

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	
<b>BLUEGRASS WATER UTILITY</b>	)	
<b>OPERATING COMPANY, LLC FOR AN</b>	)	<b>Case No. 2025-00354</b>
<b>ADJUSTMENT OF WATER AND</b>	)	
<b>SEWAGE RATES</b>	)	

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**MOTION FOR DEVIATION FROM FILING REQUIREMENTS FOR  
APPLICATION FOR ADJUSTMENT OF SEWAGE RATES  
BY  
BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC**

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Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water” or the “Company”), by counsel, and pursuant to 807 KAR 5:001 and other applicable law, hereby applies for a waiver of certain requirements for Bluegrass Water’s application for an adjustment of water and sewage rates. The specific requirements for which Bluegrass Water seeks a waiver are narrow in scope such that the absence of that information will not materially affect the Commission’s review of the relief sought in the Application. In this Motion, Bluegrass Water respectfully asks the Commission to waive certain limited requirements and as grounds therefore states as follows.

**I. INTRODUCTION**

1. 807 KAR 5:001 Section 16 sets forth requirements for requesting a waiver from the Commission’s regulations for rate change applications. A waiver request “shall include the specific reasons for the request.” 807 KAR 5:001 Section 16(10). The Commission “shall grant” the waiver request if the applicant shows good cause. 807 KAR 5:001 Section 16(10). First, the Commission “shall consider” whether the utility’s other information provided “is sufficient to allow the commission to effectively and efficiently review the rate application.” 807 KAR 5:001 Section

16(10)(a). Second, the Commission “shall consider” whether the information subject to the request “is normally maintained by the utility or reasonably available to it from the information it maintains[.]” 807 KAR 5:001 Section 16(10)(b). Third, the Commission “shall consider” the expense the utility will incur in providing the information subject to the request. 807 KAR 5:001 Section 16(10)(c).

## **II. REQUEST FOR WAIVER OF 807 KAR 5:001 SECTION 16(7)(s)**

2. To the extent the Commission deems it necessary, Bluegrass Water seeks a waiver of 807 KAR 5:001, § 16(7)(s), which provides, “Each application requesting a general adjustment in rates supported by a fully forecasted test period shall include... (s) The summary of the latest depreciation study with schedules itemized by major plant accounts. If the required information has been filed in another commission case, a reference to that case’s number shall be sufficient.”

3. Bluegrass Water seeks a deviation from the requirement to provide a depreciation study for its water assets. In an effort to reduce rate case expenses, Bluegrass Water believes the likely cost of a depreciation study would outweigh any benefit that could result from the significant expense associated with a depreciation study for its minimal water assets in this matter.<sup>1</sup>

4. Accordingly, to the extent applicable, Bluegrass Water respectfully asks for a waiver of 807 KAR 5:001 Section 16(7)(s) and respectfully submits that good cause has been shown therefore.

## **III. REQUEST FOR PARTIAL WAIVER OF 807 KAR 5:001 SECTION 16(7)(f)(3)-(4) and (g)**

5. To the extent the Commission deems it necessary, Bluegrass Water seeks a partial waiver of 807 KAR 5:001 Section 16(7)(f), which provides:

<sup>1</sup> *In the Matter of: Electronic Application of Warren County Water District for an Adjustment of Rates for Sewer Service*, Case No. 2024-00201 (Ky. PSC May 20, 2025), Order at 24.

For each major construction project that constitutes five (5) percent or more of the annual construction budget within the three (3) year forecast, the following information shall be filed:

...

(3) the total estimated cost of construction by year exclusive and inclusive of allowance for funds used during construction (“AFUDC”) or interest during construction credit; and

(4) the most recent available total costs incurred exclusive and inclusive of AFUDC or interest during construction credit.<sup>2</sup>

6. Similarly, 807 KAR 5:001 § 16(7)(g) provides, “For all construction projects that constitute less than five (5) percent of the annual construction budget within the three (3) year forecast, the utility shall file an aggregate of the information requested in paragraph (f)3 and 4 of this subsection.”

7. Bluegrass Water seeks a waiver from the above requirements. As indicated in Exhibit JF-1, Bluegrass Water does not have AFUDC or interest during construction credit (“IDCC”) for the construction projects.

8. Accordingly, to the extent the Commission believes a deviation is necessary, Bluegrass Water respectfully asks for a partial waiver of 807 KAR 5:001 Section 16(7)(f) and (g) and respectfully submits that good cause has been shown therefore.

#### **IV. REQUEST FOR WAIVER OF 807 KAR 5:001 SECTION 16(7)(I)**

9. To the extent the Commission deems it necessary, Bluegrass Water seeks a waiver of 807 KAR 5:001 Section 16(7)(I), which requires a utility to provide “[t]he annual report to shareholders or members and the statistical supplements covering the most recent two (2) years from the application filing date.”

