

**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**
)

**BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S
RESPONSES TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water” or the “Company”), by counsel, files its responses to Commission Staff’s First Request for Information, issued in the above-captioned case on November 24, 2025.

FILED: December 22, 2025

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BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
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REQUEST NO. 1-1: Provide Bluegrass Water's and CSWR, LLC's (CSWR) internal accounting manuals, directives, and policies and procedures.

RESPONSE: Please see the Cost Allocation Manual ("CAM") attached as Exhibit PSC 1-1. The Company's other accounting policies and procedures have not been formally documented. The Company keeps books and records in accordance with all GAAP principles and USOA guidelines.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-2: Provide Bluegrass Water's and CSWR's budget instructions, assumptions, directives, manuals, policies and procedures, timelines, and descriptions of budget procedures.

RESPONSE:

CSWR's annual budget process follows a structured, multi-phase process with defined functional participation and executive oversight. The annual budgeting process typically begins in mid to late August and concludes in early December for the applicable budget year. This timeframe allows for initial development, management review, revisions, and final approval prior to the start of the budget year. The budgeting process involves participation from the Financial Planning and Analysis Group ("FP&A"), executive leadership, and multiple functional departments across the organization. Participants include finance personnel responsible for consolidation and analysis, department leaders responsible for budget input within their areas, and executive management involved in review and approval. The process is coordinated centrally by FP&A. Initial budget development is coordinated by FP&A using baseline assumptions informed by prior-year actual results, approved operating plans, regulatory timelines, and known and measurable changes expected during the budget year, such as planned acquisitions and operational changes.

Departmental participation varies by function. Certain departments, such as Engineering, develop and submit detailed proposed budgets for their respective areas, including planned capital projects and associated cost estimates. Other departments, including Operations, are responsible for defined portions of the budget assigned by FP&A and provide input, validation, and refinement

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for those areas. FP&A consolidates departmental inputs, evaluates consistency across functions, and prepares the initial corporate budget for management review.

The consolidated budget is reviewed through multiple iterations, including executive-level review and adjustment. The budgeting process includes multiple formal revision cycles prior to finalization. FP&A incorporates executive guidance during these revisions and supports ongoing administration and monitoring of the approved budget consistent with management oversight and governance practices.

CSWR's affiliates' budgets, including Bluegrass Water's budget, are developed as a part of CSWR's budget process.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-3: Provide a trial balance as of the last day of the base period showing account number, account title, and actual base period accounts. All income statement accounts should show activity for 12 months.

RESPONSE: Please see attached Exhibit PSC 1-3 – Bluegrass Water's Trial Balance. The Exhibit is provided through September 30, 2025, the end of the actual period in the base year.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-4: Provide a reconciliation and a detailed explanation of each difference, if any, in the capitalization and the net investment rate base of Bluegrass Water for the base period.

RESPONSE: Please see attached Exhibit PSC 1-4 - Investment & Capital Reconciliation. The difference between capitalization and net investment rate base is working capital funds used to fund assets and is reconciled in the attachment.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-5: Provide the information in the format listed in Schedule A, attached hereto, regarding Certain Deferred Credits, Accumulated Deferred Income Taxes, and Other Rate Base items included in the forecasted test-period rate base.

RESPONSE: Please see attached Exhibit PSC 1-5 - Schedule A.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-6: Provide a calculation of federal and state income tax expense, including a reconciliation of book to taxable income, for the base period and the forecasted period in the format shown in Schedule B, attached hereto.

RESPONSE: Please refer to attached Exhibit PSC 1-6 – Income Tax, for calculations for federal and state income taxes.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-7: Describe the procedures that Bluegrass Water uses to plan and approve construction projects.

RESPONSE: Prior to acquiring a water or wastewater system, Bluegrass Water hires a third-party engineering firm to perform a preliminary assessment of existing facilities. This includes a physical inspection of all assets and a review of the regulatory history of the system's performance. Based upon this assessment, the third-party engineering firm prepares a report that includes recommendations regarding required improvements during the initial 3-5 years of ownership.

