

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:)
)
 Electronic Application of) **Case No. 2022-00216**
 Bluegrass Water Utility Operating)
 Company, LLC for Certificate of)
 Public Convenience and Necessity for the)
 Installation of Monitoring Equipment)
 and for a Corresponding Limited Waiver)
 of Daily Inspection Requirements)

**BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC’S
MOTION FOR PARTIAL REHEARING**

Bluegrass Water Utility Operating Company, LLC (“Bluegrass Water” or the “Company”), by counsel, and pursuant to KRS 278.400 and 807 KAR 5:001 Section 5, respectfully submits this motion for partial rehearing of the Final Order entered in this matter on August 2, 2023. As explained more fully below, Bluegrass Water was in the process of compiling an updated response to Request No. 5-1 of the Commission’s Fifth Set of Data Requests when the Final Order was entered.

Simultaneously with this filing, Bluegrass Water submits that updated response, indicating that remote monitoring equipment has not yet been installed at the Company’s following three non-discharging systems: Carriage Park, Arcadia Pines, and Marshall Ridge. Because the remote monitoring equipment has not yet been installed at those three systems, and because installation of the equipment will still precipitate operational benefits and cost savings for those three systems (in the form of, among other benefits, reduced daily inspection expense), Bluegrass Water respectfully requests that the Commission grant partial rehearing of the Final Order to the extent it denied a Certificate of Public Convenience and Necessity (“CPCN”) for the Carriage Park, Arcadia Pines, and Marshall Ridge systems. Upon rehearing, which Bluegrass Water believes

may be submitted for decision based upon the record as supplemented by the attached Supplemental Response to Request No. 5-1(a), Bluegrass Water respectfully requests that the Commission (i) issue an order granting a CPCN for the installation of remote monitoring equipment at the Carriage Park, Arcadia Pines, and Marshall Ridge sites; and (ii) grant a limited waiver of daily inspection obligations for those three systems upon installation of the remote monitoring equipment.¹

In support of its Motion, Bluegrass Water states as follows.²

1. Bluegrass Water's Response to Request No. 5-1 sought a temporary stay of the matter so that the Company could further investigate the deployment of remote monitoring equipment and provide an update regarding the expenses and savings associated with that work. The Company's investigation had been progressing and was nearing completion when the Final Order was issued to the Company's surprise on August 2, 2023.³

2. The Final Order denied Bluegrass Water's CPCN application on the grounds that the equipment had already been installed. It also granted a limited waiver of daily inspection

¹ Bluegrass Water requests that the limited waiver be coextensive with the waivers the Commission granted to the other systems subject to the application in this matter. For sake of clarity, there is some question as to whether the waivers granted in the Final Order would apply to the three systems that are the subject of this motion. Specifically, the Final Order appeared to premise the grant of a limited waiver upon the fact that remote monitoring equipment was installed and operational. With respect to these three systems, however, that determination is not accurate, as the Supplemental Response to Request No. 5-1(a) reflects. This motion seeks to correct that issue.

² To the extent that the Commission deems it necessary and appropriate to treat this motion as a simultaneous motion to reopen the proceeding and/or a notice of supplementation with respect to Request No. 5-1, the Company respectfully requests that the Commission so construe this motion and grant that relief.

³ The Company was, and remains, subject to multiple ongoing regulatory proceedings in Kentucky. Similarly, the Company's management is simultaneously involved in multiple, ongoing, and significant regulatory proceedings before other state public service commissions.

requirements on the premise that the daily inspections would be redundant (and therefore create unnecessary additional expense) to the capabilities offered by the remote monitoring equipment; consequently, the Company's inspection obligations for the systems identified in the Final Order were reduced to three days per week.

3. In the course of preparing its update regarding the expenses and savings associated with its remote monitoring equipment installations, Bluegrass Water realized that it had inadvertently indicated that remote monitoring equipment had been installed at all of its systems, rather than all of its discharging systems (i.e., all systems other than Carriage Park, Arcadia Pines, and Marshall Ridge).

4. Because the Carriage Park, Arcadia Pines, and Marshall Ridge systems are non-discharging systems that have no substantial mechanical equipment creating an urgent need for remote monitoring, the Company had determined that it was not as operationally urgent to install equipment at those sites, yet.

5. This is not to say, however, that the remote monitoring equipment has no benefit for those three non-discharging sites. It does; it will allow Bluegrass Water to more efficiently engage in flow monitoring at those systems, so that aberrational flow issues can be identified quickly, and plant or service issues can be avoided or mitigated.

6. Thus, because Bluegrass Water has not installed remote monitoring at Carriage Park, Arcadia Pines, and Marshall Ridge, it respectfully requests that the Commission modify its order, in part, to grant Bluegrass Water a CPCN to install remote monitoring at those three systems.

7. Bluegrass Water further recognizes that the Commission granted its request for a waiver of daily monitoring at all sites where remote monitoring is installed and ordered it to conduct inspections three days a week. However, because that waiver depends on Bluegrass

Water's having installed remote monitoring at all sites, Bluegrass Water requests that the Commission's Final Order be modified and that it grant a limited waiver of daily inspection obligations for the Carriage Park, Arcadia Pines, and Marshall Ridge systems upon installation of the remote monitoring equipment at those respective systems.

WHEREFORE, Bluegrass Water respectfully requests that the Commission grant its motion for partial rehearing of the Final Order and order the following relief, as requested herein:

1. Grant a CPCN to install remote monitoring equipment at each of the Carriage Park, Arcadia Pines, and Marshall Ridge systems;
2. Grant a deviation from daily in-person inspection requirements (as described in 807 KAR 5:071 Section 7(4)) for the Carriage Park, Arcadia Pines, and Marshall Ridge systems upon installation of the remote monitoring equipment at those respective systems, and subject to the condition that Bluegrass Water continue to conduct in-person inspections three days per week at those systems; and
3. Any and all other relief necessary to accomplish the foregoing.

Respectfully submitted,

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Certification

I hereby certify that a copy of this Notice has been served electronically on all parties of record through the use of the Commission's electronic filing system, and there are currently no parties that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission.

/s/Edward T. Depp
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