

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

APR 18 2011

PUBLIC SERVICE
COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING OF)
COOLBROOK UTILITIES, LLC.)

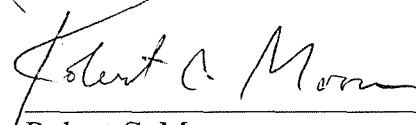
CASE NO 2010-00314

REQUEST FOR HEARING SUBMITTED BY COOLBROOK UTILITIES, LLC

Pursuant to the Public Service Commission's Order of March 31, 2011, comes Coolbrook Utilities, LLC ("Coolbrook"), by counsel, and hereby notifies the Commission that it is requesting a hearing in the above referenced case. However, Coolbrook will withdraw its request for a hearing and have this matter submitted on the record upon Commission Staff's agreement to amend its Staff Report to include the revised insurance expense of \$5,778.24, the revised depreciation schedule and the legal expense incurred in this matter through this date, and to consider the information concerning the owner/manager fee submitted to the Commission on April 1, 2011.

Attached to this Request for Hearing is the Commercial Insurance Application to be completed by Coolbrook, as well as the finance agreement concerning the subject insurance. (Attachment A). A signed copy of this application will be filed prior to April 26, 2011. The statements issued by Hazelrigg and Cox, LLP for legal services performed in connection with this case through March 31, 2011 are attached as Attachment B. The cost of these legal services is \$1,110.00.

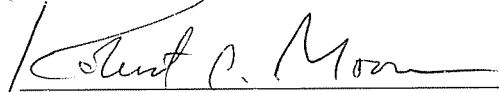
Respectfully submitted,



Robert C. Moore
HAZELRIGG & COX, LLP
415 West Main Street, 1st Floor
P. O. Box 676
Frankfort, Kentucky 40602-0676
(502) 227-2271

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by first class mail, postage prepaid, on Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602 and David Edward Spenard, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204, on this the 18th day of April, 2011.



Robert C. Moore



COMMERCIAL INSURANCE APPLICATION

APPLICANT INFORMATION SECTION

DATE (MM/DD/YYYY)
10/5/2010

AGENCY VOIT-LEE INSURANCE INC 3701 TAYLORSVILLE ROAD-#5A LOUISVILLE, KY 40220	CARRIER UNDERWRITER: POLICIES OR PROGRAM REQUESTED: _____ UNDERWRITER OFFICE: _____ POLICY NUMBER: _____	NAIC CODE _____																								
CONTACT NAME: PHONE (A/C, No, Ext): (502)459-4272 FAX (A/C, No): (502)456-0633 E-MAIL ADDRESS: CODE: _____ SUB CODE: _____	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INDICATE SECTIONS ATTACHED</th> <th style="text-align: left;">ELECTRONIC DATA PROC</th> <th style="text-align: left;">TRUCKERS/MOTOR CARRIER</th> </tr> <tr> <td>ACCOUNTS RECEIVABLE/ VALUABLE PAPERS</td> <td>EQUIPMENT FLOATER</td> <td>UMBRELLA</td> </tr> <tr> <td>BOILER & MACHINERY</td> <td>GARAGE AND DEALERS</td> <td>VEHICLE SCHEDULE</td> </tr> <tr> <td>BUSINESS AUTO</td> <td>GLASS AND SIGN</td> <td>WORKERS COMPENSATION</td> </tr> <tr> <td><input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY</td> <td>INSTALLATION/BUILDERS RISK</td> <td>YACHT</td> </tr> <tr> <td>CRIME/MISCELLANEOUS CRIME</td> <td>OPEN CARGO</td> <td></td> </tr> <tr> <td>DEALERS</td> <td>PROPERTY</td> <td></td> </tr> <tr> <td>DRIVER INFO SCHEDULE</td> <td>TRANSPORTATION/ MOTOR TRUCK CARGO</td> <td></td> </tr> </table>	INDICATE SECTIONS ATTACHED	ELECTRONIC DATA PROC	TRUCKERS/MOTOR CARRIER	ACCOUNTS RECEIVABLE/ VALUABLE PAPERS	EQUIPMENT FLOATER	UMBRELLA	BOILER & MACHINERY	GARAGE AND DEALERS	VEHICLE SCHEDULE	BUSINESS AUTO	GLASS AND SIGN	WORKERS COMPENSATION	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	INSTALLATION/BUILDERS RISK	YACHT	CRIME/MISCELLANEOUS CRIME	OPEN CARGO		DEALERS	PROPERTY		DRIVER INFO SCHEDULE	TRANSPORTATION/ MOTOR TRUCK CARGO		
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DRIVER INFO SCHEDULE	TRANSPORTATION/ MOTOR TRUCK CARGO																									
AGENCY CUSTOMER ID: _____																										

