

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALLEGED FAILURE OF CENTER RIDGE	)	CASE NO.
WATER DISTRICT NO. 2 TO FILE REQUIRED	)	2011-00337
REPORTS	)	

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

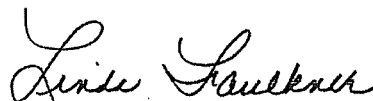
- The digital video recording of the show cause hearing conducted on October 27, 2011 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the show cause hearing conducted on October 27, 2011 in this proceeding;
- The written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the hearing conducted on October 27, 2011.

A copy of this Notice, the certification of the digital video record, exhibit list, and hearing log have been served by first class mail upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at [http://psc.ky.gov/av\\_broadcast/2011-00315-thru-00349/2011-00315-thru-00349\\_27Oct11\\_Inter.asx](http://psc.ky.gov/av_broadcast/2011-00315-thru-00349/2011-00315-thru-00349_27Oct11_Inter.asx). Parties wishing an

annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

The exhibits introduced at the evidentiary hearing may be downloaded at <http://psc.ky.gov/pscscf/2011%20cases/2011-00337/>.

Done at Frankfort, Kentucky, this 3<sup>rd</sup> day of November 2011.



---

Linda Faulkner  
Director, Filings Division  
Public Service Commission of Kentucky

William Duncan  
President  
Center Ridge Water District No. 2  
69 Marguerite Blvd  
New Concord, KY 42076

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE FAILURE TO  
FILE REQUIRED REPORTS – SHOW  
CAUSE HEARINGS

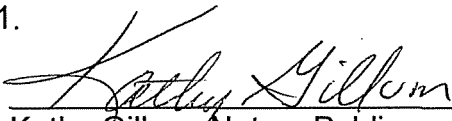
)  
)  
) CASE NOS. 2011-00337  
)

CERTIFICATE

I, Kathy Gillum, hereby certify that:

1. The attached DVD contains a digital recording of the show cause hearings conducted in the above-styled proceeding on October 27, 2011;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the hearing;
4. The "Exhibit List" attached to this Certificate correctly lists all Exhibits introduced at the hearings on October 27, 2011.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearings of October 27, 2011 and the time at which each occurred.

Given this 31st day of October, 2011.

  
Kathy Gillum, Notary Public  
State at Large

My commission expires: Sept 3, 2013



# Case History Log Report

Case Number: 2011-00315\_thru\_00349\_27Oct11

Case Title: Show Cause Hearings (Multi Cases)

Case Type: Other

Department:

Plaintiff:

Prosecution:

Defendant:

Defense:

**Date: 10/27/2011**

Location: Default Location

Judge: Jim Wood

Clerk: Kathy Gillum

Bailiff:

Event Time	Log Event	
10:07:23 AM	Case Started	
10:07:29 AM	Preliminary Comments	
10:08:29 AM	Introductions	
	Note: Kathy Gillum	James Wood, Hearing Officer; Shane Benson, Staff Attorney; and Jeff Cline, Annual Reports Branch PSC.
10:08:50 AM	Case No. 2011-00349 (Woodland Acres)	
	Note: Kathy Gillum	Woodland Acres counsel is willing to stipulate to Mr. Clines Testimony.
10:09:41 AM	Robert Moore (Woodland Acres)	
	Note: Kathy Gillum	Mr. Moore is counsel for Woodland Acres) Mr. Moore agrees to stipulate to Mr. Cline's testimony. Mr. Moore requested to add info into record: Mr. Moore stated that PSC Order issued indicated that Woodland Acres did not file annual reports; May 3, 2010 Woodland Acres LLC filed application for transfer with the PSC. On 9-1-10 the PSC approved the application for transfer. Woodland Acres Utilities did not take ownership until 9-1-10. John Ford previously operated Woodland Acres Sanitation until Woodland Acres Utilities took it over. Mr. Ford passed away 10-9-08 and he was the sole shareholder and operator of Woodland Acres Sanitation which was administratively dissolved by Sec. of State. Does not believe that Woodland Acres Utilities should file reports prior to 2010. Motion filed for an extension of time to file the reports (due Nov 30th). \$250.00 check was tendered by counsel to the PSC today. (See Exhibit 2011-00349 PSC Exhibit 2 for receipt and copy of check)
10:14:42 AM	Hearing Officer Wood (PSC)	
	Note: Kathy Gillum	James Wood, PSC Hearing Officer
10:14:57 AM	Robert Moore (Woodland Acres)	
	Note: Kathy Gillum	Incorporates the reference of case number 2010-00191.
10:15:41 AM	Hearing Officer Wood (PSC)	
	Note: Kathy Gillum	Oral Motion duly noted
10:15:58 AM	Shane Benson (PSC)	
	Note: Kathy Gillum	No objection.

10:16:04 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
10:16:29 AM	Case Completed	
10:17:30 AM	Case No. 2011-00338 (Green Hills WD)	
10:17:50 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness called to testify by Shane Benson. Witness sworn. Witness testifies to job title and duties.
10:19:03 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson as PSC Exhibit 1.
10:20:37 AM	Examination by Shane Benson (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testified that notice was received by utility. Witness states that at 9:25 p.m. yesterday the electronic copy was filed. Still missing the hard copy of the 2009 Annual Report, the 2009 GOR and the 2010 Report.
10:21:44 AM	Witness Excused (Cline)	
10:22:04 AM	Witness, Sherry Turner (Green Hills WD) Note: Kathy Gillum	Witness called to testify by Shane Benson. Witness sworn.
10:22:51 AM	Examination of witness by Shane Benson (PSC) Note: Kathy Gillum	Questions regarding job title and duties of witness. Witness states that the CPA has failed to file the WD's required reports. Witness states that a \$250.00 money order was mailed to the PSC, witness has a copy of the money order receipt and express mail receipt.
10:24:47 AM	Exhibit Green Hills 1 Note: Kathy Gillum	Exhibit: Original money order receipt and Express Mail Receipt was introduced by Sherry Turner on behalf of Green Hills WD indicating the mailing of \$250.00 penalty check to the PSC.
10:26:09 AM	Examination by Shane Benson (PSC) continues Note: Kathy Gillum	Questions regarding whether witness has attempted to contact CPA regarding filing the reports. Witness asks for an extension of time in order to file the reports. Witness states that the WD is in process of firing the CPA and hiring a new CPA to replace him. Witness asks for 60 day extension. Witness asks about what to do.
10:28:26 AM	Shane Benson (PSC) Note: Kathy Gillum	Mr. Benson stipulates that Ms. Turner did cut a \$250.00 money order and sent to the PSC. The green card was signed by PSC staff, but the money order has not been found. Instructs witness to cancel the money order and issue a new one.
10:30:05 AM	Witness Excused (Turner)	
10:30:38 AM	Shane Benson (PSC)	
10:30:49 AM	Recess Note: Kathy Gillum	Case recessed for 15 minutes to allow for parties to arrive
10:31:06 AM	Case Recessed	
10:52:45 AM	Case Started	
10:52:51 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Back on the record.
10:53:15 AM	Case No. 2011-00315 (B & H Gas)	
10:53:37 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Reminder that witness is still under oath.

