

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE AQUA CORPORATION )  
FOR AUTHORITY TO ISSUE BONDS IN THE )  
APPROXIMATE PRINCIPAL AMOUNT OF ) CASE NO. 10151  
\$3,170,000 FOR THE PURPOSE OF REFUNDING )  
PRIOR OUTSTANDING INDEBTEDNESS )

O R D E R

On February 3, 1988, Aqua Corporation ("Aqua") filed an application seeking authority to issue bonds in the approximate principal amount of \$3,170,000 for the purpose of refunding or discharging prior outstanding indebtedness. The objective of Aqua's refunding is to obtain a lower effective interest rate and a net savings in interest cost after allowing for expenses associated with the proposed refunding.

Aqua also requests a deviation from that portion of 807 KAR 5:001, Section 6 which requires it to file with its application a financial exhibit covering its operations for a 12 month period ending no later than November 3, 1987. Contending that preparation of such an exhibit would be unduly time consuming and expensive, Aqua has instead submitted a financial exhibit covering its operations for the 12 month period ending July 31, 1987.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Good cause exists to grant a deviation from 807 KAR 5:001, Section 6 to allow Aqua to submit a financial exhibit

covering its operations for the 12 month period ending July 31, 1987, in lieu of a later 12 month period.

2. The approximate \$3,170,000 bond issuance proposed by Aqua is for lawful objects within its corporate purposes and is necessary or appropriate for or consistent with the proper performance of its services to the public and will not impair its ability to perform these services, and is reasonably necessary and appropriate for such purposes, and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Aqua be and it hereby is granted a deviation from 807 KAR 5:001, Section 6 and permitted to submit a financial exhibit covering its operations for the 12 month period ending July 31, 1987, in lieu of a later 12 month period as required by 807 KAR 5:001, Section 6.

2. Aqua be and it hereby is authorized to issue, sell, and deliver during 1988, refunding bonds with an aggregate principal amount not to exceed \$3,170,00 in an underwritten public offering, through either negotiated sale or competitive bidding, or private placement transaction utilizing the proper documentation.

3. The terms and interest rate(s) of the refunding bonds shall be determined in negotiations between Aqua and the purchasers or through competitive bidding. The refunding bonds shall have a lower effective interest rate than the outstanding bonds to be redeemed and shall result in a net savings in interest cost after allowing for redemption premium and issuance expense.

4. Aqua shall, as soon as possible after the bond issuance, file with the Commission a statement setting forth the date or

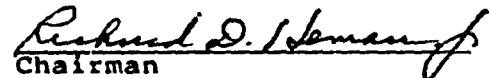
dates of issuance, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts, commissions or other compensation, involved in the issuance and distribution.

5. The proceeds from the bond issuance shall be used only for the lawful purposes specified in the 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 9th day of March, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director