

**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	)	

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**ATTORNEY GENERAL’S FIRST REQUEST FOR INFORMATION TO  
BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC**

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Comes now the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention (“Attorney General”), and submits these Data Requests to Bluegrass Water Utility Operating Company, LLC (hereinafter “Bluegrass Water” or “The Company”) to be answered by the date specified in the Commission’s January 28, 2026 Orders of Procedure in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on

behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel.

(7) 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.

(8) 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 not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify undersigned Counsel as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books,

schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown,

or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

RUSSELL COLEMAN  
ATTORNEY GENERAL



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*Certificate of Service and Filing*

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on February 16, 2026 an electronic copy of the foregoing was served via the Commission's electronic filing system.

This 16<sup>th</sup> day of February 2026.

A handwritten signature in blue ink, appearing to read "Thomas John Lee".

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Assistant Attorney General

**ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION TO  
Bluegrass Water Utility Operating Company, LLC  
No. 2025-00354**

**Data Requests**

1. Annual Reports. Please advise if an annual report for 2024 has been filed with the Commission.
  - a. If the 2024 annual report is available, please provide a copy.
  - b. If the 2024 annual report has not been filed, please explain why not.
  - c. If the 2024 annual report has not been filed, please advise when it will be filed.
2. Refer to the Application generally.
  - a. Please provide a list of all system improvement projects completed by Bluegrass Water.
  - b. Please provide a list of all ongoing system improvement projects.
  - c. Please provide a list of all planned system improvement projects and the estimated start and completion date, if available.
  - d. State whether any acquired systems have not undergone system improvement projects.
3. Refer to the Application generally.
  - a. Discuss the feasibility of billing on a volumetric basis at each system, including cooperation with local water utilities to obtain water usage information.
  - b. Has Bluegrass Water performed an analysis comparing billing equity under the current flat rate structure versus a metered volumetric rate structure for customers, including low usage households.
  - c. State whether Bluegrass Water has considered offering voluntary metering, or hybrid flat/volumetric options, and provide any cost/benefit analyses performed including all workpapers.

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4. Refer to the Application generally. Provide a schedule of water system requirements, operating costs, capital costs, and customer counts for each subsystem for 2022-2026.
  - a. State whether Bluegrass Water has performed a cost-of-service study allocating costs by subsystem, and if not, explain why such analysis was not performed
5. Refer to the Application generally. Provide a schedule of sewer system revenue requirements, operating costs, capital costs, and customer counts for each subsystem for 2022-2026.
  - a. State whether Bluegrass Water has performed a cost-of-service study allocating costs by subsystem, and if not, explain why such analysis was not performed.
6. Refer to the Application generally. Please provide a list of the number of customers in each customer class subdivided by system.
7. Refer to the Application generally. Identify whether Bluegrass Water conducted any public meetings, formational sessions, or stakeholder outreach prior to filing this case.
8. Refer to the Application generally.
  - a. State Bluegrass Water's criteria for determining when rate unification is appropriate, including whether similarly of cost, geography, or infrastructure conditions were evaluated.
  - b. Provide any alternative rate structures considered that would have mitigated large percentage increases for customers in historically lower-cost systems, and why they were rejected.
  - c. State whether Bluegrass Water evaluated phased in-rates, or system-specific transition mechanisms.

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9. Refer to the Application generally.
  - a. Provide the number of residential disconnections for nonpayment from 2022-2026.
  - b. Provide the total arrearage balance for residential and commercial customers as of year-end each year beginning in 2022.
  - c. State whether the Bluegrass Water has evaluated whether the proposed increase may increase disconnection or arrearages.
  
10. Refer to the Application generally. With respect to Bluegrass Water's proposal, specifically with regard to commercial customers:
  - a. State whether Bluegrass Water has conducted any analysis of "rate shock" or affordability impacts on commercial customers. If so, provide the complete analysis, including all workpapers, models, and spreadsheets with formulas intact.
  - b. Define how the Bluegrass Water measures "rate shock" and state whether Bluegrass Water applied any such threshold in designing its proposed commercial rates.
  - c. State whether Bluegrass considered any alternative rate designs to mitigate rate shock for small commercial customers. If so, describe each alternative considered and explain why it was rejected.
  
11. Refer to the Application generally. With respect to Bluegrass Water's proposed rates and the impact on residential customers:
  - a. State whether Bluegrass Water conducted any analysis of residential affordability or rate shock in developing its proposed rates. If so, provide the

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complete analysis, including all workpapers, models, models, and spreadsheets with formulas intact.

- b. Define how Bluegrass Water identifies or measures “rate shock” for residential customers, and state whether the Bluegrass Water applied any such stand in designing the proposed rates.
  - c. State whether Bluegrass Water conducted any analysis of the impact of the proposed rates on residential customers with fixed incomes, including but not limited to retirees and Social Security recipients. If so:
    - i. Provide the analysis and supporting workpapers.
    - ii. Identify any data sources used to estimate the number of such customers within the service territory.
    - iii. State whether Bluegrass Water evaluated the percentage of household income that would be required to pay the proposed residential bill increase.
  - d. State whether Bluegrass Water considered any mitigation measures to reduce rate shock or affordability concerns for residential customers. For each alternative considered, describe the analysis performed and explain why it was not adopted.
12. Refer to the Application generally. With respect to the proposed increase in the residential rates, provide the following:
- a. State whether Bluegrass Water conducted any analysis of the potential impact of the proposed residential rate increases on:
    - i. Residential housing affordability.

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- ii. Home resale value.
    - iii. Marketability of homes within the service territory.
  - b. If such analysis was conducted, provide the complete analysis, including all supporting documents, workpapers and consulting reports.
  - c. State whether Bluegrass Water evaluated how the proposed increase compares to:
    - i. Drinking and wastewater charges in adjacent utility service territories.
    - ii. Regional averages for similarly situated communities.
  - d. Identify and produce all research and analyses discussion potential economic, housing, demographic, and community-development impacts of the proposed rate increases.
- 13. Refer to the Application generally. Provide a list of all Notices of Violations, enforcement actions, consent orders, or regulatory citations issued by any state or federal agency related to Bluegrass Water's Kentucky systems from 2022-2026.
  - a. For each, provide
    - i. Nature of the violation.
    - ii. Duration of noncompliance.
    - iii. Corrective action taken.
    - iv. Cost of corrective action.
  - b. State whether any of the capital expenditures included in this rate cases are intended to remediate past compliance failures, and if so, identify those projects and associated costs.

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- c. Identify whether Bluegrass Water maintains internal performance benchmarks for regulatory compliance and environmental performance, and provide those metrics for 2022-2026.
14. Refer to the Application generally. Describe the methodology used to calculate monthly flat residential and commercial bills under the proposed revenue increase.
15. Refer to the Application generally. Identify all capital contributions made to Bluegrass Water by its parent company or any affiliate.
  - a. For each contribution, identify the entity that provided the capital and whether the source of that funding was debt or equity and provide supporting documentation.
16. Refer to the Application generally. For each system acquired by Bluegrass Water since the last rate case:
  - a. Provide the purchase price and the amount recorded as equity investments.
  - b. For each equity amount identified, state the source of the funds and the entity that provided the funds.
17. Refer to the Application generally. State whether the Company evaluated whether the requested return on equity reflects the financial risk of the consolidated enterprise, including all parent-level debt and equity used to finance investments of Bluegrass Water.
18. Refer to the Application generally. Provide the total number of unplanned service interruptions since the last rate case.
  - a. For each interruption, please provide the affected system, date and duration of the interruption, the number of affected customers and the cause.

