

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PUBLIC SERVICE
COMMISSION

APPLICATION OF THE R. A. WILLIAMS)
DEVELOPMENT CO., INC. D/B/A)
CEDARBROOK TREATMENT PLANT FOR THE) CASE NO. 2008-00042
APPROVAL OF THE PROPOSED INCREASE IN)
RATES FOR WATER SERVICE)

AMENDMENT TO APPLICATION FOR RATE ADJUSTMENT FILED ON BEHALF OF R.A. WILLIAMS CONSTRUCTION COMPANY, INC.

Comes R. A. Williams Construction Company, Inc. ("R.A. Williams"), by counsel, and for its Amendment to its Application for Rate Adjustment in the above-styled case, states as follows:

1) An Informal Conference was held in the above-styled case and in the case styled the Joint Application of R.A. Williams Construction Company, Inc., and Cedarbrook Utilities, LLC for Approval of the Transfer of Wastewater Treatment Plant to Cedarbrook Utilities, LLC, Case number 2008-00040, on April 30, 2008. During the Informal Conference, the parties discussed the fact that a number of costs incurred by R.A. Williams in operating the Cedarbrook Wastewater Treatment Plant ("WWTP") had not been included in the Application for Rate Adjustment that was prepared with the assistance of Commission Staff. During the Informal Conference, the parties discussed the Amendment of the Application for Rate Adjustment to include the omitted operating costs. Accordingly, R.A. Williams hereby submits this Amendment to its Application for Rate Adjustment in order to include the omitted operating costs.

2) The following is a list of the operating costs incurred by R.A. Williams on an annual basis that are to be added to its Application for Rate Adjustment. The test year used to determine the rate for R. A. Williams was 2006, and these expenses were incurred in 2006, as they have been incurred in each year that R. A. Williams operated the subject WWTP:

a) Annual postage cost in the amount of \$136.53 was incurred in operating the subject

- WWTP. The postage was needed to mail bills to the utility's customers on a quarterly basis, and to mail other correspondence as required, including late fee notices;
- b) Annual office supply expense in the amount of \$88.00 was incurred in operating the subject WWTP;
 - c) Annual rent expense in the amount of \$524.00 was incurred in operating the subject WWTP;
 - d) Annual telephone expense in the amount of \$129.00 was incurred in operating the subject WWTP;
 - e) Annual insurance expense in the amount of \$1,819.14 was allocated to the operation of the subject WWTP;
 - f) Annual employee expense in the amount of \$900.00 was incurred in issuing the quarterly billing, posting receipts, sending late notices and performing other bookkeeping tasks;
 - g) Annual accounting costs in the amount of \$1,200.00 were incurred in performing the monthly accounting and accounting oversight duties for the WWTP. The accounting services were provided by Susan Daugherty, CPA, who is the Controller of R. A. Williams;
 - h) The annual cost of preparing the returns to be filed with the PSC, property tax returns and other required returns was \$2,000.00;
 - i) The annual cost of performing miscellaneous repair and maintenance items incurred in operating the subject WWTP; was \$180.00. Included in this cost in 2006 was the cost of tree removal, fence repair and fuel costs;
 - k) A KPDES permitting fee in the amount of \$1500.00 is incurred every five years;

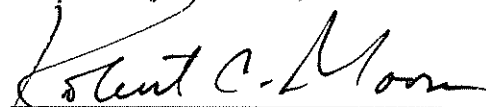
l) The annual cost of Attorneys fees incurred in operating the subject WWTP was the amount of \$1906.00. These attorneys fees were incurred in collecting delinquent customer payments, discussing issues with the Kentucky Division of Water and other necessary matters; and,

m) Sludge hauling fees in the amount of \$1,500 were incurred in operating the subject WWTP. The sludge hauling fees will continue to be incurred until the issues concerning the collection system have been addressed.

3) The above costs incurred in operating the subject WWTP were determined by Susan Daugherty, CPA, the Controller of R. A. Williams, based on a review of financial records, billing statements, late fee statements, a review of insurance costs and payroll and time records.

4) The President of R. A. Williams, Ronald J. Osborne, has reviewed this Amendment to the Application for Rate Adjustment and to the best of his knowledge, all of the information contained in the Amendment is true and correct.

Respectfully Submitted,



Robert C. Moore

Hazelrigg & Cox, LLP

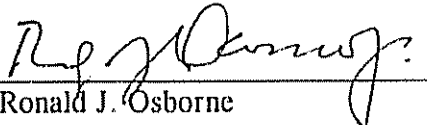
415 West Main Street

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Frankfort, Kentucky 40602-0676

Certification

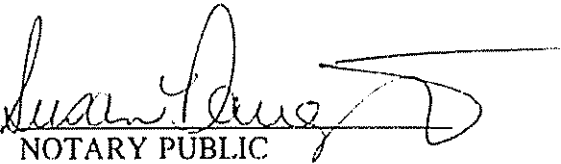
Ronald J. Osborne hereby certifies that the answers provided to the Data Requests of the Public Service Commission are true and accurate to the best of his knowledge, information and belief formed after reasonable inquiry.


Ronald J. Osborne
President, R.A. Williams Construction
Company, Inc.

STATE OF KENTUCKY)
)
COUNTY OF FAYETTE)

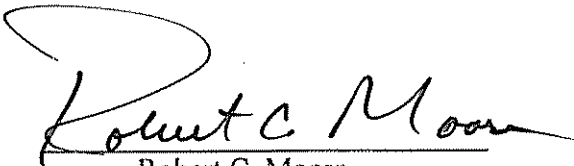
Subscribed, sworn to before me this 9th day of May, 2008, by Ronald J. Osborne, as President of the R. A. Williams Construction Company, Inc.

My commission expires:


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 Todd Osterloh, 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 9th day of May, 2008.


Robert C. Moore