

LAW OFFICE OF  
**JOHN J. SCOTT, PSC**

108 EAST POPLAR STREET  
P.O. BOX 389  
ELIZABETHTOWN, KENTUCKY 42702-0389

**JOHN J. SCOTT**  
ATTORNEY AT LAW

June 11, 2012

TELEPHONE 270-765-2179  
FAX 270-765-2180

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

RECEIVED

JUN 13 2012

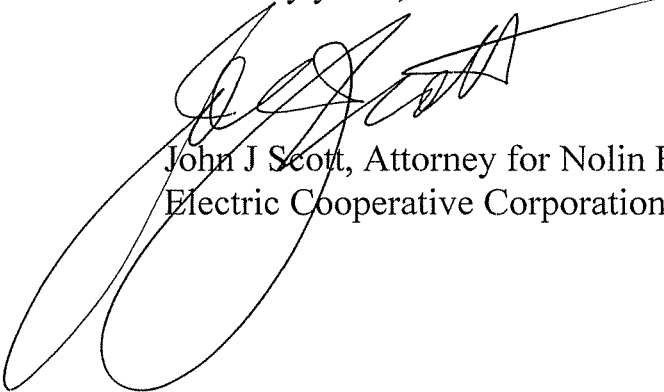
PUBLIC SERVICE  
COMMISSION

Re: Case No. 2012-00192  
Nolin Rural Electric Cooperative  
Corporation

Dear Mr. Derouen:

Pursuant to the first data request from the Commission Staff in the above referenced case, please find enclosed an original and six (6) copies of the Response from Nolin Rural Electric Cooperative Corporation to that request. Should you need anything further, please let me know.

Sincerely yours,



John J. Scott, Attorney for Nolin Rural  
Electric Cooperative Corporation

JJS/rrd

Enclosures

RECEIVED

JUN 13 2012

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF NOLIN ) CASE NO. 2012-00192  
RURAL ELECTRIC COOPERATIVE )  
CORPORATION FOR AN ORDER )  
PURSUANT TO KRS 278.300 AND )  
807 KAR 5:001, SECTION 11 AND )  
RELATED SECTIONS AUTHORIZING )  
THE COOPERATIVE TO OBTAIN A )  
LOAN IN THE AMOUNT OF )  
\$50,000,000.00 FROM THE NATIONAL )  
RURAL UTILITIES COOPERATIVE )  
FINANCE CORPORATION )

NOLIN RURAL ELECTRIC COOPERATIVE  
CORPORATION'S RESPONSE TO COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION

\* \* \* \* \*

1. Refer to paragraph 5.a. of the original application in which Nolin states that it takes in excess of 15 months to obtain Rural Utilities Service ("RUS") loan approval. Explain Nolin's expectations for the length of the approval process with National Rural Utilities Cooperative Finance Corporation ("CFC") and how that will benefit Nolin.

**Response:** The time it takes National Rural Utilities Cooperative Finance Corporation ("CFC") to receive a loan application and respond to that loan application is approximately thirty (30) days. However, since that loan application has to receive the approval of the Commission, then the length of time that it takes to receive that

approval from the Kentucky Public Service Commission will be added to the loan application process time. Once that Commission approval has been obtained, CFC has indicated that it could have the funds available on the following day following the receipt of that approval.

As to how this will benefit Nolin in reducing the amount of time that it currently takes to receive a loan from RUS, it helps Nolin's cash flow situation; it saves from having to use short term borrowing and the short term interest rate costs which are higher than the rates paid for the longer term financing received from CFC; it assists Nolin in not having to plan so far in advance for the use of funds with the uncertainties involved in that.

2. Refer to paragraph 5.b. of the original application.
  - a. Fully describe why it has become difficult to work with RUS as it relates to the Fort Knox operations, and how refinancing with CFC will eliminate these difficulties.

