

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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APR 01 2011

PUBLIC SERVICE
COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING OF)
COOLBROOK UTILITIES, LLC.) CASE NO 2010-00314

**COOLBROOK UTILITIES, LLC'S ADDITIONAL COMMENTS TO
COMMISSION STAFF REPORT**

Comes Coolbrook Utilities, LLC ("Coolbrook"), by counsel, and for its additional comments to the Commission Staff's Report, states as follows:

- 1) Commission Staff should approve an Owner/Manager Fee of no less than \$6,000.00. As reflected in the attached affidavits of Lawrence W. Smither and Martin G. Cogan (Attachment A), these individuals have extensive in the operation, maintenance, design and construction of wastewater treatment plants, having combined experience in this field of over 70 years. The Coolbrook WWTP serves 435 customers and has an aging plant and collection system requiring substantial time and attention. A list of the additional repair items needed to recondition the WWTP, lift stations and sewer mains is attached as Attachment B.
- 2) The Owner/Managers of Coolbrook are responsible for:
 - the operation and management of the Coolbrook WWTP and collection system.
 - insuring proper maintenance, repairs and improvements to the plant and collection system.
 - preparing and submitting the required reports, applications for rate adjustment and tax returns to the Commission and the Revenue Department.
 - preparing and submitting the required reports to the Kentucky Division of Water, including the monthly discharge monitoring reports.
 - compliance by the Coolbrook WWTP with the regulations of both the Commission and the Kentucky Division of Water.
 - the owner/managers are subject to substantial potential liability arising out of the operation of the WWTP, including potential liability in the event that Coolbrook

has an upset and fails to comply with its KPDES permit or one of its customers experiences a backup of wastewater into his/her home. The applicable statutes authorize a fine of up to \$5,000 for discharges in violation of the KPDES permit.

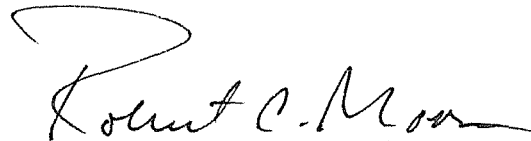
- hiring and supervising the professionals retained by Coolbrook, including accountants and attorneys.
- hiring and supervising Coolbrook's part-time employee and its subcontractors.
- monitoring the billing and collection of Coolbrook's total revenue and payment of Coolbrook's total expenses.

This information establishes that the Commission should approve an Owner/Manager fee of at least \$6,000.00.

3) The Commission should allow Coolbrook to recover the major non-routine expenditures incurred by Coolbrook since June of 2010 through depreciation over 8.5 years consistent with the Staff Report, a list of which is attached as Attachment C. The invoices for the March 1, 2011 expense to River City Controls and the March 9, 2011 expense to Quality Electric are included in Attachment B.

4) The invoices reflecting the attorneys fees incurred to date by Coolbrook in this rate case will be submitted on Monday, April 4, 2011, as the most recent invoice will be issued on that date.

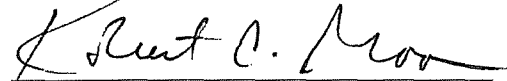
Respectfully submitted,



Robert C. Moore
HAZELRIGG & COX, LLP
415 West Main Street, 1st Floor
P. O. Box 676
Frankfort, Kentucky 40602-0676
(502) 227-2271

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by first class mail, postage prepaid, on Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602 and David Edward Spenard, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204, on this the 1st day of April, 2011.

A handwritten signature in cursive script, appearing to read "Robert C. Moore", written over a horizontal line.

Robert C. Moore

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING OF)
COOLBROOK UTILITIES, LLC.) CASE NO 2010-00314

AFFIDAVIT OF LAWRENCE W. SMITHER

Comes the Affiant, Lawrence W. Smither, and after being duly sworn, states as follows:

- 1) That I have am one of the two members of Coolbrook Utilities, LLC and am involved in the management of the Coolbrook Wastewater Treatment Plant ("WWTP") on a weekly, if not daily, basis.
- 2) That I have extensive experience in the operation, maintenance, design and construction of wastewater treatment plants. In fact, I have designed wastewater treatment plants, pumping stations, have assisted engineering firms in the design of sewer systems, supervised the installation of same and have reconstructed used wastewater treatment plants and pump stations.
- 3) That I have been licensed by the Commonwealth of Kentucky as a wastewater treatment plant operator for over thirty-eight (38), and have operated package wastewater treatment plants and collection systems in Kentucky and other states for over thirty-eight (38) years. I currently oversee the operation and maintenance of over 15 wastewater treatment plants in the Commonwealth of Kentucky.
- 4) For a period of about ten (10) years, from 1975 to 1985, I was directly responsible for the operation and maintenance of approximately 120 wastewater treatment plants throughout Kentucky and southern Indiana. When the Louisville and Jefferson County

