

# Goss ■ Samford PLLC



Mark David Goss  
(859) 368-7740

March 9, 2016

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

RECEIVED  
MAR 9 2016  
PUBLIC SERVICE  
COMMISSION

RE: East Kentucky Power Cooperative, Inc.- *In the Matter of An Application of East Kentucky Power Cooperative, Inc. for Approval of the Amendment and Extension or Refinancing of an Unsecured Revolving Credit Agreement in an Amount Up To \$800,000,000 of Which Up To \$100,000,000 May Be in the Form of an Unsecured Renewable Term Loan and \$200,000,000 of Which Will Be in the Form of a Future Increase Option*, Case No. 2016- 00116

Dear Executive Director:

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 Amendment and Extension or Refinancing of an Unsecured Revolving Credit Agreement in an Amount Up To \$800,000,000 of Which Up To \$100,000,000 May Be in the Form of an Unsecured Renewable Term Loan and \$200,000,000 of Which Will Be in the Form of a Future Increase Option, pursuant to KRS 278.300, 807 KAR 5:001, Sections 4, 7, 12, 14, and 18 and other applicable law. Exhibit 1 to the Application is being filed with some confidential information redacted. Pursuant to 807 KAR 5:001, Section 13 and other applicable law, EKPC is also tendering an original and ten copies of a Motion for Confidential Treatment and an un-redacted copy of the Exhibit 1 to the Application is attached thereto and under seal.

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 decision 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

CC: Becky Goodman, Office of the Attorney General  
Michael Kurtz, Boehm, Kurtz & Lowry

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**

MAR 09 2016

PUBLIC SERVICE  
COMMISSION

In the Matter of:

AN APPLICATION OF EAST KENTUCKY POWER )  
COOPERATIVE, INC. FOR APPROVAL OF THE )  
AMENDMENT AND EXTENSION OR REFINANCING )  
OF AN UNSECURED REVOLVING CREDIT )  
AGREEMENT IN AN AMOUNT UP TO \$800,000,000 )  
OF WHICH UP TO \$100,000,000 MAY BE IN THE )  
FORM OF AN UNSECURED RENEWABLE TERM )  
LOAN AND \$200,000,000 OF WHICH WILL BE IN THE )  
FORM OF A FUTURE INCREASE OPTION )

Case No. 2016- 00116

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**APPLICATION**

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Comes now East Kentucky Power Cooperative, Inc. (“Applicant”), by and through counsel, pursuant to KRS 278.300, 807 KAR 5:001 Sections 4, 7, 12, 14, 18 and other applicable law, and for its Application requesting that the Kentucky Public Service Commission (“Commission”) enter an Order authorizing the amendment and extension or refinancing of an unsecured revolving Credit Agreement in an amount up to \$800,000,000, of which \$100,000,000 may be in the form of an unsecured, renewable term loan, and \$200,000,000 of which will be in the form of a future increase option 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: In order to ensure the Applicant’s liquidity and ability to make investments that will enable it to serve its customers and comply with regulations, Applicant is

seeking approval for an amendment and extension or refinancing of the Unsecured Revolving Credit Agreement (“Credit Facility”) currently held by the Applicant which was approved by the Commission in Case No. 2011-00204,<sup>1</sup> and amended and extended with approval by the Commission in Case No. 2013-00306.<sup>2</sup> Applicant wishes to amend or refinance the Credit Facility in order to maintain the favorable interest rate spread and fees, to extend the maturity from the current maturity date of October 3, 2018 to a date five years from the new closing date, and to allow for the possibility of increasing the total commitment from \$500,000,000 to up to \$600,000,000, of which up to \$100,000,000 may be in the form of an unsecured renewable term loan. In addition the Applicant will seek to include an option to increase the facility by \$200,000,000 at a future date (“accordion” feature), two one-year extension options and additional improvements in the terms, such as modified covenants. These items are more fully discussed in Exhibit 1. Applicant seeks authorization to execute any included options as part of this approval. 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 accessing the bank market at a favorable time. The Applicant would request that the Commission give priority attention to this Application and issue its approval as soon as feasible, but no later than the 60 days anticipated by KRS 278.300.

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<sup>1</sup> *In the Matter of the 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*, Order, Case No. 2011-00204 (Ky. P.S.C., Jul. 19, 2011).

<sup>2</sup> *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*, Order, Case No. 2013-00306 (Ky. P.S.C., Sep. 27, 2013).

4. Pursuant to 807 KAR 5:001, Section 14(2), Applicant is a Kentucky corporation that was incorporated on July 9, 1941. Applicant is in good standing to transact business within the Commonwealth of Kentucky.

5. Pursuant to 807 KAR 5:001, Section 18(1)(b), a description of the Applicant's property, field of its operation, and statement of original cost of Applicant's property are provided in Exhibit 2 of this Application.

6. Pursuant to 807 KAR 5:001, Section 18(1)(c), Applicant states that it is seeking authorization for the amendment and extension or refinancing of its existing unsecured revolving Credit Facility to maintain favorable interest costs and extend the final maturity date to five years from the closing date of the facility. The proposed financing is more fully described in Exhibit 1 of this Application.

Pursuant to 807 KAR 5:001 Section 18(1)(d), 18(1)(e), and 18(1)(f) the Applicant maintains a Credit Facility for capital expenditures associated with the construction, operation, and maintenance of utility plant until permanent, long-term financing from the Rural Utilities Service (RUS) or other sources can be obtained and for general corporate purposes. Initial proceeds from the contemplated amended and extended or refinanced credit facility and/or term loan will replace the borrowings under the existing Credit Facility. The existing credit facility currently has \$300,000,000 drawn. There is no property currently planned to be specifically acquired or constructed directly by the proceeds of the proposed transaction

7. Pursuant to 807 KAR 5:001 Section 18(2)(a), a financial exhibit as described in Section 12 of 807 KAR 5:001 is attached hereto and incorporated herein as Exhibit 3. Unless otherwise specified, pursuant to 807 KAR 5:001 Section 12(1)(a), said exhibits cover operations

for the consecutive twelve (12) month period ending December 31, 2015, which is not more than ninety (90) days prior to the date this Application is filed, and contains the following information:

a. Pursuant to Section 12(2)(a) – (c), Applicant is a not-for-profit rural electric cooperative corporation which has no stock authorized, issued, or outstanding.

b. Pursuant to Section 12(2)(d), 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.

c. Pursuant to Section 12(2)(e) – (g), a description of the Bonds and Notes Outstanding is included in Exhibit 3, pages 2 through 9. Applicant has no other forms of indebtedness.

d. Pursuant to Section 12(2)(h), Applicant has no capital stock and has paid no dividends at any time during the five previous fiscal years.

e. Pursuant to Section 12(2)(i), a detailed income statement and balance sheet are provided in Exhibit 3, pages 10 and 11.