**Response:** For the past several years, because RUS does not consider income from Nolin's Fort Knox operation in calculating the ratios that it requires to be kept in compliance with its loan documents, Nolin has had to obtain waivers from RUS to allow it not to be considered in default of its loan obligations. RUS has now decided to no longer issue those waivers. CFC, on the other hand, does allow Nolin to consider income from the Fort Knox operation in qualifying for its loan contract obligations and therefore, Nolin will not have any difficulty in remaining in compliance with their loan covenants.

- b. At a meeting on December 20, 2011 at the Commission's offices, Nolin personnel described an issue RUS had with operating ratios being negatively impacted by the Fort Knox operations' financing, and Nolin's proposal to establish a separate entity to finance the Fort Knox operations. Explain

whether the difficulties that Nolin is referring to in paragraph 5.b. are the same as were discussed at the December 20, 2011 meeting. Provide an update on Nolin's proposal to create a separate entity for the Fort Knox financing transactions.

**Response:** Yes, those are the same difficulties with RUS as explained above. Nolin did establish a separate entity for handling the income from the Fort Knox operation, and was in the process of placing its Fort Knox operation under this entity when RUS still proceeded to put conditions on the future funding of Nolin that would not be acceptable to Nolin. In addition, the uncertainty in having to work with RUS each year on this problem made it difficult for Nolin to proceed with the requirements of the US Government at Fort Knox.

On the other hand, the only requirement of CFC is that Nolin maintain a Debt Service Coverage of 1.35 for the best two out of the most recent three years and as stated previously, Nolin is permitted to include income from the Fort Knox operation in arriving at this calculation. In addition, CFC has put forth an attractive loan package to Nolin as outlined in the Application in this case which will make it beneficial to Nolin's members in transferring all of its loans to CFC.

3. Refer to paragraph 1.a. of the amended application. Has CFC guaranteed Nolin the interest rates indicated for the proposed loan if the transaction is closed by a date certain? If yes, what is that date?

**Response:** Yes; Incidentally, since the filing of the Application in this case, Nolin was given an opportunity to "lock in" an interest rate that is even more beneficial than the interest rates filed with the original application. The interest rate on the original application offered by CFC was 3.28% per annum which led to an

effective interest rate of 3.01%. As of June 5, 2012, the stated interest rate is now 3.20% which results in an effective interest rate of 2.93% per annum. This new, lower interest rate results in a cash flow difference to Nolin over the life of these loans of \$2,433,998.00 and a total interest savings of \$499,296. (See Exhibit "1" attached.) That interest rate remains guaranteed for sixty (60) days after June 5, 2012. This interest rate would be applicable to approximately \$29,000,000.00 of the loan funds, and as to the remaining loan funds, there will be a variable rate applicable to those loans.

Due to the requirements of RUS regarding prepayment of outstanding RUS loans, there is a detailed prepayment procedure that has to be adhered to once the approval of the Commission is obtained to close the CFC loans. That approval requires that a Closing Request be sent to RUS no less than thirty (30) business days before the payoff can occur. A Prepayment Agreement is also required to be entered into with RUS and then numerous documents concerning the prepayment must be forwarded to RUS at least fifteen (15) days prior to the closing date. In addition, the Board of Directors of Nolin has to adopt resolutions at a meeting attended by all of its directors (without exception), at which meeting, a resolution will be adopted authorizing the execution of the Prepayment Agreement with RUS. It is estimated that the timing for the handling of the Prepayment documents required by RUS and the holding of a Board meeting after the Commission grants its approval for this loan will take approximately forty-five (45) to fifty (50) days. If you subtract that number of days from the sixty (60) days for which the current interest rate has been locked in for Nolin, then Nolin would need to receive approval from the Commission by approximately June 20 at the latest.

4. Refer to item 11 of the original application. Nolin has requested expedited treatment of this application due to the volatility of interest rates and currently favorable interest

rates available to Nolin and is requesting that the Commission grant approval in this matter by June 18, 2012. In the event the Commission approves the application, provide the latest date the approval of the refinancing is needed in order to close the transaction and secure a favorable interest rate.

**Response:** See response to #3 above.

5. Refer to Exhibit 1 of the original application which shows Federal Financing Bank (“FFB”) loans in the amount of \$21,221,545.24 at an interest rate of 0.22 percent. Explain why Nolin proposes to refinance these loans rather than refinancing existing CFC loans with interest rates that are 3.2 percent or higher.

