	OHIO VALLEY ELECTRIC CORPORATION
	AND SUBSIDIARY COMPANY
Į.	
	SOLIDATING BALANCE SHEETS - SEPTEMBER 30, 2016 AND 2015-UNAUDITED
	CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS YEAR TO DATE - SEPTEMBER 30, 2016 AND 2015-UNAUDITED
	CONSOLIDATING STATEMENTS OF CASH FLOWS YEAR TO DATE - SEPTEMBER 30, 2016 AND 2015-UNAUDITED

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS - SEPTEMBER 30, 2016 AND 2015-UNAUDITED

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS YEAR TO DATE - SEPTEMBER 30, 2016 AND 2015-UNAUDITED

CONSOLIDATING STATEMENTS OF CASH FLOWS YEAR TO DATE - SEPTEMBER 30, 2016 AND 2015-UNAUDITED

OFFICER'S CERTIFICATION

A review of the affairs and activities of Ohio Valley Electric Corporation and its wholly-owned subsidiary, Indiana-Kentucky Electric Corporation (the Companies), during the quarters ended September 30, 2016 and 2015 has been made under my supervision, and in my opinion, the unaudited financial statements for these periods present fairly the financial conditions of the Companies as of September 30, 2016 and 2015, and the results of the operations, thereof, in accordance with generally accepted accounting principles consistently applied throughout the period. To the best of my knowledge and belief, there has been no Potential Default, Default, or Event of Default by the Companies and the Companies are in compliance with the covenents of the current debt agreements.

/ Secretary and Treasurer

OHIO VALLEY ELECTRIC CORPORATION and INDIANA-KENTUCKY ELECTRIC CORPORATION

CONSOLIDATED NET WORTH

The consolidated net worth of Ohio Valley Electric Corporation and its wholly-owned subsidiary, Indiana-Kentucky Electric Corporation for the quarter ending September 30, 2016 was \$18,613,536