After an acquisition is completed, Bluegrass Water collects additional information regarding the system's operations. Using this additional data and the preliminary assessment prepared by the third-party engineering firm, Bluegrass Water refines plans for necessary improvements. Once necessary improvements are identified, Bluegrass Water engages third-party engineers to complete design work required for those improvements. If Bluegrass Water determines those improvements require permit modifications and/or a CPCN application, required filings are made. When all required approvals have been received, Bluegrass Water submits a construction permit application with EEC/DOW. Once all required approvals have been obtained, bids are let and construction commences.

A similar process is followed for capital improvements identified as necessary due to changes in permit requirements, where systems are unable to meet regulatory requirements, or are

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otherwise failing to provide customers safe and reliable service, or where a developer seeks to connect infrastructure to an existing Bluegrass Water system.

In all cases, whenever possible, Bluegrass Water seeks to defer or eliminate the need for capital investment through operational improvements.

Witness: Jake Freeman, Director of Engineering

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REQUEST NO. 1-8: Describe any planned improvements, including estimated costs and timetable for construction for the next ten years.

RESPONSE: First, Bluegrass Water has upcoming projects at the following systems: Marshall Ridge, River Bluffs, Airview, and Fox Run. The Marshall Ridge project consists of a Transmission Force Main, which will carry effluent to the Paducah-McCracken County Joint Sewer Agency. The project is currently in the design phase, but is currently estimated to cost approximately \$360,000. The project is anticipated to begin construction in early Q4 2026. A project schedule will not be available until the project is bid.

Second, Bluegrass Water has planned projects at River Bluffs, Fox Run, and Airview to undertake disinfection method conversion, specifically, conversion to Peracetic Acid (PAA). This PAA conversion is intended to address a deficiency in contact time with chlorine and to eliminate the need for de-chlorination chemicals at Airview and River Bluffs. This PAA conversion also addresses an issue affecting systems such as Fox Run, which utilize sodium thiosulfate for de-chlorination. Specifically, unexpected low flows can lead to overdosing of the sodium thiosulfate, which can cause oxygen depletion and send biochemical oxygen demand well above permit limits.

These PAA projects are expected to be completed by December 2027. While River Bluffs is slated to begin first with a construction start date of August 1, 2026, Airview and Fox Run do not yet have set construction start dates, as these projects are still in the early stages of design.

Because the PAA projects are in the early stages of design, a cost breakdown is currently unavailable. However, Bluegrass Water has budgeted \$40,000 for all three PAA projects.

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Depending on when the designs for Airview and Fox Run are complete, Bluegrass Water may bid all three projects at one time.

The other projects currently planned are maintenance and operations related. A few examples of these improvements include I&I testing, main repair/replacement, and media replacement.

Witness: Jake Freeman, Director of Engineering

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REQUEST NO. 1-9: Provide, in the format contained in Schedule C attached hereto,
an analysis of the Construction Work in Progress as defined in the Uniform System of
Accounts for the 12-month period preceding the base period, the base period, and the
forecasted test period.

RESPONSE: Please refer to attached Exhibit PSC 1-9 - CWIP.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-10: Provide the following (original cost) monthly account balances and a calculation of the average 12-month account balances for total company and jurisdictional operations:

- a. Plant in service
- b. Plant purchased or sold
- c. Property held for future use
- d. Construction work in progress (CWIP) (Separate this balance into CWIP eligible for capitalized interest and other CWIP)
- e. Completed construction not classified
- f. Accumulated Depreciation and Amortization
- g. Plant Acquisition Adjustment
- h. Amortization of Utility Plant Acquisition Adjustment
- i. Materials and Supplies
- j. Balance in accounts payable applicable to each account in (i) above. (If actual cannot be determined, give a reasonable estimate).
- k. Unamortized Investment Tax Credit – Pre Revenue Act of 1971
- l. Unamortized Investment Tax Credit – Revenue Act of 1971
- m. Accumulated Deferred Income Taxes
- n. Summary of Customer Deposits
- o. Computation and Development of Minimum Cash Requirements

