

October 17, 2006

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Hon. Dale Wright
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Red Barn Waste Management, LLC
2006-000284

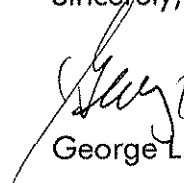
Dear Dale:

Enclosed herein please find the original:

1. Tariff for Red Barn Waste Management, LLC.
2. Adoption Notice for Red Barn Waste Management, LLC.
3. Irrevocable Unconditional Letter of Credit No. 78993.

The purchase and sale in this matter was concluded on October 16, 2006. The above referenced items are submitted in conformance with the Commission's prior Order in this matter. Thank you for all your assistance. I believe this concludes this transaction.

Sincerely,



George L. Seay, Jr.

GLS/ekc
Enclosure

cc: M. Burton
B. Gross
J. Ruttenberg

P.S.C. KY. NO. 1

CANCELLING P.S.C. KY. NO. _____

RED BARN WASTE MANAGEMENT, LLC

OF

220 CHIMNEY ROCK ROAD

HARRODSBURG, KENTUCKY, 40330

RATES & CHARGES

AND

RULES & REGULATIONS

FOR FURNISHING

SEWER SERVICE

AT

CHIMNEY ROCK VILLAGE

IN

MERCER COUNTY

KENTUCKY

LOCATED APPROXIMATELY EIGHT MILES FROM HARRODSBURG
ONE MILE OFF HIGHWAY 152 ON CHIMNEY ROCK ROAD

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE October 16, 2006
Month / Date / Year

DATE EFFECTIVE: October 1, 2006
Month / Date / Year

ISSUED BY  _____
(Signature of Officer)

TITLE Sole Member

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original 1 SHEET NO. 1

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

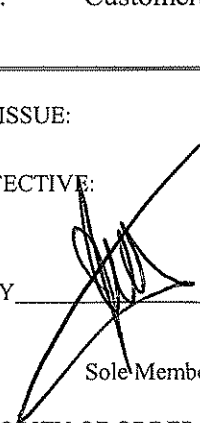
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- II. RULES AND REGULATIONS
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DATE OF ISSUE: October 16, 2006
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ISSUED BY  _____
(Signature of Officer)

TITLE Sole Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 2

Red Barn Waste Management, LLC
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

A. RATES

Single Family Residential Monthly Sewer Charge	\$40.42
Business Monthly Sewer Charge (Campground)	\$596.21

B. DEPOSITS

All Customers	\$80.00
---------------	---------

C. SPECIAL NON-RECURRING CHARGES


Late Payment Penalty	\$10.00
Returned Check Charge	\$20.00
Reconnection Charge	Actual Cost

Disconnection Charge:

If disconnection is made by the water utility, the amount will be the approved charge that is assessed by the water utility for disconnection of water service. If disconnection is made by the sewer utility, then the amount of the charge will be the actual costs the sewer utility incurs for disconnection of sewer service.

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 3

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

This schedule of Rules and Regulations govern the furnishing of sewerage service by Red Barn Waste Management, LLC, hereafter referred to as the Utility, and applies to all service received from the Utility. No employee or individual director of the Utility is permitted to make an exception to these Rates, Rules, and Regulations. These Rules and Regulations are in addition to, and superceded by, the Rules and Regulations established by the Public Service Commission.

A. BILLING AND COLLECTION

Bills for service will be mailed no later than the 12th of each month and will be due and payable within 21 days.

B. DEPOSITS

The Utility may require a deposit not to exceed 2/12ths of the estimated annual bill of the applicant for service. Interest will accrue on the deposit at the rate prescribed by law and will be refunded on an annual basis, unless the customer's bill is delinquent on the anniversary date of the deposit.

C. SPECIAL NON-RECURRING CHARGES

1. Late Payment Penalty

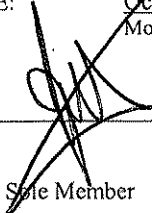
A late payment penalty will be assessed on any account not paid by the due date. The penalty will be assessed only once on any unpaid balance.

2. Returned Check Charge

A returned check charge will be assessed when a customer's check is returned, either due to insufficient funds, or other reason due to customer fault.

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TITLE Site Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original 4 SHEET NO.

