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July 8, 2009

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JUL 08 2009

PUBLIC SERVICE
COMMISSION

Via Hand-Delivery

Mr. Jeff R. Derouen

Executive Director

Public Service Commission

211 Sower Boulevard

P. O. Box 615

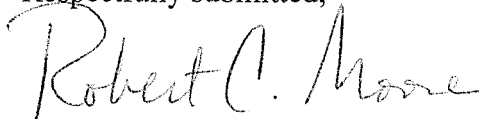
Frankfort, Kentucky 40602-0615

Re: Application Farmdale Development Corporation for Tariff Revision and
to increase certain nonrecurring charges
Case No. 2009-00185

Dear Mr. Derouen:

Please find enclosed the original and 10 copies of Farmdale Development Corporation's Answers to the Commission Staff's Data Request to be filed with the Public Service Commission. Please call me if you have any questions concerning this matter, and thank you for your attention to same.

Respectfully submitted,



Robert C. Moore

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JUL 08 2009

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FARMDALE DEVELOPMENT)	
CORPORATION FOR TARIFF REVISIONS AND)	CASE NO. 2009-00185
TO INCREASE CERTAIN NONRECURRING)	
CHARGES)	

**ANSWERS TO THE COMMISSION STAFF'S
DATA REQUEST TO FARMDALE DEVELOPMENT CORPORATION**

1. In Farmdale Development's filing of proposed tariff sheet No. 5 under "Billing, Collection, Penalties," Farmdale Development indicates that its billing and collections are to be made by Farmdale Water District ("Farmdale Water") subject to the payment rules of Farmdale Water. In Case No. 2006-00028 and Case No. 2007-00436, the Commission expressed concern to Farmdale Development about its billing and collection arrangement with Farmdale Water. In regard to this issue, answer the following:

a. Does Farmdale Development have a written agreement/contract with Farmdale Water for billing and collection services? If so, attach a copy of that agreement/contract.

Answer: Farmdale Development Corporation does not have a written agreement with the Farmdale Water District concerning the billing and collection services provided to it by the Farmdale Water District.

b. If there is no written agreement or contract, what rules or regulations of the Farmdale District tariff apply to billing and collection for Farmdale

Development?

Answer: The Farmdale Water District bills the customers of the Farmdale Development Corporation for the sewer service that it provides, receives the payment made for sewer service and forwards said payment to Farmdale Development Corporation, less its fee. The fee is not charged on surcharge payments. The tariff of the Farmdale Development Corporation governs the charges made to its customers. The Farmdale Development Corporation tariff paragraph 3 on page 9 provides for the payment of bills, including the requirement that the bill is to be paid "within 10 days of the date of the bill."

c. Explain the need for a return check fee of \$10.00 in the Farmdale Development tariff if Farmdale Water does the billing and collection and Farmdale Water has a return check fee of \$10.00 in its tariff.

Answer: The Farmdale Development Corporation will only charge a ten dollar (\$10) bad check fee when Farmdale Development Corporation receives a check that is not cashed by the endorser's bank.

2. In Farmdale Development's filing of proposed tariff sheet No. 5 under "Discontinuance of Service by Utility," Farmdale Development provides for a 48-hour notice to a customer for discontinuance due to nonpayment of a bill. 807 KAR 5:006, Section 14(l)(f)(2) requires five days' written notice by a sewer utility of intent to terminate.

a. Has Farmdale Development obtained any deviation from the Commission from this rule?

Answer: Farmdale Development Corporation has not obtained authorization

to deviate from the requirements of 807 KAR 5:006, Section 14 (1)(f)(2).

b. Does Farmdale Development wish to amend its proposed tariff language to comply with the regulation requiring five days' notice?

Answer: Farmdale Development Corporation will amend its proposed tariff to comply with the requirements of 807 KAR 5:006, Section 14 (1)(f)(2).

3. In Farmdale Development's filing of proposed tariff sheet No. 6, numbered paragraph 4, and in its charge cost justification, there is a provision called "Administrative and Transportation Fee Where Lawsuit Filed". As to the cost justification of the proposed fee as required by 807 KAR 5:011, Section 6(2)(c), answer the following:

a. Describe all equipment that is being furnished to the customer by Farmdale Development.

