

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)	CASE NO.
INSTALLATION OF MONITORING EQUIPMENT)	2022-00216
AND FOR A CORRESPONDING LIMITED)	
WAIVER OF DAILY INSPECTION)	
REQUIREMENTS)	

COMMISSION STAFF'S FIRST 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 September 30, 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

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).

person supervising the preparation of the response on behalf of the entity that the 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, paragraph 18. State whether Bluegrass Water still plans to go forward with installation of the proposed remote monitoring equipment if the request for a modification of the inspection requirements is not granted.

2. Explain in detail how the estimated annual Operation and Maintenance (O&M) cost of \$41,303.08 for the remote monitoring equipment was calculated, providing an itemized list of every expense factored into the annual cost.

3. State whether Bluegrass Water intends to seek recovery of the expenses related to the proposed Certificate of Public Convenience and Necessity (CPCN) in future rate cases involving the individual utilities that would receive the remote monitoring equipment.

4. Refer to the Application, paragraph 44. State whether Bluegrass Water considered any other alternatives to the proposed remote monitoring equipment other than “maintaining the status quo” of conducting daily inspections.

5. Refer to the Application, paragraph 44, where it states that Bluegrass Water “would lose the economies of scale that result from having all of its systems using remote monitoring.”

a. Quantify the annual savings anticipated from having every Bluegrass Water’s Wastewater Treatment Plant (WWTP) use remote monitoring equipment.

b. Quantify the annual savings for only the systems who⁴ already have such remote monitoring equipment installed.

6. Refer to the Application, paragraph 48, where it states that High Tide offers more variety in terms of remote monitoring equipment than Mission, and therefore “provides a better economy of scale when units are consolidated.” Quantify the annual savings that will be realized by Bluegrass Water and explain how these savings were calculated.

7. Refer to the Application, paragraph 50, where it states that High Tide offers satellite connections which make it easier to receive communications from rural areas. Confirm that Mission does not offer similar satellite connections. If Mission does offer

satellite connections, state whether there is any difference in either cost or quality when compared to High Tide's satellite connections.

8. Refer to the Application, paragraph 38, in which it states that Bluegrass Water has existing remote monitoring equipment at its other Kentucky WWTPs. Confirm that Bluegrass Water purchased its existing remote monitoring equipment from Mission, as stated in Case No. 2020-00290.²

9. State when Bluegrass Water installed remote monitoring equipment at its remaining WWTPs.

10. If Bluegrass Water has equipment manufactured by any company other than Mission, state why Bluegrass Water did not consider purchasing from that manufacturer in the present application.

11. If Bluegrass Water did purchase its remote monitoring equipment for its remaining WWTPs from Mission, explain why it did not purchase from High Tide previously.

12. Explain what factors have changed since Bluegrass Water purchased monitoring equipment from Mission that has caused it to decide to now purchase remote monitoring equipment from High Tide.

13. Provide any additional costs that will be incurred to incorporate the Mission remote monitoring equipment with High Tide remote monitoring equipment.

14. Refer to the Application, paragraph 52, in which it states that "the ability to slightly modify the Company's existing remote monitoring equipment by replacing a small

² Case No. 2020-00290, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Rates and Approval of Construction.*

component in order to enable functionality on High Tide's system will help protect the investment already made" State whether any savings could be realized by purchasing Mission remote monitoring equipment, thereby eliminating the need to modify the older Mission equipment to make it compatible with the newer High Tide equipment, as is proposed in the application.

15. Refer to the Application, paragraph 51, where Bluegrass Water states that it compared High Tide and Mission regarding both hardware costs and annual service agreement costs. State the actual estimated costs for hardware and annual service agreements for both High Tide and Mission.

16. Refer to the Application, paragraph 53, in which Bluegrass Water states that it determined installing High Tide remote monitoring equipment at the listed locations in the application would result in "significant cost savings." Provide the savings being achieved by installing High Tide remote monitoring equipment.

17. Compare the savings achieved by installing High Tide equipment with the cost for Omni, Mission, or any other manufacturer of remote monitoring equipment that Bluegrass Water currently has in place at its remaining Kentucky WWTPs.

18. Refer to the Application, paragraph 64. Provide the itemized calculations Bluegrass Water used to arrive at the estimated annual O&M expense of \$1,126,000 that would result from daily inspection requirements.

19. Quantify what portion of that estimate is related to the proposed electronic monitoring equipment

20. State what Bluegrass Water's annual O&M expenses would be if this CPCN application is not approved, therefore assuming daily inspections will continue and eliminating any additional O&M expenses related to the electronic monitoring equipment.

21. Refer to the Application, paragraph 65. Provide the calculations Bluegrass Water used to arrive at the estimated \$275,000 in annual O&M savings it states it would realize if Bluegrass Water were permitted to inspect its WWTPs three times per week, as proposed in the application.

22. Refer to the Application, paragraph 66. Provide the calculations Bluegrass Water used to arrive at the estimated \$1,165,000 in net savings over a five-year period should the application be approved.

23. Refer to the Application, paragraph 44. State the number of incidents for each of Bluegrass Water's WWTPs that do not presently have remote monitoring equipment where Bluegrass Water discovered a mechanical problem only after being notified by a customer who was affected the problem in question.

a. State the date and time of any such incident and provide a summary of what occurred.

b. State whether any incident listed could have been prevented if remote monitoring equipment had been available in lieu of daily inspections at the WWTP.

24. Refer to Application, paragraph 41, which states that "Remote monitoring also drives down the cost of environmental compliance by reducing the frequency, likelihood, and severity of potential violations."

a. Explain how remote monitoring drives down the costs of environmental compliance.

b. Quantify all cost savings and explain how they were quantified.

25. Provide a list of all mechanical equipment at each facility (including, but not limited to, any lift stations), and state whether all such mechanical equipment at each location is currently being inspected daily. If any equipment at any facility is not being inspected daily, explain why not.

26. Confirm that the electronic monitoring system will be installed at every facility and that it will monitor all mechanical equipment at each facility (including but not limited to lift stations).

27. Explain how the electronic monitoring system will monitor each type of mechanical equipment (including but not limited to lift stations).

28. State specifically whether the proposed electronic monitoring system will be able to monitor the functioning of blower/motor units that provide air to each WWTPs. If it can, explain in detail how the monitoring works.

29. State whether Bluegrass Water plans to adopt a weekly schedule of performing inspections on Mondays, Wednesdays, and Fridays at each of its WWTPs if its request to modify inspections from daily to three times per week is granted. If not, state the proposed weekly inspection schedule for each WWTP, and explain in detail why that schedule was chosen rather than on Mondays, Wednesdays, and Fridays.



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DATED SEP 15 2022

cc: Parties of Record

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