

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE BARKLEY)
LAKE WATER DISTRICT TO ISSUE)
SECURITIES IN THE APPROXIMATE)
PRINCIPAL AMOUNT OF TWO MILLION)
EIGHTY-FIVE THOUSAND DOLLARS) CASE NO.
(\$2,085,000) FOR THE PURPOSE OF) 97-509
REFUNDING 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 December 16, 1997, the Barkley Lake Water District ("Barkley Lake") submitted its application seeking authority to issue \$2,085,000 of Barkley Lake Water District Waterworks Refunding Revenue Bonds, Series 1998 ("Series 1998 Refunding Bonds"). However, due to filing deficiencies, Barkley Lake's application was not considered filed until January 16, 1998. The Series 1998 Refunding Bonds will have interest rates that vary from 4.1 percent to 5.5 percent per annum.

The proceeds from the Series 1998 Refunding Bonds will be used to refinance the outstanding revenue bonds designated as Barkley Lake Water District Water System Revenue Bonds, Series 1985 and 1988 ("Series 1985 and 1988 Revenue Bonds"), which have a combined outstanding principal amount of \$2,017,000. Barkley Lake estimates the proposed refinancing of the Series 1985 and 1988 Revenue Bonds will result in a total gross savings of \$430,738 and a net present value savings of \$276,370.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Barkley Lake's proposal to issue \$2,085,000 of Series 1998 Refunding Bonds is for a lawful object within Barkley Lake's corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

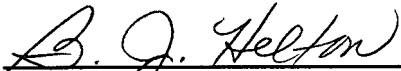
IT IS THEREFORE ORDERED that:

1. Barkley Lake is authorized to issue \$2,085,000 of Series 1998 Refunding Bonds, at an interest rate that will vary between 4.1 percent and 5.5 percent per annum.
2. Barkley Lake shall issue its proposed Series 1998 Refunding Bonds only on such terms that will result in a positive net present value savings and which are consistent with Barkley Lake's application.
3. Barkley Lake 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 Barkley Lake's application.

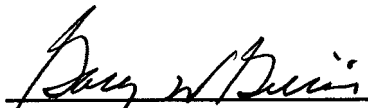
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 13th day of February, 1998.

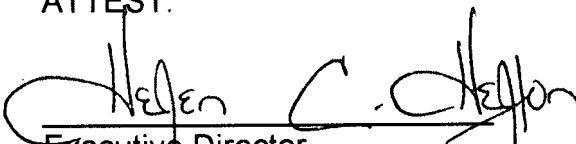
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director