

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

**RECEIVED**

JUN 23 2006

PUBLIC SERVICE  
COMMISSION

In the Matter of:

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

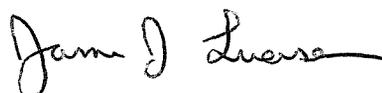
Case No. 2006-00166

**PRO MAN PROPERTY MANAGEMENT, LLC RESPONSE TO FIRST DATA  
REQUEST OF COMMISSION STAFF**

Enclosed please find the response of Pro Man Property Management, LLC to the first data request of the commission staff dated June 1<sup>st</sup>, 2006. The response is set forth as Items 1 through 8 in response to paragraphs 1 through 8 of the commission staff's first data request.

Dated this 22<sup>nd</sup> day of June, 2006.

Respectfully submitted,



James J. Luersen,  
Attorney for Pro Man Property  
Management, LLC and Schlueter Building  
Co., Inc.  
515 Monmouth Street, Suite 202  
Newport, Kentucky 41071

Cc: All parties of record

Public Interest

The undersigned Pro Man Property Management, LLC of Campbell County, Kentucky, pursuant to KRS 278.020(6) hereby states that the proposed transaction from Schlueter Building Co. to the undersigned is lawful, for a proper purpose and is consistent with the public interest for the following reason:

Schlueter Building Co. is a single person entity consisting of Jack Schlueter. Mr. Schlueter is in the process of retiring and no longer wants to have the responsibility of running the sewer treatment plant. The undersigned is a young dynamic company with an ownership interest in much of the housing and real estate serviced by the treatment plant. The undersigned also owns the real estate upon which the treatment plant is situated. It is in the best interest of the undersigned to maintain the treatment plant in good order. The interest of the undersigned is consistent with the interest of the public. It is the logical party to operate the treatment plant

Pro Man Property Management, LLC.

By Brett Cade

ADOPTION NOTICE

The undersigned Pro Man Property Management, LLC of Campbell County, Kentucky, hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing Sanitary sewer services at Sewer Treatment Plant System No. 1 of the South Hills Subdivision Sewer Treatment System in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by Schlueter Building Co., Inc. of Campbell County Kentucky and in effect on the 4 day of Feb., 20 1995, the date on which the public service business of the said Schlueter Building Co., Inc. was taken over by it.

This notice is issued on the 21<sup>st</sup> day of June, 20 06, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

Pro Man Property Management, LLC.

By Brett Cade

Authorized by Ky.P.S.C. Order No. \_\_\_\_\_



# ***THE BANK OF KENTUCKY***

**No one knows you better.**

**Irrevocable Standby Letter of Credit  
Number 458  
Date: June 22, 2006**

**Beneficiary:**

The Public Service Commission of Kentucky  
211 Sower Blvd., POB 614  
Frankfort, Kentucky 40620-0615  
Attn: Ms. Beth O'Donnell, Executive Director

**Applicant:**

Pro Man Property Management, LLC  
POB 613  
Alexandria, Kentucky 41001

**Advising Bank:**

**Expiration Date:**

June 22, 2007

**Amount:** Ten Thousand and 00/100 Dollars  
(USD \$10,000.00)

The Public Service Commission of Kentucky  
211 Sower Blvd., POB 614  
Frankfort, Kentucky 40620-0615  
Attn: Ms. Beth O'Donnell, Executive Director

To whom it may concern:

By request and instruction of our customer, Pro Man Property Management, LLC, POB 613, Alexandria, Kentucky 41001, we hereby establish our Irrevocable Stand-By Letter of Credit No. 458 in your favor for the amount of Ten Thousand and 00/100 Dollars (USD \$10,000.00) available by your draft drawn at sight on us accompanied by the Original Letter of Credit and the following documents:

A sworn statement signed by an authorized signer certifying that if Pro Man Property Management, LLC does not operate the plant in Case #2006-00166, and funds are used by the State PSC or someone acting on its behalf to operate the wastewater treatment facility at South Hill Subdivision sewer plant, Campbell County, Kentucky.



Page 2  
Letter of Credit No. 458  
Dated June 22, 2006

Partial draws are permitted, the total partial draws cannot exceed the face amount of the Letter of Credit.

It is a condition of the Letter of Credit that it shall be deemed automatically extended without amendment for a one year period from the present or any future expiration date hereof, unless at least 30 (thirty) days prior to any such expiration date, we shall send you by certified or courier letter notice that we have elected not to renew this Letter of Credit for any such additional period.

Drafts must be negotiated not later than June 22, 2007 or any extended expiration date that may be in effect at the counters of The Bank of Kentucky, Inc., 111 Lookout Farm Drive, Crestview Hills, Kentucky, 41017. All drafts drawn under this Letter of Credit shall state they are "drawn under Letter of Credit No. 458 dated June 22, 2006."

