RECEIVED
DEC 14 2009
PUBLIC SERVICE COMMISSION

NOTICE

Ridgelea Investments, Inc. has filed an application with the Public Service Commission proposing to institute a surcharge for sewer service at its three Franklin County plants. This surcharge is needed to pay for regulatory costs required to address operating issues at the three plants, including an Infiltration and Inflow study and lab testing cost increases - both of which have been mandated by the Kentucky Energy and Environment Cabinet. The proposed surcharge would be for a three-year period, and would initially be set at $13.01 for 18 months, and then is planned to decrease to $5.75 for the final 18 months. These proposed rates apply to those Franklin County customers who have sewer service only. The proposed effective date of the change is January 21, 2010.

2009-00500

Monthly Rate:

Current		Proposed	Rate
Flat Rate Minimum Bill	$30.00	Flat Rate Minimum Bill	$30.00
Surcharge	NONE	Surcharge-Months 1-18	$13.01
		Months 19-36	$5.75

FILED
DEC 14 2009
PUBLIC SERVICE COMMISSION

MONTHLY USAGE	MONTHLY BILL AT CURRENT RATE	MONTHLY BILL AT PROPOSED RATE	PERCENT INCREASE OVER CURRENT
NO USAGE	**$30.00**	**$30.00**	**0%**
SURCHARGE	**$0.00**	**$13.01**	**NA**
TOTAL BILL	**$30.00**	**$43.01(mo. 1-18)**	**43.37%**
		$35.75(mo.19-36)	**19.17%**

The rates contained in this notice are the rates proposed by Ridgelea Investments, Inc.. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the utility office at Ridgelea Investments, Inc,, 2106 W. North Bend Rd., Cincinnati, Ohio 45224. Upon request from an intervenor, the utility shall furnish to the intervenor a copy of the application and supporting documents.

Ridgelea Investments, Inc.

December 14, 2009

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, KY 40602

RECEIVED
DEC 14 2009
PUBLIC SERVICE
COMMISSION

Re: Ridgelea Investments, Inc. 2009 Rate Case Filing

Dear Sirs:

Attached please find an original and 10 copies of Ridgelea Investments, Inc.'s Alternative Rate Filing, including a notice to customers and verification of mailing. In addition, please incorporate by reference in this case the Ridgelea annual reports on file with the Commission, and please note that Ridgelea filed its articles of incorporation and amendments thereto in Case No. 2008-00364.

Ridgelea is proposing that the new rates become effective on January 21, 2010, and has provided a proposed tariff to that effect, included after Attachment A of this filing. In addition, Ridgelea has attempted to the best of its ability to fully comply with the Commission's ARF filing requirements. However, please consider this a request for waiver of any filing requirements which Ridgelea may have inadvertently overlooked, on the grounds that all relevant information has been provided to allow the processing of this case to begin.

In this case, Ridgelea is proposing a surcharge, rather than an increase to its $30 flat monthly rate, in order to pay for regulatory requirements agreed to with the Kentucky Energy and Environment Cabinet and the PSC at its Franklin County sewage treatment plants. Ridgelea is also hereby requesting an Informal Conference to discuss the merits of its surcharge proposal, and requests that this conference be held before the Commission Staff issues any data requests, and in January of 2010 if possible.

Sincerely,

Charles Hungler, Jr., President
Ridgelea Investments, Inc.

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities
Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

RECEIVED
DEC 14 2009
PUBLIC SERVICE COMMISSION

Ridgelea Investments, Inc.
Name of Utility

2106 W. North Bend Road

Cincinnati, Ohio 45224
Business Mailing Address

FILED
JAN 8 2010
PUBLIC SERVICE COMMISSION

Telephone Number 513 / 851-8886
Area Code Number

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: Charles Hungler, Jr., President

Address: 2106 W. North Bend Road
Cincinnati, Ohio 45224

Telephone Number: (513) 851-8886

1) Do you have 500 customers or fewer? **Yes** No

2) Do you have $300,000 in Gross Annual Revenue or less? **Yes** No

3) Has the Utility filed an annual report with this Commission for the past year and the two previous years? **Yes** No

4) Are the utility's records kept separate from any other commonly-owned enterprise? **Yes** No

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, 2008.

a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount. – **Please See Exhibit 1**

Item Per Annual Report	Amount Per Annual Report	Increase (Decrease)	Adjusted Amount
Revenues:	$	$	$
Total Revenues	$	$	$
Expenses:			
Total Expenses	$	$	$
Revenues Less Expenses	$	$	$

b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

Please see Exhibit 1

c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

Customer Class	Present Rates	Proposed Rates	Percent Increase

Please see Exhibit 4

III. Other Information

a. Please complete the following questions:

1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

Ridgelea Investments, Inc. has signed an Agreed Order with the Kentucky Energy and Environment Cabinet. This Order requires Ridgelea to initiate an Infiltration and Inflow study at its three Franklin County sewage treatment plants, and further requires Ridgelea to incur additional costs to use only laboratory testing services designated by the Energy and Environment Cabinet.

Ridgelea has also paid for repairs at its Franklin County plants pursuant to a settlement agreement with the PSC in Case No. 2008-00378.

Ridgelea in this case is requesting a Franklin County surcharge rather than an increase to its flat monthly rate to pay for these regulatory requirements. This proposal is discussed in greater detail in Attachment B of this application.

2) Total number of Customers as of the date of filing: 365 total (199 in Franklin and 166 in Grant)

3) Total amount of increased revenue requested: See Attachment A

4) Please circle Yes or No:

a) Does the utility have any outstanding indebtedness? **Yes** No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

b) Were all revenues and expenses listed in the Annual Report for 2008 incurred and collected from January 1 to December 31 of that year? **Yes** No

If no, list total revenues and total expenses incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 2008 and the amount shown on this schedule. **Attached**

6) If utility is a sewer utility:

a) Attach a copy of the latest State and Federal Income Tax Returns. **Attached.**

b) How much of the utility plant was recovered through the sale of lots or other contributions _____ $ or %? (If unknown, state the reason). **Unknown – records were not maintained so as to keep this information.**

b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

Please see Exhibits 1 and 2.

IV. Billing Analysis

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using declining block rate design. This billing analysis is not intended for companies using a flat rate design.

a. Usage Table (Usage by Rate Increment)

a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records. The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1st 2,000 gallons minimum bill rate level
432 Bills
518,400 gallons used
All bills use 2,000 gallons or less, therefore, all usage is recorded in Column 4.

Step2: Next 3,000 gallons rate level
1,735 Bills
4,858,000 gallons used
1st 2,000 minimum x 1,735 bills = 3,470,000 gallons – record in Column 4.
Next 3,000 gallons – remainder of water over 2,000 = 1,388,000 gallons – record in Column 5.

Step3: Next 10,000 gallons rate level
1,830 Bills
16,268,700 gallons used
1st 2,000 minimum x 1,830 bills = 3,660,000 gallons – record in Column 4.
Next 3,000 gallons x 1,830 bills = 5,490,000 gallons – record in Column 5.
Next 10,000 gallons – remainder of water over 3,000 = 7,118,700 gallons – record in Column 6.

Step4: Next 25,000 gallons rate level
650 Bills
15,275,000 gallons used
1st 2,000 minimum x 650 bills = 1,300,000 gallons – record in Column 4.
Next 3,000 gallons x 650 bills = 1,950,000 gallons – record in Column 5.
Next 10,000 gallons x 650 bills = 6,500,000 gallons – record in Column 6.
Next 25,000 gallons – remainder of water over 10,000 = 5,525,000 gallons – record in Column 7.

Step5: Over 40,000 gallons rate level
153 Bills
9,975,600 gallons used
1st 2,000 minimum x 153 bills = 306,000 gallons – record in Column 4.
Next 3,000 gallons x 153 bills = 459,000 gallons – record in Column 5.
Next 10,000 gallons x 153 bills = 1,530,000 gallons – record in Column 6.
Next 25,000 gallons x 153 bills = 3,825,000 gallons – record in Column 7.
Over 40,000 gallons – remainder of water over 25,000 = 3,855,600 gallons – record in Column 8.

Step6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue produced.

SAMPLE

Revenue from Present/Proposed Rates
Test Period from 01-01-XX to 12-31-XX

USAGE TABLE
Usage by Rate Increment

Class: Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 2,000	(5) Next 3,000	(6) Next 10,000	(7) Next 25,000	(8) Over 40,000	(9) Total
First 2,000 Minimum Bill	432	518,400	518,400					518,400
Next 3,000 Gallons	1,735	4,858,000	3,470,000	1,388,000				4,858,000
Next 10,000 Gallons	1,830	16,268,700	3,660,000	5,490,000	7,118,700			16,268,700
Next 25,000 Gallons	650	15,275,000	1,300,000	1,950,000	6,500,000	5,525,000		15,275,000
Over 40,000 Gallons	153	9,975,600	306,000	459,000	1,530,000	3,825,000	3,855,600	9,975,600
Totals	4,800	46,895,700	9,254,400	9,287,000	15,148,700	9,350,000	3,855,600	46,895,700

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Minimum Bill	4,800	9,254,400	$ 5.00 Minimum Bill	$ 24,000.00
Next 3,000 Gallons		9,287,000	$ 2.50 per 1,000 Gal.	23,217.50
Next 10,000 Gallons		15,148,700	$ 2.00 per 1,000 Gal.	30,297.40
Next 25,000 Gallons		9,350,000	$ 1.25 per 1,000 Gal.	11,687.50
Over 40,000 Gallons		3,855,600	$ 0.75 per 1,000 Gal.	2,891.70
Totals	4,800	46,895,700		$ 92,094.10 Total Revenue

Instructions for Completing Revenue Table:

(1) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
(2) Complete Column No. 4 using rates either present or proposed.
(3) Column No. 5 is completed by first multiplying the bills times the minimum charge.
(4) Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

c. One Copy of the completed application should also be sent at the same time to:

Office of Rate Intervention
Office of the Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204

2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed _____
Officer of the Company

Title President

Date 12-14-09

Ridgelea Investments, Inc.
Exhibit Index

1. Pro Forma Income Statement and Explanations

2. Surcharge Justification and Agreed Order with Ky. EEC

3. Proposed Tariff

4. Customer Notice & Written Statement Verifying Customer Notice Mailed

5. Documentation of Debt (per ARF form page 4)

6. Depreciation Schedule

7. Latest Federal and State Tax Returns

8. Quote for I&I Study, and Lab Testing Increase Evidence

9. Settlement Agreement with PSC in Case No. 2008-00378

Ridgelea Investments Exhibit 1 – Total Operations

	2008 AR	Adjustments	Ref.	Adjusted
Flat Rate Revenue	$100,346	$31,054	A	$131,400
Surcharge Revenue	0	$31,068	B	$31,068
Total Revenue	$100,346	$62,122		$162,468
Owner/Manager Fee	$2,050	$7,005	C	$9,055
Utility Service-Water	$629			$629
Fuel & Power	$12,193			$12,193
Sludge Hauling	$1,935			$1,935
Mt. of Trtmnt/Disposal Plant	$46,049			$46,049
Mt. of Other Plant-Grasscuts	$3,500			$3,500
Agency Collection Fees	$11,900	$2,830	D	$14,730
Outside Services Employed	$27,782	**$17,334** **$8,880**	E	$53,996
Miscellaneous Gen. Exp.	$244			$244
Total O&M Expenses	$106,282			$106,282
Depreciation Expense	$2,400			$2,400
Amortization Expense	$815	**$4,839** $3,411	F	$9,065
Taxes Other Than Income	$2,586			$2,586
Income Taxes	$175			$175
Total Operating Expenses	*$112,258*	*$44,299*		*$156,557*
Net Operating Income	*($11,912)*	*$17,823*		*$5,911*
Interest Income	$21			$21
Interest Expense	($466)			($466)
Net Income	($12,357)	$17,823		$5,466

Reference Notes:

Please note that Ridgelea is proposing a surcharge rather than a general rate increase to recover only those costs related to regulatory requirements agreed to with the Kentucky Energy and Environment Cabinet and the PSC. Therefore, Ridgelea is only proposing to recover through the surcharge the cost associated with adjustment E and the $4,839 increase included with adjustment F (shown in bold print above). The other expense adjustments reflect specific determinations made in Ridgelea's most recent rate case (Case No. 2008-00364), and are included herein only to illustrate certain cost increases recognized by the PSC in the prior case.