**Response:** The Commission may not realize that the Federal Financing Bank loans are administered the same as the RUS loans by the same entity. Therefore, they have the same mortgage requirements as do the RUS loans and accordingly, cause Nolin the same frustration in trying to deal with the RUS loans. Therefore, in order for Nolin to get out from under the burdensome regulations of RUS due to the way they calculate their income ratios, it must also get out from under the FFB loans.

In regard to the second part of that question concerning the refinancing of existing CFC loans, the CFC loans that Nolin has that are at 3.2% or higher are loans that involve the Fort Knox operation and Fort Knox actually reimburses the interest on those loans, plus an adder, which results in those loans not costing Nolin’s members any interest whatsoever.

6. Nolin is requesting approval to borrow \$50 million from CFC to refinance all of its existing RUS and FFB debt. If the outstanding RUS and FFB loans at the time of closing exceed \$50

million, explain how Nolin proposes to address the additional amount required to pay off the existing debt. If at the time of closing the outstanding RUS and FFB loans are less than \$50 million, explain how Nolin proposes to address the excess loan proceeds received.

**Response:** In regard to the first part of this question, there will be no additional amount of debt in excess of \$50,000,000.00, since Nolin is paying the debt in monthly and quarterly payments, which will result in the amount required to pay the existing debt to certainly be less than \$50,000,000.00. In regard to the second part of that question, there will be no excess loan proceeds received by Nolin, because the amount of the loans being obtained from CFC, which are estimated to be approximately \$50,000,000.00, will be something less than that, based on whatever the payoff is on the eventual closing date. It will certainly be an amount less than \$50,000,000.00 as explained above, and the loan funds will be used “dollar for dollar” to pay off those existing loans.

7. Refer to Exhibit 2 of the amended application. Provide an expanded exhibit that includes the current loan balances as of the most recent month available.

**Response:** Revised Exhibit 2 is attached showing the current loan balances as of the most recent month.

8. Refer to Exhibits 1 and 4 of the amended application. In the heading of both exhibits is an item labeled “Financing Amount” which shows an amount of \$49,946,777.00. Explain why this amount is not \$50,000,000.

**Response:** As explained in the response to question 6 above, since the loan amount being borrowed is to be used “dollar for dollar” to pay off existing loans which are being reduced by monthly and quarterly payments while this case is proceeding, the

actual amount of the loan is a “moving target” which will only be known on the day the loan funds are requested from CFC. However, they have agreed to loan an amount not to exceed \$50,000,000.00.

I, O.V. Sparks, as Vice President of Administration and Finance of Nolin Rural Electric Cooperative Corporation, hereby certify under oath hereby that these responses are true and accurate to the best of my knowledge, information and belief formed after a reasonable inquiry.

**NOLIN RURAL ELECTRIC  
COOPERATIVE CORPORATION**

BY:   
**O.V. SPARKS, Vice President  
Of Administration and Finance**



STATE OF KENTUCKY  
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 11<sup>th</sup> day of June, 2012, personally appeared before me **O.V. SPARKS**, who being by me first duly sworn, subscribed to and acknowledged that he is the **Vice President Administration and Finance of Nolin Rural Electric Cooperative Corporation**, a Kentucky corporation, that he signed the foregoing document as **Vice President of Administration and Finance** the corporation, and that the statements therein contained are true.

  
\_\_\_\_\_  
NOTARY PUBLIC, State of Kentucky  
At Large

My commission expires 10-15-13.

