

Rubin & Hays

ATTORNEYS AT LAW

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CHARLES S. MUSSON
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June 20, 2008

RECEIVED

JUN 23 2008

PUBLIC SERVICE
COMMISSION

Ms. Stephanie Stumbo, Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Barkley Lake Water District PSC Case No. 2008-00097

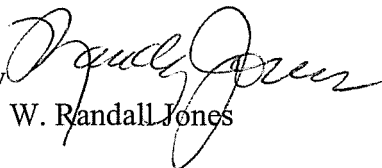
Dear Ms. Stumbo:

In accordance with the PSC Order dated May 29, 2008 relating to the above case, enclosed please find the final refunding schedules which include the actual gross and net present value savings and the final loan debt service, including the final principal amount and the interest rates. The Kentucky Rural Water Finance Corporation loan to the District was dated May 29, 2008.

Thank you for your assistance and if you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:ilm
Enclosures

cc: Ms. Penny Wright, Barkley Lake Water District

\$1,675,000

*Barkley Lake Water District
Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Sources & Uses

Refunding

Dated 05/29/2008 | Delivered 05/29/2008

Sources Of Funds

Par Amount of Bonds.....	\$1,675,000.00
Transfers from Prior Issue Debt Service Funds.....	25,000.00
Transfers from Prior Issue DSR Funds.....	145,960.00

Total Sources..... \$1,845,960.00

Uses Of Funds

Original Issue Discount (OID).....	11,799.75
Total Underwriter's Discount (0.848%).....	14,204.00
Costs of Issuance.....	27,625.00
Deposit to Current Refunding Fund.....	1,790,050.00
Rounding Amount.....	2,281.25

Total Uses..... \$1,845,960.00

\$1,675,000

*Barkley Lake Water District
Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2008	-	-	95,750.00	95,750.00
12/31/2009	129,730.57	129,730.57	144,000.00	14,269.43
12/31/2010	127,181.25	127,181.25	141,195.00	14,013.75
12/31/2011	125,361.25	125,361.25	143,390.00	18,028.75
12/31/2012	128,302.50	128,302.50	145,270.00	16,967.50
12/31/2013	126,080.00	126,080.00	141,890.00	15,810.00
12/31/2014	128,687.50	128,687.50	143,477.50	14,790.00
12/31/2015	131,030.00	131,030.00	144,802.50	13,772.50
12/31/2016	123,278.75	123,278.75	140,865.00	17,586.25
12/31/2017	125,327.50	125,327.50	141,927.50	16,600.00
12/31/2018	126,986.25	126,986.25	142,727.50	15,741.25
12/31/2019	128,442.50	128,442.50	143,265.00	14,822.50
12/31/2020	129,696.25	129,696.25	143,495.00	13,798.75
12/31/2021	125,848.75	125,848.75	143,460.00	17,611.25
12/31/2022	126,837.50	126,837.50	143,160.00	16,322.50
12/31/2023	127,558.13	127,558.13	142,595.00	15,036.87
12/31/2024	128,001.26	128,001.26	141,765.00	13,763.74
12/31/2025	128,163.76	128,163.76	145,670.00	17,506.24
12/31/2026	128,111.26	128,111.26	144,045.00	15,933.74
12/31/2027	127,765.63	127,765.63	142,155.00	14,389.37
Total	\$2,422,390.61	\$2,422,390.61	\$2,814,905.00	\$392,514.39

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	392,514.39
Transfers from Prior Issue Debt Service Fund.....	(25,000.00)
Transfers from Prior Issue DSR Fund.....	(145,960.00)
Contingency or Rounding Amount.....	2,281.25
Net Benefit.....	223,835.64
Gross PV Debt Service Savings.....	255,210.42
Transfers from Prior Issue Debt Service Fund.....	(25,000.00)
Transfers from Prior Issue DSR Fund.....	(145,960.00)
Contingency or Rounding Amount.....	2,281.25
Net Present Value Benefit.....	\$86,531.67
Net PV Benefit / \$1,740,000 Refunded Principal.....	4.973%
Net PV Benefit / \$1,675,000 Refunding Principal.....	5.166%

