

RECEIVED

DEC 09 2010

PUBLIC SERVICE
COMMISSION

Paul & Barbara McGowan

PO Box 109
Lovelaceville, KY 42060

Phone 270-816-4193

December 6, 2010

In the Matter of:

Joint application of Paul and Barbara McGowan and Eric Young
For approval of the transfer of ownership of Lovelaceville Water
Company's pumping , treatment and distribution facilities

Case No 2010-00422

First information request of commission staff to Paul and Barbara McGowan

First response of Paul and Barbara McGowan to commission staff

1. The McGowans will not continue performing any duties or services for Lovelaceville Water Company assuming the commission approves the transfer.

2. The McGowans will transfer all of Lovelaceville Water Company assets to Eric Young except for:

- | | |
|-----------------------------|----------|
| A. Tractor and front loader | \$17,500 |
| B. Trencher | 5,000 |

Total exceptions	\$22,500
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3. The McGowans anticipate receiving a token payment of \$100.00 with the proposed transfer of assets. The purpose of this amount is to establish this transaction as a sale of assets.

4. The McGowans will be entitled to the customer accounts receivable balances that remain due to Lovelaceville Water Company on the date of the asset transfer.

5. A. Depreciation expense from page 18 Lovelaceville's 2009 annual report filed with the Kentucky Public Service Commission is detailed as follows:

Clorinator	\$86
New pump	306
Tractor and front loader	2,500
Trencher	714
Pump - purchased 2006	217

Total depreciation	\$3,823
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B. Plant additions for 2009 are as follows:

311. New pump	\$2,142
339. Clorinator	599
345. Tractor and front loader	17,500
345. Trencher	5,000

Total additions	\$25,241
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Vender invoices are attached.

As indicated in item 2 above the MaGowans will be retaining possession of the tractor, the front loader and the trencher.

7. Plant additions for 2010 will include two new wells for a total cost of \$6,118.00

OATH

State of Kentucky
County of Ballard

Paul and Barbara McGowan being duly sworn state that they are Co-owners of the Lovelaceville Water Company and that statements made above are true and correct to the best of their knowledge.

Paul McGowan Owner Barbara McGowan Owner
Paul McGowan Barbara McGowan

Subscribed and sworn to before me a Notary Public. in and for the State of Kentucky and the State at Large this 6th day of December, 2010. My commission expires May 10, 2014.

Denver Hammonds
Denver Hammonds



GUS WELL DRILLING, LLC

P.O. BOX 202 - CLINTON, KY 42031

PHONE (270) 653-4615

"Complete Drilling & Repair Service"

Ky. Cert. Drillers 0091, 0458 TN - 643

18000

Customer's Order No _____		Date <u>8/27 20 09</u>					
Name <u>Paul McGowan</u>							
Address <u>1287 Namburd Rd</u> <u>hovelaceville, Ky 42060</u>							
SOLD BY	CASH	C O D	CHARGE	ON ACCT	MDSE RETD	PAID OUT	
QUAN.	DESCRIPTION				PRICE	AMOUNT	
1	2 HP Sub pump Myers				\$	1700	00
40	2" sch 80 drip pipe					80	00
60	Sub wire					36	00
	Hoard Work 1 Galn					110	00
					\$	1926	00
1	2" Check Valve					80	00
	Misc P&BC, Parts				\$	90	06
	PA 1549					136	00
						2,142	00
A Finance Charge of 2% Per month will be added to this unpaid balance							
ALL CLAIMS AND RETURNED GOODS MUST BE ACCOMPANIED BY THIS BILL						TAX	
Received By _____							



GUS WELL DRILLING, LLC

P.O. BOX 202 - CLINTON, KY 42031

PHONE (270) 653-4615

"Complete Drilling & Repair Service"

Ky. Cert. Drillers 0091, 0458 TN - 643

18119

Customer's Order No _____		Date <u>6/17</u> 20 <u>11</u>					
Name <u>Hovetacerville Water</u>							
Address <u>P.O. Box 109</u>							
<u>Hovetacerville Ky 42060</u>							
SOLD BY	CASH	C O D	CHARGE	ON ACCT	MDSE RETD	PAID OUT	
QUAN.	DESCRIPTION				PRICE	AMOUNT	
<u>145</u>	<u>4" Plastic lined 20 screen</u>						
	<u>145 100</u>					<u>2300.00</u>	
	<u>800 / ft x 45</u>					<u>360.00</u>	
						<u># 2660.00</u>	
<i>Paul Check</i>							
<u>1517</u>							
A Finance Charge of 2% Per month will be added to this unpaid balance							
ALL CLAIMS AND RETURNED GOODS MUST BE ACCOMPANIED BY THIS BILL						TAX	
Received By _____							



GUS WELL DRILLING, LLC

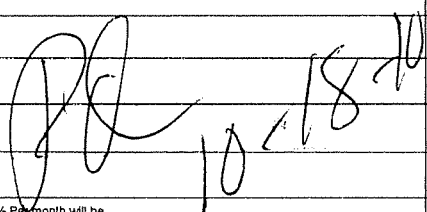
P.O. BOX 202 - CLINTON, KY 42031

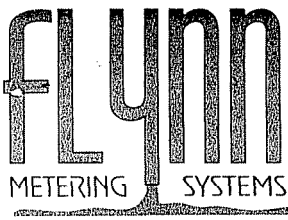
PHONE (270) 653-4615

"Complete Drilling & Repair Service"

Ky. Cert. Drillers 0091, 0458 TN - 643

18744

Customer's Order No. _____		Date <u>9/27 2010</u>					
Name <u>hoveleville water</u>							
Address <u>P O Box 109</u> <u>hoveleville ky 42060</u>							
SOLD BY	CASH	C O D	CHARGE	ON ACCT	MDSE. RETD	PAID OUT	
QUAN.	DESCRIPTION					PRICE	AMOUNT
<u>200</u>	<u>4" Plastic well 20' screen</u>						
	<u>1st 100</u>					<u>#</u>	<u>2200 00</u>
	<u>#800 1/4" x 100</u>						<u>800 00</u>
							<u>3000 00</u>
	<u>80 2' screen</u>						<u>160 00</u>
<u>200</u>	<u>10/4 Sub well</u>						<u>190 00</u>
	<u>Material & labor</u>						<u>100 00</u>
						<u>#</u>	<u>3450 00</u>
 <u>10/18/10</u>							
A Finance Charge of 2% Per month will be added to this unpaid balance.							
ALL CLAIMS AND RETURNED GOODS MUST BE ACCOMPANIED BY THIS BILL						TAX	
Received By _____							



Invoice

4115 Tonya Trail
 Hamilton, Ohio 45011
 (513) 893-7873
 Fax (513) 893-4303
 flynmetering@fuse.net

TERMS
CHARGE

DATE
10/21/2009

INVOICE #
37062

BILL TO
Lovellaceville Water Company Accounts Payable P.O. Box 109 Lovellaceville, KY 42060

PURCHASE ORDER NO.	
cc	
SHIP DATE	REP
10/21/2009	LWR
SHIP VIA	FOB
UPS-Residential	Hamilton, OH

SHIP TO
Lovellaceville Water Company 1287 Hamburg Road Kevil Route, KY 42053

PAID

QTY	ITEM #	DESCRIPTION	RATE	AMOUNT
1	P131-95T	chemical metering pump	505.00	505.00
3	28664	Valve Seat	12.10	36.30
3	28665	Valve Housing	14.30	42.90
	Shipping	Shipped On: 10/21/2009 Tracking #: 1Z0A383E0368602319	14.66	14.66
Thank you for your business.			Total	\$598.86