**NOLIN RURAL ELECTRIC  
COOPERATIVE CORPORATION**

BY:   
\_\_\_\_\_

**JOHN J. SCOTT  
ATTORNEY FOR NOLIN RURAL  
ELECTRIC COOPERATIVE  
CORPORATION  
JOHN J. SCOTT, P.S.C.  
108 E. POPLAR STR., P.O. BOX 389  
ELIZABETHTOWN, KY. 42702-0389  
(270) 765-2179**

Co-op Name: Nolin RECC  
 Co-op ID: KY051  
 Date Prepared: 6/5/2012  
 Interest Rates as of: 6/5/2012  
 Financing Amount: \$49,946,777  
 Scenario Name: Buyout Proposal Using Current RUS/FFB Rates

Effective Interest Rate: 2.93%  
 Stated Interest Rate: 3.20%  
 Benefit of Patronage Capital: -0.27%  
 Total Cash Flow Difference: (\$2,433,998)  
 Total Interest Difference: (\$499,296)

CFC



ANNUAL CASH FLOW SUMMARY

30-Nov	CFC						RUS				DIFFERENCE (Savings)	
	Beginning Balance	Principal Payments	Interest Expense	Collateral Discount	Cash Patronage	Cash Flows	Beginning Balance	Principal Payments	Interest Expense	Cash Flows	CASH FLOW	INTEREST EXPENSE
		(\$49,946,777)	(\$17,963,029)	\$247,605	\$1,687,097	(\$65,975,104)		(\$49,946,777)	(\$18,462,325)	(\$68,409,102)	(\$2,433,998)	(\$499,296)
2012	\$48,812,195	(\$921,831)	(\$493,926)	\$0	\$0	(\$1,415,757)	\$49,185,002	(\$761,775)	(\$633,028)	(\$1,394,803)	\$20,953	(\$139,102)
2013	\$46,331,956	(\$2,480,239)	(\$1,417,101)	\$62,640	\$56,841	(\$3,777,859)	\$47,637,360	(\$1,547,642)	(\$1,241,964)	(\$2,789,606)	\$988,253	\$175,137
2014	\$44,282,516	(\$2,049,439)	(\$1,368,327)	\$54,062	\$65,329	(\$3,298,375)	\$46,056,320	(\$1,581,039)	(\$1,208,567)	(\$2,789,606)	\$508,768	\$159,760
2015	\$42,110,566	(\$2,171,950)	(\$1,319,861)	\$45,188	\$63,147	(\$3,383,476)	\$44,440,285	(\$1,616,036)	(\$1,173,571)	(\$2,789,606)	\$593,869	\$146,290
2016	\$39,898,112	(\$2,212,454)	(\$1,267,627)	\$36,007	\$60,773	(\$3,383,301)	\$42,787,568	(\$1,652,717)	(\$1,136,890)	(\$2,789,606)	\$593,695	\$130,737
2017	\$37,681,240	(\$2,216,872)	(\$1,213,568)	\$26,509	\$58,270	(\$3,345,661)	\$41,096,394	(\$1,691,174)	(\$1,098,433)	(\$2,789,606)	\$556,055	\$115,136
2018	\$35,441,774	(\$2,239,466)	(\$1,157,417)	\$16,683	\$55,687	(\$3,324,514)	\$39,364,893	(\$1,731,501)	(\$1,058,105)	(\$2,789,606)	\$534,908	\$99,312
2019	\$33,177,322	(\$2,264,453)	(\$1,098,896)	\$6,517	\$52,995	(\$3,303,836)	\$37,591,092	(\$1,773,801)	(\$1,015,806)	(\$2,789,606)	\$514,230	\$83,090
2020	\$30,881,814	(\$2,295,508)	(\$1,037,878)	\$0	\$50,188	(\$3,283,198)	\$35,772,914	(\$1,818,178)	(\$971,428)	(\$2,789,606)	\$493,591	\$66,450
