

Goss • Samford PLLC



Attorneys at Law

August 5, 2013

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

RECEIVED
AUG 10 2013
PUBLIC SERVICE
COMMISSION

RE: East Kentucky Power Cooperative, Inc.
An Application for Approval of the Issuance of Up To
\$200,000,000 of Secured Private Placement Debt, for the
Amendment and Extension of an Unsecured Revolving
Credit Agreement in an Amount Up To \$500,000,000,
and for the Use of Interest Rate Management Instruments

Dear Mr. Derouen:

Please find enclosed for filing with the Commission an original and ten copies of East Kentucky Power Cooperative, Inc.'s ("EKPC") Application for Approval of the Issuance of Up To \$200,000,000 of Secured Private Placement Debt, for the Amendment and Extension of an Unsecured Revolving Credit Agreement in an Amount Up To \$500,000,000, and for the Use of Interest Rate Management Instruments, pursuant to KRS 278.300, 807 KAR 5:001, Sections 4, 7, 14, and 17 and other applicable law.

EKPC would also request that the Commission give priority attention to the request to amend and extend the Unsecured Revolving Credit Agreement and issue its approval as soon as feasible, but no later than the 60 days provided by KRS 278.300.

Please feel free to call if you have any questions.

Sincerely,

Mark David Goss
Counsel

CC: Jennifer Hans, Office of the Attorney General
Michael Kurtz, Boehm, Kurtz & Lowry

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR APPROVAL OF THE)
ISSUANCE OF UP TO \$200,000,000 OF SECURED)
PRIVATE PLACEMENT DEBT, FOR THE)
AMENDMENT AND EXTENSION OF AN)
UNSECURED REVOLVING CREDIT AGREEMENT)
IN AN AMOUNT UP TO \$500,000,000, AND FOR)
THE USE OF INTEREST RATE MANAGEMENT)
INSTRUMENTS)

Case No. 2013-_____

APPLICATION

Comes now East Kentucky Power Cooperative, Inc. ("Applicant"), by and through counsel, pursuant to KRS 278.300, 807 KAR 5:001 Sections 4, 7, 14, 17 and other applicable law, and for its Application requesting that the Kentucky Public Service Commission ("Commission") enter an Order approving the issuance of up to \$200,000,000 of secured private placement debt, authorizing the amendment and extension of an unsecured revolving Credit Facility in an amount up to \$500,000,000, and authorizing the Applicant to enter into interest-rate management agreements in an effort to reduce and control its overall interest costs, respectfully pleads as follows:

1. Applicant's mailing address is P.O. Box 707, Winchester, Kentucky 40392-0707.
2. Applicant's electronic mail address is psc@ekpc.coop.
3. Pursuant to 807 KAR 5:001, Section 14 (1), the facts upon which this Application is based are as follows: Applicant is seeking approval of the issuance of up to

\$200,000,000 of secured private placement debt in order to take advantage of more attractive borrowing terms to reduce the amount of the unsecured revolving Credit Facility currently held by the Applicant which was approved by the Commission in Case No. 2011-00204. The Credit Facility is currently being used to provide temporary funding for construction projects and approved regulatory assets until permanent financing can be secured and for general corporate purposes. Many of these projects can and will be funded through the Rural Utilities Service (“RUS”); however some projects, regulatory assets, and general corporate purposes cannot be financed through RUS. This could result in a “permanent” balance in the Credit Facility, which the Applicant considers inappropriate since the Credit Facility is short-term in nature and subject to variable interest rates. The Applicant wishes to use long-term, fixed rate financing to more appropriately finance these activities and thereby relieve the Credit Facility so that it remains available for its intended purposes. Due to the increasing level of uncertainty involved in funding available through the RUS, the possibility of additional required environmental facilities, and the current favorable financing environment, the Applicant desires to include some additional amount in the private placement to allow financing for potential future capital projects related to Production, Transmission, and Environmental Improvements.

4. Applicant is also seeking approval for an amendment and extension of the unsecured revolving Credit Facility currently held by the Applicant which was approved by the Commission in Case No. 2011-00204.¹ Applicant wishes to amend the Credit Facility in order to reduce the interest cost, to extend the maturity from the current maturity date of

¹ Case No. 2011-00204, Application of East Kentucky Power Cooperative, Inc. for Approval of an Unsecured Revolving Credit Agreement for a Term of Up To Five Years and in an Amount Up To \$500,000,000

August 9, 2016 to a date five years from the new closing date, and to allow for the possibility of increasing the total commitment from \$450,000,000 to up to \$500,000,000. While the Applicant acknowledges that KRS 278.300 permits the Commission for good cause shown to continue a financing application beyond the initial 60 days, the Applicant would note that each day Commission approval is delayed results in a lost opportunity for cost savings. Based on the current outstanding balance of the Credit Facility, the Applicant estimates that the potential daily savings of approximately \$2,000 is possible. The Applicant would request that the Commission give priority attention to this portion of this Application and issue its approval as soon as feasible, but no later than the 60 days provided by KRS 278.300.

5. Applicant is also seeking approval for authorization to enter into interest-rate management agreements in an effort to reduce and control its overall interest costs.
6. Pursuant to 807 KAR 5:001, Section 14(2), a certified copy of the Applicant's restated Articles of Incorporation and all amendments thereto have previously been filed of record in Case No. 1990-00197.
7. Pursuant to 807 KAR 5:001, Section 17(1)(a), Applicant's electric plant in service (property) is described in Exhibit 1 of this Application.
8. Pursuant to 807 KAR 5:001, Section 17(1)(b), Applicant states that it is seeking approval for the issuance of up to \$200,000,000 of secured private placement debt, authorization for the amendment and extension of its existing unsecured revolving Credit Facility, and authorization to enter into interest-rate management agreements in an effort to reduce and control its overall interest costs. The proposed financings are more fully described in Exhibit 2 of this Application.

9. Pursuant to 807 KAR 5:001 Section 17(1)(c) the proceeds of the proposed transactions will be used as described in Exhibit 3 of this Application.
10. Pursuant to 807 KAR 5:001 Section 17(1)(d), there is no property currently planned to be specifically acquired or constructed directly by the proceeds of the proposed transaction.
11. Pursuant to 807 KAR 5:001, Section 17(1)(e), the proceeds from this transaction will be used to discharge or refund the outstanding obligations described in Exhibit 4.
12. Pursuant to 807 KAR 5:001 Section 17(2)(a), a financial exhibit as described in Section 12 of 807 KAR 5:001 is attached hereto and incorporated herein as Exhibit 5. Unless otherwise specified, said exhibits cover operations for the twelve (12) month period ending June 30, 2013, which is not more than ninety (90) days prior to the date this Application is filed, and contains the following information:

Section 12(1) – 12(3). Applicant is a not-for-profit rural electric cooperative which has no stock authorized, issued, or outstanding.

Section 12(4). Applicant has an “Indenture of Mortgage, Security Agreement and Financing Statement” (“Trust Indenture”). The Trust Indenture was executed on October 11, 2012 with the U.S. Bank National Association as trustee. The amount of indebtedness secured is up to and including \$5,000,000,000. There are no sinking fund provisions associated with the Trust Indenture.

Section 12(5) – 12(7). A description of the Bonds and Notes Outstanding is included in Exhibit 5, pages 2 through 9. Applicant has no other forms of indebtedness.

Section 12(8). Applicant has no capital stock and has paid no dividends at any time during the five previous fiscal years.

