

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF AIRVIEW UTILITIES,)	
LLC TO EXTEND THE MONTHLY)	CASE NO.
SEWER SURCHARGE APPROVED IN)	2006-00094
CASE NO. 2003-00494)	

COMMISSION STAFF'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Airview Utilities, LLC ("Airview") file with the Commission, within 14 days of the date of this request, the original and 8 copies of the following information, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who is responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. At page 2 of its Application, Airview states that in October of 2005 a new control/chlorine building was constructed and in January 2006 a chlorinator was installed. Airview explains that these items were paid for with the accumulated money from the surcharge, "[b]ecause there wasn't enough money left at the end of each month from the normal sewer fees to pay for these items."

a. Explain in detail why Airview did not obtain long-term financing to fund these construction projects.

b. If operating revenues are established to pay for current operating expenses, explain why Airview would expect that it would be able to fund capital projects with the revenue flow from current operations.

2. Given that Airview financed the construction projects for the control/chlorine building and the chlorinator with its surcharge collection proceeds, explain why the Commission should not initiate a show cause proceeding against Airview for not following surcharge requirements the Commission ordered in Case No. 2005-00022.¹

3. a. For each vendor listed below, describe in detail the relationship, if any, to Airview and its owners, and if affiliated, provide copies of the competitive bids from 3 nonaffiliated sources.

- (1) Smither Consulting Company;
- (2) Covered Bridge Utilities, Inc. ("Covered Bridge");
- (3) Camden Environmental Sales, Inc. ("Camden");
- (4) Paul's Fencing and Gate Shop;
- (5) Missers Supply (sp?); and,
- (6) U.S. Filter.

b. Explain the process Airview used in choosing the vendors listed in 3(a) in the construction projects funded by the surcharge.

¹ Case No. 2005-00022, Joint Application of Airview Estates, Inc. and Elizabethtown Utilities, LLC for Approval of the Transfer of Wastewater Treatment Plant to Elizabethtown Utilities, LLC (Ky. PSC April 28, 2005)

4. Provide a schedule listing:
 - a. the name of each current owner of Airview;
 - b. the amount of capital each owner has invested or loaned to Airview;
 - c. the dates such investments or loans were made;
 - d. the purpose of the loan or investment; and,
 - e. To the extent applicable, the dates and amounts of any loan repayments.

5. In the transfer proceeding, Mr. Cogan and Mr. Smither stated that they have the necessary financial reserves to loan the limited liability company the funding necessary to assure continued operation of the plant. Explain why neither Mr. Cogan nor Mr. Smither financed the construction of the control/chlorine building or the installation of the chlorinator.

6. Refer to Invoice No. 1222-01 dated December 22, 2005 from Covered Bridge with a total balance of \$3,949.28.

- a. Provide the itemized cost that was billed to Airview for the pick up and delivery to the remote lift station of the hydromatic pumps and control panel.
- b. Provide an analysis comparing the amount billed by Covered Bridge for the pick up and delivery of the hydromatic pumps and control panel with the amount Camden would have billed for shipping equipment to the lift station.
- c. Explain in detail why Airview chose to have Covered Bridge pick up and deliver the hydromatic pumps and control panel rather than having Camden ship the equipment directly to the lift station.

d. Explain in detail the qualifications of the individual so as to merit the payment of \$80.00 per hour.

7. Refer to Invoice No. 1115-01. Describe in detail the qualifications of the individuals so as to merit the payment of \$40.00 per hour for 8 hours to clear brush and trees.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", is written over a horizontal line. The signature is stylized and somewhat illegible due to the cursive nature of the handwriting.

Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Dated: June 12, 2006

cc: Parties of Record