STATUS OF TRANSACTION	PACKAGE POLICY INFORMATION															
<input checked="" type="checkbox"/> QUOTE <input type="checkbox"/> ISSUE POLICY <input type="checkbox"/> RENEW BOUND (Give Date and/or Attach Copy): CHANGE DATE TIME AM PM CANCEL	ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES, OR FOR MONOLINE POLICIES. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>PROPOSED EFF DATE</th> <th>PROPOSED EXP DATE</th> <th>BILLING PLAN</th> <th>PAYMENT PLAN</th> <th>AUDIT</th> </tr> <tr> <td>04/21/2011</td> <td>04/21/2012</td> <td>DIRECT BILL</td> <td></td> <td></td> </tr> <tr> <td colspan="2"></td> <td>AGENCY BILL</td> <td colspan="2">PACKAGE POLICY PREMIUM: \$</td> </tr> </table>	PROPOSED EFF DATE	PROPOSED EXP DATE	BILLING PLAN	PAYMENT PLAN	AUDIT	04/21/2011	04/21/2012	DIRECT BILL					AGENCY BILL	PACKAGE POLICY PREMIUM: \$	
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04/21/2011	04/21/2012	DIRECT BILL														
		AGENCY BILL	PACKAGE POLICY PREMIUM: \$													

APPLICANT INFORMATION	
NAME (First Named Insured & Other Named Insureds) COOLBROOK UTILITIES	MAILING ADDRESS INCL ZIP+4 (of First Named Insured) P.O. BOX 91588 LOUISVILLE KY 40291
FEIN OR SOC SEC # (of First Named Insured): _____ PHONE (A/C, No, Ext): 502-239-0796	E-MAIL ADDRESS(ES): _____ WEBSITE ADDRESS(ES): _____

<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> CORPORATION <input type="checkbox"/> JOINT VENTURE	<input type="checkbox"/> SUBCHAPTER "S" CORPORATION NOT FOR PROFIT ORG	<input checked="" type="checkbox"/> LLC	NO. OF MEMBERS AND MANAGERS: 2	CR BUREAU NAME: _____ ID NUMBER: _____	DATE BUS STARTED _____
INSPECTION CONTACT: PHONE (A/C, No, Ext): _____ E-MAIL ADDRESS: _____				ACCOUNTING RECORDS CONTACT: PHONE (A/C, No, Ext): _____ E-MAIL ADDRESS: _____		

PREMISES INFORMATION		ACORD 823 attached for additional premises						
LOC #	BLD #	STREET, CITY, COUNTY, STATE, ZIP+4	CITY LIMITS	INTEREST	YR BUILT	# EMPLOYEES	ANNUAL REVENUES	% OCCUPIED
1		CLEARWATER CT, FRANKFORT, FRANKLIN CO., KY 40601	<input checked="" type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> TENANT		0	15,000	
			<input type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT				
			<input type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT				
			<input type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	<input type="checkbox"/> OWNER <input type="checkbox"/> TENANT				

NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS BY PREMISE(S)

SEWER TREATMENT OPERATION

2.	IS A FORMAL SAFETY PROGRAM IN OPERATION?	<input type="checkbox"/> N
3.	ANY EXPOSURE TO FLAMMABLES, EXPLOSIVES, CHEMICALS?	<input type="checkbox"/> N
4.	ANY CATASTROPHE EXPOSURE?	<input type="checkbox"/> N
5.	ANY OTHER INSURANCE WITH THIS COMPANY OR BEING SUBMITTED?	<input type="checkbox"/> N
6.	ANY POLICY OR COVERAGE DECLINED, CANCELLED OR NON-RENEWED DURING THE PRIOR THREE (3) YEARS? (Not applicable in MO)	<input type="checkbox"/> N
7.	ANY PAST LOSSES OR CLAIMS RELATING TO SEXUAL ABUSE OR MOLESTATION ALLEGATIONS, DISCRIMINATION OR NEGLIGENT HIRING?	<input type="checkbox"/> N
8.	DURING THE LAST FIVE YEARS (TEN IN RI), HAS ANY APPLICANT BEEN INDICTED FOR OR CONVICTED OF ANY DEGREE OF THE CRIME OF FRAUD, BRIBERY, ARSON OR ANY OTHER ARSON-RELATED CRIME IN CONNECTION WITH THIS OR ANY OTHER PROPERTY? (In RI, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment).	<input type="checkbox"/> N
9.	ANY UNCORRECTED FIRE CODE VIOLATIONS?	<input type="checkbox"/> N
10.	ANY BANKRUPTCIES, TAX OR CREDIT LIENS AGAINST THE APPLICANT IN THE PAST FIVE (5) YEARS?	<input type="checkbox"/> N
11.	HAS BUSINESS BEEN PLACED IN A TRUST? IF "YES", NAME OF TRUST:	<input type="checkbox"/> N
12.	ANY FOREIGN OPERATIONS, FOREIGN PRODUCTS DISTRIBUTED IN USA, OR US PRODUCTS SOLD/DISTRIBUTED IN FOREIGN COUNTRIES? (If "YES", attach ACORD 815 for Liability Exposure and/or ACORD 816 for Property Exposure)	<input type="checkbox"/> N
REMARKS/PROCESSING INSTRUCTIONS (Attach additional sheets if more space is required)		
COPY OF THE NOTICE OF INFORMATION PRACTICES (PRIVACY) HAS BEEN GIVEN TO THE APPLICANT. (Not applicable in all states, consult your agent or broker for your state's requirements.)		
NOTICE OF INSURANCE INFORMATION PRACTICES - PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT POLICY RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. YOU HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND CAN REQUEST CORRECTION OF ANY INACCURACIES. A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING SUCH INFORMATION IS AVAILABLE UPON REQUEST. CONTACT YOUR AGENT OR BROKER FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US.		
ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, FL, HI, MA, NE, OH, OK, OR, or VT; in DC, LA, ME, TN, VA and WA, insurance benefits may also be denied)		
IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.		
THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE ENQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.		
PRODUCER'S SIGNATURE	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO (Required in Florida)
APPLICANT'S SIGNATURE	DATE	NATIONAL PRODUCER NUMBER