8. Pursuant to 807 KAR 5:001, Section 18(2)(b), the Commission approved a Trust Indenture for Applicant in Case No. 2012-00249,<sup>3</sup> and an executed copy of same was filed with the Commission on October 19, 2012.

9. Pursuant to 807 KAR 5:001, Section 18(2)(c), there is no proposed acquisition of property or proposed construction associated with this application, and therefore there are no maps and plans of proposed property and construction.

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<sup>3</sup> *In the Matter of the Application of East Kentucky Power Cooperative, Inc. for Approval to Obtain a Trust Indenture*, Order, Case No. 2012-00249 (Ky. P.S.C., Aug. 9, 2012).

10. A copy of the Resolution from Applicant's Board of Directors authorizing the amendment and extension or refinancing of its existing unsecured revolving Credit Facility is filed as Applicant's Exhibit 4.

WHEREFORE, on the basis of the foregoing, East Kentucky Power Cooperative, Inc., respectfully requests that the Commission enter an Order authorizing the amendment and extension or refinancing of an unsecured revolving Credit Agreement in an amount up to \$800,000,000, of which \$100,000,000 may be in the form of an unsecured, renewable term loan, and \$200,000,000 of which will be in the form of a future increase option, for a period up to 5 years from the closing date plus two one-year extension options, as soon as possible but no later than 60 days after the filing of this Application.

As of December 31, 2015, Applicant has approximately \$960,000 in deferred financing fees outstanding from its 2011 Credit Facility, as amended and restated in 2013. Applicant proposes to amortize this outstanding balance, and the new amendment fees and expenses, over the life of the new Credit Facility.

This 9<sup>th</sup> day of March 2016.

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: EVP & CFO

COMMONWEALTH OF KENTUCKY

COUNTY OF CLARK

gk The foregoing Verification was signed, acknowledged and sworn to before me the March day of March, 2016 by Mike McNealley of East Kentucky Power Cooperative, Inc., a Kentucky corporation, on behalf of the corporation.

Gwyn M. Willoughby #500144  
NOTARY PUBLIC

MY COMMISSION EXPIRES: 11/30/17

NOTARY ID. NO. #500144



Respectfully submitted,

Mark David Goss (by Reginald Goss)

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

## EAST KENTUCKY POWER COOPERATIVE, INC.

## DESCRIPTION OF PROPOSED FINANCING

## 807 KAR 5:001, Section 18(1)(c)

**AMENDMENT AND EXTENSION OF AN UNSECURED REVOLVING CREDIT AGREEMENT (“CREDIT FACILITY”) IN AN AMOUNT UP TO \$800,000,000**

Applicant is 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 and amended and extended with approval by the Commission in Case No. 2013-00306. Since that time, credit markets and interest rate spreads have remained stable. Possible future changes in the credit markets could lead to less favorable interest rate spreads and other relevant and important terms. Under the current facility, the company pays a facility fee of [REDACTED] of the total commitments and the interest rate on outstanding drawn amounts under the facility is LIBOR [REDACTED] [REDACTED]. Applicant wishes to amend or refinance the Credit Facility in order to maintain these favorable interest rates, to extend the maturity from the current maturity date of October 3, 2018 to a date five years from the new closing date, and to allow for the possibility of increasing the total commitment from \$500,000,000 to up to \$600,000,000, of which up to \$100,000,000 may be in the form of an unsecured renewable term loan. The term loan would be fully pre-payable, and would be at a slightly favorable rate to debt under the revolving Credit Facility. The \$100,000,000 represents a minimum amount of outstanding credit facility borrowing that EKPC generally maintains over time. In addition, adding a term loan portion could result in a smoother execution, possibly with fewer banks needed for the overall financing.



Other material terms will largely remain the same as contained in the existing approved Credit Facility (as amended). However, the applicant wishes to retain the flexibility to seek favorable changes in some of the terms of the agreement, in particular:

- 1) Negotiation of covenants: As Applicant's credit ratings have improved since the original financing, the banks may be receptive to eliminating or changing some of the financial covenants in ways favorable to Applicant.
- 2) Addition of two one-year extension options, which are not guaranteed but offer a stream-lined way to extend the maturity without additional paperwork. If added, the Applicant proactively seeks authority to exercise these extensions as part of this approval.
- 3) Addition of an "accordion" feature which would allow Applicant to request that the banks increase their commitments by up to an additional \$200,000,000 under the same documentation. If added, the Applicant proactively seeks authority to exercise these extensions as part of this approval (thus the total approval sought under this application is \$800,000,000).

"Amendment and Extension" and "Refinancing" are virtually identical. Generally, the banks would consider a refinancing to be a transaction which extends the maturity of the facility by more than 30 months. A refinancing could also potentially allow for more extensive improvements to the terms and conditions of the 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 Rural Utilities Service (“RUS”), this Credit Facility is essential to maintaining Applicant’s liquidity.

National Rural Utilities Cooperative Finance Corporation (“CFC”) will continue to be the Lead Arranger and Administrative Agent for this Credit Facility and will syndicate the facility to other lenders. In order to secure pricing 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 [REDACTED] of the Credit Facility commitment. EKPC is expecting a financial closing date in the Spring of 2016.

**EAST KENTUCKY POWER COOPERATIVE, INC.**

**DESCRIPTION OF PROPERTY  
AS OF DECEMBER 31, 2015**

**807 KAR 5:001, Section 18(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 2,843 miles of transmission lines and 392 load centers (substations). These 16 member cooperatives serve approximately 529,146 members.

EKPC owns and operates three coal-fired generating stations in Kentucky located at Ford (Dale Station\*), Burnside (Cooper Station), and Maysville (Spurlock Station). Twelve combustion turbines located in Clark County at its Smith site and Oldham County at its Bluegrass site are in operation adding a total winter capacity of 1,621 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 Barren County), adding another 16 megawatts of capacity.

Including the generation facilities, transmission facilities, and general plant, EKPC has total utility plant-in-service with an original cost of \$4,018,366,577\* and construction work-in-progress of \$50,875,933.

\*Dale Station is expected to cease operations as of April 2016 and was given abandonment treatment with a regulatory asset established as of December 31, 2015 and is thus not included in utility plant-in-service.

