

GRANT, ROSE & PUMPHREY

ATTORNEYS-AT-LAW

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November 2, 2010

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NOV 04 2010

PUBLIC SERVICE  
COMMISSION

Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Re: Case No. 2010-00391

In the matter of Clark Energy Cooperative, Inc. refinancing \$ 6,081,036.12 of Rural Utilities Service ("RUS") notes with National Rural Utilities Cooperative Finance Corporation ("CFC") of the same amount.

Dear Mr. Derouen:

We enclose for filing the original and 10 copies of the responses required on Page 4 (3) of the Order, issued October 26, 2010. The exact amount of the new CFC loan is \$ 6,081,036.12, the amount requested in the original application.

Respectfully submitted,




Robert L. Rose  
Grant, Rose & Pumphrey  
Counsel for Applicant  
51 S. Main Street  
Winchester, KY 40391  
(859) 744-6828

Enclosure



**National Rural Utilities  
Cooperative Finance Corporation**

2201 Cooperative Way  
Herndon, Virginia 20171  
703-709-6700 | www.nrucfc.coop

A Touchstone Energy\* Cooperative 

November 3, 2010

Ms. Holly Eades  
Vice President of Finance  
Clark Energy Cooperative, Inc.  
PO Box 748  
Winchester, KY 40392-0748

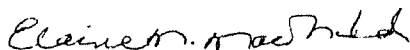
Dear Ms. Eades:

I'm pleased to confirm that on October 29, 2010 CFC refinanced the RUS 5% notes detailed below in the aggregate principal amount of \$6,081,036.12.

Loan Designation and Account No.	Principal Amount
AA6	\$ 113,390.32
AA6	\$ 113,390.32
AB6	\$ 239,792.85
AB6	\$ 239,792.85
AC6	\$ 269,087.18
AC6	\$ 269,087.18
AD6	\$ 481,252.35
AD6	\$ 223.12
AD6	\$ 495,884.51
AE6	\$ 875,285.64
AE6	\$ 875,285.64
AF6	\$ 1,054,282.08
AF6	\$ 1,054,282.08
<b>Total</b>	<b>\$ 6,081,036.12</b>

We at CFC appreciate the opportunity to be of service to you and look forward to our continued business relationship.

Sincerely,



Elaine M. MacDonald  
Associate Vice President

CFC FACIL  
KY049-A-9021 (MACDONE)  
152509-1



**Powerful  
Financial  
Solutions**

*CFC's credit services provide its members with the financial tools they need to compete in an increasingly complex industry.*

Prepared exclusively for: Clark Energy Cooperative, Inc.

Scenario: RUS Refi - 12 Notes

<b>Overall Summary</b>	
Effective Interest Rate (after discounts, patronage capital):	3.71%
Effective Interest Rate (before discounts, patronage capital):	3.96%
Value of savings from discounts, patronage capital:	(0.25%)

<b>Debt Summary</b>	
Current total LT debt outstanding: \$	3,919,241
New proposed loan amount: \$	6,081,036
Potential total LT debt outstanding: \$	10,000,277

<b>Equity Summary</b>	
Current total equity at CFC: \$	1,082,098
Potential CFC debt to equity ratio:	9.24
Additional equity required as LCTCs: \$	-
Portion of new loan used to purchase LCTCs: \$	-

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 and will remain valid through **12/22/2010**. The interest rates used in this presentation were CFC's interest rates in effect on **9/23/2010** and are effective for that date only. No future representation of interest rates is implied.



Clark Energy Cooperative, Inc.

