

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS	)	
WATER UTILITY OPERATING COMPANY, LLC	)	CASE NO.
FOR AN ADJUSTMENT OF RATES AND	)	2020-00290
APPROVAL OF CONSTRUCTION	)	

NOTICE OF FILING

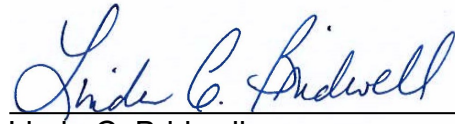
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on May 20, 2021 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on May 20, 2021 in this proceeding;
- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on May 20, 2021.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://youtu.be/1AAOkWmV5OI>.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 24<sup>th</sup> day of June 2021.



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Linda C. Bridwell  
Executive Director  
Public Service Commission of Kentucky

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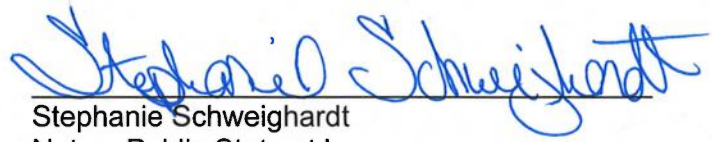
CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on May 20, 2021. The Formal Hearing Log, Exhibits, and Exhibit List are included with the recording on May 20, 2021;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of May 20, 2021; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of May 20, 2021, and the time at which each occurred.

Signed this 18<sup>th</sup> day of June, 2021.

  
Candace H. Sacre  
Administrative Specialist III

  
Stephanie Schweighardt  
Notary Public State at Large  
Commission Expires: January 14, 2023  
ID#: 614400



Date:	Type:	Location:	Department:
5/20/2021	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Mike Duncan; Jacob Freeman; Brent Thies; Todd Thomas  
 Judge: Kent Chandler; Talina Mathews; Michael Schmitt  
 Clerk: Candace Sacre

Event Time	Log Event
9:06:44 AM	Session Started
9:07:05 AM	Chairman Schmitt Note: Sacre, Candace Back on the record. Ms. Yunker?
9:07:55 AM	Atty Yunker Bluegrass Water - witness Thies Note: Sacre, Candace Redirect Examination. Remind us who Elasticity is?
9:08:33 AM	Atty Yunker Bluegrass Water - witness Thies Note: Sacre, Candace Where expenses Elasticity found in this case?
9:08:52 AM	Atty Yunker Bluegrass Water - witness Thies Note: Schweighardt, Stephanie What is it Elasticity does respect professional communications?
9:09:49 AM	Atty Yunker Bluegrass Water - witness Thies Note: Sacre, Candace Also produce video shown beginning hearing?
9:10:06 AM	Atty Yunker Bluegrass Water - witness Thies Note: Schweighardt, Stephanie Number of questions lack of information retirements column calculations utility plant in service, what netting when talk about net effect?
9:13:40 AM	Atty Yunker Bluegrass Water - witness Thies Note: Schweighardt, Stephanie On that schedule that showed retirement, just dash-dashes?
9:13:59 AM	Atty Yunker Bluegrass Water - witness Thies Note: Schweighardt, Stephanie Brocklyn line, what in accumulated depreciation column?
9:14:23 AM	Atty Yunker Bluegrass Water - witness Thies Note: Sacre, Candace Extent retiring accumulated depreciation, what effect utility plant in service?
9:14:44 AM	Atty Yunker Bluegrass Water Note: Schweighardt, Stephanie Not in record this case, filed in 2019-00104 on October 30 2019, ask be made Bluegrass Water Hearing Exhibit 2, with notice of filing.
9:15:25 AM	Chairman Schmitt Note: Sacre, Candace Sustained.
9:15:26 AM	BLUEGRASS WATER HEARING EXHIBIT 1 Note: Sacre, Candace PURCHASE/ACQUISITION ASSETS BROCKLYN UTILITIES CASE NO. 2019-00104 OCTOBER 30 2019 Note: Sacre, Candace ATTY YUNKER BLUEGRASS WATER - WITNESS THIES
9:15:36 AM	Vice Chairman Chandler - witness Thies Note: Sacre, Candace Examination. Acquisition adjusment made, once on books, added pro rata all assets purchased?
9:16:00 AM	Vice Chairman Chandler - witness Thies Note: Sacre, Candace How accounted across assets acquisition adjustment used?
9:16:22 AM	Vice Chairman Chandler - witness Thies Note: Sacre, Candace How proposing account acquisition adjustment?

