

# Rubin & Hays

ATTORNEYS AT LAW

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CHARLES S. MUSSON  
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CHRISTIAN L. JUCKETT

June 18, 2012

RECEIVED

JUN 20 2012

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: East Logan Water District **PSC Case No. 2012-00175**

Dear Mr. Derouen:

In accordance with paragraphs No. 2 and 3 of the PSC Order dated May 30, 2012 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 30, 2012.

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:jlm  
Enclosures

Final

**\$910,000**

East Logan County Water District  
Kentucky Rural Water Finance Corporation  
Public Projects Refunding Revenue Bonds, Series 2012 D

## Sources & Uses

Dated 05/30/2012 | Delivered 05/30/2012

### Sources Of Funds

Par Amount of Bonds	\$910,000.00
Reoffering Premium	3,690.45
Transfers from Prior Issue Debt Service Funds	22,108.33

**Total Sources** **\$935,798.78**

### Uses Of Funds

Total Underwriter's Discount (1.680%)	15,288.88
Costs of Issuance	21,150.00
Deposit to Current Refunding Fund	897,939.97
Rounding Amount	1,419.93

**Total Uses** **\$935,798.78**

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Final

**\$910,000**

East Logan County Water District

Kentucky Rural Water Finance Corporation

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## Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/30/2012	-	-	-	21,662.50	21,662.50
12/30/2013	57,417.38	350.00	57,767.38	65,758.13	7,990.75
12/30/2014	60,885.00	350.00	61,235.00	65,112.19	3,877.19
12/30/2015	64,520.00	350.00	64,870.00	66,391.87	1,521.87
12/30/2016	63,225.00	350.00	63,575.00	65,597.19	2,022.19
12/30/2017	62,280.00	350.00	62,630.00	66,240.94	3,610.94
12/30/2018	61,335.00	350.00	61,685.00	66,785.94	5,100.94
12/30/2019	60,215.00	350.00	60,565.00	66,744.38	6,179.38
12/30/2020	64,015.00	350.00	64,365.00	67,116.25	2,751.25
12/30/2021	62,785.00	350.00	63,135.00	67,389.38	4,254.38
12/30/2022	61,555.00	350.00	61,905.00	68,538.76	6,633.76
12/30/2023	65,172.50	350.00	65,522.50	68,564.38	3,041.88
12/30/2024	63,665.00	350.00	64,015.00	68,491.25	4,476.25
12/30/2025	67,000.00	350.00	67,350.00	69,782.19	2,432.19
12/30/2026	65,200.00	350.00	65,550.00	69,437.19	3,887.19
12/30/2027	63,375.00	350.00	63,725.00	70,456.25	6,731.25
12/30/2028	66,432.50	350.00	66,782.50	70,814.38	4,031.88
12/30/2029	64,397.50	350.00	64,747.50	71,511.57	6,764.07
12/30/2030	67,232.50	350.00	67,582.50	70,085.63	2,503.13
12/30/2031	35,511.25	350.00	35,861.25	39,824.38	3,963.13
12/30/2032	34,345.00	350.00	34,695.00	39,240.00	4,545.00
12/30/2033	33,160.00	350.00	33,510.00	39,582.50	6,072.50
12/30/2034	31,975.00	350.00	32,325.00	39,827.50	7,502.50
12/30/2035	35,691.25	350.00	36,041.25	40,462.81	4,421.56
<b>Total</b>	<b>\$1,311,389.88</b>	<b>\$8,050.00</b>	<b>\$1,319,439.88</b>	<b>\$1,445,417.56</b>	<b>\$125,977.68</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	125,977.68
Gross PV Debt Service Savings	97,576.75
Effects of changes in Expenses	(5,384.33)
Net PV Cashflow Savings @ 3.738%(Bond Yield)	92,192.43
Transfers from Prior Issue Debt Service Fund	(22,108.33)
Contingency or Rounding Amount	1,307.82
Net Future Value Benefit	\$105,177.17
Net Present Value Benefit	\$71,391.92
Net PV Benefit / \$880,000 Refunded Principal	8.113%
Net PV Benefit / \$910,000 Refunding Principal	7.845%

### Refunding Bond Information

Refunding Dated Date	5/30/2012
Refunding Delivery Date	5/30/2012

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**Morgan Keegan & Company, Inc.**

Public Finance

Final

**\$910,000**

East Logan County Water District  
 Kentucky Rural Water Finance Corporation  
 Public Projects Refunding Revenue Bonds, Series 2012 D

