

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FARMDALE DEVELOPMENT ) CASE NO. 2011-00048  
CORPORATION FOR RATE ADJUSTMENT )

COMMISSION STAFF'S FIRST INFORMATION REQUEST TO  
FARMDALE DEVELOPMENT CORPORATION

Farmdale Development Corporation ("Farmdale"), pursuant to 807 KAR 5:001, is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The requested information is due within 14 days of the issuance of this request. 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 government agency, be accompanied by a signed certification of the preparer or the 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.

Farmdale 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 Farmdale fails or refuses to furnish all or part of the requested information, it shall

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

Careful attention shall 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.

1. List each utility in which Carroll F. Cogan presently has an ownership interest or management involvement.
2. List and describe each duty that Mr. Cogan performs for Farmdale.
3. State the number of hours per week that Mr. Cogan spends managing Farmdale's affairs.
4. Provide all logs, time sheets, journals, or other records that record the amount of time that Mr. Cogan spends performing duties for Farmdale.
5. Identify Farmdale's officers.
6. a. State whether Farmdale contracts with Covered Bridge Utilities to operate its sewer facilities.
  - b. If yes,
    - (1) Provide a copy of the contract.
    - (2) State whether any of Farmdale's officers hold an ownership interest or management position in Covered Bridge Utilities.
7. Provide invoices, billing receipts, or other documents that evidence the expenses in the test year balance of \$14,432 in "Outside Services Employed."

8. Explain why Farmdale estimates rate case expenses will be \$17,000. Provide invoices, billing receipts, or other documentary evidence for all expenses that Farmdale has incurred to date to bring its application.

9. 807 KAR 5:076 provides that an applicant using the alternative rate filing adjustment procedure may “request commission assistance in preparing the application.”

a. State whether Farmdale requested such assistance.

b. If Farmdale did not request such assistance, explain why it did not.

c. Explain why rate case expenses related to the use of rate consultants and attorneys are reasonable and should be considered when determining Farmdale’s rates if commission assistance at no cost was available.

d. Explain why the use of Commission assistance would not have resulted in a lower cost than contracting with consultants and attorneys.

e. Describe the experience of Farmdale’s officers and management in applying for rate adjustments from the Kentucky Public Service Commission.

10. Explain why Farmdale anticipates its sludge hauling expense to increase.

11. List and describe the efforts that Farmdale has undertaken since January 1, 2009 to obtain an alternative billing and collection agent.

12. In 2009 Farmdale’s billing fees to collect \$106,675 of revenue were \$11,875. Explain why it is reasonable for Farmdale to pay over 10 percent of its revenues to collect that revenue.

13. Provide all bills that Bluegrass Energy has issued to Farmdale for the period from October 1, 2008 through March 31, 2010 and from January 1, 2011 to the present.

14. List each contractor with whom Farmdale contracted for any services during the test-period and describe the service(s) that the contractor provided.

15. Farmdale's proposed pro forma level for bookkeeper fees is "a calculated split of the pro rata cost of the bookkeepers's [sic] charges for Farmdale and other duties."

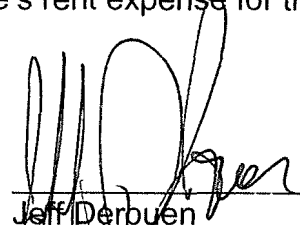
a. Identify who performs Farmdale's bookkeeping functions.

b. Provide a copy of the contract between Farmdale and its bookkeeper.

c. Describe and explain the "other duties" to which Farmdale refers in its application.

d. Explain why a pro rata split is required.

16. State the actual level of Farmdale's rent expense for the test period.



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

DATED:     MAY 02 2011    

cc: Parties of Record

Carroll F Cogan  
President  
Farmdale Development Corporation  
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