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PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF RIDGELEA INVESTMENTS, INC. )  
FOR APPROVAL OF TRANSFER OF FRANKLIN ) Case No. 2017-00153  
COUNTY WASTEWATER TREATMENT FACILITIES TO )  
FARMDALE SANITATION DISTRICT )

**SUPPLEMENTAL RESPONSE TO APPENDIX OF COMMISSION  
ORDER DATED JUNE 1, 2017**

This Supplement Response provides the same answers previously submitted in the Ridgelea Investments, Inc., ("Ridgelea") responds to the Appendix of the Commission's Order entered June 1, 2017, but in addition, provides a verification by Charles Hungler, Jr., the President of Ridgelea and completes the answers to questions no. 2 and no. 9, as follows:

1. Provide a copy of the Agreement to Purchase between Ridgelea and Farmdale.

ANSWER: See Attached.

2. Describe the authority of the individual who executed the transfer agreement on behalf of Ridgelea to enter into the agreement on behalf of Ridgelea, and provide records that document the executing individual's authority.

ANSWER: Charles Hungler, Jr., is a Director and is the President of the corporation. See attached copy of minutes of February 1, 2017, meeting of Ridgelea Investments, Inc.

3. Describe the authority of the individual who executed the transfer agreement on behalf of Farmdale to enter into the agreement on behalf of Farmdale, and provide records that document the executing individual's authority.

ANSWER: Allan Alsip is the Chairman of the Board of Farmdale; See copy of minutes of January 26, 2017 meeting of Farmdale Sanitation District when Allan Alsip, the

Chairman was authorized to enter into the purchase agreement referred to in Answer No. 1 above.

4. State whether Farmdale's Board of Directors approved Farmdale's acquisition of ownership and control of Ridgelea's Franklin County wastewater facilities. If so, provide a copy of the board resolution approving the acquisition or minutes of the meeting at which the Board voted to approve the acquisition.

ANSWER: See Answer No. 3 above.

5. For Farmdale, provide the following:

a. Describe Farmdale's technical ability and resources to manage and operate the Ridgelea facilities, including, but not limited to, its employment of or contractual arrangement for a qualified and certified operator for the system.

ANSWER: Farmdale owns eight (8) acres of land on US 127 South which was purchased with a US EPA grant for the location of a new sewage treatment facility; Farmdale holds approximately eight hundred, seventy three thousand dollars (\$873,000.00) in funds from the US EPA which may be used for both construction and design of a new facility; its operating bank account contained eighty three thousand, three hundred and ninety-nine dollars and fourteen cents (\$83,399.14) on January 31, 2017 (See Farmers Bank statement attached).

b. Describe Farmdale's financial ability and resources to manage and operate the Ridgelea facilities proposed to be transferred, including, but not limited to, available funds, lines of credit, loans, grants, or other financial support.

ANSWER: See Answer to 5a.

c. Describe Farmdale's managerial ability and resources to manage and operate the Ridgelea facilities proposed to be transferred.

ANSWER: See Answer to 5a.

d. If Farmdale has entered into a contract with any third party regarding the performance of technical, financial, or managerial services by the third party on behalf of

Farmdale, provide a copy of each contract.

ANSWER: No, except as to Answer 5a.

6. If Ridgelea holds any deposits of customers served by the facilities proposed to be transferred to Farmdale, state whether Ridgelea will refund the deposits that it holds, transfer the deposited funds to Farmdale, or apply or transfer the funds to another use. If applied for another use, identify the other use.

ANSWER: None.

7. State the rate that Farmdale intends to charge current customers of the facilities proposed to be transferred to it by Ridgelea.

ANSWER: Farmdale will charge the same rates or those currently charged by Ridgelea. Farmdale has no customers except those served by its recently acquired Evergreen Sewage Disposal, Inc. WWTP.

8. State whether Farmdale intends to continue to operate any of the wastewater treatment plants proposed to be transferred to it by Ridgelea. If not, state the manner in which Farmdale intends to treat the effluent currently treated by the wastewater treatment plants.

ANSWER: Ridgelea intends to continue operating the WWTPs until its assets are transferred to Farmdale and Farmdale notifies Evergreen that it has a certified operator ready to continue operation.

