COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALLEGED FAILURE OF LONGVIEW LAND COMPANY, LLC TO FILE REQUIRED REPORTS	))	CASE NO. 2012-00499

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on January 23, 2013 in this proceeding;

- Certification of the accuracy and correctness of the digital video recording;

- All exhibits introduced at the evidentiary hearing conducted on January 23, 2013 in this proceeding;

- The written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the hearing conducted on January 23, 2013.

A copy of this Notice, the certification of the digital video record, exhibit list, and hearing log have been served by first class mail upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at http://psc.ky.gov/av_broadcast/2012-00499/2012-00499_23Jan13_Inter.asx. Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

The exhibits introduced at the evidentiary hearing may be downloaded at http://psc.ky.gov/pscscf/2012%20cases/2012-00499/.

Done at Frankfort, Kentucky, this 31st day of January 2013.

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

R. Brad Pulliam
Longview Land Company, LLC
710 East Main Street
Lexington, KY 40502

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALLEGED FAILURE OF LONGVIEW LAND COMPANY, LLC TO FILE REQUIRED REPORTS	)) CASE NO. 2012-00499

CERTIFICATE

I, Kathy Gillum, hereby certify that:

1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on **January 23, 2013**. Hearing Log, Exhibits, Exhibit List and Witness List are included with the recording on January 23, 2013.

2. I am responsible for the preparation of the digital recording;

3. The digital recording accurately and correctly depicts the hearing;

4. The "Exhibit List" attached to this Certificate lists all exhibits introduced at the hearing of **January 23, 2013**.

5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing of **January 23, 2013** and the time at which each occurred.

Given this 31st day of January, 2013.

Kathy Gillum

Kathy Gillum, Notary Public
State at Large

My commission expires: Sept 3, 2013

Session Report - Detail

2012-00499_23Jan13

Longview Lan Company LLC

Date:	Type:	Location:	Department:
1/23/2013	Show Cause Hearing	Public Service Commission	Hearing Room 1 (HR 1)

Witness: Brian Barnett (PSC Staff)
Judge: Hearing Officer Jim Wood
Clerk: Kathy Gillum

Event Time	Log Event	
11:00:41 AM	Session Started	
11:00:46 AM	Preliminary Remarks	
	Note: Gillum, Kathy	Hearing Officer called the hearing to order. No parties from Longview Land Co. present.
11:01:40 AM	Introductions	
	Note: Gillum, Kathy	Jeb Pinney, PSC Staff Attorney and Brian Barnett, Administrative Specialist, Annual Report Branch, PSC. No other parties present.
11:02:28 AM	Jeb Pinney (PSC)	
11:02:37 AM	Heairng Officer Wood	
	Note: Gillum, Kathy	Hearing Officer Wood stated that the Commission had received No Motions for Continuance.
11:02:56 AM	Witness, Brian Barnett (PSC)	
	Note: Gillum, Kathy	Called to testify by Jeb Pinney.
11:03:16 AM	Exhibits 1, 2 and 3 (PSC)	
	Note: Gillum, Kathy	PSC Exhibits 1, 2 and 3 introduced by Jeb Pinney consisting of pre-filed testimony of Brian Barnett, and correspondence to Longview Land Co., and marked as PSC Exhibits 1, 2 and 3.
11:03:58 AM	Examination by Jeb Pinney (PSC)	
	Note: Gillum, Kathy	Qualification of the witness by Jeb Pinney. Witness is an Administrative Specialist in the Annual Report Branch. Questions regarding pre-filed testimony. Witness adopts pre-filed testimony. Mr. Pinney moves to admit PSC Exhibits 1, 2 and 3 into the record.
11:06:07 AM	Hearing Officer Wood	
	Note: Gillum, Kathy	Questions regarding whether or not any communication has been received from Longview. Questions regarding notice of this hearing.
11:06:49 AM	Jeb Pinney (PSC)	
	Note: Gillum, Kathy	Questions regarding Exhibit 3, Questions regarding the different types of PSC communication with Longview.
11:08:12 AM	Hearing Officer Wood	
	Note: Gillum, Kathy	Hearing Officer Wood requests that Mr. Pinney check the lobby again.
11:08:34 AM	Jeb Pinney (PSC)	
	Note: Gillum, Kathy	Mr. Pinney reports that no persons are present from Longview, nor have any calls been received.
11:09:36 AM	Hearing Adjourned	
	Note: Gillum, Kathy	Mr. Wood adjourns hearing,
11:09:55 AM	Session Paused	
11:10:27 AM	Session Ended	

Exhibit List Report

2012-00499_23Jan13

Longview Lan Company LLC

Name:	Description:
PSC Exhibit 3	Correspondence dated December 15, 2012 to Longview Land Co.
PSC Exhibits 1 and 2	Pre-filed testimony of Brian Barnett, Administrative Specialist, Annual Report Branch, Public Service Commission

Q1 **State your name and business address.**

A Brian Barnett, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601

Q2 **Who is your employer?**

A Public Service Commission of Kentucky ("PSCKY")

Q3 **How long has the PSCKY employed you?**

A I have been an employee of the PSCKY since July, 2003.

