



**Big Sandy Rural Electric
Cooperative Corporation**

504 11th Street
Paintsville, Kentucky 41240-1422
(606) 789-4095 • Fax (606) 789-5454
Toll Free (888) 789-RECC (7322)

ORIGINAL

RECEIVED

JUN 2 2017

PUBLIC SERVICE
COMMISSION

May 26, 2017

Ms. Talina R. Mathews
Executive Director
Kentucky Public Service Commission
PO Box 615
211 Sower Blvd.
Frankfort, KY 40602

RE: Kentucky Public Service Commission Case No. 2017-00190

Dear Ms. Mathews:

Please find enclosed the original and ten (10) copies of Big Sandy Rural Electric Cooperative Corporation's application to the Kentucky Public Service Commission to borrow approximately \$6,500,000 with the National Rural Utilities Cooperative Finance Corporation, and execute the necessary note(s), and to prepay Rural Utilities Service notes in the same amount.

If you should need any additional information, please do not hesitate to contact me.

Thank you,

Billy Frasure
Accounting & Finance Manager

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JUN 02 2017

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF BIG SANDY RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR AUTHORIZATION)	
TO BORROW \$6,500,000 FROM CFC AND)	CASE NO. 2017-00190
EXECUTE NECESSARY NOTES AND TO)	
PREPAY RURAL UTILITIES SERVICE NOTES)	
IN THE SAME AMOUNT.)	

APPLICATION

Comes Big Sandy Rural Electric Cooperative Corporation ("Big Sandy"), to respectfully submit this application seeking approval to refinance a portion of its Rural Utilities Service ("RUS"), long-term debt pursuant to KRS 278.300 and all other applicable law. This application respectfully shows:

1. Big Sandy RECC is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member-customers in the Kentucky counties of Johnson, Floyd, Martin, Lawrence, Morgan, Magoffin, Knott, and Breathitt.
2. Big Sandy's address is 504 11th Street, Paintsville, Kentucky 41240, and its electronic mailing address is c/o Billy Frasure at bfrasure@bigsandyrecc.com. Big Sandy's web address is www.bigsandyrecc.com.

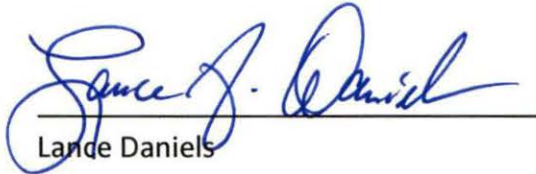
3. Big Sandy RECC's current Articles of Incorporation are filed in Case No. 2011-00408 before the Commission. Big Sandy is incorporated in Kentucky and attests that it is in good standing.
4. As of April 30, 2017 Big Sandy RECC services 12,953 member-customers. It has 1,037 miles of distribution lines in its eight-county service territory, and owns additional facilities necessary to support this distribution system.
5. The financial exhibit, as required by 807 KAR 5:001, Section 12(1) (a), is attached as Exhibit 1 to this application.
6. Big Sandy is not seeking authorization to issue any kinds of stock as part of this application.
7. Big Sandy seeks to borrow from National Rural Electric Cooperative Finance Corporation ("CFC") approximately \$6,500,000 and execute a loan agreement in conjunction with this borrowing from CFC at a fixed interest rate of 4.04%. The CFC loan term will be 20 years, which is approximately 2 years less than the longest maturity date of the RUS notes being refinanced. A copy of the proposal letter from CFC is attached as Exhibit 2, Pages 1-3 of this application. A copy of the resolution of the Big Sandy Board of Directors is attached as Exhibit 3, Pages 1-2 of this application. The CFC loan will be secured under the provisions of the Restated Mortgage and Security agreement dated as of December 10, 2012 (the "Mortgage"), between Big Sandy as Mortgagor, United States of America ("RUS"), CoBank and CFC, as Mortgagees, a copy of which has been attached as Exhibit 4.

8. Big Sandy expects the actual payoff to be approximately \$6,500,000 or less depending on the time required to secure Commission approval and any payments made in the meantime.
9. Big Sandy will use the proceeds from the CFC loan solely to prepay notes of the same amount outstanding to RUS. The notes being paid off are listed in the CFC proposal as Exhibit 5.
10. Big Sandy previously received expedited approval from the Commission in Case No. 2012-00456 and Case No. 2011-00408 to refinance debt.
11. In as much as no property is being acquired in conjunction with this financing, Inter807 KAR 5:001, Section 11(2)(c) is not applicable.
12. In addition to the foregoing, Big Sandy attaches hereto as collective Exhibit 6 a Proof of Financing letter from CFC, Annual Cash Flow Summary which provides a net present value analysis of cash flows over the life of the loan, and Big Sandy RECC CFC Loan Scenario.

WHEREFORE, Big Sandy asks that the Commission issue an Order authorizing Big Sandy to execute and issue evidences of indebtedness as security for the CFC loan described herein, and for any other relief to which it may be entitled.

DATED this 26th day of May, 2017.

RESPECTFULLY SUBMITTED,



Lance Daniels

Attorney at Law

P.O. Box 1115

225 Main Street

Paintsville, KY 41240

Phone: (606)264-7004

Email: ldanielslawoffice@yahoo.com

Attorney for Big Sandy Rural Electric Cooperative Corp.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF BIG SANDY RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR AUTHORIZATION)	
TO BORROW \$6,500,000 FROM CFC AND)	CASE NO. 2017-00190
EXECUTE NECESSARY NOTES AND TO)	
PREPAY RURAL UTILITIES SERVICE NOTES)	
IN THE SAME AMOUNT.)	

AFFIDAVIT

Billy O. Frasure, CPA, being duly sworn states that he is the Accounting & Finance Manager of Big Sandy Rural Electric Cooperative Corporation; and that he has personal knowledge of the matters set forth in the foregoing application; and that the statements contained therein are true and correct to the best of his knowledge, information and belief.

Witness my signature this 26th day of May, 2017.



Billy O. Frasure, CPA

Subscribed and sworn to before me by Billy O. Frasure, CPA this 26th day of May, 2017.



