

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC  
ATTORNEYS AT LAW

Ronald M. Sullivan

Jesse T. Mountjoy

Frank Stainback

James M. Miller

Michael A. Fiorella

Allen W. Holbrook

R. Michael Sullivan

Bryan R. Reynolds\*

Tyson A. Kamuf

Mark W. Starnes

C. Ellsworth Mountjoy

March 27, 2013

Via Federal Express

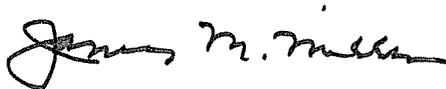
Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, Kentucky 40602-0615

*RE: In the Matter of: The Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*  
PSC Case No. 2013-\_\_\_\_\_

Dear Mr. Derouen:

Enclosed are an original and ten copies of the Application of Big Rivers Electric Corporation ("Big Rivers") for Approval to Issue Evidences of Indebtedness. I certify that on this date copies of the application and this letter were served on the Attorney General of Kentucky by prepaid courier service. Please call if you have any questions regarding this filing.

Sincerely yours,



James M. Miller

Enclosures

cc: Billie Richert  
Attorney General of Kentucky

Telephone (270) 926-4000

Telecopier (270) 683-6694

100 St. Ann Building  
PO Box 727  
Owensboro, Kentucky  
42302-0727

www.westkylaw.com

RECEIVED  
MARCH 27 2013  
PUBLIC SERVICE  
COMMISSION

**RECEIVED**

MAR 28 2013

**PUBLIC SERVICE  
COMMISSION**

Commonwealth of Kentucky

Before the Public Service Commission of Kentucky

In the Matter of: )

Application of Big Rivers Electric Corporation )  
for Approval to Issue Evidences of Indebtedness )

Case No. \_\_\_\_\_  
2013-00\_\_\_\_\_

APPLICATION

March 27, 2013

James M. Miller  
Sullivan, Mountjoy, Stainback & Miller, P.S.C.

RECEIVED  
MAR 28 2013  
PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

THE APPLICATION OF BIG RIVERS )  
ELECTRIC CORPORATION FOR APPROVAL ) CASE NO. 2013-00\_\_\_\_  
TO ISSUE EVIDENCES OF INDEBTEDNESS )

APPLICATION

Big Rivers Electric Corporation (“*Big Rivers*”) submits this application (the “*Application*”) to the Public Service Commission (“*Commission*”) seeking approval to amend and restate its existing \$50,000,000 Revolving Line of Credit Agreement dated as of July 16, 2009 (the “*2009 CFC Revolver*”), with the National Rural Utilities Cooperative Finance Corporation (“*CFC*”) to , among other things, extend the term and amend sections that would otherwise cause the 2009 CFC Revolver to be unavailable to Big Rivers after August 20, 2013, and to issue new evidences of indebtedness as required to implement the terms of the amendment. In support of its Application, Big Rivers states as follows:

1. Big Rivers Electric Corporation is a rural electric generating and transmission cooperative corporation organized under KRS Chapter 279. Its mailing address is P.O. Box 24, 201 Third Street, Henderson, Kentucky, 42419, and its electronic mail address is “regulatory@bigrivers.com.”

2. Big Rivers owns electric generation and transmission facilities, and purchases, transmits and sells electricity at wholesale. Big Rivers exists for the principal purpose of providing the wholesale electricity requirements of its three

1 distribution cooperative members (the “*Members*”), which are: Kenergy Corp.,  
2 Meade County Rural Electric Cooperative Corporation, and Jackson Purchase  
3 Energy Corporation. The Members in turn provide retail electric service to  
4 approximately 112,000 consumer/members located in 22 Western Kentucky  
5 counties: Ballard, Breckenridge, Caldwell, Carlisle, Crittenden, Daviess, Graves,  
6 Grayson, Hancock, Hardin, Henderson, Hopkins, Livingston, Lyon, Marshall,  
7 McCracken, McLean, Meade, Muhlenberg, Ohio, Union and Webster.

8 *Compliance with Filing Requirements*

9 3. A table of each statutory and regulatory requirement for this filing,  
10 cross-referenced to the location in this Application where that requirement is  
11 satisfied, is attached hereto as Exhibit 1.

12 *History of the 2009 Revolver*

13 4. Big Rivers entered into the 2009 Revolver as one of several  
14 evidences of indebtedness and other agreements that were issued or entered into in  
15 connection with the “unwind transaction,” which the Commission approved by order  
16 dated March 6, 2009, in Case No. 2007-00455 (the “*Unwind Order*”).<sup>1</sup> A copy of the  
17 2009 CFC Revolver is attached as Exhibit 2 to this Application. Other agreements  
18 approved in the Unwind Order include the following:

19 a. Revolving Line of Credit Agreement in the amount of  
20 \$50,000,000 between Big Rivers and CoBank, ACB dated as of July 16, 2009, which

---

<sup>1</sup> See order dated March 6, 2009, *In the Matter of: Joint Application of Big Rivers, E.ON, LG&E Energy Marketing, Inc., and Western Kentucky Energy Corporation for Approval to Unwind Lease and Power Purchase Transactions*, PSC Case No. 2007-00455.

1 has been superseded by the Senior Unsecured Revolving Credit Facility Among Big  
2 Rivers, the Several Lenders from Time to Time Parties hereto, and CoBank, ACB,  
3 as Administrative Agent, Issuing Lender, Lead Arranger and Book Runner dated as  
4 of July 27, 2012 (the “*2012 CoBank Revolver*”);

5 b. Indenture, dated as of July 1, 2009, between Big Rivers and U.S.  
6 Bank National Association, as trustee (the “*Indenture*”)<sup>2</sup>

7 c. Wholesale Electric Service Agreement (Century) dated as of July  
8 1, 2009, by and between Big Rivers and Kenergy Corp. (“*Century Wholesale*  
9 *Agreement*”), and the corresponding Retail Electric Service Agreement dated as of  
10 July 1, 2009, between Kenergy Corp. and Century Aluminum of Kentucky General  
11 Partnership (“*Century Retail Agreement*”); and

12 d. Wholesale Electric Service Agreement (Alcan) dated as of July 1,  
13 2009, by and between Big Rivers and Kenergy Corp. (“*Alcan Wholesale Agreement*”),  
14 and the corresponding Retail Electric Service Agreement dated as of July 1, 2009,  
15 between Kenergy Corp. and Alcan Primary Products Corporation (“*Alcan Retail*  
16 *Agreement*”).

17 5. Century Aluminum of Kentucky General Partnership (“*Century*”)  
18 gave notice to Kenergy Corp. (“*Kenergy*”) on August 20, 2012, that it was  
19 terminating its retail electric service agreement effective August 20, 2013. On  
20 January 31, 2013, Alcan Primary Products Corporation (“*Alcan*”) gave Kenergy

---

<sup>2</sup> A copy of the Indenture is attached as Exhibit 7 to the *Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*, P.S.C. Case No. 2009-00441.

1 notice that it was terminating its retail service agreement effective January 31,  
2 2014. Upon the termination of a retail smelter agreement, either Kenergy or Big  
3 Rivers may terminate the wholesale power supply agreement related to a Smelter  
4 retail service agreement. Termination of each of those wholesale agreements will  
5 occur concurrently with the termination of the related smelter retail service  
6 agreement.

7           6. An Event of Default is triggered under Section 6.01M(iii) of the  
8 2009 CFC Revolver if “[o]ne or more of [Big Rivers’] wholesale power contract with  
9 its distribution cooperative members which, individually or in the aggregate,  
10 represent more than 10% of [Big Rivers’] total gross revenue shall for any reason be  
11 terminated.” The Century Wholesale Agreement and the Alcan Wholesale  
12 Agreement each represents substantially more than 10% of Big Rivers’ total gross  
13 revenue. For example, the percentage of Big Rivers’ total gross revenue represented  
14 by wholesale sales to Kenergy under the Century Wholesale Agreement for the  
15 calendar year 2012 is 36%. Accordingly, under the existing terms of the 2009  
16 Revolver, termination of the Century Wholesale Agreement effective August 20,  
17 2013, will trigger an Event of Default.

18           7. Upon the occurrence of an Event of Default under the 2009  
19 Revolver, CFC may exercise one or more of the remedies stated in Section 7.01 of  
20 the 2009 Revolver. These remedies include refusing to make Advances or issue  
21 Letters of Credit under the 2009 Revolver, and accelerating all unpaid principal and

1 unpaid interest under any “Obligation” between Big Rivers and CFC. In addition  
2 to the 2009 CFC Revolver, Big Rivers’ Obligations to CFC include:

3 a. First Mortgage Notes, Series 2012B dated July 27, 2012, from  
4 Big Rivers to CFC in the amount of \$302,000,000;

5 b. Loan Agreement dated as of July 27, 2012, between Big Rivers  
6 and CFC; and

7 c. Promissory Note dated as of July 27, 2012, in the amount of \$43,  
8 155,800 from Big Rivers to CFC.

9 *Proposed Evidences of Indebtedness*

10 8. Big Rivers seeks authority from the Commission to amend and  
11 restate the 2009 CFC Revolver to, among other things, extend the term and amend  
12 sections that would otherwise cause the 2009 CFC Revolver to be unavailable to Big  
13 Rivers after August 20, 2013, by issuing the following new or amended evidences of  
14 indebtedness:

15 a. Amended and Restated Revolving Line of Credit Agreement  
16 between Big Rivers and CFC (the “*Amended CFC Revolver*”), a substantially  
17 complete copy of which is attached to this Application as Exhibit 3, and a further  
18 copy of which, showing the changes from the 2009 CFC Revolver, is attached to this  
19 Application as Exhibit 4;

20 b. A note (the “*Note*”) from Big Rivers to CFC in the amount of the  
21 CFC Commitment under the Amended CFC Revolver (\$50,000,000), a  
22 substantially complete copy of which is attached to this Application as Exhibit 5;

1                   c. Fourth Supplemental Indenture to the Indenture, from Big  
2 Rivers to U.S. Bank National Association, Trustee (the “*Supplemental Indenture*”),  
3 a substantially complete copy of which is attached to this Application as Exhibit 6.

4                   9. The terms of the evidences of indebtedness Big Rivers proposes  
5 to issue include, but are not limited to, the following:

6                   a. Big Rivers will issue the Note to CFC in the amount of the  
7 aggregate CFC Commitment under the Amended CFC Revolver: \$50,000,000. The  
8 Maturity Date of the Note and the Amended CFC Revolver will be July 16, 2017,  
9 which extends the July 16, 2014, maturity date of the 2009 CFC Revolver.

10                  b. The interest rate on Advances under the Amended CFC  
11 Revolver is equal to the CFC Line of Credit Rate as determined by CFC (Section  
12 3.05C). This interest rate is unchanged from the interest rate under the 2009 CFC  
13 Revolver. If a non-payment default occurs, new Section 3.07B of the Amended CFC  
14 Revolver states that the interest rate on all Advances will be the Default Rate until  
15 that Event of Default is cured.

16                  c. The Note will be issued pursuant to and secured under the  
17 Supplemental Indenture to the Indenture;

18                  d. The “upfront fee” (Section 3.06A) in the Amended CFC Revolver  
19 is reduced from twenty-five basis points in the 2009 CFC Revolver to fifteen basis  
20 points. The “annual facility fee” (Section 3.06B) is also reduced from twenty-five  
21 basis points to fifteen basis points to reflect a reduction in the annual facility fee  
22 that became effective July 16, 2012.

1 e. The voluntary termination in accordance with their terms of the  
2 Century Wholesale Agreement or the Alcan Wholesale Agreement is no longer an  
3 Event of Default or event that prevents Big Rivers from making an Advance under  
4 the Amended CFC Revolver. See Sections 4.02B and 6.01M(iii) of the Amended  
5 CFC Revolver.

6 f. To make an Advance under the Amended CFC Revolver, Big  
7 Rivers must certify under Section 4.02D that its Available Cash balance at the time  
8 of Advance is less than \$35,000,000. If Big Rivers' Available Cash exceeds  
9 \$35,000,000, under Section 3.09 of the Amended CFC Revolver Big Rivers must  
10 apply the Excess Cash (cash in excess of \$35,000,000) to prepayment of any  
11 outstanding principal balance under the Amended CFC Revolver.

12 g. Section 6.01G of the Amended CFC Revolver adds a requirement  
13 that Big Rivers maintain a minimum members' equity balance ratio, as described in  
14 that section.

15 h. Schedule 1, paragraph 1 of the Amended CFC Revolver restricts  
16 Big Rivers from using an Advance under the Amended CFC Revolver to pay any  
17 portion of the principal amount of the \$58,800,000 County of Ohio, Kentucky,  
18 Pollution Control Floating Rate Demand Bonds, Series 1983 (Big Rivers Electric  
19 Corporation Project).

20 10. The up-front cost to Big Rivers in connection with issuance of  
21 the evidences of indebtedness proposed in this Application are \$75,000, plus legal

1 fees of counsel for Big Rivers and CFC, and miscellaneous filing fees and other  
2 transaction costs that cannot be determined until after closing..

3 The Commission Should Authorize Issuance of the Proposed Evidences of  
4 Indebtedness

5 11. The Commission should authorize Big Rivers to issue the proposed  
6 evidences of indebtedness to accomplish the amendment and restatement of the 2009  
7 CFC Revolver. In the Unwind Order, the Commission approved two, \$50,000,000  
8 lines of credit for Big Rivers' operations and liquidity. As described above, one of  
9 those facilities is no longer available to Big Rivers, and absent changes to those two  
10 revolving credit facilities, neither will be available after August 20, 2013.

11 12. The proposed Amended CFC Revolver will allow Big Rivers to retain  
12 access to \$50,000,000 in liquidity for its operations. Big Rivers' three investment  
13 grade credit ratings each have been downgraded to below investment grade as a  
14 result of the Alcan Notice of Termination on January 31, 2013. As a result of those  
15 ratings downgrades and in accordance with its obligations to the Rural Utilities  
16 Service ("*RUS*") under the RUS Loan Contract, on March 7, 2013, Big Rivers  
17 submitted to RUS its Corrective Plan to Achieve Two Credit Ratings of Investment  
18 Grade ("*Corrective Plan*"). One of the areas the rating agencies focus on is Big  
19 Rivers' access to and maintenance of liquidity, so liquidity is also a subject covered  
20 in the Corrective Plan.

1           13.           As the Commission implicitly observed on page 5 of its March 26,  
2 2013 order in Case No. 2012-00492 (the “*March 26, 2013 Order*”)<sup>3</sup>, steps taken by  
3 Big Rivers to maintain its liquidity should be viewed favorably by Big Rivers’  
4 lenders, its auditor, the credit rating agencies and Big Rivers’ Members. While  
5 there are limitations on Big Rivers’ access to the liquidity under the Amended CFC  
6 Revolver, Big Rivers believes that the terms are reasonable, the liquidity is still  
7 available, and, to again paraphrase a finding from the March 26, 2013 Order,  
8 issuance by Big Rivers of the Amended CFC Revolver would provide some certainty  
9 at a time when Big Rivers needs certainty.

10           14.           Approval by the Commission of the relief sought by Big Rivers in  
11 this Application will provide Big Rivers with access to \$50,000,000 of liquidity  
12 through July 2017, facilitate Big Rivers’ ability to regain two investment grade  
13 credit ratings as outlined in the Corrective Plan, and otherwise enhance Big Rivers’  
14 ability to perform its service to the public. The revised terms of the Amended CFC  
15 Revolver also eliminate the potential Event of Default under Section 6.01M(iii) that  
16 would otherwise be triggered upon the termination of the Century Wholesale  
17 Agreement effective August 20, 2013.

18                           *Timing of Closing; Documents in “Substantially Complete” Form*

19           15.           The closing date for issuance by Big Rivers of the evidences of  
20 indebtedness proposed in this Application will be set following receipt by Big Rivers  
21 of the authority from the Commission requested herein. To advance the review

---

<sup>3</sup> In the Matter of: Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness, P.S.C. Case No. 2012-00492.

1 process and to assure that the necessary approvals will be obtained in time for the  
2 Commission's order to become final and non-appealable as quickly as possible, the  
3 documents for which approval is sought are presented in substantially complete form,  
4 still subject to comment by the parties to the documents. Once final comments have  
5 been received from all parties, if a document changes Big Rivers will submit a  
6 revision of the document showing those changes. Big Rivers does not expect  
7 substantial changes in the forms of documents submitted.

8 Miscellaneous Filing Requirements

9 16. Big Rivers is filing an original and ten copies of this Application,  
10 and has served a copy of this Application on the Kentucky Attorney General,  
11 Division of Rate Intervention.

12 17. The articles of incorporation of Big Rivers, and all amendments  
13 thereto, are attached as Exhibit 14 to *The Application of Big Rivers Electric*  
14 *Corporation for Approval to Issue Evidences of Indebtedness*, P.S.C. Case No. 2012-  
15 00492.

16 18. The relief sought by Big Rivers in this Application is authorized  
17 by KRS 278.300, and related sections, and 807 KAR 5:001, Sections 14 and 17, and  
18 related sections.

19 19. A general description of Big Rivers' property and the field of its  
20 operation, together with a statement of the original cost of the same and the cost to  
21 Big Rivers are attached as Exhibit 7.

1           20.    Big Rivers will issue no stock or bonds in connection with the  
2   issuances of indebtedness described in this Application.

3           21.    The purpose of the Amended CFC Revolver is to provide funds  
4   for Big Rivers' capital expenditures, general corporate use, and for the issuance of  
5   Letters of Credit. There are no planned future Advances under the Amended CFC  
6   Revolver for any particular project to acquire property, construct, complete, extend,  
7   or improve facilities, or improve or maintain service; and Big Rivers has not entered  
8   into any contracts for the acquisition, construction, extension or improvement of  
9   property or facilities. Accordingly there are no projects for which Big Rivers has  
10   developed maps or plans of property or construction as contemplated in 807 KAR  
11   5:001, Section 17(2)(c).

12           22.    Big Rivers does not propose to discharge or refund obligations  
13   with Advances under the Amended CFC Revolver.

14           23.    A financial exhibit is attached hereto as Exhibit 8.

15           24.    This Application is signed on behalf of Big Rivers by Billie J.  
16   Richert, Vice President Accounting, Rates and Chief Financial Officer. It has been  
17   prepared by or under her supervision, and she has knowledge of the matters stated  
18   herein.

19           WHEREFORE, Big Rivers respectfully requests that the Commission make  
20   orders granting Big Rivers the following relief:

21           a.    Authority to issue the evidences of indebtedness attached as  
22   Exhibits 3, 5 and 6 to this Application;

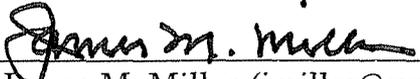
1                   b. A finding pursuant to KRS 278.300(3) that the proposed issuance  
2 by Big Rivers of these evidences of indebtedness is for a lawful object within the  
3 corporate purposes of the utility, is necessary or appropriate for or consistent with the  
4 proper performance by the utility of its service to the public and will not impair its  
5 ability to perform that service, and is reasonably necessary and appropriate for such  
6 purpose; and

7                   c. All other relief to which Big Rivers may appear to be entitled.

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

Respectfully submitted,

Sullivan, Mountjoy, Stainback & Miller,  
PSC

By:   
James M. Miller (jmillier@smsmlaw.com)  
Tyson Kamuf  
100 St. Ann Street  
P.O. Box 727  
Owensboro, Kentucky 42302-0727  
Telephone No. (270) 926-4000  
Facsimile No. (270) 683-6694  
  
Counsel for Big Rivers Electric Corporation

1 VERIFICATION

2 I, Billie J. Richert, Vice President Accounting, Rates and Chief Financial Officer  
3 for Big Rivers Electric Corporation, hereby state that I have read the foregoing  
4 Application and that the statements contained therein are true and correct to the  
5 best of my knowledge and belief, on this the 27th day of March, 2013.

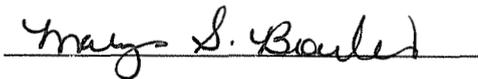
6 

7 Billie J. Richert  
8 Vice President Accounting, Rates and  
9 Chief Financial Officer  
10 Big Rivers Electric Corporation  
11  
12

13  
14 COMMONWEALTH OF KENTUCKY )

15 COUNTY OF HENDERSON )

16 The foregoing verification statement was SUBSCRIBED AND SWORN to before  
17 me by Billie J. Richert, Vice President Accounting, Rates and Chief Financial  
18 Officer of Big Rivers Electric Corporation, on this the 27th day of March, 2013.

19  
20 

21 Notary Public, Ky., State at Large

22 My commission expires: August 8, 2016



*Table of Contents to Exhibits*

<u>Exhibit</u>	<u>Document</u>
1	Table of References for Compliance with Statutory and Regulatory Filing Requirements
2	Revolving Line of Credit Agreement dated as of July 16, 2009 between Big Rivers Electric Corporation and National Rural Utilities Cooperative Finance Corporation (“ <i>2009 CFC Revolver</i> ”)
3	Proposed Amended and Restated Revolving Line of Credit Agreement dated as of ____, 2013 between Big Rivers Electric Corporation and National Rural Utilities Cooperative Finance Corporation (“ <i>Amended CFC Revolver</i> ”)
4	Comparison of Amended CFC Revolver against the 2009 CFC Revolver
5	Big Rivers Electric Corporation Note of CFC Commitment under Amended CFC Revolver (\$50,000,000)
6	Fourth Supplemental Indenture (to that certain Indenture dated as of July 1, 2009) dated as of ____, 2013, from Big Rivers Electric Corporation to U.S. Bank National Association, Trustee
7	Big Rivers Electric Corporation’s Description of Property
8	Big Rivers Electric Corporation’s Financial Exhibit



EXHIBIT 1

<b>REFERENCES FOR COMPLIANCE WITH STATUTORY AND REGULATORY FILING REQUIREMENTS</b>		
<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Location in Application</u>
<b>IN GENERAL</b>		
807 KAR 5:001 Section 14(1)	The full name, mailing address, and electronic mail address of the Applicant	¶1
807 KAR 5:001 Section 14(1)	A request for the order, authorization, permission or certificate desired	¶11; pages 11-12
807 KAR 5:001 Section 14(1)	A reference to the particular provision of law authorizing the relief requested	¶18
807 KAR 5:001 Section 7(1)	An original and 10 copies of the application with an additional copy for any party named therein as an interested party	¶16; original and ten copies filed
807 KAR 5:001 Section 14(2)	The Articles of Incorporation for the Applicant, or reference to case in which they were filed	¶17
KRS 278.300(2); 807 KAR 5:001 Section 4(3)(b)	Application made under oath, signed on behalf of the utility by its president, or other designated executive officer	¶24; page 13
<b>APPROVAL TO ISSUE EVIDENCES OF INDEBTEDNESS</b>		
807 KAR 5:001 Section 17(1)(a)	A general description of applicant's property and the field of its operation, together with a statement of the original cost of the same and the cost to the applicant	Exhibit 7
807 KAR 5:001 Section 17(1)(b)	The amount and kinds of stock, if any, which the utility desires to issue, and if preferred, the nature and extent of the preference; the amount of notes, bonds or other evidences of indebtedness, if any, which the utility desires to issue, with terms, rate of interest and if and how to be secured	¶20; Exhibit 8
807 KAR 5:001 Section 17(1)(c)	The use to be made of the proceeds of the issue, with a statement indicating how much is to be used for the acquisition of property, the construction, completion, extension or improvement of facilities, the improvement of service, the maintenance of service and the discharge or refunding obligations	¶ 21

EXHIBIT 1

807 KAR 5:001 Section 17(1)(d)	The property in detail that is to be acquired, constructed, improved, or extended with its cost, a detailed description of the contemplated construction, completion, extension, or improvement of facilities established in a manner whereby an estimate of the cost may be made, a statement of the character of the improvement of service proposed, and of the reasons why the service should be maintained from its capital. If a contract has been made for the acquisition of property, or for construction, completion, extension, or improvement of facilities, or for the disposition of the securities, notes, bonds, stocks, or other evidence of indebtedness that it proposes to issue or the proceeds thereof and if a contract has been made, copies thereof shall be annexed to the petition;	¶ 21
807 KAR 5:001 Section 17(1)(e)	If it is proposed to discharge or refund obligations, a statement of the nature and description of the obligations including their par value, the amount for which they were actually sold, the associated expenses, and the application of the proceeds from the sales. If notes are to be refunded, a statement showing the date, amount time, rate of interest, and payee of each and the purpose for which their proceeds were expended	¶22
807 KAR 5:001 Section 17(1)(f)	Such other facts as may be pertinent to the application	See generally, the Application
807 KAR 5:001 Section 17(2)(a)	Financial exhibit	See below
807 KAR 5:001 Section 17(2)(b)	Copies of trust deeds or mortgages, or reference to case number in which they were filed	¶4b; footnote 2
807 KAR 5:001 Section 17(2)(c)	Maps and plans of the proposed property and constructions together with detailed estimates in a form that they can be reviewed by the commission's engineering division. Estimates shall be arranged	¶21

EXHIBIT 1

	according to the commission-prescribed uniform system of accounts for the various classes of utilities.	
807 KAR 5:001 Section 12	<p>Financial exhibit</p> <ul style="list-style-type: none"> <li>-Amount and kinds of stock authorized</li> <li>-Amount and kinds of stock issued and outstanding</li> <li>-Terms of preference of preferred stock</li> <li>-Brief description of each existing mortgage of property</li> <li>-Amount of bonds authorized and amount issued giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year</li> <li>- Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year</li> <li>-Other indebtedness giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year</li> <li>- Rate and amount of dividends paid during the five previous fiscal years, and the amount of capital stock on which dividends were paid each year</li> <li>- Detailed income statement and balance sheet which cover operations for a twelve month period, said period ending not more than 90 days prior to the date the Application is filed.</li> </ul>	Exhibit 8



## REVOLVING LINE OF CREDIT AGREEMENT

REVOLVING LINE OF CREDIT AGREEMENT (this "Agreement"), dated as of July 16th, 2009, between BIG RIVERS ELECTRIC CORPORATION ("Borrower"), a corporation organized and existing under the laws of the State of Kentucky, and NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("CFC"), a cooperative association organized and existing under the laws of the District of Columbia.

### RECITALS

WHEREAS, the Borrower has applied to CFC for a line of credit for the purposes set forth in Schedule 1 hereto, and CFC is willing to extend such a line of credit to the Borrower on the terms and conditions stated herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree and bind themselves as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.01** For purposes of this Agreement, the following capitalized terms shall have the following meanings (such definitions to be equally applicable to the singular and the plural form thereof).

"**Accounting Requirements**" shall mean any system of accounts prescribed by a regulatory authority having jurisdiction over the Borrower or, in the absence thereof, the requirements of GAAP applicable to businesses similar to that of the Borrower.

"**Advance**" means any loans made by CFC to the Borrower pursuant to this Agreement, and "**Advances**" means all such loans.

"**Advance Request**" means a request by the Borrower for an Advance in accordance with Section 3.03, in the form of Exhibit B hereto.

"**Business Day**" means any day that both CFC and the depository institution CFC utilizes for funds transfers hereunder are open for business.

"**CFC Commitment**" shall have the meaning as defined in Schedule 1 hereto.

"**CFC Line of Credit Rate**" shall mean the rate published by CFC from time to time, by electronic or other means, for similarly classified lines of credit, but if not published, then the rate determined for such lines of credit by CFC from time to time.

"**Default Rate**" shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred basis points.

"**Draw**" shall mean a payment of funds to a beneficiary under a Letter of Credit issued hereunder.

### Exhibit 2

**"Effective Date"** shall mean the date designated as such by CFC on the signature page hereof.

**"Equity"** shall mean the aggregate of the Borrower's equities and margins computed pursuant to Accounting Requirements.

**"Equity Ratio"** shall mean Equity divided by Total Assets.

**"Event of Default"** shall have the meaning as described in Article VI hereof.

**"GAAP"** shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board.

**"Governmental Authority"** shall mean the government of the United States of America, any other nation or government, any state or other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

**"Indenture"** shall mean the Master Indenture, as it may be supplemented or amended from time to time.

**"Interest Charges"** shall have the meaning ascribed to it in the Master Indenture.

**"LC Exposure"** means, at any time, the sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (ii) the aggregate amount of all Draws that have not yet been reimbursed by or on behalf of the Borrower (pursuant to Section 3.06.H) at such time.

**"Letter of Credit"** means an irrevocable letter of credit issued by CFC pursuant to Section 3.04 hereof.

**"Letter of Credit Commitment Amount"** shall have the meaning as defined in Schedule 1 hereto.

**"Lien"** shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of set off, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code.

**"Line of Credit"** shall mean the line of credit extended by CFC to the Borrower, pursuant to this Agreement, in an aggregate principal amount outstanding at any time not to exceed the CFC Commitment.

**"Loan Documents"** shall mean this Agreement and all other documents or instruments executed, delivered or executed and delivered by the Borrower and evidencing, securing, governing or otherwise pertaining to the Line of Credit.

**"Margins For Interest"** shall have the meaning ascribed to it in the Master Indenture.

**"Margins For Interest Ratio"** shall mean, for any period, (i) the sum of (a) Margins For Interest plus (b) Interest Charges, divided by (ii) Interest Charges.

**"Master Indenture"** shall mean the Indenture, dated as of July 1, 2009, by and between the Borrower and U.S. Bank National Association, as trustee.

**"Maturity Date"** shall mean the date set forth in Schedule 1 hereto.

**"Obligations"** shall mean any and all liabilities, obligations or indebtedness owing by the Borrower to CFC, of any kind or description, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

**"Person"** shall mean natural persons, cooperatives, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, associations, companies, trusts or other organizations, irrespective of whether they are legal entities, and Governmental Authorities.

**"Total Assets"** shall mean an amount constituting the total assets of the Borrower computed pursuant to Accounting Requirements.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

**Section 2.01** The Borrower represents and warrants to CFC that as of the date of this Agreement:

**A. Good Standing.** The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing in those states in which it is required to be qualified to conduct its business.

**B. Authority; Validity.** The Borrower has the power and authority to enter into this Agreement; to make the borrowing hereunder; to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper action; and no consent or approval of any Person, including, as applicable and without limitation, members of the Borrower, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

This Agreement is, and when fully executed and delivered will be, legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity.

**C. No Conflicting Agreements.** The execution and delivery of the Loan Documents and performance by the Borrower of the obligations thereunder, and the transactions contemplated hereby or thereby, will not: (i) violate any provision of law, any order, rule or regulation of any court or other agency of government, any award of any arbitrator, the articles of incorporation or by-laws of the Borrower, or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Borrower is a party or by which it or any of its property is bound; or (ii) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien upon any of the property or assets of the Borrower.

The Borrower is not in default in any material respect under any agreement or instrument to which it is a party or by which it is bound and no event or condition exists which constitutes a default, or with the giving of notice or lapse of time, or both, would constitute a default under any such agreement or instrument.

**D. Taxes.** The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed and has paid or caused to be paid all federal, state and local taxes, assessments, and governmental charges and levies thereon, including interest and penalties to the extent that such taxes, assessments, and governmental charges and levies have become due, except for such taxes, assessments, and governmental charges and levies which the Borrower is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside.

**E. Licenses and Permits.** The Borrower has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and business that are required by Governmental Authorities and each remains valid and in full force and effect.

**F. Litigation.** Except for those matters set forth in Schedule 2, there are no outstanding judgments, suits, claims, actions or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its properties which, either individually or collectively, is reasonably expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower. The Borrower is not, to the Borrower's knowledge, in default or violation with respect to any judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority which would have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower.

**G. Financial Statements.** The balance sheet of the Borrower as at the date identified in Schedule 1 hereto, the statement of operations of the Borrower for the period ending on said date, and the interim financial statements of the Borrower, all heretofore furnished to CFC, are complete and correct. Said balance sheet fairly presents the financial condition of the Borrower as at said date and said statement of operations fairly reflects its operations for the period ending on said date. The Borrower has no contingent obligations or extraordinary forward or long-term commitments except as specifically stated in said balance sheet, in the Confidential Information Memorandum dated January 2008 or herein. There has been no material adverse change in the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) of the Borrower and its subsidiaries taken as a whole from that set forth in said financial statements except changes disclosed in writing to CFC prior to the date hereof.

**H. Required Approvals.** No license, consent or approval of any Governmental Authority is required to enable the Borrower to enter into this Agreement, or to perform any of its Obligations provided for herein, including without limitation (and if applicable), that of any state public utilities commission, any state public service commission, and the Federal Energy Regulatory Commission, except as disclosed in Schedule 1 hereto, all of which Borrower has obtained prior to the date hereof.

**I. Compliance With Laws.** The Borrower is in compliance, in all material respects, with all applicable requirements of law and all applicable rules and regulations of each Governmental Authority.

**J. Disclosure.** To the Borrower's knowledge, information and belief, neither this Agreement nor any document, certificate or financial statement furnished to CFC by or on behalf of the Borrower in connection herewith (all such documents, certificates and financial statements, taken as a whole) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein not misleading.

**K. Wholesale Power Contracts.** The Borrower's wholesale power contracts with its members in effect as of the date hereof are valid and in full force. Neither the Borrower nor any of such members are in default of any material obligation under such wholesale power contract as of the date hereof.

### ARTICLE III

#### CREDIT TERMS

**Section 3.01 CFC Commitment; Term.** Subject to the terms and conditions hereof, CFC agrees to make Advances on the Line of Credit and issue Letters of Credit, from time to time, until the Maturity Date, *provided, however*, that (a) the aggregate amount of all outstanding Advances on the Line of Credit, plus (b) the LC Exposure, shall not exceed the CFC Commitment.

**Section 3.02 Revolving Credit.** The Borrower may borrow, repay and reborrow funds at any time or from time to time.

**Section 3.03 Requests for Advances.** To request any Advance other than an Advance made pursuant to Section 3.04.H., the Borrower shall notify CFC of such request in writing by delivery of an Advance Request not later than 12:00 noon, local time at CFC's offices in Herndon, Virginia on the Business Day prior to the Business Day of the proposed Advance. Each Advance Request shall be in the form of Exhibit B hereto and contain the information required therein.

#### Section 3.04 Letters of Credit.

**A. Issuance.** In addition to Advances made under the Line of Credit, the Borrower may request and CFC shall issue, from time to time, up to, but not including, the Maturity Date, Letters of Credit to such beneficiary or beneficiaries as may be requested by Borrower from time to time under the terms and conditions of this Agreement, *provided, however*, that the aggregate amount of all Letters of Credit outstanding shall not exceed the Letter of Credit Commitment

Amount.

Each such request shall be in writing and substantially in the form of Exhibit A hereto and shall be delivered to CFC no fewer than two (2) Business Days prior to the requested date of issuance. Each Letter of Credit shall be substantially in the form of Exhibit C hereto, or in such other form as shall be mutually acceptable to Borrower and CFC, and shall reflect the amount available for draw thereunder.

**B. Expiration Dates; Designation.** With respect to each Letter of Credit issued hereunder:

(i) **Designation.** The first Letter of Credit issued hereunder shall bear CFC designation KY062-H-5102-001, and each subsequent Letter of Credit issued hereunder shall be numbered consecutively thereafter.

