

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PENDLETON COUNTY)
WATER DISTRICT FOR AUTHORITY TO ISSUE) CASE NO. 96-618
EVIDENCE OF INDEBTEDNESS)

O R D E R

On January 14, 1997, Pendleton County Water District ("Pendleton County") filed its application seeking authority to issue evidence of indebtedness, specifically a mortgage loan from the Kentucky Association of Counties Leasing Trust in the amount of \$110,000. The loan would be payable over 21 years at an interest rate based on the tax exempt bond market on the date of closing, currently 4.926 percent. The loan rate is initially fixed for a period of ten years and the property would serve as collateral for the loan. Proceeds of the loan will be used to purchase a building to be used as an office, workshop, and storage area for the water district.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the proposed loan of \$110,000 is for a lawful object within its corporate purposes, is necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair its ability to perform that service, is reasonably necessary and appropriate for such purposes, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Pendleton County be and it hereby is authorized to issue evidence of indebtedness in the form of a mortgage loan from the Kentucky Association of Counties Leasing Trust in the amount of \$110,000.

2. Pendleton County shall, within 30 days after the loan closing, file with the Commission a statement setting forth the date of said loan closing, the amount borrowed, the interest rate, and all fees and expenses paid in connection with the loan.

3. Pendleton County shall agree only to such terms that are consistent with said parameters as set out in its application.

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 4th day of March, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director