

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF INTER-COUNTY ENERGY)
COOPERATIVE CORPORATION FOR AUTHORIZATION)
TO BORROW \$17,952,269 FROM COBANK AND EXECUTE) CASE NO. 2016-00084
NECESSARY NOTES AND TO PREPAY RURAL UTILITIES)
SERVICE NOTES OF THE SAME AMOUNT)

APPLICATION

Inter-County Energy Cooperative Corporation (“Inter-County”) respectfully submits this application seeking expedited approval (in order to close by May 31, 2016) of long-term refinancing, pursuant to KRS 278.300. The petition respectfully shows:

1. Inter-County 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 Boyle, Casey, Garrard, LaRue, Lincoln, Madison, Marion, Mercer, Nelson, Rockcastle, Taylor and Washington. The Certificate of Existence is attached as Exhibit 1.

2. Inter-County’s post office address is Post Office Box 87, Danville, KY 40423-0087.

3. The Articles of Incorporation for Inter-County is being filed with this application as Exhibit 2.

4. As of December 31, 2015, Inter-County serves 25,773 member-customers. It has 3,869 miles of distribution lines in its twelve-county service territory and owns additional facilities necessary to support this distribution system. The total original cost of these distribution lines and additional facilities as of December 31, 2015 is \$119,821,171.

5. Inter-County is not seeking authorization to issue any kinds of stock as part of this application. The CoBank loan will be secured under the provision of the RUS Restated Mortgage and Security Agreement.

6. Inter-County seeks to borrow from CoBank a total of \$17,952,269 and execute one note in conjunction with this borrowing from CoBank at a fixed interest rate of 3.80% per annum. The CoBank loan will be for a 21.7 years period and will equal the average life of the debt being refinanced. Inter-County also received a proposal from the National Rural Utilities Cooperative Finance Corporation ("CFC"). In a comparable scenario, CFC proposed a refinance savings of approximately \$1,472,700.

7. The Financial Exhibit, as required by 807 KAR 5:001, Section 12(2) is attached as Exhibit 3 of this application. The mortgages of Inter-County are listed in Attachment A of this exhibit. Also included is Attachment B - Statement of Operations and Attachment C - Balance Sheet.

8. Additional information in support of this application is included in Exhibit 4; the Inter-County Board Resolution (Attachment A), CoBank Letter of Approval (Attachment B) and the CoBank Refinancing Packet (Attachment C). The nominal dollar savings are \$2,802,067, with a net present value of \$1,011,347 discounted at the fixed interest rate of the new note.

9. Inter-County expects the actual payoff to be very close to the \$17,952,269. Inter-County proposes to adjust any difference via electronic payment to CoBank, which will allow the note with CoBank to stay at \$17,952,269.

10. Inter-County will use the proceeds from the CoBank loan to repay notes of the same amount outstanding to Rural Utilities Service ("RUS"). The notes being prepaid are RUS notes RET-8-1, RET-8-2, RET-8-4, RET-8-5, RET-8-6 and RET-8-7.

11. RUS has given notice to cooperatives that such refinancing of mortgage debt is permitted by RUS under the regulations outlined in 7 CFR Part 1786.

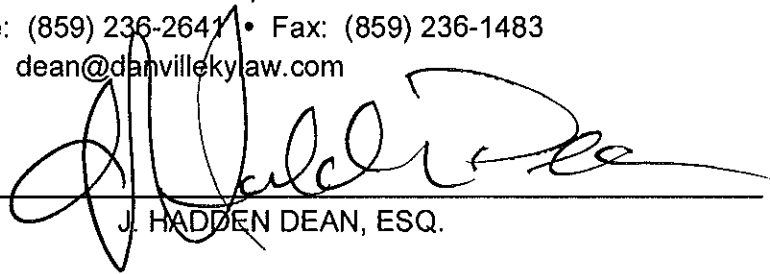
12. As no property is being acquired in conjunction with this financing, 807 KAR 5:001, Section 12(2)(d) is not applicable.

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

DATED at Danville, Kentucky this 24th day of February, 2016.

SHEEHAN, BARNETT, DEAN, PENNINGTON & LITTLE P.S.C.
Counsel for Inter-County Energy Cooperative Corporation
P. O. Box 1517 • Danville, KY 40422
Phone: (859) 236-2641 • Fax: (859) 236-1483
Email: dean@danvillekylaw.com

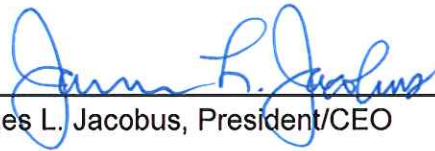
By: _____



J. HADDEN DEAN, ESQ.

VERIFICATION

The undersigned, James L. Jacobus, being first duly sworn, states that he is the President and Chief Executive Officer of Inter-County Energy Cooperative Corporation; 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.



