

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS)	
WATER UTILITY OPERATING COMPANY, LLC)	CASE NO.
FOR A CERTIFICATE OF PUBLIC)	2022-00015
CONVENIENCE AND NECESSITY FOR)	
PROJECTS AT THE WOODLAND ACRES SITE)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC

Bluegrass Water Utility Operating Company, LLC (Bluegrass Water), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on April 18, 2022. The Commission directs Bluegrass Water to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Bluegrass Water shall make timely amendment to any prior response if Bluegrass Water obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Bluegrass Water fails or refuses to furnish all or part of the requested information, Bluegrass Water shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Bluegrass Water shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, pages 4–5. For each project described in the Application, state the expected frequency of service interruptions and period you expect plant to be out of service.

2. Refer to Bluegrass Water's Response to Commission Staff's First Request for Information (Response to Staff's First Request), Item 8. For each alternative to the MBBR system identified, state the expected frequency of service interruptions for each alternative and period you would expect plant to be out of service.

3. Refer to the Response to Staff's First Request, Item 17. For each alternative to the peracetic acid system identified, state the expected frequency of service interruptions for each alternative and period you would expect plant to be out of service.

4. Refer to the Response to Staff's First Request, Item 23. For each alternative to the wet weather overflow prevention measures identified, state the expected frequency of service interruptions for each alternative and period you would expect plant to be out of service.

5. Refer to the Response to Staff's First Request, Item 2, KY2022-00015_BW_0356.

a. Identify those items identified in KY2022-00015_BW_0356 that are part of each of the three projects for which approval is requested in this matter.

b. Identify those items identified in KY2022-00015_BW_0356 that have been completed to date.

c. Identify any project identified in KY2022-00015_BW_0356 that Bluegrass Water has now determined does not need to be completed, and explain why Bluegrass Water reached that determination.

6. Refer to the Response to Staff's First Request, Item 29, KY2022-00015_BW_0370 in which a representative from 21 Design Group, Inc. mentions the prospect of the existing steel tank failing and Response to Staff's First Request, Item 31, KY2022-00015_BW_0390-0391 discussing the need to ultimately replace steel tank.

a. Describe the current condition of the existing steel tank, including the risk of failure.

b. Explain how a failure would be handled both with and without the projects proposed herein, including whether the projects proposed in this matter would mitigate the risks and effects of failure. If so, explain how.

c. Explain Bluegrass Water's current timeline for performing significant patching or replacement of the steel tank that Bluegrass Water indicated would be necessary in its corrective action plan.

7. Refer to the Response to Staff's First Request, Item 2, KY2022-00015_BW_0356 and Response to Staff's First Request, Item 31, KY2022-00015_BW_0390-0391.

a. State whether all projects identified in phase 1 and 2 of the corrective action plan are listed as items in the breakdown on KY2022-00015_BW_0356.

b. Provide the estimated cost of any project proposed in the corrective action plan that is not listed in the breakdown on KY2022-00015_BW_0356.

c. State whether Bluegrass Water anticipates any projects for the Woodland Acres system in the next five years that are not listed in the breakdown on KY2022-00015_BW_0356 or proposed in the corrective action plan. If so, identify and describe the projects and provide the estimated cost of the projects.

d. Provide the expected useful life of the Woodland Acres Wastewater Treatment Plant, or its major components, when phase 1 and 2 of the corrective action plan are completed.

e. Explain whether each of the projects proposed in this matter will continue to be used and useful when Bluegrass Water completes phase 1 and 2 of the corrective action plan.

8. Refer to the Response to Staff's First Request, Item 27.
 - a. Provide any correspondence between the city of Shepherdsville and Bluegrass Water about connecting to the city's system.
 - b. Describe any oral communications Bluegrass Water had with the city of Shepherdsville about connecting to the city's system.
 - c. Identify the length of additional main that would be needed to connect to the city's system.
 - d. Provide the expected useful life of the additional main and lift station that would be needed to connect to the city's system.
 - e. Provide an estimate of the expected cost of the lift station and the expected cost of the additional main that would be needed to connect to the city's system.
 - f. Explain each basis for Bluegrass Water's statement that "the ongoing cost of city waste treatment and maintaining conveyance systems to move wastewater to the city would be greater than the costs of operating Bluegrass's own facility."
 - g. Provide and explain the estimated cost of city waste treatment.
 - h. Provide and explain the estimated incremental increase in the cost of maintaining the conveyance system, if any, that would arise from the addition of the lift station and main that would be needed to connect to the city's system.
 - i. Provide the operator cost for Woodland Acres system, and explain whether and the extent to which the operator cost for Woodland Acres system would be reduced or eliminated if it were connected to the city's systems.

9. Refer to the Response to Staff's First Request, Item 35, KY2022-00015_BW_0406 and 401 KAR 5:002.

a. State whether any regional sewer system, including the city of Shepherdsville's system, is currently "available" as that term is used in 401 KAR 5:002.

b. Explain whether Bluegrass Water expects any regional sewer system, including the city of Shepherdsville's system, to become "available" as that term is used in 401 KAR 5:002, in the next ten years.

c. State whether any representative of the Energy and Environmental Cabinet's Department of Environmental Protection (EEC) has indicated to Bluegrass Water their or the EEC's position with respect to a regional sewer system being "available" to connect to Woodland Acres collection system. If so, describe any communication with such representative regarding the availability of a regional sewer system and provide any such communication if it was in writing.

d. Explain whether Bluegrass Water has any reason to believe that the EEC will not renew its discharge permit expiring September 30, 2026, based on the availability of a regional sewer system.

10. Refer to the Response to Staff's First Request, Item 30. Explain how many contractors Bluegrass Water anticipates sending the request for bids or proposals to and how Bluegrass Water will identify contractors from which it will request bids.

11. Provide an update on the status of Bluegrass Water's efforts to obtain debt financing, including when Bluegrass Water anticipates requesting approval for the same.

12. If Bluegrass Water funded this project with equity financing, explain how it would affect Bluegrass Water's ability to fulfil its plan filed in Case No. 2019-00104² to achieve a capital structure with at least 50 percent debt financing.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
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DATED MAR 30 2022

cc: Parties of Record

² See Case No. 2019-00104, *Electronic Proposed Acquisition by Bluegrass Water Utility Operating Company, LLC and the Transfer of Ownership and Control of Assets by P.R. Wastewater Management, Inc., Marshall County Environmental Services, LLC, LH Treatment Company, LLC, Kingswood Development, Inc., Airview Utilities, LLC, Brocklyn Utilities, LLC, Fox Run Utilities, LLC, Brocklyn Utilities, LLC, and Lake Columbia Utilities, Inc.* (filed Oct. 31, 2019), Notice and Plan Re: Capital Structure.

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