COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:	)	
	)	
Electronic Application of Bluegrass	)	
Water Utility Operating Company, LLC	)	
For an Adjustment of Water and	)	
Sewage Rates	)	**Case No. 2025-00354**
	)	

POST-HEARING RESPONSE BRIEF OF

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC

October 27, 2026

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BLUEGRASS WATER'S POST-HEARING RESPONSE BRIEF

Bluegrass Water Utility Operating Company, LLC ("Bluegrass Water" or the "Company"), by counsel, hereby files its Response Brief to the post-hearing briefs filed by the Office of the Attorney General ("OAG") and Scott County, Kentucky ("Scott County"). As set forth below and more fully in its Post-Hearing Brief, and as the record otherwise demonstrates, the Commission should approve the Company's Application to adjust its wastewater and water rates because the proposed rates are fair, just, and reasonable. Bluegrass Water filed its Post-Hearing Brief in this matter on October 16, 2026, and respectfully incorporates that brief as if fully set forth herein.

I. INTRODUCTION

The Commission should adopt the proposed rates of Bluegrass Water, which will allow Bluegrass Water to recover its reasonable operating costs and provide a fair return on its investment, both of which are necessary to protect the Company's financial integrity. It is undisputed in this matter that Bluegrass Water's investments in the Commonwealth's infrastructure have been prudent and necessary to bring safe, clean drinking water and environmentally compliant wastewater service to rural Kentucky communities. The OAG has even

commended Bluegrass Water's mission of rehabilitating distressed wastewater and water systems.[1]

However, the Company cannot invest in the Commonwealth's wastewater and water infrastructure (largely with the approval of the Commission), thereby remediating the environmental and human health hazards that were present at these systems, without recovery of its reasonable operating costs, capital investment, and a fair return on that investment. The proposals of the OAG and Scott County would effectively deprive Bluegrass Water of such a recovery and prolong the Company's earnings shortfall, which would place the Company's long-term financial integrity at serious risk. In addition, the denial of a recovery of these investments and an adequate cash flow to satisfy Bluegrass Water's loan obligations could signal a withdrawal of regulatory support, which is not only damaging to Bluegrass Water but places all Kentucky utilities at risk of being unable to attract or sustain capital.

The rates proposed in this proceeding are designed to allow Bluegrass Water to recoup its operating costs, support the significant capital investments it has made, and provide the Company's investors with a fair return. The proposed rates are further designed to preserve the Company's financial integrity and allow it to be in compliance with its loan obligations. The Commission should therefore approve Bluegrass Water's proposed rates, which will allow Bluegrass Water to continue pursuing its mission of bringing safe, reliable, and environmentally responsible water and wastewater resources to every community.

[1] OAG's Post-Hearing Brief, pg. 3 (filed on October 16, 2026).

II. THE COMMISSION SHOULD ACCEPT THE UNIFIED RATE SCHEDULE AS PROPOSED, WITHOUT A PHASE-IN.

The proposed unified rates are fair, just, and reasonable as required by KRS 278.030(1). Despite the OAG's assertion that the proposed rates do not align with principles of gradualism, gradualism is not the standard for measuring the reasonableness of proposed rates under the constitutional standards prescribed in *Hope* and *Bluefield*.[2] As the Supreme Court has long reiterated, rates must enable a utility to "operate successfully, to maintain its financial integrity, to attract capital, and to compensate its investors for the risks assumed" in investing in the utility.[3] "Rates which are not sufficient to yield a reasonable return on the value of the property used at the time it is being used to render the service are unjust, unreasonable, and confiscatory, and their enforcement deprives the public utility of its property in violation of the Fourteenth Amendment."[4]

Bluegrass Water's present rates do not allow it to maintain its financial integrity. Currently, Bluegrass Water is experiencing a revenue shortfall that has, in turn, caused the Company to be in technical default of its loan obligation with CoBank – a default for which Bluegrass Water had to seek a waiver. With this technical default and inadequate cash flow, it would be impossible for Bluegrass Water to secure financing from another lender or additional debt financing from CoBank. Further, the record establishes that Bluegrass Water has yet to earn a profit since entering the Kentucky market. The proposed rates are designed to relieve this long-standing revenue

[2] Bluegrass Water is sensitive to the Commission's stated goal of avoiding rate shock to customers. As testified by Josiah Cox, Bluegrass Water does in fact consider median household income prior to acquiring new wastewater systems to assess the potential capability of those customers to pay increased rates. Sept. 21, 2026 Hearing, Josiah Cox Hearing Testimony, 10:00:25 AM - 10:01:11 AM ("Q: When you mention affordability, are you referring to the affordability of your company to purchase or the affordability, the potential financial impact on the customer? A: We're looking at the customer, sir. And we use – EPA has a designation of affordability that's 2.5% of median income per water and wastewater service is the index that we use.").

