Frost Brown Todd LLC

ATTORNEYS

KENTUCKY · OHIO · INDIANA · TENNESSEE · WEST VIRGINIA

Mark David Goss
(859) 244-3232
MGOSS@FBTLAW.COM

June 4, 2010

RECEIVED

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PUBLIC SERVICE COMMISSION

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

RE: Case No. 2010-00166

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten redacted copies of a revision to Exhibit 2, as originally contained in East Kentucky Power Cooperative, Inc.'s ("EKPC") Application for Approval of a Three-Year Senior Unsecured Revolving and Term Credit Facility in an Amount up to $500,000,000. The Petition for Confidential Treatment of Information ("Petition"), as originally filed, will attach to this revised exhibit. One unredacted copy of the designated confidential portion of the revised Exhibit 2, which was the subject of the original Petition (copy provided as reference), is enclosed in a sealed envelope.

Please feel free to call if you have any questions.

Sincerely,

Mark David Goss

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

AN APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR APPROVAL OF A THREE-YEAR SENIOR UNSECURED REVOLVING AND TERM CREDIT FACILITY IN AN AMOUNT UP TO $500,000,000	) CASE NO. 2010-00166

PETITION FOR CONFIDENTIAL TREATMENT OF INFORMATION

Comes now the petitioner, East Kentucky Power Cooperative, Inc. ("EKPC") and, as grounds for this Petition for Confidential Treatment of Information (the "Petition"), states as follows:

1. This Petition is filed in conjunction with the filing of certain information in Exhibit 2 of EKPC's Application for Approval of a Three-Year Senior Unsecured Revolving and Term Credit Facility in an Amount up to $500,000,000, and relates to confidential information contained in that exhibit that is entitled to protection pursuant to 807 KAR 5:001 Section 7 and KRS §61.878(1)(c)1, §61.878(1)(c)2a, and §61.878(1)(c)2c.

2. The information designated as confidential in the subject Application describes anticipated interest rates and proprietary loan terms and conditions on the proposed credit facility. The open disclosure of such anticipated interest rates and loan terms could arm lenders with information that could allow such lenders an unfair commercial advantage over EKPC and its member systems. As such this information is confidential and not subject to public disclosure pursuant to KRS §61.878(1)(c)1. In

addition, these proprietary loan terms and conditions are also protected under §KRS 61.878(1)(c)2a, as it is a required disclosure to an agency in conjunction with an application for a loan.

3. The subject information is also entitled to protection pursuant to KRS §61.878(1)(c)2c, as records generally recognized as confidential or proprietary which are confidentially disclosed to an agency in conjunction with the regulation of a commercial enterprise.

4. Along with this Petition, EKPC has enclosed one copy of Exhibit 2, with the confidential information identified by highlighting or other designation, and 10 copies of the same exhibit, with the confidential information redacted. The identified confidential information is not known outside of EKPC and is distributed within EKPC only to persons with a need to use it for business purposes. It is entitled to confidential treatment pursuant to 807 KAR 5:001 Section 7 and the various sections of KRS 61.878 delineated above.

WHEREFORE, EKPC respectfully requests the Public Service Commission to grant confidential treatment to the identified information and deny public disclosure of said information.

Respectfully submitted,

Mark David Goss
Frost Brown Todd LLC
250 West Main Street, Suite 2800
Lexington, KY 40507-1749
(859) 231-000—Telephone
(859) 231-0011—Facsimile
Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that an original and 10 copies of the foregoing Petition for Confidential Treatment of Information in the above-styled case were hand-delivered to the Office of Jeffrey Derouen, Executive Director of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601 on April 26, 2010.

Counsel for East Kentucky Power Cooperative, Inc.

EAST KENTUCKY POWER COOPERATIVE, INC.

DESCRIPTION OF A THREE-YEAR SENIOR UNSECURED REVOLVING AND TERM CREDIT FACILITY IN AN AMOUNT UP TO $500,000,000

807 KAR 5:001, Section 11(1)(b)

East Kentucky Power Cooperative, Inc. ("EKPC", the "Borrower") is seeking a 3-year unsecured revolving and term credit facility (the "Facility") in an amount up to $500,000,000 for certain capital expenditure needs and general corporate purposes for the next three years. EKPC expects to obtain long-term funding from the Rural Utilities Service ("RUS"), an agency of the United States Department of Agriculture, and other sources to refinance all outstanding balances of the Facility by 2013.

The Borrower will repay and reborrow funds from the Facility based on the timing of its funding needs and long-term funds received from RUS and other lenders. EKPC has submitted long-term loan applications to RUS ahead of its funding needs to take into account RUS's normal review time for the loan application and approval process. EKPC also plans to arrange long-term financing with various financial institutions and insurance companies to fund capital expenditures not fundable by RUS. Because of the uncertainty regarding the timing of construction expenditures for the multiple projects being funded and the inability to predict when RUS loan funds will be available to EKPC, specific uses of the proceeds cannot be estimated at this time. Under the terms of EKPC's existing Mortgage Agreement with RUS (see Exhibit 4), all after-acquired assets (including all the assets to be funded with this facility) will become security interests under the Mortgage. As a result, in order to provide unsecured creditors additional assurance, there will be a provision limiting EKPC's ability to incur additional unsecured indebtedness.

National Rural Utilities Cooperative Finance Corporation, [redacted] ("CFC","[redacted]" respectively, and together, or the "Joint Lead Arrangers") have committed to provide EKPC [redacted] each toward a $450,000,000 Senior Unsecured Revolving Credit Facility consisting of a $150,000,000 term loan tranche (the "Term Loan Tranche") and a $300,000,000 revolving tranche (the "Revolving Tranche"). The amount of the Facility may be increased by up to $50,000,000 on or prior to the Closing. EKPC will consider upsizing the Facility from any oversubscription from the syndication. Any oversubscription of the Facility (after upsizing) will be used to reduce the Joint Lead Arrangers' commitments pro rata. CFC will be the Administrative Agent for the Facility. EKPC is seeking firm commitments by June 17, 2010 and expecting a financial closing date of June 24, 2010.

