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COMMONWEALTH OF KENTUCKY

OCT 21 2015

BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF BUSH GARDENS	)	CASE NO.
ENTERPRISES, LLC FOR APPROVAL OF	)	2015-00306
INITIAL SEWER RATES PURSUANT TO THE	)	
ALTERNATIVE RATE FILING PROCEDURES	)	
FOR SMALL UTILITIES AND TARIFF	)	

**ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits the Initial Requests for Information to Bush Gardens Enterprises, LLC ("Bush Gardens") to be answered pursuant to 807 KAR 5:076, and in accord with the following instructions:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness (es) who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel with an electronic version of these data requests, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information

within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and

shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-

readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

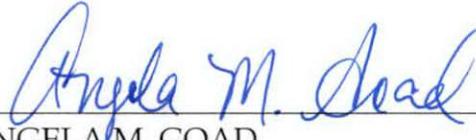
(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) The Attorney General reserves the right to pose additional preliminary data requests.

Respectfully submitted,  
JACK CONWAY  
ATTORNEY GENERAL



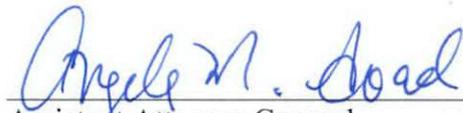
ANGELA M. GOAD  
GREGORY T. DUTTON  
ASSISTANT ATTORNEYS GENERAL  
1024 CAPITAL CENTER DRIVE  
SUITE 200  
FRANKFORT, KY 40601-8204  
(502) 696-5453  
FAX: (502) 573-1005  
[Angela.Goad@ky.gov](mailto:Angela.Goad@ky.gov)  
[Gregory.Dutton@ky.gov](mailto:Gregory.Dutton@ky.gov)

*Certificate of Service and Filing*

Counsel certifies that an original and one copy of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Hon. Aaron R. Davis  
Hon. Stephanie L. Davis  
The Davis Firm, PLLC  
165 Evergreen Lane  
Pikeville, Kentucky 41501

this 21<sup>st</sup> day of October, 2015.

  
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Assistant Attorney General

APPLICATION OF BUSH GARDENS ENTERPRISES, LLC  
FOR APPROVAL OF INITIAL SEWER RATES PURSUANT  
TO THE ALTERNATIVE RATE FILING PROCEDURES  
FOR SMALL UTILITIES AND TARIFF  
CASE NO. 2015-00306

1. Please reference the Bush Gardens Enterprises, LLC (“Bush Gardens”) Application (hereinafter “Application”), paragraphs 1 and 2. Explain why there has never been a request for payment to operate the sewer treatment plant for Bush Garden Subdivision in the past ten years.
2. Please reference the Application, paragraph 3.
  - a. How many homes in the Bush Garden Subdivision have a septic system?
  - b. Please explain whether the sewage treatment plant receives overflow from the septic systems.
  - c. What steps would the residents of the subdivision have to take in order to install an independent sewer system for each home? Also, what would the estimated costs be for this installation?
3. Please reference the Application generally.
  - a. Please explain if the sewage treatment plant in question has been in compliance with all applicable laws and regulations?
  - b. Explain whether the operators of the Bush Garden Subdivision sewage treatment plant have been investigated or cited for any issues?
  - c. Where does the sewage plant discharge?
  - d. Where is the sewage plant permitted to discharge?
4. Reference the Application, paragraph 7.
  - a. Explain what occurred when Bush Gardens approached the Paintsville officials concerning the city taking over the sewer treatment plant. Did the city officials think it could be a feasible solution?
  - b. Has Bush Gardens communicated with Paintsville city officials after July 2015? If so, please explain. If not, explain why not.
5. Please reference the Application, paragraph 8. Provide all documentation and/or communications where the operator solicited municipal and private third parties to take over the sewage plant without consideration.

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6. Please reference the Application, Alternative Rate Filing (“ARF”) Form-1, number 11. Provide a list that states the actual cost to operate the sewage treatment plant servicing the subdivision each and every year, for the past ten years.
7. Reference the Application, ARF Form 1 – Attachment SAO-S, Pro Forma Adjustments.
  - a. Provide documentation that a \$3,600 owner/manager fee is reasonable and should be included in the sewer rates.
  - b. Provide documentation supporting that the \$3,900 routine maintenance fee is reasonable. Also, state the specifics of the bidding process for the routine inspections. For example, was Michael Conley’s \$325 per month bid the only one received, or the lowest of all the bids received?
  - c. Provide documentation that supports the \$1,240 maintenance of structures and improvements fee. Also, was a bidding process used for the award of this contract?
8. Refer to the Application, Statement of Disclosure of Related Party Transactions.
  - a. Confirm that Lance Bowling, the son of the President/CEO of Bush Gardens, will be acting as manager of Bush Gardens and receive the \$3,600 owner/manager fee.
  - b. Explain Lance Bowling’s ownership interest in Tri-County Concrete, Inc.
  - c. Did Bush Gardens obtain bids from other companies for the contracts awarded to Tri-County Concrete, Inc.? If so, provide the bidding documentation. If not, why not?