Q4 **What is your current position?**

A Administrative Specialist in the Annual Report Branch

Q5 **What are your duties in the Annual Report Branch?**

A The Annual Report Branch is responsible for the compilation and dissemination of statistical information on the public utilities which the PSCKY regulates. It provides the appropriate annual financial and statistical report form and the annual gross operating revenues report form to jurisdictional utilities and then receives completed report forms, reviews them for accuracy and completeness, and ensures that the information from the annual financial and statistical report form is correctly entered into the PSCKY's E-Filing System, which is accessible through the PSCKY's Web Site.

Although the Executive Director of the PSCKY is the custodian of PSCKY documents and reports, this branch has been delegated responsibility for storing and maintaining the completed annual financial and statistical reports and annual gross operating revenue reports.

PSC EXHIBIT 1

Q6 What are the Annual Financial and Statistical Reports?

A As of the 2011 reporting year, 807 KAR 5:006, Section 3(1), provided that "utilities shall file annually a financial and statistical report upon forms to be furnished by the commission." The report requests information on a wide range of subjects, to include a utility's officers, income and expenses, and its liabilities. The report form varies according to the type of utility. The report form for an electric utility will be quite different from the report form for a sewer utility. A copy of the form provided to sewer utilities is attached to my testimony as Exhibit BB-1.

Q7 What is the purpose of the Annual Financial and Statistical Reports?

A These reports are used to assess the financial condition of a utility and to monitor general trends within certain segments of the utility industry in Kentucky. They are also used to compile and develop information about the utility industry conditions. The PSCKY frequently uses them when reviewing utility applications for rate adjustments.

Q8 What are Annual Gross Operating Revenue Reports?

A KRS 278.140 requires each utility subject to PSCKY jurisdiction to file with the PSCKY a report of its gross earnings or receipts derived from intrastate business for the preceding calendar year. The report requests contact information and the amount of revenue that a utility received from its Kentucky operations. The same report form is used for electric, gas, water and sewer utilities and is attached to my testimony as Exhibit BB-2. The report form for telecommunication utilities varies according to the type of telecommunication service.

Q9 For what are the Annual Gross Operating Revenue Reports used?

A The reports are used to determine a utility's assessment for the maintenance of the PSCKY. Every year utilities are assessed in proportion to their earnings or receipts derived from intrastate business in Kentucky for the preceding calendar year. This assessment is used to fund the PSCKY's operating costs. Before the beginning of a new fiscal year, the Finance Cabinet's Office of Policy and Management determines the PSCKY's budget levels for that year. Once those levels are determined, the Finance Cabinet determines the rate for the PSCKY assessment. This rate is based in part on total utility intrastate receipts.

Once the assessment rate is determined, the Department of Revenue issues assessment notices for each utility. To determine the assessment amount, the Department of Revenue applies the assessment rate to the total intrastate receipts reported on the annual gross operating revenues report. KRS 278.130 provides that in no instance will this assessment be less than fifty dollars ($50.00).

Q10 How are the forms for the Annual Financial and Statistical Report and the Annual Gross Operating Revenues Report provided to the utilities?

A In mid-December each year, the Annual Report Branch sends by first class mail copies of the annual gross operating revenues report to each utility subject to PSCKY jurisdiction. A transmittal letter accompanies the reports explaining why the reports must be filed and states the deadline for filing the reports. For the 2011 reporting year, the annual financial and statistical report was also provided in the mailing to the utilities that had not yet used the PSCKY's E-Filing System. For the utilities that had previously filed their annual financial and statistical reports using the PSCKY's E-Filing System, a link to the E-Filing System was provided in the transmittal letter in lieu of a paper copy of the report form.

Q11 What is the deadline for filing these reports?

A KRS 278.140 provides that the annual gross operating revenues report for a calendar year must be filed by March 31 of the following year. 807 KAR 5:006, Section 3(1) (for the 2011 reporting year) established the same deadline for the annual financial and statistical reports.

Q12 May a utility request an extension of these deadlines?

A No extension is permitted for the annual gross operating revenues report. 807 KAR 5:006, Section 3 (for the 2011 reporting year), permits the Executive Director to grant a reasonable extension of time for filing of the annual financial and statistical reports where good cause has been shown. The Executive Director has delegated to the Annual Report Branch the authority to grant extensions.

Q13 Does the transmittal letter advise about the availability of an extension of time for filing the Annual Financial and Statistical Reports?

A Yes.

Q14 How frequently is a request for an extension of time to file the Annual Financial and Statistical Report granted?

A Extensions are granted as a matter of course. They are normally granted in 30-day increments. If a utility is unable to meet the extended deadline, it may request another extension.

Q15 If a utility fails to meet the March 31 deadline and no request for extension is made, what happens?

A The Annual Report Branch will usually advise the utility in writing that the required reports are delinquent. If the reports are not received shortly thereafter, I may contact the responsible utility officials and advise them of the need to submit the required report and the possible consequences of failing to do so. I may contact the utility several times over the next few months in an effort to obtain the reports.

Q16 Once the reports are received, what does the Annual Report Branch do with them?