REDACTED

Key Terms and Conditions

- Lenders: A syndicate of financial institutions (including CFC, [redacted]) arranged by the Joint Lead Arrangers, and such institutions acceptable to the Borrower and the Joint Lead Arrangers (collectively, the "Lenders").

- Arranger Fee: The Borrower will pay a one-time fee of [redacted] to each Joint Lead Arranger, payable at the Closing.

- Facility Fee: The Borrower will pay a fee (the "Facility Fee"), in the amount of [redacted] basis points ("bps") per annum on each Lender's pro-rata share of the Facility, regardless of usage. The Facility Fee is payable quarterly in arrears commencing upon Closing.

- Upfront Fee: The Borrower will pay a one-time fee equal to [redacted]% for commitments greater than or equal to [redacted], [redacted]% for commitments less than [redacted] but greater than or equal to [redacted], [redacted]% for commitments less than [redacted] but greater than or equal to [redacted], and [redacted]% for commitments less than [redacted] of the amount of each Lender's allocated commitment upon the execution of a definitive credit agreement and the closing of the Facility, payable to the Lenders at the Closing.

- Administrative Agency Fee: The Borrower will pay an annual Administrative Agency Fee of [redacted] per annum, payable annually in advance to CFC on the date of the execution of a definitive credit agreement and closing of the loan and on each annual anniversary date thereof through the Maturity Date. This fee is nonrefundable and shall not be pro-rated in the event the Facility is prepaid.

- Interest Rates: At the Borrower's option, any loan under the Facility prior to Maturity Date will bear interest at a rate equal to an incremental borrowing margin of (i) the Adjusted London Interbank Offered Rate ("LIBOR") plus [redacted] basis points or (ii) the Alternate Base Rate as of the date of determination, defined as the highest of (a) the Prime Rate for such day, (b) the sum of 2% and the Federal Funds Rate for such day or (c) the Adjusted London Interbank Offered Rate for a one month Interest Period on such day plus 2% ("ABR"), plus [redacted] basis points (the "ABR Applicable Margin").

  The Borrower may select interest periods of 1, 2, 3 or 6 months for LIBOR loans, subject to availability. Interest shall be payable at the end of the selected interest period, but no less frequently than quarterly.

  A default rate shall apply on all loans in the event of default under the Facility at a rate per annum of 2% above the applicable interest rate.

- Expenses: The Borrower agrees to pay all reasonable out-of-pocket expenses of the Joint Lead Arrangers associated with the Facility regardless of the Closing of the Facility, including attorneys' fees.

- Maturity Date: The Facility shall terminate and all amounts outstanding thereunder shall be due and payable in full 3 years from Closing ("Maturity Date"). All Amounts under the Facility will be due and payable in full at the end of the three-year period but may be voluntarily prepaid in advance, in whole or in part, without penalty, subject to reimbursement of the Lenders' breakage and redeployment costs in the case of prepayment of loans accruing interest at LIBOR.

- Prepayment Options: The Borrower may prepay the Facility in whole or in part at any time without penalty, subject to reimbursement of the Lenders' breakage and redeployment costs in the case of prepayment of LIBOR borrowings. Any prepayment under the Term Loan Tranche shall result in a permanent commitment reduction.

- Conditions Precedent to Closing:

  (i) The negotiation, execution and delivery of definitive documentation (including, without limitation, satisfactory legal opinions, corporate formation and authority documents and other customary closing documents) for the Facility satisfactory to the Joint Lead Arrangers and the Lenders.

  (ii) There shall not have occurred a material adverse change since December 31, 2009 in the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) of the Borrower and its subsidiaries taken as a whole or in the facts and information regarding such entities as represented to date.

  (iii) Receipt and satisfactory review by the Joint Lead Arrangers and the Lenders of such financial information regarding the Borrower and its subsidiaries as they may reasonably request.

  (iv) Payment of all fees and expenses required to be paid on or before the Closing.

  (v) The absence of material litigation, subject to certain exceptions previously disclosed to the Lenders.

  (vi) The Borrower shall be in compliance with all existing material financial obligations.

(vii) The Borrower shall make certain representations and warranties regarding itself, its members and the wholesale power contracts as agreed to between the Borrower and the Joint Lead Arrangers.

(viii) All governmental and regulatory approvals necessary, including, but not limited to the Kentucky Public Service Commission approval, for the transaction shall have been obtained.

(ix) No Event of Default, or event which with giving of notice or lapse of time or both would be an Event of Default (a "Default"), has occurred and is continuing.

(x) Favorable legal opinion from counsel for the Borrower, satisfactory to the Joint Lead Arrangers and the Lenders.

(xi) Favorable legal opinion from counsel for the Joint Lead Arrangers and the Lenders.

(xii) The Borrower shall certify that on and as of the Closing, to the best of its knowledge, there is no condition or circumstance that would impair the ability of the parties to the Borrower's wholesale power contracts to perform thereunder.

- Financial Covenants:
    1. Debt Service Coverage Ratio ("DSCR") – The Borrower will maintain a minimum DSCR of [redacted] measured each calendar year as defined in Borrower's RUS mortgage;
    2. Times Interest Earned Ratio ("TIER") – The Borrower will maintain a minimum TIER of [redacted] measured each calendar year as defined in Borrower's RUS mortgage;
    3. The Borrower will maintain a minimum total members' equities of [redacted].
    4. The Borrower will maintain a minimum Equity to Assets ratio of [redacted]%.