

**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)	CASE NO. 2022-00216
MONITORING EQUIPMENT AND FOR A)	
CORRESPONDING LIMITED WAIVER OF DAILY)	
INSPECTION REQUIREMENTS)	

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

Bluegrass Water Utility Operating Company, LLC, (“Bluegrass Water” or the “Company”) by counsel, files its responses to the Commission Staff’s Fourth Requests for Information, issued in the above-captioned case on January 19, 2023.

FILED: February 8, 2023

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

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REQUEST NO. 4-1: Refer to Bluegrass Water's response to Commission Staff's Third Request for Information (Response to Staff's Third Request), Item 1(a)-(c).

a. For the Kentucky facilities currently using Mission brand monitoring equipment, state whether the cell-based communication is periodic or constant, and if periodic, state the time interval between communications attempts.

b. For the Kentucky facilities currently using Mission brand monitoring equipment, state how often the cell-based communication fails to connect for each facility.

c. Provide logs, if any, of communication failures identified in your response to Item 1(b) above.

RESPONSE:

a. **For the Kentucky facilities currently using Mission brand monitoring equipment, the cell-based communication between the alarm inputs and the remote terminal units (RTUs) is constant. That is, so long as cell reception is available, the digital inputs constantly communicate with the RTUs, even when the communication message may only be that there is active connection.**

b. **Cell-based communication failure varies by facility. In 2022, Mission RTUs lost cell-based communication with Bluegrass Water sites 743 total times. Here is a chart of the breakdown by facility:**

Site experiencing cell-based communication failure	Number of lost communications

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Airview	16
Brocklyn	8
Center Ridge	86
Fox Run	8
Great Oaks	8
Kingswood	164
Lake Columbia	6
Longview Homestead	8
Persimmon Ridge	25
River Bluff	37
Timberland	8
Golden Acres	19
Randview	350
<i>Total</i>	743

See response to 4-1(c) and Exhibit 4-1(c).

Of particular note, the Mission monitoring system at Randview noted a communication failure 350 times in just one year. This occurred because cell reception in the area is unreliable. Bluegrass Water’s experience at Randview points to why satellite

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connectivity is a necessary backup option in areas with unreliable cell service. See Response to Request 3-1(a).

c. For a log of the communication failures listed in Response 4-1(b), please see Exhibit 4-1(c).

Witness: Aaron Silas

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REQUEST NO. 4-2: Refer to Response to Staff's Third Request, Item 2(b), stating "Moreover, the main boards in the existing Mission enclosures are now out of warranty and thus are due for a replacement, any event."

- a. Explain why the main boards being out of warranty would require them to be replaced.
- b. State whether Bluegrass Water plans to replace main boards or other equipment every time its warranty expires. If so, state how often this would occur and at what cost.

RESPONSE:

a. **Expiration of the Mission warranty alone does not require them to be replaced. Instead, expiration of the warranty is one consideration, among many, for replacement, but it is not the sole or even main factor behind Bluegrass Water's decision to switch to High Tide. High Tide will provide Bluegrass Water a more holistic solution for its needs than Mission currently provides. See Responses to Data Requests 2-3 and 3-2(a).**

b. **Bluegrass Water does not intend to replace main boards or other equipment every time its warranty expires. See Response to Data Request 4-2(a).**

Witness: Aaron Silas

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REQUEST NO. 4-3: Refer to Response to Staff's Third Request, Item 2(c), stating "As for electric usage, the High Tide equipment is also more efficient than the Mission equipment. Mission uses four times the amount of electricity (approximately 4.2 watts per unit) that High Tide (approximately 1 watt per unit) does."

- a. State the estimated annual electricity expense for High Tide and Mission.
- b. State the annual electricity expense for each of the Kentucky facilities currently using Mission brand monitoring equipment.

