

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTON COUNTY WATER)
DISTRICT NO. 1: TO ISSUE REVENUE BONDS)
IN THE COMBINED APPROXIMATE PRINCIPAL)
AMOUNT OF \$36,100,000, SERIES 1992, FOR)
THE PURPOSE OF: i) DEFEASING IN ADVANCE)
OF MATURITY THE 1985 AND 1987 SERIES) CASE NO. 92-044
OUTSTANDING BONDS OF THE DISTRICT; AND)
ii) TO COMBINE A PORTION OF THE FUNDS)
REQUIRED TO COMPLETE CERTAIN IMPROVEMENT)
PROJECTS OF THE SYSTEM AUTHORIZED IN)
CASE NO. 91-046)

O R D E R

On January 29, 1992, Kenton County Water District No. 1 ("Kenton County") filed an application requesting approval to issue water district revenue and refunding revenue bonds in the amount of \$36.09 million. After considering Kenton County's application and being otherwise sufficiently advised, the Commission finds that:

1. The purpose of the issuance of these bonds is to defease in advance of maturity the 1985 and 1987 Series revenue bonds and to finance certain improvement projects of the system.

2. The proposed financing will produce an approximate savings of \$5.58 million over the life of the 1992 Series bonds or a total present value savings of \$1.713 million.

3. The issuance of the above securities by Kenton County is for a lawful object within the corporate purposes of Kenton County's utility operations. The above-described transaction is

necessary, appropriate, and consistent with a proper performance of Kenton County's service to the public, and will not impair its ability to perform that service.

4. Of the \$36.09 million proposed issuance, \$14.0 million of the proposed issuance represents the issuance of securities previously authorized in Case No. 91-046.¹ This amount reflects a \$2.16 million reduction in the \$16.16 million authorized in the prior case due to the fact that the prior authorized amount included all fees and expenses associated with issuance and an allowance for a Debt Reserve Fund.

IT IS THEREFORE ORDERED that:

1. Kenton County be and it hereby is authorized to issue bonds with an aggregate principal amount not to exceed \$36.09 million.

2. Case No. 91-046 shall be amended to reflect the amount included in this proposed issuance due to the fact that the \$16.16 million amount authorized in Case No. 91-046 included all fees and expenses associated with issuance and an allowance for a Debt Reserve Fund. Accordingly, Case No. 91-046 shall, from the date of this Order, authorize the issuance of securities in the amount of \$14.0 million.

¹ Case No. 91-046, Application and Notice of Kenton County Water District No. 1: (A) To Issue Revenue Bonds in the Approximate Principal Amount of \$16,160,000 (A Portion for Refunding of Bond Anticipation Notes); (B) To Construct Additional Plant Facilities of Approximately \$8,317,000; (C) Notice of Adjustment of Rates Effective May 1, 1991; and, (D) Approval, if Necessary, of Continuing Miscellaneous Long-Term Indebtedness.

3. The \$36.09 million issuance authorized herein shall represent the total aggregate amount authorized by the Commission in both Case No. 91-046 and the present case.

4. Kenton County shall, within 60 days after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date of issuance of the securities authorized herein, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting, discounts, commissions for other compensation, involved in distribution.


5. Within 60 days of the issuance and investment of the proceeds, Kenton County shall file its finalized Escrow Agreement, the amount of State and Local Government Securities purchased, maturity date, interest rate, and amortization schedule for Kenton County's established Escrow Fund.


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

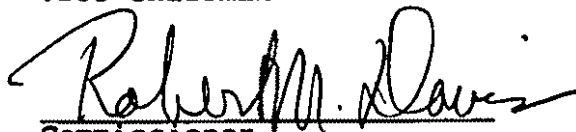
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 10th day of February, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director