

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WARREN COUNTY)
WATER DISTRICT, WARREN COUNTY,)
KENTUCKY, FOR AUTHORITY TO ISSUE) CASE NO. 89-072
CERTAIN SECURITIES AS REQUIRED)
BY KRS 278.300)

O R D E R

On March 30, 1989, Warren County Water District ("Warren") filed its application for authority to issue refunding revenue bonds in an aggregate principal amount of \$7,045,000. The proceeds of these bonds would be used to retire all Farmers Home Administration ("FmHA") debt except loan D.

On April 27, 1989, Warren filed a final refunding analysis which revised the amount of the refunding bond issuance. Based upon the final refunding analysis, the refunding bond issuance will total \$6,835,000 and will result in net present value savings of \$789,000.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that the issuance and sale of the above securities by Warren are for lawful objects within the corporate purposes of Warren's utility operations. The above-described transaction is necessary, appropriate, and consistent with the proper performance of Warren's service to the public, and will not impair its ability to perform that service.

IT IS THEREFORE ORDERED that:

1. Warren be and it hereby is authorized to issue refunding bonds with an aggregate principal amount not to exceed \$6,835,000.

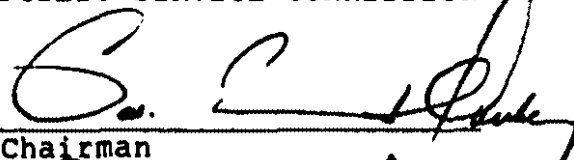
2. Warren shall as soon as reasonably possible after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commission or other compensation, involved in the issuance and distribution.

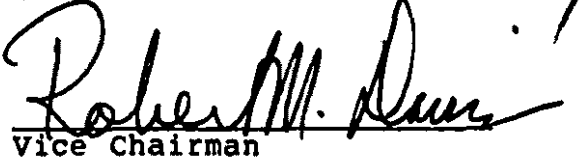
3. The proceeds from the transactions authorized herein shall be used only for the lawful purposes as set out in the application.

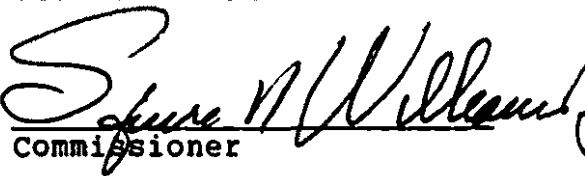
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 1st day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director