

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF KNOTT COUNTY)	
WATER & SEWER DISTRICT FOR APPROVAL OF)	CASE NO.
FINANCING PURSUANT TO KRS 278.300)	2020-00384

**KNOTT COUNTY WATER & SEWER DISTRICT'S RESPONSE TO COMMISSION
STAFF'S FIRST REQUEST FOR INFORMATION ISSUED JANURY 4, 2021**

Filed: January 14, 2021

Knott County Water & Sewer District
Case No. 2020-00384
Commission Staff's First Request for Information issued January 4, 2021

1. Refer to the Application, paragraph 4.
 - a. Confirm the loans listed are the loans that Knott District is proposing to refinance.
 - b. If not, provide a list of the proposed debt to be refinanced. Include the following:
 - (1) Date issued;
 - (2) Original principal amount;
 - (3) Current principal amount due;
 - (4) Interest rate per annum; and
 - (5) Current holder of the loan.

Response:

- a. Confirmed.
- b. Not Applicable.

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2. Provide the Estimated Debt Service Schedule for the Loan proposal for the Bank of Hindman.

Response:

Please see attached.

Loan Amortization Schedule

Loan Information	
Loan Amount	325,000.00
Annual Interest Rate	2.75%
Term of Loan in Years	5
First Payment Date	3/1/2021
Payment Frequency	Monthly
Compound Period	Monthly
Payment Type	End of Period
Rounding	On

Summary	
Rate (per period)	0.229%
Total Payments	348,227.29
Total Interest	23,227.29
Est. Interest Savings	-

Monthly Payment 5,803.79

Amortization Schedule

No.	Due Date	Payment Due	Additional Payment	Interest	Principal	Balance
						325,000.00
1	3/1/21	5,803.79		744.79	5,059.00	319,941.00
2	4/1/21	5,803.79		733.20	5,070.59	314,870.41
3	5/1/21	5,803.79		721.58	5,082.21	309,788.20
4	6/1/21	5,803.79		709.93	5,093.86	304,694.34
5	7/1/21	5,803.79		698.26	5,105.53	299,588.81
6	8/1/21	5,803.79		686.56	5,117.23	294,471.58
7	9/1/21	5,803.79		674.83	5,128.96	289,342.62
8	10/1/21	5,803.79		663.08	5,140.71	284,201.91
9	11/1/21	5,803.79		651.30	5,152.49	279,049.42
10	12/1/21	5,803.79		639.49	5,164.30	273,885.12
11	1/1/22	5,803.79		627.65	5,176.14	268,708.98
12	2/1/22	5,803.79		615.79	5,188.00	263,520.98
13	3/1/22	5,803.79		603.90	5,199.89	258,321.09
14	4/1/22	5,803.79		591.99	5,211.80	253,109.29
15	5/1/22	5,803.79		580.04	5,223.75	247,885.54
16	6/1/22	5,803.79		568.07	5,235.72	242,649.82
17	7/1/22	5,803.79		556.07	5,247.72	237,402.10
18	8/1/22	5,803.79		544.05	5,259.74	232,142.36
19	9/1/22	5,803.79		531.99	5,271.80	226,870.56
20	10/1/22	5,803.79		519.91	5,283.88	221,586.68
21	11/1/22	5,803.79		507.80	5,295.99	216,290.69
22	12/1/22	5,803.79		495.67	5,308.12	210,982.57
23	1/1/23	5,803.79		483.50	5,320.29	205,662.28
24	2/1/23	5,803.79		471.31	5,332.48	200,329.80
25	3/1/23	5,803.79		459.09	5,344.70	194,985.10
26	4/1/23	5,803.79		446.84	5,356.95	189,628.15
27	5/1/23	5,803.79		434.56	5,369.23	184,258.92
28	6/1/23	5,803.79		422.26	5,381.53	178,877.39
29	7/1/23	5,803.79		409.93	5,393.86	173,483.53
30	8/1/23	5,803.79		397.57	5,406.22	168,077.31
31	9/1/23	5,803.79		385.18	5,418.61	162,658.70
32	10/1/23	5,803.79		372.76	5,431.03	157,227.67
33	11/1/23	5,803.79		360.31	5,443.48	151,784.19
34	12/1/23	5,803.79		347.84	5,455.95	146,328.24