2021	\$28,545,639	(\$2,336,175)	(\$974,410)	\$0	\$47,266	(\$3,263,319)	\$33,908,167	(\$1,864,747)	(\$924,859)	(\$2,789,606)	\$473,712	\$49,550
2022	\$26,164,983	(\$2,380,656)	(\$908,282)	\$0	\$44,223	(\$3,244,715)	\$31,994,541	(\$1,913,626)	(\$875,980)	(\$2,789,606)	\$455,109	\$32,302
2023	\$23,739,192	(\$2,425,791)	(\$839,855)	\$0	\$41,062	(\$3,224,584)	\$30,029,800	(\$1,964,941)	(\$824,666)	(\$2,789,606)	\$434,977	\$15,189
2024	\$21,264,721	(\$2,474,471)	(\$768,982)	\$0	\$37,794	(\$3,205,659)	\$28,010,776	(\$2,018,824)	(\$770,782)	(\$2,789,606)	\$416,053	(\$1,800)
2025	\$18,738,458	(\$2,526,263)	(\$695,110)	\$0	\$34,397	(\$3,186,976)	\$25,935,358	(\$2,075,418)	(\$714,189)	(\$2,789,606)	\$397,369	(\$19,079)
2026	\$16,307,583	(\$2,430,876)	(\$619,866)	\$0	\$30,860	(\$3,019,882)	\$23,935,595	(\$1,999,763)	(\$658,323)	(\$2,658,066)	\$361,796	(\$38,457)
2027	\$13,822,903	(\$2,384,680)	(\$549,859)	\$0	\$27,448	(\$2,906,887)	\$21,960,332	(\$1,975,264)	(\$607,849)	(\$2,583,112)	\$323,775	(\$58,194)
2028	\$11,524,761	(\$2,399,142)	(\$476,743)	\$0	\$24,110	(\$2,850,775)	\$20,035,154	(\$1,925,178)	(\$560,595)	(\$2,485,773)	\$265,002	(\$83,852)
2029	\$9,118,572	(\$2,406,188)	(\$405,643)	\$0	\$20,719	(\$2,791,113)	\$18,062,489	(\$1,972,664)	(\$513,109)	(\$2,485,773)	\$205,339	(\$107,466)
2030	\$7,297,789	(\$1,820,784)	(\$334,366)	\$0	\$17,313	(\$2,137,837)	\$16,110,966	(\$1,951,523)	(\$463,941)	(\$2,415,464)	(\$277,627)	(\$129,575)
2031	\$6,137,590	(\$1,160,199)	(\$283,174)	\$0	\$14,394	(\$1,428,979)	\$14,231,340	(\$1,879,627)	(\$418,502)	(\$2,298,128)	(\$869,149)	(\$135,327)
2032	\$5,010,651	(\$1,126,939)	(\$236,396)	\$0	\$12,195	(\$1,351,141)	\$12,391,935	(\$1,839,405)	(\$373,021)	(\$2,212,426)	(\$861,285)	(\$136,625)
2033	\$3,915,049	(\$1,095,602)	(\$191,874)	\$0	\$10,046	(\$1,277,430)	\$10,733,517	(\$1,658,418)	(\$326,477)	(\$1,984,895)	(\$707,465)	(\$134,603)
2034	\$2,766,085	(\$1,148,964)	(\$146,684)	\$0	\$7,963	(\$1,287,684)	\$9,130,104	(\$1,603,413)	(\$278,348)	(\$1,881,761)	(\$594,076)	(\$131,664)
2035	\$1,567,332	(\$1,198,753)	(\$99,014)	\$0	\$5,783	(\$1,291,984)	\$7,476,372	(\$1,653,732)	(\$228,029)	(\$1,881,761)	(\$589,777)	(\$129,015)
2036	\$377,886	(\$1,189,446)	(\$50,277)	\$0	\$3,506	(\$1,236,217)	\$5,968,049	(\$1,508,323)	(\$175,516)	(\$1,683,839)	(\$447,622)	(\$125,240)
2037	\$0	(\$590,637)	(\$8,100)	\$0	\$1,228	(\$597,508)	\$4,444,675	(\$1,523,373)	(\$120,881)	(\$1,644,255)	(\$1,046,746)	(\$112,782)
