

DORSEY, GRAY, NORMENT & HOPGOOD

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October 10, 2016

FEDEX

RECEIVED

OCT 11 2016

PUBLIC SERVICE
COMMISSION

Dr. Talina R. Mathews
Executive Director
Kentucky Public Service Commission
Post Office Box 615
Frankfort, KY 40602

Re: Beech Grove Water System, Inc. .
Case No. 2016-255

Dear Dr. Mathews:

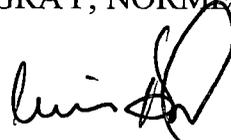
Enclosed for filing please find the original and 10 copies of Amended Application.

Your assistance in this matter is appreciated.

Respectfully,

DORSEY, GRAY, NORMENT & HOPGOOD

By



J. Christopher Hopgood
Attorney for Kenergy Corp.

JCH/cds
Encls.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

OCT 11 2016

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

**THE APPLICATION OF BEECH GROVE)
WATER SYSTEM, INC. TO INCUR)
INDEBTEDNESS OF \$100,000.00 FOR THE)
PURCHASE OF A METERING SYSTEM)**

CASE NO. 2016-255

AMENDED APPLICATION

The applicant, **BEECH GROVE WATER SYSTEM, INC.** (the "District"), files this Amended Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an order authorizing the District to incur indebtedness in the approximate principal amount of \$100,000 for the purpose of purchasing an automated metering system. In support of this application and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The District was established as a non-profit corporation on or about March 13, 1970, when its articles of incorporation were filed with the Kentucky Secretary of State. The applicant attests that it is in good standing. A copy of its bylaws is on file in Case No. 2010-00309. The District is now, and has been since its inception, regulated by the Commission, and all records and proceeds of the Commission with reference to the District are incorporated in this application by reference.

2. The governing body of the District is its Board of Directors with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 273.161, et seq. and all applicable laws and regulations.

3. The mailing address of the District is as follows:

Beech Grove Water Systems, Inc.
445 State Route 56 N
Calhoun, Kentucky 42327
Telephone: (270) 273-5738
Telefax: (270) 273-5770
Email: beechgrovewaters@bellsouth.net

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2015 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The District proposes to borrow funds from Rural Water Revolving Loan Fund ("Rural Water") pursuant to a note or financing agreement (the "Rural Water Loan"), in the estimated principal amount of \$100,000.00 for the purpose of purchasing a Zenner USA fixed base automated metering system from G & C Supply Co., Inc.

6. The estimated debt service for the GCC Loan is shown in "Exhibit A," which is attached hereto and incorporated herein by reference. The debt service schedule and estimated interest rates are fixed. Applicant is electing the 10 year term with monthly payments of \$966, an interest rate of 3.00% fixed with the first payment beginning one month after execution and continuing thereafter for an additional 119 months.

7. The Rural Water Loan will provide the District with the funds necessary to purchase the above referenced automated metering system.

8. The Uses of Funds to be obtained from the issuance of the Rural Water were previously filed herein.

9. The Debt Service Schedule of the Loan for the purchase of the meters is set forth in "Exhibit A."

10. The District represents that the Rural Water Loan is in the public interest and is intended to accomplish the purpose of strengthening the operations of the District by enabling it to acquire a modern and efficient metering system. This is a lawful object within the corporate purposes of the District's utility operations. The Rural Water Loan is necessary, appropriate for, and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service. The loan will not result in a rate increase.

11. The District represents that it will, as soon as reasonable possible after the closing of the Rural Water Loan, file with the Commission a statement setting forth the date of execution of the Rural Water, the price paid, and the fees and expenses incurred in the execution of the Rural Water Loan.

12. The detailed Statement of Revenues, Expenses and Changes in Net Position, Statement of Net Position and Statement of Cash Flows for the 12 month period ending on December 31, 2015, are contained in the annual report on file and incorporated herein by reference.

13. Pursuant to 807 KAR 5:001, Section 12 – Financial Exhibit; the District hereby responds as follows:

(i) Section 12(1)(b): The District states that it had less than \$5,000,000.00 in gross annual revenue in the immediate past calendar year and that no material changes to the District's financial condition have occurred since the end of the 12 month period contained in the District's most recent annual report on file with the Commission.