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- p. Balance in Accounts Payable applicable amounts included in utility plant in service (If actual cannot be determined, provide a reasonable estimate)**
- q. Balance in Accounts Payable applicable to prepayments by major category or subaccount**
- r. Balance in Accounts Payable applicable to amounts included in plant under construction (If actual cannot be determined, provide a reasonable estimate)**
- s. All current assets and current liability accounts not included above.**

RESPONSE: Please see attached Exhibit PSC 1-10 - Monthly Account Balances.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-11: Provide a copy of the current management contracts, if any, between Bluegrass Water and CSWR; Bluegrass Water and Central States Water Resources, Inc. (Central States); and CSWR and Central States. Describe in detail any such agreements that have not been memorialized in writing.

RESPONSE: Bluegrass Water has no written management contracts with either CSWR, LLC, or Central States Water Resources, Inc. However, CSWR, LLC and Bluegrass Water have agreed to direct charges or allocations to Bluegrass Water in accordance with the Cost Allocation Manual (CAM), and such agreement has not been memorialized in writing. See Exhibit PSC 1-1.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-12: Provide a copy of all contracts, if any, between Bluegrass Water and any person or entity retained to perform billing or customer service for or on behalf of Bluegrass Water and all contracts between Bluegrass Water and any person or entity retained to operate Bluegrass Water's utility plant. Describe in detail any such agreements that have not been memorialized in writing.

RESPONSE: Subject to Bluegrass Water's December 11, 2025, Motion for Confidential Treatment, redacted copies of the agreements with InteLogix and Clearwater Solutions, LLC, were filed in this proceeding as Application Exhibit 19. Please also find attached CONFIDENTIAL Exhibit PSC 1-12, which is a redacted copy of the contract with Link Computer Corporation (d/b/a Muni-Link). A Motion for Confidential Treatment, seeking confidential treatment of the pricing provisions of the Muni-Link contract, is filed contemporaneously herewith.

Witness: Aaron Silas, Assistant Vice President of Customer Experience and Regulatory Operations

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REQUEST NO. 1-13: Provide a copy of any and all bills or invoices for the last five years from any person or entity retained to perform billing or customer service for or on behalf of Bluegrass Water and any person or entity retained to operate Bluegrass Water's utility plant.

RESPONSE: Please refer to the attachments labeled Exhibit PSC 1-13 – Invoices for copies of all invoices since 2023. Invoices prior to 2023 were provided in Bluegrass Water's Responses to Commission Staff's First Request for Information, REQUEST NO. PSC 1-13, filed on April 21, 2023, in Bluegrass Water's last filed Rate Case, Docket No. 2022-00432.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-14: Provide a copy of each service agreement or contract that Bluegrass Water has with an affiliate company.

- a. Describe in detail the pricing policies of Bluegrass Water and its affiliates with regard to affiliate company transactions.**
- b. List and describe each service that each affiliated company renders to Bluegrass Water.**
- c. For each service listed above, describe the benefit(s), if any, that Bluegrass Water derives from the provision of this service from the affiliate.**

RESPONSE: There are no written service agreements or contracts between Bluegrass Water and any affiliate. As stated in the response to PSC 1-11, costs for services provided by CSWR, LLC – the only affiliate providing services to Bluegrass Water – are directly charged or allocated in accordance with the Cost Allocation Manual, which is produced in response to PSC 1-1.

a. The pricing policies of Bluegrass Water and its affiliates regarding affiliate company transactions are described in the Cost Allocation Manual, which is produced in response to PSC 1-1.

b. The services CSWR, LLC provides to Bluegrass Water include all management, financial reporting, underground utility safety and location services, Commission regulatory reporting, environmental regulatory reporting and management, operations oversight, ongoing

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utility maintenance, utility record keeping, utility asset planning, engineering planning, ongoing utility maintenance, utility record keeping, and final customer dispute management and resolution. CSWR personnel would also monitor the activities of the non-employee contractors to make sure Bluegrass Water's systems are being operated and maintained properly and that customers' needs are being met. The level of experience and expertise CSWR currently provides is not usually available to utilities the size of Bluegrass Water. No other affiliates provide services to Bluegrass Water.

