

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF)
CLASSIC CONSTRUCTION, INC. AND)
COOLBROOK UTILITIES, LLC) CASE NO. 2008-00257
FOR APPROVAL OF THE TRANSFER OF)
WASTEWATER TREATMENT PLANT TO)
COOLBROOK UTILITIES, LLC)

COMMISSION STAFF'S FIRST DATA REQUEST TO
CLASSIC CONSTRUCTION, INC. AND
COOLBROOK UTILITIES, LLC

Classic Construction, Inc. ("Classic Construction") and Coolbrook Utilities, LLC ("Coolbrook") (collectively "Joint Applicants"), pursuant to 807 KAR 5:001, are to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before September 5, 2008. Responses to requests for information shall be appropriately bound, tabbed and indexed. 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 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.

Joint Applicants shall make timely amendment to any prior responses if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any requests to which Joint Applicants fail or refuse to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention should 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.

1. Under KRS 278.010(2), a "person" includes natural persons, partnerships, corporations, and two or more persons having a joint or common interest. Under KRS 278.010(18), an "affiliate" means a person that controls or that is controlled by, or is under common control with, a utility. Consistent with the above definitions:

a. Identify all affiliated companies that will be providing services to Coolbrook.

b. Describe each affiliate company's relationship to Coolbrook, Martin Cogan, individually, and Lawrence Smither, individually.

c. Provide a description of the service(s) that will be performed and a list of the fees that will be charged to Coolbrook.

d. Describe the bidding process that Coolbrook will use to ensure that the fees charged by the affiliated companies are competitive.

2. Does Russell Givens plan to continue owning or managing wastewater treatment businesses?

a. Is there a written non-compete agreement?

b. If such agreement exists, provide it.

c. If no such agreement exists, what is the understanding of Classic Construction and Coolbrook regarding this issue?

3. Provide the proposed journal entry that Classic Construction will use to record the transfer.

4. Provide the proposed journal entry that Coolbrook will use to record the transfer.

5. Paragraph 6 of the application states that Coolbrook has the requisite financial ability to operate the subject wastewater treatment and collection facilities. State the basis for this assertion and provide all documents that support Coolbrook's financial ability to operate a sewage treatment plant.

6. Provide a copy of Classic Construction's current financial statements (at a minimum, a balance sheet, income statement, and statement of retained earnings for a period ending not more than 90 days prior to the application date).

7. Provide a copy of Coolbrook's current financial statements (at a minimum, a balance sheet, income statement, and statement of retained earnings for a period ending not more than 90 days prior to the application date).

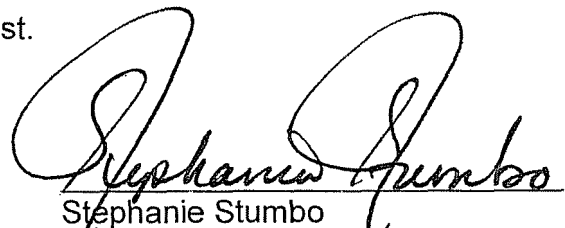
8. Provide a copy of all workpapers and assumptions used to determine the acquisition price of \$60,000.

9. Will the \$60,000 acquisition price paid by Coolbrook become an obligation of the customers of the wastewater treatment plant? If the acquisition price is to be “pushed down” onto the customers of the wastewater treatment plant, enumerate in detail the benefits to be received by the customers of the wastewater treatment plant that could not be provided by the current owner.

10. What is the status of Coolbrook’s efforts to obtain an Irrevocable Standby Letter of Credit from the Old National Bank? If it has been issued, provide a copy.

11. Paragraph 9 of the application and Exhibit G state that Coolbrook will file a notice of adoption of all of Classic Construction’s tariffs and supplements containing rates, rules, and regulations on file with the Commission on the date of transfer. If the transaction is approved, does Coolbrook plan to file for approval of a rate adjustment during its first year of operation?

12. Enumerate the basis for the assertion that the transfer of ownership of the wastewater treatment plant is in the public interest.


Stephanie Stumbo
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: August 19, 2008

cc: Parties of Record