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MAY 15 2008

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF R A WILLIAMS)	
CONSTRUCTION COMPANY, INC AND)	
CEDARBROOK UTILITIES, LLC FOR APPROVAL)	CASE NO 2008-00040
OF THE TRANSFER OF WASTEWATER)	
TREATMENT PLANT TO CEDARBROOK,)	
UTILITIES, LLC)	

**SUPPLEMENTAL ANSWERS OF CEDARBROOK UTILITIES, LLC, TO
COMMISSION STAFF'S
SECOND DATA REQUEST TO PETITIONERS**

Comes the Petitioner, Cedarbrook Utilities, LLC ("Cedarbrook"), by counsel, and for its Supplement to the Answers to the Commission Staff's Second Data Request to Petitioners, states as follows:

3. Refer to Petitioners' Response to Item 8 of Commission Staff's First Data Request Provide documentation to show that Cedarbrook, or its owners, currently possess the financial ability to operate R A Williams' wastewater treatment facility

ANSWER: The Asset Purchase Agreement entered into between R A Williams Construction Company, Inc ("R A Williams") and Cedarbrook provides for the payment of Twenty-two Thousand Dollars (\$22,000 00) to Cedarbrook (See Exhibit A to the Application for Transfer). R A Williams has also agreed to pay the amount of Two Thousand Five Hundred Dollars (\$2,500 00) as its share of the legal fees incurred in preparing, filing and representing the parties in the above-styled application for transfer and to pay the amount of Five Thousand Five Hundred Dollars to Covered Bridge Utilities for the cost of managing the subject WWTP

Based upon the receipt of the above funds, Cedarbrook will be able to deposit into its

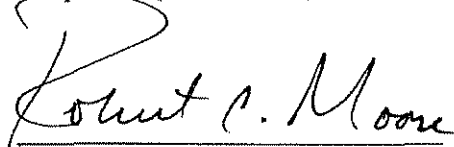
bank account the initial amount of Fifteen Thousand Dollars (\$15,000 00). This \$15,000 00 will enable the utility to operate and to ensure the payment of its bills as they come due. Please note that in addition to this initial payment, Cedarbrook will rely upon the monthly rate authorized by the Commission to pay for the operation of the Cedarbrook WWTP, as it is incumbent upon the Commission to set a rate that will adequately fund the operation of the WWTP. The current rate for the subject WWTP is \$23 55 per month for total receipts of \$1,201 05 per month and total receipts of \$14,412 per year. Commission Staff's initial proposed rate for the subject WWTP was \$62 00 per month for total receipts of \$3,162 00 per month and total receipts of \$37,844 00 per year. Commission Staff's current proposed rate for the subject WWTP is \$46 40 per month for total receipts of \$2,366 40 per month and total receipts of \$28,396,80 per year. The initial deposit of Fifteen Thousand Dollars (\$15,000 00), exceeds the current annual receipts for the subject WWTP, is more than six times the monthly receipts of the Staff's proposed rate and more than four times the monthly receipts of the Staff's initial proposed rate, and further confirms that Cedarbrook has the requisite financial capability of operating the subject WWTP.

In addition, in order to begin making the necessary improvements to the collection system, Cedarbrook may enter into a short term loan to borrow the amount of Ten Thousand Dollars (\$10,000 00), which funds would be used to address problems with the collection system on a "worst first" basis Cedarbrook will be filing a request in the pending rate case involving the subject WWTP (Case no 2008-00042) for the Commission to include the repayment of the loan and the expenses associated with same in the new rate to be established It is anticipated that the project to make the necessary improvements on the collection system will be carried out in a phased manner over a number of years

Finally, Cedarbrook has previously filed with the Commission its Irrevocable Letter of Credit

This Answer is true and accurate to the best of the knowledge, information and belief formed after reasonable inquiry by Martin G Cogan, Member of Cedarbrook Utilities, LLC

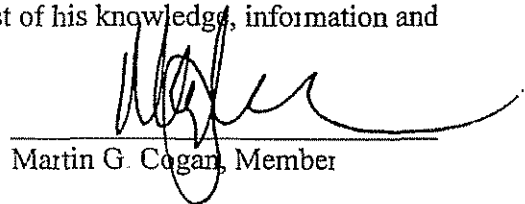
Respectfully Submitted,



Robert C. Moore
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415 West Main Street, 1st Floor
P O Box 676
Frankfort, Kentucky 40602-0676

Certification

Martin G Cogan hereby certifies that the answers provided to the Data Requests of the Public Service Commission are true and accurate to the best of his knowledge, information and belief formed after reasonable inquiry.



Martin G. Cogan, Member

STATE OF KENTUCKY)

COUNTY OF JEFFERSON)

Subscribed, sworn to before me this 15th day of May, 2008, by Martin G Cogan, as a Member of Cedarbrook Utilities, LLC

My commission expires: July 12, 2009

Micklyn J. Biszmaier
NOTARY PUBLIC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed by hand delivery on Stephanie Stumbo, Executive Director, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, and J.R. Goff, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, and by first class mail on David Edward Spenard, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Ky, 40601-8204 on this the 5th day of May, 2008

Robert C. Moore
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