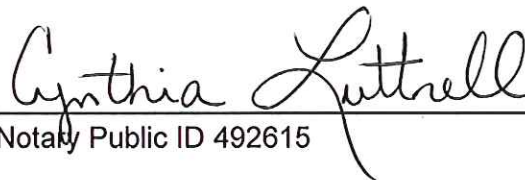
James L. Jacobus, President/CEO

STATE OF KENTUCKY

COUNTY OF BOYLE

Subscribed, sworn to and acknowledged before me by James L. Jacobus this 24th day of February, 2016.

My Commission expires July 15, 2017.



Notary Public ID 492615



INTER-COUNTY ENERGY COOPERATIVE CORPORATION

CASE NO. 2016-00084

INDEX OF APPLICATION EXHIBITS

EXHIBIT 1 CERTIFICATE OF EXISTENCE

EXHIBIT 2 ARTICLES OF INCORPORATION

EXHIBIT 3 FINANCIAL EXHIBIT

- Attachment A – Mortgages of Inter-County Energy Cooperative
- Attachment B – Statement of Operations
- Attachment C – Balance Sheet

EXHIBIT 4 ADDITIONAL SUPPORT INFORMATION

- Attachment A – Inter-County Energy Board Resolution
- Attachment B – CoBank Letter of Approval
- Attachment C – CoBank Refinancing Packet

CASE NO. 2016-00084
EXHIBIT 1 - CERTIFICATE OF EXISTENCE

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary of State

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 173027
Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

INTER-COUNTY ENERGY COOPERATIVE CORPORATION

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 273, whose date of incorporation is June 14, 1937 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 12th day of February, 2016, in the 224th year of the Commonwealth.



Alison Lundergan Grimes

Alison Lundergan Grimes
Secretary of State
Commonwealth of Kentucky
173027/0024998

**INTER-COUNTY ENERGY COOPERATIVE CORPORATION
ARTICLES OF INCORPORATION**

The incorporators whose names are hereunto signed, being natural persons and citizens of the Commonwealth of Kentucky, have executed these Articles of Incorporation for the purpose of forming a cooperative corporation not organized for pecuniary profit pursuant to the "Rural Electric Cooperative Corporation Act" which was passed by the General Assembly of Kentucky, at a Special Session, 1936, and approved on January 18, 1937, in accordance with the following provisions:

ARTICLE I

The name of the Corporation shall be, "Inter-County Energy Cooperative Corporation."

ARTICLE II

The purpose for which this corporation is formed is to engage in any and all lawful business and/or activity authorized pursuant to Kentucky law including but not limited to promote and encourage the fullest possible use of electric energy in the Commonwealth of Kentucky by making electric energy available by production, transmission or distribution, or both, to or by otherwise securing the same for the habitants of and persons in the Commonwealth of Kentucky at the lowest cost consistent with sound business methods and prudent management of the business of the Corporation and also by making available to the said inhabitants as foresaid electrical devices, equipment, wiring, appliances, fixtures and supplies and all kinds of tools, equipment and machinery, (including any fixture or property of both which may by its use be conducive to a more complete use of electricity or electric energy) operated by electricity or electric energy and, without limiting the generality of the foregoing:

(a) To generate, manufacture, purchase, acquire and accumulate electric energy for its members and non-members to the extent permitted by the Act under which the Corporation is formed, or otherwise authorized by law, and to transmit, distribute, furnish, sell and dispose of such electric energy to its members and non-members to the extent permitted by the Act under which the Corporation is formed, or otherwise permitted by law, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;

(b) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights-of-way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Corporation;

(c) To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, convey, sell, lease as lessor, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property or any interest therein necessary, useful or appropriate to enable the Corporation to accomplish any or all of its purposes;

(d) To assist its members to wire their premises and install therein electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including, without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and, in connection therewith and for such purposes, to purchase, acquire, lease, sell, distribute, install and repair, electrical and plumbing appliances, fixtures, machinery, supplies, apparatus and equipment of any and all kinds and character (including without limiting the generality of the foregoing, such as are applicable to water supply and sewage disposal) and to receive, acquire, endorse, pledge, guarantee, hypothecate, transfer or otherwise dispose of notes and other evidences of indebtedness and all security therefor;

(e) To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for monies borrowed

or in payment for property acquired, or for any of the other objects, or purposes of the Corporation; to secure the payment of such bonds, notes, or other evidences of indebtedness by mortgage or mortgages, or deed or deeds, of trust upon, or by the pledge of our other lien upon any or all of the property, rights, privileges, or permits of the Corporation, wheresoever situated, acquired or to be acquired;

(f) To exercise the right of eminent domain in its corporate name, and in the manner provided by the condemnation laws for acquiring private property for public use;

(g) To do and perform either for itself or for its members any and all acts and things under, through or by means of its own officers, agents and employees or by contracts with any person, federal agency, corporation, cooperative association or municipality, and to have and exercise any and all powers as may be necessary or convenient to accomplish any or all of the foregoing purposes or as may be permitted by the act under which this corporation is formed or as may now or hereafter be authorized by law or which are not prohibited by law and to exercise any of its powers anywhere.