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

**807 KAR 5:001, Sections 12(2)(e), and 12(2)(f), 12(2)(g)**

On page 2 of this Exhibit is a Description of Bonds Outstanding as of December 31, 2015. All Bonds are secured by the Trust Indenture.

On Pages 3 through 9 of this Exhibit are the Descriptions of Notes Outstanding as of December 31, 2015. All Notes are secured by the Trust Indenture. Payments due on outstanding debt due in one year or less is included as Current Maturities in the amount of \$91,751,442.23. Sick Leave Reserve of \$312,775.55 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 12/31/2015</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 2015</u>
Private Placement Bonds	199,000,000.00	200,000,000.00	US Bank	2/6/2014	199,000,000.00	Fixed	02-06-2044	9,178,381.97
Cooper Solid Waste Disposal Bonds	5,000,000.00	11,800,000.00	County of Pulaski	12/15/1993	5,000,000.00	Variable	08-15-2023	27,999.98
<b>Total Bonds</b>	<b>204,000,000.00</b>							<b>9,206,381.95</b>

**Notes**

<u>Type of Debt Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Outstanding 12/31/2015</u>	<u>Amount Issued</u>	<u>Coupon Interest Rate</u>	<u>Interest 2015</u>
<u>National Rural Utilities Cooperative Finance Corporation ("CFC")</u>						
CFC # 9033 P-12	08-29-1984	05-31-2019	1,655,589.42	8,530,000.00	3.300%	60,106.40
CFC # 9034 R-12	06-12-1995	11-30-2024	3,309,833.36	6,734,000.00	3.300%	110,427.18
CFC # 9038 T-62	03-02-1998	02-28-2024	2,503,034.69	5,251,000.00	3.300%	83,933.98
CFC - Unsecured Credit Facility - #5106002	08-09-2011	10-03-2018	35,000,000.00	35,000,000.00	1.300%	903,488.89
Clean Renewable Energy Bonds	02-06-2008	12/1/2023	4,306,523.52	8,613,048.00	0.400%	17,169.55
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
		Total CFC	59,575,971.99			1,789,932.84
<u>Rural Utilities Service Notes</u>						
T62-I-B650	03-02-1998	12-31-2024	3,079,695.49	6,125,500.00	5.125%	166,091.77
T62-I-B655	03-02-1998	12-31-2024	3,079,695.49	6,125,500.00	5.125%	166,091.77
		Total RUS	6,159,390.98			332,183.54
<u>Federal Financing Bank Notes</u>						
H0295	01-18-1982	12-31-2016	323,708.05	3,732,000.00	7.991%	40,891.76
H0305	01-22-1982	12-31-2016	31,244.13	360,000.00	7.991%	3,946.47
H0310	02-17-1982	12-31-2016	39,382.05	506,000.00	6.591%	4,121.58
H0315	02-18-1982	12-31-2016	480,875.31	6,181,000.00	6.591%	50,326.85
H0325	03-15-1982	12-31-2016	715,773.57	9,307,000.00	6.591%	74,910.52
H0330	03-22-1982	12-31-2016	40,781.85	530,000.00	6.591%	4,268.09
H0335	04-19-1982	12-31-2016	48,675.53	560,000.00	7.991%	6,148.87
H0340	05-17-1982	12-31-2016	26,077.07	300,000.00	7.991%	3,294.11
H0345	05-24-1982	12-31-2016	349,479.15	4,000,000.00	7.991%	44,147.14

Notes

<u>Type of Debt Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Outstanding 12/31/2015</u>	<u>Amount Issued</u>	<u>Coupon Interest Rate</u>	<u>Interest 2015</u>
H0350	06-14-1982	12-31-2016	611,450.63	7,000,000.00	7.991%	77,240.19
H0355	06-15-1982	12-31-2016	137,443.51	1,570,000.00	7.991%	17,362.26
H0360	07-14-1982	12-31-2016	537,677.89	6,131,000.00	7.991%	67,920.96
H0365	07-16-1982	12-31-2016	78,928.61	900,000.00	7.991%	9,970.47
H0370	08-16-1982	12-31-2016	37,781.56	430,000.00	7.991%	4,772.62
H0375	08-16-1982	12-31-2016	357,507.88	4,069,000.00	7.991%	45,161.41
H0385	09-13-1982	12-31-2016	713,961.75	8,126,000.00	7.991%	90,189.67
H0390	09-14-1982	12-31-2016	52,717.61	600,000.00	7.991%	6,659.41
H0395	10-14-1982	12-31-2016	176,204.39	2,000,000.00	7.991%	22,258.64
H0400	10-14-1982	12-31-2016	105,723.03	1,200,000.00	7.991%	13,355.22
H0405	10-14-1982	12-31-2016	394,611.52	4,479,000.00	7.991%	49,848.39
H0410	11-10-1982	12-31-2016	79,173.34	900,000.00	7.991%	10,001.35
H0415	11-10-1982	12-31-2016	52,781.42	600,000.00	7.991%	6,667.51
H0420	11-10-1982	12-31-2016	483,831.54	5,500,000.00	7.991%	61,118.94
H0425	12-13-1982	12-31-2016	123,321.87	1,400,000.00	7.991%	15,578.33
H0430	12-13-1982	12-31-2016	607,796.43	6,900,000.00	7.991%	76,778.58
H0435	01-17-1983	12-31-2017	173,966.06	1,200,000.00	5.913%	13,238.02
H0440	02-14-1983	12-31-2017	698,398.16	4,800,000.00	5.913%	53,144.94
H0445	03-16-1983	12-31-2017	72,567.91	500,000.00	5.913%	5,522.10
H0450	03-16-1983	12-31-2017	943,388.38	6,500,000.00	5.913%	71,787.57
H0455	04-14-1983	12-31-2017	363,205.78	2,500,000.00	5.913%	27,638.32
H0460	04-14-1983	12-31-2017	682,827.41	4,700,000.00	5.913%	51,960.08
H0465	05-16-1983	12-31-2017	137,915.93	950,000.00	5.913%	10,494.79
H0470	06-15-1983	12-31-2017	102,048.50	700,000.00	5.913%	7,765.42
H0475	06-15-1983	12-31-2017	1,020,480.59	7,000,000.00	5.913%	77,653.94
H0480	07-14-1983	12-31-2017	654,814.74	4,500,000.00	5.913%	49,828.43
H0485	08-16-1983	12-31-2017	145,714.28	1,000,000.00	5.913%	11,088.18
H0490	09-27-1983	12-31-2017	116,469.04	800,000.00	5.913%	8,862.76
H0495	09-27-1983	12-31-2017	291,171.41	2,000,000.00	5.913%	22,156.84
H0500	10-24-1983	12-31-2017	146,832.22	1,000,000.00	5.913%	11,173.27
H0505	10-24-1983	12-31-2017	146,832.22	1,000,000.00	5.913%	11,173.26
H0510	05-09-1984	12-31-2018	3,645,965.52	16,500,000.00	6.665%	287,457.60
H0515	01-17-1985	12-31-2019	1,623,256.33	5,900,000.00	5.991%	110,350.55
H0525	05-20-1985	12-31-2019	311,429.41	1,130,000.00	5.991%	21,171.27
H0530	06-24-1985	12-31-2019	198,805.94	720,000.00	5.991%	13,515.03
H0545	03-18-1986	12-31-2020	587,802.02	1,897,000.00	5.177%	33,686.60
H0555	04-16-1986	12-31-2020	57,960.22	188,000.00	5.177%	3,321.66
H0565	10-14-1986	12-31-2020	770,972.43	2,480,000.00	5.177%	44,184.00
H0570	10-30-1986	12-31-2020	1,566,150.99	5,035,000.00	5.177%	89,755.24
H0575	11-06-1995	12-31-2023	7,027,463.99	14,895,000.00	6.301%	468,683.95

