

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MONROE COUNTY	)	
WATER DISTRICT FOR	)	CASE NO.
APPROVAL OF FINANCING	)	2020-00275

Monroe County Water District (hereinafter MCWD), by counsel, in response to the notice of deficiency filed by the Public Service Commission in this case on the 2<sup>nd</sup> day of September, 2020, tenders the following:

1. **DEFICIENCY**

807 KAR 5:001 Section 18(1) ( c ): If Bonds or Notes or Other Indebtedness is proposed: Interest rate(s); No Interest Rate stated.

**RESPONSE**

The proposed transaction is a lease of five (5) vehicles that are desperately needed by the MCWD. Being a lease, there is no interest rate for the transaction. In fact, the proposed leases contain no discount if the MCWD was to prepay all thirty five (35) monthly payments.

2. **DEFICIENCY**

807 KAR 5:001 Section 18(1) ( c ): If Bonds or Notes or Other Indebtedness is proposed: Whether the debt is to be secured and if so a description of how it is to be secured.

**RESPONSE**

The proposed transaction is a lease of five (5) vehicles that are desperately needed by the MCWD. As such, the vehicles will not be titled to the MCWD during the term of the lease and will not be an asset of the utility.

The only "security" is the MCWD promise to pay the monthly payments.

WHEREFORE, MCWD requests the Commission issue an order approving the financing of approximately Eleven Thousand Seven Hundred Two Dollars and Sixty Cents (\$11,702.60) per vehicle (five (5) vehicles is Fifty Eight Thousand Five Hundred Thirteen Dollars and No Cents (\$58,313.00), with the total obligation for the leases not to exceed Sixty One Thousand Four Hundred Thirty Eight Dollars and Sixty Five Cents (\$61,438.65) (105% of the current quote), and any other approvals necessary to complete the leasing of the five (5) vehicles.

This 4<sup>th</sup> day of September, 2020.



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