GENERAL COMMERCIAL LIABILITY	GENERAL AGGREGATE								
	PRODUCTS COMP OP AGGREGATE								
	PERSONAL & ADV INJ								
	EACH OCCURRENCE								
	LIMITS	FIRE DAMAGE							
		MEDICAL EXPENSE							
	BODILY INJURY	OCCURRENCE							
		AGGREGATE							
	PROPERTY DAMAGE	OCCURRENCE							
		AGGREGATE							
COMBINED SINGLE LIMIT									
MODIFICATION FACTOR									
TOTAL PREMIUM									
AUTOMOBILE	CARRIER								
	POLICY NUMBER								
	POLICY TYPE								
	EFF-EXP DATE								
	COMBINED SINGLE LIMIT								
	BODILY INJURY	EA PERSON							
		EA ACCIDENT							
	PROPERTY DAMAGE								
	MODIFICATION FACTOR								
	TOTAL PREMIUM								
PROPERTY	CARRIER								
	POLICY NUMBER								
	POLICY TYPE								
	EFF-EXP DATE								
	BUILDING	AMT							
	PERS PROP	AMT							
	MODIFICATION FACTOR								
TOTAL PREMIUM									
	CARRIER								
	POLICY NUMBER								
	POLICY TYPE								
	EFF-EXP DATE								
	LIMIT								
	MODIFICATION FACTOR								
	TOTAL PREMIUM								

LOSS HISTORY

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE PRIOR 5 YEARS (3 YEARS IN KS & NY)						<input checked="" type="checkbox"/> CHK HERE IF NONE	SEE ATTACHED LOSS SUMMARY
DATE OF OCCURRENCE	LINE	TYPE/DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	CLAIM STATUS	
						OPEN	CLSD

REMARKS NOTE: FIDELITY REQUIRES A FIVE YEAR LOSS HISTORY
 NO COVERAGE CARRIED BEFORE. OPERATION WAS PURCHASED APPROX 1 YEAR

ATTACHMENTS
 STATE SUPPLEMENT(S) (if applicable)

CODE: _____ SUB CODE: _____ USE ONLY

COVERAGES	LIMITS	PREMIUMS
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	GENERAL AGGREGATE	\$ 1,000,000
<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCURRENCE	PRODUCTS & COMPLETED OPERATIONS AGGREGATE	\$ 1,000,000
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROTECTIVE	PERSONAL & ADVERTISING INJURY	\$ 1,000,000
	EACH OCCURRENCE	\$ 1,000,000
	DAMAGE TO RENTED PREMISES (each occurrence)	\$ 100,000
DEDUCTIBLES	MEDICAL EXPENSE (Any one person)	\$ 5,000
<input type="checkbox"/> PROPERTY DAMAGE \$	EMPLOYEE BENEFITS	\$ N/A
<input type="checkbox"/> BODILY INJURY \$		
<input type="checkbox"/> \$		
		TOTAL
OTHER COVERAGES, RESTRICTIONS AND/OR ENDORSEMENTS (For hired/non-owned auto coverages attach the applicable state Business Auto Section, ACORD 137)		

SCHEDULE OF HAZARDS										
LOC #	HAZ #	CLASSIFICATION	CLASS CODE	PREMIUM BASIS	EXPOSURE	TERR	RATE		PREMIUM	
							PREM/OPS	PRODUCTS	PREM/OPS	PRODUCTS
1		sewage disposal-plant		(P)	NONE					
		sewage disposal-plant		(S)	155,000					
RATING AND PREMIUM BASIS (P) PAYROLL - PER \$1,000/PAY (C) TOTAL COST - PER \$1,000/COST (U) UNIT - PER UNIT (S) GROSS SALES - PER \$1,000/SALES (A) AREA - PER 1,000/SQ FT (M) ADMISSIONS - PER 1,000/ADM (T) OTHER										

