

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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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 28th 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 September 30, 2009

4. As to Farmgate, Ridgelea agrees:

a. To repair the chain link fence March 31, 2009; to repair the gap below 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.

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

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.

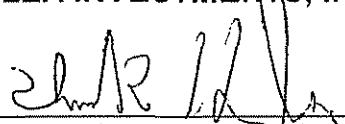
8. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on or be construed against Ridgelea or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

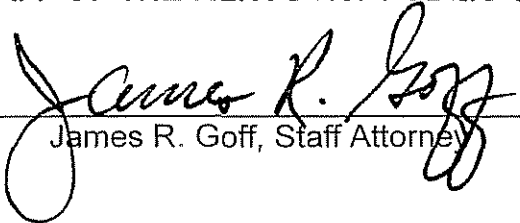
**ATTORNEY GENERAL OF KENTUCKY
OFFICE OF RATE INTERVENTION**
Have seen and have no objection.

BY 
Assistant Attorney General

RIDGELEA INVESTMENTS, INC.

BY 
Chuck Hungler, President

STAFF OF THE KENTUCKY PUBLIC SERVICE COMMISSION

BY 
James R. Goff, Staff Attorney