CFC Loan Scenario

Portfolio: RUS Refi - 12 Notes

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	2.500%	LD	10/29/2010	12/1/2010	1	12	0		8/31/2011	\$673,687.17	No	\$0	N	N	N
2	F	2.700%	LD	10/29/2010	9/1/2011	2	24	9		8/31/2012	\$688,783.10	No	\$0	N	N	N
3	F	2.850%	LD	10/29/2010	9/1/2012	3	36	21		8/31/2013	\$635,847.09	No	\$0	N	N	N
4	F	3.250%	LD	10/29/2010	9/1/2013	4	48	33		8/31/2014	\$632,645.56	No	\$0	N	N	N
5	F	3.500%	LD	10/29/2010	9/1/2014	5	60	45		8/31/2015	\$562,386.40	No	\$0	N	N	N
6	F	3.800%	LD	10/29/2010	9/1/2015	6	72	57		8/31/2016	\$550,331.39	No	\$0	N	N	N
7	F	4.000%	LD	10/29/2010	9/1/2016	7	84	69		8/31/2017	\$518,755.52	No	\$0	N	N	N
8	F	4.200%	LD	10/29/2010	9/1/2017	8	96	81		8/31/2018	\$490,442.95	No	\$0	N	N	N
9	F	4.350%	LD	10/29/2010	9/1/2018	9	108	93		8/31/2019	\$469,446.26	No	\$0	N	N	N
10	F	4.500%	LD	10/29/2010	9/1/2020	10	120	105		8/31/2020	\$381,705.45	No	\$0	N	N	N
11	F	4.500%	LD	10/29/2010	9/1/2020	11	132	117		8/31/2021	\$247,680.88	No	\$0	N	N	N
12	F	4.650%	LD	10/29/2010	9/1/2021	12	144	129		8/31/2022	\$229,224.22	No	\$0	N	N	N



**Clark Energy Cooperative, Inc.**  
**Summary Comparison of Cash Flows**  
**Portfolio: RUS Refi - 12 Notes**

	Principal Payments	Interest Payments	Total Discounts	Patronage Retirement	LCIC Payments	LCIC Return	Total Cash Flow
RUS	(\$6,081,036)	(\$2,246,512)	\$0	\$0	\$0	\$0	(\$8,330,548)
CFC	(\$6,081,036)	(\$1,215,502)	\$0	\$114,512	\$0	\$0	(\$7,086,027)
RUS-CFC	\$0.00	(\$1,030,010)	\$0	(\$114,512)	\$0	\$0	(\$1,144,522)



**Clark Energy Cooperative, Inc.**  
**Detailed Comparison of Cash Flows**  
**Portfolio: RUS Refi - 12 Notes**

Year	RUS events		CFC events				CFC		LCTC's Return	LCTC's Net Cash Flows	Comparison RUS - CFC Net Cash Flows
	RUS Payments	RUS Payments	CFC Payments	Patronage	CFC Payments	LCTC's Payments	Net Cash Flows	Net Cash Flows			
8/31/2011		(\$770,829)	(\$851,329)		\$5,924	-		-	(\$845,404)	\$74,575	
8/31/2012		(\$810,829)	(\$881,047)		\$9,258	-		-	(\$871,789)	\$60,959	
8/31/2013		(\$730,801)	(\$809,557)		\$8,373	-		-	(\$801,184)	\$70,383	
8/31/2014		(\$703,755)	(\$786,828)		\$7,476	-		-	(\$779,352)	\$75,596	
8/31/2015		(\$609,839)	(\$696,339)		\$6,524	-		-	(\$689,815)	\$79,976	
8/31/2016		(\$577,904)	(\$664,148)		\$5,587	-		-	(\$658,561)	\$80,657	
8/31/2017		(\$525,758)	(\$611,723)		\$4,610	-		-	(\$607,113)	\$81,375	
8/31/2018		(\$480,000)	(\$562,720)		\$3,636	-		-	(\$559,083)	\$79,084	
8/31/2019		(\$441,587)	(\$521,193)		\$2,670	-		-	(\$518,522)	\$76,935	
8/31/2020		(\$340,476)	(\$414,309)		\$1,741	-		-	(\$412,568)	\$72,093	
8/31/2021		(\$340,476)	(\$265,423)		\$983	-		-	(\$264,441)	(\$76,035)	
8/31/2022		(\$340,476)	(\$235,925)		\$442	-		-	(\$235,483)	(\$104,993)	
8/31/2023		(\$340,476)			\$32	-		-	\$32	(\$340,507)	
8/31/2024		(\$340,476)			-	-		-	-	(\$340,476)	
8/31/2025		(\$340,476)			-	-		-	-	(\$340,476)	
8/31/2026		(\$316,924)			-	-		-	-	(\$316,924)	
8/31/2027		(\$179,792)			-	-		-	-	(\$179,792)	
8/31/2028		(\$139,697)			-	-		-	-	(\$139,697)	
8/31/2029					-	-		-	-	-	
8/31/2030					-	-		-	-	-	
8/31/2031					-	-		-	-	-	
8/31/2032					-	-		-	-	-	
8/31/2033					-	-		-	-	-	
8/31/2034					-	-		-	-	-	
8/31/2035					-	-		-	-	-	
8/31/2036					\$5,924	-		-	\$5,924	(\$5,924)	
8/31/2037					\$9,258	-		-	\$9,258	(\$9,258)	
8/31/2038					\$8,373	-		-	\$8,373	(\$8,373)	
8/31/2039					\$7,476	-		-	\$7,476	(\$7,476)	
8/31/2040					\$6,524	-		-	\$6,524	(\$6,524)	
8/31/2041					\$5,587	-		-	\$5,587	(\$5,587)	
8/31/2042					\$4,610	-		-	\$4,610	(\$4,610)	
8/31/2043					\$3,636	-		-	\$3,636	(\$3,636)	
8/31/2044					\$2,670	-		-	\$2,670	(\$2,670)	



