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December 3, 2008

Wayne Smith
Chairman
Trimble County Water District #1
P. O. Box 63
Bedford, KY 40006-0063

CERTIFICATE OF SERVICE

RE: Case No. 2008-00462
Trimble County Water District #1

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 December 3, 2008.

Executive Director

SS/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF TRIMBLE COUNTY WATER)
DISTRICT #1 FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO) CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES) 2008-00462
PURSUANT TO KRS 278.023)

O R D E R

On November 3, 2008 ("Trimble District #1") submitted an application for a Certificate of Public Convenience and Necessity ("CPCN") to construct, finance, and increase rates for a \$2,181,000 waterworks improvement project. This project consists of the construction and installation of approximately 28 miles of water line on 25 rural roadways; a 100,000-gallon ground water storage tank; a new booster pumping station; and upgrades to an existing booster pumping station. Project funding consists of an issuance of \$931,000 of Waterworks Revenue Bonds; a 2006 state grant in the amount of \$300,000; and a 2008 state grant in the amount of \$950,000.

Trimble District #1's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in the case on November 3, 2008, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Trimble District #1 is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Trimble District #1's proposed plan of financing with RD is accepted.

3. Trimble District #1 is authorized to issue its Waterworks Revenue Bonds from the RD loan in the amount of \$931,000, at an interest rate not exceeding 4.25 percent per annum, maturing over 40 years.

4. The proceeds from the loan agreement with RD shall be used only for the purposes specified in Trimble District #1's application.

5. Notwithstanding Ordering Paragraph 4, if surplus funds remain after the approved construction has been completed, Trimble District #1 may use such surplus to construct additional plant facility if RD approves of the use and the additional construction will not result in a change in Trimble District #1's rates for service. Trimble District #1 shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.

6. Trimble District #1 shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

7. Trimble District #1 shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1),

Trimble District #1 shall take immediate action to ensure that the level of service conforms to the regulations of the Commission.

8. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

9. Trimble District #1 shall file its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

10. Trimble District #1 shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

11. Trimble District #1 shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

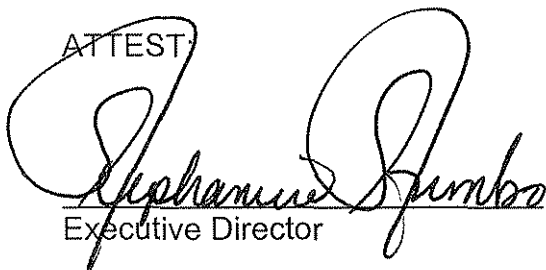
12. Three years from the effective date of this Order, Trimble District #1 shall file an income statement, along with any pro forma adjustments; in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 3rd day of December, 2008.

By the Commission

ATTEST:


Executive Director

Case No. 2008-00462

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00462 DATED DECEMBER 3, 2008

The following rates and charges are prescribed for the customers in the area served by Trimble County Water District #1. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 x 3/4 Inch Meter

First	1,000	Gallons	\$ 17.50	Minimum Bill
Next	2,000	Gallons	6.57	Per 1,000 Gallons
Next	3,000	Gallons	5.14	Per 1,000 Gallons
Next	6,000	Gallons	3.75	Per 1,000 Gallons
All Over	12,000	Gallons	3.60	Per 1,000 Gallons

3/4 Inch Meter

First	5,000	Gallons	\$ 41.50	Minimum Bill
Next	1,000	Gallons	5.14	Per 1,000 Gallons
Next	6,000	Gallons	3.75	Per 1,000 Gallons
All Over	12,000	Gallons	3.60	Per 1,000 Gallons

1 Inch Meter

First	10,000	Gallons	\$ 62.00	Minimum Bill
Next	2,000	Gallons	3.75	Per 1,000 Gallons
All Over	12,000	Gallons	3.60	Per 1,000 Gallons

1 ½ Inch Meter

First	30,000	Gallons	\$ 133.50	Minimum Bill
All Over	30,000	Gallons	3.60	Per 1,000 Gallons

2 Inch Meter

First	50,000	Gallons	\$ 205.50	Minimum Bill
All Over	50,000	Gallons	3.60	Per 1,000 Gallons

Wholesale Rate

First	50,000	Gallons	\$ 205.50	Minimum Bill
All Over	50,000	Gallons	3.60	Per 1,000 Gallons

Bulk Rate/Truck Sales

\$5.00 Per 1,000 Gallons