

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	)	

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

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, LLCC (hereinafter “Bluegrass Water” or “The Company”) to be answered by the date specified in the Commission’s May 26 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

A handwritten signature in blue ink, appearing to read "Thomas Lacy", is positioned above a horizontal line.

T. TOLAND LACY
J. MICHAEL WEST
LAWRENCE W. COOK
ANGELA M. GOAD
JOHN G. HORNE II
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE, STE. 200
FRANKFORT, KY 40601-8204
PHONE: (502) 696-5433
FAX: (502) 564-2698
Thomas.Lacy@ky.gov
Michael.West@ky.gov
Larry.Cook@ky.gov
Angela.Goad@ky.gov
John.Horne@ky.gov

Certificate of Service and Filing

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

This 16th day of July 2026.



Assistant Attorney General

**ATTORNEY GENERAL'S FOURTH REQUEST FOR INFORMATION TO
BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC
No. 2025-00354**

Data Requests

1. Refer to the Direct Testimony of Matthew Howard, wherein he recommends an ROE of 11.50 percent Explain in detail why Bluegrass Water's proposed ROE of 11.50 percent is reasonable in light of the Commission's authorization of a 9.70 percent ROE for Kentucky-American Water in Case No. 2025-00122¹ and a 10.10 percent ROE for Bluegrass Water in Case No. 2022-00432.² In your response, identify the primary factors that, in the Company's view, justify the higher requested ROE. Specifically identify the material differences that Bluegrass contents support the requested. 11.50 percent ROE.
2. Refer to the company's Response to Staff's fourth Request 18. State whether Bluegrass Water evaluated any forecasting methodology other than the PCE Price Index for the operating expense accounts forecasted in this proceeding. If so, identify each methodology considered, explain why it was rejected, and produce all supporting analyses. Identify if it was validated against historical experiences.
3. Reference the article linked in the footnote below. In the event the referenced "Water Resources Development Act" becomes law, explain whether the Company will consider applying for funds to finance all or a portion of any water projects.³
4. Acquisitions. Refer to the Application generally. For each of the acquisitions that are included in this case, provide:

¹ Case No. 2025-00122, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates*; Order at 65 (Ky. PSC December 16, 2025).

² Case No. 2022-00432, *Electronic Application of Bluegrass Water Utility Operating Company, LCC for an Adjustment of Sewage Rates*; Order at 91 (Ky. PSC February 14, 2024).

³ https://www.smartcitiesdive.com/news/wrda26-local-water-infrastructure-bill/825296/?utm_source=Sailthru&utm_medium=email&utm_campaign=Issue:%202026-07-15%20Smart%20Cities%20Dive%20Newsletter%20%5Bissue:87046%5D&utm_term=Smart%20Cities%20Dive

**ATTORNEY GENERAL'S THIRD REQUEST FOR INFORMATION TO
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- a. The purchase price, the net book value at the date of sale, and the acquisition premium.
 - b. The transaction costs (direct and allocated) for each acquisition including but not limited to payroll, consulting, legal fees, etc. and the amount reflected in the forecast test period.
 - c. The transition costs (direct and allocated) for each acquisition including but not limited to: integration costs, (systems, operations, IT, payroll, etc.), training costs, legal costs, advisory, consulting, compliance costs, employee costs, real estate, etc.) and the amount reflected in the forecast test period.
5. Customer Deposits. Refer to the Application generally.
 - a. Did entities that the Company acquired transfer the customer deposit balances that they held to Bluegrass? If so, provide the balances transferred to Bluegrass at each transaction's close. If not, explain why not.
 - b. If the answer to subpart a is yes, will the Company retain the deposit balances or return them to the customers? Explain in detail.
6. CIAC. Refer to the Application generally. Did entities that the Company acquired transfer the CIAC balances that they held to Bluegrass? If so, provide the balances transferred to Bluegrass at each transaction's close. If not, explain why not.
7. Acquisitions. Refer to the Application generally. For each acquisition,
 - a. Please provide all quantifiable benefits associated with the acquisition to ratepayers and when they will receive them.
 - b. Identify the amount of benefits reflected in the forecast test period. If the benefits cannot be quantified explain why not.

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8. Acquisitions. Refer to the Application generally.
 - a. Provide the case numbers approving each of acquisitions included in this case.
 - b. Provide the dates that each acquisition closed.
 - c. For each acquisition state whether it was recorded according the Uniform System of Accounts.
9. Acquisitions. Refer to the Application generally. Provide the journal entries the Company recorded on its books for each of the acquisitions it has included in this case
10. Acquisition. Refer to page 25 of Brent Theis' supplemental testimony filed on June 8, 2026. Explain why the Company paid more than the book value for Commonwealth Wastewater.
11. Acquisitions. Refer to Application generally. Provide the total annual revenues included in the forecast test period for each of the acquired entities.
12. Acquisitions. Refer to Application generally. Provide the total annual expenses included in the forecast test period for each of the acquired entities.
13. Acquisition. Refer to the Application generally. Provide the amount of each acquired entities' annual revenues and expenses for each of the last five calendar years prior to executing the purchase agreement. If the Company does not have this information, explain how it determined the purchases were good investments.
14. Acquisition. Refer to the Company's response to Staff's Fourth Request No. 36. Is this adjustment associated with the Commonwealth Wastewater? If not, provide a description of what this acquisition adjustment relates to and the calculations showing how the acquisition premium was derived.