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

3. Reconnection Charge

When service has been terminated for nonpayment, a reconnection charge, along with any outstanding balance, must be paid prior to re-establishing service.

4. Disconnection Charge

In the event of non-payment of sewer services, the utility shall mail or otherwise deliver to the delinquent customer five (5) days written notice of intent to terminate service. Under no circumstances shall service be terminated before twenty (20) days after the mailing date of the original unpaid bill

If the customer has been given proper notice and fails to pay the bill, the utility will first attempt to have water service shut-off at customer's location through cooperation with the utility providing water service at the customer's location. If water service is shut-off, the customer will be subject to any and all appropriate charges imposed by the water utility for disconnection and reconnection of service. These charges will be billed by and paid to the water utility.

If the water utility does not cooperate with the aforementioned process, then Chimney Rock Waster Management will be forced to disconnect the sewer service. The amount of the charge to be assessed when the sewer utility disconnects service for non-payment of service shall be the actual cost the sewer utility incurs to disconnect the sewer service. The customer shall be given a billing summary itemizing the amounts of the bill for disconnection.

Once the sewer has been disconnected, the local heath department will be notified to declare the residence uninhabitable.

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IN CASE NO. _____ DATED _____

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 5

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

D. BANNED SUBSTANCES

No substances shall be placed into the sanitary sewer system which will create a combustible, gaseous, explosive or inflammable condition nor shall any substances or objects be placed or discharged into the system which will not dissolve and which will thus cause an obstruction and clogging within the system. No petroleum products shall be placed or discharged into the system. No storm water or surface water drain shall be connected with the sanitary sewer system nor shall any storm or surface water be otherwise introduced into the system.

E. SEWER LINES

A sewer service pipe shall not be laid in the same trench with a water pipe.

If a governmental agency requires an inspection of the customer's plumbing, the Utility shall not connect the customer's service pipe until it has received notice from the inspection agency certifying that the customer's plumbing is satisfactory. When necessary to move or relocate facilities, the cost will be paid by the party or parties requesting such relocation.

Any customers ultimately connected under this arrangement shall be charged according to the utility's current approved rates filed with the Public Service Commission.

For purposes of this provision the term "prospective customer" shall mean any person, firm or corporation which expresses an intent to become an ultimate user or customer of the utility at the time of the contribution in aid of construction is charged. A subdivider, developer or contractor is not considered a "prospective customer" for purposes of this section.

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IN CASE NO. _____ DATED _____

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 6

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

F. SEWER FAILURE

The utility is responsible for the maintenance of that portion of the service line installed by the Utility and the customer is responsible for the maintenance of that portion installed by the customer.

G. PROTECTION BY CONSUMER

The Consumer shall protect the equipment of the Utility on his premises and shall not interfere with the Utility's property or permit interference except by duly authorized representatives of the Utility.

H. NOTICE OF TROUBLE

The Consumer shall give immediate notice to the Utility of any irregularities or unsatisfactory service and of any known defects.

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IN CASE NO. _____ DATED _____

FOR Chimney Rock Village, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original 7 SHEET NO. 7

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Red Barn Waste Management, LLC
(Name of Utility)

RULES AND REGULATIONS

I. DISCONTINUANCE OF SERVICE BY THE UTILITY

The Utility may refuse or terminate service for noncompliance with its tariffed rules or commission regulations after having made a reasonable effort to obtain customer compliance. Said customer will be given at least ten (10) days written notice prior to termination.

If a dangerous condition is found to exist service may be terminated without notice. However, the utility will notify the customer in writing and, if possible, orally of the reasons for termination or refusal of service. The notice will be recorded along with the corrective action to be taken by the customer or the utility before service is restored or provided.

The utility may terminate service for nonpayment of tariffed charges after five (5) days written notice of intent to terminate. Service will not be terminated before twenty (20) days after the mailing date of the original bill. If a medical certificate is presented service will not be terminated for thirty (30) days beyond the termination date.

When payments are delinquent the Utility may file a complaint in court. The Utility may request that all court costs be included in any judgement amount awarded to the Utility.

J. CUSTOMER REQUEST FOR TERMINATION OF SERVICE

Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days notice. The notice may be given in writing, in person or via telephone. Notice to discontinue prior to expiration of contract term will not relieve the customer from any minimum or guaranteed payment.