Notary Public, State at Large

My commission expires: July 12, 2019



APPLICATION OF BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION
FINANCIAL EXHIBIT 807 KAR 5:001, SECTION 12

Unless otherwise noted the financial information contained in this exhibit is for the twelve month period ending on the 30th day of April, 2017:

- Section 12(2)(a) Big Sandy has no stock authorized.
- Section 12(2)(b) Big Sandy has no stock issued or outstanding.
- Section 12(2)(c) Big Sandy has no preferred stock issued.
- Section 12(2)(d) All of Big Sandy loans with RUS, CFC and COBANK are secured by a restated mortgage with Big Sandy as the mortgagor and RUS, CFC and COBANK as the mortgagees. The total cumulative, actual indebtedness is \$26,725,032.13, but the amount sought to be refinanced by the CFC mortgage requested in the attached application is in total \$6,422,263.80. The maximum authorized indebtedness of the Cooperative is \$100,000,000.00.
- Section 12(2)(e) Big Sandy has no authorized bonds nor any issued bonds.
- Section 12(2)(f)&(g) Big Sandy has no other outstanding long term indebtedness other than as set forth hereinabove.
- Section 12(2)(h) Big Sandy has no authorized stock issued nor outstanding and, therefore, no dividends have been paid during the five previous fiscal years as there is no stock upon which any dividends would be paid.
- Section 12(2)(i) Big Sandy's Statement of Operations and Balance Sheet is also attached hereto as Exhibit 7.



**National Rural Utilities
Cooperative Finance Corporation**

Created and Owned by America's Electric Cooperative Network

20701 Cooperative Way
Dulles, Virginia 20166
703-467-1800 | www.nrucfc.coop

April 27, 2017

Mr. David A. Estep
President and General Manager
Big Sandy Rural Electric Cooperative Corporation
504 11th Street
Paintsville, KY 41240

RE: Big Sandy Rural Electric Cooperative Corporation ("Borrower") Rate Lock Option Offer - Loan No. KY058-A-9022

Dear Mr. Estep:

Pursuant to Borrower's request, National Rural Utilities Cooperative Finance Corporation ("CFC") is pleased to offer Borrower this interest rate lock option for drawing certain funds, as more particularly described on the attached Schedule A ("Rate Lock Option"). The loan number, advance amount, advance date, interest rate and any other terms for each advance for which CFC is offering the Rate Lock Option are set forth on Schedule A, and such attributes together constitute a "Scheduled Advance" for purposes of the Rate Lock Option. In consideration of CFC's offer and Borrower's acceptance of it, CFC and Borrower hereby agree as follows:

- (a) The Rate Lock Option is limited to Scheduled Advances, and shall not be construed as an offer, agreement or obligation associated with any other advance that has been or may be made by CFC;
- (b) CFC's obligation to fund any Scheduled Advance is expressly conditioned upon Borrower and CFC entering into and executing a mutually agreeable loan agreement that governs the terms of the Schedule Advance(s) ("Loan Agreement"), and upon Borrower meeting all of the conditions to advance as set forth therein; and
- (c) By exercising this Rate Lock Option, Borrower agrees to the following terms:

IF:	THEN:
as of the date of the first Scheduled Advance, Borrower has not entered into a Loan Agreement with CFC regarding such Scheduled Advance:	Borrower shall pay to CFC, on demand, (1) a make-whole amount, computed on the amount of the Scheduled Advance, in accordance with CFC's standard formula for calculating reinvestment loss resulting from its commitment to make a fixed rate loan, plus (2) an administrative fee of 33 basis points on the amount of the Scheduled Advance (collectively, the "Make-Whole Amount");
Borrower draws the full amount of the Scheduled Advance on or before its scheduled date:	the Scheduled Advance is subject to the Rate Lock Option.
Borrower does not draw any of the Scheduled Advance on or before its scheduled date:	Borrower shall pay to CFC, on demand, the Make-Whole Amount.
Borrower draws less than the full amount of the Scheduled Advance on or before its scheduled date:	Borrower shall pay to CFC, on demand, the Make-Whole Amount, <i>except</i> that the Make-Whole amount shall be computed only upon the undrawn amount of the Scheduled Advance; <i>and</i> the amount drawn shall be subject to the Rate Lock Option.
Borrower draws more than the full amount of the Scheduled Advance on or before its scheduled date:	the amount of the Scheduled Advance shall be subject to the Rate Lock Option; <i>and</i> the excess amount drawn shall not be subject to the Rate Lock Option, but instead shall be subject to the interest rate terms of the Loan Agreement.

(d) By signing below, the signatory hereby irrevocably exercises the Rate Lock Option on behalf of Borrower and certifies that (1) the signatory is duly authorized to act for, on behalf of, and commit Borrower as described herein, (2) no state regulatory commission or other governmental approval is required to exercise the Rate Lock Option and perform under the terms and conditions set forth herein or, if such

approvals are required, then such approvals have been obtained, are in effect, and evidence thereof is attached hereto.

If the foregoing accurately describes our mutual understanding of the Rate Lock Option and the terms and conditions under which it is offered, please execute and return a copy of this letter by e-mail or facsimile before 12 pm on April 28, 2017, at which time this offer for the Rate Lock Option will automatically be deemed withdrawn.

Sincerely,

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

By: Ashley Welsh
Ashley Welsh
Assistant Secretary-Treasurer

ACCEPTED AND AGREED TO THIS 27th day of April, 2017

Big Sandy Rural Electric Cooperative Corporation

By: [Signature]

Its: CEO

RESOLUTION

April 27, 2017

Board Resolution Requesting RUS Discounted Prepayment

I, Kelly Shepherd, Secretary-Treasurer of Big Sandy Rural Electric Cooperative Corporation (“Applicant”), do hereby certify that the following is a true and correct copy of a resolution adopted at the meeting of the Board of Directors of Applicant held on April 27, 2017, at which a quorum was present and voted; the meeting was duly and regularly held in accordance with the bylaws of the Applicant, and said resolution has not been rescinded or modified:

WHEREAS the Board of Directors of Applicant has caused to be conducted a thorough review of the feasibility of prepayment of its Qualified Notes currently outstanding with the Rural Utilities Service (RUS); and

WHEREAS the Board of Directors has, after full study and consideration, determined that it is in the best interest of Applicant and its membership, that it prepay a portion of its Qualified RUS Notes, as set forth on the Schedule attached to this resolution, at a discounted present value at the earliest practicable date, as authorized in 7 CFR Part 1786;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of Applicant hereby requests that RUS enter into a prepayment agreement with the Applicant providing for the prepayment of a portion of its Qualified Notes and that it be communicated to the appropriate RUS Regional Director by the CEO/General Manager; and

WHEREAS the Board of Directors of Applicant has determined that it will seek to prepay, at a discount, its existing RUS debt, and National Rural Utilities Cooperative Finance Corporation (CFC) financing is needed for the prepayment in the approximate amount of \$6,500,000.

