

2008-364

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities
Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

FILED

AUG 29 2008

PUBLIC SERVICE
COMMISSION

Ridgelea Investments, Inc

Name of Utility

2106 West North Bend Road

Cincinnati, Ohio 45224

Business Mailing Address

Telephone Number (513) 851-8886

Area Code

Number

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: Charles Hungler, Jr., President

Address: 2106 West North Bend Road

Cincinnati, Ohio 45224

Telephone Number: (513) 851-8886

- | | | | |
|----|---|------------|----|
| 1) | Do you have 500 customers or fewer? | Yes | No |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less? | Yes | No |
| 3) | Has the Utility filed an annual report with this Commission for the past year and the two previous years? | Yes | No |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise? | Yes | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, 2007.

a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

See Attachment A.

b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

Please see the notes to Attachment A.

i. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

	Present Rate	Proposed Rate
Single Family Residential	\$22.10/mo.	\$30.00/mo. (35.75% incr.)

III. Other Information

a. Please complete the following questions:

1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

2) Total number of Customers as of the date of filing: 365

3) Total amount of increased revenue requested: \$18,865

4) Please circle Yes or No:

a) Does the utility have any outstanding indebtedness? **Yes** **No**

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

- b) Were all revenues and expenses listed in the Annual Report for 2007 incurred and collected from January 1 to December 31 of that year?

Yes No

If no, list total revenues and total expenses incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 2007 and the amount shown on this schedule. – **Depreciation schedule attached.**

- 6) If utility is a sewer utility:

- a) Attach a copy of the latest State and Federal Income Tax Returns. **Attached**
- b) How much of the utility plant was recovered through the sale of lots or other contributions? (If unknown, state the reason).

- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

See Attachment B

IV. Billing Analysis

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using declining block rate design. This billing analysis is not intended for companies using a flat rate design.

- a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records: The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1st 2,000 gallons minimum bill rate level
432 Bills
518,400 gallons used
All bills use 2,000 gallons or less, therefore, all usage is recorded in Column 4.

Step2: Next 3,000 gallons rate level
1,735 Bills
4,858,000 gallons used
1st 2,000 minimum x 1,735 bills = 3,470,000 gallons – record in Column 4.
Next 3,000 gallons – remainder of water over 2,000 = 1,388,000 gallons – record in Column 5.

Step3: Next 10,000 gallons rate level
1,830 Bills
16,268,700 gallons used
1st 2,000 minimum x 1,830 bills = 3,660,000 gallons – record in Column 4.
Next 3,000 gallons x 1,830 bills = 5,490,000 gallons – record in Column 5.
Next 10,000 gallons – remainder of water over 3,000 = 7,118,700 gallons – record in Column 6.

Step4: Next 25,000 gallons rate level
650 Bills

15,275,000 gallons used
 1st 2,000 minimum x 650 bills = 1,300,000 gallons –
 record in Column 4.
 Next 3,000 gallons x 650 bills = 1,950,000 gallons –
 record in Column 5.
 Next 10,000 gallons x 650 bills = 6,500,000 gallons –
 record in Column 6.
 Next 25,000 gallons – remainder of water over 10,000
 = 5,525,000 gallons – record in Column 7.

Step5: Over 40,000 gallons rate level
 153 Bills
 9,975,600 gallons used
 1st 2,000 minimum x 153 bills = 306,000 gallons –
 record in Column 4.
 Next 3,000 gallons x 153 bills = 459,000 gallons –
 record in Column 5.
 Next 10,000 gallons x 153 bills = 1,530,000 gallons –
 record in Column 6.
 Next 25,000 gallons x 153 bills = 3,825,000 gallons –
 record in Column 7.
 Over 40,000 gallons – remainder of water over 25,000
 = 3,855,600 gallons – record in Column 8.

Step6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue produced.

Revenue from Present/Proposed Rates
 Test Period from 01-01-XX to 12-31-XX

USAGE TABLE
Usage by Rate Increment

Class: Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 2,000	(5) Next 3,000	(6) Next 10,000	(7) Next 25,000	(8) Over 40,000	(9) Total
First 2,000 Minimum Bill	432	518,400	518,400					518,400
Next 3,000 Gallons	1,735	4,858,000	3,470,000	1,388,000				4,858,000
Next 10,000 Gallons	1,830	16,268,700	3,660,000	5,490,000	7,118,700			16,268,700
Next 25,000 Gallons	650	15,275,000	1,300,000	1,950,000	6,500,000	5,525,000		15,275,000
Over 40,000 Gallons	153	9,975,600	306,000	459,000	1,530,000	3,825,000	3,855,600	9,975,600
Totals	4,800	46,895,700	9,254,400	9,287,000	15,148,700	9,350,000	3,855,600	46,895,700

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Minimum Bill	4,800	9,254,400	\$ 5.00 Minimum Bill	\$ 24,000.00
Next 3,000 Gallons		9,287,000	\$ 2.50 per 1,000 Gal.	23,217.50
Next 10,000 Gallons		15,148,700	\$ 2.00 per 1,000 Gal.	30,297.40
Next 25,000 Gallons		9,350,000	\$ 1.25 per 1,000 Gal.	11,687.50
Over 40,000 Gallons		3,855,600	\$ 0.75 per 1,000 Gal.	2,891.70
Totals	4,800	46,895,700		\$ 92,094.10 Total Revenue

Instructions for Completing Revenue Table:

- (1) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (2) Complete Column No. 4 using rates either present or proposed.
- (3) Column No. 5 is completed by first multiplying the bills times the minimum charge.
- (4) Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

c. One Copy of the completed application should also be sent at the same time to:

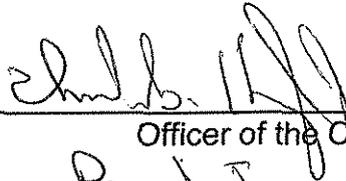
Public Service Litigation Branch
Office of the Attorney General
Post Office Box 2000
Frankfort, Kentucky 40602-2000

2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed



Officer of the Company

Title

President

Date

8-28-08

Ridgelea 2008 Proforma Attachment A	2007 PSC Report	Grantland reported	Franklin reported	Franklin Adjustments	Ref.	Franklin Adjusted
Revenues	\$102,059	\$50,324	\$51,735	\$1,040	A	\$52,775
Owner/Manager Fee	\$1,900	\$350	\$1,550	\$7,505	B	\$9,055
Sludge Hauling	\$3,250	0	\$3,250	\$11,725	C	\$14,975
Misc.-Trtmt./Disp.	\$59,088	\$10,756	\$48,332	(\$31,007)	D	\$17,325
Fuel/Power-Pumping	\$12,970	\$6,484	\$6,486	0		\$6,486
Agency Collection Fee	\$11,900	\$3,984	\$7,916	0	E	\$7,916
Outside Services Employed	\$25,493	\$500	\$1,500	0	F	\$1,500
		0	\$23,493	(\$23,493)		0
<i>Total Sewer O&M</i>	\$114,601	\$22,074	\$92,527	(\$34,725)		\$57,802
Depreciation Expense	\$2,841	\$2,446	\$395	0		\$395
Amortization Expense	\$815	0	\$815	\$3,411	G	\$4,226
Taxes Other Than Income	\$17,387	\$2,157	\$15,230	(\$14,065)	H	\$1,165
Total Operating Expenses	\$135,644	\$26,677	\$108,967	(\$45,924)		\$63,043
Income Taxes	\$684	\$684	0	0	I	0
Total Sewage Op. Exp.	\$136,328	\$27,361	\$108,967	(\$45,924)		\$63,043
NOI	(\$34,269)	\$22,963	(\$57,232)	\$46,964		(\$10,268)
Interest Income	\$21	\$21	0	0	J	0
Other Interest Expense	(\$319)	0	(\$319)	\$319	K	0
Net Income	(\$34,567)	\$22,984	(\$57,551)	\$47,283		(\$10,268)

\$ 63,043 – Pro Forma Operating Expenses for Franklin County Operations

88% - Divide by 88% Operating Ratio

\$ 71,640 – Revenue Requirement for Franklin County Operations

\$ 52,775 – Normalized Revenues for Franklin County Operations

\$ 18,865 – Increase Requested for Franklin County Operations

$\$71,640 / 12 = \$5,970 / 199 \text{ customers} = \mathbf{\$30.00 \text{ monthly rate}}$

Explanatory Notes:

A. Normalized Revenues for the three Franklin County plants serving 199 customers, based on Commission Staff's billing analysis.

B. Owner/Manager Fee was adjusted to include an owner/manager fee of \$9,055 for the three Franklin County plants. In 2007, Ridgelea reported management fees of \$350 for Grantland and \$1,550 for all three Franklin county plants combined. Ridgelea's owner has never filed a rate case in Kentucky, and is generally unfamiliar with PSC ratemaking practices, including the allowance of an owner/manager fee. The Commission frequently allows an owner/manager fee of \$3,600 for the owner/operator of a single sewage treatment plant, and in this case the owner operates four separate plants in two noncontiguous counties. By all accounts Ridgelea's owner is heavily involved and spends significant time in operational matters for these aged and failing plants. Staff's discussions with an employee of the Kentucky Division of Water indicated that the owner often responds in person to frequent emergency situations associated with the Franklin County sewers despite his location in Cincinnati, Ohio.

In addition, in preparing this application Staff has made significant adjustments to Ridgelea's reported 2007 expenses for its Franklin County operations, as detailed below. Because Ridgelea is generally unfamiliar with PSC practices, its documentation for various expenses was less than desirable, which is exacerbated by the fact that most of Ridgelea's maintenance and repair work

is performed by Ridgelea's owner or his affiliated service company Perfect-A-Waste. Under these circumstances, Staff has removed the undocumented expenses reported by Ridgelea, but has included an owner/manager fee of \$9,055 for the three Franklin County plants, an average of \$3,018 per plant.