A <u>Annual Financial and Statistical Report</u>: When a report is received either electronically or through the mail, its receipt is recorded in a PSC electronic database. I ensure that the report is entered into the E-Filing System. (If the E-Filing System is used to submit the report, the utility inputs the information directly into the PSCKY's E-Filing System. In the 2011 reporting year, if the utility had filed its report in paper form rather than using the E-Filing System, Annual Report Branch personnel would have input the information into the E-Filing System.) The report is then reviewed for completeness and accuracy. It is checked for mathematical errors. All corresponding schedules are reviewed to ensure internal consistency. If inconsistencies or miscalculations are found, the utility is advised to make appropriate corrections. These corrections are then reviewed. After the review is completed, the report is made available for viewing and downloading through the PSCKY's Web Site. Completed reports remain in the custody and control of the Annual Report Branch at the PSCKY's office in Frankfort, Kentucky.

Annual Gross Operating Revenues Report: When a report is received, its receipt is recorded in our database. It is then reviewed for completeness and accuracy. The report is also compared against the gross revenue entries on the utility's annual financial and statistical report, if filed, for consistency. If inconsistencies are found, the utility is advised to make corrections. These corrections are also reviewed. After the review is completed, the report is stored at the PSCKY's office in Frankfort, Kentucky. Completed reports remain in the custody and control of the Annual Report Branch. The Department of Revenue is advised of the report's contents and uses the information to prepare the utility's assessment for the maintenance of the PSCKY.

Q17 Were copies of the Annual Financial and Statistical Report Form and the Annual Gross Operating Revenues Report Forms for the 2011 calendar year sent to Longview Land Company, LLC?

A Yes. On December 15, 2011, two copies of the annual gross operating revenues report form were sent by U. S. Mail to Longview Land Company, LLC at the following address: R. Brad Pulliam, 824 Euclid Avenue, Suite 200, Lexington, Kentucky 40502. This address was the mailing address which the utility had provided previously to the Commission. 807 KAR 5:003 requires Longview Land Company, LLC to maintain a current mailing address with the PSCKY.

Q18 Was anything besides these forms mailed to the utility?

A Yes. A transmittal letter was mailed to the utility. A copy of this letter is attached as Exhibit BB-3.

Q19 Did the PSCKY receive the completed form on or before March 31, 2012?

A No. Longview Land Company, LLC did not submit the report forms nor provided the information through the PSC E-Filing System by March 31.

Q20 Describe what efforts, if any, that you and your subordinates have taken to obtain the reports from Longview Land Company, LLC?

A A phone call was made 5/18/2012. I contact Brad Pulliam via email on 6/26/2012. I sent a follow-up email 7/10/2012. I then made a follow-up phone call on 7/10/2012 and left a voicemail.

Q21 As of this date, have the Annual Financial and Statistical Report and the Annual Gross Operating Revenues Report for calendar year 2011 for Longview Land Company, LLC been filed with the PSCKY?

A No.

Q22 Does this complete your written testimony?

A Yes.

Brian Barnett

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FRANKLIN)

SUBSCRIBED AND SWORN to before me by Brian Barnett, this 22nd day of January 2013.

Kathy Gillum
Notary Public
My commission expires Sept 3, 2013

Revised 9/7/2005

Sewer

Annual Report

Of

____

Exact Legal Name of Reporting Utility

____

____

(Address of Utility)

TO THE

PUBLIC SERVICE COMMISSION

OF THE

COMMONWEALTH OF KENTUCKY

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 20_____

This Side of Page Left

Intentionally Blank

PUBLIC SERVICE COMMISSION OF KENTUCKY

PRINCIPAL PAYMENT AND INTEREST INFORMATION

FOR THE YEAR ENDING DECEMBER 31, 20_____

1. Amount of Principal Payment during calendar year $________________________
2. Is Principal Current? (Yes)__________________ (No) _____________________
3. Is Interest Current? (Yes)__________________ (No) _____________________
4. Has all long-term debt been approved by the Public Service Commission?

   (Yes)__________ (No)__________ PSC Case No.__________

SERVICES PERFORMED BY

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are your financial statements examined by a Certified Public Accountant?

Yes__________________ No _____________________

If yes, which service is performed?

Audit____________________

Compilation______________

Review___________________

Please enclose a copy of the accountant's report with the annual report

This Side of Page Left

Intentionally Blank

Additional Requested Information

Utility Name ____

FEIN # (Federal Employer Identification Number)

		-							

Contact Person ____

Contact Person's E-Mail Address ________________________________

Utility's Web Address ____

Please complete the above information, if it is available.

If there are multiple staff who may be contacts please include their names and e-mail addresses also.

