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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BROCKLYN UTILITIES, LLC)	
FOR TARIFF REVISIONS AND TO INCREASE)	CASE NO. 2010-00063
CERTAIN NONRECURRING CHARGES)	

**AMENDED ANSWERS OF BROCKLYN UTILITIES, LLC
TO DATA REQUESTS OF COMMISSION STAFF**

Comes Brocklyn Utilities, LLC (“Brocklyn”), by counsel, and for its Amended

Response to the Commission Staff’s Data Request states as follows:

Data Request No. 1: Refer to Exhibit A. On the cost justification form for the bad check fee, clerical and office labor is listed as 1/2 hour at \$10 per hour; however, the amount is listed as \$10.

a. Should the amount for labor be changed to \$5, thus changing the proposed bad check fee to \$15?

Answer: The \$10.00 charge is correct. The cost for labor is \$15.00 an hour and the amount of time involved is estimated to be two-thirds of an hour taking into consideration the following steps in dealing with a bad check: reviewing the bad check charge, accounting for the bad check charge, communicating with the bank, determining the account associated with the bad check charge, preparing and re-sending the invoice to the delinquent account, answering the customer’s questions concerning the bad check and posting the payment to the proper account.

b. The bank pricing schedule provided in the application states a \$10-per-item charge for a domestic returned deposited item. However, the next page of the photocopied pricing schedule contains a line which states a charge of \$9 for a returned deposited item. Explain the difference.

Answer: The \$10.00 charge is the amount assessed by National City Bank (now PNC), Louisville, Kentucky. The \$9.00 charge is the amount assessed by Old National Bank, Louisville, Kentucky. The utility chose to use the smaller amount.

Data Request No. 2: Refer to Exhibit A. On the cost justification form for the reconnection and disconnection fees, clerical and office labor is listed at a rate of \$20 per hour. Explain why there is a difference between the rates for clerical and office labor on the cost justification forms for the bad check fee and the reconnection and disconnection fees.

Answer: The difference in the amount charged is because two people work on the disconnection and reconnection of delinquent accounts. The office administrator is paid the amount of \$15.00 an hour and one of the owners of the utility, earning in excess of \$20.00 an hour, will also be involved in the disconnection and reconnection of delinquent accounts. Therefore, the rate of \$20.00 an hour was used. However, to avoid any issues arising from the use of this combined rate of \$20.00, the final rate used is \$15.00 an hour.

Data Request No.3: In Brocklyn's notice to its customers, Attachment C, Tariff (2), the service charge for disconnection is listed as "not to exceed \$670.00," yet the proposed new tariff at number 4 specifies the amount of \$770.00. In Brocklyn's notice to its customers, Attachment C, Tariff (3), the service charge for reconnection is listed as "not to exceed \$670.00," yet the proposed new tariff at number 4 specifies the amount of \$770.00. Which is correct?

Answer: Brocklyn proposes to charge a disconnection fee which is the lesser of the cost incurred by the utility or the amount of \$765.00, and a reconnection fee which is the lesser of the cost incurred by the utility or the amount of \$765.00

Data Request No. 4: Explain in detail the steps required to reconnect a customer's

service connection as shown in the quote by Murphy's Excavating.

a. Has this type of reconnection been performed by the utility in the past?

(1) If yes, provide invoices for this work.

(2) If no, how has the utility handled nonpayment in the past?

Answer: With respect to the utility's administrative personnel, they will be required to respond to telephone calls from the customer, review correspondence from the customer, receive and deposit payment from the customer (includes delinquent amount, cost of disconnection and cost to reconnect), verify status of check, apply payment to delinquent account, contact contractor to schedule reconnection, notify customer of date of reconnection work, verify that reconnection is completed, add the customer back to billing list, ensure that correct date for billing is included in records and provide any necessary reports to utility and Commission.

The contractor will receive a call from utility staff advising that the customer has paid, contractor will then schedule reconnection, contact the customer to schedule reconnection date, mobilize equipment and personnel to job site, excavate and make reconnection, test of new connection, back fill line, return site to original condition and seed and straw.

a. The utility has not previously disconnected delinquent accounts. Accordingly, there has been no need to reconnect a customer's service.

