

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

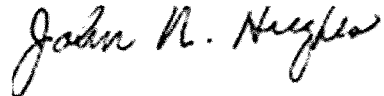
In the Matter of:

APPLICATION OF NORTHERN KENTUCKY )  
WATER DISTRICT FOR APPROVAL OF ) CASE NO. 2018-00316  
THE ISSUANCE OF A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY AND )  
APPROVAL OF FINANCING FOR )  
WATER MAIN REPLACEMENT )

**RESPONSE TO DATA REQUEST**

Northern Kentucky Water District (NKWD), by counsel, submits its response to the Commission staff's telephonic request for supplemental information.

SUBMITTED BY:



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Public Service Commission  
Case No. 2018-00316  
Response Staff Telephonic DR  
Witness: Rehtin

Prior to last week's holidays, Staff Attorney Brittany Koenig made a verbal informal request to counsel for NKWD on November 14, 2018 for additional information related to Case No. 2018-00316. She asked for a loan extension letter from the Kentucky Infrastructure Authority (KIA).

In response to her request, NKWD offers the following information for your consideration.

1. No letter exists that provides an extension since the document referred to in paragraph no. 2 (set forth below) was executed effective July 1, 2017.
2. The loan assistance agreement, with an effective date of July 1, 2017, was sent by KIA to NKWD for execution. NKWD executed these documents and returned them to KIA shortly thereafter. See attached.
3. No funds have been drawn on this KIA approved loan and none will be expended until the required approval is obtained from the Public Service Commission (the "Commission").
4. Recent discussions with KIA regarding this subject have revealed that inadvertent actions taken both by KIA and NKWD:
  - a. KIA sent final documents to NKWD for execution;
  - b. NKWD then executed the documents and returned them to the KIA.

In hindsight, these actions took place due to staff turnover in both organizations, confusion at the time over certification and financing requirements of the Commission and a concern about the potential risk of loan rescission after the 18 month timeframe ending August 10, 2017.

5. Since no funds have been or will be drawn on the KIA loan until Commission approval is obtained, NKWD and KIA would like to propose the following:
  - a. All further action related to this loan shall be put on hold until Commission approval is obtained.

- b. When Commission approval is obtained, KIA will issue a loan supplemental assistance agreement that documents what has transpired for NKWD and KIA to execute.
6. NKWD takes full responsibility for its role in any oversights that were made and wants to assure the Commission that it will take necessary steps to avoid a repeat in the future. One step already implemented by NKWD is hiring a Manager of Legal, Compliance, and Regulatory Affairs that will oversee compliance with PSC statutes and regulations.

Representatives of NKWD are available to respond to additional questions, if necessary.