(ii) **Expiration.** Each Letter of Credit shall expire at or prior to the close of business on the Maturity Date.

**C. Draws.** On any day that CFC is open for business, CFC will honor drafts presented by a beneficiary for a Draw on an unexpired Letter of Credit under the terms and conditions specified in such Letter of Credit, provided that (i) each Draw request is accompanied by the documentation specified in a Letter of Credit, the authenticity, form and substance of which shall be satisfactory to CFC; and (ii) no Draw request will be honored after CFC's close of business on the Letter of Credit Expiration Date set forth in the respective Letter of Credit.

**D. Irrevocable Instruction.** Borrower hereby irrevocably instructs CFC to honor drafts presented by a beneficiary for a Draw on an unexpired Letter of Credit under the terms and conditions specified in such Letter of Credit. It is expressly agreed that CFC may honor such drafts without requiring any documentation or information other than as expressly stated in such Letter of Credit, and without regard to any contrary instructions Borrower may hereafter give to CFC.

**E. Draws by Legal Representatives.** Borrower agrees that CFC shall have no liability to the Borrower or to any other person for honoring drafts presented in accordance with the terms hereof and contained in a Letter of Credit which may be presented by the administrator, trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other legal representative of the beneficiary.

**F. No Liability.** CFC shall have no liability for, and the Borrower's repayment and other obligations hereunder shall not be affected by (i) the use which may be made of the funds drawn under a Letter of Credit or for the acts or omissions of the beneficiary or any other person, (ii) the validity, accuracy, sufficiency or genuineness of drafts, required statements or documents, even if such drafts, statements or documents should in fact prove to be in any or all respects invalid, inaccurate, insufficient, fraudulent or forged, (iii) errors, omissions, interruptions or delays in transmission or delivery of any message by mail, telephone, facsimile or otherwise, or (iv) any consequences arising from causes beyond CFC's control.

**G. Extensions and Modifications.** This Agreement shall be binding upon the Borrower with respect to any replacement, extension or modification of any Letter of Credit or waiver of discrepancies authorized by the Borrower. Except as may be provided in a Letter of Credit or otherwise specifically agreed to in writing by CFC in its sole discretion, CFC shall have

no duty to (a) extend the expiration date of a Letter of Credit, (b) issue a replacement letter of credit on or before the expiration date of a Letter of Credit or the end of such term, (c) issue or refrain from issuing notice of its election not to renew or extend a Letter of Credit, (d) issue or refrain from issuing any notice, if a Letter of Credit permits it to do so, of its election to terminate or cancel the Letter of Credit prior to its stated expiration date, (e) issue or refrain from issuing any notice of its election to refuse to reinstate the amount of any drawing under a Letter of Credit or (f) otherwise amend or modify a Letter of Credit.

**H. Automatic Advances; Repayment.** Upon payment by CFC of a Draw on a Letter of Credit, Borrower hereby authorizes and instructs CFC to make an Advance on the Line of Credit in an amount equal to such Draw, which shall be deemed a reimbursement of such Draw. Borrower agrees that this authorization is irrevocable until such time as Borrower's obligations under this Agreement have been paid in full. Borrower further agrees that CFC shall not incur any liability to Borrower as a result of such action, except in cases of gross negligence or willful misconduct by CFC.

**I. Reinstatement.**

(i) The face amount of any expired, returned, cancelled, or otherwise terminated Letter of Credit shall be available, under the terms of this Agreement and within the limits of the Letter of Credit Commitment Amount, for issuance of additional Letters of Credit.

(ii) The amount of any Draw reimbursed pursuant to Section 3.06.H shall be available, under the terms of this Agreement and within the limits of the Letter of Credit Commitment Amount, for issuance of additional Letters of Credit.

**Section 3.05 Repayment of Advances.** The Borrower unconditionally promises and agrees to pay, as and when due, without setoff or counterclaim, interest on each Advance hereunder, from the date thereof and to repay the outstanding principal amount of the Advances and all other amounts then outstanding on the Maturity Date.

**A. Manner of Payment.** All amounts shall be payable at CFC's main office at 2201 Cooperative Way, Herndon, Virginia 20171-3025 or at such other location as designated by CFC from time to time.

**B. Application of Payments.** Each payment shall be applied first to any fees, costs, expenses or charges other than interest or principal then due on the Borrower's indebtedness to CFC, second to interest accrued on the Advance or Advances selected to be paid, and the balance to principal on such Advance or Advances.

**C. Interest Rate.** The interest rate on all Advances will be equal to the CFC Line of Credit Rate. The effective date of an interest rate adjustment will be determined from time to time by CFC, and shall remain in effect until any subsequent change in the interest rate occurs. The applicable interest rate as determined by CFC shall be conclusive absent manifest error. No provision of this Agreement shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

**D. Payment of Interest.** Accrued interest on each Advance shall be payable in arrears in accordance with CFC's regular billing cycles as may be in effect from time to time, and on the Maturity Date; provided that (i) interest accrued pursuant to Section 3.07 shall be

payable on demand, (ii) in the event of any repayment or prepayment of any Advance, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

**E. Computation.** All interest hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

### **Section 3.06 Fees.**

**A. Upfront Fee.** Borrower shall pay to CFC a nonrefundable fee in an amount equal to twenty five basis points (25/100 of 1%) of the aggregate amount of the CFC Commitment, due and payable as of the Effective Date set forth below. Payment of such fee is a precondition to the effectiveness of this Agreement.

**B. Annual Facility Fee.** On the Effective Date set forth below, and at each anniversary date thereof ("Anniversary Date") for so long as this Agreement is in effect, there shall be due and payable to CFC a nonrefundable facility fee ("Facility Fee"). Borrower shall pay the Facility Fee to CFC quarterly in arrears. The initial Facility Fee shall be in an amount equal to twenty five basis points (25/100 of 1%) of the aggregate amount of the CFC Commitment, and subsequent Facility Fees shall be in amounts determined in accordance with CFC's current credit policies and practices as of each Anniversary Date. Any increase in the Facility Fee shall be effective only as of an Anniversary Date. The Facility Fee shall be prorated for any year in which this Agreement is not in effect for the entire year. The Payment of the Facility Fee is a precondition to the issuance of any Letter of Credit.

**C. Issuance Fee.** For each Letter of Credit issued hereunder, Borrower shall pay to CFC a nonrefundable fee ("Issuance Fee"), due and payable prior to the issuance of each Letter of Credit. The Issuance Fee shall be in an amount determined in accordance with CFC's credit policies and practices as of the date of issuance. In the event the Letter of Credit is outstanding for more than one year, then such fee shall be due and payable annually and shall be in an amount determined in accordance with CFC's credit policies and practices as of the annual renewal date. Borrower shall pay the Issuance Fee to CFC quarterly in arrears. The Issuance Fee shall be prorated for any year in which the Letter of Credit is not outstanding for the entire year. Payment of the Issuance Fee is a precondition to the issuance of any Letter of Credit.

In addition to the above fees, Borrower shall pay such additional fees as may be imposed by a confirming bank or other financial institution in the event that a Letter of Credit issued hereunder is confirmed by such other bank or financial institution at the request of the Borrower or the beneficiary of such Letter of Credit.

**Section 3.07 Default Rate.** If Borrower defaults on its obligation to make a payment due hereunder by the applicable date payment is due, and such default continues for thirty days thereafter, then beginning on the thirty-first day after the payment is due and for so long as such default continues, Advances shall bear interest at the Default Rate.

**Section 3.08 Optional Prepayment.** The Borrower shall have the right at any time and from time to time to prepay any Advance in whole or in part, subject to the requirements of this Agreement. Prior to any prepayment of any Advance hereunder, the Borrower shall select the Advance or Advances to be paid and shall notify CFC by telephone (confirmed by telecopy) of such selection not later than 11:00 a.m., local time at CFC's offices in Herndon, Virginia, one

Business Day before the scheduled date of such prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Advance or portion thereof to be prepaid. Prepayments shall be accompanied by accrued interest to the extent required herein and shall be made and applied in the manner specified in Section 3.05.

**Section 3.09 Mandatory Prepayment.** If there is a change in the Borrower's corporate structure (including without limitation by merger, consolidation, conversion or acquisition), then upon the effective date of such change (the "Change Date"), (a) except for Advances made to repay a Draw on a Letter of Credit pursuant to Section 3.04.H, the Borrower shall no longer have the ability to request, and CFC shall have no obligation to make, Advances hereunder, (b) the Borrower shall no longer have the ability to request, and CFC shall have no obligation to issue, a Letter of Credit hereunder, and (c) the Borrower shall prepay the outstanding principal balance of all Obligations (excluding Obligations represented by undrawn amounts under outstanding Letters of Credit), together with any accrued but unpaid interest thereon, any unpaid costs or expenses provided for herein, and a prepayment premium prescribed by CFC pursuant to its policies of general application in effect from time to time.

Any Letter of Credit outstanding on the Change Date shall remain outstanding and subject to the terms and conditions hereof until its stated expiry date unless cancelled or returned by the Beneficiary thereof prior to such expiry date. Any Draw on such Letter of Credit shall be reimbursed by an automatic Advance made pursuant to Section 3.04.H. The Borrower shall repay the outstanding principal balance of such automatic Advance, together with any accrued but unpaid interest thereon and any unpaid costs or expenses provided for herein within five (5) Business Days of CFC's payment of the Draw.

Upon the prepayment of all amounts outstanding hereunder, and the termination and/or expiration of all Letters of Credit outstanding hereunder, this Agreement shall automatically terminate without further action by either Borrower or CFC.

Notwithstanding anything to the contrary in this Section 3.09 Borrower shall retain the ability to request Advances and the issuance of Letters of Credit, CFC shall retain the obligation to make Advances and issue Letters of Credit, and no prepayment shall be required under this Section 3.09 if, on and after the Change Date, Borrower, or its successor in interest, is engaged in the furnishing of electric utility services to its members and is organized as a cooperative, nonprofit corporation, public utility district, municipality, or other public governmental body.

**Section 3.10 Optional Commitment Reduction.** The Borrower may at any time terminate, or from time to time reduce, the CFC Commitment; provided that (i) each reduction of the CFC Commitment pursuant to this Section shall be in an amount that is \$5,000,000 or a larger multiple of \$1,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any such reduction, the amount of Advances plus LC Exposure would exceed the CFC Commitment.

The Borrower shall notify CFC of any election to terminate or reduce the Commitments under this Section at least ten Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable.

## ARTICLE IV

### CONDITIONS OF LENDING

**Section 4.01 Conditions Precedent to Closing.** The obligation of CFC to make Advances or to issue Letters of Credit hereunder shall not become effective until the date on which the following conditions precedent have been satisfied:

**A. Legal Matters.** All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for CFC.

**B. Documents.** CFC shall have been furnished with (i) the executed Loan Documents, (ii) certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions hereby contemplated as CFC shall require, (iii) an opinion of counsel for the Borrower addressing such legal matters as CFC shall reasonably require, and (iv) all other such documents as CFC may reasonably request.

**C. Government Approvals.** The Borrower shall have furnished to CFC true and correct copies of all certificates, authorizations, consents, permits and licenses from Governmental Authorities necessary for the execution or delivery of the Loan Documents or performance by the Borrower of the obligations thereunder.

**D. Unwind of Lease.** The Borrower shall have consummated the termination of its lease, power purchase agreement and other arrangements with subsidiaries of E.ON U.S. LLC (formerly LG&E Energy LLC) under economic terms that are consistent with the financial model filed by the Borrower with the Kentucky Public Service Commission attached as Exhibit E hereto or that are otherwise satisfactory to CFC.

**E. Credit Ratings.** The Borrower shall have received a senior secured debt rating of BBB or better or an issuer credit rating of BBB- or better from one (1) or more of the three nationally recognized ratings agencies.

**F. Indenture.** The Borrower shall have entered into the Master Indenture.

**Section 4.02 Each Credit Event.** The obligation of CFC to make any Advances hereunder and to issue Letters of Credit hereunder is additionally subject to satisfaction of the following conditions in form and substance satisfactory to CFC:

**A. Requisitions.** Except for Advances made pursuant to Section 3.04.H, Borrower will requisition each Advance or Letter of Credit by submitting its written requisition to CFC as set forth in Article III hereof.

**B. Representations and Warranties.** Except for the representations made in Section 2.01.F and the last sentence of Section 2.01.G hereof, the representations and warranties contained in Article II shall be true on the date of the making of each Advance hereunder with the same effect as though such representations and warranties had been made on such date; no Event of Default and no event which, with the lapse of time or the notice and lapse of time would become such an Event of Default, shall have occurred and be continuing or will have occurred after giving effect to each Advance on the books of the Borrower

- C. **Fees.** Borrower shall have paid all fees hereunder as and when due.

## ARTICLE V

### COVENANTS

**Section 5.01** The Borrower covenants and agrees with CFC that until payment in full of the Line of Credit and performance of all obligations of the Borrower hereunder:

A. **Use of Proceeds.** The Borrower shall use the proceeds of this Line of Credit solely for the purposes identified on Schedule 1 hereto.

B. **Notice.** The Borrower shall promptly notify CFC in writing of:

- (i) any material adverse change in the business, operations, prospects, assets, liabilities or financial condition of the Borrower or its subsidiaries;
- (ii) the institution or threat of any litigation or administrative proceeding of any nature involving the Borrower or any subsidiary which could materially affect the business, operations, prospects, assets, liabilities or financial condition of the Borrower or any subsidiary;
- (iii) the occurrence of an Event of Default hereunder, or any event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

C. **Default Notices.** Upon receipt of any notices with respect to a default by the Borrower or any subsidiary under the terms of any evidence of any indebtedness with parties other than CFC or of any loan agreement, mortgage or other agreement relating thereto, the Borrower shall, and shall cause each subsidiary to, deliver copies of such notice to CFC.

D. **Financial Books; Financial Reports; Right of Inspection.** The Borrower will at all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Borrower, in accordance with GAAP. The Borrower will cause to be prepared and furnished to CFC within one hundred twenty (120) days of the end of each of the Borrower's fiscal years during the term hereof, a full and complete consolidated and consolidating report of its financial condition and of its operations as of the end of such fiscal year, audited and certified by independent certified public accountants nationally recognized or otherwise satisfactory to CFC and accompanied by a report of such audit in form and substance satisfactory to CFC, including without limitation a consolidated and consolidating balance sheet and the related consolidated and consolidating statements of income and cash flow. CFC, through its representatives, shall at all times during reasonable business hours and upon prior notice have access to, and the right to inspect and make copies of, any or all books, records and accounts, and any or all invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind belonging to or in the possession of the Borrower or in anyway pertaining to its property or business.

E. **Compliance With Laws.** The Borrower and each subsidiary shall remain in compliance, in all material respects, with all applicable requirements of law and applicable rules and regulations of each Governmental Authority.

**F. Taxes.** The Borrower shall pay, or cause to be paid all taxes, assessments or governmental charges lawfully levied or imposed on or against it and its properties prior to the time they become delinquent, except for any taxes, assessments or charges that are being contested in good faith and with respect to which adequate reserves as determined in good faith by Borrower have been established and are being maintained.

**G. Financial Ratios.** The Borrower agrees that it will operate and manage its business to achieve and maintain a Margins For Interest Ratio of no less than 1.1 and an Equity Ratio of no less than 12%.

**H. Annual Certificate.** Within one hundred twenty (120) days after the close of each calendar year the Borrower will deliver to CFC a written statement, in form and substance satisfactory to CFC, signed by the Borrower's General Manager or Chief Executive Officer, stating that during such year, and that to the best of said person's knowledge, the Borrower has fulfilled all of its obligations under this Agreement and the Indenture throughout such year or, if there has been a default in the fulfillment of any such obligations, specifying each such default known to said person and the nature and status thereof.

## ARTICLE VI

### EVENTS OF DEFAULT

**Section 6.01** The following shall be "Events of Default" under this Agreement:

**A. Representations and Warranties.** Any representation or warranty made by the Borrower herein, or in any of the other Loan Documents, or in any certificate or financial statement furnished to CFC hereunder or under any of the other Loan Documents shall prove to be false or misleading in any material respect.

**B. Payment.** The Borrower shall fail to pay (whether upon stated maturity, by acceleration, or otherwise) any principal, interest, premium (if any) or other amount payable under the Line of Credit within five (5) Business Days after the due date thereof.

**C. Other Covenants.**

**(i) No Grace Period.** Failure of the Borrower to observe or perform any covenant or agreement contained in Sections 5.01.A, 5.01.B, 5.01.C, 5.01.D, 5.01.F, 5.01.G, or 5.01.H of this Agreement.

**(ii) Thirty Day Grace Period.** Failure of the Borrower to observe or perform any other covenant or agreement contained in this Agreement or any of the other Loan Documents, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to the Borrower by CFC.

**D. Legal Existence, Permits and Licenses.** The Borrower shall forfeit or otherwise be deprived of (i) its authority to conduct business in the jurisdiction in which it is organized or in any other jurisdiction where such authority is required in order for the Borrower to conduct its business in such jurisdiction or (ii) permits, easements, consents or licenses required to carry on any material portion of its business.

**E. Other CFC Obligations.** The Borrower shall be in breach or default of any Obligation, which breach or default continues uncured beyond the expiration of any applicable grace period.

**F. Other Obligations.** The Borrower shall (i) fail to make any payment of any principal, premium or any other amount due or interest on any indebtedness having a principal amount in excess of \$10,000.00 with parties other than CFC which shall remain unpaid beyond the expiration of any applicable grace period, or (ii) be in breach or default with respect to any other term of any evidence of any other indebtedness with parties other than CFC having a principal amount in excess of \$10,000,000.00, or of any loan agreement, mortgage or other agreement relating thereto which breach or default continues uncured beyond the expiration of any applicable grace period, if the effect of such failure, default or breach is to cause the holder or holders of that indebtedness to cause that indebtedness to become or be declared due prior to its stated maturity (upon the giving or receiving of notice, lapse of time, both or otherwise).

**G. Involuntary Bankruptcy.** An involuntary case or other proceeding shall be commenced against the Borrower seeking liquidation, reorganization or other relief with respect to it or its debts under bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall continue without dismissal or stay for a period of sixty (60) days; or an order for relief shall be entered against the Borrower under the federal bankruptcy laws or applicable state law as now or hereafter in effect.

**H. Insolvency.** The Borrower shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or be generally unable to, pay its debts as they become due, or shall take any action to authorize any of the foregoing.

**I. Dissolution or Liquidation.** Other than as provided in subsection H. above, the dissolution or liquidation of the Borrower, or failure by the Borrower promptly to forestall or remove any execution, garnishment or attachment of such consequence as will impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within sixty (60) days.

**J. Monetary Judgment.** The Borrower shall suffer any money judgment not covered by insurance, writ or warrant of attachment or similar process involving an amount in excess of \$1,000,000 and shall not discharge, vacate, bond or stay the same within a period of sixty (60) days.

**K. Nonmonetary Judgment.** One or more nonmonetary judgments or orders (including, without limitation, injunctions, writs or warrants of attachment, garnishment, execution, distraint, replevin or similar process) shall be rendered against the Borrower that, either individually or in the aggregate, could reasonably be expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the

Borrower which are not discharged, vacated, bonded or stayed within a period of sixty (60) days.

**L. Invalidity.** This Agreement shall at any time for any reason cease to be valid and binding or in full force and effect (other than upon expiration in accordance with the terms thereof), or performance of any material obligation thereunder shall become unlawful, or the Borrower shall so assert in writing or contest the validity or enforceability thereof.

**M. Wholesale Power Contracts.**

- (i) Any one or more members of the Borrower shall default in the performance of any payment obligations under its or their wholesale power contracts with the Borrower where the aggregate principal amount of such default or defaults exceeds \$10,000,000.
- (ii) Any one or more members of the Borrower shall contest the validity or enforceability of its or their wholesale power contracts with the Borrower by filing any official judicial or regulatory filing seeking as a remedy the declaration of the unenforceability or the material modification of its or their wholesale power contracts
- (iii) One or more of the Borrower's wholesale power contract with its distribution cooperative members which, individually or in the aggregate, represent more than 10% of Borrowers' total gross revenue shall for any reason be terminated.

## ARTICLE VII

### REMEDIES

**Section 7.01** If any of the Events of Default listed in Section 6 hereof shall occur after the date of this Agreement and shall not have been remedied within the applicable grace periods specified therein, then CFC may:

- (a) Cease making Advances hereunder other than Advances made pursuant to Section 3.04.H hereof;
- (b) Terminate the Line of Credit;
- (c) Cease issuing Letters of Credit hereunder;
- (d) Declare all unpaid principal outstanding on the Line of Credit, all accrued and unpaid interest thereon, and all other Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived;
- (e) Exercise rights of setoff or recoupment and apply any and all amounts held, or hereby held, by CFC or owed to the Borrower or for the credit or account of the Borrower against any and all of the Obligations of the Borrower now or hereafter existing hereunder or under the Line of Credit, including, but not limited to, patronage capital allocations and retirements, money due to Borrower from

equity certificates purchased from CFC, and any membership or other fees that would otherwise be returned to Borrower. The rights of CFC under this section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which CFC may have. The Borrower waives all rights of setoff, deduction, recoupment or counterclaim;

- (f) Pursue all rights and remedies available to CFC, including, but not limited to, a suit for specific performance and injunctive relief.

Nothing herein shall limit the right of CFC to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default. Each right, power and remedy of CFC shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01 Notices.** All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. All such communications shall be deemed to have been duly given (a) when personally delivered including, without limitation, by overnight mail or courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (c) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (a) or (b) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

National Rural Utilities Cooperative Finance  
Corporation  
2201 Cooperative Way  
Herndon, Virginia 20171-3025  
Attention: Senior Vice President – Member Services  
Fax # 703-709-6776

The Borrower:

The address set forth in  
Schedule 1 hereto

**Section 8.02 Expenses.** Borrower shall reimburse CFC for any reasonable costs and out-of-pocket expenses paid or incurred by CFC (including, without limitation, reasonable fees and expenses of outside attorneys, paralegals and consultants) for all actions CFC takes, (a) to enforce the payment of any Obligation, or in preparation for such enforcement, (b) to restructure any of the Obligations, (c) to review, approve or grant any consents or waivers hereunder, (d) to prepare, negotiate, execute, deliver, review, amend or modify this Agreement, and (e) to prepare, negotiate, execute, deliver, review, amend or modify any other agreements,

documents and instruments deemed necessary or appropriate by CFC in connection with any of the foregoing.

The amount of all such expenses identified in this Section 8.02 shall be payable upon demand, and if not paid, shall accrue interest at the Default Rate.

**Section 8.03 Late Payments.** If payment of any amount due hereunder is not received at CFC's office in Herndon, Virginia or such other location as CFC may designate to the Borrower, within five (5) Business Days after the due date thereof, the Borrower will pay to CFC, in addition to all other amounts due under the terms of the Loan Documents, any late payment charge as may be fixed by CFC from time to time pursuant to its policies of general application as in effect from time to time.

**Section 8.04. Non-Business Day Payments.** If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

**Section 8.05 Filing Fees.** To the extent permitted by law, the Borrower agrees to pay all expenses of CFC (including the reasonable fees and expenses of its counsel) in connection with the filing, registration, recordation or perfection of any instruments as may be required by CFC in connection with this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to execution, filing, registration, recordation or perfection of any document or instrument in connection herewith. The Borrower agrees to save harmless and indemnify CFC from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by CFC in connection with this Agreement. The provisions of this subsection shall survive the execution and delivery of this Agreement and the payment of all other amounts due hereunder.

**Section 8.06 CFC Accounts.** Borrower agrees that the records of, and all computations by, CFC (in whatever media they are recorded or maintained) as to the amount of principal, interest and fees due on the Line of Credit shall be conclusive in the absence of manifest error.

**Section 8.07 Waiver; Modification.** No failure on the part of CFC to exercise, and no delay in exercising, any right or power hereunder or under the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by CFC of any right hereunder, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement or the other Loan Documents and no consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing by the party granting such modification, waiver or consent, and then such modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

**SECTION 8.08 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.**

(A) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(B) THE BORROWER HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTIONS THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(C) THE BORROWER AND CFC EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**SECTION 8.09 INDEMNIFICATION.** THE BORROWER HEREBY INDEMNIFIES AND AGREES TO HOLD HARMLESS, AND DEFEND CFC AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS AND REPRESENTATIVES (EACH AN "INDEMNITEE") FOR, FROM, AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COSTS AND EXPENSES OF LITIGATION AND REASONABLE ATTORNEYS' FEES) ARISING FROM ANY CLAIM OR DEMAND IN RESPECT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ARISING AT ANY TIME, WHETHER BEFORE OR AFTER PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN FULL, EXCEPTING ANY SUCH MATTERS ARISING SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CFC OR ANY INDEMNITEE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 8.11 HEREOF, THE OBLIGATIONS IMPOSED UPON THE BORROWER BY THIS SECTION SHALL SURVIVE THE REPAYMENT OF THE LINE OF CREDIT, AND THE TERMINATION OF THIS AGREEMENT.

**Section 8.10 Complete Agreement.** This Agreement, together with the schedules to this Agreement and the other Loan Documents, and the other agreements and matters referred to herein or by their terms referring hereto, is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement. In the event of any conflict in the terms and provisions of this Agreement and any other Loan Documents, the terms and provisions of this Agreement shall control.

**Section 8.11 Survival; Successors and Assigns.** All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall survive the execution and delivery to CFC of the Loan Documents and the making of Advances hereunder and issuance of Letters of Credit and shall continue in full force and effect until all of the obligations under the Loan Documents have been paid in full. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of CFC. The Borrower shall not have the right to assign its rights or obligations under this Agreement.

**Section 8.12 Use of Terms.** The use of the singular herein shall also refer to the plural, and vice versa.

**Section 8.13 Headings.** The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

**Section 8.14 Severability.** If any term, provision or condition, or any part thereof, of this Agreement or the other Loan Documents shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement and the other Loan Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

**Section 8.15 Binding Effect.** This Agreement shall become effective when executed by both Borrower and CFC and thereafter shall be binding upon and inure to the benefit of Borrower and CFC and their respective successors and assigns.

**Section 8.16 Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

**Section 8.17 Schedules; Exhibits.** Schedules 1 and 2 and Exhibits A, B and C are attached hereto and are an integral part of this Agreement.

[EXECUTION ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

(SEAL)

By: Mark A. Finley

Title: President & CEO

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

Secretary

NATIONAL RURAL UTILITIES COOPERATIVE  
FINANCE CORPORATION

(SEAL)

By: \_\_\_\_\_

Assistant Secretary-Treasurer

Attest: \_\_\_\_\_

Assistant Secretary-Treasurer

Loan Number: KY062-H-5102

Effective Date: \_\_\_\_\_ (to be filled in by CFC)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

(SEAL)

By: \_\_\_\_\_

Title: \_\_\_\_\_

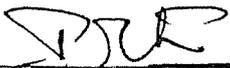
Attest: \_\_\_\_\_

Title: \_\_\_\_\_

Secretary

NATIONAL RURAL UTILITIES COOPERATIVE  
FINANCE CORPORATION

(SEAL)

By: 

Assistant Secretary-Treasurer

Attest: 

Assistant Secretary-Treasurer

Loan Number: KY062-H-5102

Effective Date: \_\_\_\_\_ (to be filled in by CFC)

**SCHEDULE 1**

1. The purpose of this Line of Credit is to provide funds for the Borrower's capital expenditures, general corporate use and for the issuance of Letters of Credit, consistent with the Borrower's articles of incorporation, bylaws and applicable federal, state and local laws and regulations.
2. The aggregate CFC Commitment shall mean \$50,000,000.00.
3. The Letter of Credit Commitment Amount shall mean \$10,000,000.00.
4. Maturity Date shall mean the date sixty (60) months from the Effective Date.
5. The date of the Borrower's balance sheet referred to in Section 2.01.G. is December 31, 2008.
6. The Governmental Authority referred to in Section 2.01.H. is: Kentucky Public Service Commission.
7. The address for notices to the Borrower referred to in Section 8.01 is PO Box 24, Henderson, KY 42419-0024, Attention: President/CEO, Fax: 270-827-2558 with a copy to James M. Miller, Sullivan, Mountjoy, Stainback & Miller, PSC, PO Box 727, Owensboro, KY 42302-0727.

SCHEDULE 2

**SCHEDULE 2**

**None.**



National Rural Utilities  
Cooperative Finance Corporation

2201 Cooperative Way  
Herndon, Virginia 20171-3025  
703-709-6700 | www.nrucfc.coop

A Truist Energy Cooperative 

### EXHIBIT A FORM OF ADVANCE REQUEST

Borrower Name: BIG RIVERS ELECTRIC CORPORATION

Facility Number: KY052-H-5102

Effective Date of Advance:

Advance Amount:

Wiring Instructions:

Bank Name

City, State

ABA No

Account No

Credit Account Name

Additional Instructions

#### Certification

Acting on behalf of the Borrower, I hereby certify that as of the date below: (1) I am duly authorized to make this certification and to request funds on the terms specified herein; (2) the Borrower has met all of the conditions contained in the Credit Agreement governing the terms of this borrowing request that the Borrower is required to meet prior to an advance of funds; (3) all of the representations and warranties contained in the Credit Agreement are true and correct on and as of the date hereof and will be deemed to be true and correct on and as of the Effective Date of this Advance unless notice is otherwise given by the Borrower to CFC before the Effective Date, in each case, other than any such representations or warranties that, by their terms, refer to a specific date other than such Effective Date, in which case such representations and warranties are true, correct and complete as of such date; (4) no Default, as defined in the Credit Agreement, has occurred and is continuing; and (5) I know of no other event, or after giving effect to this borrowing request that would become an Event of Default. I hereby make this borrowing request and hereby acknowledge and agree that such terms shall be binding upon Borrower under the provisions of the Credit Agreement governing the this advance:

Certified By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Authorized Officer

PLEASE FAX TO \_\_\_\_\_

ATTN:

**EXHIBIT B  
FORM OF LETTER OF CREDIT REQUEST**

National Rural Utilities Cooperative Finance Corporation  
2201 Cooperative Way  
Herndon, VA 20171-3025  
Attn: Nazir Rostom

Re: National Rural Utilities Cooperative Finance Corporation ("CFC")  
Facility No. KY062-H-5102

Big Rivers Electric Corporation hereby requests CFC to issue a letter of credit under the above-referenced facility with the following terms:

Beneficiary Name and Address:

Letter of Credit Amount:

Letter of Credit Effective Date:

Expiry Date:

Conditions of Draw:

Please issue the letter of credit directly to the beneficiary, with a copy to the undersigned.

Very truly yours,  
BIG RIVERS ELECTRIC CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT C  
FORM OF LETTER OF CREDIT**

IRREVOCABLE LETTER OF CREDIT NUMBER «LoanNumber»

Date: «LetterDate»

Amount: «AmountText» Dollars (\$«AmountNumber».00)

Letter of Credit Expiration Date: «ExpiryDate»

Beneficiary Name and Address:

Name of Applicant:

Issuer: National Rural Utilities Cooperative Finance Corporation  
Woodland Park, 2201 Cooperative Way  
Herndon, Virginia 20171-3025 Attention: «AVPName»

To the above-named Beneficiary:

We hereby issue our irrevocable Letter of Credit in your favor for the account of the above-named Applicant up to the aggregate amount stated above.

Funds under this Letter of Credit, in an amount not to exceed the amount stated above, will be made available to you in accordance with the terms and conditions herein against sight drafts presented at the above address, bearing the clause "Drawn under National Rural Utilities Cooperative Finance Corporation Letter of Credit No. «LoanNumber», dated «LetterDate»", and accompanied by the following documents:

1. A notarized certificate sworn to and executed by an authorized officer of the Beneficiary reading as follows: "The amount claimed under this Letter of Credit as represented by the sight draft enclosed herewith is due and payable because (a) payment is due to «BeneficiaryName» from «ApplicantName» pursuant to [REASON FOR PAYMENT], (b) «ApplicantName» has not made such payment, (c) «BeneficiaryName» has made written demand upon «ApplicantName» for payment, and (d) payment pursuant thereto has not been received within five days of the receipt of said demand."
2. This original Letter of Credit.

We hereby agree with you that sight drafts drawn under this Letter of Credit will be honored in accordance with the terms and conditions stated herein provided the sight draft and required documents are presented to us at the above address on or before the Letter of Credit Expiration Date stated above. Payment of any draft drawn under this Letter of Credit in an amount less than the maximum amount available hereunder shall be recorded by us on the reverse side hereof and this Letter of Credit shall then be returned to you.

This Letter of Credit is governed by the provisions of the Uniform Customs and Practice for Documentary Credits (1993 Version), International Chamber of Commerce Publication No. 500 ("UCP"). As to matters not governed by the UCP, this Letter of Credit is governed by the laws of the Commonwealth of Virginia. This Letter of Credit is not transferable.

NATIONAL RURAL UTILITIES  
COOPERATIVE FINANCE CORPORATION

By: \_\_\_\_\_  
Assistant Secretary-Treasurer



## AMENDED AND RESTATED REVOLVING LINE OF CREDIT AGREEMENT

**AMENDED AND RESTATED REVOLVING LINE OF CREDIT AGREEMENT** (this "Agreement"), dated as of \_\_\_\_\_, between BIG RIVERS ELECTRIC CORPORATION ("Borrower"), a corporation organized and existing under the laws of the State of Kentucky, and NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("CFC"), a cooperative association organized and existing under the laws of the District of Columbia.

### RECITALS

**WHEREAS**, the Borrower and CFC are parties to that certain Revolving Line of Credit Agreement, dated as of July 16, 2009, pursuant to which CFC agreed to make advances under a line of credit and issue letters of credit, all as more particularly set forth therein (the "Prior Credit Agreement"); and

**WHEREAS**, the Borrower and CFC have agreed to amend and restate the Prior Credit Agreement, to, among other things, secure the repayment obligations arising hereunder under the Indenture (as defined herein), all as more particularly set forth herein.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree and bind themselves as follows, and amend and restate the Prior Credit Agreement in its entirety as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.01** For purposes of this Agreement, the following capitalized terms shall have the following meanings (such definitions to be equally applicable to the singular and the plural form thereof). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture, as hereinafter defined, as such capitalized terms exist on the date hereof.

**"Accounting Requirements"** shall mean any system of accounts prescribed by a regulatory authority having jurisdiction over the Borrower or, in the absence thereof, the requirements of GAAP applicable to businesses similar to that of the Borrower.

**"Advance"** means any loans made by CFC to the Borrower pursuant to this Agreement, and **"Advances"** means all such loans.

**"Advance Request"** means a request by the Borrower for an Advance in accordance with Section 3.03, in the form of Exhibit A hereto.

**"Available Cash"** shall mean Borrower's liquid funds on hand at any time, including, without limitation, cash and cash equivalents, that are (i) not subject to any Lien, and (ii) readily available for use for any purpose.

**"Business Day"** means any day that both CFC and the depository institution CFC utilizes for funds transfers hereunder are open for business.

**"CFC Commitment"** shall have the meaning as defined in Schedule 1 hereto.

**"CFC Line of Credit Rate"** shall mean the rate published by CFC from time to time, by electronic or other means, for similarly classified lines of credit, but if not published, then the rate determined for such lines of credit by CFC from time to time.