ARTICLE III

The principal office of the Corporation shall be located at Danville, in the County of Boyle, Commonwealth of Kentucky.

ARTICLE IV

The operations of the Corporation are to be conducted in the counties of Boyle, Mercer, Washington, Marion, Lincoln and Garrard, and in such other counties as such operations may from time to time become necessary or desirable in the interest of this corporation or its members.

ARTICLE V

The number of directors of the Corporation shall not be less than five (5) nor more than eleven (11). Unless otherwise provided in the Bylaws, the number of directors shall be seven (7).

ARTICLE VI

The names and post office addresses of the directors who are to manage and conduct the affairs of the Corporation until the first annual meeting of the members or until their successors shall have been elected and shall have qualified, are:

NAMES
William H. Rogers
Kearney Adams
P.E. Hughes
Beeler Whitlock
Robinson Cook

POST OFFICE ADDRESSES
Harrodsburg, Ky.
Lancaster, Ky.
Raywick, Ky.
Gravel Switch, Ky.
Harrodsburg, Ky.

ARTICLE VII

The duration of the Corporation is: Perpetual.

ARTICLE VIII

SECTION 1. The Corporation shall have no capital stock and the property rights and interests of each member shall be equal.

SECTION 2. Any person, firm, corporation or body politic may become a member in the Corporation by:

- (a) paying the membership fee specified by the Bylaws;
- (b) agreeing to purchase from the Corporation electric energy as specified in the Bylaws; and

(c) agreeing to comply with and be bound by these Articles of Incorporation and the Bylaws of the Corporation and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors.

PROVIDED, however, that no person, firm, corporation or body politic shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members in the manner provided for in the Bylaws. No person, firm, corporation or body politic may own more than one (1) membership in the Corporation.

A husband and wife may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this Section, provided the husband and wife comply jointly with the foregoing provisions of the above subdivisions (a), (b), and (c).

SECTION 3. Membership in the Corporation shall be terminated by death, cessation of existence, expulsion or withdrawal of the member as provided in the Bylaws of the Corporation. Termination of membership in any manner shall not release the member, or his estate from the debts or liabilities of such member to the Corporation.

SECTION 4. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting thereon in person or by proxy, except as otherwise provided by law, or these Articles of Incorporation. No proxy shall be valid after sixty (60) days from the date of its execution, and the person so appointed may not vote at any meeting other than the one designated in the proxy or any adjournment or adjournments of such meeting. No person shall vote as proxy for more than three (3) members at any meeting of the members except upon the question of amendment of the Articles of Incorporation to increase the number of counties in which the Corporation may operate or on the question of mortgaging or otherwise encumbering any of the Corporation's property to secure loans made or to be made to the Corporation by the United States of America or any agency or instrumentality thereof, the National Rural Utilities Cooperative Finance Corporation, and any other agency where mortgage arrangements can be accommodated and approved by the Rural Utilities Service, in either of which cases a person may hold an unlimited number of proxies. If a husband and wife hold a joint membership they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

SECTION 5. The private property of the members of the Corporation shall be exempt from execution for the debts of the Corporation and no member or incorporator shall be individually liable or responsible for any debts or liabilities of the Corporation.

SECTION 6. The Bylaws of the Corporation may fix other terms and conditions upon which persons shall be admitted to and retain membership in the Corporation not inconsistent with these Articles of Incorporation or the Act under which the Corporation is organized.

ARTICLE IX

SECTION 1. The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with these Articles of Incorporation or the Bylaws of the Corporation as it may deem advisable for the management, administration and regulation of the business and affairs of the Corporation.

SECTION 2. Directors of the Corporation shall be members thereof.

ARTICLE X

The Corporation may amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.

IN WITNESS WHEREOF, We hereunto subscribe our names this 12th day of June, 1937.

(Signed) William H. Rogers
Kearney Adams
P. E. Hughes
Beeler Whitlock
Robinson Cook

STATEMENT OF NONDISCRIMINATION

This institution is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

APPLICATION OF INTER-COUNTY ENERGY COOPERATIVE

CASE NO. 2016-00084

EXHIBIT 3 – FINANCIAL

Unless otherwise noted, the financial information contained in this Exhibit is for the twelve months ending or as of December 31, 2015, which is within the 90-day requirement of 807 KAR 5:001, Section 12.