No.	Due Date	Payment Due	Additional Payment	Interest	Principal	Balance
35	1/1/24	5,803.79		335.34	5,468.45	140,859.79
36	2/1/24	5,803.79		322.80	5,480.99	135,378.80
37	3/1/24	5,803.79		310.24	5,493.55	129,885.25
38	4/1/24	5,803.79		297.65	5,506.14	124,379.11
39	5/1/24	5,803.79		285.04	5,518.75	118,860.36
40	6/1/24	5,803.79		272.39	5,531.40	113,328.96
41	7/1/24	5,803.79		259.71	5,544.08	107,784.88
42	8/1/24	5,803.79		247.01	5,556.78	102,228.10
43	9/1/24	5,803.79		234.27	5,569.52	96,658.58
44	10/1/24	5,803.79		221.51	5,582.28	91,076.30
45	11/1/24	5,803.79		208.72	5,595.07	85,481.23
46	12/1/24	5,803.79		195.89	5,607.90	79,873.33
47	1/1/25	5,803.79		183.04	5,620.75	74,252.58
48	2/1/25	5,803.79		170.16	5,633.63	68,618.95
49	3/1/25	5,803.79		157.25	5,646.54	62,972.41
50	4/1/25	5,803.79		144.31	5,659.48	57,312.93
51	5/1/25	5,803.79		131.34	5,672.45	51,640.48
52	6/1/25	5,803.79		118.34	5,685.45	45,955.03
53	7/1/25	5,803.79		105.31	5,698.48	40,256.55
54	8/1/25	5,803.79		92.25	5,711.54	34,545.01
55	9/1/25	5,803.79		79.17	5,724.62	28,820.39
56	10/1/25	5,803.79		66.05	5,737.74	23,082.65
57	11/1/25	5,803.79		52.90	5,750.89	17,331.76
58	12/1/25	5,803.79		39.72	5,764.07	11,567.69
59	1/1/26	5,803.79		26.51	5,777.28	5,790.41
60	2/1/26	5,803.68		13.27	5,790.41	0.00

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3. Provide the Total Sources and Uses of Funds to be obtained from the issuance of the Loan.

Response:

This information is not complete. KCWSD is filing a Motion for Extension of Time to respond to this request.

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4. Provide a table that shows a comparison between the retired debt service payments and the proposed debt service payments.

Response:

Please see attached.

Retired Debt Service Payments

**Proposed Debt Service
Payments**

Date	KIA	USDA (93-05)	USDA (91-11)	Total	Bank of Hindman
Mar-21	\$ 5,350.60	\$ 10,025.00	\$ 5,557.00	\$ 20,932.60	\$ 5,803.79
Apr-21	\$ 5,349.76			\$ 5,349.76	\$ 5,803.79
May-21	\$ 5,348.91			\$ 5,348.91	\$ 5,803.79
Jun-21	\$ 5,348.07			\$ 5,348.07	\$ 5,803.79
Jul-21	\$ 5,347.21			\$ 5,347.21	\$ 5,803.79
Aug-21	\$ 5,346.36			\$ 5,346.36	\$ 5,803.79
Sep-21	\$ 5,345.50			\$ 5,345.50	\$ 5,803.79
Oct-21	\$ 5,344.64			\$ 5,344.64	\$ 5,803.79
Nov-21	\$ 5,343.78			\$ 5,343.78	\$ 5,803.79
Dec-21	\$ 5,342.91			\$ 5,342.91	\$ 5,803.79
Jan-22	\$ 5,342.04	\$ 10,368.00	\$ 5,580.00	\$ 21,290.04	\$ 5,803.79
Feb-22	\$ 5,341.17			\$ 5,341.17	\$ 5,803.79
Mar-22	\$ 5,340.30			\$ 5,340.30	\$ 5,803.79
Apr-22	\$ 5,339.42			\$ 5,339.42	\$ 5,803.79
May-22	\$ 5,338.54			\$ 5,338.54	\$ 5,803.79
Jun-22	\$ 5,337.66			\$ 5,337.66	\$ 5,803.79
Jul-22				\$ -	\$ 5,803.79
Aug-22				\$ -	\$ 5,803.79
Sep-22				\$ -	\$ 5,803.79
Oct-22				\$ -	\$ 5,803.79
Nov-22				\$ -	\$ 5,803.79
Dec-22				\$ -	\$ 5,803.79
Jan-23		\$ 10,188.00	\$ 5,499.00	\$ 15,687.00	\$ 5,803.79
Feb-23				\$ -	\$ 5,803.79
Mar-23				\$ -	\$ 5,803.79
Apr-23				\$ -	\$ 5,803.79
May-23				\$ -	\$ 5,803.79
Jun-23				\$ -	\$ 5,803.79
Jul-23				\$ -	\$ 5,803.79
Aug-23				\$ -	\$ 5,803.79
Sep-23				\$ -	\$ 5,803.79
Oct-23				\$ -	\$ 5,803.79
Nov-23				\$ -	\$ 5,803.79
Dec-23				\$ -	\$ 5,803.79
Jan-24		\$ 10,008.00	\$ 5,518.00	\$ 15,526.00	\$ 5,803.79
Feb-24				\$ -	\$ 5,803.79
Mar-24				\$ -	\$ 5,803.79
Apr-24				\$ -	\$ 5,803.79
May-24				\$ -	\$ 5,803.79
Jun-24				\$ -	\$ 5,803.79
Jul-24				\$ -	\$ 5,803.79
Aug-24				\$ -	\$ 5,803.79
Sep-24				\$ -	\$ 5,803.79
Oct-24				\$ -	\$ 5,803.79
Nov-24				\$ -	\$ 5,803.79
Dec-24				\$ -	\$ 5,803.79
Jan-25		\$ 10,328.00	\$ 5,533.00	\$ 15,861.00	\$ 5,803.79
Feb-25				\$ -	\$ 5,803.79
Mar-25				\$ -	\$ 5,803.79
Apr-25				\$ -	\$ 5,803.79
May-25				\$ -	\$ 5,803.79

