

2770 Military Pike
Lexington, Kentucky 40513
October 6, 2009

RECEIVED

Mr. Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40601

OCT 06 2009

PUBLIC SERVICE
COMMISSION

Dear Mr. DeRouen:

2009-00463

Enclosed herewith for filing is the original and ten (10) copies of an application for rate adjustment with attachments for Evergreen Sewage Disposal System, Inc. I understand that we are not required to prepare the billing analysis portion of the application because the rates we charge are a flat rate per customer.

Please also note that all correspondence and/or inquiries concerning this rate adjustment should be sent to me as well as the utility located in Frankfort. Both of the addresses are listed on the front of the application.

Thanking you in advance for your cooperation in this matter.

Sincerely yours,



Clarice H. Howard
Bookkeeper/Secretary

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

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

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

EVERGREEN DISPOSAL SYSTEM, INC.

2009-00403

Name of Utility

650 Evergreen Road, Frankfort, Kentucky 40601

Business Mailing Address

Telephone Number 502 / 227-4316

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: Clarice H. Howard, Bookkeeper/Secretary

Address: 2770 Military Pike, Lexington, Kentucky, 40513

and Earline P. Stone, at the address of the utility above

Telephone Number: (859) 229-4514 (Clarice) or Earline at the number above

- 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, 2008 _____.

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.

<u>Item Per Annual Report</u>	<u>Amount Per Annual Report</u>	<u>Increase (Decrease)</u>	<u>Adjusted Amount</u>
<u>Revenues:</u>	\$	\$	\$
 Total Revenues	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Expenses:</u>			
Maintenance Expenses	4,391.00	300.00	4,691.00
Management Fee	5,100.00	200.00	5,300.00
 Total Expenses	<u>\$ 9,491.00</u>	<u>\$ 500.00</u>	<u>\$ 9,991.00</u>
 Revenues Less Expenses	<u>\$</u>	<u>\$</u>	<u>\$</u>

- 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).

Maintenance

Expenses:

There have been repairs that have been necessary to the sewer system of the plant over the last couple of years, thus making this expense increase. This increase is evident over the past two years by the annual reports. The repairs include a major cleanup and major repairs to the pumping system.

Management

Fee:

The current manager is being paid \$5,100.00 per year, however, due to increased gas prices and other expenses, the manager will require additional monies in the future.

- c. 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:

<u>Customer Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
Residential	\$27.47	\$40.00	45%

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).

Over the past two years, the utility has had to borrow money to make major repairs and for major cleanup.

2) Total number of Customers as of the date of filing: 42

3) Total amount of increased revenue requested: additional 6,315.12

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. 2 loans to Farmers Bank

b) Were all revenues and expenses listed in the Annual Report for 2008 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 2008 and the amount shown on this schedule.

There is no depreciation.

- 6) If utility is a sewer utility:
- a) Attach a copy of the latest State and Federal Income Tax Returns.
 - b) How much of the utility plant was recovered through the sale of lots or other contributions None \$ or %? (If unknown, state the reason).
- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

The utility has had trouble over the past 12 months paying expenses from the income currently being received. Due to the increase in repair costs and cleanup and additional fees for the manager, the utility is not able to pay all of its expenses each month. The utility has had to borrow money over the past year to pay these expenses.

IV. Billing Analysis

The utility uses a flat rate for each customer.

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.

This utility is a corporation, however a copy of its articles of Incorporation were filed in a previous rate case, No. 2005-00431, filed on October 19, 2005.

- 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.

Copy of notice is attached along with listing of customers

- 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

Earline P. Stone/Clarice H. Howard

President and Bookkeeper/Secretary

Date

October 5, 2009

U.S. Corporation Income Tax Return

For calendar year 2008 or tax year beginning _____, 2008, ending _____, 20

2008

▶ See separate instructions.

A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	Use IRS label. Otherwise, print or type.	Name EVERGREEN SEWAGE DISPOSAL SYSTEM, INC. Number, street, and room or suite no. If a P.O. box, see instructions. 650 EVERGREEN ROAD City or town, state, and ZIP code FRANKFORT, KY 40601	B Employer identification number [REDACTED] C Date incorporated 1977 D Total assets (see instructions) \$
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