A. Flat Rate Sewer Revenues have been adjusted to recognize the $30 rate approved by the Commission in Case No. 2008-00364, resulting in normalized revenues from Ridgelea's 365 total customers of $131,400.

B. Surcharge Revenues - This adjustment reflects the proposed surcharge revenue of $13.01 per month for each of the 199 Franklin County customers, resulting in annualized surcharge revenue of $31,068. After 18 months, this proposal would plan to decrease the surcharge to $5.75 per month, which would result in annualized revenue of $13,731.

C. Owner/Manager Fee was adjusted only to show the $9,055 fees allowed in the 2008 case. It is important to note that Ridgelea is not currently proposing to recover these fees through a surcharge.

D. Agency Collection Fees have been adjusted only for the purpose of showing the amount of billing and collection ("B&C") expense Ridgelea is currently paying to its two B&C providers. It is important to note that Ridgelea is not currently proposing to recover its increased billing and collection costs through a surcharge. Ridgelea is aware of concerns expressed by the Commission relative to the 15% billing and collection fee paid to the Farmdale Water District, and is taking steps to attempt to control these costs on behalf of its ratepayers. It is also important to note that this cost is understated on a pro forma basis if any general rate increase rather than a surcharge is granted to Ridgelea. The current pro forma cost is calculated as follows:

Ridgelea Service Area	Current B&C charge	Customers	Bills per year	Expense
Franklin County plants	$4.50 per customer	199	12	$10,746
Grantland plant	$2.00 per customer	166	12	$3,984
			Total	**$14,730**

E. Outside Services Employed has been adjusted to reflect the two mandates arising from the Agreed Order with the Kentucky Energy and Environment Cabinet. Specifically, the Agreed Order at pages 4-5 requires Ridgelea to initiate an Infiltration and Inflow study, and the associated cost based on the bid from Hall Environmental Consultants is $26,000. Over the proposed 18-month surcharge period, this is an annualized cost of $17,334.

Second, the Agreed Order at page 7 requires Ridgelea to use certain laboratories to collect and analyze all samples from the Franklin County plants. Ridgelea's additional testing cost from this mandate is $740 per month, or $8,880 when annualized.

F. Amortization Expense has been adjusted by $4,839 to recover two sets of nonrecurring costs. The first set of costs relate to the reconditioning and painting of the three treatment plants required as a result of the Settlement Agreement approved by the PSC to resolve customer service complaints investigated in Case No. 2008-00378. These costs total $12,418, and Ridgelea proposes to recover them over a three-year period – an adjustment of $4,139.33. The second set of costs total $2,100 thus far to file this rate case, and Ridgelea proposes to recover this cost over three years – an annual expense of $700.

Test year Amortization Expense of $815 has also been adjusted by $3,411 to show the $4,226 level of expense allowed in the 2008 case, most of which related to expenditures amortized over 5 years in that case. It is important to note that Ridgelea is not currently proposing to recover this level of amortization expense through a surcharge.

Exhibit 2 - Calculation of Proposed Surcharge and Justification:

Ridgelea's owner assumed control of the aging Franklin County plants in 2003, and has subsidized their operations for years. At the end of 2008, Ridgelea was granted a rate increase for the Franklin County plants, but costs have continued to increase such that Ridgelea cannot build cash reserves sufficient to fund recent regulatory requirements.

Ridgelea Investments, Inc. has recently entered into an Agreed Order with the Kentucky Energy and Environment Cabinet requiring certain actions to be taken at Ridgelea's three Franklin County sewer treatment plants (see attached). The Agreed Order requires these actions to be taken within various deadlines, so Ridgelea believes time is of the essence in complying with the Cabinet's directives. It is therefore asking the Commission for expedited treatment of this application, and has proposed a surcharge which it believes is the simplest, fairest, and most expeditious way to resolve this situation.

The Agreed Order requires Ridgelea to initiate an Infiltration and Inflow study, to commence within 60 days of either approval of Ridgelea's proposed surcharge by the PSC, or entry of a final Order by the PSC pursuant to Ridgelea's petition seeking a rate increase or surcharge. Ridgelea has obtained a $26,000 quote from Hall Environmental for the performance of this study, and wishes to proceed without undue delay once the Commission has approved rates sufficient to pay for the study.

The Agreed Order also requires Ridgelea to use only three designated laboratories to collect and analyze all Wastewater Treatment Plant (WWTP) samples at Ridgelea's Franklin County plants. This requirement has increased Ridgelea's testing fees by approximately $740 per month, or $8,880 per year, and Ridgelea is proposing to recover this increased cost through the surcharge.

In addition, Ridgelea was required to incur certain costs to resolve service complaints investigated by the PSC In Case No 2008-00378. Ridgelea has spent $12,418 in 2009 to address these concerns, and is requesting to recover these required cost expenditures over a 36-month period in the surcharge.

Ridgelea believes its proposed surcharge is the least-cost, fairest and most reasonable way to fund the required cost increases, for several reasons. First, Ridgelea has proposed a 36-month surcharge - with plans to reduce it after 18 months - rather than a shorter recovery period to reduce the burden upon its customers. Spreading these costs over 18 and 36 months reduces the monthly collection to $13.01 initially for each Franklin County customer, followed by a planned reduction to $5.75 per customer.

Second, Ridgelea was awarded a rate increase to $30 per month for its Franklin County plants in December 2008, and does not propose another increase in its flat monthly rate - even though several costs have increased in the past year. For instance, Ridgelea's billing and collections costs paid to Farmdale Water District –amounting to 15% of gross collections at the Franklin County plants - have increased because of the 2008 rate increase. Moreover, in 2008 and 2009 Ridgelea has continued to spend significant amounts of money to maintain and repair the aging Franklin County plants.

Third, since Ridgelea's proposed surcharge omits all of the above-mentioned costs from its operating expenses, its profit margins will be lower than if these costs were included. Because the Commission uses an 88% operating ratio to determine Ridgelea's rates, the exclusion of these costs from the operating ratio calculation reduces Ridgelea's profit margin, which benefits the customers in this instance.

Fourth, Ridgelea is attempting to negotiate with the Farmdale Water District to waive its 15% billing and collection fee on any surcharge collections. If these negotiations prove unsuccessful,

Ridgelea requests that the Commission include an allowance for the 15% billing and collection fee in its final determination in this matter.

Finally, if the Commission Staff or the Commission rejects Ridgelea's proposed surcharge and finds that a reexamination of the Franklin County flat rate is appropriate, Ridgelea respectfully requests that an allowance for the above-mentioned costs be included in the Commission Staff's recommendation and the Commission's final determination in this case.

Therefore, Ridgelea proposes to fund these requirements with a surcharge initially set at $13.01 per month, with a planned reduction to $5.75 per month after 18 months. Ridgelea believes its surcharge proposal is the least-cost and most equitable alternative for its customers in order to pay for the costly regulatory requirements agreed upon with the EPPC and the PSC. The following table summarizes Ridgelea's proposal:

Cost Description	**Cost Increase**	**Annualized Amount**	**Amounts in the first 18-months**	**Amounts from Months 19 to 36**
Agreed Order Mandate to do Infiltration & Inflow Study	$26,000	$17,334	$26,000	0
-Mandated Lab Testing -$12,418 Repairs Required in Case No. 2008-00378 -$2,100 Rate Case Expense) Totals	$26,640 $12,418 $2,100 $41,158	$8,880 $4,139 $700 $13,719	$13,320 $6,209 $1,050 $20,579	$13,320 $6,209 $1,050 $20,579
Total Amount for the Period	$67,158	$31,053	$46,579	$20,579
Months		12	18	18
Franklin County Customers		199	199	199
Monthly Surcharge for each Franklin County customer		$13.01 per month	$13.01 per month	$5.75 per month

Ridgelea proposes to recover the cost of the $26,000 Infiltration and Inflow study over an 18-month period – although this study must be funded quickly and will be done over a short period - to reduce the burden upon its customers. If the $26,000 cost is spread over 18 months, the associated cost per Franklin County customer is $7.26 per month.

Ridgelea proposes to recover the other required costs specified herein over a 36-month period. The PSC typically uses a three-year period to amortize many costs, and Ridgelea believes this period is appropriate for the required repairs from Case No. 2008-00378 and its expenses to file this rate case. For the lab testing fee increases, Ridgelea is mandated to use the labs specified by the Agreed Order for at least two years, but at this point is planning to continue to use the current lab beyond two years based on satisfaction with its service.

COMMONWEALTH OF KENTUCKY
ENERGY AND ENVIRONMENT CABINET
OFFICE OF ADMINISTRATIVE HEARINGS
FILE NOS. DOW-28428-047; DOW-28429-047; DOW-28430-047
and DOW -28846-047

ENERGY AND ENVIRONMENT CABINET PLAINTIFFS

v. **AGREED ORDER**

TERRANCE HUNGLER,
CHARLES G. HUNGLER III,
CHARLES G. HUNGLER, JR.
d/b/a PERFECT-A-WASTE SEWAGE
EQUIPMENT CO., and
RIDGELEA INVESTMENTS INC. DEFENDANTS

WHEREAS, the Energy and Environment Cabinet (hereinafter the Cabinet) has initiated this action to permanently suspend the wastewater treatment plant operators' licenses for the above designated individuals (hereinafter collectively referred to as the Hunglers), and the parties have reached an agreement concerning the resolution of this action,

STATEMENT OF FACT

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant hereto.

2. The Cabinet initiated this action to permanently suspend the certification as wastewater treatment operators Charles G. Hungler, Jr., Charles G. Hungler III and Terrance Hungler. Charles G. Hungler, Jr. is the owner of Perfect-A-Waste, a sole proprietorship, whose principal place of business is in Cincinnati, Ohio; Charles G. Hungler III and Terrance Hungler are employees of Perfect-A-Waste.

