

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BRACKEN COUNTY)	
WATER DISTRICT TO ISSUE SECURITIES IN)	
THE APPROXIMATE PRINCIPAL AMOUNT OF)	
\$805,000 FOR THE PURPOSE OF)	CASE NO.
REFUNDING AND REAMORTIZING CERTAIN)	2017-00378
OUTSTANDING OBLIGATIONS OF THE)	
DISTRICT PURSUANT TO THE PROVISION)	
OF KRS 278,300 AND 807 KAR 5:001)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO BRACKEN
COUNTY WATER DISTRICT

Bracken County Water District ("Bracken County"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due within ten days of this request for information. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Bracken County shall make timely amendments to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Bracken County fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Bracken County shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the application, paragraph 5. Confirm that the difference between the Kentucky Rural Water Finance Corporation ("KRWFC") principal amount and the original principal amount of the Bracken County Water District Waterworks Revenue Bonds, Series 2004 ("2004 Bonds") is principal that Bracken County has paid. If this cannot be confirmed, explain how the remaining principal on the 2004 Bonds will be financed.

2. Refer to the application, paragraph 6.

- a. Confirm that Bracken County has not locked in an interest rate.

b. If a. as above is confirmed, explain how the interest rates used to calculate the estimated savings of the proposed refunding were determined.

c. Provide the most current published rates offered by the KRWFC.

3. Refer to the application, paragraph 7. Provide an itemized list of the fees and expenses associated with the KRWFC Loan and the reamortizing of the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds, Series 2007D (“2007D Bonds”).

4. Refer to the application, Exhibit A.

a. Refer to the estimated debt service for the \$805,000 KRWFC Loan.

(1) Confirm that Bracken County’s proposed refunding of the 2004 Bonds consists of a series of notes with varying interest rates and lengths of term and not just a single note.

(2) If (1) above confirmed, explain why the refinancing of the notes is a series of notes of varying interest rates and lengths of term and not just a single note.

b. Refer to the estimated debt service for the reamortization of the 2007D Bonds.

(1) Bracken County is reamortizing \$2,000,000, and the original principal amount of the 2007D Bonds was \$3,350,000. Confirm that the difference between the amount is principal that Bracken County has paid. If this cannot be confirmed, explain how the remaining principal on the 2007D Bonds will be financed.

(2) Confirm that Bracken County’s proposed reamortization is a series of notes of varying interest rates and lengths of term and not just a single note.

(3) If (2) above confirmed, explain why the reamortization of the note is a series of notes of varying interest rates and lengths of term and not just a single note.

5. Refer to the application, Exhibit C.

a. Refer to the Debt Service Comparison for the 2004 Bonds.

(1) Explain how the interest rate of 2.753 percent was selected for the net present value ("NPV") calculation.

(2) Provide the NPV calculation with all fees and expenses.

(3) Provide the calculation of the NPV with and without fees and expenses in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible.

b. Refer to the Debt Service Comparison for the 2007D Bonds.

(1) Explain how the interest rate of 3.061 percent was selected for the NPV calculation.

(2) Provide the NPV calculation with all fees and expense.

(3) Provide the calculation of the NPV with and without fees and expenses in Excel spreadsheet format, with formulas intact and unprotected and all rows and columns fully accessible.

6. Provide the board resolution by which Bracken County Water District approved the proposed financing activity.

7. Bracken County has not requested Commission approval by any certain date. Provide the date by which Bracken County would need approval.



Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
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DATED OCT 18 2017

cc: Parties of Record

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