BE IT RESOLVED that the Applicant make application to CFC for a commitment in the approximate amount of \$6,500,000 to be used to prepay RUS debt.


BE IT FURTHER RESOLVED, that the CFC financing requested herein include several different loan amounts, each loan having a maturity no longer than 25 years, as determined by the CEO/General Manager and provided to CFC in writing prior to the preparation of the CFC loan and security documentation. The loans, which in the aggregate total the financing commitment request of approximately \$6,500,000, will have separate interest rate options which will be selected at the time of the advance by the CEO/General Manager.

BE IT ALSO RESOLVED, that Applicant hereby authorizes the release of information from
RUS to CFC in connection with the system as it relates to this application.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Applicant,
this 27th day of April 2017.

Dated this 27th day of April 2017

(Corporate Seal)


Kelly Shepherd, Secretary-Treasurer

Schedule of Qualified RUS Notes
April 27, 2017

Loan Number	Interest Rate	Amort Type	Loan Balance	Maturity Date
RET-7-1	3.00%	LD	\$ 1,092,883.16	10/31/2039
RET-7-2	4.63%	LD	\$ 1,649,057.74	10/31/2039
RET-7-3	4.93%	LD	\$ 1,255,671.32	10/31/2039
RET-7-4	4.58%	LD	\$ 1,257,917.84	10/31/2039
RET-7-5	4.57%	LD	\$ 1,166,733.85	10/31/2039

RUS PROJECT DESIGNATION: KENTUCKY 58
SUPPLEMENTAL MORTGAGE
AND
SECURITY AGREEMENT

Made by and among

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION
504 11TH Street
Paintsville, Kentucky 41240-1422,
Mortgagor, and

UNITED STATES OF AMERICA
Rural Utilities Service
Washington, D.C. 20250
Mortgagee, and

CoBANK, ACB
5500 South Quebec Street
Greenwood Village, Colorado 80111
Mortgagee, and

NATIONAL RURAL UTILITIES COOPERATIVE
FINANCE CORPORATION
20701 Cooperative Way
Dulles, VA 20166
Mortgagee

Dated as of December 10, 2012

THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY
THE DEBTOR AS MORTGAGOR IS A TRANSMITTING UTILITY
MORTGAGOR'S ORGANIZATIONAL IDENTIFICATION NUMBER IS 0004187
THE MAXIMUM PRINCIPAL AMOUNT OF DEBT SECURED HEREBY IS \$100,000,000.00
THIS INSTRUMENT CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL
PROPERTY AND FIXTURES, AFTER-ACQUIRED PROPERTY, PROCEEDS, FUTURE
ADVANCES AND FUTURE OBLIGATIONS

After recording, return to Kathleen Savageau, Senior Paralegal, CoBank, ACB, 5500 South Quebec Street, Greenwood Village, CO, 80111

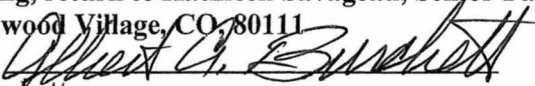
Prepared by: 
Albert A. Burchett
Attorney At Law
P.O. Box 0346
Prestonburg, KY 41653

Exhibit 4
Page 1 of 12

**SUPPLEMENTAL MORTGAGE
AND SECURITY AGREEMENT**

THIS SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT, dated as of December 10, 2012 (hereinafter sometimes called this "Supplemental Mortgage"), is made by and among **BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION** (hereinafter called the "Mortgagor"), a cooperative corporation existing under the laws of the State of Kentucky, **CoBANK, ACB** (hereinafter called "CoBank"), a federally chartered instrumentality of the United States, the **UNITED STATES OF AMERICA**, acting by and through the Administrator of the Rural Utilities Service (hereinafter called the "Government"), and the **NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION** (hereinafter called "CFC"), a cooperative corporation under the laws of the District of Columbia, and is intended to confer rights and benefits on the Government, CFC and CoBank in accordance with this Supplemental Mortgage and the Original Mortgage (hereinafter defined) (the Government, CoBank and CFC being hereinafter sometimes collectively referred to as the "Mortgagees").

Recitals

Whereas, the Mortgagor, the Government, CoBank and CFC are parties to that certain Restated Mortgage and Security Agreement, as supplemented, amended or restated (the "Original Mortgage" as identified in Schedule "A" of this Supplemental Mortgage) originally entered into between the Mortgagor, the Government acting by and through the Administrator of the Rural Utilities Service (hereinafter called "RUS"), and CFC; and

Whereas, the Mortgagor deems it necessary to borrow money for its corporate purposes and to issue its promissory notes and other debt obligations therefor, and to mortgage and pledge its property hereinafter described or mentioned to secure the payment of the same, and to enter into this Supplemental Mortgage pursuant to which all secured debt of the Mortgagor hereunder shall be secured on parity, (this Supplemental Mortgage and the Original Mortgage, as it may have been previously amended or supplemented, hereinafter may be called collectively the "RUS Mortgage"); and

Whereas, the RUS Mortgage, as supplemented hereby, preserves the priority of the Original Mortgage for the pro rata benefit of all the Mortgagees and secures the payment of all of the Mortgagor's outstanding indebtedness as listed in Instruments Recital of Schedule "A" hereto (collectively, the "Outstanding Notes"); and

Whereas, the Original Mortgage provides the terms by which additional pari passu obligations may be issued thereunder and further provides that the Original Mortgage may be supplemented from time to time to evidence that such obligations are entitled to the security of the Original Mortgage; and

Whereas, by their execution and delivery of this Supplemental Mortgage the parties hereto do hereby secure the Additional Notes listed in Schedule "A" pari passu with the Outstanding Notes under the Original Mortgage; and

Whereas, all acts necessary to make this Supplemental Mortgage a valid and binding legal instrument for the security of such notes and related obligations, subject to the terms of the RUS Mortgage, have been in all respects duly authorized.

