

Q1. Refer to Northern Kentucky District's application, paragraph 6, and Exhibit D. Exhibit D to the application states that the annual debt service after construction will be "\$172,284 over 25 years (conventional 3.0% loan)." State whether this is the estimated debt service on the amount of the proposed construction, or if this represents proposed financing that would potentially need to be approved in the current case, pursuant to KRS 278.300.

A1. The statement referred to in Northern Kentucky District's petition, paragraph 6, and Exhibit D represents the estimated annual debt service on the \$3,000,000 financing of the proposed construction. Initially, \$3,000,000 of debt will be included in a BAN (Bond Anticipation Note) as referenced in paragraph 6 of the petition. The petition asserts that the \$3,000,000 is part of an ordinary extension project and does not need approval based on KRS 278.300. The \$3,000,000 is the total financing associated with the project for which approval is sought. The BAN will be converted to permanent financing, and the bond and associated debt service will be included in a future rate case (as has been the process in past BAN financed projects applicable to Northern Kentucky District).

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

SS:

COUNTY OF KENTON

Comes now affiant, Stacey Kampsen, after being first sworn, deposes, and states that she is the Finance Manager for the Northern Kentucky Water District, that she is authorized to submit this information request response on behalf of Northern Kentucky Water District, and that the information contained in the response is true and correct to the best of her knowledge and belief, except as to those matters that are based on information provided to her and, as to those, she believes that information to be true and correct.

Stacey Kampsen  
Stacey Kampsen

This instrument was acknowledged, signed and declared by Stacey Kampsen to be her act and deed the 8TH day of OCT., 2020.

Colleen Kelly Medert  
Notary Public  
Registration Number 577360

My Commission expires: May 6, 2021

