

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE BRACKEN)	
COUNTY WATER DISTRICT FOR (1))	
THE APPROVAL OF A PROPOSED)	CASE NO.
PLAN TO FINANCE A WATER WORKS)	2006-00313
PROJECT AND (2) THE APPROVAL OF)	
THE PROPOSED INCREASE IN RATES)	
FOR WATER SERVICE)	

O R D E R

On June 21, 2006, Bracken County Water District (“Bracken County”) applied to the Commission for approval of a proposed increase in rates for water service and approval to borrow funds. Bracken County’s application included a request for approval to borrow \$3,012,000 from the Kentucky Rural Water Finance Corporation (“KRWFC”) at an approximate interest rate of 5.5 percent to be repaid over a 25-year period. Bracken County will use the loan proceeds to finance the construction of a \$3,100,000 waterworks improvement project previously approved by the Commission in Case No. 2006-00053.¹

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Bracken County’s proposed financing is for a lawful object within its corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

¹ Case No. 2006-00053, The Application of Bracken County Water District for a Certificate of Public Convenience and Necessity to Construct an Improvements Project Pursuant to KRS 278.020.

IT IS THEREFORE ORDERED that:

1. Bracken County is authorized to borrow \$3,012,000 from the Kentucky Rural Water Finance Corporation for a 25-year term at an approximate rate of 5.5 percent to fund the construction of the Delisle Curve Water Project previously approved by the Commission in Case No. 2006-00053.

2. Bracken County shall, within 30 days of executing the agreement for the proposed KRWFC loan, file with the Commission a statement setting forth the date of the loan, the actual interest rate, and the actual principal amount.

3. The proceeds from the transaction authorized herein shall be used only for the lawful purposes specified in the application.

4. Nothing in this Order shall be construed as approval of any other portion of Bracken County's 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 7th day of August, 2006

By the Commission

ATTEST:


Executive Director