This Side of Page Left

Intentionally Blank

AUDIT OF THE ANNUAL REPORT
SEWER UTILITIES
To Be Completed and Returned With The Annual Report

Page No.	Line No.		Page No.	Line No	Yes	No	If No, Explain Why
2	4	agrees with	4	12			
2	6	agrees with	4	15 (Utility Plant)			
2	7	agrees with	4	17 (Utility Plant)			
4	2 (Utility Plant)	agrees with	5	40			
4	23	agrees with	4	15 (Utility Plant)			
3	4 & 5	agrees with	6	Capital Stock			
3	10	agrees with	7	Balance End of Year Statement of Retained Earnings			
3	19	agrees with	6	Long-Term Debt Total (d)			
3	23	agrees with	6	Notes Payable Total (e)			
3	29	agrees with	6	Interest Accrued, Balance End of Year, Total			
3	30	agrees with	7	21			
4	3 (Depre-ciation)	agrees with	8	25			
6	Interest Accrued During Year – LTD	agrees with	8	40			
6	Interest Accrued During Year – Other	agrees with	8	43			

This Side of Page Left

Intentionally Blank

AUDIT OF THE ANNUAL REPORT
SEWER UTILITIES
To Be Completed and Returned With The Annual Report

Page No.	Line No.		Page No.	Line No	Yes	No	If No, Explain Why
8	24	agrees with	9	52			
8	27	agrees with	10	Acct. 408.1			
8	28	agrees with	10	Total Income Taxes Utility Operating Income			
8	26	agrees with	10	Amortization Expense			
8	44	agrees with	10	Account 408.2			
8	45	agrees with	10	Total Income Taxes Nonutility Operating Income			
Pages 11 and 12 have been completed							
The Oath Page has been completed							

This Side of Page Left

Intentionally Blank

Additional Information Required By Commission Orders

Provide any special information required by prior Commission orders, as well as any narrative explanations necessary to fully explain the data. Examples of the types of special information that may be required by Commission orders include surcharge amounts collected, refunds issued, and unusual debt repayments.

Case #	Date Of Order	Item/Explanation

Attach additional sheets if more room is required

This Side of Page Left

Intentionally Blank

General Information

1. Exact name of utility making this report. (Use the words "The", "Company" or "Incorporated" only when a part of the corporate name.) ______________________________

____

____

2. Give the location including street, zip code and telephone number of the principal office in Kentucky. ______________________________

____

____

3. Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed.

____

____

4. Name of State under the laws of which respondent is incorporated and the date of incorporation. ______________________________

____

____

5. Date sewer utility began operations. ______________________________

____

____

6. Name of City, Town, Community, Sub-Division and County in which respondent furnishes sewer service. ______________________________

____

7. Number of employees: Full time ________________, Part time ________________

PRINCIPAL OFFICERS

Title	Name	Official Address	Annual Salary and/or Fee

BALANCE SHEET

Line No.	ASSETS AND OTHER DEBITS	Balance First Of Year	Balance Last Of Year
1			
2	UTILITY PLANT		
3			
4	Utility Plant (101-109)......................	$	$
5	Less: Accumulated Prov. For Depreciation		
6	And Amortization of Utility Plant (110).....	$	$
7	Net Utility Plant............................	$	$
8			
9	OTHER PROPERTY AND INVESTMENTS		
10			
11	Nonutility Property (121)....................	$	$
12	Less: Accum. Prov. For Depr. And Amort.		
13	Of Non-utility property (122)..........	$	$
14	Net Nonutility Property..................	$	$
15	Other Investment (124).......................	$	$
16	Special Funds (125)..........................	$	$
17			
18			
19	Total Other Property & Investments.......	$	$
20			
21	CURRENT AND ACCRUED ASSETS		
22			
23	Cash and Working Funds (131).................	$	$
24	Temporary Cash Investments (132).............	$	$
25	Notes Receivable (141).......................	$	$
26	Customer Accounts Receivable (142)...........	$	$
27	Other Accounts Receivable (143)..............	$	$
28	Accum. Prov. For Uncollectible Accts.-Cr.(144)	$	$
29	Notes Receivable From Assoc. Companies (145)..	$	$
30	Accounts Receivable From Assoc. Companies(146)	$	$
31	Materials and Supplies (150).................	$	$
32	Prepayments (166)............................	$	$
33	Other Current and Accrued Assets (170)........	$	$
34			
35			
36			
37	Total Current and Accrued Assets.........	$	$
38			
39	DEFERRED DEBITS		
40			
41	Unamortized Debt Discount and Expense (181)...	$	$
42	Extraordinary Property Losses (182)...........	$	$
43	Other Deferred Debits (183)..................	$	$
44			
45			
46			
47	Total Deferred Debits...................	$	$
48			
49			
50	TOTAL ASSETS AND OTHER DEBITS	$	$

