



**GERALD WUETCHER**  
DIRECT DIAL: (859) 231-3017  
DIRECT FAX: (859) 259-3517  
gerald.wuetcher@skofirm.com

300 WEST VINE STREET  
SUITE 2100  
LEXINGTON, KY 40507-1801  
MAIN: (859) 231-3000  
FAX: (859) 253-1093

January 15, 2020

*VIA ELECTRONIC MAIL*  
*VIA REGULAR MAIL*

Ms. Brittany Koenig, Esq.  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

**Re: PSC Case No. 2019-00412**  
**Hyden-Leslie County Water District**

Dear Ms. Koenig:

This letter confirms in writing Hyden-Leslie County Water District's ("Hyden-Leslie District") responses to Commission Staff inquiries made during in our telephone conversation of January 8, 2020.

As to the relief requested in the Amended Application, Hyden-Leslie District requests authorization to execute the proposed 2020 Assistance Agreement with Kentucky Rural Water Finance Corporation ("KRWFC") and to borrow funds from KRWFC in the estimated principal amount of \$2,935,000 (subject to adjustment of up to ten percent) at an interest rate of 2.25 percent per annum for a term of **two years**. Please note that the third paragraph of the Amended Application's Requested Relief (page 13 of the Amended Application) erroneously states the proposed loan's term as one year.

As to Commission Staff's second inquiry, the Amended Application requests authority to borrow a larger amount from KRWFC than requested in the original application. In its original application, Hyden-Leslie District requested authority to borrow \$2,865,000 at 2.25 percent per annum for one year. In its amended application, it requests authority to borrow \$2,935,000 at 2.25 per annum for two years. The difference in the loan amounts is due to the requested loan's longer term. Part of loan's principal is placed into a Capitalized Interest Fund to secure interest payments on the loan. Because the loan's term has been extended to two years and additional interest must be paid, the amount deposited to the Capitalized Interest Fund has increased from \$65,895 to \$133,543. Because the underwriter's discount is based upon a percentage of the total

Ms. Brittany Koenig, Esq.  
January 15, 2020  
Page 2

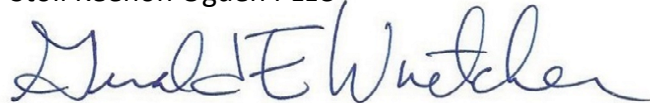
issuance, that cost has increased from \$14,325 to \$14,675. Similarly, the cost of issuance has increased from \$48,705 to \$49,895.

Since our telephone conversation, I have conferred with KRWFC representatives regarding KRWFC's need for notice of a final Commission decision on Hyden-Leslie District's application for authorization to enter the 2020 Assistance Agreement and have been advised that KRWFC must receive such notice no later than **the morning of January 23, 2020** to proceed with the bond sale that will fund the KRWFC loan.

Accordingly, Hyden-Leslie District amends its earlier request for the issuance of an order authorizing its entry into the 2020 Assistance Agreement and requests that the Commission issue an order approving that Agreement **no later than 11:00 a.m. on January 23, 2020**.

Sincerely,

Stoll Keenon Ogden PLLC

A handwritten signature in blue ink, appearing to read "Gerald E. Wuetcher". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gerald E. Wuetcher

cc: Case File No. 2019-00412