**"CFC Obligation(s)"** shall mean any and all liabilities, obligations or indebtedness owing by the Borrower to CFC under the Credit Documents, of any kind or description, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

**"Credit Documents"** shall mean this Agreement, the Note, the Indenture and the Supplemental Indenture.

**"Default Rate"** shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred (200) basis points.

**"Draw"** shall mean a payment of funds to a beneficiary under a Letter of Credit issued hereunder.

**"Event of Default"** shall have the meaning as described in Article VI hereof.

**"GAAP"** shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board.

**"Governmental Authority"** shall mean the government of the United States of America, any other nation or government, any state or other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

**"Indenture"** shall mean that certain Indenture, dated as of July 1, 2009, by and between the Borrower and Trustee, as amended and supplemented through the date hereof.

**"Interest Charges"** shall have the meaning ascribed to such term in the Indenture.

**"LC Exposure"** means, at any time, the sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (ii) the aggregate amount of all Draws that have not yet been reimbursed by or on behalf of the Borrower (pursuant to Section 3.04.H hereof) at such time.

**"Letter of Credit"** means an irrevocable letter of credit issued by CFC pursuant to Section 3.04 hereof.

**"Letter of Credit Commitment Amount"** shall have the meaning as defined in Schedule 1 hereto.

**"Lien"** shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of set off, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code.

**"Line of Credit"** shall mean the line of credit extended by CFC to the Borrower, pursuant to this Agreement, in an aggregate principal amount outstanding at any time not to exceed the CFC Commitment.

**"Loan Documents"** shall mean this Agreement and all other documents or instruments executed, delivered or executed and delivered by the Borrower and evidencing, securing, governing or otherwise pertaining to the Line of Credit.

**"Margins for Interest"** shall have the meaning ascribed to such term in the Indenture.

**"Margins for Interest Ratio"** shall mean, for any period, (i) the sum of (a) Margins for Interest plus (b) Interest Charges, divided by (ii) Interest Charges.

**"Maturity Date"** shall mean the date set forth in Schedule 1 hereto.

**"Note"** shall mean that secured promissory note, dated \_\_\_\_\_, 2013, having a stated principal amount equal to the CFC Commitment, made by Borrower and payable to the order of CFC, as the same may be substituted, amended or replaced.

**"Supplemental Indenture"** shall mean that certain Fourth Supplemental Indenture between Borrower, as grantor, and Trustee, as trustee, dated as of \_\_\_\_\_, 2013.

**"Trustee"** shall mean U.S. Bank National Association, the trustee under the Indenture, or any permitted successor trustee pursuant to the terms and provisions of the Indenture.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

**Section 2.01** The Borrower represents and warrants to CFC that as of the date of this Agreement:

**A. Good Standing.** The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing in those states in which it is required to be qualified to conduct its business.

**B. Authority; Validity.** The Borrower has the power and authority to enter into this Agreement; to make the borrowing hereunder; to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper action; and no consent or approval of any Person, including, as applicable and without limitation, members of the

Borrower, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

This Agreement is, and when fully executed and delivered will be, legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity.

**C. No Conflicting Agreements.** The execution and delivery of the Loan Documents and performance by the Borrower of the obligations thereunder, and the transactions contemplated hereby or thereby, will not: (i) violate any provision of law, any order, rule or regulation of any court or other agency of government, any award of any arbitrator, the articles of incorporation or by-laws of the Borrower, or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Borrower is a party or by which it or any of its property is bound; or (ii) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien upon any of the property or assets of the Borrower.

The Borrower is not in default in any material respect under any agreement or instrument to which it is a party or by which it is bound and no event or condition exists which constitutes a default, or with the giving of notice or lapse of time, or both, would constitute a default under any such agreement or instrument.

**D. Taxes.** The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed and has paid or caused to be paid all federal, state and local taxes, assessments, and governmental charges and levies thereon, including interest and penalties to the extent that such taxes, assessments, and governmental charges and levies have become due, except for such taxes, assessments, and governmental charges and levies which the Borrower is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside.

**E. Licenses and Permits.** The Borrower has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and business that are required by Governmental Authorities and each remains valid and in full force and effect.

**F. Litigation.** Except for those matters set forth in Schedule 2, there are no outstanding judgments, suits, claims, actions or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its properties which, either individually or collectively, is reasonably expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower. The Borrower is not, to the Borrower's knowledge, in default or violation with respect to any judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority which would have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower.

**G. Financial Statements.** The balance sheet of the Borrower as at the date identified in Schedule 1 hereto, the statement of operations of the Borrower for the period ending on said date, and the interim financial statements of the Borrower, all heretofore

furnished to CFC, are complete and correct. Said balance sheet fairly presents the financial condition of the Borrower as at said date and said statement of operations fairly reflects its operations for the period ending on said date. The Borrower has no contingent obligations or extraordinary forward or long-term commitments except as specifically stated in said balance sheet or herein. There has been no material adverse change in the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) of the Borrower and its subsidiaries taken as a whole from that set forth in said financial statements except changes disclosed in writing to CFC prior to the date hereof.

**H. Required Approvals.** No license, consent or approval of any Governmental Authority is required to enable the Borrower to enter into this Agreement, or to perform any of the obligations provided for herein, including without limitation (and if applicable), that of any state public utilities commission, any state public service commission, and the Federal Energy Regulatory Commission, except as disclosed in Schedule 1 hereto, all of which Borrower has obtained prior to the date hereof.

**I. Compliance with Laws.** The Borrower is in compliance, in all material respects, with all applicable requirements of law and all applicable rules and regulations of each Governmental Authority.

**J. Disclosure.** To the Borrower's knowledge, information and belief, neither this Agreement nor any document, certificate or financial statement furnished to CFC by or on behalf of the Borrower in connection herewith (all such documents, certificates and financial statements, taken as a whole) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein not misleading.

**K. Wholesale Power Contracts.** The Borrower's wholesale power contracts with its members in effect as of the date hereof are valid and in full force. Neither the Borrower nor any of such members are in default of any material obligation under such wholesale power contract as of the date hereof.

### ARTICLE III

#### CREDIT TERMS

**Section 3.01 CFC Commitment; Term.** Subject to the terms and conditions hereof, CFC agrees to make Advances on the Line of Credit and issue Letters of Credit, from time to time, until the Maturity Date, *provided, however*, that (a) the aggregate amount of all outstanding Advances on the Line of Credit, plus (b) the LC Exposure, shall not exceed the CFC Commitment.

**Section 3.02 Revolving Credit.** The Borrower may borrow, repay and reborrow funds at any time or from time to time.

**Section 3.03 Requests for Advances.** To request any Advance other than an Advance made pursuant to Section 3.04.H., the Borrower shall notify CFC of such request in writing by delivery of an Advance Request not later than 12:00 noon, local time at CFC's offices in Dulles, Virginia on the Business Day prior to the Business Day of the proposed Advance.

Each Advance Request shall be in the form of Exhibit A hereto and contain the information required therein.

#### **Section 3.04 Letters of Credit.**

**A. Issuance.** In addition to Advances made under the Line of Credit, the Borrower may request and CFC shall issue, from time to time, up to, but not including, the Maturity Date, Letters of Credit to such beneficiary or beneficiaries as may be requested by Borrower from time to time under the terms and conditions of this Agreement, *provided, however*, that the aggregate amount of all Letters of Credit outstanding shall not exceed the Letter of Credit Commitment Amount.

Each such request shall be in writing and substantially in the form of Exhibit B hereto and shall be delivered to CFC no fewer than two (2) Business Days prior to the requested date of issuance. Each Letter of Credit shall be substantially in the form of Exhibit C hereto, or in such other form as shall be mutually acceptable to Borrower and CFC, and shall reflect the amount available for draw thereunder.

**B. Expiration Dates; Designation.** With respect to each Letter of Credit issued hereunder:

**(i) Designation.** The first Letter of Credit issued hereunder shall bear CFC designation KY062-H-5102-001, and each subsequent Letter of Credit issued hereunder shall be numbered consecutively thereafter.

**(ii) Expiration.** Each Letter of Credit shall expire at or prior to the close of business on the Maturity Date.

**C. Draws.** On any day that CFC is open for business, CFC will honor drafts presented by a beneficiary for a Draw on an unexpired Letter of Credit under the terms and conditions specified in such Letter of Credit, provided that (i) each Draw request is accompanied by the documentation specified in a Letter of Credit, the authenticity, form and substance of which shall be satisfactory to CFC; and (ii) no Draw request will be honored after CFC's close of business on the Letter of Credit Expiration Date set forth in the respective Letter of Credit.

**D. Irrevocable Instruction.** Borrower hereby irrevocably instructs CFC to honor drafts presented by a beneficiary for a Draw on an unexpired Letter of Credit under the terms and conditions specified in such Letter of Credit. It is expressly agreed that CFC may honor such drafts without requiring any documentation or information other than as expressly stated in such Letter of Credit, and without regard to any contrary instructions Borrower may hereafter give to CFC.

**E. Draws by Legal Representatives.** Borrower agrees that CFC shall have no liability to the Borrower or to any other person for honoring drafts presented in accordance with the terms hereof and contained in a Letter of Credit which may be presented by the administrator, trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other legal representative of the beneficiary.

**F. No Liability.** CFC shall have no liability for, and the Borrower's repayment and

other obligations hereunder shall not be affected by (i) the use which may be made of the funds drawn under a Letter of Credit or for the acts or omissions of the beneficiary or any other person, (ii) the validity, accuracy, sufficiency or genuineness of drafts, required statements or documents, even if such drafts, statements or documents should in fact prove to be in any or all respects invalid, inaccurate, insufficient, fraudulent or forged, (iii) errors, omissions, interruptions or delays in transmission or delivery of any message by mail, telephone, facsimile or otherwise, or (iv) any consequences arising from causes beyond CFC's control.

**G. Extensions and Modifications.** This Agreement shall be binding upon the Borrower with respect to any replacement, extension or modification of any Letter of Credit or waiver of discrepancies authorized by the Borrower. Except as may be provided in a Letter of Credit or otherwise specifically agreed to in writing by CFC in its sole discretion, CFC shall have no duty to (a) extend the expiration date of a Letter of Credit, (b) issue a replacement letter of credit on or before the expiration date of a Letter of Credit or the end of such term, (c) issue or refrain from issuing notice of its election not to renew or extend a Letter of Credit, (d) issue or refrain from issuing any notice, if a Letter of Credit permits it to do so, of its election to terminate or cancel the Letter of Credit prior to its stated expiration date, (e) issue or refrain from issuing any notice of its election to refuse to reinstate the amount of any drawing under a Letter of Credit or (f) otherwise amend or modify a Letter of Credit.

**H. Automatic Advances; Repayment.** Upon payment by CFC of a Draw on a Letter of Credit, Borrower hereby authorizes and instructs CFC to make an Advance on the Line of Credit in an amount equal to such Draw, which shall be deemed a reimbursement of such Draw. Borrower agrees that this authorization is irrevocable until such time as Borrower's obligations under this Agreement have been paid in full. Borrower further agrees that CFC shall not incur any liability to Borrower as a result of such action, except in cases of gross negligence or willful misconduct by CFC.

**I. Reinstatement.**

(i) The face amount of any expired, returned, cancelled, or otherwise terminated Letter of Credit shall be available, under the terms of this Agreement and within the limits of the Letter of Credit Commitment Amount, for issuance of additional Letters of Credit.

(ii) The amount of any Draw reimbursed pursuant to Section 3.06.H shall be available, under the terms of this Agreement and within the limits of the Letter of Credit Commitment Amount, for issuance of additional Letters of Credit.

**Section 3.05 Repayment of Advances.** The Borrower unconditionally promises and agrees to pay, as and when due, without setoff or counterclaim, interest on each Advance hereunder, from the date thereof and to repay the outstanding principal amount of the Advances and all other amounts then outstanding on the Maturity Date.

**A. Manner of Payment.** All amounts shall be payable at CFC's main office at 20701 Cooperative Way, Dulles, Virginia 20166 or at such other location as designated by CFC from time to time.

**B. Application of Payments.** Except as may otherwise be provided for in the Indenture, each payment shall be applied first to any fees, costs, expenses or charges other than interest or principal then due on the Borrower's indebtedness to CFC, second to interest

accrued on the Advance or Advances selected to be paid, and the balance to principal on such Advance or Advances.

**C. Interest Rate.** The interest rate on all Advances will be equal to the CFC Line of Credit Rate. The effective date of an interest rate adjustment will be determined from time to time by CFC, and shall remain in effect until any subsequent change in the interest rate occurs. The applicable interest rate as determined by CFC shall be conclusive absent manifest error. No provision of this Agreement shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

**D. Payment of Interest.** Accrued interest on each Advance shall be payable in arrears in accordance with CFC's regular billing cycles as may be in effect from time to time, and on the Maturity Date; provided that (i) interest accrued pursuant to Section 3.07 shall be payable on demand, (ii) in the event of any repayment or prepayment of any Advance, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

**E. Computation.** All interest hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

#### **Section 3.06 Fees.**

**A. Upfront Fee.** Borrower shall pay to CFC a nonrefundable fee in an amount equal to [fifteen (15) basis points (15/100 of 1%)] of the aggregate amount of the CFC Commitment, due and payable on the date hereof. Payment of such fee is a precondition to the effectiveness of this Agreement.

**B. Annual Facility Fee.** In addition to the "Facility Fee" as defined and due and payable pursuant to the Prior Credit Agreement, on July 16, 2013 and each anniversary date thereof (each such date being an "Anniversary Date"), for so long as this Agreement is in effect, there shall be due and payable to CFC a nonrefundable facility fee ("Facility Fee"). Borrower shall pay the Facility Fee to CFC quarterly in arrears. The initial Facility Fee shall be in an amount equal to [fifteen (15) basis points (15/100 of 1%)] of the aggregate amount of the CFC Commitment, and subsequent Facility Fees shall be in amounts determined in accordance with CFC's current credit policies and practices as of each Anniversary Date. Any increase in the Facility Fee shall be effective only as of an Anniversary Date. The Facility Fee shall be prorated for any year in which this Agreement is not in effect for the entire year. The Payment of the Facility Fee is a precondition to the issuance of any Letter of Credit.

**C. Issuance Fee.** For each Letter of Credit issued hereunder, Borrower shall pay to CFC a nonrefundable fee ("Issuance Fee"), due and payable prior to the issuance of each Letter of Credit. The Issuance Fee shall be in an amount determined in accordance with CFC's credit policies and practices as of the date of issuance. In the event the Letter of Credit is outstanding for more than one year, then such fee shall be due and payable annually and shall be in an amount determined in accordance with CFC's credit policies and practices as of the annual renewal date. Borrower shall pay the Issuance Fee to CFC quarterly in arrears. The Issuance Fee shall be prorated for any year in which the Letter of Credit is not outstanding for the entire year. Payment of the Issuance Fee is a precondition to the issuance of any Letter of Credit.

In addition to the above fees, Borrower shall pay such additional fees as may be imposed by a confirming bank or other financial institution in the event that a Letter of Credit issued hereunder is confirmed by such other bank or financial institution at the request of the Borrower or the beneficiary of such Letter of Credit.

### **Section 3.07 Default Rate.**

**A. Payment Default.** If Borrower defaults on its obligation to make a payment due hereunder by the applicable date payment is due, and such default continues for thirty (30) days thereafter, then beginning on the thirty-first (31<sup>st</sup>) day after the payment is due and for so long as such default continues, Advances shall bear interest at the Default Rate.

**B. Non-Payment Defaults.** Upon the occurrence of an Event of Default, other than a payment default as set forth in Section 3.07.A above, the interest rate on all Advances shall be the Default Rate until such Event of Default is cured. The effective date of the Default Rate imposed or eliminated pursuant to this Section 3.07.B shall be the first (1st) day of the month following the occurrence of the Event of Default or the cure thereof, as applicable.

**C. No Multiples of Default Rate.** Notwithstanding anything to the contrary contained in this Section 3.07, in the event that more than one Event of Default shall exist at any time, the aggregate interest rate applicable on all Advances pursuant to this Section 3.07 shall be the Default Rate.

**Section 3.08 Optional Prepayment.** The Borrower shall have the right at any time and from time to time to prepay any Advance in whole or in part, subject to the requirements of this Agreement. Prior to any prepayment of any Advance hereunder, the Borrower shall select the Advance or Advances to be paid and shall notify CFC by telephone (confirmed by telecopy) of such selection not later than 11:00 a.m., local time at CFC's offices in Dulles, Virginia, one (1) Business Day before the scheduled date of such prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Advance or portion thereof to be prepaid. Prepayments shall be accompanied by accrued interest to the extent required herein and shall be made and applied in the manner specified in Section 3.05.

**Section 3.09 Mandatory Prepayment.** If there is a change in the Borrower's corporate structure (including without limitation by merger, consolidation, conversion or acquisition), then upon the effective date of such change (the "Change Date"), (a) except for Advances made to repay a Draw on a Letter of Credit pursuant to Section 3.04.H, the Borrower shall no longer have the ability to request, and CFC shall have no obligation to make, Advances hereunder, (b) the Borrower shall no longer have the ability to request, and CFC shall have no obligation to issue, a Letter of Credit hereunder, and (c) the Borrower shall prepay the outstanding principal balance of all CFC Obligations (excluding CFC Obligations represented by undrawn amounts under outstanding Letters of Credit), together with any accrued but unpaid interest thereon, any unpaid costs or expenses provided for herein, and a prepayment premium prescribed by CFC pursuant to its policies of general application in effect from time to time.

Any Letter of Credit outstanding on the Change Date shall remain outstanding and subject to the terms and conditions hereof until its stated expiry date unless cancelled or returned by the Beneficiary thereof prior to such expiry date. Any Draw on such Letter of Credit shall be reimbursed by an automatic Advance made pursuant to Section 3.04.H. The Borrower shall

repay the outstanding principal balance of such automatic Advance, together with any accrued but unpaid interest thereon and any unpaid costs or expenses provided for herein within five (5) Business Days of CFC's payment of the Draw.

Upon the prepayment of all amounts outstanding hereunder, and the termination and/or expiration of all Letters of Credit outstanding hereunder, this Agreement shall automatically terminate without further action by either Borrower or CFC.

Notwithstanding anything to the contrary in this Section 3.09 Borrower shall retain the ability to request Advances and the issuance of Letters of Credit, CFC shall retain the obligation to make Advances and issue Letters of Credit, and no prepayment shall be required under this Section 3.09 if, on and after the Change Date, Borrower, or its successor in interest, is engaged in the furnishing of electric utility services to its members and is organized as a cooperative, nonprofit corporation, public utility district, municipality, or other public governmental body and is, or becomes, a member of CFC.

Further, notwithstanding anything to the contrary contained in this Section 3.09 or elsewhere in this Agreement, in the event that Borrower's Available Cash at any time exceeds Thirty-Five Million and No/100 Dollars (\$35,000,000.00) (such excess Available Cash being referred to hereinafter as, "Excess Cash"), the Borrower shall immediately apply such Excess Cash to repayment of any outstanding principal balance hereunder, together with any accrued interest thereon. In the event that Borrower has a credit agreement with a lender other than CFC having substantially similar terms and conditions as contained in this Agreement, Borrower shall immediately apply any such Excess Cash to repayment of any principal balance outstanding hereunder and under such other lender's credit agreement, together with any interest accrued thereon, on a *pro-rata* basis.

**Section 3.10 Optional Commitment Reduction.** The Borrower may at any time terminate, or from time to time reduce, the CFC Commitment; provided that (i) each reduction of the CFC Commitment pursuant to this Section shall be in an amount that is \$5,000,000 or a larger multiple of \$1,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any such reduction, the amount of Advances plus LC Exposure would exceed the CFC Commitment.

The Borrower shall notify CFC of any election to terminate or reduce the Commitments under this Section at least ten (10) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable.

## ARTICLE IV

### CONDITIONS OF LENDING

**Section 4.01 Conditions Precedent to Closing.** The obligation of CFC to make Advances or to issue Letters of Credit hereunder shall not become effective until the date on which the following conditions precedent have been satisfied:

**A. Legal Matters.** All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for CFC.

**B. Documents.** CFC shall have been furnished with (i) the executed Loan Documents, (ii) certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions hereby contemplated as CFC shall require, (iii) an opinion of counsel for the Borrower addressing such legal matters as CFC shall reasonably require, and (iv) all other such documents as CFC may reasonably request.

**C. Government Approvals.** The Borrower shall have furnished to CFC true and correct copies of all certificates, authorizations, consents, permits and licenses from Governmental Authorities necessary for the execution or delivery of the Loan Documents or performance by the Borrower of the obligations thereunder.

**D. Reserved.**

**E. Note Authentication.** The Note shall have been duly authenticated and delivered by the Trustee as an Obligation secured under the Indenture.

**F. Indenture: Supplemental Indenture; UCC Filings.** The Indenture and the Supplemental Indenture shall have been duly filed, recorded or indexed in all jurisdictions necessary to provide the Trustee thereunder a perfected lien, subject to Permitted Exceptions, on all of the Trust Estate, all in accordance with applicable law, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC. Uniform Commercial Code financing statements (and any continuation statements and other amendments thereto that CFC shall require) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide the Trustee a perfected security interest, subject to Permitted Exceptions, in the Trust Estate which may be perfected by the filing of a financing statement, all in accordance with applicable law, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

**Section 4.02 Each Credit Event.** The obligation of CFC to make any Advances hereunder and to issue Letters of Credit hereunder is additionally subject to satisfaction of the following conditions in form and substance satisfactory to CFC:

**A. Requisitions.** Except for Advances made pursuant to Section 3.04.H, Borrower will requisition each Advance or Letter of Credit by submitting its written requisition to CFC as set forth in Article III hereof.

**B. Representations and Warranties.** Except for the representations made in Section 2.01.F, the last sentence of Section 2.01.G, Section 2.01.J (as it relates to any documents, certificates or financial statements furnished to CFC relating to the Borrower's existing wholesale power contracts with Kenergy Corp. relating to Century Aluminum Company and Rio Tinto Alcan, respectively) and Section 2.01K (only as it relates to Borrower's existing wholesale power contracts with Kenergy Corp. relating to Century Aluminum Company and Rio Tinto Alcan, respectively, but only with respect to a termination purported to be in accordance with the voluntary termination aspects of such wholesale power contracts, whether or not challenged by Borrower, i.e., unless terminated in accordance with the terms thereof, all other terms and provisions of such wholesale power contracts are valid and enforceable) hereof, the representations and warranties contained in Article II shall be true on the date of the making of each Advance hereunder with the same effect as though such representations and warranties

had been made on such date; no Event of Default and no event which, with the lapse of time or the notice and lapse of time would become such an Event of Default, shall have occurred and be continuing or will have occurred after giving effect to each Advance on the books of the Borrower.

**C. Fees.** Borrower shall have paid all fees hereunder as and when due.

**D. Minimum Available Cash Balance Prior to Each Advance.** Borrower shall certify in writing that its Available Cash balance at time of Advance is less than Thirty-Five Million and No/100 Dollars (\$35,000,000.00). Notwithstanding anything to the contrary contained in this Section 4.02 or elsewhere in this Agreement, with respect to any Advance, in no event shall the amount of such Advance exceed the difference between Thirty-Five Million and No/100 Dollars (\$35,000,000.00) and Available Cash.

## ARTICLE V

### COVENANTS

**Section 5.01** The Borrower covenants and agrees with CFC that until payment in full of the Line of Credit and performance of all obligations of the Borrower hereunder:

**A. Use of Proceeds.** The Borrower shall use the proceeds of this Line of Credit solely for the purposes identified on Schedule 1 hereto.

**B. Notice.** The Borrower shall promptly notify CFC in writing of:

- (i) any material adverse change in the business, operations, prospects, assets, liabilities or financial condition of the Borrower or its subsidiaries;
- (ii) the institution or threat of any litigation or administrative proceeding of any nature involving the Borrower or any subsidiary which could materially affect the business, operations, prospects, assets, liabilities or financial condition of the Borrower or any subsidiary;
- (iii) the occurrence of an Event of Default hereunder, or any event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

**C. Default Notices.** Upon receipt of any notices with respect to a default by the Borrower or any subsidiary under the terms of the Indenture or any evidence of any other indebtedness with parties other than CFC or of any loan agreement, mortgage or other agreement relating thereto, the Borrower shall, and shall cause each subsidiary to, deliver copies of such notice to CFC.

**D. Financial Books; Financial Reports; Right of Inspection.** The Borrower will at all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Borrower, in accordance with GAAP. The Borrower will cause to be prepared and furnished to CFC within one hundred twenty (120) days of the end of each of the Borrower's fiscal years during the term hereof, a full and complete consolidated and consolidating report of its financial condition and of

its operations as of the end of such fiscal year, audited and certified by independent certified public accountants nationally recognized or otherwise satisfactory to CFC and accompanied by a report of such audit in form and substance satisfactory to CFC, including without limitation a consolidated and consolidating balance sheet and the related consolidated and consolidating statements of income and cash flow. CFC, through its representatives, shall at all times during reasonable business hours and upon prior notice have access to, and the right to inspect and make copies of, any or all books, records and accounts, and any or all invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind belonging to or in the possession of the Borrower or in anyway pertaining to its property or business.

**E. Compliance with Laws; Indenture Covenants.** The Borrower and each subsidiary shall remain in compliance, in all material respects, with all applicable requirements of law and applicable rules and regulations of each Governmental Authority. The Borrower shall comply with all the covenants identified in Article XI and Article XIII of the Indenture.

**F. Taxes.** The Borrower shall pay, or cause to be paid all taxes, assessments or governmental charges lawfully levied or imposed on or against it and its properties prior to the time they become delinquent, except for any taxes, assessments or charges that are being contested in good faith and with respect to which adequate reserves as determined in good faith by Borrower have been established and are being maintained.

**G. Financial Ratios.**

- (i) The Borrower shall comply, in all respects, with the Margins for Interest Ratio covenant set forth in Section 13.14 of the Indenture.
- (ii) The Borrower will maintain, in accordance with GAAP, a minimum members' equities' balance at each fiscal quarter-end and as of the last day of each fiscal year, as specified below during the following calendar year periods:

<b>Period Ending (and the Fiscal Quarters Ending Therein)</b>	<b>Amount</b>
December 31, 2013	\$325,000,000 plus 75% of the positive net margins for the Borrower's fiscal year ending 2012.
December 31, 2014	\$325,000,000 plus 75% of the cumulative positive net margins between the Borrower's fiscal year ending 2012 and 2013.
December 31, 2015	\$325,000,000 plus 75% of the cumulative positive net margins between the Borrower's fiscal year ending 2012 and 2014.
December 31, 2016	\$325,000,000 plus 75% of the cumulative positive net margins between the Borrower's fiscal year ending 2012 and 2015.

**H. Annual Certificate.** Within one hundred twenty (120) days after the close of each calendar year the Borrower will deliver to CFC a written statement, in form and substance satisfactory to CFC, signed by the Borrower's General Manager or Chief Executive Officer, stating that during such year, and that to the best of said person's knowledge, the Borrower has fulfilled all of its obligations under this Agreement and the Indenture throughout such year or, if there has been a default in the fulfillment of any such obligations, specifying each such default known to said person and the nature and status thereof.

## ARTICLE VI

### EVENTS OF DEFAULT

**Section 6.01** The following shall be "Events of Default" under this Agreement:

**A. Representations and Warranties.** Any representation or warranty made by the Borrower herein, or in any of the other Loan Documents, or in any certificate or financial statement furnished to CFC hereunder or under any of the other Loan Documents shall prove to be false or misleading in any material respect.

**B. Payment.** The Borrower shall fail to pay (whether upon stated maturity, by acceleration, or otherwise) any principal, interest, premium (if any) or other amount payable under the Line of Credit within five (5) Business Days after the due date thereof.

**C. Other Covenants.**

**(i) No Grace Period.** Failure of the Borrower to observe or perform any covenant or agreement contained in Sections 5.01.A, 5.01.B, 5.01.C, 5.01.D, 5.01.F, 5.01.G, or 5.01.H of this Agreement.

**(ii) Thirty Day Grace Period.** Failure of the Borrower to observe or perform any other covenant or agreement contained in this Agreement or any of the other Loan Documents, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to the Borrower by CFC.

**D. Legal Existence, Permits and Licenses.** The Borrower shall forfeit or otherwise be deprived of (i) its authority to conduct business in the jurisdiction in which it is organized or in any other jurisdiction where such authority is required in order for the Borrower to conduct its business in such jurisdiction or (ii) permits, easements, consents or licenses required to carry on any material portion of its business.

**E. Other Obligations Owed to CFC.** The Borrower shall be in breach or default of any other obligation or indebtedness owed by Borrower to CFC, which breach or default continues uncured beyond the expiration of any applicable grace period.

**F. Other Obligations.** The Borrower shall (i) fail to make any payment of any principal, premium or any other amount due or interest on any indebtedness having a principal amount in excess of \$10,000.00 with parties other than CFC which shall remain unpaid beyond the expiration of any applicable grace period, or (ii) be in breach or default with respect to any other term of any evidence of any other indebtedness with parties other than CFC having a

principal amount in excess of \$10,000,000.00, or of any loan agreement, mortgage or other agreement relating thereto which breach or default continues uncured beyond the expiration of any applicable grace period, if the effect of such failure, default or breach is to cause the holder or holders of that indebtedness to cause that indebtedness to become or be declared due prior to its stated maturity (upon the giving or receiving of notice, lapse of time, both or otherwise).

**G. Involuntary Bankruptcy.** An involuntary case or other proceeding shall be commenced against the Borrower seeking liquidation, reorganization or other relief with respect to it or its debts under bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall continue without dismissal or stay for a period of sixty (60) days; or an order for relief shall be entered against the Borrower under the federal bankruptcy laws or applicable state law as now or hereafter in effect.

**H. Insolvency.** The Borrower shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or be generally unable to, pay its debts as they become due, or shall take any action to authorize any of the foregoing.

**I. Dissolution or Liquidation.** Other than as provided in subsection H. above, the dissolution or liquidation of the Borrower, or failure by the Borrower promptly to forestall or remove any execution, garnishment or attachment of such consequence as will impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within sixty (60) days.

**J. Monetary Judgment.** The Borrower shall suffer any money judgment not covered by insurance, writ or warrant of attachment or similar process involving an amount in excess of \$1,000,000 and shall not discharge, vacate, bond or stay the same within a period of sixty (60) days.

**K. Nonmonetary Judgment.** One or more nonmonetary judgments or orders (including, without limitation, injunctions, writs or warrants of attachment, garnishment, execution, distraint, replevin or similar process) shall be rendered against the Borrower that, either individually or in the aggregate, could reasonably be expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower which are not discharged, vacated, bonded or stayed within a period of sixty (60) days.

**L. Invalidity.** This Agreement shall at any time for any reason cease to be valid and binding or in full force and effect (other than upon expiration in accordance with the terms thereof), or performance of any material obligation thereunder shall become unlawful, or the Borrower shall so assert in writing or contest the validity or enforceability thereof.

**M. Wholesale Power Contracts.**

- (i) Any one or more members of the Borrower shall default in the performance of any payment obligations under its or their wholesale power contracts with the Borrower where the aggregate principal amount of such default or defaults exceeds \$10,000,000.
- (ii) Any one or more members of the Borrower shall contest the validity or enforceability of its or their wholesale power contracts with the Borrower by filing any official judicial or regulatory filing seeking as a remedy the declaration of the unenforceability or the material modification of its or their wholesale power contracts
- (iii) One or more of the Borrower's wholesale power contracts with its distribution cooperative members which, individually or in the aggregate, represent more than 10% of Borrowers' total gross revenue shall for any reason be terminated, other than Borrower's existing wholesale power contracts with Kenergy Corp. relating to Century Aluminum Company ("Century") and Rio Tinto Alcan ("Alcan"), respectively, but only with respect to the voluntary termination rights of such parties under such wholesale power contracts (i.e., if a termination of either of such wholesale power contracts occurs for any other reason, then any such termination shall be considered for purposes of this Section 6.01.M(iii), provided, that if either Century or Alcan purports to exercise the voluntary termination provisions under their respective contracts and Borrower contests the validity of such exercise, such purported voluntary termination shall not be considered for purposes of this Section 6.01M(iii) so long as Century and/or Alcan, as the case may be, continue to perform as required under their respective contracts through the actual date of termination associated with the purported exercise of such voluntary termination provisions).

**N. Indenture Obligations.** An "Event of Default," as defined in the Indenture, shall have occurred and be continuing, provided such "Event of Default" has not been waived or cured as provided for under the terms of the Indenture.

## ARTICLE VII

### REMEDIES

**Section 7.01** If any of the Events of Default listed in Article VI hereof shall occur after the date of this Agreement and shall not have been remedied within the applicable grace periods specified therein, then CFC may:

- (a) cease making Advances hereunder other than Advances made pursuant to Section 3.04.H hereof;
- (b) terminate the Line of Credit;
- (c) cease issuing Letters of Credit hereunder;
- (d) exercise rights of setoff or recoupment and apply any and all amounts held, or hereby held, by CFC or owed to the Borrower or for the credit or account of the

Borrower against any and all of the CFC Obligations of the Borrower now or hereafter existing hereunder or under the Line of Credit, including, but not limited to, patronage capital allocations and retirements, money due to Borrower from equity certificates purchased from CFC, and any membership or other fees that would otherwise be returned to Borrower. The rights of CFC under this section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which CFC may have. The Borrower waives all rights of setoff, deduction, recoupment or counterclaim;

- (e) pursue all rights and remedies available to CFC that are contemplated by the Indenture in the manner, upon the conditions, and with the effect provided in the Indenture, including, but not limited to, a suit for specific performance, injunctive relief or damages; and/or
- (f) pursue any other rights and remedies available to CFC at law or in equity.

**Section 7.02** Nothing herein shall limit the right of CFC to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default. Each right, power and remedy of CFC shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01 Notices.** All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. All such communications shall be deemed to have been duly given (a) when personally delivered including, without limitation, by overnight mail or courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (c) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (a) or (b) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

National Rural Utilities Cooperative Finance  
Corporation  
20701 Cooperative Way  
Dulles, Virginia 20166  
Attention: General Counsel  
Fax # 866-230-5635

The Borrower:

The address set forth in  
Schedule 1 hereto

**Section 8.02 Expenses.** Borrower shall reimburse CFC for any reasonable costs and out-of-pocket expenses paid or incurred by CFC (including, without limitation, reasonable fees and expenses of outside attorneys, paralegals and consultants) for all actions CFC takes, (a) to enforce the payment of any CFC Obligation, or in preparation for such enforcement, (b) to restructure any of the CFC Obligations, (c) to review, approve or grant any consents or waivers hereunder, (d) to prepare, negotiate, execute, deliver, review, amend or modify this Agreement, and (e) to prepare, negotiate, execute, deliver, review, amend or modify any other agreements, documents and instruments deemed necessary or appropriate by CFC in connection with any of the foregoing.

The amount of all such expenses identified in this Section 8.02 shall be payable upon demand, and if not paid, shall accrue interest at the Default Rate.