9:16:31 AM	Vice Chairman Chandler - witness Thies Note: Sacre, Candace	\$12,000 unrecovered indefinitely?
9:16:43 AM	Vice Chairman Chandler - witness Thies Note: Sacre, Candace	No amortization/depreciation acquisition investment?
9:16:52 AM	Vice Chairman Chandler - witness Thies Note: Sacre, Candace	On company's books?
9:17:00 AM	Vice Chairman Chandler - witness Thies Note: Sacre, Candace	No depreciation expense, no amortization expense included in rates or separately on books?
9:17:31 AM	Atty Yunker Bluegrass Water - witness Thies Note: Sacre, Candace	Redirect Examination (cont'd). Give same answer any positive acquisition adjustment shown?
9:17:46 AM	Atty Yunker Bluegrass Water - witness Thies Note: Sacre, Candace	Recall any negative acquisition adjustments?
9:17:54 AM	Atty Yunker Bluegrass Water - witness Thies Note: Schweighardt, Stephanie	Brooklyn more depreciation accumulated time of acquisition than given in value for assets?
9:18:13 AM	Atty Yunker Bluegrass Water - witness Thies Note: Sacre, Candace	Describe situation in which affirmative value left over in which system not fully depreciated at time of acquisition?
9:19:09 AM	Chairman Schmitt Note: Sacre, Candace	Anything further this witness?
9:19:27 AM	Atty Samford Homeowners Associations - witness Thies Note: Sacre, Candace	Recross Examination. March 19 schedule update, pg 3 of 69, Schedule SE2, Line 7, efficiency system improvements, not see adjustments, explain not be due to investment made?
9:21:29 AM	Atty Samford Homeowners Associations - witness Thies Note: Sacre, Candace	Prepared this schedule, means engineering operational staff not give any efficiencies for system improvements?
9:21:46 AM	Atty Samford Homeowners Associations - witness Thies Note: Schweighardt, Stephanie	Pg 4, base year adjustment for maintenance, no efficiency for system improvements?
9:21:59 AM	Atty Samford Homeowners Associations - witness Thies Note: Sacre, Candace	Know if accounted for in test year for system improvement efficiencies?
9:22:29 AM	Staff Atty Bellamy PSC - witness Thies Note: Sacre, Candace	Recross Examination. Inclusion of assets may have been retired, indicated had plant in service and reflected accumulated depreciation, net effect zero, Brooklyn?
9:23:10 AM	Staff Atty Bellamy PSC - witness Thies Note: Sacre, Candace	When calculating depreciation expense, taking depreciation rate and applying to utility plant in service balance before removing accumulated depreciation?
9:23:51 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	Assuming calculating depreciation rate applying to utility plant in service before remove accumulated depreciation, agree potentially be depreciation expense reflected in schedules plant in service retired?
9:24:25 AM	Staff Atty Bellamy PSC - witness Thies Note: Sacre, Candace	Assume in schedules calculated depreciation applying depreciation rate to utility plant in service balance before accumulated depreciation removed, be depreciation for assets in utility plant in service balance that should have been retired applied to assets increasing depreciation reflected in test year?

9:25:19 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	When say if case, mean if depreciation rate applied utility plant in service balance before accumulated depreciation removed?
9:25:36 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	Staff Second Request, Item 4, all systems listed component described construction, design, investigative services, itemization, other, what include?
9:28:10 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	GIS and engineering done prior to acquisition or relation to completion of the projects?
9:28:49 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	Freeman testimony, construction, design, investigative services, proposed projects, other services be in plant in service occurred reflected some other way or services listed there be all reflected in plant in service?
9:29:43 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	Role in preparing response, spreadsheet Attachment 2-PSC-04 your contribution?
9:30:26 AM	Staff Atty Bellamy PSC - witness Thies Note: Sacre, Candace	Attachment 2-PSC-04, Staff Second Request, historical amounts spent on construction, design, investigative services as of 12-31-2020, amounts in there, Bluegrass Water not own those systems?
9:31:38 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	How distinguish expenses part of due diligence determine purchase a system or construction improvements of system?
9:33:28 AM	Staff Atty Bellamy PSC - witness Thies Note: Sacre, Candace	Response, Staff Third Request, Item 10, reading (click on link for further comments), response, reading (click on link for further comments), if performing feasibility of project under contemplation and move forward, entitled capitalize amounts?
9:35:15 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	How distiguish between work performed part of invstigation determining purchase system, portions of those costs capitalized?
9:36:13 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	Generally speaking, if performing surveys purchase system, how distinguish those amounts from amounts capitalize accounting system cited determine feasibility of project?
9:38:05 AM	Staff Atty Bellamy PSC - witness Thies Note: Sacre, Candace	If answer not distinguish, then that is answer, curious what answer is?
9:38:25 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	Distinguish between determining due diligence purchase and determining feasibility of project?
9:40:00 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	AG Request, breakout rates by system, recall?
9:40:26 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	Breaking out by system, have administrative expenses allocated amongst systems, how allocating, just by per connection?
9:41:16 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	Many new systems coming on line, different places, 30,000 connections adding, agree Massachusetts method creates mismatch time spent on system?

