

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS)	
WATER UTILITY OPERATING COMPANY, LLC)	CASE NO.
FOR CERTIFICATES OF CONVENIENCE AND)	2022-00104
NECESSITY FOR PROJECTS AT THE)	
DELAPLAIN SITE)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC

Bluegrass Water Utility Operating Company, LLC (Bluegrass Water), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on June 13, 2022. The Commission directs Bluegrass Water to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ 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

¹ 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 when made or, though correct when made, is now incorrect 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 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. Refer to Application, paragraph 10.
 - a. Provide copies of all plans, specifications, drawings, manufacturer's information sheets pertaining to the moving bed biofilm reactor (MBBR) treatment system Bluegrass Water plans to install at the Delaplain facility.
 - b. Provide a detailed description of the MBBR treatment system Bluegrass Water plans to install and how it will be integrated into the current systems at the Delaplain facility.

2. Refer to Application, paragraph 10. Provide copies of all documentation reviewed or generated relating to the decision to construct the MBBR treatment system.
3. Refer to Application, paragraph 11. Explain how Bluegrass Water estimated the cost of constructing the MBBR system and provide copies of all documents used to determine the estimated cost of constructing the MBBR system.
4. Refer to Application, paragraph 10. State what current measures the Delaplain facility uses to remove nutrients and lower ammonia levels.
5. Refer to Application, paragraph 10. State permitted limits of nutrient and ammonia levels.
6. Refer to Application, paragraph 10. Provide all documents reflecting testing of nutrient and ammonia levels, and explain why Bluegrass Water contends that the levels need to be reduced.
7. Refer to Application, paragraph 10. State expected reductions in nutrient and ammonia levels upon installation of MBBR system.
8. Refer to Application, paragraph 10. Describe any alternatives to installation of the MBBR system for reducing nutrient and ammonia levels.
9. Refer to Application, paragraph 10. Provide estimated costs of any alternatives described in Bluegrass Water's response to Item 8 above.
10. Refer to Application, paragraph 12.
 - a. Provide copies of all plans, specifications, drawings, and manufacturer's information sheets pertaining to the solids handling enhancements Bluegrass Water plans to install at the Delaplain facility.

b. Provide a detailed description of the solids handling enhancements Bluegrass Water plans to install and how it will be integrated into the current systems at the Delaplain facility.

11. Refer to Application, paragraph 12. Provide copies of all documentation reviewed or generated relating to the decision to construct the solids handling enhancements.

12. Refer to Application, paragraph 13. Explain how Bluegrass Water estimated the cost of constructing the solids handling enhancements, and provide copies of all documents used to determine the estimated cost of constructing the solids handling enhancements.

13. Refer to Application, paragraph 12. State what current measures the Delaplain facility uses to disinfect and to lower ammonia, biochemical oxygen demand (BOD), total suspended solids (TSS), and *Escherichia coli* (*E. coli*) levels.

14. Refer to Application, paragraph 12. State permitted limits of ammonia, BOD, TSS, and *E. coli* levels.

15. Refer to Application, paragraph 12. Provide all documents reflecting testing of ammonia, BOD, TSS, and *E. coli* levels, and explain why Bluegrass Water contends that the levels need to be reduced.

16. Refer to Application, paragraph 12. State expected reductions in ammonia, BOD, TSS, and *E. coli* levels upon installation of the proposed solids handling enhancements.

17. Refer to Application, paragraph 12. Describe any alternatives to installation of the proposed solids enhancements for reducing ammonia, BOD, TSS, and *E. coli* levels.

18. Refer to Application, paragraph 12. Provide estimated costs of any alternatives described in Bluegrass Water's response to Item 17 above.

