

**KENTUCKY MUNICIPAL ENERGY AGENCY**  
450 South Third Street  
Louisville, Kentucky 40202

April 26, 2017

Mr. Jeffrey Vance  
Manager, Account Management  
Illinois Power Marketing Company  
1500 Eastport Plaza Drive  
Collinsville, Illinois 62234

Re: Agreement for the Purchase and Sale of Facility Firm Capacity and Facility Firm Energy between Illinois Power Marketing Company and the Kentucky Municipal Energy Agency, dated July 13, 2016

Dear Mr. Vance:

In accordance with Section 3.3 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 Facility Firm Energy purchased from Illinois Power Marketing Company ("IPMC") as a new Network Resource through network integrated transmission service on the Kentucky Utilities Company/Louisville Gas and Electric transmission system. By obtaining this transmission service, the contingency in Section 3.1(a) of the Agreement is satisfied.
2. Because KyMEA has obtained firm delivery service for Facility Firm Energy purchased under the Agreement, KyMEA does not elect to defer the Service Commencement Date or to reduce the Facility Firm Capacity pursuant to Section 3.1(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 annual peak demand in 2019 of approximately 300 MW. Having entered into the AR Contracts, KyMEA is informing you that the contingency in Section 3.2 of the Agreement is deemed satisfied.

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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. Clay L. Smith  
Illinois Power Marketing Company