9:43:30 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	All systems same spot, all rates supporting expenses, investments moving them forward, but one system significant investment rates increased, others abandoned plant in service, numbers not reflect amount of time spent on each system?
9:45:16 AM	Staff Atty Bellamy PSC - witness Thies Note: Schweighardt, Stephanie	Adding approximately 30,000 systems not received proper investment, not rates reflect cost of service, agree create unfairness allocation of overhead?
9:47:04 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
9:47:38 AM	Chairman Schmitt Note: Sacre, Candace	Witness excused.
9:47:43 AM	Chairman Schmitt Note: Sacre, Candace	Next witness?
9:47:48 AM	Atty Yunker Bluegrass Water Note: Sacre, Candace	Jacob Freeman.
9:48:19 AM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
9:48:33 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Schweighardt, Stephanie	Direct Examination. Name?
9:48:38 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Schweighardt, Stephanie	Business address?
9:48:47 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Sacre, Candace	Employed by Bluegrass Water, by parent company CSWR, LLC?
9:48:55 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Schweighardt, Stephanie	Position?
9:49:04 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Schweighardt, Stephanie	Duties and role particular operating company?
9:49:25 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Sacre, Candace	File direct testimony?
9:49:42 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Schweighardt, Stephanie	Corrections?
9:50:11 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Sacre, Candace	Subtotal and total end of chart, reflect twenty-thousand-dollar amount?
9:50:25 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Schweighardt, Stephanie	Second change?
9:50:49 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Sacre, Candace	Any other corrections?
9:50:58 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Schweighardt, Stephanie	Designated witness number of responses?
9:51:14 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Schweighardt, Stephanie	Witness best able testify requests for permits?
9:51:56 AM	Asst Atty General West - witness Freeman Note: Sacre, Candace	Cross Examination. Background in cost estimation?

9:53:30 AM Asst Atty General West - witness Freeman  
Note: Sacre, Candace Testimony available to you?

9:53:46 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Airview, pg 4, table construction items, what not completed yet?  
Stephanie

9:55:39 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Start with Airview, answer for that?  
Stephanie

9:56:22 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Arcadia Pines, pg 7, items remain be completed?  
Stephanie

9:56:47 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Brocklyn, pg 8 to pg 9?  
Stephanie

9:57:26 AM Asst Atty General West - witness Freeman  
Note: Sacre, Candace Carriage Park, pg 11?

9:57:39 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Fox Run, pg 13?  
Stephanie

9:58:09 AM Asst Atty General West - witness Freeman  
Note: Sacre, Candace Golden Acres, pg 15?

9:58:37 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Indicated something this table partially complete, would have indicated if commenced previous items that not list as complete?  
Stephanie

9:59:07 AM Asst Atty General West - witness Freeman  
Note: Sacre, Candace Stated one of items partially complete?

9:59:11 AM Asst Atty General West - witness Freeman  
Note: Sacre, Candace On previous table item partially complete would have said that?

9:59:20 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, If not completed, not started yet?  
Stephanie

10:00:14 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Great Oaks, pg 17?  
Stephanie

10:00:42 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Timberland/Joann Estates, pg 19?  
Stephanie

10:01:26 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Kingswood, pg 22?  
Stephanie

10:01:55 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Lake Columbia, pg 24?  
Stephanie

10:03:25 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Longview/Homestead, pg 26?  
Stephanie

10:03:58 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Marshall Ridge, pg 28?  
Stephanie

10:04:13 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Randview, pg 30?  
Stephanie

10:04:31 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Persimmon Ridge, pg 32?  
Stephanie



10:05:16 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, River Bluff, pg 33-34?  
Stephanie

10:05:41 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Center Ridge, pg 36, each district?  
Stephanie

10:06:40 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, District 2, pg 38?  
Stephanie

10:07:11 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, District 3, pg 40?  
Stephanie

10:07:58 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, District 4, pg 42?  
Stephanie

10:08:26 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, All systems, excluding 2020-00297 systems, go back up Airview, Arcadia Pines, and Brocklyn, might have been Carriage Park, discuss any items partially complete?  
Stephanie

10:09:20 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, If Bluegrass Water not awarded rates proposed, awarded lesser amount, still complete all construction items listed in test year?  
Stephanie

10:09:53 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Your testimony all construction items listed necessary meet objective?  
Stephanie

10:10:10 AM Asst Atty General West - witness Freeman  
Note: Sacre, Candace Is that yes?

10:10:20 AM Atty Yunker Bluegrass Water  
Note: Sacre, Candace West state all systems at issue, testimony about four systems 2020-00297 at issue still as to construction approval.

10:10:46 AM Asst Atty General West  
Note: Sacre, Candace Understand that, for sake of complete record, can run through those systems.

10:11:14 AM Asst Atty General West - witness Freeman  
Note: Sacre, Candace Cross Examination (cont'd). Delaplain, pg 46 to 47?

10:11:34 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Herrington Haven, pg 49-50?  
Stephanie

10:11:43 AM Asst Atty General West - witness Freeman  
Note: Sacre, Candace Springcrest, pg 52?

10:11:52 AM Asst Atty General West - witness Freeman  
Note: Schweighardt, Woodland Acres, pg 54-55?  
Stephanie

10:12:09 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Cross Examination. Potential growth any neighborhoods, remember?

10:12:47 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace All repairs made and some expanded, increased capacity to serve new customers?

10:13:24 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Present for Cox testimony?  
Stephanie

10:13:30 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Total capital budget all systems \$6.1 million?

