

For Discussion Purposes:

Assessment of Interest Costs if KyMEA accesses liquidity under the Republic Bank Line of Credit (the “Credit Facility”):

1. If the Credit Facility is drawn upon to make payments of budgeted items for which Members have been assessed, the interest cost associated with the draw shall be charged on a pro rata basis to those Members who have negative balances in the Members’ respective assessment accounts.
2. If the Credit Facility is drawn upon to make payments for transmission service or energy costs, the Members benefiting from those services or energy purchases shall be charged on a pro rata basis the interest charges.
3. If the Credit Facility is drawn upon to make unanticipated payments for non-budgeted items or payments which, though budgeted, may have become accelerated and for which assessments may not have been invoiced or are due, the interest charges shall be assessed to all Members on a pro rata basis.