BALANCE SHEET

Line No.	LIABILITIES AND OTHER CREDITS	Balance First Of Year	Balance Last Of Year
1			
2	EQUITY CAPITAL		
3			
4	Common Capital Stock (201)....................	$	$
5	Preferred Capital Stock (204).................	$	$
6	Other Paid-In Capital (207)...................	$	$
7	Discount on Capital Stock (213)...............	$	$
8	Capital Stock Expense (214)...................	$	$
9	Appropriated Retained Earnings (215)	$	$
10	Unappropriated Retained Earnings (216)........	$	$
11	Non-Corporate Proprietorship (218)............	$	$
12	Total Equity Capital...................	$	$
13			
14	LONG TERM DEBT		
15			
16	Bonds (221)...................................	$	$
17	Advances From Associated Companies (223)......	$	$
18	Other Long Term Debt (224)....................	$	$
19	Total Long Term Debt....................	$	$
20			
21	CURRENT AND ACCRUED LIABILITIES		
22			
23	Notes Payable (231)...........................	$	$
24	Accounts Payable (232)........................	$	$
25	Notes Payable to Associated Companies (233)...	$	$
26	Accounts Payable to Assoc. Companies (234)....	$	$
27	Customer Deposits (235).......................	$	$
28	Taxes Accrued (236)...........................	$	$
29	Interest Accrued (237)........................	$	$
30	Other Current and Accrued Liabilities (238)...	$	$
31	Total Current and Accrued Liabilities...	$	$
32			
33	DEFERRED CREDITS		
34			
35	Advances for Construction (252)...............	$	$
36	Other Deferred Credits (253)..................	$	$
37	Accum. Deferred Investment Tax Credits (255)..	$	$
38	Total Deferred Credits..................	$	$
39			
40	Operating Reserves (261-265)..................	$	$
41			
42	Contributions in Aid of Construction (271)....	$	$
43			
44	ACCUMULATED DEFERRED INCOME TAXES		
45			
46	Accum. Def. Income Taxes - Accel. Amort (281).	$	$
47	Accum. Def. Income Taxes - Lib. Amort (282)...	$	$
48	Accum. Def. Income Taxes - Others (283).......	$	$
49	Total Accum. Deferred Income Taxes.....	$	$
50	TOTAL LIABILITIES AND OTHER CREDITS	$	$

SUMMARY OF UTILITY PLANT

Line No.	Acct. No.	Item	Amount
		UTILITY PLANT	
1		In Service:	
2	101	Plant in Service Classified (from Page 5, Line 40)	
3	102	Completed Construction Not Classified	
4	103	Utility Plant in Process of Reclassification	
5	106	Utility Plant Purchased or Sold	
6		Total - In Service	
7	104	Utility Plant Leased To Others	
8	105	Property Held For Future Use	
9	107	Construction Work in Progress	
10	108	Utility Plant Acquisition Adjustment	
11	109	Other Utility Plant Adjustments	
12		Total Utility Plant (to Page 2, Line 4)	
13		Less:	
14	110	Accumulated Provision for Depreciation and	
15		Amortization Of Utility Plant (to Page 2, Line 6)	
16			
17		NET UTILITY PLANT (to Page 2, Line 7)	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Line No.	Item		Amount
1	Balance Beginning of Year		
2	Accruals for Year:		
3	Depreciation		
4	Amortization		
5	Other Accounts (details):		
6			
7			
8	Total Accruals for Year		
9	Credit Adjustments (describe)		
10			
11			
12	Total Credits for year		
13			
14	Net Charges for Plant Retired:		
15	Book Cost of Plt. Ret. (same as Pg 5, Line 40)		XXXXXXXXXXXXXXX
16	Add: Cost of Removal		XXXXXXXXXXXXXXX
17	Less: Salvage		XXXXXXXXXXXXXXX
18	Net Charges for Plant Retired		
198	Debit Adjustments (describe)		
20			
21			
22	Total Debit Adjustments for Year		
23	Balance End of Year		

SEWER UTILITY PLANT IN SERVICE

Report in col. (e) entries reclassifying property from one account to another. Corrections of entries of the preceding years should be recorded in col. (c) or (d) as they are corrections of additions or retirements.

Line No.	Account (a)	Depr. Rate	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj.-Inc. or Decr. (e)	Balance End of Year (f)
1	INTANGIBLE PLANT						
2	Organization (301)						
3	Franchise and Consents (302)						
4	Miscellaneous Intangible Plant (303)						
5	Total Intangible Plant						
6	LAND AND STRUCTURES						
7	Land and Land Rights (310)						
8	Structures and Improvements (311)						
9	Total Land and Structures						
10	COLLECTION PLANT						
11	Collection Sewers – Force (352.1)						
12	Collection Sewers – Gravity (352.2)						
13	Other Collection Plant Facilities (353)						
14	Services to Customers (354)						
15	Flow Measuring Devices (355)						
16	Total Collection Plant						
17	PUMPING PLANT						
18	Receiving Wells and Pump Pits (362)						
19	Pumping Equipment – Electric (363A)						
20	Pumping Equipment – Diesel (363B)						
21	Pumping Equipment – Other (363C)						
22	Total Pumping Plant						
23	TREATMENT AND DISPOSAL PLANT						
24	Oxidation Lagoon (372)						
25	Treatment and Disposal Equipment (373)						
26	Plant Sewers (374)						
27	Outfall Sewer Lines (375)						
28	Other Treatment & Disposal Plant Equipment (376)						
29	Total Treatment and Disposal Plant						
30	GENERAL PLANT						
31	Office Furniture and Equipment (391)						
32	Transportation Equipment (392)						
33	Stores Equipment (393A)						
34	Tools, Shop & Garage Equipment (393B)						
35	Laboratory Equipment (393C)						
36	Power Operated Equipment (393D)						
37	Communication Equipment (393E)						
38	Other Tangible Property (393F)						
39	Total General Plant						
40	TOTAL SEWER PLANT IN SERVICE						