[3] *Federal Power Com. v. Hope Natural Gas Co.*, 320 U.S. 591, 605 (1944).

[4] *Bluefield Water Works & Improvement Co. v. Public Serv. Comm'n*, 262 U.S. 679, 690 (1923).

shortfall and to allow Bluegrass Water to comply with its debt covenants, which will allow the Company to maintain financial stability necessary to continue operations and obtain capital necessary for upgrades and improvements to its systems. Therefore, the Commission should approve the proposed rates as necessary, fair, just, and reasonable.

Likewise, the Commission should approve the Company's proposed unified rates and reject the OAG's recommendation for a phase-in. First, neither the OAG nor Scott County presented evidence or testimony supporting a phase-in. Therefore, the Commission should reject the proposal for a phase-in on this basis alone. There is no evidence in the record supporting the notion that a phase-in would result in fair, just, and reasonable rates.

Second, and as discussed in the Company's Post-Hearing Brief, a phase-in of rates would not benefit Bluegrass Water's customers or Bluegrass Water. A phase-in defers recovery of a portion of the approved revenue requirement and will result in the need to recover that deferral plus carrying costs, both of which the Company would have to recover from customers in the future. Such deferred recovery would only delay Bluegrass Water's ability to establish a consistent cash flow and financial stability, while forcing customers to pay more for the same service in the long run.[5]

In fact, disallowing the recovery of the full amount of the authorized revenue requirement and the carrying costs associated with deferred recovery would likely constitute an unconstitutional taking under the Due Process Clause.[6] The Commission Order cited by the OAG recognizes the principle that a utility must recover the total approved revenue requirement:

[5] *See In the Matter of: Electronic Application of Bluegrass Water Utility Operating Company, LLC*, Case No. 2022-00432, Rebuttal Testimony of Timothy Lyons at pg. 6-7 (filed on Aug. 11, 2023).
[6] Bluegrass Water's Post-Hearing Brief, pg. 28 (filed on Oct. 16, 2026).

"During this two-year [phase-in] period, the water division's rates will be adjusted to ensure that Mountain District has the opportunity to collect rates that produce the total revenue requirement determined reasonable herein."[7] Thus, the Commission should reject any proposal of a phase-in.

Finally, approving and moving all customers to the unified rate serves the Commission's stated goal of avoiding rate shock to customers. Unified rates benefit all customers by stabilizing rates and preventing certain pockets of customers from experiencing rate shock following capital investments in their respective systems, which is precisely what has happened in this case.[8] The proposed consolidated rates allow the costs of the capital improvements to be distributed in a manner that benefits all customers of Bluegrass Water in the long-term. The Commission itself has recognized the benefits of unified rates in the Company's past two rate cases.[9] Thus, Bluegrass Water respectfully requests that the Commission approve the unified rate schedule as proposed, and without a phase-in period.

III. THE PROPOSED RATES ARE THE RESULT OF SIGNIFICANT INVESTMENTS IN KENTUCKY'S WASTEWATER INFRASTRUCTURE.

Consistent with Bluegrass Water's mission to bring safe and reliable service to every community, the Company has invested a significant amount of capital in the Commonwealth's fragmented and rural wastewater infrastructure. For example, Bluegrass Water has shown that it

[7] *In the Matter of: Application of Mountain Water District for an Adjustment of Water and Sewer Rates*, Case No. 2014-00342, Order at 33 (Ky. PSC Oct. 9, 2015).
[8] Bluegrass Water's Post-Hearing Brief, pg. 53 (filed on October 16, 2026).
[9] *In the Matter of: Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Rates and Approval of Construction*, Case No. 2020-00290 (Aug. 2, 2021), Final Order, at 13 ("[A] unified rate will serve to levelize rates in the long term so that each system will not experience a significant rate shock every time it require significant investment or some unexpected costs, which all systems will experience at some point."); *In the Matter of: Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Sewage Rates*, Case No. 2022-00432 (Feb. 14, 2024), Final Order, at 96 ("A separate rate for each geographically distinct merged system of Bluegrass Water would create unreasonable and undue hardship to individuals in some areas served by Bluegrass Water.").