Secretary and Treasurer

OHIO VALLEY ELECTRIC CORPORATION and INDIANA-KENTUCKY ELECTRIC CORPORATION

CONSOLIDATING BALANCE SHEETS
AS OF SEPTEMBER 30, 2016 AND 2015-UNAUDITED

Less - Accumulated provisions for despeciation 1,331,471,210	AS OF SEFTEMBER 30, 2010 AND 2013-UNAOD			2016			2015						
ELECTRE FLANT Configuration S		Consolidated		Electric	Kentucky Electric	Consolidated		Electric	Kentucky Electric				
A configuation of \$ 2,275,944,716 \$ \$ 1,332,315,126 \$ 1,372,043,107 \$ 1,271,053,715 \$ 1,342,425,220 \$ 1,362,025,05 \$ 1,332,315,126 \$ 1,335,472,06 \$ 1,335,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,395,472,06 \$ 1,464,638,171 \$ 1,416,438,171 \$ 1,41													
East - Accumulated provisions for depreciation 1,331,571,510		\$ 2,725,044,716	\$ -	1,352,351,826	\$ 1,372,692,890	\$ 2.711.658.376	6 \$	\$ 1.342.452.528	\$ 1,369,205,848				
Construction in progress 22,94,965 13,065,882 9,919,881 22,386,201 - 12,083,322 10,687,87 170,597,396 1,454,968,488 - 772,514,228 7728,454,24 1,416,458,171 - 705,860,775 710,597,396 1,454,968,488 - 7726,514,228 7728,454,24 1,244,000 1,444,000 1,444,000 1,444,000 1,444,000 1,444,000 1,444,000 1,444,000 1,445,000 1,454,000 1,454,000 1,454,000 1,445,000	Less - Accumulated provisions for depreciation	(1,331,571,510)		(659,556,933)					(651,439,497)				
Total electric plant 1,416,458,171 - 705,860,775 710,597,396 1,454,568,458 - 726,514,228 728,454,2 PURESTMENTS AND OTHER. Investment in subsidiary company - (1,400,000) 3,400,000 (22,611,778) 722,611,778 726,1178 - (722,611,778) 726,11778 - (722,611,778) 726,11,778 - (722		1,393,473,206		692,794,893	700,678,313	1,431,582,257	7	713,815,906	717,766,351				
New STIMENTS AND OTHER: Investment in abdidiary compuny - (3,400,000) 3,400,000 - (3,400,000) 3,400,000 - (71,597,051) 71,597,051 - (72,611,778) 72,601,778 - (72,611,778) 72,601,78 - (72,611,778) 72,601,78 - (72,611,778) 72,601,78 - (72,611,778) 72,601,78 - (72,611,778) 72,601,78 - (72,611,778) 72,601,78 - (72,611,778) 72,601,78 - (72,611,778)	Construction in progress	22,984,965	***************************************	13,065,882	9,919,083	23,386,20	1 =	12,698,322	10,687,879				
Advances to subsidiary-construction C	Total electric plant	1,416,458,171	· · · · · · · · · · · · · · · · · · ·	705_860_775	710,597,396	1,454,968,458	8 ====	726,514,228	728,454,230				
Advances to subsidiary-construction (711,597,051) 711,597,051 712,691,778 722,611,78 722,611,78 723,616 723,618 723,618 723,618 723	INVESTMENTS AND OTHER:												
CURRENT ASSETS: Cash and each equivalents 4,689,117 4,682,917 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 6,200 12,581,181 12,574,981 12,574,981 12,574,981 12,574,981 12,574,981 12,574,981 12,574,981 12,574,981 13,582,581,587 12,416,793 13,218,481,592,992 14,71,123 14,71,123 14,71,123 14,71,124 14,71,	Investment in subsidiary company	(*)	(3,400,000)	3,400,000	38	9 2 5	(3,400,000)	3,400,000	2				
CURRENT ASSETS: CLSh and eash equivalents 44,689,117 - 44,682,917 6,200 12,581,181 12,574,981 6,20 Accounts receivable 32,256,626 - 32,230,064 26,562 31,425,18 30,986,264 438,9 Tell in storage-at average cost 72,202,187 34,218,4 Materials and supplies-at average cost 35,005,520 20,284,197 14,721,323 34,492,697 21,109,109 13,385,5 Toperty taxes applicable to future years 172,500 - 172,500 - 695,000 - 695,000 Emission allowances 122,231 - 122,231 - 2 Deferred tax seets - 3,235,692 2,819,693 41,59 Prepaid expenses and other 4,864,206 36,41568 1,204,638 2,773,464 13,885,647 1,387,8 Total current assets 189,834,387 137,952,741 51,881,646 143,838,539 93,987,487 49,851,0 REGULATORY ASSETS: Unrecognized postemployment benefits 2,766,541 903,443 1,623,098 1,437,151 383,615 1,053,5 Total current assets 30,888,314 - 16,642,257 14,246,057 34,805,140 - 19,462,320 15,342,8 DEFERRED CHARGES AND OTHER: Unumentation 10,446,200 - 10,462,000 - 10,769,957 - 10,769,95	Advances to subsidiary-construction		(711,597,051)	711,597,051	F	-	(722,611,778)	722,611,778	-				