3. Ridgelea Investments, Inc. is a Kentucky corporation owned by Charles G.

Hungler, Jr. Ridgelea Investments, Inc. owns three Waste Water Treatment Plants in Franklin County, Kentucky.

4. An Administrative Complaint filed by the Cabinet in this action enumerates numerous Notices of Violation (NOVs) issued against the Defendants and/or the owners of waste water treatment plants operated by the Defendants.

5. The Defendants have alleged the action of the Cabinet in this case is without merit as to Charles G. Hungler III and Terrance Hungler because no significant violations were found by the Cabinet specifically concerning the waste water treatment plants (WWTPs) which they operated.

6. The Defendants concede there is significant factual evidence to support the suspension of Charles G. Hungler, Jr.'s waste water treatment certification.

7. Now, Therefore, in the interest of settling all claim and controversies involving the violations described in this action the parties hereby consent to the entry of an Agreed Order pursuant to the following terms and conditions:

PENALTIES

8. Charles G. Hungler, Jr., by his execution of this Agreement, agrees to surrender his wastewater treatment plant certification.

9. The Cabinet agrees to dismiss the above-styled license revocation actions against Terrance Hungler and Charles G. Hungler, III, with prejudice.

10. The Hunglers agree to pay a civil penalty of thirty thousand dollars ($30,000.00). However, in order to encourage and induce the highest standards of operation of the subject wastewater treatment plant said fine shall be payable as follows: the Hunglers shall pay to the Cabinet the sum of Ten Thousand ($10,000.00) on or before July 1, 2009 and Five Hundred

Dollars ($500.00) per month commencing on August 1, 2009 and payable on the 1st day of each month thereafter, for the satisfaction of the balance of said fine; however, if a period of one year elapses during which neither the Hunglers or any corporation, partnership or business entity under their control is cited for substantial violations of the Kentucky environmental laws and regulations by the Cabinet, then the amount of said monthly payment shall be reduced to two hundred fifty dollars ($250.00) per month. In the event a period of two (2) consecutive years elapses without the issuance of a citation by the Cabinet to the Hunglers or any business entity under their control for substantial violations of the Kentucky environmental laws or regulations, then the balance due on said fine shall be forgiven, and in addition, the requirements of paragraph 15 that the Ridgelea plants be operated by an independent operator shall terminate. The Cabinet's right to pursue violations is not restricted by the provisions in this paragraph, but the Hunglers right to the file reductions set out herein shall not be eliminated by technical violations such as the inappropriate location of a log book or the delayed issuance of a discharge monitoring report (DMR). An example of a substantial violation is an unauthorized discharge. Further, no violation shall prevent the reduction of the fine as described in this paragraph if the violation is 1) the result of an owner deficiency of the facility and the Hunglers or their agents have given the owner prior written notice to correct the owner's deficiency which caused the violation, or 2) resulted from "A Force Majeure." A force majeure is defined as any event arising from causes not reasonably foreseeable and beyond the control of the owner or operator of a waste water treatment plant, its consultants and contractors, which could not be overcome by due diligence and which delays or prevents performance by a date required by this Agreed Order. Force majeure events do not include unanticipated or increased costs of performance, changed economic or financial conditions, normal precipitation events, the failure by a contractor to perform, or the failure by a supplier to

deliver unless such failure is itself caused by a force majeure event. An abnormal precipitation event may constitute a force majeure. The appropriate parties to this agreement shall notify the Director of the Division of Enforcement by telephone by the end of the next business day and in writing within five (5) business days after it becomes aware of events which it knows or should know constitute a force majeure. The notice shall estimate the anticipated length of delay, including necessary demobilization and remobilization, its cause, measurers taken to minimize the delay and an estimated timetable for implementation of these measures. The Cabinet will respond in writing to any written notice received. Failure to comply with the notice provision of this section shall be grounds for the Cabinet to deny an extension of time for performance. If a party to this agreement demonstrates to the Cabinet that the delay has been or will be caused by a force majeure event, the Cabinet will extend the time for performance for that element by the Agreed Order for a period at least equal to the delay resulting from such circumstances. This shall be accomplished through an Agreed Order amending this Agreed Order. The amended Agreed Order may alter the schedule for performance or completion of other tasks required by this Agreed Order. If a dispute over the occurrence or impact of a force majeure event cannot be resolved, the Cabinet reserves its right to seek performance or a stipulated penalty from the appropriate party to this Agreed Order who reserves its/his right to seek a hearing under KRS 224.10-420(2). If a party to this Agreed Order contests it/his liability for performance/stipulated penalties, it/he shall have the burden or proof that a violation of this Agreed Order was caused by a force majeure event. The written notice to an owner of a facility referenced to herein must be accompanied by a signed copy of said notice to the Cabinet.

11. Within sixty (60) days from the entry date of this order Ridgelea Investments, Inc. shall initiate an Infiltration and Inflow (I & I) study from Leak Eliminators, LLC or any other

experienced person or entity approved by the Division of Water, which study shall contain a proposed schedule of corrective action recommendations for the three (3) waste water treatment plants currently owned by Ridgelea in Franklin County. Ridgelea may elect to submit a petition to the Public Service Commission (P.S.C.) seeking a rate increase or surcharge to pay for the cost thereof. Said study shall commence within sixty (60) days of either approval of the rate increase or surcharge by the P.S.C. or entry of a final order by PSC pursuant to Ridgelea's petition seeking a rate increase or surcharge. In any case, the submission of the corrective action study to the Cabinet shall not be delayed more than an additional one hundred at eight (180) days from the date of the entry of this order. Any corrective action to be undertaken by Ridgelea shall be approved by the Division of Water. Ridgelea shall submit a corrective action plan, including a schedule of implementation based on the recommendations from the I & I study, to the Division of Water within sixty (60) days of receipt of the I & I study. Ridgelea shall have the right to pay for any corrective action for I & I problems through a rate increase or surcharge approved by the P.S.C. Ridgelea shall submit an application to the P.S.C. for a rate increase, and/or surcharge, if necessary, to obtain the funds necessary to implement any corrective action required by the study within sixty (60) days of receipt of the updated I & I study. Ridgelea shall complete all corrective action approved by the Division of Water incrementally as funds are received from the surcharge or rate increase, except the corrective action shall be completed within two (2) years from the date the I & I study is received. However, if said corrective action is not completed within two (2) years, Ridgelea upon notifying the Division of Water of the reasons said corrective action has not been completed and demonstrating it has made a good faith effort to complete the corrective action may have additional time to complete said corrective action, but not more than one additional year. In the event Ridgelea fails to make a timely application for a rate increase or

surcharge or if no rate increase or surcharge is granted pursuant to its application, the above mentioned corrective action shall be completed within two (2) years from the approval of the corrective action plan by the Division of Water, but subject to an extension of time not to exceed one additional year as set forth above. Upon completion of the action necessary to correct the I & I problems the pending civil action Civil Action No. 05-CI-00987 styled Environmental and Public Protection Cabinet v. Ridgelea Investments, Inc. shall be dismissed without prejudice. In the event Ridgelea fails to complete the necessary corrective action, the Cabinet may remove said case from inactive status and proceed with the prosecution of its cause of action against Ridglea. Upon review of the corrective action plan proposed by Ridgelea, the Cabinet may, in whole or in part, (1) approve or (2) provide comments to the Defendant, Ridgelea identifying the deficiencies. Upon receipt of Cabinet comments, the Defendant shall have sixty (60) days to revise and resubmit the corrective action plan for review and approval, subject only to Defendant's rights under any dispute resolution provisions of this Agreed Order. Upon resubmittal, the Cabinet may, in whole or in part, (1) approve or (2) disapprove and provide comments to the Defendant identifying the deficiencies. Upon such resubmittal, if any part of the corrective action plan is disapproved, the Cabinet may deem the Defendant to be out of compliance with this Agreed Order for failure to timely submit such portion and may assess any stipulated penalties pursuant to this Agreed Order, subject only to Defendant's rights under any dispute resolution provisions of this Agreed Order.

12. If the Defendants fail to pay any of the installment payments on or before the due-date stated in this paragraph or defaults in the performance of any requirements of this Agreed Order, the remaining unpaid balance of the civil penalty shall be immediately due and payable in full at the option of the Cabinet upon notice to the Defendants.

13. It is agreed McCoy & McCoy Laboratories, Inc. and Appalachian States Analytical, LLC and Fouser be retained to collect and analyze all samples at all Kentucky facilities operated by Perfect-A-Waste or any other company, affiliate or entity owned by the individual Hunglers, where Perfect-A-Waste or any such affiliates (other than the owner of said facility) are responsible for providing laboratory services. This requirement to use only the three (3) designated laboratories will terminate when two (2) consecutive years elapse without the issuance of a citation by the Cabinet to the Hunglers under the same terms set forth in paragraph ten (10) above.

14. The use of automatic samplers shall be required at the three (3) Ridgelea WWTP's in Franklin County and shall be operated and secured by laboratory employees in order to prevent any tampering which could degrade the samples. The use of automatic samplers shall be required at all other subject WWTP unless the owners of said facilities can assure the Cabinet that no samples have been tampered with or degraded. The use of automatic samplers shall begin August 1, 2009. This requirement to use automatic samplers will terminate when two (2) consecutive years elapse without the issuance of a citation by the Cabinet to the Hunglers under the same terms set forth in paragraph ten (10) above.

15. The three (3) Waste Water Treatment Plants in Franklin County, Kentucky shall be operated by an independent, properly certified operator, but subject to the terms set forth herein. Said operator shall reside within fifty (50) miles of the three (3) plants.

16. As further consideration for the execution of this Agreement, Franklin Circuit Court, Civil Action No. 05-CI-00987 styled Environmental and Public Protection Cabinet v. Ridgelea Investments Incorporated shall be dismissed without prejudice pursuant to the conditions in paragraphs ten (10) and eleven (11). In addition, Franklin Circuit Court, Civil Action No. 07-

CI-00421 styled Charles G. Hungler, Jr. et al v. Commonwealth of Kentucky, wherein there Franklin Circuit Court issued a Temporary Restraining Order against the Cabinet is now moot and shall be dismissed with prejudice.

MISCELLANEOUS PROVISIONS

17. This Agreed Order addresses only those violations specifically described above. Other than those matters resolved by entry of this Agreed Order nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and the Defendants reserves their defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and the Defendants reserve their defenses thereto.

18. To the extent not inconsistent herewith, this Agreed Order shall not prevent the Cabinet from issuing, reissuing, modifying, revoking, suspending, denying, terminating, or reopening any permit to the Defendants, but the Defendants reserve their defenses thereto, except that the Defendants shall not use this Agreed Order as a defense.