Notes

<u>Type of Debt Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Outstanding 12/31/2015</u>	<u>Amount Issued</u>	<u>Coupon Interest Rate</u>	<u>Interest 2015</u>
H0580	11-06-1995	12-31-2024	14,683,947.68	28,812,000.00	6.306%	972,442.07
H0585	11-06-1995	12-31-2024	14,683,947.68	28,812,000.00	6.306%	972,442.07
H0590	11-06-1995	12-31-2024	14,683,947.68	28,812,000.00	6.306%	972,442.07
H0595	01-26-1996	12-31-2024	2,977,041.49	5,836,000.00	6.123%	191,521.21
H0600	06-25-1997	12-31-2023	1,753,906.61	3,607,000.00	6.297%	116,900.56
H0605	09-14-2000	12-31-2024	3,290,892.67	6,082,000.00	6.005%	207,760.65
H0610	09-15-2000	12-31-2024	3,619,551.56	6,626,000.00	6.067%	230,758.77
H0615	04-10-2001	12-31-2024	5,153,662.78	9,681,000.00	5.451%	295,768.10
H0620	06-05-2001	12-31-2024	4,429,430.28	8,119,000.00	5.726%	266,751.89
H0625	07-10-2001	12-31-2024	4,434,467.50	8,119,000.00	5.729%	267,193.10
H0630	08-10-2001	12-31-2024	4,381,492.19	8,119,000.00	5.488%	253,053.20
H0635	09-06-2001	12-31-2024	4,383,837.49	8,119,000.00	5.426%	250,368.69
H0640	10-03-2001	12-31-2024	5,854,561.67	11,000,000.00	5.104%	314,787.49
H0645	11-08-2001	12-31-2024	6,965,650.25	13,357,000.00	4.709%	345,906.53
H0650	12-10-2001	12-31-2024	4,371,830.53	7,970,000.00	5.644%	259,567.59
H0655	01-15-2002	12-31-2030	14,016,459.06	20,000,000.00	5.447%	783,744.42
H0660	06-04-2002	12-31-2030	4,277,467.59	6,000,000.00	5.678%	249,191.24
H0665	07-02-2002	12-31-2030	4,253,020.78	6,000,000.00	5.538%	241,734.67
H0670	08-15-2002	12-31-2024	8,188,134.53	15,000,000.00	4.695%	405,556.24
H0675	08-22-2002	12-31-2024	5,485,645.49	10,000,000.00	4.802%	277,814.91
H0680	09-24-2002	12-31-2024	8,063,673.89	15,000,000.00	4.366%	371,735.77
H0685	10-03-2002	12-31-2024	5,378,058.26	10,000,000.00	4.375%	248,433.74
H0690	11-05-2002	12-31-2024	8,196,433.12	15,000,000.00	4.717%	407,845.43
H0695	12-10-2002	12-31-2024	5,445,922.58	10,000,000.00	4.644%	266,841.83
H0700	01-23-2003	12-31-2024	1,870,394.68	3,500,000.00	4.557%	89,920.36
H0705	01-23-2003	12-31-2030	4,501,596.89	6,500,000.00	4.790%	221,691.58
H0710	02-27-2003	12-31-2030	2,200,306.74	3,200,000.00	4.624%	104,645.76
H0715	05-06-2003	12-31-2024	2,319,844.85	4,300,000.00	4.442%	108,784.07
H0720	07-03-2003	12-31-2032	18,521,763.85	25,000,000.00	4.460%	846,168.01
H0725	07-17-2003	12-31-2032	18,766,918.76	25,000,000.00	4.819%	925,606.68
H0730	07-24-2003	12-31-2032	18,704,106.34	24,800,000.00	4.950%	947,302.64
H0735	08-26-2003	12-31-2024	2,183,164.53	3,938,000.00	5.055%	116,272.30
H0740	10-02-2003	12-31-2030	1,787,204.51	2,550,000.00	4.753%	87,342.89
H0745	10-02-2003	12-31-2024	1,439,028.70	2,660,000.00	4.501%	68,365.44
H0750	10-23-2003	12-31-2032	18,948,825.77	25,000,000.00	5.091%	986,719.06
H0755	11-04-2003	12-31-2032	18,987,180.89	25,000,000.00	5.149%	999,850.26
H0760	11-14-2003	12-31-2032	18,931,582.38	25,000,000.00	5.065%	980,843.93
H0765	11-25-2003	12-31-2032	18,895,671.27	25,000,000.00	5.011%	968,664.17
H0770	12-04-2003	12-31-2032	20,506,155.13	27,000,000.00	5.149%	1,079,838.28
H0775	02-05-2004	12-31-2030	4,595,886.44	6,500,000.00	4.854%	229,324.14