Answer: In filing a lawsuit seeking to recover overdue payments from its delinquent customers, Farmdale Development Corporation is not providing any equipment to its customers.

b. Describe all services that are being furnished to the customer by Farmdale Development.

Answer: In filing a lawsuit seeking to recover overdue payments from its delinquent customers, Farmdale Development Corporation is not providing any service to its customers.

c. Did Farmdale Development compile a cost-of-service study justifying the proposed charges? If so, attach a copy to your answer.

Answer: Because Farmdale Development Corporation is not providing any

equipment or services to its delinquent customers when filing a lawsuit seeking to recover overdue payments from same, it did not prepare a cost of service study. However, Farmdale Development Corporation provided a specific cost justification in Attachment A to its application.

4. In Farmdale Development's filing of proposed tariff sheet No. 6, numbered paragraph 5 listed as "Termination of service charge and reconnection of service charge" and its charge cost justification calculation, it appears that Farmdale Development proposes to physically disconnect any sewer customer who has not paid his sewer bill. In Administrative Case No. 347 the Commission addressed the issue of disconnection for nonpayment of a sewer bill. The Commission found that plugging a sewer line is costly and imposes a disproportionate hardship on the customer, rendering his residence uninhabitable as a result. In Case No. 2007-00436, the Commission questioned the lawfulness of the arrangement between Farmdale Development and Farmdale Water for disconnection of water service for nonpayment of the sewer bill. However, the Commission determined that the water district could apply for a deviation for such an arrangement.

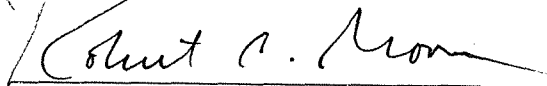
a. Has Farmdale Development contacted Farmdale Water about obtaining a deviation from 807 KAR 5:006, Section 14?

Answer: Farmdale Development Corporation has previously discussed with Farmdale Water District the possibility of disconnecting water service due to nonpayment of a sewer bill, which would require a deviation from 807 KAR 5:006, Section 14. The Farmdale Water District has declined to agree to disconnect water service due to nonpayment of a sewer bill.

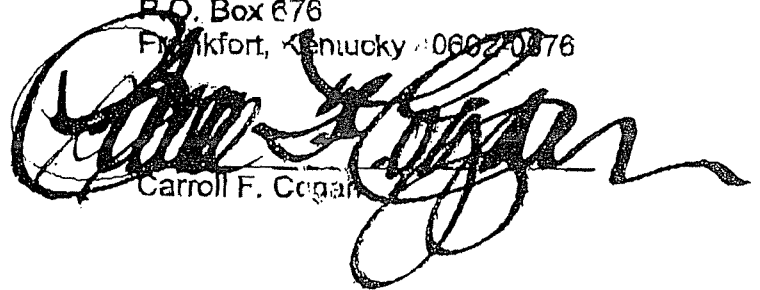
b. Has there been any correspondence or other communication between Farmdale Development and Farmdale Water concerning a request for deviation to enable Farmdale Water to terminate water service as a method of sewer bill collection? If so, attach copies of all correspondence or notes of communications.

Answer: Farmdale Development Corporation has previously discussed with Farmdale Water District the possibility of disconnecting water service due to nonpayment of a sewer bill, which would require a deviation from 807 KAR 5:006, Section 14. The Farmdale Water District has declined to agree to disconnect water service due to nonpayment of a sewer bill.

Respectfully Submitted,



Robert C. Moore
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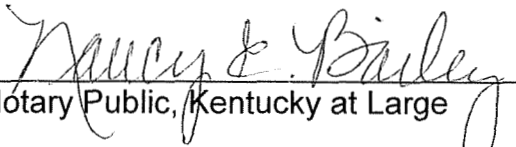
Carroll F. Copan

STATE OF KENTUCKY

COUNTY OF FRANKLIN

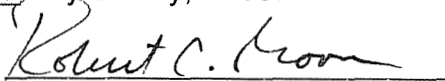
Subscribed and sworn to before me by Carroll F. Cogan, this 8th day of July,
2009.

My commission expires: 3-11-10


Notary Public, Kentucky at Large

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602, and Gregory Stumbo, Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204, by placing same in the U.S. Mail, postage pre-paid, this the 8th day of July, 2009.


Robert C. Moore