has made improvements to the Delaplain, Woodland Acres, Persimmon Ridge, Herrington Haven, and Center Ridge systems, all of which were necessary to remediate pre-existing treatment issues, effluent permitting violations, and other health and environmental hazards. As discussed in Bluegrass Water's Post-Hearing Brief, broader economic inflation factors and unanticipated changes in the scope of the construction projects resulted in the costs being higher than originally anticipated. However, this does not change the fact that these investments (i) were deemed prudent and necessary by the Commission, (ii) were still the least cost alternative identified to resolve the pre-existing issues, and (iii) ultimately resulted in the successful remediation of the environmental and human health hazards that were previously present at these facilities.

Indeed, the primary driver of this proposed rate increase is the capital improvement project at the Delaplain treatment facility, which is why the Company has proposed allocating 40% of the revenue requirement to the Delaplain system's non-residential customers.[10] Contrary to the assertions of Scott County, the record is abundantly clear that the improvements at Delaplain were necessary to accommodate those non-residential customers. As explained by Company witness Jacob Freeman, the Delaplain treatment facility was originally designed and built to treat residential wastewater only.[11] Later, and before Bluegrass Water acquired Delaplain, an industrial park was placed near the Delaplain treatment facility, which resulted in the addition of commercial and industrial customers to the system, notwithstanding the capacity and treatment process limitations. The undisputed record supports that consistent flows received from commercial and industrial customers at Delaplain frequently overwhelmed the facility's capacity, resulting in the Division of Water's moratorium prohibiting new connections to the system. Moreover, the non-

[10] Bluegrass Water's Post-Hearing Brief, pg. 14 (filed on October 16, 2026).
[11] Sept. 21, 2026 Hearing, Testimony of Jacob Freeman, 1:55:18 – 1:55:42 PM.

residential wastewater typically contains oil, chemicals, and other corrosive substances, which the Delaplain plant was not designed to treat. Thus, the upgrades to the facility necessarily involved increasing the size and capacity of the plant and installing treatment equipment capable of treating the non-residential wastewater. Accordingly, because the Delaplain investments were made primarily to accommodate the existing and potential future Delaplain non-residential customers, the Commission should accept Bluegrass Water's proposed revenue requirement allocation.

For these reasons, the Commission should similarly reject Scott County's proposal to evenly distribute the revenue requirement across all classes of customers. Just like in Bluegrass Water's last rate case, Scott County has subordinated or ignored the interests of Scott County's residential customers, advocating solely for the interests of the commercial customers in the Delaplain service area. Specifically, Scott County asks the Commission to allocate more of the revenue requirement to the residential class than is requested by Bluegrass Water, even though the record is replete with evidence that the added capacity and improved treatment equipment capable of treating non-residential wastewater at the Delaplain system was required because of the demand placed on the system by the Delaplain non-residential customers, a class of customers for which the system was not designed. If Scott County's proposal were accepted, residential customers would be paying a monthly rate of $154.30, rather than the $111.72 monthly rate proposed by Bluegrass Water.[12] The Commission should flatly reject Scott County's attempts to force residential ratepayers to pay for the costs caused by the Delaplain commercial customers.

In addition, given the Company's vast capital additions to its systems, the Commission should reject the OAG's assertion that Bluegrass Water has failed to demonstrate economies of scale. Achieving economies of scale does not necessarily mean rate reduction. Rather, economies

[12] *See* Direct Testimony of Michael P. Gorman, Exhibit MPG-2.

of scale are demonstrated when the expenses associated with making significant investments in failing systems are less than what they would be otherwise if each system were to rectify those issues on a standalone basis. Despite the OAG's argument, economies of scale cannot be measured by rate increases in comparison to rates that were charged to these previously failing, neglected systems by prior owners.[13] It is undoubtedly cheaper to operate failing, neglected wastewater systems that contaminate the Commonwealth's waterways with raw sewage than to operate systems with experienced and technically competent personnel and adequate treatment processes that are in regulatory compliance. As the Commission has recognized, "[i]f a utility is not operating effectively because it is unwilling to set rates at a level sufficient to support daily operations and replace infrastructure as needed, then the utility cannot provide adequate and safe water service to its customers."[14] Bluegrass Water was willing to make the investment necessary to adequately treat the wastewater and stop the discharge of harmful pollutants into the environment, which requires recovery of the capital investment and return on that investment. Simply because rates must be increased from what was charged previously for a neglected system is not evidence of a lack of economies of scale.

