

THOMAS W. COLBERT
Thirteen Oak Tree Lane
Louisville, Kentucky 40245
(502) 568-0062 Daytime
twcolbert@gmail.com

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**PUBLIC SERVICE
COMMISSION**

March 16, 2026

Kentucky Public Service Commission
Attn: Chair Angie C. Hatton
Commissioner Mary Pat Regan
Commissioner Andrew W. Wood
211 Sower Blvd.
Frankfort, KY 40601

Re: Bluegrass Water Utility Operating Company (Bluegrass Water) Case # 2025-00354

Dear Commissioners,

I reviewed Bluegrass Water's March 6, 2026 responses to the Attorney General's (ORI) First Requests for Information and would like to bring the Commission's attention to the response to Request No. 1-5.

The ORI requested (No. 1-5) that Bluegrass Water provide a schedule of sewer system revenue requirements, operating costs, capital costs, and customer counts for each subsystem for 2022-2026. As noted in my January 6, 2026 analysis submitted to the Commission, system-level financial information is necessary to evaluate Bluegrass Water's operational performance and to assess the causes of its reported operating losses.

Bluegrass Water's response did not provide the requested information. Instead, the Company (1) objected that the request was overly broad and unduly burdensome, (2) asserted that the request sought information predating the Company's last rate case, and (3) directed the Attorney General to other filings that do not contain the requested system-level data.

However, Bluegrass Water's response appears inconsistent with the Commission's April 16, 2019 Order in Case No. 2019-00104 approving Bluegrass Water's acquisition of its initial wastewater systems. The Commission stated:

"We will also require Bluegrass Water to maintain its records in such a way to be able to readily distinguish between violations, repairs, investments, etc. for each system. This will allow review of Bluegrass Water's practices and will assist the Commission in determining how Bluegrass Water has used its resources in the operation and management of the various systems, as well as the reasonableness of the expenses and practices in any future ratemaking proceeding."

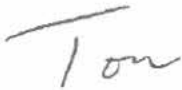
This was formalized as a condition of approval in the Order's Appendix stating:

"Bluegrass Water shall maintain its records in such a way to be able to readily distinguish between violations, repairs, investments, etc. for each system."

The Commission required Bluegrass Water to maintain records distinguishable by system so that the Commission could evaluate the reasonableness of expenses in future rate cases. In this proceeding, when the Attorney General requested system-level financial information, Bluegrass Water objected and refused to provide it, claiming the request was burdensome. The response raises a concern regarding compliance with the Commission's prior order. If records are maintained in a manner that readily distinguishes activities and investments by system, as required by the Order, it should be possible to provide system-level financial information responsive to Request No. 1-5.

Because the Commission specifically required Bluegrass Water to maintain such records for use in future ratemaking proceedings, the ORI Request No. 1-5 appears directly relevant to this case. For that reason, clarification of Bluegrass Water's response and production of the requested information would assist the Commission and the parties in evaluating the Company's proposed rates.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom", written over a horizontal line.

Thomas W. Colbert

cc: John Horne, Executive Director
Michael West, Deputy Director
T. Toland Lacy, Second Chair Attorney
Office of Rate Intervention
Kentucky Office of the Attorney General