

HAZELRIGG & COX, LLP

ATTORNEYS AT LAW

415 WEST MAIN STREET

P.O. Box 676

FRANKFORT, KENTUCKY 40602-0676

DANDRIDGE F. WALTON
JOHN B. BAUGHMAN
ROBERT C. MOORE
CLAYTON B. PATRICK
SQUIRE N. WILLIAMS III
J. SCOTT MELLO
SARAH K. MELLO

DYKE L. HAZELRIGG (1881-1970)
LOUIS COX (1907-1971)

FAX: (502) 875-7158
TELEPHONE: (502) 227-2271

November 19, 2008

Mr. James R. Goff
Staff Attorney
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

NOV 21 2008

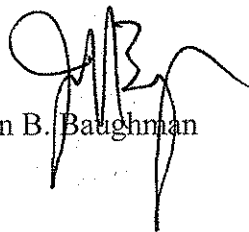
PUBLIC SERVICE
COMMISSION

RE: Case No. 2008-0378 - Ridgelea Investments, Inc.

Dear Mr. Goff:

Thank you for your letter of November 13, 2008 with the proposed Settlement Agreement. Pursuant to our telephone conversation on this date, I have conferred with Chuck Hungler and made a few minor changes as to dates in the Settlement Agreement. Those changes are on pages 2 and 3. If these changes are satisfactory, I would be grateful if you would revise the Agreement and return it to me at your earliest convenience. If you would like to discuss these proposed changes, please call me as soon as possible.

Very truly yours,



John B. Baughman

JBB:neb

Enclosure

cc: Chuck Hungler

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE OPERATION)
OF RIDGELEA INVESTMENTS, INC. OF)
FARMGATE, EDGEWOOD AND MEADOWBROOK) CASE NO. 2008-00378
SEWER UTILITY FACILITIES IN)
FRANKLIN COUNTY, KENTUCKY)

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of November, 2008, by and between the STAFF OF THE KENTUCKY PUBLIC SERVICE COMMISSION ("Commission Staff") and RIDGELEA INVESTMENTS, INC. ("Ridgelea"), a sewer utility.

WITNESSETH:

WHEREAS, Ridgelea is a Kentucky corporation whose principal office is located in Cincinnati, Ohio. Ridgelea serves the following subdivisions located in Franklin County, Kentucky: Farmgate, Edgewood, and Meadowbrook; and

WHEREAS, the Commission determined by its own motion to establish this case to investigate the operation of Ridgelea's wastewater treatment facilities in Franklin County, Kentucky; and

WHEREAS, the Attorney General of Kentucky requested and was made a party to these proceedings on September 26, 2008; and

WHEREAS, a conference was held on November 6, 2008 with Commission Staff to discuss all issues and the procedure for a formal hearing; and

WHEREAS, Ridgelea indicated that it had made repairs to a tank and intended to have each plant cleaned and painted and that other improvements were based upon its pending rate case; and

WHEREAS, Commission Staff made no finding of any violation of Commission regulations; and

WHEREAS, during the conference, the parties and Commission Staff discussed the Commission Staff's Inspection Report as it related to all three facilities operated by Ridgelea in Franklin County, Kentucky; and

WHEREAS, Ridgelea and Commission Staff have entered into an agreed settlement of all issues contained in the Inspection Report as well as other matters not contained in that report.

NOW, THEREFORE, Ridgelea and Commission Staff agree that:

1. As all issues raised in the Commission Staff Inspection Report are being resolved in this agreement, there is no necessity for a formal hearing in this matter and all parties hereto waive a formal hearing.

2. Chuck Hungler is the president of Ridgelea and is authorized to enter into this agreement.

3. As to all three facilities, Ridgelea agrees:

a. To install bins, on or before November 30, 2008, for the purpose of on-site storage of documents and necessary chemicals for each facility.

b. To clean and paint all above water level surfaces by ~~November 30,~~
~~2009.~~ Sept. 30, 2009

4. As to Farmgate, Ridgelea agrees:

no later than March 31, 2009; to repair gap below chain Link fence

a. To repair the chain link fence, no later than November 30, 2008, by placing planking at ground level.

b. To reduce noise by installing a blower discharge-side silencer by March 31, 2009.

c. To further repair and paint the tank by March 31, 2009.

5. As to Edgewood, Ridgelea agrees:

a. To repair a manhole located near the entrance gate no later than December 31, 2008.

March 31, 2009
b. To consult with Commission Staff and repair fence no later than ~~November 30, 2008.~~

6. No specific action is required at Meadowbrook as Commission Staff found no issues there.

7. This agreement is subject to the acceptance of and approval by the Public Service Commission.

8. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on or be construed against Ridgelea or Commission Staff.

9. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be approved and incorporated into an Order of the Commission.

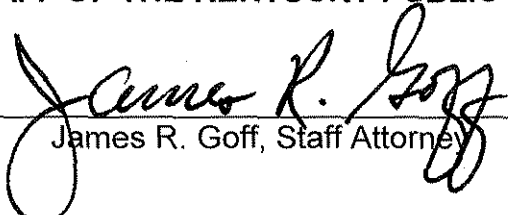
**ATTORNEY GENERAL OF KENTUCKY
OFFICE OF RATE INTERVENTION**
Have seen and have no objection.

BY _____
Assistant Attorney General

RIDGELEA INVESTMENTS, INC.

BY _____
Chuck Hungler, President

STAFF OF THE KENTUCKY PUBLIC SERVICE COMMISSION

BY  _____
James R. Goff, Staff Attorney