<sup>2</sup> 807 KAR 5:001 Section 16(7)(f).

10. Bluegrass Water seeks this waiver because Bluegrass Water has not provided any such annual reports to its members for the last two years, and therefore has no such documents to provide.

11. In Bluegrass Water's previous rate case, the Commission found that a deviation from the requirement to provide an annual report to shareholders or members was unnecessary because those documents do not exist.<sup>3</sup> The same rationale is applicable here, and the Commission should either grant a waiver, or find that one is not required.

12. Accordingly, to the extent applicable, Bluegrass Water respectfully asks for a waiver of 807 KAR 5:001 Section 16(7)(l) and respectfully submits that good cause has been shown therefore.

**V. REQUEST FOR WAIVER OF 807 KAR 5:001 SECTION 16(8)(k)**

13. To the extent the Commission deems it necessary, Bluegrass Water seeks a waiver of 807 KAR 5:001 Section 16(8)(k), which requires a utility to provide “[c]omparative financial data and earnings measures for the ten (10) most recent calendar years, the base period, and the forecast period.”

14. Bluegrass Water states that it does not have comparative financial data and earnings measures for the ten most recent calendar years because it began operating Kentucky utilities in 2019. As a consequence, Bluegrass Water has supplied comparative financial data and earnings measures dating back to 2019. Because Bluegrass Water has not engaged in Kentucky operations for a period of ten years, Bluegrass Water respectfully asks for a waiver from providing this data beyond 2019.

<sup>3</sup> *In the Matter of: Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Sewage Rates*, Case No. 2022-00432 (Ky. PSC Apr. 14, 2023), Order at 6.

15. Accordingly, to the extent applicable, Bluegrass Water respectfully asks for a waiver of 807 KAR 5:001 Section 16(8)(k) and respectfully submits that good cause has been shown therefore.

**VI. REQUEST FOR PARTIAL WAIVER OF 807 KAR 5:001 SECTIONS 16(7)(d), 16(7)(n), and 16(7)(o)**

16. Lastly, to the extent the Commission deems it necessary, Bluegrass Water seeks a partial waiver of the requirements set forth in 807 KAR 5:001 Section 16(7)(d), 807 KAR 5:001 Section 16(7)(n), and 807 KAR 5:001 Section 16(7)(o).

17. In the aggregate, these subsections require certain information from the twelve months preceding the date of filing the Application. Specifically, each regulation requires the following:

- 807 KAR 5:001 Section 16(7)(d): “The utility’s annual and monthly budget for the twelve (12) months preceding the filing date, the base period, and forecasted period.”
- 807 KAR 5:001 Section 16(7)(n): “The latest twelve (12) months of the monthly managerial reports providing financial results of operations in comparison to the forecast.”
- 807 KAR 5:001 Section 16(7)(o): “Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available.

18. As part of Bluegrass Water’s Application materials, it has filed the above-referenced information with data through October 2025. Bluegrass Water has not yet finalized its numbers for November 2025, and it will provide the November 2025 data as it becomes available.

19. Accordingly, to the extent applicable, Bluegrass Water respectfully asks for a waiver of 807 KAR 5:001 Section 16(7)(d), 807 KAR 5:001 Section 16(7)(n), and 807 KAR 5:001 Section 16(7)(o), and respectfully submits that good cause has been shown therefore.

**VII. RELIEF SOUGHT**

20. For the foregoing reasons, Bluegrass Water respectfully asks that the Commission grant a deviation for the following requirements for its Application:

- a. 807 KAR 5:001 Section 16(7)(d);
- b. 807 KAR 5:001 Section 16(7)(f)(3) – (4) and (g);
- c. 807 KAR 5:001 Section 16(7)(l);
- d. 807 KAR 5:001 Section 16(7)(n);
- e. 807 KAR 5:001 Section 16(7)(o);
- f. 807 KAR 5:001 Section 16(7)(s); and
- g. 807 KAR 5:001 Section 16(8)(k).

This the 11th day of December, 2025.

Respectfully submitted,

/s/ Edward T. Depp

Edward T. Depp

R. Brooks Herrick

Hannah D. Thompson

**DINSMORE & SHOHL LLP**

101 S. Fifth St., Suite 2500

Louisville, KY 40202

tip.depp@dinsmore.com

brooks.herrick@dinsmore.com

hannah.thompson@dinsmore.com

Telephone: (502) 540-2300

Facsimile: (502) 585-2207

*Counsel to Bluegrass Water Utility  
Operating Company, LLC*

**Certification**

Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission. I hereby certify that a copy of this Notice has been served electronically on all parties of record for whom an e-mail address is given in the online Service List for this proceeding through use of the Commission's electronic filing system.

*/s/ Edward T. Depp* \_\_\_\_\_

*Counsel to Bluegrass Water Utility  
Operating Company, LLC*