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DAMON R. TALLEY

ATTORNEY AT LAW

January 31, 2006

Mr. Michael F. Burford, Director
Division of Filings
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

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FEB 1 2006

**PUBLIC SERVICE
COMMISSION**

RE: Hardin County Water District No. 2
Case No. 2004-00102

Dear Mr. Burford:

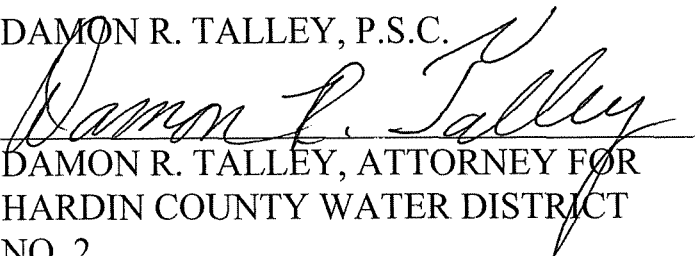
Enclosed is the Compliance Statement which provides the requested information regarding the 2004A Refunding Revenue Bonds issued by Hardin County Water District No. 2 on April 21, 2004.

This information is being provided pursuant to the Commission's April 20, 2004 Order and the follow-up letter dated November 30, 2005.

Should you need any additional information, please let me know.

Yours truly,

DAMON R. TALLEY, P.S.C.


DAMON R. TALLEY, ATTORNEY FOR
HARDIN COUNTY WATER DISTRICT
NO. 2

DRT/ms

Enclosures

cc: Hardin County Water District No. 2

6/HCWD2/Burford 1-31-06

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

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PUBLIC SERVICE COMMISSION

THE APPLICATION OF THE HARDIN)
COUNTY WATER DISTRICT NO. 2 TO)
ISSUE SECURITIES IN THE APPROXIMATE)
PRINCIPAL AMOUNT OF \$2,940,000 FOR)
THE PURPOSE OF ADVANCE REFUNDING)
CERTAIN OUTSTANDING REVENUE)
BONDS OF THE DISTRICT PURSUANT)
TO THE PROVISIONS OF KRS 278.300)
AND 807 KAR 5:001)

CASE NO. 2004-00102

** *** **** ***** **

COMPLIANCE STATEMENT

The Applicant, Hardin County Water District No.2, (the "District"), files this Compliance Statement pursuant to the provisions of the Commission's Order dated April 20, 2004. The District states as follows:

- 1. The District issued its Water System Refunding Revenue Bonds, Series 2004A (the "2004A Refunding Bonds") on April 21, 2004.
2. The actual interest rates on the 2004A Refunding Bonds are set forth in Exhibit 1 which is attached hereto and incorporated herein by reference. As shown in Exhibit 1, the interest rates vary from 2.0% to 4.0%.

3. The principal amount of the 2004A Refunding Bonds is **\$2,940,000**.
4. The actual terms and conditions of the 2004A Refunding Bonds were identical to the terms and conditions set forth in the Application. The 2004A Refunding Bonds produced a gross savings of \$414,257 and a net present value savings of \$210,819 as set forth in the Application and the Commission's April 20, 2004 Order.

This January 31, 2006.

Respectfully submitted,

HARDIN COUNTY WATER
DISTRICT NO. 2


DAMON R. TALLEY, P.S.C.

Counsel for Applicant

P.O. Box 150

Hodgenville, Kentucky 42748-0150

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EXHIBIT 1

\$2,940,000
HARDIN COUNTY (KENTUCKY) WATER DISTRICT NO. 2
WATER SYSTEM REFUNDING REVENUE BONDS, SERIES 2004A

<u>Year</u> <u>(January 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>CUSIP #</u> <u>411890</u>
2005	\$ 90,000	2.000%	100.689%	1.000%	GL4
2006	90,000	2.000	101.168	1.300	GM2
2007	95,000	3.000	103.676	1.600	GN0
2008	100,000	3.000	103.542	2.000	GP5
2009	105,000	3.000	103.321	2.250	GQ3
2010	105,000	3.000	102.368	2.550	GR1
2011	110,000	3.000	100.905	2.850	GS9
2012	115,000	3.000	99.656	3.050	GT7
2014*	240,000	3.250	99.174	3.350	GU4
2016*	260,000	3.500	99.048	3.600	GV2
2018*	300,000	3.700	98.935	3.800	GW0
2021*	505,000	3.900	99.509	3.940	GX8
2024*	605,000	4.000	97.595	4.180	GY6
2025	220,000	4.000	95.910	4.300	GZ3

*Term Bonds subject to mandatory sinking fund redemption as provided herein

(Plus accrued interest)