19. Defendants waive their right to any hearing on the matters admitted/alleged herein. However, failure by Defendants to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee and the Defendants. The Defendants may request an amendment by

writing the Director of Division of Enforcement at 300 Fair Oaks Lane, Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, the Defendants shall remain solely responsible for compliance with the terms of KRS Chapter, 224 and the regulations promulgated pursuant thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. The Defendants, Ridgelea Investments, Inc. and Charles G. Hungler, Jr. shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/ or operation of any part of it's now-existing facilities occurring prior to the termination of this Agreed Order, and shall notify the Cabinet that such notice has been given, and shall follow all statutory and regulatory requirements for a transfer. Whether or not a transfer takes place, Defendants shall remain fully responsible for payment of all civil penalties identified in this Agreed Order.

23. The Cabinet agrees to allow the payment of civil penalties and to the remedial measurers set forth above to satisfy the Defendant's obligations to the Cabinet generated by the violations.

24. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by signature thereon. If this Agreed Order contains any date by which the Defendant is to take any action or cease any activity, and the Secretary enters the Agreed Order contains after that date, then the Defendant is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

AGREED TO BY:

Terrance Hungler Date 7-15-09

Charles G .Hungler III Date 7-15-09

Charles G. Hungler, Jr. Date

Ridgelea Investments, Inc. Date

John B. Baughman, Attorney for Defendants Date
Hazelrigg & Cox, LLP
P.O. Box 676
415 West Main Street
Frankfort, Kentucky 40601

APPROVAL RECOMMENDED BY:

Jeff Cummins, Acting Director Date
Division of Enforcement

Peter Goodmann , Acting Director Date
Division of Water

John West, Attorney Date
Office of General Counsel

AGREED TO BY:

_____ Date_____
Terrance Hungler

_____ Date_____
Charles G .Hungler III

_____ Date 7-6-09
Charles G. Hungler, Jr.

_____ Date_____
Ridgelea Investments, Inc.

_____ Date 7-6-09
John B. Baughman, Attorney for Defendants
Hazelrigg & Cox, LLP
P.O. Box 676
415 West Main Street
Frankfort, Kentucky 40601

APPROVAL RECOMMENDED BY:

_____ Date_____
Jeff Cummins, Acting Director
Division of Enforcement

_____ Date_____
Peter Goodmann , Acting Director
Division of Water

_____ Date_____
John West, Attorney
Office of General Counsel

FOR Edgewood, Farmgate & Meadowbrook
Community, Town or City

P.S.C. KY. NO. 2

2nd revised SHEET NO. 2

Ridgelea Investments
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2

Original SHEET NO. 2

CONTENTS

RATES

Monthly Flat Rate
For Edgewood, Farmgate, and Meadowbrook
Subdivisions In Franklin County, KY

Single Family Residential Flat Rate	$30.00 per month
Surcharge	$11.57 per month

$13.01 per customer for a period of 18 months, then decreasing to $5.75 per month in months 19 through 36, or until $67,158 has been collected, whichever is sooner.

Customer Deposit	None

BILLING AND PENALTIES

Bills for service will be mailed no later than the end of each month and will be due and payable by the 10th day of the following month. A 10% late payment penalty is assessed on the 11th of the month.

DATE OF ISSUE December 14, 2009
Month / Date / Year

DATE EFFECTIVE January 21, 2010
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

NOTICE

Ridgelea Investments, Inc. has filed an application with the Public Service Commission proposing to institute a surcharge for sewer service at its three Franklin County plants. This surcharge is needed to pay for regulatory costs required to address operating issues at the three plants, including an Infiltration and Inflow study and lab testing cost increases - both of which have been mandated by the Kentucky Energy and Environment Cabinet. The proposed surcharge would be for a three-year period, and would initially be set at $13.01 for 18 months, and then is planned to decrease to $5.75 for the final 18 months. These proposed rates apply to those Franklin County customers who have sewer service only. The proposed effective date of the change is January 21, 2010.

Monthly Rate:

Current		Proposed	Rate
Flat Rate Minimum Bill	$30.00	Flat Rate Minimum Bill	$30.00
Surcharge	NONE	Surcharge-Months 1-18	$13.01
		Months 19-36	$5.75

MONTHLY USAGE	MONTHLY BILL AT CURRENT RATE	MONTHLY BILL AT PROPOSED RATE	PERCENT INCREASE OVER CURRENT
NO USAGE	**$30.00**	**$30.00**	**0%**
SURCHARGE	**$0.00**	**$13.01**	**NA**
TOTAL BILL	**$30.00**	**$43.01(mo. 1-18)**	**43.37%**
		$35.75(mo.19-36)	**19.17%**

The rates contained in this notice are the rates proposed by Ridgelea Investments, Inc.. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the utility office at Ridgelea Investments, Inc,, 2106 W. North Bend Rd., Cincinnati, Ohio 45224. Upon request from an intervenor, the utility shall furnish to the intervenor a copy of the application and supporting documents.

Ridgelea Investments, Inc.

Written Statement of Verification

I, Charles Hungler, Jr., being the owner of Ridgelea Investments Inc., do hereby verify that the attached notice of proposed rate increase was mailed to Ridgelea's Franklin County sewer customers on December 9th, 2009.

Charles Hungler, Jr., Owner

12-9-09
Date

Subscribed and sworn to before me by Charles Hungler, Jr., Owner of Ridgelea Investments, Inc. on this Dec 9, 2009

My Commission Expires _____

GARY W. JORDAN
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES 02 28-11

Notary Public
In and for said County and State

NORTH SIDE BANK & TRUST CO.

THIS IS YOUR RECEIPT

9710

B#: 9 NNH: 770 CB#: 61 T#: 30
Acct#: [redacted] Post Dt: 09-21-2007
Timestamp: 09-21-2007 12:42:43 PM
SPMT Amt: $ 1,199.84
Balance: 22,819.30
Have a Nice Day!

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

5699 CRESTVIEW DRIVE
FAIRFIELD OH 45014-5029

Consumer Loan/Installment Line of Credit *

Account Number: [redacted]

----------Activity Summary

Previous Principal Balance	Payments	Finance Charge	Advances	Other Charges	Ending Principal Balance
52,581.58	37,081.58	199.84	5,000.00	0.00	20,819.30

----------Payment(s) Due

Payment Due Date	Principal	Interest	Escrow	Late Charge	Other	Total
09-16-2007	0.00	199.84	0.00	0.00	0.00	199.84

----------Activity since 08-04-2007

Date	Description	Credits	Debits	Principal Balance
	Starting Principal Balance			52,581.58
08-13-2007	Regular Payment - Note Balance	762.28		51,819.30
	Regular Payment - Note Interest	319.30		
08-20-2007	Principal Disbursement		5,000.00	56,819.30
08-22-2007	Principal Receipt	31,000.00		25,819.30
08-31-2007	Regular Payment - Note Balance	5,000.00		20,819.30
09-04-2007	**Finance Charge**		199.84	

Finance Charge Paid in 2007 is 1,114.35

Credit Limit	Available Credit	Days In Period	Average Daily Balance	Daily Periodic Rate	ANNUAL PERCENTAGE RATE	Note Rate
75,000.00	54,180.70	31	28,593.49	0.022603%	8.2500%	8.2500%

THE AVERAGE DAILY BALANCE IS FOR INFORMATIONAL PURPOSES ONLY.

P-A-W
pd 9-18-07
CK# 29483
661.21

Ridgelea
538.63

Assets by Classification - 1120S

12/31/2008 RIDGELEA INVESTMENT, INC [redacted]

Item No.	Description of Property "*" indicates SOLD	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec. 179 Deduction	Special Allowance	Salvage Value	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum. Deprec., 179, Bonus	2008 Deprec.	2008 Accum. Deprec.
-yr Genl purp tools, mach, equip															
01	SEWER PLANT-GRTL	7/1/2000	F-10	100.00%	36,169				36,169	39	SL/GDS	HY	6,915	927	7,842
02	LIFT ST.PUMPS-GTLI	7/1/2000	F-10	100.00%	8,761				8,761	5	200DB	HY	8,389		8,389
03	SEWER LINES-GRTLI	7/1/2000	F-10	100.00%	15,140				15,140	39	SL/GDS	HY	2,894	388	3,282
04	PUMP EQUIP.--GTLD	6/18/2001	F-10	100.00%	2,000				2,000	5	200DB	HY	1,999		1,999
01	SEWER PLT EQ-MUL	6/11/2003	F-10	100.00%	5,000				5,000	7	200DB	HY	3,547	446	3,993
05	LAWN MOWER	7/28/2003	F-10	100.00%	159		80		79	7	200DB	HY	141	7	148
06	LAWN MOWER	8/27/2003	F-10	100.00%	1,130		565		565	7	200DB	HY	1,004	50	1,054
07	LAWN MOWER	9/15/2003	F-10	100.00%	925		463		462	7	200DB	HY	822	41	863
02	FLOW METER--MULB	9/11/2004	F-10	100.00%	2,010	2,010				7	200DB	HY	2,010		2,010
03	AERATOR-MULBERR	5/13/2005	F-10	100.00%	1,939	1,939				7	200DB	HY	1,939		1,939
	Total: 7-yr General purpose tools, machinery, and equip				73,233	3,949	1,108		68,176				29,660	1,859	31,519
-and															
1	LAND--GRANTLAND	7/1/2000	N-1	100.00%	2,500				2,500						
2	LAND--MULBERRY	6/11/2003	N-1	100.00%	5,000				5,000						
	Total: Land				7,500				7,500						
Amort - 197 - Intangible costs															
500	FRANCHISE--GRANTI	7/1/2000	Z-9	100.00%	61,430				61,430	5	SL	FM	61,430		61,430
	Total: Amortization - 197 - Intangibles (goodwill, etc.)				61,430				61,430				61,430		61,430
	SubTotals				142,163	3,949	1,108		137,106				91,090	1,859	92,949
	Less: Assets Sold														
	Ending Totals				142,163	3,949	1,108		137,106				91,090	1,859	92,949

Income
Tax Returns
for

RIDGELEA INVESTMENT, INC

2008

FAESY CPA GROUP, PSC
1100 US HWY 127 S, SUITE B-1
FRANKFORT, KY 40601
502-607-0303

FAESY CPA GROUP, PSC

1100 US HWY 127 S, SUITE B-1
FRANKFORT, KY 40601
502-607-0303
Fax - 502-607-0302

March 31, 2009

RIDGELEA INVESTMENT, INC

2106 W. North Bend Road
CINCINNATI, OH 45224

Dear CHUCK,

Enclosed please find two copies of the 2008 federal tax return for RIDGELEA INVESTMENT, INC, which were prepared based on the information you provided. Please review and then file one copy with the agency listed below and retain the second copy for your records. An authorized officer must sign and date the filing copy before you mail the return. No tax is due. Do not include a check when you mail your return.

We recommend that you mail your federal return on or before September 15, 2009 to:

Department of the Treasury
Internal Revenue Service Center
Cincinnati, OH 45999-0013

Also enclosed are two copies of the 2008 Kentucky 720S for RIDGELEA INVESTMENT, INC. Please review your return, then file one copy with the state and retain the second copy for your records. An authorized officer of the corporation must sign and date the filing copy on page 2 before you mail the return.