Jun-25				\$	-	\$	5,803.79	
Jul-25				\$	-	\$	5,803.79	
Aug-25				\$	-	\$	5,803.79	
Sep-25				\$	-	\$	5,803.79	
Oct-25				\$	-	\$	5,803.79	
Nov-25				\$	-	\$	5,803.79	
Dec-25				\$	-	\$	5,803.79	
Jan-26	\$	10,125.00	\$	5,543.00	\$	15,668.00	\$	5,803.79
Feb-26				\$	-	\$	5,803.79	
2027	\$	10,423.00	\$	5,548.00	\$	15,971.00		
2028	\$	10,198.00	\$	5,549.00	\$	15,747.00		
2029	\$	10,473.00	\$	5,546.00	\$	16,019.00		
2030	\$	10,225.00	\$	5,538.00	\$	15,763.00		
2031	\$	10,478.00	\$	5,525.00	\$	16,003.00		
2032	\$	10,208.00	\$	5,508.00	\$	15,716.00		
2033	\$	10,438.00	\$	5,587.00	\$	16,025.00		
2034	\$	10,145.00	\$	5,556.00	\$	15,701.00		
2035	\$	10,353.00	\$	5,521.00	\$	15,874.00		
2036	\$	10,038.00	\$	5,582.00	\$	15,620.00		
2037	\$	10,223.00	\$	5,533.00	\$	15,756.00		
2038	\$	10,385.00	\$	5,580.00	\$	15,965.00		
2039	\$	10,025.00	\$	5,518.00	\$	15,543.00		
2040	\$	10,165.00	\$	5,552.00	\$	15,717.00		
2041	\$	10,283.00	\$	5,576.00	\$	15,859.00		
2042	\$	10,378.00	\$	5,492.00	\$	15,870.00		
2043	\$	10,450.00	\$	5,503.00	\$	15,953.00		
2044			\$	5,505.00	\$	5,505.00		
2045			\$	5,498.00	\$	5,498.00		
2046			\$	5,582.00	\$	5,582.00		
2047			\$	5,852.00	\$	5,852.00		

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5. Provide the amount of benefits of the proposed refunding of the Prior Debts. Include the following:
 - a. Gross Present Value Debt Service Savings;
 - b. Net Present Value Cash Flow Savings' and
 - c. Net Present Value Benefit.

Response:

- a. The information for this request is not complete. KCWSD is filing a Motion for Extension of Time to respond to this request.
- b. Please see response a. above.
- c. Please see response a. above.

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6. State whether Knott District anticipates the need for an adjustment to rates in order to meet the debt service coverage or for general operating purposes.

Response:

Since this is a merely a refinancing of existing debt, Knott District does not anticipate the need for an adjustment to its rates to meet the debt service coverage or for general operating purposes.