c. Because it provides the services identified in the response to part (c) above for affiliate utilities operating in eleven states, CSWR's centralized management structure can achieve economies of scale that would not be available if Bluegrass Water were required to acquire the expertise necessary to perform those same services on a stand-alone basis. Those economies of scale result in lower operating costs, which are reflected in customer rates. In addition to these economies of scale, CSWR's size and the experience and expertise its employees have gained providing services to more than 1,000 water and wastewater systems nationwide provide qualitative benefits that are difficult to precisely measure. For example, CSWR uses a Computerized Maintenance Management System (CMMS) program, Utility Cloud, to facilitate field work, inspections, maintenance schedules, and reporting for all affiliate facilities. This allows CSWR to manage data, work, and compliance across plant and distributed field assets. Utility Cloud has been implemented in Kentucky to assist in avoiding compliance failures and equipment failures by allowing real-time data monitoring across people, machines, and sensors throughout

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Bluegrass Water's service area. The main benefit that Utility Cloud offers CSWR's affiliates is that the system is a highly configurable, easy-to-use asset management tool that helps all parties distribute work, report on maintenance, and streamline compliance reports. This allows CSWR to build out systems efficiently and immediately begin tracking maintenance and improvements. Features of Utility Cloud that benefit Bluegrass Water include:

- Automating the completion and submission of compliance reports using the exact field data that crews collect;
- Using custom accounts, security roles, and user rights to maintain the separation between projects;
- Managing multiple contractors while storing all CSWR's data in one database;
- Managing and tracking maintenance history on all assets to assist in identifying potential capital improvement projects;
- Creating custom alerts as issues arise;
- Leveraging digital SOPs, manuals, and layouts helping to standardize complex work and to meet regulatory, county, and OSHA requirements;
- Creating powerful workflows and reports for our compliance objectives;
- Integrating with the survey database to create a useable asset for field work tracking; and
- Using real-time data and leveraging analytical tools to trend plant performance.

Another benefit of Bluegrass Water's affiliation with CSWR is in the area of customer service. CSWR has built from scratch customer service systems that provide substantial benefits to Bluegrass Water's customers. Those systems include:

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- 24-hour emergency service phone lines for potential service issues;
- On-call emergency service contractor personnel;
- Implementation of a computerized maintenance management system for wastewater and drinking water utility assets;
- Real time remote monitoring to ensure service stability;
- On-line bill-pay options;
- Up-to-date website bulletins about current service status; and
- Service initiation or discontinuance procedures.

Being part of the CSWR affiliate group also gives Bluegrass Water access to capital – especially equity capital – that almost certainly would not be available to such a small company on a stand-alone basis.

Witness: Brent Thies, Vice President and Corporate Controller

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**REQUEST NO. 1-15: Provide a comprehensive list and detailed description of the
services that Bluegrass Water has provided to affiliated companies.**

RESPONSE: Bluegrass Water does not provide services to affiliated companies.

**Witness: Aaron Silas, Assistant Vice President of Customer Experience and
Regulatory Operations**

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REQUEST NO. 1-16: Provide, in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible, a spreadsheet with the following information for Bluegrass Water and CSWR's jurisdictional operations for each corporate officer and, as a group, in total, by category, the Directors, Managers, Supervisors, and Exempt and Non-Exempt employees for the historical test-period:

- a. Regular salary or pay
- b. Overtime pay
- c. Excess vacation payout
- d. Standby/Dispatch pay
- e. Bonus and incentive pay
- f. Any other forms of incentives (may include stock options or forms of deferred compensation)
- g. Other amounts paid and reported on the employees' W-2 (specify)
- h. Healthcare benefit cost for employees
 - 1) Amount paid by the employer
 - 2) Amount paid by the employee
- i. Dental benefits costs for employees
 - 1) Amount paid by the employer
 - 2) Amount paid by the employee

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j. Vision benefits costs for employees

1) Amount paid by the employer

2) Amount paid by the employee

k. Life insurance costs for employees

1) Amount paid by the employer

2) Amount paid by the employee

l. Accidental death and disability benefits

1) Amount paid by the employer

2) Amount paid by the employee

**m. Defined Contribution – 401(k) or similar plan cost for employees. Provide the
amount paid by the employer.**

n. Defined Benefit Retirement cost for employees

1) Amount paid by the employer

2) Amount paid by the employee

o. Cost of any other benefit available to an employee (specify).