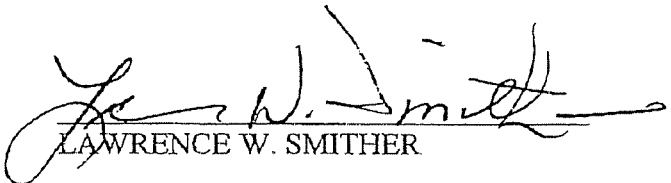
ATTACHMENT A

Metropolitan Sewer District became aggressive in providing sewers throughout Jefferson County, a large number of the wastewater treatment plants were eliminated, including a number that were operated by me. However, until the late 1990's I continued to oversee the operation of approximately 50 wastewater treatment plants.

- 5) That I have participated, and continue to participate, in the operation and maintenance of a number of wastewater treatment plants located in the Commonwealth of Kentucky that were owned by Mr. Carroll F. Cogan, including the following wastewater treatment plants: Countryside WWTP, Willow Creek WWTP, Orchard Grass WWTP, Hunter's Hollow WWTP, Bullitt Hills WWTP, Brentwood WWTP and Farmdale WWTP.
- 6) That I own and/or held ownership interests in the below listed wastewater treatment plants located in Kentucky:

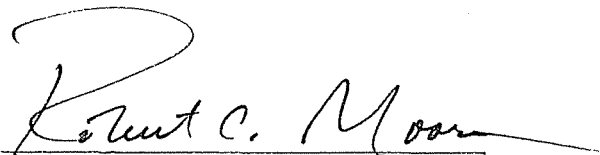
Brocklyn Utilities, LLC
Airview Utilities, LLC
Covered Bridge Utilities wastewater treatment plant
Glenview Utilities wastewater treatment plant
Lake Columbia Utilities wastewater treatment plant
Fox Run Utilities, LLC
Coolbrook Utilities, LLC

- 7) Further the affiant sayeth naught.


LAWRENCE W. SMITHER

STATE OF KENTUCKY)
)SS.
COUNTY OF FRANKLIN)

SUBSCRIBED AND SWORN TO before me by Lawrence W. Smither, on this the 13th
APRIL
day of ~~March~~, 2011.

My commission expires: 2/26/14. 

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING OF)
COOLBROOK UTILITIES, LLC.) CASE NO 2010-00314

AFFIDAVIT OF MARTIN COGAN

Comes the Affiant, Martin G. Cogan, and after being duly sworn, states as follows:

- 1) That I have am one of the two members of Coolbrook Utilities, LLC and am involved in the management of the Coolbrook Wastewater Treatment Plant (“WWTP”) on a weekly, if not daily, basis.
- 2) That I have a substantial amount of experience in the operation and maintenance of wastewater treatment plants.
- 3) That I have a Masters of Environmental Engineering degree from the University of Louisville’s Speed Scientific School, am a former Certified WWTP operator in the Commonwealth of Kentucky and have over 34 years of experience in the operation, management, design and construction of wastewater treatment facilities.
- 4) That I have participated in the operation and maintenance of a number of wastewater treatment plants located in the Commonwealth of Kentucky that were owned by owned by Mr. Carroll F. Cogan, including the following wastewater treatment plants:
Countryside WWTP, Willow Creek WWTP, Orchard Grass WWTP, Hunter’s Hollow WWTP, Bullitt Hills WWTP, Brentwood WWTP and Farmdale WWTP.
- 5) That I own and/or held ownership interests in the below-listed wastewater treatment plants located in Kentucky:

Brocklyn Utilities, LLC
Airview Utilities, LLC
Covered Bridge Utilities wastewater treatment plant
Glenview Utilities wastewater treatment plant
Lake Columbia Utilities wastewater treatment plant
Fox Run Utilities, LLC
Coolbrook Utilities, LLC

6) Further the affiant sayeth naught.

MARTIN G. COGAN

STATE OF KENTUCKY)
)SS.
COUNTY OF FRANKLIN)

SUBSCRIBED AND SWORN TO before me by Martin G. Cogan, on this the _____
day of March, 2011.

My commission expires: _____.

