COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR CERTIFICATES OF CONVENIENCE AND NECESSITY FOR PROJECTS AT THE HERRINGTON HAVEN SITE	)))))	CASE NO. 2022-00102

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 June 16, 2022. The Commission directs Bluegrass Water to the Commission's July 22, 2021 Order in Case No. 2020-00085[1] 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 Bluegrass Water's response to Commission Staff's First Request for Information (Staff's First Request), Item 1 and Attachment KY2022-00102_BW_0001-355.

a. State whether the technical specifications include projects other than the moving bed biofilm reactor (MBBR), peracetic acid disinfection, and digester projects proposed in this matter.

b. If so, identify those portions of the technical specifications that describe the other projects.

2. Refer to Bluegrass Water's Response to Staff's First Request, Items 6 and 7.

a. Explain what the IFAS cage is, how it functions in relation to the other components of the MBBR system, and its purpose within the MBBR system.

b. Explain the differences in the design, function, and effectiveness of constructing an MBBR system in existing tankage as proposed and an "upstream" MBBR system.

c. Assuming a manhole could be constructed, confirm that the capital costs and annual operations and maintenance expenses of the proposed MBBR system and an "upstream" MBBR system would be the same, and if not, explain the differences in the expected costs and expenses.

d. Provide the expected useful life of an "upstream" MBBR system, and explain any differences between the useful life of that system and the proposed MBBR system, if any.

e. Regarding the statement that "the current property owner would only allow for the installation of a single manhole," provide the reason for this condition and identify the property to which you are referring.

3. Refer to Bluegrass Water's Response to Staff's First Request, Item 7. Provide any documentation, including but not limited to reports, spreadsheets, or correspondence used to evaluate the cost or feasibility of connecting the sewer system to Lancaster or Danville.

4. Refer to Bluegrass Water's Response to Staff's First Request, Item 11.

a. Explain the basis for the statement that peracetic acid disinfection and a new chlorine system would have roughly the same cost, including whether the capital cost would be comparable, whether the annual operations and maintenance expense would be comparable, and how you assessed the comparative cost of each project. Include the estimated cost of the new chlorine system if available, and if not available, explain how you determined the costs would be comparable.

b. Provide the expected useful life of a new chlorine system, and explain any differences between the useful life of that system and the proposed peracetic acid disinfection system.

5. Refer to Bluegrass Water's Response to Staff's First Request, Item 15.

a. Provide the projected cost of constructing an ultraviolet disinfection system.

b. Provide any documentation, including, but not limited to, reports, spreadsheets or correspondence used to evaluate the cost or feasibility of the ultraviolet disinfection system.

6. Refer to Bluegrass Water's Response to Staff's First Request, Item 20.

a. State whether the $40,000 cost for the polymer feed is the total capital cost necessary to implement that process. If so, explain how that estimate was determine. If not, provide the estimated capital cost to implement that process, and explain how that estimate was determined.

b. Describe any modifications would need to be made to the plant to institute the polymer feed process.

c. Provide the estimated useful lives of any capital projects necessary to institute the polymer feed process.

d. Provide an estimate of the expected increase in annual expense for sludge hauling and chemicals associated with the polymer feed process as compared to the digester, and explain how that estimated increase was projected.

e. Explain any other expected differences in the annual operations and maintenance expenses between the polymer feed process and the digester.

f. State whether the increased sledge hauling frequency would address the reduction in capacity cited as an issue with the polymer process such that the plant could continue to operate within permit limits, and if not, explain the basis for the response.

7. Refer to Bluegrass Water's October 21, 2021 Corrective Action Plan (CAP) contained in Bluegrass Water's Response to Staff's First Request at KY2022-00102_BW_0389-0390.

a. State whether the Energy and Environment Cabinet (EEC) has approved Bluegrass Water's October 21, 2021 CAP.

b. Explain what that "relocation of the effluent V-notch weir and post-aeration basin onto the Owner's property" is referring to, when that project is expected to be started and completed, the estimated cost of the project, and whether that project will impact or is part of any of the projects proposed herein.

8. Refer to Exhibit A to Bluegrass Water's Agreed Order with the EEC beginning in Bluegrass Water's First Response to Staff's First Request on KY2022-

00102_BW_0403 and to the Direct Testimony of Jacob Freeman in Case No. 2020-00290,[2] pages 48-51.

a. Provide a more legible copy of that report beginning on KY2022-00102_BW_0403.

b. Explain the basis for the change in 21 Design's recommendation between the report beginning on KY2022-00102_BW_0403 and the report beginning KY2022-00102_BW_0367 regarding the placement of the MBBR system in the existing tank and the placement of the MBBR system upstream.

c. State whether the report beginning on KY2022-00102_BW_0403 recommended a solids processing system. If not, explain what changed that made Bluegrass Water determine that a solids processing system would be necessary and why the report indicates that solids could be reduced without the system. If so, explain where it is mentioned.

d. State whether the projects included in Mr. Freeman's testimony in Case No. 2020-00290 included the solids processing system. If not, explain what changed that made Bluegrass Water determine that a solids processing system would be necessary. If so, explain where it is mentioned in Mr. Freeman's testimony in Case No. 2020-00290.

e. Explain whether the placement of the MBBR system in the existing tank as opposed to upstream has any effect on sludge accumulation.

[2] Case No. 2020-00290, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Rates and Approval of Construction*, Application, Exhibit 8 (tendered October 1, 2020).

9. Refer to the correspondence provided in Bluegrass Water's Response to Staff's First Request, at KY2022-00102_BW_0410-0413.

a. State whether the CAP provided in response to Staff's First Request is the corrected CAP referred to in the correspondence, and if not, provide the corrected CAP.

b. Identify any actions in the CAP, if any, that the EEC indicated may not be necessary, explain why they indicated it may not be necessary, and explain how that issue was resolved with the EEC.

10. State whether any of the proposed construction will result in service interruptions, and, if so, provide the expected duration of the interruptions.

11. State whether the current extended aeration process and clarifier could be optimized to improve treatment in lieu of adding an MBBS system using an IFAS cage and explain each basis for your response.

12. Provide the current status of Bluegrass Water's request for permits from the EEC for the projects proposed herein.

13. Identify all projects that Bluegrass Water has completed at the Herrington Haven system and the date each such project was placed in service, briefly describe the purpose of each such project, and provided the estimated and final cost of each such project.

14. Explain what a Grade A Reliability classification is and its effect, if any, with respect to the operation of the system.

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DATED JUN 01 2022

cc: Parties of Record

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