

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE WEBSTER COUNTY)	
WATER DISTRICT TO ISSUE SECURITIES IN THE)	
APPROXIMATE PRINCIPAL AMOUNT OF \$1,385,000)	CASE NO.
FOR THE PURPOSE OF REFUNDING CERTAIN)	2002-00356
OUTSTANDING REVENUE BONDS OF THE DISTRICT)	
PURSUANT TO THE PROVISIONS OF KRS 278.300)	
AND 807 KAR 5:001)	

O R D E R

On October 31, 2002, Webster County Water District (Webster District) filed a motion for rehearing of the Commission s Order (Order) issued on October 21, 2002. In its Order, the Commission authorized Webster District to borrow an amount not to exceed \$1,454,250 from the Kentucky Rural Water Finance Corporation (KRWFC) at an interest rate not to exceed 3.95 percent. The purpose of the loan was to take advantage of low interest rates to refinance existing debts and the Order conditioned approval on Webster District being able to realize from the refinancing total gross savings of not less than \$259,100 and net present value savings of not less than \$78,941. However, due to changes in the bond market, Webster District has now been advised that the interest rates it can obtain will vary from 2.60 percent to 4.370 percent and it now requests to borrow up to \$1,375,000 at those interest rates. Since the amount of the loan will be less than the amount authorized by the Order, these savings are greater than the minimum savings required by the Order and Webster District s request on rehearing should be granted.

IT IS THEREFORE ORDERED that:

1. The Order issued October 21, 2002 is hereby modified to authorize Webster District to borrow from KRWFC up to \$1,375,000 at interest rates varying from 2.60 percent to 4.370 percent, provided that Webster District will realize from the refinancing total gross savings of not less than \$307,491.53 and net present value savings of not less than \$94,021.40.

2. All other provisions of the October 21, 2002 Order not inconsistent herewith shall remain in full force and effect.

Done at Frankfort, Kentucky, this 18th day of November, 2002.

By the Commission

ATTEST:


Executive Director