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19. Refer to the Application generally. Describe Bluegrass Water's process for selecting contractors, including whether competitive bidding is required.
20. Refer to the Application generally. State whether Bluegrass Water has evaluated whether the use of contractors increased costs compared to maintaining in-state staff and provide a summary of any such analysis.
21. Refer to the Application generally. Explain whether Bluegrass Water has any utility offices or drop-off locations in Kentucky open for customers to pay bills, obtain customer service, etc. If not, explain all ways Bluegrass customers can pay bills, obtain customer service, etc.
  - a. If there are no local payment processing locations, are customers only options to pay online or to mail checks to Dallas, Texas?
22. Refer to the filing titled "Ordered Paragraph 5 Report" filed on January 28, 2026, in Case No. 2022-00432.
  - a. What does Bluegrass Water believe is the cause for the high number of occurrences of late fees?
  - b. What percentage of Bluegrass Water customers have incurred at one late payment charge?
  - c. What is the current number and percentage of customers with an outstanding arrearage balance at this time?
  - d. Does Bluegrass Water believe the lack of local payment processing contributes to this issue?
  - e. Does Bluegrass Water believe that the number of occurrences will increase if the proposed rate increases are implemented?

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23. Refer to the Application generally.

- a. Provide an organizational chart of Bluegrass Water. Designate what city each position is located in, and whether any position is vacant. If a position is based outside of Kentucky, provide the city and state where it is located.
- b. Provide an organizational chart that demonstrates a simplistic demonstration of all the affiliated companies that are associated with Bluegrass Water. For each entity, identify the names of the owner(s) and the percentage of ownership.
- c. Provide a map of Bluegrass Water's service area, identifying both drinking water and sewage customers.

24. Refer to the Application generally. Provide the following information for CSWR, LLC's executive staff employees.

- a. Provide the position, title, and salary for each executive staff employee for the years 2020-2026.
- b. Provide the average bonus that each executive staff employee received, or will receive, for the years 2020-2026.
- c. Provide all vehicle allowances given to the executive staff employees for the years 2020-2026.
- d. Provide all incentive compensation given to the executive staff employees for the years 2020-2026.
- e. Provide a detailed explanation of the insurance benefits provided to the Company's executive staff employees, including, but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's executive staff employees, premiums paid by the Company or parent company on the

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executive staff employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.

- f. Provide a detailed explanation of the retirement benefits provided to the Company's executive staff employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
- g. Explain whether any of the executive staff employees are members of a union.

25. Refer to the Application generally. Provide the following information for CSWR, LLC's salaried employees.

- a. Provide the position, title, and salary for each salaried employee for the years 2020 – 2026.
- b. Provide the average bonus that each salaried employee received, or will receive, for the years 2020 - 2026.
- c. Provide all vehicle allowances given to the salaried employees for the years 2020 – 2026.
- d. Provide a detailed explanation of the insurance benefits provided to the Company's salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's salaried employees, premiums paid by the Company or parent company on the salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
- e. Provide a detailed explanation of the retirement benefits provided to the Company's salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.

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- f. Explain whether any of the salaried employees are members of a union.
26. Refer to the Application generally. Provide the following information for CSWR, LLC's non-salaried employees, as well as for all non-salaried employees.
- a. Provide the position, title, and wages for each non-salaried employee for the years 2020 – 2026.
  - b. Provide the average raise that the non-salaried employees received, or will receive, for the years 2020 – 2026. Ensure to explain whether the annual raise is directly connected to a performance review.
  - c. Provide the average bonus that the non-salaried employees received, or will receive, for the years 2020 – 2026.
  - d. Provide all vehicle allowances given to the non-salaried employees for the years 2020 – 2026.
  - e. Provide the average raise, if any, which will be given to non-salaried employees for 2026.
  - f. Provide a detailed explanation of the insurance benefits provided to the Company's non-salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's non-salaried employees, premiums paid by the Company or parent company on the non-salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
  - g. Provide a detailed explanation of the retirement benefits provided to the Company's non-salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.

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- h. Explain whether any of the non-salaried employees are members of a union.
27. Refer to the Application generally. Explain whether any vacant position costs are included in the proposed revenue requirement. If so, provide the job title, salary/wage/benefit amounts, necessity of the position, date the job was created and vacated, explanation as to why the position is currently vacant, and an estimated date as to when the position will be filled.
28. Refer to the Application generally. Explain in detail whether any expenses have been removed from the proposed rates for ratemaking purposes. Provide a detailed list of the removed expenses and explain why Bluegrass Water removed each expense from the rate case.
29. Refer to the Application generally. Explain in detail whether Bluegrass Water provides annual reports of any kind to the cities/counties that it operates in. Explain why or why not.
30. Refer to the Application generally.
- a. Provide the total rate case expense that has been accrued thus far in the pending case. Consider this a continuing request.
  - b. Provide a breakdown of the total rate case expense that has been accrued thus far by category. Consider this a continuing request.
  - c. Provide copies of invoices supporting the level of incurred rate case costs to date and supply such new invoices as they become available.
  - d. Provide the estimated total rate case expense.
  - e. Provide a breakdown of the estimated total rate case expense and copies of contracts supporting the estimates.

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31. Refer to the Application, pages 3 and 4, in which Bluegrass Water states that it provides water and wastewater services to Kentucky counties of Boyle, Bullitt, Calloway, Campbell, Franklin, Garrard, Graves, Hardin, Jessamine, Madison, Marshall, McCracken, Oldham, Scott, and Shelby.

a. Based upon the most recent United States Census information, the poverty rates for Bluegrass Water's service area are as follows:

Boyle County – 14.8%,  
Bullitt County – 8.5%,  
Calloway County –15.9%,  
Campbell County –11.3%,  
Franklin County – 12.3%<sup>1</sup>,  
Garrard County –14.3%,  
Graves County – 16.6%,  
Hardin County – 12.7%,  
Jessamine County - 12.6%,  
Madison County -16.4%<sup>2</sup>,  
Marshall County -10.7%,  
McCracken County -13.9%,  
Oldham County -6.0%,  
Scott County – 8.8% and,

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<sup>1</sup><https://www.census.gov/quickfacts/fact/table/franklincountykentucky,campbellcountykentucky,callowaycountykentucky,bullittcountykentucky,boylecountykentucky,US/IPE120224>

<sup>2</sup><https://www.census.gov/quickfacts/fact/table/madisoncountykentucky,jessaminecountykentucky,hardincountykentucky,gravescountykentucky,garrardcountykentucky,US/IPE120224>

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Shelby County - 9.9%<sup>3</sup>

Confirm that Bluegrass Water is aware of the above poverty rate percentages of its natural gas customers who live in the aforementioned counties.

32. Refer to the Direct Testimony of Brent Thies, page 13. Confirm that Bluegrass Water's request to increase its wastewater revenues from \$2,712,163 to \$5,514,629, is an approximately 103.33% increase in wastewater revenues. If not confirmed, explain why not.
33. Refer to the Direct Testimony of Brent Thies, page 14. Confirm that Bluegrass Water's request to increase its water revenues from \$261,377 to \$362,305, is an approximately 38.614% increase in water revenues. If not confirmed, explain why not.
34. Refer to the Application, page 5. Please provide the following for the newly acquired systems that Bluegrass Water is seeking to include in the unified rate schedule:
- a. The name of the acquired systems.
  - b. The number of customers per system.
  - c. The present-day rates for each system.
  - d. The percentage increase customers of each system will see under your request.
35. Refer to the Application, page 5. Confirm that Bluegrass Water is requesting for the residential wastewater monthly customer charge to increase from \$77.77 to \$114.00, which is a 46.6% increase. If not confirmed, explain in detail why not.
36. Refer to the Direct Testimony of Aaron Silas, Exhibit A, page 1. Confirm that Bluegrass Water is requesting for the multi-residential wastewater monthly customer charge to

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<sup>3</sup><https://www.census.gov/quickfacts/fact/table/shelbycountykentucky,scottcountykentucky,oldhamcountykentucky,mccrackencountykentucky,marshallcountykentucky,US/IPE120224>

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increase from \$53.33 to \$85.50, which is a 46.6% increase. If not confirmed, explain in detail why not.