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15. Rate Case Expense. Refer to the Company's Response to AG 3-92 Attachment. Explain what the Overhead Case expense includes (i.e., are these internal or outside services costs?) If both, provide a breakdown of the amounts shown by each.
16. Rate Case Expense. Refer to the Company's Amended Exhibit 9 tab "Income Statement Detail WW." Explain why the annual amount in Account 405.100 is \$585,842 if the annual amortization of wastewater rate case expense requested is \$173,410 according to Exhibit 15. If this includes amortization of other regulatory assets, provide a breakdown by amount and type in the forecast test year.
17. Amortization. Refer to the Company's Amended Exhibit 9 tab "Income Statement Detail WW." Is the annual amount of \$39,017 in Account 405.120 strictly related to the Randview amortization? If this includes amortization of other deferred debits provide a breakdown by amount and description in the forecast test year.
18. Late Payment Fees. Refer to the chart on pages 50-51 of Brent Thies' supplemental testimony (redline). Update the chart to contain the November and December 2025 and year-to-date 2026 late payment revenues.
19. Rate Cases. Refer to the Application generally. Identify the case numbers for the two water and wastewater rate cases preceding Case No. 2020-00290.
20. Late Fees. Refer to the Company's response to the Attorney General's first request No. 123. Confirm that the amount of wastewater late fees included in the forecast test period is the amount authorized in the last rate case. If not, provide the calculations supporting the forecasted amount.
21. Late payments. Refer to Thies Revised testimony (redline) page 54.

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- a. Provide the water late payment charges for each calendar year 2024, 2025 and 2026 year-to-date if the 10% late fee had been applied.
 - b. Provide the number of water and wastewater customers (separately) that paid late in each year 2024, 2025, and 2026 year-to-date.
22. Allocated Costs. Refer to Amended Exhibit 9 tab "Income Statement Detail WW" and to the Company's response to the Attorney General's first request No. 115. Provide breakdown by category of the amounts in Accounts 922.000 and 922.001 allocated to Bluegrass water and wastewater for each of the years 2021, 2022, 2023, 2024, 2025 and the forecast test period.
23. Allocated Costs. Refer to the Company's Response to the Attorney General's First Request No. 115. Explain how the base period and forecast test period amounts were derived. Provide all supporting calculations.

[REDACTED]

[REDACTED]

[REDACTED]

25. Interest Expense. Refer to the Application generally. Provide the amount of forecast test period interest expense for water and wastewater for purposes of calculating interest synchronization. Identify where these amounts are included in the revenue requirement schedules.

[REDACTED]

[REDACTED]

[REDACTED]

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27. Unaccounted for Water. Refer to the Company's response to the Attorney General's First Request No. 173.

- a. Explain why the meters to measure water sold and to calculate unaccounted for water are not installed.
- b. Does the Company monitor the level of water that comes out of its system? If not, explain why not.
- c. Does the Company monitor the level of water than customers receive? If not, explain why not.

28. Water Expenses. Refer to the Company's response to the Attorney General's Third Request No. 88.

- a. Provide the account number that chemicals expense was recorded in prior to Clearwater absorbing this cost.
- b. Provide the account number that waste disposal expense was recorded in prior to Clearwater absorbing this cost.
- c. Provide the amount of chemicals expense for each year 2021, 2022, 2023, 2024 and 2025 before Clearwater absorbing this cost.
- d. Provide the amount of waste disposal expense for each year 2021, 2022, 2023, 2024 and 2025 before Clearwater absorbing this cost.

29. Bank Fees. Refer to the Application generally. Provide the amount of bank fees and charges (direct and allocated) in each of the years 2021, 2022, 2023, 2024, 2025, and included in the base period and forecast test period.

30. Cash Working Capital. Refer to the Company's Response to the Staff's Second Request No. 44.

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- a. Confirm that the plant in service has increased since the last rate case.
 - b. Confirm that the number of water and wastewater customers has increased since the last rate case.
 - c. State whether the Company will consider acquiring additional water and wastewater systems in the future.
 - d. Provide the number of acquisitions CSWC has completed in each of the last five calendar years.
31. Cash Working Capital. Refer to the Application generally. Identify each of the Company's affiliates that prepare a lead lag study to support its cash working capital in rates. For each, state whether it is prepared in-house or by an external contractor. If it is prepared by an external contractor, state whether the same contractor is used for each utility.