

Commonwealth of Kentucky
Before the Public Service Commission

RECEIVED

JAN 08 2007

PUBLIC SERVICE
COMMISSION

In the Matter of:

Application of Farmdale Development }
Corporation for an Adjustment of Rates } Case No. 2006-00028
Pursuant to the Alternate Rate Filing }
Procurers for Small Utilities }

COMMENTS , QUESTIONS, AND REQUEST from Kenny and
Marilynn Glass relating to the Farmdale Development Corporation
Answers to the Commissions Information Request.

On October 4, 2006 the Commission requested that the Farmdale
Development Corporation provide bids or estimates from 3 **non-affiliated
sources** to support each item of Farmdale's cost estimate of \$225,215. It is
our contention that request still has not been fulfilled. Documentation
submitted is not from qualified bidders. A manufacturer who can not
"Furnish and Install" is not a qualified bidder. Farmdale consistently uses
previous quote documents from the affiliated companies of Mr. Smither
instead of submitting a clear complete set of specifications. Bids that are
submitted are rarely signed or dated by an authorized person and none are
date stamped as to when they were received.

Item A, System Repairs:

- No written specifications.
- No three non-affiliated bids
- Murphy's Excavating quote - no indication as to how many

linear feet there were in this project. Murphy's did state and included several instances of pipe miss-alignment and some manholes missing.

- Martin's Bid - apparently for 13,200 linear feet. Copy provided to us is unclear.. There's no reference to, nor quotes for fixing miss-aligned piping or replacement of manholes.

- Pipe Eyes' quote - approximately 6,000 linear feet .There's no reference to, nor quotes for fixing the miss-aligned piping or replacement of manholes.

It is unclear as to why neither Pipe Eyes or Martin could or would not use the film from Murphy's unless they considered the film proprietary and felt it would be inappropriate for them to use.

From reviewing the bids, it is apparent that the three bidders are not in the same type of business. Murphy's appears to be more along the construction line, a dig-um-up-fix-um where the other two are more along an internal fix and treat-type. The decision as to which process is appropriate should have been made prior to obtaining bids.

- Why is Larry Smither increasing bids from Martin and Pipe Eyes by 10% and adding a Supervision fee of 2.5%? According to testimony, Mr. Cogan is the sole owner of the Farmdale Development Corporation.

Note: There was a management fee quote in the original request.

Where are the three quotes?

Item B, Lagoon pump and clean:

- No written specifications.
- No three non-affiliated bids.

How can anyone believe that there is only one company that can perform this type job. When contacting the Franklin County Health Department, we were told there where several contractors in this area who could remove and dispose of sludge.

Is there documentation from the Frankfort Sewer Plant stating that they will only accept sludge from H & A?

Is there documentation from the Franklin County Health Department that H & A is the only vendor who is licensed for this type of work in Franklin County?

- In the quote that was submitted on behalf of H & A, there is a clause :

No. 9, H & A will not be responsible for damage to any roads within the Farmdale Subdivision. These are public streets that are part of the county road system. This was *NOT* in the bid that was submitted to the Commission in January.

Item C, Replace Remote Lift Station:

- No written specifications.
- No three non-affiliated bids
- There is no documentation on the lift station at all for 2006-00028, has it been removed from consideration?

Item D, Replace Chlorine Tank:

- No written specifications.
- No three non-affiliated bids
- There are two no-affiliated bids, but a difference of \$9,540.00 on a \$20,000.00 job appears excessive.
- Two quotes from manufacturer who aren't providing installation.

Item E, Standby Blower Motor Assembly:

- No written specifications.
- No three non-affiliated bids.
- Quotes again from manufacturer who aren't providing installation.

Item F, Replace Diffuser Drop Pipes:

- Again, No three non-affiliated bids.
- Again, No written specifications.
- 5.5 hours labor to replace diffuser drop pipes that included removing sticks, leaves and a TURTLE!!

Item G, Small Plant Maintenance:

- Again, No Bids?
- Again, No written specifications.
- Where is documentation as to the “no bid”?

Plain and simple this is regular maintenance.

Item H, Lift station Grating:

- Again, No Bids?
- Again, No written specifications.
- Where is documentation as to “no bid”?

Again, Normal maintenance. How can trimming of weeds be considered as part of the cutting and welding of metal on a rusted-out grating on a lift station?

Item I, Temporary Repairs:

- Again, Normal maintenance.

- Again, No Bids?
- Where is documentation as to “no bids”?

Not one item contained the necessary component in obtaining quotes:

A complete set of specifications. It is plain to see that most of the quotes that were obtained were from manufacturers or suppliers who are not in the business of providing a “furnish and install” job. In addition, they were provided a copy of a competitors quote to bid on. In the case of two of the bidders it is apparent that they would not do business this way.

We request:

- 1. That the Quotes submitted to the Commission in response to request dated October 4, 2006 be considered as non responsive.**
- 2. That the Commission deny the Farmdale Development Corporation’s request for rate surcharge or increase No’s 2006-0028 and 00209 for lack of, or for the inability to Provide justification.**

We certify that we have submitted the original and 10 copies to the Commission and that a true and correct copy were sent via first class mail on January 8, 2006 to:

David Edward Spenard
Assistant Attorney General
1024 Capital Center Drive
Frankfort, KY 40601

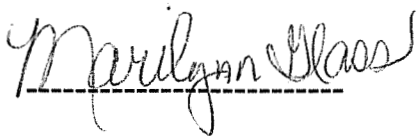
Robert C. Moore, Attorney
Farmdale Development Corporation
P O box 676
Frankfort, KY 40601

Mary Pennington,
210 Cherry Lane,
Frankfort, KY 40601

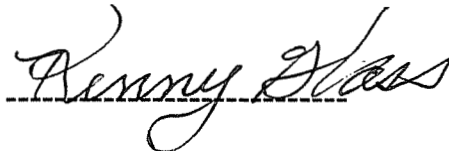
Beverly J Hunt
304 Peachtree Road
Frankfort, KY 40601

Marilynn Glass &

Kenny Glass



Marilynn Glass



Kenny Glass

223 Briarwood Drive
Frankfort, Ky. 40601