

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE NORTH MARSHALL)	
WATER DISTRICT FOR APPROVAL OF)	CASE NO.
CONSTRUCTION AND ISSUANCE OF A)	2008-00551
CERTIFICATE OF CONVENIENCE AND)	
NECESSITY FOR THE PURCHASE AND)	
INSTALLATION OF AUTOMATED METER)	
READING EQUIPMENT)	

O R D E R

On March 30, 2009, the Commission authorized North Marshall Water District (“North Marshall”) to borrow an amount not exceeding \$800,000 from First Kentucky Bank of Benton, Kentucky (“FKB”) and maturing over a 10-year term with an interest rate of 4.34 percent per annum. In its application, North Marshall indicated it was seeking to execute a loan agreement with FKB.

On May 1, 2009, North Marshall notified the Commission that its evidence of indebtedness would be in the form of a revenue bond instead of a loan. It stated that the conditions of the indebtedness to FKB would remain the same—a 10-year term with an interest rate of 4.34 percent per annum. North Marshall requests that the Commission reaffirm or amend our Order to reflect this change.

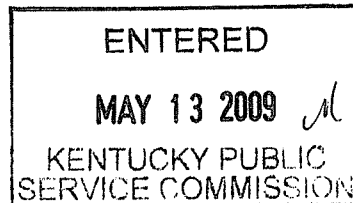
KRS 278.300 requires a utility to obtain Commission authorization prior to issuing any securities or evidences of indebtedness. In the present case, there is no significant difference in the type of indebtedness when comparing a loan and a bond. Both types place the same burden on the utility; the terms of the revenue bonds do not differ from

the initially proposed loan agreement. In addition, the Commission did not limit North Marshall's indebtedness to a loan or another specific type. Accordingly, we find that the revenue bonds are consistent with our previous Order.

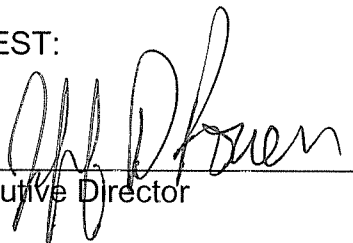
IT IS THEREFORE ORDERED that:

1. North Marshall may borrow an amount not exceeding \$800,000 from FKB in the form of a revenue bond maturing over a 10-year term with an interest rate of 4.34 percent per annum.
2. All other provisions of our Order of March 30, 2009 in this case shall remain in effect.

By the Commission



ATTEST:



Executive Director

Jeffery G Edwards
Marshall County Attorney
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