

Rubin & Hays

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CHARLES S. MUSSON
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August 14, 2007

RECEIVED
AUG 15 2007
PUBLIC SERVICE
COMMISSION

Ms. Elizabeth O'Donnell, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Bracken County Water District PSC Case No. **2007-00301**

Dear Ms. O'Donnell:


In accordance with paragraph no. 2 of the Order in the above case, enclosed please find the final terms of the loan between the Kentucky Rural Water Finance Corporation and the District.

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

Ms. Diana Moran, Bracken County Water District

\$3,350,000

*Bracken County Water District
Kentucky Rural Water Finance Corporation
Flexible Term Finance Program, Series 2007 D*

Sources & Uses

Dated 07/30/2007 | Delivered 07/30/2007

SOURCES OF FUNDS

Par Amount of Bonds.....	\$3,350,000.00
Interest earnings from 2006 F.....	2,630.38

TOTAL SOURCES.....	\$3,352,630.38
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USES OF FUNDS

Original Issue Discount (OID).....	17,326.25
Total Underwriter's Discount (0.764%).....	25,605.70
Costs of Issuance.....	51,075.00
Gross Bond Insurance Premium (39.2 bp).....	20,109.85
Deposit to Project Construction Fund.....	3,235,263.59
Rounding Amount.....	3,249.99

TOTAL USES.....	\$3,352,630.38
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\$3,350,000
Bracken County Water District
Kentucky Rural Water Finance Corporation
Flexible Term Finance Program, Series 2007 D

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
07/30/2007	-	-	-	-	-
01/01/2008	-	-	74,159.72	74,159.72	-
07/01/2008	110,000.00	4.175%	73,750.00	183,750.00	-
12/30/2008	-	-	-	-	257,909.72
01/01/2009	-	-	71,453.75	71,453.75	-
07/01/2009	115,000.00	4.175%	71,453.75	186,453.75	-
12/30/2009	-	-	-	-	257,907.50
01/01/2010	-	-	69,053.13	69,053.13	-
07/01/2010	120,000.00	4.175%	69,053.13	189,053.13	-
12/30/2010	-	-	-	-	258,106.26
01/01/2011	-	-	66,548.13	66,548.13	-
07/01/2011	125,000.00	4.175%	66,548.13	191,548.13	-
12/30/2011	-	-	-	-	258,096.26
01/01/2012	-	-	63,938.75	63,938.75	-
07/01/2012	130,000.00	4.175%	63,938.75	193,938.75	-
12/30/2012	-	-	-	-	257,877.50
01/01/2013	-	-	61,225.00	61,225.00	-
07/01/2013	135,000.00	4.300%	61,225.00	196,225.00	-
12/30/2013	-	-	-	-	257,450.00
01/01/2014	-	-	58,322.50	58,322.50	-
07/01/2014	140,000.00	4.300%	58,322.50	198,322.50	-
12/30/2014	-	-	-	-	256,645.00
01/01/2015	-	-	55,312.50	55,312.50	-
07/01/2015	145,000.00	4.300%	55,312.50	200,312.50	-
12/30/2015	-	-	-	-	255,625.00
01/01/2016	-	-	52,195.00	52,195.00	-
07/01/2016	150,000.00	4.300%	52,195.00	202,195.00	-
12/30/2016	-	-	-	-	254,390.00
01/01/2017	-	-	48,970.00	48,970.00	-
07/01/2017	160,000.00	4.300%	48,970.00	208,970.00	-
12/30/2017	-	-	-	-	257,940.00
01/01/2018	-	-	45,530.00	45,530.00	-
07/01/2018	165,000.00	4.300%	45,530.00	210,530.00	-
12/30/2018	-	-	-	-	256,060.00
01/01/2019	-	-	41,982.50	41,982.50	-
07/01/2019	170,000.00	4.425%	41,982.50	211,982.50	-
12/30/2019	-	-	-	-	253,965.00
01/01/2020	-	-	38,221.25	38,221.25	-
07/01/2020	180,000.00	4.425%	38,221.25	218,221.25	-
12/30/2020	-	-	-	-	256,442.50
01/01/2021	-	-	34,238.75	34,238.75	-
07/01/2021	185,000.00	4.550%	34,238.75	219,238.75	-
12/30/2021	-	-	-	-	253,477.50
01/01/2022	-	-	30,030.00	30,030.00	-
07/01/2022	195,000.00	4.550%	30,030.00	225,030.00	-
12/30/2022	-	-	-	-	255,060.00
01/01/2023	-	-	25,593.75	25,593.75	-
07/01/2023	205,000.00	4.550%	25,593.75	230,593.75	-
12/30/2023	-	-	-	-	256,187.50
01/01/2024	-	-	20,930.00	20,930.00	-
07/01/2024	215,000.00	4.550%	20,930.00	235,930.00	-
12/30/2024	-	-	-	-	256,860.00
01/01/2025	-	-	16,038.75	16,038.75	-
07/01/2025	225,000.00	4.550%	16,038.75	241,038.75	-
12/30/2025	-	-	-	-	257,077.50
01/01/2026	-	-	10,920.00	10,920.00	-
07/01/2026	235,000.00	4.550%	10,920.00	245,920.00	-
12/30/2026	-	-	-	-	256,840.00
01/01/2027	-	-	5,573.75	5,573.75	-
07/01/2027	245,000.00	4.550%	5,573.75	250,573.75	-
12/30/2027	-	-	-	-	256,147.50
Total	\$3,350,000.00	-	\$1,780,064.74	\$5,130,064.74	-