RESPONSE: Please see attached CONFIDENTIAL Exhibit PSC 1-16. Additionally,
CSWR pays 99% of the costs of healthcare, dental, and vision benefits for its employees. CSWR
does not have a defined benefits program.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-17: For each item of benefits listed in response to Request No. 16 above where an employee is required to pay part of the cost, provide a detailed explanation as to how the employee contribution rate was determined.

RESPONSE: To accomplish its mission to bring safe and reliable water and wastewater service to its customers over an eleven-state footprint, CSWR, LLC, needs to attract top talent to the company. Part of this strategy has included a benefits package that is designed to be competitive with those offered by larger water and wastewater utilities. The employee contribution rate(s) currently in place were determined based on that objective. CSWR employees pay part of the costs of the following items: healthcare, dental, and vision benefits.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-18: Provide a listing of all health care plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt and Non-Exempt employees, i.e., single, married no dependents, single parent with dependents, family, etc. Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts.

RESPONSE: All employees, including Directors, Managers, Supervisors, Exempt and Non-Exempt employees, have access to the same benefit plan categories. All health, dental, and vision plan categories and contribution rates are included in the Company's response to PSC 1-16.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-19: Provide a listing of all life insurance plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, and Non-Exempt employees. Include the associated employee contribution rates and employer contribution rates of the total premium cost for each plan category.

RESPONSE: All employees, including Directors, Managers, Supervisors, Exempt and Non-Exempt employees, have access to the same benefit plan categories. All life insurance plan categories and contribution rates are included in the Company's response to PSC 1-16.

Witness: Brent Thies, Vice President and Corporate Controller

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REQUEST NO. 1-20: Provide a listing of all retirement plans categories available to corporate officers individually, and to groups defined as Directors, Managers, Supervisors, Exempt, and Non-Exempt employees. Include the associated employee contribution rates, if any, and employer contribution rates of the total cost for each plan category.

RESPONSE: All employees regardless of whether they are Directors, Managers, Supervisors, Exempt or Non-Exempt employees have access to the same benefit plan categories. All retirement plan categories and contribution rates are included in the Company's response to PSC 1-16.

Witness: Brent Thies, Vice President and Corporate Controller

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**REQUEST NO. 1-21: Provide schedules showing the current capital structure of
Central States and CSWR in both dollars and percentages.**

RESPONSE: Please refer to Exhibit 9 to the Application - Financial Workbook, on Excel
tab labeled "Capital Structure," for the current capital structure of Central States and CSWR.

Witness: Brent Thies, Vice President and Corporate Controller

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**REQUEST NO. 1-22: Explain the process by which CSWR raises equity capital on
behalf of Bluegrass Water.**

RESPONSE: US Water Systems, LLC, provides the equity capital that CSWR, LLC,
invests in Bluegrass Water, as needed.

Witness: Brent Thies, Vice President and Corporate Controller

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**REQUEST NO. 1-23: Explain the process by which CSWR raises debt capital on
behalf of Bluegrass Water.**

RESPONSE: CSWR is able to raise debt capital at the parent level. The current parent company term loan was raised in November 2024. Loan proceeds are supplied to Bluegrass Water based on approved capital projects and timing of expenditures. Funds are advanced to Bluegrass Water pursuant to an intercompany loan agreement, which references the applicable parent-level term loan and governs the advancement and repayment of funds.

Witness: Brent Thies, Vice President and Corporate Controller

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 1-24: Explain how Bluegrass Water distinguishes or will distinguish the debt financing it receives from CSWR from the equity financing it receives from CSWR if Bluegrass Water will obtain both debt and equity from CSWR.

RESPONSE: Bluegrass Water's equity financings are clearly distinguished from debt by ensuring that both are individually recognized and managed within the company's accounting framework. Each funding would be treated as an individual source of capital and recorded separately.

