



Steven L. Beshear
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Commonwealth of Kentucky
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James W. Gardner
Vice Chairman

Linda K. Breathitt
Commissioner

March 26, 2013

Anthony G. Martin, Esq.
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201 South Main Street
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300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801

W. Randall Jones, Esq.
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202

Re: Case No. 2012-00470
Jessamine-South Elkhorn Water District

Ms. Braun and Gentlemen:

The enclosed documents have been filed in the record of the above-referenced case. Any objections to this action should be submitted to the Commission within five days of receipt of this letter.

Sincerely,

Jeff Derouen
Executive Director

gw

Enclosures

1. Email Msg dtd 3/17/2013
2. Email Msg dtd 3/25/2013

From: [Bruce Smith](#)
To: [Wuetcher, Jerry \(PSC\)](#)
Cc: [Watt, Robert](#); monica.braun@skofirm.com
Subject: PSC Case No. 2012-00470
Date: Sunday, March 17, 2013 4:37:23 PM
Attachments: [CatnipTankExtensions.pdf](#)

Mr. Wuetcher

Attached is one of the additional items requested at the hearing last week (DOW/Clearinghouse Extensions). I am working on the other.

If you would prefer, I can file thiis in an official format with multiple copies. Please advise.

Bruce E. Smith

Bruce E. Smith Law Offices, PLLC
201 South Main Street
Nicholasville, KY 40356
Phone: (859) 885-3393
FAX: (859) 885-1152
bruce@smithlawoffice.net

The following warning is required by the IRS whenever tax advice is given. If this email contains no direct or indirect tax advice, the warning is not applicable. As a result of perceived abuses, the Treasury has recently promulgated Regulations for practice before the IRS. These Circular 230 regulations require all attorneys and accountants to provide extensive disclosure when providing certain written tax communications to clients. In order to comply with our obligations under these Regulations, we would like to inform you that since this document does not contain all of such disclosure, you may not rely on any tax advice contained in this document to avoid tax penalties nor may any portion of this document be referred in any marketing or promotional materials.

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Horne, John

From: Rasche, Mark (EEC) <Mark.Rasche@ky.gov>
Sent: Wednesday, March 06, 2013 4:33 PM
To: john@horneeng.com
Subject: RE: Jessamine-South Elkhorn Water District - Time Extension

John,

The Catnip Hill Pike Tank project was bid within time to allow for construction to begin before the permit expires. Due to the Public Service Commission intervention, the beginning of this project was delayed. Due to this circumstance for this particular project, the approval letter will be considered valid until two months after the Public Service Commission issues an order in this case.

Mark

Mark Rasche, P. E.
Supervisor, Engineering Section
Water Infrastructure Branch
Division of Water
200 Fair Oaks Lane
Frankfort, KY 40601
Phone (502)564-3410 (main), (502)564-8158 x4804 (direct)
Fax (502)564-0111

From: Horne, John [<mailto:john@horneeng.com>]
Sent: Monday, March 04, 2013 3:53 PM
To: Rasche, Mark (EEC)
Subject: Jessamine-South Elkhorn Water District - Time Extension

Please see attached request.

John G. Horne

Horne Engineering, Inc.
216 S. Main Street
Nicholasville, KY 40356
859-885-9441

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STEVEN L. BESHEAR
GOVERNOR

DEPARTMENT FOR LOCAL DEVELOPMENT
OFFICE OF THE GOVERNOR
1024 CAPITAL CENTER DRIVE, SUITE 340
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PHONE (502) 573-2382 FAX (502) 573-2939
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www.dlg.ky.gov

TONY WILDER
COMMISSIONER

March 4, 2013

Mr. John Horne
Horne Engineering, Inc.
216 South Main Street
Nicholasville, KY 40356

**RE: CATNIP HILL PIKE 1.0 MG ELEVATED STORAGE TANK
WX21113016
SAI# KY20110427-0603
CFDA# 10.760**

Dear Mr. Horne:

Pursuant to your request, the State Clearinghouse will update its evaluation of SAI# **KY20110427-0603**. The State Clearinghouse has contacted appropriate state agencies and determined its previous comments regarding this proposal are still valid.

Please consider this correspondence as official notification that the State Clearinghouse is reaffirming its previous correspondence. This endorsement remains valid for a period of one (1) year from the date of this letter.

If you have any questions regarding this matter, please feel free to contact the State Clearinghouse at 502-573-2382.

Sincerely,

A handwritten signature in blue ink that reads "Lee Nalley".