C. Sludge Hauling Expense was adjusted to include pro forma expenses of \$11,725 for sludge hauling and \$3,250 for sludge dumping fees charged by the City of Frankfort. PSC Staff noted that Ridgelea's sludge hauling is done by Perfect-A-Waste Sewage, an unregulated sewer services company owned by Ridgelea's owner. Staff also noted that an unusually heavy volume of sludge hauling costing \$7,000 was done in May 2007, and questioned whether this occurs annually. According to Ridgelea's owner, such heavy volumes are hauled annually to comply with environmental requirements, and such work has been done in the past by nonaffiliated companies at a significantly higher price than the \$7,000 paid in 2007. Therefore, this expense has been included in pro forma operations.

D. Miscellaneous Treatment & Disposal Expense was adjusted to remove expenses totaling \$31,007 from Franklin County operations. Ridgelea reported a total expense for 2007 of \$59,088 - consisting of \$10,756 at Grantland and \$48,332 in Franklin County - and this total included \$20,325 of undocumented accounts payable. Of the remaining \$38,763, checks were written to Ridgelea's owner totaling \$15,448, but no invoices exist to detail the work performed, at which Franklin County plant, or the time spent. According to Ridgelea's owner, he generally visits the plants on a weekly basis, performs various maintenance duties, and does the grass cutting.

Another \$20,656 in checks were written to the owner's Perfect-A-Waste service company, some of which were not supported by invoices. The invoices that do exist show Perfect-A-Waste billed monthly charges of \$650 for combined routine maintenance at the three Franklin County plants, and also billed other charges for effluent samples, chlorine, cleanings, and miscellaneous items.

In preparing this application, PSC Staff has removed a significant portion of these expenses due to inadequate documentation, detailed as follows:

	2007 PSC Report	Grantland Reported	Franklin reported	Franklin Adjustments	Franklin Adjusted	Notes
Accounts payable EOY	\$20,325	\$6,500	\$13,825	(\$13,825)	0	Remove -not documented
Checks Written						
Outside Vendors	\$2,350	\$500	\$1,850	0	\$1,850	
Charles Hungler (Owner)	\$15,448	???	\$9,834	(\$9,834)	0	No invoices
Perfect-A-Waste	\$20,656	\$1,092	\$19,564	(\$4,089)	\$15,475	5 invoices missing
Unaccted for	\$309	\$309	0	0	0	Disregard
Subtotal			\$31,248	(\$13,923)	\$17,325	
Paid from LOC	???	???	???	???	0	Disregard
Checks Total	\$38,763	\$4,256	\$34,507	???	\$17,325	
Totals	\$59,088	\$10,756	\$48,332	(\$27,748) ?-(\$3,259)	\$17,325	\$3,259 unexplained, remove

E. Agency Collection Fees of \$7,916 for the Franklin County plants were not adjusted. However, Staff notes that, unless Ridgelea aggressively pursues alternatives to its current billing and collection arrangement in Franklin County, this expense will increase if any rate increase is granted. The Farmdale Water District currently bills for Ridgelea and charges 15% of all

revenues collected. The PSC has previously expressed its longstanding concerns with this arrangement in other cases, and in this case Staff has not included any increase in this expense.

F. Outside Services Employed Expense was adjusted to remove expenses totaling \$23,493 from Franklin County operations. Ridgelea reported a total expense of \$25,493, consisting of \$2,000 in accounting fees and \$23,493 in legal fees. The accounting fees were allocated \$500 to Grantland and \$1,500 to Franklin County, and Staff made no adjustment. Of the \$23,493 in total legal fees, \$4,300 were accounts payable for which Ridgelea did not provide documentation; \$5,537 were legal fees associated with Indiana (non-jurisdictional) operations which Franklin County customers should not be expected to bear; and \$13,656 were fees associated with Franklin County legal matters which should not reasonably recur on an ongoing basis. Staff has removed all of these fees from pro forma operations, although it has included amortization of the Kentucky legal fees in Amortization Expense.

G. Amortization Expense was adjusted to include three items totaling \$4,226: the amortization of the acquisition adjustment of \$815, a \$2,731 amortization over five years of the Kentucky legal fees of \$13,656 that were removed from Outside Services Employed Expense, and a \$680 amortization over five years of the 5-year discharge permits costing \$3,400 at the three Franklin County plants (removed below from Taxes Other Than Income Expense).

H. Taxes Other Than Income Expense was adjusted by \$14,065 to remove expenses associated with Franklin County operations. Ridgelea reported \$17,387 in total expense, of which \$2,157 was related to Grantland and \$15,230 was related to the Franklin County plants. The details of Staff's adjustment to this account are as follows:

Category	2007 PSC Report	Grant	Franklin reported	Franklin Adjustments	Franklin Adjusted	Notes
-Fines	\$10,675	\$0	\$10,675	(\$10,675)	0	
-5 year Permits	\$3,200	\$1,200	\$2,000	(\$2,000)	0	Remove and amortize.
-Other Licenses & Permits	\$1,944	0	\$1,944	(\$1,400)	\$544	Remove & amortize Edgewood 5-yr. permit.
-Taxes	\$1,568	\$957	\$611	\$10	\$621	Allows \$606 property tax and \$15 filing fee.
-Total	\$17,387	\$2,157	\$15,230	(\$14,065)	\$1,165	

I. Income Taxes Expense was removed for ratemaking purposes because Ridgelea is a Subchapter S Corporation.

J. Interest Income of \$21 was removed for ratemaking purposes because it is immaterial and because Ridgelea is not generating sufficient revenues to accrue cash.

K. Other Interest Expense of \$319 was removed for ratemaking purposes, under the assumption that Ridgelea is using the proceeds of a one-year note to help pay current and past-due operating expenses.

Attachment B – Ridgelea Investments, Inc. Rate Increase Justification

With the assistance of the Staff of the Kentucky Public Service Commission, Ridgelea Investments, Inc. is proposing to increase its flat monthly sewer rate from \$22.10 to \$30.00 for the approximately 199 customers of its three Franklin County sewage treatment plants. Ridgelea also operates a sewage treatment plant at Grantland in Grant County, Kentucky, but is not proposing an increase for those approximately 165 customers.

The current owner of the Franklin County plants acquired those plants from Mulberry Enterprises, Inc. in 2003, and this is the first rate increase he has requested for those plants. PSC records reveal that prior to the current ownership, the most recent rate increase borne by the Franklin County customers was in 1996. Therefore, it has been 12 years since these customers have experienced a rate increase, and the plants' operating costs have risen significantly during that period.

In addition, PSC Staff is generally aware that the Franklin County plants have been cited for environmental violations by the Kentucky Division of Water ("DOW"). During this rate case assistance process, Staff spoke with a DOW employee who stated that all three plants are currently subject to Enforcement Actions by DOW. The DOW employee acknowledged that the three plants were not designed with sufficient capacity to handle the number of homes they serve, and the plants are old and need upgrades. One particular problem noted was that at least one of the plants tends to have significant infiltration problems. DOW also notes that the Farmgate plant has a history of numerous customer complaints relative to service problems.

PSC Staff began the process of providing rate assistance to Ridgelea in late 2006. Ridgelea's owner is generally unfamiliar with the PSC's ratemaking policies and procedures, and it has taken almost 18 months to assemble the proper documentation to support this rate increase. In fact, it is important to note that Ridgelea could benefit from improved bookkeeping to justify future rate increases, which is especially important since Ridgelea essentially has two separate operations – the three Franklin County plants and the one Grant County plant. Nevertheless, based upon the condition of the plants, the reported environmental problems, Ridgelea's desire to upgrade the plants (the cost of which has not been included in this application) and the limited history of rate increases, Staff was able to assemble sufficient information to conclude that a rate increase is justified and needed for the Franklin County plants.

PSC

Assets by Classification - 1120S

12/31/2007

RIDGELEA INVESTMENTS, INC--PSC DEPRECIATION

Item No.	Description of Property <small>IF PART INDICATES SOLD</small>	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec. 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum. Deprec., 179, Bonus	2007 Deprec.	2007 Accum. Deprec.
5-yr Construction assets														
373-G	TREATMENT & DISPO	1/1/1979	F-18	100.00%	55,117	G		55,117	40	SL	HY	22,278	1,378	23,656
374-G	PLANT SEWERS-G	1/1/1979	F-18	100.00%	25,018	G		25,018	40	SL/GDS	HY	10,112	625	10,737
352.1M	COLLECTION SEWER	1/1/1990	F-18	100.00%	7,493	M		7,493	10	SL	HY	7,493		7,493 M
373-M	TREATMENT & DISPO	1/1/1990	F-18	100.00%	19,275	M		19,275	10	SL	HY	19,275		19,275 M
Total: 5-yr Construction assets					106,903			106,903				59,158	2,003	61,161
7-yr Genl purp tools, mach, equip														
376-G	OTHER DISPOSAL EQ	1/1/1979	F-10	100.00%	2,000	G		2,000	7	SL	HY	2,000		2,000
393DG	POWER OPERATED	1/1/1979	F-10	100.00%	18,307	G		18,307	10	SL	HY	18,307		18,307
393AM	STORES EQUIP-M	1/1/1990	F-10	100.00%	699	M		699	10	SL	HY	699		699 M
393BM	SHOP EQUIP-M	1/1/1990	F-10	100.00%	1,983	M		1,983	10	SL	HY	1,983		1,983 M
393FM	OTHER TANGIBLE EQ	1/1/1990	F-10	100.00%	1,652	M		1,652	10	SL	HY	1,652		1,652 M
393BG	SHOP EQUIPMENT-M	1/1/2003	F-10	100.00%	2,214	G		2,214	5	SL	HY	1,769	443	2,212
376M3	FLOW METER-M	9/11/2004	F-10	100.00%	2,010	M		2,010	10	SL	HY	503	201	704 M
376M2	AERATOR--M	6/30/2005	F-10	100.00%	1,939	M		1,939	10	SL	HY	291	194	485 M
Total: 7-yr General purpose tools, machinery, and equip					30,804			30,804				27,204	838	28,042
Land														
310-M	LAND-M	1/1/1990	N-1	100.00%	1,851			1,851						
Total: Land					1,851			1,851						
Amort - 197 - Intangible costs														
109	UTILITY PLANT ACQ.	6/30/2003	Z-9	100.00%	8,149			8,149	10	SL	FM	2,852	815	3,667
Total: Amortization - 197 - Intangibles (goodwill, etc.)					8,149			8,149				2,852	815	3,667
SubTotals					147,707			147,707				89,214	3,656	92,870
Less: Assets Sold														
Ending Totals					147,707			147,707				89,214	3,656	92,870

Notice

This is to inform you that Ridgelea Investments, Inc. is requesting an increase in the sewer rates as follows:

	Existing	Proposed
Flat Monthly Rate	\$22.10	\$30.00

The rates contained in this notice are the rates proposed by Ridgelea Investments, Inc. However, the Public Service Commission may order rates to be changed that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to Executive Director, Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Ky. 40602, and shall set forth the grounds for motion, including the status and interest of the party movant.