**Clark Energy Cooperative, Inc.**  
**Detailed Comparison of Cash Flows**  
**Portfolio: RUS Refi - 12 Notes**

Year	RUS events		CFC events				LCTC's Return	CFC Net Cash Flows	Comparison RUS - CFC Net Cash Flows
	RUS Payments	CFC Payments	Patronage	LCTC's Payments	LCTC's Return	CFC Net Cash Flows			
8/31/2045	-	-	\$1,741	-	-	-	\$1,741	(\$1,741)	
8/31/2046	-	-	\$983	-	-	-	\$983	(\$983)	
8/31/2047	-	-	\$442	-	-	-	\$442	(\$442)	
8/31/2048	-	-	\$32	-	-	-	\$32	(\$32)	
8/31/2049	-	-	-	-	-	-	-	-	
8/31/2050	-	-	-	-	-	-	-	-	
8/31/2051	-	-	-	-	-	-	-	-	
8/31/2052	-	-	-	-	-	-	-	-	
8/31/2053	-	-	-	-	-	-	-	-	
8/31/2054	-	-	-	-	-	-	-	-	
8/31/2055	-	-	-	-	-	-	-	-	
8/31/2056	-	-	-	-	-	-	-	-	
8/31/2057	-	-	-	-	-	-	-	-	
8/31/2058	-	-	-	-	-	-	-	-	
8/31/2059	-	-	-	-	-	-	-	-	
8/31/2060	-	-	-	-	-	-	-	-	

Sum of Cash Flows

Year 5	(\$3,626,054)	(\$4,025,099)	\$37,556	\$0	\$0	\$0	(\$3,987,543)	\$361,489
Year 10	(\$5,991,759)	(\$6,799,190)	\$55,800	\$0	\$0	\$0	(\$6,743,391)	\$751,632
Year 15	(\$7,694,136)	(\$7,300,538)	\$57,256	\$0	\$0	\$0	(\$7,243,282)	(\$450,854)
Year 20	(\$8,330,548)	(\$7,300,538)	\$57,256	\$0	\$0	\$0	(\$7,243,282)	(\$1,087,266)
Year 30	(\$8,330,548)	(\$7,300,538)	\$94,812	\$0	\$0	\$0	(\$7,205,726)	(\$1,124,822)
All years	(\$8,330,548)	(\$7,300,538)	\$114,512	\$0	\$0	\$0	(\$7,186,027)	(\$1,144,522)