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ISSUED BY _____
(Signature of Officer)

TITLE Sole Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

ADOPTION NOTICE

The undersigned Red Barn Waste Management, LLC of 220 Chimney Rock Road, Harrodsburg, Kentucky hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing sewer service at Chimney Rock Village, Mercer County in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by Chimney Rock Management, LLC of 220 Chimney Rock Road, Harrodsburg, Kentucky and in effect on the 1st day of October, 2006, the date on which the public service business of the said Chimney Rock Waste Management, LLC was taken over by it.

This notice is issued on the 16th day of October, 2006, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

RED BARN WASTE MANAGEMENT, LLC

By: 

Jeffrey C. Ruttenberg, Sole Member

Authorized by Ky. P.S.C. Order No., Case No. 2006-00284

Farmers National Bank

Cynthiana, Kentucky 41031

Phone (859) 234-3100

September 27, 2006

IRREVOCABLE UNCONDITIONAL LETTER OF CREDIT NO. 78993

Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

Gentlemen:

Farmers National Bank, a national banking association ("Bank"), 101 East Pike Street, Cynthiana, Kentucky 41031, hereby issues its Irrevocable Unconditional Letter of Credit in favor of the Kentucky Public Service Commission ("PSC"), for the account of Red Barn Waste Management, LLC ("Red Barn") up to the aggregate amount of \$10,000.00, available at sight by the drafts of the PSC on the Bank.

Drafts drawn on this Letter of Credit will be honored when presented, accompanied only by a letter or certificate signed by a representative of the PSC stating that either (i) this Letter of Credit has not been renewed thirty (30) days prior to its expiration, or (ii) the wastewater treatment facility owned by Red Barn is not being operated up to the minimum Public Service Commission regulations.

The Bank shall be entitled (and required) to rely upon the statements contained in the above-described letter or certificate and will have no obligations to verify the truth of any statements set forth herein.

The Bank hereby agrees with drawers, endorsers and bona fide holders of this Letter of Credit that all drafts drawn by reason of this Letter of Credit and in accordance with the above conditions, will meet with due honor when presented at the office of the Bank in Cynthiana, Kentucky.

The obligations of the Bank shall not be subject to any claim or defense by reason of the invalidity illegality or inability to enforce any of the agreements set forth in the Lease.

This Letter of Credit is subject to the Uniform Customs and Practices for Documentary Credits (1993 Revision) fixed by the International Chamber of Commerce (publication 500) when not in conflict with the express terms of this Letter of Credit.

MAIN OFFICE - 101 E. PIKE ST. / INSTALLMENT LOAN - 127 E. PIKE ST.
DRIVE -IN-BRANCH - 220 S. MAIN ST. / TOWN PLAZA BRANCH - 369 ODDVILLE AVE
SOUTHSIDE BRANCH - 698 US HWY 27 SOUTH /
BERRY BRANCH - 111 MAIN ST. BERRY 41003
BOURBON FARMERS NATIONAL BANK - 2106 ROCKY DR. PARIS, KY
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

IRREVOCABLE UNCONDITIONAL LETTER OF CREDIT NO. 78993

September 27, 2006

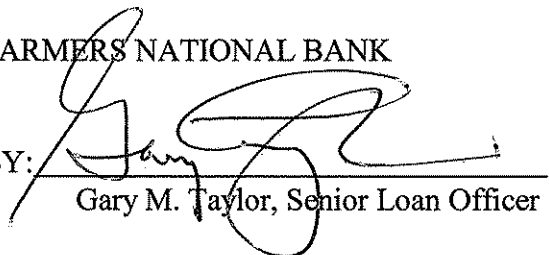
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This Letter of Credit shall terminate at 5:00 p.m. on September 27, 2016, which shall be the final expiration date of this Letter of Credit, unless at least 30 days prior to the then current expiration date, we notify you in writing by certified mail, return receipt requested, at the following address (or at such other address as you may specify by written notice to us), that this Letter of Credit has been extended beyond the current expiration date and specifying the extended expiration date; provided, that our obligation to make any payment hereunder in respect of a drawing request made prior to the expiration hereof shall continue until payment is made.

Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

FARMERS NATIONAL BANK

BY:


Gary M. Taylor, Senior Loan Officer