Yield Statistics

Bond Year Dollars	\$39,819.31
Average Life	11.886 Years
Average Coupon	4.4703561%
Net Interest Cost (NIC)	4.5781730%
True Interest Cost (TIC)	4.6081176%
Bond Yield for Arbitrage Purposes	4.6136063%
All Inclusive Cost (AIC)	4.8599952%

IRS Form 8038

Net Interest Cost	4.5640263%
Weighted Average Maturity	11.817 Years

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\$3,350,000

*Bracken County Water District
Kentucky Rural Water Finance Corporation
Flexible Term Finance Program, Series 2007 D*

Net Debt Service Schedule

Year End	Principal	Coupon	Interest	Total P+I	Trustee	Net New D/S
12/30/2007	-	-	-	-	-	-
12/30/2008	110,000.00	4.175%	147,909.72	257,909.72	450.00	258,359.72
12/30/2009	115,000.00	4.175%	142,907.50	257,907.50	450.00	258,357.50
12/30/2010	120,000.00	4.175%	138,106.26	258,106.26	450.00	258,556.26
12/30/2011	125,000.00	4.175%	133,096.26	258,096.26	450.00	258,546.26
12/30/2012	130,000.00	4.175%	127,877.50	257,877.50	450.00	258,327.50
12/30/2013	135,000.00	4.300%	122,450.00	257,450.00	450.00	257,900.00
12/30/2014	140,000.00	4.300%	116,645.00	256,645.00	450.00	257,095.00
12/30/2015	145,000.00	4.300%	110,625.00	255,625.00	450.00	256,075.00
12/30/2016	150,000.00	4.300%	104,390.00	254,390.00	450.00	254,840.00
12/30/2017	160,000.00	4.300%	97,940.00	257,940.00	450.00	258,390.00
12/30/2018	165,000.00	4.300%	91,060.00	256,060.00	450.00	256,510.00
12/30/2019	170,000.00	4.425%	83,965.00	253,965.00	450.00	254,415.00
12/30/2020	180,000.00	4.425%	76,442.50	256,442.50	450.00	256,892.50
12/30/2021	185,000.00	4.550%	68,477.50	253,477.50	450.00	253,927.50
12/30/2022	195,000.00	4.550%	60,060.00	255,060.00	450.00	255,510.00
12/30/2023	205,000.00	4.550%	51,187.50	256,187.50	450.00	256,637.50
12/30/2024	215,000.00	4.550%	41,860.00	256,860.00	450.00	257,310.00
12/30/2025	225,000.00	4.550%	32,077.50	257,077.50	450.00	257,527.50
12/30/2026	235,000.00	4.550%	21,840.00	256,840.00	450.00	257,290.00
12/30/2027	245,000.00	4.550%	11,147.50	256,147.50	450.00	256,597.50
Total	\$3,350,000.00	-	\$1,780,064.74	\$5,130,064.74	\$9,000.00	\$5,139,064.74

\$3,350,000

*Bracken County Water District
Kentucky Rural Water Finance Corporation
Flexible Term Finance Program, Series 2007 D*

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
08/01/2008	Serial Coupon	4.175%	3.771%	110,000.00	100.394%	110,433.40
08/01/2009	Serial Coupon	4.175%	3.800%	115,000.00	100.716%	115,823.40
08/01/2010	Serial Coupon	4.175%	3.850%	120,000.00	100.914%	121,096.80
08/01/2011	Serial Coupon	4.175%	3.900%	125,000.00	101.011%	126,263.75
08/01/2012	Serial Coupon	4.175%	3.950%	130,000.00	101.013%	131,316.90
08/01/2013	Serial Coupon	4.300%	4.000%	135,000.00	101.589%	137,145.15
08/01/2014	Serial Coupon	4.300%	4.050%	140,000.00	101.513%	142,118.20
08/01/2015	Serial Coupon	4.300%	4.120%	145,000.00	101.218%	146,766.10
08/01/2016	Serial Coupon	4.300%	4.180%	150,000.00	100.894%	151,341.00
08/01/2017	Serial Coupon	4.300%	4.250%	160,000.00	100.404%	160,646.40
08/01/2018	Serial Coupon	4.300%	4.400%	165,000.00	99.132%	163,567.80
08/01/2019	Serial Coupon	4.425%	4.500%	170,000.00	99.308%	168,823.60
08/01/2020	Serial Coupon	4.425%	4.550%	180,000.00	98.779%	177,802.20
08/01/2021	Serial Coupon	4.550%	4.610%	185,000.00	99.383%	183,858.55
08/01/2022	Serial Coupon	4.550%	4.650%	195,000.00	98.924%	192,901.80
08/01/2023	Serial Coupon	4.550%	4.670%	205,000.00	98.653%	202,238.65
08/01/2024	Serial Coupon	4.550%	4.691%	215,000.00	98.365%	211,484.75
08/01/2025	Serial Coupon	4.550%	4.711%	225,000.00	98.064%	220,644.00
08/01/2026	Serial Coupon	4.550%	4.731%	235,000.00	97.750%	229,712.50
08/01/2027	Serial Coupon	4.550%	4.751%	245,000.00	97.424%	238,688.80
Total	-	-	-	\$3,350,000.00	-	\$3,332,673.75

Bid Information

Par Amount of Bonds.....	\$3,350,000.00
Reoffering Premium or (Discount).....	(17,326.25)
Gross Production.....	\$3,332,673.75
Total Underwriter's Discount (0.764%).....	\$(25,605.70)
Bid (98.718%).....	3,307,068.05
Total Purchase Price.....	\$3,307,068.05
Bond Year Dollars.....	\$39,819.31
Average Life.....	11.886 Years
Average Coupon.....	4.4703561%
Net Interest Cost (NIC).....	4.5781730%
True Interest Cost (TIC).....	4.6081176%