(1) See above.

(2) The utility has notified the customer that he/she is delinquent and requested that payment be made. If the customer has still not paid the delinquent account, the utility has had an attorney forward a collection letter to the delinquent customer. A collection agency has also been retained to attempt to recover amounts owed from delinquent customers. The utility has not filed claims against the delinquent customers in small claims court or district court due to the cost of

filing small claims cases.

b. Provide at least two more quotes from separate contractors for reconnection, preferably located in the surrounding area of the treatment facility.

Answer: The utility is seeking to obtain the requested quotes and will submit them to the Commission upon receipt.

c. Explain in detail the work involved for clerical and office expense to reconnect a customer.

Answer: Respond to telephone calls from the customer, review correspondence from the customer, receive and deposit payment from the customer (includes delinquent amount, cost of disconnection and cost to reconnect), verify status of check, apply payment to delinquent account, contact contractor to schedule reconnection, notify the customer of date of reconnection work, verify that reconnection completed, add the customer back to billing list, ensure that correct date for billing is included in records and provide any necessary reports to utility and Commission.

d. Provide the name of the office person responsible for the clerical and office work.

Answer: Linda Wood.

e. Provide the hourly rate for this individual and include any benefits.

Answer: \$15.00 per hour. Paid vacation and payment of health care supplement.

Data Request No.5: Explain in detail the steps required to disconnect a customer's service connection as shown in the quote by Murphy's Excavating.

Answer: Contractor receives notice to disconnect, contractor will mobilize equipment and personnel to site, locate and excavate sewer line and property service connection, disconnect house line from property service connection, place cap over property service connection, and backfill excavation to grade.

a. Explain the physical elements the contractor would encounter that would justify the difference between actual cost and \$650.

Answer: Objection. The utility objects to this request on the basis that it is ambiguous and calls for speculation as to its meaning. The utility further objects on the basis that this request seeks information that is irrelevant to this proceeding and is unlikely to lead to the discovery of relevant evidence. Furthermore, the utility will only charge the lesser of \$665.00 or the amount charged it by the contractor, plus the \$15.00 clerical and office expense.

b. Has this type of disconnection been performed by the utility in the past?

(1) If yes, provide invoices.

(2) If no, how has the utility handled nonpayment in the past?

Answer: No.

(1) The utility has not previously disconnected customers.

(2) See Answer to Data Request 3(a)(2).

c. Provide at least two more quotes from separate contractors for disconnection, preferably located in the surrounding area of the treatment facility.

Answer: The utility is seeking to obtain the requested quotes and will submit them to the Commission upon receipt.

d. Explain in detail the work involved for clerical and office expense to disconnect a customer.

Answer: Review records to determine that customer is delinquent, determine amount owed, notice to customer of delinquent account, confirm that payment has not been made, conference to determine that customer is to be disconnected, contact contractor and request disconnection, schedule disconnection, provide notice of disconnection to customer, confirm that

disconnection completed, advise customer of reconnection procedure, review invoice from contractor, and payment made to contractor.

Data Request No. 6: The proposed charge for reconnection and disconnection of service is listed as an amount not to exceed \$670.

a. If the cost to reconnect or disconnect a customer is less than \$670, is it the intention of the utility to charge the lesser amount? If so, explain.

Answer: The utility will charge the customer the lesser amount as set forth in the answer to Data Request No. 4(a).

b. Would the utility be willing to revise the proposed policy to charge a fee for reconnection and disconnection of actual cost not to exceed \$670? If not, explain why this would not be more appropriate.

Answer: The proposed tariff provided for this method of payment. However, the utility has clarified the relevant language to indicate that it will charge the lesser of the cost incurred or \$665.00.

c. Explain the physical elements the contractor would encounter that would create the difference between actual cost and \$650.

Answer: Objection. The utility objects to this request on the basis that it calls for speculation and it is irrelevant as it will charge the lesser of the cost incurred or \$665.00. The utility cannot predict all of the conditions that could be encountered by a contractor, including but not limited to the following: difficulty in locating lines, difficulty due to the presence of rock, difficulty caused by weather, difficulty caused by the customer's placement of items over the line, and difference in depth of lines.