Notary Public

Coolbrook Utilities LLC

List of additional repair items that are needed to recondition the treatment plant, lift stations and sewer mains:

- | | |
|--|------------------------|
| 1) Repair the main air header that serves both plant #1 and #2. | \$1250.00 |
| 2) Fabricate and install a new main air header for plant #3. | 6600.00 |
| 3) Fabricate and install fifteen (15) new 1 ¼" black steel diffuser drops, complete with new diffusers, in plant #1 and #2. | 4175.00 |
| 4) Fabricate and install ten (10) new 1 ¼" black steel diffuser drops, complete with new diffusers, in plant #3. | 3050.00 |
| 5) Fabricate and install twelve (12) new 1 ¼" black steel diffuser drops, complete with new diffusers, in plant #4. | 3700.00 |
| 6) Fabricate and install new 3" air lift scum returns in plant #2; #3; and #4. | 5980.00 |
| 7) Remove the old wooden inlet baffles in all four (4) secondary clarifiers and replace with new ¼" plate steel baffles. | 4560.00 |
| 8) Purchase and install one (1) new standby blower/motor assembly for plant #1 and #2. It does currently have a standby blower but it is too small to aerate these two tanks if the primary blower were to fail. | 8150.00 |
| 9) Purchase and install one (1) new standby blower/motor assembly for plant #3. There currently is only one blower for this plant. | 7075.00 |
| 10) Make repairs to the steel tankage in various places where the steel is in very bad condition or is rusted all the way through. | 15,000.00 to 20,000.00 |

ATTACHMENT B

(2)

11) Purchase and install a new duplex pump control panel for the main sewage pumps at the treatment plant. 5420.00

12) Install a good used UV disinfection system at the treatment plant. (We already have the UV unit – it was given to us) Engineering will also be necessary. Approx. 7500.00

13) Have a complete sewer survey performed on all sewer mains in the Coolbrook Utilities system. (TV and smoke testing) Approx. 75,000.00

14) Make the sewer repairs that are shown to be necessary in the sewer survey. It is impossible to put a price tag on this item without knowing the repairs that are needed.

Coolbrook Capital Expenditures Since ARF Filing

-The following is a list of major non-routine expenditures (over \$1,000, except for the 6/30 invoice) Coolbrook has incurred since the filing of the rate application. Please note that significant expenditures from Covered Bridge are not included, and would increase this total had they been included.

-If the \$19,783 is depreciated over 8.5 years consistent with the PSC Staff Report, the additional annual expense is \$2,327.41.

Date	Amount	Description
6/10	\$1,300.00	River City Controls – Honeywell Chart Recorder
6/30	\$913.57	Art's Electric – Repair 100 Amp Disconnect
7/19	\$1,149.68	Quality Electric – 5 HP KSB Pump
7/28	\$1,240.00	River City Controls – Install flow meter
8/6	\$1,272.00	Hall Pump - Pump
8/11	\$2,485.70	D&F Distributors – 2 HP pump
9/30	\$1,700.00	Martin's Sanitation – Pump digesters
10/20	\$2,874.14	River City Controls – Installed pumps, etc.
10/29	\$1,690.00	Murphy's Excavating – Emergency excavation and restoration.
12/31	\$1,260.00	Murphy's Excavating – Repair 8-inch main.
12/31	\$1,280.00	Murphy's Excavating – Repair 8-inch main
3/1/11	\$1,200.00	River City Controls - Invoice needed
3/9/11	\$1,417.91	Quality Electric – Invoice needed
	\$19,783.00	



River City Controls Inc.
 P.O. Box 1338
 Shepherdsville, KY 40165
 USA

Voice: 502-543-8007
 Fax: 502-543-2857

Invoice
 Invoice Number
 3111

Invoice Date:
 3/1/11

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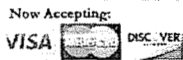
Sold To:

Cool Brook Utilities
 P.O. Box 91588
 Louisville, KY 40291

Customer PO	Payment Terms	Due Date
	Net 30 Days	3/31/11

Quantity	Description	Unit Price	Amount
1.00	02/16/11: Tech Roy Bailey & Danny Short: Techs pulled 2 pumps, shorted to ground, and had trouble pulling pumps due to incoming flow and flooded wet well.	800.00	800.00
1.00	02/17/11: Techs Andy Schmoyer & Dave Seng - Techs troubleshot WTP controls (4.0 HOURS EACH)	400.00	400.00

1.5% MONTHLY FINANCE CHARGE ON AMOUNTS
 30 DAYS PAST DUE



Check No:

Subtotal	1,200.00
Sales Tax	
Total Invoice Amount	1,200.00
Payment Received	
TOTAL	1,200.00

Post-It* Fax Note	7871	Date	3-28	# of Pages	2
To	LINDA	From	JEAN		
Co./Dept.		Co.	QUALITY ELECTRIC		
Phone #	239.0796	Phone #	(502) 426-3396		
Fax #	239.1797	Fax #	(502) 426-5920		