2038	\$0	\$0	\$0	\$0	\$56,854	\$56,854	\$2,864,087	(\$1,580,588)	(\$63,667)	(\$1,644,255)	(\$1,701,109)	(\$63,667)
2039	\$0	\$0	\$0	\$0	\$65,329	\$65,329	\$1,951,495	(\$912,592)	(\$12,354)	(\$924,947)	(\$990,276)	(\$12,354)
2040	\$0	\$0	\$0	\$0	\$63,147	\$63,147	\$1,636,832	(\$314,663)	(\$3,976)	(\$318,639)	(\$381,787)	(\$3,976)
2041	\$0	\$0	\$0	\$0	\$60,773	\$60,773	\$1,321,476	(\$315,356)	(\$3,283)	(\$318,639)	(\$379,412)	(\$3,283)
2042	\$0	\$0	\$0	\$0	\$58,270	\$58,270	\$1,005,426	(\$316,050)	(\$2,589)	(\$318,639)	(\$376,909)	(\$2,589)
2043	\$0	\$0	\$0	\$0	\$55,687	\$55,687	\$688,679	(\$316,746)	(\$1,893)	(\$318,639)	(\$374,326)	(\$1,893)
2044	\$0	\$0	\$0	\$0	\$52,995	\$52,995	\$371,235	(\$317,444)	(\$1,195)	(\$318,639)	(\$371,634)	(\$1,195)
2045	\$0	\$0	\$0	\$0	\$50,188	\$50,188	\$53,092	(\$318,143)	(\$496)	(\$318,639)	(\$368,827)	(\$496)
2046	\$0	\$0	\$0	\$0	\$47,266	\$47,266	\$0	(\$53,092)	(\$15)	(\$53,107)	(\$100,373)	(\$15)
2047	\$0	\$0	\$0	\$0	\$44,223	\$44,223	\$0	\$0	\$0	\$0	(\$44,223)	\$0
2048	\$0	\$0	\$0	\$0	\$41,062	\$41,062	\$0	\$0	\$0	\$0	(\$41,062)	\$0
2049	\$0	\$0	\$0	\$0	\$37,794	\$37,794	\$0	\$0	\$0	\$0	(\$37,794)	\$0
2050	\$0	\$0	\$0	\$0	\$34,397	\$34,397	\$0	\$0	\$0	\$0	(\$34,397)	\$0
2051	\$0	\$0	\$0	\$0	\$30,860	\$30,860	\$0	\$0	\$0	\$0	(\$30,860)	\$0
2052	\$0	\$0	\$0	\$0	\$27,448	\$27,448	\$0	\$0	\$0	\$0	(\$27,448)	\$0
2053	\$0	\$0	\$0	\$0	\$24,110	\$24,110	\$0	\$0	\$0	\$0	(\$24,110)	\$0
2054	\$0	\$0	\$0	\$0	\$20,719	\$20,719	\$0	\$0	\$0	\$0	(\$20,719)	\$0
2055	\$0	\$0	\$0	\$0	\$17,313	\$17,313	\$0	\$0	\$0	\$0	(\$17,313)	\$0
2056	\$0	\$0	\$0	\$0	\$14,394	\$14,394	\$0	\$0	\$0	\$0	(\$14,394)	\$0
2057	\$0	\$0	\$0	\$0	\$12,195	\$12,195	\$0	\$0	\$0	\$0	(\$12,195)	\$0
2058	\$0	\$0	\$0	\$0	\$10,046	\$10,046	\$0	\$0	\$0	\$0	(\$10,046)	\$0
2059	\$0	\$0	\$0	\$0	\$7,963	\$7,963	\$0	\$0	\$0	\$0	(\$7,963)	\$0
2060	\$0	\$0	\$0	\$0	\$5,783	\$5,783	\$0	\$0	\$0	\$0	(\$5,783)	\$0
2061	\$0	\$0	\$0	\$0	\$3,506	\$3,506	\$0	\$0	\$0	\$0	(\$3,506)	\$0
2062	\$0	\$0	\$0	\$0	\$1,228	\$1,228	\$0	\$0	\$0	\$0	(\$1,228)	\$0
2063	\$0	\$0	\$0	\$0	\$14	\$14	\$0	\$0	\$0	\$0	(\$14)	\$0
2064	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2065	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2066	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2068	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2069	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

