

THE HORWITZ LAW FIRM, P.S.C.

ATTORNEYS AND COUNSELORS AT LAW

2005-314

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December 1, 2005

Public Service Commission
Attn: Ms. Beth O'Donnell
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

**Re: Grant County Sanitary Sewer District
Annual Report Filing**

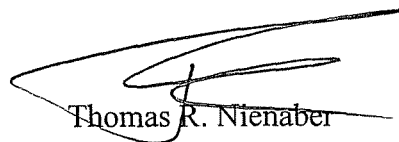
Dear Ms. O'Donnell:

Enclosed please find an original and two copies of the Grant County Sanitary Sewer District's Annual Report. Please file stamp a copy and return to my office.

If you have any questions, please do not hesitate to call.

Very truly yours,

THE HORWITZ LAW FIRM, P.S.C.



Thomas R. Nienaber

TRN/ns

Enclosures

cc: Bullock Pen Water District, Attn: Paula Massie
Bullock Pen Water District, Attn: Bobby Burgess
Morris & Bressler, P.S.C., Attn: Ms. Peggy Lamb
CMW, Inc., Attn: Mr. Kerry Odle

Sewer

Annual Report

Of

GRANT COUNTY SANITARY SEWER DISTRICT

Exact Legal Name of Reporting Utility

P. O. BOX 460

CRITTENDEN, KY 41030

(Address of Utility)

TO THE
PUBLIC SERVICE COMMISSION
OF THE
COMMONWEALTH OF KENTUCKY

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2004

PUBLIC SERVICE COMMISSION OF KENTUCKY
PRINCIPAL PAYMENT AND INTEREST INFORMATION
FOR THE YEAR ENDING DECEMBER 31, 20 04

1. Amount of Principal Payment during calendar year \$ 0
2. Is Principal Current? (Yes) X (No) _____
3. Is Interest Current? (Yes) X (No) _____
4. Has all long-term debt been approved by the Public Service Commission?
(Yes) _____ (No) X PSC Case No. _____

SERVICES PERFORMED BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are your financial statements examined by a Certified Public Accountant?

Yes X No _____

If yes, which service is performed?

Audit X

Compilation _____

Review _____

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

Additional Requested Information

Utility Name GRANT COUNTY SANITARY SEWER DISTRICT

FEIN # (Federal Employer Identification Number)

3	0	-	0	2	1	6	0	8	2
---	---	---	---	---	---	---	---	---	---

Contact Person WILLIAM R. CATLETT

Contact Person's E-Mail Address bullockpen@fuse.net

Utility's Web Address NONE

Please complete the above information, if it is available.

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

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

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

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

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

Additional Information Required By Commission Orders

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

Case #	Date Of Order	Item/Explanation
		N/A

Attach additional sheets if more room is required

General Information

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

2. Give the location including street, zip code and telephone number of the principal office in Kentucky. FARRELL DRIVE 859-428-3060
CRITTENDEN, KY 41030

3. Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed. BOBBY BURGESS, CHAIRMAN 859-428-3060
160 CHOCTAW DRIVE
DRY RIDGE, KY 41035

4. Name of State under the laws of which respondent is incorporated and the date of incorporation. KENTUCKY
OCTOBER 2, 2002

5. Date sewer utility began operations. APRIL 23, 2004

6. Name of City, Town, Community, Sub-Division and County in which respondent furnishes sewer service. CITY OF CRITTENDEN, GRANT COUNTY