Lee Nalley
Kentucky State Clearinghouse

From: [Bruce Smith](#)
To: [Wuetcher, Jerry \(PSC\)](#)
Cc: [Watt, Robert](#); monica.braun@skofirm.com; Agmlaw@aol.com
Subject: PSC Case No. 2012-00470
Date: Monday, March 25, 2013 2:34:32 PM
Attachments: [New Finance Numbers .XLS](#)

Mr. Wuetcher

Attached is the last additional piece of information that PSC Staff requested at the hearing.

Bruce E. Smith

Bruce E. Smith Law Offices, PLLC
201 South Main Street
Nicholasville, KY 40356
Phone: (859) 885-3393
FAX: (859) 885-1152
bruce@smithlawoffice.net

The following warning is required by the IRS whenever tax advice is given. If this email contains no direct or indirect tax advice, the warning is not applicable. As a result of perceived abuses, the Treasury has recently promulgated Regulations for practice before the IRS. These Circular 230 regulations require all attorneys and accountants to provide extensive disclosure when providing certain written tax communications to clients. In order to comply with our obligations under these Regulations, we would like to inform you that since this document does not contain all of such disclosure, you may not rely on any tax advice contained in this document to avoid tax penalties nor may any portion of this document be referred in any marketing or promotional materials.

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Preliminary

\$1,235,000

Jessamine South Elkhorn Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Sources & Uses

Dated 05/15/2013 | Delivered 05/15/2013

Sources Of Funds

Par Amount of Bonds	\$1,235,000.00
Reoffering Premium	5,075.35

Total Sources **\$1,240,075.35**

Uses Of Funds

Total Underwriter's Discount (1.750%)	21,612.50
Costs of Issuance	23,525.00
Deposit to Project Construction Fund	1,192,000.00
Rounding Amount	2,937.85

Total Uses **\$1,240,075.35**

Preliminary

\$1,235,000

Jessamine South Elkhorn Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/15/2013	-	-	-	-	-
02/01/2014	-	-	31,171.56	31,171.56	-
08/01/2014	25,000.00	2.050%	21,917.50	46,917.50	-
12/31/2014	-	-	-	-	78,089.06
02/01/2015	-	-	21,661.25	21,661.25	-
08/01/2015	35,000.00	2.200%	21,661.25	56,661.25	-
12/31/2015	-	-	-	-	78,322.50
02/01/2016	-	-	21,276.25	21,276.25	-
08/01/2016	35,000.00	2.300%	21,276.25	56,276.25	-
12/31/2016	-	-	-	-	77,552.50
02/01/2017	-	-	20,873.75	20,873.75	-
08/01/2017	35,000.00	2.400%	20,873.75	55,873.75	-
12/31/2017	-	-	-	-	76,747.50
02/01/2018	-	-	20,453.75	20,453.75	-
08/01/2018	35,000.00	2.500%	20,453.75	55,453.75	-
12/31/2018	-	-	-	-	75,907.50
02/01/2019	-	-	20,016.25	20,016.25	-
08/01/2019	40,000.00	2.750%	20,016.25	60,016.25	-
12/31/2019	-	-	-	-	80,032.50
02/01/2020	-	-	19,466.25	19,466.25	-
08/01/2020	40,000.00	3.500%	19,466.25	59,466.25	-
12/31/2020	-	-	-	-	78,932.50
02/01/2021	-	-	18,766.25	18,766.25	-
08/01/2021	40,000.00	3.500%	18,766.25	58,766.25	-
12/31/2021	-	-	-	-	77,532.50
02/01/2022	-	-	18,066.25	18,066.25	-
08/01/2022	40,000.00	3.500%	18,066.25	58,066.25	-
12/31/2022	-	-	-	-	76,132.50
02/01/2023	-	-	17,366.25	17,366.25	-
08/01/2023	45,000.00	3.500%	17,366.25	62,366.25	-
12/31/2023	-	-	-	-	79,732.50
02/01/2024	-	-	16,578.75	16,578.75	-
08/01/2024	45,000.00	3.500%	16,578.75	61,578.75	-
12/31/2024	-	-	-	-	78,157.50
02/01/2025	-	-	15,791.25	15,791.25	-
08/01/2025	45,000.00	3.550%	15,791.25	60,791.25	-
12/31/2025	-	-	-	-	76,582.50
02/01/2026	-	-	14,992.50	14,992.50	-
08/01/2026	45,000.00	3.600%	14,992.50	59,992.50	-
12/31/2026	-	-	-	-	74,985.00
02/01/2027	-	-	14,182.50	14,182.50	-
08/01/2027	50,000.00	3.650%	14,182.50	64,182.50	-
12/31/2027	-	-	-	-	78,365.00
02/01/2028	-	-	13,270.00	13,270.00	-

