

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC APPLICATION OF MONROE |) | CASE NO. |
| COUNTY WATER DISTRICT FOR APPROVAL |) | 2020-00275 |
| OF FINANCING |) | |

ORDER

On August 18, 2020, Monroe County Water District (Monroe District) filed an application, pursuant to KRS 278.300, seeking Commission approval of the assumption of debt for the leasing of five service trucks in the amount of \$58,513 (with five percent variance not to exceed \$61,438.65)¹ in 35 monthly payments between \$335 and \$346 per vehicle.² On September 2, 2020, the Commission issued a letter finding that the application was deficient. On September 4, 2020, Monroe District filed its response to the deficiency letter curing the deficiencies and its application was accepted as filed. There are no intervenors in this case and the matter is now submitted to the Commission for a decision based upon the evidentiary record.

Monroe District intends to lease five 2020 Ram 1500 Tradesman trucks from Don Franklin in Somerset, Kentucky. In support of its request for approval of the lease, Monroe District stated that its “distribution and treatment crews require reliable transportation to properly serve the customers of the [district].”³ The vehicles that Monroe

¹ Application at 2 and 3.

² *Id.* at Exhibit A.

³ *Id.* at 1.

District will lease will replace five vehicles with mileage between 148,656 and 326,796.⁴ Monroe District stated that because it is a lease, there is no interest rate for this transaction,⁵ and the vehicles will not be titled to Monroe District or be an asset of the utility.⁶

The Commission has reviewed the proposed financing and finds Monroe District's proposal to be reasonable. Further, after consideration of the evidence of record and being sufficiently advised, the Commission finds that the proposed leases from Don Franklin in Somerset, Kentucky, are for lawful objects within the corporate purposes of Monroe District; are necessary and appropriate for and consistent with the proper performance by the utility of its service to the public; will not impair its ability to perform that service; are reasonable, necessary, and appropriate for such purposes; and should be approved. However, the Commission notes that its findings herein are based upon statements made by Monroe District in its application. Thus, the Commission notes that its approval is conditional on Monroe District acting in a manner consistent with representations made in this matter and the terms and conditions of leases being consistent with the terms as described in Monroe District's application.

To ensure that the lease agreements are consistent with the application herein, the Commission finds that Monroe District should file each agreement with the Commission within ten days of its execution. For the filing of those documents, the Commission directs Monroe District to the Commission's March 16, 2020 and March 24,

⁴ *Id.*

⁵ Monroe County's Response to Deficiency Letter (filed Sept. 2, 2020) at 1.

⁶ *Id.* at 2.

2020 Orders in Case No. 2020-00085⁷ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency.

IT IS THEREFORE ORDERED that:

1. Monroe District is authorized to lease five vehicles from Don Franklin in Somerset, Kentucky, for \$58,513 (with 5 percent variance not to exceed \$61,438.65) in 35 monthly payments between \$335 and \$346 per vehicle. The lease maturity date and other terms and conditions of the leases shall be in accordance with those described in Monroe District's application.

2. Monroe District is authorized to execute the lease documents for which approval was sought herein.

3. Within ten days of the execution of a new lease authorized herein, Monroe District shall file with the Commission an electronic version of the lease documents, and Monroe District shall file a paper copy of the documents pursuant to the Orders referenced above in Case No. 2020-00085.

4. Any documents filed in the future pursuant to ordering paragraph 3 shall reference this case number and shall be retained in the post-case correspondence file.

5. Nothing contained herein shall be deemed a warranty or finding of value for the debt authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

6. This case is closed and removed from the Commission's docket.

⁷ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

By the Commission



ATTEST:



Deputy Executive Director

Case No. 2020-00275

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