- Section 12(2)(a) Inter-County has no stock authorized.
- Section 12(2)(b) Inter-County has no stock issued or outstanding.
- Section 12(2)(c) Inter-County has no preferred stock issued.
- Section 12(2)(d) All of Inter-County's loans with the RUS and CFC are secured by the Restated Mortgage and Security Agreement. Inter-County is the mortgagor, while the RUS and CFC are the mortgagees. The total debt limit is \$150,000,000. The current actual indebtedness is shown in Exhibit 3, Attachment A. There are no sinking fund provisions contained in the Restated Mortgage.
- Section 12(2)(e) Inter-County has no bonds authorized or issued.
- Section 12(2)(f) Exhibit 3, Attachment A contains the listing of Inter-County's total notes outstanding.
- Section 12(2)(g) Inter-County has no other indebtedness.
- Section 12(2)(h) As Inter-County has no stock authorized, issued or outstanding, no dividends have been paid during the five previous fiscal years.
- Section 12(2)(i) Exhibit 3, Attachments B and C, contains Inter-County's detailed Statement of Operations and Balance Sheet.

INTER-COUNTY ENERGY COOPERATIVE CORPORATION

CASE NO. 2016-00084

EXHIBIT 3 – FINANCIAL

Attachment A

Mortgages of Inter-County Energy Cooperative

NOTES EXECUTED AS OF DECEMBER 31, 2015

RUS	Note	Interest Rate	Date	Original Balance	Principle Payment	Balance
	RET-7-1	5.125	3/2/1998	2,637,500	746,273	1,891,227
	RET-7-2	0.125	3/2/1998	2,637,500	1,105,724	1,531,776
	RET-8-1	4.70%	3/21/2006	3,000,000	403,343	2,596,657
	RET-8-2	4.77%	1/2/2007	3,000,000	397,631	2,602,369
	RET-8-4	4.84%	9/28/2007	3,000,000	384,537	2,615,463
	RET-8-5	4.49%	4/30/2008	3,000,000	383,715	2,616,285
	RET-8-6	3.50%	3/9/2009	4,200,000	567,800	3,632,200
	RET-8-7	4.75%	3/29/2010	4,509,000	446,018	4,062,982
	Totals			25,984,000	4,435,040	21,548,960
	Less Advance Payments Unapplied					-18,128
						21,530,832
CFC	9021	6.05%	1/10/1984	730,000	667,644	50,256
	9022	6.20%	5/5/1986	590,722	416,612	165,650
	9023	6.35%	2/2/1988	896,907	534,951	352,443
	9024	6.45%	9/24/1991	1,210,309	552,942	646,653
	9025	6.45%	11/12/1993	1,420,000	497,651	910,886
	9026	6.50%	3/2/1998	2,261,000	529,124	1,718,414
	Totals			7,108,938	3,198,924	3,844,303
FFB	H0010	2.873%	9/1/1999	1,500,000	560,036	930,057
	H0015	2.873%	9/1/1999	2,000,000	746,715	1,240,075
	H0020	2.873%	9/1/1999	2,607,000	973,343	1,616,438
	H0025	2.873%	9/1/1999	221,000	81,947	137,588
	H0030	0.135%	8/8/2002	4,000,000	1,252,059	2,715,646
	H0035	0.135%	12/2/2002	2,000,000	626,030	1,357,823
	H0040	0.135%	10/15/2003	2,000,000	625,943	1,357,909
	H0045	0.135%	6/15/2004	3,500,000	1,062,203	2,409,147
	H0050	0.135%	1/24/2005	3,175,000	926,777	2,221,801
	H0055	0.135%	10/13/2005	3,611,000	1,018,635	2,561,899
	H0060	0.135%	3/21/2006	3,194,000	882,133	2,284,698
	H0065	0.135%	9/20/2011	4,000,000	456,352	3,543,648
	H0070	0.135%	12/18/2011	4,000,000	397,904	3,602,096
	F0075	0.135%	5/13/2014	4,000,000	209,772	3,790,228
	F0080	0.135%	12/29/2014	3,000,000	106,705	2,893,295
	*F0085	0.212%	12/24/2015	5,000,000	0	5,000,000
	*1st Quarterly Payment Due 3/31/2016					
	Totals			47,808,000	9,926,555	37,662,349
COBANK	RX0902T1	4.550%	7/20/2010	5,002,175	2,427,419	2,574,756
	RI0902T2	4.480%	12/30/2011	2,354,391	392,147	1,962,243
	RI0902T3	2.250%	4/22/2013	2,163,206	923,923	1,239,283
	Totals			9,519,772	3,743,490	5,776,282
	Grand Totals			90,420,710	21,304,008	68,813,766

