

Ralph K. Combs
rcombs@jmhkylaw.com

RALPH K. COMBS
ATTORNEY AT LAW
100 United Drive, Suite 4B
Versailles, Kentucky 40383

Phone: (859) 873-5427
Fax: (859) 873-1024

April 29, 2013

Jeff Derouen, Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RECEIVED

APR 30 2013

PUBLIC SERVICE
COMMISSION
Re: Blue Grass Energy Cooperative
Corporation loan from National Rural
Utilities Cooperative Finance
Corporation
Case #2013-00071

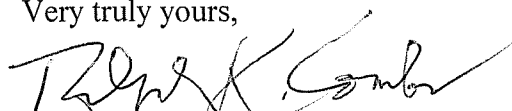
Dear Mr. Derouen:

Pursuant to the Commission's order of March 28, 2013, enclosed is a letter from the CFC approving the subject loan.

Please be advised that the exact amount of the loan is in the amount of \$1,200,000.00.

Please advise in the event that there are any questions, and thank you and the Commission for the consideration shown to us in this matter.

Very truly yours,


Ralph K. Combs

RKC/rf
Enclosure
cc: J. Donald Smothers
Vice President,
Financial Services
Blue Grass Energy Cooperative
Corporation
BGE13/PSC.ltr.re.CFC.loan



**National Rural Utilities
Cooperative Finance Corporation**

Created and Owned by America's Electric Cooperative Network

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

April 4, 2013

Mr. Michael I. Williams
CEO
Blue Grass Energy Cooperative Corporation
P.O. Box 990
Nicholasville, KY 40340-0990

RE: Loan Designation: KY064-V-9040

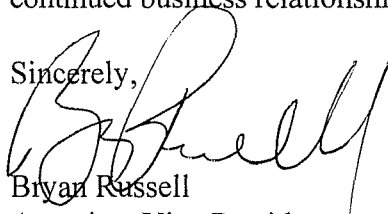
Dear Mike:

Your cooperative has executed and returned all required CFC loan documents and supporting papers in connection with the loan designated above. These documents have been reviewed and found legally acceptable and satisfactory to CFC and thus constitute a binding agreement between CFC and your system.

Loan funds may now be requisitioned in accordance with the terms of the Loan Agreement.

We at CFC appreciate the opportunity to serve your system and look forward to our continued business relationship.

Sincerely,


Bryan Russell
Associate Vice President