

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	)	

**THE ATTORNEY GENERAL’S RESPONSE TO
STAFF’S POST-HEARING DATA 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 Post Hearing Data Request for Information in the above-styled matter.

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Respectfully submitted,

RUSSELL COLEMAN
ATTORNEY GENERAL



T. TOLAND LACY
J. MICHAEL WEST
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
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 October 12th, 2026 an electronic copy of the foregoing was served via the Commission's electronic filing system.

This 12th day of October, 2026.

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

Assistant Attorney General

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 1
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Refer to the Attorney General's response to Commission Staff's First Request for Information (Staff's First Request), Item 8, Confidential Attachment 1.

- a. Explain why the net operating income impact was grossed-up only by the PSC fees and bad debt.
- b. Explain why the net operating income impact gross-up did not include income taxes.
- c. Provide the impact on the updated recommendations using the gross-up which includes income taxes. Provide this response in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

RESPONSE:

- a. The Company's Exhibit 9 financial workbook with links filed June 3, 2026) uses two conversion factors, the gross income conversion factor (Income Conv Factor Tab) which includes income taxes and the gross revenue conversion factor (Revenue Conv Factor Tab) which does not include income taxes to calculate the revenue requirement (Revenue Requirement tab). The Company applied the gross income conversion factor to rate base and the gross revenue conversion factor to operating income (Exhibit 9 tab titled "revenue requirement," line 21 in calculating its revenue deficiency. In preparing my response to Staff 1-8, I followed the Company's methodology used in Exhibit 9.

WITNESS RESPONSIBLE:
JOHN DEFEVER

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- b. As stated above, I utilized the Company's gross revenue conversion factor from Exhibit 9 which does not contain income taxes (but incorporated my uncollectible factor) as shown on Errata JD-1 and Errata JD-2 Schedule A-2. I do not know why the Company's gross revenue conversion factor does not contain an income tax gross-up.
- c. See Attachment 1 (c) which applies the AGO's gross income conversion factor to my recommended adjustments which includes income taxes. As stated above, the Company did not apply the gross income conversion factor to operating income in deriving its revenue deficiency in Exhibit 9 (revenue requirement tab).

WITNESS RESPONSIBLE:
JOHN DEFEVER

QUESTION NO. 2
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Refer to the Attorney General's response to Staff's First Request, Item 8,
Confidential Attachment 1. Refer also to Case No. 2026-00099, Exhibit JD-1 at the
"SummaryWP" Tab, and Case No. 2026-00094, Exhibit JD-1 at the "SummaryWP" Tab.

- a. Confirm that in Case No. 2026-00094, Mr. Defever's revenue requirement impact for each recommended pre-tax expense adjustment is larger than the pre-tax expense adjustment itself.
- b. Confirm that in Case No. 2026-00099, Mr. Defever's revenue requirement impact for each recommended pre-tax expense adjustment is larger than the pre-tax expense adjustment itself.
- c. Explain why the revenue requirement impact of each proposed adjustment is lower than the pre-tax expense adjustment in the instant proceeding. In the response, include any explanations as to how the calculation of the revenue requirement impact differed in the instant proceeding than the other above-referenced cases

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. In preparing my response to Staff 1-8, I followed the Company's methodology used in Exhibit 9 and applied the gross revenue conversion factor, which does not include

WITNESS RESPONSIBLE:

JOHN DEFEVER

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income tax components, to my operating income adjustments. In Case Nos. 2026-00094 and 2026-00099, the companies' gross revenue conversion factors contained income tax components. However, as can be seen in Attachment 1-1(c) when applying BGWC's gross income conversion factor (which does include income taxes) to my adjustments, the overall revenue requirement impact is still slightly lower. As part of my analysis in rate cases, I typically do not calculate the revenue requirement impact individually for each of my recommended adjustments, the impact is calculated in total. I have only been requested to do this a few times. This is the first request I have received to compare the results so I do not know how unusual this is.

JOHN DEFEVER
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RESPONSE:

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WITNESS RESPONSIBLE:

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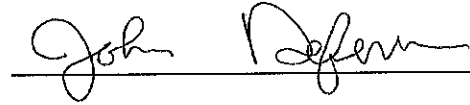
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AFFIDAVIT

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

Sworn to and subscribed before me on this 9th day of October 2026.



Notary Public

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

Wayne