The Kentucky 720S return shows a balance due. Make a check payable to the "*KENTUCKY STATE TREASURER*" in the amount of **$175**. Write "2008 Form 720S" and the federal employer identification number on the check. Enclose the check with the return when you file it.

We recommend that you mail your Kentucky 720S return on or before April 15, 2009 to:

Kentucky Department of Revenue
Frankfort, Kentucky 40620

If you have questions about your return(s) or about your tax situation during the year, please do not hesitate to call us at 502-607-0303. We appreciate this opportunity to serve you.

Sincerely,

Bob

ROBERT E. FAESY JR, CPA

Privacy Notice

of

Faesy CPA Group, PSC

As tax preparers, we have always protected your right to privacy. Like all providers of personal financial services, we are now required by law to inform our clients of our policies regarding privacy of client information.

Types of Nonpublic Personal Information We Collect

We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization.

Parties to Whom We Disclose Information

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information being shared.

Protecting the Confidentiality and Security of Current and Former Clients' Information

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards. Please call if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

Form **1120S**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ See separate instructions.

OMB No. 1545-0130

2008

For calendar year 2008 or tax year beginning , ending

A S election effective date 1/1/1999	Use IRS label. Otherwise, print or type. Name: RIDGELEA INVESTMENT, INC	D Employer identification number [redacted]
B Business activity code number (see instructions) 541330	Number, street, and room or suite no. If a P.O. box, see instructions.: 2106 W. North Bend Road	E Date incorporated 1/24/1979
C Check if Sch. M-3 attached ☐	City or town: CINCINNATI; State: OH; ZIP code: 45224	F Total assets (see instructions) $ 61,630

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☐ No If "Yes," attach Form 2553 if not already filed

H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change
(4) ☐ Amended return (5) ☐ S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year ▶ 1

Caution. *Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.*

Income	1a	Gross receipts or sales 100,346 b Less returns and allowances c Bal ▶	1c	100,346
	2	Cost of goods sold (Schedule A, line 8)	2	
	3	Gross profit. Subtract line 2 from line 1c	3	100,346
	4	Net gain (loss) from Form 4797, Part II, line 17 *(attach Form 4797)*	4	
	5	Other income (loss) *(see instructions—attach statement)*	5	
	6	**Total income (loss).** Add lines 3 through 5 ▶	6	100,346
Deductions (see instructions for limitations)	7	Compensation of officers	7	2,050
	8	Salaries and wages (less employment credits)	8	
	9	Repairs and maintenance	9	27,549
	10	Bad debts	10	
	11	Rents	11	
	12	Taxes and licenses	12	2,776
	13	Interest	13	466
	14	Depreciation not claimed on Schedule A or elsewhere on return *(attach Form 4562)*	14	1,859
	15	Depletion **(Do not deduct oil and gas depletion.)**	15	
	16	Advertising	16	
	17	Pension, profit-sharing, etc., plans	17	
	18	Employee benefit programs	18	
	19	Other deductions *(attach statement)*	19	60,968
	20	**Total deductions.** Add lines 7 through 19 ▶	20	95,668
	21	**Ordinary business income (loss).** Subtract line 20 from line 6	21	4,678
Tax and Payments	22a	Excess net passive income or LIFO recapture tax *(see instructions)* 22a		
	b	Tax from Schedule D (Form 1120S) 22b		
	c	Add lines 22a and 22b *(see instructions for additional taxes)*	22c	
	23a	2008 estimated tax payments and 2007 overpayment credited to 2008 23a		
	b	Tax deposited with Form 7004 23b		
	c	Credit for federal tax paid on fuels *(attach Form 4136)* 23c		
	d	Add lines 23a through 23c	23d	
	24	Estimated tax penalty *(see instructions)*. Check if Form 2220 is attached ▶ ☐	24	
	25	**Amount owed.** If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25	
	26	**Overpayment.** If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26	
	27	Enter amount from line 26 **Credited to 2009 estimated tax** ▶ **Refunded** ▶	27	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

▶ Signature of officer Date ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶	Date 3/31/2009	Check if self-employed ☐	Preparer's SSN or PTIN P00607350
Firm's name (or yours if self-employed), address, and ZIP code ▶	FAESY CPA GROUP, PSC 1100 US HWY 127 S, SUITE B-1 FRANKFORT State KY	EIN [redacted] Phone no. 502-607-0303 ZIP code 40601	

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

(HTA)

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs *(attach statement)*	4	
5	Other costs *(attach statement)*	5	
6	**Total.** Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	**Cost of goods sold.** Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory: *(i)* ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO | 9d |

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

		Yes	No
1	Check accounting method: a [X] Cash b ☐ Accrual c ☐ Other (specify) ▶		
2	See the instructions and enter the: a Business activity ▶ SEWER TREATMENT b Product or service ▶ SEWER TREATMENT		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: **(a)** name and employer identification number (EIN), **(b)** percentage owned, and **(c)** if 100% owned, was a QSub election made?		X
4	Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		X
5	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ ☐ If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.		
6	If the corporation: **(a)** was a C corporation before it elected to be an S corporation **or** the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation **and (b)** has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ $		
7	Enter the accumulated earnings and profits of the corporation at the end of the tax year. $		
8	Are the corporation's total receipts *(see instructions)* for the tax year **and** its total assets at the end of the tax year less than $250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.	X	

Schedule K Shareholders' Pro Rata Share Items

				Total amount
Income (Loss)	1	Ordinary business income (loss) (page 1, line 21)	1	4,678
	2	Net rental real estate income (loss) *(attach Form 8825)*	2	
	3a	Other gross rental income (loss)	3a	
	b	Expenses from other rental activities *(attach statement)*	3b	
	c	Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4	Interest income	4	21
	5	Dividends: a Ordinary dividends	5a	
		b Qualified dividends	5b	
	6	Royalties	6	
	7	Net short-term capital gain (loss) *(attach Schedule D (Form 1120S))*	7	
	8a	Net long-term capital gain (loss) *(attach Schedule D (Form 1120S))*	8a	
	b	Collectibles (28%) gain (loss)	8b	
	c	Unrecaptured section 1250 gain *(attach statement)*	8c	
	9	Net section 1231 gain (loss) *(attach Form 4797)*	9	
	10	Other income (loss) *(see instructions)* Type ▶	10	

	Shareholders' Pro Rata Share Items (continued)		Total amount
Deductions	11 Section 179 deduction *(attach Form 4562)*	11	
	12a Contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
	d Other deductions *(see instructions)* Type ▶	12d	
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) *(attach Form 3468)*	13c	
	d Other rental real estate credits *(see instructions)* Type ▶	13d	
	e Other rental credits *(see instructions)* Type ▶	13e	
	f Alcohol and cellulosic biofuel fuels credit *(attach Form 6478)*	13f	
	g Other credits *(see instructions)* Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Passive category	14d	
	e General category	14e	
	f Other *(attach statement)*	14f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income		
	i Passive category	14i	
	j General category	14j	
	k Other *(attach statement)*	14k	
	Other information		
	l Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	14l	
	m Reduction in taxes available for credit *(attach statement)*	14m	
	n Other foreign tax information *(attach statement)*		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	-167
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties—gross income	15d	
	e Oil, gas, and geothermal properties—deductions	15e	
	f Other AMT items *(attach statement)*	15f	
	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	21
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts *(attach statement)*		
	18 **Income/loss reconciliation.** Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	4,699

DRAFT COPY

Schedule L Balance Sheets per Books

	Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1	Cash		10,914		12,416
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities *(see instructions)*				
6	Other current assets *(attach statement)*				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments *(attach statement)*				
10a	Buildings and other depreciable assets	73,233		73,233	
b	Less accumulated depreciation	29,660	43,573	31,519	41,714
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		7,500		7,500
13a	Intangible assets (amortizable only)	61,430		61,430	
b	Less accumulated amortization	61,430		61,430	
14	Other assets *(attach statement)*				
15	Total assets		61,987		61,630
	Liabilities and Shareholders' Equity				
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities *(attach statement)*		2,250		2,250
19	Loans from shareholders		17,808		10,000
20	Mortgages, notes, bonds payable in 1 year or more		11,500		14,252
21	Other liabilities *(attach statement)*				
22	Capital stock		1,000		1,000
23	Additional paid-in capital		7,876		7,876
24	Retained earnings		21,553		26,252
25	Adjustments to shareholders' equity *(attach statement)*				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity		61,987		61,630

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are $10 million or more—see instructions

1	Net income (loss) per books	4,699	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): a Tax-exempt interest $	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):			
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize): a Depreciation $ b Travel and entertainment $		6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize): a Depreciation $	
			7 Add lines 5 and 6	
4	Add lines 1 through 3	4,699	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	4,699

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

		(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	21,553		
2	Ordinary income from page 1, line 21	4,678		
3	Other additions	21		
4	Loss from page 1, line 21			
5	Other reductions			
6	Combine lines 1 through 5	26,252		
7	Distributions other than dividend distributions			
8	Balance at end of tax year. Subtract line 7 from line 6	26,252		

[redacted]

Line 19 (Form 1120S) - Other Deductions

1	Collection & billing fees	1	11,900
2	Legal and professional fees	2	30,582
3	Maintenance	3	3,500
4	Miscellaneous	4	229
5	Utilities	5	12,822
6	Sludge Hauling	6	1,935
7	Total other deductions	7	60,968

CLIENT COPY

Line 18, Sch L (Form 1120S) - Other Current Liabilities

			Beginning		End
1	CUSTOMER DEPOSITS	1	2,250		2,250
2	Total other current liabilities	2	2,250		2,250

RIDGELEA INVESTMENT, INC
11264 SEBRING DRIVE
CINCINNATI, OH 45240

3/31/2009

CHARLES G HUNGLER JR
5699 CRESTVIEW DRIVE
FAIRFIELD, OH 45014

RE: RIDGELEA INVESTMENT, INC
[redacted]

Enclosed is your current year Schedule K-1 (Form 1120S) for the above-referenced account. The amounts shown are your distributive share of the S corporation's income, deductions and credits incurred during the year and are to be reported on your income tax return. The amounts may differ from the distributions you actually received during the year. The difference may be due to a number of factors including the allocation of fees or other deductions, exclusion of tax-exempt income, or a variance between your taxable year and that of the S corporation.

If applicable, state tax information has been attached to the K-1. Since income tax requirements vary from state to state, the presentation of the state tax information will be different for each state. The information provided is based on your state of residence from our records. If information for your state of residence is not listed, please contact us at the number below.

If you have any questions concerning this information, please call

Sincerely,

RIDGELEA INVESTMENT, INC

CLIENT COPY

671108

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0130

Schedule K-1 (Form 1120S)
Department of the Treasury
Internal Revenue Service

2008

For calendar year 2008, or tax year beginning _____, 2008
ending _____, 20___

Shareholder's Share of Income, Deductions, Credits, etc.

