

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MOTION OF MCCREARY)	
COUNTY WATER DISTRICT TO AMEND)	CASE NO.
COMMISSION'S ORDER OF JUNE 28, 2018 IN)	2018-00278
CASE NO. 2018-00038)	

ORDER

On August 21, 2018, McCreary County Water District (McCreary District) filed a motion requesting that the Commission's June 28, 2018 Order in Case No. 2018-00038¹ be amended. In the June 28, 2018 Order, the Commission authorized McCreary District to enter a lease-purchase agreement with Government Capital Corporation (Government Capital) in the amount of \$781,144.00 at an interest rate not to exceed 3.744 percent per annum to finance the purchase of metering equipment. In this proceeding, McCreary District requests authority to borrow \$797,355.34 from Government Capital at an interest rate not to exceed 3.945 percent per annum.

In support of its motion, McCreary District states that, in its application in Case No. 2018-00038, it erroneously listed the principal amount of the lease-purchase agreement as \$781,144.00, but the actual loan principal was \$797,355.34. On August 23, 2018, an informal conference was held for the purpose of discussing the calculations and evidentiary support for the loan amount. Following the informal conference, McCreary

¹ Case No. 2018-00038, *Electronic Application of McCreary County Water District for Authorization to Execute Lease-Purchase Agreement and Related Relief*.

District filed into the record an amortization schedule to provide evidence to support the higher amount.²

McCreary District further states that market interest rates have risen and, as a result, the interest rate for the proposed loan is now 3.945 percent per annum. In its August 23, 2018 filing, McCreary District provided a second amortization schedule to show the effect of the higher interest rate.³ McCreary District notes that with the increase in the interest rates, the expected benefit of the proposed meters will still produce positive future value savings.⁴

Having considered the motion and being otherwise sufficiently advised, the Commission finds good cause to amend the June 28, 2018 Order in Case No. 2018-00038 to authorize McCreary District to enter a lease-purchase agreement with Government Capital in the principal loan amount of \$797,355.34, and at an interest rate not to exceed 3.945 percent per annum.

IT IS THEREFORE ORDERED that:

1. McCreary District's Motion to Amend is granted.
2. The case record of Case No. 2018-00038 is incorporated by reference into this proceeding.
3. Ordering Paragraph 1 of the June 28, 2018 Order in Case No. 2018-00038 is amended to read:

² Case No. 2018-00278, *Electronic Motion of McCreary County Water District to Amend the Commission's Order of June 28, 2018 in Case No. 2018-000038* (Aug, 23, 2018), Exhibit A.

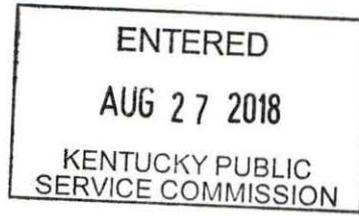
³ *Id.* Exhibit B.

⁴ Application at paragraph 5.

1. McCreary District is authorized to enter into a lease-purchase agreement with Government Capital in the amount of \$797,356 over a term of ten years at an interest rate not to exceed 3.944 percent per annum.
4. A copy of this Order will be placed in the main case file of Case No. 2018-00038.
5. All other provisions of the June 28, 2018 Order in Case No. 2018-00038 not in conflict with this Order remain in full force and effect.
6. This case is closed and removed from the Commission's docket.

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By the Commission



ATTEST:

A handwritten signature in blue ink, appearing to read "Steven R. Penson". The signature is written in a cursive style and is positioned above a horizontal line.

Executive Director

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