Refunding Bond Information

Refunding Dated Date.....	5/29/2008
Refunding Delivery Date.....	5/29/2008

\$1,675,000
Barkley Lake Water District
Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/29/2008	-	-	-	-	-
02/01/2009	55,000 00	2 350%	43,225 57	98,225 57	-
08/01/2009	-	-	31,505 00	31,505 00	-
12/31/2009	-	-	-	-	129,730 57
02/01/2010	65,000 00	2 550%	31,505 00	96,505 00	-
08/01/2010	-	-	30,676 25	30,676 25	-
12/31/2010	-	-	-	-	127,181 25
02/01/2011	65,000 00	3 050%	30,676 25	95,676 25	-
08/01/2011	-	-	29,685 00	29,685 00	-
12/31/2011	-	-	-	-	125,361 25
02/01/2012	70,000 00	3 050%	29,685 00	99,685 00	-
08/01/2012	-	-	28,617 50	28,617 50	-
12/31/2012	-	-	-	-	128,302 50
02/01/2013	70,000 00	3 300%	28,617 50	98,617 50	-
08/01/2013	-	-	27,462 50	27,462 50	-
12/31/2013	-	-	-	-	126,080 00
02/01/2014	75,000 00	3 300%	27,462 50	102,462 50	-
08/01/2014	-	-	26,225 00	26,225 00	-
12/31/2014	-	-	-	-	128,687 50
02/01/2015	80,000 00	3 550%	26,225 00	106,225 00	-
08/01/2015	-	-	24,805 00	24,805 00	-
12/31/2015	-	-	-	-	131,030 00
02/01/2016	75,000 00	3 550%	24,805 00	99,805 00	-
08/01/2016	-	-	23,473 75	23,473 75	-
12/31/2016	-	-	-	-	123,278 75
02/01/2017	80,000 00	4 050%	23,473 75	103,473 75	-
08/01/2017	-	-	21,853 75	21,853 75	-
12/31/2017	-	-	-	-	125,327 50
02/01/2018	85,000 00	4 050%	21,853 75	106,853 75	-
08/01/2018	-	-	20,132 50	20,132 50	-
12/31/2018	-	-	-	-	126,986 25
02/01/2019	90,000 00	4 050%	20,132 50	110,132 50	-
08/01/2019	-	-	18,310 00	18,310 00	-
12/31/2019	-	-	-	-	128,442 50
02/01/2020	95,000 00	4 050%	18,310 00	113,310 00	-
08/01/2020	-	-	16,386 25	16,386 25	-
12/31/2020	-	-	-	-	129,696 25
02/01/2021	95,000 00	4 050%	16,386 25	111,386 25	-
08/01/2021	-	-	14,462 50	14,462 50	-
12/31/2021	-	-	-	-	125,848 75
02/01/2022	100,000 00	4 175%	14,462 50	114,462 50	-
08/01/2022	-	-	12,375 00	12,375 00	-
12/31/2022	-	-	-	-	126,837 50
02/01/2023	105,000 00	4 175%	12,375 00	117,375 00	-
08/01/2023	-	-	10,183 13	10,183 13	-
12/31/2023	-	-	-	-	127,558 13
02/01/2024	110,000 00	4 300%	10,183 13	120,183 13	-
08/01/2024	-	-	7,818 13	7,818 13	-
12/31/2024	-	-	-	-	128,001 26
02/01/2025	115,000 00	4 300%	7,818 13	122,818 13	-
08/01/2025	-	-	5,345 63	5,345 63	-
12/31/2025	-	-	-	-	128,163 76
02/01/2026	120,000 00	4 300%	5,345 63	125,345 63	-
08/01/2026	-	-	2,765 63	2,765 63	-
12/31/2026	-	-	-	-	128,111 26
02/01/2027	125,000 00	4 425%	2,765 63	127,765 63	-
12/31/2027	-	-	-	-	127,765 63
Total	\$1,675,000.00	-	\$747,390.61	\$2,422,390.61	-

Yield Statistics

Bond Year Dollars.....	\$18,230 97
Average Life	10 884 Years
Average Coupon	4 0995653%
Net Interest Cost (NIC)	4 2422003%
True Interest Cost (TIC)	4 2591873%
Bond Yield for Arbitrage Purposes	4 1466809%
All Inclusive Cost (AIC)	4 4627542%