CLAIMS MADE (Explain all "Yes" responses)	Y/N
EXPLAIN ALL "YES" RESPONSES	
1. PROPOSED RETROACTIVE DATE: 10/11/2010	
2. ENTRY DATE INTO UNINTERRUPTED CLAIMS MADE COVERAGE	
3. HAS ANY PRODUCT, WORK, ACCIDENT, OR LOCATION BEEN EXCLUDED, UNINSURED OR SELF-INSURED FROM ANY PREVIOUS COVERAGE?	<input type="checkbox"/>
4. WAS TAIL COVERAGE PURCHASED UNDER ANY PREVIOUS POLICY?	<input type="checkbox"/>

EMPLOYEE BENEFITS LIABILITY	
1. DEDUCTIBLE PER CLAIM: \$	3. NUMBER OF EMPLOYEES COVERED BY EMPLOYEE BENEFITS PLANS.
2. NUMBER OF EMPLOYEES:	4. RETROACTIVE DATE:

3. DO ANY OPERATIONS INCLUDE EXCAVATION, TUNNELING, UNDERGROUND WORK OR EARTH MOVING?					<input type="checkbox"/> N
4. DO YOUR SUBCONTRACTORS CARRY COVERAGES OR LIMITS LESS THAN YOURS?					<input type="checkbox"/> N
5. ARE SUBCONTRACTORS ALLOWED TO WORK WITHOUT PROVIDING YOU WITH A CERTIFICATE OF INSURANCE?					<input type="checkbox"/> N
6. DOES APPLICANT LEASE EQUIPMENT TO OTHERS WITH OR WITHOUT OPERATORS?					<input type="checkbox"/> N
DESCRIBE THE TYPE OF WORK SUBCONTRACTED	\$ PAID TO SUB-CONTRACTORS:	% OF WORK SUBCONTRACTED:	# FULL-TIME STAFF:	# PART-TIME STAFF:	
MAINTIANCE AND REPAIR TO SEWER SYSTEM					

PRODUCTS/COMPLETED OPERATIONS

PRODUCTS	ANNUAL GROSS SALES	# OF UNITS	TIME IN MARKET	EXPECTED LIFE	INTENDED USE	PRINCIPAL COMPONENTS

EXPLAIN ALL "YES" RESPONSES (For any past or present product or operation) PLEASE ATTACH LITERATURE, BROCHURES, LABELS, WARNINGS, ETC.							Y/N
1. DOES APPLICANT INSTALL, SERVICE OR DEMONSTRATE PRODUCTS?							<input type="checkbox"/> N
2. FOREIGN PRODUCTS SOLD, DISTRIBUTED, USED AS COMPONENTS? (If "YES", attach ACORD 815)							<input type="checkbox"/> N
3. RESEARCH AND DEVELOPMENT CONDUCTED OR NEW PRODUCTS PLANNED?							<input type="checkbox"/> N
4. GUARANTEES, WARRANTIES, HOLD HARMLESS AGREEMENTS?							<input type="checkbox"/> N
5. PRODUCTS RELATED TO AIRCRAFT/SPACE INDUSTRY?							<input type="checkbox"/> N
6. PRODUCTS RECALLED, DISCONTINUED, CHANGED?							<input type="checkbox"/> N
7. PRODUCTS OF OTHERS SOLD OR RE-PACKAGED UNDER APPLICANT LABEL?							<input type="checkbox"/> N
8. PRODUCTS UNDER LABEL OF OTHERS?							<input type="checkbox"/> N
9. VENDORS COVERAGE REQUIRED?							<input type="checkbox"/> N
10. DOES ANY NAMED INSURED SELL TO OTHER NAMED INSUREDS?							<input type="checkbox"/> N

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)	Y/N
1. ANY MEDICAL FACILITIES PROVIDED OR MEDICAL PROFESSIONALS EMPLOYED OR CONTRACTED?	N
2. ANY EXPOSURE TO RADIOACTIVE/NUCLEAR MATERIALS?	N
3. DO/HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE(D) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc) TREAT SEWAGE FROM CUSTOMERS	N
4. ANY OPERATIONS SOLD, ACQUIRED, OR DISCONTINUED IN LAST FIVE (5) YEARS?	N
5. MACHINERY OR EQUIPMENT LOANED OR RENTED TO OTHERS?	N
6. ANY WATERCRAFT, DOCKS, FLOATS OWNED, HIRED OR LEASED?	N
7. ANY PARKING FACILITIES OWNED/RENTED?	N
8. IS A FEE CHARGED FOR PARKING?	N
9. RECREATION FACILITIES PROVIDED?	N
10. IS THERE A SWIMMING POOL ON THE PREMISES?	N
11. SPORTING OR SOCIAL EVENTS SPONSORED?	N
12. ANY STRUCTURAL ALTERATIONS CONTEMPLATED?	N
13. ANY DEMOLITION EXPOSURE CONTEMPLATED?	N
14. HAS APPLICANT BEEN ACTIVE IN OR IS CURRENTLY ACTIVE IN JOINT VENTURES?	N
15. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?	N
16. IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS OR SUBSIDIARIES?	N

