

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BOONESBORO WATER)
ASSOCIATION, INC. TO CONSTRUCT AND) CASE NO. 94-509
FINANCE UNDER KRS 278.023)

O R D E R

On January 3, 1995, Boonesboro Water Association, Inc. ("Boonesboro Water") filed an application for a Certificate of Public Convenience and Necessity to purchase a \$161,000 office building from Mr. and Mrs. James Hendrixon and Christina J. Hendrixon and for approval of its plan of financing for this project. Project funding includes a \$110,000 bond issue to be purchased pursuant to an agreement with Rural Economic and Community Development ("RECD"), an agency of the U. S. Department of Agriculture, and a \$51,000 contribution from Boonesboro Water. The bonds will be financed for a 25-year period from the date of the bond.

Boonesboro Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water associations and an agency of the U. S. Department of Agriculture and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on January 3, 1995, KRS 278.023 does not grant the

Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Boonesboro Water is hereby granted a Certificate of Public Convenience and Necessity for the purchase of an office building.

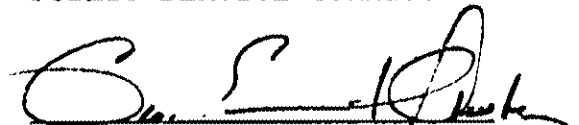
2. Boonesboro Water's proposed plan of financing with RECD is accepted.

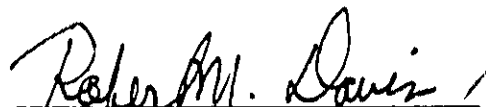
3. Boonesboro Water is authorized to issue bonds not to exceed \$110,000 to be held or insured by RECD.

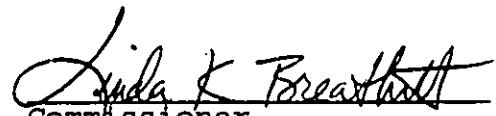
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 2nd day of February, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director