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Michael J. Schmitt
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Kent A. Chandler
Vice Chairman

Talina R. Mathews
Commissioner

April 5, 2021

PARTIES OF RECORD

Re: Case No. 2020-00366

Attached is a copy of a memorandum, which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

If you have any questions, please contact Tina Frederick, Staff Attorney, at 502-782-2042.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell".

Linda Bridwell
Executive Director

Attachments

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File - No. 2020-00366

FROM: Tina Frederick, Staff Attorney

DATE: March 18, 2021

RE: Informal Conference of March 17, 2021

An informal conference ("IC") was conducted via video conference on March 17, 2021. Attached is a copy of the attendance roster

The purpose of the IC was to discuss Southern Water and Sewer District's (Southern District's) application for Commission approval of financing to replace three current debts with two Co-Bank loans. Staff inquired about a loan with Peoples Bank and Southern District confirmed the loan replaced a line of credit with Peoples Bank's predecessor, First Commonwealth Bank. Southern District confirmed Peoples Bank converted the line of credit into a loan in May 2020, and Southern District confirmed it did not notify the Commission of the conversion. Staff proposed Southern District file a Statement of the loan terms from Peoples Bank into the record of this proceeding. Southern District agreed to file the statement from Peoples Bank.

Additionally, Staff asked Southern District to file a summary of the net present value of interest rate savings associated with the two proposed loans as requested in Staff's First Request for Information, Items 1(b) and 2(b). Southern District's Response did not contain this information, despite it being specifically requested. Staff suggested the net present value of interest rate savings could be obtained from Co-Bank, and informed Southern District the Commission requires this information so that the savings to be obtained by the replacement financing can be substantiated.

Southern District inquired whether it would need Commission approval to obtain a revolving line of credit from Co-Bank. Staff informed Southern District that pursuant to KRS 278.300, Commission approval is required for such a transaction if Southern District intends to avail itself of an available line of credit and not retire the debt in two years.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTHERN)	CASE NO.
WATER & SEWER DISTRICT FOR APPROVAL)	2020-00366
FINANCING PURSUANT TO KRS 278.300)	

Informal Conference - March 17, 2021

Please sign in:

NAME	REPRESENTING
<u>Steven Bailey</u>	<u>Southern Water and Sewer District</u>
<u>Jeff Prater</u>	<u>Southern Water and Sewer District</u>
<u>Jeff Reed</u>	<u>Southern Water and Sewer District</u>
<u>Ariel Miller</u>	<u>PSC/ Financial Analysis</u>
<u>Eddie Beavers</u>	<u>PSC/Financial Analysis</u>
<u>Tina Frederick</u>	<u>PSC/Legal</u>

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*Steven P. Bailey
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