. 2020-00290 filing.
  - d. Regarding the scope of discussed in Case No. 2020-00290 or subsequently identified:
    - i. Latest project schedule.
    - ii. Latest cost estimate and projected final cost.
    - iii. Identify all contractors, vendors, suppliers, etc. and their responsibility and the related purchase orders or contracts associated with each major piece of equipment or construction activity.
    - iv. Describe the process used to select contractors, vendors, suppliers, etc. Provide any documentation of bidding, responses and bid evaluations.
    - v. Provide any and all major changes to the project and supporting documentation, change orders etc.
    - vi. Describe how the project is managed and provide any and all associated contractual agreements for project management.
    - vii. Provide any and all project management or project status written or electronic reports provided by or to Bluegrass Water to the present and on an ongoing basis.
89. Refer to the Direct Testimony of Jacob Freeman, p. 8, describing how Wastewater system projects are identified and executed. Please provide all purchase orders issued for construction projects and include the documentation showing CSWR's identification of the project, the third-party engineering consultant's bid package sent to the third-party construction manager, the received bids from local contractors and the recommendation used to issue the purchase order, and identify all parties involved, for the following wastewater systems.
- a. Kingwood
  - b. Persimmon Ridge

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- c. Brocklyn
  - d. Airview
  - e. Lake Columbia
  - f. LH Treatment
  - g. Fox Run
  - h. Golden Acres
  - i. Great Oaks
  - j. Timberland
  - k. River Bluffs
  - l. Arcadia Pines
  - m. Carriage Park
  - n. Marshall Ridge
  - o. Delaplain Disposal
  - p. Herrington Haven
  - q. Springcrest Sewer
  - r. Woodland Acres
  - s. Darlington Creek
90. Please provide documentation of all current and previously completed corrective action plans with the EEC that Bluegrass Water has undertaken since its acquisition of Kentucky wastewater systems.
91. Refer to Schedules JF-1, JF-2, JF-3 and JF-5, please provide a copy of all similar detailed Facility Reports under the EPA ECHO system for all Bluegrass water wastewater systems in Kentucky not already provided in the referenced schedules.
92. Refer to p. 8-9 of the Direct Testimony of Todd Thomas, please provide the current contract with Midwest Water Operations, LLC to operate Bluegrass Water and Wastewater systems in Kentucky. Documents should include all current addendums, supplements, revisions or other changes since Bluegrass began Kentucky operations.
93. Refer to p. 8-9 of the Direct Testimony of Todd Thomas, regarding Midwest Water Operations, LLC operations Bluegrass Water and Wastewater systems in Kentucky, please

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provide copies of all wastewater related billing and associated details of activities, work done and purchases since July 1, 2021.

94. Refer to p. 7-9 of the Direct Testimony of Todd Thomas, regarding Midwest Water Operations, LLC operations Bluegrass Water and Wastewater systems in Kentucky, please provide the details regarding Midwest Water Operations LLC that are required for an RFQ and RFP respondent in Schedules TT-2 and TT-3.
95. Refer to p. 9-10 of the Direct Testimony of Todd Thomas, regarding the utilization of Utility Cloud for Bluegrass Wastewater systems in Kentucky, please provide the following:
  - a. Reports for work orders generated during the test year. Report should include details related to initiation, approval, modification, completion, costs and equipment used or purchased.
  - b. Printouts in .pdf or other easily assessable electronic media of all mapping.
  - c. An example of how customer service requests are entered and documented through the work order process.
96. Refer to p. 13-16 of the Direct Testimony of Todd Thomas, regarding the utilization of Nitor Billing Service, LLC for Bluegrass Wastewater systems in Kentucky, please provide the following:
  - a. Description and 3 actual examples of documentation involved in how Nitor implements involuntary service shut-offs.
  - b. Description and 3 actual examples of documentation involved in how Nitor initiates service requests.
  - c. Information provided to builders wanting to connect dwellings under construction.
  - d. Information regarding Nitro that would be provided if Nitro were to complete an RFQ and RFP in Schedules TT-2 and TT-3.
97. Refer to Schedules TT-2 and TT-3 of the Direct Testimony of Todd Thomas and the Direct Testimony of Jacob Freeman, p. 7-9, please provide information that would be needed to complete an RFQ and an RFP for the third-party engineering consultants, third-party construction managers, and local contractors including names and addresses, that Bluegrass Water has used to perform wastewater construction projects in Kentucky.