37. Refer to the Direct Testimony of Aaron Silas, Exhibit A, page 1. Confirm that Bluegrass Water is requesting for the commercial wastewater monthly customer charge to increase from \$197.43 to \$285.00, which is a 44.4% increase. If not confirmed, explain in detail why not.

38. Refer to the Application, page 5. Confirm that Bluegrass Water is requesting for the residential water monthly customer charge to increase from \$77.63 to \$106.12, which is a 36.7% increase. If not confirmed, explain in detail why not.

39. Refer to the Application generally.

- a. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for single coverage in private industry is 80%.<sup>4</sup>
- b. Provide the average percentage share of premiums paid by Bluegrass Water for single coverage employee health insurance. In the response, ensure to provide a breakdown of the contribution percentage share rates for different sets of employees (i.e. union versus nonunion, exempt versus nonexempt, and the like).
- c. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for family coverage in private industry is 69%.<sup>5</sup>

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<sup>4</sup> <https://www.bls.gov/news.release/ebs2.t03.htm>, Table 3

<sup>5</sup> <https://www.bls.gov/news.release/ebs2.t04.htm>, Table 4

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- d. Provide the average percentage share of premiums paid by Bluegrass Water for family coverage employee health insurance. In the response, ensure to provide a breakdown of the contribution percentage share rates for different sets of employees (i.e. union versus nonunion, exempt versus nonexempt, and the like).
- e. Explain whether Bluegrass Water made any adjustments to Health Benefits Expense based on health insurance benefit contributions in excess of the Bureau of Labor Statistics' average for single and family coverage. If not, explain why not and update the adjusted test year expense based on the most recent report available. Provide all supporting calculations and documents.
- f. Explain in detail whether Bluegrass Water provides health savings account contributions for its employees, and if so, provide the monetary amount regarding the same. Ensure to discuss the specific details as to whether employees are also required to contribute to the health savings accounts.
- g. Provide the contribution amounts to dental insurance costs that are paid by Bluegrass Water and the employees.
- h. Provide the contribution amounts to vision insurance costs that are paid by Bluegrass Water and the employees.
- i. Provide the contribution amounts to term life insurance that are paid by Bluegrass Water and the employees.
- j. Provide the contribution amounts to disability insurance that are paid by Bluegrass Water and the employees.
- k. Provide the contribution amounts to insurance costs that are paid by Bluegrass Water and the retirees.

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40. Refer to the Application generally.

- a. Provide the union labor and non-union labor cost increases that were assumed and included in the pending case.
- b. Provide a discussion as to the status of any negotiations of the union labor agreements as well as the union labor cost increases. Consider this an ongoing request.
- c. Provide a copy of the most updated union labor contract.
- d. Explain whether Bluegrass Water awards the same cost increase to non-union employees that the union employees receive. If not, explain how Bluegrass Water negotiates with the union versus non-union employees on wage/benefit increases.
- f. Explain what employees are eligible to join a union at Bluegrass Water each of the years 2020 – 2026

41. Refer to the Application generally.

- a. Please confirm if low-income assistance funds have been provided to Bluegrass Water's customers.
- b. Provide all of the low-income utility assistance agencies that Bluegrass Water has received funds from for each of the years 2022 through 2026.
- c. Provide the monetary amount of low-income utility assistance funds that Bluegrass Water has received from agencies for each of the years 2022 through 2026.

42. Refer to the Application generally.

- a. Provide the monetary amount that Bluegrass included in the test year revenue requirement for payment processing fees, with a breakdown between each payment type (e.g. check, money order, cash, automated bank drafts, electronic funds transfer, credit cards, debit cards, etc.).

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- b. If Bluegrass included credit and debit card fees in the revenue requirement then provide the Commission case number and Order that approved these specific fees to be included in rates.
  - c. Provide all payment processing fees that the Company has paid for in the years 2022 – 2026, and provide a breakdown for each type of payment processing fee. (e.g. check, money order, cash, automated bank drafts, electronic funds transfer, credit cards, debit cards, etc.).
  - d. Identify the type of payments Bluegrass Water accepts from a customer without assessing a fee.
  - e. Identify the type of payments Bluegrass Water accepts only with a fee assessment.
  - f. Explain in full detail whether Bluegrass Water requires a convenience fee to be added to all credit card/debit card transactions in order for other customers to not subsidize the credit card/debit card payments. If not, explain in full detail why not.
  - g. Provide the type of credit cards/debit cards that Bluegrass accepts as payment (e.g. Visa, MasterCard, American Express, etc.), the fee that the Company pays to process each type of credit card/debit card, and the associated fee to the customer.
  - h. Provide all other forms of payment that Bluegrass Water accepts from customers to pay the utility bill, the corresponding fees that the Company pays to process each payment type, as well as all fees assessed to the customers for each payment type.
43. Refer to the Application generally. Has Bluegrass Water obtained and/ or is the Company seeking any funds/grants from federal, state, or local sources which have been or will be made available? If so, identify the source and amount of those funds/grants. If not, and

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the funds/grants are available for which the Company is eligible, explain why the Company is forgoing those opportunities.

44. Refer to the Application generally.

- a. Explain how seeking to increase the monthly residential wastewater customer charge from \$77.77 to \$114.00, and an adjustment of monthly residential water from \$77.63 to \$106.12, along with unification of recently acquired system rates is in line with the principle of gradualism.
- b. Provide a list of all water and wastewater utilities with the corresponding monthly residential customer charge, residential volumetric charge, average bill, and rank the utilities from lowest to highest average bill. Ensure to include Bluegrass Water's proposed residential customer charge, average bill, and rank based upon its proposed revenue requirement.

45. Affiliate Costs. Refer to Exhibit 12, pages 6-28.

- a. Provide the total amounts allocated to the Company and broken down by the following components and expense type: directly incurred (contract operations, bad debt, fuel, power, chemical, maintenance, property tax, A&G, software, etc.), joint billed (insurance, etc.) and indirect charges for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
- b. Explain all changes in allocation to the Company in the base period and the forecasted test year over the prior historical years.

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- c. Provide the total directly incurred, joint billed and indirect charges approved by the Kentucky Commission for each of the years 2020, 2021, 2022, 2023, 2024, and 2025 separately for water and wastewater.
  - d. Provide the CSWR's total charges for all entities for each of the years 2020, 2021, 2022, 2023, 2024 and 2025.
  - e. Provide the percentages and total amount allocated to each Affiliate/Subsidiary for each of the years 2020, 2021, 2022, 2023, 2024 and 2025.
  - f. Provide the projected percentages and amounts for 2026 for each affiliate/subsidiary.
46. Advertising Expense. Refer to the Application generally. Provide the total amount (direct, joint and indirect) of advertising expense by category for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
47. Acquisitions/Mergers. Refer to the Application generally.
- a. Identify all acquisitions/mergers that the Company evaluated including those it decided not to enter into in each of the years 2020, 2021, 2022, 2023, 2024, 2025 and the base period.
  - b. Identify all costs the Company has incurred related to these acquisitions/mergers in subpart (a) above by year, category, account number and amount separately for water and wastewater through the current date (e.g., including but not limited to: payroll, consulting, legal, etc.).

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- c. Identify all planned and pending acquisitions, as well as any that the Company is considering, that may be completed in 2026 and 2027. Provide case numbers for all acquisitions being reviewed in this and other jurisdictions.
  - d. Identify all costs the Company has incurred related to the acquisitions/mergers in subpart (c) above by year, category, account number and amount separately for water and wastewater through the current date (e.g., including but not limited to: payroll, engineering, consulting, legal, etc.).
48. Acquisition Related Costs-Attorney Fees. Refer to pages 24-31 of the order in Case No. 2022-00432 dated February 14, 2024. Provide the total amount of acquisition related attorney fees included in plant in service the in the base period and in the forecasted test year. Also include all corresponding amounts (accumulated depreciation, depreciation expense, etc.)
49. Acquisition Adjustments. Refer to Exhibit 9. Provide all acquisition adjustments requested for recovery in the forecasted test year broken out by wastewater and water and system. Also identify which revenue requirement schedule where the acquisition adjustments are reflected.
50. Annual Reports. Refer to the Application generally. Provide copies of or links to the last three annual reports filed at the Commission.
51. Bad Debts. Refer to the Application generally. For each of the years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, provide the revenues, write-offs, and recoveries separately for water and wastewater. Explain any large changes in write-offs.

