

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|----------|
| THE APPLICATION OF THE |) | |
| CANNONSBURG WATER DISTRICT TO |) | |
| ISSUE SECURITIES IN THE APPROXIMATE |) | |
| PRINCIPAL AMOUNT OF \$415,000 FOR THE |) | CASE NO. |
| PURPOSE OF REFUNDING CERTAIN |) | 2001-168 |
| OUTSTANDING REVENUE BONDS OF THE |) | |
| DISTRICT PURSUANT TO THE PROVISIONS |) | |
| OF KRS 278.300 AND 807 KAR 5:001 |) | |

COMMISSION STAFF'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that the Cannonsburg Water District ("Cannonsburg") file with the Commission within 7 days of the date of this pleading the original and eight copies of the following information, with a copy to all parties of record.

1. The refunding analysis provided in the June 15, 2001 filing shows the proposed refinancing will result in total gross savings of \$212,635, with \$206,718, or 97 percent, of the savings occurring from 2022 to 2029. However, that same analysis also shows that the debt service for the telemetry system will be paid over a 20-year period from 2002 to 2021. Given that 97 percent of the refinancing savings will occur after the telemetry debt is retired, explain how the refinancing savings will offset the debt service for the telemetry system.

2. In its 1998 Annual Report, Cannonsburg reports a cash balance of \$364,731 and in its application the 1999 and 2000 balance sheets show cash balances of \$299,275 and \$220,623, respectively. Given that between 1998 and 2000

Cannonsburg's reported cash balances have decreased by \$144,108, or 39.5 percent, explain why it is reasonable for any savings resulting from the refinancing to be used to support the financing of a proposed telemetry system rather than current operations.

A handwritten signature in black ink, appearing to read "Thomas M. Dorman", with a horizontal line underneath it.

Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

Dated: July 26, 2001

cc: Parties of Record