10:54:02 AM	Examination by Shane Benson (PSC) Note: Kathy Gillum	Witness called to testify by Shane Benson. Witness testifies as to written testimony. Examination of witness, Jeff Cline, conducted by Shane Benson, PSC, on all cases from this point forward.
10:54:51 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson as PSC Exhibit 1. Witness adopts written testimony. Witness testifies that notice was received by B & H Gas. Witness states that B & H failed to file required reports.
10:56:55 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed
10:57:11 AM	Case No. 2011-00317 (Atrium Wireless)	
10:57:34 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Adopts written testimony. Witness testifies that notice was received.
10:58:04 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
10:59:54 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed
11:00:05 AM	Case No. 2011-00322 (TracFone Wireless)	
11:00:21 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Adopts written testimony. Witness testifies that notice was received by utility.
11:01:38 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:02:14 AM	Shane Benson (PSC) Note: Kathy Gillum	Asks for an Order
11:02:33 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Motion duly noted.
11:03:25 AM	Case No. 2011-00326 (INS)	
11:03:38 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by utility.
11:04:20 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:06:07 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:06:23 AM	Case No. 2011-00327 (Jilapuhn-Stateside)	
11:06:41 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies no return receipt received yet.
11:07:27 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:09:22 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:09:38 AM	Case No. 2011-00328 (TeleDias)	
11:09:46 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by utility.

11:10:32 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:12:19 AM	Exhibit PSC 2 Note: Kathy Gillum	Letter requests withdrawal of its CLEC in Kentucky.
11:13:22 AM	Case No. 2011-00329 (Tel-Tech)	
11:13:35 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by the utility.
11:14:14 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:15:55 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:16:08 AM	Case No. 2011-00331 (Airnex)	
11:16:24 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies .
11:17:21 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:19:17 AM	Hearing Officer Wood (PSC)	
11:19:23 AM	Case No. 2011-00333 (American Broadband)	
11:19:40 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by utility.
11:20:28 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:21:59 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:22:13 AM	Case No. 2011-00334 (Andiamo)	
11:22:29 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies notice was mailed to utility, but PSC has not received a return receipt. On Oct 21, 2011 PSC received a letter that utility stopped all activity.
11:23:20 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:25:24 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Mr. Wood stated that a copy of the letter should be placed in the record of this hearing as an exhibit.
11:26:22 AM	Exhibit PSC 2 Note: Kathy Gillum	Exhibit: Copy of letter dated 10-18-11 from Jeffrey S. Kaufman on behalf of Andiamo Telecom stating it was no longer in business as of January 31, 2010, introduced by Shane Benson and marked as PSC Exhibit 2..
11:27:00 AM	Case NO. 2011-00337 (Center Ridge)	
11:27:10 AM	Witness Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by utility.
11:27:15 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.



11:28:50 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:29:28 AM	Case Recessed	
11:34:16 AM	Case Resumed	
11:34:20 AM	Case No. 2011-00340 (Levee Road)	
11:35:01 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received. Filed 10-20-11 and \$250.00 penalty.
11:35:38 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:37:43 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:37:55 AM	Case No. 2011-00341 (Estill Co. WD)	
11:38:20 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by the utility.
11:39:03 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:40:49 AM	Shane Benson (PSC) Note: Kathy Gillum	Received a Motion for Extension of Time to file reports. Order granting Motion issued 10-26-11. Have until Nov. 30th.
11:41:38 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:42:14 AM	Case No. 2011-00347 (Red Barn)	
11:42:26 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies no return
11:43:09 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:45:10 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed
11:45:22 AM	Shane Benson (PSC) Note: Kathy Gillum	Commission staff rests.
11:45:46 AM	Hearing Officer Wood (PSC) - Hearing Adjourned Note: Kathy Gillum	Mr. Wood states for the record that there were no persons appearing in any of the cases called today with the exception of Case No. 2011-00349 and 2011-00338. Hearing Adjourned.
11:46:21 AM	Case Recessed	
10:16:28 AM	Exhibit PSC 2 Note: Kathy Gillum	Copy of check (\$250.00) tendered by Mr. Moore on behalf of utility, and a copy of PSC receipt dated 10-27-11
3:19:15 PM	Case Stopped	



## Exhibit List Report

Case Number: 2011-00315\_thru\_00349\_27Oct11

Case Title: Show Cause Hearings (Multi Cases)

Department:

Plaintiff:

Prosecution:

Defendant:

Defense:

Name	Description
2011-00315 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00317 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00322 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00326 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00327 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00328 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00328 PSC Exhibit 2	Letter from Teledias Communications dated 10-26-11 requesting withdrawal of its CLEC Certificate of Authority in Kentucky
2011-00329 PSC Exhibit 1	Written testimony of Jeff Cline and attachments.
2011-00331 PSC Exhibit 1	Written testimony of Jeff Cline and attachments.
2011-00333 PSC Exhibit 1	Written testimony of Jeff Cline and attachments.
2011-00334 PSC Exhibit 1	Written testimony of Jeff Cline and attachments.
2011-00334 PSC Exhibit 2	Copy of letter dated 10-18-11 from Jeffrey S. Kaufman on behalf of Andiamo Telecom stating it was no longer in business as of January 31, 2010.
2011-00337 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00338 Green Hills WD Exhibit 1	Original money order receipt and express mail receipt indicating the mailing of \$250.00 penalty check
2011-00338 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00340 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00341 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00347 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00349 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00349 PSC Exhibit 2	Copy of check (\$250.00) tendered by Mr. Moore on behalf of utility, and a copy of PSC receipt dated 10-27-11

1 **Q1 State your name and business address.**

2 A Jeff Cline, Public Service Commission, 211 Sower Boulevard, Frankfort,  
3 Kentucky 40601

4 **Q2 Who is your employer?**

5 A Public Service Commission of Kentucky ("PSCKY")

6 **Q3 How long has the PSCKY employed you?**

7 A I have been an employee of the PSCKY since August, 1997.

8 **Q4 What is your current position?**

9 A Annual Report Branch Manager

10 **Q5 As the Annual Report Branch Manager, what are your duties?**

11 A I oversee the Annual Report Branch of the Filings Division. This branch is  
12 responsible for the compilation and dissemination of statistical information on  
13 the public utilities which the PSCKY regulates. It provides the appropriate  
14 annual financial and statistical report form to jurisdictional utilities and then  
15 receives completed report forms, reviews them for accuracy and  
16 completeness, and ensures that the information from the annual financial and  
17 statistical report form is correctly entered into the PSCKY's E-Filing System,  
18 which is accessible through the PSCKY's Web Site.

