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Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
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David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Linda K. Breathitt  
Commissioner

January 22, 2013

Joseph H. Mattingly III, Esq.  
County Attorney  
P. O. Box 681  
Lebanon, Kentucky 40033

Ms. Holly L. Nicholas  
Kentucky Engineering Group, PLLC  
P.O. Box 1034  
Versailles, Kentucky 40383

Ms. Barbara R. May  
Mr. Jimmy Mudd  
Marion County Water District  
P.O. Box 528  
Lebanon, Kentucky 40033

Re: Case No. 2012-00508  
Marion County Water District

Ladies 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,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

gw  
Enclosures

## Wuetcher, Jerry (PSC)

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**From:** Holly Nicholas <hnicholas@kyengr.com>  
**Sent:** Friday, January 18, 2013 3:52 PM  
**To:** Wuetcher, Jerry (PSC)  
**Cc:** jhmlaw@windstream.net; 'Jimmy Mudd'; 'James C. Thompson'  
**Subject:** Requested PSC Items  
**Attachments:** PSC Response No 2 - Case No. 2012-00508.pdf

Jerry:

Attached is the letter and other information requested in your email of this morning. If you see anything else that is needed, please do not hesitate to contact me. Thank you for your time and attention to this case.



**Holly L. Nicholas**  
**Kentucky Engineering Group, PLLC**  
P.O. Box 1034  
Versailles, KY 40383  
Office: 859.251.4127  
Office Fax: 859.251.4137  
Cell: 859.333.9742  
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Notice: The information contained in this communication is privileged and confidential. It is intended only for the recipient named above. If you have received this communication in error, please contact the sender at (859) 251-4127 and delete this message from your system.

**MARION COUNTY WATER DISTRICT  
1835 CAMPBELLSVILLE ROAD  
P O BOX 528  
LEBANON, KY 40033**

Telephone: 270-692-2004  
Fax: 270-692-1010  
TTY 1-800-648-6956 or 711

January 18, 2013

Mr. Jeff R. Derouen  
Executive Director  
KY Public Service Commission  
PO Box 615  
Frankfort KY 40602

RE: Case No. 2012-00508

Dear Mr. Derouen:

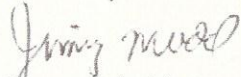
Please accept this letter in response to an email received from Mr. Gerald Weutcher of your staff on January 18, 2013.

Attached to this letter is the information requested in the email.

We also request that the Marion County Water District's 2011 annual report, which is on file with the Commission, be incorporated by reference into the application and request a deviation from 807 KAR 5:001, Section 11, to permit the 2011 annual report to substitute as the required financial exhibit.

We trust that this information will satisfy the requirements of the PSC.

Sincerely,

  
Jimmy Mudd  
Manager

C: Joseph H. Mattingly III, Marion County Attorney  
Holly Nicholas, KY Engineering Group

**MARION COUNTY WATER DISTRICT  
PSC FINANCIAL INFORMATION  
CASE NO. 2012-00508**

**KAR 5:001**

**Section 17(1)(a) Description of Property:**

A description of the utility's property can be found in the annual report that the District has requested be incorporated by reference into its application.

**Section 17(2)(a) Financial Exhibit:**

See information in Section 6(1)-6(9)

**Section 17(2)(b) Trust Deed or Mortgages**

The District owns its office and eight water storage tank sites. If the PSC needs the deeds to these nine sites, they will be provided on request.

**Sections 6(1), 6(2), 6(3)**

Not applicable – no stock is to be issued.

**Section 6(4)**

Not applicable – no mortgage will be obtained for this project.

**Section 6(5) Bonds**

The District has the following bond issues all single, non-negotiable bonds in fully registered form payable to the US Department of Agriculture, Rural Development and secured by a pledge of lien on the revenues of the District:

<b>Date of Issue</b>	<b>Amount of Issue</b>	<b>Date of Maturity</b>
1992A	\$500,000	2032
1993	\$235,000	2032
1996	\$131,000	2036
2000	\$350,000	2041
2009	\$1,433,000	2050

The total interest paid on long term debt in FY 2011 was \$99,137.00.

**Section 6(6) Notes Outstanding**

The District has no notes outstanding at this time. However the financing proposed for the replacement of the KY 84 water line is a loan from the Kentucky Infrastructure Authority. The loan is in the amount of \$548,180.00 at 1.75% interest for 20 years.

**MARION COUNTY WATER DISTRICT  
PSC FINANCIAL INFORMATION  
CASE NO. 2012-00508  
Cont'd**

**Section 6(7) Other Indebtedness**

Not Applicable – the District has no other indebtedness

**Section 6(8)**

Not Applicable – the District is a public non-profit organization and does not pay dividends.

**Section 6(9)**

Please see the 2011 PSC Annual Report

## Wuetcher, Jerry (PSC)

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**From:** Wuetcher, Jerry (PSC)  
**Sent:** Friday, January 18, 2013 5:38 AM  
**To:** hnicholas@kyengr.com; jhmlaw@windstream.net  
**Subject:** Case No. 2012-00508: Marion County Water District  
**Attachments:** chk034.pdf

Mr. Mattingly and Ms. Nicholas:

Another issue has arisen with Marion County Water District's application. When reviewing the application, I focused upon the filing requirements necessary for a certificate of public convenience and necessity. The application, however, also seeks authorization to enter a loan agreement with the Kentucky Infrastructure Authority to borrow \$548,180. It must meet the filing requirements set forth in 807 KAR 5:001, Section 11. (Amendments to 807 KAR 5:001 became effective on 1/4/2013. In the new version of the regulation, Section 11 is now Section 17.)

A list of the item necessary to meet these requirements is attached. The application meets many of these requirements. The items that are not presently in Marion County Water District's application are highlighted. Most of the requirements relate to a financial exhibit that covers a period ending not more than 90 days prior to the date of the application. Most water districts in lieu of filing a financial district make reference to their most recent annual report on file with the Commission. If that report does not cover a period within 90 days of the date of the application, the water district usually files a request to deviate from 807 KAR 5:001, Section 11 to permit the use of its most recent annual report. To support that request, it represents that the material condition of the water district has not change since the filing of the annual report.

To expedite matters, I recommend that the water district in a letter to the Commission supply the missing information to the extent possible, make reference in its submission to the water district's 2011 annual report, which is on file with the Commission, request that the 2011 annual report be incorporated by reference into the application and request a deviation from 807 KAR 5:001, Section 11, to permit the 2011 annual report to substitute as the required financial exhibit.

If you can transmit this information to me by e-mail, I will ensure that it is added to the case record.

Please contact me if you have questions.

Sincerely,

Gerald E. Wuetcher  
Executive Advisor/Attorney  
Public Service Commission of Kentucky  
[gerald.wuetcher@ky.gov](mailto:gerald.wuetcher@ky.gov)  
Office: (502) 564-3940  
Direct: (502) 782-2590  
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