Notes

<u>Type of Debt Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Outstanding 12/31/2015</u>	<u>Amount Issued</u>	<u>Coupon Interest Rate</u>	<u>Interest 2015</u>
H0780	05-06-2004	12-31-2030	1,629,508.36	2,260,000.00	5.240%	87,694.85
H0785	05-06-2004	12-31-2024	2,320,583.34	4,130,000.00	5.020%	122,787.38
H0790	08-26-2004	12-31-2030	12,094,169.27	16,900,000.00	4.921%	611,703.42
H0795	11-01-2004	12-31-2030	4,770,820.63	6,700,000.00	4.672%	229,227.17
H0800	11-16-2004	12-31-2030	2,317,830.32	3,240,000.00	4.795%	114,264.70
H0805	11-16-2004	12-31-2024	3,156,181.82	5,644,000.00	4.577%	152,444.51
H0810	12-16-2004	12-31-2038	41,778,630.51	50,000,000.00	4.744%	2,011,464.72
H0815	12-22-2004	12-31-2038	41,877,339.49	50,000,000.00	4.825%	2,050,304.15
H0820	12-29-2004	12-31-2038	42,023,224.06	50,000,000.00	4.946%	2,108,528.60
H0825	02-02-2005	12-31-2038	20,836,453.56	25,000,000.00	4.658%	985,175.45
H0830	02-08-2005	12-31-2038	20,736,215.93	25,000,000.00	4.497%	946,865.40
H0835	05-10-2005	12-31-2038	20,865,401.63	25,000,000.00	4.705%	996,402.09
H0840	06-02-2005	12-31-2038	20,631,766.41	25,000,000.00	4.332%	907,846.66
H0845	06-07-2005	12-31-2038	15,676,260.02	19,000,000.00	4.324%	688,530.53
H0850	06-09-2005	12-31-2030	7,096,186.93	13,192,000.00	4.353%	328,773.89
H0855	08-26-2005	12-31-2038	24,861,581.35	30,000,000.00	4.468%	1,127,987.44
H0860	08-30-2005	12-31-2038	24,863,092.08	30,000,000.00	4.470%	1,128,556.16
H0865	08-19-2005	12-31-2030	2,641,132.08	3,675,000.00	4.485%	121,876.45
H0870	10-14-2005	12-31-2038	25,085,511.83	30,000,000.00	4.769%	1,214,064.19
H0875	11-09-2005	12-31-2030	1,518,418.72	2,075,000.00	4.858%	75,827.32
H0880	11-09-2005	12-31-2024	329,621.58	566,000.00	4.789%	16,648.75
H0885	03-27-2006	12-31-2032	5,007,431.93	6,500,000.00	4.890%	250,570.46
H0890	05-03-2006	12-31-2038	12,829,747.01	15,000,000.00	5.345%	695,124.14
H0895	05-09-2006	12-31-2038	8,550,503.08	10,000,000.00	5.333%	462,242.42
H0900	08-23-2006	12-31-2034	12,282,594.65	15,000,000.00	5.070%	634,771.71
H0905	08-25-2006	12-31-2034	12,279,646.71	15,000,000.00	5.061%	633,505.11
H0910	08-29-2006	12-31-2034	18,824,770.57	23,000,000.00	5.053%	969,648.71
H0915	03-14-2007	12-31-2038	19,611,785.59	23,000,000.00	4.776%	950,531.73
H0920	03-16-2007	12-31-2038	19,839,610.49	23,251,000.00	4.812%	968,750.87
H0925	11-01-2007	12-31-2040	44,563,862.29	50,000,000.00	4.821%	2,175,921.49
H0930	11-08-2007	12-31-2040	22,244,853.55	25,000,000.00	4.736%	1,067,177.44
H0935	11-14-2007	12-31-2040	44,430,734.86	50,000,000.00	4.669%	2,101,648.55
H0940	12-05-2007	12-31-2040	22,087,371.02	25,000,000.00	4.384%	981,558.82
H0945	12-11-2007	12-31-2040	44,412,156.56	50,000,000.00	4.648%	2,091,408.03
H0950	12-12-2007	12-31-2040	21,984,532.61	25,000,000.00	4.511%	1,005,031.83
H0955	12-19-2007	12-31-2040	44,373,974.29	50,000,000.00	4.605%	2,070,455.43
H0960	01-03-2008	12-31-2032	8,682,891.44	11,000,000.00	4.338%	385,939.14
H0965	01-03-2008	12-31-2040	7,069,710.34	8,000,000.00	4.396%	315,028.92
H0970	01-09-2008	12-31-2040	9,646,570.12	11,000,000.00	4.385%	428,788.77
H0975	02-05-2008	12-31-2040	17,659,290.41	20,000,000.00	4.355%	779,630.76

Notes

<u>Type of Debt Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Outstanding 12/31/2015</u>	<u>Amount Issued</u>	<u>Coupon Interest Rate</u>	<u>Interest 2015</u>
H0980	02-12-2008	12-31-2040	17,664,049.14	20,000,000.00	4.368%	782,147.88
H0985	05-22-2008	12-31-2040	22,152,114.83	25,000,000.00	4.527%	1,016,252.11
H0990	05-30-2008	12-31-2040	22,252,735.97	25,000,000.00	4.754%	1,071,575.16
H0995	06-04-2008	12-31-2040	22,194,990.29	25,000,000.00	4.623%	1,039,611.82
H1000	10-14-2008	12-31-2040	6,967,145.28	7,900,000.00	4.298%	303,598.64
H1005	10-14-2008	12-31-2032	3,371,556.77	4,200,000.00	4.306%	148,765.60
H1010	11-07-2008	12-31-2040	22,070,447.85	25,000,000.00	4.347%	972,602.72
H1015	11-10-2008	12-31-2040	22,096,944.90	25,000,000.00	4.405%	986,645.79
H1020	12-18-2008	12-31-2040	6,311,999.08	7,400,000.00	2.846%	182,723.74
H1025	03-17-2009	12-31-2038	3,103,036.90	3,612,000.00	3.801%	119,944.11
H1030	04-16-2009	12-31-2040	21,705,636.45	25,000,000.00	3.651%	804,572.68
H1035	05-15-2009	12-31-2040	31,309,717.40	35,000,000.00	3.988%	1,266,764.73
H1040	05-27-2009	12-31-2040	22,515,775.84	25,000,000.00	4.374%	998,335.08
H1045	06-04-2009	12-31-2040	22,522,307.75	25,000,000.00	4.391%	1,002,471.12
H1055	06-08-2009	12-31-2040	36,165,548.26	40,000,000.00	4.605%	1,054,660.38
H1050	06-08-2009	12-31-2040	22,603,467.67	25,000,000.00	4.605%	1,687,456.60
H1060	06-15-2009	12-31-2040	22,601,593.98	25,000,000.00	4.600%	1,053,438.41
H1065	06-29-2009	12-31-2040	12,911,538.46	14,596,000.00	4.252%	556,661.47
H1070	06-30-2009	12-31-2040	22,472,427.99	25,000,000.00	4.262%	971,123.23
H1075	07-09-2009	12-31-2040	22,408,765.36	25,000,000.00	4.100%	931,880.02
H1080	07-17-2009	12-31-2040	11,482,626.87	12,900,000.00	4.382%	510,055.18
H1085	07-20-2009	12-31-2040	22,550,215.21	25,000,000.00	4.464%	1,020,248.34
H1090	08-05-2009	12-31-2039	8,949,434.19	10,000,000.00	4.396%	399,157.49
H1100	08-10-2009	12-31-2040	22,521,924.00	25,000,000.00	4.569%	1,045,865.04
H1095	08-12-2009	12-31-2040	22,589,952.79	25,000,000.00	4.390%	1,002,227.78
H1105	09-15-2009	12-31-2040	17,940,303.99	20,000,000.00	4.142%	753,632.57
H1110	09-16-2009	12-31-2040	17,956,675.36	20,000,000.00	4.194%	763,706.98
H1115	09-22-2009	12-31-2040	17,950,704.37	20,000,000.00	4.175%	760,024.58
H1120	09-23-2009	12-31-2039	17,817,228.25	20,000,000.00	4.137%	748,263.00
H1125	10-01-2009	12-31-2039	16,877,703.91	19,000,000.00	3.978%	681,798.34
H1130	10-01-2009	12-31-2040	5,367,572.69	6,000,000.00	3.990%	217,275.44
H1135	11-18-2009	12-31-2039	22,263,538.89	25,000,000.00	4.117%	930,512.69
H1140	11-18-2009	12-31-2039	22,263,538.89	25,000,000.00	4.117%	930,512.69
H1145	11-19-2009	12-31-2039	22,279,116.36	25,000,000.00	4.156%	939,906.06
H1150	11-19-2009	12-31-2039	22,279,116.36	25,000,000.00	4.156%	939,906.06
H1155	01-27-2010	12-31-2039	17,892,954.77	20,000,000.00	4.377%	794,633.44
H1160	01-28-2010	12-31-2040	6,281,802.08	7,000,000.00	4.398%	280,045.63
H1165	02-03-2010	12-31-2039	8,051,268.85	9,000,000.00	4.373%	357,236.36
H1170	02-12-2010	12-31-2040	17,150,863.03	19,000,000.00	4.508%	783,542.00
H1175	06-04-2010	12-31-2023	1,746,638.30	2,714,000.00	3.224%	60,126.82