**Section 8.03 Late Payments.** If payment of any amount due hereunder is not received at CFC's office in Dulles, Virginia or such other location as CFC may designate to the Borrower, within five (5) Business Days after the due date thereof, the Borrower will pay to CFC, in addition to all other amounts due under the terms of the Loan Documents, any late payment charge as may be fixed by CFC from time to time pursuant to its policies of general application as in effect from time to time.

**Section 8.04. Non-Business Day Payments.** If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

**Section 8.05 Filing Fees.** To the extent permitted by law, the Borrower agrees to pay all expenses of CFC (including the reasonable fees and expenses of its counsel) in connection with the filing, registration, recordation or perfection of any instruments as may be required by CFC in connection with this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to execution, filing, registration, recordation or perfection of any document or instrument in connection herewith. The Borrower agrees to save harmless and indemnify CFC from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by CFC in connection with this Agreement. The provisions of this subsection shall survive the execution and delivery of this Agreement and the payment of all other amounts due hereunder.

**Section 8.06 CFC Accounts.** Borrower agrees that the records of, and all computations by, CFC (in whatever media they are recorded or maintained) as to the amount of principal, interest and fees due on the Line of Credit shall be conclusive in the absence of manifest error.

**Section 8.07 Waiver; Modification.** No failure on the part of CFC to exercise, and no delay in exercising, any right or power hereunder or under the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by CFC of any right hereunder, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement or the other Loan Documents and no consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing by the party granting such modification, waiver or consent, and then

such modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

**SECTION 8.08 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.**

(A) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(B) THE BORROWER HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTIONS THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(C) THE BORROWER AND CFC EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**SECTION 8.09 INDEMNIFICATION.** THE BORROWER HEREBY INDEMNIFIES AND AGREES TO HOLD HARMLESS, AND DEFEND CFC AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS AND REPRESENTATIVES (EACH AN "INDEMNITEE") FOR, FROM, AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COSTS AND EXPENSES OF LITIGATION AND REASONABLE ATTORNEYS' FEES) ARISING FROM ANY CLAIM OR DEMAND IN RESPECT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ARISING AT ANY TIME, WHETHER BEFORE OR AFTER PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN FULL, EXCEPTING ANY SUCH MATTERS ARISING SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CFC OR ANY INDEMNITEE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 8.11 HEREOF, THE OBLIGATIONS IMPOSED UPON THE BORROWER BY THIS SECTION SHALL SURVIVE THE REPAYMENT OF THE LINE OF CREDIT, AND THE TERMINATION OF THIS AGREEMENT.

**Section 8.10 Complete Agreement.** This Agreement, together with the schedules to this Agreement and the other Loan Documents, and the other agreements and matters referred to herein or by their terms referring hereto, is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement. In the event of any conflict in the terms and provisions of this Agreement and any other Loan Documents, the terms and provisions of this Agreement shall control.

**Section 8.11 Survival; Successors and Assigns.** All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall survive the execution and delivery to CFC of the Loan Documents and the making of Advances hereunder and issuance of Letters of Credit and shall continue in full force and effect until all of the obligations under the Loan Documents have been paid in full. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of CFC. The Borrower shall not have the right to assign its rights or obligations under this Agreement.

**Section 8.12 Use of Terms.** The use of the singular herein shall also refer to the plural, and vice versa.

**Section 8.13 Headings.** The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

**Section 8.14 Severability.** If any term, provision or condition, or any part thereof, of this Agreement or the other Loan Documents shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement and the other Loan Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

**Section 8.15 Binding Effect.** This Agreement shall become effective when executed by both Borrower and CFC and thereafter shall be binding upon and inure to the benefit of Borrower and CFC and their respective successors and assigns.

**Section 8.16 Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

**Section 8.17 Schedules; Exhibits.** Schedules 1 and 2 and Exhibits A, B and C are attached hereto and are an integral part of this Agreement.

**[EXECUTION ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**BIG RIVERS ELECTRIC CORPORATION**

(SEAL)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_  
Secretary

**NATIONAL RURAL UTILITIES COOPERATIVE  
FINANCE CORPORATION**

(SEAL)

By: \_\_\_\_\_

Assistant Secretary-Treasurer

Attest: \_\_\_\_\_

Assistant Secretary-Treasurer

**Loan Number: KY062-H-5102**

**SCHEDULE 1**

1. The purpose of this Line of Credit is to provide funds for the Borrower's capital expenditures, general corporate use, and for the issuance of Letters of Credit, consistent with the Borrower's articles of incorporation, by-laws and applicable federal, state, and local laws and regulations. Notwithstanding the foregoing, in no event shall this Line of Credit be made available to pay any portion of the principal amount of the \$58,800,000 County of Ohio, Kentucky, Pollution Control Floating Rate Demand Bonds, Series 1983 (Big Rivers Electric Corporation Project).
2. The aggregate CFC Commitment shall mean \$50,000,000.00.
3. The Letter of Credit Commitment Amount shall mean \$10,000,000.00.
4. Maturity Date shall mean July 16, 2017.
5. The date of the Borrower's balance sheet referred to in Section 2.01.G. is December 31, 2012.
6. The Governmental Authority referred to in Section 2.01.H. is: Kentucky Public Service Commission.
7. The address for notices to the Borrower referred to in Section 8.01 is PO Box 24, Henderson, KY 42419-0024, Attention: President/CEO, Fax: 270-827-2558 with a copy to James M. Miller, Sullivan, Mountjoy, Stainback & Miller, PSC, PO Box 727, Owensboro, KY 42302-0727.

**SCHEDULE 2**

**BIG RIVERS ELECTRIC MATERIAL LITIGATION**

**[None.]**

**EXHIBIT A  
FORM OF ADVANCE REQUEST**

Borrower Name: BIG RIVERS ELECTRIC CORPORATION

Facility Number: KY052-H-5102

Effective Date of Advance ("Effective Date"):

Advance Amount:

Wiring Instructions:

Bank Name

City, State

ABA No

Account No

Credit Account Name

Additional Instructions

**Certification**

Acting on behalf of the Borrower, I hereby certify that as of the date below: (1) I am duly authorized to make this certification and to request funds on the terms specified herein; (2) the Borrower has met all of the conditions contained in that certain Amended and Restated Revolving Line of Credit Agreement between Borrower and CFC (the "Credit Agreement") governing the terms of this borrowing request that the Borrower is required to meet prior to an advance of funds; (3) all of the representations and warranties contained in the Credit Agreement are true and correct on and as of the date hereof and will be deemed to be true and correct on and as of the Effective Date of this Advance unless notice is otherwise given by the Borrower to CFC before the Effective Date, in each case, other than any such representations or warranties that, by their terms, refer to a specific date other than such Effective Date, in which case such representations and warranties are true, correct and complete as of such date; (4) no Event of Default, as defined in the Credit Agreement, has occurred and is continuing; (5) I know of no other event, or after giving effect to this borrowing request that would become an Event of Default; and (6) Borrower's Available Cash is less than Thirty-Five Million and No/100 Dollars (\$35,000,000.00) and the amount of this Advance does not exceed the difference between Thirty-Five Million and No/100 Dollars (\$35,000,000.00) and Available Cash. Capitalized terms used in this Certification and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement. I hereby make this borrowing request and hereby acknowledge and agree that such terms shall be binding upon Borrower under the provisions of the Credit Agreement governing this Advance:

Certified By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Authorized Officer

**PLEASE FAX TO** \_\_\_\_\_

**ATTN:**

**EXHIBIT B  
FORM OF LETTER OF CREDIT REQUEST**

National Rural Utilities Cooperative Finance Corporation  
20701 Cooperative Way  
Dulles, VA 20166  
Attn: LC Desk

Re: National Rural Utilities Cooperative Finance Corporation ("CFC")  
Facility No. KY062-H-5102

Big Rivers Electric Corporation hereby requests CFC to issue a letter of credit under the above-referenced facility with the following terms:

Beneficiary Name and Address:

Letter of Credit Amount:

Letter of Credit Effective Date:

Expiry Date:

Conditions of Draw:

Please issue the letter of credit directly to the beneficiary, with a copy to the undersigned.

Very truly yours,  
BIG RIVERS ELECTRIC CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT C  
FORM OF LETTER OF CREDIT**

IRREVOCABLE LETTER OF CREDIT NUMBER «LoanNumber»

Date: «LetterDate»

Amount: «AmountText» Dollars (\$«AmountNumber».00)

Letter of Credit Expiration Date: «ExpiryDate»

Beneficiary Name and Address:

Name of Applicant:

Issuer: National Rural Utilities Cooperative Finance Corporation  
20701 Cooperative Way  
Dulles, Virginia 20166                      Attention: LC Desk

To the above-named Beneficiary:

We hereby issue our irrevocable Letter of Credit in your favor for the account of the above-named Applicant up to the aggregate amount stated above.

Funds under this Letter of Credit, in an amount not to exceed the amount stated above, will be made available to you in accordance with the terms and conditions herein against sight drafts presented at the above address, bearing the clause "Drawn under National Rural Utilities Cooperative Finance Corporation Letter of Credit No. «LoanNumber», dated «LetterDate»" , and accompanied by the following documents:

1. A notarized certificate sworn to and executed by an authorized officer of the Beneficiary reading as follows: "The amount claimed under this Letter of Credit as represented by the sight draft enclosed herewith is due and payable because (a) payment is due to «BeneficiaryName» from «ApplicantName» pursuant to [REASON FOR PAYMENT], (b) «ApplicantName» has not made such payment, (c) «BeneficiaryName» has made written demand upon «ApplicantName» for payment, and (d) payment pursuant thereto has not been received within five days of the receipt of said demand."
2. This original Letter of Credit.

We hereby agree with you that sight drafts drawn under this Letter of Credit will be honored in accordance with the terms and conditions stated herein provided the sight draft and required documents are presented to us at the above address on or before the Letter of Credit Expiration Date stated above. Payment of any draft drawn under this Letter of Credit in an amount less than the maximum amount available hereunder shall be recorded by us on the reverse side hereof and this Letter of Credit shall then be returned to you.

This Letter of Credit is governed by the provisions of the Uniform Customs and Practice for Documentary Credits (1993 Version), International Chamber of Commerce Publication No. 500

("UCP"). As to matters not governed by the UCP, this Letter of Credit is governed by the laws of the Commonwealth of Virginia. This Letter of Credit is not transferable.

NATIONAL RURAL UTILITIES  
COOPERATIVE FINANCE CORPORATION

By: \_\_\_\_\_  
Assistant Secretary-Treasurer



AMENDED AND RESTATED REVOLVING LINE OF CREDIT AGREEMENT

AMENDED AND RESTATED REVOLVING LINE OF CREDIT AGREEMENT (this "Agreement"), dated as of \_\_\_\_\_, between BIG RIVERS ELECTRIC CORPORATION ("Borrower"), a corporation organized and existing under the laws of the State of Kentucky, and NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("CFC"), a cooperative association organized and existing under the laws of the District of Columbia.

**RECITALS**

~~WHEREAS, the Borrower has applied to CFC for a line of credit for the purposes set forth in Schedule 1 hereto, and CFC is willing to extend such a line of credit to the Borrower on the terms and conditions stated herein, and CFC are parties to that certain Revolving Line of Credit Agreement, dated as of July 16, 2009, pursuant to which CFC agreed to make advances under a line of credit and issue letters of credit, all as more particularly set forth therein (the "Prior Credit Agreement"); and~~

~~WHEREAS, the Borrower and CFC have agreed to amend and restate the Prior Credit Agreement, to, among other things, secure the repayment obligations arising hereunder under the Indenture (as defined herein), all as more particularly set forth herein,~~

~~NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree and bind themselves as follows, and amend and restate the Prior Credit Agreement in its entirety as follows:~~

**ARTICLE I**

**DEFINITIONS**

**Section 1.01** For purposes of this Agreement, the following capitalized terms shall have the following meanings (such definitions to be equally applicable to the singular and the plural form thereof). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture, as hereinafter defined, as such capitalized terms exist on the date hereof.

"Accounting Requirements" shall mean any system of accounts prescribed by a regulatory authority having jurisdiction over the Borrower or, in the absence thereof, the requirements of GAAP applicable to businesses similar to that of the Borrower.

"Advance" means any loans made by CFC to the Borrower pursuant to this Agreement, and "Advances" means all such loans.

"Advance Request" means a request by the Borrower for an Advance in accordance with Section 3.03, in the form of Exhibit ~~B~~A hereto.

"Available Cash" shall mean Borrower's liquid funds on hand at any time, including, without limitation, cash and cash equivalents, that are (i) not subject to any Lien, and (ii) readily available for use for any purpose.

"Business Day" means any day that both CFC and the depository institution CFC utilizes for funds transfers hereunder are open for business.

"CFC Commitment" shall have the meaning as defined in Schedule 1 hereto.

"CFC Line of Credit Rate" shall mean the rate published by CFC from time to time, by electronic or other means, for similarly classified lines of credit, but if not published, then the rate determined for such lines of credit by CFC from time to time.

"CFC Obligation(s)" shall mean any and all liabilities, obligations or indebtedness owing by the Borrower to CFC under the Credit Documents, of any kind or description, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

"Credit Documents" shall mean this Agreement, the Note, the Indenture and the Supplemental Indenture.

"Default Rate" shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred (200) basis points.

"Draw" shall mean a payment of funds to a beneficiary under a Letter of Credit issued hereunder.

~~"Effective Date" shall mean the date designated as such by CFC on the signature page hereof.~~

~~"Equity" shall mean the aggregate of the Borrower's equities and margins computed pursuant to Accounting Requirements.~~

~~"Equity Ratio" shall mean Equity divided by Total Assets. "Event of Default" shall have the meaning as described in Article VI hereof.~~

"GAAP" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board.

"Governmental Authority" shall mean the government of the United States of America, any other nation or government, any state or other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

~~"Indenture" shall mean the Master Indenture, as it may be supplemented or amended from time to time" shall mean that certain Indenture, dated as of July 1, 2009, by and between the Borrower and Trustee, as amended and supplemented through the date hereof.~~

~~"Interest Charges"~~ shall have the meaning ascribed to ~~itsuch term~~ in the ~~Master~~-Indenture.

**"LC Exposure"** means, at any time, the **sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (ii) the aggregate amount of all Draws that have not yet been reimbursed by or on behalf of the Borrower (pursuant to Section 3.06.H3.04.H hereof)** at such time.

**"Letter of Credit"** means an irrevocable letter of credit issued by CFC pursuant to Section 3.04 hereof.

**"Letter of Credit Commitment Amount"** shall have the meaning as defined in Schedule 1 hereto.

**"Lien"** shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of set off, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code.

**"Line of Credit"** shall mean the line of credit extended by CFC to the Borrower, pursuant to this Agreement, in an aggregate principal amount outstanding at any time not to exceed the CFC Commitment.

**"Loan Documents"** shall mean this Agreement and all other documents or instruments executed, delivered or executed and delivered by the Borrower and evidencing, securing, governing or otherwise pertaining to the Line of Credit.

**"Margins Forfor Interest"** shall have the meaning ascribed to such term in the Master Indenture.

**"Margins Forfor Interest Ratio"** shall mean, for any period, (i) the sum of (a) Margins Forfor Interest plus (b) Interest Charges, divided by (ii) Interest Charges.

~~"Master Indenture" shall mean the Indenture, dated as of July 1, 2009, by and between the Borrower and U.S. Bank National Association, as trustee. "Maturity Date" shall mean the date set forth in Schedule 1 hereto.~~

~~"Maturity Date" shall mean the date set forth in Schedule 1 hereto.~~

~~"Obligations" shall mean any and all liabilities, obligations or indebtedness owing by the Borrower to CFC, of any kind or description, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising. "Note" shall mean that secured promissory note, dated 2013, having a stated principal amount equal to the CFC Commitment, made by Borrower and payable to the order of CFC, as the same may be substituted, amended or replaced.~~

~~"Person" shall mean natural persons, cooperatives, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, associations, companies, trusts or other organizations, irrespective of whether they are legal entities, and Governmental Authorities. "Supplemental Indenture" shall mean that certain Fourth Supplemental Indenture between Borrower, as grantor, and Trustee, as trustee, dated as of 2013.~~

~~"Total Assets" shall mean an amount constituting the total assets of the Borrower computed pursuant to Accounting Requirements. "Trustee" shall mean U.S. Bank National Association, the trustee under the Indenture, or any permitted successor trustee pursuant to the terms and provisions of the Indenture.~~

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

**Section 2.01** The Borrower represents and warrants to CFC that as of the date of this Agreement:

**A. Good Standing.** The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing in those states in which it is required to be qualified to conduct its business.

**B. Authority; Validity.** The Borrower has the power and authority to enter into this Agreement; to make the borrowing hereunder; to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper action; and no consent or approval of any Person, including, as applicable and without limitation, members of the Borrower, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

This Agreement is, and when fully executed and delivered will be, legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity.

**C. No Conflicting Agreements.** The execution and delivery of the Loan Documents and performance by the Borrower of the obligations thereunder, and the transactions contemplated hereby or thereby, will not: (i) violate any provision of law, any order, rule or regulation of any court or other agency of government, any award of any arbitrator, the articles of incorporation or by-laws of the Borrower, or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Borrower is a party or by which it or any of its property is bound; or (ii) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien upon any of the property or assets of the Borrower.

The Borrower is not in default in any material respect under any agreement or instrument to which it is a party or by which it is bound and no event or condition exists which constitutes a default, or with the giving of notice or lapse of time, or both, would constitute a default under any such agreement or instrument.

**D. Taxes.** The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed and has paid or caused to be paid all federal, state and local taxes, assessments, and governmental charges and levies thereon, including interest and

penalties to the extent that such taxes, assessments, and governmental charges and levies have become due, except for such taxes, assessments, and governmental charges and levies which the Borrower is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside.

**E. Licenses and Permits.** The Borrower has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and business that are required by Governmental Authorities and each remains valid and in full force and effect.

**F. Litigation.** Except for those matters set forth in Schedule 2, there are no outstanding judgments, suits, claims, actions or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its properties which, either individually or collectively, is reasonably expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower. The Borrower is not, to the Borrower's knowledge, in default or violation with respect to any judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority which would have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower.

**G. Financial Statements.** The balance sheet of the Borrower as at the date identified in Schedule 1 hereto, the statement of operations of the Borrower for the period ending on said date, and the interim financial statements of the Borrower, all heretofore furnished to CFC, are complete and correct. Said balance sheet fairly presents the financial condition of the Borrower as at said date and said statement of operations fairly reflects its operations for the period ending on said date. The Borrower has no contingent obligations or extraordinary forward or long-term commitments except as specifically stated in said balance sheet, ~~in the Confidential Information Memorandum dated January 2008~~ or herein. There has been no material adverse change in the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) of the Borrower and its subsidiaries taken as a whole from that set forth in said financial statements except changes disclosed in writing to CFC prior to the date hereof.

**H. Required Approvals.** No license, consent or approval of any Governmental Authority is required to enable the Borrower to enter into this Agreement, or to perform any of ~~its Obligations~~ the obligations provided for herein, including without limitation (and if applicable), that of any state public utilities commission, any state public service commission, and the Federal Energy Regulatory Commission, except as disclosed in Schedule 1 hereto, all of which Borrower has obtained prior to the date hereof.

**I. Compliance ~~With~~ with Laws.** The Borrower is in compliance, in all material respects, with all applicable requirements of law and all applicable rules and regulations of each Governmental Authority.

**J. Disclosure.** To the Borrower's knowledge, information and belief, neither this Agreement nor any document, certificate or financial statement furnished to CFC by or on behalf of the Borrower in connection herewith (all such documents, certificates and financial statements, taken as a whole) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein not misleading.

**K. Wholesale Power Contracts.** The Borrower's wholesale power contracts with its members in effect as of the date hereof are valid and in full force. Neither the Borrower nor any of such members are in default of any material obligation under such wholesale power contract as of the date hereof.

### ARTICLE III

#### CREDIT TERMS

**Section 3.01 CFC Commitment; Term.** Subject to the terms and conditions hereof, CFC agrees to make Advances on the Line of Credit and issue Letters of Credit, from time to time, until the Maturity Date, *provided, however,* that (a) the aggregate amount of all outstanding Advances on the Line of Credit, plus (b) the LC Exposure, shall not exceed the CFC Commitment.

**Section 3.02 Revolving Credit.** The Borrower may borrow, repay and reborrow funds at any time or from time to time.

**Section 3.03 Requests for Advances.** To request any Advance other than an Advance made pursuant to Section 3.04.H., the Borrower shall notify CFC of such request in writing by delivery of an Advance Request not later than 12:00 noon, local time at CFC's offices in ~~Herndon~~Dulles, Virginia on the Business Day prior to the Business Day of the proposed Advance. Each Advance Request shall be in the form of Exhibit ~~B~~A hereto and contain the information required therein.

#### Section 3.04 Letters of Credit.

**A. Issuance.** In addition to Advances made under the Line of Credit, the Borrower may request and CFC shall issue, from time to time, up to, but not including, the Maturity Date, Letters of Credit to such beneficiary or beneficiaries as may be requested by Borrower from time to time under the terms and conditions of this Agreement, *provided, however,* that the aggregate amount of all Letters of Credit outstanding shall not exceed the Letter of Credit Commitment Amount.

Each such request shall be in writing and substantially in the form of Exhibit ~~A~~B hereto and shall be delivered to CFC no fewer than two (2) Business Days prior to the requested date of issuance. Each Letter of Credit shall be substantially in the form of Exhibit C hereto, or in such other form as shall be mutually acceptable to Borrower and CFC, and shall reflect the amount available for draw thereunder.

**B. Expiration Dates; Designation.** With respect to each Letter of Credit issued hereunder:

**(i) Designation.** The first Letter of Credit issued hereunder shall bear CFC designation KY062-H-5102-001, and each subsequent Letter of Credit issued hereunder shall be numbered consecutively thereafter.

**(ii) Expiration.** Each Letter of Credit shall expire at or prior to the close of business on the Maturity Date.

**C. Draws.** On any day that CFC is open for business, CFC will honor drafts presented by a beneficiary for a Draw on an unexpired Letter of Credit under the terms and conditions specified in such Letter of Credit, provided that (i) each Draw request is accompanied by the documentation specified in a Letter of Credit, the authenticity, form and substance of which shall be satisfactory to CFC; and (ii) no Draw request will be honored after CFC's close of business on the Letter of Credit Expiration Date set forth in the respective Letter of Credit.

**D. Irrevocable Instruction.** Borrower hereby irrevocably instructs CFC to honor drafts presented by a beneficiary for a Draw on an unexpired Letter of Credit under the terms and conditions specified in such Letter of Credit. It is expressly agreed that CFC may honor such drafts without requiring any documentation or information other than as expressly stated in such Letter of Credit, and without regard to any contrary instructions Borrower may hereafter give to CFC.

**E. Draws by Legal Representatives.** Borrower agrees that CFC shall have no liability to the Borrower or to any other person for honoring drafts presented in accordance with the terms hereof and contained in a Letter of Credit which may be presented by the administrator, trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other legal representative of the beneficiary.

**F. No Liability.** CFC shall have no liability for, and the Borrower's repayment and other obligations hereunder shall not be affected by (i) the use which may be made of the funds drawn under a Letter of Credit or for the acts or omissions of the beneficiary or any other person, (ii) the validity, accuracy, sufficiency or genuineness of drafts, required statements or documents, even if such drafts, statements or documents should in fact prove to be in any or all respects invalid, inaccurate, insufficient, fraudulent or forged, (iii) errors, omissions, interruptions or delays in transmission or delivery of any message by mail, telephone, facsimile or otherwise, or (iv) any consequences arising from causes beyond CFC's control.

**G. Extensions and Modifications.** This Agreement shall be binding upon the Borrower with respect to any replacement, extension or modification of any Letter of Credit or waiver of discrepancies authorized by the Borrower. Except as may be provided in a Letter of Credit or otherwise specifically agreed to in writing by CFC in its sole discretion, CFC shall have no duty to (a) extend the expiration date of a Letter of Credit, (b) issue a replacement letter of credit on or before the expiration date of a Letter of Credit or the end of such term, (c) issue or refrain from issuing notice of its election not to renew or extend a Letter of Credit, (d) issue or refrain from issuing any notice, if a Letter of Credit permits it to do so, of its election to terminate or cancel the Letter of Credit prior to its stated expiration date, (e) issue or refrain from issuing any notice of its election to refuse to reinstate the amount of any drawing under a Letter of Credit or (f) otherwise amend or modify a Letter of Credit.

**H. Automatic Advances; Repayment.** Upon payment by CFC of a Draw on a Letter of Credit, Borrower hereby authorizes and instructs CFC to make an Advance on the Line of Credit in an amount equal to such Draw, which shall be deemed a reimbursement of such Draw. Borrower agrees that this authorization is irrevocable until such time as Borrower's obligations under this Agreement have been paid in full. Borrower further agrees that CFC shall not incur any liability to Borrower as a result of such action, except in cases of gross negligence or willful misconduct by CFC.

**I. Reinstatement.**

(i) The face amount of any expired, returned, cancelled, or otherwise terminated Letter of Credit shall be available, under the terms of this Agreement and within the limits of the Letter of Credit Commitment Amount, for issuance of additional Letters of Credit.

(ii) The amount of any Draw reimbursed pursuant to Section 3.06.H shall be available, under the terms of this Agreement and within the limits of the Letter of Credit Commitment Amount, for issuance of additional Letters of Credit.

**Section 3.05 Repayment of Advances.** The Borrower unconditionally promises and agrees to pay, as and when due, **without setoff or counterclaim**, interest on **each Advance** hereunder, from the date thereof and to repay the outstanding principal amount of the **Advances and all other amounts then outstanding on the Maturity Date**.

**A. Manner of Payment.** All amounts shall be payable at CFC's main office at ~~2204~~20701 Cooperative Way, ~~Herndon~~Dulles, Virginia ~~20174~~20166 or at such other location as designated by CFC from time to time.

**B. Application of Payments.** ~~Each~~ Except as may otherwise be provided for in the Indenture, each payment shall be applied first to any fees, costs, expenses or charges other than interest or principal then due on the Borrower's indebtedness to CFC, second to interest accrued on the Advance or Advances selected to be paid, and the balance to principal on such Advance or Advances.

**C. Interest Rate.** The interest rate on all Advances will be equal to the CFC Line of Credit Rate. The effective date of an interest rate adjustment will be determined from time to time by CFC, and shall remain in effect until any subsequent change in the interest rate occurs. **The applicable interest rate as determined by CFC shall be conclusive absent manifest error.** No provision of this Agreement shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

**D. Payment of Interest.** Accrued interest on each Advance shall be payable in arrears in accordance with CFC's regular billing cycles as may be in effect from time to time, and on the Maturity Date; provided that (i) interest accrued pursuant to Section 3.07 shall be payable on demand, (ii) in the event of any repayment or prepayment of any Advance, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

**E. Computation.** All interest hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

### **Section 3.06 Fees.**

**A. Upfront Fee.** Borrower shall pay to CFC a nonrefundable fee in an amount equal to ~~twenty five~~fifteen (15) basis points (~~25~~15/100 of 1%) of the aggregate amount of the CFC Commitment, due and payable ~~as of on~~ the ~~Effective Date set forth below~~date hereof. Payment of such fee is a precondition to the effectiveness of this Agreement.

**B. Annual Facility Fee.** ~~On the Effective Date set forth below, and at~~ In addition to the "Facility Fee" as defined and due and payable pursuant to the Prior Credit Agreement, on July 16, 2013 and each anniversary date thereof ("each such date being an "Anniversary Date"), for so long as this Agreement is in effect, there shall be due and payable to CFC a nonrefundable facility fee (~~"Facility Fee"~~). Borrower shall pay the Facility Fee to CFC quarterly in arrears. The initial Facility Fee shall be in an amount equal to ~~twenty five~~ fifteen (15) basis points (~~25/100 of 1%~~) of the aggregate amount of the CFC Commitment, and subsequent Facility Fees shall be in amounts determined in accordance with CFC's current credit policies and practices as of each Anniversary Date. Any increase in the Facility Fee shall be effective only as of an Anniversary Date. The Facility Fee shall be prorated for any year in which this Agreement is not in effect for the entire year. The Payment of the Facility Fee is a precondition to the issuance of any Letter of Credit.

**C. Issuance Fee.** For each Letter of Credit issued hereunder, Borrower shall pay to CFC a nonrefundable fee (~~"Issuance Fee"~~), due and payable prior to the issuance of each Letter of Credit. The Issuance Fee shall be in an amount determined in accordance with CFC's credit policies and practices as of the date of issuance. In the event the Letter of Credit is outstanding for more than one year, then such fee shall be due and payable annually and shall be in an amount determined in accordance with CFC's credit policies and practices as of the annual renewal date. Borrower shall pay the Issuance Fee to CFC quarterly in arrears. The Issuance Fee shall be prorated for any year in which the Letter of Credit is not outstanding for the entire year. Payment of the Issuance Fee is a precondition to the issuance of any Letter of Credit.

In addition to the above fees, Borrower shall pay such additional fees as may be imposed by a confirming bank or other financial institution in the event that a Letter of Credit issued hereunder is confirmed by such other bank or financial institution at the request of the Borrower or the beneficiary of such Letter of Credit.

### **Section 3.07 Default Rate.**

**A. Payment Default.** If Borrower defaults on its obligation to make a payment due hereunder by the applicable **date payment is due**, and such default continues for thirty (30) days thereafter, then beginning on the thirty-first (31<sup>st</sup>) day after the **payment is due** and for so long as such default continues, Advances shall bear interest at the Default Rate.

**B. Non-Payment Defaults.** Upon the occurrence of an Event of Default, other than a payment default as set forth in Section 3.07.A above, the interest rate on all Advances shall be the Default Rate until such Event of Default is cured. The effective date of the Default Rate imposed or eliminated pursuant to this Section 3.07.B shall be the first (1st) day of the month following the occurrence of the Event of Default or the cure thereof, as applicable.

**C. No Multiples of Default Rate.** Notwithstanding anything to the contrary contained in this Section 3.07, in the event that more than one Event of Default shall exist at any time, the aggregate interest rate applicable on all Advances pursuant to this Section 3.07 shall be the Default Rate.

**Section 3.08 Optional Prepayment.** The Borrower shall have the right at any time and from time to time to prepay any Advance in whole or in part, subject to the requirements of this Agreement. Prior to any prepayment of any Advance hereunder, the Borrower shall select the Advance or Advances to be paid and shall notify CFC by

telephone (confirmed by teletype) of such selection not later than 11:00 a.m., local time at CFC's offices in ~~Herndon~~Dulles, Virginia, one (1) Business Day before the scheduled date of such prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Advance or portion thereof to be prepaid. Prepayments shall be accompanied by accrued interest to the extent required herein and shall be made and applied in the manner specified in Section 3.05.

**Section 3.09 Mandatory Prepayment.** If there is a change in the Borrower's corporate structure (including without limitation by merger, consolidation, conversion or acquisition), then upon the effective date of such change (the "Change Date"), (a) except for Advances made to repay a Draw on a Letter of Credit pursuant to Section 3.04.H, the Borrower shall no longer have the ability to request, and CFC shall have no obligation to make, Advances hereunder, (b) the Borrower shall no longer have the ability to request, and CFC shall have no obligation to issue, a Letter of Credit hereunder, and (c) the Borrower shall prepay the outstanding principal balance of all CFC Obligations (excluding CFC Obligations represented by undrawn amounts under outstanding Letters of Credit), together with any accrued but unpaid interest thereon, any unpaid costs or expenses provided for herein, and a prepayment premium prescribed by CFC pursuant to its policies of general application in effect from time to time.

Any Letter of Credit outstanding on the Change Date shall remain outstanding and subject to the terms and conditions hereof until its stated expiry date unless cancelled or returned by the Beneficiary thereof prior to such expiry date. Any Draw on such Letter of Credit shall be reimbursed by an automatic Advance made pursuant to Section 3.04.H. The Borrower shall repay the outstanding principal balance of such automatic Advance, together with any accrued but unpaid interest thereon and any unpaid costs or expenses provided for herein within five (5) Business Days of CFC's payment of the Draw.

Upon the prepayment of all amounts outstanding hereunder, and the termination and/or expiration of all Letters of Credit outstanding hereunder, this Agreement shall automatically terminate without further action by either Borrower or CFC.

Notwithstanding anything to the contrary in this Section 3.09 Borrower shall retain the ability to request Advances and the issuance of Letters of Credit, CFC shall retain the obligation to make Advances and issue Letters of Credit, and no prepayment shall be required under this Section 3.09 if, on and after the Change Date, Borrower, or its successor in interest, is engaged in the furnishing of electric utility services to its members and is organized as a cooperative, nonprofit corporation, public utility district, municipality, or other public governmental body and is, or becomes, a member of CFC.

Further, notwithstanding anything to the contrary contained in this Section 3.09 or elsewhere in this Agreement, in the event that Borrower's Available Cash at any time exceeds Thirty-Five Million and No/100 Dollars (\$35,000,000.00) (such excess Available Cash being referred to hereinafter as, "Excess Cash"), the Borrower shall immediately apply such Excess Cash to repayment of any outstanding principal balance hereunder, together with any accrued interest thereon. In the event that Borrower has a credit agreement with a lender other than CFC having substantially similar terms and conditions as contained in this Agreement, Borrower shall immediately apply any such Excess Cash to repayment of any principal balance outstanding hereunder and under such other lender's credit agreement, together with any interest accrued thereon, on a pro-rata basis.

**Section 3.10 Optional Commitment Reduction.** The Borrower may at any time terminate, or from time to time reduce, the CFC Commitment; provided that (i) each reduction of the CFC Commitment pursuant to this Section shall be in an amount that is \$5,000,000 or a larger multiple of \$1,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any such reduction, the amount of Advances plus LC Exposure would exceed the CFC Commitment.

The Borrower shall notify CFC of any election to terminate or reduce the Commitments under this Section at least ten (10) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable.

#### ARTICLE IV

#### CONDITIONS OF LENDING

**Section 4.01 Conditions Precedent to Closing.** The obligation of CFC to make Advances or to issue Letters of Credit hereunder shall not become effective until the date on which the following conditions precedent have been satisfied:

**A. Legal Matters.** All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for CFC.

**B. Documents.** CFC shall have been furnished with (i) the executed Loan Documents, (ii) certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions hereby contemplated as CFC shall require, (iii) an opinion of counsel for the Borrower addressing such legal matters as CFC shall reasonably require, and (iv) all other such documents as CFC may reasonably request.

**C. Government Approvals.** The Borrower shall have furnished to CFC true and correct copies of all certificates, authorizations, consents, permits and licenses from Governmental Authorities necessary for the execution or delivery of the Loan Documents or performance by the Borrower of the obligations thereunder.