Now, Therefore, This Supplemental Mortgage Witnesseth: That to secure the payment of the principal of (and premium, if any) and interest on all Notes issued hereunder according to their tenor and effect, and the performance of all provisions therein and herein contained, and in consideration of the

*Exhibit 4
Page 2 of 12*

covenants herein contained and the purchase or guarantee of Notes by the guarantors or holders thereof, the Mortgagor has mortgaged, pledged and granted a continuing security interest in, and by these presents does hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, hypothecate, pledge, set over and confirm, pledge and grant a continuing security interest in for the purposes hereinafter expressed, unto the Mortgagees all property, rights, privileges and franchises of the Mortgagor of every kind and description, real, personal or mixed, tangible and intangible, of the kind or nature specifically mentioned herein or any other kind or nature, except any Excepted Property set forth on Schedule "C" hereof owned or hereafter acquired by the Mortgagor (by purchase, consolidation, merger, donation, construction, erection or in any other way) wherever located, including (without limitation) all and singular the following:

A. all of those fee and leasehold interests in real property set forth in Schedule "B" hereto, subject in each case to those matters set forth in such Schedule; and

B. all of those fee and leasehold interests in real property set forth in Schedule "B" of the Original Mortgage or in any restatement, amendment or supplement thereto, subject in each case to those matters set forth in such Schedule; and

C. all of the kinds, types or items of property, now owned or hereafter acquired, described as Mortgaged Property in the Original Mortgage or in any restatement, amendment or supplement thereto as Mortgaged Property.

It is Further Agreed and Covenanted That the Original Mortgage, as previously restated, amended or supplemented, and this Supplemental Mortgage shall constitute one agreement and the parties hereto shall be bound by all of the terms thereof and, without limiting the foregoing.

1. All capitalized terms not defined herein shall have the meaning given in Article I of the Original Mortgage.

2. This Supplemental Mortgage is one of the Supplemental Mortgages contemplated by Article II of the Original Mortgage.

3. The Maximum Debt Limit for the RUS Mortgage shall be as set forth in Schedule "A" hereto.

In Witness Whereof, **BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION** as Mortgagor, and **CoBANK, ACB**, as Mortgagee, **UNITED STATES OF AMERICA**, as Mortgagee, and **NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION**, as Mortgagee, have each caused this Supplemental Mortgage to be signed in their respective names by duly authorized persons, all as of the day and year first written above.

**BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By: Wade May
Name: WADE MAY
Title: Chairman of the Board

(seal)
Attest: Kelly Shepherd
Secretary

Executed by the Mortgagor in the presence of:

Daryl Estep
Billy Fraser
Witnesses

State of Kentucky)
)ss
County of Johnson)

The foregoing instrument was acknowledged before me this 24th day of January, 2013 by Wade May & Kelly Shepherd as Chairman & Secretary of **BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**, a Kentucky cooperative corporation, on behalf of the corporation.

Judith McClure
Notary Public

(SEAL)

My commission expires: 6-19-2014

CoBANK, ACB

By:

Name:

Alex Georgievski

Title: Assistant Corporate Secretary

(seal)

Attest:

Tonya Butler

Tonya Butler

Assistant Corporate Secretary

Executed by the Mortgagee in the presence of:

Kathleen Savageau

Kathleen Savageau

Michael Wolf

Michael Wolf

Witnesses

STATE OF COLORADO)

)

) SS

COUNTY OF ARAPAHOE)

)

The foregoing instrument was acknowledged before me this 21 day of December, 2012 by Alex Georgievski as Assistant Corporate Secretary of CoBank, ACB.

Witness my hand and official seal.

CYNTHIA M. ALVARADO
NOTARY PUBLIC
STATE OF COLORADO

(Notarial Seal) My Commission Expires 07-12-2013

Cynthia M. Alvarado
Notary Public
CYNTHIA M. ALVARADO

My commission expires: _____

UNITED STATES OF AMERICA

For Joseph S. Badin
By: JOSEPH S. BADIN
Administrator of the Rural Utilities
Service

Executed by the United States of America,
Mortgagee, in the presence of:

Mary E. Weber
D.P. Jenkins
Witnesses

MARY E. WEBER

DOUGLAS P. JENKINS

DISTRICT OF COLUMBIA)ss

On this 2 day of January, 2013, personally appeared before me Joseph S. Badin, who, being duly sworn, did say that he/she is the Administrator of the Rural Utilities Service, an agency of the United States of America, and acknowledged to me that, acting under a delegation of authority duly given and evidenced by law and presently in effect, he/she executed said instrument as the act and deed of the United States of America for the uses and purposes therein mentioned.

Acting
For

IN TESTIMONY WHEREOF I have heretofore set my hand and official seal the day and year last above written.

[Signature]
Notary Public

(Notarial Seal)

My commission expires: _____



NATIONAL RURAL UTILITIES COOPERATIVE
FINANCE CORPORATION

By: [Signature]

Name: BRYAN RUSSELL

Title: Assistant Secretary Treasurer

(Seal)

Attest: [Signature] MARIANNE L. DUSOLD

Assistant Secretary-Treasurer

Executed by the above-named Mortgagee
in the presence of:

[Signature] Ranyer Bravo
[Signature] JULIE SCHLEH
Witnesses

COMMONWEALTH OF VIRGINIA)
) SS
COUNTY OF LOUDOUN)

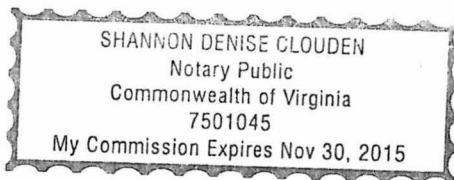
I, Shannon Denise Clouden, a Notary Public in and for the Commonwealth of Virginia, County of Loudoun, do certify that BRYAN RUSSELL, whose name is signed to the writing above, has acknowledged the same before me in my county aforesaid.

