

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE SOUTH ANDERSON)	
WATER DISTRICT TO ISSUE SECURITIES IN)	
THE APPROXIMATE PRINCIPAL AMOUNT OF)	
\$865,000 FOR THE PURPOSE OF REFUNDING)	CASE NO.
AN OUTSTANDING REVENUE BOND OF THE)	99-134
DISTRICT PURSUANT TO THE PROVISIONS OF)	
KRS 278.300 AND 807 KAR 5:001)	

ORDER

On April 5, 1999, South Anderson Water District (South Anderson) filed an application for authority to issue South Anderson Water District Water System Refunding Revenue Bonds, Series 1999A (1999 Bonds), as required by KRS 278.300, in the principal sum not to exceed \$865,000. The bond proceeds will be used to refinance South Anderson Water District Water System Revenue Bonds, 1988 Series A and B (1988 Bonds) which carry annual interest rates of 6.875 and 7.375 percent, respectively. The 1999 Bonds mature in various annual amounts from 2000 through 2024 and will bear coupon rates ranging from 3.6 to 5.25 percent. South Anderson stated that the refunding of the 1988 Bonds is in the public interest and is intended to strengthen the financial condition of the District by producing substantial debt service savings. The net present value savings of the change in net cash outflow is expected to be at least \$45,868.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that South Anderson s proposal to issue the 1999 Bonds to refund the 1988 Bonds is for a lawful object within South Anderson s corporate purpose,

is reasonably necessary, appropriate for and consistent with the proper performance of its service to the public, will not impair its ability to perform that service, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. South Anderson is authorized to issue bonds for an amount not to exceed \$865,000, with coupon rates ranging from 3.6 to 5.25 percent.

2. South Anderson shall issue its proposed 1999 Bonds only on such terms that will result in a positive net present value savings and which are consistent with its application.

3. South Anderson shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of issuance of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions, or other compensation involved in the issuance and distribution.

4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in South Anderson's 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 12th day of May, 1999.

By the Commission

ATTEST:

Executive Director