In fact, contrary to the OAG's argument, Bluegrass Water has demonstrated economies of scale through its customer service operations. Beginning in June 2025, Bluegrass Water transitioned its customer service and call center operations to InteLogix, a third-party contractor. InteLogix is responsible for, among other things, providing a live answering service to field customer service and billing questions, providing 24-hour emergency service support, processing

[13] *See* OAG's Post-Hearing Brief, pg. 8 (filed on Oct. 16, 2026).
[14] *In the Matter of: Electronic Investigation Into Excessive Water Loss by Kentucky's Jurisdictional Water Utilities*, Case No. 2019-00041, Order, Appendix L, *Confronting the Problems Plaguing Kentucky's Water Utilities*, at "Message from the Chairman" (Nov. 22, 2019).

service initiation or discontinuance requests, and administering online account information and bill payment options for customers.[15] InteLogix provides these functions for all of CSWR's operating affiliates, including Bluegrass Water.[16] Using InteLogix across CSWR has resulted in economies of scale because Bluegrass Water is able to provide highly sophisticated, around-the-clock customer service functions to Kentucky customers that Bluegrass Water would not otherwise be able to provide at a reasonable per-customer cost.[17] As indicated in the Direct Testimony of Aaron Silas, it would be cost-prohibitive to provide these extensive customer service functions to Kentucky on a standalone basis, while continuing to invest in the technology necessary to support these services.[18] In addition to contributing to economies of scale, the transition to InteLogix has resulted in improved customer satisfaction.[19] For example, response rates to customer surveys conducted at the end of each call have increased to 33.38% since the transition to InteLogix, which is a significant increase in the response rate achieved under Nitor, and 91.25% of customers gave a perfect score on the survey.[20] Thus, the OAG's argument that Bluegrass Water has not shown economies of scale is incorrect.

IV. THE FORECASTED EXPENSES ARE REASONABLE.

The Commission should accept Bluegrass Water's forecasted operating expenses, which were calculated by applying inflation rates under the Personal Consumption Expenditures Price Index ("PCE") to the Company's prior levels of expenses. The OAG contends that applying inflation to prior years' expenses is unreasonable because the Company's expenses have not

[15] Redlined Direct Testimony of Aaron Silas, pg. 9: 8-15 (filed on June 8, 2026); *see also* Bluegrass Water's Response to PSC 1-14 (filed on December 22, 2025).
[16] Redlined Direct Testimony of Aaron Silas, pg. 10: 10-14 (filed on June 8, 2026).
[17] *Id.* at 10-11.
[18] *Id.* at 12: 5-12.
[19] Sept. 22, 2026 Hearing, Aaron Silas Hearing Testimony, 10:51:26 AM – 10:52:40 AM.
[20] *See id.*; *see also* Redlined Direct Testimony of Aaron Silas, pg. 14: 13-23 (filed on June 8, 2026).

consistently increased over the past few years.[21] In doing so, the OAG points to the Company's *allocated* costs from CSWR, which have generally trended downward because the allocation factor has decreased. However, that does not mean the total amount of expenses that were subject to allocation have not increased and will not increase in the future, and it does not mean Bluegrass Water's direct incurred expenses will not increase. Directly incurred expenses are likely to increase because inflation is an undeniable economic reality that consistently results in higher costs. As the Commission is likely aware, the Federal Reserve raised the federal funds rate at its September meeting, in part, because "[i]nflation remains elevated."[22] It is undeniable that inflation continues to raise prices across a wide range of goods and services. Bluegrass Water's operating expenses are likely to increase as a result. Thus, the Commission should accept Bluegrass Water's forecasted operating expenses as reasonable.