▶ See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
[redacted]

B Corporation's name, address, city, state, and ZIP code

RIDGELEA INVESTMENT, INC

2106 W. North Bend Road
CINCINNATI OH 45224

C IRS Center where corporation filed return
Cincinnati, OH 45999-0013

Part II Information About the Shareholder

D Shareholder's identifying number Shareholder: 1
[redacted]

E Shareholder's name, address, city, state, and ZIP code

CHARLES G HUNGLER JR
5699 CRESTVIEW DRIVE
FAIRFIELD, OH 45014

F Shareholder's percentage of stock ownership for tax year 100.%

For IRS Use Only

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) 4,678	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income 21		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15 A	Alternative minimum tax (AMT) items -167
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17 A	Other information 21

* See attached statement for additional information.

For Paperwork Reduction Act Notice, see Instructions for Form 1120S.
(HTA)

720S
41A720S
Department of Revenue

Kentucky
UNBRIDLED SPIRIT

A PLEASE ASSIGN
Kentucky Corporation/LLET Account Number

KENTUCKY S CORPORATION INCOME TAX AND LLET RETURN 2008

Taxable period beginning _____, 2008, and ending _____, 200 ___.

➤ *See separate instructions.*

B *Check applicable box(es):*

LLET Receipts Method

- [ ] Gross Receipts
- [ ] Gross Profits
- [X] $175 minimum

Nonfiling Status Code

Enter Code _____

C Income Tax Return

Nonfiling Status Code

Enter Code _____

D Federal Identification Number [redacted]

Taxable Year Ending 12 / 08 (Mo. / Yr.)

Name of S Corporation *(Print or type)*: RIDGELEA INVESTMENT, INC

Number and Street: 2106 W. North Bend Road

City: CINCINNATI | State: OH | ZIP Code: 45224 | Telephone Number:

State and Date of Incorporation: KY 1/24/1979

Principal Business Activity in KY: SEWER TREATMENT

NAICS Code Number (Relating to Kentucky Activity) (See www.census.gov): 541330

E *Check if applicable:*

- [ ] Qualified investment pass-through entity
- [ ] LLC
- [ ] Initial return
- [ ] Final return *(attach explanation)*
- [ ] Short-period return *(attach explanation)*
- [ ] Amended return
- [ ] Change of name
- [ ] Change of address

F *Number of Shareholders (Attach K-1s)* ➤ 1

Number of QSSSs Included in This Return (Attach Schedule) ➤ _____

PART I — ORDINARY INCOME (LOSS) COMPUTATION

1. Federal ordinary income (loss) (see instructions)	1	4,678
ADDITIONS		
2. State taxes	2	175
3. Federal depreciation (do not include Section 179 expense deduction)	3	1,859
4. Related party expenses	4	
5. Other (attach Schedule O-PTE)	5	
6. Total (add lines 1 through 5)	6	6,712
SUBTRACTIONS		
7. Federal work opportunity credit	7	
8. Kentucky depreciation (do not include Section 179 expense deduction)	8	1,959
9. Other (attach Schedule O-PTE)	9	
10. **Kentucky ordinary income (loss)** (line 6 less lines 7 through 9)	10	4,753

PART II — LLET COMPUTATION

1. Schedule LLET, Section D, line 1	1	175
2. Recycling/composting equipment recapture	2	
3. Total (add lines 1 and 2)	3	175
4. Nonrefundable LLET credit from Kentucky Schedule(s) K-1	4	
5. Nonrefundable tax credits (Schedule TCS)	5	
6. LLET liability (greater of line 3 less lines 4 and 5 or $175 minimum)	6	175
7. Estimated tax payments	7	
8. Extension payment	8	
9. Prior year's tax credit	9	
10. Income tax overpayment from Part III, line 11	10	
11. **LLET due** (line 6 less lines 7 through 10)	11	175
12. **LLET overpayment** (lines 7 through 10 less line 6)	12	
13. Credited to 2008 income tax	13	
14. Credited to 2009 LLET	14	
15. **Amount to be refunded**	15	

PART III—INCOME TAX COMPUTATION

1. Excess net passive income tax	1	
2. Built-in gains tax	2	
3. Tax installment on LIFO recapture	3	
4. **Total income tax liability** (add lines 1, 2 and 3)	4	
5. Estimated tax payments [ ] Check if Form 2220-K attached	5	
6. Extension payment	6	
7. Prior year's tax credit	7	
8. LLET overpayment from Part II, line 13	8	
9. **Tax due** (line 4 less lines 5 through 8)	9	
10. **Tax overpayment** (lines 5 through 8 less line 4)	10	
11. Credited to 2008 LLET	11	
12. Credited to 2009 income tax	12	
13. **Amount to be refunded**	13	

TAX PAYMENT SUMMARY (Round to nearest dollar)

LLET		INCOME	
1. *LLET due (Part II, Line 11)*	$ 175	1. *Income tax due (Part III, Line 9)*	$
2. *Penalty*	$	2. *Penalty*	$
3. *Interest*	$	3. *Interest*	$
4. ***Subtotal***	$ 175	4. ***Subtotal***	$

TOTAL PAYMENT (Add Subtotals) ➤ $ 175

➤ **Federal Form 1120S, all pages and any supporting schedules must be attached.**

Make check payable to:
Kentucky State Treasurer

Mail return with payment to:
Kentucky Department of Revenue
Frankfort, Kentucky 40620

RIDGELEA INVESTMENT, INC [redacted]

SCHEDULE Q — KENTUCKY S CORPORATION QUESTIONNAIRE

IMPORTANT: Questions 4—9 must be completed by all S corporations. If this is the S corporation's initial return or if the S corporation did not file a return under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. ***Failure to do so may result in a request for a delinquent return.***

1. Indicate whether: (a) ☐ new business; (b) ☐ successor to previously existing business which was organized as:
   (1) ☐ corporation; (2) ☐ partnership; (3) ☐ sole proprietorship; or (4) ☐ other _____
   If successor to previously existing business, give name, address and federal I.D. number of the previous business organization.
2. List the following *Kentucky* account numbers. Enter N/A for any number not applicable.
   Employer Withholding _____
   Sales and Use Tax Permit _____
   Consumer Use Tax _____
   Unemployment Insurance _____
   Coal Severance and/or Processing Tax _____
3. If a foreign S corporation, enter the date qualified to do business in Kentucky. _____
4. The S corporation's books are in care of: (name and address)
   OFFICE--SAME
5. Are disregarded entities included in this return? ☐ Yes ☒ No. If yes, list name, address and federal I.D. number of the entity.
6. Is the S corporation a partner or member in a pass-through entity doing business in Kentucky? ☐ Yes ☒ No. If yes, list name and federal I.D. number of the pass-through entity(ies).
   Was the S corporation doing business in Kentucky, other than the interest held in a pass-through entity doing business in Kentucky? ☐ Yes ☒ No
7. Was this return prepared on: (a) ☒ cash basis, (b) ☐ accrual basis, (c) ☐ other _____
8. Did the S corporation file a Kentucky tangible personal property tax return for January 1, 2009? ☐ Yes ☒ No
9. Is the S corporation currently under audit by the Internal Revenue Service? ☐ Yes ☒ No
   If yes, enter years under audit _____
   If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to this department, check here ☐ and file an amended Form 720S, Kentucky S Corporation Income Tax and License Tax Return, for each year adjusted and attach a copy of the final determination.

OFFICER INFORMATION (Failure to Provide Requested Information May Result in a Penalty)

Has the officer information entered below changed from the last return filed? ☐ Yes ☒ No

President's Name: CHARLES G HUNGLER JR
President's Home Address: 5699 CRESTVIEW DRIVE
FAIRFIELD OH 45014
President's Social Security Number: [redacted]
Date Became President
Vice President's Name:
Vice President's Home Address:
Vice President's Social Security Number:

Treasurer's Name:
Treasurer's Home Address:
Treasurer's Social Security Number:
Secretary's Name:
Secretary's Home Address:
Secretary's Social Security Number:

I, the undersigned, declare under the penalties of perjury, that I have examined these returns, including all accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

Signature of principal officer or chief accounting officer — Date

FAESY CPA GROUP, PSC
Name of person or firm preparing return

[redacted]
SSN, PTIN or FEIN

3/31/2009
Date

May the DOR discuss this return with the preparer? ☒ Yes ☐ No

E-mail Address:

Telephone No.: 502-607-0303

www.revenue.ky.gov

RIDGELEA INVESTMENT, INC [redacted]

SCHEDULE K—SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC. (See Specific Instructions for Each Line Item)

SECTION I	(a) Pro Rata Share Items		(b) Total Amount
Income (Loss) and Deductions			
1. Kentucky ordinary income (loss) from trade or business activities (page 1, Part I, line 10)		1	4,753
2. Net income (loss) from rental real estate activities (attach federal Form 8825)		2	
3. (a) Gross income from other rental activities	3(a)		
(b) Less expenses from other rental activities (attach schedule)	(b)		
(c) Net income (loss) from other rental activities (line 3a less line 3b)		3(c)	
4. Portfolio income (loss):			
(a) Interest income		4(a)	21
(b) Dividend income		(b)	
(c) Royalty income		(c)	
(d) Net short-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D if applicable)		(d)	
(e) Net long-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D if applicable)		(e)	
(f) Other portfolio income (loss) (attach schedule)		(f)	
5. Section 1231 net gain (loss) (other than due to casualty or theft) (attach federal and Kentucky Forms 4797)		5	
6. Other income (loss) (attach schedule)		6	
7. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH)		7	
8. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky converted Form 4562)		8	
9. Deductions related to portfolio income (loss) (attach schedule)		9	
10. Other deductions (attach schedule)		10	
Investment Interest			
11. (a) Interest expense on investment debts		11(a)	
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above		(b)(1)	21
(2) Investment expenses included on line 9 above		(2)	
Tax Credits			
12. Skills Training Investment Tax Credit (attach copy(ies) of certification)		12	
13. Historic Preservation Restoration Tax Credit		13	
14. Kentucky Unemployment Tax Credit (attach Schedule UTC)		14	
15. Recycling and Composting Equipment Tax Credit (attach Schedule RC)		15	
16. Kentucky Investment Fund Tax Credit (attach copy(ies) of certification)		16	
17. Coal Incentive Tax Credit (attach Schedule CI)		17	
18. Qualified Research Facility Tax Credit (attach Schedule QR)		18	
19. GED Incentive Tax Credit (attach Form DAEL-31)		19	
20. Voluntary Environmental Remediation Tax Credit (Brownfield) (attach Schedule VERB)		20	
21. Biodiesel Tax Credit (attach Schedule BIO)		21	
22. Environmental Stewardship Tax Credit		22	

Draft Copy

RIDGELEA INVESTMENT, INC [redacted]

SCHEDULE K — SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC. (See Specific Instructions for Each Line Item)

SECTION I — continued	(a) Pro Rata Share Items	(b) Total Amount
Tax Credits—continued		
23. Clean Coal Incentive Tax Credit	23	
24. Ethanol Tax Credit (attach Schedule ETH)	24	
25. Cellulosic Ethanol Tax Credit (attach Schedule CELL)	25	
Other Items		
26. (a) Type of Section 59(e)(2) expenditures ➤	26(a)	
(b) Amount of Section 59(e)(2) expenditures	(b)	
27. Tax-exempt interest income	27	
28. Other tax-exempt income	28	
29. Nondeductible expenses	29	
30. Total property distributions (including cash) other than dividends reported on line 32 below	30	
31. Other items and amounts required to be reported separately to shareholders (attach schedule)	31	
32. Total dividend distributions paid from accumulated earnings and profits	32	
Recapture of Tax Credits		
33. Recapture of Recycling and Composting Equipment Tax Credit (attach Sch. RC-R)	33	

SECTION II — Pass-through Items			
1. S corporation's Kentucky sales from Schedule A, Section I, line 1	1		
2. S corporation's total sales from Schedule A, Section I, line 2	2		
3. S corporation's Kentucky property from Schedule A, Section I, line 5	3		
4. S corporation's total property from Schedule A, Section I, line 6	4		
5. S corporation's Kentucky payroll from Schedule A, Section I, line 8	5		
6. S corporation's total payroll from Schedule A, Section I, line 9	6		
7. S corporation's Kentucky gross profits from Schedule LLET, Section A, Column A, line 5	7	100,346	
8. S corporation's total gross profits from all sources from Schedule LLET, Section A, Column B, line 5	8	100,346	
9. Limited liability entity tax (LLET) nonrefundable credit from page 1, Part II, the total of lines 4 and 6, less $175	9		

CLIENT COPY

SCHEDULE LLET

41A720LLET (10-08)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

Taxable Year Ending

12 / 08
Mo. Yr.

