

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE EAST PENDLETON	)	
WATER DISTRICT TO ISSUE SECURITIES IN	)	
THE APPROXIMATE PRINCIPAL AMOUNT OF	)	
\$1,015,000 FOR THE PURPOSE OF REFUNDING	)	CASE NO. 98-401
CERTAIN OUTSTANDING REVENUE BONDS OF	)	
THE DISTRICT PURSUANT TO THE PROVISIONS	)	
OF KRS 278.300 AND 807 KAR 5:001	)	

ORDER

On July 31, 1998, the East Pendleton Water District ("East Pendleton") submitted its application for authority to issue certain securities, as required by KRS 278.300, in the approximate principal amount of \$1,015,000 subject to adjustment of up to 10 percent, or a maximum of \$1,116,500, for the purpose of refunding certain outstanding water system revenue bonds which have an outstanding principal balance of \$878,000. The bond proceeds will be used to refinance East Pendleton's Waterworks Revenue Bonds Series of 1989 ("1989 Series"). East Pendleton estimates the refunding will result in total gross savings of approximately \$460,081, which represents a net present value savings of \$140,936. The Series 1998 Bonds mature in various annual amounts from 1999 through 2029 and bear interest at the rate of 7.125 percent per annum. East Pendleton stated the issuance of the securities will not impair its ability to perform its services and is reasonably necessary and appropriate for the stated purpose.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that East Pendleton's proposal to issue these bonds for purposes of refinancing its outstanding bonds is for a lawful object within East Pendleton's corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

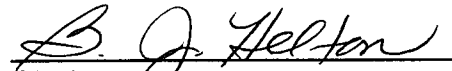
IT IS THEREFORE ORDERED that:

1. East Pendleton is authorized to issue bonds for an approximate principal amount not to exceed \$1,116,500, at an interest rate between 3.9 percent and 5.4 percent per annum.
2. East Pendleton shall issue its proposed Series 1998 Bonds only on such terms that will result in a positive net present value savings and which are consistent with its application.
3. East Pendleton shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates 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 East Pendleton's application.

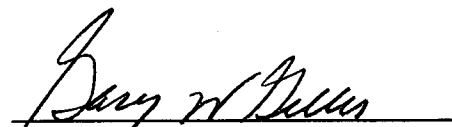
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 8th day of September, 1998.

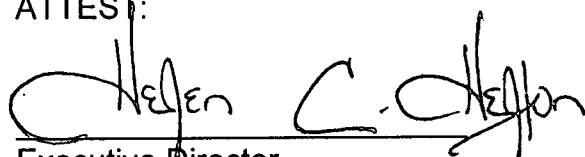
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director