

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

CONSOLIDATING BALANCE SHEETS - JUNE 30, 2020 AND 2019-UNAUDITED

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS  
YEAR TO DATE - JUNE 30, 2020 AND 2019-UNAUDITED

CONSOLIDATING STATEMENTS OF CASH FLOWS  
YEAR TO DATE - JUNE 30, 2020 AND 2019-UNAUDITED

OHIO VALLEY ELECTRIC CORPORATION

AND SUBSIDIARY COMPANY

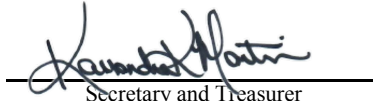
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CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS  
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OFFICER'S CERTIFICATION

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 June 30, 2020 and 2019 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 June 30, 2020 and 2019, 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 covenants of the current debt agreements.

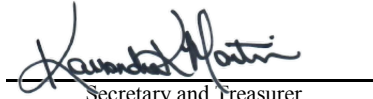


Secretary and Treasurer

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 June 30, 2020 was \$28,651,234



Secretary and Treasurer

OHIO VALLEY ELECTRIC CORPORATION and  
INDIANA-KENTUCKY ELECTRIC CORPORATION

**OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY**

CONSOLIDATING BALANCE SHEETS  
AS OF JUNE 30, 2020 AND 2019-UNAUDITED

|  | 2020                    |                          |  |   | 2019                    |                          |  |   |
|--|-------------------------|--------------------------|--|---|-------------------------|--------------------------|--|---|
|  | Consolidated            | Eliminations<br>(Deduct) | Ohio Valley<br>Electric<br>Corporation | Indiana-<br>Kentucky<br>Electric<br>Corporation | Consolidated            | Eliminations<br>(Deduct) | Ohio Valley<br>Electric<br>Corporation | Indiana-<br>Kentucky<br>Electric<br>Corporation |
| <b>ASSETS</b>                                  |                         |                          |  |   |                         |                          |  |   |
| <b>ELECTRIC PLANT:</b>                         |                         |                          |  |   |                         |                          |  |   |
| At original cost                               | \$ 2,793,333,161        | \$ -                     | \$ 1,393,237,302                       | \$ 1,400,095,859                                | \$ 2,789,034,614        | \$ -                     | \$ 1,388,930,135                       | \$ 1,400,104,479                                |
| Less - Accumulated provisions for depreciation | (1,592,794,783)         | -                        | (796,093,035)                          | (796,701,748)                                   | (1,531,240,721)         | -                        | (764,842,189)                          | (766,398,532)                                   |
|  | 1,200,538,378           | -                        | 597,144,267                            | 603,394,111                                     | 1,257,793,893           | -                        | 624,087,946                            | 633,705,947                                     |
| Construction in progress                       | 19,557,481              | -                        | 10,258,624                             | 9,298,857                                       | 14,555,530              | -                        | 10,059,794                             | 4,495,736                                       |
| Total electric plant                           | 1,220,095,859           | -                        | 607,402,891                            | 612,692,968                                     | 1,272,349,423           | -                        | 634,147,740                            | 638,201,683                                     |
| <b>INVESTMENTS AND OTHER:</b>                  |                         |                          |  |   |                         |                          |  |   |
| Investment in subsidiary company               | -                       | (3,400,000)              | 3,400,000                              | -   | -                       | (3,400,000)              | 3,400,000                              | -   |
| Advances to subsidiary-construction            | -                       | (621,206,223)            | 621,206,223                            | -   | -                       | (642,131,402)            | 642,131,402                            | -   |
| Total investments and other                    | -                       | (624,606,223)            | 624,606,223                            | -   | -                       | (645,531,402)            | 645,531,402                            | -   |
| <b>CURRENT ASSETS:</b>                         |                         |                          |  |   |                         |                          |  |   |
| Cash and cash equivalents                      | 27,643,150              | -                        | 27,636,950                             | 6,200   | 12,568,465              | -                        | 12,562,265                             | 6,200   |
| Accounts receivable                            | 27,919,987              | -                        | 27,826,057                             | 93,930  | 64,187,618              | -                        | 63,739,734                             | 447,884   |