Copies of the application may be obtained at no charge from Ridgelea Investments, Inc. at: 2106 West North Bend Road, Cincinnati, Ohio 45224.

Upon request from an intervenor the applicant shall furnish to the intervenor a copy of the application and supporting documents.

Ridgelea Investments, Inc.



JOHN Y. BROWN III
SECRETARY OF STATE

**STATEMENT OF CHANGE OF REGISTERED OFFICE
OR REGISTERED AGENT OR BOTH**

RECEIVED & FILED
APR 25 3 59 PM '97
\$10.00
JOHN Y. BROWN III
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY

Pursuant to the provisions of Chapters 271B or 273 of the Kentucky Revised Statutes, the undersigned submits the following statements on behalf of the corporation which is organized in the state of Kentucky for the purpose of changing its registered office or registered agent or both in the Commonwealth of Kentucky:

The name of the corporation is RIDGELEA INVESTMENTS INCORPORATED

The complete address of the current registered office is:
12 Tracy Lane Williamstown KY 41097
Street City/State Zip

The complete address of the current registered office is hereby changed to:
116 Humes Ridge Road, P.O.Box 09, Williamstown, KY 41097
Street City/State Zip

The name of the current registered agent is:
Phillip G. Hicks

The name of the current registered agent is hereby changed to:
Phillip G. Hicks

The address of the registered office and the address of the business office of the registered agent, as changed, will be identical.

Dated April 16, 1997
Phillip G. Hicks, President
SIGNATURE & TITLE
Phillip G. Hicks, President
PRINT or TYPE NAME & TITLE

CONSENT OF NEW AGENT

I _____ consent to serve as the new registered agent on behalf of this corporation.

Signature of New Agent

(See Reverse Side for Instructions)

INSTRUCTIONS

Please use *exact* name of the corporation.

The complete address of the *current* registered office is the address that *currently appears* upon the records of the Secretary of State.

The complete address of the new registered office must contain a street or other specific location. (Highway, Rural Route, Apartment, Public Building, etc.) A mailing address consisting *only* of a post office box is not sufficient for the registered office address.

The name of the current registered agent is the name that *currently appears* upon the records of the Secretary of State.

The new agent *may be* an individual resident of Kentucky, a Kentucky Corporation or a foreign corporation authorized in Kentucky. The new agent must give written consent to act as agent and if a corporation (domestic or foreign) is the newly appointed agent, the corporate representative must designate his/her office or the capacity in which he/she signs.

The statement of change shall be signed by a corporate officer or chairman of the board of directors.

Submit one (1) originally signed and two (2) photocopies of the statement of change.

Your check should be made to the "Kentucky State Treasurer" for the filing fee of:

- Filing Fee: \$10.00 for profit, stock corporation (KRS 271B)
- \$ 5.00 for non-profit, non-stock corporation (KRS 273)

Mail documents to: Office of the Secretary of State
P.O. Box 718
Frankfort, Kentucky 40602-0718

Two (2) file stamped copies shall be returned to the corporation as evidence of filing. One file stamped copy shall then be filed with the county clerk of the county in which the corporation's registered office is situated. Second filed stamped copy shall be retained by the corporation. YOUR FILE STAMPED COPY SHALL SERVE AS EVIDENCE OF FILING.

For information, please call (502) 564-2848.

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is made and entered into this 27 day of March, 2003, by and between Mulberry Enterprises, Inc., as First Party, and Ridgelea Investment, Inc., as Second Party, is to witness the following:

Whereas, First Party is the owner of Discharge Elimination System Facilities located at Farmgate Subdivision, Edgewood Subdivision and Meadowbrook Subdivision, each in Franklin County Kentucky, and

Whereas, Second Party desires to purchase the facilities and operate the same, and

Whereas, the facilities are not presently in full compliance with all rules and regulations applicable to such facilities, and

Whereas, the Second Party is ready, willing and able to bring the facilities into full compliance with all rules, regulations and law, and

Now therefore, in consideration of the mutual benefits to be derived by the parties, the parties have and do hereby agree as follows:

Upon execution of this agreement the Second Party shall pay First Party the sum of Ten Thousand (\$10,000.00) Dollars.

Second Party shall forthwith apply to the Kentucky Public Service Commission and to the Kentucky Department for Environmental Protection for approval of the transfer of ownership from First Party to the Second Party. All costs of application, approval and transfer shall be borne by the Second Party.

Second Party shall proceed forthwith to bring each facility into full compliance with all rules, regulations and laws.

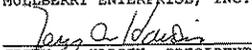
Second Party will assume operation and control of each of the facilities as of April 1, 2003. After such date the Second Party will be responsible for all costs of operation and compliance and will be entitled to all revenue received by each of the systems.

Upon receiving all of the necessary approvals for the transfer from First Part to Second Party the First Party shall execute all necessary transfers and shall convey the real estate described in the deed of record in Deed Book 376, at Pages 145 and 147 in the office of the Franklin County Clerk, said real estate being the properties on which the facilities are located. The real estate shall be conveyed to Second Party by General Warranty Deed, free of all liens and encumbrances except current ad valorem taxes not yet due or payable.

In the event that all necessary approvals cannot be obtained from the respective governmental agencies on or before _____, 2003, then the Ten Thousand (\$10,000.00) Dollars deposited by Second Party shall be refunded by First Party, and First Party shall thereupon reassume the control and operation of the facilities and be entitled to all revenue from the operation of the facilities, and neither party shall thereafter have any claim against the other by virtue of this agreement.

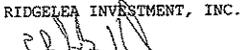
In Witness Whereof the parties have hereunto caused the execution hereof this 27 day of March, 2003.

MULLBERRY ENTERPRISE, INC.



JERRY A. HARDIN, PRESIDENT

RIDGELEA INVESTMENT, INC.



CHARLES HUNGLER, PRESIDENT

COPY FOR CHECK

Revised 9/7/2005

Sewer

Annual Report

Of

Ridgelea Investments, Inc.

Exact Legal Name of Reporting Utility

11264 Sebring Drive

Cincinnati, OH 45240

(Address of Utility)

TO THE
PUBLIC SERVICE COMMISSION
OF THE
COMMONWEALTH OF KENTUCKY

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 20 07

PUBLIC SERVICE COMMISSION OF KENTUCKY
PRINCIPAL PAYMENT AND INTEREST INFORMATION
FOR THE YEAR ENDING DECEMBER 31, 20 07

1. Amount of Principal Payment during calendar year \$ N/A
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

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

**AUDIT OF THE ANNUAL REPORT
SEWER UTILITIES**
To Be Completed and Returned With The Annual Report

Page 1

Page No.	Line No.		Page No.	Line No	Yes	No	If No, Explain Why
2	4	agrees with	4	12	✓		
2	6	agrees with	4	15 (Utility Plant)	✓		
2	7	agrees with	4	17 (Utility Plant)	✓		
4	2 (Utility Plant)	agrees with	5	40	✓		
4	23	agrees with	4	15 (Utility Plant)	✓		
3	4 & 5	agrees with	6	Capital Stock	✓		
3	10	agrees with	7	Balance End of Year Statement of Retained Earnings	✓		
3	19	agrees with	6	Long-Term Debt Total (d)	✓		
3	23	agrees with	6	Notes Payable Total (e)	✓		
3	29	agrees with	6	Interest Accrued, Balance End of Year, Total	✓		
3	30	agrees with	7	21	✓		
4	3 (Depreciation)	agrees with	8	25	✓		
6	Interest Accrued During Year - LTD	agrees with	8	40	✓		
6	Interest Accrued During Year - Other	agrees with	8	43	✓		

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
		No orders since 2003

Attach additional sheets if more room is required

**AUDIT OF THE ANNUAL REPORT
SEWER UTILITIES
To Be Completed and Returned With The Annual Report**

Page No.	Line No.		Page No.	Line No	Yes	No	If No, Explain Why
8	24	agrees with	9	51	✓		
8	27	agrees with	10	Acct. 408.1	✓		
8	28	agrees with	10	Total Income Taxes Utility Operating Income	✓		
8	26	agrees with	10	Amortization Expense	✓		
8	44	agrees with	10	Account 408.2	✓		
8	45	agrees with	10	Total Income Taxes Nonutility Operating Income	✓		
Pages 11 and 12 have been completed					✓		
The Oath Page has been completed					✓		

General Information

1. Exact name of utility making this report. (Use the words "The", "Company" or "Incorporated" only when a part of the corporate name.) Ridgelea Investments, Inc.