Data Request No. 7: Provide all tariff revisions proposed in the application in the proper

format in accordance with 807 KAR 5:011, with the appropriate officer's signature on each sheet.

Answer: See Attachment A.

Data Request No. 8: Refer to the section titled "Maintenance" in Exhibit B. The language in the proposed tariff places the responsibility for maintenance of the line on the party that installed the line. 807 KAR 5:071, Section 8, states, "The sewage utility shall install and maintain that portion of the service pipe from the main to the boundary line of the easement, public road, or street, under which such main may be located." Provide revised tariff sheets in accordance with 807 KAR 5:011 that comply with 807 KAR 5:071, Section 8.

Answer: Answer: The utility believes that the tariff complied with the requirements of the relevant regulation, as the Commission has previously accepted tariff revisions in this form on a number of occasions. However, the tariff was revised to reflect the language of 807 KAR 5:071, Section 8.

Data Request No. 9: Refer to the deposit sections in Exhibit B.

a. Provide tariff sheets in accordance with 807 KAR 5:011 with the language containing the criteria for determining whether a deposit will be required or waived.

Answer: The utility believes that the tariff complied with the requirements of the relevant regulation, as the Commission has previously accepted tariff provisions in this form on a number of occasions. However, the tariff was revised to include criteria to be used in determining whether a deposit will be required or waived.

b. What is the manner in which interest on deposits will be refunded or credited to customers' bills?

Answer: When the utility requires payment of a deposit, the interest will be refunded to the customer on the first anniversary of the deposit date and annually thereafter.

c. Does Brocklyn intend to charge a calculated deposit in accordance with 807 KAR 5:006, Section 7(1)(a), or an equal deposit in accordance with 807 KAR 5:006, Section 7(1)(b)? If Brocklyn intends to establish an equal deposit amount, provide the amount.

Answer: When the utility requires payment of a deposit, the amount of the deposit will be 2/12 of the annual bill. The amount paid each month is the same for all customers as required by the tariff. Therefore, it appears that this would qualify as a calculated deposit.

d. Explain why the proposed tariff contains two sections on deposits.

Answer: The two sections on deposits were inadvertently included. The tariff was revised to delete the second section concerning deposits.

e. Provide tariff sheets in accordance with 807 KAR 5:011 that comply with all of the requirements of 807 KAR 5:006, Section 7(7).

Answer: See Attachment A.

Data Request No. 10: Refer to the section on late payments in Exhibit B. The section states, “A fee of \$.75 per month shall be charged for any sewer payment that is more than 30 days old.”

a. Brocklyn Utilities does not intend to charge a fee of \$.75 per month for sewer payments more than 30 days old. As set forth in its proposed tariff, it proposes a late payment or delinquent charge of ten (10%) percent of the monthly bill when the bill is not paid within twenty (20) days from the original mailing date..

b. See answer to 10a.

Data Request No. 11: Refer to the section on discontinuance of service by utility in Exhibit B.

a. The proposed tariff indicates that a customer who provides a medical certificate to avoid

discontinuance will not be disconnected “until the affected resident can make other living arrangements or until not less than ten (10) days elapse from the date of the utility’s notification.” 807 KAR 5:006, Section 14(2)(c), requires that service“ not be terminated for thirty (30) days beyond the termination date. . .” if a medical certificate is presented. Provide revised tariff sheets in accordance with 807 KAR 5:011 that comply with 807 KAR 5:006, Section 14(2)(c).

Answer: The requested revision has been made. See Attachment A.

b. Has Brocklyn requested or received any deviation from the Commission for this rule?

Answer: No.

c. The last sentence in this section states, “when a dangerous condition is found to exist on the customer’s or applicant’s premises, the service shall be cut off without notice or refused.” 807 KAR 5:006, Section 14(1)(b), requires the utility to notify the customer immediately, in writing or orally, of the reasons for termination or refusal. Provide revised tariff sheets in accordance with 807 KAR 5:011 that comply with 807 KAR 5:006, Section 14(1)(b).