7. Number of employees: Full time 0, Part time 0

PRINCIPAL OFFICERS

Title	Name	Official Address	Annual Salary and/or Fee
CHAIRPERSON	BOBBY BURGESS	160 CHOCTAW DRIVE DRY RIDGE, KY 41035	1,200.00
ASST. SECY/TREAS	CHARLES GIVIN	815 CRITTENDEN MT. ZION RD DRY RIDGE, KY 41035	1,200.00
SECY/TREAS	DANNY GREENE	107 AUSTIN DRIVE CRITTENDEN, KY 41030	1,200.00
COMMISSIONER	RONALD KINMON	5900 WARSAW ROAD DRY RIDGE, KY 41035	1,200.00
COMMISSIONER	BILLY F. SIMPSON	1075 SIMPSON RIDGE ROAD WILLIAMSTOWN, KY 41097	1,200.00
GEN. MGR.	WILLIAM R. CATLETT	BULLOCK PEN WATER DIST. P. O. BOX 188, CRITTENDEN	INCLUDED IN MGT. FEE
OFFICE MGR.	PAULA MASSIE	BULLOCK PEN WATER DIST. P. O. BOX 188, CRITTENDEN	INCLUDED IN MGT. FEE

BALANCE SHEET

Line No.	ASSETS AND OTHER DEBITS	Balance First Of Year	Balance Last Of Year
1			
2	UTILITY PLANT		
3			
4	Utility Plant (101-109).....	\$ _____	\$ 4,459,002
5	Less: Accumulated Prov. For Depreciation		
6	And Amortization of Utility Plant (110).....	\$ _____	\$ 75,615
7	Net Utility Plant.....	\$ _____	\$ 4,383,387
8			
9	OTHER PROPERTY AND INVESTMENTS		
10			
11	Nonutility Property (121).....	\$ _____	\$ _____
12	Less: Accum. Prov. For Depr. And Amort.		
13	Of Non-utility property (122).....	\$ _____	\$ _____
14	Net Nonutility Property.....	\$ _____	\$ _____
15	Other Investment (124).....	\$ _____	\$ _____
16	Special Funds (125).....	\$ _____	\$ 128,904
17			
18			
19	Total Other Property & Investments.....	\$ _____	\$ 128,904
20			
21	CURRENT AND ACCRUED ASSETS		
22			
23	Cash and Working Funds (131).....	\$ 5,263	\$ 121,659
24	Temporary Cash Investments (132).....	\$ _____	\$ _____
25	Notes Receivable (141).....	\$ _____	\$ _____
26	Customer Accounts Receivable (142).....	\$ _____	\$ 51,178
27	Other Accounts Receivable (143).....	\$ _____	\$ 91
28	Accum. Prov. For Uncollectible Accts.-Cr. (144)	\$ _____	\$ (2,500)
29	Notes Receivable From Assoc. Companies (145)..	\$ _____	\$ _____
30	Accounts Receivable From Assoc. Companies (146)	\$ _____	\$ _____
31	Materials and Supplies (150).....	\$ _____	\$ _____
32	Prepayments (166).....	\$ _____	\$ 1,529
33	Other Current and Accrued Assets (170).....	\$ _____	\$ _____
34			
35			
36			
37	Total Current and Accrued Assets.....	\$ 5,263	\$ 171,957
38			
39	DEFERRED DEBITS		
40			
41	Unamortized Debt Discount and Expense (181)...	\$ _____	\$ 44,042
42	Extraordinary Property Losses (182).....	\$ _____	\$ _____
43	Other Deferred Debits (183).....	\$ 7,877	\$ 21,179
44			
45			
46			
47	Total Deferred Debits.....	\$ 7,877	\$ 65,221
48			
49			
50	TOTAL ASSETS AND OTHER DEBITS	\$ 13,140	\$ 4,749,469

