

**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
SUPPLEMENTAL RESPONSES TO COMMISSION STAFF’S FIFTH REQUESTS FOR
INFORMATION**

Bluegrass Water Utility Operating Company, LLC, (“Bluegrass Water” or the “Company”) by counsel, files its updated responses to the Commission Staff’s Fifth Requests for Information, issued in the above-captioned case on May 3, 2023 and for which it filed its original responses on May 26, 2023.

FILED: August 22, 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

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC'S SUPPLEMENTAL RESPONSES TO THE COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

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

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 SUPPLEMENTAL RESPONSES TO THE COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION 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

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 SUPPLEMENTAL RESPONSES TO THE COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION 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.

SUPPLEMENTAL RESPONSE:

(a) As explained in its Motion for Rehearing filed contemporaneously herewith, 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 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). Because the Carriage Park, Arcadia Pines, and Marshall Ridge systems are nondischarging systems that have no substantial mechanical equipment creating an urgent need for remote monitoring, the Company had determined that it was not as

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 SUPPLEMENTAL RESPONSES TO THE COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION operationally urgent to install equipment at those sites, yet. The remote monitoring equipment will nevertheless benefit these three non-discharging sites, as 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. The Company therefore clarifies that remote monitoring has been installed at all of its discharging Kentucky facilities but that it did not install remote monitoring equipment at its nondischarging facilities (Carriage Park, Arcadia Pines, and Marshall Ridge). In addition, the Company attaches as Supplemental Exhibit PSC 5-1(a) the updated cost savings associated with the remote monitoring installation.

Witness: Todd Thomas