~~**D. Unwind of Lease.** The Borrower shall have consummated the termination of its lease, power purchase agreement and other arrangements with subsidiaries of E.ON U.S. LLC (formerly LG&E Energy LLC) under economic terms that are consistent with the financial model filed by the Borrower with the Kentucky Public Service Commission attached as Exhibit E hereto or that are otherwise satisfactory to CFC. Reserved.~~

~~**E. Credit Ratings.** The Borrower shall have received a senior secured debt rating of BBB or better or an issuer credit rating of BBB or better from one (1) or more of the three nationally recognized ratings agencies. Note Authentication. The Note shall have been duly authenticated and delivered by the Trustee as an Obligation secured under the Indenture.~~

~~**F. Indenture.** The Borrower shall have entered into the Master Indenture; Supplemental Indenture: UCC Filings. The Indenture and the Supplemental Indenture shall have been duly filed, recorded or indexed in all jurisdictions necessary to provide the Trustee thereunder a perfected lien, subject to Permitted Exceptions, on all of the Trust Estate, all in accordance with applicable law, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC. Uniform~~

Commercial Code financing statements (and any continuation statements and other amendments thereto that CFC shall require) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide the Trustee a perfected security interest, subject to Permitted Exceptions, in the Trust Estate which may be perfected by the filing of a financing statement, all in accordance with applicable law, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

**Section 4.02 Each Credit Event.** The obligation of CFC to make any Advances hereunder and to issue Letters of Credit hereunder is additionally subject to satisfaction of the following conditions in form and substance satisfactory to CFC:

**A. Requisitions.** Except for Advances made pursuant to Section 3.04.H, Borrower will requisition each Advance or Letter of Credit by submitting its written requisition to CFC as set forth in Article III hereof.

**B. Representations and Warranties.** Except for the representations made in Section 2.01.F ~~and~~, the last sentence of Section 2.01.G, Section 2.01.J (as it relates to any documents, certificates or financial statements furnished to CFC relating to the Borrower's existing wholesale power contracts with Kenergy Corp. relating to Century Aluminum Company and Rio Tinto Alcan. respectively) and Section 2.01K (only as it relates to Borrower's existing wholesale power contracts with Kenergy Corp. relating to Century Aluminum Company and Rio Tinto Alcan. respectively, but only with respect to a termination purported to be in accordance with the voluntary termination aspects of such wholesale power contracts, whether or not challenged by Borrower, i.e., unless terminated in accordance with the terms thereof, all other terms and provisions of such wholesale power contracts are valid and enforceable) hereof, the representations and warranties contained in Article II shall be true on the date of the making of each Advance hereunder with the same effect as though such representations and warranties had been made on such date; no Event of Default and no event which, with the lapse of time or the notice and lapse of time would become such an Event of Default, shall have occurred and be continuing or will have occurred after giving effect to each Advance on the books of the Borrower.

**C. ~~€~~ Fees.** Borrower shall have paid all fees hereunder as and when due.

**D. Minimum Available Cash Balance Prior to Each Advance.** Borrower shall certify in writing that its Available Cash balance at time of Advance is less than Thirty-Five Million and No/100 Dollars (\$35,000,000.00). Notwithstanding anything to the contrary contained in this Section 4.02 or elsewhere in this Agreement, with respect to any Advance, in no event shall the amount of such Advance exceed the difference between Thirty-Five Million and No/100 Dollars (\$35,000,000.00) and Available Cash.

## ARTICLE V

### COVENANTS

**Section 5.01** The Borrower covenants and agrees with CFC that until payment in full of the Line of Credit and performance of all obligations of the Borrower hereunder:

**A. Use of Proceeds.** The Borrower shall use the proceeds of this Line of Credit solely for the purposes identified on Schedule 1 hereto.

**B. Notice.** The Borrower shall promptly notify CFC in writing of:

- (i) any material adverse change in the business, operations, prospects, assets, liabilities or financial condition of the Borrower or its subsidiaries;
- (ii) the institution or threat of any litigation or administrative proceeding of any nature involving the Borrower or any subsidiary which could materially affect the business, operations, prospects, assets, liabilities or financial condition of the Borrower or any subsidiary;
- (iii) the occurrence of an Event of Default hereunder, or any event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

**C. Default Notices.** Upon receipt of any notices with respect to a default by the Borrower or any subsidiary under the terms of the Indenture or any evidence of any other indebtedness with parties other than CFC or of any loan agreement, mortgage or other agreement relating thereto, the Borrower shall, and shall cause each subsidiary to, deliver copies of such notice to CFC.

**D. Financial Books; Financial Reports; Right of Inspection.** The Borrower will at all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Borrower, in accordance with GAAP. The Borrower will cause to be prepared and furnished to CFC within one hundred twenty (120) days of the end of each of the Borrower's fiscal years during the term hereof, a full and complete consolidated and consolidating report of its financial condition and of its operations as of the end of such fiscal year, audited and certified by independent certified public accountants nationally recognized or otherwise satisfactory to CFC and accompanied by a report of such audit in form and substance satisfactory to CFC, including without limitation a consolidated and consolidating balance sheet and the related consolidated and consolidating statements of income and cash flow. CFC, through its representatives, shall at all times during reasonable business hours and upon prior notice have access to, and the right to inspect and make copies of, any or all books, records and accounts, and any or all invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind belonging to or in the possession of the Borrower or in anyway pertaining to its property or business.

**E. Compliance ~~With~~with Laws; Indenture Covenants.** The Borrower and each subsidiary shall remain in compliance, in all material respects, with all applicable requirements of law and applicable rules and regulations of each Governmental Authority. The Borrower shall comply with all the covenants identified in Article XI and Article XIII of the Indenture.

**F. Taxes.** The Borrower shall pay, or cause to be paid all taxes, assessments or governmental charges lawfully levied or imposed on or against it and its properties prior to the time they become delinquent, except for any taxes, assessments or charges that are being contested in good faith and with respect to which adequate reserves as determined in good faith by Borrower have been established and are being maintained.

**G. Financial Ratios.**

- (i) The Borrower shall comply, in all respects, with the Margins for Interest Ratio covenant set forth in Section 13.14 of the Indenture.

~~G. Financial Ratios. The Borrower agrees that it will operate and manage its business to achieve and maintain a Margins For Interest Ratio of no less than 1.1 and an Equity Ratio of no less than 12%.~~

- (ii) The Borrower will maintain, in accordance with GAAP, a minimum members' equities' balance at each fiscal quarter-end and as of the last day of each fiscal year, as specified below during the following calendar year periods:

<u>Period Ending (and the Fiscal Quarters Ending Therein)</u>	<u>Amount</u>
<u>December 31, 2013</u>	<u>\$325,000,000 plus 75% of the positive net margins for the Borrower's fiscal year ending 2012.</u>
<u>December 31, 2014</u>	<u>\$325,000,000 plus 75% of the cumulative positive net margins between the Borrower's fiscal year ending 2012 and 2013.</u>
<u>December 31, 2015</u>	<u>\$325,000,000 plus 75% of the cumulative positive net margins between the Borrower's fiscal year ending 2012 and 2014.</u>
<u>December 31, 2016</u>	<u>\$325,000,000 plus 75% of the cumulative positive net margins between the Borrower's fiscal year ending 2012 and 2015.</u>

**H. Annual Certificate.** Within one hundred twenty (120) days after the close of each calendar year the Borrower will deliver to CFC a written statement, in form and substance satisfactory to CFC, signed by the Borrower's General Manager or Chief Executive Officer, stating that during such year, and that to the best of said person's knowledge, the Borrower has fulfilled all of its obligations under this Agreement and the Indenture throughout such year or, if there has been a default in the fulfillment of any such obligations, specifying each such default known to said person and the nature and status thereof.

## ARTICLE VI

### EVENTS OF DEFAULT

**Section 6.01** The following shall be "Events of Default" under this Agreement:

**A. Representations and Warranties.** Any representation or warranty made by the Borrower herein, or in any of the other Loan Documents, or in any certificate or financial statement furnished to CFC hereunder or under any of the other Loan Documents shall prove to be false or misleading in any material respect.

**B. Payment.** The Borrower shall fail to pay (whether upon stated maturity, by acceleration, or otherwise) any principal, interest, premium (if any) or other amount payable under the Line of Credit within five (5) Business Days after the due date thereof.

**C. Other Covenants.**

(i) **No Grace Period.** Failure of the Borrower to observe or perform any covenant or agreement contained in Sections 5.01.A, 5.01.B, 5.01.C, 5.01.D, 5.01.F, 5.01.G, or 5.01.H of this Agreement.

(ii) **Thirty Day Grace Period.** Failure of the Borrower to observe or perform any other covenant or agreement contained in this Agreement or any of the other Loan Documents, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to the Borrower by CFC.

**D. Legal Existence, Permits and Licenses.** The Borrower shall forfeit or otherwise be deprived of (i) its authority to conduct business in the jurisdiction in which it is organized or in any other jurisdiction where such authority is required in order for the Borrower to conduct its business in such jurisdiction or (ii) permits, easements, consents or licenses required to carry on any material portion of its business.

**E. ~~Other CFC Obligations Owed to CFC.~~** The Borrower shall be in breach or default of any ~~Obligation~~ other obligation or indebtedness owed by Borrower to CFC, which breach or default continues uncured beyond the expiration of any applicable grace period.

**F. Other Obligations.** The Borrower shall (i) fail to make any payment of any principal, premium or any other amount due or interest on any indebtedness having a principal amount in excess of \$10,000.00 with parties other than CFC which shall remain unpaid beyond the expiration of any applicable grace period, or (ii) be in breach or default with respect to any other term of any evidence of any other indebtedness with parties other than CFC having a principal amount in excess of \$10,000,000.00, or of any loan agreement, mortgage or other agreement relating thereto which breach or default continues uncured beyond the expiration of any applicable grace period, if the effect of such failure, default or breach is to cause the holder or holders of that indebtedness to cause that indebtedness to become or be declared due prior to its stated maturity (upon the giving or receiving of notice, lapse of time, both or otherwise).

**G. Involuntary Bankruptcy.** An involuntary case or other proceeding shall be commenced against the Borrower seeking liquidation, reorganization or other relief with respect to it or its debts under bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall continue without dismissal or stay for a period of sixty (60) days; or an order for relief shall be entered against the Borrower under the federal bankruptcy laws or applicable state law as now or hereafter in effect.

**H. Insolvency.** The Borrower shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or proceeding commenced against

it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or be generally unable to, pay its debts as they become due, or shall take any action to authorize any of the foregoing.

**I. Dissolution or Liquidation.** Other than as provided in subsection H. above, the dissolution or liquidation of the Borrower, or failure by the Borrower promptly to forestall or remove any execution, garnishment or attachment of such consequence as will impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within sixty (60) days.

**J. Monetary Judgment.** The Borrower shall suffer any money judgment not covered by insurance, writ or warrant of attachment or similar process involving an amount in excess of \$1,000,000 and shall not discharge, vacate, bond or stay the same within a period of sixty (60) days.

**K. Nonmonetary Judgment.** One or more nonmonetary judgments or orders (including, without limitation, injunctions, writs or warrants of attachment, garnishment, execution, distraint, replevin or similar process) shall be rendered against the Borrower that, either individually or in the aggregate, could reasonably be expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower which are not discharged, vacated, bonded or stayed within a period of sixty (60) days.

**L. Invalidity.** This Agreement shall at any time for any reason cease to be valid and binding or in full force and effect (other than upon expiration in accordance with the terms thereof), or performance of any material obligation thereunder shall become unlawful, or the Borrower shall so assert in writing or contest the validity or enforceability thereof.

**M. Wholesale Power Contracts.**

- (i) Any one or more members of the Borrower shall default in the performance of any payment obligations under its or their wholesale power contracts with the Borrower where the aggregate principal amount of such default or defaults exceeds \$10,000,000.
- (ii) Any one or more members of the Borrower shall contest the validity or enforceability of its or their wholesale power contracts with the Borrower by filing any official judicial or regulatory filing seeking as a remedy the declaration of the unenforceability or the material modification of its or their wholesale power contracts
- (iii) One or more of the Borrower's wholesale power ~~contracts~~ contracts with its distribution cooperative members which, individually or in the aggregate, represent more than 10% of Borrowers' total gross revenue shall for any reason be terminated, other than Borrower's existing wholesale power contracts with Kenergy Corp. relating to Century Aluminum Company ("Century") and Rio Tinto Alcan ("Alcan"), respectively, but only with respect to the voluntary termination rights of such parties under such wholesale power contracts (i.e., if a termination of either of such wholesale power contracts occurs for any other reason, then any such termination shall be considered for purposes of this Section 6.01.M(iii), provided, that if either Century or Alcan purports to exercise the voluntary termination provisions under their respective contracts and Borrower contests

the validity of such exercise, such purported voluntary termination shall not be considered for purposes of this Section 6.01M(iii) so long as Century and/or Alcan, as the case may be, continue to perform as required under their respective contracts through the actual date of termination associated with the purported exercise of such voluntary termination provisions).

N. Indenture Obligations. An "Event of Default," as defined in the Indenture, shall have occurred and be continuing, provided such "Event of Default" has not been waived or cured as provided for under the terms of the Indenture.

## ARTICLE VII

### REMEDIES

**Section 7.01** If any of the Events of Default listed in ~~Section 6~~Article VI hereof shall occur after the date of this Agreement and shall not have been remedied within the applicable grace periods specified therein, then CFC may:

- (a) ~~Cease~~cease making Advances hereunder other than Advances made pursuant to Section 3.04.H hereof;
- (b) ~~Terminate~~terminate the Line of Credit;
- (c) ~~Cease~~cease issuing Letters of Credit hereunder;
- (d) ~~Declare all unpaid principal outstanding on the Line of Credit, all accrued and unpaid interest thereon, and all other Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived;~~(e) ~~Exercise~~exercise rights of setoff or recoupment and apply any and all amounts held, or hereby held, by CFC or owed to the Borrower or for the credit or account of the Borrower against any and all of the CFC Obligations of the Borrower now or hereafter existing hereunder or under the Line of Credit, including, but not limited to, patronage capital allocations and retirements, money due to Borrower from equity certificates purchased from CFC, and any membership or other fees that would otherwise be returned to Borrower. The rights of CFC under this section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which CFC may have. The Borrower waives all rights of setoff, deduction, recoupment or counterclaim;
- (fe) ~~Pursue~~pursue all rights and remedies available to CFC that are contemplated by the Indenture in the manner, upon the conditions, and with the effect provided in the Indenture, including, but not limited to, a suit for specific performance ~~and~~, injunctive relief or damages; and/or
- (f) pursue any other rights and remedies available to CFC at law or in equity.

**Section 7.02** Nothing herein shall limit the right of CFC to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default. Each right,

power and remedy of CFC shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01 Notices.** All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. All such communications shall be deemed to have been duly given (a) when personally delivered including, without limitation, by overnight mail or courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (c) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (a) or (b) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

National Rural Utilities Cooperative Finance  
Corporation  
~~2201~~20701 Cooperative Way  
~~Herndon~~Dulles, Virginia ~~20171~~30252~~0166~~  
Attention: ~~Senior Vice President~~ Member

~~Services~~General Counsel

Fax # ~~703-709-6776~~866-230-5635

The Borrower:

The address set forth in  
Schedule 1 hereto

**Section 8.02 Expenses.** Borrower shall reimburse CFC for any reasonable costs and out-of-pocket expenses paid or incurred by CFC (including, without limitation, reasonable fees and expenses of outside attorneys, paralegals and consultants) for all actions CFC takes, (a) to enforce the payment of any CFC Obligation, or in preparation for such enforcement, (b) to restructure any of the CFC Obligations, (c) to review, approve or grant any consents or waivers hereunder, (d) to prepare, negotiate, execute, deliver, review, amend or modify this Agreement, and (e) to prepare, negotiate, execute, deliver, review, amend or modify any other agreements, documents and instruments deemed necessary or appropriate by CFC in connection with any of the foregoing.

The amount of all such expenses identified in this Section 8.02 shall be payable upon demand, and if not paid, shall accrue interest at the Default Rate.

**Section 8.03 Late Payments.** If payment of any amount due hereunder is not received at CFC's office in ~~Herndon~~Dulles, Virginia or such other location as CFC may designate to the Borrower, within five (5) Business Days after the due date thereof, the Borrower will pay to CFC, in addition to all other amounts due under the terms of the Loan

Documents, any late payment charge as may be fixed by CFC from time to time pursuant to its policies of general application as in effect from time to time.

**Section 8.04. Non-Business Day Payments.** If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

**Section 8.05 Filing Fees.** To the extent permitted by law, the Borrower agrees to pay all expenses of CFC (including the reasonable fees and expenses of its counsel) in connection with the filing, registration, recordation or perfection of any instruments as may be required by CFC in connection with this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to execution, filing, registration, recordation or perfection of any document or instrument in connection herewith. The Borrower agrees to save harmless and indemnify CFC from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by CFC in connection with this Agreement. The provisions of this subsection shall survive the execution and delivery of this Agreement and the payment of all other amounts due hereunder.

**Section 8.06 CFC Accounts.** Borrower agrees that the records of, and all computations by, CFC (in whatever media they are recorded or maintained) as to the amount of principal, interest and fees due on the Line of Credit shall be conclusive in the absence of manifest error.

**Section 8.07 Waiver; Modification.** No failure on the part of CFC to exercise, and no delay in exercising, any right or power hereunder or under the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by CFC of any right hereunder, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement or the other Loan Documents and no consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing by the party granting such modification, waiver or consent, and then such modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

**SECTION 8.08 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.**

(A) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(B) THE BORROWER HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTIONS THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN SUCH A

COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(C) THE BORROWER AND CFC EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**SECTION 8.09 INDEMNIFICATION.** THE BORROWER HEREBY INDEMNIFIES AND AGREES TO HOLD HARMLESS, AND DEFEND CFC AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS AND REPRESENTATIVES (EACH AN "INDEMNITEE") FOR, FROM, AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COSTS AND EXPENSES OF LITIGATION AND REASONABLE ATTORNEYS' FEES) ARISING FROM ANY CLAIM OR DEMAND IN RESPECT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ARISING AT ANY TIME, WHETHER BEFORE OR AFTER PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN FULL, EXCEPTING ANY SUCH MATTERS ARISING SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CFC OR ANY INDEMNITEE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 8.11 HEREOF, THE OBLIGATIONS IMPOSED UPON THE BORROWER BY THIS SECTION SHALL SURVIVE THE REPAYMENT OF THE LINE OF CREDIT, AND THE TERMINATION OF THIS AGREEMENT.

**Section 8.10 Complete Agreement.** This Agreement, together with the schedules to this Agreement and the other Loan Documents, and the other agreements and matters referred to herein or by their terms referring hereto, is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement. In the event of any conflict in the terms and provisions of this Agreement and any other Loan Documents, the terms and provisions of this Agreement shall control.

**Section 8.11 Survival; Successors and Assigns.** All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall survive the execution and delivery to CFC of the Loan Documents and the making of Advances hereunder and issuance of Letters of Credit and shall continue in full force and effect until all of the obligations under the Loan Documents have been paid in full. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of CFC. The Borrower shall not have the right to assign its rights or obligations under this Agreement.

**Section 8.12 Use of Terms.** The use of the singular herein shall also refer to the plural, and vice versa.

**Section 8.13 Headings.** The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

**Section 8.14 Severability.** If any term, provision or condition, or any part thereof, of this Agreement or the other Loan Documents shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other

term, provision or condition, and this Agreement and the other Loan Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

**Section 8.15 Binding Effect.** This Agreement shall become effective when executed by both Borrower and CFC and thereafter shall be binding upon and inure to the benefit of Borrower and CFC and their respective successors and assigns.

**Section 8.16 Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

**Section 8.17 Schedules; Exhibits.** Schedules 1 and 2 and Exhibits A, B and C are attached hereto and are an integral part of this Agreement.

[EXECUTION ON FOLLOWING PAGE]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

(SEAL)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

Secretary

NATIONAL RURAL UTILITIES COOPERATIVE  
FINANCE CORPORATION

(SEAL)

By: \_\_\_\_\_

Assistant Secretary-Treasurer

Attest: \_\_\_\_\_

Assistant Secretary-Treasurer

**Loan Number: KY062-H-5102**

Effective Date: \_\_\_\_\_ (to be filled in by CFC)

## SCHEDULE 1

1. The purpose of this Line of Credit is to provide funds for the Borrower's capital expenditures, general corporate use, and for the issuance of Letters of Credit, consistent with the Borrower's articles of incorporation, ~~bylaws~~ by-laws and applicable federal, state, and local laws and regulations. Notwithstanding the foregoing, in no event shall this Line of Credit be made available to pay any portion of the principal amount of the \$58,800,000 County of Ohio, Kentucky, Pollution Control Floating Rate Demand Bonds, Series 1983 (Big Rivers Electric Corporation Project).
2. The aggregate CFC Commitment shall mean \$50,000,000.00.
3. The Letter of Credit Commitment Amount shall mean \$10,000,000.00.
4. Maturity Date shall mean ~~the date sixty (60) months from the Effective Date~~ July 16, 2017.
5. The date of the Borrower's balance sheet referred to in Section 2.01.G. is December 31, ~~2008~~ 2012.
6. The Governmental Authority referred to in Section 2.01.H. is: Kentucky Public Service Commission.
7. The address for notices to the Borrower referred to in Section 8.01 is PO Box 24, Henderson, KY 42419-0024, Attention: President/CEO, Fax: 270-827-2558 with a copy to James M. Miller, Sullivan, Mountjoy, Stainback & Miller, PSC, PO Box 727, Owensboro, KY 42302-0727.

**SCHEDULE 2**

**BIG RIVERS ELECTRIC MATERIAL LITIGATION**

[None.]

**EXHIBIT A  
FORM OF ADVANCE REQUEST**

**Borrower Name: BIG RIVERS ELECTRIC CORPORATION**

**Facility Number: KY052-H-5102**

**Effective Date of Advance ("Effective Date"):**

**Advance Amount:**

**Wiring Instructions:**

**Bank Name**

**City, State**

**ABA No**

**Account No**

**Credit Account Name**

**Additional Instructions**

**Certification**

Acting on behalf of the Borrower, I hereby certify that as of the date below: (1) I am duly authorized to make this certification and to request funds on the terms specified herein; (2) the Borrower has met all of the conditions contained in ~~the~~ that certain Amended and Restated Revolving Line of Credit Agreement between Borrower and CFC (the "Credit Agreement") governing the terms of this borrowing request that the Borrower is required to meet prior to an advance of funds; (3) all of the representations and warranties contained in the Credit Agreement are true and correct on and as of the date hereof and will be deemed to be true and correct on and as of the Effective Date of this Advance unless notice is otherwise given by the Borrower to CFC before the Effective Date, in each case, other than any such representations or warranties that, by their terms, refer to a specific date other than such Effective Date, in which case such representations and warranties are true, correct and complete as of such date; (4) no Event of Default, as defined in the Credit Agreement, has occurred and is continuing; ~~and~~ (5) I know of no other event, or after giving effect to this borrowing request that would become an Event of Default; and (6) Borrower's Available Cash is less than Thirty-Five Million and No/100 Dollars (\$35,000,000.00) and the amount of this Advance does not exceed the difference between Thirty-Five Million and No/100 Dollars (\$35,000,000.00) and Available Cash. Capitalized terms used in this Certification and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement. I hereby make this borrowing request and hereby acknowledge and agree that such terms shall be binding upon Borrower under the provisions of the Credit Agreement governing ~~the~~ this advance Advance:

Certified By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Authorized Officer

**PLEASE FAX TO \_\_\_\_\_**

**ATTN:**

CFC LOCAGMT  
KY062-H-5102 (AMATOALICHTEA)  
429433-8177233-3

**EXHIBIT B  
FORM OF LETTER OF CREDIT REQUEST**

National Rural Utilities Cooperative Finance Corporation  
~~2201~~20701 Cooperative Way  
~~Herndon, VA 20171-3025~~Dulles, VA 20166  
Attn: ~~Nazir Restom~~LC Desk

Re: National Rural Utilities Cooperative Finance Corporation ("CFC")  
Facility No. KY062-H-5102

Big Rivers Electric Corporation hereby requests CFC to issue a letter of credit under the above-referenced facility with the following terms:

Beneficiary Name and Address:

Letter of Credit Amount:

Letter of Credit Effective Date:

Expiry Date:

Conditions of Draw:

Please issue the letter of credit directly to the beneficiary, with a copy to the undersigned.

Very truly yours,  
BIG RIVERS ELECTRIC CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CFC LOCAGMT  
KY062-H-5102 (AMATGALICHTEA)  
429433-8177233-3

**EXHIBIT C  
FORM OF LETTER OF CREDIT**

IRREVOCABLE LETTER OF CREDIT NUMBER «LoanNumber»

Date: «LetterDate»

Amount: «AmountText» Dollars (\$«AmountNumber».00)

Letter of Credit Expiration Date: «ExpiryDate»

Beneficiary Name and Address:

Name of Applicant:

Issuer: National Rural Utilities Cooperative Finance Corporation  
~~Woodland Park, 220420701~~ Cooperative Way  
 Herndon Dulles, Virginia 20171-3025 20166 Attention: «AVPName» LC Desk

To the above-named Beneficiary:

We hereby issue our irrevocable Letter of Credit in your favor for the account of the above-named Applicant up to the aggregate amount stated above.

Funds under this Letter of Credit, in an amount not to exceed the amount stated above, will be made available to you in accordance with the terms and conditions herein against sight drafts presented at the above address, bearing the clause "Drawn under National Rural Utilities Cooperative Finance Corporation Letter of Credit No. «LoanNumber», dated «LetterDate»", and accompanied by the following documents:

1. A notarized certificate sworn to and executed by an authorized officer of the Beneficiary reading as follows: "The amount claimed under this Letter of Credit as represented by the sight draft enclosed herewith is due and payable because (a) payment is due to «BeneficiaryName» from «ApplicantName» pursuant to [REASON FOR PAYMENT], (b) «ApplicantName» has not made such payment, (c) «BeneficiaryName» has made written demand upon «ApplicantName» for payment, and (d) payment pursuant thereto has not been received within five days of the receipt of said demand."
2. This original Letter of Credit.

We hereby agree with you that sight drafts drawn under this Letter of Credit will be honored in accordance with the terms and conditions stated herein provided the sight draft and required documents are presented to us at the above address on or before the Letter of Credit Expiration Date stated above. Payment of any draft drawn under this Letter of Credit in an amount less than the maximum amount available hereunder shall be recorded by us on the reverse side hereof and this Letter of Credit shall then be returned to you.

This Letter of Credit is governed by the provisions of the Uniform Customs and Practice for Documentary Credits (1993 Version), International Chamber of Commerce Publication No. 500 ("UCP"). As to matters not governed by the UCP, this Letter of Credit is governed by the laws of the Commonwealth of Virginia. This Letter of Credit is not transferable.

NATIONAL RURAL UTILITIES  
COOPERATIVE FINANCE CORPORATION

By: \_\_\_\_\_  
Assistant Secretary-Treasurer



CFC Loan No. KY062-H-5102

\$50,000,000

**BIG RIVERS ELECTRIC CORPORATION  
FIRST MORTGAGE NOTES, SERIES 2013A**

**ISSUANCE DATE: [\_\_\_\_], 2013**

BIG RIVERS ELECTRIC CORPORATION, a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky (the "Borrower"), for value received, hereby promises to pay, without setoff, deduction, recoupment or counterclaim, to the order of NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (the "Payee"), at its office in Dulles, Virginia or such other location as the Payee may designate to the Borrower, in lawful money of the United States, the principal sum of FIFTY MILLION AND 00/100 DOLLARS (\$50,000,000.00), or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Amended and Restated Revolving Line of Credit Agreement, dated as of even date herewith, between the Borrower and the Payee, as it may be amended from time to time (herein called the "Credit Agreement"), and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rate and in amounts and payable on the dates provided in the Credit Agreement together with any other amount payable under the Credit Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable on the Maturity Date (as defined in the Credit Agreement).

This promissory note (this "Note") is secured under the Indenture dated as of July 1, 2009, made by the Borrower to U.S. Bank National Association, as Trustee thereunder, as it has been or shall hereafter be supplemented, amended, consolidated or restated from time to time (the "Indenture"). This Note is one of the Notes referred to in, and has been executed and delivered pursuant to, the Credit Agreement, and constitutes an "Obligation" (as defined in the Indenture) under the Indenture. This Note is equally and ratably secured, to the extent provided in the Indenture, by the Trust Estate, except and excluding the Excepted Property.

This Note is a registered Obligation and, as provided in the Indenture, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer (in substantially the same form attached hereto as Exhibit A) duly executed, by the registered Holder (as defined in the Indenture) hereof or such Holder's attorney duly authorized in writing, a new secured promissory note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the

Borrower may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Borrower will not be affected by any notice to the contrary.

The principal hereof and accrued interest thereon may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect provided in the Indenture, and with respect to any other amount due under the Credit Agreement, as provided in the Indenture or the Credit Agreement.

The Borrower waives demand, presentment for payment, notice of dishonor, protest, notice of protest, and notice of non-payment of this Note.

This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

*[Remainder of page intentionally left blank.]*

**IN WITNESS WHEREOF**, the Borrower has caused this Note to be executed by a duly authorized officer of the Borrower.

(SEAL)

**BIG RIVERS ELECTRIC CORPORATION**

---

Name: Mark A. Bailey  
Title: President and Chief Executive Officer

**[TRUSTEE'S CERTIFICATE OF AUTHENTICATION APPEARS ON  
FOLLOWING PAGE]**

This Note is one of the "Obligations" referred to in the Indenture, dated as of July 1, 2009, between Big Rivers Electric Corporation, as Grantor, and U.S. Bank National Association, as Trustee.

**U.S. BANK NATIONAL ASSOCIATION,**  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

FORM OF TRANSFER NOTICE

FOR VALUE RECEIVED the undersigned registered Noteholder hereby  
sell(s) assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

---

(Please print or typewrite name and address including zip code of assignee)

---

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

---

attorney to transfer said Note on the books kept for registration thereof, with full power  
of substitution in the premises.

Date: \_\_\_\_\_  
(Signature of Transferor)

NOTE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or enlargement or any change whatsoever.

NOTE: The signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to S.E.C. Rule 17Ad-15.

National Rural Utilities Cooperative Finance Corporation hereby authorizes the Trustee as Obligation Registrar for the First Mortgage Notes, Series 2013A to transfer this Note under the Indenture pursuant to the instructions, above.

National Rural Utilities Cooperative Finance  
Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



---

**FOURTH SUPPLEMENTAL INDENTURE**  
(to that certain Indenture dated as of July 1, 2009)  
dated as of [ \_\_\_\_\_ ], 2013

Relating to the Big Rivers Electric Corporation  
First Mortgage Notes, Series 2013A  
Authorized by this Fourth Supplemental Indenture

**BIG RIVERS ELECTRIC CORPORATION**

to

**U.S. BANK NATIONAL ASSOCIATION,  
TRUSTEE**

**FIRST MORTGAGE OBLIGATIONS**

- 
- THIS INSTRUMENT IS A MORTGAGE.
  - THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY.
  - BIG RIVERS ELECTRIC CORPORATION IS A TRANSMITTING UTILITY.
  - THIS INSTRUMENT CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL PROPERTY, AFTER-ACQUIRED PROPERTY, FIXTURES AND PROCEEDS.
  - FUTURE ADVANCES AND FUTURE OBLIGATIONS ARE SECURED BY THIS INSTRUMENT.
  - THE MAXIMUM ADDITIONAL INDEBTEDNESS WHICH MAY BE SECURED HEREUNDER IS \$3,000,000,000.
  - THE TYPES OF PROPERTY COVERED BY THIS INSTRUMENT ARE DESCRIBED ON PAGES 2 THROUGH 3.
  - THE ADDRESSES AND THE SIGNATURES OF THE PARTIES TO THIS INSTRUMENT ARE STATED ON PAGES 1, S-1 AND S-2.

THIS INDENTURE WAS PREPARED BY JAMES M. MILLER OF SULLIVAN, MOUNTJOY, STAINBACK & MILLER, P.S.C., 100 ST. ANN BUILDING, OWENSBORO, KENTUCKY 42303, ATTORNEY FOR BIG RIVERS ELECTRIC CORPORATION.

Signed: \_\_\_\_\_

Exhibit 6

**THIS FOURTH SUPPLEMENTAL INDENTURE**, dated as of [\_\_\_\_\_] , 2013 (this "Fourth Supplemental Indenture"), is between **BIG RIVERS ELECTRIC CORPORATION**, a cooperative corporation organized under the laws of the Commonwealth of Kentucky, as Grantor (hereinafter called the "Company"), whose post office address is 201 Third Street, Henderson, Kentucky 42420, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, as trustee (in such capacity, the "Trustee"), whose post office address is 225 Asylum Street, Hartford, Connecticut 06103;

**WHEREAS**, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of July 1, 2009 (the "Original Indenture", as heretofore, hereby and hereafter supplemented being sometimes referred to as the "Indenture"), for the purpose of securing its Existing Obligations and providing for the authentication and delivery of Additional Obligations (capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Original Indenture) by the Trustee from time to time under the Original Indenture, which Original Indenture is filed of record as shown on Exhibit A hereto;

**WHEREAS**, the Company has heretofore entered into a Revolving Line of Credit Agreement, dated as of July 16, 2009 (the "Revolving Credit Agreement"), with National Rural Utilities Cooperative Finance Corporation ("CFC"), pursuant to which CFC has agreed to make advances on a line of credit and to issue letters of credit in an amount not to exceed \$50,000,000; and

**WHEREAS**, the Company and CFC have agreed to extend the term of the Revolving Credit Agreement and to secure loans to the Company under the Original Indenture and, in connection herewith, the Company will enter into an Amended and Restated Revolving Line of Credit Agreement, dated as of [\_\_\_\_\_] , 2013 (the "Credit Agreement"), with CFC, and, in connection therewith, the Company will secure certain of its obligations under the Credit Agreement under this Fourth Supplemental Indenture; and

**WHEREAS**, the Company desires to execute and deliver this Fourth Supplemental Indenture, in accordance with the provisions of the Original Indenture, for the purpose of providing for the creation and designation of the First Mortgage Notes, Series 2013A, in the principal amount of \$50,000,000 (the "First Mortgage Notes, Series 2013A") as an Additional Obligation and specifying the form and provisions of the First Mortgage Notes, Series 2013A; and

**WHEREAS**, Section 12.1 of the Original Indenture provides that, without the consent of the Holders of any of the Obligations at the time Outstanding, the Company, when authorized by a Board Resolution, and the Trustee, may enter into Supplemental Indentures for the purposes and subject to the conditions set forth in said Section 12.1; and

**WHEREAS**, all acts and proceedings required by law and by the Articles of Incorporation and Bylaws of the Company necessary to secure the payment of the

principal of and interest on the First Mortgage Notes, Series 2013A, to make the First Mortgage Notes, Series 2013A issued hereunder, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligation of the Company, and to constitute the Indenture a valid and binding lien for the security of the First Mortgage Notes, Series 2013A, in accordance with its terms, have been done and taken; and the execution and delivery of this Fourth Supplemental Indenture has been in all respects duly authorized;

**NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSES**, that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Secured Obligations, including, when issued, the First Mortgage Notes, Series 2013A, to confirm the lien of the Indenture upon the Trust Estate, including property purchased, constructed or otherwise acquired by the Company since the date of execution of the Original Indenture, to secure performance of the covenants therein and herein contained, to declare the terms and conditions on which the First Mortgage Notes, Series 2013A are secured, and in consideration of the premises thereof and hereof, the Company by these presents does grant, bargain, sell, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to (and does create a security interest in favor of) the Trustee, in trust with power of sale, all property, rights, privileges and franchises of the Company (except any Excepted Property) of the character described in the Granting Clauses of the Original Indenture, including all such property, rights, privileges and franchises acquired since the date of execution of the Original Indenture subject to all exceptions, reservations and matters of the character therein referred to, and subject in all cases to Sections 5.2 and 11.2 B of the Original Indenture and to the rights of the Company under the Original Indenture, including the rights set forth in Article V thereof; but expressly excepting and excluding from the lien and operation of the Indenture all properties of the character specifically excepted as "Excepted Property" in the Original Indenture to the extent contemplated thereby.