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98. Refer the Direct Testimony of Brent Thies, p.19-20 and the Direct Testimony of Todd Thomas p. 13-17, please provide the following:
- a. Explain the different functions of Nitor and Muni-Link, both during the test year and since.
  - b. It appears the functions provided by Nitor and Muni-link overlap. Explain how they do not.
  - c. Has Nitor's role changed as described in the Direct Testimony of Todd Thomas with the implementation of Muni-Link?
  - d. Do Nitor and Muni-Link provide redundant services?
  - e. Describe how Bluegrass uses Muni-Link.
    - i. Is it used by Nitor or direct employees of Bluegrass for billing?
  - f. Provide a detailed step-by-step description of how billing data is gathered and input into Muni-link and then how that data is used to issue bills and collect payments.
99. Refer to the response to P.S.C. Staff Request No. 1. Provide the composite Massachusetts allocation factors, for each of the three components for the most recent eight quarters, further split by state jurisdiction.
100. Refer to the response to P.S.C. Staff Request No. 1. Identify the composite Massachusetts allocation percentage(s) which are incorporated in the underlying revenue requirement request. For each distinct quarterly Massachusetts allocation percentage incorporated in the filing, quantify the amount of allocated charges included in the proposed revenue requirement.
101. Refer to the response to P.S.C. Staff Request No. 1. Provide the total costs subject to the Massachusetts allocation for the most recent eight quarters.
102. Refer to the response to P.S.C. Staff Request No. 1. For purposes of developing the Massachusetts allocation percentages does the operating expenses relied upon in developing the ratio including all operating expenses, including those costs previously allocated using the Massachusetts formula from the prior quarter? If not, please provide a comprehensive discussion of how operating expenses are defined for purposes of computing the Operating Expense ratio within the Massachusetts formula.
103. For each new CSWR position added since January 2021, provide the following:

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- a. Date the employee associated with the new position was added;
  - b. Job title of the new position;
  - c. Base compensation of the new position; and
  - d. Total compensation costs of the new position, including employee taxes and benefits.
  - e. For each position, identify the amount of costs charged to Bluegrass by month for the period January 2021 through March 2023, split by the following:
    - i. Direct Charged;
    - ii. Jointly billed, further identified by allocation method used to allocate such costs; and
    - iii. Indirect charged to Bluegrass using the Massachusetts allocation methodology.
104. Provide the monthly headcount of CSWR employees for the period January, 2020 through March 31, 2023.
105. Provide the monthly total costs for the vendors a) Nitor and b) Muni-Link by month for the period January 2020 through March 2023 along with the accounts charged.
106. Provide the costs allocated to Bluegrass associated with the Nitor and Muni-Link contracts by month for the period January 2020 through March 2023 and indicate the method used to allocate such costs to the various CSWR entities. If such costs were allocated using an indirect allocation method rather than the Massachusetts formula, provide the underlying supporting data which was used to develop the ratio.
107. Provide all internal analysis and/or cost benefit calculations performed which support entering into the Muni-Link contract provided as Exhibit PSC 1-12.
108. Refer to Confidential Exhibit PSC 1-12. [REDACTED]
- [REDACTED]
- [REDACTED]
109. Refer to Confidential Exhibit PSC 1-12. [REDACTED]
- [REDACTED]
- [REDACTED]



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- 110. Refer to Confidential Exhibit 24. [REDACTED]  
[REDACTED]
- 111. Provide the underlying support for [REDACTED]  
[REDACTED]
- 112. Please refer to Confidential Exhibit 22. [REDACTED]  
[REDACTED] Identify such costs by month and account charged.
- 113. Refer to Exhibit 25. Provide a complete explanation with supporting workpapers for each Known and Measurable Adjustment made in column E of the Exhibit in Excel format. The excel documents should be provided with cell references intact.
- 114. Refer to the Direct Testimony of Brent Thies. Provide a copy of all Exhibits sponsored by Mr. Thies in excel format with cell references intact.
- 115. Refer to Confidential Exhibit PSC 1-16 and respond to the following:  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- 116. Refer to page 13 of the Direct Testimony of Brent Thies. Provide the analytical support for the use of a 1% bad debt expense level. Include in this response a comprehensive explanation describing the process used to charge accounts to bad debt expense.