10:13:48 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, For water, how much approximately?  
Stephanie

10:13:56 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, About \$7 million total, over \$5 million already invested?  
Stephanie

10:14:10 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Yesterday, understood company seekng CPCNs for eight projects?  
Stephanie

10:14:31 AM Atty Yunker Bluegrass Water  
Note: Schweighardt, Object to form. (Click on link for further comments.)  
Stephanie

10:15:14 AM Chairman Schmitt  
Note: Sacre, Candace Rephrase your question.

10:15:17 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Recall Cox testified CPCN necessary work be done at Airview system?

10:15:28 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Recall Cox testified CPCN necessary for work be done for work at Brocklyn system?

10:15:37 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Same question Fox Run system?

10:15:43 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Same question Lake Columbia system?

10:15:49 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Same thing Persimmon Ridge system?

10:15:56 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Same thing Delaplain system?

10:16:01 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Same thing Herrington Haven system?

10:16:07 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace One not catch, recall which one that was?

10:16:17 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Relatively significant project each of these systems, fair characterization?

10:16:44 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Any work commenced on those projects?  
Stephanie

10:17:11 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Thies asked questions about construction, design, and investigative services, in room for those?  
Stephanie

10:17:32 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Lot of work also done with preacquisition due diligence, correct?

10:18:10 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Say again, not follow that, apologize.  
Stephanie

10:18:46 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Engineering firm does estimates same engineering firm oversees repairs, work?  
Stephanie

10:19:00 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Said some work recommended determined not need be actually completed?

10:19:23 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Adjustments reflected anywhere in rate base filings or revenue requirements?  
Stephanie

10:19:39 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Communicated those with somebody who would have put together?  
Stephanie

10:20:12 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Know if have obligation supplement prior responses is circumstances  
Stephanie changed?

10:20:30 AM Chairman Schmitt  
Note: Sacre, Candace Let me ask, counsel made aware of possible changes?

10:20:41 AM Atty Yunker Bluegrass Water  
Note: Sacre, Candace Simultaneously with those in this hearing, yes.

10:20:47 AM Chairman Schmitt  
Note: Sacre, Candace If changes need to be made, someone can answer that question, if  
not today, in a post-hearing data request, correct?

10:21:00 AM Atty Samford Homeowners Associations  
Note: Sacre, Candace Figured would ask it that way.

10:21:13 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Randview, know where City of Mayfield system is proximity to  
Stephanie Randview?

10:21:44 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Be as close as four lots away?  
Stephanie

10:21:57 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Construction, design, investigative services, Marshall Ridge facilities,  
subtotal actual work be done improvements \$50,000?

10:22:27 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Subtotal construction, design, and investigative services and  
Stephanie engineering would be \$48,500?

10:22:45 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Construction, design, and engineering approximately 97 percent  
Stephanie total actual work performed?

10:23:11 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Approximately 49 percent of project, my comparison that number to  
Stephanie \$50,000 above, take subtotal of work to be performed, work went  
into preparing what work to be done about 97 percent of that  
figure?

10:23:39 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, If were to go through each of these, agree normally percentage  
Stephanie north of 40 percent lot of cases, more than 50 percent?

10:24:02 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Kinda looking for ndicative answer there?

10:24:51 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Engineer retained do estimates actually doing work in Kentucky?  
Stephanie

10:25:05 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, How selected?  
Stephanie

10:25:21 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Firm doing work or working through subcontractors?  
Stephanie

10:25:36 AM Atty Samford Howowners Associations - witness Freeman  
Note: Sacre, Candace Necessary put up fence, that firm putting up fence?

10:26:00 AM Atty Samford Howowners Associations - witness Freeman  
Note: Schweighardt, Who holding shovel when stuff gets done?  
Stephanie

10:26:26 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	If turns out Midwest Water O&M contractor also does some work, billed pursuant to Midwest contract or billed towards capital project engineering firm's contract?
10:27:03 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	Not know whether Bluegrass Water charged for work Midwest doing for capital construction engineering firm at rates stated in Midwest contract or engineering firm contract?
10:28:34 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	Response, Staff Fourth Request, Item 14, reading (click on link for further comments), general objection, do RFP capital projects Bluegrass system?
10:29:55 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	Bid by you or by engineering firm retained to do work?
10:30:19 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	RFPs not issued yet?
10:30:48 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	Staff Fourth Request, Item 15, reading (click on link for further comments), approximately \$5 million, why could not provide invoices?
10:31:20 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	Invoices received?
10:31:28 AM	Atty Yunker Bluegrass Water Note: Sacre, Candace	Many invoices listed in second sheet spreadsheet shown by Bellamy, Staff Third Request, Response provided, listing of capitalized invoices. (Click on link for further comments.)
10:32:15 AM	Atty Samford Homeowners Associations Note: Sacre, Candace	Appreciate, but like to hear that from witness.
10:32:24 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	When invoices received?
10:32:37 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	See then when come through?
10:32:52 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	Approve payment, not actually see invoice?
10:33:13 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	At tris point, any invoice for any work done on any system Bluegrass owns that's capitalized?
10:34:24 AM	Atty Samford Howowners Associations - witness Freeman Note: Schweighardt, Stephanie	If see them, why could not be produced prior to hearing?
10:34:54 AM	Atty Samford Howowners Associations - witness Freeman Note: Sacre, Candace	Statement made previously Arcadia Pines, Carriage Park, Marshall Ridge, and Randview not provide information requested, recall information requested not provided?
10:35:45 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Discussion regarding data requests. (Click on link for further comments.)
10:36:26 AM	Chairman Schmitt Note: Sacre, Candace	Recess until ten minutes before 11 o'clock.