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52. Bad Debts. Refer to Exhibit 14, pages 12-13. Provide the amount of bad debt expense for each year: 2020, 2021, 2022, 2023, 2024, 2025, and included in the base period and the forecasted test period separately for water and wastewater.
53. Bank Fees. Refer to Exhibit 11, page 20 lines 16-20. Provide the annual amount of bank fees paid by the Company for customer returned checks for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
54. Board of Director ("BOD") Fees and Meeting Costs. Refer to the Application generally. Provide the total amount of fees and expenses paid (direct, joint and indirect) to all BOD members (including but not limited to Central States Water Resources LLC), and total costs incurred for all BOD meetings for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater. Break these expenses out by category (including but not limited to: per diems, benefits, reimbursements, expenses, seminars, retainers, travel, etc.)
55. Board of Director Meeting Minutes. Refer to the Application generally. Provide copies of all the BOD meeting minutes for each of the years 2024, 2025 and year-to-date 2026.
56. Board of Director Meetings. Refer to the Application generally. State whether the 2024 and 2025 BOD meetings were held in person or virtual or a blend of both. Also state whether the BOD meetings that will be held during the forecasted test year are expected to be held in person or virtual or both.
57. Business Development Expenses. Refer to the Application generally. Provide the total business development expenses (direct, joint and indirect) for each of the years, 2020,

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2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.

58. Business Development. Refer to page 68 of the order in Case No. 2022-00432 dated February 14, 2024, which states that “the Commission would encourage CSWR to require its employees to specifically identify any work done for business development...”

Explain how the Company has implemented this directive and provide the information since the last rate case and forecasted for the base period and forecasted test year. If the Company did not implement this directive, explain why not.

59. Business Development. Refer to the Application generally. Identify all employees that engage in business development activities on behalf of the Company. For each employee provide in schedule form:

- a. Their total fully loaded compensation and the amounts charged to Bluegrass (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, and included in the base period and forecasted the test year separately for water and wastewater and the accounts charged.
- b. Provide the percent of time spent on business development activities in each of the years in subpart a, the base period and the forecasted test year.
- c. Description of the business development activities and whether each is specific to Kentucky,
- d. All company-paid or reimbursed expenses or allowances (direct, joint and indirect) for each of the years in subpart a and included in the base period and

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the forecasted test year separately for water and wastewater and the accounts charged.

60. Bonus expense. Refer to the Application generally.

- a. Provide the amount of bonuses (direct, joint and indirect) for each of the years, 2020, 2021, 2022, 2023, 2024, 2025, included in the base period and the forecasted test year separately for water and wastewater.
- b. Provide a description of and copy of the Company's bonus program.
- c. Provide the amount of employees eligible for a bonus and the amount who received a bonus for each of the years, 2020, 2021, 2022, 2023, 2024, and 2025 separately for water and wastewater.

61. Government affairs, regulatory policy, and lobbying expenses. Refer to the Application generally.

- a. Provide the government affairs, regulatory policy, and lobbying expenses (direct, joint and indirect) for each of the years, 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
- b. Identify all employees that engage in government affairs, regulatory policy and lobbying activities on the local, state or national level. For each employee provide in schedule form:
  - i. Their fully loaded annual salaries included in the base period and forecasted test period (direct, joint and indirect) separately for water and wastewater,

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- ii. Percent of time expected to be spent on these activities in the base period and the forecasted test period,
- iii. The organizations or trade associations involved,
- iv. All company-paid or reimbursed expenses or allowances in the included in the base period and the forecasted test year and the accounts charged direct, joint and indirect) separately for water and wastewater.

62. Contingencies. Refer to the Application, page 9 of 22, Section 36.

- a. Identify the percentage and dollar amount of contingencies included in the base period and forecasted test year plant separately for water and wastewater.
- b. Provide an explanation of the Company's use of contingencies, (including supporting calculations and documents).

63. Capital Expenditures. Refer to the Application generally.

- a. Provide the total budgeted capital expenditures for each of the following years: 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
- b. Provide the actual amount of capital expenditures for each of the following years: 2020, 2021, 2022, 2023, 2024, 2025 separately for water and wastewater.
- c. Explain the reason for all variances exceeding 5% separately for water and wastewater.
- d. Provide the annual amount of capital expenditures authorized by the Commission for each of the following years: 2020, 2021, 2022, 2023, 2024, 2025 separately for water and wastewater.

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64. Capital projects. Refer to Exhibit 8. For each of the projects, provide the budgeted and actual cost of the completed capital expenditures:
- a. Herrington Haven
  - b. Woodland Acres
  - c. Persimmon Ridge
  - d. Delaplain Disposal Company
  - e. Center Ridge Water Districts 1-4
  - f. Commonwealth Wastewater
  - g. Yung Farm Estates
  - h. Magruder Village
65. Credit card fees. Refer to the Application generally. Identify the total amount (direct, joint and indirect) of credit card fees for each of the years, 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
66. Customer Service. Refer to Exhibit 1, page 21, lines 16-25. Provide the annual savings by category separately for water and wastewater reflected in the forecasted test year. Also identify the schedule where the savings are reflected.
67. Customer service. Refer to Exhibit 5, page 12.
- a. Provide the annual cost of the Nitor Billing Service for each of the years, 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.

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- b. Provide the annual cost associated with the new vendor InteLogix included in the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - c. Refer to page 17, lines 4-6 of Exhibit 5. Explain how ratepayers will receive the benefits of the additional cost reductions.
  - d. Refer to Exhibit 5, pages 14-16. Provide the cost of the new internal WORT in the base year and the forecast test year.
68. Customer Information System. Refer to Exhibit 5, page 17.
- a. Provide the year the project was implemented and the total cost to Bluegrass for the Muni-Link system.
  - b. Provide the annual cost associated with the MuniLink system included in the forecast test year.
69. Customer service metrics. Refer to Exhibit 5, pages 12-15. Provide copies of the customer service metrics goals and actual results for Kentucky customers for the last five calendar years.
70. Caregiver Expenses. Refer to the Application generally.
- a. Does the Company provide any day care, elder care or pet care subsidy or reimbursement benefit to its employees? If so, please describe the benefit offered and identify which employees are eligible for the benefit.
  - b. Provide the total amount (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
71. Company/Corporate Aircraft and Watercraft. Refer to the Application generally.

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- a. Identify the total amount (direct, joint and indirect) of aircraft/watercraft costs included in rate base and in operating expenses in each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - b. Provide the year and model of each aircraft/watercraft the company/parent owns and leases.
  - c. Provide copies of the trip logs supporting the 2024 expenses.
  - d. For each of the trips in 2024, identify the purpose of the travel.
  - e. Does the company compare costs of commercial flights before utilizing the company/corporate aircraft or watercraft? If so, describe the process. If not, explain why not.
  - f. Provide a description of the Company's policy regarding spousal/non-employee companion travel.
  - g. Provide and explanation documentation supporting how use of the corporate/company aircraft/watercraft benefits ratepayers.
72. Company Events Expense. Refer to the Application generally. Identify the total expense (direct, joint and indirect) for events (e.g., picnics/barbeques, fairs, 5-k's, etc.) for 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
73. Customer Deposits. Refer to Exhibits BT-4A and BT-4B.
- a. Explain why the company has not reflected customer deposits as a deduction to rate base.