19 Although the Executive Director of the PSCKY is the custodian of PSCKY  
20 documents and reports, I have been delegated responsibility for storing and  
21 maintaining the completed annual financial and statistical reports.

1 **Q6 What are the Annual Financial and Statistical Reports?**

2 A 807 KAR 5:006, Section 3(1), provides that "utilities shall file annually a  
3 financial and statistical report upon forms to be furnished by the commission."  
4 A copy of the form provided to Center Ridge Water District No. 2 is attached to  
5 my testimony as Exhibit JC-1. The report requests information on a wide  
6 range of subjects, to include a utility's officers, income and expenses, and its  
7 liabilities. The report form varies according to the type of utility. The report  
8 form for an electric utility will be quite different from the report form for a sewer  
9 utility.

10 **Q7 What is the purpose of the Annual Financial and Statistical Reports?**

11 A These reports are used to assess the financial condition of a utility and to  
12 monitor general trends within certain segments of the utility industry in  
13 Kentucky. They are also used to compile and develop information about the  
14 utility industry conditions. The PSCKY frequently uses them when reviewing  
15 utility applications for rate adjustments.

16 **Q8 How are the forms for the Annual Financial and Statistical Report  
17 provided to the utilities?**

18 A In mid-December each year, the Annual Report Branch sends by first class  
19 mail a copy of an annual financial and statistical report form to each utility  
20 subject to PSCKY jurisdiction that does not yet use the PSCKY's E-Filing  
21 System. A transmittal letter accompanies the reports explaining why this  
22 report must be filed and states its filing deadline. For the utilities that have  
23 previously filed their annual financial and statistical reports using the PSCKY's

1 E-Filing System, a link to the E-Filing System is provided in the transmittal  
2 letter in lieu of a paper copy of the report form.

3 **Q9 What is the deadline for filing this report?**

4 A 807 KAR 5:006, Section 3(1) establishes March 31 as the deadline for the  
5 annual financial and statistical reports.

6 **Q10 May a utility request an extension of these deadlines?**

7 A 807 KAR 5:006, Section 3, permits the Executive Director to grant a  
8 reasonable extension of time for filing of the annual financial and statistical  
9 reports where good cause has been shown. The Executive Director has  
10 delegated to me the authority to grant extensions.

11 **Q11 Does the transmittal letter advise about the availability of an extension of  
12 time for filing the Annual Financial and Statistical Reports?**

13 A Yes.

14 **Q12 How frequently is a request for an extension of time to file the Annual  
15 Financial and Statistical Report granted?**

16 A Extensions are granted as a matter of course. They are normally granted in  
17 30-day increments. If a utility is unable to meet the extended deadline, it may  
18 request another extension.

19 **Q13 If a utility fails to meet the March 31 deadline and no request for  
20 extension is made, what happens?**

21 A The Annual Report Branch will usually advise the utility in writing that the  
22 required reports are delinquent. If the reports are not received shortly  
23 thereafter, I and my subordinates may telephone the responsible utility officials

1 and advise them of the need to submit the required report and the possible  
2 consequences of failing to do so. We may telephone the utility several times  
3 over the next few months in an effort to obtain the reports.

4 **Q14 Once the report is received, what does the Annual Report Branch do with**  
5 **it?**

6 A When a report is received either electronically or through the mail, its receipt is  
7 recorded in a PSC electronic database. I and my subordinates ensure that the  
8 report is entered into the E-Filing System. (If the E-Filing System is used to  
9 submit the report, the utility inputs the information directly into the PSCKY's  
10 E-Filing System. If the utility files its report in paper form rather than using the  
11 E-Filing System, Annual Report Branch personnel will input the information  
12 into the E-Filing System.) The report is then reviewed for completeness and  
13 accuracy. It is checked for mathematical errors. All corresponding schedules  
14 are reviewed to ensure internal consistency. If inconsistencies or  
15 miscalculations are found, the utility is advised to make appropriate  
16 corrections. These corrections are then reviewed. After the review is  
17 completed, the report is made available for viewing and downloading through  
18 the PSCKY's Web Site. A paper copy is available for public inspection at the  
19 PSCKY's office in Frankfort, Kentucky. Completed reports remain in the  
20 custody and control of the Annual Report Branch at the PSCKY's office in  
21 Frankfort, Kentucky.

22 **Q15 Was an Annual Financial and Statistical Report Form for the 2010**  
23 **calendar year sent to Center Ridge Water District No. 2?**

1 A Yes. On December 15, 2010, an annual financial and statistical report form  
2 was sent by U. S. Mail to Center Ridge Water District No. 2 at the following  
3 address: 69 Marguerite Boulevard, New Concord, Kentucky 42076. This  
4 address is the mailing address which the utility had provided previously to the  
5 Commission. 807 KAR 5:003 requires Center Ridge Water District No. 2 to  
6 maintain a current mailing address with the PSCKY.

7 **Q16 Was anything besides this form mailed to the utility?**

8 A Yes. A transmittal letter was also mailed to the utility along with two copies of  
9 the annual gross operating revenues report. A copy of the transmittal letter is  
10 attached as Exhibit JC-2.

11 **Q17 Did the PSCKY receive the completed form on or before March 31, 2011?**

12 A No. Center Ridge Water District No. 2 did not submit the annual financial and  
13 statistical report form for the 2010 calendar year nor provided the information  
14 through the PSC E-Filing System by March 31.

15 **Q18 Describe what efforts, if any, that you and your subordinates have taken  
16 to obtain the report from Center Ridge Water District No. 2?**


17 A On December 15, 2010, a letter was sent to Center Ridge Water District No. 2.

18 **Q19 As of this date, has the Annual Financial and Statistical Report for  
19 calendar year 2010 for Center Ridge Water District No. 2 been filed with  
20 the PSCKY?**

21 A No.

22 **Q22 Does this complete your written testimony?**

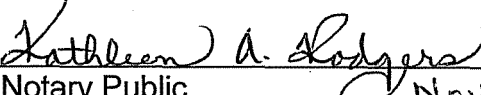
23 A Yes.

  
\_\_\_\_\_  
Jeff Cline

COMMONWEALTH OF KENTUCKY)

COUNTY OF FRANKLIN )

SUBSCRIBED AND SWORN to before me by Jeff Cline, this 26th day of October 2011.

  
\_\_\_\_\_  
Notary Public *Nov. 12, 2012*  
My commission expires ~~12~~ February 2013.