Cash and cash equivalents	Total investments and other	<u>IF</u>	(714,997,051)	714,997,051	13/1	1 E1	(726,011,778)	726,011,778	<u> </u>				
Accounts receivable 32,256,266 - 32,230,064 25,562 31,425,218 30,986,264 438,9 Fuel in storage-at average cost 72,202,187 - 36,279,264 35,922,923 58,635,287 24,167,93 34,218, Materials and supplies-at average cost 75,005,500 - 20,284,197 14,721,323 34,492,697 - 21,109,109 13,385,5 Property taxes applicable to future years 712,500 - 695,000 - 695,000 - 712,500 - 695,000 - 712,500 - 695,000 - 695,000 - 712,500 - 71													
Full is storage-at average cost 72,202,187 36,279,264 35,922,923 \$8,635,287 24,416,793 34,218,416 Materials and supplies-at average cost 35,005,520 20,284,197 14,721,323 34,422,697 21,109,109 13,835,516 (195,000 - 69			€	, ,	,	, ,		, ,	6,200				
Materials and supplies at average cost 35,005,520 20,284,197 14,721,323 34,492,697 21,109,109 13,383,58 Property taxes applicable to future years 712,500 712,500 - 695,000 -			2						438,954				
Property taxes applicable to future years 712,500			8						34,218,494				
Emission allowances 122,231 122,231 3,235,692 2,819,693 415,9 Prepaid expenses and other 4,846,206 - 3,641,568 1,204,638 2,773,464 - 1,385,647 1,387,8 Total current assets 189,834,387 - 137,952,741 51,881,646 143,838,539 93,987,487 49,851,0 REGULATORY ASSETS: Unrecognized postemployment benefits 2,7889,880 - 90,343 1,623,098 1,437,151 383,615 1,053,5 Pension benefits 27,889,880 - 15,266,921 12,622,959 32,475,646 18,186,362 14,289,2 Income taxes billable to customers 471,893 - 471,893 892,343 892,343 892,343 Total regulatory assets 30,888,314 - 16,642,257 14,246,057 34,805,140 19,462,320 15,342,8 DEFERRED CHARGES AND OTHER: Unamortized debt expense 10,446,200 - 10,446,200 10,769,957 10,76					14,721,323				13,383,588				
Deferred tax assets Prepaid expenses and other 4,846,206 3,641,568 1,204,638 2,773,464 - 1,385,647 1,387,8 Total current assets 189,834,387 137,952,741 51,881,646 143,838,539 - 93,987,487 49,851,0 REGULATORY ASSETS: Unrecognized postemployment benefits 2,526,541 - 903,443 1,623,098 1,437,151 - 383,615 1,053,5 Prension benefits 27,889,880 - 15,266,921 12,622,959 32,475,646 - 18,186,362 14,289,2 Income taxes billable to customers 471,893 - 16,642,257 14,246,057 34,805,140 - 19,462,320 15,342,8 DEFERRED CHARGES AND OTHER: Unamortized debt expense 10,446,200 - 10,46,200 - 10,769,957 - 10,769,957 - 10,769,957 Long-term investments 123,966,597 - 97,585,146 26,381,451 119,992,206 - 95,951,087 24,041,1 Other Total deferred charges and other 134,466,571 - 108,084,136 26,382,435 130,830,530 - 106,788,427 24,042,1			5		(45)		0 =		3				
Prepaid expenses and other 4,846,206 - 3,641,568 1,204,638 2,773,464 - 1,385,647 1,387,8 Total current assets 189,834,387 - 137,952,741 51,881,646 143,838,539 - 93,987,487 49,851,0 REGULATORY ASSETS: Unrecognized postemployment benefits 2,526,541 - 903,443 1,623,098 1,437,151 - 383,615 1,053,5 Pension benefits 27,889,880 - 15,266,921 12,622,959 32,475,646 - 18,186,362 14,289,2 Income taxes billable to customers 471,893 - 471,893 - 892,343 - 892,343 Total regulatory assets 30,888,314 - 16,642,257 14,246,057 34,805,140 - 19,462,320 15,342,8 DEFERRED CHARGES AND OTHER: Unamortized debt expense 10,446,200 - 10,446,200 - 10,769,957 - 10,769,957 - 10,769,957 - 10,769,957 - 5,795,146 26,381,451 119,992,206 - 95,951,087 24,041,11 (1),		122,231	5		(5)								
