

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BULLITT UTILITIES, INC. )  
FOR A CERTIFICATE OF CONVENIENCE AND ) CASE NO.  
NECESSITY AND SURCHARGE FOR SAME ) 2014-00255

COMMISSION STAFF'S SUPPLEMENTAL REQUEST FOR  
INFORMATION TO BULLITT UTILITIES, INC.

Bullitt Utilities, Inc. ("Bullitt Utilities"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before April 13, 2015. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response 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 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.

Bullitt Utilities shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Bullitt Utilities fails or refuses to furnish all or part of the requested information, Bullitt

Utilities shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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 filing a paper containing personal information, Bullitt Utilities shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. In its response to Commission Staff's First Request for Information to Bullitt Utilities (Staff's First Request"), Item 1.a., Bullitt Utilities states that "it would take approximately six (6) months to locate and install a used WWTP capable of treating the flow from the Hunters Hollow collection system."

a. Indicate what activity would need to occur during the six-month period.

b. Identify the amount of time required for each activity listed in Item 1.a of this request.

2. While using the Pecco, Inc. ("PECCO") wastewater treatment plant ("WWTP") during dry weather, did the water discharged from the PECCO WWTP meet:

a. The Kentucky Division of Water's regulations for levels of pollutants? If not, please explain how it failed to meet the regulations.

b. The Kentucky Pollutant Discharge Elimination System ("KPDES") permit for Bullitt Utilities? If not, please explain how it failed to meet the permit requirements.

3. Refer to Bullitt Utilities' response to Staff's First Request, Item 3, alternative 3, and Exhibit 17 to Bullitt Utilities' original Application filed on July 17, 2014. Exhibit 17 to Bullitt Utilities' original Application is a quote for a 300,000-gallon-per-day permanent WWTP. On page 8 of that exhibit, the quote indicates that the manufacture of the permanent WWTP will be 10 to 12 weeks. Bullitt Utilities' response to Staff's First Request, Item 3, indicates that "it would take more than 6 months to purchase, transport and install such a WWTP, including the completion of the necessary engineering and site work."

a. Indicate what activity would need to occur during the six-month period.

b. Identify the amount of time required for each activity listed in Item 3.a.

4. Refer to Bullitt Utilities' response to Staff's First Request, Item 3, Alternative No. 6. Confirm that the WTP located in the city of Hillview is owned by Bullitt County Sanitation District, not the city of Hillview.

5. Identify the total cost of work to be performed by or on behalf of Bullitt Utilities at the Hunters Hollow WWTP site, including but not limited to the installation of two wetwells, a valve vault, magnetic flow meters, electric control panels, pumps, guiderails, floats, alarms, manholes, piping, and any other work improvements, repairs, or reconditioning that is a part of the construction plan for the Hunters Hollow Pump Station. For this request, please provide the following information.

a. Estimates of property and construction expense arranged according to the Uniform System of Accounts.

b. Estimates of the service lives for the components of the project.

6. Refer to Bullitt Utilities' supplemental response to Staff's First Request, Item 5.a. There are ten separate promissory notes that are either in favor of Tigers and Rockets, LLC or CFA Sunnyview, LLC

a. Has Bullitt Utilities repaid in whole or in part any of the ten promissory notes? If so, state the date(s) and amount(s) of payments.

b. If the promissory notes have not been paid, state the outstanding balance(s) due as of the date of the response and the anticipated date(s) of payment.

7. Refer to Bullitt Utilities' supplemental response to Staff's First Request, Item 5.a. and 6.c. According to the response filed March 31, 2015, for Item 5.a., Bullitt Utilities has entered into 11 promissory notes totaling \$402,000.<sup>1</sup> According to the response in 6.c., Bullitt Utilities indicates that an amount exceeding \$600,000 has been funded with loan proceeds.

a. Confirm that an amount exceeding \$402,000 has been funded with loan proceeds. If the \$402,000 amount is the total of loan proceeds, reconcile this amount with the statement that an amount exceeding \$600,000 has been funded with loan proceeds. Specify in any reconciliation whether a vendor is providing financing.

b. If there are loan proceeds or other forms of financing in addition to the \$402,000 identified in response to Item 5.a. of Staff's First Request, provide the

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<sup>1</sup> \$32,000 (CFA Sunnyview, LLC) + \$5,000 (CFA Sunnyview, LLC) + \$70,000 (Tigers and Rockets, LLC) + \$130,000 (Tigers and Rockets, LLC) + \$11,000 (CFA Sunnyview, LLC) + \$25,000 (CFA Sunnyview, LLC) + \$20,000 (CFA Sunnyview, LLC) + \$25,000 (CFA Sunnyview, LLC) + \$18,000 (CFA Sunnyview, LLC) + \$6,000 (CFA Sunnyview, LLC) + \$60,000 (Tigers and Rockets, LLC) = \$402,000.

details regarding the debt, including the parties to the debt, the date of execution, the amount of debt, the interest rate, and the payment schedule.

8. Refer to Bullitt Utilities' response to the Attorney General's First Request for Information, Item 8, which states, "Bullitt Utilities intends to provide sewer treatment services for the customers of Bullitt Utilities over the 7 years during which it has proposed to collect the surcharge." Indicate whether Bullitt Utilities will be providing collection services rather than treatment services. If Bullitt Utilities plans to provide treatment services, describe the services that will be offered and indicate whether Bullitt Utilities will be required to hold a KPDES permit to provide the service.

9. Refer to Bullitt Utilities' supplemental response to Staff's First Request, Items 8.a. and 8.b. In the calendar years 2011 through 2013, Bullitt Utilities reported that its chemical costs ranged from \$3,709 to \$12,753, but from August 14, 2014, through January 15, 2015, Bullitt Utilities was invoiced for \$95,691 in chemicals. Provide a detailed explanation for the drastic increase in Bullitt Utilities' chemical costs.



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Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED APR 02 2015

cc: Parties of Record

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