INTER-COUNTY ENERGY COOPERATIVE CORPORATION
CASE NO. 2016-00084

EXHIBIT 3 – FINANCIAL
Attachment B
Statement of Operations

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION		
		KY0027		
		PERIOD ENDED		
		Dec-15		
Part A. Statement of Operations				
ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)	Year-to-date Budget (c)	This Month (d)
1. Operating Revenue and Patronage Capital	53,071,533	47,982,930	51,267,401	4,036,653
2. Power Production Expense				
3. Cost of Purchased Power	36,394,601	33,200,218	35,016,959	2,830,398
4. Transmission Expense				
5. Regional Market Expense				
6. Distribution Expense - Operation	2,621,593	2,783,927	2,868,876	232,439
7. Distribution Expense - Maintenance	2,056,206	1,902,310	2,002,926	112,988
8. Customer Accounts Expense	1,664,472	1,691,699	1,754,183	132,309
9. Customer Service & Informational Expense	500,638	400,208	569,370	14,960
10. Sales Expense				
11. Administrative & General Expense	2,297,981	2,221,057	2,386,916	195,012
12. Total Operation & Maintenance Expense (3 thru 11)	45,535,492	42,199,419	44,599,230	3,518,107
13. Depreciation & Amortization Expense	3,899,639	4,006,638	4,093,225	337,336
14. Tax Expense - Property & Gross Receipts				
15. Tax Expense - Other	64,318	66,721	70,104	0
16. Interest on Long-Term Debt	1,656,997	1,584,962	1,927,694	130,155
17. Interest Charged to Construction - Credit				
18. Interest Expense - Other	8,910	4,604	3,200	2,038
19. Other Deductions	23,637	21,619	22,200	(44)
20. Total Cost of Electric Service (12 thru 19)	51,188,992	47,883,962	50,715,653	3,987,592
21. Patronage Capital & Operating Margins (1 minus 20)	1,882,540	98,967	551,748	49,060
22. Non-Operating Margins - Interest	105,648	65,647	130,000	11,886
23. Allowance for Funds Used During Construction				
24. Income (Loss) from Equity Investments				
25. Non-Operating Margins - Other	(58,887)	124,735	0.00	50,575
26. Generation & Transmission Capital Credits	2,472,848	174,674	0.00	0.00
27. Other Capital Credits & Patronage Dividends	147,914	207,863	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	4,550,063	671,887	681,748	111,522
Part B. Data on Transmission and Distribution Plant				
ITEM	Year-to-date Last Year (a)	Year-to-date This Year (b)		
1. New Services Connected	526	483		
2. Services Retired	330	392		
3. Total Services in Place	26,322	25,788		
4. Idle Services (Exclude Seasonal)	885	1,175		
5. Miles Transmission				
6. Miles Distribution - Overhead	3,424.70	3,452.24		
7. Miles Distribution - Underground	409.36	417.09		
8. Total Miles Energized (5+6+7)	3,834.06	3,869.33		

INTER-COUNTY ENERGY COOPERATIVE CORPORATION
CASE NO. 2016-00084

EXHIBIT 3 – FINANCIAL
Attachment C
Balance Sheet

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION	
		KY0027	
		PERIOD ENDED	
		Dec-15	
Part C. Balance Sheet			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	119,251,421	30. Memberships	1,028,860
2. Construction Work in Progress	569,750	31. Patronage Capital	36,760,858
3. Total Utility Plant (1+2)	119,821,171	32. Operating Margins - Prior Years	150,817
4. Accum. Provision for Depreciation & Amort.	32,490,026	33. Operating Margins - Current Year	5,031,568
5. Net Utility Plant (3-4)	87,331,145	34. Non-Operating Margins	190,382
6. Non-Utility Property (Net)	0	35. Other Margins & Equities	(129,190)
7. Investments in Subsidiary Companies	0	36. Total Margins & Equities (30 thru 35)	43,033,295
8. Invest. in Assoc. Org. - Patronage Capital	21,329,150	37. Long-Term Debt - RUS (Net)	21,548,961
9. Invest. in Assoc. Org. - General Funds	0	38. Long-Term Debt - RUS - Econ. Devel. (Net)	0
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	1,286,698	39. Long-Term Debt - FFB - RUS Guaranteed	37,662,349
11. Investments in Economic Development Projects	79,815	40. Long-Term Debt - Other - RUS Guaranteed	0
12. Other Investments	9,367	41. Long-Term Debt Other (Net)	9,620,584
13. Special Funds	0	42. Prepayments - Unapplied	18,128
14. Total Other Property & Investments (6 thru 13)	22,705,030	43. Total Long-Term Debt (37 thru 41 minus 42)	68,813,766
15. Cash - General Funds	6,117,535	44. Obligations Under Capital Leases - Noncurrent	0
16. Cash - Construction Funds - Trustee	0	45. Accum. Operating Prov. & Asset Retire. Obligations	3,868,293
17. Special Deposits	0	46. Total Other Noncurrent Liabilities (44+45)	3,868,293
18. Temporary Investments	0	47. Notes Payable	1,715,203
19. Notes Receivable (Net)	86,143	48. Accounts Payable	3,405,459
20. Accounts Receivable - Sales of Energy (Net)	3,793,912	49. Consumers Deposits	553,603
21. Accounts Receivable - Other (Net)	27,892.13	50. Current Maturities Long-Term Debt	0
22. Renewable Energy Credits	0	51. Current Maturities Long-Term Debt - Econ. Dev.	0
23. Materials & Supplies - Electric & Other	414,063	52. Current Maturities Capital Leases	0
24. Prepayments	352,768	53. Other Current and Accrued Liabilities	1,030,014
25. Other Current & Accrued Assets	10,300	54. Total Current & Accrued Liabilities (47 thru 53)	6,704,280
26. Total Current & Accrued Assets (15 thru 25)	10,802,613	55. Regulatory Liabilities	0
27. Regulatory Assets	0	56. Other Deferred Credits	0
28. Other Deferred Debits	1,580,847		
29. Total Assets & Other Debits (5+14+26 thru 28)	122,419,635	57. Total Liabilities & Other Credits (36+43+46+54 thru 56)	122,419,635