BALANCE SHEET

Line No.	LIABILITIES AND OTHER CREDITS	Balance First Of Year	Balance Last Of Year
1			
2	EQUITY CAPITAL		
3			
4	Common Capital Stock (201).....	\$ _____	\$ _____
5	Preferred Capital Stock (204).....	\$ _____	\$ _____
6	Other Paid-In Capital (207).....	\$ _____	\$ _____
7	Discount on Capital Stock (213).....	\$ _____	\$ _____
8	Capital Stock Expense (214).....	\$ _____	\$ _____
9	Appropriated Retained Earnings (215)	\$ _____	\$ _____
10	Unappropriated Retained Earnings (216).....	\$ (1,767)	\$ (85,846)
11	Non-Corporate Proprietorship (218).....	\$ _____	\$ _____
12	Total Equity Capital.....	\$ (1,767)	\$ (85,846)
13			
14	LONG TERM DEBT		
15			
16	Bonds (221).....	\$ _____	\$ 1,530,000
17	Advances From Associated Companies (223).....	\$ _____	\$ _____
18	Other Long Term Debt (224).....	\$ _____	\$ _____
19	Total Long Term Debt.....	\$ _____	\$ 1,530,000
20			
21	CURRENT AND ACCRUED LIABILITIES		
22			
23	Notes Payable (231).....	\$ 10,000	\$ 21,000
24	Accounts Payable (232).....	\$ 4,677	\$ 99,659
25	Notes Payable to Associated Companies (233)...	\$ _____	\$ _____
26	Accounts Payable to Assoc. Companies (234)....	\$ _____	\$ _____
27	Customer Deposits (235).....	\$ _____	\$ 57,925
28	Taxes Accrued (236).....	\$ 115	\$ 92
29	Interest Accrued (237).....	\$ _____	\$ 35,267
30	Other Current and Accrued Liabilities (238)...	\$ 115	\$ 4,023
31	Total Current and Accrued Liabilities...	\$ 14,907	\$ 217,966
32			
33	DEFERRED CREDITS		
34			
35	Advances for Construction (252).....	\$ _____	\$ _____
36	Other Deferred Credits (253).....	\$ _____	\$ 25,350
37	Accum. Deferred Investment Tax Credits (255)..	\$ _____	\$ _____
38	Total Deferred Credits.....	\$ _____	\$ 25,350
39			
40	Operating Reserves (261-265).....	\$ _____	\$ _____
41			
42	Contributions in Aid of Construction (271)....	\$ _____	\$ 3,061,999
43			
44	ACCUMULATED DEFERRED INCOME TAXES		
45			
46	Accum. Def. Income Taxes - Accel. Amort (281)..	\$ _____	\$ _____
47	Accum. Def. Income Taxes - Lib. Amort (282)...	\$ _____	\$ _____
48	Accum. Def. Income Taxes - Others (283).....	\$ _____	\$ _____
49	Total Accum. Deferred Income Taxes.....	\$ _____	\$ _____
50	TOTAL LIABILITIES AND OTHER CREDITS	\$ 13,140	\$ 4,749,469

SUMMARY OF UTILITY PLANT

Line No.	Acct. No.	Item	Amount
		UTILITY PLANT	
1		In Service:	
2	101	Plant in Service Classified (from Page 5, Line 40)	4,459,002
3	102	Completed Construction Not Classified	
4	103	Utility Plant in Process of Reclassification	
5	106	Utility Plant Purchased or Sold	
6		Total - In Service	
7	104	Utility Plant Leased To Others	
8	105	Property Held For Future Use	
9	107	Construction Work in Progress	
10	108	Utility Plant Acquisition Adjustment	
11	109	Other Utility Plant Adjustments	
12		Total Utility Plant (to Page 2, Line 4)	4,459,002
13		Less:	
14	110	Accumulated Provision for Depreciation and	
15		Amortization Of Utility Plant (to Page 2, Line 6)	75,615
16			
17		NET UTILITY PLANT (to Page 2, Line 7)	4,383,387

**ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION
OF UTILITY PLANT**

Line No.	Item	Amount
1	Balance Beginning of Year	0
2	Accruals for Year:	
3	Depreciation	75,615
4	Amortization	
5	Other Accounts (details):	
6		
7		
8	Total Accruals for Year	75,615
9	Credit Adjustments (describe)	
10		
11		
12	Total Credits for year	0
13		
14	Net Charges for Plant Retired:	
15	Book Cost of Plt. Ret. (same as Pg 5, Line 40)	XXXXXXXXXXXXXXXXXX
16	Add: Cost of Removal	XXXXXXXXXXXXXXXXXX
17	Less: Salvage	XXXXXXXXXXXXXXXXXX
18	Net Charges for Plant Retired	
198	Debit Adjustments (describe)	
20		
21		
22	Total Debit Adjustments for Year	
23	Balance End of Year	75,615