(ii) Section 12(2)(a), (b) and (c) Stock: The District states that its authorized, issued and outstanding stock as of the date hereto is held by each consumer in the District.

(iii) Section 12(2)(d) Mortgages: The District does not have any outstanding mortgages as of the date hereof.

(iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of the District is contained in the 2015 Annual Report on file with this Commission.

(v) Section 12(2)(h) Dividends: The District pays no dividends.

(vi) Section 12(2)(i) Financial Statements: See paragraph No. 12 above.

14. Pursuant to 807 KAR 5:001, Section 18, the District hereby responds as follows:

(i) Section 18(1)(a): The District has complied with the requirements of 807 KAR 5:001, Section 14.

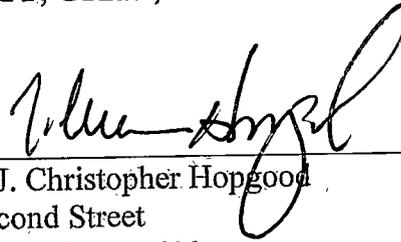
- (ii) Section 18(1)(b): A general description of the District's property, its field of operation and a statement of original cost of said property and the cost to the District is contained in the District's 2015 Annual Report on file with this Commission. Copies of the deeds to land owned by the Applicant were previously filed.
- (iii) Section 18(1)(c): The District is not issuing any stock as part of this financing. The information concerning the proposed Rural Water Loan is contained in this Application. The Rural Water Loan will be secured by and payable from the gross revenues of the District's water system.
- (iv) Section 18(1)(d): The proceeds of the Rural Water Loan are being used to acquire the above referenced metering system.
- (v) Section 18(1)(e): The property that is being acquired with the proceeds of the Rural Water Loan was previously filed herein.
- (vi) Section 18(1)(f): The loan is not being used to re-amortize existing debt.
- (vii) Section 18(1)(g): Written notification of the proposed issuance of the Rural Water Loan is being provided to the State Local Debt Officer.
- (viii) Section 18(2)(a): See paragraph No. 13 above.
- (ix) Section 18(2)(b): The District does not have any outstanding trust deeds or mortgages.
- (x) Section 18(2)(c): The property being acquired with the proceeds of the Rural Water Loan was previously filed.
15. No rate adjustment will be necessary.

WHEREFORE, the District respectfully requests that the Commission take the following actions:

1. Authorize the execution of the loan documents.
2. Process this Amended Application without a formal hearing in order to save time and expense. The District will promptly respond to any information requests by the Commission's staff.

DORSEY, GRAY, NORMENT & HOPGOOD

By



J. Christopher Hopgood

318 Second Street

Henderson, KY 42420

Telephone: (270) 826-3965

Telefax: (270) 826-6672

Counsel for Beech Grove Water Systems, Inc.

chopgood@dkgnlaw.com

STATE OF KENTUCKY

COUNTY OF McLean

The affiant, **NATHAN WARD**, being first duly sworn, states: That he is the President of **BEECH GROVE WATER SYSTEMS, INC.**, the Applicant in this case; that he has read the foregoing Amended Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, he believes to be true and correct.

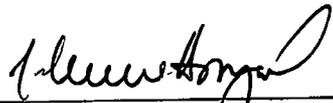
IN TESTIMONY WHEREOF, witness the signature of the undersigned on this the 10th day of October, 2016.



NATHAN WARD

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by
NATHAN WARD, President of **BEECH GROVE WATER SYSTEM, INC.** on this
the 10th day of October, 2016.

My commission expires 5-3-2018



Notary Public, State of Kentucky at Large

(seal)

John Christopher Hopgood, Notary Public My Commission expires 5-3-2018 ID # 509367

Amortization Table

A simple amortization table covering 24 payment periods of a loan.

- 1) To use the table, simply change any of the values in the "initial data" area of the worksheet.
- 2) To print the table, just choose "Print" from the "File" menu. The print area is already defined.

Initial Data

LOAN DATA

Loan amount: \$100,000.00
 Annual interest rate: 3.00%
 Term in years: 10
 Payments per year: 12
 First payment due: 12/1/2016

TABLE DATA

Table starts at date:
 or at payment number: 1

SAMPLE

222.8324878

PERIODIC PAYMENT

Entered payment:
 Calculated payment: \$965.61

The table uses the calculated periodic payment amount unless you enter a value for "Entered payment".

