

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF BLUEGRASS)
WATER UTILITY OPERATING COMPANY, LLC)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY FOR THE INSTALLATION OF)
MONITORING EQUIPMENT AND FOR A)
CORRESPONDING LIMITED WAIVER OF DAILY)
INSPECTION REQUIREMENTS)** **CASE NO. 2022-00216**

**BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC’S
RESPONSES TO COMMISSION STAFF’S FIFTH REQUESTS FOR INFORMATION**

Bluegrass Water Utility Operating Company, LLC, (“Bluegrass Water” or the “Company”) by counsel, files its responses to the Commission Staff’s Fifth Requests for Information, issued in the above-captioned case on May 3, 2023.

FILED: May 26, 2023

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REQUEST NO. 5-1: Refer to Bluegrass Water's response to Commission Staff's Fourth Request for Information (Staff's Fourth Request), Item 1(b). The request stated "[f]or the Kentucky facilities currently using Mission brand monitoring equipment, state how often the cellbased communication fails to connect for each facility." Bluegrass Water supplied a list of applicable facilities with Mission brand monitoring equipment and the number of times Bluegrass Water lost cell-based communication with each facility in 2022. This list included facilities for which Bluegrass Water is currently seeking a Certificate of Public Convenience and Necessity (CPCN), namely Randview, Longview Homestead, Timberland, River Bluff, and Center Ridge.

a. State whether remote monitoring equipment has been installed, partially or completely, at these facilities. If not, explain why cell-based communication interruption information was provided for these facilities.

b. If remote monitoring equipment has been installed, partially or completely, at these facilities, state whether the \$18,900 to modify existing Mission brand equipment to work with the High Tide system (See response to Staff's Fourth Request, Item 4(b)) includes modifications for Randview, Longview Homestead, Timberland, River Bluff, and Center Ridge. If not, provide additional estimated cost to modify these systems.

RESPONSE:

(a) The Company confirms that remote monitoring equipment has been installed at these facilities and – subject to one exception concerning the Randview system, as noted below – across all of its Kentucky systems. For systems that had Mission equipment, those

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systems were updated to High Tide equipment; for systems that had no prior equipment, those systems received High Tide equipment. Randview was ultimately not equipped with the High Tide system in light of the Company's plans to sell that system. In light of the Commission's recent order approving the Randview sale, *see* Case No. 2022-00218, the Company no longer plans to install High Tide equipment at Randview.

The Company appreciates the magnitude of its error. It apologizes that it did not realize the factual errors in its prior filings in this matter until now. Moreover, the Company acknowledges that the Commission has previously cautioned it that "by failing to obtain a CPCN, a utility risks a finding by the Commission barring recovery of the investment." *See In the Matter of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Rates and Approval of Construction*, Case No. 2020-00290, Order at 28 (Aug. 2, 2021).

In light of this, the Company will need to make a thorough and detailed revision of its Application Exhibit 24 (Cost_of_Installation_-.xlsx) and supplement some of its prior data request responses. The Company has begun the process of compiling and analyzing the cost data associated with the remote monitoring equipment, which should provide an actual (as opposed to estimated) basis to evaluate costs against estimated savings from the requested partial waiver of daily inspection requirements (and other savings from switching to High Tide).

Ultimately, the Company believes that this remote monitoring equipment and the enhanced capabilities inherent to the High Tide system are critical to its ability to promptly

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bring economies of scale and improved performance to its Kentucky systems. Its actions in installing the High Tide system were driven by a desire to begin realizing the enhanced monitoring capabilities and other benefits that this equipment affords these historically neglected systems. The Company also remains hopeful that the Commission will still favorably receive the portion of its application that is directed to a partial waiver of daily inspection requirements in light of the electronic monitoring capabilities now available.

Nevertheless, and in light of the totality of circumstances, the Company has no objection to the Commission temporarily suspending review of the Application in this matter, pending submission of the aforementioned data so that a more accurate cost-benefit analysis of the requested relief can be completed.

(b) Please see subpart (a), above.

Witness: Josiah Cox

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REQUEST NO. 5-2: Refer to the Application, Exhibit 24 (Cost_of_Installation_-.xlsx),
Sheet 2. Provide an explanation and any documents supporting the projected cost of the remote
monitoring equipment sought to be installed upon granting of this CPCN application.

RESPONSE: Please see Response to Request No. 5-1.

Witness: Josiah Cox

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VERIFICATION

I, Josiah Cox, verify, state, and affirm that the information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.


Name: Josiah Cox
Title: President/CEO
Bluegrass Water Utility Operating Company, LLC

STATE OF MISSOURI)
) ss:
COUNTY OF ST. LOUIS)

SUBSCRIBED AND SWORN TO before me on this the 26th day of MAY, 2023.

My commission expires: OCT 16th, 2026


Notary Public