Total current assets 189,834,387 - 137,952,741 51,881,646 143,838,539 - 93,987,487 49,851,000 - 93,987,487,400 - 93,987,487 49,851,000 - 93,987,487 49,851,000 - 93,987,487,400 - 93,987,400 - 93,987,487,400 - 93,987,487,400 - 93,987,487,		1045 005	=		1 004 600								
REGULATORY ASSETS: Unrecognized postemployment benefits 2,526,541 - 903,443 1,623,098 1,437,151 - 383,615 1,053,5 Pension benefits 27,889,880 - 15,266,921 12,622,959 32,475,646 - 18,186,362 14,289,2 Income taxes billable to customers 471,893 - 471,893 892,343 - 892,343 Total regulatory assets 30,888,314 - 16,642,257 14,246,057 34,805,140 - 19,462,320 15,342,8 DEFERRED CHARGES AND OTHER: Unamortized debt expense 10,446,200 - 10,769,957 - 10,769,957 - 10,769,957 - 10,769,957 24,041,1 Other 53,774 - 52,790 984 68,367 - 67,383 99 Total deferred charges and other 134,466,571 - 108,084,136 26,382,435 130,830,530 - 106,788,427 24,042,145,145,145,145,145,145,145,145,145,145	Prepaid expenses and other	4,846,206		3,641,568	1,204,638	2,773,46	4	1,385,647	1,387,817				
Unrecognized postemployment benefits 2,526,541 - 903,443 1,623,098 1,437,151 - 383,615 1,053,5 Pension benefits 27,889,880 - 15,266,921 12,622,959 32,475,646 - 18,186,362 14,289,2 Income taxes billable to customers 471,893 - 471,893 - 471,893 - 892,343 - 892,343 - 892,343 - 10,000 1,000	Total current assets	189,834,387		137,952,741	51,881,646	143,838,539	9 -	93,987,487	49,851,052				
Pension benefits 27,889,880 - 15,266,921 12,622,959 32,475,646 - 18,186,362 14,289,2 Income taxes billable to customers 471,893 - 471,893 - 892,343 - 892,343 - 892,343 - 10,446,200 - 19,462,320 15,342,8 DEFERRED CHARGES AND OTHER: Unamortized debt expense 10,446,200 - 10,446,200 - 10,769,957 - 10,769,9													
Income taxes billable to customers 471,893 471,893 892,343 892,343 892,343 Total regulatory assets 30,888,314 16,642,257 14,246,057 34,805,140 19,462,320 15,342,8 DEFERRED CHARGES AND OTHER: Unamortized debt expense 10,446,200 10,446,200 10,769,957 1				,				,	1,053,536				
Total regulatory assets 30,888,314 - 16,642,257 14,246,057 34,805,140 - 19,462,320 15,342,8 DEFERRED CHARGES AND OTHER: Unamortized debt expense 10,446,200 - 10,769,957 - 10,769,957 - 10,769,957 - 10,769,957 - 10,769,957 - 97,585,146 26,381,451 119,992,206 - 95,951,087 24,041,100 - 10,769,957 - 10,769			=	, ,	12,622,959	, ,		, ,	14,289,284				
DEFERRED CHARGES AND OTHER: Unamortized debt expense 10,446,200	Income taxes billable to customers	471,893	·	471,893		892,34	3 -	892,343	*				
Unamortized debt expense 10,446,200 10,446,200 10,466,200 10,769,957 24,041,1 10,769,957 24,041,1 10,769,957 24,041,1 24,041,1 24,042,1<	Total regulatory assets	30,888,314		16,642,257	14,246,057	34,805,14	0 =	19,462,320	15,342,820				
Long-term investments 123,966,597 - 97,585,146 26,381,451 119,992,206 - 95,951,087 24,041,1 Other 53,774 - 52,790 984 68,367 - 67,383 99 Total deferred charges and other 134,466,571 - 108,084,136 26,382,435 130,830,530 - 106,788,427 24,042,1													
Other 53,774 - 52,790 984 68,367 - 67,383 9 Total deferred charges and other 134,466,571 - 108,084,136 26,382,435 130,830,530 - 106,788,427 24,042,100			~						·				
Total deferred charges and other 134,466,571 - 108,084,136 26,382,435 130,830,530 - 106,788,427 24,042,1			ž.			, ,			24,041,119				
	Other	53,774	-	52,790	984_	68,36	7	67,383	984				
TOTAL \$ 1,771,647,443 \$ (714,997,051) \$ 1,683,536,960 \$ 803,107,534 \$ 1,764,442,667 \$ (726,011,778) \$ 1,672,764,240 \$ 817,690,2	Total deferred charges and other	134,466,571	2	108,084,136	26,382,435	130,830,53	0	106,788,427	24,042,103				
	TOTAL	1,771,647,443	\$ (714,997,051)	\$ 1,683,536,960	\$ 803,107,534	1,764,442,66	7 \$ (726,011,778)	\$1,672,764,240	\$ 817,690,205				