Given under my hand this 11th day of January, 2013

[Signature]
Notary Public

(Notarial Seal)

My Commission expires:



SUPPLEMENTAL MORTGAGE

SCHEDULE A

MAXIMUM DEBT LIMIT AND OTHER INFORMATION

1. The Maximum Debt Limit is \$100,000,000.00
2. The Original Mortgage as referred to in the first WHEREAS clause above is more particularly described as follows:

Restated Mortgage and Security Agreement dated as of November 1, 2004 among BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, as Mortgagor, the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, as a Mortgagee, and the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as a Mortgagee. The recording information is as follows:

Recording Date	County	Book	Page
December 2, 2004	Breathitt	106	111
December 1, 2004	Floyd	M455	317
November 30, 2004	Johnson	379	281
December 2, 2004	Knott	Mtg 145	697
November 30, 2004	Lawrence	Mtg 179	478
November 30, 2004	Martin	Mtg 104	178
December 2, 2004	Magoffin	Mtg 87	194
December 2, 2004	Morgan	Mtg 121	193

Supplemental Mortgage and Security Agreement dated as of November 7, 2011 among BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, as Mortgagor, the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, as a Mortgagee, COBANK, ACB, as a Mortgagee and the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as a Mortgagee. The recording information is as follows:

Recording Date	County	Book	Page
March 29, 2012	Breathitt	Mtg. 135	632
March 28, 2012	Floyd	615	363
March 28, 2012	Johnson	M493	282
March 28, 2012	Knott	207	110
March 29, 2012	Lawrence	250	89
March 29, 2012	Martin	Mtg. 134	48
April 4, 2012	Magoffin	118	651
March 29, 2012	Morgan	163	931

3. The outstanding secured indebtedness described in the third WHEREAS clause above is more particularly described as follows:

OUTSTANDING NOTES issued to the Government¹

<u>Loan</u>			<u>Final</u>	
<u>Designation</u>	<u>Face Amount</u>	<u>Date</u>	<u>Maturity</u>	<u>% Rate²</u>
AK 61	\$2,659,000.00	19 Jan 1996	19 Jan 2031	V
AL8 ³	\$7,464,000.00	4 Jan 1999	31 Oct 2033	V
AM44	\$7,880,000.00	1 Nov 2004	1 Nov 2039	V
AN8	\$10,397,000	30 Sep 2009	31 Dec 2043	V

OUTSTANDING NOTES issued to CFC

CFC Loan Designation	Face Amount of Note	Note Date	Maturity Date
KY058-C-9011	\$469,000.00	08/23/1979	08/23/2014
KY058-C-9014	\$420,000.00	03/05/1982 (substituted 09/02/1983)	03/05/2017
KY058-C-9017*	\$812,371.00	05/21/1993	05/21/2028
KY058-C-9018*	\$1,139,000.00	01/19/1996	01/19/2031
KY058-A-9021	\$5,442,555.00	07/18/2003	07/18/2019

* The Outstanding Notes issued to CFC marked above with an asterisk have been fully or partially refinanced with the proceeds of the Additional Note(s) referred to in Paragraph 4 of this Schedule A.

OUTSTANDING NOTES issued to CoBank:

<u>CoBank Loan</u>	<u>Face Amount of</u>	<u>Note Date</u>	<u>Maturity Date</u>	<u>% Rate</u>
<u>Designation</u>	<u>Note</u>			
RI0039T01	\$860,958.19	November 7, 2011	November 20, 2019	3.26

¹ "Government" as used in this listing refers to the United States of America acting through the Administrator of the Rural Utilities Service (RUS) or its predecessor agency, the Rural Electrification Administration (REA). Any Notes which are payable to a third party and which either RUS or REA has guaranteed as to payment are also described in this listing as being issued to the Government. Such guaranteed Notes are typically issued to the Federal Financing Bank (FFB), an instrumentality of the United States Department of Treasury, and held by RUS.

² V=variable interest rate calculated by RUS pursuant to Title 7 of the coded of Federal Regulations (or by the Secretary of Treasury).

³ In addition to this note which the Mortgagor has issued to FFB, the Mortgagor has also issued a corresponding promissory note to RUS designated as the certain "Reimbursement Note" bearing even date therewith. Such Reimbursement Note is payable to the Government on demand and evidences the Mortgagor's obligation immediately to repay RUS, any payment which RUS may make pursuant to the RUS guarantee of such FFB note, together with interest, expenses and penalties (all as described in such Reimbursement Note). Such Reimbursement Note is an "Additional Note issued to the Government" for purposes of this Part One of Schedule A of this Supplemental Mortgage and is entitled to all of the benefits and security of the Mortgage.

4. The Additional Notes described in the fifth **WHEREAS** clause above are more particularly described as follows:

ADDITIONAL NOTES issued to CoBank:

<u>CoBank Loan Designation</u>	<u>Face Amount of Note</u>	<u>Note Date</u>	<u>Maturity Date</u>	<u>% Rate</u>
RI0039T02	\$778,703.00	November 15, 2012	November 20, 2022	3.07

SUPPLEMENTAL MORTGAGE

SCHEDULE B

PROPERTY SCHEDULE

The fee and leasehold interests in real property referred to in clause A of the granting clauses are described as follows:

1. A certain tract of land described in a certain deed, dated August 4, 1964, by May F. Stafford (single), and DeWitt T. Stafford (single), as grantors, to the Mortgagor, as grantee, and recorded in the office of the Clerk of the County of Johnson County, Kentucky, in Deed Book 148, Page 459.
2. A certain tract of land described in a certain deed, dated August 4, 1964, by DeWitt T. Stafford (single), as grantor, to the Mortgagor, as grantee, and recorded in the office of the Clerk of the County of Johnson County, Kentucky, in Deed Book 148, Pages 456-456A.

