

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

DATA REQUEST OF COMMISSION STAFF  
TO FARMDALE DEVELOPMENT CORPORATION

Farmdale Development Corporation ("Farmdale Development"), pursuant to 807 KAR 5:001, is to file with the Commission the original and four copies of the following information, with a copy to all parties of record. The information requested herein is due on or before July 10, 2009. 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.

Farmdale Development shall make timely amendment to any prior response if it 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 Farmdale Development fails or refuses to furnish all or part of the requested information, Farmdale Development shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

All tax identification numbers, social security numbers, dates of birth, and e-mail addresses of individuals should be redacted from material to be filed herein. 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.

As part of its application, Farmdale Development proposes new tariff sheets as Attachment B. Several of those tariff sheets contain proposed revised rules and regulation provisions for Farmdale Development that are to be approved in this filing.

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<sup>1</sup> and Case No. 2007-00436,<sup>2</sup> the Commission expressed concern to Farmdale Development about its billing and collection arrangement with Farmdale Water. In regard to this issue, answer the following:

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<sup>1</sup> Case No. 2006-00028, Application to Request Commission Approval for an Increase in Farmdale Development's Rates (Ky. PSC Apr. 11, 2007).

<sup>2</sup> Case No. 2007-00436, Application of Farmdale Development Corporation for an Adjustment of Rates (Ky. PSC Jul. 30, 2008).

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.

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?

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.

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(1)(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?

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

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.

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

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

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,<sup>3</sup> 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,<sup>4</sup> 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.<sup>5</sup>

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<sup>3</sup> Administrative Case No. 347, An Investigation Into the Collection and Billing Practices of Privately Owned Sewer Utilities (Ky. PSC Jan. 9, 1995).

<sup>4</sup> *Supra*, at 11-15.

<sup>5</sup> In Case No. 2009-00002, Filing of Peaks Mill Water District Requesting a Deviation from 807 KAR 5:006, Section 14, a deviation was granted to Peaks Mill Water District to terminate water service for nonpayment of a sewer bill per an agreement with Classic Construction, Inc., a jurisdictional sewer utility (Ky. PSC Apr. 2, 2009).

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

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.

  
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DATED: JUN 22 2009

cc: Parties of Record

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