9. Provide the Total Utility Plant and the associated Accumulated Depreciation values that are to be transferred from Ridgelea's wastewater system.

ANSWER: See Attached 1120S.

10. The Annual Report of Ridgelea Investments, Inc. to the Public Service Commission for the Year ended December 31, 2015 at page 25 indicates that Ridgelea has 349 customers. State how many of these customers will be served by Farmdale upon completion of the transfer.

ANSWER: 191 which are all the customers in Franklin County.

11. If the Commission grants Ridgelea's application for approval of the transfer of its Franklin County wastewater treatment facilities to Farmdale, state whether Ridgelea or Farmdale intends to give notice of the transfer to the customers served by the facilities and to provide customers with Farmdale's contact information for service and billing issues.

ANSWER: Farmdale.

Respectfully Submitted,



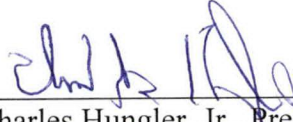
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**VERIFICATION**

On behalf of Ridgelea Sewage Disposal, Inc., I have read the above answers and believe then to be true and accurate.

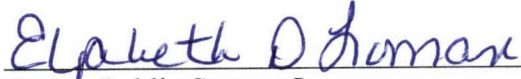
Ridgelea Sewage Disposal, Inc.



Charles Hungler, Jr., President

Commonwealth of Kentucky )  
  )Ss.  
County of Franklin                )

Subscribed, sworn to and acknowledged before me this 17<sup>th</sup> day of July, 2017, by Charles Hungler, Jr., as President, Ridgelea Sewage Disposal, Inc. .



Notary Public State at Large,  
Commonwealth of Kentucky  
My Commission expires:  
Notary ID:

**ANSWER NO. 2**

**ATTACHMENT**

**RIDGELEA INVESTMENTS, INC.'S  
FEBRUARY 1, 2017  
MEETING MINUTES**

Extract of Minutes of Meeting of the Board of Directors of  
Ridgelea Investments, Inc., February 1, 2017

A meeting of the Board of Directors of Ridgelea Investments, Inc., was held at 2106 W North Bend Road, Cincinnati, Ohio. All directors were in attendance, namely, Charles Hungler, Jr. and Karen Hungler.

Among other matters the following were discussed:

The completion of an agreement to transfer ownership all of the corporation's wastewater treatment plants in Franklin County Kentucky to the Farmdale Sanitation District. The wastewater treatment plants which shall be transferred include the respective three plants which serve the Edgewood, Meadowbrook and Farmgate subdivisions in Franklin County Kentucky.

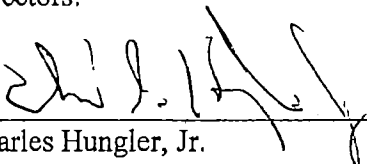
The directors unanimously agreed to the following, immediate action:

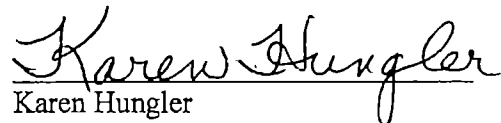
Charles Hungler, the President of the corporation, is authorized to execute a Real Estate Purchase Agreement with the Farmdale Sanitation District for the transfer of ownership of the aforesaid wastewater treatment plants without monetary consideration and to execute the deed or deeds and any other ancillary documents necessary to complete the transfer.

The above described action was approved and the meeting adjourned by unanimous consent.

Approved by:

Directors:

  
\_\_\_\_\_  
Charles Hungler, Jr.