Witness: Brent Thies, Vice President and Corporate Controller

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 1-25: Explain why the systems managed by CSWR and Central States in Kentucky are connected to CSWR, LLC through Bluegrass Water UOC, LLC; Bluegrass Water UHC, LLC, and Kentucky CSWR, LLC; and identify which entity actually owns the real and personal property used to provide utility service to Bluegrass Water's customers.

RESPONSE: Bluegrass Water Utility Operating Company, LLC, owns the real and personal property used to provide utility service to Bluegrass Water's customers. The general corporate structure (i.e., the creation of state utility holding companies) is a legacy structure that was instituted when CSWR was first created. The creation of state utility holding companies was designed to maximize corporate flexibility.

Witness: Todd Thomas, Senior Vice President

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 1-26: State whether Bluegrass Water UOC, LLC; Bluegrass Water UHC, LLC, and Kentucky CSWR, LLC have any employees, and if so, identify the number of persons employed by each entity and describe the roll [sic] of each such person.

RESPONSE: Bluegrass Water UOC, LLC; Bluegrass Water UHC, LLC; and Kentucky CSWR, LLC do not have any employees.

Witness: Todd Thomas, Senior Vice President

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-27: Provide the most recent balance sheets for Bluegrass Water
UOC, LLC; Bluegrass Water UHC, LLC, and Kentucky CSWR, LLC.**

RESPONSE: Please refer to the attached Exhibit PSC 1-27 - Bluegrass Water's
Consolidated Balance Sheets, which contains a Balance Sheet for Bluegrass Water UOC, LLC and
Kentucky CSWR, LLC. Bluegrass Water UHC does not have a balance sheet.

Witness: Brent Thies, Vice President and Corporate Controller

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 1-28: Provide the number of wastewater customers separated by each system operated by Bluegrass Water. For systems that have differing customer classifications, provide the number of customers for each classification.

RESPONSE: Please refer to Exhibit PSC 1-28 - Customer Connection by Class.

Witness: Aaron Silas, Assistant Vice President of Customer Experience and Regulatory Operations

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 1-29: Provide the number of water customers for the water system served by Bluegrass Water. For systems that have differing customer classifications, provide the number of customers for each classification.

RESPONSE: Please refer to the attached Exhibit PSC 1-28 – Customer Connection by Class.

Witness: Aaron Silas, Assistant Vice President of Customer Experience and Regulatory Operations

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 1-30: For each individual wastewater system and water system that Bluegrass Water operates, provide a test year analysis of customers' bills in sufficient detail that revenues from the present rates and proposed rates can be readily determined. Provide this information in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

RESPONSE: Please refer to Exhibit 9 to the Application - Financial Workbook, on Excel tabs labeled "Rate Design – Water" and "Rate Design - WW," for the test year analysis of customers' bills.

Witness: Emily Harlow, Manager of Rates and Revenue

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

**REQUEST NO. 1-31: Provide the remaining useful lives of existing equipment for all
systems.**

RESPONSE: Please refer to attached Exhibit PSC 1-31 – Remaining Life.

Witness: Brent Thies, Vice President and Corporate Controller

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

REQUEST NO. 1-32: Provide the following information concerning the costs for the preparation of this case:

a. In Excel spreadsheet format with all formulas, rows, and columns unprotected and full accessible, a detailed a schedule of expenses incurred to date for the following categories:

- 1) Accounting**
- 2) Engineering**
- 3) Legal**
- 4) Consultants**
- 5) Other Expenses (identify separately)**

b. For each category identified in Item a, the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the base period.

c. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in Item 32a, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S RESPONSES TO THE
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

d. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in Items 32a and 32b, and a cumulative total of cost incurred to date for each category. Provide this response Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible. Updates will be due each month through the month of the public hearing.