Raymond James

Preliminary

\$1,235,000

Jessamine South Elkhorn Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2028	50,000.00	3.650%	13,270.00	63,270.00	-
12/31/2028	-	-	-	-	76,540.00
02/01/2029	-	-	12,357.50	12,357.50	-
08/01/2029	55,000.00	3.650%	12,357.50	67,357.50	-
12/31/2029	-	-	-	-	79,715.00
02/01/2030	-	-	11,353.75	11,353.75	-
08/01/2030	55,000.00	3.750%	11,353.75	66,353.75	-
12/31/2030	-	-	-	-	77,707.50
02/01/2031	-	-	10,322.50	10,322.50	-
08/01/2031	55,000.00	3.750%	10,322.50	65,322.50	-
12/31/2031	-	-	-	-	75,645.00
02/01/2032	-	-	9,291.25	9,291.25	-
08/01/2032	60,000.00	3.850%	9,291.25	69,291.25	-
12/31/2032	-	-	-	-	78,582.50
02/01/2033	-	-	8,136.25	8,136.25	-
08/01/2033	60,000.00	3.800%	8,136.25	68,136.25	-
12/31/2033	-	-	-	-	76,272.50
02/01/2034	-	-	6,996.25	6,996.25	-
08/01/2034	65,000.00	3.900%	6,996.25	71,996.25	-
12/31/2034	-	-	-	-	78,992.50
02/01/2035	-	-	5,728.75	5,728.75	-
08/01/2035	65,000.00	4.000%	5,728.75	70,728.75	-
12/31/2035	-	-	-	-	76,457.50
02/01/2036	-	-	4,428.75	4,428.75	-
08/01/2036	70,000.00	4.000%	4,428.75	74,428.75	-
12/31/2036	-	-	-	-	78,857.50
02/01/2037	-	-	3,028.75	3,028.75	-
08/01/2037	70,000.00	4.100%	3,028.75	73,028.75	-
12/31/2037	-	-	-	-	76,057.50
02/01/2038	-	-	1,593.75	1,593.75	-
08/01/2038	75,000.00	4.250%	1,593.75	76,593.75	-
12/31/2038	-	-	-	-	78,187.50
Total	\$1,235,000.00	-	\$705,086.56	\$1,940,086.56	-

Raymond James

Preliminary

\$1,235,000

Jessamine South Elkhorn Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	\$18,600.72
Average Life	15.061 Years
Average Coupon	3.7906408%

Net Interest Cost (NIC)	3.8795467%
True Interest Cost (TIC)	3.8803371%
Bond Yield for Arbitrage Purposes	3.7197049%
All Inclusive Cost (AIC)	4.1154916%

IRS Form 8038

Net Interest Cost	3.7853931%
Weighted Average Maturity	14.912 Years

Preliminary

\$1,235,000

Jessamine South Elkhorn Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
12/31/2013	-	-	-	-	450.00	450.00
12/31/2014	25,000.00	2.050%	53,089.06	78,089.06	450.00	78,539.06
12/31/2015	35,000.00	2.200%	43,322.50	78,322.50	450.00	78,772.50
12/31/2016	35,000.00	2.300%	42,552.50	77,552.50	450.00	78,002.50
12/31/2017	35,000.00	2.400%	41,747.50	76,747.50	450.00	77,197.50
12/31/2018	35,000.00	2.500%	40,907.50	75,907.50	450.00	76,357.50
12/31/2019	40,000.00	2.750%	40,032.50	80,032.50	450.00	80,482.50
12/31/2020	40,000.00	3.500%	38,932.50	78,932.50	450.00	79,382.50
12/31/2021	40,000.00	3.500%	37,532.50	77,532.50	450.00	77,982.50
12/31/2022	40,000.00	3.500%	36,132.50	76,132.50	450.00	76,582.50
12/31/2023	45,000.00	3.500%	34,732.50	79,732.50	450.00	80,182.50
12/31/2024	45,000.00	3.500%	33,157.50	78,157.50	450.00	78,607.50
12/31/2025	45,000.00	3.550%	31,582.50	76,582.50	450.00	77,032.50
12/31/2026	45,000.00	3.600%	29,985.00	74,985.00	450.00	75,435.00
12/31/2027	50,000.00	3.650%	28,365.00	78,365.00	450.00	78,815.00
12/31/2028	50,000.00	3.650%	26,540.00	76,540.00	450.00	76,990.00
12/31/2029	55,000.00	3.650%	24,715.00	79,715.00	450.00	80,165.00
12/31/2030	55,000.00	3.750%	22,707.50	77,707.50	450.00	78,157.50
12/31/2031	55,000.00	3.750%	20,645.00	75,645.00	450.00	76,095.00
12/31/2032	60,000.00	3.850%	18,582.50	78,582.50	450.00	79,032.50
12/31/2033	60,000.00	3.800%	16,272.50	76,272.50	450.00	76,722.50
12/31/2034	65,000.00	3.900%	13,992.50	78,992.50	450.00	79,442.50
12/31/2035	65,000.00	4.000%	11,457.50	76,457.50	450.00	76,907.50
12/31/2036	70,000.00	4.000%	8,857.50	78,857.50	450.00	79,307.50
12/31/2037	70,000.00	4.100%	6,057.50	76,057.50	450.00	76,507.50
12/31/2038	75,000.00	4.250%	3,187.50	78,187.50	-	78,187.50
Total	\$1,235,000.00	-	\$705,086.56	\$1,940,086.56	\$11,250.00	\$1,951,336.56