CALCULATIONS

Use payment of: \$965.61
 1st payment in table: 1

Beginning balance at payment 1: 100,000.00
 Cumulative interest prior to payment 1: 0.00

Table

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
1	12/1/2016	100,000.00	250.00	715.61	99,284.39	250.00
2	1/1/2017	99,284.39	248.21	717.40	98,567.00	498.21
3	2/1/2017	98,567.00	246.42	719.19	97,847.81	744.63
4	3/1/2017	97,847.81	244.62	720.99	97,126.82	989.25
5	4/1/2017	97,126.82	242.82	722.79	96,404.03	1,232.07
6	5/1/2017	96,404.03	241.01	724.60	95,679.43	1,473.08
7	6/1/2017	95,679.43	239.20	726.41	94,953.02	1,712.27
8	7/1/2017	94,953.02	237.38	728.22	94,224.80	1,949.66
9	8/1/2017	94,224.80	235.56	730.05	93,494.75	2,185.22
10	9/1/2017	93,494.75	233.74	731.87	92,762.88	2,418.96
11	10/1/2017	92,762.88	231.91	733.70	92,029.18	2,650.86
12	11/1/2017	92,029.18	230.07	735.53	91,293.65	2,880.94
13	12/1/2017	91,293.65	228.23	737.37	90,556.27	3,109.17
14	1/1/2018	90,556.27	226.39	739.22	89,817.06	3,335.56
15	2/1/2018	89,817.06	224.54	741.06	89,075.99	3,560.10
16	3/1/2018	89,075.99	222.69	742.92	88,333.07	3,782.79
17	4/1/2018	88,333.07	220.83	744.77	87,588.30	4,003.63
18	5/1/2018	87,588.30	218.97	746.64	86,841.66	4,222.60
19	6/1/2018	86,841.66	217.10	748.50	86,093.16	4,439.70
20	7/1/2018	86,093.16	215.23	750.37	85,342.78	4,654.93
21	8/1/2018	85,342.78	213.36	752.25	84,590.53	4,868.29
22	9/1/2018	84,590.53	211.48	754.13	83,836.40	5,079.77
23	10/1/2018	83,836.40	209.59	756.02	83,080.39	5,289.36
24	11/1/2018	83,080.39	207.70	757.91	82,322.48	5,497.06
25	12/1/2018	82,322.48	205.81	759.80	81,562.68	5,702.86
26	1/1/2019	81,562.68	203.91	761.70	80,800.98	5,906.77
27	2/1/2019	80,800.98	202.00	763.61	80,037.37	6,108.77
28	3/1/2019	80,037.37	200.09	765.51	79,271.86	6,308.87
29	4/1/2019	79,271.86	198.18	767.43	78,504.43	6,507.05
30	5/1/2019	78,504.43	196.26	769.35	77,735.08	6,703.31
31	6/1/2019	77,735.08	194.34	771.27	76,963.81	6,897.65
32	7/1/2019	76,963.81	192.41	773.20	76,190.62	7,090.06
33	8/1/2019	76,190.62	190.48	775.13	75,415.49	7,280.53
34	9/1/2019	75,415.49	188.54	777.07	74,638.42	7,469.07
35	10/1/2019	74,638.42	186.60	779.01	73,859.41	7,655.67
36	11/1/2019	73,859.41	184.65	780.96	73,078.45	7,840.31
37	12/1/2019	73,078.45	182.70	782.91	72,295.54	8,023.01
38	1/1/2020	72,295.54	180.74	784.87	71,510.67	8,203.75

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Initial Data

LOAN DATA		TABLE DATA	
Loan amount:	\$100,000.00	Table starts at date:	
Annual interest rate:	3.00%	or at payment number:	1
Term in years:	10		
Payments per year:	12		
First payment due:	12/1/2016		
PERIODIC PAYMENT		222.8324878	
Entered payment:		<i>The table uses the calculated periodic payment amount</i>	
Calculated payment:	\$965.61	<i>unless you enter a value for "Entered payment".</i>	
CALCULATIONS			
Use payment of:	\$965.61	Beginning balance at payment 1:	100,000.00
1st payment in table: 1		Cumulative interest prior to payment 1:	0.00

