

COMMONWEALTH OF KENTUCKY

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BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

JUL 14 2017

Public Service Commission

IN THE MATTER OF:

THE 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

** *** **** ***** **** ** **

SUPPLEMENTAL FILING AND EXPLANATION

The Applicant, Grayson County Water District (the "District"), by Counsel, files this Supplemental Filing and Explanation in accordance with the Staff's request as a result of an Informal Teleconference held on July 10, 2017.

Request 1. The Commission Staff requested an explanation regarding the difference in the total cost of the new building project (the "Project") (\$1,295,506) and the financing (\$950,000) listed in the USDA, Rural Development (USDA") Letter of Conditions filed as Exhibit "B" to the original Application.

Response: The District has been leasing space for it's operations from Warren Rural Electric Cooperative Corporation ("WRECC") and during the term of said lease, the District constructed a warehouse facility on WRECC's property to assist the District in it's operations. The District is in the process of constructing a new facility and has agreed with WRECC to terminate the lease upon completion of the District's new facility. As part of this termination, the District sold it's

warehouse to WRECC for a price of \$348,000, which sale has been finalized. The District is using the sale proceeds to fund the difference between the cost of the new facility and the USDA loan and grant financing.

Request 2. The Commission Staff noted that the date of the USDA Letter of Conditions is December 21, 2012 and expressed concern whether or not USDA is still honoring it's commitment to fund the Project.

Response: The USDA letter of concurrence in bid award was filed as Exhibit "C" to the original Application and provides evidence that USDA is still committed to funding the Project. USDA has issued a letter stating that the funding is still available to the District. A copy of said USDA letter is attached hereto.

Respectfully Submitted,

Rubin & Hays

By



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United States Department of Agriculture

Rural Development July 13, 2017

Kentucky State Office

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Lexington, KY
40503

Mr. John Tomes, Chairman
Grayson County Water District
PO Box 217
Leitchfield, KY 42755

Voice 859.224.7300
Fax 855.661.8335
TTY 859.224.7422

Dear Mr. Tomes ,

Our office issued a Letter of Conditions on December 21, 2012 for a \$712,000 loan and \$238,000 grant to build a new office building. As of this date, the Letter of Conditions is still valid and has not been withdrawn or cancelled. The Office of General Counsel has issued Closing Instructions for this project and our Elizabethtown Office will be contacting you soon to schedule a pre-closing so we may continue our efforts to complete this construction project.

If you have any questions or concerns, please contact Kimberly McCay, Community Program Specialist, at 859-224-7673.

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

Jeff Jones
Acting State Director

USDA is an equal opportunity provider, employer and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.escr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.