INTER-COUNTY ENERGY COOPERATIVE CORPORATION
CASE NO. 2016-00084

EXHIBIT 4 - ADDITIONAL INFORMATION

**Attachment A
Board Resolution**

RESOLUTION ADOPTED BY THE
BOARD OF DIRECTORS OF
INTER-COUNTY ENERGY COOPERATIVE CORPORATION
AT THE BOARD OF DIRECTORS MEETING ON
January 25, 2016

1. "RESOLVED, that Inter-County Energy Cooperative Corporation (hereinafter called "Inter-County Energy" may prepay, in full, to the Rural Utilities Service (hereinafter called "RUS") all outstanding RUS Qualified Notes pursuant to the regulations set forth at 7 CFR Part 1786."
2. "RESOLVED, that the Board Chairman of Inter-County Energy be and hereby is authorized on behalf of Inter-County Energy to execute and deliver under the corporate seal of Inter-County Energy which the Secretary is hereby directed to affix and attest, as counterparts as may be deemed desirable of an agreement with RUS setting forth the terms and conditions of such prepayment."
3. "RESOLVED, that the Board Chairman of Inter-County Energy be and hereby is authorized to execute and deliver on behalf of Inter-County Energy under the corporate seal of Inter-County Energy, which the Secretary is hereby directed to affix and attest, any other document or documents, agreement or agreements or certificates, that may be necessary in order to carry out the prepayment authorized at this meeting."

CERTIFICATE OF SECRETARY

I, James Kevin Preston, hereby certify that I am the duly elected, qualified, and acting Secretary of Inter-County Energy; that the above and foregoing resolutions were adopted by the Board of Directors of said Cooperative at the meeting of said Board held on the 25th day of January, 2016, all as shown by the minutes of said meeting at which meeting a quorum was present.

Date: 1-25-16

SECRETARY: James Kevin Preston

INTER-COUNTY ENERGY COOPERATIVE CORPORATION
CASE NO. 2016-00084

EXHIBIT 4 - ADDITIONAL INFORMATION
Attachment B
CoBank Letter of Approval



December 21, 2015

Inter-County Energy Cooperative Corporation
Attn: Sherree Gilliam
P.O. Box 87
Danville, KY 40423

Dear Ms. Gilliam:

The purpose of this letter is to confirm the agreement between CoBank, ACB ("CoBank") and Inter-County Energy Cooperative Corporation (the "Company") regarding the forward setting of a fixed rate for funds in the amount described below. The terms of our agreement are as follows:

1. Amount to be fixed: \$17,952,268.97 ("Fixed Amount")
2. Fixed rate: 3.80% per annum ("Fixed Rate")
3. Date Fixed Rate locks: December 21, 2015
4. Last date the Fixed Rate is available to the Company: on or before May 31, 2016 ("Settlement Date")
5. Date Fixed Rate matures: January 20, 2038
6. Fixed Amount amortizes Yes No
 - a. Amortization maturity date: January 20, 2038
 - b. Fixed Amount amortizes as follows:
 - Amortizing with custom schedule (attach copy of amortization schedule)
7. Broken Funding Charge: The Company agrees to pay to CoBank, on demand, a broken funding charge (the "Broken Funding Charge") in the amount specified below if the Company does not, for any reason whatsoever (including, without limitation, the Company's failure to satisfy applicable conditions precedent or the underlying loan commitment having been suspended or canceled), borrow (or otherwise enter into a separate agreement to fix) the entire Fixed Amount on or before the Settlement Date. The Broken Funding Charge shall be in an amount (calculated in accordance with methodology established by CoBank) equal to the present value of the sum of: (a) all losses and expenses incurred by CoBank in retiring, liquidating, or reallocating any debt, obligation, or cost incurred or allocated by CoBank to fund or hedge the Fixed Rate; plus (b) one half of one percent (0.5%) of the Fixed Amount for the period such amount was scheduled to have been outstanding at the Fixed Rate.
8. Please be advised that the loan requested by the Company related to this agreement has not been approved by CoBank, nor has a commitment for such loan been issued by CoBank. By signing this agreement, you, on behalf of the Company, acknowledge and agree that the Broken Funding Charge will apply in the event that approval for the requested loan shall be denied or not obtained prior to the Settlement Date.