**PROVIDED, HOWEVER**, that if, upon the occurrence of an Event of Default under the Indenture, the Trustee, or any separate trustee or co-trustee appointed under Section 9.14 of the Original Indenture or any receiver appointed pursuant to statutory provision or order of court, shall have entered into possession of all or substantially all of the Trust Estate, all the Excepted Property described or referred to in Paragraphs A through H, inclusive, of "Excepted Property" in the Original Indenture then owned or thereafter acquired by the Company, shall immediately, and, in the case of any Excepted Property described or referred to in Paragraphs I, J and L of "Excepted Property" in the Original Indenture, upon demand of the Trustee or such other trustee or receiver, become subject to the lien of the Indenture to the extent permitted by law, and the Trustee or such other trustee or receiver may, to the extent permitted by law, at the same time likewise take possession thereof, and whenever all Events of Default shall have been cured and the possession of all or substantially all of the Trust Estate shall have been restored to the Company, such Excepted Property shall again be excepted and excluded from the lien of the Indenture to the extent and otherwise as hereinabove set forth and as set forth in the Indenture.

The Company may, however, pursuant to the Granting Clause Third of the Original Indenture, subject to the lien of the Indenture any Excepted Property, whereupon the same shall cease to be Excepted Property.

**TO HAVE AND TO HOLD** all such property, rights, privileges and franchises hereby and hereafter (by Supplemental Indenture or otherwise) granted, bargained, sold, alienated, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over or confirmed (or in which a security interest is granted) as aforesaid, together with all the tenements, hereditaments and appurtenances thereto appertaining (said properties, rights, privileges and franchises, including any cash and securities hereafter deposited or required to be deposited with the Trustee (other than any such cash which is specifically stated in the Original Indenture not to be deemed part of the Trust Estate) being part of the Trust Estate), unto the Trustee, and its successors and assigns in the trust herein created, forever.

**SUBJECT, HOWEVER,** to (i) Permitted Exceptions and (ii) to the extent permitted by Section 13.6 of the Original Indenture as to property hereafter acquired (a) any duly recorded or perfected Prior Lien that may exist thereon at the date of the acquisition thereof by the Company and (b) purchase money mortgages, other purchase money liens, chattel mortgages, conditional sales agreements or other title retention agreements created by the Company at the time of acquisition thereof.

**BUT IN TRUST, NEVERTHELESS,** with power of sale, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Secured Obligations without any priority of any Outstanding Secured Obligation over any other Outstanding Secured Obligation and for the enforcement of the payment of Outstanding Secured Obligations in accordance with their terms.

**UPON CONDITION** that, until the happening of an Event of Default under the Indenture and subject to the provisions of Article V of the Original Indenture, and not in limitation of the rights elsewhere provided in the Original Indenture, including the rights set forth in Article V of the Original Indenture, the Company shall have the right to (i) possess, use, manage, operate and enjoy the Trust Estate (other than cash and securities constituting part of the Trust Estate that are deposited with the Trustee), (ii) explore for, gather, cut, mine and produce crops, timber, coal, ore, gas, oil, minerals or other natural resources and products, and to use, consume and dispose of any thereof, and (iii) collect, receive, use, make payments from, transfer, invest, otherwise utilize or employ amounts constituting or derived from the rents, issues, tolls, earnings, profits, revenues, products and proceeds from the Trust Estate or the operation of the property constituting part of the Trust Estate.

Should the indebtedness secured by the Indenture be paid according to the tenor and effect thereof when the same shall become due and payable and should the Company perform all covenants therein and herein contained in a timely manner, then the Indenture shall be canceled and surrendered.

**AND IT IS HEREBY COVENANTED AND DECLARED** that the First Mortgage Notes, Series 2013A are to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the covenants, conditions and trusts set forth herein and in the Original Indenture, and the Company does hereby covenant and agree to and with the Trustee, for the equal and proportionate benefit of all Holders of the Outstanding Secured Obligations, as follows:

## ARTICLE I

### THE FIRST MORTGAGE NOTES, SERIES 2013A AND CERTAIN PROVISIONS RELATING THERETO

#### SECTION 1.01. Definitions.

All words and phrases defined in Article I of the Original Indenture shall have the same meaning in this Fourth Supplemental Indenture, including any exhibit hereto, except as otherwise appears herein or unless the context clearly requires otherwise.

#### SECTION 1.02. Authorization and Terms of the First Mortgage Notes, Series 2013A.

There shall be established a series of Additional Obligations known as and entitled the "First Mortgage Notes, Series 2013A" (hereinafter referred to as the "First Mortgage Notes, Series 2013A"), the form, terms and conditions of which shall be substantially as set forth in Sections 1.02-1.05 hereof. The First Mortgage Notes, Series 2013A are the same Notes described and defined in the Credit Agreement as the "Note." The aggregate principal face amount of the First Mortgage Notes, Series 2013A which shall be authenticated and delivered and Outstanding at any one time is limited to \$50,000,000.

The First Mortgage Notes, Series 2013A shall be dated [\_\_\_\_\_], 2013 and shall mature on July 16, 2017. The First Mortgage Notes, Series 2013A shall bear interest at the CFC Line of Credit Rate (as defined in the Credit Agreement) and interest shall be payable as provided in Section 3.05 of the Credit Agreement. Interest shall accrue at a rate calculated pursuant to Section 3.05C of the Credit Agreement. Payments of principal on the First Mortgage Notes, Series 2013A shall be made pursuant to Section 3.05 of the Credit Agreement. Payments of interest on the First Mortgage Notes, Series 2013A shall be made pursuant to Section 3.05D of the Credit Agreement. In addition, upon the occurrence of an event specified in Section 3.07A or 3.07B of the Credit Agreement, Advances (as defined in the Credit Agreement) shall bear interest at the Default Rate (as defined in the Credit Agreement), in the manner set forth in Section 3.07 of the Credit Agreement. The principal of, and the fees and interest on, the First Mortgage Notes, Series 2013A shall be paid to the Person in whose name that Obligation (or one or more Predecessor Obligations) is registered at the close of business on the 15<sup>th</sup> day (whether or not a Business Day) of the calendar month immediately preceding an interest payment (the "Record Date") applicable to such interest payment date. Interest on the First Mortgage Notes, Series 2013A shall

be computed for the actual number of days the loan is outstanding on a basis determined pursuant to Section 3.05E of the Credit Agreement. If any payment to be made by the Company hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

The Company will act as the Paying Agent for the First Mortgage Notes, Series 2013A.

The First Mortgage Notes, Series 2013A shall be issued as fully registered notes without coupons and in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof. The First Mortgage Notes, Series 2013A shall be registered in the name of CFC at 20701 Cooperative Way, Dulles, Virginia 20166 in certificated form.

### **SECTION 1.03. Mandatory Prepayment**

(a) The First Mortgage Notes, Series 2013A shall be subject to mandatory prepayment pursuant to Section 3.09 of the Credit Agreement.

(b) The First Mortgage Notes, Series 2013A that the Company acquires and surrenders (other than by means of mandatory prepayments as provided herein) will be credited against future mandatory prepayments for such First Mortgage Notes, Series 2013A and the principal payment to be made on the maturity date of such First Mortgage Notes, Series 2013A, in proportion to the respective amounts of those mandatory prepayments, subject to authorized denominations.

### **SECTION 1.04. Optional Prepayment**

The Company shall have the right at any time and from time to time to prepay the First Mortgage Notes, Series 2013A, in whole or in part, on or prior to their stated maturity only to the extent permitted by Section 3.08 of the Credit Agreement. Prior to any prepayment, the Company shall select the Advances (as defined in the Credit Agreement) to be prepaid and shall notify CFC by telephone (confirmed by telecopy) of such selection not later than 11:00 am, local time at CFC's offices in Dulles, Virginia one (1) Business Day before the scheduled date of such prepayment.

### **SECTION 1.05. Form of the First Mortgage Notes, Series 2013A.**

The First Mortgage Notes, Series 2013A and the Trustee's authentication certificate to be executed on the First Mortgage Notes, Series 2013A shall be substantially in the form of Exhibit B attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted in the Original Indenture.

## ARTICLE II

### MISCELLANEOUS

#### **SECTION 2.01. Supplemental Indenture.**

This Fourth Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture, and shall form a part thereof, and the Original Indenture, as hereby supplemented, is hereby confirmed. Except to the extent inconsistent with the express terms of this Fourth Supplemental Indenture and the Credit Agreement, all of the provisions, terms, covenants and conditions of the Original Indenture shall be applicable to the First Mortgage Notes, Series 2013A to the same extent as if specifically set forth herein.

#### **SECTION 2.02. Recitals.**

All recitals in this Fourth Supplemental Indenture are made by the Company only and not by the Trustee; and all of the provisions contained in the Original Indenture, in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect hereof as fully and with like effect as if set forth herein in full. The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Fourth Supplemental Indenture or the First Mortgage Notes, Series 2013A (other than its certificate of authentication); it shall not be accountable for the Company's use of the proceeds from the First Mortgage Notes, Series 2013A; and it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee. The Trustee is not a party to the Credit Agreement, and it will not be responsible for or charged with knowledge of any terms of the Credit Agreement.

#### **SECTION 2.03. Successors and Assigns.**

Whenever in this Fourth Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles IX and XI of the Original Indenture, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Fourth Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

#### **SECTION 2.04. No Rights, Remedies, Etc.**

Nothing in this Fourth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the Holders of the Outstanding Secured Obligations, any right, remedy or claim under or by reason of this Fourth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Fourth Supplemental Indenture contained by or on behalf of the Company shall be for the sole

and exclusive benefit of the parties hereto, and of the Holders of Outstanding Secured Obligations.

**SECTION 2.05. Counterparts.**

This Fourth Supplemental Indenture may be executed in several counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Company and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

**SECTION 2.06. Security Agreement; Mailing Address.**

To the extent permitted by applicable law, this Fourth Supplemental Indenture shall be deemed to be a security agreement and financing statement whereby the Company grants to the Trustee a security interest in all of the Trust Estate that is personal property or fixtures under the Uniform Commercial Code.

The mailing address of the Company, as debtor is:

Big Rivers Electric Corporation  
201 Third Street  
Henderson, Kentucky 42420

the address of the Trustee, as secured party, for the purpose of Uniform Commercial Code filings is:

U.S. Bank National Association  
Corporate Trust Services  
P.O. Box 960778  
Boston, Massachusetts 02102

and the mailing address of the Trustee for notices is:

U.S. Bank National Association  
Corporate Trust Services  
225 Asylum Street, 24<sup>th</sup> Floor  
Hartford, Connecticut 06103  
ATTN: Philip G. Kane, Jr. (Big Rivers 2009 Indenture:  
First Mortgage Notes, Series 2013A)

Additionally, this Fourth Supplemental Indenture shall, if appropriate, be an amendment to the financing documents originally filed in connection with the Original Indenture. The Company and Trustee are authorized to execute and file as appropriate instruments under the Uniform Commercial Code to either create a security interest or amend any security interest heretofore created; *provided* that the Trustee has no obligation to prepare or make any such filings.

[Signatures on Next Page.]





EXHIBIT A

RECORDING INFORMATION FOR  
INDENTURE DATED AS OF JULY 1, 2009

Breckinridge County	Mortgage Book 354, page 533
Caldwell County	Mortgage Book 258, page 1
Crittenden County	Mortgage Book 184, page 457
Daviess County	Mortgage Book 1707, page 562
Hancock County	Mortgage Book 177, page 259
Henderson County	Mortgage Book 1032, page 1
Hopkins County	Mortgage Book 965, page 227
Livingston County	Mortgage Book 262, page 305
Marshall County	<del>Mortgage</del> Book 672, page 592
McCracken County	Mortgage Book 1232, page 329
Meade County	Mortgage Book 627, page 222
Ohio County	Mortgage Book 435, page 500
Union County	Mortgage Book 373, page 152
Webster County	Mortgage Book 283, page 578

**EXHIBIT B**

**THIS SERIES 2013A FIRST MORTGAGE NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY BE RESOLD ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE SECURITIES ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE, EXCEPT UNDER CIRCUMSTANCES WHERE NEITHER SUCH REGISTRATION NOR SUCH AN EXEMPTION IS REQUIRED BY LAW.**

**CFC Loan No. [ ]**

**\$50,000,000**

**BIG RIVERS ELECTRIC CORPORATION  
FIRST MORTGAGE NOTES, SERIES 2013A**

**ISSUANCE DATE: [ ], 2013**

BIG RIVERS ELECTRIC CORPORATION, a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky (the "Borrower"), for value received, hereby promises to pay, without setoff, deduction, recoupment or counterclaim, to the order of NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (the "Payee"), at its office in Dulles, Virginia or such other location as the Payee may designate to the Borrower, in lawful money of the United States, the principal sum of FIFTY MILLION AND 00/100 DOLLARS (\$50,000,000.00), or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Amended and Restated Revolving Line of Credit Agreement, dated as of even date herewith, between the Borrower and the Payee, as it may be amended from time to time (herein called the "Credit Agreement"), and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rate and in amounts and payable on the dates provided in the Credit Agreement together with any other amount payable under the Credit Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable on the Maturity Date (as defined in the Credit Agreement).

This promissory note (this "Note") is secured under the Indenture dated as of July 1, 2009, made by the Borrower to U.S. Bank National Association, as Trustee thereunder, as it has been or shall hereafter be supplemented, amended, consolidated or restated from time to time (the "Indenture"). This Note is one of the Notes referred to in, and has been executed and delivered pursuant to, the Credit Agreement, and constitutes an "Obligation" (as defined in the

Indenture) under the Indenture. This Note is equally and ratably secured, to the extent provided in the Indenture, by the Trust Estate, except and excluding the Excepted Property.

This Note is a registered Obligation and, as provided in the Indenture, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer (in substantially the same form attached hereto as Exhibit A) duly executed, by the registered Holder (as defined in the Indenture) hereof or such Holder's attorney duly authorized in writing, a new secured promissory note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Borrower may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Borrower will not be affected by any notice to the contrary.

The principal hereof and accrued interest thereon may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect provided in the Indenture, and with respect to any other amount due under the Credit Agreement, as provided in the Indenture or the Credit Agreement.

The Borrower waives demand, presentment for payment, notice of dishonor, protest, notice of protest, and notice of non-payment of this Note.

This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

*[Remainder of page intentionally left blank.]*

**IN WITNESS WHEREOF**, the Borrower has caused this Note to be executed by a duly authorized officer of the Borrower.

(SEAL)

**BIG RIVERS ELECTRIC CORPORATION**

---

Name: Mark A. Bailey

Title: President and Chief Executive Officer

**[TRUSTEE'S CERTIFICATE OF AUTHENTICATION APPEARS ON  
FOLLOWING PAGE]**

This Note is one of the "Obligations" referred to in the Indenture, dated as of July 1, 2009, between Big Rivers Electric Corporation, as Grantor, and U.S. Bank National Association, as Trustee.

**U.S. BANK NATIONAL ASSOCIATION,**  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

FORM OF TRANSFER NOTICE

FOR VALUE RECEIVED the undersigned registered Noteholder hereby sell(s) assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

\_\_\_\_\_  
\_\_\_\_\_  
(Please print or typewrite name and address including zip code of assignee)

\_\_\_\_\_  
the within Note and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_  
attorney to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_  
\_\_\_\_\_  
(Signature of Transferor)

NOTE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or enlargement or any change whatsoever.

NOTE: The signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to S.E.C. Rule 17Ad-15.

National Rural Utilities Cooperative Finance Corporation hereby authorizes the Trustee as Obligation Registrar for the First Mortgage Notes, Series 2013A to transfer this Note under the Indenture pursuant to the instructions, above.

National Rural Utilities Cooperative Finance Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



EXHIBIT 7  
BIG RIVERS ELECTRIC CORPORATION'S  
DESCRIPTION OF PROPERTY

1  
2  
3           Big Rivers Electric Corporation is a generation and transmission cooperative  
4 (G&T) headquartered in Henderson, Kentucky. The Corporation meets the electric  
5 power needs of three member distribution cooperatives, which, in turn, sell electricity to  
6 more than 113,000 residential, commercial, and industrial consumers in 22 western  
7 Kentucky counties.

8  
9           1. Big Rivers' utility plant in service, materials and supplies inventory, and fuel  
10 inventory as of December 31, 2012, consisted of intangible plant, electric power  
11 generating plants, land right-of-ways, transmission stations and lines, land, buildings,  
12 office furniture and equipment, transportation equipment, storage equipment, tools, shop  
13 and garage equipment, laboratory equipment, power operated equipment, communication  
14 equipment, materials and supplies inventory, and fuel inventory. The original cost of  
15 these properties as of December 31, 2012 is \$2,058,510.741.

16  
17           2. As of December 31, 2012, Big Rivers' intangible plant included  
18 organizational and franchise costs of \$66,895.

19  
20           3. Big Rivers owns and operates electric generating units Reid, Coleman, Green  
21 and Wilson and has certain rights to HMP&L Station Two. As of December 31, 2012,  
22 Big Rivers' generation assets original cost was \$1,715,962,276 with a net (depreciated)  
23 value of \$880,024,736.

24  
25           a. The Coleman Station is a multiple unit plant consisting of three coal-  
26 fired units designed to burn Illinois Basin coal. The units were  
27 commercialized in 1969, 1970, and 1972, respectively, with a  
28 combined net output rating of 443 MW.

29  
30           b. The Robert Reid Station is a multiple unit plant consisting of one coal-  
31 fired unit designed to burn Illinois Basin coal and one combustion  
32 turbine with the ability to burn either fuel oil or natural gas. The units  
33

EXHIBIT 7  
BIG RIVERS ELECTRIC CORPORATION'S  
DESCRIPTION OF PROPERTY

1                   were commercialized in 1966 and 1976, respectively, with a combined  
2                   net output rating of 130 MW.

3  
4                   c. The Robert D. Green facility is a multiple unit plant consisting of two  
5                   coal-fired units designed to burn Illinois Basin coal. The units were  
6                   commercialized in 1979 and 1981, respectively, with a combined net  
7                   output rating of 454 MW.

8  
9                   d. The D.B. Wilson Station is a single coal-fired unit designed to burn  
10                  Illinois Basin coal. The unit was commercialized in 1986 with a net  
11                  output rating of 417 MW.

12  
13                  4. Big Rivers has interconnections with seven utilities: HMP&L, Southern  
14                  Illinois Power Cooperative, Louisville Gas & Electric, Kentucky Utilities, Vectren,  
15                  Hoosier Energy Cooperative, and the Tennessee Valley Authority. Big Rivers, however,  
16                  cannot purchase power from the Tennessee Valley Authority.

17  
18                  5. Transmission Facilities as of December 31, 2012, included land, right-of-  
19                  ways, station equipment and lines costing \$248,275,524 with a net (depreciated) value of  
20                  \$130,568,562. The miles of transmission line by size are as follows: 833 miles of 69 kV,  
21                  14 miles of 138 kV, 350 miles of 161 kV, and 68 miles of 345 kV. The substation  
22                  capacity consists of 1,879,800 kVA step-up at generating plants and 3,540,000 kVA  
23                  transmission.

24  
25                  6. Big Rivers owns general plant assets costing \$35,103,360 as of December 31,  
26                  2012, with a net (depreciated) value of \$25,753,585. General plant consists of land,  
27                  structures and improvements, office furniture and equipment, transportation equipment,  
28                  storage equipment, tools, shop and garage equipment, laboratory equipment, power  
29                  operated equipment, communication equipment, and other miscellaneous equipment used  
30                  to provide service to member cooperatives.

EXHIBIT 7  
BIG RIVERS ELECTRIC CORPORATION'S  
DESCRIPTION OF PROPERTY

1           7. As of December 31, 2012 Big Rivers had materials and supplies inventory of  
2 \$24,957,073 and fuel inventory of \$34,145,612.

3  
4           8. Big Rivers' investment in construction work in progress as of December 31,  
5 2012 was \$50,813,643.

6  
7           9. As of December 31, 2012, Big Rivers did not own any non-utility property.  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33



1 **BIG RIVERS ELECTRIC CORPORATION**

2 **FINANCIAL EXHIBIT**

3 **AS OF DECEMBER 31, 2012**

4  
5  
6  
7 Big Rivers states that:

- 8
- 9 1. No amounts or kinds of stock have been authorized.
  - 10
  - 11 2. No amounts or kinds of stock have been issued, and none are outstanding.
  - 12
  - 13 3. No preferred stock has been authorized, and none is outstanding.
  - 14
  - 15 4. Effective with the close of the “Unwind” Transaction on July 16, 2009, all
  - 16 previously existing mortgages were permanently extinguished with the Third
  - 17 Restated Mortgage and Security Agreement (successor to the Restated Mortgage
  - 18 and Security Agreement [the New RUS Mortgage] and Second Restated
  - 19 Mortgage and Security Agreement) being replaced with Big Rivers’ Mortgage
  - 20 Indenture (the “Indenture”). The Indenture secures on a *pro rata, pari passu* basis
  - 21 all of the indebtedness owed to Big Rivers’ existing senior secured creditors as
  - 22 well as future senior secured creditors. A principal feature of the Indenture is the
  - 23 use of a lien and security interest in favor of an institutional trustee rather than in
  - 24 favor of each individual creditor as mortgagee. The Indenture creates a lien and
  - 25 security interest on most of Big Rivers’ real and personal property. Additional

1 debt can be issued under the Indenture on a *pari passu* basis with Big Rivers'  
2 existing senior creditors without obtaining the existing senior creditors' approvals,  
3 provided such debt issue meets certain objective tests.

4 The Indenture, dated July 1, 2009, was made by and between Big Rivers  
5 Electric Corporation, as Grantor, and U.S. Bank National Association, as Trustee.

6 As of December 31, 2012 the Indenture secured the following Obligations:

- 7
- 8 • AMBAC Municipal Bond Insurance Policy Series 1983 Note, dated July  
9 16, 2009, made by Big Rivers (the "Company") to Ambac Assurance  
10 Corporation, ("Ambac"), issued in an aggregate principal amount not to  
11 exceed \$216,207,600. This is an Existing Obligation under the Indenture.
  - 12 • Big Rivers Electric Corporation Standby Bond Purchase Agreement Note  
13 (Series 1983 Bonds), dated July 16, 2009, made by the Company to Dexia  
14 Credit Local, issued in an aggregate principal amount not to exceed  
15 \$216,207,600. This is an Existing Obligation under the Indenture.
  - 16 • Big Rivers Electric Corporation First Mortgage Note, Series 2010A, dated  
17 July 8, 2010, made by the Company to U.S. Bank Trust National  
18 Association, as trustee, in an amount equal to the principal and interest  
19 due on the \$83,300,000 County of Ohio, Kentucky, Pollution Control  
20 Refunding Revenue Bonds, Series 2010A. This is an Additional  
21 Obligation under the Indenture.
  - 22 • RUS 2009 Promissory Note Series A, dated July 16, 2009, made by the  
23 Company to the United States of America, in the original principal amount

1 of \$602,573,536, maturing on July 1, 2021. This is an Existing Obligation  
2 under the Indenture.

3 • RUS 2009 Promissory Note Series B, dated July 16, 2009, made by the  
4 Company to the United States of America, in the amount at final maturity  
5 of \$245,530,257.30, maturing on December 31, 2023. This is an Existing  
6 Obligation under the Indenture.

7 • Big Rivers Electric Corporation First Mortgage Note, Series 2012A, dated  
8 July 24, 2012, made by the Company to CoBank, ACB, in the original  
9 principal amount of \$235,000,000, maturing on June 30, 2032. This is an  
10 Additional Obligation under the Indenture.

11 • Big Rivers Electric Corporation First Mortgage Note, Series 2012B, dated  
12 July 27, 2012, made by the Company to National Rural Utilities  
13 Cooperative Finance Corporation, in the original principal amount of  
14 \$302,000,000, maturing on July 31, 2032. This is an Additional  
15 Obligation under the Indenture.

16  
17 The Indenture provides that a maximum of \$3,000,000,000 of Additional  
18 Obligations may be issued and secured. As noted above, the Big Rivers Electric  
19 Corporation First Mortgage Notes, Series 2010A, 2012A, and 2012B, are  
20 Additional Obligations under the Indenture.  
21

1           5.       Big Rivers has financed certain pollution control facilities at the D.B.  
2           Wilson Station with pollution control bonds issued by the County of Ohio,  
3           Kentucky. Big Rivers Electric Corporation has two issues outstanding.  
4

5                       On June 30, 1983, the County of Ohio, Kentucky, issued  
6           \$58,800,000 of Pollution Control Floating Rate Demand Bonds, Series  
7           1983 (“Series 1983 Bonds”), with a stated maturity date of June 1, 2013.  
8           These bonds bear interest at a variable rate and, prior to July 15, 1998,  
9           were supported by an irrevocable standby letter of credit. On July 15, 1998  
10          the standby letter of credit was replaced by a liquidity facility issued by  
11          Credit Suisse First Boston (subsequently assigned to Dexia Credit Local  
12          effective May 1, 2006) and municipal bond insurance and security policies  
13          issued by Ambac Assurance Corporation. A Remarketing Agent is  
14          responsible for determining the stated rate (Base Rate) of interest to be  
15          applied to the Series 1983 Bonds necessary to remarket the bonds at par  
16          plus accrued interest in a secondary market transaction. The Base Rate so  
17          determined may not be less than 40 percent or more than 110 percent of a  
18          variable interest index. This variable interest index is the weighted  
19          average per annum discount rate for direct obligations of the United States  
20          with maturities of 13 weeks, expressed as a bond equivalent on the basis  
21          of a 365 or 366 day year, as appropriate, and applied on a daily basis, set  
22          on the latest auction of such obligations. The Base Rate cannot exceed 13  
23          percent and is subject to Big Rivers’ approval.

1                   If the Remarketing Agent is unable to remarket the Bonds they are  
2                   tendered to the Liquidity Provider (Dexia Credit Local) under the terms of  
3                   the Standby Bond Purchase Agreement and become “Bank Bonds” with  
4                   interest paid at the “Bank Rate.” The Bank Rate is the higher of (a) the  
5                   base commercial lending rate announced from time to time by the  
6                   Liquidity Provider in effect on such date, or (b) the rate quoted by the  
7                   Liquidity Provider on such date to dealers in the New York Federal funds  
8                   market for the overnight offering of dollars by the Liquidity Provider for  
9                   deposit, plus one half of one percent. The Bank Rate may not exceed the  
10                  lesser of 18 percent per annum and the maximum rate of interest permitted  
11                  by applicable law. As of December 31, 2012 all Bonds were held as Bank  
12                  Bonds and the Bank Rate was 3.25%.

13                  The Series 1983 Bonds are supported by two promissory notes  
14                  (AMBAC Municipal Bond Insurance Policy Series 1983 Note and  
15                  Standby Bond Purchase Agreement Note) from Big Rivers, which bear the  
16                  same interest rate as the bonds. Big Rivers’ Indenture secures the  
17                  promissory notes issued in support of the Series 1983 Bonds equally and  
18                  ratably with all other Obligations issued under the Indenture.

19                  The interest paid on the Series 1983 Bonds during the fiscal year  
20                  ending December 31, 2012 was \$1,953,466.67.

21  
22                  On October 31, 1985, the County of Ohio, Kentucky, issued  
23                  \$83,300,000 of Variable Rate Demand Pollution Control Refunding

1 Bonds, Series 1985 (“Series 1985 Bonds”), with a stated maturity date of  
2 October 1, 2015. On August 1, 2001, Big Rivers refunded the Series 1985  
3 Bonds with the Series 2001A, Periodic Auction Reset Securities (“Series  
4 2001A Bonds”), effectively eliminating a \$5 million annual sinking fund  
5 requirement of the Series 1985 Bonds and extending the maturity date  
6 from October 1, 2015 to October 1, 2022. On June 8, 2010, the County of  
7 Ohio, Kentucky, Pollution Control Refunding Revenue Bonds, Series  
8 2010A (“Series 2010A Bonds”), with a maturity date of July 15, 2031  
9 were issued in the amount of \$83,300,000. Proceeds from the Series  
10 2010A Bonds were used to refund the Series 2001A Bonds. The Series  
11 2010A Bonds bear interest at a fixed rate of 6.00%.

12 The Series 2010A Bonds are supported by a promissory note from  
13 Big Rivers, which bears the same interest rate as the bonds. Big Rivers’  
14 Indenture secures the promissory note issued in support of the Series  
15 2010A Bonds equally and ratably with all other Obligations issued under  
16 the Indenture.

17 The interest paid on the Series 2010A Bonds during the fiscal year  
18 ending December 31, 2012 was \$4,998,000.00.

19  
20 6. As of December 31, 2012, Big Rivers’ notes outstanding, on which  
21 amounts were due and owing, consisted of the RUS 2009 Promissory Note Series  
22 A (“RUS 2009 Series A Note”); RUS 2009 Promissory Note Series B (“RUS  
23 2009 Series B Note”); Big Rivers Electric Corporation AMBAC Municipal Bond

1 Insurance Policy Series 1983 Note; Big Rivers Electric Corporation Standby  
2 Bond Purchase Agreement Note (Series 1983 Bonds); Big Rivers Electric  
3 Corporation First Mortgage Notes, Series 2010A, Series 2012A, and Series  
4 2012B ; Capital Term Certificates Promissory Note – Unsecured (associated with  
5 borrowings secured by Big Rivers Electric Corporation First Mortgage Notes,  
6 Series 2012B); and the CoBank Senior Unsecured Revolving Credit Facility Note.

7           The RUS 2009 Series A Note, dated July 16, 2009, was issued in  
8 favor of the United States of America, acting through the United States  
9 Department of Agriculture, Rural Utilities Services, (the “RUS”), in the  
10 original principal amount of \$602,573,536, with a maturity of July 1,  
11 2021. The RUS 2009 Series A Note has a stated interest rate of 5.75%  
12 and an outstanding stated amount of \$80,456,000 as of December 31,  
13 2012. Interest paid during the fiscal year ending December 31, 2012 was  
14 \$17,903,605.49.

15           The RUS 2009 Series B Note, dated July 16, 2009, was issued in  
16 favor of the United States of America, acting through the United States  
17 Department of Agriculture, Rural Utilities Services, (the “RUS”), in the  
18 original principal amount of \$245,530,257.30, with a maturity of  
19 December 31, 2023. The RUS 2009 Series B Note has no stated interest  
20 rate and an outstanding stated amount of \$245,530,257.30 as of December  
21 31, 2012. There is no interest amount to be paid on this note.

22           Big Rivers Electric Corporation AMBAC Municipal Bond  
23 Insurance Policy Series 1983 Note (“AMBAC Note”), dated July 16,

1 2009, was issued in favor of Ambac Assurance Corporation (“Ambac”) in  
2 an aggregate principal amount not to exceed \$216,207,600, with a  
3 maturity of June 1, 2013. The AMBAC Note bears the same interest as  
4 the Series 1983 Bonds, which had an outstanding principal amount of  
5 \$58,800,000 as of December 31, 2012. The interest paid on the Series  
6 1983 Bonds during the fiscal year ending December 31, 2012 was  
7 \$1,953,466.67.

8 Big Rivers Electric Corporation Standby Bond Purchase  
9 Agreement Note (Series 1983 Bonds) (“Dexia Note”), dated July 16,  
10 2009, was issued in favor of Dexia Credit Local (“Dexia”) in an aggregate  
11 principal amount not to exceed \$216,207,600, with a maturity of June 1,  
12 2013. The Dexia Note bears the same interest as the Series 1983 Bonds,  
13 which had an outstanding principal amount of \$58,800,000 as of  
14 December 31, 2012. The interest paid on the Series 1983 Bonds during  
15 the fiscal year ending December 31, 2012 was \$1,953,466.67.

16 Big Rivers Electric Corporation First Mortgage Note, Series  
17 2010A (associated with the Series 2010A Bonds), dated June 1, 2010, was  
18 issued in favor of U.S. Bank National Association, as trustee, in the  
19 original principal amount of \$83,300,000, with a maturity of July 15,  
20 2031. The First Mortgage Note, Series 2010A, has a fixed interest rate of  
21 6.00% and an outstanding principal amount of \$83,300,000 as of  
22 December 31, 2012. The interest paid on the Series 2010A Bonds during  
23 the fiscal year ending December 31, 2012 was \$4,998,000.

1 Big Rivers Electric Corporation First Mortgage Note, Series  
2 2012A, dated July 24, 2012, was issued in favor of CoBank, ACB, in the  
3 original principal amount of \$235,000,000, with a maturity of June 30,  
4 2032. The First Mortgage Note, Series 2012A, has a fixed interest rate of  
5 4.30% and an outstanding principal amount of \$231,426,868 as of  
6 December 31, 2012. The interest paid on the First Mortgage Note, Series  
7 2012A during the fiscal year ending December 31, 2012 was  
8 \$4,386,962.01.

9 Big Rivers Electric Corporation First Mortgage Note, Series  
10 2012B, dated July 27, 2012, was issued in favor of National Rural Utilities  
11 Cooperative Finance Corporation, in the original principal amount of  
12 \$302,000,000, with a maturity of July 31, 2032. The First Mortgage Note,  
13 Series 2012B, bears serial interest rate pricing, with interest rates ranging  
14 from 3.05% up to 5.35%, and an outstanding principal amount of  
15 \$298,513,117.38 as of December 31, 2012. The interest paid on the First  
16 Mortgage Notes, Series 2012B during the fiscal year ending December 31,  
17 2012 was \$4,601,748.55.

18 The “Capital Term Certificates (CTCs)” Promissory Note (the  
19 “Equity Note” – an unsecured note associated with the financing of the  
20 CTCs Big Rivers was obligated to purchase in connection with the  
21 borrowings secured by Big Rivers Electric Corporation First Mortgage  
22 Note, Series 2012B), dated July 27, 2012, was issued in favor of National  
23 Rural Utilities Cooperative Finance Corporation, in the original principal

1 amount of \$43,155,800, with a maturity of July 31, 2032. The Equity  
2 Note has a fixed interest rate of 5.35% and an outstanding principal  
3 amount of \$42,844,899.14 as of December 31, 2012. The interest paid on  
4 the Equity Note, during the fiscal year ending December 31, 2012, was  
5 \$804,929.56.

6 The "CoBank Senior Unsecured Revolving Credit Facility" Note,  
7 dated July 27, 2012, was issued in favor of CoBank, ACB, in a principal  
8 amount up to \$50,000,000, with a maturity of July 27, 2017. The CoBank  
9 Revolver Note interest rate varies based on type of loan (LIBOR Loan or  
10 Base Rate Loan) as described in the Credit Agreement. As of December  
11 31, 2012 there were no loans outstanding under the CoBank Revolver.  
12 There was no interest paid during the fiscal year ending December 31,  
13 2012.