10:36:31 AM	Session Paused	
10:53:27 AM	Session Resumed	
10:53:41 AM	Chairman Schmitt	
	Note: Sacre, Candace	Now back on record.
10:53:56 AM	Chairman Schmitt	
	Note: Sacre, Candace	Mr. Bellamy?
10:54:07 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Sacre, Candace	Cross Examination. Response, Staff Second Request, Item 4, construction, design, and investigative services listed portion of each capital cost, breakout, answer survey fees, engineering, other construction design, GIS fee, recollection?
10:56:05 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	What listed here survey fees, engineering, GIS, other construction design and investigation?
10:56:19 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	Describe surveying fees?
10:57:39 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	Surveying work includes actually surveying map system, also title check property, lines, and easements?
10:57:59 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	Title work bulk of costs?
10:58:27 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	Carriage Park, surveying \$7500, GIS \$2500, engineering \$17,500, other construction \$3500, GIS mapping of system?
10:58:58 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Sacre, Candace	Surveying listed separately be costs survey system clear title upon purchase?
10:59:20 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	Brocklyn, surveying fees, engineering, other construction design, no GIS, mean surveying fees here title work and GIS included somewhere else?
11:00:34 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	If GIS not listed, would be other construction design and investigation not surveying fees, surveying fees title work?
11:00:49 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	Other than GIS, what amounts included other construction, design, and investigation?
11:01:44 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	Discussing bidding projects indicated larger projects have RFP, if smaller projects, require construction management?
11:02:30 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	Projections by engineering firms, now in to completing work on systems, determination whether projections aligning with reality?
11:03:26 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Schweighardt, Stephanie	Surveying work run through engineering firm?
11:03:53 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Sacre, Candace	What firm?
11:04:00 AM	Staff Atty Bellamy PSC - witness Freeman	
	Note: Sacre, Candace	Same engineering firm does all work for Bluegrass Water?

11:04:13 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Requests for invoices for construction, design, and investigative services, as of 12/31/2020 total is \$575,000 work completed, but sum of projected amounts in testimony \$1.34 million, agree some systems finished?
11:06:32 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Testimony number of systems primary thing remained to be completed respect I&I, expect see increase amount spent to date construction, design, and investigative services?
11:07:20 AM	Atty Yunker Bluegrass Water Note: Sacre, Candace	Question all basically remains is work on I&I?
11:07:39 AM	Staff Atty Bellamy PSC - witness Freeman Note: Sacre, Candace	Testimony yesterday I&I one of only things remaining, agree?
11:07:52 AM	Atty Yunker Bluegrass Water Note: Sacre, Candace	Freeman testified this morning specifically what remaining of projects, don't know whose testimony referring to.
11:08:10 AM	Staff Atty Bellamy PSC - witness Freeman Note: Sacre, Candace	Go through each one, Airview, construction, design, and investigative services, how much more anticipate spending?
11:09:08 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	If were to ask each system how much anticipate being left, not able do that right now?
11:09:27 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Statement regarding cleaning, cost \$15,000 to clean building, Kingswood, clean blower house/equipment, explain what entailed?
11:10:27 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Cleaning blower house/equipment?
11:11:01 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Account for why cost \$15,000?
11:11:18 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Cleaning out building extend useful life of building?
11:11:42 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	What cleaning up equipment mean?
11:11:58 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Distinction between larger projects bidding out versus smaller ones, smaller ones performed by O&M contractor, determine which extend useful life of system?
11:13:15 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Who accounting staff contact in engineering determine what items included in maintenance versus capitalized costs?
11:14:02 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Process Bluegrass Water makes determinations what be capitalized versus what should not when talking maintenance and repairs?
11:14:30 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Describe what meant by informal bid?
11:15:22 AM	Staff Atty Bellamy PSC - witness Freeman Note: Schweighardt, Stephanie	Familiar discussions Delaplain system with nearby systems accept waste from Delaplain?

11:15:39 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Current status of discussions?  
Stephanie

11:16:59 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, City putting together package/offer?  
Stephanie

11:17:12 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Timetable on city making offer?  
Stephanie

11:17:30 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, When discussions with city start?  
Stephanie

11:18:01 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Agreed Order Delaplain with EEC?  
Stephanie

11:18:30 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Agreed Order proposing system upgrades Bluegrass proposing here  
Stephanie or in alternative connecting to Georgetown system?

11:19:16 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Agreed orders reference engineering reports, refer to deficiencies,  
Stephanie then propose corrective action plan which is accepted or rejected by  
EEC?

