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Commonwealth of Kentucky
Public Service Commission
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

February 20, 2012

Honorable W. Randall Jones
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202

RE: Case No. 2012-00054
Larue County Water District #1
(Construct, Finance, Rates; 278.023)

The Commission staff has reviewed Larue County Water District's application in the above case and finds that it met the minimum filing requirements on February 14, 2012 and has been accepted for filing.

Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502-564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Filings Division Director

LF/ke

FILED
FEB 14 2012
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
FEB 14 2012
PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF LARUE COUNTY)
WATER DISTRICT NO. 1 FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY) Case No. 2012 - 00054
TO CONSTRUCT, FINANCE AND INCREASE)
RATES PURSUANT TO KRS 278.023.)

A P P L I C A T I O N

This Application of the Larue County Water District No. 1 ("Applicant") respectfully shows:

1. That Applicant is a water district created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.

2. That the post office address of Applicant is:

Larue County Water District No. 1
c/o Mr. Steve Gardner, Manager
6215 North L & N Turnpike
Buffalo, Kentucky 42716
Phone: (270) 325-3242

3. That Applicant, pursuant to the provisions of KRS 278.020 and 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting Applicant to construct a waterworks construction project, consisting of extensions, additions, and improvements (the "Project") to the existing waterworks system of Applicant; (ii) an Order approving increased rates; and (iii) approval of the proposed plan of financing said Project.

4. The Project consists of the construction and installation of (i) approximately 10,500 linear feet of 6 inch waterline; (ii) 17,000 linear feet of 4 inch waterline; (iii) 8,000 linear feet of 3 inch waterline; (iv) a 50,000 gallon ground water storage tank with appurtenances; and (v) a 50,000 gallon elevated water storage tank with appurtenances.

5. That Applicant proposes to finance the construction of the Project through (i) the issuance of \$245,000 of its Waterworks Revenue Bonds, (ii) a USDA, Rural Development ("RD") grant in the amount of \$105,000, and (iii) four (4) Kentucky Infrastructure Authority ("KIA") grants in the aggregate amount of \$1,150,000. Applicant has a commitment from RD to purchase said \$245,000 of bonds maturing over a 40-year period, at an interest rate of not exceeding 3.25% per annum, as set out in the RD Letter of Conditions, as amended, filed herewith as an Exhibit.