

Rubin & Hays

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June 5, 2009

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PUBLIC SERVICE
COMMISSION

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

Re: Fountain Run Water District No. 1 - **Case No. 2009-00201**

Dear Mr. Derouen:

Please be advised that the rates set forth in the original Application filed with the Commission on June 1, 2009 did not reflect a pass through of an increase from the District's water supplier, the City of Glasgow. We requested and received an Amendment to the USDA, Rural Development Letter of Conditions setting forth the correct rates and are enclosing herewith eleven (11) copies of same.

In accordance with 807 KAR 5:069, Section 2, we are publishing a Revised Notice of Proposed Rate Change in the newspapers of general circulation in the District's service area, which Notice sets out the corrected rates.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jkm
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Re: Fountain Run Water District #1 Waterworks Revenue Bonds, Series 2009, in the principal amount of \$689,000

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**United States Department of Agriculture
Rural Development
Kentucky State Office**

June 4, 2009

Joe Cornwell, Chairman
Fountain Run Water District
PO Box 118
Fountain Run, Kentucky 42133

Re: Letter of Conditions Dated June 16, 2008

Dear Mr. Cornwell:

This letter shall serve as Amendment No. 2 to the Letter of Conditions dated 6/16/08. The purpose of this amendment is to revise the minimum required rates in order to compensate for the increased wholesale water charge from the Glasgow Water Company.

Paragraph numbered "27" is revised to read as follows:

" 27. Rates and Charges:

Rates and charges for facilities and services rendered by the Water District must be at least adequate to meet cost of maintaining, repairing and operating the Water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

First	2,000	gallons @ \$	16.26. - Minimum Bill.
Next	3,000	gallons @ \$	5.61. - per 1,000 gallons.
Next	5,000	gallons @ \$	5.20. - per 1,000 gallons.
Next	10,000	gallons @ \$	4.43. - per 1,000 gallons.
All Over	20,000	gallons @ \$	3.75. - per 1,000 gallons."

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,


VERNON C. BROWN
Acting State Director

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cc: Area Director - Columbia, Kentucky
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Catherine Brown Capps - Burkesville, Kentucky
HMB Engineers - Frankfort, Kentucky
PSC - ATTN: Dennis Jones - Frankfort, Kentucky