



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Charles R. Borders  
Commissioner

March 4, 2011

**PARTIES OF RECORD**

Re: Case No. 2009-00500

Attached are copies of the (1) Notice of Filing of Stipulation and Motion for Submission and (2) Stipulation which are being filed in the record of the above-referenced case. If you have any questions, please contact M. Todd Osterloh at 502/564-3940, Extension 439.

Sincerely,

A handwritten signature in black ink that reads "Jeff Derouen".

Jeff Derouen  
Executive Director

Attachment

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

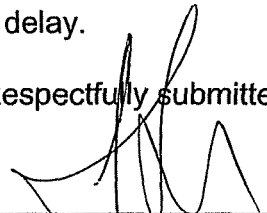
APPLICATION OF RIDGELEA INVESTMENTS, ) CASE NO.  
INC. FOR ALTERNATIVE RATE ADJUSTMENT ) 2009-00500

NOTICE OF FILING OF STIPULATION  
AND MOTION FOR SUBMISSION

Ridgelea Investments, Inc., ("Ridgelea"), the Attorney General ("AG"), and Commission Staff give notice of the filing of Stipulation. To the extent that the provisions of the Stipulation differ from positions that the signatories to the Stipulation have previously asserted in this proceeding, the provisions of the Stipulation should be deemed controlling.

Ridgelea and the AG move that this matter be submitted for decision based upon the existing record and without hearing or further delay.

Respectfully submitted,



---

John Singler  
108 Republic Plaza Building  
200 South 7<sup>th</sup> Street  
Louisville, Kentucky 40202

Counsel for Ridgelea Investments, Inc.

---

David E. Spenard  
Office of Attorney General  
1024 Capital Drive Center  
Suite 200  
Frankfort, Kentucky 40601

Counsel for Attorney General of  
Kentucky

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF RIDGELEA INVESTMENTS, ) CASE NO.  
INC. FOR ALTERNATIVE RATE ADJUSTMENT ) 2009-00500

NOTICE OF FILING OF STIPULATION  
AND MOTION FOR SUBMISSION

Ridgelea Investments, Inc., ("Ridgelea"), the Attorney General ("AG"), and Commission Staff give notice of the filing of Stipulation. To the extent that the provisions of the Stipulation differ from positions that the signatories to the Stipulation have previously asserted in this proceeding, the provisions of the Stipulation should be deemed controlling.

Ridgelea and the AG move that this matter be submitted for decision based upon the existing record and without hearing or further delay.

Respectfully submitted,

---

John Singler  
108 Republic Plaza Building  
200 South 7<sup>th</sup> Street  
Louisville, Kentucky 40202

Counsel for Ridgelea Investments, Inc.

*R E M S* 3/24/2011  
\_\_\_\_\_  
David E. Spenard  
Office of Attorney General  
1024 Capital Drive Center  
Suite 200  
Frankfort, Kentucky 40601

Counsel for Attorney General of  
Kentucky

*M. Todd Osterloh*

---

M. Todd Osterloh  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Counsel for Commission Staff

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF RIDGELEA INVESTMENTS, ) CASE NO.  
INC. FOR ALTERNATIVE RATE ADJUSTMENT ) 2009-00500

STIPULATION

Pursuant to 807 KAR 5:001, Section 4(6), Ridgelea Investments, Inc., ("Ridgelea"), the Attorney General ("AG"), and Commission Staff stipulate:

1. The calendar year ending December 31, 2009, should be used as the test period to determine the reasonableness of Ridgelea's existing and proposed rates.
2. Based upon pro forma test-period operations, Ridgelea's pro forma annual revenues are \$71,640.
3. Based upon pro forma test-period operations, Ridgelea's pro forma total operating expenses, after adjusting for known and measurable changes, is \$72,500.
4. An operating ratio of 0.88 should be used to determine Ridgelea's total revenue requirements.
5. Applying an operating ratio of 0.88 to Ridgelea's pro forma total operating expenses of \$71,639 produces a total revenue requirement of \$82,386, or \$10,746 in additional annual revenue than Ridgelea's current rates produce.
6. Given Ridgelea's end of test-period customer level of 199 customers, a monthly rate of \$34.50 will produce total annual revenues of \$82,386.

7. Ridgelea should be authorized to charge a surcharge of \$5.45 per customer per month for a period of 24 months or until \$26,000 has been collected, whichever occurs first, to finance the cost of an infiltration and inflow study.

8. The Commission should authorize a surcharge to finance the cost of an infiltration and inflow study only under the following conditions:

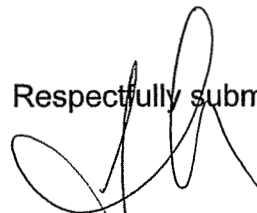
(a) All surcharge collections should be placed in a separate interest-bearing account;

(b) Ridgelea should make a monthly transfer of \$1,084.55 into the surcharge account from its gross revenues prior to those revenues being disbursed for any other purpose;

(c) Ridgelea should submit quarterly activity reports to the Commission that include the monthly surcharge billings and collections, the monthly surcharge bank statement, a detailed listing of payments from the account, and invoices supporting the payments; and

(d) Ridgelea's failure to comply with any condition would result in the revocation of the surcharge and the refund of all collected surcharge proceeds, plus interest.

Respectfully submitted,



---

John Singler  
108 Republic Plaza Building  
200 South 7<sup>th</sup> Street  
Louisville, Kentucky 40202

Counsel for Ridgelea Investments, Inc.

*M. Todd Osterloh*

---

M. Todd Osterloh  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Counsel for Commission Staff

Seen and has no objection:

*David E. Spenard* 6/3/07/2011

---

David E. Spenard  
Office of Attorney General  
1024 Capital Drive Center  
Suite 200  
Frankfort, Kentucky 40601

Counsel for Attorney General of  
Kentucky