

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTHERN	)	CASE NO.
WATER & SEWER DISTRICT FOR APPROVAL	)	2020-00366
FINANCING PURSUANT TO KRS 278.300	)	

ORDER

On January 19, 2021, Southern Water and Sewer District (Southern District) filed an application with the Commission seeking Commission approval to refinance three existing loans by replacing them with two new loans from Co-Bank with better terms and interest rates.<sup>1</sup> Thus far, Southern District has responded to one round of discovery and no party has sought intervention in this proceeding. Pursuant to KRS 278.300(2), the Commission must dispose of an application for the approval of financing within 60 days of the acceptance of an application unless good cause exists to continue the application. For the reasons discussed below, the Commission finds good cause exists to continue this application.

Southern District did not provide a summary of the net present value savings of the proposed loans in its application or in its response to Commission Staff's First Request for Information (Response to Staff's First Request), Items 1(b) and 2(b). Additionally, Staff is unable to recreate the payment schedule provided in Southern District's Response to Staff's First Request, Exhibit 2(a). Finally, the Commission notes that one of the loans

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<sup>1</sup> Southern District tendered its application on January 12, 2021. By letter dated January 12, 2021, the Commission rejected the application due to filing deficiencies. Southern District cured the deficiencies and the application was deemed filed as of January 19, 2021.

for which Southern District seeks approval of replacement financing is not a traditional loan, but instead a line of credit. This line of credit does not appear on the debt service schedules included with any of Southern District's last three Alternative Rate Filings.<sup>2</sup> The Commission finds that additional time is needed to engage in discovery to determine the amount of savings Southern District will realize if the proposed replacement financing is approved, and to determine if the line of credit Southern District seeks to replace with the proposed loan was properly acquired.

IT IS THEREFORE ORDERED that the time in which the Commission shall render its decision on Southern District's application is extended an additional 60 days from March 19, 2021, to May 18, 2021.

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<sup>2</sup> Case No. 2012-00309, *Application of Southern Water and Sewer District for an Adjustment in Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities* (filed Aug. 8, 2012) Application, Attachment D; Case No. 2018-00230, *Electronic Application of Southern Water and Sewer District for an Alternative Rate Adjustment* (filed July 3, 2018), Application, Attachment 8; Case No. 2019-00131, *Application of Southern Water and Sewer District for an Alternative Rate Adjustment* (filed Apr. 19, 2019) Application, Attachment 5c.

By the Commission



ATTEST:

  
Executive Director

\*Southern Water & Sewer District  
245 Kentucky Route 680  
P. O. Box 610  
McDowell, KY 41647

\*Steven P. Bailey  
Attorney  
Bailey Law Office, P.S.C.  
181 East Court Street  
Prestonsburg, KENTUCKY 41653