

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)
WATER DISTRICT FOR APPROVAL OF) CASE NO. 2020-00284
RE-FINANCING OF OUTSTANDING BONDS)

APPLICATION

Northern Kentucky Water District (NKWD), by counsel, petitions for an order approving the refinancing of existing bonds pursuant to KRS 278.300 for the purpose of reduction of the interest rate and related debt service costs. In support of the application, the following information is provided:

1. NKWD's office address is 2835 Crescent Springs Rd., Erlanger, KY 41018-0640. Its principal officers are listed in its current Annual Report, which is filed with the Commission as are its prior years Reports.

Its contact officers and employees are:

Lindsey Rehtin, Vice President of Finance and Support Services, and
Stacey Kampsen, Finance Manager
2835 Crescent Spring Rd.
Erlanger, KY 41018-0640
(859) 578 9898 Phone
(859) 578-3668 fax
lrehtin@nkywater.org
skampsen@nkywater.org

2. NKWD is a non-profit water district organized under Chapter 74 and has no articles of incorporation; its web page is www.nkywater.org.

3. A description of NKWD's water system and its property stated at original cost by accounts is contained in its 2019 Annual Report, which is incorporated by reference.

4. NKWD serves retail customers in Kenton, Boone and Campbell Counties and sells water at wholesale to non-affiliated water distribution systems in Kenton, Boone, Pendleton and Campbell Counties.

5. It proposes to refinance existing bonds, which will reduce the current interest rate and the total financing costs. This will result in significant savings over the life of the bonds. The bonds, interest rates and projected savings are reflected in Exhibits 1 and 8.

6. The refinancing is possible due to current market conditions and interest rates that are lower than those in place at the time of the initial issuance. Rates are reflecting an upward movement necessitating a quick response by NKWD. This refinancing will benefit NKWD and its customers through lower debt costs which will offset future revenue requirements. No rate adjustment is being proposed in this application. The projected savings will be reflected in the next general rate application.

7. The resolution of the NKWD Board of Commissioners approving the refinancing, the bond resolution and the opinion of counsel stating that the refinancing is authorized by the bond covenants are attached as Exhibit 2.

8. The following information is provided in response to 807 KAR 5:001 (14)(1):

a. Facts relied upon to show that the application is in the public interest: See Exhibit 1 for detail on the savings in interest expense over the current life of the bonds and Exhibit 8 for a summary of the revised payments and savings.

9. The following information is supplied pursuant to 807 KAR 5:001(14)(2):

Articles of Incorporation – none. NKWD is a statutorily created water district under KRS Chapter 74;

10. The following information is provided as required by 807 KAR 5:001 (18):

a. A general description of the property is contained in the 2019 Annual Report, incorporated by reference.

b. No stock is to be issued; No additional bonds are to be issued. Existing bonds are being refinanced.

c. There is no refunding of any obligation not related to the refinancing.

d. The proceeds of the refinancing will be used to reduce existing revenue requirements.

e. The par value, expenses, use of proceeds, interest rates and other information is included in Exhibits 1 and 6.

f. The notice to the state debt officer required by 807 KAR 5:001(18)(1)(g) is attached as Exhibit 9.

11. The following exhibits are provided pursuant to 807 KAR 5:001 (18)(2):

a. There are no trust deeds. All current bonds are listed in Exhibit 3.

b. No property is to be constructed or acquired.

12. The following information is provided pursuant to 807 KAR 5:001(12):

a. No stock is authorized.

b. No stock is issued.

c. There are no stock preferences.

d. Mortgages are listed in Exhibit 4.

e. Bonds are listed in Exhibits 1, 3, and 4.

f. Notes are listed in Exhibit 4.

g. Other indebtedness is listed in Exhibit 4.

h. No dividends have been paid.

i. Current balance sheet and income statement are attached as Exhibit 5.

k. The current independent audit report is attached as Exhibit 7.

For these reasons, NKWD requests authorization to refinance the bonds and any other order or authorization that may be necessary to obtain Commission approval.

SUBMITTED BY:



T. Alex Mattingly
General Counsel & Manager of
Legal, Compliance, and Regulatory
Affairs

Northern Kentucky Water District
2835 Crescent Springs Rd.

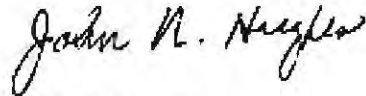
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