11:20:03 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Status of negotiations connecting Brocklyn system to City of  
Stephanie Richmond?

11:21:50 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Currently putting together estimate of costs be, not completed as of  
Stephanie yet?

11:22:17 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Brocklyn, when anticipate getting estimates to DOW?  
Stephanie

11:22:38 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Working on that internally or engineering firm?  
Stephanie

11:22:53 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, How long anticipate getting permit from DOW?  
Stephanie

11:23:39 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, How long after receive permit implement/construct system at  
Stephanie Brocklyn?

11:24:39 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Over a year before get equipment?  
Stephanie

11:24:44 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Six months?  
Stephanie

11:25:00 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Randview, familiar discussions connecting City of Mayfield and  
Stephanie status?

11:25:49 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, Delaplain involve constructing main to line or wastewater treatment  
Stephanie facility?

11:26:11 AM Staff Atty Bellamy PSC - witness Freeman  
Note: Schweighardt, How far away from Delaplain?  
Stephanie

11:26:46 AM	Chairman Schmitt Note: Sacre, Candace	Scheduling discussions. (Click on link for further comments.)
11:27:40 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Procedural discussions, data requests. (Click on link for further comments.)
11:29:00 AM	Chairman Schmitt Note: Sacre, Candace	Questions?
11:29:47 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Sacre, Candace	Redirect Examination. Estimates basis for charts expected costs to be capitalized each system, very clear testifying prepared by engineer, 21 Design Group?
11:30:19 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Sacre, Candace	Estimates come straight from 21 Design into testimony?
11:31:03 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Sacre, Candace	By we, you and engineering department?
11:31:09 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Schweighardt, Stephanie	Know to whom provided those numbers, to Mike Duncan or Brent Thies?
11:31:19 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Sacre, Candace	Both of them?
11:31:29 AM	Atty Yunker Bluegrass Water - witness Freeman Note: Sacre, Candace	If changes to estimates, your department provides information to rate case team?
11:32:19 AM	Chairman Schmitt Note: Sacre, Candace	Witness excused.
11:32:24 AM	Chairman Schmitt Note: Sacre, Candace	Another witness?
11:32:27 AM	Atty Yunker Bluegrass Water Note: Sacre, Candace	Todd Thomas.
11:32:40 AM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
11:32:54 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Direct Examination. Name?
11:32:58 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Business address?
11:33:11 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Current position?
11:33:25 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Tell what responsibility covers?
11:33:50 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Oversee day-to-day operations?
11:34:24 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Schweighardt, Stephanie	How long working with Bluegrass Water/affiliated companies?
11:34:39 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Schweighardt, Stephanie	File/cause to be filed direct testimony?
11:34:55 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Schweighardt, Stephanie	Corrections?
11:35:02 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Designated as witness responses to data requests?



11:35:34 AM Atty Samford Howowners Associations - witness Thomas  
Note: Sacre, Candace Cross Examination. Due diligence Bluegrass do determine whether local firms able do O&M work?

11:36:37 AM Atty Samford Howowners Associations - witness Thomas  
Note: Sacre, Candace Identify Kentucky/Indiana firms able provide O&M services?

11:36:53 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Two-step process, first prequalification process?

11:37:03 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie How many invited go through prequalification process?

11:37:34 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Prequalification stage?

11:37:39 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Three for first, five for second?

11:37:50 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Three in first round, how many prequalified?

11:38:06 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Second round, how many of five prequalified?

11:38:12 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie All national firms provide services across country?

11:38:54 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Any have Kentucky offices?

11:39:04 AM Atty Samford Howowners Associations - witness Thomas  
Note: Sacre, Candace When hire from out of state, how firm staff project?

11:40:26 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Made sense contract O&M to JSA or some municipal government?

11:41:34 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Midwest use same employees all clusters of systems?

11:41:54 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Three clusters, how each individually staffed?

11:42:13 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Able answer questions how capital projects contractors hired?

11:42:35 AM Atty Samford Howowners Associations - witness Thomas  
Note: Schweighardt, Stephanie Process picking out engineering firm doing capital projects?

11:43:07 AM Staff Atty Bellamy PSC - witness Thomas  
Note: Sacre, Candace Cross Examination. Response, Staff Second Request, Item 10, prices in other states lower, explain why, answer 807 KAR 5:071(7), reading (click on link for further comments), responsible for Response?

11:44:39 AM Staff Atty Bellamy PSC - witness Thomas  
Note: Schweighardt, Stephanie Discussion Cox whether Midwest required go to systems on daily basis, are required?