19. IS THERE A FORMAL, WRITTEN SAFETY AND SECURITY POLICY IN EFFECT?

N

20. DOES THE BUSINESSES' PROMOTIONAL LITERATURE MAKE ANY REPRESENTATIONS ABOUT THE SAFETY OR SECURITY OF THE PREMISES?

N

REMARKS

SMALL SEWAGE TREATMENT OPERATION

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, FL, HI, MA, NE, OH, OK, OR or VT. In DC, LA, ME, TN, VA and WA insurance benefits may also be denied). IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

BankDirect CAPITAL FINANCE

Two Conway Park
150 North Field Drive, Suite 190
Lake Forest, Illinois 60045
Phone 877-226-5456 Fax: 877-226-5297

Loan Number: 625115.1

COMMERCIAL INSURANCE PREMIUM FINANCE AND SECURITY AGREEMENT

This is an agreement between you and BankDirect Capital Finance, LLC, a subsidiary of Texas Capital Bank, N.A., ("BankDirect") concerning the financing of the premium(s) for one or more commercial insurance policies. The terms of this agreement are stated below and on page two (2) of this document.

Insured Name and Address of (Exactly as shown on Policy) ("Insured") Coolbrooks Utilities P O Box 91588 Louisville, KY 40291		Agent Name and Address (of Insured's "Agent") VOIT-LEE INSURANCE INC 3701 TAYLORSVILLE ROAD #5 Louisville, KY 40220	
Telephone Number: 502-239-0796	FEIN or SSN NO:	Telephone Number: 502-459-4272	Agency Code: 6689

SCHEDULE OF POLICIES ("Policies")

Policy Prefix and Number	Effective Date of Policy MM/DD/YY	Name & City of Insurance Company and Name & City of General Agent or Company Office to which Premium is Paid	Type of Coverage	Policies Subject to Audit (Y)	Term in Months Covered	Min Earned Prem %	Days to Cancel	Short Rate (Y)	Premium Amounts
	4/15/2011	Nautilus Insurance Company Arlington/Roe & Co. Inc 8900 Keystone Crossing Suite 800 Indianapolis, IN 46240	GENERAL LIABILITY	✓	12	25%	10	✓	Gross Premium: \$5,023.00 Policy Fee: \$150.00 Broker Fee: \$0.00 Tax Stamp Fee: \$605.24 Inspection Fee: \$0.00

TOTAL PREMIUMS

\$5,778.24

TOTAL PREMIUMS	DOWN PAYMENT	UNPAID BALANCE	DOC STAMP TAX <small>Applicable in Florida only</small>	LOAN AMOUNT <small>Amount of loan provided to you or on your behalf</small>	FINANCE CHARGE <small>The dollar amount of interest the loan will cost you</small>	TOTAL OF PAYMENTS <small>Amount of interest and principal you will have paid after you have made all the scheduled loan payments</small>	ANNUAL PERCENTAGE RATE <small>The cost of your loan as a yearly rate</small>
\$5,778.24	\$1,557.06	\$4,221.18	\$0.00	\$4,221.18	\$143.38	\$4,364.56	8.98%

Payment Schedule: Your payment schedule will be:	Number of Loan Payments	Amount of Loan Payments*	When Loan Payments are Due	
	8	\$545.57	First Due Date	Monthly Due Date**
			5/15/2011	15th

*These amounts do not include the Service Fee referred to on Page 2 of this agreement.
**Subsequent payments are due on the same day of each succeeding month or quarter.

Prepayment: The insured may prepay in full at anytime subject to the maximum, non-refundable service fee(s) permitted by applicable law. If the insured prepays in full, the insured will receive a refund of the unearned finance charge, calculated according to the Rule of 78's or the actuarial method as provided by applicable law. Minimum refund is \$1.

Security Interest: The Insured assigns to BankDirect as security for payment of this Agreement, all sums payable to the Insured with reference to the Policies listed above including, among other things, any gross return premiums and any payment on account of loss which results in reduction of unearned premium in accordance with the term(s) of said Policies.

Delinquency Charge: A delinquency charge will be assessed on any payment not received by BankDirect within five (5) days of its due date, unless a longer period is specified under applicable law, in which case the delinquency charge will be imposed on any payment not received by BankDirect within this longer period. The delinquency charge will be the lesser of: (1) 5% of the overdue amount; or (2) the maximum delinquency charge allowed by applicable law.

Cancellation Charge: If a default results in cancellation of a Policy, the Insured agrees to pay a cancellation charge in the maximum amount permitted by applicable law.

IMPORTANT INFORMATION ABOUT YOUR ACCOUNT: To help the Federal government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person or entity that opens an account with the financial institution, including any extension of credit or other financial services product. We will require such information as we deem reasonably necessary to allow us to properly identify you, such as your name, address, FEIN or SSN.

