

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WHITLEY COUNTY)	
WATER DISTRICT TO ASSUME AN)	
INDEBTEDNESS IN THE APPROXIMATE)	CASE NO.
PRINCIPAL AMOUNT OF \$31,356.91)	94-515
FOR THE PURPOSE OF PURCHASING)	
PROPERTY TO BE USED FOR THE)	
OPERATION OF THE DISTRICT)	

O R D E R

On December 15, 1994, the Whitley County Water District ("Whitley") submitted its application with the Commission seeking authority to incur a mortgage indebtedness ("loan") of \$31,356 from the Farmers National Bank ("Farmers Bank"). However, Whitley's application was not considered filed until January 27, 1995.

On January 13, 1995, Whitley amended its application to reduce its requested Farmers Bank loan from \$31,356 to \$15,000. Whitley's loan will have an interest rate of 8 percent per annum and a term of 5 years. The proceeds will be combined with internally generated funds of \$16,880.81 to purchase 1 1/2 acres and a building located at the junction of 25W and Cumberland Avenue.

Whitley currently rents an office that has limited parking and storage space. The new facility will provide approximately 1,000 square feet of office space, 1,000 square feet for equipment storage, and ample customer and employee parking. For these reasons Whitley contends that the purchase of the building and real estate will strengthen its operations and is in the public interest.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Whitley's proposal to obtain a \$15,000 loan from the Farmers Bank is for a lawful object within its corporate purpose, is necessary and appropriate for and consistent with the proper performance of its service to the public. It should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Whitley is authorized to obtain a \$15,000 loan from the Farmers Bank, at an interest rate of 8 percent and term of 5 years.

2. Whitley shall agree only to such terms that have been set out in the application.

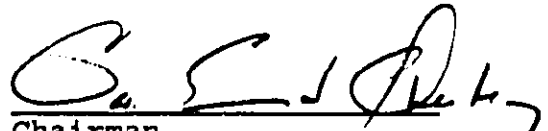
3. Whitley shall, within 30 days of its closing date, file with the Commission a statement setting forth the closing date or dates, the principal amount of the indebtedness, the interest rate, and a signed copy of the loan agreement.

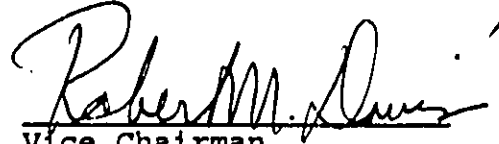
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

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 16th day of February, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director