Answer: The utility believes that the tariff complied with the requirements of the relevant regulation as paragraph no. 1 of the Discontinuance of Service By Utility section stated that the utility adopted all applicable Commission regulations for all instances not covered by the regulations of the Company. Additionally, the Commission has previously accepted tariff provisions in this form on a number of occasions. Furthermore, the utility has revised the tariff to include the requested language. See Attachment A.

Data Request No. 12: Refer to Brocklyn’s tariff under “Collection Fee.” There is a provision for a \$15 fee for “Administration and transportation”.

a. What is that fee for? As to the cost justification of the propsoed fee as required by 807 KAR 5:011, section 6(2)(c) answer the following:

Answer: The \$15 dollar fee for administration and transportation was set forth in the original tariff filed by B.H., Inc. The proposed tariff submitted by Brocklyn Utilities does not contain this \$15 fee for administration and transportation.

(1) Describe all equipment that is being furnished to the customer by Brocklyn.

Answer: See answer to 12A..

(2) Describe all services that are being furnished to the customer by Brocklyn.

Answer: See answer to 12A.

b. Did Brocklyn or its predecessor prepare cost justification for the fee justifying the proposed charges? If so, provide a copy.

Answer: See answer to 12A. Brocklyn Utilities does not know whether B.H., Inc. prepared a cost justification for this fee.

Data Request No. 13: In Brocklyn’s filing of proposed tariff numbered paragraph 4 for “Termination of service charge and reconnection of service charge” and its charge cost justification calculation, Brocklyn 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 the 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 said the water district could apply for a deviation when there is an agreement to terminate water service for unpaid sewer bills.

a. Which water utility serves the Brocklyn Subdivision?

Answer: Richmond Utilities.

b. Does any utility bill for or collect payment for Brocklyn? If so, does Brocklyn have a

written agreement/contract with that utility for billing and collection services? If so, attach a copy of that agreement/contract.

Answer: No.

c. Has Brocklyn contacted the water utility serving Brocklyn Subdivision about obtaining a deviation from 807 KAR 5:006, Section 14, to terminate water service as a method of sewer bill collection? If so, was any agreement reached?

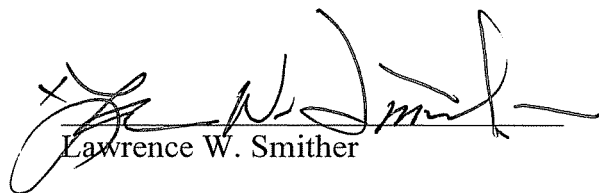
Answer: Richmond Utilities will not terminate water service due to failure to pay the sewer bills.

d. Has there been any correspondence or other communication between Brocklyn and the water utility concerning obtaining a deviation to enable the water utility to terminate water service as a method of sewer bill collection? If so, attach copies of all agreements, correspondence, or notes of communications.

Answer: No. However, Richmond Utilities has previously indicated that it will not terminate water service if the sewer service bill is not paid.

Data Request No. 14: Explain how the utility bills multi-unit complexes. If the utility bills each individual unit, how will the utility disconnect service if only one tenant doesn't pay?

Answer: The owners of the majority of the multi-unit buildings are billed by the utility. Where the individual tenants are billed by the utility, sewer service will not be disconnected due to a delinquent tenant.

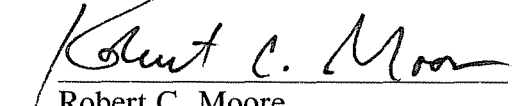

Lawrence W. Smither

STATE OF KENTUCKY)
)
COUNTY OF FRANKLIN)

Subscribed, sworn to before me this 24th day of June, 2010, by Lawrence W. Smither, a member of Brocklyn Utilities, LLC.

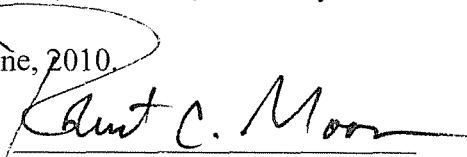
My commission expires: 2/26/14


NOTARY PUBLIC

Respectfully Submitted,

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P.O. Box 676
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served by facsimile and U.S. Mail, postage pre-paid 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 U.S. Mail, postage pre-paid, this the 24th day of June, 2010.


Robert C. Moore