TOTAL = # 70439 = 449.68
 # 72726 = 1417.91
1867.59
 # 72922 = 1414.73
\$ 3282.32

Quality Electric Motor Service, Inc.
 8020 Vinecrest Ave. #1
 Louisville, KY 40222
 (502) 426-3396
 FAX (502) 426-5920

REMIT TO:
 8020 VINECREST AVENUE
 LOUISVILLE, KENTUCKY 40222

TO COOL BROOK UTILITIES LLC
 P O BOX 91588
 LOUISVILLE KY 40291

INVOICE NO	72726
DATE	3/28/11
CUSTOMER NO	

TERMS **COD** (NOT PICKED UP YET)

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	KBS PUMP TYPE E80-200 WITH MOTOR 5 HP MOD KRY DISASSEMBLED REWOUND STATOR REPLACED BEARINGS, OVERLOAD & OIL POTTED CORD REPAIRED SHAFT SEAL FITS MADE MINOR REPAIRS & PARTS YOU FURNISHED ASSEMBLED TESTED		
	MACHINE WORK		300 00
	PARTS & MATERIAL WE FURNISHED		301 80
	LABOR		780 00
	TAX		36 11
			<u>1,417 91</u>

ORIGINAL

Thank You!

Coolbrook Utilities LLC
Repair Invoices

Date	Charges	Vender
06/01/10	2,294.56	Thacker Environmental
06/01/10	977.80	River City Controls
06/01/10	218.41	Wastewater Solutions
06/03/10	139.92	NuWay Rental
06/03/10	1,367.50	Covered Bridge Utilities
06/04/10	625.40	Brenntag Mid South
06/04/10	11,068.21	Derby City Pump
06/07/10	1,317.50	Envir. Industrial Cleaning
06/10/10	1,327.55	Covered Bridge Utilities
06/10/10	1,300.00	River City Controls
06/17/10	650.00	Murphy's Excavating
06/22/10	662.50	Cheak Electric
06/22/10	178.45	Covered Bridge Utilities
06/28/10	364.64	Brenntag Mid South
06/30/10	913.57	Art's Electric Inc
07/01/10	180.00	River City Controls
07/03/10	181.97	Masters Supply
07/07/10	1,759.99	Thacker Environmental
07/07/10	69.96	Nu-Way Rental
07/12/10	514.10	Brenntag Mid South
07/16/10	954.40	Covered Bridge Utilities
07/19/10	1,149.68	Quality Electric
07/22/10	300.00	River City Controls
07/23/10	570.80	Covered Bridge Utilities
07/28/10	1,240.00	River City Controls
07/29/10	139.92	Nu-Way Rental
08/03/10	1,772.89	Thacker Environmental
08/04/10	286.84	Masters Supply
08/06/10	789.25	Covered Bridge Utilities
08/06/10	450.00	Miller Septic Service
08/06/10	1,272.00	Hall Pump & Supply Co.

Coolbrook Utilities LLC
Repair Invoices

Date	Charges	Vender
08/10/10	346.89	River City Controls
08/11/10	2,485.70	D&F Distributors
08/12/10	915.00	River City Controls
08/13/10	1,832.00	Covered B ridge Utilities
08/13/10	940.00	Tobbe Pump & Environmental Service.
08/30/10	514.10	Brenntag Mid-South
09/01/10	1,600.00	Thacker Environmental
09/02/10	279.76	Covered Bridge Utilites
09/30/10	1,700.00	Martin's Sanitation Service
09/14/10	808.17	D&F Distributors
10/06/10	1,777.02	Thacker Environmental
10/05/10	514.10	Brenntag Mid-South
10/05/10	446.00	Covered Bridge Utilities
10/05/10	262.50	Covered Bridge Utilities
10/07/10	228.15	Covered Bridge Utilities
11/08/10	625.40	Brenntag Mid-South
10/20/10	1,500.00	Headden Septic Tank Service
10/20/10	2,874.14	River City Controls
10/28/10	100.25	Covered Bridge Utilities
10/29/10	1,690.00	Murphy's Excavating
11/01/11	1,600.00	Thacker Environmental
11/05/10	40.60	Master Supply
11/18/10	925.79	Covered Bridge Utilities
12/16/10	102.50	Covered Bridge Utilities
12/31/10	1,260.00	Murphy's Excavating
12/31/10	1,280.00	Murphy's Excavating
12/31/10	350.00	Murphy's Excavating
12/31/10	350.00	Murphy's Excavating