# Water Companies - Class C

Annual Report

Of

---

Exact Legal Name of Reporting Utility

---

---

(Address of Utility)

---

TO THE  
PUBLIC SERVICE COMMISSION  
OF THE  
COMMONWEALTH OF KENTUCKY

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 20\_\_\_\_\_

CHECKLIST FOR THE ANNUAL REPORT  
FOR CLASS C WATER COMPANIES  
TO BE COMPLETED AND RETURNED WITH THE ANNUAL REPORT

Page 1 of 2

<u>Page No.</u>	<u>Account No .</u>		<u>Page No.</u>		Yes	No	If No, Explain Why
4-6	The identification pages have been completed						
7	101-105	agrees with	12	Total 101-105			
7	108	agrees with	12	Beginning and Ending 108			
7	108	agrees with	14	Total 301-348 Cols c & h			
7	114-115	agrees with	15	Net Balance 114-115			
7	124	agrees with	15	Total 124			
7	141-143	agrees with	16	Net Balance 141-143			
7	186	agrees with	16	Total 186			
8	201	agrees with	17	Total Par Value of Stock Issued Col b			
8	204	agrees with	17	Total Par Value of Stock Issued Col c			
8	215	agrees with	11	Total 215			
8	224	agrees with	17-18	Total 224 Col f Page 17 + Total 224, Col 4, Page 18			
8	232	agrees with	19	Total 232 Col f			
8	236	agrees with	20	Beginning and Ending Balance 236			
8	237	agrees with	21	Total 237 Cols b & e			
8	242	agrees with	21	Total 242			
8	252	agrees with	17	Beginning and Ending Balance 252			
8	271	agrees with	22	Beginning and Ending Balance 271			
8	272	agrees with	22	Accumulated Amortization 272			
10	400	agrees with	24	Total Water Operating Revenue Col e			
10	401	agrees with	25	Total Col c			

CHECKLIST FOR THE ANNUAL REPORT  
FOR CLASS C WATER COMPANIES  
TO BE COMPLETED AND RETURNED WITH THE ANNUAL REPORT

Page No.	Account No .		Page No.		Yes	No	If No, Explain Why
10	427	agrees with	21	Total 237 Col c			
10	Net Income	agrees with	11	Balance Trans From Inc Col c			
12	101	agrees with	13	Total 301-348 Col f			
13	The analysis of water utility plant accounts Cols c through f has been completed.						
14	The analysis of accumulated depreciation and amortization by primary account has been completed.						
17	Schedule of Long-Term Debt has been completed						
18	Schedule of Bond Maturities has been completed						
24	Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Revenue and Expenses.						
24	The analysis of water operating revenue Cols c, d and e has been completed.						
26	Schedule of Pumping and Purchased Water Statistics has been completed.						
26	Total Col (d)	agrees with	27	Line 4, Total Produced and Purchased			
26	Total Col (e)	agrees with	27	Line 13, Total Water Sales			
27	466	agrees with	27	Line 11, Resale			
	Total Gallons						
	Oath page has been completed.						

**PUBLIC SERVICE COMMISSION OF KENTUCKY**  
**PRINCIPAL PAYMENT AND INTEREST INFORMATION**  
**FOR THE YEAR ENDING DECEMBER 31, 20\_\_\_\_\_**

1. Amount of Principal Payment during calendar year \$ \_\_\_\_\_
2. Is Principal Current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_
3. Is Interest Current? (Yes) \_\_\_\_\_ (No) \_\_\_\_\_
4. Has all long-term debt been approved by the Public Service Commission?  
(Yes) \_\_\_\_\_ (No) \_\_\_\_\_ PSC Case No. \_\_\_\_\_

**SERVICES PERFORMED BY**  
**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT ("CPA")**

Are your financial statements examined by a Certified Public Accountant?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, which service is performed?

Audit \_\_\_\_\_

Compilation \_\_\_\_\_

Review \_\_\_\_\_

**Please enclose a copy of the accountant's report with the annual report**

**Additional Requested Information**

Utility Name \_\_\_\_\_

Contact Person \_\_\_\_\_

Contact Person's E-Mail Address \_\_\_\_\_

Utility's Web Address \_\_\_\_\_

**Please complete the above information, if it is available.**

**If there are multiple staff who may be contacts please include their names and e-mail addresses also.**

Additional Information Required By Commission Orders

Provide any special information required by prior Commission orders, as well as any narrative explanations necessary to fully explain the data. Examples of the types of special information that may be required by Commission orders include surcharge amounts collected, refunds issued, and unusual debt repayments.

Case #	Date Of Order	Item/Explanation

Attach additional sheets if more room is required

## MAJOR WATER PROJECTS

**Instructions:** Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service Commission. For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and which will increase your current utility plant by at least 20%.

**Brief Project Description** (improvement, replacement, building construction, expansion. If expansion, provide the estimated number of new customers):

**Projected Costs and Funding Sources/Amounts:**

**Approval Status:** (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

**Location:** (community, area or nearby roads)

TABLE OF CONTENTS

	Page
<b><u>FINANCIAL SECTION</u></b>	
Identification.....	4-6
Comparative Balance Sheet - Assets And Other Debits.....	7
Comparative Balance Sheet - Equity Capital & Liabilities.....	8-9
Comparative Operating Statement.....	10
Statement of Retained Earnings.....	11
Utility Plant.....	12
Accumulated Depreciation.....	12
Water Utility Plant Accounts.....	13
Analysis of Accumulated Depreciation by Primary Account.....	14
Utility Plant Acquisition Adjustments.....	15
Utility Investments.....	15
Accounts Receivable - Net.....	16
Miscellaneous Deferred Debits.....	16
Advances For Construction.....	17
Capital Stock.....	17
Long Term Debt.....	17
Bonds and Maturities.....	18
Notes Payable.....	19
Accrued Taxes.....	20
Accrued Interest.....	21
Misc. Current & Accrued Liabilities.....	21
Regulatory Commission Expense.....	22
Contributions in Aid of Construction.....	22
Reconciliation of Reported Net Income with Taxable Income For Federal Income Taxes (Utility Operations) .....	23
<b><u>WATER OPERATING SECTION</u></b>	
Water Operating Revenue.....	24
Water Utility Expense Accounts.....	25
Pumping & Purchased Water Statistics.....	26



## HISTORY

1. Exact name of utility making this report. (Use the words "The", "Company" or "Incorporated" only when a part of the corporate name.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Give the location including city, street and number, of the executive office.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Give the location, street and number, and **TELEPHONE NUMBER** of the principal office in Kentucky. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Name and address of principal officer within Kentucky. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. Give name, title, address and **TELEPHONE NUMBER** of the officer to whom correspondence concerning this report should be addressed. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Date of organization. \_\_\_\_\_  
\_\_\_\_\_
7. Under the laws of what Government, State or Territory organized? (If more than one, name all. Give reference to each statute and amendments thereof.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. If a consolidated or merged entity, name all previously separate entities.