CAPITAL STOCK

Class and Series of Stock (a)	No. Of Shares Auth. (b)	Par Value Per Share Of Par Value Stk. (c)	Stated Val. Per Share Of Nonpar Stock (d)	Outstanding Per Balance Sheet	
				Shares (e)	Amount (f)

LONG-TERM DEBT

List Each Original Issue Amt. Class & Series of Obligation (a)	Date Of Issue (b)	Date Of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest For The Year	
				Shares (e)	Amount (f)
Total					

NOTES PAYABLE

(Include Notes Payable to Associated Companies Under this Heading)

Name of Payee (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of year (e)
Total				

INTEREST ACCRUED

Description of Obligation (a)	Int. Accr., Balance First of Yr. (b)	Int. Accr. During Year (c)	Int. Paid During Year (d)	Int. Accrued Balance End of year (e)
Total				

OTHER CURRENT AND ACCRUED LIABILITIES

Line No.	Sub-Account and Description	Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	Total (Must agree with Page 3, Line 30, Account No. 238)	

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

Item (a)	This Year (b)	Last Year ©
UNAPPROPRIATED RETAINED EARNINGS (216)		
Balance Beginning of Year		
Balance Transferred From Income (435)		
Appropriations of Retained Earnings (436):		
Dividends Declared - Preferred Stock (437)		
Dividends Declared - Common Stock (438)		
Adjustments to Retained Earnings (439):		
Balance End of Year		

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Number of Customers (b)	Amount (c)
1	OPERATING REVENUES		
2	Flat Rate Revenues - General Customers:		
3	Residential Revenues (521.1)		
4	Commercial Revenues (521.2)		
5	Industrial Revenues (521.3)		
6	Revenues From Public Authorities (521.4)		
7	Total (521)		
8	Measured Revenues - General Customers:		
9	Residential Revenues (522.1)		
10	Commercial Revenues (522.2)		
11	Industrial revenues (522.3)		
12	Revenues From Public Authorities (522.4)		
13	Total (522)		
14	Revenues From Public Authorities (523)		
15	Revenues From Other Systems (524)		
16	Miscellaneous Sewage Revenues (526)		
17	Total Sewage Service Revenues (521-526)		
18	OTHER OPERATING REVENUES		
19	Customer Forfeited Discounts (532)		
20	Miscellaneous Operating Revenues (536)		
21	Total Other Operating Revenues		
22	Total Operating Revenues		
23	OPERATING EXPENSES		
24	Total Sewer Operation & Maint. Exp. (from pg 9, Line 52)		
25	Depreciation Expense (403)		
26	Amortization Expense (404-407, from Page 10)		
27	Taxes Other Than Income Taxes (408.1, from Page 10)		
28	Total Income Taxes - Utility Operating Income (from Page 10)		
29	Total Sewage Operating Expenses		
30	Net Operating Income		
31	OTHER INCOME		
32	Income From Nonutility Operations (417)		
33	Interest and Dividend Income (419)		
34	Miscellaneous Nonoperating Income (421)		
35	Other Accounts (Specify Account No. and Title):		
36			
37			
38	Total Other Income		
39	OTHER DEDUCTIONS		
40	Interest on Long Term Debt (427)		
41	Amortization of Debt Discount and Expense (428)		
42	Interest on Debt to Associated Companies (430)		
43	Other Interest Expense (431)		
44	Taxes Other Than Income Taxes (408.2, from Page 10)		
45	Total Income taxes - Nonutil. Operat. Income (from Page 10)		
46	Other Accounts (Specify Account No. and Title):		
47			
48			
49	Total Other Deductions		
50	NET INCOME		

SEWER OPERATION AND MAINTENANCE EXPENSES

Line No.	Account (a)	Amount (b)
1	OPERATION EXPENSES	
2	Supervision and Engineering (700):	
3	Owner/Manager - Management Fee (700-A)	
4	Other Expenses (700-B)	
5	Labor and Expenses (701):	
6	Collection System - Labor, Materials and Expenses (701-A)	
7	Pumping System - labor, Materials and Expenses (701-B)	
8	Treatment System (701-C):	
9	Sludge Hauling	
10	Utility Service - Water Cost	
11	Other - Labor, Materials and Expenses	
12	Rents (702)	
13	Fuel and Power Purchased for Pumping and Treatment (703)	
14	Chemicals (704)	
15	Miscellaneous Supplies and Expenses (705):	
16	Collection System (705-A)	
17	Pumping System (705-B)	
18	Treatment and Disposal (705-C)	
19	Total Operation Expenses	
20	MAINTENANCE EXPENSES	
21	Supervision and Engineering (710)	
22	Routine Maintenance Service Fee (710-A)	
23	Internal Supervision and Engineering (710-B)	
24	Maintenance of Structures and Improvements (711)	
25	Maintenance of Collection Sewer System (712)	
26	Maintenance of Pumping System (713)	
27	Maintenance of Treatment and Disposal Plant (714)	
28	Maintenance of Other Plant Facilities (715)	
29	Total Maintenance Expenses	
30	CUSTOMER ACCOUNTS EXPENSES	
31	Supervision (901)	
32	Meter Reading Expenses and Flat Rate Inspections (902)	
33	Customer Records and Collection Expenses (903):	
34	Agency Collection Fee (903-A)	
35	Internal Labor, Materials and Expenses (903-B)	
36	Uncollectible Accounts (904)	
37	Miscellaneous Customer Accounts Expenses (905)	
38	Total Customer Accounts Expenses	
39	ADMINISTRATIVE AND GENERAL EXPENSES	
40	Administrative and General Salaries (920)	
41	Office Supplies and Other Expenses (921)	
42	Outside Services Employed (923)	
43	Insurance Expense (924)	
44	Employee Pensions and Benefits (926)	
45	Regulatory Commission Expense (928)	
46	Transportation Expenses (929)	
47	Miscellaneous General Expenses (930)	
48	Rents (931)	
49	Maintenance of General Plant (932)	
50	Total Administrative and General Expenses	
51	TOTAL SEWER OPERATION & MAINT. EXP. (TO Page 8, Line 24)	

