



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Larry R. Bond
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
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Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
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Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

March 4, 2008

Honorable Robert C. Moore
Attorney At Law
Hazelrigg & Cox, LLP
415 West Main Street
P.O. Box 676
Frankfort, KY 40602

RE: Case No. 2008-00040

Please see enclosed data request from Commission Staff in the above case.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/rs
Enclosure



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Ronald J. Osborne
Secretary
R. A. Williams Development Co., Inc. d/b/a Cedarbrook Treatment Plant
Suite 1A
153 Prosperous Place
Lexington, KY 40509

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Lawrence Smither
Member
Cedarbrook Utilities, LLC
1706 Bardstown Road
Louisville, KY 40205



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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF R.A. WILLIAMS)
CONSTRUCTION COMPANY, INC. AND)
CEDARBROOK UTILITIES, LLC FOR APPROVAL) CASE NO.
OF THE TRANSFER OF WASTEWATER) 2008-00040
TREATMENT PLANT TO CEDARBROOK,)
UTILITIES, LLC)

COMMISSION STAFF'S FIRST DATA REQUEST TO PETITIONERS

R. A. Williams Construction Company ("R. A. Williams") and Cedarbrook Utilities, LLC ("Cedarbrook") (jointly "Petitioners"), pursuant to 807 KAR 5:001, are to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 14, 2008. 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 governmental agency, be accompanied by a signed certification of the preparer or 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.

Petitioners shall make timely amendments to any prior responses if either 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 requests to which Petitioners fail or refuse to furnish all or part of the requested information, Petitioners shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention should 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. According to the Petitioners, the treatment facility is permitted by the Kentucky Environmental and Public Protection Cabinet; however, the discharge permit attached to the application as Exhibit E expired on January 31, 2008. Provide the current discharge permit or explain why R. A. Williams has allowed its discharge permit to lapse.

2. Identify all affiliated companies that will be providing services for Cedarbrook. This response should include the affiliate company's relationship to Cedarbrook, a description of the service that will be performed, and a list of the fees that will be charged to Cedarbrook. Describe the bidding process that Cedarbrook will use to ensure that the fees charged by the affiliated companies are competitive.

3. KRS 278.020(6) provides that the Commission must find that the proposed transaction "[i]s to be made in accordance with law, for a proper purpose and

is consistent with the public interest.” Besides the technical abilities of Cedarbrook’s owners, Marty Cogan and Larry Smither, and the Irrevocable Standby Letter of Credit that will be obtained,¹ explain how the proposed transaction benefits the public.

4. On page 4 of the application, Petitioners state that, “[s]ince July of 2005, Mr. Smither, as a member of Covered Bridge Utilities, LLC, has operated the subject wastewater treatment plant for R. A. Williams Construction Company, Inc.” For the period of January 1, 2005 through February 29, 2008, provide any correspondence, reports, or Notice of Violations that either Petitioner has received from the Division of Water regarding the wastewater facilities owned by R. A. Williams.

5. On pages 3 and 4 of the application, Petitioners state that they own and operate Airview Estates and Brocklyn Subdivision. Provide the same information for these utilities as requested in Item 4.

6. Provide the proposed journal entry that R. A. Williams will use to record the transfer.

7. Provide the proposed journal entry that Cedarbrook will use to record the transfer.

8. On page 3 of the application, Petitioners state that Cedarbrook has the requisite financial ability to operate the subject wastewater treatment and collection facilities. State the basis upon which this statement is based and provide all documents that address Cedarbrook’s financial ability to operate a sewage treatment plant.

9. Provide a copy of R. A. Williams’ balance sheet, income statement, and statement of retained earnings for the 12-month period ending December 31, 2007.

¹ Application at 4.

10. On page 8 of the Acquisition Agreement, R. A. Williams agrees to pay \$22,000 to Cedarbrook. State the purpose of this payment. Describe how Cedarbrook will use the proceeds of this payment.

11. On page 4 of its "Alternative Rate Filing" application,² R. A. Williams states: "During the calendar year 2004, Cedarbrook contracted with Shield Environmental to perform an I&I analysis of the system. The analysis revealed that Cedarbrook's system requires a majority of its collection system to be replaced."

a. Provide a copy of the results of Shield Environmental's I&I analysis ("Shield's Analysis").

b. Describe in detail the construction that will be required to correct the problems identified in the Shield's Analysis.

c. Provide all cost estimates R. A. Williams has received to date regarding the collection system repairs.

d. Provide an estimated time line for the construction and Cedarbrook's proposed plan to fund the construction.

12. The Commission's master list of sewer utilities reflects that R. A. Williams Development Co., Inc., d/b/a Cedarbrook Treatment Plant is the name of the entity operating the facility. We note, however, that in Exhibit B of the application a certificate from the Kentucky Secretary of State indicates a name change filed on January 16, 1991 to change the corporate name to R. A. Williams Construction

² Case No. 2008-00042, Application for an Adjustment in Rates for Cedarbrook Treatment Plant.

Company, Inc. Did R. A. Williams Construction Company, Inc. notify the Commission of any transfer or change of name that may have occurred? If so, provide a copy of those documents.

13. Section I.1 of the Acquisition Agreement indicates that title is to be conveyed by quitclaim deed.

a. State whether R. A. Williams has record title to the site.

b. If R.A. Williams does not have record title to the site, state how long R. A. Williams has been in possession of the site upon which the plant is located.

c. List and describe each claim that R.A. Williams has knowledge of that is adverse to its claim to the site.



Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Dated: March 4, 2008

cc: Parties of Record