Section 12(9). A detailed income statement and balance sheet are provided in Exhibit 5, pages 10 through 12.

13. Pursuant to 807 KAR 5:001, Section 17(2)(b), the Commission approved a Trust Indenture for Applicant in Case No. 2012-00249 and an executed copy of same was filed with the Commission on October 19, 2012.
14. Pursuant to 807 KAR 5:001, Section 17(2)(c), there is no proposed construction associated with this application, and therefore there are no maps and plans of proposed property and construction.
15. A copy of the Resolution from Applicant's Board of Directors approving the filing of this Application, and approving the request for secured private placement debt financing, is filed as Applicant's Exhibit 6. A copy of the Resolution from Applicant's Board of Directors authorizing the amendment and extension of its existing unsecured revolving Credit Facility will be filed as a supplement to this Application within two weeks.

WHEREFORE, on the basis of the foregoing, East Kentucky Power Cooperative, Inc., respectfully requests that the Commission determine and find that the issuance of the debt requested herein is for some lawful object within the corporate purposes of Applicant; is necessary or appropriate for or consistent with the proper performance by the Applicant of its service to the public and will not impair the Applicant's ability to perform that service; and, is reasonably necessary and appropriate for such purpose. And, that the Commission enter an Order authorizing the amendment and extension of Applicant's unsecured revolving Credit Facility as soon as feasible but no later than 60 days after the filing of this Application. Finally, that the Commission enter an Order authorizing the issuance of up to \$200,000,000 of secured

private placement debt and authorizing Applicant to enter into interest-rate management agreements in an effort to reduce and control its overall interest costs.

This 5th day of August 2013.

VERIFICATION

The undersigned pursuant to KRS 278.300(2), hereby verifies that all of the information contained in the foregoing Application is true and correct to the best of my knowledge, opinion and belief.

East Kentucky Power Cooperative, Inc.

BY: 

ITS: Exec. V.P. & C.F.O.

COMMONWEALTH OF KENTUCKY

COUNTY OF CLARK

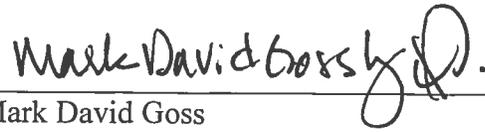
The foregoing Verification was signed, acknowledged and sworn to before me the 5th day of August, 2013 by Michael McNalley of East Kentucky Power Cooperative, Inc., a Kentucky corporation, on behalf of the corporation.


NOTARY PUBLIC

MY COMMISSION EXPIRES: 12/20/16

NOTARY ID. NO. 479010

Respectfully submitted,

Handwritten signature of Mark David Goss in black ink, written over a horizontal line.

Mark David Goss
David S. Samford
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Counsel for East Kentucky Power Cooperative, Inc.

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EAST KENTUCKY POWER COOPERATIVE, INC.

**DESCRIPTION OF PROPERTY
AS OF JUNE 30, 2013**

807 KAR 5:001, Section 17(1)(a)

East Kentucky Power Cooperative, Inc. ("EKPC"), with headquarters in Winchester, Kentucky, is a generation and transmission cooperative providing wholesale electric power service to 16 member cooperatives over 2,807 miles of transmission lines and 362 load centers (substations). These 16 member cooperatives serve approximately 522,500 members.

EKPC owns and operates three coal-fired generating stations in Kentucky located at Ford (Dale Station), Burnside (Cooper Station), and Maysville (Spurlock Station). Nine combustion turbines located in Clark County at its Smith site are in operation adding a total winter capacity of 1,032 megawatts. In addition, EKPC owns and operates six Landfill Gas-Fired plants (located in Greenup County, Laurel County, Boone County, Hardin County, Pendleton County, and Mason County), adding another 15.2 megawatts of capacity.

Including the generation facilities, transmission facilities, and general plant, EKPC has total utility plant-in-service with a net original cost of \$3,705,917,071 and construction work-in-progress of \$49,108,256.



EAST KENTUCKY POWER COOPERATIVE, INC.

DESCRIPTION OF PROPOSED FINANCING

807 KAR 5:001, Section 17(1)(b)

ISSUANCE OF UP TO \$200,000,000 OF SECURED PRIVATE PLACEMENT DEBT

East Kentucky Power Cooperative, Inc. (“Applicant”) seeks regulatory authority from the Kentucky Public Service Commission (“Commission”) to issue, in one or more transactions from time to time over a period ending December 31, 2014, up to \$200,000,000 principal amount of secured private placement indebtedness and to enter into all necessary agreements relating thereto. The private placement debt will be issued under an Indenture of Mortgage, Security Agreement and Financing Statement (“Indenture”), dated as of October 11, 2012, between the Applicant and U.S. Bank National Association, as Trustee, as supplemented and amended, and as may be further supplemented and amended. A copy of the Indenture utilized by the Applicant was filed in Case No. 2012-00429 on October 19, 2012.

The private placement debt is to be sold by auction, through underwriters or agents, or by direct placement with commercial banks or institutional investors. The Applicant seeks authority to issue such debt at a time or times when the Applicant believes it is prudent to do so, subject to parameters approved by the Commission. It is anticipated that the interest rate will be fixed. Any fixed rate of interest on the debt will not exceed by more than 3 percent the yield to maturity of United States Treasury Bonds of comparable maturity at the time of issuance. Each series of the debt will have a maturity date not to exceed 30 years from the date of issuance.

Because of the uncertainty involved in anticipating future financial market conditions, the Applicant is not able to determine at this time, whether it would be more advantageous to issue its debt with long-term or some shorter term maturities. Applicant expects to issue debt in tranches having maturities between 10 years and 30 years, but believes that it should be allowed the necessary flexibility to adjust its financing program to developments in the markets for medium and long-term debt securities when and as they occur in order to obtain the best possible price, interest rate, and terms for its debt. It is proposed, therefore, that Applicant will decide at a subsequent date whether there will be more than one series and on the maturity of each series of the debt. Applicant may agree to specific redemption provisions, if any, at the time of the issuance of the debt. In no event will the amount of private placement debt issued in connection with this application exceed a total of \$200,000,000.

**AMENDMENT AND EXTENSION OF AN UNSECURED REVOLVING CREDIT
AGREEMENT IN AN AMOUNT UP TO \$500,000,000**

Applicant is seeking approval for an amendment and extension of the unsecured revolving Credit Agreement currently held by the Applicant which was approved by the Commission in Case No. 2011-00204. The Applicant wishes to amend the Credit Agreement in order to reduce the interest cost, to extend the maturity from the current maturity date of August 9, 2016 to a date five years from the new closing date, and to allow for the possibility of increasing the total commitment from \$450,000,000 to up to \$500,000,000.

Applicant desires to amend the existing Credit Agreement, seeks approval to extend the term for up to five years, and requests authority to increase the total commitment to an amount not to exceed \$500,000,000. Other material terms will remain the same as contained in the existing approved Credit Agreement. The Credit Facility proceeds are used to fund capital expenditures associated with the construction of utility plant until permanent, long-term financing can be obtained, to provide necessary funding for approved regulatory assets, and for general corporate purposes. Because of the delay regarding the timing of loan advances for the multiple projects being funded by RUS, this Credit Facility is essential to maintaining Applicant's liquidity.

