

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS)	
WATER UTILITY OPERATING COMPANY, LLC)	CASE NO.
FOR AN ADJUSTMENT OF WATER AND)	2025-00354
SEWAGE RATES)	

**SCOTT COUNTY, KENTUCKY
INITIAL REQUESTS FOR INFORMATION**

Comes now Scott County, Kentucky (“Scott County”), by and through counsel, and tenders its Initial Requests for Information to Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water” or “Company”).

- 1) In each case in which a request seeks information provided in response to a request of Commission Staff, reference to the Company’s response to the appropriate Staff request will be deemed a satisfactory response.
- 2) Please identify the Company’s witness who will be prepared to answer questions concerning the request during an evidentiary hearing.
- 3) These requests shall be deemed continuing and, therefore, 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 evidentiary hearing held by the Commission.
- 4) If any request appears confusing, please request clarification directly from Counsel for Scott County as soon as reasonable.

- 5) 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.
- 6) 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 who is not familiar with the printout.
- 7) If the Company has any objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify Counsel for Scott County as soon as reasonable.
- 8) For any document withheld on the basis of privilege, state the following: the date; author; addressee; indicated or blind copies; all persons to whom it was distributed, shown, or explained; and the nature and legal basis for the privilege asserted.
- 9) In the event that any document called for has been destroyed or transferred beyond the control of the Company, state: a) The identity of the person by whom it was destroyed or transferred and the person authorizing the destruction or transfer; b) the time, place, and method of destruction or transfer; and, c) the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the policy.
- 10) As the Company discovers errors in its filing and/or responses, please provide an update as soon as reasonable that identifies such errors and provide the document(s) to support any changes.

WHEREFORE, Scott County respectfully submits its Initial Requests for Information to Bluegrass Water.

Respectfully submitted,

/s/ David E. Spenard

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NOTICE AND CERTIFICATION FOR FILING

Undersigned counsel provides notices that the electronic version of the paper has been submitted to the Commission by uploading it using the Commission's E-Filing System on this 16th day of February 2026. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), the paper, in paper medium, is not required to be filed.

/s/ David E. Spenard

NOTICE CONCERNING SERVICE

The Commission has not yet excused any party from electronic filing procedures for this case.

/s/ David E. Spenard

**Scott County, Kentucky's
Initial Requests for Information
Case Number: 2025-00354**

General

1. Please provide all exhibits, tables, figures and supporting workpapers in electronic format with all formulas intact supporting the current filing. This is an ongoing request for all subsequent testimonies filed.

Witness Aaron Silas

2. Please provide native versions, in electronic format with all formulas intact, of all exhibits to the direct testimony of Mr. Silas.
3. In electronic spreadsheet format with formulas intact, please provide all workpapers supporting Mr. Silas' direct testimony.
4. Please explain whether the Company has ever conducted a wastewater class cost of service study. If so, please provide it in electronic spreadsheet format with all formulas and links intact, and identify the docket number associated with it. If the Company has never conducted a wastewater class cost of service study, please explain why not.
5. Identify the portion of the Company's proposed revenue requirement that is comprised of fixed costs that do not change with variations in wastewater flows.
6. Identify the portion of the Company's proposed revenue requirement that is comprised of variable costs that do change with variations in wastewater flows.
7. Regarding the 40% allocation of total wastewater revenue requirement to the Delaplain non-residential customers:
 - a. Please describe in detail all analyses, studies, workpapers, and models the Company relied upon to support assigning 40 percent of the wastewater revenue requirement to the Delaplain non-residential class.
 - b. For each such analysis, please identify the preparer, the date prepared, the purpose of the analysis, and all key assumptions.
 - c. Please explain how the Company determined that 40 percent, as opposed to any other percentage, is appropriate.

d. Please identify the specific costs that are incurred to supply non-residential customers and support a 40 percent allocation of total wastewater revenue requirement to non-residential customers.

8. Please provide all workpapers, spreadsheets (in native electronic format, with all formulas and links intact), and other supporting documentation used to develop and implement the 40 percent allocation of wastewater revenue requirement to the Delaplain non-residential class.
9. Please refer to the direct testimony of Aaron Silas at page 23, lines 13-16. Please provide all engineering reports, design memoranda, correspondence, and internal memoranda that the Company contends support the statement that Delaplain has “specialized, high-cost improvements” needed primarily because of the strength and characteristics of the wastewater from non-residential users. Please also explain the capital and operating improvements undertaken to accommodate the strength and characteristics of wastewater from non-residential customers and how those conditions necessitated the associated costs.
10. Please explain whether the Company performed any sensitivity analysis using Delaplain non-residential revenue-requirement allocations other than 40 percent (e.g., 25, 30, or 35 percent). If so, describe each scenario and provide all associated workpapers, including resulting class revenue recoveries and representative bill impacts.
11. Please describe in detail how the Company derived and/or selected the customer equivalency factors (e.g., commercial/non-residential = 2.5 times residential; multi-residential = 0.75 times residential), including:
 - a. All data sources;
 - b. Analytic methods (engineering, statistical, or other) used;
 - c. Any reference to industry-accepted wastewater allocation/rate design manuals, industry practice, or other jurisdictions; and
 - d. Any updates, validations, or reviews of these factors since PSC Case No. 2022-00432.
12. Please provide all workpapers, consultant reports, and testimony from this and prior rate cases that derive, justify, or critique the 2.5 and 0.75

equivalency factors, including but not limited to any materials prepared by Timothy S. Lyons.