LIMITED LIABILITY ENTITY TAX

KRS 141.0401

➤ *See instructions.*

➤ **Attach to Form 720, Form 720S, Form 725 or Form 765.**

☐ **Member of a Combined Group**

_____ **Reason Code**

Name of Corporation/Limited Liability Entity	Kentucky Corporation/LLET Account Number
RIDGELEA INVESTMENT, INC	PLEASE ASSIGN

☐ **If the corporation or limited liability pass-through entity is a partner, member, or shareholder of a limited liability pass-through entity or general partnership organized or formed as a general partnership after January 1, 2006, check this box and complete Schedule LLET-C and enter the total amounts from Schedule LLET-C in Section A of this form.**

Section A — Computation of Gross Receipts and Gross Profits

		Column A Kentucky	Column B Total
1. Gross receipts	1	100,346	100,346
2. Returns and allowances	2		
3. Gross receipts after returns and allowances (line 1 minus line 2 or amount from Schedule LLET-C)	3	100,346	100,346
4. Cost of goods sold	4		
5. Gross profits (line 3 minus line 4 or amount from Schedule LLET-C)	5	100,346	100,346

Section B — Computation of Gross Receipts LLET

1. If gross receipts from all sources (Column B, line 3) are $3,000,000 or less, **STOP** and enter $175 on Section D, line 1	1		
2. If gross receipts from all sources (Column B, line 3) are greater than $3,000,000 but less than $6,000,000, enter the following: (Column A, line 3 x 0.00095) – [$2,850 x ($6,000,000 – Column A, line 3) / $3,000,000] but in no case shall the result be less than zero	2		
3. If gross receipts from all sources (Column B, line 3) are $6,000,000 or greater, enter the following: Column A, line 3 x 0.00095	3		
4. Enter the amount from line 2 or line 3	4		

Section C — Computation of Gross Profits LLET

1. If gross profits from all sources (Column B, line 5) are $3,000,000 or less, **STOP** and enter $175 on Section D, line 1	1		
2. If gross profits from all sources (Column B, line 5) are greater than $3,000,000 but less than $6,000,000, enter the following: (Column A, line 5 x 0.0075) – [$22,500 x ($6,000,000 – Column A, line 5) / $3,000,000] but in no case shall the result be less than zero	2		
3. If gross profits from all sources (Column B, line 5) are $6,000,000 or greater, enter the following: Column A, line 5 x 0.0075	3		
4. Enter the amount from line 2 or line 3	4		

Section D — Computation of LLET

1. Enter the lesser of Section B, line 4 or Section C, line 4 on this line or if -0-, enter $175 on this line and on Form 720, Part I, line 1; and for Form 720S, 725, or 765, enter on Part II, line 1	1	175	

STOP **Mark the applicable Receipts Method box on Form 720, Form 720S, Form 725 or Form 765, page 1, Item B.**

Unofficial Copy

(Form 720S)
SCHEDULE K-1
41A720S(K-1)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE

2008

SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

For calendar year 2008 or fiscal year beginning _____ 2008, and ending _____ , _____.

Shareholder's identifying number ➤	S corporation's FEIN ➤	Kentucky corporation/LLET account number ➤
[redacted]	[redacted]	PLEASE ASSIGN

Shareholder's name, address and ZIP code #1	S corporation's name, address and ZIP code *Check if applicable:* ☐ Qualified investment pass-through entity
CHARLES G HUNGLER JR 5699 CRESTVIEW DRIVE FAIRFIELD OH 45014	RIDGELEA INVESTMENT, INC 2106 W. North Bend Road CINCINNATI, OH 45224

A. Shareholder's percentage of stock ownership for tax year ➤ 100.000000%

B. (1) Resident shareholder's taxable percentage of pro rata share items ➤

(2) Nonresident shareholder's taxable percentage of pro rata share items (see Schedule A, Section I, line 12) ➤ 100.0000%

C. What type of entity is this shareholder? ☒ Individual/Estate/Trust ☐ Single Member LLC

D. Check the applicable box if nonresident shareholder's income is reported on:

☐ Kentucky Nonresident Income Tax Withholding on Net Distributive Share Income Transmittal Report (Form 740NP-WH) and Form PTE-WH, or

☐ Composite Return (Form 740-NP)

E. Check if applicable: (1) ☐ Final K-1 (2) ☐ Amended K-1

IMPORTANT: Refer to Shareholder's Instructions for Schedule K-1 before entering information from Schedule K-1 on your tax return.

(a) Pro Rata Share Items		(b) Amount
Income (Loss)		
1. Ordinary income (loss) from trade or business activities	1	4,753.00
2. Net income (loss) from rental real estate activities	2	
3. Net income (loss) from other rental activities	3	
4. Portfolio income (loss):		
(a) Interest	4(a)	21.00
(b) Dividends	(b)	
(c) Royalties	(c)	
(d) Net short-term capital gain (loss)	(d)	
(e) Net long-term capital gain (loss)	(e)	
(f) Other portfolio income (loss) (attach schedule)	(f)	
5. Net gain (loss) under Section 1231 (other than due to casualty or theft)	5	
6. Other income (loss) (attach schedule)	6	
Deductions		
7. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH)	7	
8. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky converted Form 4562)	8	
9. Deductions related to portfolio income (loss) (attach schedule)	9	
10. Other deductions (attach schedule)	10	
Investment Interest		
11. (a) Interest expense on investment debts	11(a)	
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)	21.00
(2) Investment expenses included on line 9 above	(2)	

1015

CHARLES G HUNGLER JR #1 [redacted]

SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Pro Rata Share Items (continued)		(b) Amount
Tax Credits		
12. Skills Training Investment Tax Credit	12	
13. Historic Preservation Restoration Tax Credit	13	
14. Kentucky Unemployment Tax Credit	14	
15. Recycling and Composting Equipment Tax Credit	15	
16. Kentucky Investment Fund Tax Credit	16	
17. Coal Incentive Tax Credit	17	
18. Qualified Research Facility Tax Credit	18	
19. GED Incentive Tax Credit	19	
20. Voluntary Environmental Remediation Tax Credit (Brownfield)	20	
21. Biodiesel Tax Credit	21	
22. Environmental Stewardship Tax Credit	22	
23. Clean Coal Incentive Tax Credit	23	
24. Ethanol Tax Credit	24	
25. Cellulosic Ethanol Tax Credit	25	
Other Items		
26. (a) Type of Section 59(e)(2) expenditures ➤	26(a)	
(b) Amount of Section 59(e)(2) expenditures	(b)	
27. Tax-exempt interest income	27	
28. Other tax-exempt income	28	
29. Nondeductible expenses	29	
30. Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	30	
31. Supplemental information required to be reported to each shareholder (attach schedules)	31	
32. Total dividend distributions paid from accumulated earnings and profits	32	
Recapture of Tax Credit		
33. Recapture of Recycling and Composting Equipment Tax Credit	33	
LLET Pass-through Items		
34. Shareholder's share of S corporation's Kentucky sales from Schedule K, Section II, line 1	34	
35. Shareholder's share of S corporation's total sales from Schedule K, Section II, line 2	35	
36. Shareholder's share of S corporation's Kentucky property from Schedule K, Section II, line 3	36	
37. Shareholder's share of S corporation's total property from Schedule K, Section II, line 4	37	
38. Shareholder's share of S corporation's Kentucky payroll from Schedule K, Section II, line 5	38	
39. Shareholder's share of S corporation's total payroll from Schedule K, Section II, line 6	39	
40. Shareholder's share of Kentucky gross profits from Schedule K, Section II, line 7	40	
41. Shareholder's share of total gross profits from all sources from Schedule K, Section II, line 8	41	
42. Shareholder's share of limited liability entity tax (LLET) nonrefundable credit from Schedule K, Section II, line 9	42	
Resident Shareholder Adjustment		
43. Combination of Kentucky Schedule K-1, lines 1 through 5, 8 and portions of lines 6 and 10. Add income amounts and subtract (loss) and deduction amounts (see instructions)	43	
44. Combination of federal Schedule K-1, lines 1 through 9, 11 and portions of lines 10 and 12. Add income amounts and subtract (loss) and deduction amounts (see instructions)	44	
45. Enter the difference of lines 43 and 44 here and on appropriate line on Schedule M (see instructions)	45	

DETACH COPY

HALL ENVIRONMENTAL CONSULTANTS, LLC

April 20, 2009

Chuck Hungler
Perfect-A-Waste

Re: Sanitary Sewer Evaluation Survey (SSES)

Dear Mr. Hungler:

This letter is to provide cost estimates for completing an SSES in support of requirements for investigating Inflow and Infiltration at your three Franklin County Sewer plants. The costs reflect 2 miles of sewer line with average manhole spacing of 100'.

Item	Cost (not to exceed)
Mapping of System	$4500.00
Flow Measurements	$4500.00
Smoke Testing of System	$5000.00
Camera Work (may not be needed)	$8000.00
Final Report with Recommendations	$4000.00

We appreciate the opportunity to make this offer and look forward to hearing from you. If you have any questions please call me at 859-873-3331.

Sincerely,

Tab Farthing
Project Manager

103 Fieldview Drive - Versailles, KY 40383 - Ph:(859) 873-3331 - Fax: (859) 873-4611

Ridgelea Lab Testing Increase
(December, 2009)

Ridgelea's laboratory testing costs will increase by $740 per month, or $8,880 per year because of the EPPC requirement to use an outside laboratory rather than Perfecta-waste. The pro forma expense with the new lab is as follows, based on 17 required tests per quarter:

Franklin County plant	Required Frequency	Per Quarter	Cost per Test*	Quarterly cost	Annual cost
Edgewood	1 per week	13	$200	$2,600	$10,400
Farmgate	1 per month	3	$175	$525	$2,100
Meadowbrook	1 per quarter	1	$175	$175	$700
		17			**$13,200**

**$200 used for Edgewood plant to allow for occasional retests required.*

Prior contracts with Perfectawaste have called for a normal testing fee of $340 per month, and 17 tests per quarter. That is a normal annual fee of $4,080, not counting retests. The difference between the $13,200 pro forma and the $4,080 for normal tests is $9,120 – slightly higher than the $8,880 amount stated in the rate application, and attributable to required retests.