SEWER UTILITY PLANT IN SERVICE

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

Line No.	Account (a)	Depr. Rate	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj.-Inc. or Decr. (e)	Balance End of Year (f)
1	INTANGIBLE PLANT						
2	Organization (301)						
3	Franchise and Consents (302)						
4	Miscellaneous Intangible Plant (303)						
5	Total Intangible Plant						
6	LAND AND STRUCTURES						
7	Land and Land Rights (310)	N/A	25,000	25,000			25,000
8	Structures and Improvements (311)	20-40	1,164,442	1,164,442			1,164,442
9	Total Land and Structures		1,189,442	1,189,442			1,189,442
10	COLLECTION PLANT						
11	Collection Sewers - Force (352.1)	50 YR	328,112	328,112			328,112
12	Collection Sewers - Gravity (352.2)	50 YR	1,705,064	1,705,064			1,705,064
13	Other Collection Plant Facilities (353)	50 YR	645,805	645,805			645,805
14	Services to Customers (354)						
15	Flow Measuring Devices (355)						
16	Total Collection Plant		2,678,981	2,678,981			2,678,981
17	PUMPING PLANT						
18	Receiving Wells and Pump Pits (362)	40 YR	560,704	560,704			560,704
19	Pumping Equipment - Electric (363A)						
20	Pumping Equipment - Diesel (363B)						
21	Pumping Equipment - Other (363C)						
22	Total Pumping Plant		560,704	560,704			560,704
23	TREATMENT AND DISPOSAL PLANT						
24	Oxidation Lagoon (372)						
25	Treatment and Disposal Equipment (373)	10 YR	13,265	13,265			13,265
26	Plant Sewers (374)						
27	Outfall Sewer Lines (375)						
28	Other Treatment & Disposal Plant Equipment (376)						
29	Total Treatment and Disposal Plant		13,265	13,265			13,265
30	GENERAL PLANT						
31	Office Furniture and Equipment (391)						
32	Transportation Equipment (392)	5 YR	11,624	11,624			11,624
33	Stores Equipment (393A)						
34	Tools, Shop & Garage Equipment (393B)	10 YR	4,986	4,986			4,986
35	Laboratory Equipment (393C)						
36	Power Operated Equipment (393D)						
37	Communication Equipment (393E)						
38	Other Tangible Property (393F)						
39	Total General Plant		16,610	16,610			16,610
40	TOTAL SEWER PLANT IN SERVICE	-0-	4,459,002	4,459,002			4,459,002

CAPITAL STOCK

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

LONG-TERM DEBT

List Each Original Issue Amt. Class & Series of Obligation (a)	Date Of Issue (b)	Date Of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest For The Year	
				Shares (e)	Amount (f)
1,566,000 SERIES 2002 REV BDS	9/25/02	2/01/2017	1,530,000		47,023
Total			1,530,000		47,023

NOTES PAYABLE

(Include Notes Payable to Associated Companies Under this Heading)

Name of Payee (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of year (e)
GRANT COUNTY FISCAL COURT	10/22/03	NONE	NONE	10,000
GRANT COUNTY FISCAL COURT	5/14/04	NONE	NONE	11,000
Total				21,000

INTEREST ACCRUED

Description of Obligation (a)	Int. Accr., Balance First of Yr. (b)	Int. Accr. During Year (c)	Int. Paid During Year (d)	Int. Accrued Balance End of year (e)
SERIES 2002 REVENUE BONDS	0	47,023	11,756	35,267
Total		47,023	11,756	35,267

OTHER CURRENT AND ACCRUED LIABILITIES

Line No.	Sub-Account and Description	Amount
1	TAX COLLECTIONS PAYABLE	88
2		
3	TRASH COLLECTIONS PAYABLE	3,935
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	Total (Must agree with Page 3, Line 30, Account No. 238)	4,023