EKPC entered into the existing Credit Agreement in August 2011. Since that time, credit markets have improved somewhat, the Applicant's financial results reflect improvement, and the Applicant has obtained an investment-grade credit rating of "BBB" from both Fitch Ratings and Standard & Poor's. Standard & Poor's revised its outlook on the Applicant to "Positive" from "Stable" in March 2013. As a result of these favorable market conditions, the Applicant believes that it is advantageous to enter into a five-year arrangement at this time and that financial institutions are open to lending to Applicant under more favorable terms. Based on the current outstanding balance of the Credit Agreement, EKPC estimates that potential daily savings of approximately \$2,000 is possible if the Credit Agreement is amended as proposed.

National Rural Utilities Cooperative Finance Corporation (“CFC”) will continue to be the Lead Arranger and Administrative Agent for this Credit Facility. CFC and the remaining syndicate of lenders have provided EKPC a \$450,000,000 Senior Unsecured Revolving Credit Facility. The amount of the Facility may be increased by up to \$50,000,000 on or prior to the closing. EKPC is expecting a financial closing date in late summer or early fall of 2013.

As approved by the Commission in Case No. 2011-00204, the Applicant pays an annual Facility Fee based on the total Credit Facility commitment and an interest rate on the outstanding balance equal to the current LIBOR interest rate plus a LIBOR Margin. In addition to extending the term of the Credit Facility, the Applicant is also in negotiations with the lenders to reduce the LIBOR Margin and annual Facility Fee. In order to secure pricing reductions for a five-year term, the Applicant requests authority to pay an amendment fee to each lender, as well as legal expenses and other related costs. It is expected that the amendment fees and expenses will not exceed 0.20% of the Credit Facility commitment. Net savings from a reduction in the Facility Fee and LIBOR Margin are expected to be at least \$1,500,000 over the life of the Credit Facility. Based on current market conditions, Applicant believes that today’s interest rate under the Credit Facility would not exceed 2.5%. However, interest rates would be expected to vary over the five-year term.

As of June 30, 2013, Applicant has approximately \$1,150,000 in deferred financing fees outstanding from its 2011 Credit Facility. Applicant proposes to amortize this outstanding balance, and the new amendment fees and expenses, over the life of the new Credit Facility.

THE USE OF INTEREST RATE MANAGEMENT INSTRUMENTS

Applicant desires to utilize interest-rate management techniques and to enter into interest-rate management agreements in an effort to reduce and control its overall effective interest costs. In connection with the issuance and management of Applicant's debt, Applicant requests authority to enter into, from time to time through December 31, 2014, one or more interest rate management agreements. The interest rate management agreements will utilize products commonly used in today's capital markets, consisting of interest rate swaps, caps, collars, floors, options, or hedging products such as forwards or futures, or similar products, the purpose of which being to manage interest costs. The Applicant expects to enter into these agreements with counterparties that are highly rated financial institutions. The transactions will be for a fixed period and a stated principal amount and may be for underlying fixed or variable rate obligations of the Applicant.

Net fees and expenses in connection with any interest rate management agreement will be in addition to the above parameters and will not exceed 5% of the amount of the underlying obligation involved.

In the event that the Applicant enters into an interest-rate management agreement, a copy of any such agreement will be provided to the Commission within 30 days of its execution.

Since market opportunities for these interest rate management alternatives are transitory, Applicant requests authority to execute interest rate management transactions when the opportunity arises to obtain the most competitive pricing. Thus, Applicant seeks approval to enter into the described transactions within the parameters discussed prior to the time Applicant reaches agreement with respect to the terms of such transactions.

The financing authority requested herein is consistent with the proper performance by Applicant of its services to the public, will not impair its ability to perform those services, and is reasonably necessary and appropriate for such purposes.



EAST KENTUCKY POWER COOPERATIVE, INC.
USE OF PROCEEDS OF SECURED PRIVATE PLACEMENT DEBT
807 KAR 5:001, Section 17(1)(c)

The proceeds from the issuance of the private placement debt in an amount up to \$200,000,000 are expected to be used to reduce the outstanding balance of Applicant's Credit Facility, freeing up borrowing capacity that can be used:

- (a) to redeem early or at maturity certain long-term debt of Applicant, if market conditions are favorable;
- (b) to fund estimated future capital expenditures related to its electric generation and transmission business;
- (c) for such additional expenditures as contemplated by KRS 278.300; or
- (d) for other lawful corporate purposes.

The Applicant does not currently have any plans to acquire any specific property with the financing authority sought in this application.



EAST KENTUCKY POWER COOPERATIVE, INC.

USE OF PROCEEDS TO DISCHARGE OR REFUND EXISTING OBLIGATIONS

807 KAR 5:001, Section 17(1)(e)

Proceeds from the issuance of the private placement debt are expected to be used to reduce the outstanding balance of Applicant's unsecured revolving Credit Facility indebtedness, as approved by the Commission in Case No. 2011-00204 and consistent with the parameters set out in Applicant's application.



EAST KENTUCKY POWER COOPERATIVE, INC.
BONDS, NOTES OUTSTANDING, AND OTHER INDEBTEDNESS

807 KAR 5:001, Sections 17(2)(a), 12(5), 12(6), and 12(7)

On page 2 of this Exhibit is a Description of Bonds Outstanding as of June 30, 2013. All Bonds are secured by the Indenture of Mortgage, Security Agreement and Financing Statement.

On Pages 3 through 9 of this Exhibit are the Descriptions of Notes Outstanding as of June 30, 2013. Payments due on outstanding debt due in one year or less is included as Current Maturities in the amount of \$95,361,622.38. Sick Leave Reserve of \$1,052,057.01 is noted as long-term debt as required by RUS accounting procedures.

EKPC has no other indebtedness.

Indebtedness

Bonds

<u>Type of Debt Issue</u>	<u>Amount Outstanding 6/30/2013</u>	<u>Amount Issued</u>	<u>Issuer</u>	<u>Date Issued</u>	<u>Face Value</u>	<u>Coupon Interest Rate</u>	<u>Date of Maturity</u>	<u>Interest 2012</u>
Spurlock Pollution Control Bonds	25,850,000.00	141,300,000.00	County of Mason	11/15/1984	25,850,000.00	Variable	10-15-2014	170,596.16
Cooper Solid Waste Disposal Bonds	6,500,000.00	11,800,000.00	County of Pulaski	12/15/1993	6,500,000.00	Variable	08-15-2023	46,893.74
Total Bonds	32,350,000.00							217,489.90

Notes

National Rural Utilities Cooperative Finance Corporation ("CFC")