CONSOLIDATING BALANCE SHEETS

AS OF SEPTEMBER 30, 2016 AND 2015-UNAUDITED

- ab of the remarked, 2010 first 2015-ONAG		2016	5			2015						
	Eliminations Consolidated (Deduct)		Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation				
CAPITALIZATION AND LIABILITIES												
CAPITALIZATION:												
Common stock, \$100 par value- Authorized, 300,000 shares;												
outstanding, 100,000 shares	\$ 10,000,000	\$ = \$	10,000,000				* 10.000.000					
Common stock, without par value,	\$ 10,000,000	3 - 3	10,000,000	\$	\$ 10,000,000	\$	\$ 10,000,000	\$				
stated at \$200 per share-												
Authorized, 100,000 shares;												
outstanding, 17,000 shares	21	(3,400,000)	12	3,400,000		(3,400,000)		3,400,000				
Long-term debt	1,195,438,570	(2, 100,000)	1,195,438,570	3,400,000	1,243,022,824	(3,400,000)	1,243,022,824	3,400,000				
Line of credit borrowings-long term	85,000,000	-	85,000,000	300	20,000,000	3	20,000,000	2				
Retained earnings	8,613,536		8,613,536	301 0-10	7,730,843		7,730,843					
_							-					
Total capitalization	1,299,052,106	(3,400,000)	1,299,052,106	3,400,000	1,280,753,667	(3,400,000)	1,280,753,667	3,400,000				
CURRENT LIABILITIES:												
Current portion of long-term debt	247,606,853	*	247,606,853	<u>:</u> ₩ :	244,835,140	*	244,835,140	=				
Accounts payable	24,708,027	×	12,651,344	12,056,683	34,013,553	×	17,548,576	16,464,977				
Accrued taxes	7,369,659	8	3,530,229	3,839,430	7,405,902	×	3,369,299	4,036,603				
Regulatory liabilities	15,102,992	-	9,784,634	5,318,358	9,465,192	*	9,432,667	32,525				
Accrued interest and other	24,781,723	= =====================================	21,352,580	3,429,143	31,775,484	 	23,023,112	8,752,372				
Total current liabilities	319,569,254	(=	294 925 640	24,643,614	327,495,271		298,208,794	29,286,477				
COMMITMENTS AND CONTINGENCIES REGULATORY LIABILITIES:												
Postretirement benefits	43,834,465		35,772,465	8,062,000	31,318,571		28,809,097	2,509,474				
Decommissioning and demolition	14,378,409	-	6,361,545	8,016,864	12,043,960	-	5,374,118	6,669,842				
Decontainssioning and demondon	14,378,409		0,301,343	8,010,604	12,043,900		3,374,110	0,009,642				
Total regulatory liabilities	58,212,874	3 <u></u> 0	42,134,010	16,078,864	43,362,531		34,183,215	9,179,316				
OTHER LIABILITIES:												
Pension liability	27,889,880	-	15,266,921	12,622,959	32,475,646	_	18,186,362	14,289,284				
Deferred income tax liability	,,	-	10,200,721	1=,0==,00	3,235,692	<u> </u>	2,819,693	415,999				
Asset retirement obligations	31,249,839	-	13,054,376	18,195,463	29,547,185		12,345,032	17,202,153				
Postretirement benefits obligation	32,235,745	-	17,418,498	14,817,247	44,875,752	_	24,880,858	19,994,894				
Postemployment benefits obligation	2,526,541	-	903,443	1,623,098	1,437,151		383,615	1,053,536				
Parent advances for construction	**	(711,597,051)		711,597,051	5:	(722,611,778)		722,611,778				
Other liabilities	911,204		781,966	129,238	1,259,772		1,003,004	256,768				
Total other liabilities	94,813,209	(711,597,051)	47,425,204	758,985,056	112,831,198	(722,611,778)	59,618,564	775,824,412				
TOTAL	1 771 647 440	g (714 007 05°) s	1 492 524 040	e en 107.504	p 1 764 440 667	0 (726.011.779)	0 177777474	0 917 600 005				
TOTAL	1,771,647,443	\$ (714,997,051)	1,683,536,960	\$ 803,107,534	\$ 1,764,442,667	\$ (726,011,778)	\$ 1,672,764,240	\$ 817,690,205				

