

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF RIDGELEA INVESTMENTS,) CASE NO.
INC. FOR ALTERNATIVE RATE ADJUSTMENT) 2009-00500

O R D E R

On December 14, 2009, Ridgelea Investments, Inc. ("Ridgelea") tendered its application. Because of filing deficiencies, the Commission did not accept the application for filing until January 8, 2010. In its July 14, 2010 Order, the Commission: (1) granted Ridgelea's motion to amend its application to use the calendar year 2009 as the test period; (2) established a filed date for the amended application of June 15, 2010; (3) suspended Ridgelea's proposed rates revisions for five months, from July 15, 2010 up to and including December 14, 2010; (4) established a procedural schedule; and (5) requested Ridgelea to submit its responses to the information requested in Appendix B of that Order by August 6, 2010.

On July 21, 2010, Ridgelea moved for a three-week extension of time to file its responses to the Commission's July 14, 2010 Order. Ridgelea stated that its Owner, Charles Hungler, was out of town and not expected to return until early August and, therefore, it would be impossible for Ridgelea to respond to the Commission's Order in the required timeframe of August 6, 2010. Ridgelea also moved for the Commission to suspend the procedural schedule established in the July 14, 2010 Order and requested that Commission Staff ("Staff") perform a field review of Ridgelea's financial operations. In support of this motion, Ridgelea pointed to the difficulties it has had in responding to

the two prior Staff information requests and argued that responding to extensive information requests was burdensome to a small utility with limited resources.

The Commission is concerned that it has been approximately eight months since this case was originally considered filed and a final decision is not imminent. The delays in this proceeding are the result of Ridgelea's continued inability to respond to Staff's information requests in a timely manner. To date, Ridgelea has taken approximately 56 additional days to submit its responses to Staff's first two information requests.¹

Ridgelea explains that it is having difficulties in responding to Staff's requests because they are "extensive and burdensome." Upon its review of the information requests, the Commission has determined that Staff is only requesting Ridgelea to produce copies of the financial records that Ridgelea would be required to produce at the time a field review would be performed. The only difference between the two processes is that Ridgelea is required to submit copies of the requested financial documentation into the record in this proceeding. The Commission is concerned that Ridgelea's owner is neglecting the financial recordkeeping² and, therefore, is not adequately monitoring Ridgelea's financial condition.

¹ First Information Request: Responses were due March 18, 2010. Ridgelea submitted its response to Item 16 on April 22, 2010, approximately 35 days after the original due date. Second Information Request: Responses were due May 27, 2010. Ridgelea was granted an extension of time until June 17, 2010, approximately 21 days after the due date.

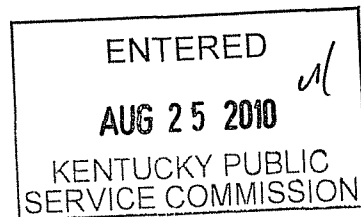
² Commission Staff's First Information Request, Item 4. Ridgelea does not maintain any kind of general ledger. Ridgelea's owner devotes most of his time to operations rather than paperwork.

Having considered Ridgelea's motion for an extension of time to submit its responses to the August 6, 2010 Order, the Commission finds that it should be granted. The Commission further finds that Ridgelea's motion to suspend the procedural schedule established in the July 14, 2010 Order and for Staff to perform a field review of Ridgelea's test-period financial operations should be denied.

IT IS THEREFORE ORDERED that:

1. Ridgelea's request to extend the filing date for responses to data requests originally due on August 6, 2010 to August 27, 2010 is granted.
2. Ridgelea's motion to suspend the procedural schedule established in the July 14, 2010 Order and for Staff to perform a field review is denied.
3. The procedural schedule set forth in the Appendix attached hereto and incorporated herein shall be followed and supersedes the previous schedule established in the Commission's July 14, 2010 Order.
4. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00500 DATED **AUG 25 2010**

Ridgelea shall file with the Commission and serve upon all parties of record the information requested in Appendix B of the Commission's July 14, 2010 Order no later than 08/27/2010

All parties and Commission Staff shall serve their requests for information upon Ridgelea no later than 09/17/2010

Ridgelea shall file with the Commission and serve upon all parties of record its responses to the requests for information no later than 10/08/2010

A written report containing Commission Staff findings and recommendation shall be filed with the Commission no later than 10/29/2010

All parties shall carefully review the Commission Staff report and file their written comments on the report with the Commission no later than 11/12/2010

An informal conference for the purpose of considering the possibility of settlement and any other matters that may aid in the handling or disposition of this case..... Will be scheduled upon request

Public Hearing for the purpose of cross-examination of witnesses of Ridgelea and Intervenors Will be scheduled upon request

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