

**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)**

**ATTORNEY GENERAL'S MOTION
FOR LEAVE TO FILE SUPPLEMENTAL TESTIMONY
AND REQUESTING THE ISSUANCE OF SUBPOENA(S)**

The Attorney General of the Commonwealth of Kentucky (“Attorney General”), through his Office of Rate Intervention, hereby moves the Commission to issue an order granting the Attorney General leave to file supplemental testimony. Further, the Attorney General requests the Commission issue subpoena(s) to Bluegrass Water Operating Company, LLC (hereinafter “Bluegrass Water,” “Bluegrass,” or the “Company”) and US Water, LLC related to documents that the Commission ordered are discoverable, and which Bluegrass has failed to place in the record.

Relevant Procedural History

On May 19, 2023, the Attorney General filed a Motion to Compel related to certain Initial Data Requests. Scott County similarly filed a Motion to Compel on May 24, 2023. Bluegrass Water responded to both Motions on May 26, 2023.

Pursuant to the amended procedural schedule of May 19, 2023, Supplemental Data Requests were to be filed by June 2, 2023, those requests were to be responded to by June 16, 2023, and Intervenor Testimony was to be filed by June 30, 2023. The

parties complied with that schedule by submitting Supplemental Data Requests by June 2, 2023. Bluegrass Water responded by the applicable deadline after being granted an extension as to some of the requests.

On June 29, 2023, the Commission entered an order granting the Attorney General's Motion to Compel and granting Scott County's Motion to Compel in part. That Order required Bluegrass to supplement the relevant responses within seven days. It also allowed for a second set of supplemental requests to be filed by the Attorney General and Scott County within 14 days of the order and for Bluegrass Water to respond 14 days later. The Order of June 29, 2023 noted that all provisions "not in conflict with...this Order...shall remain in effect."

As such, the June 29, 2023 Order left the deadline for Intervenors to file testimony, June 30, 2023, in effect. The Attorney General and Scott County both complied with that deadline. However, because the Motion to Compel was granted only a single day before that testimony was filed, the Attorney General and Scott County were required to file testimony without the benefit of having access to the information compelled to be produced.

Motion for Leave to Supplement Testimony

The Attorney General requests leave to file the attached supplemental testimony related to the information compelled to be produced. The Attorney General's expert witness did not have the benefit of accessing certain information at the time his testimony was drafted, because the Motion to Compel was granted only one day before the deadline for filing testimony. As discussed below, the Attorney

General still does not have access to all of the information to which the Commission has ruled it is entitled. Nonetheless, in order to ensure the prompt development of the record in this case, the Attorney General's expert has relied on the information to which he currently has access in order to provide the Commission with as much insight as is currently possible.

Because Bluegrass Water's rebuttal testimony is not due until August 11, 2023, it is reasonable to allow the Attorney General to supplement the testimony of its expert now.

Motion to Issue Subpoena(s)

At issue in the Motion to Compel were the financial statements of US Water, LLC. In the Order of June 29, 2023, the Commission granted the Attorney General's request to compel the production of those records. "[T]he Commission concludes that the requested financial statements are relevant and, accordingly, finds that the Attorney General's request should be granted, and that Bluegrass Water should be compelled to provide the requested information in response to AG 1-61 within 7 days of the date of service of this Order." In spite of the Commission's Order, Bluegrass has failed to provide the requested information. Instead, in its response of July 6, 2023, it reiterated its previous objection, stating, "Bluegrass does not possess, and is not in control of, any audited, or unaudited, financial statements for US Water, LLC. To the best of Bluegrass Water's knowledge, such information is maintained solely by US Water, LLC." The Attorney General requests that the Commission use its subpoena authority under KRS 278.320 to require Bluegrass and US Water, LLC to

place the requested information in the record of this case.

While the future production of this information will reach the record too late to inform the testimony of the Attorney General's expert, it is nonetheless important that the Commission have access to this information prior to issuing its decision in this case.

Therefore, the Attorney General requests that the Commission grant leave for the filing of supplemental testimony and issue subpoena(s) to Bluegrass Water and US Water, LLC.

Respectfully submitted,

DANIEL J. CAMERON
ATTORNEY GENERAL



J. MICHAEL WEST
LAWRENCE W. COOK
ANGELA M. GOAD
JOHN G. HORNE II
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE
SUITE 200
FRANKFORT, KY 40601-8204
PHONE: (502) 696-5433
FAX: (502) 564-2698
Michael.West@ky.gov
Larry.Cook@ky.gov
Angela.Goad@ky.gov
John.Horne@ky.gov

Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on July 18, 2023, a copy of the forgoing was served via the Commission's electronic filing system.

this 18th day of July, 2023.

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

Assistant Attorney General