SUPPLEMENTAL MORTGAGE

SCHEDULE C

EXCEPTED PROPERTY

The Excepted Property as defined in the Original Mortgage



Created & Owned by America's Electric Cooperative Network

Big Sandy RECC

RUS Payoff

RUS Refinance - 20 Year Amortization

Count	Loan Number	Payments Per Year	Interest Rate	Amort Type	Loan Balance	Payment	Maturity Date	Years to Maturity	Treasury Rate	Payoff Amount	Amount of Discount	Percentage Discount
1	RET-7-1	12	3.00%	LD	\$ 1,092,883.16	\$ 2,771.76	10/31/2039	22.30	0.00%	\$ 1,092,883.16	\$ -	0.000%
2	RET-7-2	12	4.63%	LD	\$ 1,649,057.74	\$ 6,371.69	10/31/2039	22.30	0.00%	\$ 1,649,057.74	\$ -	0.000%
3	RET-7-3	12	4.93%	LD	\$ 1,255,671.32	\$ 5,163.53	10/31/2039	22.30	0.00%	\$ 1,255,671.32	\$ -	0.000%
4	RET-7-4	12	4.58%	LD	\$ 1,257,917.84	\$ 4,808.40	10/31/2039	22.30	0.00%	\$ 1,257,917.84	\$ -	0.000%
5	RET-7-5	12	4.57%	LD	\$ 1,166,733.85	\$ 4,450.21	10/31/2039	22.30	0.00%	\$ 1,166,733.85	\$ -	0.000%

Exhibit 5
Page 1 of 1



**National Rural Utilities
Cooperative Finance Corporation**

Created and Owned by America's Electric Cooperative Network

20701 Cooperative Way
Dulles, Virginia 20166
703-467-1800 | www.nrucfc.coop

April 24, 2017

Mr. David A. Estep
President and General Manager
Big Sandy Rural Electric Cooperative Corporation
504 11th Street
Paintsville, KY 41240

Dear Mr. Estep:

On March 22, 1994, RUS published the final rules for the prepayment of RUS notes at a discount. CFC is pleased to inform you that Big Sandy Rural Electric Cooperative Corporation has been approved to receive CFC funding to refinance its RUS debt.

We have determined that your system may refinance approximately \$6,500,000 with a secured long-term commitment from CFC for a term that matches the composite life of the existing RUS debt. CFC will also consider lending for terms other than the composite life of the existing RUS debt. It is anticipated that distribution systems interested in refinancing for shorter terms than their existing RUS debt will need to run financial forecasts to evaluate and support the goals and expectations of their system.

According to RUS' rules, borrowers that apply for the note buyout must show evidence of available financing for prepayment of notes. This letter may be used for that purpose. Financing will be available to Big Sandy Rural Electric Cooperative Corporation after the execution of CFC loan and security documents and, as may be required by some systems, regulatory approval from state and/or federal agencies.

CFC's approved commitment to Big Sandy Rural Electric Cooperative Corporation will be available for advance anytime during the next eighteen months, which means you will have quick access to loan funds in the event you choose to refinance your RUS debt. We look forward to providing you with any assistance that may be needed. Please contact Brian Stavish, your Regional Vice President at 571-213-9003 or Ashley Welsh in our Dulles office at (800) 424-2954, extension 1845 for more information concerning the note buyout.

Sincerely,

Roberta B. Aronson

Roberta B. Aronson
Senior Vice President and General Counsel

*Exhibit 6
Page 1 of 3*

Co-op Name: Big Sandy RECC
 Co-op ID: KY058
 Date Prepared: 5/18/2017
 Interest Rates as of: 4/27/2017
 Advance Date: 8/1/2017
 Scenario Name: RUS Refinance - 20 Year Amortization
 Financing Amount: \$6,422,263.80

Interest Rate Comparison*		
	CFC	RUS
Interest Rate	4.04%	4.40%
Discounts & Fees	0.00%	0.00%
Int Rate Prior to Pat Cap	4.04%	4.40%
Patronage **	-0.26%	0.00%
Effective Int Rate	3.78%	4.40%



