

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF PAUL AND BARBARA )  
MCGOWAN AND ERIC YOUNG FOR APPROVAL )  
OF THE TRANSFER OF OWNERSHIP OF ) CASE NO. 2010-00422  
LOVELACEVILLE WATER COMPANY'S PUMPING, )  
TREATMENT, AND DISTRIBUTION FACILITIES )

FIRST INFORMATION REQUEST OF  
COMMISSION STAFF TO ERIC YOUNG

Eric Young, pursuant to 807 KAR 5:001, is to file with the Commission the original and three copies of the following information, with a copy to all parties of record. The information requested herein is due no later than December 7, 2010. Each response shall be answered under oath. Mr. Young shall make timely amendment to any prior response if he 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 Mr. Young fails or refuses to furnish all or part of the requested information, he shall provide a written explanation of the specific grounds for his failure to completely and precisely respond. Careful attention shall be given to copied material to ensure that it is legible.

1. Provide a copy of your operator license no. 4451.
2. In your letter to the Commission, you state that you have operated small systems for several years.

a. State the names of the water utilities, other than Lovelaceville Water Company ("Lovelaceville"), for which you currently act as the certified operator and state the date you first became operator for each utility.

b. State the name of each water utility for which you were once, but are no longer, the certified operator. For each of these utilities, state the dates you started and finished as certified operator.

3. Do you plan to continue to operate Lovelaceville as a sole proprietorship, or do you intend to form an S corporation, C corporation, or Limited Liability Company?

4. Provide a copy of the journal entry that will be made to record the proposed transfer of assets.

5. List separately the daily, weekly, monthly, and annual routine and non-routine duties you have performed for Lovelaceville as the operator in the previous 12 months.

6. If you become the owner, will you continue to perform the same duties listed in response to item 5? If no, explain.

7. List the daily, weekly, monthly, and annual routine and non-routine duties required to be performed at Lovelaceville that you did not perform when serving only as operator during the previous year. For each duty listed, state whether you will perform that duty as owner or whether you will hire someone else to perform that duty.

8. Provide a description of the assets you anticipate receiving if you become the owner. The description should include the physical location of each component of utility plant in service. Provide a system map if possible.

9. Do you anticipate receiving any cash with the proposed transfer of assets? If yes, state the amounts and give an explanation for the amounts.

10. Who will be entitled to the customer account receivable balances that remain due to Lovelaceville on the date of the asset transfer?

11. Do you intend to obtain and maintain property and general liability insurance coverage if you become the owner?

12. State the physical location, mailing address if different, and telephone number of Lovelaceville's office after the transfer.

13. State how Lovelaceville's customers will be notified of the anticipated location of the office and telephone number.

14. With regard to Lovelaceville's billing and collection practices subsequent to the transfer of assets:

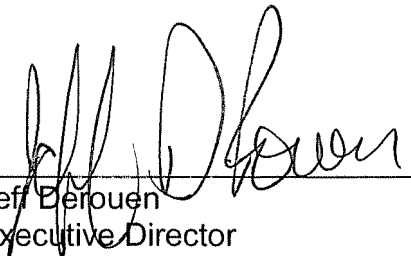
a. Describe how you intend to perform customer billings for services. Your response shall include, but not be limited to, a description of the billing frequency and how the bill will be delivered to the customers, i.e., by U.S. Postal Service or personally by a representative of Lovelaceville.

b. Describe how you intend to collect customer payments.

15. Are you aware of any capital improvements that will be needed at Lovelaceville within the next five years? If yes, state the nature of the improvement, the estimated cost, and explain your ability to finance the cost of the improvements.

16. Do all customers served by Lovelaceville have water meters?

17. Are the customer meters in use by Lovelaceville being periodically tested as required by Commission regulations? If no, do you have a plan for the testing of all meters?



---

Jeff Berouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

DATED: DEC 01 2010

cc: Parties of Record

Paul S McGowan  
Owner  
Lovelaceville Water Company  
P. O. Box 109  
Lovelaceville, KY 42060

J. Eric Young  
626 Elmos Road  
Sedalia, KY 42079