Ernie Fletcher Governor

LaJuana S. Wilcher, Secretary Environmental and Public Protection Cabinet

Christopher L. Lilly Commissioner Department of Public Protection

Brett Cade Pro Man Property Management, LLC P. O. Box 613 Alexandria, KY 41071



Commonwealth of Kentucky Public Service Commission 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky.gov

## July 7, 2006

Mark David Goss Chairman

> Teresa J. Hill Vice Chairman

Gregory Coker Commissioner

RE: Case No. 2006-00166

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

Beth O'Donnell Executive Director

BOD/jc Enclosure

KentuckyUnbridledSpirit.com

Kentu

Brett Cade Pro Man Property Management, LLC P. O. Box 613 Alexandria, KY 41071

Honorable David Edward Spenard Assistant Attorney General Office of the Attorney General Utility & Rate Intervention Division 1024 Capital Center Drive Suite 200 Frankfort, KY 40601-8204 James J. Luersen Attorney at Law McMurray Monfort & Luersen 515 Monmouth Street Suite 202 Newport, KY 41071 Jack H. Schlueter President Schlueter Building Company, Inc. South Hills Subdivision Sewer Plant P.O. Box 36 Highland Hgts., KY 41076

#### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR TRANSFER OF THE ) SEWER TREATMENT PLANT KNOWN AS ) THE SEWER TREATMENT PLANT SYSTEM NO. 1 ) OF THE SOUTH HILLS SUBDIVISION SEWER ) CASE NO. 2006-00166 TREATMENT SYSTEM IN THE NAME OF ) SCHLUETER BUILDING CO., INC. ) TO PRO MAN PROPERTY MANAGEMENT, LLC )

### <u>O R D E R</u>

On May 18, 2006, Pro Man Property Management, LLC ("Pro Man") filed with the Commission its application for approval of the proposed transfer of the South Hills Subdivision Sewer Treatment System to Pro Man.

KRS 278.020(6) provides that the Commission approve or deny such application within 60 days of filing unless it is necessary, for good cause, to extend the application for additional 60 days. Commission Staff has requested that Pro Man provide additional information to the Commission concerning the proposed transfer.

The Commission finds that the request for information is reasonable and necessary to determine if Pro Man possesses the required financial ability to provide reasonable service. We find that the time necessary for Pro Man to respond to the information request and for Commission Staff to examine the data presents good cause for a 60-day extension.

The Commission, on its own motion, HEREBY ORDERS that:

1. The period for reviewing the application is extended to 120 days.

2. Pro Man shall respond to the request for information attached hereto as

Appendix A.

Done at Frankfort, Kentucky, this 7th day of July, 2006.

By the Commission



Case No. 2006-00166

#### APPENDIX A

# APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00166 DATED July 7, 2006.

Pro Man shall file with the Commission, within 14 days from the date of this Order, the original and four copies of the following information, with a copy to all parties of record. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. Refer to the May 17, 2006 filing of financial statements pursuant to 807 KAR 5:020(4). State whether these are the financial statements of Brett Cade or of Pro Man. If not Pro Man's, provide a copy of the balance sheet and income statement of Pro Man for the most recent fiscal year or calendar year.

2. Refer to the response to Item 7 of Commission Staff's First Data Request. The response states that the debt will be amortized over a 15-year period with monthly payments of \$94.90; however, the response also states that payments will not begin until 5 years after the transfer date and that the debt will be paid in full 10 years from the transfer date.

a. A full 15 years of monthly payments of \$94.90 will be required to extinguish \$12,000 of debt at 5 percent interest. Explain how this debt will be extinguished within 10 years from the transfer date, as stated in the response, if monthly payments of \$94.90 do not begin until 5 years after the transfer date.

b. State whether interest at 5 percent will accrue from the date of the transfer to the date that payments begin, which is stated to be 5 years after the transfer date.

c. If there are any other written agreements between the parties which detail the debt terms, including a repayment schedule, provide a copy.