11:45:38 AM	Staff Atty Bellamy PSC - witness Thomas Note: Schweighardt, Stephanie	Pursuant contract with Midwest, required go to each system on daily basis?
11:45:58 AM	Staff Atty Bellamy PSC - witness Thomas Note: Schweighardt, Stephanie	Go to each system daily basis?
11:46:03 AM	Staff Atty Bellamy PSC - witness Thomas Note: Schweighardt, Stephanie	How track whether doing that?
11:46:42 AM	Staff Atty Bellamy PSC - witness Thomas Note: Schweighardt, Stephanie	Response, Staff Second Request, Item 15, proposals/similar requests for bid, bids indicate what operator bidding on?
11:48:00 AM	Staff Atty Bellamy PSC - witness Thomas Note: Sacre, Candace	Requests attached, KY-2020-00290_BW_0438, Central States RFQ Response Sheet Bluegrass, August 25, 2019, Rebid, correct response to bid from Midwest Water Operations, LLC?
11:49:36 AM	Staff Atty Bellamy PSC - witness Thomas Note: Schweighardt, Stephanie	Bids done in four phases, first one systems at issue Case No. 2019-00104?
11:50:03 AM	Staff Atty Bellamy PSC - witness Thomas Note: Sacre, Candace	Bids for operations of systems done in batches, first batch first group of systems 2019-00104 Airview, Brocklyn, Fox Run, Great Oaks, Golden Acres, Kingswood, Lake Columbia, Longview/Homestead, and Persimmon Ridge, Request for Proposal operation those systems?
11:50:45 AM	Staff Atty Bellamy PSC - witness Thomas Note: Sacre, Candace	Look at note right above signatures, read aloud.
11:51:07 AM	Staff Atty Bellamy PSC - witness Thomas Note: Schweighardt, Stephanie	Agree meeting in which Midwest not required visit each system daily basis?
11:51:21 AM	Atty Yunker Bluegrass Water Note: Sacre, Candace	Object form of question, may answer.
11:51:35 AM	Staff Atty Bellamy PSC - witness Thomas Note: Schweighardt, Stephanie	Informed before meeting Midwest not required go to system on daily basis?
11:51:47 AM	Staff Atty Bellamy PSC - witness Thomas Note: Sacre, Candace	Have any idea other prospective bidders informed could bid on contract without required go on daily basis to system?
11:52:32 AM	Staff Atty Bellamy PSC - witness Thomas Note: Schweighardt, Stephanie	Assuming Midwest not going to systems daily basis, explanation for discrepancy in cost other systems other states?
11:52:59 AM	Staff Atty Bellamy PSC - witness Thomas Note: Sacre, Candace	Midwest not going to systems daily basis, explanation cost serving Bluegrass Water higher than systems operating in other states?
11:54:06 AM	Staff Atty Bellamy PSC - witness Thomas Note: Schweighardt, Stephanie	How many personnel Midwest have working for Bluegrass Water in Kentucky?
11:54:48 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Redirect Examination. Require Midwest go to each system on a daily basis?
11:55:00 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Personally made requirement known, discussed requirement anyone at Midwest?
11:55:15 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Know of anyone reports to you who has?

11:55:19 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Who?
11:55:24 AM	Atty Yunker Bluegrass Water - witness Thomas Note: Sacre, Candace	Have evidence/suspicioin Midwest not going to system on daily basis?
11:56:03 AM	Chairman Schmitt Note: Sacre, Candace	Witness excused.
11:56:08 AM	Chairman Schmitt Note: Sacre, Candace	Another witness?
11:56:13 AM	Atty Yunker Bluegrass Water Note: Sacre, Candace	Mike Duncan.
11:56:41 AM	Chairman Schmitt Note: Sacre, Candace	Witness is sworn.
11:56:54 AM	Atty Yunker Bluegrass Water - witness Duncan Note: Sacre, Candace	Direct Examination. Name?
11:56:58 AM	Atty Yunker Bluegrass Water - witness Duncan Note: Sacre, Candace	Business address?
11:57:07 AM	Atty Yunker Bluegrass Water - witness Duncan Note: Sacre, Candace	Position?
11:57:24 AM	Atty Yunker Bluegrass Water - witness Duncan Note: Sacre, Candace	Functions with all operating utility affiliates?
11:57:39 AM	Atty Yunker Bluegrass Water - witness Duncan Note: Sacre, Candace	Contribute material/information in responses to data requests?
11:57:55 AM	Atty Yunker Bluegrass Water - witness Duncan Note: Sacre, Candace	Designated witness number of data responses?
11:58:22 AM	Staff Atty Bellamy PSC - witness Duncan Note: Sacre, Candace	Cross Examination. Breakout of rates calculated on a per-system basis, responsible for doing rates and projections?
11:58:52 AM	Staff Atty Bellamy PSC - witness Duncan Note: Sacre, Candace	General administrative expenses incurred CSWR/Bluegrass Water level filtered down to systems whether unified rate or separate rate each system?
11:59:18 AM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	When proposed estimate, how allocate general expenses to various systems?
12:00:28 PM	Staff Atty Bellamy PSC - witness Duncan Note: Sacre, Candace	Per customer basis, per connection, connections be customers plus residential equivalence, per connection or per customer?
12:00:46 PM	Staff Atty Bellamy PSC - witness Duncan Note: Sacre, Candace	Expense allocated based on rate base?
12:00:57 PM	Staff Atty Bellamy PSC - witness Duncan Note: Sacre, Candace	Why do that based on rate base?
12:01:16 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	Based on rate base?
12:01:38 PM	Staff Atty Bellamy PSC - witness Duncan Note: Sacre, Candace	Answered questions projection of plant in service and QIP?
12:01:51 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	Participate in projecting QIP forecasted period?
12:02:05 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	How project QIP during forecasted period?