14  
15 7. The Company has no other indebtedness.

16  
17 8. No dividends have ever been paid.

18  
19 9. The monthly income statements and balance sheets for the twelve (12)  
20 months ending December 31, 2012 are attached hereto.

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
**FINANCIAL AND OPERATING REPORT**  
**ELECTRIC POWER SUPPLY**  
**PART A - FINANCIAL**

BORROWER DESIGNATION  
KY0062

PERIOD ENDED  
Jan-12

INSTRUCTIONS - See help in the online application.

**SECTION A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	45,223,900.12	46,502,203.58	53,734,437.00	46,502,203.58
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	146,085.99	373,872.96	338,417.00	373,872.96
4. Total Operation Revenues & Patronage Capital (1 thru 3)	45,369,986.11	46,876,076.54	54,072,854.00	46,876,076.54
5. Operating Expense - Production - Excluding Fuel	4,221,246.13	3,972,740.12	4,889,305.00	3,972,740.12
6. Operating Expense - Production - Fuel	19,908,587.88	16,903,878.80	23,892,667.00	16,903,878.80
7. Operating Expense - Other Power Supply	8,468,177.30	10,234,058.03	7,335,390.00	10,234,058.03
8. Operating Expense - Transmission	733,198.14	818,025.74	928,844.00	818,025.74
9. Operating Expense - RTO/ISO	170,420.70	208,911.34	229,704.00	208,911.34
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	25,473.69	15,200.89	77,589.00	15,200.89
13. Operating Expense - Sales	5,683.23	<3,938.52>	78,422.00	<3,938.52>
14. Operating Expense - Administrative & General	1,980,788.53	2,026,264.87	2,141,486.00	2,026,264.87
15. Total Operation Expense (5 thru 14)	35,513,575.60	34,175,141.27	39,573,407.00	34,175,141.27
16. Maintenance Expense - Production	2,778,500.36	3,158,935.04	2,704,801.00	3,158,935.04
17. Maintenance Expense - Transmission	280,781.95	315,086.59	303,708.00	315,086.59
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	14,661.01	17,409.28	9,385.00	17,409.28
21. Total Maintenance Expense (16 thru 20)	3,073,943.32	3,491,430.91	3,017,894.00	3,491,430.91
22. Depreciation and Amortization Expense	2,859,500.22	3,396,407.46	3,439,077.00	3,396,407.46
23. Taxes	0.00	0.00	0.00	0.00
24. Interest on Long-Term Debt	3,945,132.92	3,823,910.12	3,769,061.00	3,823,910.12
25. Interest Charged to Construction - Credit	<123,669.00>	<69,840.00>	<789.00>	<69,840.00>
26. Other Interest Expense	21,240.44	13.80	0.00	13.80
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	14,133.17	13,077.18	11,683.00	13,077.18
29. Total Cost Of Electric Service (15 + 21 thru 28)	45,303,856.67	44,830,140.74	49,810,333.00	44,830,140.74
30. Operating Margins (4 less 29)	66,129.44	2,045,935.80	4,262,521.00	2,045,935.80
31. Interest Income	29,794.50	5,655.03	4,689.00	5,655.03
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	2,322.12	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	98,246.06	2,051,590.83	4,267,210.00	2,051,590.83

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Jan-12	
INSTRUCTIONS : See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,979,277,162.07	33. Memberships	75.00
2. Construction Work in Progress	52,248,462.80	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	2,031,525,624.87	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	939,966,072.73	b. Retired This year	
5. Net Utility Plant (3 - 4)	1,091,559,552.14	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital (a-b-c)	0.00
7. Investments in Subsidiary Companies	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
8. Invest. in Assoc. Org. - Patronage Capital	3,648,302.71	36. Operating Margin - Current Year	2,045,935.80
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	37. Non-Operating Margins	639,003,192.23
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	38. Other Margins and Equities	<7,278,744.80>
11. Investments in Economic Development Projects	10,000.00	39. Total Margins & Equities (33 + 34d thru 38)	391,872,106.04
12. Other Investments	5,333.85	40. Long-Term Debt - RUS (Net)	574,868,736.28
13. Special Funds	162,569,758.16	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	166,918,387.72	42. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,785.00	43. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,679.44	45. Payments - Unapplied	0.00
18. Temporary Investments	46,610,515.67	46. Total Long-Term Debit (40 thru 44-45)	716,968,736.28
19. Notes Receivable (Net)	0.00	47. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	42,186,036.82	48. Accumulated Operating Provisions and Asset Retirement Obligations	23,159,279.81
21. Accounts Receivable - Other (Net)	<307,126.06>	49. Total Other NonCurrent Liabilities (47 +48)	23,159,279.81
22. Fuel Stock	32,640,267.50	50. Notes Payable	0.00
23. Renewable Energy Credits	0.00	51. Accounts Payable	25,155,532.14
24. Materials and Supplies - Other	25,742,244.50	52. Current Maturities Long-Term Debt	77,025,594.12
25. Prepayments	4,001,637.54	53. Current Maturities Long-Term Debt - Rural Development	0.00
26. Other Current and Accrued Assets	933,023.34	54. Current Maturities Capital Leases	0.00
27. Total Current And Accrued Assets (15 thru 26)	152,385,063.75	55. Taxes Accrued	324,116.25
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,076,451.32	56. Interest Accrued	3,610,112.18
29. Regulatory Assets	0.00	57. Other Current and Accrued Liabilities	9,603,967.50
30. Other Deferred Debits	1,857,470.19	58. Total Current & Accrued Liabilities (50 thru 57)	115,719,322.19
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	167,077,480.80
32. Total Assets And Other Debits (5+14+27 thru 31)	1,414,796,925.12	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,414,796,925.12

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
**FINANCIAL AND OPERATING REPORT**  
**ELECTRIC POWER SUPPLY**  
**PART A - FINANCIAL**

BORROWER DESIGNATION  
KY0062

PERIOD ENDED  
Feb-12

INSTRUCTIONS - See help in the online application.

**SECTION A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	87,206,119.02	88,954,042.58	103,193,820.00	42,451,839.00
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	389,425.74	856,710.80	672,334.00	482,837.84
4. Total Operation Revenues & Patronage Capital(1 thru 3)	87,595,544.76	89,810,753.38	103,866,154.00	42,934,676.84
5. Operating Expense - Production - Excluding Fuel	8,061,931.66	7,474,262.65	9,309,824.00	3,501,522.53
6. Operating Expense - Production - Fuel	37,978,752.02	33,211,481.67	44,070,405.00	16,307,602.87
7. Operating Expense - Other Power Supply	15,268,854.66	19,567,911.58	16,440,158.00	9,333,853.55
8. Operating Expense - Transmission	1,517,067.99	1,610,970.13	1,832,359.00	792,944.39
9. Operating Expense - RTO/ISO	373,349.89	425,677.65	436,276.00	216,766.31
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	69,531.89	36,383.76	146,272.00	21,182.87
13. Operating Expense - Sales	<11,546.97>	<3,938.52>	151,408.00	0.00
14. Operating Expense - Administrative & General	4,649,795.21	4,145,694.64	4,118,199.00	2,119,429.77
15. Total Operation Expense (5 thru 14)	67,907,736.35	66,468,443.56	76,504,901.00	32,293,302.29
16. Maintenance Expense - Production	5,648,547.55	6,452,585.34	6,829,211.00	3,293,650.30
17. Maintenance Expense - Transmission	563,448.19	619,462.50	606,587.00	304,375.91
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	35,948.35	29,177.93	17,570.00	11,768.65
21. Total Maintenance Expense (16 thru 20)	6,247,944.09	7,101,225.77	7,453,368.00	3,609,794.86
22. Depreciation and Amortization Expense	5,717,733.14	6,786,122.04	6,870,449.00	3,389,714.58
23. Taxes	<2,321.00>	0.00	0.00	0.00
24. Interest on Long-Term Debt	7,623,971.91	7,430,257.06	7,320,664.00	3,606,346.94
25. Interest Charged to Construction - Credit	<311,146.00>	<134,100.00>	<13,087.00>	<64,260.00>
26. Other Interest Expense	40,421.78	23.76	0.00	9.96
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	24,685.72	25,125.60	22,612.00	12,048.42
29. Total Cost Of Electric Service (15 + 21 thru 28)	87,249,025.99	87,677,097.79	98,158,907.00	42,846,957.05
30. Operating Margins (4 less 29)	346,518.77	2,133,655.59	5,707,247.00	87,719.79
31. Interest Income	56,731.10	11,364.72	10,303.00	5,709.69
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	4,644.24	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	407,894.11	2,145,020.31	5,717,550.00	93,429.48

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Feb-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,979,275,404.53	33. Memberships	75.00
2. Construction Work in Progress	56,353,261.60	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	2,035,628,666.13	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	943,223,146.05	b. Retired This year	
5. Net Utility Plant (3 - 4)	1,092,405,520.08	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital (a-b-c)	0.00
7. Investments in Subsidiary Companies	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
8. Invest. in Assoc. Org. - Patronage Capital	3,648,302.71	36. Operating Margin - Current Year	2,133,655.59
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	37. Non-Operating Margins	639,008,901.92
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	38. Other Margins and Equities	<7,278,744.80>
11. Investments in Economic Development Projects	10,000.00	39. Total Margins & Equities (33 + 34d thru 38)	391,965,535.52
12. Other Investments	5,333.85	40. Long-Term Debt - RUS (Net)	574,868,736.28
13. Special Funds	161,551,154.31	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	165,899,783.87	42. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,767.04	43. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,679.44	45. Payments - Unapplied	0.00
18. Temporary Investments	49,465,745.85	46. Total Long-Term Debt (40 thru 44-45)	716,968,736.28
19. Notes Receivable (Net)	0.00	47. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	38,623,887.02	48. Accumulated Operating Provisions and Asset Retirement Obligations	23,464,061.99
21. Accounts Receivable - Other (Net)	<216,138.15>	49. Total Other NonCurrent Liabilities (47 +48)	23,464,061.99
22. Fuel Stock	33,619,994.91	50. Notes Payable	0.00
23. Renewable Energy Credits	0.00	51. Accounts Payable	24,073,232.61
24. Materials and Supplies - Other	26,113,605.72	52. Current Maturities Long-Term Debt	77,025,594.12
25. Prepayments	3,686,488.49	53. Current Maturities Long-Term Debt - Rural Development	0.00
26. Other Current and Accrued Assets	280,758.15	54. Current Maturities Capital Leases	0.00
27. Total Current And Accrued Assets (15 thru 26)	152,152,788.47	55. Taxes Accrued	1,106,573.41
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,253,602.47	56. Interest Accrued	7,199,949.42
29. Regulatory Assets	0.00	57. Other Current and Accrued Liabilities	7,346,502.40
30. Other Deferred Debits	1,874,167.97	58. Total Current & Accrued Liabilities (50 thru 57)	116,751,851.96
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	165,435,677.11
32. Total Assets And Other Debits (5+14+27 thru 31)	1,414,585,862.86	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,414,585,862.86

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
FINANCIAL AND OPERATING REPORT  
ELECTRIC POWER SUPPLY  
PART A - FINANCIAL

ROR POWER DESIGNATION  
470062  
PERIODICITY  
12/12

INSTRUCTIONS - See Form 1040, application.

SECTION A - STATEMENT OF OPERATIONS

ITEM	YEAR TO DATE			
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	THIS MONTH (d)
1. Electric Energy Revenues	193,500,000.00	184,600,606.98	150,000,000.00	45,145,864.40
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	627,374.10	1,385,420.07	1,000,251.00	378,701.97
4. Total Operation Revenues & Patronage (Capital (1 thru 3))	194,127,374.10	186,086,027.05	151,000,251.00	45,524,566.37
5. Operating Expense - Production - Excluding Fuel	12,148,574.00	11,819,229.11	12,559,088.00	4,245,666.46
6. Operating Expense - Production - Fuel	56,425,559.19	49,721,308.47	57,634,839.00	17,510,876.30
7. Operating Expense - Other Power Supply	25,160,676.92	31,525,081.50	32,166,738.00	11,958,170.02
8. Operating Expense - Transmission	1,250,400.94	2,406,490.80	2,759,700.00	793,520.67
9. Operating Expense - RTO/ISO	579,875.50	653,671.95	640,835.00	222,991.30
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	100,474.88	104,408.62	201,774.00	67,954.86
13. Operating Expense - Sales	529.62	15,673.93	520,500.00	9,812.50
14. Operating Expense - Administrative & General	6,995,970.96	6,782,249.06	6,733,280.00	2,576,554.45
15. Total Operation Expense (5 thru 14)	103,062,061.98	102,968,213.59	112,036,576.00	31,501,470.43
16a. Maintenance Expense - Production	9,416,618.41	12,134,495.52	16,459,460.00	5,681,911.18
17. Maintenance Expense - Transmission	593,451.51	1,035,272.45	865,640.00	435,609.53
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	1,992.04	10,723.17	28,236.00	10,545.24
21. Total Maintenance Expense (16 thru 20)	10,942,562.96	13,229,491.14	17,453,566.00	6,128,266.37
22. Depreciation and Amortization Expense	8,681,045.65	10,175,850.45	10,312,898.00	3,389,708.41
23. Taxes	2,411,002.00	888.00	0.00	888.00
24. Interest on Long-Term Debt	11,616,726.04	11,206,971.45	11,888,276.00	3,326,516.39
25. Interest Charged to Construction - Credit	372,464.00	200,560.00	360,978.00	36,466.00
26. Other Interest Expense	58,886.09	162.12	0.00	162.12
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	26,110.44	40,336.24	54,310.00	15,310.64
29. Total Cost Of Electric Service (5 + 21 thru 28)	151,510,121.96	137,951,947.04	152,858,939.00	49,794,649.25
30. Operating Margins (4, less 29)	42,617,252.14	48,134,079.99	28,141,272.00	15,730,387.12
31. Interest Income	85,733.53	185,927.76	83,462.00	29,753.84
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	4,643.24	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	56,295.44	41,874.64	0.00	44,874.64
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	97,578.26	130,576.39	83,462.00	74,628.48

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Mar-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,979,275,542.79	33. Memberships	75.00
2. Construction Work in Progress	60,033,297.56	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	2,039,308,840.35	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	946,276,547.64	b. Retired This year	
5. Net Utility Plant (3 - 4)	1,093,032,292.71	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital (a-b-c)	0.00
7. Investments in Subsidiary Companies	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
8. Invest. in Assoc. Org. - Patronage Capital	3,676,551.28	36. Operating Margin - Current Year	<2,121,853.35>
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	37. Non-Operating Margins	639,015,876.96
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	38. Other Margins and Equities	<7,278,744.80>
11. Investments in Economic Development Projects	10,000.00	39. Total Margins & Equities (33 + 34d thru 38)	387,717,001.62
12. Other Investments	5,333.85	40. Long-Term Debt - RUS (Net)	576,642,774.67
13. Special Funds	159,854,096.24	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	164,230,974.37	42. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,572.12	43. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,679.44	45. Payments - Unapplied	0.00
18. Temporary Investments	49,461,159.10	46. Total Long-Term Debit (40 thru 44-45)	718,742,774.67
19. Notes Receivable (Net)	0.00	47. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	41,620,338.83	48. Accumulated Operating Provisions and Asset Retirement Obligations	23,592,582.14
21. Accounts Receivable - Other (Net)	<425,368.64>	49. Total Other NonCurrent Liabilities (47 +48)	23,592,582.14
22. Fuel Stock	34,868,560.76	50. Notes Payable	0.00
23. Renewable Energy Credits	0.00	51. Accounts Payable	28,907,912.13
24. Materials and Supplies - Other	25,893,148.47	52. Current Maturities Long-Term Debt	77,025,594.12
25. Prepayments	3,346,922.75	53. Current Maturities Long-Term Debt - Rural Development	0.00
26. Other Current and Accrued Assets	486,135.05	54. Current Maturities Capital Leases	0.00
27. Total Current And Accrued Assets (15 thru 26)	155,829,147.88	55. Taxes Accrued	1,404,443.65
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,298,521.10	56. Interest Accrued	9,219,979.00
29. Regulatory Assets	0.00	57. Other Current and Accrued Liabilities	6,923,149.61
30. Other Deferred Debits	1,867,042.33	58. Total Current & Accrued Liabilities (50 thru 57)	123,481,078.51
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	163,724,541.45
32. Total Assets And Other Debits (5+14+27 thru 31)	1,417,257,978.39	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,417,257,978.39

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
FINANCIAL AND OPERATING REPORT  
ELECTRIC POWER SUPPLY  
PART A - FINANCIAL

BORROWER DESIGNATION  
KY0062

PERIOD ENDED  
Apr-12

INSTRUCTIONS - See help in the online application.

SECTION A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	177,669,989.86	178,433,780.13	195,091,057.00	44,334,173.15
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	994,445.01	1,526,825.12	1,340,168.00	321,413.05
4. Total Operation Revenues & Patronage Capital (1 thru 3)	178,664,434.87	179,960,605.25	196,431,225.00	44,655,586.20
5. Operating Expense - Production - Excluding Fuel	16,103,977.87	15,806,738.99	17,704,809.00	3,986,809.88
6. Operating Expense - Production - Fuel	75,742,589.59	67,077,494.71	76,022,465.00	17,355,186.24
7. Operating Expense - Other Power Supply	34,541,575.28	41,435,907.87	42,044,399.00	9,909,826.27
8. Operating Expense - Transmission	3,218,522.18	3,266,048.49	3,591,222.00	856,557.69
9. Operating Expense - RTO/ISO	796,996.64	848,574.26	820,601.00	189,902.31
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	134,299.18	130,748.92	271,321.00	26,440.30
13. Operating Expense - Sales	<5,989.24>	5,873.98	392,994.00	0.00
14. Operating Expense - Administrative & General	8,753,719.92	8,600,796.79	8,776,529.00	1,878,547.73
15. Total Operation Expense (5 thru 14)	139,285,691.42	137,172,184.01	149,624,340.00	34,203,270.42
16. Maintenance Expense - Production	12,142,649.59	15,120,822.58	20,908,533.00	2,986,326.06
17. Maintenance Expense - Transmission	1,320,563.20	1,403,422.24	1,254,858.00	348,149.79
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	27,794.14	46,622.56	37,354.00	6,899.39
21. Total Maintenance Expense (16 thru 20)	13,491,006.93	16,570,867.38	22,200,745.00	3,341,375.24
22. Depreciation and Amortization Expense	11,558,108.84	13,580,162.24	13,777,889.00	3,404,331.79
23. Taxes	63,389.00	4,060.88	885.00	3,175.88
24. Interest on Long-Term Debt	15,380,427.22	14,963,524.32	14,772,524.00	3,706,930.87
25. Interest Charged to Construction - Credit	<337,282.00>	<263,200.00>	<165,449.00>	<62,634.00>
26. Other Interest Expense	58,894.15	162.17	0.00	0.00
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	92,016.72	82,895.64	76,476.00	42,459.40
29. Total Cost Of Electric Service (15 + 21 thru 28)	179,592,252.28	182,110,656.64	200,287,410.00	44,638,909.60
30. Operating Margins (4 less 29)	<927,817.41>	<2,150,051.39>	<3,856,185.00>	16,676.60
31. Interest Income	94,408.00	23,174.89	21,265.00	4,835.13
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	4,644.24	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	96,795.44	44,874.64	25,000.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	<731,969.73>	<2,082,001.86>	<3,809,920.00>	21,511.73

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Apr-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,980,203,109.53	33. Memberships	75.00
2. Construction Work in Progress	62,030,951.72	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	2,042,234,061.25	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	948,180,821.80	b. Retired This year	
5. Net Utility Plant (3 - 4)	1,094,053,239.45	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital (a-b-c)	0.00
7. Investments in Subsidiary Companies	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
8. Invest. in Assoc. Org. - Patronage Capital	3,676,551.28	36. Operating Margin - Current Year	<2,105,176.75>
9. Invest. in Assoc. Org - Other - General Funds	684,993.00	37. Non-Operating Margins	639,020,712.09
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	38. Other Margins and Equities	<7,278,744.80>
11. Investments in Economic Development Projects	10,000.00	39. Total Margins & Equities (33 + 34d thru 38)	387,738,513.35
12. Other Investments	5,333.85	40. Long-Term Debt - RUS (Net)	571,396,359.25
13. Special Funds	158,174,815.53	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	162,551,693.66	42. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,932.10	43. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,681.79	45. Payments - Unapplied	0.00
18. Temporary Investments	40,761,628.52	46. Total Long-Term Debt (40 thru 44-45)	713,496,359.25
19. Notes Receivable (Net)	0.00	47. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	38,172,686.73	48. Accumulated Operating Provisions and Asset Retirement Obligations	23,878,133.51
21. Accounts Receivable - Other (Net)	222,900.28	49. Total Other NonCurrent Liabilities (47 +48)	23,878,133.51
22. Fuel Stock	37,803,471.67	50. Notes Payable	0.00
23. Renewable Energy Credits	0.00	51. Accounts Payable	28,570,262.61
24. Materials and Supplies - Other	26,032,765.78	52. Current Maturities Long-Term Debt	78,281,995.94
25. Prepayments	3,041,936.78	53. Current Maturities Long-Term Debt - Rural Development	0.00
26. Other Current and Accrued Assets	606,445.23	54. Current Maturities Capital Leases	0.00
27. Total Current And Accrued Assets (15 thru 26)	147,220,448.88	55. Taxes Accrued	1,606,931.29
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,312,545.02	56. Interest Accrued	5,223,833.84
29. Regulatory Assets	0.00	57. Other Current and Accrued Liabilities	7,370,326.49
30. Other Deferred Debits	1,866,743.38	58. Total Current & Accrued Liabilities (50 thru 57)	121,053,350.17
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	161,838,314.11
32. Total Assets And Other Debits (5+14+27 thru 31)	1,408,004,670.39	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,408,004,670.39

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
**FINANCIAL AND OPERATING REPORT**  
**ELECTRIC POWER SUPPLY**  
**PART A - FINANCIAL**

BORROWER DESIGNATION  
KY0062

PERIOD ENDED  
May-12

INSTRUCTIONS - See help in the online application.

**SECTION A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	228,062,974.30	226,744,259.96	253,935,918.00	48,310,479.83
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	1,313,664.97	1,906,446.48	1,674,085.00	379,621.36
4. Total Operation Revenues & Patronage Capital (1 thru 3)	229,376,639.27	228,650,706.44	255,610,003.00	48,690,101.19
5. Operating Expense - Production - Excluding Fuel	20,242,215.34	19,869,746.50	22,035,963.00	4,063,007.51
6. Operating Expense - Production - Fuel	95,812,527.24	87,489,059.62	94,300,830.00	20,411,564.91
7. Operating Expense - Other Power Supply	45,058,183.57	50,209,127.41	60,034,303.00	8,773,219.54
8. Operating Expense - Transmission	3,634,430.50	4,346,148.07	4,486,498.00	1,080,099.58
9. Operating Expense - RTO/ISO	1,003,395.07	1,044,473.69	1,013,512.00	195,899.43
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	160,870.23	152,522.29	328,755.00	21,773.37
13. Operating Expense - Sales	1,422.07	10,780.23	465,579.00	4,906.25
14. Operating Expense - Administrative & General	10,951,626.05	10,523,385.89	11,166,761.00	1,922,589.10
15. Total Operation Expense (5 thru 14)	176,864,670.07	173,645,243.70	193,832,201.00	36,473,059.69
16. Maintenance Expense - Production	14,774,469.29	17,747,189.03	26,524,272.00	2,626,366.45
17. Maintenance Expense - Transmission	1,707,057.36	1,794,536.24	1,605,188.00	391,114.00
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	41,080.29	68,095.54	45,694.00	21,472.98
21. Total Maintenance Expense (16 thru 20)	16,522,606.94	19,609,820.81	28,175,154.00	3,038,953.43
22. Depreciation and Amortization Expense	14,435,952.60	16,971,862.37	17,260,435.00	3,391,700.13
23. Taxes	63,389.00	4,060.88	885.00	0.00
24. Interest on Long-Term Debt	19,243,619.06	18,778,819.27	18,558,462.00	3,815,294.95
25. Interest Charged to Construction - Credit	<354,209.00>	<327,967.00>	<203,411.00>	<64,767.00>
26. Other Interest Expense	58,902.14	162.17	0.00	0.00
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	104,824.88	109,969.82	119,034.00	27,074.18
29. Total Cost Of Electric Service (15 + 21 thru 28)	226,939,755.69	228,791,972.02	257,742,760.00	46,681,315.38
30. Operating Margins (4 less 29)	2,436,883.58	<141,265.58>	<2,132,757.00>	2,008,785.81
31. Interest Income	103,079.99	27,281.27	28,100.00	4,106.38
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	6,966.36	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	96,795.44	44,874.64	25,000.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	2,643,725.37	<69,109.67>	<2,079,657.00>	2,012,892.19

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED May-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,980,206,599.86	33. Memberships	75.00
2. Construction Work in Progress	61,264,299.68	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	2,041,470,899.54	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	951,109,753.63	b. Retired This year	
5. Net Utility Plant (3 - 4)	1,090,361,145.91	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital (a-b-c)	0.00
7. Investments in Subsidiary Companies	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
8. Invest. in Assoc. Org. - Patronage Capital	3,676,551.28	36. Operating Margin - Current Year	<96,390.94>
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	37. Non-Operating Margins	639,024,818.47
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	38. Other Margins and Equities	<7,278,744.80>
11. Investments in Economic Development Projects	10,000.00	39. Total Margins & Equities (33 + 34d thru 38)	389,751,405.54
12. Other Investments	5,333.85	40. Long-Term Debt - RUS (Net)	571,396,359.25
13. Special Funds	156,550,569.57	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	160,927,447.70	42. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,974.52	43. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,684.22	45. Payments - Unapplied	0.00
18. Temporary Investments	39,621,359.09	46. Total Long-Term Debit (40 thru 44-45)	713,496,359.25
19. Notes Receivable (Net)	0.00	47. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	43,268,089.84	48. Accumulated Operating Provisions and Asset Retirement Obligations	24,301,060.49
21. Accounts Receivable - Other (Net)	3,084,458.88	49. Total Other NonCurrent Liabilities (47 +48)	24,301,060.49
22. Fuel Stock	38,868,141.63	50. Notes Payable	0.00
23. Renewable Energy Credits	0.00	51. Accounts Payable	25,693,241.63
24. Materials and Supplies - Other	25,950,356.64	52. Current Maturities Long-Term Debt	78,281,995.94
25. Prepayments	2,819,291.72	53. Current Maturities Long-Term Debt - Rural Development	0.00
26. Other Current and Accrued Assels	709,308.31	54. Current Maturities Capital Leases	0.00
27. Total Current And Accrued Assets (15 thru 26)	154,899,664.85	55. Taxes Accrued	2,010,981.66
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,352,257.14	56. Interest Accrued	9,021,480.49
29. Regulatory Assets	0.00	57. Other Current and Accrued Liabilities	7,852,315.33
30. Other Deferred Debits	1,742,064.80	58. Total Current & Accrued Liabilities (50 thru 57)	122,860,015.05
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	159,873,740.07
32. Total Assets And Other Debits (5+14+27 thru 31)	1,410,282,580.40	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,410,282,580.40

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
**FINANCIAL AND OPERATING REPORT**  
**ELECTRIC POWER SUPPLY**  
**PART A - FINANCIAL**

BORROWER DESIGNATION  
KY0062

PERIOD ENDED  
Jun-12

INSTRUCTIONS - See help in the online application.

**SECTION A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	273,551,013.06	273,711,665.64	301,745,614.00	46,967,405.68
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	1,520,063.26	2,408,851.93	2,008,002.00	502,405.45
4. Total Operation Revenues & Patronage Capital (1 thru 3)	275,071,076.32	276,120,517.57	303,753,616.00	47,469,811.13
5. Operating Expense - Production - Excluding Fuel	24,222,206.04	23,836,782.58	27,057,459.00	3,967,036.08
6. Operating Expense - Production - Fuel	114,182,313.92	106,890,249.31	114,716,008.00	19,401,189.69
7. Operating Expense - Other Power Supply	55,019,146.67	58,175,478.03	67,585,079.00	7,966,350.62
8. Operating Expense - Transmission	4,647,033.54	4,978,763.73	5,397,379.00	632,615.66
9. Operating Expense - RTO/ISO	1,266,777.77	1,225,116.01	1,230,160.00	180,642.32
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	189,671.33	199,218.28	384,487.00	46,695.99
13. Operating Expense - Sales	22,499.55	20,592.73	550,697.00	9,812.50
14. Operating Expense - Administrative & General	13,677,210.01	13,792,896.66	13,821,188.00	3,269,510.77
15. Total Operation Expense (5 thru 14)	213,226,858.83	209,119,097.33	230,742,457.00	35,473,853.63
16. Maintenance Expense - Production	18,929,472.76	20,425,790.03	33,556,033.00	2,678,601.00
17. Maintenance Expense - Transmission	2,140,135.14	2,334,012.70	1,959,605.00	539,476.46
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	58,066.81	93,198.85	53,276.00	25,103.31
21. Total Maintenance Expense (16 thru 20)	21,127,674.71	22,853,001.58	35,568,914.00	3,243,180.77
22. Depreciation and Amortization Expense	17,313,896.45	20,363,628.74	20,752,510.00	3,391,766.37
23. Taxes	128,389.00	4,060.88	885.00	0.00
24. Interest on Long-Term Debt	22,995,627.28	22,484,475.66	22,242,510.00	3,705,656.39
25. Interest Charged to Construction - Credit	<375,434.00>	<385,412.00>	<254,205.00>	<57,445.00>
26. Other Interest Expense	58,909.69	162.17	0.00	0.00
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	116,389.31	122,645.12	161,215.00	12,675.30
29. Total Cost Of Electric Service (15 + 21 thru 28)	274,592,311.27	274,561,659.48	309,214,286.00	45,769,687.46
30. Operating Margins (4 less 29)	478,765.05	1,558,858.09	<5,460,670.00>	1,700,123.67
31. Interest Income	110,282.00	31,637.55	33,972.00	4,356.28
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	9,288.48	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	96,795.44	44,874.64	25,000.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	695,130.97	1,635,370.28	<5,401,698.00>	1,704,479.95

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Jun-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,980,197,560.10	33. Memberships	75.00
2. Construction Work in Progress	64,799,330.12	34. Patronage Capital a. Assigned and Assignable b. Retired This year c. Retired Prior years d. Net Patronage Capital (a-b-c)	0.00
3. Total Utility Plant (1 + 2)	2,044,996,890.22		
4. Accum. Provision for Depreciation and Amort.	953,691,035.45		
5. Net Utility Plant (3 - 4)	1,091,305,854.77		
6. Non-Utility Property (Net)	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
7. Investments in Subsidiary Companies	0.00	36. Operating Margin - Current Year	1,603,732.73
8. Invest. in Assoc. Org. - Patronage Capital	3,676,551.28	37. Non-Operating Margins	639,029,174.75
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	38. Other Margins and Equities	<7,278,744.80>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	39. Total Margins & Equities (33 + 34d thru 38)	391,455,885.49
11. Investments in Economic Development Projects	10,000.00	40. Long-Term Debt - RUS (Net)	573,195,974.62
12. Other Investments	5,333.85	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
		42. Long-Term Debt - Other - RUS Guaranteed	0.00
13. Special Funds	154,599,638.82	43. Long-Term Debt - Other (Net)	142,100,000.00
14. Total Other Property And Investments (6 thru 13)	158,976,516.95	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
15. Cash - General Funds	5,877.85	45. Payments - Unapplied	0.00
16. Cash - Construction Funds - Trustee	0.00	46. Total Long-Term Debt (40 thru 44-45)	715,295,974.62
17. Special Deposits	622,686.57	47. Obligations Under Capital Leases - Noncurrent	0.00
18. Temporary Investments	47,652,971.03	48. Accumulated Operating Provisions and Asset Retirement Obligations	24,447,120.70
19. Notes Receivable (Net)	0.00	49. Total Other NonCurrent Liabilities (47 +48)	24,447,120.70
20. Accounts Receivable - Sales of Energy (Net)	42,426,508.21	50. Notes Payable	0.00
21. Accounts Receivable - Other (Net)	451,755.22	51. Accounts Payable	23,008,684.18
22. Fuel Stock	35,425,338.10	52. Current Maturities Long-Term Debt	78,281,995.94
23. Renewable Energy Credits	0.00		
24. Materials and Supplies - Other	26,295,716.22	53. Current Maturities Long-Term Debt - Rural Development	0.00
25. Prepayments	2,498,949.25	54. Current Maturities Capital Leases	0.00
26. Other Current and Accrued Assets	851,493.73	55. Taxes Accrued	2,269,210.48
27. Total Current And Accrued Assets (15 thru 26)	156,231,296.18	56. Interest Accrued	9,924,397.84
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,573,860.21	57. Other Current and Accrued Liabilities	8,272,367.04
29. Regulatory Assets	0.00	58. Total Current & Accrued Liabilities (50 thru 57)	121,756,655.48
30. Other Deferred Debits	1,724,616.64		
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	157,856,508.46
32. Total Assets And Other Debits (5+14+27 thru 31)	1,410,812,144.75	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,410,812,144.75

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
FINANCIAL AND OPERATING REPORT  
ELECTRIC POWER SUPPLY  
PART A - FINANCIAL

BORROWER DESIGNATION  
KY0062

PERIOD ENDED  
Jul-12

INSTRUCTIONS - See help in the online application.