---

---

---

9. Date for each consolidation and each merger.

---

---

---

10. State whether respondent is a C corporation, an S corporation, a joint stock association, a firm or partnership, or an individual.

---

---

---

11. If a reorganized company, give name of original corporation, refer to laws under which it was organized and the occasion for the reorganization.

---

---

---

12. Name all operating departments other than water.

---

---

---

13. Name of counties in which you furnish water service.

---

---

---

14. Give the number of employees:  
Full-Time: \_\_\_\_\_ Part-Time: \_\_\_\_\_

REPORT OF

For Year Ended \_\_\_\_\_

Location of books and records: \_\_\_\_\_

**Contacts**

Name	Title	Address	Salary Charged Utility
Send Correspondence To:			\$
Report Prepared by:			\$

**Officers and Managers**

Name	Title	Home Address	Salary Charged Utility
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

Report every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the reporting utility:

Name	Percent Ownership In Utility	Principal Business Address	Salary Charged Utility
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	<b>UTILITY PLANT</b>			
101-105	Utility Plant.....	12	\$ _____	\$ _____
108	Less: Accumulated Depreciation And Amortization.....	12,14	\$ _____	\$ _____
	Net Plant.....		\$ _____	\$ _____
114-115	Utility Plant Acquisition Adjustments (Net) .....	15	\$ _____	\$ _____
	Total Net Utility Plant.....		\$ _____	\$ _____
	<b>OTHER PROPERTY AND INVESTMENTS</b>			
121	Nonutility Property.....		\$ _____	\$ _____
122	Less: Accumulated Depreciation And Amortization.....		\$ _____	\$ _____
	Net Nonutility Property.....		\$ _____	\$ _____
124	Utility Investments.....	15	\$ _____	\$ _____
	Total Other Property & Investments..		\$ _____	\$ _____
	<b>CURRENT AND ACCRUED ASSETS</b>			
131	Cash.....		\$ _____	\$ _____
132	Special Deposits.....		\$ _____	\$ _____
141-143	Accounts receivable, Less Accumulated Provision for Uncollectible Accounts.....	16	\$ _____	\$ _____
151	Plant Materials and Supplies.....		\$ _____	\$ _____
174	Misc. Current and Accrued Assets....		\$ _____	\$ _____
	Total Current and Accrued Assets....		\$ _____	\$ _____
	<b>DEFERRED DEBITS</b>			
186	Misc. Deferred Debits.....	16	\$ _____	\$ _____
190	Accumulated Deferred Income Taxes...		\$ _____	\$ _____
	Total Deferred Debits.....		\$ _____	\$ _____
	<b>TOTAL ASSETS AND OTHER DEBITS.....</b>		\$ _____	\$ _____

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	<b>EQUITY CAPITAL</b>			
201	Common Stock Issued.....	17	\$ _____	\$ _____
204	Preferred Stock Issued.....	17	\$ _____	\$ _____
211	Other Paid-In Capital.....		\$ _____	\$ _____
215	Retained Earnings.....	11	\$ _____	\$ _____
218	Proprietary Capital (Proprietorship and Partnership Only) .....		\$ _____	\$ _____
	Total Equity Capital.....		\$ _____	\$ _____
	<b>LONG-TERM DEBT</b>			
224	Long-Term Debt.....	17, 18	\$ _____	\$ _____
	Total Long-Term Debt.....		\$ _____	\$ _____
	<b>CURRENT AND ACCRUED LIABILITIES</b>			
231	Accounts Payable.....		\$ _____	\$ _____
232	Notes Payable.....	19	\$ _____	\$ _____
235	Customer Deposits.....		\$ _____	\$ _____
236	Accrued Taxes.....	20	\$ _____	\$ _____
237	Accrued Interest.....	21	\$ _____	\$ _____
242	Misc. Current & Accrued Liabilities..	21	\$ _____	\$ _____
	Total Current and Accrued Liabilities.....		\$ _____	\$ _____
	<b>NONCURRENT CREDITS</b>			
252	Advances For Construction.....	17	\$ _____	\$ _____
253	Other Deferred Credits.....		\$ _____	\$ _____
255	Accumulated Deferred Investment Tax Credits.....		\$ _____	\$ _____
265	Miscellaneous Operating Reserves.....		\$ _____	\$ _____
	Total Noncurrent Credits.....		\$ _____	\$ _____
	<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
271	Contributions In Aid Of Construction. Tap-On Fees - Customers.....	22	\$ _____	\$ _____
	Grants.....		\$ _____	\$ _____
	Other.....		\$ _____	\$ _____
272	Accumulated Amortization of Contri- butions in Aid of Construction.....		\$ _____	\$ _____
	Total Net C.I.A.C. ....		\$ _____	\$ _____

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES (CONT'D)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	ACCUMULATED DEFERRED INCOME TAXES			
281	Accumulated Deferred Income Taxes Accelerated Depreciation.....		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes Liberalized Depreciation.....		\$ _____	\$ _____
283	Accumulated Deferred Income Taxes Other.....		\$ _____	\$ _____
	Total Accum. Deferred Income Taxes...		\$ _____	\$ _____
	<b>TOTAL EQUITY CAPITAL AND LIABILITIES.</b>		\$ _____	\$ _____