2. Give the location including street, zip code and telephone number of the principal office in Kentucky. Grantland Estates
Grantland Drive
Phone: 513-851-8886 Dry Ridge, Ky 41035

3. Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed.
Charles G. Hungler, Jr. President 513-851-8886
5699 Crestview Dr., Fairfield, OH 45014

4. Name of State under the laws of which respondent is incorporated and the date of incorporation. Ky 1/24/1979

5. Date sewer utility began operations. 9/1/84

6. Name of City, Town, Community, Sub-Division and County in which respondent furnishes sewer service. Grantland Estates, Grant County, Ky
and Mulberry Plant, Franklin County, Ky

7. Number of employees: Full time 0, Part time 0

BALANCE SHEET

Line No.	ASSETS AND OTHER DEBITS	Balance First Of Year	Balance Last Of Year
1			
2	UTILITY PLANT		
3			
4	Utility Plant (101-109).....	\$ 147,707	\$ 147,707
5	Less: Accumulated Prov. For Depreciation		
6	And Amortization of Utility Plant (110).....	\$ 89,214	\$ 92,870
7	Net Utility Plant.....	<u>\$ 58,493</u>	<u>\$ 54,837</u>
8			
9	OTHER PROPERTY AND INVESTMENTS		
10			
11	Nonutility Property (121).....	\$ _____	\$ _____
12	Less: Accum. Prov. For Depr. And Amort.		
13	Of Non-utility property (122).....	\$ _____	\$ _____
14	Net Nonutility Property.....	\$ _____	\$ _____
15	Other Investment (124).....	\$ _____	\$ _____
16	Special Funds (125).....	\$ _____	\$ _____
17			
18			
19	Total Other Property & Investments.....	\$ _____	\$ _____
20			
21	CURRENT AND ACCRUED ASSETS		
22			
23	Cash and Working Funds (131).....	\$ 15,892	\$ 10,914
24	Temporary Cash Investments (132).....	\$ _____	\$ _____
25	Notes Receivable (141).....	\$ _____	\$ _____
26	Customer Accounts Receivable (142).....	\$ _____	\$ _____
27	Other Accounts Receivable (143).....	\$ _____	\$ _____
28	Accum. Prov. For Uncollectible Accts.-Cr. (144)	\$ _____	\$ _____
29	Notes Receivable From Assoc. Companies (145)..	\$ _____	\$ _____
30	Accounts Receivable From Assoc. Companies (146)	\$ _____	\$ _____
31	Materials and Supplies (150).....	\$ _____	\$ _____
32	Prepayments (166).....	\$ _____	\$ _____
33	Other Current and Accrued Assets (170).....	\$ _____	\$ _____
34			
35			
36			
37	Total Current and Accrued Assets.....	<u>\$ 15,892</u>	<u>\$ 10,914</u>
38			
39	DEFERRED DEBITS		
40			
41	Unamortized Debt Discount and Expense (181)...	\$ _____	\$ _____
42	Extraordinary Property Losses (182).....	\$ _____	\$ _____
43	Other Deferred Debits (183).....	\$ _____	\$ _____
44			
45			
46			
47	Total Deferred Debits.....	\$ _____	\$ _____
48			
49			
50	TOTAL ASSETS AND OTHER DEBITS	<u>\$ 74,385</u>	<u>\$ 65,751</u>

BALANCE SHEET

Line No.	LIABILITIES AND OTHER CREDITS	Balance First Of Year	Balance Last Of Year
1			
2	EQUITY CAPITAL		
3			
4	Common Capital Stock (201).....	\$ 1,000	\$ 1,000
5	Preferred Capital Stock (204).....	\$ _____	\$ _____
6	Other Paid-In Capital (207).....	\$ _____	\$ _____
7	Discount on Capital Stock (213).....	\$ _____	\$ _____
8	Capital Stock Expense (214).....	\$ _____	\$ _____
9	Appropriated Retained Earnings (215)	\$ _____	\$ _____
10	Unappropriated Retained Earnings (216).....	\$ 26,766	\$ (14,493)
11	Non-Corporate Proprietorship (218).....	\$ _____	\$ _____
12	Total Equity Capital.....	\$ 27,766	\$ (13,493)
13			
14	LONG TERM DEBT		
15			
16	Bonds (221).....	\$ _____	\$ _____
17	Advances From Associated Companies (223).....	\$ _____	\$ _____
18	Other Long Term Debt (224).....	\$ _____	\$ _____
19	Total Long Term Debt.....	\$ _____	\$ _____
20			
21	CURRENT AND ACCRUED LIABILITIES		
22			
23	Notes Payable (231).....	\$ 3,500	\$ 11,500
24	Accounts Payable (232).....	\$ 40,869	\$ 65,494
25	Notes Payable to Associated Companies (233)...	\$ _____	\$ _____
26	Accounts Payable to Assoc. Companies (234)....	\$ _____	\$ _____
27	Customer Deposits (235).....	\$ 2,250	\$ 2,250
28	Taxes Accrued (236).....	\$ _____	\$ _____
29	Interest Accrued (237).....	\$ _____	\$ _____
30	Other Current and Accrued Liabilities (238)...	\$ _____	\$ _____
31	Total Current and Accrued Liabilities...	\$ 46,619	\$ 79,244
32			
33	DEFERRED CREDITS		
34			
35	Advances for Construction (252).....	\$ _____	\$ _____
36	Other Deferred Credits (253).....	\$ _____	\$ _____
37	Accum. Deferred Investment Tax Credits (255)..	\$ _____	\$ _____
38	Total Deferred Credits.....	\$ _____	\$ _____
39			
40	Operating Reserves (261-265).....	\$ _____	\$ _____
41			
42	Contributions in Aid of Construction (271)....	\$ _____	\$ _____
43			
44	ACCUMULATED DEFERRED INCOME TAXES		
45			
46	Accum. Def. Income Taxes - Accel. Amort (281)..	\$ _____	\$ _____
47	Accum. Def. Income Taxes - Lib. Amort (282)...	\$ _____	\$ _____
48	Accum. Def. Income Taxes - Others (283).....	\$ _____	\$ _____
49	Total Accum. Deferred Income Taxes.....	\$ _____	\$ _____
50	TOTAL LIABILITIES AND OTHER CREDITS	\$ 74,385	\$ 65,751

SUMMARY OF UTILITY PLANT

Line No.	Acct. No.	Item	Amount
		UTILITY PLANT	
1		In Service:	
2	101	Plant in Service Classified (from Page 5, Line 40)	139,558
3	102	Completed Construction Not Classified	
4	103	Utility Plant in Process of Reclassification	
5	106	Utility Plant Purchased or Sold	
6		Total - In Service	
7	104	Utility Plant Leased To Others	
8	105	Property Held For Future Use	
9	107	Construction Work in Progress	
10	108	Utility Plant Acquisition Adjustment	8,149
11	109	Other Utility Plant Adjustments	
12		Total Utility Plant (to Page 2, Line 4)	147,707
13		Less:	
14	110	Accumulated Provision for Depreciation and	
15		Amortization Of Utility Plant (to Page 2, Line 6)	92,870
16			
17		NET UTILITY PLANT (to Page 2, Line 7)	54,837

**ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION
OF UTILITY PLANT**

Line No.	Item	Amount
1	Balance Beginning of Year	89,714
2	Accruals for Year:	
3	Depreciation	2,841
4	Amortization	815
5	Other Accounts (details):	
6		
7		
8	Total Accruals for Year	3656
9	Credit Adjustments (describe)	
10		
11		
12	Total Credits for year	
13		
14	Net Charges for Plant Retired:	
15	Book Cost of Plt. Ret. (same as Pg 5, Line 40)	XXXXXXXXXXXXXXXXXX
16	Add: Cost of Removal	XXXXXXXXXXXXXXXXXX
17	Less: Salvage	XXXXXXXXXXXXXXXXXX
18	Net Charges for Plant Retired	
19	Debit Adjustments (describe)	
20		
21		
22	Total Debit Adjustments for Year	
23	Balance End of Year	92,870

SEWER UTILITY PLANT IN SERVICE

Report in col. (e) entries reclassifying property from one account to another. Corrections of entries of the preceding years should be recorded in col. (c) or (d) as they are corrections of additions or retirements.

Line No.	Account (a)	Depr. Rate	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj.-Inc. or Decr. (e)	Balance End of Year (f)
1	INTANGIBLE PLANT						
2	Organization (301)						
3	Franchise and Consents (302)						
4	Miscellaneous Intangible Plant (303)						
5	Total Intangible Plant						
6	LAND AND STRUCTURES						
7	Land and Land Rights (310)						
8	Structures and Improvements (311)		1851				1851
9	Total Land and Structures						
10	COLLECTION PLANT						
11	Collection Sewers - Force (352.1)						
12	Collection Sewers - Gravity (352.2)		7493				7493
13	Other Collection Plant Facilities (353)						
14	Services to Customers (354)						
15	Flow Measuring Devices (355)						
16	Total Collection Plant						
17	PUMPING PLANT						
18	Receiving Wells and Pump Pits (362)						
19	Pumping Equipment - Electric (363A)						
20	Pumping Equipment - Diesel (363B)						
21	Pumping Equipment - Other (363C)						
22	Total Pumping Plant						
23	TREATMENT AND DISPOSAL PLANT						
24	Oxidation Lagoon (372)						
25	Treatment and Disposal Equipment (373)						
26	Plant Sewers (374)		74,392				74,392
27	Outfall Sewer Lines (375)		25,018				25,018
28	Other Treatment & Disposal Plant Equipment (376)						
29	Total Treatment and Disposal Plant		59,449				59,449
30	GENERAL PLANT						
31	Office Furniture and Equipment (391)						
32	Transportation Equipment (392)						
33	Stores Equipment (393A)						
34	Tools, Shop & Garage Equipment (393B)		699				699
35	Laboratory Equipment (393C)		4197				4197
36	Power Operated Equipment (393D)						
37	Communication Equipment (393E)		18,307				18,307
38	Other Tangible Property (393F)						
39	Total General Plant		16,522				16,522
40	TOTAL SEWER PLANT IN SERVICE		139,558				139,558

CAPITAL STOCK

Class and Series of Stock (a)	No. Of Shares Auth. (b)	Par Value Per Share Of Par Value Stk. (c)	Stated Val. Per Share Of Nonpar Stock (d)	Outstanding Per Balance Sheet	
				Shares (e)	Amount (f)
Preferred	100	10		10	100

