

Matthew G. Bevin  
Governor

Charles G. Snavely  
Secretary  
Energy and Environment Cabinet



Commonwealth of Kentucky  
**Public Service Commission**  
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Michael J. Schmitt  
Chairman

Robert Cicero  
Vice Chairman

Talina R. Mathews  
Commissioner

July 12, 2017

## PARTIES OF RECORD

Re: Case No. 2017-00247

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter.

If you have any questions, please contact Jennifer Fell, Commission Staff Attorney, at 502-782-2581.

Sincerely,

A handwritten signature in blue ink, appearing to read "John S. Lyons".

John S. Lyons  
Acting Executive Director

JLF/ph

Attachments

**INTRA-AGENCY MEMORANDUM ADDENDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File – Case No. 2017-00247  
**FROM:** Jennifer Fell, Staff Attorney *JLF*  
**DATE:** July 11, 2017  
**RE:** Informal Conference of July 10, 2017

Pursuant to Commission Staff's ("Staff") July 10, 2017 notice, an informal teleconference ("IC") was held in this matter on July 10, 2017. A list of attendees is attached.

Grayson County Water District ("Grayson District") confirmed the total improvement project cost is \$1,295,506 and it is financing \$950,000 of this amount through a grant from the United States Department of Agriculture, Rural Development ("RD") in the amount of \$238,000 and with the purchase of \$712,000 in Grayson District's Waterworks Revenue Bonds by RD. Grayson District explained that it will finance the remaining \$345,000 for the improvement project through the sale of a warehouse to an electric cooperative. Staff requested that Grayson District file into the record an explanation to document how it is financing the \$345,000 difference between the project cost and the RD loan and grant. Staff also requested that if possible, Grayson District file updated documentation to confirm the terms of the RD loan are still viable.

A discussion was also held regarding a significant drop in Grayson District's net income from 2014 to 2015. Grayson District explained that it experienced an increase in operating expenses at that time due to increased power costs as well as the cost of work performed on the water treatment plant. Grayson District stated that the net income for 2016 has now leveled, and it will plan to look at adjustments to its non-recurring charges and take other measures to increase its revenues.

Finding that no party had any further questions, the conference was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE GRAYSON COUNTY WATER )  
DISTRICT FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO CONSTRUCT )  
AND FINANCE A PROJECT PURSUANT TO KRS )  
278.023 )

CASE NO.  
2017-00247

SIGN IN

July 10, 2017

PERSON

REPRESENTING

Jennifer Fell  
Bryan H. Krenig  
Eddie Beavers  
Travis Leach  
Randall Jones  
Kevin Shaw

PSC - Legal  
PSC - Legal  
PSC - FA Staff  
PSC - FA  
Rubin + Hays  
Grayson County Water District

\*Grayson County Water District  
113 S. Lee Street  
P. O. Box 217  
Leitchfield, KY 42754

\*Honorable W. Randall Jones  
Attorney at Law  
Rubin & Hays  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, KENTUCKY 40202