TAXES OTHER THAN INCOME TAXES (408)

Show hereunder the various tax items which make up the amounts listed under Account Numbers 408.1 and 408.2 appearing on page 8, lines 27 and 44.

Line No.	Item (a)	Amount (b)
1	Payroll Taxes	
2	Property Taxes	
3	Utility Regulatory Commission Assessment	
4	Other:	
5		
6		
7		
8		
9		
10		
11		
12	TOTAL (Same as Page 8, Line 27 plus 44	

OPERATING AND NON-OPERATING INCOME TAXES

Acct. No.	Account (a)	Amount (b)
409.1	Income Taxes - federal	
409.1	Income Taxes - State	
409.1	Income Taxes - Other	
410.1	Provisions for Deferred Income Taxes	
411.1	Income Taxes Deferred in Prior Years - Credit	
412.0	Investment Tax Credits - Net	
	Total Income Taxes - Utility Operating Income - (to Page 8, Line 28	
409.2	Income Taxes - Federal	
409.2	Income Taxes - State	
409.2	Income Taxes - Other	
410.2	Provisions for Deferred Income Taxes	
411.2	Income Taxes Deferred in Prior Years - Credit	
412.4	Investment Tax Credits - Net	
	Total Income Taxes - Non-Utility Operating Income - (to Page 8, Line 45	

AMORTIZATION EXPENSE

Acct. No.	Account (a)	Amount (b)
404	Amortization of Limited-Term Utility Plant	
405	Amortization of Other Utility Plant	
406	Amortization of Utility Plant Acquisition Adjustments	
407	Amortization of Property Losses	
-	Amortization of Rate Case Expense	
	Total Amortization Expense (to Page 8, Line 26)	

SEWER PLANT STATISTICS

PLANT VALUATION

1. What method of valuation was used with reference to Sewer Utility Plant in Service appearing on Page two, Line four: Original Cost, Estimated Cost, Original Cost Study? ______________________

2. What percentage of Sewer Utility Plant in Service was recovered by the developer of the subdivision, through the sale of lots? ______________

3. If less than one-hundred percent of the utility plant was recovered, please designate what portion (collection lines, treatment plant, etc.) of the plant that represents non-contributed plant______________

4. By whom were the books of account audited?______________________
   What was the date of the last audit?______________________
   If unaudited in the past twelve months, when and by whom is the next audit anticipated?______________________

PHYSICAL DATA OF SEWER PLANT

1. Date of construction of original plant______________________

2. Type of treatment process______________________

3. Date of additional G.P.D. Capacity of subsequent additions to plant
   ____

4. Population for which plant is designed including population equivalent if industrial waste load______________________

TREATMENT PLANT OPERATING STATISTICS

1. Total gallons received during the year______________________

2. Total gallons received on maximum day______________________

3. Maximum G.P.D. Capacity of the sewage treatment plant______________

4. Routine maintenance service fee:

   Cost per month $______________________

   Contract expires ______________________

5. Sludge Hauling:

   Cost per load $______________________

   Average number of gallons per load ______________________

   Number of loads this year ______________________

SEWER PLANT STATISTICS

CUSTOMER STATISTICS - END OF YEAR			
Type	Number of Customer	Bi-Monthly Or Monthly Billing?	Number of Bill Pertaining to Each Type of Customer
Residential:			
Single Family			
Apartments/Condominiums			
Commercial			
Industrial			
Other (specify):			
Total			

INDUSTRIAL CUSTOMERS SERVED		
Name and Type of Industry	Metered or Estimated Gals.	Pretreatment of Wastes

PUMPING STATIONS			
Location	Size of Motor	Type of Motor	Capacity Gals. Per Day

MAINS (FEET)					
Kind of Pipe (Cast Iron, Vit. Clay, concrete)	Diameter of Pipe	No. of Feet 1st of Year	Additions	Removed or Abandoned	No. of Feet End of Year

SERVICE LATERALS AND STUBS

Number of service laterals owned by the utility, end of year________________________