NOTES TO BALANCE SHEET

The space below is provided for important notes regarding the balance sheet

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	<b>UTILITY OPERATING INCOME</b>			
400	Operating Revenues.....	24	\$ _____	\$ _____
401	Operating Expenses.....	25	\$ _____	\$ _____
403	Depreciation Expenses.....		\$ _____	\$ _____
406	Amortization of Utility Plant Acquisition Adjustment.....		\$ _____	\$ _____
407	Amortization Expense - Other.....		\$ _____	\$ _____
408	Taxes Other Than Income.....		\$ _____	\$ _____
409.10	Income Taxes.....		\$ _____	\$ _____
410.10	Provision For Deferred Income Taxes..		\$ _____	\$ _____
411.10	Provision for Deferred Income Taxes Credit.....		\$ _____	\$ _____
412.10	Investment Tax Credits Deferred to Future Periods.....		\$ _____	\$ _____
412.11	Investment Tax Credits Restored to Operating Income.....		\$ _____	\$ _____
	Utility Operating Expenses.....		\$ _____	\$ _____
	Total Utility Operating Income.....		\$ _____	\$ _____
	<b>OTHER INCOME AND DEDUCTIONS</b>			
419	Interest and Dividend Income.....		\$ _____	\$ _____
420	Allowance for Funds Used During Construction.....		\$ _____	\$ _____
421	Nonutility Income.....		\$ _____	\$ _____
426	Miscellaneous Nonutility Expenses....		\$ _____	\$ _____
	Total Other Income and Deductions....		\$ _____	\$ _____
	<b>TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS</b>			
408	Taxes Other Than Income.....		\$ _____	\$ _____
409.20	Income Taxes.....		\$ _____	\$ _____
410.20	Provision for Deferred Income Taxes..		\$ _____	\$ _____
411.20	Provision for Deferred Income Taxes - Credit.....		\$ _____	\$ _____
412.20	Investment Tax Credits - Net.....		\$ _____	\$ _____
412.21	Investment Tax Credits Restored to Nonoperating Income.....		\$ _____	\$ _____
	Total Taxes Applicable To Other Income and Deductions.....		\$ _____	\$ _____
	<b>INTEREST EXPENSE</b>			
427	Interest Expense.....		\$ _____	\$ _____
	<b>NET INCOME</b> .....		\$ _____	\$ _____

STATEMENT OF RETAINED EARNINGS

1. Dividends should be shown for each class and series of capital stock. Show amounts of dividends per share.

ACCT. NO. (a)	(b)	AMOUNT (c)
215	Retained Earnings:	
	Balance beginning of year.....	\$ _____
	Balance Transferred From Income.....	\$ _____
	Dividends Declared:	
	Preferred Stock Dividends Declared.....	\$ _____
	Common Stock Dividends Declared.....	\$ _____
	Total Dividends Declared.....	\$ _____
	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits _____	\$ _____
	Total Credits.....	\$ _____
	Debits _____	\$ _____
	Total Debits.....	\$ _____
	Balance end of year.....	\$ _____
	Total Retained Earnings.....	\$ _____

Notes to Statement of Retained Earnings:



UTILITY PLANT (ACCTS. 101 - 105)

ACCT. NO.	PLANT ACCOUNTS	TOTAL
101	Utility Plant In Service.....	\$ _____
103	Property Held For Future Use.....	\$ _____
104	Utility Plant Purchased or Sold.....	\$ _____
105	Construction Work In Progress.....	\$ _____
	Total Utility Plant.....	\$ _____

ACCUMULATED DEPRECIATION & AMORTIZATION (ACCT. 108)

DESCRIPTION	TOTAL
Balance First of Year.....	\$ _____
Credits During Year:	
Amounts Charged To Account 403.....	\$ _____
Amounts Charged To Other Accounts (specify)	\$ _____
_____	\$ _____
_____	\$ _____
Salvage Value Recovered On Plant Retired.....	\$ _____
Other Credits (specify)	\$ _____
_____	\$ _____
_____	\$ _____
Total Credits.....	\$ _____
Debits During Year:	
Book Cost of Plant Retired.....	\$ _____
Cost Of Removal.....	\$ _____
Other Debits (specify)	\$ _____
_____	\$ _____
_____	\$ _____
Total Debits.....	\$ _____
Balance End Of Year.....	\$ _____

WATER UTILITY PLANT ACCOUNTS

ACCT NO (a)	ACCOUNT NAME (b)	END OF PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	END OF CURRENT YEAR (f)
301	Organization.....	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises.....	_____	_____	_____	_____
303	Land and Land Rights.....	_____	_____	_____	_____
304	Structures & Improvements...	_____	_____	_____	_____
305	Collecting and Impounding Reservoirs.....	_____	_____	_____	_____
306	Lake, River & Other Intakes.	_____	_____	_____	_____
307	Wells and Springs.....	_____	_____	_____	_____
309	Supply Mains.....	_____	_____	_____	_____
310	Power Generation Equipment..	_____	_____	_____	_____
311	Pumping Equipment.....	_____	_____	_____	_____
320	Water Treatment Equipment...	_____	_____	_____	_____
330	Distribution Reservoirs and Standpipes.....	_____	_____	_____	_____
331	Transmission and Distribution Mains.....	_____	_____	_____	_____
333	Services.....	_____	_____	_____	_____
334	Meters & Meter Installations	_____	_____	_____	_____
335	Hydrants.....	_____	_____	_____	_____
336	Backflow Prevention Devices.	_____	_____	_____	_____
339	Other Plant and Miscellaneous Equipment.....	_____	_____	_____	_____
340	Office Furniture and Equip..	_____	_____	_____	_____
341	Transportation Equipment....	_____	_____	_____	_____
343	Tools, Shop and Garage Equip.	_____	_____	_____	_____
345	Power Operated Equipment....	_____	_____	_____	_____
348	Other Tangible Plant.....	_____	_____	_____	_____
	Total Water Plant.....	\$ _____	\$ _____	\$ _____	\$ _____

**ANALYSIS OF ACCUMULATED DEPRECIATION AND AMORTIZATION BY PRIMARY ACCOUNT**

ACCT. NO. (a)	ACCOUNT (b)	BALANCE BEGINNING OF YEAR (c)	CREDITS DURING THE YEAR		CHARGES DURING THE YEAR		BALANCE END OF YEAR (h)
			CHARGES TO DEP. EXP. (d)	OTHER CREDITS (e)	PLANT RETIREMENTS (f)	OTHER CHARGES (g)	
301	Organization.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
302	Franchises.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
303	Land and Land Rights.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
304	Structures & Improvements...	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
305	Collecting & Impounding Reservoirs.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
306	Lake, River & Other Intakes.	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
307	Wells and Springs.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
309	Supply Mains.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
310	Power Generation Equipment..	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
311	Pumping Equipment.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
320	Water Treatment Equipment...	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
330	Distribution Reservoirs and Standpipes.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
331	Transmission & Distribution Mains.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
333	Services.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
334	Meters and Meter Installations.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
335	Hydrants.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
336	Backflow Prevention Devices.	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
339	Other Plant & Miscellaneous Equipment.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
340	Office Furniture & Equip....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
341	Transportation Equipment....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
343	Tools, Shop & Garage Equip..	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
345	Power Operated Equipment....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
348	Other Tangible Plant.....	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	TOTALS	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

**UTILITY PLANT ACQUISITION ADJUSTMENTS (ACCTS. 114 - 115)**

Report each acquisition adjustment and related accumulated amortization separately.  
For any acquisition adjustment approved by the Commission, include the Order Number.

