

PUBLIC SERVICE COMMISSION
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EXECUTIVE DIRECTOR

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PUBLIC SERVICE
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RE; CASE NO. 2006-00209

MS. O'DONNELL

First We want to apologize to the Commission for missing the hearing on November 26, 2006. we have no excuses, just had a "Senior Moment".

We wanted to question some of the pre-filed and oral testimony that was submitted by personnel representing Farmdale Development Corporation (FDC).

1. Why did FDC wait from July 2005 till January 2006 to submit a request to the Commission to get a rate increase for repairs? Wasn't the request for a rate increase the result of a "Failure To Comply" letter dated July 11, 2005 from Mr. Wm Douglas Newton, Division of Enforcement, Kentucky Department for Environmental Protection Cabinet. In Mr. Cogan's response to Environmental Protection, the only reference to the lift station was that FDC was requesting a surcharge from the Commission that listed one pump with no additional repairs to the lift station. Was the response incomplete?

2. In the pre-filed testimony of Carroll F. Cogan and Lawrence W. Smither, dated October 25, 2006 they both state that a new Ebara 5 horsepower Grinder pump had been ordered at a cost of \$2,238.65 plus freight and tax and that an installation cost of \$400.00 would be incurred when and if the old Number 1 or Number 2 pump failed. What happen to this new pump? Why Is FDC going to buy two new ones if they indeed have a new pump sitting around? If a pump last for over ten years why waste monies having a new pump going bad in a box? Or was their testimony wrong?

3. On October 4, 2006 the Commission requested that for each item listed on 2006-00028 , that was proposed to be repaired or replaced, FDC was to provide bids or estimates from 3 nonaffiliated sources to support each of Farmdale's cost estimates. FDC submitted the original request from Smither Consulting, parts and installing and other two were for parts only. Where is the third quote and why are they not for the same work? In reviewing the two additional quotes, it appears that Covered Bridges Utilities faxed a copy of their original quote to each for a quick comparison quote. In order to get a fair and honest bids you must provide specifications of what the project consist of and submit to qualified bidders. You don't give them someone else's quote

and ask them to use it. This practice is unacceptable! How are consumers, or FDC for that matter get a fair deal when the bidder knows what his/her competition is bidding? This dog don't hunt.

4. Mr. Cogan stated more than once in his testimony before the Commission on October 26, 2006 that one option FDC had was, to take the requested rate increase and hold till they had enough to pay cash for the lift station. If that is indeed an option then what is the rush? Is this practice acceptable with the Commission or is this maybe another mistake?

5. There is pre-filed testimony from Mr. Cogan, as well as written reference from Mr. Moore that FDC has operated the Farmdale WWTP in accordance with all governing regulations and laws. Well if that is true, how come there are so many complaints, failed inspections, fines in their file at Environmental Protection? In each document there is reference to either poor or no maintenance. Each complaint, when settled, FDC agreed to start maintaining the WWTP properly. In addition, the Fines that have been assessed/negotiated since Mr. Cogan purchased FDC from Mr. Weaver would make a sizeable payment a new lift station. This dog don't hunt either!

6. The two quotes that were submitted by FDC and obtained by Covered Bridge, were for less than the parts total on the Covered Bridge quote of October 2005 and they are dated in November 2006. It's easy to see that the materials haven't increased the additional 10% that is demanded. It is surprising what fair honest competition can do for the cost of a project. Again maybe their testimony was wrong?

7. Why is FDC comparing this case to others? Isn't each case to stand on its own merit? Is FDC requesting the same judgment on this case as other without asking any particular information on this one? Why they keep referring to other cases instead of facts related to this one? This sounds like a little kid saying "Well I got it last time or so and so got one". This dog don't hunt either.

8. Why are there two requests in the system for the same thing? 2006-00028 and 2006-00209. The lift station is the only item on 2006-00209 and is one of several items listed on 2006-00028. If 2006-00209 is approved, then is the lift station part of 2006-0028 approved automatically? Does 2006-00209 have to go through the same requirements as 2006-0028? Is it acceptable for a company to submit multiple requests for the same thing and hope they get one through? We as consumers, do not follow every case at the Commission

except when it pertains to us. We never dreamed there would be two request in the system at the same time for the same thing. This can't be efficient on anyone's part. We could understand if part was removed and left to stand alone. We are requesting that 2006-00209 be combined with 2006-00028 and meet all PSC Staff requirements.

9. Why is Covered Bridge Utilities obtaining quotes when they are requested by the Commission from Farmdale Development? In the case of the lift station, another company owned by Mr. Smither, was the original bidder?

Mr. Cogan has sworn that he is the sole owned of the Farmdale Development Corporation. Who really owns the WWTP and who is in charge of FDC? Is this another mistake?

10. The FDC has delayed 2006-00028 and 2006-00209 by not submitting documentation when requested by the Commission and then complains that the Commission takes too long. I don't understand. Why blame others for problems that you caused?

11. What is the exact age of this facility? In some of Farmdale's paperwork they say that it was constructed in the 60's in others they say 1973. This needs to be clarified.

Again we apologize for missing the meeting and we hope and pray that our questions will be taken into consideration as well as answered. We appreciate the effort you and your staff have given this request .

Sincerely,

Kenny Glass
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