

**GULF STATES UTILITIES COMPANY**

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AREA CODE 713 838-3843

January 14, 1981

RBG - 9493  
File No. G9.5

Mr. Darrell G. Eisenhut, Director  
Division of Licensing  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Dear Mr. Eisenhut:

River Bend Station - Unit 1  
Docket No. 50-458

In your letter of October 3, 1980, entitled "Amendment to Construction Permit for River Bend Station, Unit 1", you requested that Gulf States Utilities (GSU) provide the NRC with copies of the loan commitment guarantee notice indicating favorable action by the Rural Electrification Administration to insure the loan to Cajun Electric Power Cooperative (CEPCO). On January 7, 1981, representatives of GSU and CEPCO finalized the joint ownership venture. Therefore, GSU is now able to provide the NRC with the attached eight copies of the loan guarantee agreement.

Sincerely,

*E. Linn Draper, Jr.*

E. Linn Draper, Jr.  
Vice President  
Nuclear Technology

RECEIVED DISTRIBUTION  
SERVICES UNIT

Attachment

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REGISTRATION  
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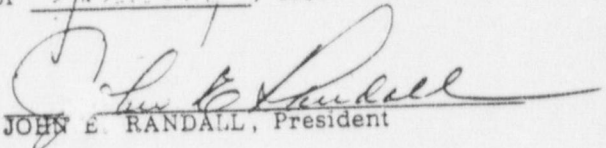
THIS DOCUMENT CONTAINS  
POOR QUALITY PAGES

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CERTIFICATE

I, John E. Randall, President of Cajun Electric Power Cooperative, Inc. (hereinafter called "Cajun"), do hereby certify that: the attached are true, complete and correct copies of the Rural Electrification Administration loan commitment and guarantee in the amount of \$588,223,000.00, and the said loan commitment and guarantee are in full force and effect as of this date.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Cooperative's seal this 7th day of January, 1981.

  
JOHN E. RANDALL, President

(Seal)



COMMITMENT NOTICE:  
FEDERAL FINANCING BANK LOAN WITH  
RURAL ELECTRIFICATION ADMINISTRATION GUARANTEE

Dated: \_\_\_\_\_

Cajun Electric Power Cooperative, Inc.  
New Roads, Louisiana 70760

Pursuant to paragraph 2 of the Loan Commitment Agreement (copy of which is attached), dated as of August 14, 1974, as amended, between the Federal Financing Bank (FFB) and the Administrator of the Rural Electrification Administration (REA), this is notice of the commitment of FFB and REA for a loan by FFB to Cajun Electric Power Cooperative, Inc., in the amount of \$588,223,000 for REA project Louisiana 30 E8 Bayou and for a guarantee thereof by REA, conditional upon:

1. The execution by you of a note in the form attached (Note) and delivery thereof, within 45 calendar days from the date of this Notice, to REA, as agent for FFB; and
2. The execution by REA of a guarantee of the Note (Guarantee) in the form attached.

Within 10 days after receipt of the executed Note and a satisfactory estimated schedule of advances, REA will execute the Guarantee, and as provided, in paragraph 3 of the Loan Commitment Agreement, will certify to FFB receipt of the executed Note and execution of the Guarantee.

Except to the extent REA determines them to be inapplicable to the FFB loan, all provisions of your loan contract with, and mortgage to, REA and the New Orleans Bank for Cooperatives and of the letter transmitting this Commitment Notice, including all conditions prerequisite to the advance of funds loaned by REA thereunder, shall, in addition to the provisions of the Loan Commitment Agreement and the Note, be applicable to the REA guarantee of the Note.

Enclosures

D





Mr. John E. Randall, President  
Cajun Electric Power Cooperative, Inc.  
P. O. Box 578  
New Roads, Louisiana 70760

Dear Mr. Randall:

In connection with the REA commitment heretofore made to guarantee a loan to Cajun Electric Power Cooperative, Inc., in the amount of \$588,223,000, we enclose (a) a Commitment Notice evidencing the commitment of loan funds by the Federal Financing Bank in this amount, and (b) the original and four copies of the Note referred to in the Commitment Notice. This FFB loan commitment, the terms of which are contained in the Loan Commitment Agreement between REA and FFB dated as of August 14, 1974, will remain valid for 45 days. This agreement has been amended to provide for an aggregate amount and time period sufficient to include this loan.

We are also enclosing instructions, with documents specified therein, relating to the authorization and execution of the Note and security instrument by your organization. If you wish to obtain the FFB loan, your organization should execute and return the enclosed Note to REA within 45 days after the date of the Commitment Notice, together with an estimated schedule of advances covering the full amount of the loan, on REA Form 152 (copy enclosed).

We also enclose a copy of the Loan Commitment Agreement which the Borrower becomes entitled to enforce upon REA certification of the Borrower's execution of the Note.