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS
YEAR TO DATE AS OF SEPTEMBER 30, 2016 AND 2015-UNAUDITED

TO BATTO TO OF SEE TEMBER 30, 24		2016								2015						
		Consolidated		Eliminations (Deduct)	Ohio Valley Electric Corporation		Indiana- Kentucky Electric Corporation		¥	Consolidated		Eliminations (Deduct)		Ohio Valley Electric Corporation		Indiana- Kentucky Electric Corporation
OPERATING REVENUES:																
Sales of electric energy to:																
Department of Energy	S	6,662,312	S	\$	6,662,312	\$	2		\$	8,061,121	\$		5	8,061,121 \$		0.00
Ohio Valley Electric Corp.		120		(179,712,510)	201		179,712,510					(199,139,323)				199,139,323
Sponsoring Companies		416,144,731		0.50	416,144,731					428,494,695		=		428,494,695		3#3
Other		7.5	-									-		<u>a</u>	_	362
Total operating revenues		422,807,043	12	(179,712,510)	422,807,043		179,712,510		,=	436,555,816		(199,139,323)	8 1	436,555,816	_	199,139,323
OPERATING EXPENSES:																
Fuel and emission allowances consumed																
in operation		194,278,382		5.00	86,478,656		107,799,726			203,999,672		*		79,400,709		124,598,963
Purchased power		5,903,383		(179,712,510)	185,615,893		*			7,498,329		(199,139,323)		206,637,652		(*)
Other operation		59,991,170		392	37,780,134		22,211,036			59,246,806		` ' ' ' ' ' ' ' ' '		36,648,402		22,598,404
Maintenance		53,862,654			26,268,787		27,593,867			63,164,665		2		33,819,270		29,345,395
Depreciation		49,771,096		3.80	29,590,925		20,180,171			37,424,150		=		19,883,749		17,540,401
Taxes-other than federal income taxes		8,598,800		: e:	4,880,134		3,718,666			8,747,349				4,923,842		3,823,507
Federal income taxes		259,065	-		259,065					143,925			N 4	143,925		-
Total operating expenses		372,664,550		(179,712,510)	370,873,594		181,503,466			380,224,896		(199,139,323)	8 1	381,457,549		197,906,670
OPERATING INCOME		50,142,493		24	51,933,449		(1,790,956)			56,330,920		2		55,098,267		1,232,653
OTHER INCOME (EXPENSE)		6,173,163	12	<u> </u>	4,369,084		1,804,079		n=	(471,331)	7/2			738,848	_	(1,210,179)
INCOME BEFORE INTEREST CHARGES		56,315,656		2	56,302,533		13,123			55,859,589		8		55,837,115		22,474
INTEREST CHARGES:																
Amortization of debt expense		3,919,777		3.5	3,919,777		ā			3,438,234		-		3,438,234		200
Interest expense		51,649,337			51,636,214		13,123			51,722,235		-		51,699,761	_	22,474
Total interest charges		55,569,114			55,555,991		13,123			55,160,469				55,137,995		22,474
NET INCOME	s	746,542	\$	s= \$	746,542	\$			\$	699,120	\$		\$	699,120 \$		
RETAINED EARNINGS, JAN 1		7,866,994		192	7,866,994		=			7,031,723		*		7,031,723		
CASH DIVIDENDS ON COMMON STOCK							<u> </u>			<u>*_</u>	11=				_	_560
RETAINED EARNINGS, SEP. 30	\$	8,613,536	\$	<u> </u>	8,613,536	\$		3	=	7,730,843	\$	×	s	7,730,843 \$	_	