This Letter of Credit cannot be assigned or transferred without the expressed written consent of The Bank of Kentucky, Inc. which consent shall not be unreasonably withheld, conditioned or delayed.

All banking charges and commissions, including reimbursement charges are for the account of the Applicant.

All documents must bear our Letter of Credit Number 458.

This Letter of Credit expires on June 22, 2007.

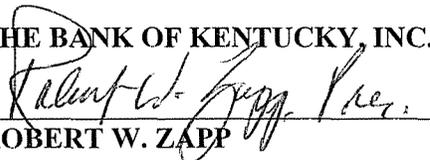
Except as stated herein, this undertaking is not subject to any conditions or qualifications except as stated above. The obligation of the bank under this Letter of Credit shall be the individual obligation of ourselves, and in no way is contingent upon the reimbursement with respect thereto.

All documents presented to us in connection with any demand for payment hereunder, as well as all notices and other communications to us in respect of the Letter of Credit, will be in writing and addressed to The Bank of Kentucky, Inc., 111 Lookout Farm Drive, Crestview Hills, Kentucky 41017, Attention: Robert W. Zapp, President, and should make reference to this Letter of Credit by Number 458.

This Letter of Credit sets forth in full our undertaking, and such undertaking will not in any way be modified, amended or amplified except by an amendment in writing.

Except as otherwise stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 revision), International Chamber of Commerce, Publication No. 500 ("Uniform Customs"). To the extent that such laws are in conflict with the Uniform Customs, the Letter of Credit will be governed by the laws of The Commonwealth of Kentucky, including without limitation the Uniform Commercial Code as is in effect in such Commonwealth.

**THE BANK OF KENTUCKY, INC.**

  
\_\_\_\_\_  
**ROBERT W. ZAPP**  
President

**THE BANK OF KENTUCKY, INC.**

  
\_\_\_\_\_  
**DONALD G. BENZINGER**  
Senior Vice President



Sewer Treatment Plant Fund Accounting

The undersigned Pro Man Property Management, LLC of Campbell County, Kentucky, pursuant to KRS 278.020 hereby states that the funds of the sewage treatment plant will be accounted for separately from all other business of Pro Man Property Management, LLC.

Pro Man Property Management, LLC.

By Brett Cade

Sewer Treatment Plant Transfer Journal Entry

The undersigned Pro Man Property Management, LLC of Campbell County, Kentucky, hereby states that the journal entries for the proposed sewer treatment plant transfer will be as follows:

Debit	Sewer Plant	\$12,000.00
Credit	payable Schlueter Building Co.	\$12,000.00

Pro Man Property Management, LLC.

By Brett Cade

Schlueter Building Co. Debt

The undersigned Pro Man Property Management, LLC of Campbell County, Kentucky, and Schlueter Building Co. hereby states that the \$27, 816.00 long term debt as filed with the Schlueter Building Co.'s 2004 annual report will not be assumed by Pro Man Property Management, LLC. The purchase price of \$12,000.00 will be free and clear of any debt of Schlueter Building Co.

Pro Man Property Management, LLC.

By Brett Cade

Schlueter Building Co., a Kentucky Corp.

By Justin Schlueter

**SEWER TREATMENT PLANT PURCHASE AGREEMENT**

The undersigned, **PROMAN PROPERTY MANAGEMENT, LLC**, a Kentucky Limited Liability Company ("ProMan") agrees to purchase the Sewer Treatment Plant System No. 1 of the South Hills Subdivision Sewer Treatment System located on Davjo Drive, Campbell County, Kentucky from the **SCHLUETER BUILDING CO, INC.**, a Kentucky corporation ("Schlueter") in consideration of the following:

1. The purchase price shall be \$12,000.00.

2. The purchase price will be paid at a rate of 5% per anum amortized over 15 years in monthly payments of \$94.90 beginning 5 years after the transfer and continuing for an additional period of 5 years. 10 years from the date of transfer, the entire balance will be due and owing. "Pro Man" shall have the privilege of paying all or part of the purchase price before the due date with no penalty.

PROMAN PORPERTY MANAGEMENT, LLC      SCHLUETER BUILDING CO, INC.

BY Brett Cade      4/15/06  
AUTHORIZED MEMBER      Date

BY Jeffrey H. Hines, Jr.      4/15/06  
ITS PRESIDENT      Date

Purchase Price

The undersigned Pro Man Property Management, LLC of Campbell County, Kentucky, and Schlueter Building Co. hereby states that the purchase price of Sewer Treatment Plant System No. 1 of the South Hills Subdivision Sewer Treatment System of Campbell County, Kentucky is 12,000.00.

Pro Man Property Management, LLC.

By Brett Cade

Schlueter Building Co., a Kentucky Corp.

By Jack H. H. H.