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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

June 8, 2011

Ms. Gayle Haney
Sharpsburg Water District
P. O. Box 248
Sharpsburg, KY 40374

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

RE: Case No. 2011-00188
Sharpsburg Water District
(Construct, Finance, Rates; 278.023)

The Commission staff has reviewed the application in the above case and finds that it meets the minimum filing requirements. 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/rs

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FILED

MAY 31 2011

PUBLIC SERVICE COMMISSION

MAY 31 2011

PUBLIC SERVICE) COMMISSION

) Case No. 2011 - 00188

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In the Matter of:

THE APPLICATION OF THE SHARPSBURG WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT, FINANCE AND INCREASE RATES PURSUANT TO KRS 278.023

APPLICATION

This Application of the Sharpsburg Water District ("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:

Sharpsburg Water District
c/o Ms. Gayle Haney, Manager
P.O. Box 248
Sharpsburg, Kentucky 40374

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

4. That the Project consists of the replacement of approximately 43,500 linear feet of 8 inch waterline and appurtenances and the replacement of service connections along various County roads.

5. That Applicant proposes to finance the construction of the Project through (i) the issuance of \$642,000 of its Waterworks Revenue Bonds; (ii) a USDA, Rural Development ("RD") grant in the amount of \$345,600; and (iii) an Appalachian Regional Commission ("ARC") grant in the amount of \$500,000. Applicant has a commitment from RD to purchase said \$642,000 of bonds maturing over a 40-year period, at an interest rate of not exceeding 2.375% per annum, as set out in the RD Letter of Conditions filed herewith as an Exhibit.