CONSOLIDATING STATEMENTS OF CASH FLOWS

YEAR TO DATE AS OF SEPTEMBER 30, 2016 AND 2015-UNAUDITED

		2016		- 12	2015						
	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indiana- Kentucky Electric Corporation	Consolidated	Eliminations (Deduct)	Ohio Valley Electric Corporation	Indians- Kentucky Electric Corporation			
CASH FROM OPERATIONS											
Net income	\$ 746,542 \$	<u>≨</u> \$	746,542 \$	40	\$ 699,	,120 \$	\$ 699,120 \$	16			
Adjustments to reconcile net income to net cash provided											
by (used in) operating activities:											
Depreciation and amortization	49,771,096	45	29,590,925	20,180,171	37,424.	150	19,883,749	17,540,401			
Amortization of debt expense and discount	3,919,777	•	3,919,777	,,	3,438		3,438,234	17,5 10,101			
Deferred taxes	334,095	<u>\$</u>	334,095	2	143,		143,925				
(Gain)/loss on marketable securities	(6,172,938)	-	(4,324,428)	(1,848,510)	618		(564,782)	1,183,232			
Changes in assets and liabilities:	.,,		(', ', '')	(2,0.0,0.20)	010,	, 150	(501,702)	1,105,452			
Accounts receivable	(8,064,476)		(8,108,104)	43,628	8,576	742	8,642,421	(65,679			
Fuel in storage	9,160,578	<u> </u>	(1,019,692)	10,180,270	(14,299		(14,207,484)	(92,374			
Material and supplies	(1,945,379)	2	(710,127)	(1,235,252)		,016	(253,371)	260,387			
Property taxes applicable to subsequent years	2,137,500	-	2,137,500	(1,233,232)	2,085		2,085,000	200,367			
Emission allowances	(122,231)	-	(122,231)	-	2,005	,000	2,083,000	,			
Refundable income taxes	(122,231)	9	(122,231)			8 %	8				
Prepaid expenses and other	(2,733,449)	-	(2,529,788)	(203,661)	(564	,851)	(263,499)	(301,352			
Other regulatory assets	(2,733,445)		(2,323,788)	(203,001)	(304)	,631)	(203,499)	(301,332			
Other noncurrent assets	16.884	==	16,884	=2	52	.510	53,494	(984			
Accounts payable	(13,906,617)	8	(8,609,488)	(5,297,129)	(20,091		(6,334,708)	(13,756,635			
Accrued taxes	(2,195,097)		(2,778,122)	583,025	(2,004		(2,752,053)	747,814			
Accrued interest and other	2,826,828		3,248,467	(421,639)	3,899			106,776			
Other regulatory liabilities	(207,024)	1					3,792,387				
Other noncurrent liabilities	(207,024)	<u> </u>	(3,956,520)	3,749,496	(4,729,		(1,917,160)	(2,811,906			
Once nonement nationals						904	101,329	34,575			
NET CASH PROVIDED BY (USED IN)	22.555.000										
OPERATING ACTIVITIES	33,566,089		7,835,690	25,730,399	15,390	.857	12,546,602	2,844,255			
INVESTING ACTIVITIES											
	(15.103.551)		((400 000)	(0.550.551)	416.16	***	(2.100.000)	/# /# /# /			
Electric plant additions	(15,101,571)		(6,438,000)	(8,663,571)	(16,167		(8,490,802)	(7,676,580			
Sale (Purchase) of marketable securities	1,966,447		1,949,071	17,376	1,892		1,881,932	10,185			
Advances to subsidiary company		(17,084,204)	17,084,204			4,822,140	(4,822,140)				
NET CASH PROVIDED BY (USED IN)											
INVESTING ACTIVITIES	(13,135,124)	(17,084,204)	12,595,275	(8,646,195)	(14,275)	,265) 4,822,140	(11,431,010)	(7,666,395			
FINANCING ACTIVITIES											
Advances from parent company	31	17,084,204	121	(17,084,204)		(4,822,140)		4,822,140			
Repayment of Senior 2006 Notes	(18,539,255)	17,001,201	(18,539,255)	(11,001,201)	(17,503		(17,503,483)	1,022,111			
Repayment of Senior 2007 Notes	(6,469,047)		(6,469,047)		(6,101		(6,101,554)	-			
Repayment of Senior 2008 Notes	(6,881,786)		(6,881,786)	_	(6,450		(6,450,104)	17:			
Proceeds from line of credit	69,000,000	<u> </u>	69,000,000	<u> </u>	52,000		52,000,000				
Payments on line of credit	(29,000,000)	-	(29,000,000)	2.	(52,000		(52,000,000)				
Loan maintenance costs	(3.144.333)		(3,144,333)		(1,933		(1,933,236)	-			
Control of the Contro							111-111-111				
NET CASH PROVIDED BY (USED IN)											
FINANCING ACTIVITIES	4,965,579	17,084,204	4,965,579	(17,084,204)	(31,988	,377) (4,822,140)	(31,988,377)	4,822,140			
NET INCREASE (DECREASE) IN CASH											
AND CASH EQUIVALENTS	\$ 25,396,544 \$	- 5	25,396,544 \$	•	\$ (30,872	,785) \$	\$ (30,872,785) \$	*			
CASH AND CASH EQUIVALENTS, JAN. 1	19,292,573		19,286,373	6,200	43,453	,966	43,447,766	6,200			
	,,				,	, , , , , , , , , , , , , , , , , , , ,	,,	-,			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,396,544		25,396,544		(30,872	.785)	(30,872,785)				
				6.200							
CASH AND CASH EQUIVALENTS, SEP. 30	\$ 44,689,117 \$		44,682,917 \$	6,200	\$ 12,581	,181 \$	\$ 12,574,981 \$	6,200			