<u>Type of Debt Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Outstanding 6/30/2013</u>	<u>Amount Issued</u>	<u>Coupon Interest Rate</u>	<u>Interest 2012</u>
CFC # 9033 P-12	08-29-1984	05-31-2019	2,726,833.99	8,530,000.00	3.300%	125,568.25
CFC # 9034 R-12	06-12-1995	11-30-2024	4,068,364.24	6,734,000.00	3.300%	174,230.61
CFC # 9038 T-62	03-02-1998	02-28-2024	3,136,942.31	5,251,000.00	3.300%	135,106.24
CFC - Unsecured Credit Facility - #5106002	08-09-2011	08-09-2016	275,000,000.00	275,000,000.00	1.780%	6,113,911.20
Clean Renewable Energy Bonds	02-06-2008	12/1/2023	5,652,312.42	8,613,048.00	0.400%	23,199.85
NCSC Unsecured -#9061003	12-30-2010	11-30-2013	1,071,212.09	2,127,321.00	2.850%	60,628.64
NCSC Unsecured -#9061004	12-30-2010	11-30-2014	1,962,147.00	1,962,147.00	3.250%	63,769.76
NCSC Unsecured -#9061005	12-30-2010	11-30-2015	1,565,448.00	1,565,448.00	3.650%	57,138.84
NCSC Unsecured -#9061006	12-30-2010	11-30-2016	1,707,115.00	1,707,115.00	4.050%	69,138.16
NCSC Unsecured -#9061007	12-30-2010	11-30-2017	1,795,642.00	1,795,642.00	4.350%	78,110.44
NCSC Unsecured -#9061008	12-30-2010	11-30-2018	1,886,964.00	1,886,964.00	4.650%	87,743.84
NCSC Unsecured -#9061009	12-30-2010	11-30-2019	1,836,229.00	1,836,229.00	4.850%	89,057.12
NCSC Unsecured -#9061010	12-30-2010	11-30-2020	1,335,822.00	1,335,822.00	5.050%	67,459.00
NCSC Unsecured -#9061011	12-30-2010	11-30-2021	1,544,167.00	1,544,167.00	5.150%	79,524.60
NCSC Unsecured -#9061012	12-30-2010	11-30-2022	1,389,610.00	1,389,610.00	5.250%	72,954.52
NCSC Unsecured -#9061013	12-30-2010	11-30-2023	980,127.00	980,127.00	5.400%	52,926.84
NCSC Unsecured -#9061014	12-30-2010	11-30-2024	325,315.00	325,315.00	5.500%	17,892.32
		<u>Total CFC</u>	<u>307,984,251.05</u>			<u>7,368,360.23</u>

Rural Utilities Service Notes

T62-1-B650	03-02-1998	12-31-2024	3,793,848.50	6,125,500.00	5.125%	208,358.29
T62-1-B655	03-02-1998	12-31-2024	3,793,848.50	6,125,500.00	5.125%	208,358.29
		<u>Total RUS</u>	<u>7,587,697.00</u>			<u>416,716.58</u>

Federal Financing Bank Notes

H0080	08-24-1978	12-31-2015	1,463,388.37	5,782,000.00	10.372%	191,855.59
H0111	03-16-1979	12-31-2013	401,434.47	6,344,000.00	7.470%	62,991.24
H0116	04-19-1979	12-31-2013	439,696.15	6,949,000.00	7.470%	68,995.02
H0121	05-21-1979	12-31-2013	620,456.72	9,777,000.00	7.470%	97,359.09
H0150	11-15-1979	12-31-2015	1,720,285.07	6,790,000.00	10.144%	220,772.21
H0156	12-06-1979	12-31-2013	599,223.75	9,480,000.00	7.470%	94,027.45

Notes

Type of Debt Issue	Date of Issue	Date of Maturity	Amount Outstanding 6/30/2013	Amount Issued	Coupon Interest Rate	Interest 2012
H0160	12-26-1979	12-31-2015	1,464,568.17	6,237,000.00	9.352%	173,814.63
H0165	01-15-1980	12-31-2015	1,800,146.37	8,746,000.00	7.690%	176,833.31
H0210	04-29-1981	12-31-2015	736,607.13	3,676,542.00	6.248%	59,134.63
H0215	05-15-1981	12-31-2015	1,362,917.84	6,805,000.00	6.248%	109,414.69
H0220	05-15-1981	12-31-2015	989,792.72	4,942,000.00	6.248%	79,460.31
H0235	06-16-1981	12-31-2015	1,504,352.45	7,484,000.00	6.248%	120,769.00
H0245	07-20-1981	12-31-2015	310,918.15	1,193,000.00	10.572%	41,516.56
H0255	09-15-1981	12-31-2015	1,231,935.51	4,700,000.00	10.657%	165,767.54
H0265	10-15-1981	12-31-2015	750,089.41	3,700,000.00	6.248%	60,216.99
H0275	10-19-1981	12-31-2015	202,647.55	1,000,000.00	6.248%	16,268.50
H0285	11-17-1981	12-31-2015	636,024.34	2,500,000.00	10.204%	82,087.69
H0295	01-18-1982	12-31-2016	1,092,601.71	3,732,000.00	7.991%	104,269.59
H0300	01-20-1982	12-31-2015	61,747.66	300,000.00	7.690%	6,065.63
H0305	01-22-1982	12-31-2016	105,457.34	360,000.00	7.991%	10,064.04
H0310	02-17-1982	12-31-2016	135,311.27	506,000.00	6.591%	10,709.05
H0315	02-18-1982	12-31-2016	1,652,241.95	6,181,000.00	6.591%	130,764.94
H0320	02-19-1982	12-31-2015	102,911.73	500,000.00	7.690%	10,109.31
H0325	03-15-1982	12-31-2016	2,459,328.35	9,307,000.00	6.591%	194,640.94
H0330	03-22-1982	12-31-2016	140,122.17	530,000.00	6.591%	11,089.82
H0335	04-19-1982	12-31-2016	164,294.92	560,000.00	7.991%	15,679.07
H0340	05-17-1982	12-31-2016	88,015.82	300,000.00	7.991%	8,399.55
H0345	05-24-1982	12-31-2016	1,179,581.33	4,000,000.00	7.991%	112,570.22
H0350	06-14-1982	12-31-2016	2,063,807.63	7,000,000.00	7.991%	196,954.08
H0355	06-15-1982	12-31-2016	463,907.93	1,570,000.00	7.991%	44,271.84
H0360	07-14-1982	12-31-2016	1,814,802.79	6,131,000.00	7.991%	173,190.94
H0365	07-16-1982	12-31-2016	266,404.09	900,000.00	7.991%	25,423.57
H0370	08-16-1982	12-31-2016	127,519.69	430,000.00	7.991%	12,169.48
H0375	08-16-1982	12-31-2016	1,206,683.69	4,069,000.00	7.991%	115,156.70
H0380	09-15-1982	12-31-2015	122,389.64	500,000.00	10.381%	16,059.11
H0385	09-13-1982	12-31-2016	2,409,809.01	8,126,000.00	7.991%	229,973.81
H0390	09-14-1982	12-31-2016	177,933.78	600,000.00	7.991%	16,980.63
H0395	10-14-1982	12-31-2016	594,736.83	2,000,000.00	7.991%	56,757.16
H0400	10-14-1982	12-31-2016	356,842.40	1,200,000.00	7.991%	34,054.32
H0405	10-14-1982	12-31-2016	1,331,914.42	4,479,000.00	7.991%	127,107.74
H0410	11-10-1982	12-31-2016	267,228.23	900,000.00	7.991%	25,502.21
H0415	11-10-1982	12-31-2016	178,151.56	600,000.00	7.991%	17,001.43
H0420	11-10-1982	12-31-2016	1,633,057.04	5,500,000.00	7.991%	155,846.52
H0425	12-13-1982	12-31-2016	416,241.60	1,400,000.00	7.991%	39,722.91
H0430	12-13-1982	12-31-2016	2,051,473.30	6,900,000.00	7.991%	195,776.99
H0435	01-17-1983	12-31-2017	382,168.42	1,200,000.00	5.913%	26,129.46

