

KENTUCKY MUNICIPAL ENERGY AGENCY

450 South Third Street
Louisville, Kentucky 40202

April 26, 2017

Mr. Robert Berry
President and CEO
Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420

Re: Agreement for the Purchase and Sale of Firm Capacity and Energy between Big Rivers Electric Corporation and the Kentucky Municipal Energy Agency, dated July 13, 2016

Dear Mr. Berry:

In accordance with Section 3.5 of the above referenced Agreement (the "Agreement"), the Kentucky Municipal Energy Agency ("KyMEA") is pleased to inform you of the following:

1. KyMEA has obtained firm transmission service to support the delivery of Firm Energy purchased from Big Rivers Electric Corporation ("BREC") as a new network resource through network integrated transmission service on the Kentucky Utilities Company/Louisville Gas and Electric ("KU/LG&E") transmission system. KyMEA has also obtained long-term firm point-to-point transmission service on the MISO transmission system from the Delivery Point (*i.e.* the BREC Wilson Commercial Pricing Node) to the transmission system of KU/LG&E. By obtaining these transmission services, the contingencies in Section 3.3(a) of the Agreement are satisfied.
2. Because KyMEA has obtained firm delivery service for purchase of Firm Energy under the Agreement, KyMEA does not elect to defer the Service Commencement Date or to reduce the Contract Capacity pursuant to Section 3.3(b) of the Agreement.
3. KyMEA has entered into All Requirements Power Sales Contracts (the "AR Contracts") with a portion of its Members with a reasonably projected collective

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annual peak demand in 2019 of at least 200 MW. Having entered into the AR Contracts, KyMEA is informing you that the contingency in Section 3.4 of the Agreement is satisfied.

KyMEA also wishes to inform you that it has received an Investment Grade Rating of "A" from FitchRatings. A copy of the FitchRatings Credit Report for KyMEA, dated April 14, 2017, is attached for your review and files. Pursuant to Section 9.2 of the Agreement, the issuance of the "A" rating from FitchRatings satisfies KyMEA's requirements of credit support under the Agreement.

If you have any questions or need any additional information, please let us know.

Sincerely,

Kentucky Municipal Energy Agency

Ronald W. Herd
Chairman

cc: Mr. Mark Eacret
Big Rivers Electric Corporation

Mr. James M. Miller
Sullivan, Mountjoy, Stainback & Miller, P.S.C.