ANNUAL CASH FLOW SUMMARY

31-Jul	CFC					RUS					Interest Expense Difference	Patronage Capital Retirement	Total Cash Flow Difference	
	Ending Balance	Principal Payments	Interest Expense	Cash Patronage	Cash Discounts	Cash Flows	Ending Balance	Principal Payments	Interest Expense	Section 9 Interest				Cash Flows
	(6,422,264)	(2,609,166)	244,906	0	0	(6,786,524)	(6,422,264)	(3,660,994)	0	0	(10,083,258)	1,051,828	244,906	1,296,734
2017	6,422,264	0	0	0	0	0	6,422,264	0	0	0	0	0	0	0
2018	6,101,151	(321,113)	(200,576)	9,442	0	(512,247)	6,247,636	(174,628)	(278,538)	0	(453,166)	77,962	9,442	(59,081)
2019	5,780,037	(321,113)	(232,385)	10,912	0	(542,586)	6,065,277	(182,358)	(270,808)	0	(453,166)	38,423	10,912	(89,420)
2020	5,458,924	(321,113)	(223,383)	10,462	0	(534,034)	5,875,149	(190,128)	(263,039)	0	(453,166)	39,656	10,462	(80,868)
2021	5,137,811	(321,113)	(212,679)	9,987	0	(523,806)	5,675,972	(199,178)	(253,989)	0	(453,166)	41,310	9,987	(70,639)
2022	4,816,698	(321,113)	(201,963)	9,483	0	(513,593)	5,468,253	(207,719)	(245,447)	0	(453,166)	43,485	9,483	(60,426)
2023	4,495,585	(321,113)	(190,725)	8,955	0	(502,883)	5,251,300	(216,953)	(236,213)	0	(453,166)	45,488	8,955	(49,717)
2024	4,174,471	(321,113)	(179,390)	8,401	0	(492,102)	5,024,962	(226,338)	(226,828)	0	(453,166)	47,438	8,401	(38,936)
2025	3,853,358	(321,113)	(166,804)	7,832	0	(480,085)	4,788,012	(236,950)	(216,216)	0	(453,166)	49,413	7,832	(26,918)
2026	3,532,245	(321,113)	(154,401)	7,250	0	(468,265)	4,540,756	(247,256)	(205,910)	0	(453,166)	51,509	7,250	(15,098)
2027	3,211,132	(321,113)	(141,838)	6,660	0	(456,291)	4,282,463	(258,293)	(194,873)	0	(453,166)	53,036	6,660	(3,125)
2028	2,890,019	(321,113)	(129,481)	6,064	0	(444,531)	4,012,848	(269,615)	(183,552)	0	(453,166)	54,070	6,064	8,636
2029	2,568,906	(321,113)	(116,430)	5,466	0	(432,077)	3,730,749	(282,099)	(171,067)	0	(453,166)	54,638	5,466	21,090
2030	2,247,792	(321,113)	(103,546)	4,861	0	(419,797)	3,436,228	(294,521)	(158,645)	0	(453,166)	55,100	4,861	33,369
2031	1,926,679	(321,113)	(90,541)	4,251	0	(407,403)	3,128,509	(307,719)	(145,447)	0	(453,166)	54,907	4,251	45,763
2032	1,605,566	(321,113)	(77,681)	3,638	0	(395,156)	2,807,147	(321,363)	(131,804)	0	(453,166)	54,123	3,638	58,010
2033	1,284,453	(321,113)	(64,290)	3,018	0	(382,386)	2,471,054	(336,093)	(117,074)	0	(453,166)	52,783	3,018	70,781
2034	963,340	(321,113)	(50,964)	2,392	0	(369,685)	2,120,002	(351,052)	(102,114)	0	(453,166)	51,150	2,392	83,481
2035	642,226	(321,113)	(37,598)	1,764	0	(356,947)	1,753,160	(366,842)	(86,324)	0	(453,166)	48,726	1,764	96,219
2036	321,113	(321,113)	(24,109)	1,129	0	(344,093)	1,369,888	(383,271)	(69,895)	0	(453,166)	45,786	1,129	109,073
2037	0	(321,113)	(10,384)	486	0	(331,011)	969,193	(400,696)	(52,471)	0	(453,166)	42,086	486	122,155
2038	0	0	0	0	0	0	550,494	(418,699)	(34,467)	0	(453,166)	34,467	0	453,166
2039	0	0	0	0	0	0	112,895	(437,599)	(15,568)	0	(453,166)	15,568	0	453,166
2040	0	0	0	0	0	0	0	(112,895)	(704)	0	(113,599)	704	0	113,599
2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2043	0	0	0	9,442	0	9,442	0	0	0	0	0	0	9,442	9,442
2044	0	0	0	10,912	0	10,912	0	0	0	0	0	0	10,912	10,912
2045	0	0	0	10,462	0	10,462	0	0	0	0	0	0	10,462	10,462
2046	0	0	0	9,987	0	9,987	0	0	0	0	0	0	9,987	9,987
2047	0	0	0	9,483	0	9,483	0	0	0	0	0	0	9,483	9,483
2048	0	0	0	8,955	0	8,955	0	0	0	0	0	0	8,955	8,955
2049	0	0	0	8,401	0	8,401	0	0	0	0	0	0	8,401	8,401
2050	0	0	0	7,832	0	7,832	0	0	0	0	0	0	7,832	7,832
2051	0	0	0	7,250	0	7,250	0	0	0	0	0	0	7,250	7,250
2052	0	0	0	6,660	0	6,660	0	0	0	0	0	0	6,660	6,660
2053	0	0	0	6,064	0	6,064	0	0	0	0	0	0	6,064	6,064
2054	0	0	0	5,466	0	5,466	0	0	0	0	0	0	5,466	5,466
2055	0	0	0	4,861	0	4,861	0	0	0	0	0	0	4,861	4,861
2056	0	0	0	4,251	0	4,251	0	0	0	0	0	0	4,251	4,251
2057	0	0	0	3,638	0	3,638	0	0	0	0	0	0	3,638	3,638
2058	0	0	0	3,018	0	3,018	0	0	0	0	0	0	3,018	3,018
2059	0	0	0	2,392	0	2,392	0	0	0	0	0	0	2,392	2,392
2060	0	0	0	1,764	0	1,764	0	0	0	0	0	0	1,764	1,764
2061	0	0	0	1,129	0	1,129	0	0	0	0	0	0	1,129	1,129
2062	0	0	0	486	0	486	0	0	0	0	0	0	486	486
2063	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2064	0	0	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	0	0
2066	0	0	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	0	0
2068	0	0	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	0	0
2070	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0	0	0	0	0

* Interest rates are calculated as a monthly internal rate of return.
 **The impact of patronage capital is estimated based upon CFC's historical patronage allocation and retirement. The timing of patronage capital distributions may also be affected by the dates that funds are advanced.
 *** This information is confidential and is not to be disclosed to third parties without prior CFC consent. This presentation reflects CFC's programs and policies in effect at the time this presentation was created. No future representation of interest rates is implied. Rates are subject to change daily.

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Exhibit 6
 Page 2 of 3



Created & Owned by America's Electric Cooperative Network

Big Sandy RECC

CFC Loan Scenario

RUS Refinance - 20 Year Amortization

Count	Variable or Fixed	Interest Rate	Amort. Type	Advance Date	Amortization Start Date	Interest Rate Term	Loan Term In Months	Months to defer	Balloon Date	Final Payment Date	Loan Amount	LCTC's required?	Loans w/ Volume	Loans w/ Performance	Loans w/ Collateral	Loans w/ Equity
1	F	2.700%	LP	8/1/2017	9/1/2017	1	12	0		5/31/2018	\$321,113	No	\$0	N	N	N
2	F	2.950%	LP	8/1/2017	9/1/2018	2	24	12		5/31/2019	\$321,113	No	\$0	N	N	N
3	F	3.100%	LP	8/1/2017	9/1/2019	3	36	24		5/31/2020	\$321,113	No	\$0	N	N	N
4	F	3.300%	LP	8/1/2017	9/1/2020	4	48	36		5/31/2021	\$321,113	No	\$0	N	N	N
5	F	3.450%	LP	8/1/2017	9/1/2021	5	60	48		5/31/2022	\$321,113	No	\$0	N	N	N
6	F	3.650%	LP	8/1/2017	9/1/2022	6	72	60		5/31/2023	\$321,113	No	\$0	N	N	N
7	F	3.750%	LP	8/1/2017	9/1/2023	7	84	72		5/31/2024	\$321,113	No	\$0	N	N	N
8	F	3.850%	LP	8/1/2017	9/1/2024	8	96	84		5/31/2025	\$321,113	No	\$0	N	N	N
9	F	3.900%	LP	8/1/2017	9/1/2025	9	108	96		5/31/2026	\$321,113	No	\$0	N	N	N
10	F	3.950%	LP	8/1/2017	9/1/2026	10	120	108		5/31/2027	\$321,113	No	\$0	N	N	N
11	F	3.950%	LP	8/1/2017	9/1/2027	11	132	120		5/31/2028	\$321,113	No	\$0	N	N	N
12	F	4.000%	LP	8/1/2017	9/1/2028	12	144	132		5/31/2029	\$321,113	No	\$0	N	N	N
13	F	4.050%	LP	8/1/2017	9/1/2029	13	156	144		5/31/2030	\$321,113	No	\$0	N	N	N
14	F	4.050%	LP	8/1/2017	9/1/2030	14	168	156		5/31/2031	\$321,113	No	\$0	N	N	N
15	F	4.100%	LP	8/1/2017	9/1/2031	15	180	168		5/31/2032	\$321,113	No	\$0	N	N	N
16	F	4.150%	LP	8/1/2017	9/1/2032	16	192	180		5/31/2033	\$321,113	No	\$0	N	N	N
17	F	4.150%	LP	8/1/2017	9/1/2033	17	204	192		5/31/2034	\$321,113	No	\$0	N	N	N
18	F	4.200%	LP	8/1/2017	9/1/2034	18	216	204		5/31/2035	\$321,113	No	\$0	N	N	N
19	F	4.250%	LP	8/1/2017	9/1/2035	19	228	216		5/31/2036	\$321,113	No	\$0	N	N	N
20	F	4.300%	LP	8/1/2017	9/1/2036	20	240	228		5/31/2037	\$321,113	No	\$0	N	N	N