	1a Gross receipts or sales	11,772	16	b Less returns and allowances		c Bal ▶	1c	11,772	16
Income	2 Cost of goods sold (Schedule A, line 8)						2		
	3 Gross profit. Subtract line 2 from line 1c						3	11,772	16
	4 Dividends (Schedule C, line 19)						4		
	5 Interest						5		
	6 Gross rents						6		
	7 Gross royalties						7		
	8 Capital gain net income (attach Schedule D (Form 1120))						8		
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)						9		
	10 Other income (see instructions—attach schedule)						10		
	11 Total income. Add lines 3 through 10						▶ 11	11,772	16
	Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)						▶ 12	
13 Salaries and wages (less employment credits)							13	5,100	00
14 Repairs and maintenance							14	1,486	00
15 Bad debts							15		
16 Rents							16		
17 Taxes and licenses							17	275	68
18 Interest							18		
19 Charitable contributions							19		
20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)							20		
21 Depletion							21		
22 Advertising							22		
23 Pension, profit-sharing, etc., plans							23		
24 Employee benefit programs							24		
25 Domestic production activities deduction (attach Form 8903)							25		
26 Other deductions (attach schedule)							26	8,961	73
27 Total deductions. Add lines 12 through 26							▶ 27	15,823	41
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11							28	(4,051)	25
29 Less: a Net operating loss deduction (see instructions)			29a						
	b Special deductions (Schedule C, line 20)		29b						
29c									
30 Taxable income. Subtract line 29c from line 28 (see instructions)						30	0	00	
31 Total tax (Schedule J, line 10)						31	0	00	
Tax, Refundable Credits, and Payments	32a 2007 overpayment credited to 2008	32a							
	b 2008 estimated tax payments	32b							
	c 2008 refund applied for on Form 4466	32c							
	d Bal ▶								
	e Tax deposited with Form 7004	32d							
	f Credits: (1) Form 2439 (2) Form 4136	32e							
	32f								
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g					32h		
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached						▶ 33			
34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed						34	0	00	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid						35			
36 Enter amount from line 35 you want: Credited to 2009 estimated tax ▶ Refunded ▶						36			

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 <i>Claree H. Howard</i> Date <i>3/1/09</i>	Bookkeeper Title	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
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Paid Preparer's Use Only	Preparer's signature <i>Claree H. Howard</i>	Date <i>3/1/09</i>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN [REDACTED]
	Firm's name (or yours if self-employed), address, and ZIP code	2770 Military Pike Lexington, KY 40513		EIN Phone no. 859-229-4514

Schedule A Cost of Goods Sold (see instructions)

1 Inventory at beginning of year	1	0	00
2 Purchases	2		
3 Cost of labor	3		
4 Additional section 263A costs (attach schedule)	4		
5 Other costs (attach schedule)	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
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

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? If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8. See instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	0000		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	(d) Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
NONE		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

Schedule J Tax Computation (see instructions)

1 Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	▶	<input type="checkbox"/>			
2 Income tax. Check if a qualified personal service corporation (see instructions)	▶	<input type="checkbox"/>	2		
3 Alternative minimum tax (attach Form 4626)			3		
4 Add lines 2 and 3			4		
5a Foreign tax credit (attach Form 1118)	5a				
b Credit from Form 8834	5b				
c General business credit (attach Form 3800)	5c				
d Credit for prior year minimum tax (attach Form 8827)	5d				
e Bond credits from Form 8912	5e				
6 Total credits. Add lines 5a through 5e			6		
7 Subtract line 6 from line 4			7		
8 Personal holding company tax (attach Schedule PH (Form 1120))			8		
9 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)			9		
10 Total tax. Add lines 7 through 9. Enter here and on page 1, line 31			10	0	00

Schedule K Other Information (see instructions)

1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____	Yes	No
2 See the instructions and enter the: a Business activity code no. ▶ _____ b Business activity ▶ <u>sewer utility</u> c Product or service ▶ _____		
3 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ _____		✓
4 At the end of the tax year: a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v).		✓

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Percentage Owned in Voting Stock

b Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv).	Yes	No
		✓

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Percentage Owned in Voting Stock

Schedule K *Continued*

5 At the end of the tax year, did the corporation:

Yes	No
	✓

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership, see instructions
If "Yes," complete (i) through (iv).

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions
If "Yes," complete (i) through (iv).

Yes	No
	✓

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)
If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.

Yes	No
	✓

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes," enter:

Yes	No
	✓

(i) Percentage owned ▶ _____ and **(ii)** Owner's country ▶ _____

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶
If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year **and** its total assets at the end of the tax year less than \$250,000?