**Clark Energy Cooperative, Inc.**  
**RUS LOANS - in detail**

Loan Count 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	1B420	4	5.00% LD	\$ 113,390.32	\$ 13,384.25	2/28/2013	2.14	0.00%	\$ 113,390.32	\$ -	0.000%
2	1B422	4	5.00% LD	\$ 113,390.32	\$ 13,384.25	2/28/2013	2.14	0.00%	\$ 113,390.32	\$ -	0.000%
3	1B430	4	5.00% LD	\$ 239,792.83	\$ 15,731.40	2/28/2015	4.14	0.00%	\$ 239,792.83	\$ -	0.000%
4	1B432	4	5.00% LD	\$ 239,792.83	\$ 15,731.40	2/28/2015	4.14	0.00%	\$ 239,792.83	\$ -	0.000%
5	1B440	4	5.00% LD	\$ 269,087.18	\$ 12,238.09	2/28/2017	6.34	0.00%	\$ 269,087.18	\$ -	0.000%
6	1B442	4	5.00% LD	\$ 269,087.18	\$ 12,238.09	2/28/2017	6.34	0.00%	\$ 269,087.18	\$ -	0.000%
7	1B450	12	5.00% LD	\$ 481,252.34	\$ 5,738.70	5/31/2019	8.54	0.00%	\$ 481,252.34	\$ 0.00	0.000%
8	1B451	12	5.00% LD	\$ 223.11	\$ 2.65	5/31/2019	8.54	0.00%	\$ 223.11	\$ 0.00	0.002%
9	1B453	12	5.00% LD	\$ 495,884.52	\$ 5,885.65	5/31/2019	8.64	0.00%	\$ 495,884.52	\$ (0.00)	0.000%
10	1B460	12	5.00% LD	\$ 875,285.63	\$ 6,695.15	7/31/2026	15.74	0.00%	\$ 875,285.63	\$ 0.00	0.000%
11	1B462	12	5.00% LD	\$ 875,285.63	\$ 6,695.15	7/31/2026	15.74	0.00%	\$ 875,285.63	\$ 0.00	0.000%
12	1B470	12	5.00% LD	\$ 1,054,282.08	\$ 7,491.33	6/30/2028	17.64	0.00%	\$ 1,054,282.08	\$ 0.00	0.000%
13	1B475	12	5.00% LD	\$ 1,054,282.08	\$ 7,491.33	6/30/2028	17.64	0.00%	\$ 1,054,282.08	\$ 0.00	0.000%





**Clark Energy Cooperative, Inc.**  
**RUS LOANS - Cash Flows**

Year	Total Cash Flow	Principal Payments	Interest Payments	Outstanding Balance
8/31/2010	\$6,081,036	\$6,081,036	\$0	\$6,081,036
8/31/2011	(\$770,829)	(\$496,383)	(\$274,446)	\$5,584,653
8/31/2012	(\$810,829)	(\$542,516)	(\$268,314)	\$5,042,137
8/31/2013	(\$730,801)	(\$489,680)	(\$241,121)	\$4,552,458
8/31/2014	(\$703,755)	(\$486,378)	(\$217,377)	\$4,066,080
8/31/2015	(\$609,839)	(\$416,119)	(\$193,720)	\$3,649,961
8/31/2016	(\$577,904)	(\$404,064)	(\$173,840)	\$3,245,897
8/31/2017	(\$525,738)	(\$372,488)	(\$153,250)	\$2,873,409
8/31/2018	(\$480,000)	(\$344,175)	(\$135,824)	\$2,529,234
8/31/2019	(\$441,587)	(\$323,179)	(\$118,408)	\$2,206,055
8/31/2020	(\$340,476)	(\$235,438)	(\$105,038)	\$1,970,617
8/31/2021	(\$340,476)	(\$247,681)	(\$92,795)	\$1,722,936
8/31/2022	(\$340,476)	(\$260,261)	(\$80,215)	\$1,462,676
8/31/2023	(\$340,476)	(\$273,576)	(\$66,900)	\$1,189,100
8/31/2024	(\$340,476)	(\$287,516)	(\$52,960)	\$901,584
8/31/2025	(\$340,476)	(\$302,323)	(\$38,152)	\$599,261
8/31/2026	(\$316,924)	(\$294,155)	(\$22,769)	\$305,106
8/31/2027	(\$179,792)	(\$168,372)	(\$11,420)	\$136,735
8/31/2028	(\$139,697)	(\$136,735)	(\$2,962)	\$0
8/31/2029	\$0	\$0	\$0	\$0
8/31/2030	\$0	\$0	\$0	\$0
8/31/2031	\$0	\$0	\$0	\$0