

*The Law Office of*  
**BRENDON D. MILLER**

1149 Main Street  
Jackson, Kentucky 41339  
Email: [bdmiller@setel.com](mailto:bdmiller@setel.com)

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PUBLIC SERVICE  
COMMISSION

Phone: (606) 666-4400

Fax: (606) 666-4422

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December 21, 2007

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Breathitt County Water District  
Case No. – 2007- 00497

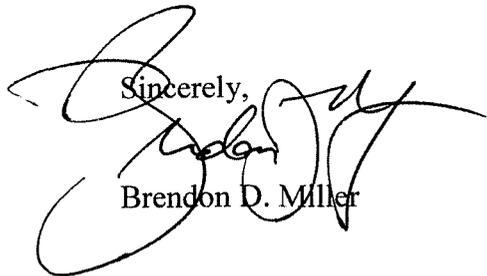
Dear Ms. O'Donnell:

Enclosed please find the original and ten (10) copies of the Filing Addressing Deficiencies in Application of the Breathitt County Water District for a Certificate of Public Convenience and Necessity to construct and finance pursuant to KRS 278.020 and 278.300.

I would ask that you please EXPEDITE this information in association with the original Application as we have currently surpassed our bid hold dates on both the constriction and tank contracts.

If you need any additional information or documentation, please let us know.

Sincerely,



Brendon D. Miller

Enclosures

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION  
CASE NO. 2007-00497**

**In the Matter of:**

**THE APPLICATION OF THE BREATHITT COUNTY WATER DISTRICT OF  
BREATHITT COUNTY, KENTUCKY, FOR A CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY TO CONSTRUCT AND FINANCE,  
PURSUANT TO KRS 278.020 AND .300.**

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**FILING ADDRESSING DEFICIENCIES IN APPLICATION**

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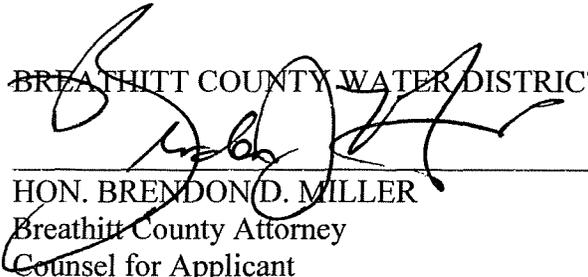
Comes now The Breathitt County Water District ("Applicant") of Breathitt County, Kentucky, and respectfully submits the following information concerning the Deficiencies in the Application in the above matter, listed in December 20, 2007 letter from the Kentucky Public Service Commission:

1. 807 KAR 5:001; Section (11) (1) (a) Description of applicant's property.  
Answer: Applicant does not own any real property other than tank sites and booster stations, and personal property other than office furniture and equipment, waterlines, and a motor vehicle. Please see the annual filing on file at PSC.
2. 807 KAR 5:001; Section (11) (1) (a) Statement of original cost of applicant's Property and the cost to the applicant, if different.  
Answer: Please see #1 above.
3. 807 KAR 5:001; Section (11) (1) (b) if Bonds or Notes or other indebtedness is proposed; Description of the amount(s).  
Answer: \$1,261,000.00 principal loans plus Administrative fees for a total of \$1,285,000.00.
4. 807 KAR 5:001; Section 11 (1) (b) if Bonds or Notes or other indebtedness is proposed: Full description of all terms.  
Answer: A Kentucky Area Development District Small Issuers Loan in the above amount. Pay interest only for 24 months, and if converted to permanent loan term will be for 25 years.
5. 807 KAR 5:001: Section 11(1)(b) Bonds or Notes or other indebtedness is proposed interest rate(s).  
Answer: 4.85% fixed rate for term of 24 months and also for permanent loan.
6. 807 KAR 5:001: Section 11 (1) (b) if Bonds or Notes or other indebtedness is proposed: Whether the debt is to be secured and if so a description of how it's secured.  
Answer: Yes, secured by physical assets of Applicant (tanks, booster stations and water lines) and revenues.

