

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAY - 8 2015
PUBLIC SERVICE
COMMISSION

In the matter of:

APPLICATION OF THE BEECH GROVE)
WATER SYSTEM, INC. FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT AND FINANCE A WATER) Case No. 2015 -00139
IMPROVEMENTS PROJECT PURSUANT TO)
KRS 278.020 AND 278.300)

Response to PSC Staff Deficiencies Letter

The Beech Grove Water System, Inc. ("Beech Grove"), by counsel, hereby files it's Response to Staff's filing deficiencies letter dated May 6, 2015, as follows:

1. Deficiency No. 1: 807 KAR 5:001, Section 18 (1) (e) - If proceeds are for property acquisition, give a full description thereof. Provide all contracts for property acquisition.

Response: Property is being acquired in connection with this Case. Beech Grove has entered into the Qualified Provider Agreement (the "Agreement" - see attached as **Exhibit "B"** to the original Application) wherein Beech Grove is acquiring 566 Zenner Performance Multi-Jet Type Magnetic Drive Cold Water Meters (the "Meters") and the Provider, Shambaugh & Son, LP, is installing said meters. A detailed description of the Meters is attached as **Exhibit "A"** to the original Application.

2. Deficiency No. 2: 807 KAR 5:001, Section 18 (2) (c) - If property to be acquired: provide maps and plans of property and detailed estimates by USOA account number.

Response: The Meters are being purchased and installed for a total price of \$489,710.00 (see page #30 of the Agreement). Account Number 334 (Meters and Meter Installation)

of the Uniform System of Accounts is the account number where the \$489,710 will be assigned to. The difference between the amount of financing requested (\$515,000 plus or minus 10%) and the amount being spent under the Agreement is attributable to the costs of issuance of the proposed securities (see **Exhibit "E"** attached to the original Application).

The undersigned, Counsel to the Beech Grove, hereby certifies that the above Responses to Staff's Deficiencies Letter were prepared by the undersigned on behalf of the Beech Grove, and that each Response is true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry. Dated this May 6, 2015.

Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Telephone: (502) 569-7525
Fax: (502) 569-7555
Email: wrjones@rubinhays.com