V. THE COMMISSION SHOULD ALLOW BLUEGRASS WATER TO RETAIN THE REGULATORY LIABILITY FOR WASTEWATER LATE FEE REVENUE.

As set forth in Bluegrass Water's Post-Hearing Brief, the Commission should permit the Company to retain the wastewater late fees recorded as a regulatory liability since the last rate case. In Case No. 2022-00432, the OAG argued that if the Commission authorized a late fee, it was necessary to reduce the revenue requirement to account for that additional income, otherwise the Company would experience a windfall. To avoid such an overcollection from customers, the Commission ordered Bluegrass Water to track all invoiced late fees and record them as a regulatory liability to the extent they exceed the $14,244 late fee revenue that Bluegrass Water had included in the test period.

[21] OAG's Post-Hearing Brief, pg. 16 (filed on Oct. 16. 2026)
[22] "Federal reserve issues FOMC statement," https://www.federalreserve.gov/newsevents/pressreleases/monetary20260916a.htm (last updated Sept. 16, 2026).

Bluegrass Water has not overcollected from its customers and allowing Bluegrass Water to retain the wastewater late fees recorded as a regulatory liability will not result in a windfall to the Company. Since the rates went into effect following the last rate case, Bluegrass Water has continued to fail to earn a profit, which has caused the Company's technical default on its loan obligations with CoBank. Returning the regulatory liability back to the customers would only exacerbate Bluegrass Water's cash flow issues and worsen the Company's financial condition. Therefore, because Bluegrass Water has collected below its previously approved revenue requirement and will not experience the windfall of which the Commission was concerned, the Commission should take no action on the regulatory liability for late fees and allow the Company to retain these amounts as revenue.

VI. THE UNCONTROVERTED RECORD EVIDENCE SUPPORTS BLUEGRASS WATER'S RETURN ON EQUITY, EMPLOYEE COSTS, AND POSITION ON UNACCOUNTED-FOR WATER LOSS.

Neither the OAG nor Scott County have presented evidence rebutting Bluegrass Water's evidence with respect to the proposed Return on Equity ("ROE"), employee expenses, and unaccounted-for water loss. First, the record is uncontroverted that Bluegrass Water's proposed ROE of 11.5% is fair, just, and reasonable to compensate investors for the risks associated with investing in Bluegrass Water.

Second, despite the OAG's assertion to the contrary, Bluegrass Water provided a wage and benefits study to support its employee health care expenses. While originally prepared in Bluegrass Water's 2022 rate proceeding, the wage and benefits study provided as Exhibit PSC PHDR 35 is unrefuted in the record and supports that Bluegrass Water's employee health care expenses are reasonable and necessary to attract qualified personnel. While the OAG advocates for reducing the Company's employee expenses based upon the Bureau of Labor Statistics ("BLS") average, the OAG has provided no evidence rebutting that these employee expenses are necessary in light of

the competitive labor markets in which Bluegrass Water must compete or that the BLS average better represents wage expense than the actual wage expense incurred by the Company.[23]

Finally, the record is completely devoid of any evidence supporting that Bluegrass Water has water loss in excess of 15%. The use of Mr. John Defever's alleged "proxy group" to estimate unaccounted-for water loss is similarly unsupported, given his concession during the hearing that the utilities in the proxy group were selected randomly by his assistant and have no measured similarities with Bluegrass Water. Moreover, the unrebutted evidence in the record shows that in order to measure water loss, Bluegrass Water would have to install meters on its water system, which would, in turn, cause higher rates.

Therefore, there is no evidence in the record upon which the Commission may rely in denying Bluegrass Water's requested relief with respect to the proposed ROE, employee health care costs, and unaccounted-for water loss.[24]

VII. THERE IS NO EVIDENCE SUPPORTING THE OAG'S REQUEST FOR AN INSPECTION PURSUANT TO KRS 278.250.

The Commission should reject the OAG's proposal to delay a final order in this proceeding until the Commission has conducted an investigation under KRS 278.250 and potential management audit under KRS 278.255, and the Commission should not conduct any such inspection or management audit pursuant to either of those statutes. However, as more fully explained below, Bluegrass Water would welcome system visits from Commission Staff, the

[23] *See Oldham County Water District v. Pub. Serv. Comm'n of Ky.*, Civil Action No. 24-CI-00725 (Opinion and Order from Franklin Cir. Ct. Sept. 25, 2025).

[24] *Bowling v. Natural Resources & Envtl. Protection Cabinet*, 891 S.W.2d 406, 409 (Ky. App. 1994) ("Substantial evidence has been conclusively defined by Kentucky courts as that which, when taken alone or in light of all the evidence, has sufficient probative value to induce conviction in the mind of a reasonable person.").