Notes

<u>Type of Debt Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Outstanding 12/31/2015</u>	<u>Amount Issued</u>	<u>Coupon Interest Rate</u>	<u>Interest 2015</u>
H1180	06-04-2010	12-31-2034	278,338.38	327,000.00	3.943%	11,215.73
H1185	06-08-2010	12-31-2040	583,882.44	652,000.00	3.922%	23,235.73
H1190	06-08-2010	12-31-2040	814,928.17	910,000.00	3.922%	32,430.23
H1195	06-08-2010	12-31-2039	1,110,332.04	1,249,000.00	3.897%	43,947.90
H1200	06-10-2010	12-31-2039	384,965.15	433,000.00	3.913%	15,299.28
H1205	03-25-2011	12-31-2039	11,237,414.58	12,424,000.00	4.197%	478,716.45
H1210	05-24-2011	12-31-2044	22,300,992.55	24,000,000.00	4.067%	917,197.84
H1215	05-24-2011	12-31-2040	1,650,021.42	1,813,000.00	3.954%	66,194.14
H1220	05-24-2011	12-31-2040	11,529,217.17	12,668,000.00	3.954%	462,519.25
H1225	09-07-2011	12-31-2040	5,828,778.86	6,471,000.00	2.852%	169,088.42
H1230	09-07-2011	12-31-2039	32,937,474.43	36,804,000.00	2.811%	942,766.59
H1235	12-15-2011	12-31-2040	24,424,958.39	27,091,000.00	2.590%	643,872.65
H1240	12-28-2011	12-31-2040	18,953,017.75	21,000,000.00	2.713%	523,193.51
H1245	02-28-2012	12-31-2044	27,731,335.27	30,000,000.00	2.791%	784,852.36
H1250	03-13-2012	12-31-2044	27,820,206.46	30,000,000.00	2.916%	822,393.25
H1255	03-27-2012	12-31-2044	27,857,010.79	30,000,000.00	3.094%	873,395.37
H1260	04-10-2012	12-31-2040	10,088,489.12	11,038,000.00	2.800%	287,359.70
H1265	04-10-2012	12-31-2044	17,643,730.31	18,962,000.00	2.928%	523,698.34
H1270	06-25-2012	12-31-2044	27,390,469.69	29,588,000.00	2.495%	693,478.36
H1275	06-25-2012	12-31-2040	1,526,241.36	1,679,000.00	2.369%	36,821.08
H1280	08-29-2012	12-31-2039	22,734,140.43	25,000,000.00	2.302%	533,574.32
H1285	10-01-2012	12-31-2039	21,983,251.96	24,000,000.00	2.338%	523,970.82
H1290	10-19-2012	12-31-2044	25,309,651.58	27,000,000.00	2.724%	699,227.99
H1295	12-19-2012	12-31-2040	1,123,278.47	1,217,000.00	2.549%	29,145.27
H1300	12-19-2012	12-31-2040	9,229,896.58	10,000,000.00	2.549%	239,484.55
H1305	12-19-2012	12-31-2039	11,941,551.52	13,000,000.00	2.510%	305,431.67
H1310	04-19-2013	12-31-2039	6,514,363.03	7,011,000.00	2.393%	158,900.00
H1315	04-19-2013	12-31-2044	12,939,414.18	13,683,000.00	2.573%	337,781.36
H1320	04-19-2013	12-31-2040	2,967,708.56	3,181,000.00	2.432%	73,489.21
H1325	08-30-2013	12-31-2039	11,119,189.49	11,787,000.00	3.338%	377,454.04
H1330	10-28-2013	12-31-2039	34,451,051.46	36,347,000.00	3.162%	1,108,278.32
H1335	10-28-2013	12-31-2040	10,759,454.34	11,315,000.00	3.202%	350,136.01
H1340	11-19-2013	12-31-2039	20,371,395.24	21,468,000.00	3.316%	687,008.67
H1345	12-20-2013	12-31-2039	16,091,188.93	16,916,000.00	3.513%	574,639.24
H1350	12-19-2014	12-31-2040	20,429,932.72	21,000,000.00	2.563%	532,874.60
H1355	12-19-2014	12-31-2044	21,151,239.87	21,622,000.00	2.656%	569,731.14
H1360	03-27-2015	12-31-2040	650,784.02	665,000.00	2.378%	12,003.59
		Total FFB	2,323,192,207.74			101,573,877.89