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

Item (a)	This Year (b)	Last Year ©
UNAPPROPRIATED RETAINED EARNINGS (216)		
Balance Beginning of Year	(1,767)	0
Balance Transferred From Income (435)	(84,079)	(1,767)
Appropriations of Retained Earnings (436):		
Dividends Declared - Preferred Stock (437)		
Dividends Declared - Common Stock (438)		
Adjustments to Retained Earnings (439):		
Balance End of Year	(85,846)	(1,767)

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Number of Customers (b)	Amount (c)
1	OPERATING REVENUES		
2	Flat Rate Revenues - General Customers:		
3	Residential Revenues (521.1)		
4	Commercial Revenues (521.2)		
5	Industrial Revenues (521.3)		
6	Revenues From Public Authorities (521.4)		
7	Total (521)		
8	Measured Revenues - General Customers:		
9	Residential Revenues (522.1)	1,086	214,623
10	Commercial Revenues (522.2)	116	44,970
11	Industrial revenues (522.3)	3	1,147
12	Revenues From Public Authorities (522.4)		
13	Total (522)	1,205	260,740
14	Revenues From Public Authorities (523)		
15	Revenues From Other Systems (524)		
16	Miscellaneous Sewage Revenues (526)		
17	Total Sewage Service Revenues (521-526)	1,205	260,740
18	OTHER OPERATING REVENUES		
19	Customer Forfeited Discounts (532)		3,507
20	Miscellaneous Operating Revenues (536)		6,025
21	Total Other Operating Revenues		9,532
22	Total Operating Revenues		270,272
23	OPERATING EXPENSES		
24	Total Sewer Operation & Maint. Exp. (from pg 9, Line 52)		228,889
25	Depreciation Expense (403)		75,615
26	Amortization Expense (404-407, from Page 10)		2,654
27	Taxes Other Than Income Taxes (408.1, from Page 10)		314
28	Total Income Taxes - Utility Operating Income (from Page 10)		
29	Total Sewage Operating Expenses		307,472
30	Net Operating Income		(37,200)
31	OTHER INCOME		
32	Income From Nonutility Operations (417)		
33	Interest and Dividend Income (419)		833
34	Miscellaneous Nonoperating Income (421)		
35	Other Accounts (Specify Account No. and Title):		
36			
37			833
38	Total Other Income		833
39	OTHER DEDUCTIONS		
40	Interest on Long Term Debt (427)		47,023
41	Amortization of Debt Discount and Expense (428)		1,624
42	Interest on Debt to Associated Companies (430)		
43	Other Interest Expense (431)		
44	Taxes Other Than Income Taxes (408.2, from Page 10)		
45	Total Income taxes - Nonutil. Operat. Income (from Page 10)		
46	Other Accounts (Specify Account No. and Title):		
47	Amortization of Premium on Debt		(935)
48			
49	Total Other Deductions		47,712
50	NET INCOME		(84,079)