12:02:42 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	Made any updates to QIP projections?
12:03:00 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	What basis for change?
12:03:32 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	Changes based on delays in projects?
12:03:43 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	Original rate base spreadsheet, sewer only, plant in service \$8.438 million and update was \$8.392 million?
12:04:42 PM	Atty Yunker Bluegrass Water Note: Sacre, Candace	Referring both to the base year update filing March 2021 and initial filing September 30, 2020?
12:04:54 PM	Staff Atty Bellamy PSC Note: Sacre, Candace	Yes, the rate base spreadsheet, UPISFYB-2, and this would be the 13-month average.
12:06:28 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	Proposed QIP instead of using AFUDC?
12:06:40 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	Why propose use QIP as opposed to AFUDC?
12:06:58 PM	Staff Atty Bellamy PSC - witness Duncan Note: Sacre, Candace	If talking delays to projects, could be difficulty in determining timing of projects at future period, agree?
12:07:15 PM	Staff Atty Bellamy PSC - witness Duncan Note: Schweighardt, Stephanie	If include AFUDC opposed using QIP, alleviate issue with timing because booking cost of capital putting into rate base later as opposed to attempting to project when spending on capital projects?
12:08:24 PM	Chairman Schmitt Note: Sacre, Candace	Questions?
12:08:47 PM	Chairman Schmitt Note: Sacre, Candace	Witness excused.
12:08:53 PM	Chairman Schmitt Note: Sacre, Candace	Is that case for Bluegrass?
12:08:59 PM	Chairman Schmitt Note: Sacre, Candace	Yes.
12:09:12 PM	Chairman Schmitt Note: Sacre, Candace	Data requests discussion and scheduling. (Click on link for further comments.)
12:11:42 PM	Session Paused	
12:17:36 PM	Session Resumed	
12:21:41 PM	Chairman Schmitt Note: Sacre, Candace	Data requests discussion and scheduling continued. (Click on link for further comments.)
12:21:42 PM	Chairman Schmitt Note: Sacre, Candace	Data requests scheduling/briefing schedule. (Click on link for further comments.)
12:23:52 PM	Chairman Schmitt Note: Sacre, Candace	Order to that effect this afternoon.
12:23:56 PM	Chairman Schmitt Note: Sacre, Candace	Anything else?

12:25:47 PM

Chairman Schmitt

Note: Sacre, Candace

At this time, this hearing is adjourned.

12:25:56 PM

Session Ended



## Exhibit List Report

2020-00290 20May2021

**Bluegrass Water Utility Operating  
Company, LLC (Bluegrass Water)**

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<b>Name:</b>	<b>Description:</b>
Bluegrass Water Hearing Exhibit 1	Purchase/Acquisition Assets Brocklyn Utilities Case No. 2019-00104 October 30, 2019

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Note: shown on-screen 5/20/21  
(Hrg. day 3) ca. 9:12:15

Ky. PSC No. 2020-00290  
BW Hearing Exh. 02  
page 1 of 1

BLUEGRASS WATER  
HEARING EXHIBIT 1

**Bluegrass Water Utility Operating Company**  
Purchase/Acquisition Assets

System: **Brocklyn Utilities**

Date of KY Annual Report Used 12/31/2018  
In-Service Date 9/17/2019  
2018 Reported Depreciation 323.00

<u>Acct Name</u>	<u>Acct #</u>	<u>BG #</u>	<u>Plant Balance</u>	<u>Dep %</u>	<u>12/31/18 Reserve Bal</u>	<u>12/31/18 NBV</u>	<u>2019 Dep</u>	<u>9/17/19 Reserve Bal</u>	<u>NBV - 9/17/19</u>
Utility Plant Acq Adj	108.000	114.000	1,472.00						
Treatment & Disp Equipment	373.000	372.000	28,615.00						
					29,477.00		230.08	29,707.08	
<b>Total</b>			<u>30,087.00</u>		<u>29,477.00</u>	<u>610.00</u>	<u>230.08</u>	<u>29,707.08</u>	<u>379.92</u>

**Journal Entry to transfer In-Service assets post acquisition**

<u>Acct Name</u>	<u>Acct #</u>	<u>Debit</u>	<u>Credit</u>	<u>Note</u>
Utility Plant Purchased	106.000		14,350.90	Total payments at closing
Utility Plant Acq Adj	114.000	1,472.00		2018 ann rep
Treatment & Disp Equipment	372.000	28,615.00		2018 ann rep
Accumulated Depreciation	108.000		29,707.08	2018 ann rep
Land & Land Rights	370.000	1,577.96		Title Charges
Acquisition Adjustment	114.000	12,393.02		Acquisition Adjustment
		<u>44,057.98</u>	<u>44,057.98</u>	

*filed 10/30/19 with a Notice of  
Filing in Case No. 2019-00104*

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