NOTICE TO INSURED: 1. DO NOT SIGN THIS AGREEMENT UNTIL YOU READ BOTH PAGES OF THE AGREEMENT AND FILL IN ANY BLANKS. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED IN COPY OF THIS AGREEMENT AT THE TIME YOU SIGN IT. 3. YOU UNDERSTAND AND HAVE RECEIVED A COPY OF THIS AGREEMENT. KEEP IT TO PROTECT YOUR LEGAL RIGHTS. 4. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE AND UNDER CERTAIN CONDITIONS TO OBTAIN A PARTIAL REFUND OF THE FINANCE CHARGE. 5. SEE PAGE TWO FOR IMPORTANT INFORMATION.

REPRESENTATIONS AND WARRANTIES:
The undersigned Agent and Insured have read the Representations and Warranties on page two and make all such representations and warranties recited therein and agree to be bound by the terms of this Agreement. The Insured further acknowledges that upon satisfactory completion of the Agreement, the undersigned Agent may receive a fee from BankDirect for the administration of this Agreement as allowed by applicable law.

All Insureds must sign as named in policies. If corporation, authorized officers must sign; if partnership, partner should sign as such; signatory acting in representative capacity represents that all Insureds have authorized this transaction and have authorized signatory to receive all notices hereunder. By signing below each Insured jointly and severally agrees to make all payments required by this Agreement and to be bound by all provisions of this Agreement, including those on page two. You are not required to enter into an insurance premium financing arrangement as a condition to the purchase of any insurance policy.

(Signature of Agent)

(Signature of Insured)

(Title)

(Date)

(Printed Name & Title)

(Date)

Name of Insured: Coolbrooks Utilities

Total Premiums: \$ \$5,778.24

The Insured (jointly and severally if more than one) agrees as follows:

1. Promise to Pay. In consideration of the payment by BankDirect of the Amount Financed, the Insured agrees to pay the Down Payment to the insurance company(ies) listed in the Schedule of Policies, and to pay BankDirect the Total of Payments in accordance with the terms of this Agreement.

2. Security Interest. Insured assigns to BankDirect as security for the total amount payable hereunder all sums payable to the Insured under the Policies, including, among other things, any gross unearned premiums, dividend payments, and any payment on account of loss which results in a reduction of unearned premium in accordance with the terms of said policies.

3. Warranties. Insured represents and warrants that: (a) the Policies are in full force and effect (b) the proceeds of this loan are to be used to purchase insurance for other than personal, family or household purposes; (c) all information provided herein or in connection with this Agreement is true, correct, complete and not misleading; (d) the Insured has no indebtedness to the insurers issuing the Policies; and (e) the Insured is not insolvent nor presently the subject of any insolvency proceeding.

4. Power of Attorney. Insured hereby irrevocably appoints BankDirect as its Attorney-in-Fact upon the occurrence of an Event of Default (defined below) and, after proper notice has been mailed as required by law, grants to BankDirect authority to effect cancellation of the Policies, and to receive any unearned premium or other amounts with respect to the Policies assigned as security herein, and to sign any check or draft issued therefore in Insured's name and to direct the insurance companies to make said check or draft payable to BankDirect. Insured agrees that this authority to effect cancellation of the Policies cannot be revoked and will terminate only after Insured's obligations under this Agreement are paid in full. Insured agrees that proof of mailing any notice hereunder constitutes proof of receipt of such notice.

5. Payments Received after Notice of Cancellation. Insured agrees that any payments made and accepted after a Notice of Cancellation has been sent to any insurance company do not constitute reinstatement or obligate BankDirect to request reinstatement of such insurance Policy(ies), and Insured acknowledges that BankDirect has no authority or duty to reinstate coverage, and that such payments may be applied to Insured's indebtedness hereunder or under any other Agreement, and any such payments will not affect BankDirect's rights under this Agreement.

6. Assignments. Insured agrees not to assign the Policies except for the interest of mortgagees or loss payees, without the written consent of BankDirect. BankDirect may assign its rights under this Agreement without Insured's consent, and all rights conferred upon BankDirect shall inure to BankDirect's successors and assigns.

7. Dishonored Check Fee. If an Insured's check is dishonored for any reason and applicable law permits, Insured agrees to pay BankDirect a dishonored check fee equal to the maximum rate permitted by law.

8. Default. An Event of Default occurs when the Insured: (a) does not pay any installment according to the terms of this Agreement or any other agreement, (b) fails to comply with any of the terms of the Agreement; (c) any of the Policies are cancelled for any reason; (d) Insured or its insurance companies are insolvent or involved in a bankruptcy or similar proceeding as a debtor; (e) premiums increase under any of the Policies and Insured fails to pay such increased premium within thirty (30) days of the notification, or (f) Insured is in default under any other agreement with BankDirect. If an Event of Default occurs and after giving notice as required by law, all amounts due under this Agreement become immediately due and payable and the Insured is liable for all amounts described herein.