Type of Debt Issue	Date of Issue	Date of Maturity	Amount Outstanding 6/30/2013	Amount Issued	Coupon Interest Rate	Interest 2012
H0440	02-14-1983	12-31-2017	1,534,240.37	4,800,000.00	5.913%	104,898.46
H0445	03-16-1983	12-31-2017	159,417.72	500,000.00	5.913%	10,899.65
H0450	03-16-1983	12-31-2017	2,072,434.64	6,500,000.00	5.913%	141,695.65
H0455	04-14-1983	12-31-2017	797,890.57	2,500,000.00	5.913%	54,553.05
H0460	04-14-1983	12-31-2017	1,500,034.66	4,700,000.00	5.913%	102,559.75
H0465	05-16-1983	12-31-2017	302,974.53	950,000.00	5.913%	20,714.87
H0470	06-15-1983	12-31-2017	224,179.44	700,000.00	5.913%	15,327.50
H0475	06-15-1983	12-31-2017	2,241,790.76	7,000,000.00	5.913%	153,274.80
H0480	07-14-1983	12-31-2017	1,438,497.17	4,500,000.00	5.913%	98,352.34
H0485	08-16-1983	12-31-2017	320,104.38	1,000,000.00	5.913%	21,886.04
H0490	09-27-1983	12-31-2017	255,858.47	800,000.00	5.913%	17,493.44
H0495	09-27-1983	12-31-2017	639,645.15	2,000,000.00	5.913%	43,733.55
H0500	10-24-1983	12-31-2017	322,560.55	1,000,000.00	5.913%	22,053.98
H0505	10-24-1983	12-31-2017	322,560.55	1,000,000.00	5.913%	22,053.98
H0510	05-09-1984	12-31-2018	6,409,246.69	16,500,000.00	6.665%	479,318.35
H0515	01-17-1985	12-31-2019	2,535,235.21	5,900,000.00	5.991%	167,552.56
H0520	04-16-1985	12-31-2015	151,954.16	600,000.00	10.377%	19,930.96
H0525	05-20-1985	12-31-2019	486,396.55	1,130,000.00	5.991%	32,145.73
H0530	06-24-1985	12-31-2019	310,499.19	720,000.00	5.991%	20,520.75
H0535	06-24-1985	12-31-2015	56,104.23	215,000.00	10.590%	7,503.65
H0540	12-23-1985	12-31-2015	760,965.42	3,165,291.00	9.385%	90,618.20
H0545	03-18-1986	12-31-2020	852,167.17	1,897,000.00	5.177%	48,100.95
H0550	03-18-1986	12-31-2015	163,346.64	751,000.00	8.058%	16,789.15
H0555	04-16-1986	12-31-2020	84,027.82	188,000.00	5.177%	4,742.99
H0560	04-16-1986	12-31-2015	145,882.81	706,000.00	7.413%	13,829.60
H0565	10-14-1986	12-31-2020	1,117,718.77	2,480,000.00	5.177%	63,090.13
H0570	10-30-1986	12-31-2020	2,270,530.21	5,035,000.00	5.177%	128,161.08
H0575	11-06-1995	12-31-2023	8,737,920.29	14,895,000.00	6.301%	581,381.13
H0580	11-06-1995	12-31-2024	17,753,611.87	28,812,000.00	6.306%	1,174,904.06
H0585	11-06-1995	12-31-2024	17,753,611.87	28,812,000.00	6.306%	1,174,904.06
H0590	11-06-1995	12-31-2024	17,753,611.87	28,812,000.00	6.306%	1,174,904.06
H0595	01-26-1996	12-31-2024	3,606,438.12	5,836,000.00	6.123%	231,878.92
H0600	06-25-1997	12-31-2023	2,180,895.77	3,607,000.00	6.297%	145,016.60
H0605	09-14-2000	12-31-2024	3,997,110.41	6,082,000.00	6.005%	252,245.05
H0610	09-15-2000	12-31-2024	4,387,425.12	6,626,000.00	6.067%	279,564.06
H0615	04-10-2001	12-31-2024	6,297,818.43	9,681,000.00	5.451%	361,437.37
H0620	06-05-2001	12-31-2024	5,389,001.33	8,119,000.00	5.726%	324,447.21
H0625	07-10-2001	12-31-2024	5,394,952.86	8,119,000.00	5.729%	324,972.46
H0630	08-10-2001	12-31-2024	5,344,623.75	8,119,000.00	5.488%	308,646.00
H0635	09-06-2001	12-31-2024	5,351,149.33	8,119,000.00	5.426%	305,595.44

Type of Debt Issue	Date of Issue	Date of Maturity	Amount Outstanding 6/30/2013	Amount Issued	Coupon Interest Rate	Interest 2012
H0640	10-03-2001	12-31-2024	7,172,076.87	11,000,000.00	5.104%	385,701.06
H0645	11-08-2001	12-31-2024	8,571,420.55	13,357,000.00	4.709%	425,863.75
H0650	12-10-2001	12-31-2024	5,323,697.43	7,970,000.00	5.644%	316,011.70
H0655	01-15-2002	12-31-2030	15,583,562.71	20,000,000.00	5.447%	873,765.65
H0660	06-04-2002	12-31-2030	4,745,096.41	6,000,000.00	5.678%	277,152.12
H0665	07-02-2002	12-31-2030	4,724,347.46	6,000,000.00	5.538%	269,246.14
H0670	08-15-2002	12-31-2024	10,091,756.51	15,000,000.00	4.695%	500,153.66
H0675	08-22-2002	12-31-2024	6,752,701.01	10,000,000.00	4.802%	342,166.51
H0680	09-24-2002	12-31-2024	9,976,211.40	15,000,000.00	4.366%	460,318.13
H0685	10-03-2002	12-31-2024	6,652,926.42	10,000,000.00	4.375%	307,599.41
H0690	11-05-2002	12-31-2024	10,099,435.94	15,000,000.00	4.717%	502,840.74
H0695	12-10-2002	12-31-2024	6,715,953.67	10,000,000.00	4.644%	329,290.44
H0700	01-23-2003	12-31-2024	2,305,578.33	3,500,000.00	4.557%	110,912.35
H0705	01-23-2003	12-31-2030	5,037,832.10	6,500,000.00	4.790%	248,894.29
H0710	02-27-2003	12-31-2030	2,466,614.49	3,200,000.00	4.624%	117,701.17
H0715	05-06-2003	12-31-2024	2,867,531.80	4,300,000.00	4.442%	134,579.06
H0720	07-03-2003	12-31-2032	20,436,717.95	25,000,000.00	4.460%	936,853.42
H0725	07-17-2003	12-31-2032	20,633,431.03	25,000,000.00	4.819%	1,020,896.65
H0730	07-24-2003	12-31-2032	20,538,122.95	24,800,000.00	4.950%	1,043,400.07
H0735	08-26-2003	12-31-2024	2,675,937.43	3,938,000.00	5.055%	142,549.39
H0740	10-02-2003	12-31-2030	2,000,855.62	2,550,000.00	4.753%	98,100.10
H0745	10-02-2003	12-31-2024	1,777,550.54	2,660,000.00	4.501%	84,514.34
H0750	10-23-2003	12-31-2032	20,778,567.36	25,000,000.00	5.091%	1,085,236.83
H0755	11-04-2003	12-31-2032	20,809,078.47	25,000,000.00	5.149%	1,099,027.53
H0760	11-14-2003	12-31-2032	20,764,840.06	25,000,000.00	5.065%	1,079,062.78
H0765	11-25-2003	12-31-2032	20,736,230.95	25,000,000.00	5.011%	1,066,255.72
H0770	12-04-2003	12-31-2032	22,473,804.59	27,000,000.00	5.149%	1,186,949.74
H0775	02-05-2004	12-31-2030	5,139,998.82	6,500,000.00	4.854%	257,283.67
H0780	05-06-2004	12-31-2030	1,815,382.78	2,260,000.00	5.240%	97,980.09
H0785	05-06-2004	12-31-2024	2,849,511.68	4,130,000.00	5.020%	150,828.06
H0790	08-26-2004	12-31-2030	13,516,818.43	16,900,000.00	4.921%	685,784.01
H0795	11-01-2004	12-31-2030	5,345,594.07	6,700,000.00	4.672%	257,688.37
H0800	11-16-2004	12-31-2030	2,593,800.30	3,240,000.00	4.795%	128,278.56
H0805	11-16-2004	12-31-2024	3,895,231.72	5,644,000.00	4.577%	188,276.62
H0810	12-16-2004	12-31-2038	44,420,528.32	50,000,000.00	4.744%	2,144,539.56
H0815	12-22-2004	12-31-2038	44,494,159.95	50,000,000.00	4.825%	2,184,306.56
H0820	12-29-2004	12-31-2038	44,602,787.87	50,000,000.00	4.946%	2,243,846.29
H0825	02-02-2005	12-31-2038	22,170,773.82	25,000,000.00	4.658%	1,051,199.49
H0830	02-08-2005	12-31-2038	22,095,727.23	25,000,000.00	4.497%	1,011,869.49
H0835	05-10-2005	12-31-2038	22,192,406.96	25,000,000.00	4.705%	1,062,709.41