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- b. Provide the monthly customer deposit balances for 2020, 2021, 2022, 2023, 2024, 2025, the base period and forecasted test year separately for water and wastewater.
  - c. Provide the interest rate applicable to customer deposit balances in the forecasted test year.
74. Deferred Income Taxes. Refer to Exhibits BT-4A and BT-4B.
- a. Explain why the company has not reflected deferred income taxes in rate base.
  - b. Provide the monthly deferred income tax balances for 2020, 2021, 2022, 2023, 2024, 2025, the base period and forecasted test year separately for water and wastewater.
75. Customer Advances in Aid of Construction. Refer to Exhibit BT-4A and BT-4B. Provide the monthly Customer Advances' balances for 2020, 2021, 2022, 2023, 2024 and 2025, the base period and forecasted test year separately for water and wastewater.
76. Contributions in Aid of Construction ("CIAC"). Refer to Exhibit BT-4A and BT-4B. Provide the monthly CIAC balances for 2020, 2021, 2022, 2023, 2024, 2025, the base period and forecasted test year separately for water and wastewater.
77. Prepayments. Refer to Exhibit BT-4A and BT-4B.
- a. Provide the monthly prepayments balances for 2020, 2021, 2022, 2023, 2024, 2025, the base period and forecasted test year separately for water and wastewater by account number.
  - b. Provide an explanation of what the prepaid items relate to.
78. Customer Connections. Refer to page four of the Application. Provide the total Bluegrass customer connections for each year: 2020, 2021, 2022, 2023, 2024, 2025,

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the base period and included for recovery in the forecasted test year separately for water and wastewater.

79. Donations. Refer to the Application generally. Provide the annual donations expense (direct, joint and indirect) for 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
80. Directors and Officers Insurance. Refer to the Application generally. Provide the total amount of D&O insurance (direct, joint and indirect) included for recovery in the forecasted test year separately for water and wastewater.
81. Deviations.
  - a. Please identify all aspects of the Company's revenue requirement request that represent a conscious deviation from the principles and policies established in prior Commission Orders.
  - b. Identify each area of deviation, and for each deviation explain the Company's perception of the principle established in the prior Commission Orders, and the dollar impact on the test year, base year and forecasted test year resulting from such deviation.
82. Dues - Industry Associations. Refer to the Application generally.
  - a. Provide the amount of membership payments to industry associations by vendor (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - b. State the purpose and objective of each organization listed.

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- c. Provide documentation supporting how ratepayers are benefitted by the Company's membership in these associations.
  - d. Identify each organization that engages in lobbying or advocacy activities, attempts to influence public opinion, institutional or image-building advertising.
  - e. For those that engage in such activities, state whether the Company has included the portions of dues related to such activities in the base period and the forecasted test year and identify the amount relating to such activities.
  - f. Identify all Company or affiliate employees that are members of committees or boards of the industry associations.
  - g. State whether the Company is aware whether any portion of the dues it pays to any Dues Requiring Organization are utilized to pay for any of the following expenditures, and if so, provide complete details:
    - h. i. Influencing federal or Kentucky legislation;
    - i. ii. Any media advertising campaigns backing the Company's or the Dues Requiring Organization's position(s) on net metering;
83. Dues Non-Industry. Refer to the Application generally.
- a. Provide the amount of membership payments to non-industry associations by vendor (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - b. State the purpose and objective of each organization listed.

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- c. Provide documentation supporting how ratepayers are benefitted by the Company's membership in these associations.
  - d. Identify each organization that engages in lobbying or advocacy activities, attempts to influence public opinion, institutional, or image-building advertising.
  - e. For those that engage in such activities, state if the Company has included the portions of dues related to such activities in the base period and the forecasted test year and identify the amount relating to such activities.
  - f. Identify all Company or affiliate employees that are members of committees or boards of the non-industry associations.
84. Executive Vehicles. Refer to the Application generally.
- a. Provide the total rate base and O&M expense amounts (direct, joint and indirect) associated with vehicles provided to executives for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - b. Provide a list of each executive vehicle including: year, make, and model.
85. Vehicle allowances. Refer to the Application generally.
- a. Provide the annual amount (direct, joint and indirect) of vehicle allowances paid to each employee for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - b. For each employee that is provided a vehicle allowance, provide the annual amount of mileage reimbursements paid (direct, joint and indirect) for each of

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the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.

Also explain the purpose of the travel related to the mileage reimbursements.

86. Employee Cafeteria. Refer to the Application generally.
- a. Provide the total revenues (direct, joint and indirect) received for all employee cafeterias for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - b. Provide the total expenses (direct, joint and indirect) for all employee cafeterias each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - c. Provide a description of the types of expenses related to the cafeteria.
  - d. If the Company operates an employee cafeteria, state whether there are other dining options within close proximity of the Company.
  - e. Provide the locations of the cafeterias.
87. Financial planning services. Refer to the Application generally. Provide the cost of providing financial planning services to executives (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base year, and included in the forecasted test year.

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88. 401(k) Plan. Refer to the Application generally. Provide the total 401(k) expense (direct, joint and indirect) for employees who are also covered under a defined benefit plan for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater. Also specify whether each plan is closed or frozen and the date when this occurred.
89. Employee Recognition/Awards Expense. Refer to the Application generally.
- a. Identify the total amount of employee recognition expense (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater. (e.g., longevity awards, dinners, luncheons, parties, etc.)
  - b. Provide a description of the Company's employee recognition/awards program.
90. Employee gifts. Refer to the Application generally. Provide the total amount (direct, joint and indirect) of employee gifts (including but not limited to flowers, hams, gift cards, fruit baskets, candy, gifts for: Christmas, holidays, get well, birthday, retirement, marriage, birth/adoption, welcome, bereavement, etc.) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
91. Entertainment/Sponsorships. Refer to the Application generally. Provide the total amount (direct, joint and indirect) of sporting/entertainment event/concert tickets, season tickets, suites, sponsorships, country clubs, etc. for each of the years 2020, 2021, 2022, 2023, 2024, 2025 the base period and included for recovery in the forecasted test year separately for water and wastewater.

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92. Foundation.

- a. Does the Company or CSWR or Bluegrass Water have a charity foundation?

Provide a description of the program and how it is funded.

- b. If so, provide the expenses (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.

93. Foregone revenue.

- a. Does the Company offer discounts to employees or retirees on their utility service? If so, provide a description of the employee discount program and the identify the category of employees that are eligible.

- b. Provide the amount of forgone revenue amounts each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.

94. Gains and losses on sale of utility/allocated property. Refer to the Application generally.

- a. Identify all gains and losses on the sales of utility or allocated property (direct, joint and indirect) for each year 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025 the base year and included in the forecasted test year, separately for water and wastewater. Identify the schedule where the gains and losses are included in the revenue requirement.

- b. Provide the details regarding each transaction listed in subpart (a) (date of purchase, amount of purchase, description of property, use of property, date of sale, amount of sale, and the years the property was included in rate base.)

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- c. Identify the amounts of gains/losses reflected in the revenue requirement in the last two rate cases and identify the schedule where they were reflected.
  - d. If there were gains on sales of utility or allocated property during 2015-2025 but none were reflected in the revenue requirements in prior cases or the current case, explain why not.
  - e. Explain how gains and sales on losses of utility or allocated property are treated for ratemaking purposes.
  - f. Identify all planned and pending sales in 2026 and 2027, including a description of the property, anticipated sales price, original cost of property, date of original purpose, the expected closing date and why the property is being sold.
95. Healthcare Expense. Refer to pages 68-71 of the Order entered February 14, 2024 in Case No.2022-00432.
- a. Did the Company reflect an adjustment to healthcare expense based on the Bureau of Labor Statistics Average? If so, identify the amount and the schedule where it is reflected. If not, provide the reduction to healthcare expense to the forecasted test year separately for water and wastewater based on the BLS most recent average.
  - b. Provide copies of studies that support the company's payments of 99 percent of health benefits as a benefit to ratepayers.
96. Internal Audit Reports. Refer to the Application generally. Provide a list of all internal audits conducted in 2023, 2024, and 2025. Also provide a list of any audits planned for 2026.