IRS Form 8038

Net Interest Cost	4 2174414%
Weighted Average Maturity	10 823 Years

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\$1,675,000

*Barkley Lake Water District
Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2009	Serial Coupon	2.350%	2.350%	55,000.00	100.000%	55,000.00
02/01/2010	Serial Coupon	2.550%	2.550%	65,000.00	100.000%	65,000.00
02/01/2011	Serial Coupon	3.050%	2.800%	65,000.00	100.637%	65,414.05
02/01/2012	Serial Coupon	3.050%	3.050%	70,000.00	100.000%	70,000.00
02/01/2013	Serial Coupon	3.300%	3.170%	70,000.00	100.558%	70,390.60
02/01/2014	Serial Coupon	3.300%	3.300%	75,000.00	100.000%	75,000.00
02/01/2015	Serial Coupon	3.550%	3.430%	80,000.00	100.708%	80,566.40
02/01/2016	Serial Coupon	3.550%	3.560%	75,000.00	99.929%	74,946.75
02/01/2017	Serial Coupon	4.050%	3.689%	80,000.00	102.652%	82,121.60
02/01/2018	Serial Coupon	4.050%	3.850%	85,000.00	101.601%	86,360.85
02/01/2019	Serial Coupon	4.050%	4.000%	90,000.00	100.394%	90,354.60
02/01/2020	Serial Coupon	4.050%	4.130%	95,000.00	99.258%	94,295.10
02/01/2021	Serial Coupon	4.050%	4.221%	95,000.00	98.335%	93,418.25
02/01/2022	Serial Coupon	4.175%	4.290%	100,000.00	98.811%	98,811.00
02/01/2023	Serial Coupon	4.175%	4.401%	105,000.00	97.573%	102,451.65
02/01/2024	Serial Coupon	4.300%	4.451%	110,000.00	98.309%	108,139.90
02/01/2025	Serial Coupon	4.300%	4.501%	115,000.00	97.658%	112,306.70
02/01/2026	Serial Coupon	4.300%	4.551%	120,000.00	96.969%	116,362.80
02/01/2027	Serial Coupon	4.425%	4.601%	125,000.00	97.808%	122,260.00
Total	-	-	-	\$1,675,000.00	-	\$1,663,200.25

Bid Information

Par Amount of Bonds.....	\$1,675,000.00
Reoffering Premium or (Discount).....	(11,799.75)
Gross Production.....	\$1,663,200.25
Total Underwriter's Discount (0.848%).....	\$(14,204.00)
Bid (98.448%).....	1,648,996.25
Total Purchase Price.....	\$1,648,996.25
Bond Year Dollars.....	\$18,230.97
Average Life.....	10.884 Years
Average Coupon.....	4.0995653%
Net Interest Cost (NIC).....	4.2422003%
True Interest Cost (TIC).....	4.2591873%

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\$1,385,000

*Barkley Lake Water District
Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Sources & Uses

New Money

Dated 05/29/2008 | Delivered 05/29/2008

Sources Of Funds

Par Amount of Bonds..... \$1,385,000.00

Total Sources..... \$1,385,000.00

Uses Of Funds

Original Issue Discount (OID)..... 27,703.10

Total Underwriter's Discount (0.848%)..... 11,744.80

Costs of Issuance..... 26,737.50

Deposit to Project Construction Fund..... 1,317,800.00

Rounding Amount..... 1,014.60

Total Uses..... \$1,385,000.00

\$1,385,000

*Barkley Lake Water District
Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
12/31/2008	-	-	-	-	-
12/31/2009	15,000.00	2.350%	67,812.64	82,812.64	82,812.64
12/31/2010	30,000.00	2.550%	57,265.00	87,265.00	87,265.00
12/31/2011	30,000.00	3.050%	56,425.00	86,425.00	86,425.00
12/31/2012	30,000.00	3.050%	55,510.00	85,510.00	85,510.00
12/31/2013	30,000.00	3.300%	54,557.50	84,557.50	84,557.50
12/31/2014	30,000.00	3.300%	53,567.50	83,567.50	83,567.50
12/31/2015	30,000.00	3.550%	52,540.00	82,540.00	82,540.00
12/31/2016	35,000.00	3.550%	51,386.25	86,386.25	86,386.25
12/31/2017	35,000.00	4.050%	50,056.25	85,056.25	85,056.25
12/31/2018	35,000.00	4.050%	48,638.75	83,638.75	83,638.75
12/31/2019	40,000.00	4.050%	47,120.00	87,120.00	87,120.00
12/31/2020	40,000.00	4.050%	45,500.00	85,500.00	85,500.00
12/31/2021	40,000.00	4.050%	43,880.00	83,880.00	83,880.00
12/31/2022	45,000.00	4.175%	42,130.63	87,130.63	87,130.63
12/31/2023	45,000.00	4.175%	40,251.88	85,251.88	85,251.88
12/31/2024	45,000.00	4.300%	38,345.00	83,345.00	83,345.00
12/31/2025	50,000.00	4.300%	36,302.50	86,302.50	86,302.50
12/31/2026	50,000.00	4.300%	34,152.50	84,152.50	84,152.50
12/31/2027	55,000.00	4.425%	31,860.63	86,860.63	86,860.63
12/31/2028	55,000.00	4.425%	29,426.88	84,426.88	84,426.88
12/31/2029	55,000.00	4.550%	26,958.75	81,958.75	81,958.75
12/31/2030	60,000.00	4.550%	24,342.50	84,342.50	84,342.50
12/31/2031	65,000.00	4.550%	21,498.75	86,498.75	86,498.75
12/31/2032	65,000.00	4.550%	18,541.25	83,541.25	83,541.25
12/31/2033	70,000.00	4.550%	15,470.00	85,470.00	85,470.00
12/31/2034	70,000.00	4.550%	12,285.00	82,285.00	82,285.00
12/31/2035	75,000.00	4.550%	8,986.25	83,986.25	83,986.25
12/31/2036	80,000.00	4.550%	5,460.00	85,460.00	85,460.00
12/31/2037	80,000.00	4.550%	1,820.00	81,820.00	81,820.00
Total	\$1,385,000.00	-	\$1,072,091.41	\$2,457,091.41	\$2,457,091.41

