

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|--------------------------------------|---|------------|
| ELECTRONIC NOTICE OF TRANSFER OF A |) | |
| WASTEWATER TREATMENT UTILITY FROM |) | |
| PRO MAN PROPERTY MANAGEMENT, LLC TO |) | CASE NO. |
| FOX RUN LIVING, LLC; APPLICATION FOR |) | 2019-00153 |
| APPROVAL OF SAID TRANSFER; AND OFFER |) | |
| TO SETTLE OUTSTANDING VIOLATIONS |) | |

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO FOX RUN LIVING, LLC

Fox Run Living, LLC (Fox Run Living), pursuant to 807 KAR 5:001, is to file with the Commission the original and an electronic version of the following information. The information requested herein is due on July 15, 2019. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Fox Run Living shall make timely amendment to any prior response if Fox Run Living obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Fox Run Living fails or refuses to furnish all or part of the requested information, Fox Run Living shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Fox Run Living shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. KRS 278.020(6) requires the Commission to find that the person acquiring a utility that is subject to its jurisdiction possess the financial, technical, and managerial abilities to provide reasonable service.

a. Describe Fox Run Living's technical ability and resources to manage and operate the wastewater treatment facilities acquired from Pro Man Property Management, LLC (Pro Man), including, but not limited to, its employment of or contractual arrangement for a qualified and certified operator for the system.

b. Describe Fox Run Living's financial ability and resources to manage and operate the wastewater treatment facilities acquired Pro Man, including, but not limited to, available funds, lines of credit, loans, grants, or other financial support.

c. Describe Fox Run Living's management ability and resources to manage and operate the wastewater treatment facilities acquired from Pro Man.

2. Provide financial statements, tax returns, or other evidence of the financial integrity of Fox Run Living.

3. KRS 278.020(7) states that, in order to approve the transfer, the Commission must find that the proposed transaction “is to be made in accordance with law, for a proper purpose and is consistent with the public interest.” Explain in detail how the transaction that transferred the Pro Man wastewater treatment facilities to Fox Run is in accordance with the law, for a proper purpose, and benefits the public.

4. Provide the journal entry that Fox Run Living used to record the acquisition of Pro Man.

5. Provide a copy of Fox Run Living's (Pro Man) balance sheet, income statement, and statement of retained earnings for the 12 months ending December 31, 2018.

6. Provide a copy of all workpapers and assumptions used to determine the acquisition price of Pro Man.

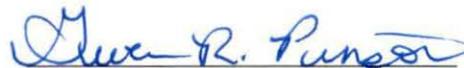
7. Will the acquisition price paid by Fox Run Living become an obligation of the customers of the wastewater treatment facilities? If the acquisition price is to be “pushed down” onto the customers of the wastewater treatment facilities, enumerate in

detail the benefits to be received by those customers that could not be provided by Pro Man.

8. In paragraph 7 of its application, Fox Run Living provides brief descriptions of the capital projects that it has constructed since its acquisition of the wastewater treatment facilities from Pro Man. Provide an itemized list of the capital projects that Fox Run Living is referencing including a reason for each project, the cost to construct each project, and the source of funding used for each project.

9. Provide a duly authorized irrevocable Letter of Credit in the sum of \$10,000 with a minimum term of ten years that is payable to the PSC for use if the Commission, or someone on its behalf, needs to operate the wastewater facility.

10. Explain whether the funds of the wastewater treatment system will be accounted for separately from Fox Run Living's other businesses.



Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
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DATED **JUL 02 2019**

cc: Parties of Record

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