

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HENDERSON COUNTY)	
WATER DISTRICT FOR (1) CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY AND)	CASE NO.
(2) AUTHORIZATION TO BORROW FUNDS AND)	96-114
TO ISSUE ITS EVIDENCE OF INDEBTEDNESS)	
THEREFOR)	

O R D E R

On April 22, 1996, Henderson County Water District ("Henderson Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$300,000 new office and shop facility to be located on the site of the existing offices at 655 South Main Street, Henderson, Kentucky. Project funding includes a \$100,000 note from Farmers Bank of Henderson, Kentucky and \$200,000 from Henderson Water's internally generated funds. Said note has a maturity of 5 years with payments based on a 10-year amortization at an interest rate of 6.25 percent per annum and a balloon payment at the end of the 5 years.

The proposed construction is expected to offer the applicant adequate facilities for its operations as well as offering accessibility to the disabled. Henderson Water has abandoned the plans to remodel and enlarge its existing facility as presented in Case No. 93-311.¹

¹ Case No. 93-311, The Application of Henderson County Water District for (1) Certificate of Public Convenience and Necessity and (2) Authorization to Borrow Funds and to Issue Its Evidence of Indebtedness Therefor.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Public convenience and necessity require that the construction proposed be performed and that a Certificate of Public Convenience and Necessity be granted.

2. The proposed construction consists of a new office and shop facility to be located on the site of the existing offices at 655 South Main Street, Henderson, Kentucky.

3. Henderson Water should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

4. Any deviation from the construction approved should be undertaken only with the prior approval of the Commission.

5. Henderson Water should furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (architectural, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

6. Henderson Water should require construction to be inspected under the general supervision of a professional architect with a Kentucky registration.

IT IS THEREFORE ORDERED that:

1. Henderson Water is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction

project consisting of a new office and shop facility to be located on the site of the existing offices at 655 South Main Street, Henderson, Kentucky.

2. Henderson Water shall comply with the requirements contained in Findings 3 through 6 as if the same were individually so ordered.

3. Henderson Water is authorized to obtain a 5-year \$100,000 note from the Farmers Bank of Henderson, Kentucky, at an interest rate of 6.25 percent per annum and a 5-year term.

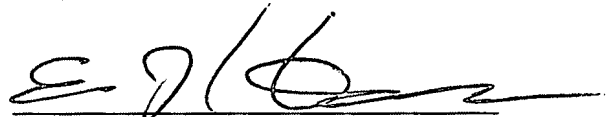
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.


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 23rd day of May, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director