SEWER OPERATION AND MAINTENANCE EXPENSES

Line No.	Account (a)	Amount (b)
1	OPERATION EXPENSES	
2	Supervision and Engineering (700):	
3	Owner/Manager - Management Fee (700-A)	83,370
4	Other Expenses (700-B)	
5	Labor and Expenses (701):	
6	Collection System - Labor, Materials and Expenses (701-A)	1,800
7	Pumping System - labor, Materials and Expenses (701-B)	3,600
8	Treatment System (701-C):	
9	Sludge Hauling	9,425
10	Utility Service - Water Cost	377
11	Other - Labor, Materials and Expenses	12,805
12	Rents (702)	12,000
13	Fuel and Power Purchased for Pumping and Treatment (703)	37,264
14	Chemicals (704)	4,263
15	Miscellaneous Supplies and Expenses (705):	
16	Collection System (705-A)	32
17	Pumping System (705-B)	1,704
18	Treatment and Disposal (705-C)	9,287
19	Total Operation Expenses	175,927
20	MAINTENANCE EXPENSES	
21	Supervision and Engineering (710)	
22	Routine Maintenance Service Fee (710-A)	
23	Internal Supervision and Engineering (710-B)	
24	Maintenance of Structures and Improvements (711)	
25	Maintenance of Collection Sewer System (712)	1,526
26	Maintenance of Pumping System (713)	10,296
27	Maintenance of Treatment and Disposal Plant (714)	7,696
28	Maintenance of Other Plant Facilities (715)	554
29	Total Maintenance Expenses	20,072
30	CUSTOMER ACCOUNTS EXPENSES	
31	Supervision (901)	0
32	Meter Reading Expenses and Flat Rate Inspections (902)	0
33	Customer Records and Collection Expenses (903):	
34	Agency Collection Fee (903-A)	
35	Internal Labor, Materials and Expenses (903-B)	2,939
36	Uncollectible Accounts (904)	2,500
37	Miscellaneous Customer Accounts Expenses (905)	
38	Total Customer Accounts Expenses	5,439
39	ADMINISTRATIVE AND GENERAL EXPENSES	
40	Administrative and General Salaries (920)	4,100
41	Office Supplies and Other Expenses (921)	1,168
42	Outside Services Employed (923)	13,572
43	Insurance Expense (924)	2,628
44	Employee Pensions and Benefits (926)	
45	Regulatory Commission Expense (928)	
46	Transportation Expenses (929)	5,426
47	Miscellaneous General Expenses (930)	557
48	Rents (931)	
49	Maintenance of General Plant (932)	
50	Total Administrative and General Expenses	27,451
51	TOTAL SEWER OPERATION & MAINT. EXP. (TO Page 8, Line 24)	228,889

TAXES OTHER THAN INCOME TAXES (408)

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

Line No.	Item (a)	Amount (b)
1	Payroll Taxes	314
2	Property Taxes	
3	Utility Regulatory Commission Assessment	
4	Other:	
5		
6		
7		
8		
9		
10		
11		
12	TOTAL (Same as Page 8, Line 27 plus 44	314

OPERATING AND NON-OPERATING INCOME TAXES

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

AMORTIZATION EXPENSE

Acct. No.	Account (a)	Amount (b)
404	Amortization of Limited-Term Utility Plant	
405	Amortization of Other Utility Plant	
406	Amortization of Utility Plant Acquisition Adjustments	
407	Amortization of Property Losses	
-	Amortization of Rate Case Expense	
	Amortization of Organizational Expenses	2,654
	Total Amortization Expense (to Page 8, Line 26)	2,654

SEWER PLANT STATISTICS

PLANT VALUATION

1. What method of valuation was used with reference to Sewer Utility Plant in Service appearing on Page two, Line four: Original Cost, Estimated Cost, Original Cost Study? Estimated Cost
2. What percentage of Sewer Utility Plant in Service was recovered by the developer of the subdivision, through the sale of lots? 0
3. If less than one-hundred percent of the utility plant was recovered, please designate what portion (collection lines, treatment plant, etc.) of the plant that represents non-contributed plant 0
4. By whom were the books of account audited? Morris & Bressler, PSC
What was the date of the last audit? 12/31/04
If unaudited in the past twelve months, when and by whom is the next audit anticipated? _____

PHYSICAL DATA OF SEWER PLANT

1. Date of construction of original plant April 2004
2. Type of treatment process Activated Sludge
3. Date of additional G.P.D. Capacity of subsequent additions to plant None
4. Population for which plant is designed including population equivalent if industrial waste load 300,000 BPD

TREATMENT PLANT OPERATING STATISTICS

1. Total gallons received during the year 46,662,000
2. Total gallons received on maximum day 399,000
3. Maximum G.P.D. Capacity of the sewage treatment plant 300,000 GPD
4. Routine maintenance service fee:
Cost per month \$ _____
Contract expires _____
5. Sludge Hauling:
Cost per load \$ 175.00
Average number of gallons per load 2,000
Number of loads this year 192

SEWER PLANT STATISTICS

CUSTOMER STATISTICS - END OF YEAR			
Type	Number of Customer	Bi-Monthly Or Monthly Billing?	Number of Bill Pertaining to Each Type of Customer
Residential:			
Single Family	961	MONTHLY	8,551
Apartments/Condominiums	6	MONTHLY	48
Commercial	116	MONTHLY	876
Industrial	3	MONTHLY	24
Other (specify):			
Total	1,086		9,499