Notes

Type of Debt Issue	Date of Issue	Date of Maturity	Amount Outstanding 6/30/2013	Amount Issued	Coupon Interest Rate	Interest 2012
H0840	06-02-2005	12-31-2038	22,017,301.13	25,000,000.00	4.332%	971,724.12
H0845	06-07-2005	12-31-2038	16,730,229.26	19,000,000.00	4.324%	737,034.29
H0850	06-09-2005	12-31-2030	9,033,846.49	13,192,000.00	4.353%	418,246.92
H0855	08-26-2005	12-31-2038	26,498,465.54	30,000,000.00	4.468%	1,205,761.92
H0860	08-30-2005	12-31-2038	26,499,598.78	30,000,000.00	4.470%	1,206,346.63
H0865	08-19-2005	12-31-2030	2,965,071.74	3,675,000.00	4.485%	137,293.78
H0870	10-14-2005	12-31-2038	26,665,999.57	30,000,000.00	4.769%	1,294,083.30
H0875	11-09-2005	12-31-2030	1,698,117.04	2,075,000.00	4.858%	85,068.59
H0880	11-09-2005	12-31-2024	405,816.82	566,000.00	4.789%	20,508.44
H0885	03-27-2006	12-31-2032	5,501,640.05	6,500,000.00	4.890%	276,161.33
H0890	05-03-2006	12-31-2038	13,572,074.57	15,000,000.00	5.345%	737,116.69
H0895	05-09-2006	12-31-2038	9,046,118.80	10,000,000.00	5.333%	490,217.64
H0900	08-23-2006	12-31-2034	13,287,944.12	15,000,000.00	5.070%	688,719.05
H0905	08-25-2006	12-31-2034	13,285,855.05	15,000,000.00	5.061%	687,405.60
H0910	08-29-2006	12-31-2034	20,368,794.48	23,000,000.00	5.053%	1,052,232.03
H0915	03-14-2007	12-31-2038	20,846,137.34	23,000,000.00	4.776%	1,013,115.49
H0920	03-16-2007	12-31-2038	21,081,714.52	23,251,000.00	4.812%	1,032,189.81
H0925	11-01-2007	12-31-2040	46,989,444.58	50,000,000.00	4.821%	2,300,121.86
H0930	11-08-2007	12-31-2040	23,472,234.36	25,000,000.00	4.736%	1,128,943.76
H0935	11-14-2007	12-31-2040	46,908,655.52	50,000,000.00	4.669%	2,224,625.69
H0940	12-05-2007	12-31-2040	23,376,363.69	25,000,000.00	4.384%	1,041,716.80
H0945	12-11-2007	12-31-2040	46,897,364.72	50,000,000.00	4.648%	2,214,205.64
H0950	12-12-2007	12-31-2040	23,241,902.19	25,000,000.00	4.511%	1,065,372.76
H0955	12-19-2007	12-31-2040	46,874,147.19	50,000,000.00	4.605%	2,192,877.33
H0960	01-03-2008	12-31-2032	9,592,464.44	11,000,000.00	4.338%	427,867.60
H0965	01-03-2008	12-31-2040	7,481,505.76	8,000,000.00	4.396%	334,298.98
H0970	01-09-2008	12-31-2040	10,209,443.27	11,000,000.00	4.385%	455,064.21
H0975	02-05-2008	12-31-2040	18,694,613.33	20,000,000.00	4.355%	827,637.76
H0980	02-12-2008	12-31-2040	18,697,520.03	20,000,000.00	4.368%	830,208.65
H0985	05-22-2008	12-31-2040	23,415,846.98	25,000,000.00	4.527%	1,077,108.26
H0990	05-30-2008	12-31-2040	23,477,017.83	25,000,000.00	4.754%	1,133,413.94
H0995	06-04-2008	12-31-2040	23,441,941.11	25,000,000.00	4.623%	1,100,902.09
H1000	10-14-2008	12-31-2040	7,379,315.12	7,900,000.00	4.298%	322,466.27
H1005	10-14-2008	12-31-2032	3,725,958.49	4,200,000.00	4.306%	164,985.22
H1010	11-07-2008	12-31-2040	23,366,027.54	25,000,000.00	4.347%	1,032,569.81
H1015	11-10-2008	12-31-2040	23,382,208.24	25,000,000.00	4.405%	1,046,910.24
H1020	12-18-2008	12-31-2040	6,779,616.47	7,400,000.00	2.846%	197,017.68
H1025	03-17-2009	12-31-2038	3,328,008.21	3,612,000.00	3.801%	129,072.83
H1030	04-16-2009	12-31-2040	23,126,780.82	25,000,000.00	3.651%	860,035.48
H1035	05-15-2009	12-31-2040	33,254,650.02	35,000,000.00	3.988%	1,349,516.85