| Fuel in storage-at average cost                | 74,988,582              | -                        | 35,826,084                             | 39,162,498                                      | 61,104,291              | -                        | 27,208,728                             | 33,895,563                                      |
| Materials and supplies-at average cost         | 43,407,730              | -                        | 27,336,464                             | 16,071,266                                      | 42,714,417              | -                        | 25,977,651                             | 16,736,766                                      |
| Property taxes applicable to future years      | 1,575,000               | -                        | 1,575,000                              | -   | 1,137,500               | -                        | 1,137,500                              | -   |
| Emission allowances                            | 244,892                 | -                        | 244,892                                | -   | 296,051                 | -                        | 296,051                                | -   |
| Income taxes receivable                        | 2,307,853               | -                        | 2,307,853                              | -   | 4,690,064               | -                        | 4,690,064                              | -   |
| Prepaid expenses and other                     | 2,489,112               | -                        | 948,297                                | 1,540,815                                       | 1,897,458               | -                        | 1,257,567                              | 639,891   |
| Total current assets                           | 180,576,306             | -                        | 123,701,597                            | 56,874,709                                      | 188,595,864             | -                        | 136,869,560                            | 51,726,304                                      |
| <b>REGULATORY ASSETS:</b>                      |                         |                          |  |   |                         |                          |  |   |
| Unrecognized postemployment benefits           | 5,201,536               | -                        | 2,181,535                              | 3,020,001                                       | 4,147,956               | -                        | 2,464,412                              | 1,683,544                                       |
| Pension benefits                               | 32,170,308              | -                        | 17,999,287                             | 14,171,021                                      | 33,894,325              | -                        | 19,235,029                             | 14,659,296                                      |
| Other  | -                       | (3,648,533)              | 3,648,533                              | -   | -                       | -                        | -                                      | -   |
| Total regulatory assets                        | 37,371,844              | (3,648,533)              | 23,829,355                             | 17,191,022                                      | 38,042,281              | -                        | 21,699,441                             | 16,342,840                                      |
| <b>DEFERRED CHARGES AND OTHER:</b>             |                         |                          |  |   |                         |                          |  |   |
| Unamortized debt expense                       | 535,611                 | -                        | 535,611                                | -   | 71,219                  | -                        | 71,219                                 | -   |
| Income taxes receivable                        | 2,101,572               | -                        | 2,101,572                              | -   | 4,614,683               | -                        | 4,614,683                              | -   |
| Long-term investments                          | 235,241,487             | -                        | 196,311,677                            | 38,929,810                                      | 214,073,624             | -                        | 177,551,385                            | 36,522,239                                      |
| Other  | 1,245,637               | -                        | 1,244,653                              | 984   | 1,121,044               | -                        | 1,120,060                              | 984   |
| Total deferred charges and other               | 239,124,307             | -                        | 200,193,513                            | 38,930,794                                      | 219,880,570             | -                        | 183,357,347                            | 36,523,223                                      |
| <b>TOTAL</b>                                   | <b>\$ 1,677,168,316</b> | <b>\$ (628,254,756)</b>  | <b>\$ 1,579,733,579</b>                | <b>\$ 725,689,493</b>                           | <b>\$ 1,718,868,138</b> | <b>\$ (645,531,402)</b>  | <b>\$ 1,621,605,490</b>                | <b>\$ 742,794,050</b>                           |

**OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY**

CONSOLIDATING BALANCE SHEETS  
AS OF JUNE 30, 2020 AND 2019-UNAUDITED

|   | 2020                    |                          |  |   | 2019                    |                          |  |   |
|---|-------------------------|--------------------------|--|---|-------------------------|--------------------------|--|---|
|   | Consolidated            | Eliminations<br>(Deduct) | Ohio Valley<br>Electric<br>Corporation | Indiana-<br>Kentucky<br>Electric<br>Corporation | Consolidated            | Eliminations<br>(Deduct) | Ohio Valley<br>Electric<br>Corporation | Indiana-<br>Kentucky<br>Electric<br>Corporation |
| <b>CAPITALIZATION AND LIABILITIES</b>   |                         |                          |  |   |                         |                          |  |   |
| CAPITALIZATION:   |                         |                          |  |   |                         |                          |  |   |
| Common stock, \$100 par value-<br>Authorized, 300,000 shares;<br>outstanding, 100,000 shares                                | \$ 10,000,000           | \$ -                     | \$ 10,000,000                          | \$ -  | \$ 10,000,000           | \$ -                     | \$ 10,000,000                          | \$ -  |
| Common stock, without par value,<br>stated at \$200 per share-<br>Authorized, 100,000 shares;<br>outstanding, 17,000 shares | -                       | (3,400,000)              | -                                      | 3,400,000                                       | -                       | (3,400,000)              | -                                      | 3,400,000                                       |
| Long-term debt  | 1,140,830,224           | -                        | 1,140,830,224                          | -   | 1,082,420,641           | -                        | 1,082,420,641                          | -   |
| Line of credit borrowings-long term   | 60,000,000              | -                        | 60,000,000                             | -   | 95,000,000              | -                        | 95,000,000                             | -   |
| Retained earnings   | 18,651,234              | -                        | 18,651,234                             | -   | 15,754,132              | -                        | 15,754,132                             | -   |
| <b>Total capitalization</b>   | <b>1,229,481,458</b>    | <b>(3,400,000)</b>       | <b>1,229,481,458</b>                   | <b>3,400,000</b>                                | <b>1,203,174,773</b>    | <b>(3,400,000)</b>       | <b>1,203,174,773</b>                   | <b>3,400,000</b>                                |
| CURRENT LIABILITIES:  |                         |                          |  |   |                         |                          |  |   |
| Current portion of long-term debt   | 93,158,084              | -                        | 93,158,084                             | -   | 181,336,782             | -                        | 181,336,782                            | -   |
| Accounts payable  | 25,523,383              | -                        | 13,535,220                             | 11,988,163                                      | 28,425,419              | -                        | 13,020,560                             | 15,404,859                                      |
| Accrued taxes   | 8,840,957               | -                        | 5,252,224                              | 3,588,733                                       | 7,504,857               | -                        | 4,310,314                              | 3,194,543                                       |
| Regulatory liabilities  | 11,727,858              | -                        | 7,658,206                              | 4,069,652                                       | 9,322,781               | -                        | 8,373,766                              | 949,015   |
| Accrued interest and other  | 19,811,541              | -                        | 15,774,511                             | 4,037,030                                       | 18,173,059              | -                        | 15,251,937                             | 2,921,122                                       |
| <b>Total current liabilities</b>  | <b>159,061,823</b>      | <b>-</b>                 | <b>135,378,245</b>                     | <b>23,683,578</b>                               | <b>244,762,898</b>      | <b>-</b>                 | <b>222,293,359</b>                     | <b>22,469,539</b>                               |
