

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE HARDIN COUNTY)
WATER DISTRICT NO. 2 TO ISSUE SECURITIES)
IN THE APPROXIMATE PRINCIPAL AMOUNT OF)
\$5,010,000. FOR THE PURPOSE OF REFUNDING) CASE NO. 95-325
CERTAIN OUTSTANDING REVENUE BONDS OF)
THE DISTRICT PURSUANT TO THE PROVISIONS)
OF KRS 278.300 AND 807 KAR 5:001)

O R D E R

On July 2, 1995, the Hardin County Water District No. 2 ("Hardin No. 2") applied for authority to issue \$5,010,000 of Water System refunding Revenue Bonds, Series 1995A ("Series 1995A Bonds"). Hardin No. 2 subsequently amended its application to reflect a reduction in the Series 1995A Bonds from \$5,010,000 to \$4,940,000. The amended Series 1995A Bonds will have an interest rate of 5.50 percent to 5.90 percent per annum for a 30-year term.

The proceeds from the Series 1995A Bonds will be used to refund Hardin No. 2's Water System Revenue Bonds, 1985 Series A and B; and Water System Revenue Bonds, Series of 1989 on August 29, 1995. Hardin No. 2 estimates this refinancing will result in total gross savings of \$1,491,231 and a net present value savings of \$310,533. This represents a net present value savings of approximately 7.24 percent.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Hardin No. 2's proposal to issue \$4,940,000 of Series 1995A Bonds is for a lawful

object within Hardin No. 2's corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Hardin No. 2 is authorized to issue \$4,940,000 of Series 1995A Bonds, at an interest rate between 5.50 percent and 5.90 percent per annum.

2. Hardin No. 2 shall issue its proposed Series 1995A Bonds only on such terms that will result in a positive net present value savings and which are consistent with Hardin No. 2's amended application.

3. Hardin No. 2 shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of issuance of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions, or other compensation involved in the issuance and distribution.

4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in Hardin No. 2's application.

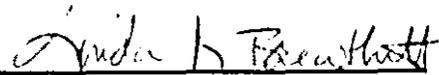
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 29th day of August, 1995.

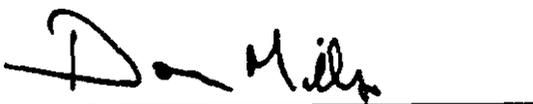
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director