9. Rights Upon Default. If an Event of Default occurs, BankDirect may at its option pursue any and all remedies available, including but not limited to, the following: Demand and receive immediate payment of the total unpaid amount due under this Agreement regardless of whether BankDirect has received any refund of unearned premium. BankDirect may take all necessary actions to enforce payment of this debt. To the extent not prohibited or limited by applicable law, BankDirect is entitled to collection costs and expenses incurred while enforcing its rights under this Agreement and to reasonable attorneys' fees if this Agreement is referred to an attorney who is not a salaried employee of BankDirect for collection or

In connection with the Policies scheduled on page one, the Agent represents and warrants to BankDirect, its successors and assigns that:

1. Payment. The Agent agrees to remit all funds received from BankDirect and the Insured promptly to the insurance company(ies) issuing the financed policy(ies).

2. Signatures Genuine. The Insured's signature on both pages of this Agreement is genuine.

3. Authorization By Insured. If this Agreement has been signed by the Agent on behalf of the Insured, the Agent has the authority to act in this capacity and the Insured has authorized this transaction. The Agent has given the Insured a complete copy of this Agreement.

4. Authority of Agent. For the policies listed on the Schedule of Policies, the Agent signing this Agreement is either the authorized policy-issuing agent of the issuing insurance company(ies) or the broker placing the coverage directly with the issuing insurance company(ies), except as indicated on the Schedule of Policies.

5. Not Agent of BankDirect. Agent is not an agent of BankDirect and is not authorized to bind BankDirect and has not made any representation to the contrary.

6. Recognition of Assignment. The Agent recognizes the security interest granted in this Agreement, whereby the Insured assigns to BankDirect all unearned premiums, dividends and certain loss payments. Upon cancellation of any of the Policies, the Agent agrees to pay BankDirect all unearned commissions and unearned premiums upon receipt. If such funds are not remitted to BankDirect within ten (10) days of receipt by the Agent, the Agent agrees to pay BankDirect interest on such funds at the maximum rate permitted under applicable law. Agent shall not deduct any amounts which Insured owes to Agent from any amounts owing to BankDirect hereunder.

7. The Down Payment. The down payment and any other installments due from the Insured which Agent has agreed to collect, has been collected from the Insured.

8. The Policies: (a) are all cancelable by standard short-rate or pro-rata tables; (b) are not audit or reporting form policies or policies subject to retrospective rating, unless so indicated

enforcement. After proper notice has been given as required by law, BankDirect may immediately cancel the Policies and collect any unearned premiums or other amounts payable under said Policies. Unearned premiums shall be payable to BankDirect only.

10. Right of Offset. BankDirect may offset and deduct from any amounts BankDirect owes to Insured with respect to any Policies financed hereunder, any amounts which Insured owes to BankDirect under this or any other agreement to the extent permitted by applicable law.

11. Finance Charge; Service Fee. The Finance Charge includes interest on the outstanding principal amount of the loan. The Finance Charge is computed using a 365-day year. In addition, the Insured shall pay to BankDirect a nonrefundable service fee each month on the Monthly Due Date in an amount equal to \$10.00 (which amount may be adjusted by BankDirect at any time and from time to time upon prior written notice to the Insured) in connection with processing, making, closing, disbursing, originating, collecting and servicing the Loan and this Agreement.

12. Additional Premiums. Insured agrees to promptly pay to the insurer any additional premiums due on the Policies.

13. Agent or Broker. The Agent is not the agent of BankDirect and the Agent cannot bind BankDirect in any way. BankDirect is not the Agent of any insurer and is not liable for any acts or omissions of any insurer. Insured acknowledges that it has chosen to do business with the Agent and the insurance companies issuing the Policies, and that the insolvency, fraud, defalcation or other action or failure to act by any of them shall not relieve or diminish Insured's obligations to BankDirect hereunder.

14. Corrections. Except if prohibited by applicable law, BankDirect may insert the name of the insurer, policy numbers and first installment due date if omitted and if not known at the time of signature by or for Insured.

15. Effective Date. This Agreement shall have no force or effect until accepted in writing by BankDirect.

16. Liability. Neither BankDirect nor its assignee shall be liable for any loss or damage to the Insured by reason of failure of any insurance company to issue or maintain in force any of the Policies or by reason of the exercise by BankDirect or its assignee of the rights conferred herein, including but not limited to BankDirect's exercise of the right of cancellation, except in the event of willful or intentional misconduct by BankDirect.

17. Governing Law. This Agreement is governed by and interpreted under the laws of the state where BankDirect accepts this agreement. If any court finds any part of this agreement to be invalid, such finding shall not affect the remainder of the agreement.

18. Miscellaneous. All rights and remedies in this Agreement are cumulative and not exclusive. If any part of this Agreement is determined to be invalid or unenforceable, the remaining provisions of this Agreement shall continue to be in full force and effect. This Agreement constitutes the entire Agreement between BankDirect and Insured and may not be modified except as agreed upon in writing. BankDirect's acceptance of late or partial payments shall not be deemed a waiver by BankDirect of any provisions of this Agreement, and BankDirect is entitled to require Insured to strictly comply with the terms hereof.

