

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

In the Matter of:

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

**MOTION FOR DEVIATION FROM FILING REQUIREMENTS FOR
APPLICATION FOR ADJUSTMENT OF SEWAGE RATES
BY
BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC**

Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water” or the “Company”), by counsel, and pursuant to 807 KAR 5:001 and other applicable law, hereby applies for a waiver of certain requirements for Bluegrass Water’s application for an adjustment of sewage rates. Bluegrass Water seeks this waiver contemporaneously with the filing of its Response to the Commission’s Deficiency Letter and in addition to the Deviation Motion filed on February 27, 2023 with its Application. The specific requirements for which Bluegrass Water seeks a waiver are narrow in scope such that the absence of that information will not materially affect the Commission’s review of the relief sought in the Application. In this Motion, Bluegrass Water respectfully asks the Commission to waive certain limited requirements and as grounds therefore states as follows.

I. INTRODUCTION

1. 807 KAR 5:001 Section 16 sets forth requirements for requesting a waiver from the Commission’s regulations for rate change applications. A waiver request “shall include the specific reasons for the request.” 807 KAR 5:001 Section 16(10). The Commission “shall grant” the waiver request if the applicant shows good cause. 807 KAR 5:001 Section 16(10). First, the

Commission “shall consider” whether the utility’s other information provided “is sufficient to allow the commission to effectively and efficiently review the rate application.” 807 KAR 5:001 Section 16(10)(a). Second, the Commission “shall consider” whether the information subject to the request “is normally maintained by the utility or reasonably available to it from the information it maintains[.]” 807 KAR 5:001 Section 16(10)(b). Third, the Commission “shall consider” the expense the utility will incur in providing the information subject to the request. 807 KAR 5:001 Section 16(10)(c).

II. REQUEST FOR WAIVER OF 807 KAR 5:001 16(5)(c)(5)

2. To the extent the Commission deems it necessary, Bluegrass Water seeks a waiver of 807 KAR 5:001 Section 16(5)(c)(5), requiring that “For each pro forma adjustment reflecting plant additions, the following information: 5. A schedule containing a complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement.”

3. As discussed in the Response to the Commission’s Deficiency Letter, Bluegrass Water is unable to provide more detailed information related to the value of each specific plant anticipated to be retired due to the lack of information provided by the prior owners of the affected systems where plant retirements are anticipated to take place.

4. Accordingly, to the extent applicable, Bluegrass Water respectfully asks for a waiver of 807 KAR 5:001 Section 16(5)(c)(5) and respectfully submits that good cause has been shown therefore.

III. REQUEST FOR WAIVER OF 807 KAR 5:001 SECTION 16(5)(c)(6)

5. To the extent the Commission deems it necessary, Bluegrass Water seeks a waiver of 807 KAR 5:001 Section 16(5)(c)(6), requiring that “For each pro forma adjustment reflecting

plant additions, the following information: 6. The original cost and the cost of removal and salvage for each component and salvage for each component of plant to be retired during the proposed pro forma adjustment for plant additions.”

6. As is set forth in the testimony of John Spanos (Application Exhibit 14), Bluegrass Water was not provided information regarding the original cost of each individual item of plant by the prior owners of the systems. In assessing the construction costs of the plant additions for the CPCN projects previously approved by the Commission, Bluegrass Water did not separately itemize the cost of removal. Rather, the costs of removal of existing plant is included within the total cost of construction. Finally, due to the current nature of the plant to be retired, Bluegrass Water does not believe the plants to be retired is salvageable due to its state of disrepair.

7. Accordingly, to the extent the Commission believes a deviation is necessary, Bluegrass Water respectfully asks for a waiver of 807 KAR 5:001 Section 16(5)(c)(6) and respectfully submits that good cause has been shown therefore.

IV. RELIEF SOUGHT

8. For the foregoing reasons, Bluegrass Water respectfully asks that the Commission grant a deviation for the following requirements for its Application:

- a. 807 KAR 5:001 Section 16(5)(c)(5); and
- b. 807 KAR 5:001 Section 16(5)(c)(6).

This the 10th day of March, 2023.

Respectfully submitted,

/s/ Edward T. Depp

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Certification

I hereby certify that a copy of this filing has been served electronically on all parties of record through the use of the Commission's electronic filing system, and there are currently no parties that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission.

/s/ Edward T. Depp

Counsel to Bluegrass Water Utility

Operating Company, LLC