

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS	)	CASE NO.
WATER UTILITY OPERATING COMPANY, LLC	)	2022-00432
FOR AN ADJUSTMENT OF SEWAGE RATES	)	

COMMISSION STAFF'S POST-HEARING REQUEST FOR INFORMATION  
TO BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC

Bluegrass Water Utility Operating Company, LLC (Bluegrass Water), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due no later than October 6, 2023. The Commission directs Bluegrass Water to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Bluegrass Water shall make timely amendment to any prior response if Bluegrass Water obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Bluegrass Water fails or refuses to furnish all or part of the requested information, Bluegrass Water shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Bluegrass Water shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide any operator contracts or contract extensions that have been entered into since April 7, 2022, by Bluegrass Water for systems it has acquired in Kentucky.

2. Refer to the Acquisition Related Cost tab of the Excel spreadsheet titled "Exhibit\_PSC\_3-9\_-\_Plant\_in\_Service\_Breakdown.xlsx" filed with Bluegrass Water's

response to Commission Staff's Third Request for Information (Staff's Third Request), Item 9. Refer also to Commission Staff's Hearing Exhibit 1.

a. Provide a table, in Excel spreadsheet format with all formulas, rows, and columns intact, unprotected and fully accessible, that totals the costs in the Acquisition Related Cost tab by vender and system in the same manner done in Commission Staff's Hearing Exhibit 1.

b. Identify and explain any material differences in your table and Commission Staff's Hearing Exhibit 1.

c. Explain any costs in the Acquisition Related Cost tab for which no vender is identified.

3. Refer to the Acquisition Related Cost tab of the Excel spreadsheet titled "Exhibit\_PSC\_3-9\_-\_Plant\_in\_Service\_Breakdown.xlsx" filed with Bluegrass Water's response to Staff's Third Request, Item 9.

a. Provide an Excel spreadsheet, with all formulas, rows, and columns intact, unprotected and fully accessible, reflecting the plant accounts into which the acquisition related costs were booked when they were moved to plant in service.

b. If the costs were booked to more than one account, explain specifically how Bluegrass Water determined how costs should be allocated between accounts.

4. Refer to the Acquisition Related Cost tab of the Excel spreadsheet titled "Exhibit\_PSC\_3-9\_-\_Plant\_in\_Service\_Breakdown.xlsx" filed with Bluegrass Water's response to Staff's Third Request, Item 9. Refer also to Bluegrass Water's response to Commission Staff's Fourth Request for Information (Staff's Fourth Request), Item 5(a),

Confidential Exhibit PSC 4-5(a), Parts 1-13. Explain how the invoices provided in response to Staff's Fourth Request can be tied to the costs in the Acquisition Related Cost tab of Exhibit\_PSC\_3-9\_-\_Plant\_in\_Service\_Breakdown.xlsx. If additional information is needed to tie the invoices to the spreadsheet, provide any such additional information.

5. Provide the full text of the standard for NARUC Account 183 that Brent Thies referred to at the hearing as supporting the capitalization of the costs in the Acquisition Related Cost tab of the Excel spreadsheet titled Exhibit\_PSC\_3-9\_-\_Plant\_in\_Service\_Breakdown.xlsx.

6. Refer to the Excel spreadsheet titled "Supplemental\_Exhibit\_PSC\_3-7\_-\_Revenue\_Requirement\_Update\_23.09.12.xlsx" filed with Bluegrass Water's supplemental response to Staff's Third Request, Item 7.

a. Provide all workpapers in Excel spreadsheet format with all formulas, rows, and columns intact, unprotected and fully accessible used to calculate the supplemental revenue requirement.

b. Provide an itemized breakdown and description of all operation and maintenance expenses that were added or removed to calculate the supplemental revenue requirement.

c. Provide an itemized breakdown and description of all rate base items that were added or removed to calculate the supplemental revenue requirement.

7. Refer to Exhibit OAG 1-119 - CONFIDENTIAL BMS Primary Property1.pdf filed with Bluegrass Water's response to the Attorney General's First Request for

Information (Attorney General's First Request), Item 119. Refer also to Rebuttal Testimony of Brent Thies (Thies's Rebuttal Testimony), page 15.

a. Identify each premium in the confidential document by amount and page number that was included in the updated insurance expense used to calculate the insurance expense adjustment in Thies's Rebuttal Testimony.

b. If there is insurance expense included in Brent Thies's updated insurance expense calculation for which no documentation was provided in the confidential attachment, identify the expense and provide such documentation.

8. Refer to the Excel spreadsheet titled "CONFIDENTIAL Exhibit PSC 3-18 - CSWR GL Exclusions – BGUOC.xlsx" filed with Bluegrass Water's response to Staff's Third Request, Item 18.

a. Provide a breakdown showing the allocation of the CSWR GL Expense like that in column D of the OHA Calc tab for "Q3-21" for the first and second quarters of 2021.

b. Provide a detailed general ledger for the first and second quarters of 2021 like that provided in the Detail – CONFIDENTIAL tab.

c. Provide a detailed general ledger for 2020 like that provided in the Detail – CONFIDENTIAL tab. If such a general ledger is not available, provide information for 2020 that is as similar as possible to such information and explain what was provided.

9. State whether any portion of workers compensation expense was allocated to business development, and if so, identify the amount that was allocated and explain how it was allocated.

10. Refer to the Excel spreadsheet titled “Exhibit OAG 1-53 CONFIDENTIAL - Salary Allocation Analysis.xlsx” filed with Bluegrass Water’s response to the Attorney General’s First Request, Item 55.

a. Provide a version of this spreadsheet that identifies the employees not specifically named by their initials and includes additional tabs for 2020 and 2021.

b. Provide an Excel spreadsheet, with all formulas, rows, and columns intact, unprotected and fully accessible, showing the percentage compensation change for each employee in 2020, 2021, and 2022.

11. Refer to the Acquisition Related Cost tab of the Excel spreadsheet titled “Exhibit\_PSC\_3-9\_-\_Plant\_in\_Service\_Breakdown.xlsx” filed with Bluegrass Water’s response to Staff’s Third Request, Item 9. Provide an itemization for any amounts that Bluegrass Water (or CSWR on Bluegrass Water’s behalf) has decline to pay from invoices for legal fees for the firms whose fees are included in the “Acquisition Related Cost” tab.

12. Provide examples of preliminary survey plant expenses initially booked to NARUC Account 183 that were ultimately not included in plant in service, but rather, were booked to NARUC Account 426 or 930.

13. Provide and explain any differences in amount of expense for Elasticity and Ansira’s services and provide documentation of the same.



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DATED SEP 22 2023

cc: Parties of Record

Case No. 2022-00432

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