

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF HENRY COUNTY WATER)	
DISTRICT #2 FOR APPROVAL OF)	CASE NO. 2014-000191
INTERLOCAL AGREEMENT WITH THE)	
CITY OF CARROLLTON)	

ORDER

On June 5, 2014, Henry County Water District #2 (“Henry District”) filed for approval of an Interlocal Agreement between Henry District and city of Carrollton, Kentucky, by and through Carrollton Utilities (“City”). Under the terms of the Interlocal Agreement, Henry District agrees to incur debt with a repayment term of 30 years, but did not seek the Commission’s authorization to incur the debt, as required by KRS 278.300.

Pursuant to the terms of the Interlocal Agreement, the City is responsible for applying for and receiving Kentucky Infrastructure Authority (“KIA”) funding of \$963,931 on a 30-year amortization at the rate of 0.75 percent interest with 50 percent principal forgiveness. Henry District’s portion of the loan is stated to be \$30,837.31, with semi-annual payments for the same number of years as the debt incurred by the City.

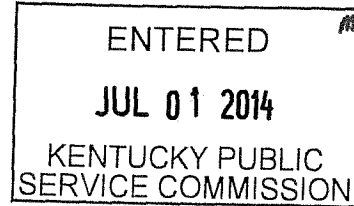
Within 20 days of the date of this Order, Henry District should file an application for authority to incur debt providing the information required by 807 KAR 5:001, Section 18. Henry County is not authorized to incur debt until explicitly authorized in an order issued by the Commission or the terms of the debt complies with KRS 278.300(8).

Having reviewed Henry District's June 5, 2014 filing, the Commission finds the filing deficient.

IT IS THEREFORE ORDERED that:

1. Within 20 days of entry of this Order, Henry District shall file an application for authority to incur debt providing the information as required by 807 KAR 5:001, Section 18.
2. Henry District shall not incur debt unless explicitly authorized by this Commission or the terms of the debt complies with KRS 278.300(8).
3. The statutory time period in which the Commission must process this case will not commence until Henry District files all the required documentation.

By the Commission



ATTEST:



Executive Director

Honorable D. Berry Baxter
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