ACCOUNT NAME	TOTAL
Acquisition Adjustments (114)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Plant Acquisition Adjustments.....	\$ _____
Accumulated Amortization (115)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Accumulated Amortization.....	\$ _____
Net Acquisition Adjustments.....	\$ _____

**UTILITY INVESTMENTS (ACCT. 124)**

DESCRIPTION OF SECURITY (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
UTILITY INVESTMENTS (ACCT. 124)		
_____ ..	\$ _____	\$ _____
_____ ..	\$ _____	\$ _____
_____ ..	\$ _____	\$ _____
_____ ..	\$ _____	\$ _____
_____ ..	\$ _____	\$ _____
Total Utility Investments.....	\$ _____	\$ _____

**ACCOUNTS RECEIVABLE - NET (ACCOUNTS 141 & 143)**

Report all accounts receivable included in Accounts 141 and 143.

DESCRIPTION	TOTAL
ACCOUNTS RECEIVABLE:	
Customer Accounts Receivable (Acct. 141).....	\$ _____
Accumulated Provision for Uncollectible Accounts (Acct. 143)	
Balance First Of Year.....	\$ _____
Add: Provision For Uncollectibles For	
Current Year.....	\$ _____
Collection of Accounts Previously	
Written Off.....	\$ _____
Other.....	\$ _____
Total Additions.....	\$ _____
Deduct:	
Accounts Written Off During Year.....	\$ _____
Other.....	\$ _____
Total Deductions.....	\$ _____
Balance End Of Year.....	\$ _____
Total Accounts Receivable - Net.....	\$ _____

**MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)**

DESCRIPTION	TOTAL
Miscellaneous Deferred Debits (Acct. 186):	
Deferred Rate Case Expense.....	\$ _____
Other Deferred Debits.....	\$ _____
Total Miscellaneous Deferred Debits.....	\$ _____



ACCOUNT 224, BONDS

Line No.	Par Value Of Actual Issue (1)	Cash Realized On Actual Issue (2)	Par Value Of Amount Held by or for Respondent (3)	Actually Outstanding At Close Of Year (4)	Interest During Year	
					Accrued (5)	Actually Paid (6)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total						

SCHEDULE OF BOND MATURITIES

(The total of column 12 must agree with the total of column 4)

Line No.	Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amount (10)	Amount Paid (11)	Remaining Bonds Outstanding (12)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
Total						

**NOTES PAYABLE (ACCOUNT 232)**

(a)	DATE OF ISSUE (b)	DATE OF MATURITY (c)	INTEREST EXPENSE FOR YEAR		PRINCIPAL BALANCE END OF YEAR (f)
			RATE (d)	AMOUNT OF PAYMENT (e)	
Account 232 - Notes Payable:				\$	\$
_____	_____	_____	_____	\$	\$
_____	_____	_____	_____	\$	\$
_____	_____	_____	_____	\$	\$
_____	_____	_____	_____	\$	\$
_____	_____	_____	_____	\$	\$
Total Account 232.....				\$	\$



**ACCRUED TAXES (ACCOUNT 236)**

ACCT. NO. (a)	DESCRIPTION (b)	TOTAL (c)
	Balance first of year.....	\$ _____
	Accruals Charged:	
408	Utility regulatory assessment fees.....	\$ _____
408	Property taxes.....	\$ _____
408	Payroll taxes (employer's portion).....	\$ _____
408	Other taxes and licenses.....	\$ _____
408	Taxes other than income, other income and deductions...	\$ _____
409.10	Federal income taxes.....	\$ _____
409.10	State income taxes.....	\$ _____
409.10	Local income taxes.....	\$ _____
409.20	Income taxes, other income & deductions.....	\$ _____
410.10	Deferred federal income taxes.....	\$ _____
410.10	Deferred state income taxes.....	\$ _____
410.10	Deferred local income taxes.....	\$ _____
410.20	Provisions for deferred income taxes, other income and deductions.....	\$ _____
411.10	Deferred income taxes - credit.....	\$ _____
411.20	Provisions for deferred income taxes - credit, other income and deductions.....	\$ _____
412.10	ITC deferred to future periods.....	\$ _____
412.11	ITC restored to operating income.....	\$ _____
412.20	ITC - Net nonutility operations.....	\$ _____
412.21	ITC - Restored to nonoperating inc., util. operations..	\$ _____
	Total taxes accrued.....	\$ _____
	Taxes paid during year:	
408	Utility regulatory assessment fees.....	\$ _____
408	Property taxes.....	\$ _____
408	Payroll taxes (employer's portion).....	\$ _____
408	Other taxes and licenses.....	\$ _____
408	Taxes other than income, other income and deductions...	\$ _____
409.10	Federal income taxes.....	\$ _____
409.10	State income taxes.....	\$ _____
409.10	Local income taxes.....	\$ _____
409.20	Income taxes, other income & deductions.....	\$ _____
410.10	Deferred federal income taxes.....	\$ _____
410.10	Deferred state income taxes.....	\$ _____
410.10	Deferred local income taxes.....	\$ _____
410.20	Provisions for deferred income taxes, other income and deductions.....	\$ _____
411.10	Deferred income taxes - credit.....	\$ _____
411.20	Provisions for deferred income taxes - credit, other income and deductions.....	\$ _____
412.10	ITC deferred to future periods.....	\$ _____
412.11	ITC restored to operating income.....	\$ _____
412.20	ITC - Net nonutility operations.....	\$ _____
412.21	ITC - Restored to nonoperating inc., util. operations..	\$ _____
	Total taxes paid.....	\$ _____
	Balance end of year.....	\$ _____





**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES  
(UTILITY OPERATIONS)**

The reconciliation should include the same detail as furnished on Schedule M-1 of the Federal tax return for the year. The reconciliation shall be submitted even if there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computation of all tax accruals. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

DESCRIPTION	REF.	AMOUNT
Net Income for the year.....		\$ _____
Reconciling items for the year:		
Taxable income not reported on books:		
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
Deductions recorded on books not deducted for return:		
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
Income recorded on books not included in return:		
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
Deductions on return not charged against book income:		
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
Federal tax net income.....		\$ _____
Computation of tax:		

**WATER OPERATING REVENUE**

ACCT NO (a)	(b)	BEGINNING YEAR NO. CUSTOMERS (c)	YEAR END NUMBER CUSTOMERS (d)	AMOUNTS (e)
	Operating Revenues:			
460	Unmetered Water Revenue.....			\$ _____
461	Metered Water Revenue:			
461.1	Sales to Residential Customers.....			\$ _____
461.2	Sales to Commercial Customers.....			\$ _____
461.3	Sales to Industrial Customers.....			\$ _____
461.4	Sales to Public Authorities.....			\$ _____
461.5	Sales to Multiple Family Dwellings....			\$ _____
461.6	Sales through Bulk Loading Stations...			\$ _____
	Total Metered Sales.....			\$ _____
462	Fire Protection Revenue.....			\$ _____
465	Sales to Irrigation Customers.....			\$ _____
466	Sales for Resale.....			\$ _____
	Total Sales of Water			\$ _____
	Other Water Revenues:			
469	Guaranteed Revenues.....			\$ _____
474	Other Water Revenues.....			\$ _____
	Total Other Water Revenues.....			\$ _____
	Total Water Operating Revenues.....			\$ _____

