DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

STEPHANIE MILLER

DAVID SCHUNKE

DON HOWELL

WELDON STUTZMAN

BEVERLY BARKER

GARY RICHARDSON

TONYA CLARK

WORKING FILE

FROM:TERRI CARLOCK

DATE:NOVEMBER 17, 1995

RE:CAPITOL WATER CORPORATION’S REQUEST TO BORROW $75,000; CASE NO. CAP-W-95-2.

RECOMMENDATION:  APPROVAL

Capitol Water Corporation requests authority to borrow $75,000 in debt.  The debt would be an eight-year term loan at an interest rate of 10.5%.

The debt proceeds will be utilized to pay construction costs incurred to lower mains and replace saddles as described in Case No. CAP-W-95-1.  The remainder will be utilized to repay existing short-term debt.

RECOMMENDATION

The debt issue is the first step and is consistent with the goal to restructure the financing for Capitol Water as discussed in the rate case.  I recommend approval.

COMMISSION DECISION

Do you approve the $75,000, eight-year term loan at 10.5% interest?

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Terri Carlock

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