Notes

Type of Debt Issue	Date of Issue	Date of Maturity	Amount Outstanding 6/30/2013	Amount Issued	Coupon Interest Rate	Interest 2012
H1040	05-27-2009	12-31-2040	23,831,854.46	25,000,000.00	4.374%	1,059,620.41
H1045	06-04-2009	12-31-2040	23,835,224.67	25,000,000.00	4.391%	1,063,841.17
H1055	06-08-2009	12-31-2040	38,203,231.93	40,000,000.00	4.605%	1,787,232.55
H1050	06-08-2009	12-31-2040	23,877,019.96	25,000,000.00	4.605%	1,117,020.34
H1060	06-15-2009	12-31-2040	23,876,056.74	25,000,000.00	4.600%	1,115,776.86
H1065	06-29-2009	12-31-2040	13,680,947.81	14,596,000.00	4.252%	591,514.04
H1070	06-30-2009	12-31-2040	23,809,464.53	25,000,000.00	4.262%	1,031,827.20
H1075	07-09-2009	12-31-2040	23,776,506.23	25,000,000.00	4.100%	991,671.01
H1080	07-17-2009	12-31-2040	12,152,951.79	12,900,000.00	4.382%	541,325.67
H1085	07-20-2009	12-31-2040	23,849,613.07	25,000,000.00	4.464%	1,081,972.00
H1090	08-05-2009	12-31-2039	9,506,118.14	10,000,000.00	4.396%	425,199.68
H1100	08-10-2009	12-31-2040	23,870,070.48	25,000,000.00	4.569%	1,108,068.30
H1095	08-12-2009	12-31-2040	23,835,026.69	25,000,000.00	4.390%	1,063,592.89
H1105	09-15-2009	12-31-2040	19,028,093.01	20,000,000.00	4.142%	801,661.36
H1110	09-16-2009	12-31-2040	19,036,570.33	20,000,000.00	4.194%	811,972.00
H1115	09-22-2009	12-31-2040	19,033,479.33	20,000,000.00	4.175%	808,204.11
H1120	09-23-2009	12-31-2039	18,969,862.73	20,000,000.00	4.137%	799,081.16
H1125	10-01-2009	12-31-2039	17,996,023.53	19,000,000.00	3.978%	729,251.64
H1130	10-01-2009	12-31-2040	5,700,897.16	6,000,000.00	3.990%	231,464.53
H1135	11-18-2009	12-31-2039	23,708,168.37	25,000,000.00	4.117%	993,903.80
H1140	11-18-2009	12-31-2039	23,708,168.37	25,000,000.00	4.117%	993,903.80
H1145	11-19-2009	12-31-2039	23,716,271.08	25,000,000.00	4.156%	1,003,552.50
H1150	11-19-2009	12-31-2039	23,716,271.08	25,000,000.00	4.156%	1,003,552.50
H1155	01-27-2010	12-31-2039	19,009,173.16	20,000,000.00	4.377%	846,630.95
H1160	01-28-2010	12-31-2040	6,647,587.51	7,000,000.00	4.398%	297,170.24
H1165	02-03-2010	12-31-2039	8,553,837.39	9,000,000.00	4.373%	380,626.96
H1170	02-12-2010	12-31-2040	18,132,247.08	19,000,000.00	4.508%	830,607.85
H1175	06-04-2010	12-31-2023	2,254,100.53	2,714,000.00	3.224%	77,620.22
H1180	06-04-2010	12-31-2034	304,424.96	327,000.00	3.943%	12,311.93
H1185	06-08-2010	12-31-2040	620,529.75	652,000.00	3.922%	24,769.75
H1190	06-08-2010	12-31-2040	866,076.91	910,000.00	3.922%	34,571.27
H1195	06-08-2010	12-31-2039	1,184,803.00	1,249,000.00	3.897%	47,044.98
H1200	06-10-2010	12-31-2039	410,723.25	433,000.00	3.913%	16,374.79
H1205	03-25-2011	12-31-2039	11,957,827.16	12,424,000.00	4.197%	510,928.22
H1210	05-24-2011	12-31-2044	23,376,680.92	24,000,000.00	4.067%	963,905.37
H1215	05-24-2011	12-31-2040	1,753,066.96	1,813,000.00	3.954%	70,541.91
H1220	05-24-2011	12-31-2040	12,249,228.93	12,668,000.00	3.954%	492,898.62
H1225	09-07-2011	12-31-2040	6,260,204.64	6,471,000.00	2.852%	182,300.84
H1230	09-07-2011	12-31-2039	35,531,019.55	36,804,000.00	2.811%	1,021,062.57
H1235	12-15-2011	12-31-2040	26,305,797.86	27,091,000.00	2.590%	696,016.55

Notes

Type of Debt Issue	Date of Issue	Date of Maturity	Amount Outstanding 6/30/2013	Amount Issued	Coupon Interest Rate	Interest 2012
H1240	12-28-2011	12-31-2040	20,385,679.16	21,000,000.00	2.713%	564,887.19
H1245	02-28-2012	12-31-2044	29,414,076.29	30,000,000.00	2.791%	699,296.67
H1250	03-13-2012	12-31-2044	29,471,534.91	30,000,000.00	2.916%	697,878.36
H1255	03-27-2012	12-31-2044	29,459,157.77	30,000,000.00	3.094%	704,605.31
H1260	04-10-2012	12-31-2040	10,841,111.67	11,038,000.00	2.800%	223,321.52
H1265	04-10-2012	12-31-2044	18,688,792.83	18,962,000.00	2.928%	401,335.15
H1270	06-25-2012	12-31-2044	29,140,907.77	29,588,000.00	2.495%	380,347.54
H1275	06-25-2012	12-31-2040	1,647,729.40	1,679,000.00	2.369%	20,481.53
H1280	08-29-2012	12-31-2039	24,660,751.65	25,000,000.00	2.302%	194,978.14
H1285	10-01-2012	12-31-2039	23,836,639.31	24,000,000.00	2.338%	139,513.45
H1290	10-19-2012	12-31-2044	26,863,635.85	27,000,000.00	2.724%	146,694.10
H1295	12-19-2012	12-31-2040	1,210,311.18	1,217,000.00	2.549%	1,017.10
H1300	12-19-2012	12-31-2040	9,945,038.42	10,000,000.00	2.549%	8,357.38
H1305	12-19-2012	12-31-2039	12,923,736.87	13,000,000.00	2.510%	10,698.36
F1310	04-19-2013	12-31-2039	7,011,000.00	7,011,000.00	2.393%	-
F1315	04-19-2013	12-31-2044	13,683,000.00	13,683,000.00	2.573%	-
F1320	04-19-2013	12-31-2040	3,181,000.00	3,181,000.00	2.432%	-
		Total FFB	2,405,667,286.66			105,779,225.70
		Less current maturities due in one year or less	(95,361,622.38)			
		COC-1-1 - Payments Unapplied	(100,803,428.06)		5.000%	
		Subtotal excluding bonds	2,525,074,184.27			113,564,302.51
		Annual Debt Fees	N/A			
		Amortization of Issuance Costs	N/A			
			2,525,074,184.27			
		Sick Leave Reserve	1,052,057.01			
		Total Long-Term Debt and Annualized Cost including bonds	\$ 2,558,476,241.28 (06/30/13)			\$ 113,781,792.41

EAST KENTUCKY POWER COOPERATIVE, INC.
STATEMENT OF OPERATIONS
807 KAR 5:001, Sections 17(2)(a), 12(9)

	12 Months Ending June 30, 2013
ELECTRIC ENERGY REVENUES	\$ 871,665,539
Other Operating Revenue and Income	17,077,147
TOTAL OPER. REVENUE & PATRONAGE CAPITAL	\$ 888,742,686
Operating Expense-Production-Excluding Fuel	66,264,526
Operating Expense-Production-Fuel	321,115,310
Operation Expense-Other Power Supply	93,151,605
Operation Expense-Transmission	33,868,808
Operation Expense-Regional Market Expenses	349,906
Operation Expense-Distribution	1,163,842
Operation Expense-Consumer Service & Information	3,871,921
Operation Expense-Sales	26,574
Operation Expense-Administrative & General	35,833,869
TOTAL OPERATION EXPENSE	\$ 555,646,361
Maintenance Expense-Production	71,750,925
Maintenance Expense-Transmission	6,515,599
Maintenance Expense-Distribution	1,917,128
Maintenance Expense-General Plant	1,924,828
TOTAL MAINTENANCE EXPENSE	\$ 82,108,480
Depreciation & Amortization Expense	94,234,454
Taxes	142,653
Interest on Long-Term Debt	113,390,884
Other Interest Expense	6,166
Asset Retirement Obligations	82,002
Other Deductions	1,220,476
TOTAL OPERATING EXPENSES	209,076,635
TOTAL COST OF ELECTRIC SERVICE	\$ 846,831,475
Operating Margins	41,911,211
Interest Income	4,763,452
Allowance for Funds Used During Construction	-
Other Non-operating Income - Net	(237,722)
Other Capital Credits & Patronage Dividends	407,735
NET PATRONAGE CAPITAL OR MARGINS	\$ 46,844,676

EAST KENTUCKY POWER COOPERATIVE, INC.