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97. Investor Relations. Provide the total amount (direct, joint and indirect) of investor relations expenses for Central States Water Resources LLC,. and all other affiliates for each of the years 2020, 2021, 2022, 2023, 2024, 2025 the base period and included for recovery in the forecasted test year separately for water and wastewater.
98. Incentive Compensation. Refer to the Application generally. Provide complete copies of all incentive compensation plans, or other incentive award programs in effect (direct, joint and indirect) for each of the years 2023, 2024, 2025, the base period and the forecasted test year separately for water and wastewater.
99. Incentive Compensation. Refer to the Application generally. For each incentive plan (direct, joint and indirect), for each of the years 2020, 2021, 2022, 2023, 2024, and 2025 provide the number of employees eligible under the plan for incentive compensation payment and number of eligible employees that did not receive an incentive compensation payment. Provide the information separately for water and wastewater.
100. Incentive compensation. Refer to the Application generally. Explain the regulatory treatment of incentive compensation for each of the Company's affiliates in other jurisdictions.
101. Incentive Compensation. Refer to the Application generally. Does the Company have any studies or analyses that show that its incentive compensation plan (direct, joint and indirect) provides any benefit to ratepayers? If so, provide copies of all documents.
102. Incentive Compensation. Refer to the Application generally. Provide for the each of the years: 2020, 2021, 2022, 2023, 2024, and 2025 separately for water and wastewater the various goals on which incentive payments were to be determined and the actual

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achievement attained (i.e., the response should show actual metrics and not a simple reference that the goal was at target, not at target, at maximum, etc.)

103. Incentive Compensation. Refer to the Application generally. Are non-financial goals adjusted annually based on prior years achievements? If so, provide an example. If not, explain why not. Provide the information separately for water and wastewater.
104. Incentive Compensation. Refer to the Application generally. Is there a financial goal, that if not met, would result in no incentive compensation payments being made? If so, identify the goal. Provide the information separately for water and wastewater.
105. Incentive Compensation. Refer to the Application generally. Provide the amount of incentive compensation included in the base period and the forecasted test year related to financial measures (direct, joint and indirect) separately for water and wastewater.
106. Incentive Compensation. Refer to the Application generally. In what possible scenarios would no incentive compensation payments be made? Explain the response in detail. Provide the information separately for water and wastewater.
107. Incentive Compensation. Refer to the Application generally. Provide the total amount (direct, joint and indirect) of incentive compensation broken out by plan for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater. If there are amounts charged to capital provide those separately.
108. Incentive Compensation. Refer to the Application generally. Provide the total amounts (direct, joint and indirect) of incentive compensation (broken out by short and long term) for each of the years, 2020, 2021, 2022, 2023, 2024, 2025, the base

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period and included for recovery in the forecasted test year separately for water and wastewater. If there are amounts charged to capital provide those separately.

109. Injuries and Damages. Refer to the Application generally. Provide the injuries and damages reserve balance, including debits and credits to the reserve, for each of the years 2020, 2021, 2022, 2023, 2024, and 2025 separately for water and wastewater.
110. Injuries and Damages. Refer to the Application generally. Identify the total amount (direct, joint and indirect) of injuries and damages expense for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
111. Insurance Expense. Refer to the Application generally. Provide the total amount (direct, joint and indirect) of insurance expense by category for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
112. Insurance Expense-Business Interruption. Refer to the Application generally.
  - a. Does the Company have a Business Interruption Insurance policy? If so provide a detailed explanation of what the policy covers, including whether it covers all or a portion of the company's profits.
  - b. Identify the total amount (direct, joint and indirect) of business interruption insurance expense for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
113. Refer to Exhibit 9-Financial Workbook tab "Summary IS" Spreadsheet titled "Income Statement-Summary."

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- a. Refer to line 5. Explain the reasons for the significant increase in G&A expenses in 2024 over the 2023 level.
  - b. Refer to Exhibit 9-Financial Workbook tab "Summary IS" Spreadsheet tiled "Income Statement-Summary."
114. Refer to Exhibit 9-Financial Workbook tab "Income Statement Detail." Explain the reasons for the large increase to sewer-contract operations on line 119 in the forecasted test year over the 2021 amounts. Provide calculations showing how the base year amount was derived and the proforma adjustment.
115. Refer to Exhibit 9-Financial Workbook tab "Income Statement Detail WW."
- a. Refer to lines 31 and 32. Provide an explanation of what these items represent.
  - b. Provide an itemization by subaccount for these expenses for 2020, 2021, 2022, 2023, 2024, 2025, the base period and the forecasted test year.
  - c. Explain why there is no cost for Admin expenses transferred direct in 2024 but there are amounts in the forecasted test year.
116. Refer to Exhibit 9-Financial Workbook tab "Income Statement Detail Water."
- a. Refer to lines 35 and 36. Provide an explanation of what these items represent.
  - a. Provide an itemization by subaccount for these expenses for 2020, 2021, 2022, 2023, 2024, 2025, the base period and the forecasted test year.
  - b. Explain why there is no cost for Admin expenses transferred direct in 2024 but there are amounts in the forecasted for the test year.
117. Inflation. Refer to Exhibit 14, page 8, lines 10-14.

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- a. For all accounts to which an inflation factor was applied in deriving the forecast test year amount, provide the annual costs (direct, joint and indirect) by account number for each year 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater. Also provide all calculations showing how the base and forecast period amounts were derived.
  - b. Identify all regulated utilities that the Company is aware of that are permitted to use the PCE index in setting rates.
  - c. Explain the reason why the Company utilized the PCE index as opposed to other inflationary factors.
118. Judgements/Settlements. Refer to the Application generally. Provide the total amount expended (direct, joint and indirect) in each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater. Include a brief description of the nature of each of the lawsuits.
119. Management Consulting Services. Refer to the Application generally. Provide the annual expense (direct, joint and indirect) by vendor for each year 2020, 2021, 2022, 2023, 2024, 2025, the base period and included in the forecasted test year separately for water and wastewater. For each vendor, provide an explanation of the services provided.
120. Non-recurring Costs. Refer to the Application generally.
- a. For each expense account (direct, joint and indirect) in the base period and forecasted test year (separately for water and wastewater) list each non-

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recurring charge or credit exceeding \$10,000. Provide the information separately for water and wastewater.

b. For each non-recurring item provide an explanation of the cost/credit.

121. Miscellaneous Service Revenues. Refer to Exhibits BT-3A and 3B. Provide the miscellaneous service revenues by category for 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, the base period and included in the forecasted test year separately for water and wastewater.

122. Late Fees. Refer to Exhibit EMH-3. Provide the actual sewer late fees for each year 2020, 2021, 2022, 2023, 2024, 2025 and forecasted for the base period and forecasted test year.

123. Late Fees. Refer to Exhibit 11, pages 21-22.

a. Provide the calculations used to derive the \$5,023 forward-looking test period amount.

b. Refer to Exhibit 5, page 30. Explain why the Company has calculated the forecast test year late fees for wastewater using 1.93% when the current rate is 10%.

124. Late Fees. Refer to pages 44-45 of the order in Case No. 2022-00432 dated February 14, 2024, which states "The Commission further finds that within 60 days after the 12-month period following the effective date of the rates in this case, Bluegrass Water shall report to the Commission the monthly amount of late fees invoiced, the monthly number of occurrences of late fees, and the monthly total number of Bluegrass Water customers for the 12-month period. Further, Bluegrass Water shall propose a

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method for timely distribution of the accumulated amount to its customers. This process shall continue on a 12-month basis until a subsequent base rate order is issued. Further, Bluegrass Water shall propose a method for timely distribution of the accumulated amount to its customers.” Provide copies or links to where this information was submitted to the Commission.