19. Refer to the Application, paragraph 16.

a. Confirm that Bluegrass Water's proposed improvements will not impact operational costs (i.e., electricity, sludge removal, maintenance, chemicals, etc.). If this cannot be confirmed, provide estimates of the operational cost impacts identified. Include documentation and detailed calculations to support the identified cost impacts.

c. State whether the projects are expected to affect the useful lives of the Delaplain wastewater treatment plant (WWTP) or collection system. If so, describe the extent to which they are expected to affect the useful lives.

d. Provide the estimated depreciation expense for each proposed asset that will be added to Bluegrass Water's plant in service. Include documentation and detailed calculations to support calculated depreciation expense impacts.

20. Describe and provide a copy of any cost benefit analysis performed by Bluegrass Water with respect to each of the proposed projects.

21. Provide any correspondence between Bluegrass Water and any third-party engineering firm regarding the condition of or discussing any improvements or repairs recommended for the Delaplain WWTP or collection system.

22. Provide a copy of any engineering reports or analyses prepared by or on behalf of Bluegrass Water, assessing the condition of the Delaplain WWTP or collection

system or discussing any improvements or repairs recommended for the Delaplain WWTP or collection system.

23. Identify the contractor or contractors that will complete the work on each project, if any, and explain the process by which Bluegrass Water identified and retained the contractors. If Bluegrass Water has not retained a contractor but intends to do so, explain the process by which Bluegrass Water will identify and retain a contractor.

24. Provide copies of any Agreed Orders that Bluegrass Water has entered into with the Energy and Environment Cabinet (EEC) for the Delaplain facility and any applicable Corrective Action Plan for the Delaplain facility.

25. Provide all reports Bluegrass Water has made to the EEC, if any, regarding its efforts to bring the Delaplain facility within compliance and any correspondence received regarding the same from EEC since the time that Bluegrass Water acquired ownership of the Delaplain assets.

26. Provide any citations or notices of violations received by Bluegrass Water from the EEC or the Environmental Protection Agency for violations at the Delaplain facility since the time that Bluegrass Water acquired ownership of the Delaplain assets.

27. Provide any correspondence Bluegrass Water has received from the EEC's Division of Compliance or Division of Water regarding the Delaplain facility since the time that Bluegrass Water acquired ownership of the Delaplain assets.

28. Provide a copy of the current discharge permit for the Delaplain WWTP.

29. State when Bluegrass Water anticipates beginning each project identified in the Application and when it anticipates completing each project and placing it in service.

30. State whether Bluegrass Water anticipates any projects for the Delaplain system in the next five years. If so, identify and describe the projects and provide the estimated cost of the projects.

31. Refer to Application, paragraph 9:

a. Provide any correspondence between the city of Georgetown (Georgetown) and Bluegrass Water about connecting to Georgetown's system.

b. Describe any oral communications Bluegrass Water had with Georgetown about connecting to Georgetown's system.

c. Explain the basis for Bluegrass Water's statement that "[t]he main located on the site is already receiving enough flow that it could not handle flow from the Delaplain facility, and therefore to connect, Bluegrass would have to install a new pumping station and approximately two miles of new mains."

d. Provide the expected useful life of the additional mains and pumping station that would be required to connect to Georgetown's system.

e. Provide an analysis of the estimated total cost to connect to the Georgetown system, including the cost of installing a new pumping station and two miles of new mains stated to be necessary to do so.

f. Provide and explain the estimated annual cost of Georgetown's waste treatment.

g. Provide and explain the estimated incremental increase in the annual cost of operating and maintaining the collection system, if any, that would arise from the addition of the pumping station and mains that would be needed to connect to Georgetown's system.

h. Provide the operator cost for the Delaplain system and explain whether and the extent to which the operator cost for the Delaplain system would be reduced or eliminated if it were connected to Georgetown's systems.

32. State whether any other regional sewer system, besides Georgetown, is currently "available," as that term is used in 401 KAR 5:002, to be connected to Delaplain's system.

33. Explain whether Bluegrass Water has any reason to believe that the EEC will not renew its discharge permit after the date of expiration of same based on the availability of a regional sewer system.



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Public Service Commission
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DATED MAY 27 2022

cc: Parties of Record

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