13. Please explain whether the Company evaluated any alternative equivalency factors (for example, commercial = 2.0 × residential, multi-residential = 1.0 × residential). If so, identify each scenario, describe the impact on class revenue recovery and typical bills, and provide all associated workpapers (in electronic spreadsheet format with all formulas and links intact).
14. Please confirm that:
 - a. Under the Company's proposal, the Delaplain non-residential monthly customer charge is set equal to the general commercial flat-rate charge elsewhere in the system.
 - b. Please explain in detail the rationale for linking these two charges, given the Company's position that Delaplain involves specialized, high-cost facilities driven primarily by its non-residential users (as indicated in the direct testimony of Aaron Silas at page 23, lines 13-16).
15. Please indicate whether the Company would be willing, from a rate-design perspective, to set the Delaplain non-residential customer charge at a level different from the commercial customer charge. If the answer is "no," please explain all reasons. If the answer is "yes," describe the range of customer-charge levels (e.g., as a percentage above or below the general commercial charge) that the Company believes would be reasonable, assuming the total Delaplain class revenue requirement remains as proposed by the Company.
16. Please explain whether the Company evaluated alternative Delaplain rate designs in which:
 - a. The customer charge is higher than proposed and the volumetric rate lower; or
 - b. A larger portion of Delaplain revenue requirement is recovered through fixed charges.
 - c. If the responses to parts a and b are affirmative, please describe each alternative, its impact on revenue stability and bill volatility, and provide all workpapers. If not, explain why no such alternatives were evaluated.

17. Please explain how the Company balances the following rate-design objectives for Delaplain non-residential customers:
- a. Revenue sufficiency and stability;
 - b. Alignment of fixed vs. variable recovery with underlying cost structure;
 - c. Providing meaningful price signals with respect to wastewater volume and strength; and
 - d. Avoiding undue discrimination between Delaplain non-residential customers and other commercial customers.
18. Regarding wastewater cost allocation and rate design:
- a. Please define “Strength and characteristics” as that phrase is used in the direct testimony of Aaron Silas at page 23, lines 13-16. For example, does this phrase refer to Biochemical Oxygen Demand (“BOD”), Chemical Oxygen Demand (“COD”), and Total Suspended Solids (“TSS”)?
 - b. Describe how the “strength and characteristics” (as that term is used in the direct testimony of Aaron Silas at page 23, lines 13-16) for Delaplain non-residential customers differs from the “strength and characteristics” of the Company’s other customers.
 - c. Please explain in detail how the differences in “strength and characteristics” of wastewater have been reflected in the Company’s cost allocation and rate design for Delaplain non-residential customers versus all other wastewater customers.
 - d. Please explain how the “strength and characteristics” of wastewater differ between customers within the Delaplain non-residential class.
 - e. Please explain whether the “strength and characteristics” of wastewater are the same for all Delaplain Non-Residential customers.
 - f. Please explain how differences in the “strength and characteristics” of wastewater within the Delaplain non-

residential class have been reflected in the Company's proposed rate design.

- g. Please describe any assumptions or external benchmarks (e.g., state guidelines, industry studies) the Company relies on to define "typical domestic" BOD, COD, and TSS strengths and to identify "high strength" industrial wastewater.
 - h. Please identify any costs associated with treating high strength industrial wastewater (e.g., additional process units, chemicals, energy, biosolids handling) and explain how those costs are assigned to the Delaplain non-residential class versus all other rate classes.
 - i. Please explain why the Company does not have extra-strength surcharges for levels of BOD, COD, and TSS that exceed a "typical" or "baseline" amount, to better align rate design with cost causation for customers within the Delaplain non-residential class.
 - j. Please explain how the Company distinguishes between commercial and industrial customers within the Delaplain non-residential class.
 - k. Please explain why the Company does not have a separate rate for commercial customers within the Delaplain non-residential class.
 - l. Do any of the Delaplain non-residential customers pre-treat their wastewater? If so, please explain how this has been considered in the Company's cost allocation and rate design for this class.
19. Please provide a copy of the Industrial/Commercial User Policy referenced in the Company's tariff.
20. Please provide, in electronic format with all formulas intact, the total number of lift systems, by rate class.
21. Please provide, in electronic format with all formulas intact, the diameter of mains, by rate class, including total length of mains by diameter and rate class.

Witness Brent Thies

22. Please provide native versions, in electronic format with all formulas intact, of all exhibits to the direct testimony of Mr. Thies.
23. In electronic spreadsheet format with formulas intact, please provide all workpapers supporting Mr. Thies' direct testimony.