Division of Water, the OAG, and Scott County after the Commission issues its final order in this case.

First, the Commission should reject this proposal because the Commission must conduct this proceeding on the timelines established by Kentucky statute. Not only would delaying a final order potentially interfere with the Commission's ability to comply with the law, delaying a final order in this proceeding would exacerbate Bluegrass Water's negative cash flows. As has been demonstrated throughout this proceeding, Bluegrass Water is in technical default under its credit facility with CoBank. Unnecessary delay in this proceeding will only further harm Bluegrass Water's financial integrity and hinder Bluegrass Water's ability to continue providing adequate, reliable service across the Commonwealth.

Second, the OAG's request for an inspection to verify that Bluegrass Water has made the upgrades for which it is seeking recovery in this proceeding is wholly unwarranted. The existing record is replete with evidence that Bluegrass Water has in fact made these improvements. Specifically, Jacob Freeman's Direct Testimony provides detailed descriptions of the system improvements including photos demonstrating what the treatment facilities looked like before and after Bluegrass Water's improvement projects.[25] The Company has also provided volumes of invoices and receipts from the Company's contractors showing that work has been completed at these systems.[26] With this substantial evidence, Bluegrass Water has undoubtedly met its burden of demonstrating that the system improvements have actually occurred, and as a result, any on-site inspection of the treatment facilities would be duplicative of this evidence. Even as the OAG

[25] *See generally* Direct Testimony of Jacob Freeman, Application Exhibit 8 (filed on December 11, 2025).
[26] Exhibit PSC 2-58 – Invoices (Parts 1 – 13) (filed on Mar. 6, 2026).

concedes, "there is not enough evidence to suggest that Bluegrass Water has not performed system upgrades as it has reported."[27]

Notwithstanding the fact that an investigation pursuant to KRS 278.250 is not warranted (as even the Attorney General seems to acknowledge) and that the Commission should not delay entry of a final order in this proceeding, Bluegrass Water would welcome system visits from the Commission Staff, the Division of Water, the Attorney General, and Scott County following the issuance of a final order. Bluegrass Water has made a significant investment in the Commonwealth to ensure the surrounding communities have access to clean, safe wastewater and water – something many of these communities did not have prior to the investments made by Bluegrass Water. As Josiah Cox testified regarding the impact of improvements on Bluegrass Water's customers:

> [T]hey're not being exposed to human pathogens. It's a human health risk. . . . [I]t's really extraordinary how bad it is in the small water and wastewater world, especially when we bought these systems. . . . [P]eople were literally being exposed to human health hazards. So, those are the kinds of things we've solved in this state, and they were endemic, long-term problems that no one's willing to kind of step in and fix.[28]

Bluegrass Water is proud of the work it has completed in the Commonwealth. Bluegrass Water would embrace the opportunity to demonstrate this work to interested stakeholders through a scheduled visit to any or all of Bluegrass Water's systems across the Commonwealth. However, delaying this proceeding and conducting an investigation pursuant to KRS 278.250, when even the Attorney General acknowledges there is no evidence to suggest the improvements have not been made, will not serve the best interests of Bluegrass Water's ratepayers or Bluegrass Water.

[27] OAG's Post-Hearing Brief, pg. 24 (filed on October 16, 2026).
[28] Sept. 21, 2026 Hearing, Josiah Cox Hearing Testimony, 11:08:40 AM – 11:09:33 AM.

As a result, Bluegrass Water requests that the Commission approve its requested relief as fair, just, and reasonable, as such relief is designed to provide Bluegrass Water the necessary revenues to recover its costs associated with the capital improvements approved by the Commission, necessary operating expenses to fund day-to-day operations, and to generate revenues sufficient to bring Bluegrass Water into compliance with its debt covenants.

VIII. CONCLUSION

For the reasons set forth herein, and as more fully set forth in its October 16 Post-Hearing Brief, and as otherwise established in this proceeding, Bluegrass Water respectfully requests that the Commission grant its Application for an Adjustment of Sewer and Water Rates and permit it to adjust its wastewater and water rates.

Respectfully submitted,

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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/ R. Brooks Herrick
Counsel to Bluegrass Water Utility Operating Company, LLC