RESPONSE EXHIBIT 111

\* Proposal is confidential and proprietary. The estimated impact of patronage capital is based on CFC's historical patronage allocation level and CFC's current patronage capital retirement policy. CFC's annual patronage allocation and retirement are subject to approval by CFC's Board of Directors. As such, the information provided is intended for information purposes and does not represent a commitment by CFC of future patronage capital allocation or retirement levels.

**LONG TERM DEBT**  
**Complete Schedule Showing Total Obligations**  
As of May 31, 2012

Note No (a)	Interest Rate (b)	Original Date (c)	Maturity Date (d)	Original Balance (e)	Less Principal Payments (f)	Funds Unadvanced (g)	Balance Long Term Debt (h)	Interest Paid Last Fiscal Period (i)
CFC								
9012	7.0500%	Feb-77	Jan-12	375,000	375,000		0	200
9014	7.1000%	Feb-78	Jan-13	920,000	864,605		55,395	4,863
9019	2.9500%	Aug-80	Jul-15	924,000	712,094		211,906	13,322
9022	3.6500%	May-83	Apr-18	520,000	319,784		200,216	11,975
9023	4.6000%	Sep-92	Aug-27	1,031,633	376,419		655,214	30,239
9024	4.9500%	Jun-95	May-30	1,492,000	344,366		1,147,634	56,926
9025	4.5500%	May-98	Apr-33	1,977,000	359,154		1,617,846	114,545
9028	3.2000%	May-03	Apr-38	35,000,000	18,433,741		16,566,259	787,357
9030	3.2000%	Apr-12	Mar-47	24,000,000	9,357,421		14,642,579	496,028
9031	3.2000%	Aug-08	Jul-43	40,000,000	5,979,484	20,000,000	14,020,516	997,487
								43,918 *
FFB								
H0010	7.1570%	Dec-91	Nov-26	2,000,000	610,940		1,389,060	98,791
H0015	0.0220%	Feb-99	Jan-34	1,893,000	514,834		1,378,166	733
H0020	0.0220%	Sep-99	Aug-34	2,583,000	702,491		1,880,509	1,000
H0025	0.0220%	Sep-99	Aug-34	2,583,000	702,492		1,880,508	1,000
H0030	0.0220%	Oct-03	Sep-38	4,000,000	802,112		3,197,888	1,701
H0035	0.0220%	Oct-03	Sep-38	2,948,000	591,157		2,356,843	1,254
H0040	0.0220%	Oct-10	Sep-45	7,000,000	248,359		6,751,641	3,588
H0045	0.0220%	Oct-10	Sep-45	3,720,000	139,976		3,580,024	1,907
								74,033 *
RUS								
1B230	5.0000%	Sep-92	Aug-27	1,180,000	404,965		775,035	39,062
1B235	5.0000%	Sep-92	Aug-27	1,180,000	404,965		775,035	39,062
1B240	4.2500%	Jul-95	Jun-30	1,740,000	562,532		1,177,468	50,248
1B245	4.3700%	Jul-95	Jun-30	1,740,000	556,412		1,183,588	52,086
1B250	0.3700%	May-97	Apr-32	2,306,500	731,121		1,575,379	5,960
1B255	4.2500%	May-97	Apr-32	286,000	79,551		206,449	8,831
1B256	0.3700%	May-97	Apr-32	2,020,000	638,145		1,381,855	5,228
1B257	0.3700%	May-97	Apr-32	500	156		344	1
1B260	4.9400%	Apr-12	Mar-47	4,000,000	349,313		3,650,687	156,857
1B261	5.1900%	Apr-12	Mar-47	4,100,000	348,971		3,751,029	165,834
1B262	4.4600%	Aug-12	Jul-47	1,967,000	185,919		1,781,081	72,272
1B270	4.7800%	Aug-12	Jul-47	3,500,000	212,162		3,287,838	157,909
1B271	4.6700%	Aug-12	Jul-47	5,500,000	341,650		5,158,350	242,059
1B272	2.5700%	Aug-12	Jul-47	3,261,000	263,990		2,997,010	76,971
								79,920 *
TOTAL				165,747,633	46,514,281	20,000,000	99,233,352	3,893,167

\* NOTE: Amount of interest on notes paid in full during the year.