

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF RIDGELEA INVESTMENTS,)	
INC. FOR PURCHASE OF SEWAGE)	CASE NO.
TREATMENT FACILITIES OF MULBERRY)	2003-00184
ENTERPRISES, INC.)	

O R D E R

On September 12, 2003, the Commission issued its final Order herein that authorized the transfer of Discharge Elimination Systems Facilities owned by Mulberry Enterprises, Inc. ("Mulberry") to Ridgelea Investments, Inc. ("Ridgelea"). The Order in paragraph 3 directed Ridgelea to file with the Commission a copy of the journal entry recording the transfer within 30 days of said Order. In addition, the Order required and Ridgelea filed an Adoption Notice on October 3, 2003, by which Ridgelea adopted Mulberry's existing and filed rates, rules and regulations. As it has filed said Adoption Notice, Ridgelea is now required to update its tariff to include the rates and rules of service for the Mulberry system.

By letters dated February 19, 2004 and March 8, 2004, Ridgelea's attorney of record was notified of the foregoing filing directives. Ridgelea's attorney, Hon. April H. Gatlin, made a filing on March 10, 2004 on Ridgelea's behalf based on information provided by Ridgelea and a third party. This filing included journal entries made to record the transfer, dated June 11, 2003, and a letter that appears to provide information regarding the rate and billing procedures for the Mulberry system. In

addition, the filing included a Motion to Withdraw as Counsel for Ridgelea. The information provided is insufficient to address the issues set out above.

In the Order approving the transfer, Ridgelea was directed to make the following journal entry to record the transfer, updating account balances as of the date of the transfer:

	<u>Debit</u>	<u>Credit</u>
Utility Plant in Service	\$32,953	
Plant Acquisition Adjustment	7,279	
Accumulated Depreciation		\$30,232
Debt		10,000

Instead, the journal entries filed by the utility record utility plant at the purchase price. Using the 2002 annual report for Mulberry, and assuming there were no additions to plant from December 31, 2002 through June 11, 2003, the journal entry to record the transfer in accordance with the Uniform System of Accounts would be as follows:

	<u>Debit</u>	<u>Credit</u>
Utility Plant in Service	\$32,953	
Plant Acquisition Adjustment	8,149	
Accumulated Depreciation		\$31,102
Debt		10,000

The journal entry proposed here is for accounting purposes only. The decision on the rate-making treatment of the debt and plant acquisition adjustment is deferred to the next rate proceeding.

The Commission, having reviewed the record and having been sufficiently advised, HEREBY ORDERS that:

1. The Motion to Withdraw as Counsel is granted.
2. Ridgelea has 10 days from the date of this Order to contest the journal entry proposed herein to record the transfer. If no filing is received, the journal entry will

be considered final and the utility shall use this entry when filing its annual report with the Commission.

3. Within 20 days of the date of this Order, Ridgelea shall update its tariff to include the rates and rules of service for the Mulberry system.

Done at Frankfort, Kentucky, this 15th day of April, 2004.

By the Commission

ATTEST:


Executive Director