**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

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

## THE ATTORNEY GENERAL'S RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention ("Attorney General"), and submits the following response to Staff's First Request for Information in the above-styled matter.

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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 September 3, 2026 an electronic copy of the foregoing was served via the Commission's electronic filing system.

This 3rd day of September , 2026.

____________________________________________

Assistant Attorney General

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 1
Page 1 of 1

Refer to the August 13, 2026 Direct Testimony of John Defever (Defever Direct Testimony), page 5. Provide the basis for the cash working capital adjustment, including all calculations for the proposed adjustment. Provide any supporting calculations in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

RESPONSE:

I reduced O&M expenses in the cash working capital computation on Schedule B-1 by my O&M expense adjustments reflected on Schedule C-1.

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 2
Page 1 of 1

Refer to the Defever Direct Testimony, page 11. Provide the Bureau of Labor Statistics (BLS) report used to determine the BLS average.

RESPONSE:

The BLS report is attached.

# Economic News Release

## Table 3. Medical plans: Share of premiums paid by employer and employee for single coverage

### Table 3. Medical plans: Share of premiums paid by employer and employee for single coverage, March 2025

[In percent]

| Characteristics | Civilian(1) | | Private industry | | State and local government | |
|---|---|---|---|---|---|---|
| | Employer share of premium | Employee share of premium | Employer share of premium | Employee share of premium | Employer share of premium | Employee share of premium |
| **All workers participating in single coverage medical plans** | 81 | 19 | 80 | 20 | 87 | 13 |
| **Worker characteristics** | | | | | | |
| **Management, professional, and related occupations** | 83 | 17 | 82 | 18 | 86 | 14 |
| **Management, business, and financial occupations** | 81 | 19 | 80 | 20 | - | - |
| **Professional and related occupations** | 83 | 17 | 82 | 18 | 85 | 15 |
| **Teachers** | 84 | 16 | - | - | 85 | 15 |
| **Primary, secondary, and special education school teachers** | 84 | 16 | - | - | 85 | 15 |
| **Registered nurses** | 82 | 18 | - | - | - | - |
| **Service occupations** | 81 | 19 | 78 | 22 | 88 | 12 |
| **Protective service occupations** | - | - | - | - | 89 | 11 |
| **Sales and office occupations** | 81 | 19 | 80 | 20 | 88 | 12 |
| **Sales and related occupations** | 78 | 22 | 78 | 22 | - | - |
| **Office and administrative support occupations** | 82 | 18 | 81 | 19 | 89 | 11 |
| **Natural resources, construction, and maintenance occupations** | 80 | 20 | 79 | 21 | 89 | 11 |
| **Construction, extraction, farming, fishing, and forestry occupations** | 81 | 19 | 80 | 20 | - | - |
| **Installation, maintenance, and repair occupations** | 80 | 20 | 79 | 21 | - | - |
| **Production, transportation, and material moving occupations** | 79 | 21 | 79 | 21 | 86 | 14 |
| **Production occupations** | 79 | 21 | 79 | 21 | - | - |
| **Transportation and material moving occupations** | 79 | 21 | 79 | 21 | - | - |
| **Full time** | 81 | 19 | 80 | 20 | 87 | 13 |
| **Part time** | 81 | 19 | 81 | 19 | 83 | 17 |
| **Union** | 84 | 16 | 82 | 18 | 86 | 14 |
| **Nonunion** | 81 | 19 | 80 | 20 | 87 | 13 |
| **Average wage within the following categories:(2)** | | | | | | |

**Footnotes**

(1) Includes workers in private industry and state and local government. See the Handbook of Methods: National Compensation Measures at www.bls.gov/opub/hom/ncs/home.htm for further explanation.

(2) Surveyed occupations are classified into wage categories based on the average wage for the occupation, which may include workers with earnings both above and below the threshold. The categories were formed using percentile estimates generated using data from the National Compensation Survey publication, Employer Costs for Employee Compensation.

NOTE: Because of rounding, sums of individual items may not equal totals. Dash indicates no workers in this category or data did not meet publication criteria. For definitions of major plans, key provisions, and related terms, see the "Glossary of Employee Benefit Terms" at www.bls.gov/ebs/publications/national-compensation-survey-glossary-of-employee-benefit-terms.htm.

SOURCE: U.S. Bureau of Labor Statistics, National Compensation Survey.