125. Contract Operations. Refer to page 10 of Exhibit 14. Provide a copy of the previous contract with Clearwater Solutions or the previous vendor if it was not Clearwater Solutions.
126. Service Contract. Refer to Exhibit 19, page 3 of 18. Provide a copy of the unredacted page as it was not attached in CONFIDENTIAL-Exhibit 19 -Service Contracts.
127. Operator Contract Expense. Refer to page 59 of the Order in Case No. 2022-00432 dated February 14, 2024.
  - a. Has the Company conducted a study to determine the potential cost of bringing its operations in house? If not, explain why not.
  - b. Refer to Exhibit 20, page 10. Explain how the Company determined it is not economical to bring the operations in-house for Bluegrass Water. Provide copies of all supporting documentation relied on.
  - c. Provide the annual contract operations expense by vendor/category for 2020, 2021, 2022, 2023, 2024, 2025, the base period and included in the forecasted test year separately for water and wastewater.
128. Operator Contract Expense. Refer to Exhibit 19. Provide the name of the O&M Contractors used by the Company for each category (e.g., customer calls, backoffice functions, operation of water/wastewater facilities, etc.) in each year 2020, 2021,

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2022, 2023, 2024, 2025, and expected for the base period and the forecasted test year separately for water and wastewater.

129. Payroll. Refer to Exhibit 16. Is the compensation (direct, joint and indirect) for all the employees shown included in the forecast test year? If not, provide the job titles of employees compensation and amounts that are excluded as well as the reason.

130. Payroll. Refer to the Application generally.

a. Identify the number of employees (direct, joint and indirect) the Company had at the date of the order in the last rate case, Case No. 2022-00432. Provide this information separately for water and wastewater.

b. Identify the number of employees (direct, joint and indirect) approved by the Commission in the order in the last rate case, Case No. 2022-00432. Provide this information separately for water and wastewater.

c. Identify the number of employees (direct, joint and indirect) that left the Company since the date of last rate case order, for Case No. 2022-00432. Provide this information separately for water and wastewater.

d. If the Company has not reached the headcount in any year since the last rate case explain why not. Provide this information separately for water and wastewater.

e. Provide the current number of employees and full-time equivalents ("FTEs") (direct, joint and indirect) separately for water and wastewater.

131. Payroll. Refer to the Application generally. Provide, FTE group (direct, joint and indirect), by month, for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period, and included in the forecasted test year, the number of full time FTEs

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budgeted, the number of part-time FTEs budgeted and the actual number off full time FTEs and part-time FTEs. Provide this information separately for water and wastewater.

132. Payroll. Refer to the Application generally. Has the Company used a vacancy factor in its payroll forecast (direct, joint and indirect) for the base period and the forecasted test year? If so, provide the factor used and the supporting calculations separately for water and wastewater. If not, explain why not.

133. Payroll. Refer to the Application generally. For each of the current vacant positions (direct, joint and indirect) to be refilled by the forecasted test year separately for water and wastewater provide:

- a. Job Title
- b. Planned hiring date
- c. Hiring dates for any of these positions that have been filled.
- d. Fully loaded annual salary
- e. Length of time that the position has been open.
- f. Copy of ad for position.

134. Payroll. Refer to the Application generally. For each of the new hires (direct, joint and indirect) the Company included in the forecasted test year separately for water and wastewater, provide:

- a. Job Title
- b. Planned hiring date
- c. Hiring dates for any of these positions that have been filled.
- d. Fully loaded annual salary
- e. Length of time that the position has been open.
- f. Copy of ad for position.

135. Payroll. Refer to the Application generally. Provide for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included in the forecasted test year,

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separately for water and wastewater (direct, joint and indirect), the amount of base pay, overtime, incentive compensation and the amount of other pay broken down in the most detailed format available including the amount charged to capital, amount charged to expense and amounts charged to other (specify). If any of the other is ultimately expensed, provide the amount ultimately expensed in each year.

136. Payroll. Refer to the Application generally. Provide total (direct, joint and indirect) Capital and O&M budgeted and actual payroll expense for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included in the forecasted test year separately for water and wastewater.

137. Payroll. Refer to Refer to the Application generally.

- a. Provide the total (direct, joint and indirect) capital and O&M payroll approved by the Commission for each of the years: 2020, 2021, 2022, 2023, 2024 and 2025 separately for water and wastewater.
- b. Provide the total actual (direct, joint and indirect) capital and O&M payroll for each of the years: 2020, 2021, 2022, and 2023, 2024 and 2025 separately for water and wastewater.

138. Payroll. Refer to the Application generally.

- a. Provide a description of the Company's (direct, joint and indirect) merit and cost of living wage rate increase policies. Provide this information separately for water and wastewater.
- b. Provide the actual executive percentage salary raises given (direct, joint and indirect) each year 2020, 2021, 2022, 2023, 2024, 2025 and forecasted for the base period and test year.

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- c. Provide the actual non-executive percentage salary raises given (direct, joint and indirect) each year 2020, 2021, 2022, 2023, 2024, 2025 and forecasted for the base period and test year.
139. Penalties/Fines. Refer to the Application generally. Provide the total amount (direct, joint and indirect) of all penalties and fines incurred in 2024 and included in the base period and for recovery in the forecasted test year separately for water and wastewater. Also, provide a brief description of the nature of the penalties/fines.
140. Proforma Plant Additions. Refer to Exhibit JF-1.
- a. For each project provide the provide the forecasted start and in-service dates.
  - b. For each project provide the actual start date, actual in service date (if completed), and current percent complete.
  - c. For each project, state whether a CPCN has been obtained. If not explain why not.
  - d. Provide documentation supporting each project cost over \$100,000 (contracts, work orders, invoices).
141. Plant. Refer to Exhibits BT-7A and BT-7B. Provide the year-end plant balances by account number for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and the forecasted test year separately for water and wastewater.
142. Plant Held For Future Use. Refer to the Application generally.
- a. Provide the 13-month average PHFFU balances by asset for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and the forecasted test year separately for water and wastewater.

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- b. For each item, provide the date it was acquired, the expected in service date and the use for the property.

143. Maintenance Costs. Refer to Exhibit 14, page 15.

- a. Provide all calculations showing how the base and forecast test year amounts were derived.
- b. Provide the annual actual amounts for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.

144. Chemical Costs. Refer to Exhibit 14, page 14.

- a. Provide all calculations showing how the base and forecast test year amounts were derived.
- b. Provide the annual actual amounts for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.

145. Fuel and Power Costs. Refer to Exhibit 14, pages 13-14.

- a. Provide all calculations showing how the base and forecast test year amounts were derived.
- b. Provide the annual actual amounts for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
- c. Provide the names of the power companies that were used in determining this expense. For each state whether it is based on a current rate or pending rate. Also provide the docket numbers pertaining to each rate used.

146. Software Costs. Refer to Exhibit 14, page 19.

- a. Provide all calculations showing how the base and forecast test year amounts were derived.

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- b. Provide copies of vendor contracts, quotes and invoices supporting the forecasted test year amount.
  - c. Provide the annual actual amounts for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
147. Remote Monitoring. Refer to Exhibit 20, page 17. Is the remote monitoring deployment complete in Kentucky? If not, explain the status of the project and the total costs associated with the remaining implementation included in the forecast test year.
148. Remote Monitoring Savings. Refer to Exhibit 1, page 21. Provide the annual savings by category in 2024, the base period and reflected in the forecast test year associated with the installation of remote monitoring.
149. Rate Case Expense. Refer to the Application Generally. State when the Company anticipates it will file its next rate case.
150. Rate Case Expense. Refer to Exhibit 15. Explain the specific duties for this rate case for each of the firms listed.
151. Rate Case Expense. Refer to Exhibit 15
- a. Provide copies of contracts with the firms supporting the requested amounts.
  - b. Does CSWR have a legal department? If so, explain why the Company is using outside vendors for the rate case.
  - c. Provide the amount of rate case expense included in rate base in the forecast test year separately for water and wastewater.