Table

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
39	2/1/2020	71,510.67	178.78	786.83	70,723.84	8,382.53
40	3/1/2020	70,723.84	176.81	788.80	69,935.04	8,559.34
41	4/1/2020	69,935.04	174.84	790.77	69,144.27	8,734.17
42	5/1/2020	69,144.27	172.86	792.75	68,351.52	8,907.03
43	6/1/2020	68,351.52	170.88	794.73	67,556.79	9,077.91
44	7/1/2020	67,556.79	168.89	796.72	66,760.08	9,246.81
45	8/1/2020	66,760.08	166.90	798.71	65,961.37	9,413.71
46	9/1/2020	65,961.37	164.90	800.70	65,160.67	9,578.61
47	10/1/2020	65,160.67	162.90	802.71	64,357.96	9,741.51
48	11/1/2020	64,357.96	160.89	804.71	63,553.25	9,902.41
49	12/1/2020	63,553.25	158.88	806.72	62,746.52	10,061.29
50	1/1/2021	62,746.52	156.87	808.74	61,937.78	10,218.15
51	2/1/2021	61,937.78	154.84	810.76	61,127.02	10,373.00
52	3/1/2021	61,127.02	152.82	812.79	60,314.23	10,525.82
53	4/1/2021	60,314.23	150.79	814.82	59,499.41	10,676.60
54	5/1/2021	59,499.41	148.75	816.86	58,682.55	10,825.35
55	6/1/2021	58,682.55	146.71	818.90	57,863.65	10,972.06
56	7/1/2021	57,863.65	144.66	820.95	57,042.70	11,116.72
57	8/1/2021	57,042.70	142.61	823.00	56,219.70	11,259.32
58	9/1/2021	56,219.70	140.55	825.06	55,394.64	11,399.87
59	10/1/2021	55,394.64	138.49	827.12	54,567.52	11,538.36
60	11/1/2021	54,567.52	136.42	829.19	53,738.33	11,674.78
61	12/1/2021	53,738.33	134.35	831.26	52,907.07	11,809.12
62	1/1/2022	52,907.07	132.27	833.34	52,073.73	11,941.39
63	2/1/2022	52,073.73	130.18	835.42	51,238.31	12,071.58
64	3/1/2022	51,238.31	128.10	837.51	50,400.79	12,199.67
65	4/1/2022	50,400.79	126.00	839.61	49,561.19	12,325.67
66	5/1/2022	49,561.19	123.90	841.70	48,719.48	12,449.58
67	6/1/2022	48,719.48	121.80	843.81	47,875.68	12,571.38
68	7/1/2022	47,875.68	119.69	845.92	47,029.76	12,691.06
69	8/1/2022	47,029.76	117.57	848.03	46,181.72	12,808.64
70	9/1/2022	46,181.72	115.45	850.15	45,331.57	12,924.09
71	10/1/2022	45,331.57	113.33	852.28	44,479.29	13,037.42
72	11/1/2022	44,479.29	111.20	854.41	43,624.88	13,148.62
73	12/1/2022	43,624.88	109.06	856.55	42,768.34	13,257.68
74	1/1/2023	42,768.34	106.92	858.69	41,909.65	13,364.60
75	2/1/2023	41,909.65	104.77	860.83	41,048.82	13,469.38
76	3/1/2023	41,048.82	102.62	862.99	40,185.83	13,572.00

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Initial Data

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Loan amount:	\$100,000.00	Table starts at date:	
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First payment due:	12/1/2016		
PERIODIC PAYMENT		222.8324878	
Entered payment:		<i>The table uses the calculated periodic payment amount</i>	
Calculated payment:	\$965.61	<i>unless you enter a value for "Entered payment".</i>	
CALCULATIONS			
Use payment of:	\$965.61	Beginning balance at payment 1:	100,000.00
1st payment in table: 1		Cumulative interest prior to payment 1:	0.00