Number of stubs as of end of year____

Number of service laterals owned by others____

This Side of Page Left

Intentionally Blank

OATH

Commonwealth of ________________________)
) ss:
County of______________________________)

I, ______________________________________, having appeared before the undersigned officer duly authorized to administer oaths and being duly sworn, state under oath that I am ____ of ____ ("Respondent"); that I have supervision over the books of account and other financial records of the Respondent and have control over the manner in which they are kept; that such books and records have, during the period covered by the foregoing report, been maintained in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky; that I have carefully examined the foregoing report and to the best of my knowledge and belief the information contained in this report is, so far as it relates to matters of accounts, in accordance with the said books of account; that all other statements of fact contained in the foregoing report are true; and that the foregoing report is a correct and complete statement of the business and affairs of the Respondent in every respect and manner during the period of time from and including _______________, 20____, to and including ________________, 20_____

____
(Signature of Officer)

Subscribed and sworn to before me, a __________________________________, in and for the State and County named in the above this _______ day of _____________, 20___

(Apply Seal Here)

My Commission Expires____

____
(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]

This Side of Page Left

Intentionally Blank

Rev. 12/2/2010

KENTUCKY PUBLIC SERVICE COMMISSION
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY BUSINESS FOR THE YEAR ENDING DECEMBER 31, 20____

Name of Utility Reporting ______________________________

FEIN # (Federal Employer Identification Number)

		-							

Address of Utility: ______________________________ Phone: ______________

City: ______________ State: ______ Zip: ______ Fax: ______________

E-Mail: ______________________________ Web Site: ______________

Primary Regulatory Contact: ______________________________
(Name) (Title)

(1) Gross Revenues of Electric Utility.......................... $______________

(2) Gross Revenues of Gas Utility.............................. $______________

(3) Gross Revenues of Water Utility........................... $______________

(4) Gross Revenues of Sewer Utility........................... $______________

(5) Other Operating Revenues.................................. $______________

*** **TOTAL GROSS REVENUES**...................... $______________

OATH

State of..........................)
) ss.
County of........................)

______________________________ being duly sworn, states that he/she is
(Officer)

______________ of the ______________________________ that the
(Official Title) (Utility Reporting)

above report of gross revenues is in exact accordance with ______________________________,
(Utility Reporting)

and that such books accurately show the gross revenues of: ______________________________,
(Utility Reporting)

derived from Intra-Kentucky business for the calendar year ending December 31, 20__________.

____
(Officer) (Title)

This the ______________ day of ______________________________, 20________

____
(Notary Public) (County) (Commission Expires)

NOTE: **ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN THE ANNUAL REPORT AND THE AMOUNT APPEARING ON THIS STATEMENT MUST BE RECONCILED ON THE REVERSE OF THIS REPORT**

PSC EXHIBIT 2

Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

December 15, 2011

R. Brad Pulliam
Longview Land Company, LLC
824 Euclid Avenue, Suite 200
Lexington, KY 40502

RE: **2011 Annual Reporting**
(900) Sewer
Utility ID: 9001300

Dear R. Brad Pulliam:

Electronic entry of the **2011 Annual Financial and Statistical Report** information is now available on the Kentucky Public Service Commission web site (www.psc.ky.gov) under the "Commission Records" / "Financial Reports" menu. In the event of a lost or need to change a password, please contact the undersigned. Please be aware that if a company utilizes outside parties for filing reports, it is their responsibility to provide the party with the necessary ID and password. Additional instructions regarding the annual report process can be found online under the "Commission Records" / "Financial Reports" portion of our site as well.

Upon completion of the electronic annual report form, please indicate the report is "complete" by means of the "Tools" menu and selecting "change status", which causes the system to inform PSC staff that the report is ready for the final audit and approval process. You must then generate a hard copy of the form by choosing the "Print All Schedules" from the "Tools" menu. Please be aware that a paper copy, either computer-generated or manually-produced, along with a signed oath page, are still required to be filed with the Commission until such time the Kentucky statutes are revised to allow us to accept the electronic annual report format as the official record.

Enclosed with this letter are two copies of the Report of Gross Operating Revenues form. One original notarized copy of the Annual Financial and Statistical Report and Report of Gross Operating Revenues are **to be completed for the calendar year 2011 and filed with the Commission no later than March 31, 2012**, as required by 807 KAR 5:006, Section 3(1), KRS 278.140 and KRS 278.230(3).

PSC EXHIBIT 3

Extension of time requests for filing the Report of Gross Operating Revenues form cannot be granted. However, the Commission may occasionally, upon written request, allow a 30 day extension of time for filing the Annual Financial and Statistical Report. The request must provide a reasonable explanation and be filed prior to the March 31 deadline. The prompt filing of these reports is essential. **Any utility failing to comply with timely filing requirements shall be subject to KRS 278.990, including the imposition of penalties provided therein**.

If you need additional copies of any form, they can be found on our web site under "Utility Information" / "Forms", or you may contact me and I will gladly provide a hard copy. Should you have any questions or require additional information, please do not hesitate to contact me by emailing JeffD.Cline@ky.gov.

Sincerely,

Jeff D. Cline
Annual Report Branch Manager

Enclosure(s)