

Electronically filed
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BLUEGRASS WATER UTILITY OPERATING)	
COMPANY, LLC AND THE ELECTRIC PLANT)	
BOARD OF MAYFIELD, KENTUCKY FOR APPROVAL)	Case No.
OF TRANSFER OF OWNERSHIP AND CONTROL)	2022-00218
OF WASTEWATER FACILITIES SERVING)	
RANDVIEW ESTATES SUBDIVISION)	
IN GRAVES COUNTY, KENTUCKY)	

RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Comes the Applicant, The Electric Plant Board of Mayfield, Kentucky ("Mayfield"), by and through counsel, and for its responses to the Commission Staff's First Request for Information. Signed, notarized verifications for these Responses appear on the following pages. Mayfield has verified the responses to PSC 1, 2a-e, 3a-c, and 4-5.

Respectfully submitted,

By: /s/Alexander D. Blackwell
ALEXANDER D. BLACKWELL.

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VERIFICATION

On behalf of Applicant The Electric Plant Board of Mayfield, Kentucky

State of Kentucky)

County of McCracken)

I, Brent Shultz, Water and Sewer Operations Manager of The Electric Plant Board of Mayfield, Kentucky, being duly sworn, state that I prepared or supervised the preparation of the following responses to PSC's First Request for Information, and that the matters and things set forth in the responses are true and correct to the best of my knowledge, information and belief formed after reasonable inquiry.


Brent Shultz

Subscribed, sworn to, and acknowledged this 28th day of March 2023, before me, a Notary Public in and before County and State.


NOTARY PUBLIC

My Commission expires: 4/19/24
ID# 124 NP 3345

Request

1. Refer to the Application, page 5, paragraph 16. Provide a calculation of the rate to be charged to Randview customers upon transfer of the Randview sewer facilities.
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Response

The rate to be charged for Randview customers will be \$55.00 per month. This amount shall consist of a \$35.00 per month payment to cover operational costs. The remaining \$20.00 per month shall be placed into an account to be used for capital improvements to the Randview system. Once enough funds have been saved by way of the \$20.00 per month payment, Mayfield will make the capital expenditures necessary to remove the lagoon system and begin pumping the sewage created by Randview customers directly into the sewer system operated by Mayfield. This \$55.00 per month rate will be a decrease of over \$30.00 per month from the rate currently charged to Randview customers.

Request

2. Refer to Application, Exhibit F, page 4.
 - a. Identify the long-term problems with the Randview facility referenced in Exhibit F.
 - b. Describe any plans discussed for remedying these problems and estimated costs.
 - c. Provide any Corrective Action Plan or Agreed Order with the Division of Water regarding Randview facilities that Bluegrass Water Utility Operating Company, LLC (Bluegrass Water has provided).
 - d. State whether Mayfield intends to recover the cost of any construction projects to remedy problems with the Randview facility via surcharge charged exclusively to Randview customers.
 - e. State whether and when Mayfield intends to increase rates for all sewer customers to address ongoing net losses.

Response

- a. Currently, Randview customers are operating on a lagoon system. As referenced in the Response to Request 1, Mayfield will seek to integrate these customers into Mayfield's sewer system which will permit the shut-down of the lagoon system currently in place.

Additionally, Randview customers are paying a higher rate for sewer services than other individuals in the area who receive sewer service through Mayfield. The Randview customers are already receiving electric, water, and fiber service from Mayfield. By integrating the Randview customers into Mayfield's comprehensive utilities system, Mayfield will be able to provide improved services to all customers of Mayfield. The Randview customers requested that Mayfield purchase the facility to provide comprehensive utility services at a cheaper rate.

- b. Mayfield has received \$75,000.00 from the Graves County Fiscal Court to use towards smoke testing the Randview system, mapping the Randview system, performing a camera review of the Randview system, testing for groundwater intrusion into the Randview system, and completing all necessary point repairs (if any) to the Randview system. Additionally, as discussed above, Mayfield plans to close the lagoon system currently in place as soon as Mayfield has raised the capital funds necessary to support the expenditures needed to integrate the Randview's sewer system directly into Mayfield's system.
- c. Mayfield is not aware of any outstanding issues for the Randview system. Traditionally, the Division of Water has not regulated non-discharge systems such as the Randview system. Additionally, Mayfield has spoken with Shannon McLeary, the Environmental Control Supervisor for the Kentucky Division of Water, to confirm that the Randview system is not subject to any Corrective Action Plan or Agreed Order with the Division of Water. Shannon McLeary confirmed that Randview is not subject to any such plan or order.
- d. Prior to commencing with the purchase of the Randview system, Mayfield was provided with \$75,000.00 from the Graves County Fiscal Court to remedy any problems with the Randview systems which Mayfield discovers. Additionally, \$20.00 of the \$55.00 monthly payment will be placed in an account to be used for construction of improvements to the Randview system.
- e. Mayfield is currently under contract with a consultant to conduct a rate study and determine if a rate increase is necessary for all sewer customers. A rate increase, if any, will not be directly connected to the purchase of the Randview system.

Request

3. Refer to the Application, page 8, paragraph 31.
 - a. Provide a summary of operations and maintenance services Mayfield plans to conduct at the Randview facility, including frequency of these tasks.
 - b. State how many operations and maintenance staff members Mayfield employs. Segregate the number by utility service.

c. State whether Mayfield plans to hire any additional employees as a result of the Randview acquisition.

Response

a. Mayfield has received \$75,000.00 from the Graves County Fiscal Court to use towards smoke testing the Randview system, mapping the Randview system, performing a camera review of the Randview system, testing for groundwater intrusion into the Randview system, and completing any and all necessary point repairs to the Randview system. In addition to these services, Mayfield will monitor the lift station and lagoon system remotely using Supervisory Control and Data Acquisition (SCADA) on a twenty-four hour per day, seven days per week basis. The use of SCADA allows Mayfield remote control of the pump itself which both protects the pumps and prevents sewer backups simultaneously. The SCADA system is in place at all of Mayfield's pump stations.

b. Mayfield employs 44 total employees as follows:

Wastewater – 6

Electric – 8

Water – 12

GIS Meter Technicians – 5

Office Staff and Personnel – 9

IT Department - 4

c. It will not be necessary for Mayfield to hire any additional employees as a result of the Randview acquisition.

Request

4. Identify any exceedances of permitted limits Mayfield sewer system has been cited for since 2013.

Response

Mayfield is currently subject to an Agreed Order with the Division of Water. The correction action plan associated with this Agreed Order has been approved. Currently, Mayfield is in compliance with the corrective action plan. The Agreed Order became necessary following issues which arose as a result of damage to the facilities of Mayfield during the December 2021 tornado. The majority of violations which were included

within the Agreed Order were issues which had already been resolved but due to the proximity of time, these issues were included within the Agreed Order.

Request

5. Refer to Case No. 2022-00216,² Application, Exhibit 24. State whether you expect Bluegrass Water to complete its remote monitoring project at Randview as part of Mayfield's purchase agreement.

Response

Mayfield is not expecting Bluegrass Water to perform any work or make any improvements to the system prior to the closing of the transaction.

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