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/30/2012	-	-	-	-	-
02/01/2013	20,000.00	4.200%	21,659.88	41,659.88	-
08/01/2013	-	-	15,757.50	15,757.50	-
12/30/2013	-	-	-	-	57,417.38
02/01/2014	30,000.00	4.200%	15,757.50	45,757.50	-
08/01/2014	-	-	15,127.50	15,127.50	-
12/30/2014	-	-	-	-	60,885.00
02/01/2015	35,000.00	4.200%	15,127.50	50,127.50	-
08/01/2015	-	-	14,392.50	14,392.50	-
12/30/2015	-	-	-	-	64,520.00
02/01/2016	35,000.00	3.200%	14,392.50	49,392.50	-
08/01/2016	-	-	13,832.50	13,832.50	-
12/30/2016	-	-	-	-	63,225.00
02/01/2017	35,000.00	2.200%	13,832.50	48,832.50	-
08/01/2017	-	-	13,447.50	13,447.50	-
12/30/2017	-	-	-	-	62,280.00
02/01/2018	35,000.00	3.200%	13,447.50	48,447.50	-
08/01/2018	-	-	12,887.50	12,887.50	-
12/30/2018	-	-	-	-	61,335.00
02/01/2019	35,000.00	3.200%	12,887.50	47,887.50	-
08/01/2019	-	-	12,327.50	12,327.50	-
12/30/2019	-	-	-	-	60,215.00
02/01/2020	40,000.00	3.200%	12,327.50	52,327.50	-
08/01/2020	-	-	11,687.50	11,687.50	-
12/30/2020	-	-	-	-	64,015.00
02/01/2021	40,000.00	2.950%	11,687.50	51,687.50	-
08/01/2021	-	-	11,097.50	11,097.50	-
12/30/2021	-	-	-	-	62,785.00
02/01/2022	40,000.00	3.200%	11,097.50	51,097.50	-
08/01/2022	-	-	10,457.50	10,457.50	-
12/30/2022	-	-	-	-	61,555.00
02/01/2023	45,000.00	3.300%	10,457.50	55,457.50	-
08/01/2023	-	-	9,715.00	9,715.00	-
12/30/2023	-	-	-	-	65,172.50
02/01/2024	45,000.00	3.400%	9,715.00	54,715.00	-
08/01/2024	-	-	8,950.00	8,950.00	-
12/30/2024	-	-	-	-	63,665.00
02/01/2025	50,000.00	3.600%	8,950.00	58,950.00	-
08/01/2025	-	-	8,050.00	8,050.00	-
12/30/2025	-	-	-	-	67,000.00
02/01/2026	50,000.00	3.600%	8,050.00	58,050.00	-
08/01/2026	-	-	7,150.00	7,150.00	-
12/30/2026	-	-	-	-	65,200.00
02/01/2027	50,000.00	3.700%	7,150.00	57,150.00	-
08/01/2027	-	-	6,225.00	6,225.00	-
12/30/2027	-	-	-	-	63,375.00
02/01/2028	55,000.00	3.700%	6,225.00	61,225.00	-
08/01/2028	-	-	5,207.50	5,207.50	-
12/30/2028	-	-	-	-	66,432.50
02/01/2029	55,000.00	3.700%	5,207.50	60,207.50	-
08/01/2029	-	-	4,190.00	4,190.00	-
12/30/2029	-	-	-	-	64,397.50
02/01/2030	60,000.00	3.825%	4,190.00	64,190.00	-
08/01/2030	-	-	3,042.50	3,042.50	-
12/30/2030	-	-	-	-	67,232.50
02/01/2031	30,000.00	3.825%	3,042.50	33,042.50	-
08/01/2031	-	-	2,468.75	2,468.75	-
12/30/2031	-	-	-	-	35,511.25
02/01/2032	30,000.00	3.950%	2,468.75	32,468.75	-
08/01/2032	-	-	1,876.25	1,876.25	-
12/30/2032	-	-	-	-	34,345.00
02/01/2033	30,000.00	3.950%	1,876.25	31,876.25	-
08/01/2033	-	-	1,283.75	1,283.75	-
12/30/2033	-	-	-	-	33,160.00
02/01/2034	30,000.00	3.950%	1,283.75	31,283.75	-
08/01/2034	-	-	691.25	691.25	-
12/30/2034	-	-	-	-	31,975.00
02/01/2035	35,000.00	3.950%	691.25	35,691.25	-
12/30/2035	-	-	-	-	35,691.25
<b>Total</b>	<b>\$910,000.00</b>	-	<b>\$401,389.88</b>	<b>\$1,311,389.88</b>	-

**Yield Statistics**

Bond Year Dollars	\$11,029.19
Average Life	12.120 Years
Average Coupon	3.6393400%
Net Interest Cost (NIC)	3.7445011%
True Interest Cost (TIC)	3.7541418%
Bond Yield for Arbitrage Purposes	3.7379667%
All Inclusive Cost (AIC)	4.0761282%

**IRS Form 8038**

Net Interest Cost	3.6288607%
Weighted Average Maturity	11.995 Years

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**Morgan Keegan & Company, Inc.**

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