| COMMITMENTS AND CONTINGENCIES   |                         |                          |  |   |                         |                          |  |   |
| REGULATORY LIABILITIES:   |                         |                          |  |   |                         |                          |  |   |
| Postretirement benefits   | 65,004,863              | -                        | 45,680,856                             | 19,324,007                                      | 67,172,978              | -                        | 49,880,071                             | 17,292,907                                      |
| Advance billing of debt reserve   | 105,000,000             | -                        | 105,000,000                            | -   | 75,000,000              | -                        | 75,000,000                             | -   |
| Income taxes refundable to customers  | 8,658,897               | -                        | 8,658,897                              | -   | 11,571,428              | -                        | 11,571,428                             | -   |
| Other   | 4,245,341               | (3,648,533)              | -                                      | 7,893,874                                       | 7,904,766               | -                        | 810,516                                | 7,094,250                                       |
| <b>Total regulatory liabilities</b>   | <b>182,909,101</b>      | <b>(3,648,533)</b>       | <b>159,339,753</b>                     | <b>27,217,881</b>                               | <b>161,649,172</b>      | <b>-</b>                 | <b>137,262,015</b>                     | <b>24,387,157</b>                               |
| OTHER LIABILITIES:  |                         |                          |  |   |                         |                          |  |   |
| Pension liability   | 32,170,308              | -                        | 17,999,287                             | 14,171,021                                      | 33,894,325              | -                        | 19,235,029                             | 14,659,296                                      |
| Asset retirement obligations  | 63,487,038              | -                        | 32,400,636                             | 31,086,402                                      | 60,246,682              | -                        | 30,769,526                             | 29,477,156                                      |
| Postretirement benefits obligation  | 4,242,848               | -                        | 2,390,270                              | 1,852,578                                       | 10,186,597              | -                        | 5,708,766                              | 4,477,831                                       |
| Postemployment benefits obligation  | 5,201,536               | -                        | 2,181,535                              | 3,020,001                                       | 4,147,956               | -                        | 2,464,412                              | 1,683,544                                       |
| Parent advances for construction  | -                       | (621,206,223)            | -                                      | 621,206,223                                     | -                       | (642,131,402)            | -                                      | 642,131,402                                     |
| Other liabilities   | 614,204                 | -                        | 562,395                                | 51,809  | 805,735                 | -                        | 697,610                                | 108,125   |
| <b>Total other liabilities</b>  | <b>105,715,934</b>      | <b>(621,206,223)</b>     | <b>55,534,123</b>                      | <b>671,388,034</b>                              | <b>109,281,295</b>      | <b>(642,131,402)</b>     | <b>58,875,343</b>                      | <b>692,537,354</b>                              |
| <b>TOTAL</b>  | <b>\$ 1,677,168,316</b> | <b>\$ (628,254,756)</b>  | <b>\$ 1,579,733,579</b>                | <b>\$ 725,689,493</b>                           | <b>\$ 1,718,868,138</b> | <b>\$ (645,531,402)</b>  | <b>\$ 1,621,605,490</b>                | <b>\$ 742,794,050</b>                           |

**OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY**

CONSOLIDATING STATEMENTS OF INCOME AND RETAINED EARNINGS  
YEAR TO DATE AS OF JUNE 30, 2020 AND 2019-UNAUDITED

|                                       | 2020                 |                          |  |   | 2019                 |                          |  |   |
|---------------------------------------|----------------------|--------------------------|--|---|----------------------|--------------------------|--|---|
|                                       | Consolidated         | Eliminations<br>(Deduct) | Ohio Valley<br>Electric<br>Corporation | Indiana-<br>Kentucky<br>Electric<br>Corporation | Consolidated         | Eliminations<br>(Deduct) | Ohio Valley<br>Electric<br>Corporation | Indiana-<br>Kentucky<br>Electric<br>Corporation |
| <b>OPERATING REVENUES:</b>            |                      |                          |  |   |                      |                          |  |   |
| Sales of electric energy to:          |                      |                          |  |   |                      |                          |  |   |
| Department of Energy                  | \$ 1,492,956         | \$ -                     | \$ 1,492,956                           | \$ -  | \$ 2,408,837         | \$ -                     | \$ 2,408,837                           | \$ -  |
| Ohio Valley Electric Corp.            | -                    | (108,759,288)            | -                                      | 108,759,288                                     | -                    | (132,023,125)            | -                                      | 132,023,125                                     |
| Sponsoring Companies                  | 248,326,756          | -                        | 248,326,756                            | -   | 299,060,815          | -                        | 299,060,815                            | -   |
| Other                                 | 169,300              | -                        | 169,300                                | -   | -                    | -                        | -                                      | -   |
| Total operating revenues              | <u>249,989,012</u>   | <u>(108,759,288)</u>     | <u>249,989,012</u>                     | <u>108,759,288</u>                              | <u>301,469,652</u>   | <u>(132,023,125)</u>     | <u>301,469,652</u>                     | <u>132,023,125</u>                              |
| <b>OPERATING EXPENSES:</b>            |                      |                          |  |   |                      |                          |  |   |
| Fuel and emission allowances consumed |                      |                          |  |   |                      |                          |  |   |
| in operation                          | 102,862,687          | -                        | 47,057,654                             | 55,805,033                                      | 128,944,407          | -                        | 58,647,792                             | 70,296,615                                      |
| Purchased power                       | 1,492,956            | (108,759,288)            | 110,252,244                            | -   | 2,330,308            | (132,023,125)            | 134,353,433                            | -   |
| Other operation                       | 29,073,020           | -                        | 14,009,292                             | 15,063,728                                      | 44,590,350           | -                        | 29,594,940                             | 14,995,410                                      |
| Maintenance                           | 36,902,923           | -                        | 20,183,287                             | 16,719,636                                      | 47,365,128           | -                        | 23,400,575                             | 23,964,553                                      |
| Depreciation                          | 36,019,014           | -                        | 17,495,031                             | 18,523,983                                      | 45,210,810           | -                        | 21,877,945                             | 23,332,865                                      |
| Taxes-other than federal income taxes | 5,975,061            | -                        | 3,353,299                              | 2,621,762                                       | 6,073,938            | -                        | 3,740,748                              | 2,333,190                                       |
| Federal income taxes                  | -                    | -                        | -                                      | -   | -                    | -                        | -                                      | -   |
| Total operating expenses              | <u>212,325,661</u>   | <u>(108,759,288)</u>     | <u>212,350,807</u>                     | <u>108,734,142</u>                              | <u>274,514,941</u>   | <u>(132,023,125)</u>     | <u>271,615,433</u>                     | <u>134,922,633</u>                              |
| OPERATING INCOME                      | 37,663,351           | -                        | 37,638,205                             | 25,146  | 26,954,711           | -                        | 29,854,219                             | (2,899,508)                                     |
| OTHER INCOME (EXPENSE)                | 90,014               | -                        | 111,959                                | (21,945)  | 15,324,566           | -                        | 12,419,894                             | 2,904,672                                       |
| INCOME BEFORE INTEREST CHARGES        | 37,753,365           | -                        | 37,750,164                             | 3,201   | 42,279,277           | -                        | 42,274,113                             | 5,164   |
| <b>INTEREST CHARGES:</b>              |                      |                          |  |   |                      |                          |  |   |
| Amortization of debt expense          | 2,216,344            | -                        | 2,216,344                              | -   | 2,050,321            | -                        | 2,050,321                              | -   |
| Interest expense                      | 34,179,810           | -                        | 34,176,609                             | 3,201   | 38,713,556           | -                        | 38,708,392                             | 5,164   |
| Total interest charges                | 36,396,154           | -                        | 36,392,953                             | 3,201   | 40,763,877           | -                        | 40,758,713                             | 5,164   |
| NET INCOME                            | \$ 1,357,211         | \$ -                     | \$ 1,357,211                           | \$ -  | \$ 1,515,400         | \$ -                     | \$ 1,515,400                           | \$ -  |
| RETAINED EARNINGS, JAN. 1             | 17,294,023           | -                        | 17,294,023                             | -   | 14,238,732           | -                        | 14,238,732                             | -   |
| CASH DIVIDENDS ON COMMON STOCK        | -                    | -                        | -                                      | -   | -                    | -                        | -                                      | -   |
| RETAINED EARNINGS, JUN. 30            | <u>\$ 18,651,234</u> | <u>\$ -</u>              | <u>\$ 18,651,234</u>                   | <u>\$ -</u>                                     | <u>\$ 15,754,132</u> | <u>\$ -</u>              | <u>\$ 15,754,132</u>                   | <u>\$ -</u>                                     |

**OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY**

CONSOLIDATING STATEMENTS OF CASH FLOWS  
YEAR TO DATE AS OF JUNE 30, 2020 AND 2019-UNAUDITED

|  | 2020                  |                          |  |   | 2019                   |                          |  |   |
|--|-----------------------|--------------------------|--|---|------------------------|--------------------------|--|---|
|  | Consolidated          | Eliminations<br>(Deduct) | Ohio Valley<br>Electric<br>Corporation | Indiana-<br>Kentucky<br>Electric<br>Corporation | Consolidated           | Eliminations<br>(Deduct) | Ohio Valley<br>Electric<br>Corporation | Indiana-<br>Kentucky<br>Electric<br>Corporation |
| <b>CASH FROM OPERATIONS</b>  |                       |                          |  |   |                        |                          |  |   |
| Net income   | \$ 1,357,211          | \$ -                     | \$ 1,357,211                           | \$ -  | \$ 1,515,400           | \$ -                     | \$ 1,515,400                           | \$ -  |
| Adjustments to reconcile net income to net cash provided<br>by (used in) operating activities: |                       |                          |  |   |                        |                          |  |   |
| Depreciation and amortization  | 36,019,014            | -                        | 17,495,031                             | 18,523,983                                      | 45,210,810             | -                        | 21,877,945                             | 23,332,865                                      |
| Amortization of debt expense and discount  | 2,216,344             | -                        | 2,216,344                              | -   | 2,050,321              | -                        | 2,050,321                              | -   |
| Deferred taxes   | -                     | -                        | -                                      | -   | -                      | -                        | -                                      | -   |
| (Gain)/loss on marketable securities   | 4,033,048             | -                        | 3,507,690                              | 525,358   | (15,112,197)           | -                        | (12,189,480)                           | (2,922,717)                                     |
| Changes in assets and liabilities:   |                       |                          |  |   |                        |                          |  |   |
| Accounts receivable  | 46,566,702            | -                        | 46,286,541                             | 280,161   | 91,278                 | -                        | (224,187)                              | 315,465   |
| Fuel in storage  | (13,636,724)          | -                        | (8,431,802)                            | (5,204,922)                                     | (27,630,105)           | -                        | (10,094,705)                           | (17,535,400)                                    |
| Material and supplies  | (2,476,667)           | -                        | (1,835,262)                            | (641,405)                                       | (2,079,774)            | -                        | (1,566,482)                            | (513,292)                                       |
| Property taxes applicable to subsequent years  | 1,575,000             | -                        | 1,575,000                              | -   | 1,925,000              | -                        | 1,925,000                              | -   |
| Emission allowances  | 46,789                | -                        | 46,789                                 | -   | 2,304                  | -                        | 2,304                                  | -   |
| Refundable income taxes  | -                     | -                        | -                                      | -   | -                      | -                        | -                                      | -   |
| Prepaid expenses and other   | 328,603               | -                        | 894,042                                | (565,439)                                       | 278,447                | -                        | (12,675)                               | 291,122   |
| Other regulatory assets  | (3,648,533)           | -                        | (3,648,533)                            | -   | 8,721,689              | -                        | 8,721,689                              | -   |
| Other noncurrent assets  | 1,470,768             | -                        | 1,470,768                              | -   | 124,593                | -                        | 124,593                                | -   |
| Accounts payable   | (9,348,542)           | -                        | (6,439,196)                            | (2,909,346)                                     | (12,887,968)           | -                        | (9,073,694)                            | (3,814,274)                                     |
| Accrued taxes  | (1,686,090)           | -                        | (1,567,289)                            | (118,801)                                       | (3,220,908)            | -                        | (2,867,165)                            | (353,743)                                       |
| Accrued interest and other   | (7,721,393)           | -                        | (4,600,109)                            | (3,121,284)                                     | (2,490,132)            | -                        | (778,296)                              | (1,711,836)                                     |
| Decommissioning and demolition   | (6,824,287)           | -                        | (6,056,530)                            | (767,757)                                       | 5,085,944              | -                        | 810,516                                | 4,275,428                                       |
| Other regulatory liabilities   | 7,892,519             | -                        | 7,474,194                              | 418,325   | 20,178,910             | -                        | 23,771,143                             | (3,592,233)                                     |