WATER UTILITY EXPENSE ACCOUNTS

ACCT NO (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)
601	Salaries and Wages-Employees.....	\$ _____
603	Salaries & Wages- Officers, Directors & Majority Stockholders...	_____
604	Employee Pensions & Benefits.....	_____
610	Purchased Water.....	_____
615	Purchased Power.....	_____
616	Fuel for Power Production.....	_____
618	Chemicals.....	_____
620	Materials & Supplies.....	_____
630	Contractual Services.....	_____
635	Water Testing.....	_____
640	Rents.....	_____
650	Transportation Expenses.....	_____
655	Insurance.....	_____
665	Regulatory Commission Expense.....	_____
670	Bad Debt Expense.....	_____
675	Miscellaneous Expenses.....	_____
	Total Water Utility Expenses.....	\$ _____

### PUMPING AND PURCHASED WATER STATISTICS

(a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	WATER PUMPED FROM WELLS (Omit 000's) (c)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) (d)	WATER SOLD TO CUSTOMERS (Omit 000's) (e)
January.....	_____	_____	_____	_____
February.....	_____	_____	_____	_____
March.....	_____	_____	_____	_____
April.....	_____	_____	_____	_____
May.....	_____	_____	_____	_____
June.....	_____	_____	_____	_____
July.....	_____	_____	_____	_____
August.....	_____	_____	_____	_____
September.....	_____	_____	_____	_____
October.....	_____	_____	_____	_____
November.....	_____	_____	_____	_____
December.....	_____	_____	_____	_____
Total for year....	_____	_____	_____	_____

Maximum gallons pumped by all methods in any one day (Omit 000's): \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Minimum gallons pumped by all methods in any one day (Omit 000's): \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

If water is purchased, indicate the following:

Vendor \_\_\_\_\_

Point of delivery \_\_\_\_\_

If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons:

Entity Receiving Water	Maximum Daily	Maximum Monthly
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**SALES FOR RESALE (466)**

LINE #	COMPANY	GALLONS (Omit 000's)	AVG. RATE PER 1,000 GALLONS (CENTS)	AMOUNT
1				
2				
3				
4				
5				
6				
7				
8	TOTAL			

**WATER STATISTICS**

LINE #	ITEM	GALLONS (Omit 000's)
1	<b>WATER PRODUCED, PURCHASED &amp; DISTRIBUTED:</b>	
2	Water Produced	
3	Water Purchased	
4	<b>TOTAL PRODUCED AND PURCHASED</b>	
5		
6	<b>WATER SALES:</b>	
7	Residential	
8	Commercial	
9	Industrial	
10	Bulk Loading Stations	
11	Resale	
12	Other Sales	
13	<b>TOTAL WATER SALES</b>	
14		
15	<b>OTHER WATER USED:</b>	
16	Utility/water treatment plant	
17	Wastewater plant	
18	System Flushing	
19	Fire Department	
20	Other	
21	<b>TOTAL OTHER WATER USED</b>	
22		
23	<b>WATER LOSS:</b>	
24	Tank Overflows	
25	Line Breaks	
26	Line Leaks	
27	Other	
28	<b>TOTAL LINE LOSS</b>	
29		
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4	
31		
32	<b>WATER LOSS PERCENTAGE:</b>	
33	Line 28 divided by Line 4	











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

December 15, 2010

William Duncan  
Center Ridge Water District No. 2  
69 Marguerite Blvd  
New Concord, KY 42076

RE: 2010 Annual Reporting  
(600) Investor-Owned Water Company  
Utility ID: 6000700

Dear William Duncan:

Enclosed with this letter are two copies of the Report of Gross Operating Revenues form and one copy of the Annual Financial and Statistical Report form. One original notarized copy of the reports are to be completed for the calendar year 2010 and **filed with the Commission no later than March 31, 2011**, as required by 807 KAR 5:006, Section 3(1), KRS 278.140 and KRS 278.230(3).

Extension of time requests for filing the Report of Gross Operating Revenues form cannot be granted. However, the Commission may occasionally, upon written request, allow a 30 day extension of time for filing the Annual Financial and Statistical Report. The request must provide a reasonable explanation and be filed prior to the March 31, 2011, deadline. The prompt filing of these reports is essential. **Any utility failing to comply with timely filing requirements shall be subject to KRS 278.990, including the imposition of penalties provided therein.**

On-line entry of annual report information is available for all utilities under the jurisdiction of this Commission. Upon completion of the online annual report, a hard copy of the report copy may be generated directly from our site. Please be aware that a paper copy, either computer-generated or manually-produced, along with a signed oath page, are still required to be filed with the Commission until such time the Kentucky statutes are revised to allow us to accept the electronic annual report format as the official record.

William Duncan  
December 15, 2010  
Page 2

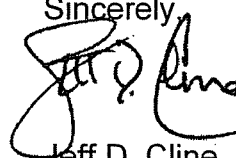
In order to participate in this on-line filing process, your utility must simply have an ID and password. To do so, you may register on our web site or you may notify the undersigned in writing, on utility letterhead, designating a contact name of the person responsible for annual report filings, along with their mailing address, e-mail address, as well as telephone and fax numbers. If your company files a report for more than one type of service, for example gas and electric, you will be issued a separate account ID and password for each reporting entity. Unique accounts ensure that the correct reporting form is accessed for companies providing multiple types of services.

Upon receipt of your letter, the contact person(s) you designate will receive an account ID and password via email to be used for purposes of filing annual reports. If your company utilizes outside parties for filing your reports, it will be your responsibility to provide the party with your ID and password.

We have made every effort to create the on-line system with a look similar to the paper form. In addition, there are built-in audit tools which inform the user when certain line item totals do not match and section totals are incorrect. Also, the automatically generated "checklist" page at the end of the report may be used to determine if all required totals are correct. This gives the filer an opportunity to correct any totals which do not balance, or provide an explanation as to why certain totals may not match. Additional instructions regarding the electronic annual report process can be found online under the "Commission Records" / "Financial Reports" portion of our site.

If you need additional copies of any form, they can be found on our web site under "Utility Information" / "Forms", or you may contact the undersigned and we will gladly provide a hard copy. Should you have any questions or require additional information, please do not hesitate to contact the undersigned by generating an email to [JeffD.Cline@ky.gov](mailto:JeffD.Cline@ky.gov).

Sincerely,



Jeff D. Cline  
Annual Report Branch Manager

Enclosure(s)