

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of: ELECTRONIC APPLICATION OF SOUTHERN WATER & SEWER  
DISTRICT FOR APPROVAL FINANCING PURSUANT TO KRS 278.300

PSC Case #: 2020-366

SOUTHERN'S RESPONSE TO PSC'S  
INITIAL REQUEST FOR INFORMATION

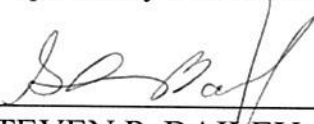
Come now Southern Water & Sewer District, by and through counsel, and for its Response to the PSC's February 5, 2021 Request for Information states as follows:

1. Refer to the Application, paragraph 6.
  - a. Provide amortization schedule forth proposed Co-Bank loan intended to replace the Peoples Loan.
    - i. ANSWER: See Attached "Exhibit 1(a)".
  - b. Provide the estimated gross savings and net present value savings for the proposed loan.
    - i. ANSWER: See attached "Exhibit 1(b)2(b)."
    - ii. Answer provided by Mr. Jeff Reed.
2. Refer to the Application, paragraph 7.
  - a. Provide an amortization schedule for the proposed Co Bank loan intended to replace the two RD loans.
    - i. ANSWER: See attached "Exhibit 2(a)."
    - ii. Answer provided by Mr. Jeff Reed.
  - b. Provide the estimated gross savings and net present value savings for the proposed loan.
    - i. ANSWER: See attached "Exhibit 1(b)2(b)."

- ii. Answer provided by Mr. Jeff Reed.
3. Refer to the First Amended Application, Exhibit A. The exhibit provides the terms of the proposed indebtedness but does not provide details regarding any issuance costs. Provide a schedule outlining any issuance costs that will be incurred to obtain the loans.
- a. ANSWER: The issuance costs for the proposed indebtedness could be up to \$5,000.
- b. Answer provided by Mr. Micheal Griffiths of Co-Bank.
4. State whether or not Southern has received approval from the USDA RD to refinance the bonds outstanding, and if confirmed, provide evidence of such approval.
- a. ANSWER: Southern has yet to seek RD approval yet. Southern intends to request from RD approval upon the anticipated future approval by the PSC of this Case/Request. (answer provided by Chairman Jeff Prater).
- b. ANSWER: Co-Bank has informed Southern that USDA has informed Co-Bank that because Co-Bank is taking a second lien position behind USDA, that USDA would not be required to approve of the arrangement. (answer provided by Mr. Micheal Griffiths of Co-Bank).

This response is true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry.

Respectfully Submitted,

  
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