LONG-TERM DEBT

List Each Original Issue Amt. Class & Series of Obligation (a)	Date Of Issue (b)	Date Of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest For The Year	
				Shares (e)	Amount (f)
Total					

NOTES PAYABLE

(Include Notes Payable to Associated Companies Under this Heading)

Name of Payee (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of year (e)
Northside Bank - Line of Credit				11,500
Total				11,500

INTEREST ACCRUED

Description of Obligation (a)	Int. Accr., Balance First of Yr. (b)	Int. Accr. During Year (c)	Int. Paid During Year (d)	Int. Accrued Balance End of year (e)
Northside Bank	-0-	319	319	-0-
Total	-0-	319	319	-0-

OTHER CURRENT AND ACCRUED LIABILITIES

Line No.	Sub-Account and Description	Amount
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	Total (Must agree with Page 3, Line 30, Account No. 238)	

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

Item (a)	This Year (b)	Last Year ©
UNAPPROPRIATED RETAINED EARNINGS (216)		
Balance Beginning of Year	26,706	61,586
Balance Transferred From Income (435)	(34,567)	(5,777)
Appropriations of Retained Earnings (436):		
Dividends Declared - Preferred Stock (437)	6692	8575
Dividends Declared - Common Stock (438)		
Adjustments to Retained Earnings (439):		
Prior Year Adjustment - For Accounts Payable	—	(20,468)
Balance End of Year	(14,493)	26,706

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Number of Customers (b)	Amount (c)
1	OPERATING REVENUES		
2	Flat Rate Revenues - General Customers:		
3	Residential Revenues (521.1)	365	102,059
4	Commercial Revenues (521.2)		
5	Industrial Revenues (521.3)		
6	Revenues From Public Authorities (521.4)		
7	Total (521)	365	102,059
8	Measured Revenues - General Customers:		
9	Residential Revenues (522.1)		
10	Commercial Revenues (522.2)		
11	Industrial revenues (522.3)		
12	Revenues From Public Authorities (522.4)		
13	Total (522)		
14	Revenues From Public Authorities (523)		
15	Revenues From Other Systems (524)		
16	Miscellaneous Sewage Revenues (526)		
17	Total Sewage Service Revenues (521-526)	365	102,059
18	OTHER OPERATING REVENUES		
19	Customer Forfeited Discounts (532)		
20	Miscellaneous Operating Revenues (536)		
21	Total Other Operating Revenues		
22	Total Operating Revenues		
23	OPERATING EXPENSES		
24	Total Sewer Operation & Maint. Exp. (from pg 9, Line 5#)		114,601
25	Depreciation Expense (403)		2,841
26	Amortization Expense (404-407, from Page 10)		815
27	Taxes Other Than Income Taxes (408.1, from Page 10)		17,387
28	Total Income Taxes - Utility Operating Income (from Page 10)		684
29	Total Sewage Operating Expenses		136,328
30	Net Operating Income		(34,269)
31	OTHER INCOME		
32	Income From Nonutility Operations (417)		
33	Interest and Dividend Income (419)		21
34	Miscellaneous Nonoperating Income (421)		
35	Other Accounts (Specify Account No. and Title):		
36			
37			
38	Total Other Income		21
39	OTHER DEDUCTIONS		
40	Interest on Long Term Debt (427)		
41	Amortization of Debt Discount and Expense (428)		
42	Interest on Debt to Associated Companies (430)		
43	Other Interest Expense (431)		319
44	Taxes Other Than Income Taxes (408.2, from Page 10)		
45	Total Income taxes - Nonutil. Operat. Income (from Page 10)		
46	Other Accounts (Specify Account No. and Title):		
47			
48			
49	Total Other Deductions		319
50	NET INCOME		(34,507)

SEWER OPERATION AND MAINTENANCE EXPENSES

Line No.	Account (a)	Amount (b)
1	OPERATION EXPENSES	
2	Supervision and Engineering (700):	
3	Owner/Manager - Management Fee (700-A)	1,900
4	Other Expenses (700-B)	
5	Labor and Expenses (701):	
6	Collection System - Labor, Materials and Expenses (701-A)	
7	Pumping System - labor, Materials and Expenses (701-B)	
8	Treatment System (701-C):	
9	Sludge Hauling	
10	Utility Service - Water Cost	3,250
11	Other - Labor, Materials and Expenses	
12	Rents (702)	
13	Fuel and Power Purchased for Pumping and Treatment (703)	12,970
14	Chemicals (704)	
15	Miscellaneous Supplies and Expenses (705):	
16	Collection System (705-A)	
17	Pumping System (705-B)	
18	Treatment and Disposal (705-C)	
19	Total Operation Expenses	18,120
20	MAINTENANCE EXPENSES	
21	Supervision and Engineering (710)	
22	Routine Maintenance Service Fee (710-A)	
23	Internal Supervision and Engineering (710-B)	
24	Maintenance of Structures and Improvements (711)	
25	Maintenance of Collection Sewer System (712)	
26	Maintenance of Pumping System (713)	
27	Maintenance of Treatment and Disposal Plant (714)	59,088
28	Maintenance of Other Plant Facilities (715)	
29	Total Maintenance Expenses	59,088
30	CUSTOMER ACCOUNTS EXPENSES	
31	Supervision (901)	
32	Meter Reading Expenses and Flat Rate Inspections (902)	
33	Customer Records and Collection Expenses (903):	
34	Agency Collection Fee (903-A)	
35	Internal Labor, Materials and Expenses (903-B)	
36	Uncollectible Accounts (904)	
37	Miscellaneous Customer Accounts Expenses (905)	
38	Total Customer Accounts Expenses	
39	ADMINISTRATIVE AND GENERAL EXPENSES	
40	Administrative and General Salaries (920)	
41	Office Supplies and Other Expenses (921) Collection fees	11,900
42	Outside Services Employed (923) Professional Fees	25,493
43	Insurance Expense (924)	
44	Employee Pensions and Benefits (926)	
45	Regulatory Commission Expense (928)	
46	Transportation Expenses (929)	
47	Miscellaneous General Expenses (930)	
48	Rents (931)	
49	Maintenance of General Plant (932)	
50	Total Administrative and General Expenses	37,393
51	TOTAL SEWER OPERATION & MAINT. EXP. (TO Page 8, Line 24)	114,601

TAXES OTHER THAN INCOME TAXES (408)

Show hereunder the various tax items which make up the amounts listed under Account Numbers 408.1 and 408.2 appearing on page 8, lines 27 and 44.

Line No.	Item (a)	Amount (b)
1	Payroll Taxes	
2	Property Taxes	1085
3	Utility Regulatory Commission Assessment	
4	Other:	
5	5 year permits	3200
6	Miscellaneous licenses and permits	2427
7	Fines and Penalties	10,675
8		
9		
10		
11		
12	TOTAL (Same as Page 8, Line 27 plus 44	17,387

OPERATING AND NON-OPERATING INCOME TAXES

Acct. No.	Account (a)	Amount (b)
409.1	Income Taxes - federal	
409.1	Income Taxes - State	684
409.1	Income Taxes - Other	
410.1	Provisions for Deferred Income Taxes	
411.1	Income Taxes Deferred in Prior Years - Credit	
412.0	Investment Tax Credits - Net	
	Total Income Taxes - Utility Operating Income - (to Page 8, Line 28	684
409.2	Income Taxes - Federal	
409.2	Income Taxes - State	
409.2	Income Taxes - Other	
410.2	Provisions for Deferred Income Taxes	
411.2	Income Taxes Deferred in Prior Years - Credit	
412.4	Investment Tax Credits - Net	
	Total Income Taxes - Non-Utility Operating Income - (to Page 8, Line 45	

AMORTIZATION EXPENSE

Acct. No.	Account (a)	Amount (b)
404	Amortization of Limited-Term Utility Plant	
405	Amortization of Other Utility Plant	
406	Amortization of Utility Plant Acquisition Adjustments	815
407	Amortization of Property Losses	
-	Amortization of Rate Case Expense	
	Total Amortization Expense (to Page 8, Line 26)	815

SEWER PLANT STATISTICS

PLANT VALUATION

1. What method of valuation was used with reference to Sewer Utility Plant in Service appearing on Page two, Line four: Original Cost, Estimated Cost, Original Cost Study? original cost
2. What percentage of Sewer Utility Plant in Service was recovered by the developer of the subdivision, through the sale of lots? -0-
3. If less than one-hundred percent of the utility plant was recovered, please designate what portion (collection lines, treatment plant, etc.) of the plant that represents non-contributed plant N/A
4. By whom were the books of account audited? none
 What was the date of the last audit? N/A
 If unaudited in the past twelve months, when and by whom is the next audit anticipated? _____

PHYSICAL DATA OF SEWER PLANT

1. Date of construction of original plant 1978 + 1988
2. Type of treatment process Extended aeration
3. Date of additional G.P.D. Capacity of subsequent additions to plant _____
4. Population for which plant is designed including population equivalent if industrial waste load unknown

TREATMENT PLANT OPERATING STATISTICS

- | | | |
|--|----------------------|-----------------------|
| | <u>Grantland</u> | <u>Mulberry</u> |
| 1. Total gallons received during the year | <u>10,000,000</u> | <u>22,878,000</u> |
| 2. Total gallons received on maximum day | <u>41,500</u> | <u>80,000</u> |
| 3. Maximum G.P.D. Capacity of the sewage treatment plant | <u>44,000</u> | <u>80,000</u> |
| 4. Routine maintenance service fee: | | |
| Cost per month \$ | _____ | |
| Contract expires | <u>indefinite</u> | |
| 5. Sludge Hauling: | | |
| Cost per load \$ | <u>152 Grantland</u> | <u>\$140 Mulberry</u> |
| Average number of gallons per load | <u>1000 + 1500</u> | |
| Number of loads this year | _____ | |

SEWER PLANT STATISTICS

CUSTOMER STATISTICS - END OF YEAR			
Type	Number of Customer	Bi-Monthly Or Monthly Billing?	Number of Bill Pertaining to Each Type of Customer
Residential:			
Single Family	365	monthly	1
Apartments/Condominiums			
Commercial			
Industrial			
Other (specify):			
Total	365		1