Fouser Environmental Services

165 Camden Avenue
Versailles, KY 40383

INVOICE

DATE	INVOICE #
11/17/2009	27442

BILL TO:
Ridge Lea Investments 2106 West North Bend Road Cincinnati, OH 45224 Attn: Chuck Hungler

P.O. No.	TERMS
	Net 30

DESCRIPTION	QUANTITY	UNIT COST	AMOUNT
10-9-09 E. coli Analysis - Edgewood	1	45.00	45.00
10-6-09 Analyses of Wastewater Discharge - Edgewood	1	175.00	175.00
9-30-09 E. coli Analysis - Edgewood	1	45.00	45.00
11-10-09 E. coli Analysis - Edgewood	1	45.00	45.00
T.R. Chlorine Analysis	1	15.00	15.00
10-21-09 Analyses of Wastewater Discharge - Edgewood	1	175.00	175.00
10-27-09 Analyses of Wastewater Discharge - Edgewood	1	175.00	175.00
10-30-09 Analyses of Wastewater Discharge - Edgewood	1	175.00	175.00

Please Include Invoice Number with Payment.
Accounts Past 30 Days May Accrue a 1% Per Month Late Fee.
For all billing questions please call (859) 552-2275.

BALANCE DUE $850.00

Fouser Environmental Services

165 Camden Avenue
Versailles, KY 40383

INVOICE

DATE	INVOICE #
11/17/2009	27439

BILL TO:
Ridge Lea Investments 2106 West North Bend Road Cincinnati, OH 45224 Attn: Chuck Hungler

P.O. No.	TERMS
	Net 30

DESCRIPTION	QUANTITY	UNIT COST	AMOUNT
9-30-09			
Analyses of Wastewater Discharge - Farmgate	1	175.00	175.00
10-21-09			
Analyses of Wastewater Discharge - Farmgate	1	175.00	175.00

Please Include Invoice Number with Payment.
Accounts Past 30 Days May Accrue a 1% Per Month Late Fee.
For all billing questions please call (859) 552-2275.

BALANCE DUE $350.00

PERFECT-A-WASTE SEWAGE EQUIP. CO
11264 Sebring Dr.
Cincinnati, Ohio 45240
(513) 851-8886

To: Ridgelea Investments, INC.
11264 Sebring Dr.
Cincinnati, OH. 45240

Muhlberry WWTP's

SERVICE MAINTENANCE AGREEMENT

Perfect-A-Waste Sewage Equip. Co. will make 2 visit(s) per week at the rate of 650.00 dollars per month on the Muhlberry WWTP's Sewage Treatment Facility. In this visit our serviceman shall perform the following maintenance duties:

A. Clean Bar Screen
B. Check Comminutor.
C. Check diffusers and clean if needed.
D. Check Blower Equip., grease and change oil as needed.
E. Scrape Clarifier and other places of solids build up.
F. Visual inspection of Sludge and Skimmer return lines and make corrections as needed.
G. Visual inspection of sewage treatment quality and make corrections as needed.
H. Check Tertiary Filter.
I. Check Chlorination Equipment and add solution as needed.
J. Check Pump Lift Station for proper operation.

If there is an equipment breakdown or work done exempt of the above classification, the labor charge shall be 60.00 per hour plus parts, or equipment if needed. This work shall not be performed without the owner's approval.

State Testing requirements shall be performed at the rate of 17 appx. per Quarter. These test results shall be filed with the State's E.P.A. office in your area. The lab testing fee is 340.00 per month

Terms: Daily maintenance invoicing shall be issued on the 30th of that month in which the work was performed. Invoice shall be payable at the end of the month.

This maintenance agreement is valid for a period of one year from 1-1-06 to 12-31-06. At the end of this period a renewal agreement shall be issued if both parties are mutually interested in continuing the agreement services.

The maintenance agreement is voided if for any one of the reasons below:

1. One or both parties believe that the work being performed is not satisfactory or in context with the agreement and cannot come to a mutual understanding on it.
2. That monthly invoicing is not being paid within the time limit set in the agreement and cannot be mutually worked out.
3. A 30 day written cancellation notice is necessary to void this contract. The contract will be voided 30 days after written notice is received by Perfect-A-Waste.

* Chlorine will be billed as it is used each month

Owner of Sewage Treatment Facility
Date _____

Perfect-A-Waste Sewage Equip. Co.
Date _____

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE OPERATION	)	
OF RIDGELEA INVESTMENTS, INC. OF	)	
FARMGATE, EDGEWOOD AND MEADOWBROOK	)	CASE NO. 2008-00378
SEWER UTILITY FACILITIES IN	)	
FRANKLIN COUNTY, KENTUCKY	)	

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 28th day of November, 2008, by and between the STAFF OF THE KENTUCKY PUBLIC SERVICE COMMISSION ("Commission Staff") and RIDGELEA INVESTMENTS, INC. ("Ridgelea"), a sewer utility.

W I T N E S S E T H:

WHEREAS, Ridgelea is a Kentucky corporation whose principal office is located in Cincinnati, Ohio. Ridgelea serves the following subdivisions located in Franklin County, Kentucky: Farmgate, Edgewood, and Meadowbrook; and

WHEREAS, the Commission determined by its own motion to establish this case to investigate the operation of Ridgelea's wastewater treatment facilities in Franklin County, Kentucky; and

WHEREAS, the Attorney General of Kentucky requested and was made a party to these proceedings on September 26, 2008; and

WHEREAS, a conference was held on November 6, 2008 with Commission Staff to discuss all issues and the procedure for a formal hearing; and

WHEREAS, Ridgelea indicated that it had made repairs to a tank and intended to have each plant cleaned and painted and that other improvements were based upon its pending rate case; and

WHEREAS, Commission Staff made no finding of any violation of Commission regulations; and

WHEREAS, during the conference, the parties and Commission Staff discussed the Commission Staff's Inspection Report as it related to all three facilities operated by Ridgelea in Franklin County, Kentucky; and

WHEREAS, Ridgelea and Commission Staff have entered into an agreed settlement of all issues contained in the Inspection Report as well as other matters not contained in that report.

NOW, THEREFORE, Ridgelea and Commission Staff agree that:

1. As all issues raised in the Commission Staff Inspection Report are being resolved in this agreement, there is no necessity for a formal hearing in this matter and all parties hereto waive a formal hearing.

2. Chuck Hungler is the president of Ridgelea and is authorized to enter into this agreement.

3. As to all three facilities, Ridgelea agrees:

a. To install bins, on or before November 30, 2008, for the purpose of on-site storage of documents and necessary chemicals for each facility.

b. To clean and paint all above water level surfaces by September 30, 2009.

4. As to Farmgate, Ridgelea agrees:

a. To repair the chain link fence March 31, 2009; to repair the gap below chain link fence no later than November 30, 2008, by placing planking at ground level.

b. To reduce noise by installing a blower discharge-side silencer by March 31, 2009.

c. To further repair and paint the tank by March 31, 2009.

5. As to Edgewood, Ridgelea agrees:

a. To repair a manhole located near the entrance gate no later than December 31, 2008.

b. To consult with Commission Staff and repair fence no later than March 31, 2009.

6. No specific action is required at Meadowbrook as Commission Staff found no issues there.

7. This agreement is subject to the acceptance of and approval by the Public Service Commission.

8. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on or be construed against Ridgelea or Commission Staff.

9. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be approved and incorporated into an Order of the Commission.

ATTORNEY GENERAL OF KENTUCKY
OFFICE OF RATE INTERVENTION
Have seen and have no objection.

BY_____
Assistant Attorney General

RIDGELEA INVESTMENTS, INC.

BY_____
Chuck Hungler, President

STAFF OF THE KENTUCKY PUBLIC SERVICE COMMISSION

BY_____
James R. Goff, Staff Attorney

Perfect-A-Waste Sewage
Acct. Rec.Dept. (513) 851-8886
2106 W. North Bend Rd.
Cincinnati OH 45224

Invoice

Number	R09-137
Date	12/02/09

Bill To
Ridgelea Investments, Inc.
2106 W. North Bend Rd.
Cinti OH 45224

Ship To
Re: Meadowbrook Subdivision

P.O.Number	Terms
	Net 30 Days

Quantity	Description	Unit Price	Amount
1	Prepared and Painted Sewage Treatment Plant		
1	Paint, Equipment Rental, Shop Supplies, and Misc. Materials		746.00
23	Hrs. Total Labor	65.00	1,495.00

Thank You! We appreciate your business. All invoices 60 days or more Past Due are subject to interest charges of 1-1/2 % per month plus costs incurred for collection including legal fees.

Amount Paid 0.00 Amount Due 2,241.00

TOTAL **$2,241.00**

Perfect-A-Waste Sewage
Acct. Rec.Dept. (513) 851-8886
2106 W. North Bend Rd.
Cincinnati 0H 45224

Invoice

Number	R09-138
Date	12/02/09

Bill To
Ridgelea Investments, Inc.
2106 W. North Bend Rd.
Cinti OH 45224

Ship To
Re: Edgewood Subdivision

P.O.Number	Terms
	Net 30 Days

Quantity	Description	Unit Price	Amount
1	Prepared and Painted Sewage Treatment Plant		
1	Paint, Equipment Rental, Shop Supplies, and Misc. Materials		1,187.50
37	Hrs. Total Labor	65.00	2,405.00

Thank You! We appreciate your business. All invoices 60 days or more Past Due are subject to interest charges of 1-1/2 % per month plus costs incurred for collection including legal fees.

Amount Paid 0.00 Amount Due 3,592.50

TOTAL **$3,592.50**

Perfect-A-Waste Sewage
Acct. Rec.Dept. (513) 851-8886
2106 W. North Bend Rd.
Cincinnati 0H 45224

Invoice

Number	R09-139
Date	12/02/09

Bill To
Ridgelea Investments, Inc.
2106 W. North Bend Rd.
Cinti OH 45224

Ship To
Re: Farmgate Subdivision

P.O.Number	Terms
	Net 30 Days

Quantity	Description	Unit Price	Amount
1	Prepared, Painted, and Repaired Sewage Treatment Plant		
1	Paint, Equipment Rental, Shop Supplies, and Misc. Materials		2,164.54
68	Hrs. Total Labor	65.00	4,420.00

Thank You! We appreciate your business. All invoices 60 days or more Past Due are subject to interest charges of 1-1/2 % per month plus costs incurred for collection including legal fees.

Amount Paid 0.00 Amount Due 6,584.54

TOTAL **$6,584.54**