Yes	No
✓	

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ **0**

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		79.42		28.17
2a	Trade notes and accounts receivable	(1,993.27)		(2,422.43)	
b	Less allowance for bad debts	()	(1,993.27)	()	(2,422.43)
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()		()	
11a	Depletable assets	66,383.84		66,383.84	
b	Less accumulated depletion	(64,361.10)	2,022.74	(64,361.10)	2,022.74
12	Land (net of any amortization)		535.85		535.85
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach schedule)				
15	Total assets		644.74		164.33
Liabilities and Shareholders' Equity					
16	Accounts payable		1,875.00		4,525.00
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital		72,878.00		72,878.00
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated		(74,108.26)		(77,238.67)
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock		()		()
28	Total liabilities and shareholders' equity		644.74		164.33

Schedule M-1 Reconciliation of Income (Loss) per Books With Income 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	(4,051.25)	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$ _____	
3	Excess of capital losses over capital gains			_____	
4	Income subject to tax not recorded on books this year (itemize): _____			_____	
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$ _____			a Depreciation \$ _____	
b	Charitable contributions \$ _____			b Charitable contributions \$ _____	
c	Travel and entertainment \$ _____			_____	
6	Add lines 1 through 5		9	Add lines 7 and 8	
			10	Income (page 1, line 28)—line 6 less line 9	(4,051.25)

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	72,878.00	5	Distributions: a Cash	
2	Net income (loss) per books	(77,238.67)		b Stock	
3	Other increases (itemize): _____			c Property	
	_____		6	Other decreases (itemize): _____	
	_____		7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	(4,360.67)	8	Balance at end of year (line 4 less line 7)	(4,360.67)

EVERGREEN SEWAGE DISPOSAL SYSTEM, INC.

OTHER DEDUCTIONS

TAX ID [REDACTED]

Bank Charges	60.00
Sludge Hauling	875.00
Water Cost	110.76
Fuel & Power Purchased	1,250.27
Chemicals	168.00
Collection Expense	1,521.95
Permit Fee	100.00
Office Supplies	620.75
Cleanup	2,720.00
Note payable	1,350.00
Miscellaneous	185.00
	8,961.73

TOTAL

720

41A720



Department of Revenue



A

Kentucky Corporation/LLET Account Number

KENTUCKY CORPORATION INCOME TAX AND LLET RETURN 2008

Taxable period beginning _____, 2008, and ending _____, 200__.

Form header section containing LLET Receipts Method, Nonfiling Status Code, Federal Identification Number, Taxable Year Ending (12/08), Name of Corporation (EVERGREEN SEWAGE DISPOSAL SYSTEM, INC.), State and Date of Incorporation (KY - 1977), Address (650 EVERGREEN ROAD, FRANKFORT, KY 40601), Telephone Number (502-227-4316), and various checkboxes for return type and changes.

Main calculation table with columns for line number, description, and amounts. Includes sections: PART I - LLET COMPUTATION, PART II - TAXABLE INCOME COMPUTATION, and PART III - INCOME TAX COMPUTATION. Key values include Net income of -4,051 and Total tax due of 00.

TAX PAYMENT SUMMARY section with sub-sections for LLET and INCOME, and a box for payment instructions: 'Federal Form 1120, all pages, 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.'



SCHEDULE Q—KENTUCKY CORPORATION/LLET QUESTIONNAIRE

IMPORTANT: Questions 4–12 must be completed by all corporations. If this is the corporation's initial return or if the 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.**

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 _____

If successor to previously existing business, give name, address and federal I.D. number of the previous business organization. _____

2. List the following **Kentucky** account numbers. Enter N/A for any number not applicable.
 Employer Withholding _____
 Sales and Use Tax Permit _____
 Consumer Use Tax _____
 Unemployment Insurance _____
 Coal Severance and/or Processing Tax _____

3. If a foreign corporation, enter the date qualified to do business in Kentucky. ___ / ___ / ___

4. The corporation's books are in care of: (name and address)
 Earline P. Stone
 650 Evergreen Road
 Frankfort, Ky 40601

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

6. Was the corporation a partner or member in a pass-through entity doing business in Kentucky? Yes No.
 If yes, attach schedule listing name and federal I.D. number of the pass-through entity. _____

Was the corporation doing business in Kentucky, outside of its interest in a pass-through entity? Yes No

7. Are related party costs made to related members as defined in KRS 141.205(1)(l) included in this return? Yes No.

If yes, list name, federal I.D. and/or Kentucky Corporation/LLET account number of the individual or entity. _____

Caution: If the corporation elected to file a consolidated income tax return for tax years beginning prior to January 1, 2005, skip questions 8 and 9 and go to question 10.

8. Did the corporation at any time during the taxable year do business in Kentucky and own 80 percent or more of the voting stock of another corporation doing business in Kentucky? Yes No. If yes, list name, address and federal I.D. number of the entity. _____

9. Was 80 percent or more of the corporation's voting stock owned by any corporation doing business in Kentucky at any time of the year? Yes No. If yes, list name, address and federal I.D. number of the entity. _____

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

11. Did the corporation file a Kentucky tangible personal property tax return for January 1, 2009? Yes No

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

If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to this department, check here and file Form 720X, Form 720-Amended, or Form 720-Amended (2007-2008), whichever is applicable, for each year adjusted and attach a copy of the final determination.