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117. Describe the accounting process used to account for the collection of revenue associated with accounts receivable that have previously been charged to bad debt expense.
118. Provide the monthly expense recordings associated with Injuries and Damages, either related to employee or properly related incidents for the period January 2020 through March 2023. Identify any such costs that were either jointly billed or allocated to Bluegrass.
119. Provide a copy of the single insurance policy held by CSWR for property, general liability and environmental liability as described on page 13 of the Direct Testimony of Brent Thies.
120. Regarding property, general liability and environmental liability insurance coverage, identify the monthly charges recorded on the books of Bluegrass that were a) direct charged, b) jointly allocated, or c) allocated using the Massachusetts formula, by month for the period January 2020 through March 2023.
121. Regarding page 18 of Mr Brent Thies' testimony, where he indicates that costs associated with charitable or civic donation and legislative advocacy expenses or political/promotional advertising have not been included in this filing, respond to the following:
  - a. Identify the contractors and/or employees providing legislative advocacy services in 2021 – 2023 to date.
  - b. Identify how the company identifies that portion of legislative advocacy and lobbyin services that are properly excluded from the revenue requirement.
  - c. Provide the total costs of such services and explain the level of such costs allocated to Bluegrass by month for the period January 2021 through March 2023. Identify the account(s) used to record these costs.
  - d. Identify the employee(s) managing either the contractors or subordinate employees directly providing such legislative advocacy services and indicate whether any of these indirect costs have been attributed to legislative advocacy for purposes of excluding such costs from the revenue requirement.

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- e. If such indirect costs have not been excluded from the revenue requirement, provide the support for inclusion of these indirect costs in the revenue requirement calculation.
  - f. Provide a copy of the contract of any outside contractor providing legislative advocacy or lobbying services covering the period January 2021 through March 2023.
  - g. For each outside contractor providing either legislative advocacy and/or lobbying activities, indicate whether such contractor provides other services whose costs are recorded as an operating expense and included in the requested revenue requirement.
122. Provide all supporting documentation for the adjustment to annualize customer information and billing system costs described on page 19 of Mr. Theis' testimony.
123. Provide all supporting documentation for the adjustment to true-up Property Tax Expense to the level actually paid during the test period as discussed on page 20 of Mr. Theis' testimony.
124. Provide all supporting documentation for the adjustment to exclude, adjust and annualize overhead expenses allocated to Bluegrass from CSWR as described on page 20 of Mr. Theis' testimony. Provide a comprehensive explanation identifying specifically which costs were a) excluded, b) adjusted, and c) annualized within this adjustment.
125. Provide all supporting documentation for the adjustment to annualize the a) revenue and b) expense associated with the Darlington Creek service area. Provide a comprehensive explanation of how this adjustment was quantified.
126. Identify whether the Bluegrass tax return is prepared on a cash or accrual basis.
127. Provide a listing of accrued expenses as of June 30, 2021 and June 30, 2022, respectively. For each accrued expense item, provide an explanation of the nature of the accrual, the account charged and the amount of the accrual.
128. Refer to Confidential Exhibit BT-13 and specifically [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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- [REDACTED]
- [REDACTED]
129. Provide the rationale and any known Kentucky PSC precedent for inclusion of three years of approved CPCN budgeted capital expenditures in Rate Base.
130. Provide the supporting documentation and underlying calculations in excel format (with cell references intact) associated with the table values provided on the bottom of page 26 of Mr. Thies' testimony supporting adjustments related to Delaplain, Remote Monitoring, Site visit waiver and the Randview sale.
131. Refer to Mr. Thies' testimony on page 27 and specifically the sentence beginning on line 14; "Where detailed annual reports were available, Bluegrass Water adjusted the balances for any known and measurable changes that have occurred since the annual report was filed, and used the adjusted values to create acquisition date accounting entries on its books.
132. Refer to Mr. Thies' testimony on pages 29 and 30 specifically related to the \$698,456 associated with acquired Land and Land Rights. Please confirm that these values reflect the difference between the appraised market value of Land and Land Rights and the underlying purchase price assigned to these assets. If this is not what is represented in this table, please provide a comprehensive explanation defining how this amount was determined.
133. Refer to Mr. Thies' testimony on page 33. Provide the support for the conclusion that the impact on rates from inclusion of the requested recovery of the Acquisition Premium is only 2.7%.
134. Refer to Mr. Thies' testimony on pages 33 and 34 related to the achievement of economies of scale. Is the conclusion that economies of scale have been achieved based upon an analysis of the operating costs of Bluegrass compared with the cumulative operating costs of the individual utilities prior to CSWR acquisition? If so, provide the underlying analysis supporting this definition of economies of scale. If the achievement of economies of scale is defined by Mr. Thies in some other manner, define how the term is used in his testimony and provide the underlying analysis supporting the conclusion that economies of scale have been achieved.

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135. Does CSWR submit an annual federal tax return? If so, provide a copy of the CSWR return for 2021.