

# SHADOW WOOD SUBDIVISION SEWER SERVICE

A JOINT VENTURE OF

FOURTH AVENUE CORPORATION AND LONG CORPORATION

POST OFFICE BOX 1267

PROSPECT, KENTUCKY 40059

CLAY W. LONG, PRESIDENT

502-241-4849

March 3, 2005

Public Service Commission  
Attention: Mr. Dale Wright  
Post Office Box 615  
Frankfort, Kentucky 40602

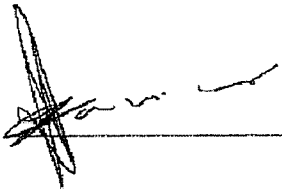
RE: Supplemental Submissions for Case 2004-00364

Dear Mr. Wright,

The closing for the transfer of the utility in the above styled case was accomplished on February 28<sup>th</sup> 2005. Both Buyer and Seller are working on providing the Commission with items requested in PSC Order DTD January 11, 2005.

Attached please find a depreciation schedule marked as Exhibit "A" and pro-forma journal entries for Seller and Buyer in Case 2004-00364. Please have PSC Financial Analysis staff review them for accuracy. If correct, they will be incorporated into the appropriate documents.

Sincerely,

A handwritten signature in black ink, appearing to be "Clay W. Long", written over a horizontal line.

Clay W. Long, President  
CWL: Enclosures

RECEIVED  
MAR 04 2005  
PUBLIC SERVICE  
COMMISSION

Exhibit "A" PSC Case 2004-00364 DTD 3-2-05  
 Shadow Wood Subdivision Sewer Service  
 Plant in Service Depreciation Schedule per Staff Report DTD 4/1/02 PSC Case 2001-00423

	Original Value	1998	1999	2000	2001	2002	2003	2004	2005
Yard Hydrant	\$764.26			\$38.21	\$76.43	\$76.43	\$76.43	\$76.43	\$76.43
Flow Meter	\$3,500.00			\$350.00	\$700.00	\$700.00	\$700.00	\$700.00	\$350.00
Air Drops, Diffusers, Blower Pump	\$5,318.60	\$211.00	\$422.00	\$531.86	\$1,063.72	\$1,063.72	\$1,063.72	\$1,063.72	\$531.86
Guide Rails	\$2,110.00	\$263.15	\$526.30	\$422.00	\$422.00	\$422.00	\$211.00	\$211.00	
Alarm	\$2,631.50	\$85.00	\$170.00	\$526.30	\$526.30	\$526.30	\$263.15	\$263.15	
Blower Motors	\$850.00		\$170.00	\$170.00	\$170.00	\$170.00	\$85.00	\$85.00	
Blower and Exhaust Motor Pump	\$1,825.00		\$182.50	\$365.00	\$365.00	\$365.00	\$365.00	\$182.50	
Fencing Pump	\$1,045.23		\$104.52	\$209.05	\$209.05	\$209.05	\$209.05	\$104.52	
Chlorinator	\$1,960.00		\$196.00	\$392.00	\$392.00	\$392.00	\$392.00	\$196.00	
	\$3,030.00		\$151.50	\$303.00	\$303.00	\$303.00	\$303.00	\$303.00	\$303.00
	\$216.52		\$21.65	\$43.30	\$43.30	\$43.30	\$43.30	\$21.65	
	\$1,347.50		\$134.75	\$269.50	\$269.50	\$269.50	\$269.50	\$134.75	
Depreciation Expense		\$559.15	\$1,909.23	\$3,620.22	\$4,540.30	\$4,540.30	\$3,981.15	\$2,782.57	\$1,261.29
Accumulated Depreciation		\$559.15	\$2,468.38	\$6,088.60	\$10,628.89	\$15,169.19	\$19,150.34	\$21,932.91	\$23,194.19
Net Plant in Service	\$24,598.61	\$24,039.46	\$22,130.24	\$18,510.01	\$13,969.72	\$9,429.42	\$5,448.27	\$2,665.70	\$1,404.42

**Exhibit "A" PSC Case 2004-00364 DTD 3-2-05**  
**Shadow Wood Subdivision Sewer Service**  
**Plant in Service Depreciation Schedule per Staff Report DTD 4/1/02 PSC Case 2001-00423**

	Original Value	2006	2007	2008	2009	2010
Yard Hydrant	\$764.26	\$76.43	\$76.43	\$76.43	\$76.43	\$38.21
Flow Meter	\$3,500.00					
Air Drops, Diffusers, Blower Pump	\$5,318.60					
Guide Rails	\$2,110.00					
Alarm	\$2,631.50					
Blower Motors	\$850.00					
Blower and Exhaust Motor Pump	\$1,825.00					
Fencing Pump	\$1,045.23	\$303.00	\$303.00	\$303.00	\$151.50	
Chlorinator	\$3,030.00					
	\$216.52					
	\$1,347.50					
Depreciation Expense		\$379.43	\$379.43	\$379.43	\$227.93	\$38.21
Accumulated Depreciation		\$23,573.62	\$23,953.05	\$24,332.47	\$24,560.40	\$24,598.61
Net Plant in Service		\$1,024.99	\$645.57	\$266.14	\$38.21	\$0.00

**Journal Entries of Shadow Wood Subdivision Sewer Service (Seller) to Record Partial Year Depreciation and Sale of Plant**

2/28/2005	Utility Plant (101-109)	\$24,599	
	Accumulated Prov. For Depreciation (110)		\$21,933
	To record Utility Plant in Service and Accumulated Depreciation to 12/31/04 per PSC Order DTD 1/11/05 in PSC Case 2004-00364		
2/28/2004	Depreciation Expense	\$204	
	Accumulated Prov. for Depreciation (110)		\$204
	To record depreciation expense from 1/1/05 to 2/28/05		
2/28/2005	Utility Plant Sold		\$462,998
	Accum. Prov for Depreciation	\$359,304	
	Cash	\$100,000	
	Note Payable	\$125,000	
	Retained Earnings		\$121,306
	To record sale of plant by Seller		

**Journal Entry of Shadow Wood Waste Environmental, LLC (Buyer) to Record Purchase of Plant and Record Unrecorded Contribution in Aid of Construction**

2/28/2005	Utility Plant Purchased	\$462,938	
	Accumulated Prov. for Depreciation (110)		\$359,304
	Contribution in Aid of Construction		\$438,339
	Accum. Amort. of Cont. In Aid of Const.	\$337,167	
	Cash		\$100,000
	Note Payable		\$125,000
	Plant Acquisition Adjustment	\$222,538	

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PROSPECT, KY 40059



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MAR 0 2 2005

PUBLIC SERVICE  
COMMISSION

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Atten: Mr. Dale Wright, Esq.  
P.O. Box 615  
Frankfort, KY 40602

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