**Notes**

<u>Type of Debt Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Outstanding 12/31/2015</u>	<u>Amount Issued</u>	<u>Coupon Interest Rate</u>	<u>Interest 2015</u>
Less current maturities due in one year or less			(91,751,442.23)			
COC-1-1 - Payments Unapplied			(62,194,680.54)		5.000%	
Subtotal excluding bonds			2,234,981,447.94			103,695,994.27
Annual Debt Fees			N/A			
Amortization of Issuance Costs			N/A			
			<u>2,234,981,447.94</u>			
Sick Leave Reserve			<u>312,775.55</u>			
Total Long-Term Debt and Annualized Cost including bonds			<u>\$ 2,439,294,223.49</u>	12/31/2015		<u>\$ 112,902,376.22</u>

East Kentucky Power Cooperative, Inc.  
 Statements of Revenue and Expenses and Comprehensive Margin  
 Preliminary and Unaudited

807 KAR 5:001, Section 12(1)(i)

<i>(Dollars in Thousands)</i>	<b>Year Ended December 31</b>	
	<b>2015</b>	<b>2014</b>
Operating revenue	\$ 885,054	\$ 952,771
Operating expenses:		
Production:		
Fuel	228,372	297,399
Other	149,553	147,125
Purchased power	147,354	150,337
Transmission and distribution	53,395	43,130
Regional market operations	4,366	4,427
Depreciation	95,164	96,689
General and administrative	52,105	43,720
Total operating expenses	<u>730,309</u>	<u>782,827</u>
Operating margin before fixed charges	154,745	169,944
Fixed charges and other:		
Interest expense on long-term debt	113,259	116,148
Amortization of debt expense	440	480
Accretion and other	(74)	348
Total fixed charges and other expenses	<u>113,625</u>	<u>116,976</u>
Operating margin	41,120	52,968
Nonoperating margin:		
Interest income	8,974	9,853
Patronage capital allocations from other cooperatives	230	372
Regulatory settlements	-	(12)
Other	(1,034)	1,664
Total nonoperating margin	<u>8,170</u>	<u>11,877</u>
Net margin	49,290	64,845
Other comprehensive loss:		
Unrealized loss on available for sale securities	(72)	(82)
Postretirement benefit obligation gain (loss)	(19,824)	(10,952)
	<u>(19,896)</u>	<u>(11,034)</u>
Comprehensive margin	<u>\$ 29,394</u>	<u>\$ 53,811</u>

East Kentucky Power Cooperative, Inc.  
Balance Sheet  
Preliminary and Unaudited

807 KAR 5:001, Section 12(1)(i)

<i>(Dollars in Thousands)</i>	December 31	
	2015	2014
<b>Assets</b>		
Electric plant – at original cost:		
In-service	\$ 4,018,366	\$ 3,836,337
Construction-in-progress	50,876	30,790
	<u>4,069,242</u>	<u>3,867,127</u>
Less accumulated depreciation	1,287,696	1,224,225
Electric plant – net	<u>2,781,546</u>	<u>2,642,902</u>
Long-term accounts receivable	1,364	–
Restricted cash and investments	7,063	1,063
Investment securities:		
Available for sale	35,271	33,662
Held to maturity	8,488	8,579
Current assets:		
Cash and cash equivalents	51,473	183,070
Restricted investment	62,195	154,313
Accounts receivable	74,324	85,812
Fuel	70,830	65,688
Materials and supplies	57,209	54,834
Regulatory assets	2,529	269
Emission allowances	697	762
Other current assets	6,840	6,097
Total current assets	<u>326,097</u>	<u>550,845</u>
Regulatory assets	162,262	153,587
Deferred charges	2,945	3,849
Other noncurrent assets	7,168	9,069
Total assets	<u>\$ 3,332,204</u>	<u>\$ 3,403,556</u>
<b>Members' equities and liabilities</b>		
Members' equities:		
Memberships	\$ 2	\$ 2
Patronage and donated capital	535,189	485,899
Accumulated other comprehensive margin (loss)	(23,244)	(3,348)
Total members' equities	<u>511,947</u>	<u>482,553</u>
Long-term debt	2,501,176	2,632,276
Current liabilities:		
Current portion of long-term debt	91,751	90,635
Accounts payable	62,770	63,808
Accrued expenses	14,579	13,950
Regulatory liabilities	1,077	14,319
Total current liabilities	<u>170,177</u>	<u>182,712</u>
Accrued postretirement benefit cost	88,530	68,918
Asset retirement obligations and other liabilities	60,374	37,097
Total members' equities and liabilities	<u>\$ 3,332,204</u>	<u>\$ 3,403,556</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 Tuesday, March 8, 2016, at 9:30 a.m., EST, the following business was transacted:

Authorization to Amend and Extend Unsecured Revolving Credit Agreement

After review of the applicable information, a motion to Authorize to Amend and Extend the Unsecured Revolving Credit Agreement was made by Strategic Issues Committee Chairman Landis Cornett, and passed by the full Board to approve the following:

**Whereas**, East Kentucky Power Cooperative, Inc., (“EKPC”) has incurred and expects to incur costs for expenditures associated with the construction of various generation and transmission facilities, regulatory assets, and funding needs related to general corporate purposes;

**Whereas**, EKPC has a need for short-term financing of assets prior to the closing of permanent financing of said assets; and

**Whereas**, After review and discussion of the applicable information, Management and the Strategic Issues Committee recommend that EKPC be authorized to enter into an amendment and extension or refinancing of its five-year Unsecured Revolving Credit Agreement (“Credit Agreement”), to meet said requirements; now, therefore, be it

**Resolved**, That the EKPC Board of Directors (“Board”) hereby authorizes EKPC to enter into an amendment and extension or refinancing of its Unsecured Revolving Credit Agreement for up to five years plus up to two one-year renewals, in an amount not to exceed \$600,000,000, \$100,000,000 of which may be in the form of a renewable term loan, plus an accordion feature to allow an increase in the credit facility size when needed of up to \$200 million, substantially on the terms and conditions to be set forth between EKPC, National Rural Utilities Cooperative Finance Corporation, and other banks, and in the loan documents to be prepared and executed pursuant thereto, together with such revisions therein, as in the discretion of the President and Chief Executive Officer, or his designee, are deemed to be in the best interest of EKPC, and to incur and pay expenses associated with such amendment and extension of said Credit Agreement;

**Resolved**, That the Board authorizes EKPC to seek all necessary governmental and regulatory approvals for such amendment and extension of said Credit Agreement;

**Resolved**, That the Board authorizes the President and Chief Executive Officer or Chief Financial Officer, acting singly, on behalf of EKPC, to negotiate, execute and deliver all such other 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 President and Chief Executive Officer or the Chief Financial Officer, acting singly, is hereby authorized on behalf of EKPC, to execute and deliver from time to time advance requests, prepayment notices and any other notices, consents or other documents contemplated by the Credit Agreement.