19. CALIFORNIA RESIDENTS: FOR INFORMATION CONTACT THE DEPARTMENT OF CORPORATIONS, STATE OF CALIFORNIA.

Insured agrees that, in accordance with Section 18608 of the California Financial Code, BankDirect's liability to Insured upon the exercise of BankDirect's authority to cancel the Policies shall be limited to the amount of the principal balance of this loan, except in the event of BankDirect's willful failure to mail the notice of cancellation required under California law.

20. New York Residents: No charges imposed for obtaining and servicing the financed policies, pursuant to Section 2119 (formerly 129) of the New York Insurance Laws, are financed hereunder unless specified in the Schedule of Policies.

on the Schedule of Policies in this Agreement, and if so indicated, the deposit premiums are not less than the anticipated premiums to be earned for the full term of the Policies; (c) upon cancellation by the Insured or BankDirect, do not require advance notice of cancellation to any party, other than any notice required to be given by BankDirect; (d) the Policies are in full force and effect and the premiums indicated are correct for the term of the Policies; (e) have not been financed on an installment payment plan provided by the insurance company(ies); (f) are all cancelable policies; (g) are written for a term of at least one year; (h) are not for personal, family or household purposes; (i) have no exceptions other than those indicated and comply with BankDirect's eligibility requirements; and (j) all information in this Agreement pertaining to the Policies is complete and correct.

9. The Insured: (a) has not paid for the Policies other than as described in this Agreement; (b) has received a copy of this Agreement; (c) a proceeding in bankruptcy, receivership or insolvency has not been instituted by or against the Insured, or if the Insured is the subject of such a proceeding, it is noted on the Agreement in the space in which the Insured's name and address is placed; and (d) all information in this Agreement pertaining to the Insured is complete and correct.

10. Agent shall be liable to BankDirect for any losses, costs, damages or other expenses (including reasonable attorneys' fees, court costs and collection costs) incurred by BankDirect or its assignee as a result of or in connection with any untrue or misleading representation or warranty made by Agent hereunder, or otherwise arising out of the breach by Agent of this Agreement. Additionally, Agent agrees to indemnify BankDirect for any and all losses BankDirect incurs as a result of any error committed by the Agent in completing or failing to complete any portion of this Agreement. Agent shall promptly notify BankDirect of any unpaid increased premiums for the Policies. This Agreement is valid and enforceable and there are no defenses to it.

Hazelrigg & Cox, LLP
415 W. Main Street
P. O. Box 676
Frankfort, KY 40602

Invoice submitted to:
Marty Cogan
Coolbrook Utilities
1706 Bardstown Road
Louisville, KY 40205
RCM

January 06, 2011

Invoice # 21213

Professional Services

	<u>Hours</u>	<u>Amount</u>
12/15/2010 Review Motion to Intervene Correspondence to L. Smither and M. Cogan	0.10	15.00
For professional services rendered	0.10	\$15.00
Previous balance		\$3,434.83
Balance due		<u>\$3,449.83</u>

Timekeeper Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Robert C. Moore	0.10	150.00	\$15.00

WE ACCEPT VISA AND MASTERCARD

ATTACHMENT B

Hazelrigg & Cox, LLP
415 W. Main Street
P. O. Box 676
Frankfort, KY 40602

Invoice submitted to:
Marty Cogan
Coolbrook Utilities
1706 Bardstown Road
Louisville, KY 40205
RCM

April 12, 2011

Invoice # 21575

Professional Services

	<u>Hours</u>	<u>Amount</u>
3/8/2011 Telephone conference with L. Durham Review file Correspondence to L. Smither	0.25	37.50
3/9/2011 Telephone conference with L. Smither Telephone conference with R. Hewitt Telephone conference with L. Durham Conference with L. Smither	1.20	180.00
3/10/2011 Telephone conference with T. Osterloh re Informal Conference Draft Notice of Entry of Appearance	0.15	22.50
3/14/2011 Review correspondence from L. Smither	0.05	7.50
3/17/2011 Telephone conference with L. Smither	0.05	7.50
3/18/2011 Telephone conference with L. Smither, J. Kaninberg and M. Cogan re Informal Conference	0.50	75.00
3/22/2011 Review correspondence from L. Wood, L. Smither and J. Kaninberg Review file to prepare for hearing Draft Affidavits Attend hearing at PSC	3.50	525.00
3/30/2011 Review file Revise Affidavits for M. Cogan and L. Smither Correspondence to M. Cogan and L. Smither Correspondence to A. Goad re insurance Telephone conference with J. Kaninberg Review correspondence from L. Wood	1.60	240.00

Marty Cogan

	<u>Hours</u>	<u>Amount</u>
For professional services rendered	7.30	\$1,095.00
Previous balance		\$3,449.83
Balance due		<u>\$4,544.83</u>

Timekeeper Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Robert C. Moore	7.30	150.00	\$1,095.00

WE ACCEPT VISA AND MASTERCARD