RESPONSE:

a-d. Please refer to attached Exhibit PSC 1-32 Rate Case Expense. Additionally, Bluegrass Water's estimated rate case expenses to complete the proceedings are based on research of past, similar rate cases, consideration of the scope and complexity of this filing as reflected in Bluegrass Water's petition, and the anticipated effort required through the hearing process and issuance of a final order. These estimates reflect projected legal and professional support necessary to respond to discovery, prepare testimony, and participate in hearings. Because these amounts are forward-looking estimates rather than incurred costs, supporting documentation is not available at this time; actual expenses will be supported by documentation as they are incurred and may vary depending on the extent of participation by Commission Staff, the Office of the Attorney General, and any intervenors.

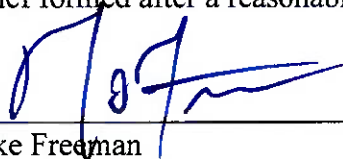
Witness: Brent Thies, Vice President and Corporate Controller

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
)

VERIFICATION

I, Jake Freeman, verify, state, and affirm that the responses to Commission Staff's requests for information filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



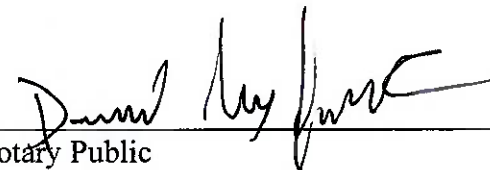
Jake Freeman
Director of Engineering
Bluegrass Water Utility Operating Company, LLC

STATE OF MISSOURI)
) ss:
COUNTY OF ST. LOUIS)

SUBSCRIBED AND SWORN TO before me by Jake Freeman on this the 19th day of December, 2025.

My commission expires: 5/4/28





Notary Public

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
)

VERIFICATION

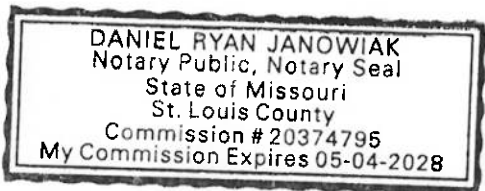
I, Emily Harlow, verify, state, and affirm that the responses to Commission Staff's requests for information filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Emily Harlow
Emily Harlow
Manager of Rates and Revenue
Bluegrass Water Utility Operating Company, LLC

STATE OF MISSOURI)
) ss:
COUNTY OF ST. LOUIS)

SUBSCRIBED AND SWORN TO before me by Emily Harlow on this the 19th day of December, 2025.

My commission expires: 5/4/28



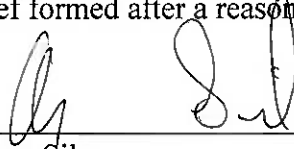
Daniel Ryan Janowiak
Notary Public

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
)

VERIFICATION

I, Aaron Silas, verify, state, and affirm that the responses to Commission Staff's requests for information filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Aaron Silas
Assistant Vice President of Customer Experience
and Regulatory Operations
Bluegrass Water Utility Operating Company, LLC

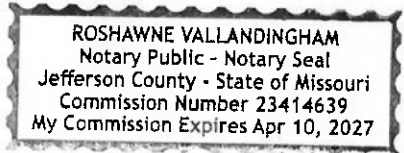
STATE OF MISSOURI)
) ss:
COUNTY OF ST. LOUIS)

SUBSCRIBED AND SWORN TO before me by Aaron Silas on this the 19th day of December, 2025.

My commission expires: April 10, 2027



Notary Public



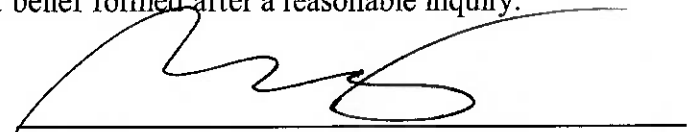
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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

VERIFICATION

I, Brent Thies, verify, state, and affirm that the responses to Commission Staff's requests for information filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Brent Thies
Vice President & Corporate Controller
Bluegrass Water Utility Operating Company, LLC

STATE OF MISSOURI)
) ss:
COUNTY OF ST. LOUIS)

SUBSCRIBED AND SWORN TO before me by Brent Thies on this the 19th day of December, 2025.

My commission expires: April 10, 2027


Notary Public