INDUSTRIAL CUSTOMERS SERVED		
Name and Type of Industry	Metered or Estimated Gals.	Pretreatment of Wastes

PUMPING STATIONS			
Location	Size of Motor	Type of Motor	Capacity Gals. Per Day
Grantland	1/2 H.P.	electric	44,000
Grantland	5 H.P.	electric	
Mulberry	3 H.P. 5 H.P. + 10 H.P.	electric	80,000

MAINS (FEET)					
Kind of Pipe (Cast Iron, Vit. Clay, concrete)	Diameter of Pipe	No. of Feet 1st of Year	Additions	Removed or Abandoned	No. of Feet End of Year
Grantland					
PVC	8"	7262			7262
PVC	6"	229			229
PVC	3"	1800			1800
Mulberry					
Clay + PVC	6" to 8"	36,960			36,960

SERVICE LATERALS AND STUBS

Number of service laterals owned by the utility, end of year none

Number of stubs as of end of year none

Number of service laterals owned by others none

OATH

Commonwealth of Kentucky)
County of Franklin) ss:

I, Charles G. Hungler, Jr., having appeared before the undersigned officer duly authorized to administer oaths and being duly sworn, state under oath that I am Charles G. Hungler, Jr. of Ridgelea Investments, Inc. ("Respondent"); that I have supervision over the books of account and other financial records of the Respondent and have control over the manner in which they are kept; that such books and records have, during the period covered by the foregoing report, been maintained in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky; that I have carefully examined the foregoing report and to the best of my knowledge and belief the information contained in this report is, so far as it relates to matters of accounts, in accordance with the said books of account; that all other statements of fact contained in the foregoing report are true; and that the foregoing report is a correct and complete statement of the business and affairs of the Respondent in every respect and manner during the period of time from and including January 1, 2007, to and including December 31, 2007

(Signature of Officer)

Subscribed and sworn to before me, a _____, in and for the State and County named in the above this _____ day of _____, 20____

(Apply Seal Here)

My Commission Expires _____

(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]

**Income
Tax Returns
for**

RIDGELEA INVESTMENT, INC

2007

**FAESY CPA GROUP, PSC
215 MERO ST
FRANKFORT, KY 40601
502-607-0303**

FAESY CPA GROUP, PSC
215 MERO ST
FRANKFORT, KY 40601
502-607-0303
fax - 502-607-0302

March 26, 2008

RIDGELEA INVESTMENT, INC

11264 SEBRING DRIVE
CINCINNATI, OH 45240

Dear CHUCK,

Enclosed please find two copies of the 2007 federal tax return for RIDGELEA INVESTMENT, INC, which were prepared based on the information you provided. Please review and then file one copy with the agency listed below and retain the second copy for your records. An authorized officer must sign and date the filing copy before you mail the return.

No tax is due on this federal return.

We recommend that you mail your federal return by September 15, 2008 (with extension), using the United States Post Office certified mail service or another approved delivery service that will provide proof of your mailing date, to:

Department of the Treasury
Internal Revenue Service Center
Cincinnati, OH 45999-0013

Also enclosed are two copies of the 2007 Kentucky 720S for RIDGELEA INVESTMENT, INC. Please review your return, then file one copy with the state and retain the second copy for your records. An authorized officer must sign and date the filing copy on page 2 before you mail the return.

The Kentucky 720S return shows a balance due. Make a check payable to the "KENTUCKY STATE TREASURER" in the amount of \$175. Write "2007 Form 720S" and the federal employer identification number on the check. Enclose the check with the return when you file it.

We recommend that you mail your Kentucky 720S return on or before April 15, 2008 to:

Kentucky Department of Revenue
Frankfort, Kentucky 40620

If you have questions about your return(s) or about your tax situation during the year, please do not hesitate to call us at 502-607-0303. We appreciate this opportunity to serve you.

Sincerely,



ROBERT E. FAESY JR, CPA

Privacy Notice

OF

Faesy CPA Group, PSC

As tax preparers, we have always protected your right to privacy. Like all providers of personal financial services, we are now required by law to inform our clients of our policies regarding privacy of client information.

Types of Nonpublic Personal Information We Collect

We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization.

Parties to Whom We Disclose Information

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information being shared.

Protecting the Confidentiality and Security of Current and Former Clients' Information

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards. Please call if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

U.S. Income Tax Return for an S Corporation

2007

Department of the Treasury
Internal Revenue Service

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ See separate instructions.

For calendar year 2007 or tax year beginning _____ ending _____

A S election effective date 1/1/1999	Use IRS label. Otherwise, print or type.	Name RIDGELEA INVESTMENT, INC	D Employer identification number ██████████
B Business activity code number (see instructions) 541330		Number, street, and room or suite no. If a P.O. box, see instructions. 11264 SEBRING DRIVE	E Date incorporated 1/24/1979
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town State ZIP code CINCINNATI OH 45240	F Total assets (see instructions) 61,987

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No. If "Yes," attach Form 2553 if not already filed.

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders in the corporation at the end of the tax year 1

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a	Gross receipts or sales	102,080	b	Less returns and allowances		c	Bal	102,080
	2	Cost of goods sold (Schedule A, line 8)		3	Gross profit. Subtract line 2 from line 1c		4		102,080
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		5	Other income (loss) (see instructions—attach statement)		6		102,080
	6	Total income (loss). Add lines 3 through 5		7	Compensation of officers		8		
	8	Salaries and wages (less employment credits)		9	Repairs and maintenance		10		38,763
	10	Bad debts		11	Rents		12		7,396
Deductions (see instructions for limitations)	12	Taxes and licenses		13	Interest		14		319
	14	Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)		15	Depletion (Do not deduct oil and gas depletion.)		16		1,860
	17	Pension, profit-sharing, etc., plans		18	Employee benefit programs		19		
	19	Other deductions (attach statement)		20	Total deductions. Add lines 7 through 19		21		51,213
	21	Ordinary business income (loss). Subtract line 20 from line 6		22a	Excess net passive income or LIFO recapture tax (see instructions)		22b		
	22a	Tax from Schedule D (Form 1120S)		22c	Add lines 22a and 22b (see instructions for additional taxes)		23a		
	23a	2007 estimated tax payments and 2006 overpayment credited to 2007		23b	Tax deposited with Form 7004		23c		
	23b	Tax deposited with Form 7004		23c	Credit for federal tax paid on fuels (attach Form 4136)		23d		
	23c	Credit for federal tax paid on fuels (attach Form 4136)		24	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>		25		
	24	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>		26	Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed		27		
	26	Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed		27	Enter amount from line 26 Credited to 2008 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>				

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature: _____ Date: 3/26/2008 Check if self-employed Preparer's SSN or PTIN: PDD607350

Firm's name (or yours if self-employed), address, and ZIP code: FAESY CPA GROUP, PSC
215 MERO ST
FRANKFORT State KY ZIP code 40601

EIN: 26-1741185
Phone no.: 502-607-0303

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3
(ii) Lower of cost or market as described in Regulations section 1.471-4
(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 370)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

	Yes	No
1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)		
2 See the instructions and enter the: a Business activity SEWER TREATMENT b Product or service SEWER TREATMENT		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?		X
4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		X
5 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8284, Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. \$		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
8 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1. <input checked="" type="checkbox"/>	X	

Schedule K Shareholders' Pro Rata Share Items

	Total amount
1 Ordinary business income (loss) (page 1, line 21)	1 2,529
2 Net rental real estate income (loss) (attach Form 8825)	2
3a Other gross rental income (loss)	3a
b Expenses from other rental activities (attach statement)	3b
c Other net rental income (loss). Subtract line 3b from line 3a	3c
4 Interest income	4
5 Dividends: a Ordinary dividends	5a
b Qualified dividends	5b
6 Royalties	6
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a
b Collectibles (28%) gain (loss)	8b
c Unrecaptured section 1250 gain (attach statement)	8c
9 Net section 1231 gain (loss) (attach Form 4797)	9
10 Other income (loss) (see instructions) Type	10

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type (2) Amount	12c(2)	
	d Other deductions (see instructions) Type	12d	
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instructions) Type	13d	
	e Other rental credits (see instructions) Type	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits (see instructions) Type	13g	
Foreign Transactions	14a Name of country or U.S. possession	14a	
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level Foreign gross income sourced at corporate level	14c	
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement) Deductions allocated and apportioned at shareholder level	14f	
	g Interest expense	14g	
	h Other Deductions allocated and apportioned at corporate level to foreign source income	14h	
	i Passive category	14i	
	j General category	14j	
	k Other (attach statement) Other information	14k	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
	m Reduction in taxes available for credit (attach statement)	14m	
	n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	761
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties—gross income	15d	
	e Oil, gas, and geothermal properties—deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Non-deductible expenses	16c	
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l.	18	2,529

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		15,892		10,914
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets	73,233		73,233	
b Less accumulated depreciation	27,800	45,435	29,660	43,573
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)		7,500		7,500
13a Intangible assets (amortizable only)	61,430		61,430	
b Less accumulated amortization	61,430		61,430	
14 Other assets (attach statement)				
15 Total assets		68,825		61,987
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach statement)		2,250		2,250
19 Loans from shareholders		24,500		17,808
20 Mortgages, notes, bonds payable in 1 year or more		3,500		11,500
21 Other liabilities (attach statement)				
22 Capital stock		1,000		1,000
23 Additional paid-in capital		7,876		7,876
24 Retained earnings		29,699		21,553
25 Adjustments to shareholders' equity (attach statement)				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity		68,825		61,987

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

1 Net income (loss) per books	-8,146	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14 (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$			
Fines and penalties 10,675			
	10,675	7 Add lines 5 and 6	
4 Add lines 1 through 3	2,529	8 Income (loss) (Schedule K, line 18). Line 4 less line 7	2,529

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	29,699		
2 Ordinary income from page 1, line 21	2,529		
3 Other additions			
4 Loss from page 1, line 21			
5 Other reductions	10,675		
6 Combine lines 1 through 5	21,553		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	21,553		



Line 19 (Form 1120S) - Other Deductions

1	Income accting and collection fees	1	11,900
2	Dump fees	2	3,250
3	Management fees	3	1,900
4	Professional fees	4	21,193
5	Utilities	5	12,970
6	Total other deductions	6	51,213

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Line 18, Sch L (Form 1120S) - Other Current Liabilities

		Beginning	End
1	CUSTOMER DEPOSITS	2,250	2,250
2	Total other current liabilities	2,250	2,250

Form **4562**

Depreciation and Amortization

(Including Information on Listed Property)

OMB No. 1545-0172

2007

Department of the Treasury
Internal Revenue Service

▶ See separate instructions. ▶ Attach to your tax return.