RESPONSE:

a. For the Mission equipment: 4.2 watts per unit when multiplied by 8,760 hours / year equates to 36,792 Wh / year or 36.792 kWh / year. Similarly, for High Tide: 1 watt per unit when multiplied by 8,760 hours / year equates to 8,760 Wh / year or 8.76 kWh / year.

Utilizing the following website, <https://findenergy.com/ky/>, a 12-month average of KY electric rates as of 1/24/2023 is \$0.1056 / kWh. Therefore, Mission's estimated annual electric usage is 36.792 kWh results in an annual cost of \$3.89. Similarly, High Tide's estimated annual electric usage of 8.76 kWh results in an annual cost of \$0.925. Therefore, the annual Mission electric cost is 4.2 times higher than the annual High Tide electric cost.

b. The annual electricity expense for each facility currently using Mission brand monitoring equipment is as follows:

System	Annual kWh Cost
Kingswood	\$3.65

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Persimmon Ridge	\$3.38
Brocklyn	\$4.37
Airview	\$3.36
Lake Columbia	\$3.36
LH	\$4.37
Fox Run	\$3.56
Golden Acres	\$4.21
Great Oaks	\$3.70
Timberland	\$4.21
River Bluffs	\$4.36
District #2	\$5.96
District #3	\$5.77
District #4	\$7.36
Randview	\$5.74
Delaplain Disposal	\$1.17
Herrington Haven	\$4.37
Springcrest Sewer	\$3.11
Woodland Acres	\$3.31
Darlington Creek	\$3.62

Witness: Aaron Silas

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REQUEST NO. 4-4: Refer to Bluegrass Water's response to Commission Staff's First Request for Information (Response to Staff's First Request), Exhibit 24.

- a. Verify that the correct construction cost for the project proposed in your application are \$134,302, as totaled in the "Projected Cost" column.
- b. State whether the \$18,900 in costs to modify existing Mission brand equipment to work with the High Tide system is included in any of the sums listed in Exhibit 24.
- c. If not, state whether the \$18,900 will be capitalized.

RESPONSE:

- a. **Bluegrass Water verifies that the projected cost for the project proposed in the application are \$134,302.**
- b. **The \$18,900 in costs to modify existing Mission equipment to work with High Tide was not included in Exhibit 24.**
- c. **Yes, Bluegrass Water would capitalize the \$18,900 cost to modify existing Mission Brand equipment to work with the High Tide system.**

Witness: Aaron Silas

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REQUEST NO. 4-5: Refer to Bluegrass Water's Response to Staff's First Request, Items 18 through 21, regarding operations cost savings if a deviation from 807 KAR 5:071, Section 7(4) is granted.

- a. Provide copies of current operator contracts for all Kentucky facilities.
- b. Provide copies of proposals for amended operator contracts [to] be put into effect if a deviation from 807 KAR 5:071, Section 7(4) is granted.
- c. Provide all invoices and facility site visit logs from Kentucky operators since Bluegrass Water acquired the facilities referenced in Response to Staff's First Request, Exhibit 24.

RESPONSE:

a. **Please see Exhibit 4-5(a). In addition, Bluegrass Water notes that its Response to Data Request 1-18 erroneously identified its monthly consolidated Operations and Management expense as \$93,856.63. The monthly expense per the contract is actually \$92,856.63, resulting in an annualized expense of \$1,114,279.56, not \$1,126,000.**

b. **If the Commission grants a waiver, Bluegrass Water intends to execute an amendment with Midwest Water Operations, LLC in a similar form to the First Amendment to Agreement Regarding Operations of Utility Treatment Facilities, included in Exhibit 4-5(a).**

c. **In the attached Exhibit 4-5(c), Bluegrass Water hereby provides its voluminous site visit logs for calendar year 2022, demonstrating its full compliance with the daily inspection requirement. Compiling pre-2022 site visit logs would require significant**

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**additional work that would be very difficult and time-consuming for Bluegrass Water's
existing staff. Please also see Exhibit 4-5(c) for documentation pertaining to the requested
invoices and expenses.**

Witness: Aaron Silas