\$1,385,000

*Barkley Lake Water District
Refunding of Series 1998 through the
Kentucky Rural Water Finance Corporation*

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2009	Serial Coupon	2.350%	2.350%	15,000.00	100.000%	15,000.00
02/01/2010	Serial Coupon	2.550%	2.550%	30,000.00	100.000%	30,000.00
02/01/2011	Serial Coupon	3.050%	2.800%	30,000.00	100.637%	30,191.10
02/01/2012	Serial Coupon	3.050%	3.050%	30,000.00	100.000%	30,000.00
02/01/2013	Serial Coupon	3.300%	3.170%	30,000.00	100.558%	30,167.40
02/01/2014	Serial Coupon	3.300%	3.300%	30,000.00	100.000%	30,000.00
02/01/2015	Serial Coupon	3.550%	3.430%	30,000.00	100.708%	30,212.40
02/01/2016	Serial Coupon	3.550%	3.560%	35,000.00	99.929%	34,975.15
02/01/2017	Serial Coupon	4.050%	3.689%	35,000.00	102.652%	35,928.20
02/01/2018	Serial Coupon	4.050%	3.850%	35,000.00	101.601%	35,560.35
02/01/2019	Serial Coupon	4.050%	4.000%	40,000.00	100.394%	40,157.60
02/01/2020	Serial Coupon	4.050%	4.130%	40,000.00	99.258%	39,703.20
02/01/2021	Serial Coupon	4.050%	4.221%	40,000.00	98.335%	39,334.00
02/01/2022	Serial Coupon	4.175%	4.290%	45,000.00	98.811%	44,464.95
02/01/2023	Serial Coupon	4.175%	4.401%	45,000.00	97.573%	43,907.85
02/01/2024	Serial Coupon	4.300%	4.451%	45,000.00	98.309%	44,239.05
02/01/2025	Serial Coupon	4.300%	4.501%	50,000.00	97.658%	48,829.00
02/01/2026	Serial Coupon	4.300%	4.551%	50,000.00	96.969%	48,484.50
02/01/2027	Serial Coupon	4.425%	4.601%	55,000.00	97.808%	53,794.40
02/01/2028	Serial Coupon	4.425%	4.651%	55,000.00	97.102%	53,406.10
02/01/2033	Term 1 Coupon	4.550%	4.751%	315,000.00	97.091%	305,836.65
02/01/2037	Term 2 Coupon	4.550%	4.801%	305,000.00	96.100%	293,105.00
Total	-	-	-	\$1,385,000.00	-	\$1,357,296.90

Bid Information

Par Amount of Bonds.....	\$1,385,000.00
Reoffering Premium or (Discount).....	(27,703.10)
Gross Production.....	\$1,357,296.90
Total Underwriter's Discount (0.848%).....	\$(11,744.80)
Bid (97.152%).....	1,345,552.10
Total Purchase Price.....	\$1,345,552.10
Bond Year Dollars.....	\$24,361.03
Average Life.....	17.589 Years
Average Coupon.....	4.4008464%
Net Interest Cost (NIC).....	4.5627767%
True Interest Cost (TIC).....	4.6192446%