Attachment
Sequence No. **67**

Name(s) shown on return RIDGELEA INVESTMENT, INC	Business or activity to which this form relates 1120S - SEWER TREATMENT	Identifying number [REDACTED]
---	--	----------------------------------

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	500,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	125,000

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2006 Form 4562.	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2007	17	1,860
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L
b 12-year			12 yrs.		S/L
c 40-year			40 yrs.	MM	S/L

Part IV Summary (see instructions)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	1,860
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2007)

RIDGELEA INVESTMENT, INC

11264 SEBRING DRIVE
CINCINNATI, OH 45240

3/26/2008

CHARLES G HUNGLER JR
5699 CRESTVIEW DRIVE
FAIRFIELD, OH 45014

RE:
RIDGELEA INVESTMENT, INC
[REDACTED]

2007 S Corporation Schedule K-1 (Form 1120S)

Dear: CHARLES G HUNGLER JR

Enclosed is your 2007 Schedule K-1 (Form 1120S) Shareholder's Share of Income, Credits, Deductions, Etc. from RIDGELEA INVESTMENT, INC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of the S Corporation tax items, including income/loss, credits and deductions, and other information to be reported on your tax return. This information may not correspond to actual distributions you have received during the year. This information is included in the S Corporation's 2007 Federal Income Tax Return that was filed with the Internal Revenue Service. This Schedule should be retained with your tax records and documentation.

If you have any questions concerning this information, or if we can be of assistance in any way, please do not hesitate to contact us.

Sincerely,

RIDGELEA INVESTMENT, INC

CLIENT COPY

**Application for Automatic 6-Month Extension of Time To File
 Certain Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

▶ File a separate application for each return.

Type or Print File by the due date for the return for which an extension is requested. See instructions.	Name	Identifying number
	RIDGELEA INVESTMENT, INC	
	Number, street, and room or suite no. (If P.O. box, see instructions.)	
	11264 SEBRING DRIVE	
City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).		
CINCINNATI OH 45240		

Note. See instructions before completing this form.

- 1 Enter the form code for the return that this application is for (see below) 25
- 2 If the foreign corporation does not have an office or place of business in the United States, check here ▶
- 3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ▶
- 4 a The application is for calendar year 20 07 , or tax year beginning 20 , and ending 20
- b **Short tax year.** If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed
- 5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ▶
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.
- 6 Tentative total tax

6	
---	--
- 7 Total payments and credits (see instructions)

7	
---	--
- 8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)

8	
---	--

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND	19
Form 706-GS(T)	02	Form 1120-ND (section 4951 taxes)	20
Form 1041 (estate)	04	Form 1120-PC	21
Form 1041 (trust)	05	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120-S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-A (fiscal-year 2006-2007 corporations)	14	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18		



KENTUCKY S CORPORATION
INCOME TAX AND LLET RETURN 2007

➤ See separate instructions.

Taxable period beginning _____, 2007, and ending _____, 200

B Check applicable box(es): LLET Receipts Method <input type="checkbox"/> Gross Receipts <input type="checkbox"/> Gross Profits <input checked="" type="checkbox"/> \$175 minimum Nonfiling Status Code Enter Code _____	D Federal Identification Number _____	Taxable Year Ending <u>12</u> / <u>07</u> Mo. Yr.	
	Name of S Corporation (Print or type) RIDGEEA INVESTMENT, INC		<input type="checkbox"/> Change of name State and Date of Incorporation KY 1/24/1979
C Income Tax Return Nonfiling Status Code Enter Code _____	Number and Street 11264 SEBRING DRIVE		<input type="checkbox"/> Change of address Principal Business Activity in KY SEWER TREATMENT
	City CINCINNATI	State OH	NAICS Code Number (Relating to Kentucky Activity) (See www.census.gov) 541330
	ZIP Code 45240	Telephone Number _____	
E Check if applicable: <input type="checkbox"/> Qualified investment pass-through entity <input type="checkbox"/> LLC <input type="checkbox"/> Initial return <input type="checkbox"/> Final return (attach explanation)			
F Number of Shareholders (Attach K-1s) ➤ _____ Number of QSSSs Included in This Return (Attach Schedule) ➤ _____			

PART I — ORDINARY INCOME (LOSS) COMPUTATION

1. Federal ordinary income (loss) (see instructions)	2,529
ADDITIONS	
2. State taxes	684
3. Federal depreciation (do not include Section 179 expense deduction)	1,860
4. Related party expenses	
5. Other (attach schedule)	
6. Total (add lines 1 through 5)	5,073
SUBTRACTIONS	
7. Federal work opportunity credit	
8. Kentucky depreciation (do not include Section 179 expense deduction)	1,860
9. Other (attach schedule)	
10. Kentucky ordinary income (loss) (line 6 less lines 7 through 9)	3,113

8. Extension payment	
9. Prior year's tax credit	
10. Income tax overpayment from Part III, line 10	
11. LLET due (line 6 less lines 7 through 10)	175
12. LLET overpayment (lines 7 through 10 less line 6)	
13. Credited to 2007 income tax	
14. Credited to 2008 LLET	
15. Amount to be refunded	

PART II — LLET COMPUTATION

1. Schedule LLET, Section D, line 1	175
2. Recycling/composting equipment recapture	
3. Total (add lines 1 and 2)	175
4. Nonrefundable LLET credit from Kentucky Schedule(s) K-1	
5. Nonrefundable tax credits (Schedule TCS)	
6. LLET liability (greater of line 3 less lines 4 and 5 or \$175 minimum)	175
7. Estimated tax payments	

PART III—INCOME TAX COMPUTATION

1. Excess net passive income tax	
2. Built-in gains tax	
3. Tax installment on LIFO recapture	
4. Total income tax liability (add lines 1, 2 and 3)	
5. Estimated tax payments <input type="checkbox"/> Check if Form 2220-K attached	
6. Extension payment	
7. LLET overpayment from Part II, line 13	
8. Tax due (line 4 less lines 5 through 7)	
9. Tax overpayment (lines 5 through 7 less line 4)	
10. Credited to 2007 LLET	
11. Credited to 2008 income tax	
12. Amount to be refunded	

TAX PAYMENT SUMMARY (Round to nearest dollar)

LLET		INCOME	
LLET due (Part II, line 11)	\$ 175	Income tax due (Part III, line 8)	\$ _____
Penalty	\$ _____	Penalty	\$ _____
Interest	\$ _____	Interest	\$ _____
Subtotal	\$ 175	Subtotal	\$ _____
TOTAL PAYMENT (Add Subtotals)	\$ 175		

➤ Federal Form 1120S, pages 1, 2, 3 and 4, and any supporting schedules must be attached.

Make check payable to:
Kentucky State Treasurer

Mail return with payment to:
Kentucky Department of Revenue
Frankfort, Kentucky 40620



RIDGELEA INVESTMENT, INC

SCHEDULE Q — KENTUCKY S CORPORATION QUESTIONNAIRE

IMPORTANT: Questions 4 - 9 must be completed by all S corporations. If this is the S corporation's initial return or if the S corporation did not file a return under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. Failure to do so may result in a request for a delinquent return.

5. Are disregarded entities included in this return? Yes No. If yes, list name, address and federal I.D. number of the entity.

1. Indicate whether: (a) new business; (b) successor to previously existing business which was organized as: (1) corporation; (2) partnership; (3) sole proprietorship; or (4) other

6. Is the S corporation a partner or a member of a pass-through entity doing business in Kentucky? Yes No. If yes, list name and federal I.D. number of the pass-through entity(ies).

Was the S corporation doing business in Kentucky, other than the interest held in a pass-through entity doing business in Kentucky? Yes No

7. Was this return prepared on: (a) cash basis, (b) accrual basis, (c) other

Did the S corporation file a Kentucky tangible personal property tax return for January 1, 2008? Yes No

8. Is the S corporation currently under audit by the Internal Revenue Service? Yes No. If yes, enter years under audit

4. The S corporation's books are in care of: (name and address) OFFICE--SAME

OFFICER INFORMATION (Failure to Provide Requested Information May Result in a Penalty)

Has the officer information entered below changed from the last return filed? Yes No. President's Name: CHARLES G HUNGLER JR. President's Home Address: 5699 CRESTVIEW DRIVE FAIRFIELD OH 45014

I, the undersigned, declare under the penalties of perjury, that I have examined these returns, including all accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

Signature of principal officer or chief accounting officer: FAESY CPA GROUP, PSC

Date: 3/26/2008. SSN, PTIN or FEIN: 26-1741185

May the DOR discuss this return with the preparer? Yes No. E-mail Address: Telephone No.: 502-607-0303

Schedule K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

2007

For calendar year 2007, or tax
year beginning _____, 2007
ending _____, 20__

Final K-1

Amended K-1

671107
OMB No. 1545-0130

Shareholder's Share of Income, Deductions, Credits, etc.
▶ See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
[REDACTED]

B Corporation's name, address, city, state, and ZIP code
RIDGELEA INVESTMENT, INC
11264 SEBRING DRIVE
CINCINNATI OH 45240

C IRS Center where corporation filed return
Cincinnati, OH 45999-0013

Part II Information About the Shareholder

D Shareholder's identifying number Shareholder 1
[REDACTED]

E Shareholder's name, address, city, state, and ZIP code
CHARLES G HUNGLER JR
5699 CRESTVIEW DRIVE
FAIRFIELD, OH 45014

F Shareholder's percentage of stock ownership for tax year 100%

For IRS Use Only

CLIENT

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	13	Credits
		2,529	
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
		A	761
11	Section 179 deduction	16	Items affecting shareholder basis
12	Other deductions		
		17	Other information

* See attached statement for additional information.