INDUSTRIAL CUSTOMERS SERVED		
Name and Type of Industry	Metered or Estimated Gals.	Pretreatment of Wastes
JOSEPH ALEXANDER TRUST	4,000	NO
WOLF STEEL USA	28,000	NO
MIAMI VALLEY TUBE	51,000	NO

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

MAINS (FEET)					
Kind of Pipe (Cast Iron, Vit. Clay, concrete)	Diameter of Pipe	No. of Feet 1st of Year	Additions	Removed or Abandoned	No. of Feet End of Year
PVC	6" G		30,000		30,000
PVC	6" F		18,868		18,868
PVC	8" G		62,640		62,640
PVC	8" F		7,198		7,198
PVC	10" G		2,249		2,249
PVC	12" G		4,576		4,576
PVC	3" F		12,240		12,240
PVC	2" F		594		594
PVC	4" F		13,114		13,114

SERVICE LATERALS AND STUBS

Number of service laterals owned by the utility, end of year 1,550

Number of stubs as of end of year _____

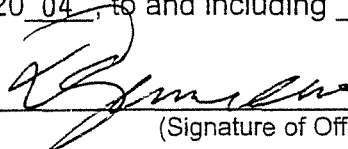
Number of service laterals owned by others NONE

Grant County Sanitary Sewer District						
Pump Stations						
Pump Stations				Pump Horse Power	Type of Motor*	Capacity Gals/Min.
Indian Hill Pump Station	8 Dove Lane			5	Submers	62
Greenview Pump Station	258 Fairway			25	Submers	253
Pinhook Pump Station	112 Timberwood			5	Submers	58 ⁵
Sayers Pump Station	202 Harlan Street			25	Submers	132
Vincent Blvd Pump Station	170 Vincent Blvd			3	Submers	21
Vincent Blvd Pump Station	175 Crittenden Place			5	Submers	25
Russell Street Pump Station	350 Russel Drive			15	Abv Grnd	135
Miller Pump Station	104 Miller Drive			5	Submers	56
Bridgeview Pump Station	135 Peartree Drive			5	Submers	54
Case Pump Station	200 Markim Drive			15	Abv Grnd	158
Lee Hi Pump Station	250 Lee Hi Street			3	Submers	32
Kyley Pump Station	130 Kyley Street			3	Submers	28
491 Pump Station	38 Lebanon Rd.			50	Submers	327
Bradford Pump Station	305 Oakwood Drive			2	Submers	53
Waller Pump Station	200 Crittenden Court			15	Submers	262
Barley Pump Station	200 Barley Circle			5	Submers	55
Wheat Pump Station	255 Wheat Court			5	Submers	52
Bingham Pump Station	530 Bingham Lane			15	Abv Grnd	260
Eads Pump Stations	100 Courtney Road			15	Abv Grnd	135
Claiborne Pump Station				15	Submers	297

OATH

Commonwealth of KENTUCKY)
) ss:
County of GRANT)


I, Danny Greene, having appeared before the undersigned officer duly authorized to administer oaths and being duly sworn, state under oath that I am Secretary-Treasurer of Grant County Sanitary Sewer District ("Respondent"); that I have supervision over the books of account and other financial records of the Respondent and have control over the manner in which they are kept; that such books and records have, during the period covered by the foregoing report, been maintained in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky; that I have carefully examined the foregoing report and to the best of my knowledge and belief the information contained in this report is, so far as it relates to matters of accounts, in accordance with the said books of account; that all other statements of fact contained in the foregoing report are true; and that the foregoing report is a correct and complete statement of the business and affairs of the Respondent in every respect and manner during the period of time from and including APRIL 23, 2004, to and including DECEMBER 31, 2004


(Signature of Officer)

Subscribed and sworn to before me, a Notary Public, in and for the State and County named in the above this 29th day of November, 2005

(Apply Seal Here)

My Commission Expires 9-15-2007


(Signature of officer authorized to administer oath)

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