| Characteristics | Civilian(1) | | Private industry | | State and local government | |
|---|---|---|---|---|---|---|
| | Employer share of premium | Employee share of premium | Employer share of premium | Employee share of premium | Employer share of premium | Employee share of premium |
| Lowest 25 percent | 78 | 22 | 76 | 24 | 88 | 12 |
| Lowest 10 percent | 76 | 24 | 74 | 26 | 88 | 12 |
| Second 25 percent | 80 | 20 | 79 | 21 | 88 | 12 |
| Third 25 percent | 82 | 18 | 80 | 20 | 85 | 15 |
| Highest 25 percent | 82 | 18 | 81 | 19 | 86 | 14 |
| Highest 10 percent | 83 | 17 | 82 | 18 | 86 | 14 |
| Establishment characteristics | | | | | | |
| Goods-producing industries | 79 | 21 | 79 | 21 | - | - |
| Service-providing industries | 82 | 18 | 80 | 20 | 87 | 13 |
| Education and health services | 83 | 17 | 82 | 18 | 85 | 15 |
| Educational services | 84 | 16 | 82 | 18 | 85 | 15 |
| Elementary and secondary schools | 84 | 16 | - | - | 85 | 15 |
| Junior colleges, colleges, universities, and professional schools | 84 | 16 | 82 | 18 | 85 | 15 |
| Health care and social assistance | 83 | 17 | 82 | 18 | 87 | 13 |
| Hospitals | 83 | 17 | 82 | 18 | 87 | 13 |
| Public administration | 89 | 11 | - | - | 89 | 11 |
| 1 to 99 workers | 80 | 20 | 79 | 21 | 87 | 13 |
| 1 to 49 workers | 80 | 20 | 79 | 21 | 89 | 11 |
| 50 to 99 workers | 80 | 20 | 79 | 21 | 86 | 14 |
| 100 workers or more | 82 | 18 | 80 | 20 | 86 | 14 |
| 100 to 499 workers | 81 | 19 | 80 | 20 | 87 | 13 |
| 500 workers or more | 82 | 18 | 81 | 19 | 86 | 14 |
| Geographic areas | | | | | | |
| Northeast | 81 | 19 | 80 | 20 | 85 | 15 |
| New England | 79 | 21 | 80 | 20 | 77 | 23 |
| Middle Atlantic | 82 | 18 | 81 | 19 | 87 | 13 |
| South | 81 | 19 | 79 | 21 | 87 | 13 |
| South Atlantic | 81 | 19 | 79 | 21 | 87 | 13 |
| East South Central | 80 | 20 | 78 | 22 | 88 | 12 |
| West South Central | 81 | 19 | 80 | 20 | 85 | 15 |
| Midwest | 80 | 20 | 79 | 21 | 88 | 12 |
| East North Central | 80 | 20 | 79 | 21 | 86 | 14 |
| West North Central | 81 | 19 | 79 | 21 | 91 | 9 |
| West | 83 | 17 | 82 | 18 | 87 | 13 |
| Mountain | 81 | 19 | 80 | 20 | 88 | 12 |
| Pacific | 83 | 17 | 83 | 17 | 87 | 13 |

**Footnotes**

(1) Includes workers in private industry and state and local government. See the Handbook of Methods: National Compensation Measures at www.bls.gov/opub/hom/ncs/home.htm for further explanation.

(2) Surveyed occupations are classified into wage categories based on the average wage for the occupation, which may include workers with earnings both above and below the threshold. The categories were formed using percentile estimates generated using data from the National Compensation Survey publication, Employer Costs for Employee Compensation.

NOTE: Because of rounding, sums of individual items may not equal totals. Dash indicates no workers in this category or data did not meet publication criteria. For definitions of major plans, key provisions, and related terms, see the "Glossary of Employee Benefit Terms" at www.bls.gov/ebs/publications/national-compensation-survey-glossary-of-employee-benefit-terms.htm.

SOURCE: U.S. Bureau of Labor Statistics, National Compensation Survey.

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**Last Modified Date:** September 25, 2025

U.S. BUREAU OF LABOR STATISTICS Employment Cost Index Office of Compensation and Working Conditions Suitland Federal Center Floor 5 4600 Silver Hill Road Washington, DC 20212-0002

Telephone: 202-691-6199 www.bls.gov/EBS Contact EBS

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 3
Page 1 of 1

Refer to the Defever Direct Testimony, page 13. Given that the past rate case expense regulatory asset would be fully amortized on December 31, 2026, explain whether only one month of the amortization should be re-amortized if the Commission issues a final Order before or on the suspension date, December 7, 2026.

RESPONSE:

My adjustment would not change based on the date of the Commission's final order because the Company has included the remaining five months of rate case expense from the prior rate case in the forecasted test period.

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 4
Page 1 of 1

Refer to the Defever Direct Testimony, page 18.

a. Explain how an anomaly was determined.
b. Explain why 2025 was not also removed as an outlier, given that there were no write offs in that year.

RESPONSE:

a. For water and wastewater, I determined that the 2024 net write-offs were anomalies as they were substantially higher than all of the other years shown. For water, I determined that the 2023 net write-off amount was an anomaly as it was negative and the other years were not.
b. I did not remove it as an outlier, despite the fact that there were no write-offs that year, because the amount was only $265 different from the next closest year.

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 5
Page 1 of 1

Refer to the Defever Direct Testimony, page 21. Explain how the five utilities were selected for the average group.

RESPONSE:

The five utilities were selected because they were water companies operating in Kentucky.

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 6
Page 1 of 1

Refer to the Defever Direct Testimony, Exhibit JD-1. Provide a summary of the impact of each proposed adjustment. Provide this response in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

RESPONSE:

See Staff No. 6 Attachment 1-Confidential.

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 7
Page 1 of 1

Refer to the Defever Direct Testimony, Exhibit JD-2. Provide a summary of the impact of each proposed adjustment. Provide this response in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

RESPONSE:

See Staff No. 6 Attachment 1-Confidential.

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 8
Page 1 of 1

Refer to the Defever Direct Testimony generally. Provide the revenue requirement impact of each proposed adjustment.

RESPONSE: [redacted]

AFFIDAVIT

STATE OF MICHIGAN )

COUNTY OF WAYNE )

John Defever, Senior Regulatory Consultant, being duly sworn, states that his responses in the above referenced case are true and accurate to the best of his knowledge, information and belief.

John Defever

John Defever

Sworn to and subscribed before me on this 3rd day of September 2026.

Christine Miller

Notary Public

CHRISTINE MILLER
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Nov 8, 2028
ACTING IN COUNTY OF Wayne