

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE ELECTRONIC APPLICATION OF SOUTHERN WATER AND SEWER
DISTRICT FOR APPROVAL OF FINANCING PURSUANT TO KRS 278.300 TO
PURCHASE AND INSTALL MASTER METERS

CASE NO. 2021-46

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FIRST AMENDED APPLICATION

The Applicant, Southern Water and Sewer District (the “District”), files this Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the “Commission”) enter an Order authorizing the District to purchase and install master meters. In support of this Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The District was established pursuant to the provisions of Chapter 74 of the Kentucky Revised Statutes. The District is now, and has been since its inception, regulated by Commission, and all records and proceedings of the Commission with reference to the District are incorporated into this Application by reference. The District does not have any Articles of Incorporation because it is a statutorily created entity.

2. The governing body of the District is its Board of Commissioners, which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

3. The mailing address of Southern is as follows:

Southern Water & Sewer District
245 Kentucky Route 680
P.O. Box 610
McDowell, Kentucky 41647

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's most recent Annual Report which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. As the PSC should be aware, the District has recently purchased and installed new water meters for all of their customers. This project was intended to assist the District in their leak detection and correction program, among other objectives.

6. The District is hereby requesting approval to purchase and install master meters at 10 different locations. The District feels that installing 10 master meters would greatly assist their leak detection program among other benefits. The average per site estimate of the cost of the master meter, vault for said meter, incoming and discharge main line valve installation and appropriate size bypass line with appurtenances is approximately \$25,000. Thus, the District estimates that this master meter project would cost approximately \$250,000 to complete.

7. The District proposes to finance this project through the remaining funds from the proceeds of the Co-Bank loan that was approved by the PSC for the purpose of purchasing and installing new water meters.
8. The District represents that the Master Meter Project is in the public's interest and is intended to accomplish the purpose of improving leak detection and thus strengthening the financial condition of the District. This is a lawful object within the corporate purposes of the District's utility operations. The Master Meter Project is necessary, appropriate for, and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service.
9. The District represents that it will, as soon as reasonably possible after the completion of the master meter project, file with the Commission a statement setting forth the date of completion, the price paid, the fees and expenses incurred relating to said project.
10. Pursuant to 807 KAR 5:001, Section 12 – Financial Exhibits; the District hereby responds as follows:
 - (i) Section 12(1)(b): The District states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes to the District's financial condition have occurred since the end of the twelve (12) month period contained in the District's most recent annual report on file with the Commission.

- (ii) Section 12(2)(a), (b) and (c) Stock: The District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: The District does not have any outstanding mortgages as of the date hereof.
- (iv) Section 12(2) (e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of the District is contained in the District's most recent Annual Report on file with this Commission.
- (v) Section 12(2)(h) Dividends: The District has no outstanding stock and therefore pays no dividends.

11. Pursuant to 807 KAR 5:001, Section 18, the District hereby responds as follows:

- (i) Section 18(1)(a): The District has complied with the requirements of 807 KAR 5:001, Section 14.
- (ii) Section 18(1)(b): A general description of the District's property, its field of operation and a statement of original cost of said property and the cost to the District is contained in the District's most recent Annual Report on file with this Commission.
- (iii) Section 18(1)(c): The District is not issuing any stock as part of this financing.
- (iv) Section 18(1)(d): The remaining funds from the Co-Bank loan that was secured to finance the water meter project will be used to finance the Master Meter Project. This project shall cost approximately \$250,000.
- (v) Section 18(1)(e): Master Meters and related equipment will be acquired with the proceeds remaining from Co Bank loan.

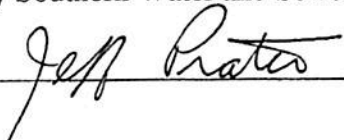
- (vi) Section 18(1)(f): The Master Meter Project is not proposed to discharge or refund obligations.
- (vii) Section 18(1)(g): Written notification of the proposed issuance of the Co-Bank Loan is being provided to the State Local Debt Officer (see attached Exhibit A).
- (viii) Section 18(2)(a): See Numerical #11.
- (ix) Section 18(2)(b): The District does not have any outstanding trust deeds or mortgages.
- (x) Section 18(2)(c): See Numerical 5 through 9.

12. No rate adjustment will be necessary.

WHEREFORE, the District respectfully requests that the Commission take the following actions:

1. Authorize the issuance of the securities requested in the Application;
2. Due to the importance of this project, the District requests that the Commission issue its Order as soon as possible; AND;
3. Process this Application without a formal hearing in order to save time and expense. The District will promptly respond to any information requests by the Commission's staff.

The undersigned, Jeff Prater, Chairman of the Board of Southern Water and Sewer District, hereby verifies that he has personal knowledge of the matters set forth in the above stated application, that the information set forth therein is true and correct and that he is duly designated by Southern Water and Sewer District to sign this application on its behalf.



Jeff Prater, Chairman of Board of Southern Water & Sewer District

State of Kentucky
County of Floyd

Subscribed and sworn to before me by Jeff Prater, Chairman of Southern's Board, this
8 day of February 2021.

My Commission expires: 1-31-2025

Steven Hall
Notary Public, State of Kentucky at Large

Southern Water and Sewer District

/s/ Steven Bailey

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