

Before
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the application of OHIO VALLEY ELECTRIC CORPORATION for authority to issue and sell secured or unsecured promissory notes, debentures or other debt securities, to borrow from or enter into other financing arrangements with, the Ohio Air Quality Development Authority, Indiana Finance Authority or other authority, to enter into one or more secured or unsecured term loan or revolving credit arrangements and to enter into interest rate management agreements	Case No. 16-2136-EL-AIS
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SUPPLEMENTAL APPLICATION AND STATEMENT

TO THE HONORABLE

THE PUBLIC UTILITIES COMMISSION OF OHIO:

Your Applicant, Ohio Valley Electric Corporation, respectfully shows:

FIRST: On October 27, 2016, Applicant filed an Application and Statement in this Case No. 16-2136-EL-AIS with this Commission requesting that the Commission issue an Order authorizing Applicant to issue and sell secured or unsecured promissory notes, debentures or other debt securities (“Notes”), in one or more series, or to borrow from, or enter into other financing arrangements with, the Ohio Air Quality Development Authority or any statutory successor thereto, the Indiana Finance Authority or any statutory successor thereto, or any other authorized issuer of tax-exempt bonds (each, an “Authority”), or to enter into one or more secured or unsecured term loan or revolving credit arrangements (which may include increasing the amount available for borrowing under Applicant’s existing revolving credit arrangement) (“Credit Facilities”), or to issue and sell or enter into any combination of Notes and Credit Facilities, to or with one or more

commercial banks, financial institutions or other institutional investors, or to make borrowings from, or enter into other financing arrangements with, one or more Authorities, in an aggregate principal amount outstanding at any time with respect to all Notes, Authority borrowings and other Authority financing arrangements and Credit Facilities of up to \$400 million.

SECOND: Applicant now requests that the Application and Statement in Case No. 16-2136-EL-AIS be amended as follows:

(A) By amending and restating the third sentence of the second paragraph of Section B. of Item THIRD to read: “Any fixed rate Authority Bond will be sold at a yield to maturity which shall not exceed by more than 6.0% the yield to maturity on United States Treasury obligations of comparable maturity at the time of pricing, and the initial interest rate on any variable rate Authority Bond will not exceed 9.0% per annum.”

(B) By amending and restating the last sentence of the fifth paragraph of Section B. of Item THIRD to read: “It is expected that the fees with respect to any Bank Liquidity Facility or Liquidity Facility would not exceed approximately 600 basis points.”


(C) By amending and restating Item SIXTH to read: “Applicant, in compliance with Section 4905.40 of the Revised Code, proposes to apply the net proceeds realized from the sale of the Notes, from Authority Financing Agreements and from borrowings under the Credit Facilities (and issuance of any Credit Notes thereunder), together with any other funds that may become available to Applicant, (i) to finance coal, reagent, environmental allowance, material and supply inventories at its Kyger Creek and Clifty Creek Plants and pay its general obligations, (ii) to repay, refinance, refund or redeem short and long term indebtedness, and (iii) to pay any expenditures incurred in connection with the compliance with environmental regulations of the Ohio and United States Environmental Protection Agencies. Such environmental compliance efforts include studies, analysis, preliminary engineering and design work associated with cooling water intake structures

and ash ponds at its Kyger Creek and Clifty Creek Plants in connection with section 316(b) of the Clean Water Act and the proposed Coal Combustion Residuals Rule.”

(D) By adding the following paragraph immediately after Item SIXTH: “WHEREFORE: Applicant prays for authority from your Honorable Commission from January 1, 2017 through December 31, 2017, (i) to enter into one or more Proposed Agreements and to issue one or more Notes in the manner set forth herein, with a maturity of not less than twelve (12) months and not more than thirty (30) years, to enter into Authority Financing Agreements in the manner set forth herein with a maturity or other term of not more than thirty (30) years, and to enter into one or more Credit Facilities (which may include increasing the amount available for borrowing under Applicant’s existing revolving credit arrangement) and issue one or more Credit Notes in the manner set forth herein with a duration or maturity of up to ten (10) years, or any combination thereof, in the aggregate principal amount with respect to all Notes, Authority Financing Agreements and Credit Facilities outstanding at any time of up to \$400 million, and to apply the proceeds thereof, all as proposed and described in this Application, (ii) to provide for any of the Notes, Authority Financing Agreements, Authority Bonds, Credit Facilities (including any Credit Notes), to receive some form of Credit Enhancement, if deemed advisable by Applicant, and (iii) to enter into Interest Rate Management Agreements within the parameters proposed and described in this Application.”

Applicant prays for all other and further relief necessary and appropriate in the premises. Respectfully submitted this 22nd day of November, 2016.

OHIO VALLEY ELECTRIC CORPORATION

By: 
John D. Brodt,
Treasurer

STATE OF OHIO)
) SS:
COUNTY OF PIKE)

Before me, a Notary Public in and for Pike County in the State of Ohio, personally appeared John D. Brodt, Treasurer of Ohio Valley Electric Corporation, the Applicant in the foregoing application, and he being duly sworn says that the facts and allegations herein contained are true to the best of his knowledge and belief.

Gale L. Newman

Notary Public
My Commission expires

Dated: November 22, 2016



GALE L. NEWMAN
Notary Public
In and for the State of Ohio
My Commission Expires
April 9, 2017

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 16-2136-EL-AIS

Summary: Application To Securitize Supplemental Application and Statement of Ohio Valley Electric Corporation in Case No. 16-2136-EL-AIS electronically filed by Molly Miller Behre on behalf of OHIO VALLEY ELECTRIC CORPORATION