

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION AND NOTICE OF CAMPBELL COUNTY)
KENTUCKY WATER DISTRICT TO ACQUIRE THE)
WATER DISTRIBUTION SYSTEM OF THE CITY OF) CASE NO.
HIGHLAND HEIGHTS AND TO ISSUE REVENUE) 92-207
BONDS FOR THAT PURPOSE IN THE APPROXIMATE)
PRINCIPAL AMOUNT OF \$1,635,000)

O R D E R

On May 13, 1992, the Campbell County Kentucky Water District ("Campbell District") filed an application for Commission approval to acquire the city of Highland Heights' ("Highland Heights") water distribution system and for approval of its proposed financing plan to complete the acquisition.

Having reviewed the application and being sufficiently advised, the Commission finds that:

1. Campbell District, a water district organized pursuant to the provisions of KRS Chapter 74, provides water service throughout Campbell County, Kentucky.

2. Highland Heights is an incorporated city of the fourth class situated in Campbell County, Kentucky.

3. Highland Heights owns and operates a water distribution system which provides water service to approximately 1450 customers within Highland Heights' municipal boundaries.

4. Highland Heights and Campbell District propose to enter into an agreement whereby Highland Heights agrees to convey its

water distribution system, except fire hydrants, to Campbell District for \$1,448,000 and Campbell District agrees to purchase, operate and maintain Highland Heights' system. Under the terms of this agreement, Campbell District assumes no debt.

5. KRS 74.100 authorizes a water district to purchase water supply systems operating within its district boundaries.

6. Campbell District is the sole supplier of treated water to Highland Heights.

7. Upon Commission approval of the proposed acquisition, Campbell District will charge customers in Highland Heights' municipal boundaries rates identical to those currently being charged customers of Campbell District.

8. Campbell District proposes to finance the acquisition of Highland Heights' water distribution system by issuing revenue bonds in the amount of \$1,635,000.

9. As of December 31, 1991, Campbell District had total current and accrued assets of \$2,539,496.48 and current and accrued liabilities of \$607,405.75.

10. The issuance of long-term indebtedness via the revenue bonds for the acquisition of Highland Heights' water distribution system is for a lawful objective within Campbell District's corporate purposes, is reasonably necessary and appropriate for such purposes, is necessary for and consistent with the proper performance of its service to the public, and will not impair its ability to perform that service.

11. Campbell District's acquisition of Highland Heights' water distribution system will not affect Campbell District's quality of service.

IT IS THEREFORE ORDERED that:

1. The proposed acquisition shall be and hereby is approved.

2. Campbell District shall file with the Commission a copy of the executed purchase agreement within 30 days of its execution.

3. Campbell District shall file a revised tariff sheet within 30 days from the date of the acquisition.

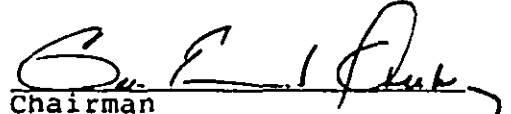
4. Campbell District shall be and hereby is authorized to issue revenue bonds in an aggregate principal amount not to exceed \$1,635,000.

5. The proceeds from the bond issuance authorized herein shall be used only for the lawful purposes as set out in the application.

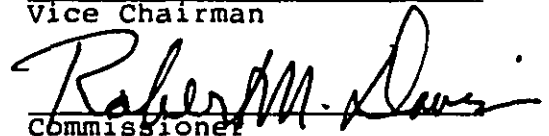
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 6th day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting