

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE WESTERN)	
PULASKI COUNTY WATER DISTRICT)	
TO ISSUE SECURITIES IN THE)	
APPROXIMATE PRINCIPAL AMOUNT OF)	
\$2,780,000 FOR THE PURPOSE OF REPLACING)	
CERTAIN OUTSTANDING REVENUE BONDS OF)	CASE NO.
THE PLEASANT HILL WATER DISTRICT AND)	2001-441
THE PULASKI COUNTY WATER DISTRICT NO. 2)	
BEING ASSUMED BY THE WESTERN PULASKI)	
COUNTY WATER DISTRICT PURSUANT TO)	
THE PROVISIONS OF KRS 278.300 AND)	
807 KAR 5:001)	

ORDER

On December 13, 2001, Western Pulaski County Water District (Western Pulaski) filed an application for authority to issue Western Pulaski County Water District Waterworks Revenue Bonds, Series 2001, as required by KRS 278.300, in the aggregate principal amount of \$2,780,000. The issue will consist of Series A and B in the amounts of \$1,616,000 and \$1,164,000, respectively. Series A will bear an annual interest rate of 5 percent while the rate for Series B will be 4.5 percent.

The proceeds from Series A will be used to refund the 1975 Pleasant Hill Water District Waterworks Revenue Bonds with an outstanding balance of \$122,000, the 1992 Pleasant Hill Water District Waterworks Revenue Bonds with an outstanding balance of \$576,000, and the 1987 Pulaski County Water District No. 2 Waterworks Revenue Bonds with an outstanding balance of \$918,000. The proceeds of Series B will be used to refund the 1996 Pulaski County Water District No. 2 Waterworks Revenue Bonds with an outstanding balance of \$1,164,000.

The maturity dates of the 2001 Bonds will be the same as those of the existing obligations. All obligations to be refunded by the Series A Bonds carry an annual interest rate of 5 percent while those to be refunded by the Series B Bonds carry a rate of 4.5 percent.

Western Pulaski's application also included a request for permission to deviate from the requirements of Administrative Regulation 807 KAR 5:001, Section 6. Administrative Regulation 807 KAR 5:001, Section 6, requires the submission of certain financial information covering a 12-month period ending not more than 90 days prior to the date of the application. That information has not been compiled and Western Pulaski seeks to substitute the financial information filed with its application that is for the 12-month period ending December 31, 2000. Western Pulaski states that there has been no material change in its financial condition since December 31, 2000. It also states that it does not have the computer capability to generate, in a timely manner, the required financial data.

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

1. Pulaski County Water District No. 2, Pleasant Hill Water District and Oak Hill Water Association were merged to form Western Pulaski Water District pursuant to the Commission's Order in Case No. 9967.¹

¹ Case No. 9967, The Proposed Merger of Barnesburg Water Association, Bronston Water Association, Elihu-Rush Branch Water Association, Nelson Valley Water Association, Oak Hill Water Association, Pleasant Hill Water District, Pulaski County Water District No. 1, Pulaski County Water District No. 2, and Tateville Water Association, Order dated February 22, 1988.

2. Western Pulaski has assumed the bonds of the former districts that are held by the U.S. Department of Agriculture through Rural Development.

3. Rural Development has advised Western Pulaski to replace the assumed bonds with obligations in the name of Western Pulaski.

4. The terms and conditions of the 2001 Bonds are identical to the obligations to be refunded.

5. Western Pulaski will pay all issuance costs of the 2001 Bonds out of internal funds.

6. Western Pulaski's proposal to issue the 2001 Bonds is for a lawful object within Western Pulaski'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.

7. Good cause has been shown to grant Western Pulaski permission to deviate from the requirements of the regulation.

IT IS THEREFORE ORDERED that:

1. Western Pulaski's motion for permission to deviate from the filing requirements of Administrative Regulation 807 KAR 5:001, section 6, and to substitute the financial information filed is granted.

2. Western Pulaski is authorized to issue Series A and B Bonds in amounts of \$1,616,000 and \$1,164,000 with annual rates of interest of 5 and 4.5 percent, respectively.

3. Western Pulaski shall issue its proposed 2001 Bonds only on such terms that are consistent with its application.

4. Western Pulaski 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.

5. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in Western Pulaski'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 14th day of January, 2002.

By the Commission

ATTEST:


Executive Director