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Commissioner

July 20, 2011

Ian F. Koffler, Esq.
Peck, Shaffer & Williams, LLP
50 East River Center Boulevard
Suite 1150
Covington, Kentucky 41011

Re: Case No. 2011-00180
Boone County Water District

Dear Mr. Koffler:

The enclosed electronic mail messages have been filed in the record of the above-referenced case.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Enclosure

Wuetcher, Jerry (PSC)

From: Ian F. Koffler [IKoffler@peckshaffer.com]
Sent: Friday, July 15, 2011 17:27
To: Wuetcher, Jerry (PSC); Frost, Mark C (PSC)
Subject: RE: PSC Case No. 2011-00180: Boone County Water District

Due to the fact that the Bonds must be issued at an advertised competitive sale, financial advisors traditionally request around a 10% variance in the par amount of the bonds in order to ensure that the refunding can be completed at the lowest possible cost to the District. Underwriters will frequently pay for bonds at a premium or discount (paying an arbitrarily high price for lower yielding bonds or vice versa) which can drive up or down the par amount of the issue.

The request is that PSC approve bonds in an amount not to exceed \$1,900,000 in order to accommodate the potential variance. It is the expectation that the actual size of the bond issue would match what's in RSA's schedules, the \$1,720,000.

I would be happy to provide any additional information you may need.

Thank you,
Ian

From: Wuetcher, Jerry (PSC) [mailto:JWuetcher@ky.gov]
Sent: Friday, July 15, 2011 10:46 AM
To: Ian F. Koffler
Cc: Frost, Mark C (PSC)
Subject: PSC Case No. 2011-00180: Boone County Water District

Mr. Koffler:

In its review of Boone County Water District's application in the above-referenced case, Commission Staff has found a discrepancy that requires some clarification. In Paragraph 5 of its Application, Boone County Water District states that it "proposes to issue the Bonds in an amount not to exceed \$1,900,000." Exhibit A, Page 2 indicates that the bond proceeds will be only \$1,720,000. In fact, RSA's refunding analysis appears to be premised on the total bond issuance being only \$1,720,000. A copy of Exhibit A is attached for your reference.

What is the amount of the bond issuance? If the actual amount is higher than \$1,720,000, Commission Staff requires a revised refunding analysis that uses the actual amount.

As the Commission must issue an order in this matter NLT 7/25/2011, your prompt attention to this matter is appreciated. You may respond by e-mail. Commission Staff will ensure that your response if then filed in the record of Case No. 2011-00180.

Sincerely,

Gerald E. Wuetcher
Executive Advisor
Public Service Commission of Kentucky
(502) 564-3940, Extension 259
(502) 229-6500 (cell)
gerald.wuetcher@ky.gov

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7/20/11



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