  
\_\_\_\_\_  
Karen Hungler

**ANSWER NO. 9**

**ATTACHMENT**

**RIDGELEA INVESTMENTS, INC.'S  
ASSETS BY CLASSIFICATION - 1120S**



**Assets by Classification - 1120S**

(M) = MULBERRY

12/31/2016

RIDGELEA INV.-FOR PSC DEPRECIATION ONLY

Item No.	Description of Property **** indicates DISPOSED	Date Placed In Service	Asset Code	Business Use %	Cost or Other Basis	Sec. 179 Deduction	Credit	Special Allowance	Salvage Value	Recovery Basis	Recovery Period	Method	Con-vention Code	Prior Accum. Deprec., 179, Bonus	2016 Deprec.	2016 Accum. Deprec.
<b>5-yr Construction assets</b>																
373-G	TREATMENT & DISPOSAL	1/1/1979	F-18	100.00%	55,117 (M)	0	0	0	0	55,117	40.0	SL/GDS	HY	39,967	1,378	41,345
374-G	PLANT SEWERS-G	1/1/1979	F-18	100.00%	25,018	0	0	0	0	25,018	40.0	SL/GDS	HY	22,828	625	23,453
352-1M	COLLECTIONS SEWERS	1/1/1990	F-18	100.00%	7,493	0	0	0	0	7,493	10.0	SL	HY	7,493	0	7,493
373-M	TREATMENT & DISPOSAL	1/1/1990	F-18	100.00%	19,275	0	0	0	0	19,275	10.0	SL	HY	19,275	0	19,275
378	TREATMENT EQUIP.-IN 2012	6/1/2012	F-18	100.00%	12,000 (1/2 M)	0	0	0	0	12,000	10.0	SL/ADS	HY	4,200	1,200	5,400
Total: 5-yr Construction assets					118,903	0	0	0	0	118,903				93,763	3,203	96,966
<b>7-yr General purpose tools, machinery, and equipment</b>																
376-G	OTHER DISPOSAL EQUIPME	1/1/1979	F-10	100.00%	2,000 (M)	0	0	0	0	2,000	7.0	SL	HY	2,000	0	2,000
393DG	POWER OPERATED EQUIPM	1/1/1979	F-10	100.00%	18,307 (M)	0	0	0	0	18,307	10.0	SL	HY	18,307	0	18,307
393AM	STORES EQUIP- <del>G</del>	1/1/1990	F-10	100.00%	699	0	0	0	0	699	10.0	SL	HY	699	0	699
393BM	SHOP EQUIP- <del>NE</del>	1/1/1990	F-10	100.00%	1,983	0	0	0	0	1,983	10.0	SL	HY	1,983	0	1,983
393FM	OTHER TANGIBLE EQUIPME	1/1/1990	F-10	100.00%	1,652	0	0	0	0	1,652	10.0	SL	HY	1,652	0	1,652
393BG	SHOP EQUIPMENT-M	1/1/2003	F-10	100.00%	2,214 (M)	0	0	0	0	2,214	5.0	SL	HY	2,214	0	2,214
376M3	FLOW METER-M	9/11/2004	F-10	100.00%	2,010 (M)	0	0	0	0	2,010	10.0	SL	HY	2,010	0	2,010
376M2	AERATOR-M	6/30/2005	F-10	100.00%	1,939 (M)	0	0	0	0	1,939	10.0	SL	HY	1,939	0	1,939
377	EQUIPMENT IN 2012	6/1/2012	F-10	100.00%	10,200 (1/2 M)	0	0	0	0	10,200	10.0	SL/ADS	HY	3,570	1,020	4,590
Total: 7-yr Genl purp tools, mach, equip					41,004	0	0	0	0	41,004				34,374	1,020	35,394
<b>Land</b>																
310-M	LAND-M	1/1/1990	N-1	100.00%	1,851 (M)	0	0	0	0	1,851	0			0	0	0
Total: Land					1,851	0	0	0	0	1,851				0	0	0
<b>Amortization - 197 - Intangibles (goodwill, etc.)</b>																
109	UTILITY PLANT ACQ AD	8/30/2003	Z-9	100.00%	8,149 (M)	0	0	0	0	8,149	15.0	SL	FM	6,745	543	7,288
Total: Amort - 197 - Intangible costs					8,149	0	0	0	0	8,149				6,745	543	7,288
SubTotals					169,907	0	0	0	0	169,907				134,882	4,766	139,648
Less: Disposed Assets					( 0 )	( 0 )	( 0 )	( 0 )	( 0 )	( 0 )				( 0 )	( 0 )	( 0 )
Ending Totals					169,907	0	0	0	0	169,907				134,882	4,766	139,648