Please acknowledge our agreement by signing in the space provided below and by returning this confirmation to CoBank prior to 2:00 p.m. Mountain Time on the date the Fixed Rate is to lock. The individual signing below represents and warrants that he/she is a duly authorized officer of the Company.



AGREED AND ACCEPTED as of the date of this letter:

CoBANK, ACB

By: Doran Dennis

Name: DORAN DENNIS

Title: REGIONAL VP

Inter-County Energy Cooperative Corporation

By: James L. Jacobus

Name: JAMES L. JACOBUS

Title: PRESIDENT/CEO


Proud Member of the
Farm Credit System 

EXHIBIT 4 - ADDITIONAL INFORMATION
Attachment C
CoBank Refinancing Packet

RUS Refinancing Term Loan

\$17,952,269

January 6, 2016

Executive Summary

Inter-County Energy Cooperative Corporation (“Inter-County”) currently holds 6 notes totaling approximately \$17.9 million in RUS debt at interest rates that range from 3.50% to 4.84% (blended interest rate of 4.48%), which would qualify for CoBank refinancing at a lifetime fixed rate currently of 3.80%. The total projected savings amounts to \$2,802,067, with a net present value of \$1,011,347. CoBank requests Inter-County’s consideration as lender for these loans. Such refinancing of mortgage debt is permitted by RUS under the regulations outlined in 7 CFR Part 1786.

We have enclosed for your review a profile of existing eligible notes, including a comparison of savings opportunity and a side by side comparison of the RUS loans’ interest cost versus CoBank’s loan interest cost. We would note that Inter-County has elected to pursue this refinancing on a non-patronage loan basis, meaning that they will not receive patronage distributions on this note. As such, all savings will be realized solely from the reduction in interest expense.

We propose to consolidate the 6 RUS notes into a single note, with a principal repayment tenor of 21.7 years versus the RUS consolidated notes’ remaining life of 24.02 years. Shortening the life of these notes to 21.7 years, with a matching debt service amortization but at a lower rate, would result in a decrease in total debt service and will provide for a greater lifetime interest expense savings.

CoBank is pleased to have this opportunity to present this information as part of its effort to find innovative ways for Inter-County to enhance its success. This booklet is not a commitment to lend or an offer to make a loan. A commitment shall be in the form of a loan agreement upon receipt of an acceptable application, resolution and other documentation as required by CoBank. Thank you for your consideration.

INTER-COUNTY ENERGY COOPERATIVE CORPORATION
CASE NO. 2016-00084

EXHIBIT 4 - ADDITIONAL INFORMATION
Attachment C
Existing RUS Loan Profile & Summary Analysis

RUS Notes Proposed for Refinancing:

Loan Balances as of 5/31/2016

<u>Note ID</u>	<u>Principal Balance</u>	<u>Final Payment Date</u>	<u>Years Remaining</u>	<u>Weighted Average Life</u>
RET 8-1	2,572,590.69	5/31/40	24.02	14.14
RET 8-2	2,578,572.57	5/31/40	24.02	14.21
RET 8-4	2,591,636.02	4/30/40	23.93	14.18
RET 8-5	2,591,367.44	5/31/40	24.02	14.07
RET 8-6	3,592,508.41	5/31/40	24.02	13.59
RET 8-7	4,025,593.90	5/31/40	24.02	14.17
Totals	17,952,269.03		24.02	14.04

Interest Savings (Over Life of Notes):

<u>Total Interest RUS @ 4.48% Blended Rate</u>	<u>Total Interest CoBank @ 3.80%</u>	<u>Total Savings</u>
\$11,351,282	\$8,549,215	\$2,802,067
Net Present Value of Benefit (Discounted @ 4.48%)		<u>\$1,011,347</u>

There are no prepayment penalties arising from prepayment of RUS debt.

INTER-COUNTY ENERGY COOPERATIVE CORPORATION
CASE NO. 2016-00084

EXHIBIT 4 - ADDITIONAL INFORMATION
Attachment C

Side by Side Comparison of RUS Notes and CoBank Loan

Inter County
Annual Summary
Scenario - Matching RUS DS

Run Date	12/21/15
Loan Amount	\$17,952,269
CoBank Loan Interest Rate	3.80%
Lifetime Cash Flow Savings	\$2,802,067
Lifetime CoBank Patronage	\$0
Lifetime Interest Savings	\$2,802,067
Lifetime NPV Benefit *	\$1,011,347
Net Effective Interest Rate	3.85%