| Other noncurrent liabilities   | -                     | -                        | -                                      | -   | 323,227                | -                        | 300,716                                | 22,511  |
| <b>NET CASH PROVIDED BY (USED IN)<br/>OPERATING ACTIVITIES</b>                                 | <b>56,163,762</b>     | <b>-</b>                 | <b>49,744,889</b>                      | <b>6,418,873</b>                                | <b>22,086,839</b>      | <b>-</b>                 | <b>24,292,943</b>                      | <b>(2,206,104)</b>                              |
| <b>INVESTING ACTIVITIES</b>  |                       |                          |  |   |                        |                          |  |   |
| Electric plant additions   | (13,195,310)          | -                        | (6,877,839)                            | (6,317,471)                                     | (21,404,711)           | -                        | (16,091,257)                           | (5,313,454)                                     |
| Proceeds from sale of long-term investments  | (79,773,366)          | -                        | (66,571,775)                           | (13,201,591)                                    | -                      | -                        | -                                      | -   |
| Purchase of long-term investments  | 81,238,110            | -                        | 67,794,120                             | 13,443,990                                      | (17,689,894)           | -                        | (16,337,183)                           | (1,352,711)                                     |
| Changes in short-term intercompany lendings  | -                     | (343,801)                | 343,801                                | -   | -                      | 8,872,269                | (8,872,269)                            | -   |
| <b>NET CASH PROVIDED BY (USED IN)<br/>INVESTING ACTIVITIES</b>                                 | <b>(11,730,566)</b>   | <b>(343,801)</b>         | <b>(5,311,693)</b>                     | <b>(6,075,072)</b>                              | <b>(39,094,605)</b>    | <b>8,872,269</b>         | <b>(41,300,709)</b>                    | <b>(6,666,165)</b>                              |
| <b>FINANCING ACTIVITIES</b>  |                       |                          |  |   |                        |                          |  |   |
| Changes in short-term intercompany lendings  | -                     | 343,801                  | -                                      | (343,801)                                       | -                      | (8,872,269)              | -                                      | 8,872,269                                       |
| Repayment of Senior 2006 Notes   | (11,498,825)          | -                        | (11,498,825)                           | -   | (10,856,324)           | -                        | (10,856,324)                           | -   |
| Repayment of Senior 2007 Notes   | (8,174,243)           | -                        | (8,174,243)                            | -   | (7,709,825)            | -                        | (7,709,825)                            | -   |
| Repayment of Senior 2008 Notes   | (8,918,432)           | -                        | (8,918,432)                            | -   | (8,358,674)            | -                        | (8,358,674)                            | -   |
| Reissuance of 2009 Bonds   | -                     | -                        | -                                      | -   | -                      | -                        | -                                      | -   |
| Issuance of 2019A Bonds  | -                     | -                        | -                                      | -   | -                      | -                        | -                                      | -   |
| Repayment of 2009E Bonds   | -                     | -                        | -                                      | -   | -                      | -                        | -                                      | -   |
| Proceeds from line of credit   | 25,000,000            | -                        | 25,000,000                             | -   | 10,000,000             | -                        | 10,000,000                             | -   |
| Payments on line of credit   | (45,000,000)          | -                        | (45,000,000)                           | -   | -                      | -                        | -                                      | -   |
| Loan maintenance costs   | (439,717)             | -                        | (439,717)                              | -   | (1,022,502)            | -                        | (1,022,502)                            | -   |
| <b>NET CASH PROVIDED BY (USED IN)<br/>FINANCING ACTIVITIES</b>                                 | <b>(49,031,217)</b>   | <b>343,801</b>           | <b>(49,031,217)</b>                    | <b>(343,801)</b>                                | <b>(17,947,325)</b>    | <b>(8,872,269)</b>       | <b>(17,947,325)</b>                    | <b>8,872,269</b>                                |
| <b>NET INCREASE (DECREASE) IN CASH<br/>AND CASH EQUIVALENTS</b>                                | <b>\$ (4,598,021)</b> | <b>\$ -</b>              | <b>\$ (4,598,021)</b>                  | <b>\$ -</b>                                     | <b>\$ (34,955,091)</b> | <b>\$ -</b>              | <b>\$ (34,955,091)</b>                 | <b>\$ -</b>                                     |
| CASH AND CASH EQUIVALENTS, JAN. 1  | 32,241,171            | -                        | 32,234,971                             | 6,200   | 47,523,556             | -                        | 47,517,356                             | 6,200   |
| CASH AND CASH EQUIVALENTS, JUN. 30   | <u>\$ 27,643,150</u>  | <u>\$ -</u>              | <u>\$ 27,636,950</u>                   | <u>\$ 6,200</u>                                 | <u>\$ 12,568,465</u>   | <u>\$ -</u>              | <u>\$ 12,562,265</u>                   | <u>\$ 6,200</u>                                 |