



March 18, 2014

By Certified Mail

Joint Legislative Committee on Local Government
Attention: Committee Chairs
North Carolina General Assembly
16 West Jones Street
Raleigh, NC 27601

Fiscal Research Division
Attention: Director
North Carolina General Assembly
300 North Salisbury St., Suite 610
Raleigh, NC 27603

**Notice to the Joint Legislative Committee on Local Government—
Proposed financing by North Carolina Eastern Municipal Power Agency**

To the Committee:

As Chief Financial Officer of North Carolina Eastern Municipal Power Agency ("Power Agency"), I am providing this notice of a proposed capital project that requires approval of the North Carolina Local Government Commission (the "LGC").

Power Agency expects to seek approval from the LGC at its May 2014 meeting for the issuance of up to \$175 million in a revolving credit facility to pay capital costs relating to certain power plants in which Power Agency has an ownership share. Such capital costs are necessary to ensure the safe, efficient operation of these power plants, for the benefit of the cities and towns who receive power and energy from Power Agency ("Participant Cities").

Purpose of the Projects	To improve the output, efficiency and clean operations of the Brunswick, Harris, Mayo and Roxboro Units
Scope of the Projects	Power Supply Improvements
Debt Requirements of the Projects	\$175,000,000
Means of Financing the Projects	Revolving Credit Facility
Source of Repayment for the Projects	Revenues from Power Sales to the Participant Cities

Power Agency's issuance of the revolving credit facility is subject to the approval of the Local Government Commission. The revolving credit facility, when and if issued, will be secured by payments from the Participant Cities to Power Agency under Power Sales Agreements, and are not secured by the general obligation of the Participant Cities or any other source of taxes.



Tim Tunis
Chief Financial Officer

cc: T. Vance Holloman, Secretary of the LGC (also by first-class mail)
Graham Edwards, Chief Executive Officer, ElectriCities (by electronic mail)
David Barnes, General Counsel, ElectriCities (by electronic mail)
Steven Turner, Hawkins, Delafield & Wood, Bond Counsel (by electronic mail)