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- d. Did the Company include any unamortized rate case expense from the prior case in the current case? If so, provide the prior rate case unamortized amount included in 2024, the base period and the forecasted test year, separately for water and wastewater.
- e. Provide an amortization schedule of the rate case expense approved in the prior rate case through the present date.

152. Rate Cases.

- a. Provide the case number and jurisdiction for each of the Company's last completed rate cases.
- b. Also provide the case numbers of all currently pending rate cases.

153. Randview Stranded Costs. Refer to Exhibit 7, page 40 and page 35 of the Order entered February 14, 2024 in Case No. 2022-00432. Provide a reconciliation by amounts and category of the two amounts related to the Randview system. (i.e., \$173,410 in the current case and \$124,374 including legal fees of \$68,367 as referenced in the prior rate case order.)

154. Randview Stranded Costs. Refer to pages 34-36 of the Order entered February 14, 2024 in Case No.2022-00432. Is it correct that Bluegrass voluntarily suggested removing the Randview amounts from the revenue requirement in the prior rate case? If so, explain why the Company is now requesting recovery of the Randview amounts from ratepayers.

155. Randview Stranded Costs. Refer to Exhibit 7, page 40. Why did the Company agree to sell the Randview System to the City of Mayfield for less than it had invested, as opposed to keeping the Randview system?

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156. Randview Stranded Costs. Refer to Exhibit 7, pages 41-42. Explain why it is appropriate for Bluegrass ratepayers to also pay for the Randview System when the current Randview customers are subsidizing the revenue requirement in their rates.
157. Revenues. Refer to page 10 of Exhibit 11. Should the amount for Persimmons Ridge be \$339,053 (the sum of both columns). If so, state whether this error is reflected in the forecast test year revenue requirement calculation.
158. Revenues (wastewater). Refer to pages 7-8 of Exhibit 11.
- a. Provide the annual revenues by system for each of the year 2020, 2021, 2022, 2023, 2024, 2025, the base year and the forecasted test year.
  - b. Provide the annual number of customers by system for each years 2020, 2021, 2022, 2023, 2024, 2025, the base year and the forecasted test year.
159. Revenues (water). Refer to page 17 of Exhibit 11.
- a. Provide the annual revenues by system for each of the year 2020, 2021, 2022, 2023, 2024, 2025, the base year and the forecasted test year.
  - b. Provide the annual number of customers by system for each years 2020, 2021, 2022, 2023, 2024, 2025, the base year and in the forecasted test year.
160. Revenues and Expenses. Refer to Exhibits BT-3A and BT-3B. Provide the annual actual amounts for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
161. Relocation Expense. Refer to the Application generally. Provide the total amount of relocation expense (direct, joint and indirect) for 2020, 2021, 2022, 2023, 2024, 2025,

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- the base period and included for recovery in the forecasted test year separately for water and wastewater. Provide the employee title and reason for the relocation.
162. Recovery Mechanisms. List all revenue and cost recovery mechanisms that the Company currently utilizes and the most recent case numbers associated with each.
163. SERP. Refer to the Application generally. Provide the total amount of Supplemental Executive Retirement Plan (“SERP”) expense (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, the base period and included for recovery in the forecasted test year separately for water and wastewater.
164. SERP. Refer to the Application generally. Describe the benefits provided by the Company's SERP plan.
165. SERP. Refer to the Application generally. Identify both the number of employees (direct, joint and indirect) eligible for SERP and the number of employees ineligible (direct, joint and indirect) for SERP in 2024, 2025, the base period, and the forecasted test year separately for water and wastewater.
166. SERP. Refer to the Application generally. Explain how eligibility for SERP is determined.
167. Severance Pay. Refer to the Application generally.
- a. Provide the actual amount of severance pay (direct, joint and indirect) in 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - b. Explain whether the Company has any plans to terminate any employees in 2026 and 2027.
168. Slippage Factor. Refer to the Application generally.

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- a. Did the Company apply a slippage factor to forecasted plant in the forecasted test year? If not, explain why not.
  - b. Is the Company required to apply a slippage factor to forecasted plant? If not, explain why not.
169. Student Loan Repayment Expenses. Refer to the Application generally.
- a. Does the Company or CSWR provide student loan repayment as a benefit to its employees? If so, please describe the student loan payment benefit offered and identify which employees are eligible for the benefit.
  - b. Provide the total amounts (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
170. Temporary Help. Refer to the Application generally. Provide the total amount (direct, joint and indirect) of temporary help expense for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
171. Travel Expenses. Refer to the Application generally.
- a. Provide the annual amount of travel expense by category (direct, joint and indirect) for each of the years 2020, 2021, 2022, 2023, 2024, 2025, the base period and included for recovery in the forecasted test year separately for water and wastewater.
  - b. Also provide a description of the travel and how it relates to the Company's Kentucky operations.
172. Third Party Damages. Refer to the Application generally.

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- a. Provide the total amount of third-party damage reimbursements for each year 2020, 2021, 2022, 2023, 2024, 2025, the base period and included in the forecasted test year separately for water and wastewater.
- b. Provide the total amount of third-party damages expense for each year 2020, 2021, 2022, 2023, 2024, 2025, the base period and included in the forecasted test year separately for water and wastewater.
- c. Explain how and where the amounts in subparts (a) and (b) are reflected in the revenue requirement.

173. Unaccounted for Water. Refer to the Application generally. Is the Company required to adhere to 807 KAR 5:066, Section 6(3)? If not, explain why not. If so, provide the reduction to expenses the Company reflected in the base period and in the forecasted test year related to unaccounted for water exceeding the 15% threshold by major expense category. Provide all calculations used to derive the reductions. If the Company did not reflect any reductions, explain why not and provide the corresponding reductions to expenses for unaccounted for water exceeding 15% for the base period and the forecasted test year, including all calculations used to derive the amounts.

174. Unaccounted for Water. Refer to the Application generally. Explain in detail, all new efforts and initiatives the Company has undertaken since its last rate case to reduce unaccounted for water.

175. Unaccounted for Water. Refer to the Application generally. Provide the unaccounted for water percentage for each month for the period 2020 through the present date.

176. Unaccounted for Water. Refer to the Application generally.

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- a. For each of the last ten years where the Company has exceeded the unaccounted for water standard of 15% explain why.
  - b. Identify the most recent year when the Company's lost and unaccounted for water did not exceed 15%.
177. Variance reports. Refer to the Application generally. Provide the Company's annual capital and O&M variance reports for each of the years 2020, 2021, 2022, 2023, 2024, and 2025.
178. Volunteer Time. Refer to the Application generally.
- a. Does the Company or CSWR have a volunteer program? If so, provide a description of the program.
  - b. Does the Company CSWR or its affiliates offer paid time off to its employees to volunteer in the community? If so, provide the total amount of employee volunteer payroll expense (direct, joint and indirect) in 2020, 2021, 2022, 2023, 2024, 2025, the base period and requested for recovery in the forecasted test year separately for water and wastewater.
  - c. Also provide all corresponding volunteer related expenses (e.g., t-shirts, banners, hats, prizes, gifts, food, beverages, utilized at the events, etc.) for each of the time periods listed above.
179. Workpapers. Provide copies of all supporting workpapers in native format used in preparing the revenue requirement schedules (Exhibit 9).
180. Working Capital. Refer to Exhibits BT-5A and BT-5B. Identify all prepaid expenses that are included in the forecasted test year operating expense.

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181. Working Capital. Refer to Exhibits BT-5A and BT-5B. Explain how the monthly operating expenses shown were derived.