

BEFORE THE PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY

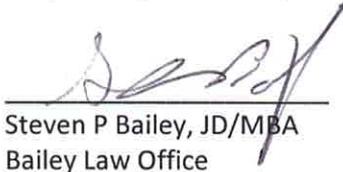
In the Matter of:

Electronic Investigation into)	
Transfer of Ownership to)	
Prestonsburg City Utilities)	Case No.
Commission of the Wastewater)	2020-228
System and certain portions of the)	
Water System of Southern Water and)	
Sewer District pursuant to KRS 278.250)	
and KRS 278.390)	

**RESPONSE OF SOUTHERN WATER AND SEWER DISTRICT TO THE
COMMISSIONS ORDER DATED JULY 20, 2020**

Comes Southern Water and Sewer District (hereinafter "Southern"), by counsel and for its
Response to the Commission's Order dated July 20, 2020, and states as follows:

Respectfully Submitted,



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Counsel for Southern Water and Sewer District

Date Submitted: 8-10-20

STATUS OF THE ASSET TRANSFER

Recently, both Prestonsburg Utilities and Southern Water and Sewer District have signed a "First Amendment to Asset Purchase Agreement." (See attached).

STATUS OF RD APPROVAL OF THE TRANSACTION

Southern and Prestonsburg Utilities have submitted all necessary documents and forms to RD for their review. Southern feels as though RD approval is expected in the near future.

STATUS OF SEWER REVENUE DUE TO PCUC BY SOUTHERN

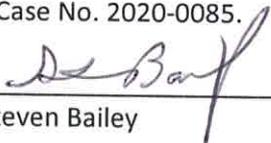
Southern will begin repayment of the sewer revenue collected on behalf of Prestonsburg Utilities upon completion of the asset transfer and return of Route 850 customers, as specified in the "First Amendment to Asset Purchase Agreement." Southern and PCUC agree that Southern owes PCUC for unpaid sewer fees and the parties have agreed upon a plan for Southern to re-pay PCUC said debt. See attached copy of Financial Management Services Contract.

ANY CHANGES OF FACT THAT MAY IMPACT THE TRANSFER

The main obstacle that could impact this transfer is gaining RD and PSC approval for the "First Amendment to Asset Purchase Agreement."

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Southern Water and Sewer District's electronic filing of this Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the PSC on August 10, 2020; that there are currently no parties that the PSC has excused from participation by electronic means in this proceeding; and that an original and copy paper medium of this Response will be delivered to the PSC within 30 days after the lifting of the emergency, as discussed in Case No. 2020-0085.



Steven Bailey