

September 18, 2012

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, KY 40602

RECEIVED
SEP 26 2012
PUBLIC SERVICE
COMMISSION

Re: Ridgelea Investments, Inc. 2009-00500 Quarterly Surcharge Report

Dear Sirs:

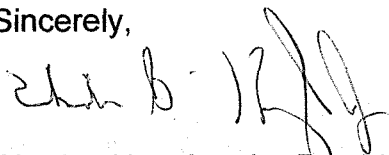
Pursuant to the PSC's Final Order in the above-referenced case, Ridgelea is required to file quarterly activity reports concerning its \$5.45 per month customer surcharge. These reports shall include the monthly surcharge billings and collections, the monthly surcharge bank statement, a detailed listing of payments from the account, and invoices supporting the payments. Please find attached the latest bank statement and the notifications from the Farmdale Water District of monthly surcharge billings and collections.

The surcharge was instituted to pay for an Inflow and Infiltration Study mandated by the Division of Water ("DOW"). Our last quarterly report mentioned that a study was completed of the Meadowbrook system. However, the DOW was not satisfied with the smoke-test results of that study, and subsequently required a closed-circuit video survey of Meadowbrook. This video survey was completed within the past few weeks, and found that a conservative minimum estimate to repair the 1,000-foot sewer line at Meadowbrook would cost \$60,000. A more comprehensive replacement of the entire line and addition of some needed manholes would cost \$120,000 or more.

Importantly, the video survey found that most of the leakage problems in the sewer lines were caused by root intrusions from water maple trees. Meadowbrook is a very old neighborhood with many water maple trees, and some of these trees may need to be cut down to fully address the problem.

Please contact me at (513) 284-6116 if you have any questions.

Sincerely,



Charles Hungler, Jr., President
Ridgelea Investments, Inc.

FARMDALE WATER DISTRICT
100 HIGHWOOD DRIVE
FRANKFORT, KENTUCKY 40601

COMMISSIONERS:
CLIFFORD TOLES, CHAIRMAN
YVONNE HILL, TREASURER
CRAIG BLANTON, SECRETARY

TELEPHONE
(502) 223-3562
FAX: (502) 352-2999

Ridgelea Investments

Service Dates: 06/19/12 – 07/20/12 (188 collections)

Gross Sewer Fees:	6487.29
Surcharges:	1003.40
District Fees:	1123.60
Net amount:	6367.09

FARMDALE WATER DISTRICT
100 HIGHWOOD DRIVE
FRANKFORT, KENTUCKY 40601

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Ridgelea Investments

Dates of Service: 04/18/12 – 05/18/12 (188 collections)

Gross sewer fees collected:	6477.75
Surcharges:	1012.45
District Fees:	- 1123.53
Net amount:	6366.67
	<u>1012.45</u>
	5354.22

FARMDALE WATER DISTRICT

100 HIGHWOOD DRIVE
FRANKFORT, KENTUCKY 40601

COMMISSIONERS:
BERL ROBINSON, CHAIRMAN
YVONNE HILL, SECRETARY
CLIFFORD TOLES, TREASURER

TELEPHONE
223-3562

Ridgelea Investments

Dates of Service: 05/18/12 – 06/19/12 (188 services)

Gross sewer fees:	6492.21
Surcharge :	1015.55
District fees: -	1126.17
Net amount:	6381.59

DATE	NOTATIONS	DEPOSITS		INTEREST/ DIVIDENDS	WITHDRAWALS/ TRANSFERS	BALANCE FORWARD	
1/9/12	Deposit					6059	72
		1006	81			Deposit / Withdrawal	1006 81
						Balance	7066 53
2/11/12	Deposit					Deposit / Withdrawal	1059 90
		1059	90		TR. 2 90	Balance	8125 43
4/12/12	Deposit					Deposit / Withdrawal	1018 00
		1018	00			Balance	9143 43
5/10/12	Deposit					Deposit / Withdrawal	992 48
		992	48			Balance	10145 91
3/3/12	Deposit					Deposit / Withdrawal	1036 45
		1036	45			Balance	11182 36
6/9	Deposit					Deposit / Withdrawal	1020 66
		1020	66			Balance	12203 02

6/30	W. RL Bond					Deposit / Withdrawal	4100 00
	Any Hall Environmental Market Bank				4100 00	Balance	8103 02
7/21	Deposit					Deposit / Withdrawal	1012 45
		1012	45			Balance	9115 47
8/11	Deposit					Deposit / Withdrawal	1126 17
		1126	17			Balance	10241 64
9/15	Deposit					Deposit / Withdrawal	1003 40
		1003	40			Balance	11245 04
						Deposit / Withdrawal	
						Balance	
						Deposit / Withdrawal	
						Balance	
						Deposit / Withdrawal	
						Balance	