Exhibit 4
Page 3 of 3

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION
BALANCE SHEET
AS OF APRIL 30, 2017

ASSETS

TOTAL UTILITY PLANT IN SERVICE	\$ 53,604,201
CONSTRUCTION WORK IN PROGRESS	27,409
TOTAL UTILITY PLANT	<u>53,631,610</u>
ACCUM PROV FOR DEPT & AMORT	<u>(20,057,476)</u>
NET UTILITY PLANT	<u>33,574,134</u>
NON-UTILITY PROPERTY (NET)	0
INVEST IN SUBSIDIARY COMPANIES	0
INV IN ASSOC ORG - PAT CAPITAL	16,019,147
INV IN ASSOC ORG OTHR GEN FND	2,205
INV IN ASSOC ORG - NON GEN FND	465,305
INV IN ECON DEVEL PROJECTS	0
OTHER INVESTMENTS	500
SPECIAL FUNDS	0
TOT OTHER PROP & INVESTMENTS	<u>\$ 16,487,157</u>
CASH - GENERAL FUNDS	1,448,511
CASH - CONSTRUCTION FUND TRUST	362
SPECIAL DEPOSITS	120
TEMPORARY INVESTMENTS	28,115
NOTES RECEIVABLE (NET)	0
ACCTS RECV - SALES ENERGY (NET)	3,032,629
ACCTS RECV - OTHER (NET)	403,813
RENEWABLE ENERGY CREDITS	0
MATERIAL & SUPPLIES - ELECTRIC & OTHER	278,813
PREPAYMENTS	15,752
OTHER CURRENT & ACCR ASSETS	<u>5,363</u>
TOTAL CURRENT & ACCR ASSETS	<u>5,213,477</u>
REGULATORY ASSETS	0
OTHER DEFERRED DEBITS	<u>573</u>
TOTAL ASSETS & OTHER DEBITS	<u>55,275,341</u>

LIABILITIES AND OTHER CREDITS

MEMBERSHIPS	\$ 226,125
PATRONAGE CAPITAL	25,652,613
OPERATING MARGINS - PRIOR YEAR	0
OPERATING MARGINS - CURRENT YEAR	603,678
NON-OPERATING MARGINS	182,797
OTHER MARGINS & EQUITIES	<u>1,410,629</u>
TOTAL MARGINS & EQUITIES	<u>25,254,584</u>
LONG TERM DEBT - RUS (NET)	4,722,850
PAYMENTS UNAPPLIED	0
LONG-TERM DEBT-FFB-RUS GUAR	0
LONG-TERM DEBT OTHER-RUS GUAR	0
LONG TERM DEBT - OTHER (NET)	19,032,585
LONG-TERM DEBT-RUS-ECON DEV NET	0
PAYMENTS - UNAPPLIED	<u>0</u>
TOTAL LONG TERM DEBT	<u>23,755,435</u>
OBLIGATION UNDER CAPITAL LEASE	0
ACCUM OPERATING PROVISIONS	<u>3,600,519</u>
TOTAL OTHER NONCURR LIABILITY	<u>3,600,519</u>
NOTES PAYABLE	650,000
ACCOUNTS PAYABLE	2,346,562
CONSUMER DEPOSITS	606,214
CURR MATURITIES LONG-TERM DEBT	0
CURR MATURIT LT DEBT ECON DEV	0
CURR MATURITIES CAPITAL LEASES	0
OTHER CURRENT & ACCRUED LIAB	<u>358,876</u>
TOTAL CURRENT & ACCRUED LIAB	<u>2,661,652</u>
REGULATORY LIABILITIES	0
OTHER DEFERRED CREDITS	<u>3,151</u>
TOTAL LIABILITIES & OTH CREDIT	<u>\$ 55,275,341</u>

Exhibit 7
Page 1 of 2

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION
STATEMENT OF OPERATIONS
TWELVE MONTHS ENDED APRIL 30, 2017

OPERATING REVENUE & PATRONAGE CAPITAL	\$ 23,336,902
 COST OF PURCHASED POWER	 15,650,564
 DISTRIBUTION EXPENSE - OPERATION	 982,574
DISTRIBUTION EXPENSE - MAINTENANCE	1,643,233
CONSUMER ACCOUNTS EXPENSE	879,893
CUSTOMER SERVICE & INFORMATIONAL EXPENSE	29,088
SALES EXPENSE	285
ADMINISTRATIVE & GENERAL EXPENSE	1,333,557
TOTAL OPERATIONS & MAINTENANCE EXPENSE	<u>20,519,194</u>
 DEPRECIATION & AMORTIZATION EXPENSE	 2,304,578
TAX EXPENSE - OTHER	32,224
INTEREST ON LONG TERM DEBT	660,294
INTEREST EXPENSE - OTHER	69,268
OTHER DEDUCTIONS	17,547
TOTAL COST OF ELECTRIC SERVICE	<u>23,603,105</u>
 PATRONAGE CAPITAL & OPERATING MARGINS	 266,204
NON OPERATING MARGINS - INTEREST	173,259
NON OPERATING MARGINS - OTHER	9,538
OTHER CAPITAL CREDITS & PATRONAGE DIVID	869,881
PATRONAGE CAPITAL OR MARGINS	<u>\$ 786,475</u>

Exhibit 7
Page 2 of 2