BALANCE SHEET
807 KAR 5:001, Sections 17(2)(a), 12(9)
ASSETS

	<u>Month ending June 30, 2013</u>
UTILITY PLANT	
Total Utility Plant in Service	\$ 3,705,917,071
Construction Work in Progress	49,108,256
TOTAL UTILITY PLANT	<u>\$ 3,755,025,327</u>
Accumulated Depreciation & Amortization	1,093,111,722
NET UTILITY PLANT	<u>\$ 2,661,913,605</u>
OTHER PROPERTY & INVESTMENTS	
Non-Utility Property - Net	820
Investments in Associated Organizations - Patronage Capital	1,454,720
Investments in Associated Organizations - Other General Funds	12,227,317
Other Investments	14,015,415
Special Funds	30,830,594
TOTAL OTHER PROPERTY & INVESTMENTS	<u>\$ 58,528,866</u>
CURRENT ASSETS	
Cash - General Funds	8,772
Cash - Construction Funds	500
Special Deposits	7,552
Temporary Investments	139,885,245
Accounts Receivable - Sale of Energy (Net)	74,290,263
Accounts Receivable - Other (Net)	9,730,072
Fuel Stock	63,060,998
Materials & Supplies - Electric & Other	45,352,233
Prepayments	5,446,781
Other Current & Accrued Assets	117,021
TOTAL CURRENT & ACCRUED ASSETS	<u>\$ 337,899,437</u>
Unamortized Debt Disc. & Extrord. Prop.Losses	1,711,368
Regulatory Assets	152,390,905
Other Deferred Debits	832,607
TOTAL ASSETS	<u>\$ 3,213,276,788</u>

EAST KENTUCKY POWER COOPERATIVE, INC.

BALANCE SHEET
807 KAR 5:001, Sections 17(2)(a), 12(9)
LIABILITIES & EQUITY

	<u>Month ending June 30, 2013</u>
MEMBERS EQUITY	
Memberships	1,600
Patronage Capital	349,114,581
Operating Margins - Current Year	32,287,569
Non-Operating Margins	2,606,676
Other Margins & Equity	10,737,388
TOTAL MARGINS & EQUITY	<u>\$ 394,747,814</u>
LONG-TERM DEBT	
RUS	7,037,683
Long-term Debt - FFB RUS Guaranteed	2,328,049,594
Long-term Debt - Other	324,192,393
Payments - Unapplied	(100,803,428)
TOTAL LONG-TERM DEBT	<u>\$ 2,558,476,242</u>
ACCUMULATED OPERATING PROVISIONS	65,699,166
CURRENT & ACCRUED LIABILITIES	
Accounts Payable	60,147,348
Current Maturities Long-Term Debt	95,361,622
Taxes Accrued	4,828,208
Interest Accrued	27,020,869
Other Current & Accrued Liabilities	3,290,923
TOTAL CURRENT & ACCRUED LIABILITIES	<u>\$ 190,648,970</u>
DEFERRED CREDITS	3,704,596
TOTAL LIABILITIES & OTHER CREDITS	<u><u>\$ 3,213,276,788</u></u>



**FROM THE MINUTE BOOK OF PROCEEDINGS
OF THE BOARD OF DIRECTORS OF
EAST KENTUCKY POWER COOPERATIVE, INC.**

At a regular meeting of the Board of Directors of East Kentucky Power Cooperative, Inc. held at the Headquarters Building, 4775 Lexington Road, located in Winchester, Kentucky, on Monday, June 10, 2013, at 9:30 a.m., EDT, the following business was transacted:

Authorization to Enter Into a Private Placement Financing Agreement

After review of the applicable information, a motion to approve the Authorization to Enter Into a Private Placement Financing Agreement was made by Strategic Issues Committee Chairman Lonnie Vice, and passed by the full Board to approve the following:

Whereas, East Kentucky Power Cooperative, Inc., (“EKPC”) expects to incur capital costs for expenditures associated with various generation and transmission projects and to have a need to finance such capital expenditures long-term;

Whereas, EKPC needs to finance the remaining balance of the Smith Unit 1 regulatory asset, estimated to be \$90,000,000 to \$120,000,000, over an approximate term of 10 years;

Whereas, That due to existing and additional projected curtailments in available financing from the Rural Utilities Service (“RUS”), it is desirable for EKPC to seek financing from outside lenders for Private Placement financing of said capital facilities and the Smith regulatory asset;

Whereas, That with improvements in EKPC’s financial condition and the attractiveness of the Private Placement market, EKPC is now able to negotiate favorable pricing for a Private Placement financing; and

Whereas, After review and discussion of the applicable information, management and the Strategic Issues Committee recommend that EKPC be authorized to enter into a Private Placement financing agreement, to meet said requirements; now, therefore, be it

Resolved, That the EKPC Board of Directors (“Board”) hereby authorizes EKPC to enter into a Private Placement financing agreement consisting of tranches having terms of up to 30 years, in a total amount not to exceed \$150,000,000, except that in the case that more favorable than expected pricing is achieved, at the discretion of EKPC’s Chief Executive Officer, the Private Placement issuance may be upsized to an amount not to exceed \$200,000,000;

Resolved, That the Board hereby authorizes EKPC to enter into a Private Placement financing agreement substantially, on the terms and conditions to be set forth between EKPC, the Indenture Trustee, the Placement Agent(s), and the investors, and in the loan documents to be prepared and executed pursuant thereto, together with such revisions therein, as in the discretion of the Chief Executive Officer, or his designee, are deemed to be in the best interest of EKPC;

Resolved, That the Board authorizes EKPC to seek all necessary governmental and regulatory approvals for said Private Placement financing agreement;

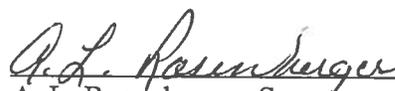
Resolved, That the Board authorizes EKPC to engage Placement Agent(s) as needed for the Private Placement financing and to pay attorney fees and other costs and expenses associated with the transaction;

Resolved, That the Board authorizes the Chairman, Chief Executive Officer, or Chief Financial Officer, acting singly, on behalf of EKPC, to negotiate, execute and deliver all such documents and instruments and do any and all things as may be necessary or appropriate in the judgment of such officer, in order to carry out the purposes and intent of the foregoing resolutions; and

Resolved, That each of the Chairman, Chief Executive Officer, or Chief Financial Officer, acting singly, is hereby authorized on behalf of EKPC, to execute and deliver from time to time loan request documentation, payment notices, and any other notices, consents or other documents contemplated by the Private Placement financing agreement and to request and receive funds pursuant to the agreements.

The foregoing is a true and exact copy of a resolution passed at a meeting called pursuant to proper notice at which a quorum was present and which now appears in the Minute Book of Proceedings of the Board of Directors of the Cooperative, and said resolution has not been rescinded or modified.

Witness my hand and seal this 10th day of June 2013.


A. L. Rosenberger, Secretary

Corporate Seal