Table

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
77	4/1/2023	40,185.83	100.46	865.14	39,320.69	13,672.46
78	5/1/2023	39,320.69	98.30	867.31	38,453.38	13,770.77
79	6/1/2023	38,453.38	96.13	869.47	37,583.91	13,866.90
80	7/1/2023	37,583.91	93.96	871.65	36,712.26	13,960.86
81	8/1/2023	36,712.26	91.78	873.83	35,838.44	14,052.64
82	9/1/2023	35,838.44	89.60	876.01	34,962.43	14,142.24
83	10/1/2023	34,962.43	87.41	878.20	34,084.22	14,229.64
84	11/1/2023	34,084.22	85.21	880.40	33,203.83	14,314.85
85	12/1/2023	33,203.83	83.01	882.60	32,321.23	14,397.86
86	1/1/2024	32,321.23	80.80	884.80	31,436.42	14,478.66
87	2/1/2024	31,436.42	78.59	887.02	30,549.41	14,557.26
88	3/1/2024	30,549.41	76.37	889.23	29,660.17	14,633.63
89	4/1/2024	29,660.17	74.15	891.46	28,768.72	14,707.78
90	5/1/2024	28,768.72	71.92	893.69	27,875.03	14,779.70
91	6/1/2024	27,875.03	69.69	895.92	26,979.11	14,849.39
92	7/1/2024	26,979.11	67.45	898.16	26,080.95	14,916.84
93	8/1/2024	26,080.95	65.20	900.41	25,180.55	14,982.04
94	9/1/2024	25,180.55	62.95	902.66	24,277.89	15,044.99
95	10/1/2024	24,277.89	60.69	904.91	23,372.98	15,105.69
96	11/1/2024	23,372.98	58.43	907.18	22,465.80	15,164.12
97	12/1/2024	22,465.80	56.16	909.44	21,556.36	15,220.28
98	1/1/2025	21,556.36	53.89	911.72	20,644.64	15,274.17
99	2/1/2025	20,644.64	51.61	914.00	19,730.65	15,325.79
100	3/1/2025	19,730.65	49.33	916.28	18,814.37	15,375.11
101	4/1/2025	18,814.37	47.04	918.57	17,895.80	15,422.15
102	5/1/2025	17,895.80	44.74	920.87	16,974.93	15,466.89
103	6/1/2025	16,974.93	42.44	923.17	16,051.76	15,509.32
104	7/1/2025	16,051.76	40.13	925.48	15,126.28	15,549.45
105	8/1/2025	15,126.28	37.82	927.79	14,198.49	15,587.27
106	9/1/2025	14,198.49	35.50	930.11	13,268.38	15,622.77
107	10/1/2025	13,268.38	33.17	932.44	12,335.94	15,655.94
108	11/1/2025	12,335.94	30.84	934.77	11,401.17	15,686.78
109	12/1/2025	11,401.17	28.50	937.10	10,464.07	15,715.28
110	1/1/2026	10,464.07	26.16	939.45	9,524.62	15,741.44
111	2/1/2026	9,524.62	23.81	941.80	8,582.82	15,765.25
112	3/1/2026	8,582.82	21.46	944.15	7,638.67	15,786.71
113	4/1/2026	7,638.67	19.10	946.51	6,692.16	15,805.80
114	5/1/2026	6,692.16	16.73	948.88	5,743.29	15,822.54

Amortization Table

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Initial Data

LOAN DATA

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 First payment due: 12/1/2016

TABLE DATA

Table starts at date:
 or at payment number: 1

PERIODIC PAYMENT

222.8324878

Entered payment: *The table uses the calculated periodic payment amount*
 Calculated payment: **\$965.61** *unless you enter a value for "Entered payment".*

CALCULATIONS

Use payment of: \$965.61 Beginning balance at payment 1: 100,000.00
 1st payment in table: 1 Cumulative interest prior to payment 1: 0.00

Table

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
115	6/1/2026	5,743.29	14.36	951.25	4,792.04	15,836.89
116	7/1/2026	4,792.04	11.98	953.63	3,838.41	15,848.87
117	8/1/2026	3,838.41	9.60	956.01	2,882.40	15,858.47
118	9/1/2026	2,882.40	7.21	958.40	1,924.00	15,865.68
119	10/1/2026	1,924.00	4.81	960.80	963.20	15,870.49
120	11/1/2026	963.20	2.41	963.20	0.00	15,872.89