

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF RIDGELEA)	
INVESTMENTS INCORPORATED)	CASE NO. 2000-330
FOR SALE OF CORPORATE STOCK)	

SECOND DATA REQUEST OF COMMISSION STAFF
TO RIDGELEA INVESTMENTS INCORPORATED

Ridgelea Investments Incorporated (“Ridgelea”), pursuant to 807 KAR 5:001, is to file with the Commission the original and 5 copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of this request. 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. Where information herein has been previously provided, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the response to the First Data Request of Commission Staff to Ridgelea dated September 21, 2000 (“First Staff Request”), Item 1. Provide the Commission with the complete terms of the stock acquisition agreement.

2. In the response to the First Staff Request, Item 7, Ridgelea stated that Charles Hungler (“Hungler”) paid \$25,000 in cash and borrowed \$100,000 to purchase the stock of Ridgelea. Is Hungler aware that the Commission has on previous occasions determined that the liability for repayment of a stock acquisition is not necessarily the liability of the utility or the ratepayers? Explain your response.

3. Is Hungler aware that if the Commission approves the transfer in this case, its decision will have no rate-making implications? Explain your response.

4. Ridgelea carries a customer deposit liability balance on its 1999 annual report of \$16,488. KRS 278.460 requires that Ridgelea pay interest at 6 percent annually on amounts required to be deposited by patrons to secure utility service. Commission Regulation 807 KAR 5:006, Section 7(6) requires that interest accrued shall be refunded to the customer or credited to the customer's bill on an annual basis, unless the customer's bill is delinquent on the anniversary of the deposit date.

a. Is Ridgelea in compliance with this statute and regulation?

b. If yes, provide the amount of interest credited or refunded to customers in 1999 and 2000.

c. If not, provide a list of individual customers for whom the utility is holding a deposit. Include the customer name, amount of the deposit, and the date the deposit was paid. Using the list provided, calculate interest accrued on customer deposits through December 31, 2000 using the compound interest method.

5. If Ridgelea has not paid or credited interest on customer deposits, is Hungler assuming responsibility for paying or crediting customers the amounts indicated in Item 4(c) above?



Thomas M. Dorman
Executive Director
Public Service Commission
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DATED January 19, 2001

cc: All Parties