

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)	
WATER DISTRICT FOR APPROVAL TO)	CASE NO.
REFINANCE REVENUE BONDS IN THE)	2002-00468
APPROXIMATE AMOUNT OF \$1,585,000)	

O R D E R

On December 16, 2002, Northern Kentucky Water District (Northern District) submitted its application seeking Commission approval to issue bonds in the principal amount of \$1,585,000. Northern District estimates that its proposed bonds will have a 30-year term with an effective variable interest rate of 1.65 to 5.10 percent per annum.

The bond proceeds will be used to refinance the 1995 United States Department of Agriculture Bonds (USDA Bonds) in the approximate amount of \$1,585,000. Northern District estimates that its proposed refinancing will result in total gross savings and net present value savings of \$347,000 and \$109,788, respectively. However, Northern District states that its estimates are dependent upon market conditions and the method of refinancing.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Northern District's proposal to issue bonds in the amount of \$1,585,000 to refinance its USDA Bonds is for a lawful object within its corporate purpose, is necessary or appropriate for and consistent with the proper performance of its service to the public, and should be approved.

IT IS THEREFORE ORDERED that:

1. Northern District is authorized to issue bonds in the amount of \$1,585,000 at an interest rate that will vary between 1.65 to 5.10 percent per annum.
2. Northern District is authorized to issue the proposed bonds only if the total gross savings and net present value savings of the refinancing of its USDA Bonds are at least \$347,000 and \$109,788, respectively.
3. Northern District shall obtain approval from the Commission prior to using its bond proceeds for any purpose not expressly authorized by this Order.
4. Northern District shall, within 30 days of issuing the bonds authorized herein, file with the Commission a statement setting forth the date the bonds were issued, the actual interest rates, and the principal amount.

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 January, 2003.

By the Commission

ATTEST:


Executive Director