



Steven L. Beshear  
Governor

Robert D. Vance, Secretary  
Environmental and Public  
Protection Cabinet

Larry R. Bond  
Commissioner  
Department of Public Protection

Donnie Beavers  
District Superintendent  
Crittenden-Livingston County Water District  
620 East Main Street  
P. O. Box 495  
Salem, KY 42078

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

John W. Clay  
Vice Chairman

Caroline Pitt Clark  
Commissioner

May 23, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00141  
Crittenden-Livingston County Water District

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on May 23, 2008.

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Executive Director

SS/rs  
Enclosure



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Protection Cabinet

Larry R. Bond  
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Department of Public Protection

Honorable W. Randall Jones  
Attorney at Law  
Rubin & Hays  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, KY 40202

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE CRITTENDEN-	)	
LIVINGSTON COUNTY WATER DISTRICT TO	)	
ISSUE SECURITIES IN THE APPROXIMATE	)	
PRINCIPAL AMOUNT OF \$1,935,000 FOR THE	)	CASE NO.
PURPOSE OF REFUNDING CERTAIN	)	2008-00141
OUTSTANDING REVENUE BONDS OF THE	)	
DISTRICT PURSUANT TO THE PROVISIONS OF	)	
KRS 278.300 AND 807 KAR 5:001	)	

ORDER

On April 16, 2008, Crittenden-Livingston County Water District ("Crittenden-Livingston") applied to the Commission for the authority to enter into an Assistance Agreement with Kentucky Rural Water Finance Corporation ("KRWFC") to borrow \$1,935,000, subject to an adjustment of up to 10 percent. Crittenden-Livingston estimates that the proposed KRWFC loan will have a 22 year term with interest rates varying from 3.0 to 5.0 percent per annum.

The proceeds of the KRWFC loan will be used to refund the outstanding revenue bonds designated as: (1) the Crittenden-Livingston Waterworks Revenue Bonds of 1988 bearing an interest rate of 5.0 percent per annum with an outstanding principal balance of \$482,000; (2) the Crittenden-Livingston Waterworks Revenue Bonds of 1991 bearing an interest rate of 5.0 percent per annum with an outstanding principal balance of \$284,000; (3) the Crittenden-Livingston Waterworks Revenue Bonds of 1994 bearing an interest rate of 5.0 percent per annum with an outstanding principal balance of \$161,000; and (4) the Crittenden-Livingston Waterworks Refunding Revenue Bonds of

1996 bearing interest rates varying from 5.0 to 5.8 percent per annum with an outstanding principal balance of \$1,055,000 (collectively "Outstanding Revenue Bonds").<sup>1</sup> The district estimates that its proposed refinancing will result in total gross savings and net present value savings of \$231,462 and \$76,966, respectively.<sup>2</sup>

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Crittenden-Livingston's proposal to obtain the KRWFC loan, as described herein, for the purpose of refinancing the Outstanding Revenue Bonds is for a lawful object within Crittenden-Livingston's corporate purpose, is necessary, appropriate for and consistent with the proper performance of Crittenden-Livingston's service to the public, will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that:

1. Crittenden-Livingston is authorized to enter an Assistance Agreement with KRWFC to borrow \$2,128,500 to refinance the Outstanding Revenue Bonds but only under such terms and conditions that will produce both positive gross savings and net present value savings.

2. If the actual terms and conditions of the KRWFC loan differ from those set forth in the application, Crittenden-Livingston shall, within 30 days of issuing the KRWFC loan authorized in this proceeding, file with the Commission amortization

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<sup>1</sup> Application at 2-3 and Exhibit D, Amortization Schedules for Outstanding Revenue Bonds.

<sup>2</sup> Application, Exhibit C, Debt Service Comparison.

schedules and workpapers showing the actual gross savings and net present value savings that resulted from the refinancing of the Outstanding Revenue Bonds.

3. Crittenden-Livingston shall, within 30 days of obtaining the KRWFC loan authorized herein, file with the Commission a statement setting forth the date the loan was obtained, the actual interest rates, and the principal amount.

4. The proceeds from Crittenden-Livingston's entry into the Assistance Agreement shall be used only for the lawful purposes specified in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 23rd day of May, 2008.

By the Commission

ATTEST:

  
Executive Director