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

Attach a schedule listing the name, home address and Social Security number of the vice president, secretary and treasurer.

Has the attached officer information changed from the last return filed? Yes No

President's Name Earline P. Stone President's Home Address Same as above

President's Social Security Number _____

Date Became President / /

I, the undersigned, declare under the penalties of perjury, that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Clarice H. Howard 3/15/09
 Signature of principal officer or chief accounting officer Date

Clarice H. Howard _____
 Name of person or firm preparing return SSN, PTIN or FEIN

May the DOR discuss this return with the preparer?
 Yes No

E-mail Address: _____

Telephone Number: _____
 (859) 229-4514

M E M O R A N D U M

TO: All customers of Evergreen Sewage
Disposal System, Inc.

FROM: Earline P. Stone
President

DATE: October 5, 2009

RE: Proposed rate increase

This is to advise you that Evergreen Sewage Disposal System will be filing for a rate increase with the Public Service Commission within the next few days. The proposed rate is an increase of \$12.53 per month, the old rate being \$22.55 and the new proposed rate being \$40.00 per month. It is our hope that the new rate will be effective January 1, 2010.

The rates contained in this notice are the rates proposed by Evergreen Sewage Disposal System, Inc. However, the Public Service Commission may order rates to be charged 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 the Executive Director, Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the motion, including the status and interest of the movant.

Copies of the application for a rate adjustment may be obtained at no charge from Evergreen Sewage Disposal System, 650 Evergreen Road, Frankfort, Kentucky or calling (502) 227-4316. Upon request from an intervenor, Evergreen shall furnish to the intervenor a copy of the application and supporting documents.

CUSTOMERS OF EVERGREEN SEWAGE DISPOSAL SYSTEM

Kenneth M. Keith, Jr.
46 Lawrence Street
Frankfort, KY 40601

Angela Fluegge
56 Lawrence Street
Frankfort, KY 40601

David/Cynthia Hecker
50 Lawrence Street
Frankfort, KY 40601

Pamela Mitchell (52 Lawrence)
2170 Dry Ridge Road
Frankfort, KY 40601

Don Dawson (153 Lawrence)
1406 Colston Lane
Frankfort, KY 40601

Justin Baker
54 Lawrence Street
Frankfort, KY 40601

David/Lisa Smith
3565 Evergreen Road
Frankfort, KY 40601

Kathy Glass
47 Lawrence Street
Frankfort, KY 40601

Paula Conway
48 Lawrence Street
Frankfort, KY 40601

Doris Baker
49 Lawrence Street
Frankfort, KY 40601

Kevin/Virginia Jump
65 Lawrence Street, #4
Frankfort, KY 40601

Jessica Denman
139 Lawrence Street
Frankfort, KY 40601

Kathleen Riggs
109 Lawrence Street, #10
Frankfort, KY 40601

Annika Nicholson
155 Lawrence Street
Frankfort, KY 40601

Jerry Smith
141 Lawrence Street
Frankfort, KY 40601

Ida Wilson
4145 US 127 South
Frankfort, Ky 40601

Kenneth/Shirley Casey
3601 Evergreen Road
Frankfort, KY 40601

Earline P. Stone (12 units)
650 Evergreen Road
Frankfort, KY 40601

James E. Jones)
4023 Lawrenceburg Road
Frankfort, KY 40601

Troy Woody (77 Lawrence Street)
216 Twin Pines
Frankfort, KY 40601

Carol Redman
95 Lawrence Street, #8
Frankfort, KY 40601

Christine Baltimore
93 Lawrence Street, #7
Frankfort, KY 40601

Kristy Chipman
77 Lawrence Street
Frankfort, KY 40601

Jessica Tuggle
107 Lawrence Street
Frankfort, KY 40601

Richard L. Cammuse
4165 US 127 South
Frankfort, Ky 40601

Mike Dailey
4125 Lawrenceburg Road
Frankfort, KY 40601

Regina Long
4105 US 127 South
Frankfort, KY 40601

Shane/Kari McGrath
4085 Lawrenceburg Road
Frankfort, KY 40601

Jim Oberst
4065 US 127 South
Frankfort, KY 40601

Clay/Donna Gotwalt
4049 US 127 South
Frankfort, KY 40601

David Slucher
3955 Lawrenceburg Road
Frankfort, KY 40601