* NPV Discount Rate = 4.48%

	Combined RUS Loans					Annual Interest Expense Differential	CoBank Loan				
	Principal Balance	Annual Principal Payment	Annual Interest Payment	Total Ann Cash Flow	Annual Cash Flow Differential		Total Ann Cash Flow	Annual Interest Payment	Annual Principal Payment	Principal Balance	Patronage Refund
2016	\$17,709,321	\$248,949	\$467,855	\$713,803	\$944	\$66,289	\$712,859	\$401,566	\$311,293	\$17,940,975	\$0
2017	\$17,266,362	\$440,939	\$782,724	\$1,223,663	\$0	\$112,871	\$1,223,663	\$669,653	\$553,610	\$17,097,166	\$0
2018	\$16,804,463	\$460,919	\$782,744	\$1,223,663	\$0	\$114,609	\$1,223,663	\$646,135	\$575,528	\$16,511,939	\$0
2019	\$16,322,945	\$481,817	\$741,646	\$1,223,663	\$0	\$116,280	\$1,223,663	\$625,965	\$598,097	\$15,913,341	\$0
2020	\$15,821,043	\$501,903	\$722,090	\$1,223,663	\$1,890	\$119,009	\$1,222,013	\$602,190	\$619,822	\$15,283,719	\$0
2021	\$15,294,598	\$526,444	\$697,219	\$1,223,663	\$0	\$119,414	\$1,223,663	\$577,604	\$645,856	\$14,647,660	\$0
2022	\$14,744,342	\$550,356	\$673,307	\$1,223,663	\$0	\$120,830	\$1,223,663	\$552,477	\$671,188	\$13,978,674	\$0
2023	\$14,169,674	\$575,369	\$648,294	\$1,223,663	\$0	\$122,138	\$1,223,663	\$528,156	\$697,507	\$13,279,189	\$0
2024	\$13,569,140	\$599,734	\$623,928	\$1,223,663	\$1,397	\$125,051	\$1,222,296	\$498,677	\$723,419	\$12,555,749	\$0
2025	\$12,946,319	\$626,821	\$594,642	\$1,223,663	\$0	\$124,488	\$1,223,663	\$470,434	\$753,229	\$11,802,520	\$0
2026	\$12,282,869	\$657,450	\$566,213	\$1,223,663	\$0	\$125,318	\$1,223,663	\$440,895	\$782,787	\$11,019,753	\$0
2027	\$11,595,470	\$687,999	\$536,264	\$1,223,663	\$0	\$126,065	\$1,223,663	\$410,199	\$813,464	\$10,206,289	\$0
2028	\$10,878,211	\$717,259	\$506,403	\$1,223,663	\$1,037	\$126,036	\$1,222,626	\$378,367	\$844,259	\$9,362,030	\$0
2029	\$10,129,770	\$751,441	\$472,222	\$1,223,663	\$0	\$127,031	\$1,223,663	\$345,191	\$879,472	\$8,483,558	\$0
2030	\$9,341,040	\$785,730	\$437,933	\$1,223,663	\$0	\$127,192	\$1,223,663	\$310,741	\$912,822	\$7,570,636	\$0
2031	\$8,519,436	\$821,604	\$402,059	\$1,223,663	\$0	\$127,116	\$1,223,663	\$274,940	\$948,722	\$6,621,814	\$0
2032	\$7,661,378	\$859,058	\$365,604	\$1,223,663	\$652	\$127,001	\$1,223,011	\$237,798	\$985,214	\$5,636,707	\$0
2033	\$6,763,022	\$898,356	\$325,307	\$1,223,663	\$0	\$126,207	\$1,223,663	\$199,100	\$1,024,562	\$4,612,138	\$0
2034	\$5,829,582	\$939,440	\$284,293	\$1,223,663	\$0	\$125,301	\$1,223,663	\$159,822	\$1,064,741	\$3,547,397	\$0
2035	\$4,841,156	\$982,426	\$241,237	\$1,223,663	\$0	\$124,069	\$1,223,663	\$117,167	\$1,109,495	\$2,440,902	\$0
2036	\$3,814,380	\$1,028,796	\$196,867	\$1,223,663	\$202	\$123,036	\$1,223,460	\$73,029	\$1,149,631	\$1,291,271	\$0
2037	\$2,739,924	\$1,074,437	\$149,226	\$1,223,663	\$0	\$120,533	\$1,223,663	\$28,693	\$1,194,970	\$96,301	\$0
2038	\$1,616,244	\$1,123,679	\$99,884	\$1,223,663	\$1,127,047	\$99,888	\$96,616	\$315	\$96,301	\$0	\$0
2039	\$441,039	\$1,175,205	\$49,467	\$1,223,663	\$1,233,663	\$49,467	\$0	\$0	\$0	\$0	\$0
2040	\$0	\$441,039	\$4,467	\$445,506	\$445,506	\$4,467	\$0	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2044	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2046	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2047	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2049	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2051	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2052	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2053	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2054	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2055	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2056	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2057	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2058	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2059	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2060	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2061	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2062	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum		\$17,952,269	\$11,351,382	\$29,303,551	\$2,802,067	\$2,802,067	\$26,501,484	\$6,549,215	\$17,852,269	\$219,697,901	\$0