7. 807 KAR 5:001: Section 11 (1) (d) if proceeds are for property acquisition, give a full description thereof. Supply any contracts.  
Answer: Acquisition of two tank sites. One is donated and other will be acquired for consideration of \$4,000.00.
8. 807 KAR 5:001: Section 11 (2) (b) Copies of all deeds or mortgages, If previously filed, state case number.  
Answer: Not applicable to this application.
9. 807 KAR 5:001: Section 11 (2) (c) if property to be acquired: Detailed estimates by USOA account number.  
Answer: Not applicable to this application.
10. 807 KAR 5:001: Section 6(4) Mortgages: Amount of indebtedness Secured.  
Answer: Not applicable to this application.
11. 807 KAR 5:001: Section 6(4) Mortgages: Date of Execution.  
Answer: Not applicable to this application.
12. 807 KAR 5:001: Section 6(4) Mortgages: Name of Mortgagee or Trust.  
Answer: Not applicable to this application.
13. 807 KAR 5:001: Section 6(4) Mortgages: Name of Mortgagor.  
Answer: Not applicable to this application.
14. 807 KAR 5:001: Section 6(4) Mortgages: Sinking Fund Provisions.  
Answer: Not applicable to this application.
15. 807 KAR 5:001: Section 6(5) Bonds Amount Authorized.  
Answer: Not applicable to this application.
16. 807 KAR 5:001: Section 6(5) Bonds: Amount issued.  
Answer: Not applicable to this application.
17. 807 KAR 5:001: Section 6(5) Bonds: Date of issue.  
Answer: Not applicable to this application.
18. 807 KAR 5:001: Section 6(5) Bonds: Date of Maturity.  
Answer: Not applicable to this application.
19. 807 KAR 5:001: Section 6(5) Bonds: Description of Each Class issued.  
Answer: Not applicable to this application.
20. 807 KAR 5:001: Section 6(5) Bonds: How secured.  
Answer: Not applicable to this application.

21. 807 KAR 5:001: Section 6(5) Bonds: Interest paid in last Fiscal Year.  
Answer: Not applicable to this application.
22. 807 KAR 5:001: Section 6(5) Bonds: Name of Utility who issued.  
Answer: Not applicable to this application.
23. 807 KAR 5:001: Section 6(6) Notes Outstanding amount.  
Answer: Not applicable to this application.
24. 807 KAR 5:001: Section 6(6) Notes Outstanding: Date of issue.  
Answer: Not applicable to this application.
25. 807 KAR 5:001: Section 6(6) Notes Outstanding: In whose favor  
Answer: Not applicable to this application.
26. 807 KAR 5:001: Section 6(6) Notes Outstanding: Interest paid in last Fiscal Year.  
Answer: Not applicable to this application.
27. 807 KAR 5:001: Section 6(6) Notes Outstanding: Maturity Date.  
Answer: Not applicable to this application.
28. 807 KAR 5:001: Section 6(6) Notes Outstanding: Rate of interest.  
Answer: Not applicable to this application.
29. 807 KAR 5:001: Section 6(7) Other indebtedness: Description of any assumption of indebtedness by Outside party (i.e., any transfer)  
Answer: Not applicable to this application.
30. 807 KAR 5:001: Section 6(7) other indebtedness: Description of each class.  
Answer: Not applicable to this application.
31. 807 KAR 5:001: Section 6(7) other indebtedness: How secured.  
Answer: Not applicable to this application.
32. 807 KAR 5:001: Section 6(7) other indebtedness: Interest paid in last fiscal Year.  
Answer: Not applicable to this application.
33. 807 KAR 5:001: Section 6(9) Detailed income statement and balance sheet.  
Answer: Reference is made to the financial statement for 2006 on file with the PSC. The financial status of the District is essentially the same as stated in that filing. Any delay in this application in obtaining the requested documents for the year of 2007 would create a hardship on the District and a costly delay to this project as the bid hold period on the construction and tank contracts has passed.

WHEREFORE, Applicant the Breathitt County Water District, ask that the Public Service Commission of the Commonwealth of Kentucky consider answers given above and a deviation from the guidelines quoted and those matters are not currently applicable to the Breathitt County Water District.

  
~~BREATHITT COUNTY WATER DISTRICT~~

HON. BRENDON D. MILLER

Breathitt County Attorney

Counsel for Applicant

1149 Main Street

Jackson, Kentucky 41339

(606) 666-3809