SECTION A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	324,292,363.18	324,398,050.60	354,633,938.00	50,686,384.96
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	1,708,000.69	2,975,419.69	2,341,919.00	566,567.76
4. Total Operation Revenues & Patronage Capital (1 thru 3)	326,000,363.87	327,373,470.29	356,975,857.00	51,252,952.72
5. Operating Expense - Production - Excluding Fuel	28,445,296.87	28,022,132.34	32,079,968.00	4,185,349.76
6. Operating Expense - Production - Fuel	134,903,380.47	128,480,747.22	138,051,936.00	21,590,497.91
7. Operating Expense - Other Power Supply	64,095,863.09	66,842,670.99	74,895,219.00	8,667,192.96
8. Operating Expense - Transmission	5,167,812.57	5,932,422.23	6,291,420.00	953,658.50
9. Operating Expense - RTO/ISO	1,447,577.74	1,363,577.35	1,457,246.00	138,461.34
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	235,165.37	289,344.54	435,887.00	90,126.26
13. Operating Expense - Sales	6,328.32	25,498.98	623,979.00	4,906.25
14. Operating Expense - Administrative & General	16,191,082.53	15,796,611.13	15,829,940.00	2,003,714.47
15. Total Operation Expense (5 thru 14)	250,492,506.96	246,753,004.78	269,665,595.00	37,633,907.45
16. Maintenance Expense - Production	22,273,262.74	23,775,496.78	38,072,523.00	3,349,706.75
17. Maintenance Expense - Transmission	2,481,882.51	2,784,051.11	2,308,617.00	450,038.41
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	75,301.44	94,255.50	61,760.00	1,056.65
21. Total Maintenance Expense (16 thru 20)	24,830,446.69	26,653,803.39	40,442,900.00	3,800,801.81
22. Depreciation and Amortization Expense	20,192,002.45	23,767,288.69	24,260,517.00	3,403,659.95
23. Taxes	128,389.00	4,060.88	885.00	0.00
24. Interest on Long-Term Debt	26,851,232.28	26,164,144.79	26,019,738.00	3,679,669.13
25. Interest Charged to Construction - Credit	<393,756.00>	<443,914.00>	<322,073.00>	<58,502.00>
26. Other Interest Expense	58,923.08	11,121.07	0.00	10,958.90
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	128,372.49	137,954.37	203,773.00	15,309.25
29. Total Cost Of Electric Service (15 + 21 thru 28)	322,288,116.95	323,047,463.97	360,271,335.00	48,485,804.49
30. Operating Margins (4 less 29)	3,712,246.92	4,326,006.32	<3,295,478.00>	2,767,148.23
31. Interest Income	116,447.27	37,498.55	39,025.00	5,861.00
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	9,288.48	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	96,795.44	44,874.64	25,000.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	3,934,778.11	4,408,379.51	<3,231,453.00>	2,773,009.23

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Jul-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,981,269,297.42	33. Memberships	75.00
2. Construction Work in Progress	65,352,550.78	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	2,046,621,848.20	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	957,483,737.55	b. Retired This year	
5. Net Utility Plant (3 - 4)	1,089,138,110.65	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital (a-b-c)	0.00
7. Investments in Subsidiary Companies	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
8. Invest. in Assoc. Org. - Patronage Capital	3,676,551.28	36. Operating Margin - Current Year	4,370,880.96
9. Invest. in Assoc. Org. - Other - General Funds	43,840,793.00	37. Non-Operating Margins	639,035,035.75
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	38. Other Margins and Equities	<7,278,744.80>
11. Investments in Economic Development Projects	10,000.00	39. Total Margins & Equities (33 + 34d thru 38)	394,228,894.72
12. Other Investments	5,333.85	40. Long-Term Debt - RUS (Net)	206,633,152.41
13. Special Funds	187,736,321.03	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	235,268,999.16	42. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,769.90	43. Long-Term Debt - Other (Net)	702,977,302.90
16. Cash - Construction Funds - Trustee	0.00	44. Long-Term Debt - RUS - Econ. Dével. (Net)	0.00
17. Special Deposits	598,263.43	45. Payments - Unapplied	0.00
18. Temporary Investments	105,756,525.84	46. Total Long-Term Debt (40 thru 44-45)	909,610,455.31
19. Notes Receivable (Net)	0.00	47. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	45,604,251.92	48. Accumulated Operating Provisions and Asset Retirement Obligations	24,830,506.38
21. Accounts Receivable - Other (Net)	362,983.33	49. Total Other NonCurrent Liabilities (47 +48)	24,830,506.38
22. Fuel Stock	31,409,997.83	50. Notes Payable	0.00
23. Renewable Energy Credits	0.00	51. Accounts Payable	29,457,417.82
24. Materials and Supplies - Other	26,138,253.01	52. Current Maturities Long-Term Debt	19,278,497.10
25. Prepayments	2,167,302.20	53. Current Maturities Long-Term Debt - Rural Development	0.00
26. Other Current and Accrued Assets	883,405.96	54. Current Maturities Capital Leases	0.00
27. Total Current And Accrued Assets (15 thru 26)	212,926,753.42	55. Taxes Accrued	648,289.17
28. Unamortized Debt Discount & Extraor. Prop. Losses	3,925,124.83	56. Interest Accrued	1,519,834.37
29. Regulatory Assets	0.00	57. Other Current and Accrued Liabilities	8,587,474.59
30. Other Deferred Debits	2,936,332.24	58. Total Current & Accrued Liabilities (50 thru 57)	59,491,513.05
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	156,033,950.84
32. Total Assets And Other Debits (5+14+27 thru 31)	1,544,195,320.30	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,544,195,320.30

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
**FINANCIAL AND OPERATING REPORT**  
**ELECTRIC POWER SUPPLY**  
**PART A - FINANCIAL**

BORROWER DESIGNATION  
KY0062

PERIOD ENDED  
Aug-12

INSTRUCTIONS - See help in the online application.

**SECTION A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	373,264,263.06	372,919,098.14	407,418,123.00	48,521,047.54
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	1,892,855.84	3,507,731.46	2,675,836.00	532,311.77
4. Total Operation Revenues & Patronage Capital (1 thru 3)	375,157,118.90	376,426,829.60	410,093,959.00	49,053,359.31
5. Operating Expense - Production - Excluding Fuel	32,715,959.58	32,354,404.29	36,969,770.00	4,332,271.95
6. Operating Expense - Production - Fuel	154,981,335.57	147,663,332.22	161,742,748.00	19,182,585.00
7. Operating Expense - Other Power Supply	73,990,115.79	75,307,390.69	81,776,230.00	8,464,719.70
8. Operating Expense - Transmission	6,173,952.24	6,737,619.60	7,244,273.00	805,197.37
9. Operating Expense - RTO/ISO	1,639,985.78	1,492,808.88	1,683,941.00	129,231.53
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	305,891.34	330,418.69	495,461.00	41,074.15
13. Operating Expense - Sales	91,863.04	97,108.69	696,668.00	71,609.71
14. Operating Expense - Administrative & General	17,541,926.58	18,270,377.59	17,963,239.00	2,473,766.46
15. Total Operation Expense (5 thru 14)	287,441,029.92	282,253,460.65	308,572,330.00	35,500,455.87
16. Maintenance Expense - Production	25,354,797.11	27,872,440.01	41,541,131.00	4,096,943.23
17. Maintenance Expense - Transmission	2,853,768.11	3,397,565.24	2,697,073.00	613,514.13
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	85,026.68	110,923.80	70,290.00	16,668.30
21. Total Maintenance Expense (16 thru 20)	28,293,591.90	31,380,929.05	44,308,494.00	4,727,125.66
22. Depreciation and Amortization Expense	23,070,278.89	27,288,427.96	27,777,043.00	3,521,139.27
23. Taxes	128,389.00	4,060.88	885.00	0.00
24. Interest on Long-Term Debt	30,706,304.75	30,014,852.72	29,796,966.00	3,850,707.93
25. Interest Charged to Construction - Credit	<419,278.00>	<508,558.00>	<354,467.00>	<64,644.00>
26. Other Interest Expense	58,931.25	54,956.69	0.00	43,835.62
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	144,748.13	163,359.75	246,331.00	25,405.38
29. Total Cost Of Electric Service (15 + 21 thru 28)	369,423,995.84	370,651,489.70	410,347,582.00	47,604,025.73
30. Operating Margins (4 less 29)	5,733,123.06	5,775,339.90	<253,623.00>	1,449,333.58
31. Interest Income	124,226.32	55,976.00	44,365.00	18,477.45
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	9,288.48	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	96,795.44	58,674.04	33,000.00	13,799.40
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	5,963,433.30	5,889,989.94	<176,258.00>	1,481,610.43

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Aug-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,985,784,265.59	33. Memberships	75.00
2. Construction Work in Progress	56,509,725.15	34. Patronage Capital a. Assigned and Assignable b. Retired This year c. Retired Prior years d. Net Patronage Capital (a-b-c)	
3. Total Utility Plant (1 + 2)	2,042,293,990.74		
4. Accum. Provision for Depreciation and Amort.	954,111,029.09		
5. Net Utility Plant (3 - 4)	1,088,182,961.65		0.00
6. Non-Utility Property (Net)	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
7. Investments in Subsidiary Companies	0.00	36. Operating Margin - Current Year	5,834,013.94
8. Invest. in Assoc. Org. - Patronage Capital	3,680,691.11	37. Non-Operating Margins	639,053,513.20
9. Invest. in Assoc. Org. - Other - General Funds	43,840,793.00	38. Other Margins and Equities	<7,278,744.80>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	39. Total Margins & Equities (33 + 34d thru 38)	395,710,505.15
11. Investments in Economic Development Projects	10,000.00	40. Long-Term Debt - RUS (Net)	206,633,152.41
12. Other Investments	5,333.85	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
		42. Long-Term Debt - Other - RUS Guaranteed	0.00
13. Special Funds	186,796,621.07	43. Long-Term Debt - Other (Net)	641,077,494.03
14. Total Other Property And Investments (6 thru 13)	234,333,439.03	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
15. Cash - General Funds	5,770.55	45. Payments - Unapplied	0.00
16. Cash - Construction Funds - Trustee	0.00	46. Total Long-Term Debt (40 thru 44-45)	847,710,646.44
17. Special Deposits	598,308.29	47. Obligations Under Capital Leases - Noncurrent	0.00
18. Temporary Investments	107,521,746.13	48. Accumulated Operating Provisions and Asset Retirement Obligations	24,938,562.55
19. Notes Receivable (Net)	0.00	49. Total Other NonCurrent Liabilities (47 + 48)	24,938,562.55
20. Accounts Receivable - Sales of Energy (Net)	43,961,766.22	50. Notes Payable	0.00
21. Accounts Receivable - Other (Net)	1,264,040.87	51. Accounts Payable	26,797,358.38
22. Fuel Stock	31,513,504.21	52. Current Maturities Long-Term Debt	81,178,305.97
23. Renewable Energy Credits	0.00		
24. Materials and Supplies - Other	26,465,194.02	53. Current Maturities Long-Term Debt - Rural Development	0.00
25. Prepayments	1,847,646.36	54. Current Maturities Capital Leases	0.00
26. Other Current and Accrued Assets	210,911.84	55. Taxes Accrued	796,215.69
27. Total Current And Accrued Assets (15 thru 26)	213,388,888.49	56. Interest Accrued	3,864,638.64
28. Unamortized Debt Discount & Extraor. Prop. Losses	3,996,007.60	57. Other Current and Accrued Liabilities	7,695,234.60
29. Regulatory Assets	0.00	58. Total Current & Accrued Liabilities (50 thru 57)	120,331,753.28
30. Other Deferred Debits	2,939,363.06		
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	154,149,192.41
32. Total Assets And Other Debits (5+14+27 thru 31)	1,542,840,659.83	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,542,840,659.83

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		BORROWER DESIGNATION KY0062		
		PERIOD ENDED Sep-12		
INSTRUCTIONS - See help in the online application.				
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	422,320,923.10	419,182,737.04	454,928,509.00	46,263,638.90
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	2,167,762.77	3,858,977.27	3,009,753.00	351,245.81
4. Total Operation Revenues & Patronage Capital (1 thru 3)	424,488,685.87	423,041,714.31	457,938,262.00	46,614,884.71
5. Operating Expense - Production - Excluding Fuel	37,000,721.75	36,392,454.24	41,510,560.00	4,038,049.95
6. Operating Expense - Production - Fuel	173,106,985.46	165,833,411.78	181,106,198.00	18,170,079.56
7. Operating Expense - Other Power Supply	83,178,821.74	84,280,777.08	90,265,834.00	8,973,386.39
8. Operating Expense - Transmission	6,919,691.09	7,363,167.53	8,092,840.00	625,547.93
9. Operating Expense - RTO/ISO	1,832,483.01	1,662,990.30	1,872,825.00	170,181.42
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	344,618.55	391,092.45	551,368.00	60,673.76
13. Operating Expense - Sales	129,850.48	102,014.94	871,298.00	4,906.25
14. Operating Expense - Administrative & General	19,979,650.48	20,377,862.93	19,871,127.00	2,107,485.34
15. Total Operation Expense (5 thru 14)	322,492,822.56	316,403,771.25	344,142,050.00	34,150,310.60
16. Maintenance Expense - Production	29,181,571.13	30,872,277.89	45,097,378.00	2,999,837.88
17. Maintenance Expense - Transmission	3,347,673.93	3,735,560.70	2,994,692.00	337,995.46
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	93,378.73	128,155.81	78,080.00	17,232.01
21. Total Maintenance Expense (16 thru 20)	32,622,623.79	34,735,994.40	48,170,150.00	3,355,065.35
22. Depreciation and Amortization Expense	26,373,902.54	30,852,045.09	31,298,645.00	3,563,617.13
23. Taxes	128,389.00	4,060.88	885.00	0.00
24. Interest on Long-Term Debt	34,450,455.53	33,718,885.21	33,472,584.00	3,704,032.49
25. Interest Charged to Construction - Credit	<449,625.00>	<578,619.00>	<404,165.00>	<70,061.00>
26. Other Interest Expense	58,956.39	54,969.04	0.00	12.35
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	158,454.44	186,948.13	288,512.00	23,588.38
29. Total Cost Of Electric Service (15 + 21 thru 28)	415,835,979.25	415,378,055.00	456,968,661.00	44,726,565.30
30. Operating Margins (4 less 29)	8,652,706.62	7,663,659.31	969,601.00	1,888,319.41
31. Interest Income	131,802.42	403,329.18	49,390.00	347,353.18
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	9,288.48	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	104,653.04	58,674.04	33,000.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	8,898,450.56	8,125,662.53	1,051,991.00	2,235,672.59

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Sep-12.	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,997,624,468.12	33. Memberships	75.00
2. Construction Work in Progress	44,936,428.33	34. Patronage Capital a. Assigned and Assignable b. Retired This year c. Retired Prior years d. Net Patronage Capital (a-b-c)	0.00
3. Total Utility Plant (1 + 2)	2,042,560,896.45		
4. Accum. Provision for Depreciation and Amort.	955,854,941.29		
5. Net Utility Plant (3 - 4)	1,086,705,955.16		
6. Non-Utility Property (Net)	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
7. Investments in Subsidiary Companies	0.00	36. Operating Margin - Current Year	7,722,333.35
8. Invest. in Assoc. Org. - Patronage Capital	3,680,691.11	37. Non-Operating Margins	639,400,866.38
9. Invest. in Assoc. Org. - Other - General Funds	43,840,793.00	38. Other Margins and Equities	<7,278,744.80>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	39. Total Margins & Equities (33 + 34d thru 38)	397,946,177.74
11. Investments in Economic Development Projects	10,000.00	40. Long-Term Debt - RUS (Net)	208,478,774.65
12. Other Investments	5,333.85	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
13. Special Funds	184,966,321.11	42. Long-Term Debt - Other - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	232,503,139.07	43. Long-Term Debt - Other (Net)	639,871,979.94
15. Cash - General Funds	5,487.70	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
16. Cash - Construction Funds - Trustee	0.00	45. Payments - Unapplied	0.00
17. Special Deposits	598,347.83	46. Total Long-Term Debt (40 thru 44-45)	848,350,754.59
18. Temporary Investments	113,244,033.84	47. Obligations Under Capital Leases - Noncurrent	0.00
19. Notes Receivable (Net)	0.00	48. Accumulated Operating Provisions and Asset Retirement Obligations	25,211,763.08
20. Accounts Receivable - Sales of Energy (Net)	42,902,258.24	49. Total Other NonCurrent Liabilities (47 +48)	25,211,763.08
21. Accounts Receivable - Other (Net)	1,221,298.17	50. Notes Payable	0.00
22. Fuel Stock	32,352,421.05	51. Accounts Payable	26,999,758.72
23. Renewable Energy Credits	0.00	52. Current Maturities Long-Term Debt	80,607,799.06
24. Materials and Supplies - Other	26,016,994.36	53. Current Maturities Long-Term Debt - Rural Development	0.00
25. Prepayments	1,548,947.34	54. Current Maturities Capital Leases	0.00
26. Other Current and Accrued Assets	712,273.32	55. Taxes Accrued	824,402.73
27. Total Current And Accrued Assets (15 thru 26)	218,602,061.85	56. Interest Accrued	3,811,881.15
28. Unamortized Debt Discount & Extraor. Prop. Losses	3,982,616.10	57. Other Current and Accrued Liabilities	8,292,111.08
29. Regulatory Assets	0.00	58. Total Current & Accrued Liabilities (50 thru 57)	120,535,952.74
30. Other Deferred Debits	2,988,348.61	59. Deferred Credits	152,737,472.64
31. Accumulated Deferred Income Taxes	0.00	60. Accumulated Deferred Income Taxes	0.00
32. Total Assets And Other Debits (5+14+27 thru 31)	1,544,782,120.79	61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,544,782,120.79

RUS Financial and Operating Report Electric Power Supply Part A - Financial

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE <b>FINANCIAL AND OPERATING REPORT</b> ELECTRIC POWER SUPPLY PART A - FINANCIAL		BORROWER DESIGNATION KY0062		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED Oct-12		
<b>SECTION A. STATEMENT OF OPERATIONS</b>				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	466,987,484.25	465,183,593.32	514,859,370.00	46,000,856.28
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	2,981,670.76	4,267,764.46	3,343,670.00	408,787.19
4. Total Operation Revenues & Patronage Capital (1 thru 3)	469,969,155.01	469,451,357.78	518,203,040.00	46,409,643.47
5. Operating Expense - Production - Excluding Fuel	41,534,846.90	40,074,020.06	46,162,891.00	3,681,565.82
6. Operating Expense - Production - Fuel	190,762,094.89	184,003,990.83	199,522,886.00	18,170,579.05
7. Operating Expense - Other Power Supply	92,142,983.76	95,141,139.47	109,417,904.00	10,860,362.39
8. Operating Expense - Transmission	7,637,817.55	8,266,190.97	8,993,047.00	903,023.44
9. Operating Expense - RTO/ISO	2,055,560.20	1,854,300.95	2,058,205.00	191,310.65
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	371,713.07	486,721.91	614,088.00	95,629.46
13. Operating Expense - Sales	131,113.08	141,302.16	956,476.00	39,287.22
14. Operating Expense - Administrative & General	21,871,138.00	21,709,113.40	22,093,684.00	1,331,250.47
15. Total Operation Expense (5 thru 14)	356,507,267.45	351,676,779.75	389,819,181.00	35,273,008.50
16. Maintenance Expense - Production	33,221,278.88	34,633,485.94	51,782,905.00	3,761,208.05
17. Maintenance Expense - Transmission	3,783,424.46	4,068,748.48	3,348,143.00	333,187.78
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	117,462.49	141,845.50	86,380.00	13,689.69
21. Total Maintenance Expense (16 thru 20)	37,122,165.83	38,844,079.92	55,217,428.00	4,108,085.52
22. Depreciation and Amortization Expense	28,872,655.57	34,248,067.21	34,824,050.00	3,396,022.12
23. Taxes	128,389.00	4,060.88	885.00	0.00
24. Interest on Long-Term Debt	38,246,446.93	37,527,721.14	37,241,114.00	3,808,835.93
25. Interest Charged to Construction - Credit	<475,923.00>	<648,618.00>	<481,171.00>	<69,999.00>
26. Other Interest Expense	58,989.26	54,992.28	0.00	23.24
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	171,305.63	258,205.23	331,070.00	71,257.10
29. Total Cost Of Electric Service (15 + 21 thru 28)	460,631,296.67	461,965,288.41	516,952,557.00	46,587,233.41
30. Operating Margins (4 less 29)	9,337,858.34	7,486,069.37	1,250,483.00	<177,589.94>
31. Interest Income	138,407.95	577,687.96	54,199.00	174,358.78
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	9,288.48	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	104,653.04	58,674.04	33,000.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	9,590,207.81	8,122,431.37	1,337,682.00	<3,231.16>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Oct-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,998,490,213.69	33. Memberships	75.00
2. Construction Work in Progress	47,402,754.93	34. Patronage Capital a. Assigned and Assignable b. Retired This year c. Retired Prior years d. Net Patronage Capital (a-b-c)	0.00
3. Total Utility Plant (1 + 2)	2,045,892,968.62		
4. Accum. Provision for Depreciation and Amort.	958,897,679.36		
5. Net Utility Plant (3 - 4)	1,086,995,289.26		
6. Non-Utility Property (Net)	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
7. Investments in Subsidiary Companies	0.00	36. Operating Margin - Current Year	7,544,743.41
8. Invest. in Assoc. Org. - Patronage Capital	3,680,691.11	37. Non-Operating Margins	639,575,225.16
9. Invest. in Assoc. Org. - Other - General Funds	43,840,793.00	38. Other Margins and Equities	<7,278,744.80>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	39. Total Margins & Equities (33 + 34d thru 38)	397,942,946.58
11. Investments in Economic Development Projects	10,000.00	40. Long-Term Debt - RUS (Net)	208,486,526.69
12. Other Investments	5,333.85	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
		42. Long-Term Debt - Other - RUS Guaranteed	0.00
13. Special Funds	183,594,826.46	43. Long-Term Debt - Other (Net)	639,871,979.94
14. Total Other Property And Investments (6 thru 13)	231,131,644.42	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
15. Cash - General Funds	5,639.07	45. Payments - Unapplied	0.00
16. Cash - Construction Funds - Trustee	0.00	46. Total Long-Term Debt (40 thru 44-45)	848,358,506.63
17. Special Deposits	598,394.53	47. Obligations Under Capital Leases - Noncurrent	0.00
18. Temporary Investments	117,329,395.78	48. Accumulated Operating Provisions and Asset Retirement Obligations	25,134,016.89
19. Notes Receivable (Net)	0.00	49. Total Other NonCurrent Liabilities (47 +48)	25,134,016.89
20. Accounts Receivable - Sales of Energy (Net)	40,253,528.04	50. Notes Payable	0.00
21. Accounts Receivable - Other (Net)	2,283,471.76	51. Accounts Payable	32,008,662.04
22. Fuel Stock	37,301,107.75		
23. Renewable Energy Credits	0.00	52. Current Maturities Long-Term Debt	80,607,799.06
24. Materials and Supplies - Other	25,578,123.30	53. Current Maturities Long-Term Debt - Rural Development	0.00
25. Prepayments	1,214,147.67	54. Current Maturities Capital Leases	0.00
26. Other Current and Accrued Assets	710,873.91	55. Taxes Accrued	436,848.14
27. Total Current And Accrued Assets (15 thru 26)	225,274,681.81	56. Interest Accrued	6,761,080.34
28. Unamortized Debt Discount & Extraor. Prop. Losses	3,990,428.43	57. Other Current and Accrued Liabilities	8,873,214.30
29. Regulatory Assets	768,669.35	58. Total Current & Accrued Liabilities (50 thru 57)	128,687,603.88
30. Other Deferred Debits	3,151,799.11		
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	151,189,438.40
32. Total Assets And Other Debits (5+14+27 thru 31)	1,551,312,512.38	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,551,312,512.38

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Nov-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,998,739,597.24	33. Memberships	75.00
2. Construction Work in Progress	51,284,124.36	34. Patronage Capital a. Assigned and Assignable b. Retired This year c. Retired Prior years d. Net Patronage Capital (a-b-c)	0.00
3. Total Utility Plant (1 + 2)	2,050,023,721.60		
4. Accum. Provision for Depreciation and Amort.	962,036,997.48		
5. Net Utility Plant (3 - 4)	1,087,986,724.12		
6. Non-Utility Property (Net)	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
7. Investments in Subsidiary Companies	0.00	36. Operating Margin - Current Year	11,275,659.69
8. Invest. in Assoc. Org. - Patronage Capital	3,680,691.11	37. Non-Operating Margins	639,747,191.68
9. Invest. in Assoc. Org. - Other - General Funds	43,840,793.00	38. Other Margins and Equities	<7,278,744.80>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	39. Total Margins & Equities (33 + 34d thru 38)	401,845,829.38
11. Investments in Economic Development Projects	10,000.00	40. Long-Term Debt - RUS (Net)	208,486,526.69
12. Other Investments	5,333.85	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
		42. Long-Term Debt - Other - RUS Guaranteed	0.00
13. Special Funds	182,146,513.15	43. Long-Term Debt - Other (Net)	636,842,427.53
14. Total Other Property And Investments (6 thru 13)	229,683,331.11	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
15. Cash - General Funds	5,789.98	45. Payments - Unapplied	0.00
16. Cash - Construction Funds - Trustee	0.00	46. Total Long-Term Debt (40 thru 44-45)	845,328,954.22
17. Special Deposits	598,439.73	47. Obligations Under Capital Leases - Noncurrent	0.00
18. Temporary Investments	112,017,886.54	48. Accumulated Operating Provisions and Asset Retirement Obligations	25,269,178.37
19. Notes Receivable (Net)	0.00	49. Total Other NonCurrent Liabilities (47 +48)	25,269,178.37
20. Accounts Receivable - Sales of Energy (Net)	44,963,536.05	50. Notes Payable	0.00
21. Accounts Receivable - Other (Net)	1,300,219.04	51. Accounts Payable	27,366,476.52
22. Fuel Stock	34,451,929.38		
23. Renewable Energy Credits	0.00	52. Current Maturities Long-Term Debt	79,839,567.99
24. Materials and Supplies - Other	24,928,709.89	53. Current Maturities Long-Term Debt - Rural Development	0.00
25. Prepayments	933,700.09	54. Current Maturities Capital Leases	0.00
26. Other Current and Accrued Assets	1,011,572.86	55. Taxes Accrued	1,232,871.98
27. Total Current And Accrued Assets (15 thru 26)	220,211,783.56	56. Interest Accrued	6,575,891.95
28. Unamortized Debt Discount & Extraor. Prop. Losses	4,151,321.55	57. Other Current and Accrued Liabilities	9,274,270.38
29. Regulatory Assets	725,848.50	58. Total Current & Accrued Liabilities (50 thru 57)	124,289,078.82
30. Other Deferred Debits	3,507,947.69		
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	149,533,915.74
32. Total Assets And Other Debits (5+14+27 thru 31)	1,546,266,956.53	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,546,266,956.53

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Nov-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,998,739,597.24	33. Memberships	75.00
2. Construction Work in Progress	51,284,124.36	34. Patronage Capital a. Assigned and Assignable b. Retired This year c. Retired Prior years d. Net Patronage Capital (a-b-c)	0.00
3. Total Utility Plant (1 + 2)	2,050,023,721.60		
4. Accum. Provision for Depreciation and Amort.	962,036,997.48		
5. Net Utility Plant (3 - 4)	1,087,986,724.12		
6. Non-Utility Property (Net)	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
7. Investments in Subsidiary Companies	0.00	36. Operating Margin - Current Year	11,275,659.69
8. Invest. in Assoc. Org. - Patronage Capital	3,680,691.11	37. Non-Operating Margins	639,747,191.68
9. Invest. in Assoc. Org. - Other - General Funds	43,840,793.00	38. Other Margins and Equities	<7,278,744.80>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	39. Total Margins & Equities (33 + 34d thru 38)	401,845,829.38
11. Investments in Economic Development Projects	10,000.00	40. Long-Term Debt - RUS (Net)	208,486,526.69
12. Other Investments	5,333.85	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
13. Special Funds	182,146,513.15	42. Long-Term Debt - Other - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	229,683,331.11	43. Long-Term Debt - Other (Net)	636,842,427.53
15. Cash - General Funds	5,789.98	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
16. Cash - Construction Funds - Trustee	0.00	45. Payments - Unapplied	0.00
17. Special Deposits	598,439.73	46. Total Long-Term Debit (40 thru 44-45)	845,328,954.22
18. Temporary Investments	112,017,886.54	47. Obligations Under Capital Leases - Noncurrent	0.00
19. Notes Receivable (Net)	0.00	48. Accumulated Operating Provisions and Asset Retirement Obligations	25,269,178.37
20. Accounts Receivable - Sales of Energy (Net)	44,963,536.05	49. Total Other NonCurrent Liabilities (47 +48)	25,269,178.37
21. Accounts Receivable - Other (Net)	1,300,219.04	50. Notes Payable	0.00
22. Fuel Stock	34,451,929.38	51. Accounts Payable	27,366,476.52
23. Renewable Energy Credits	0.00	52. Current Maturities Long-Term Debt	79,839,567.99
24. Materials and Supplies - Other	24,928,709.89	53. Current Maturities Long-Term Debt - Rural Development	0.00
25. Prepayments	933,700.09	54. Current Maturities Capital Leases	0.00
26. Other Current and Accrued Assets	1,011,572.86	55. Taxes Accrued	1,232,871.98
27. Total Current And Accrued Assets (15 thru 26)	220,211,783.56	56. Interest Accrued	6,575,891.95
28. Unamortized Debt Discount & Extraor. Prop. Losses	4,151,321.55	57. Other Current and Accrued Liabilities	9,274,270.38
29. Regulatory Assets	725,848.50	58. Total Current & Accrued Liabilities (50 thru 57)	124,289,078.82
30. Other Deferred Debits	3,507,947.69	59. Deferred Credits	149,533,915.74
31. Accumulated Deferred Income Taxes	0.00	60. Accumulated Deferred Income Taxes	0.00
32. Total Assets And Other Debits (5+14+27 thru 31)	1,546,266,956.53	61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,546,266,956.53

RUS Financial and Operating Report Electric Power Supply Part A - Financial

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE  
**FINANCIAL AND OPERATING REPORT**  
**ELECTRIC POWER SUPPLY**  
**PART A - FINANCIAL**

BORROWER DESIGNATION  
KY0062

PERIOD ENDED  
6/30/12

**PRELIMINARY**

INSTRUCTIONS: See response to the online application.

**SECTION A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	THIS MONTH (d)
1. Electric Energy Revenues	558,172,354.13	563,383,031.72	607,725,050.00	47,925,745.42
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Total Operating Revenue and Income	558,172,354.13	563,383,031.72	607,725,050.00	47,925,745.42
4. Total Operation Revenues & Patronage Capital (Thru 5)	561,989,231.70	563,342,234.73	608,736,550.00	48,286,932.49
5. Operating Expense - Production - Excluding Fuel	40,410,433.24	43,034,670.63	57,902,436.00	3,943,267.47
6. Operating Expense - Production - Fuel	226,229,049.50	226,368,927.24	240,841,763.00	91,349,081.05
7. Operating Expense - Other Power Supply	113,241,891.14	111,463,356.58	105,166,063.00	8,645,660.67
8. Operating Expense - Transmission	9,155,053.45	10,119,765.89	10,725,552.00	1,034,339.25
9. Operating Expense - RTO/ISO	3,529,531.67	3,262,731.74	2,430,652.00	1,031,269.91
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	591,194.47	0.00	591,194.47
12. Operating Expense - Customer Service & Inflation	63,053,467	83,617,73	73,774.00	255,808.71
13. Operating Expense - Sales	156,003.26	191,605.48	1,101,500.00	41,597.07
14. Operating Expense - Administrative & General	26,559,241.89	27,638,241.85	27,925,540.00	7,321,035.23
15. Total Operation Expense (5 thru 14)	427,985,798.11	426,073,759.80	462,915,582.00	38,285,567.01
16. Maintenance Expense - Production	42,892,418.40	41,169,801.52	58,389,722.00	5,241,526.83
17. Maintenance Expense - Transmission	4,600,625.01	4,607,957.43	5,933,072.00	308,344.41
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	140,534.19	134,301.62	101,532.00	50,339.53
21. Total Maintenance Expense (16 thru 20)	47,714,577.60	45,912,160.57	64,424,326.00	3,600,110.87
22. Depreciation and Amortization Expense	35,426,305.33	41,090,330.20	41,910,892.00	3,423,385.83
23. Taxes	98,589.00	8,310.33	885.00	0.00
24. Interest on Long-Term Debt	45,746,143.90	43,052,737.47	49,607,192.00	5,798,348.65
25. Interest Charged to Construction - Credit	548,206.00	27,607,730.00	4,678,107.00	21,337.00
26. Other Interest Expense	30,249.64	147,499.02	0.00	46,673.91
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	220,334.25	546,928.22	213,612.00	121,400.69
29. Total Cost of Electric Service (16 thru 28)	336,657,192.15	358,089,760.08	612,334,314.00	49,751,342.49
30. Operating Margins (4 less 29)	225,322,039.55	205,252,474.65	20,002,236.00	-1,464,410.00
31. Interest Income	150,516.13	96,130.33	51,860.00	813,473.34
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-Operating Income (Net)	9,289.43	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	109,336.35	61,435.00	33,000.00	2,310.97
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	385,241.51	157,705.33	84,860.00	2,310.97

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL UTILITIES SERVICE

FINANCIAL AND OPERATING REPORT  
ELECTRIC POWER SUPPLY  
PART A - FINANCIAL

BORROWER DESIGNATION  
KY0062

PERIOD ENDED  
Dec-12

**PRELIMINARY**

INSTRUCTIONS - See Part B of this application.

SECTION B. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant In Service	1,999,408,655.99	33. Memberships	75.00
2. Construction Work in Progress	50,813,642.99	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	2,050,222,298.98	(a) Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	962,094,977.86	(b) Retired This Year	
5. Net Utility Plant (3 - 4)	1,087,227,421.12	(c) Retired Prior Years	
6. Non-Utility Property (Net)	0.00	(d) Net Patronage Capital (a-b-c)	0.00
7. Investments in Subsidiary Companies	0.00	35. Operating Margins - Prior Years	741,898,352.72
8. Invest. in Assoc. Org. - Patronage Capital	5,682,912.51	36. Operating Margins - Current Year	10,112,950.68
9. Invest. in Assoc. Org. - Other - General Funds	46,840,793.00	37. Non-Operating Margins	638,900,667.52
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	38. Other Margins and Equities	55,294,665.80
11. Investments in Economic Development Projects	10,000.00	39. Total Margins & Equities (35 + 36 thru 38)	1,497,581,087.14
12. Other Investments	5,333.83	40. Long-Term Debt - RUS (Net)	210,759,050.37
13. Special Funds	180,631,438.53	41. Long-Term Debt - FPL - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	233,172,472.07	42. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	7,001.28	43. Long-Term Debt - Other (Net)	634,958,421.53
16. Cash - Construction Funds - Trustee	0.00	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	598,486.43	45. Payments Unapplied	0.00
18. Temporary Investments	710,165,486.23	46. Total Long-Term Debt (40 thru 44)	845,717,471.90
19. Notes Receivable (Net)	0.00	47. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	47,758,053.34	48. Accumulated Operating Provisions and Asset Retirement Obligations	21,571,166.78
21. Accounts Receivable - Other (Net)	2,345,619.29	49. Total Other Non-Current Liabilities (47 + 48)	21,571,166.78
22. Fuel Stock	54,145,612.19	50. Notes Payable	0.00
23. Renewable Energy Credits	0.00	51. Accounts Payable	31,012,223.89
24. Materials and Supplies - Other	24,957,072.86	52. Current Maturities Long-Term Debt	70,926,462.00
25. Prepayments	24,754,754.96	53. Current Maturities Long-Term Debt - Rural Development	0.00
26. Other Current and Accrued Assets	1,276,192.74	54. Current Maturities Capital Leases	0.00
27. Total Current And Accrued Assets (15 thru 26)	222,429,238.32	55. Taxes Accrued	967,205.64
28. Unamortized Debt Discount & Exp. on Prop. Losses	4,166,614.81	56. Interest Accrued	4,925,033.44
29. Regulatory Assets	704,087.08	57. Other Current and Accrued Liabilities	8,987,629.00
30. Other Deferred Debits	4,921,081.51	58. Total Current & Accrued Liabilities (50 thru 57)	125,810,261.29
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	148,836,312.58
32. Total Assets And Other Debits (1 + 4 + 5 + 6 thru 31)	2,546,677,924.05	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (33 + 34 + 39 + 40 thru 60)	1,546,677,924.15