RIDGELEA INVESTMENT, INC
SCHEDULE K—SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC. (See Specific Instructions for Each Line Item)

SECTION I	(a) Pro Rata Share Items	(b) Total Amount
Income (Loss) and Deductions		
1.	Kentucky ordinary income (loss) from trade or business activities (page 1, Part I, line 10)	1 3,113
2.	Net income (loss) from rental real estate activities (attach federal Form 8825)	
3.	(a) Gross income from other rental activities 3(a)	
	(b) Less expenses from other rental activities (attach schedule) (b)	
	(c) Net income (loss) from other rental activities (line 3a less line 3b)	3(c)
4.	Portfolio income (loss):	
	(a) Interest income	4(a)
	(b) Dividend income	(b)
	(c) Royalty income	(c)
	(d) Net short-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D if applicable)	(d)
	(e) Net long-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D if applicable)	(e)
	(f) Other portfolio income (loss) (attach schedule)	(f)
5.	Section 1231 net gain (loss) (other than due to casualty or theft) (attach federal and Kentucky Forms 4797)	5
6.	Other income (loss) (attach schedule)	6
7.	Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH)	7
8.	IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky converted Form 4562)	8
9.	Deductions related to portfolio income (loss) (attach schedule)	9
10.	Other deductions (attach schedule)	10
Investment Interest		
11.	(a) Interest expense on investment debts	11(a)
	(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)
	(2) Investment expenses included on line 9 above	(2)
Tax Credits		
12.	Skills Training Investment Tax Credit (attach copy(ies) of certification)	12
13.	Historic Preservation Restoration Tax Credit	13
14.	Kentucky Unemployment Tax Credit (attach Schedule UTC)	14
15.	Recycling and Composting Equipment Tax Credit (attach Schedule RC)	15
16.	Kentucky Investment Fund Tax Credit (attach copy(ies) of certification)	16
17.	Credit for purchases of Kentucky coal used for generating electricity (attach copy of Schedule CI)	17
18.	Qualified Research Facility Tax Credit (attach Schedule QR)	18
19.	GED Incentive Tax Credit (attach Form DAEL-31)	19
20.	Voluntary Environmental Remediation Tax Credit (Brownfield) (attach Schedule VERB)	20
21.	Biodiesel Tax Credit (attach Schedule BIO)	21
22.	Environmental Stewardship Tax Credit	22
23.	Clean Coal Incentive Tax Credit	23



RIDGELEA INVESTMENT, INC
SCHEDULE K — SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC. (See Specific Instructions for Each Line Item)

SECTION I — continued	(a) Pro Rata Share Items	(b) Total Amount
Other Items		
24. (a) Type of Section 59(e)(2) expenditures	24(a)	
(b) Amount of Section 59(e)(2) expenditures	(b)	
25. Tax-exempt interest income	25	
26. Other tax-exempt income	26	
27. Nondeductible expenses	27	
28. Total property distributions (including cash) other than dividends reported on line 30 below	28	
29. Other items and amounts required to be reported separately to shareholders (attach schedule)	29	
30. Total dividend distributions paid from accumulated earnings and profits	30	
Recapture of Tax Credits		
31. Recapture of Recycling and Composting Equipment Tax Credit	31	
SECTION II — LLET Pass-through Items		
1. S corporation's Kentucky sales from Schedule A, Section I, line 1	1	
2. S corporation's total sales from Schedule A, Section I, line 2	2	
3. S corporation's Kentucky property from Schedule A, Section I, line 5	3	
4. S corporation's total property from Schedule A, Section I, line 6	4	
5. S corporation's Kentucky payroll from Schedule A, Section I, line 8	5	
6. S corporation's total payroll from Schedule A, Section I, line 9	6	
7. S corporation's Kentucky gross profits from Schedule LLET, Section A, Column A, line 5	7	102,080
8. S corporation's total gross profits from all sources from Schedule LLET, Section A, Column B, line 5	8	102,080
9. Limited liability entity tax (LLET) nonrefundable credit from page 1, Part II, the total of lines 4 and 6, less \$175	9	



**SHAREHOLDER'S SHARE OF
 INCOME, CREDITS, DEDUCTIONS, ETC.**

For calendar year 2007 or fiscal year
 beginning _____ 2007, and ending _____

Shareholder's identifying number ▶ [REDACTED]	S corporation's FEIN ▶ [REDACTED]	Kentucky corporation/LLET account number ▶ PLEASE ASSIGN
Shareholder's name, address and ZIP code #1 CHARLES G HUNGLER JR 5699 CRESTVIEW DRIVE FAIRFIELD OH 45014		S corporation's name, address and ZIP code Check if applicable: <input type="checkbox"/> Qualified investment pass-through entity RIDGELEA INVESTMENT, INC 11264 SEBRING DRIVE CINCINNATI, OH 45240

- A. Shareholder's percentage of stock ownership for tax year 100.000000%
- B. (1) Resident shareholder's taxable percentage of pro rata share items
 (2) Nonresident shareholder's taxable percentage of pro rata share items (see Schedule A, Section 1, line 12) 100.0000%
- C. What type of entity is this shareholder? Individual/Estate/Trust Single-Member LLC
- D. Check the applicable box if nonresident shareholder's income is reported on:
 Kentucky Nonresident Income Tax Withholding on Net Distributive Share Income Transmittal Report (Form 740NP-WH) and Form PTE-WH, or
 Composite Return (Form 740-NP)
- E. Check if applicable: (1) Final K-1 (2) Attached K-1

IMPORTANT: Refer to Shareholder's Instructions for Schedule K-1 before entering information from Schedule K-1 on your tax return.

		(b) Amount
(a) Pro Rata Share Items		
Income (Loss)		
1. Ordinary income (loss) from trade or business activities	1	3,113.00
2. Net income (loss) from rental real estate activities	2	
3. Net income (loss) from other rental activities	3	
4. Portfolio income (loss):		
(a) Interest	4(a)	
(b) Dividends	(b)	
(c) Royalties	(c)	
(d) Net short-term capital gain (loss)	(d)	
(e) Net long-term capital gain (loss)	(e)	
(f) Other portfolio income (loss) (attach schedule)	(f)	
5. Net gain (loss) under Section 1231 (other than due to casualty or theft)	5	
6. Other income (loss) (attach schedule)	6	
Deductions		
7. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH)	7	
8. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky converted Form 4562)	8	
9. Deductions related to portfolio income (loss) (attach schedule)	9	
10. Other deductions (attach schedule)	10	
Investment Interest		
11. (a) Interest expense on investment debts	11(a)	
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)	
(2) Investment expenses included on line 9 above	(2)	



CHARLES G HUNGLER JR

#1



SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Pro Rata Share Items (continued)		(b) Amount
Tax Credits		
12.	Skills Training Investment Tax Credit	
13.	Historic Preservation Restoration Tax Credit	
14.	Kentucky Unemployment Tax Credit	14
15.	Recycling and Composting Equipment Tax Credit	15
16.	Kentucky Investment Fund Tax Credit	16
17.	Credit for purchases of Kentucky coal used for generating electricity	17
18.	Qualified Research Facility Tax Credit	18
19.	GED Incentive Tax Credit	19
20.	Voluntary Environmental Remediation Tax Credit (Brownfield)	20
21.	Biodiesel Tax Credit	21
22.	Environmental Stewardship Tax Credit	22
23.	Clean Coal Incentive Tax Credit	23
Other Items		
24.	(a) Type of Section 59(e)(2) expenditures	24(a)
	(b) Amount of Section 59(e)(2) expenditures	(b)
25.	Tax-exempt interest income	25
26.	Other tax-exempt income	26
27.	Nondeductible expenses	27
28.	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	28
29.	Supplemental information required to be reported to each shareholder (attach schedules)	29
30.	Total dividend distributions paid from accumulated earnings and profits	30
Recapture of Tax Credit		
31.	Recapture of Recycling and Composting Equipment Tax Credit	31
LLET Pass-through Items		
32.	Shareholder's share of S corporation's Kentucky sales from Schedule K, Section II, line 1	32
33.	Shareholder's share of S corporation's total sales from Schedule K, Section II, line 2	33
34.	Shareholder's share of S corporation's Kentucky property from Schedule K, Section II, line 3	34
35.	Shareholder's share of S corporation's total property from Schedule K, Section II, line 4	35
36.	Shareholder's share of S corporation's Kentucky payroll from Schedule K, Section II, line 5	36
37.	Shareholder's share of S corporation's total payroll from Schedule K, Section II, line 6	37
38.	Shareholder's share of Kentucky gross profits from Schedule K, Section II, line 7	38
39.	Shareholder's share of total gross profits from all sources from Schedule K, Section II, line 8	39
40.	Shareholder's share of limited liability entity tax (LLET) nonrefundable credit from Schedule K, Section II, line 9	40
Resident Shareholder Adjustment		
41.	Combination of Kentucky Schedule K-1, lines 1 through 5, 8 and portions of lines 6 and 10. Add income amounts and subtract (loss) and deduction amounts (see instructions)	41
42.	Combination of federal Schedule K-1, lines 1 through 9, 11 and portions of lines 10 and 12. Add income amounts and subtract (loss) and deduction amounts (see instructions)	42
43.	Enter the difference of lines 41 and 42 here and on appropriate line on Schedule M (see instructions)	43

Ridgelea Investments, Inc.

2106 W. North Bend Rd.
Cincinnati, OH. 45224

Ridgelea Investments:

Year End 2007 Indebtedness: 12,063.50