Raymond James

Public Finance

Preliminary

\$1,235,000

Jessamine South Elkhorn Water District

Potential Loan through the Kentucky Rural Water Finance Corporation

Pricing Summary

<u>Maturity</u>	<u>Type of Bond</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity Value</u>	<u>Price</u>	<u>Dollar Price</u>
08/01/2014	Serial Coupon	2.050%	1.160%	25,000.00	101.066%	25,266.50
08/01/2015	Serial Coupon	2.200%	1.320%	35,000.00	101.910%	35,668.50
08/01/2016	Serial Coupon	2.300%	1.480%	35,000.00	102.561%	35,896.35
08/01/2017	Serial Coupon	2.400%	1.680%	35,000.00	102.914%	36,019.90
08/01/2018	Serial Coupon	2.500%	1.930%	35,000.00	102.811%	35,983.85
08/01/2019	Serial Coupon	2.750%	2.180%	40,000.00	103.292%	41,316.80
08/01/2020	Serial Coupon	3.500%	2.420%	40,000.00	107.104%	42,841.60
08/01/2021	Serial Coupon	3.500%	2.670%	40,000.00	106.080%	42,432.00
08/01/2022	Serial Coupon	3.500%	2.910%	40,000.00	104.734%	41,893.60
08/01/2023	Serial Coupon	3.500%	3.110%	45,000.00	103.386%	46,523.70
08/01/2024	Serial Coupon	3.500%	3.260%	45,000.00	102.235%	46,005.75
08/01/2025	Serial Coupon	3.550%	3.380%	45,000.00	101.685%	45,758.25
08/01/2026	Serial Coupon	3.600%	3.510%	45,000.00	100.941%	45,423.45
08/01/2027	Serial Coupon	3.650%	3.630%	50,000.00	100.216%	50,108.00
08/01/2028	Serial Coupon	3.650%	3.700%	50,000.00	99.418%	49,709.00
08/01/2029	Serial Coupon	3.650%	3.770%	55,000.00	98.550%	54,202.50
08/01/2030	Serial Coupon	3.750%	3.830%	55,000.00	98.994%	54,446.70
08/01/2031	Serial Coupon	3.750%	3.910%	55,000.00	97.925%	53,858.75
08/01/2032	Serial Coupon	3.850%	3.940%	60,000.00	98.790%	59,274.00
08/01/2033	Serial Coupon	3.800%	4.000%	60,000.00	97.241%	58,344.60
08/01/2034	Serial Coupon	3.900%	4.040%	65,000.00	98.013%	63,708.45
08/01/2035	Serial Coupon	4.000%	4.100%	65,000.00	98.546%	64,054.90
08/01/2036	Serial Coupon	4.000%	4.150%	70,000.00	97.773%	68,441.10
08/01/2037	Serial Coupon	4.100%	4.190%	70,000.00	98.633%	69,043.10
08/01/2038	Serial Coupon	4.250%	4.350%	75,000.00	98.472%	73,854.00
Total	-	-	-	\$1,235,000.00	-	\$1,240,075.35

Bid Information

Par Amount of Bonds	\$1,235,000.00
Reoffering Premium or (Discount)	5,075.35
Gross Production	\$1,240,075.35
Total Underwriter's Discount (1.750%)	\$(21,612.50)
Bid (98.661%)	1,218,462.85
Total Purchase Price	\$1,218,462.85
Bond Year Dollars	\$18,600.72
Average Life	15.061 Years
Average Coupon	3.7906408%
Net Interest Cost (NIC)	3.8795467%
True Interest Cost (TIC)	3.8803371%

Raymond James