

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, including assuming liability
on short-term notes and other evidences of short-term
indebtedness

Case No. 16-2136-EL-AIS

SECOND 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: On November 22, 2016, Applicant filed a Supplemental Application and Statement this Case No. 16-2136-EL-AIS with this Commission.

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

(A) By adding an additional sentence at the end of item SECOND to read: For the purposes of Section 4905.401 of the Revised Code, based on such financial statements, as of June 30, 2016, 5% of the par value of all evidence of indebtedness of Applicant is equal to approximately \$75,000,000.

(B) By amending and restating the first sentence of item THIRD to read: “To provide Applicant with necessary capital for the purposes set forth herein, Applicant proposes, with the consent and approval of your Honorable Commission, from January 1, 2017 through December 31, 2017, 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 \$325 million in total, consisting of \$125 million with respect to evidences of indebtedness payable at periods of more than twelve months pursuant to Section 4905.40 of the Revised Code and \$200 million with respect to evidences of indebtedness payable at periods of not more than twelve months pursuant to Section 4905.401 of the Revised Code.”

(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), in each case payable at periods of more than twelve months, together with any other funds that may become available to Applicant (i) to repay, refinance, refund or redeem short and long term indebtedness and (ii) to pay any expenditures incurred in connection with the compliance with environmental regulations of the Ohio and United States Environmental Protection Agencies. In the case of any of the same payable at periods of not more than twelve months, Applicant, in compliance with Section 4905.401 of the Revised Code, proposes to apply the net proceeds derived therefrom (i) to finance coal, reagent, environmental allowance, material and supply inventories at its Kyger Creek and Clifty Creek Plants and pay its general obligations and (ii) for working capital and general corporate purposes. Such environmental compliance efforts referred to above 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 amending and restating the paragraph immediately following Item SIXTH to

read : “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 \$325 million in total, of which up to \$125 million is to be payable at periods of more than twelve months and up to \$200 million is to be payable at periods of not more than twelve months, 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 29th day of December, 2016.

OHIO VALLEY ELECTRIC CORPORATION

By: 
John D. Brodt,
Treasurer

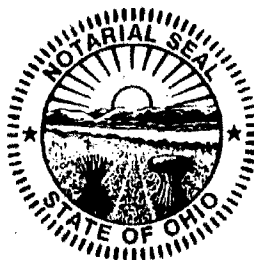
STATE OF OHIO)
) SS:
COUNTY OF PIKE)

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 supplemental application and statement, and he being duly sworn says that the facts and allegations herein contained are true to the best of his knowledge and belief.



Notary Public
My Commission expires

Dated: December 29, 2016



MISTY MICKLES EMMERT
NOTARY PUBLIC - OHIO
MY COMMISSION EXPIRES
1-21-21

This foregoing document was electronically filed with the Public Utilities

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in

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

Summary: Amended Application SECOND SUPPLEMENTAL APPLICATION AND STATEMENT electronically filed by Ms. Bhavjyot K Singh on behalf of Baker & McKenzie LLP and Ms. Bhavjyot Kaur Singh