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 8th day of March 2016.

  
\_\_\_\_\_  
Michael Adams, Secretary

Corporate Seal



**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**  
**MAR 9 2016**  
**PUBLIC SERVICE**  
**COMMISSION**

In the Matter of:

AN APPLICATION OF EAST KENTUCKY POWER )  
COOPERATIVE, INC. FOR APPROVAL OF THE )  
AMENDMENT AND EXTENSION OR REFINANCING )  
OF AN UNSECURED REVOLVING CREDIT )  
AGREEMENT IN AN AMOUNT UP TO \$800,000,000 )  
OF WHICH UP TO \$100,000,000 MAY BE IN THE )  
FORM OF AN UNSECURED RENEWABLE TERM )  
LOAN AND \$200,000,000 OF WHICH WILL BE IN THE )  
FORM OF A FUTURE INCREASE OPTION )

Case No. 2016-\_\_\_\_\_

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**MOTION FOR CONFIDENTIAL TREATMENT**

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Comes now East Kentucky Power Cooperative, Inc. (“EKPC”), by and through counsel, pursuant to KRS 61.878, 807 KAR 5:001, Section 13 and other applicable law, and for its Motion requesting that the Kentucky Public Service Commission (“Commission”) afford confidential treatment to certain portions of Exhibit 1 to EKPC’s Application tendered simultaneously herewith in the above-captioned proceeding, respectfully states as follows:

1. In its Application, EKPC requests Commission approval for an amendment and extension or refinancing of the Unsecured Revolving Credit Agreement (“Credit Facility”) currently held by EKPC which was approved by the Commission in Case No. 2011-00204,<sup>1</sup> and amended and extended with approval by the Commission in Case No. 2013-00306.<sup>2</sup> The proposed

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<sup>1</sup> *In the Matter of the 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*, Order, Case No. 2011-00204 (Ky. P.S.C., Jul. 19, 2011).

<sup>2</sup> *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*

amended and extended or refinanced Credit Facility Agreement is in an amount up to \$800,000,000, of which \$100,000,000 may be in the form of an unsecured, renewable term loan, and \$200,000,000 of which will be in the form of a future increase option.

2. Attached as Exhibit 1 to EKPC's Application is a description of the proposed financing, as required under 807 KAR 5:001 Section 18(1)(c). Within Exhibit 1, EKPC provides: (i) the amount of the facility fee it currently pays under its existing Credit Facility; (ii) the rate of interest it pays on amounts drawn under its existing Credit Facility; (iii) a description of the rates it expects to pay under the proposed amended and extended or refinanced Credit Facility; and (iv) a description of the amendment fees and expenses it expects to pay in conjunction with the proposed amended and extended or refinanced Credit Facility (collectively, the "Confidential Information").

3. The Confidential Information includes existing and anticipated interest rates and other proprietary loan terms and conditions which are an integral part of the requested approval for the proposed amended and extended or refinanced Credit Facility. The open disclosure of this material would arm prospective lenders - with whom EKPC must still negotiate - with information that could allow such lenders an unfair commercial advantage over EKPC. By making available to the public both the highly sensitive terms of EKPC's existing Credit Facility and the terms EKPC anticipates it can achieve through negotiation of its proposed amended and extended or refinanced Credit Facility, EKPC faces substantial risk of higher interest rates and fees and other more restrictive and detrimental conditions, including higher rates to its Owner-Members, than would otherwise be the case if the information was not publicly disclosed.

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*Credit Agreement in an Amount Up To \$500,000,000, and for the Use of Interest Rate Management Instruments*, Order, Case No. 2013-00306 (Ky. P.S.C., Sep. 27, 2013).

4. The Confidential Information is retained by EKPC on a “need-to-know” basis and is not available from any commercial or other source. The Confidential Information is generally recognized as confidential and proprietary in the energy industry and in financial markets, and the public disclosure of the Confidential Information would potentially harm EKPC’s competitive position in the marketplace, to the detriment of EKPC, its Owner-Members, and the ultimate customers. In light of these facts, the Kentucky Open Records Act exempts the Confidential Information from disclosure. *See* KRS 61.878(1)(c)(1).

5. KRS 61.878(1)(c)(1) protects “records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.” The Kentucky Supreme Court has stated, “information concerning the inner workings of a corporation is ‘generally accepted as confidential or proprietary’” *Hoy v. Kentucky Industrial Revitalization Authority*, 907 S.W.2d 766, 768 (Ky. 1995). The Confidential Information is critical to EKPC’s effective execution of business decisions and strategy. If disclosed, the Confidential Information would give potential lenders and other third parties insights into EKPC’s business operations and financial strategies that are otherwise publicly unavailable. Accordingly, the Confidential Information satisfies both the statutory and common law standards for affording confidential treatment.

6. EKPC does not object to limited disclosure of the Confidential Information described herein, pursuant to an acceptable confidentiality and nondisclosure agreement, to intervenors with a legitimate interest in reviewing the same for the sole purpose of participating in this case.

7. In accordance with the provisions of 807 KAR 5:001, Section 13(2), EKPC is filing, in a separate sealed envelope marked confidential, one (1) copy of Exhibit 1 to its Application with the Confidential Information highlighted. Redacted copies of Exhibit 1 are attached to EKPC's Application tendered simultaneously herewith.

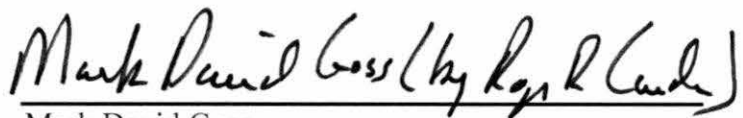
8. In accordance with the provisions of 807 KAR 5:001, Section 13(2), EKPC respectfully requests that the Confidential Information be withheld from public disclosure for ten (10) years.

9. If, and to the extent, the Confidential Information becomes publicly available or otherwise no longer warrants confidential treatment, EKPC will notify the Commission and have its confidential status removed, pursuant to 807 KAR 5:001 Section 13(10).

WHEREFORE, on the basis of the foregoing, EKPC respectfully requests that the Commission classify and protect as confidential the specific Confidential Information described herein for a period of ten (10) years.

This 9<sup>th</sup> day of March, 2016.

Respectfully submitted,



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