The following provisions shall be applicable to the guarantee of the Note, in addition to those otherwise made applicable by the enclosed Commitment Notice (which, together with this letter, shall constitute a supplement to the loan contract referred to in said Notice):

1. (a) The term "Loan," as defined in the loan contract, shall include the FFB loan.
- (b) The term "System," as defined in the loan contract, shall include the improvements and facilities financed in whole or part by the FFB loan.
2. REA shall be under no obligation to approve advances on account of any portion of the FFB loan unless and until the following conditions have been satisfied:



- (a) REA has entered into a contract of guarantee with Cajun and a lending agency which has agreed, with REA approval, to make Cajun a guaranteed loan of \$588,223,000 for partial financing of Cajun's 30 percent undivided ownership interest in the River Bend Nuclear Station Unit 1 (River Bend), and approximately 34 miles of 500 kV transmission line.
  - (b) Cajun has submitted evidence, in form and substance satisfactory to the Administrator, that the conditions in such contract of guarantee have been satisfied to the extent and in the manner prescribed by the Administrator.
  - (c) Cajun has submitted evidence, in form and substance satisfactory to the Administrator, that it has duly authorized, executed, delivered, recorded and filed a security instrument, in form and substance satisfactory to the Administrator.
  - (d) The Administrator has determined that all requirements of the National Environmental Policy Act of 1969 and other environmentally related statutes, executive orders and regulations with respect to River Bend and related transmission facilities have been satisfied.
3. Notwithstanding anything contained above, REA shall be under no obligation to approve advances on account of any portion of \$561,708,000 of the FFB loan provided for Cajun's participation in River Bend until Cajun has submitted evidence, in form and substance satisfactory to the Administrator, that:
- (a) Cajun and Gulf States Utilities (GSU), have entered into an agreement, satisfactory to the Administrator, providing for Cajun's participation in the ownership, construction, operation and maintenance of River Bend;
  - (b) Cajun and GSU have entered into an agreement, satisfactory to the Administrator, providing for the sale of a 42 percent ownership interest in Cajun's Big Cajun No. 2, Unit 3, to GSU;
  - (c) All authorizations, approvals, permits and licenses from Federal, State and other governmental authorities and regulatory bodies relating to the purchase, ownership, construction, operation or maintenance of River Bend have to the extent required by the Administrator, been obtained and are valid and binding and will remain so;
  - (d) All authorizations, approvals, permits and licenses from Federal, State, and other governmental authorities and regulatory bodies relating to the sale by Cajun and the purchase by GSU of a 42 percent ownership interest in Cajun's Big Cajun No. 2, Unit 3, have to the extent required by the Administrator, been obtained and are

valid and binding and will remain so;

- (e) Cajun has acquired such right, title and interest in the River Bend facilities and property, including nuclear fuel, as the Administrator may require;
  - (f) All conditions precedent to the closing on the River Bend Project have been satisfied;
  - (g) Gulf States Utilities is able to fund its proportionate share of the cost of construction of River Bend; and
  - (h) Cajun has entered into such related agreements with the Government with respect to Cajun's participation in River Bend as the Administrator may require.
4. Notwithstanding anything contained above, REA shall be under no obligation to approve advances on account of any portion of \$26,515,000 of the FFB loan provided for transmission facilities until Cajun has submitted evidence, in form and substance satisfactory to the Administrator, that Cajun and GSU have entered into an arrangement, satisfactory to the Administrator, providing for the establishment of an Integrated Transmission System.
5. At such time or times after the first advance that the Administrator shall designate, Cajun shall submit such evidence as the Administrator may require, in form and substance satisfactory to him, that the instruments referred to above remain in full force and effect and that in all other aspects the conditions set forth above remain satisfied.

Your execution of the Note in accordance with the enclosed Commitment Notice shall constitute your acceptance of the provisions made applicable hereby to the guarantee of the Note.

Sincerely,

PROJECT DESIGNATION:

LOUISIANA 30-E8 BAYOU

MORTGAGE NOTE

made by

CAJUN ELECTRIC POWER COOPERATIVE, INC.

to

FEDERAL FINANCING BANK

Identified as form of ...  
...  
of the above named ...

A

*[Handwritten signature]*



## PROMISSORY NOTE

Note No. REA -

New Roads, Louisiana

\_\_\_\_\_, 19\_\_\_\_

1. For value received, CAJUN ELECTRIC POWER COOPERATIVE, INC. -----  
 ----- (the "Borrower"),  
 a corporation organized and existing under the laws of the State of Louisiana -----,  
 promises to pay to the Federal Financing Bank ("FFB"), at the times, in the manner,  
 and with interest at the rate, hereinafter provided, such sums as may be advanced  
 from time to time under this note, not to exceed five hundred eighty-eight million  
 two hundred twenty-three thousand dollars (\$ 588,223,000 -----), pursuant to an  
 agreement ("Loan Commitment Agreement") between FFB and the Administrator of the  
 Rural Electrification Administration ("REA"), dated as of August 14, 1974, as hereto-  
 fore amended, with interest payable from the date of each advance ("Advance") on the  
 unpaid principal balance until paid.

2. As to each Advance, the Borrower shall designate in writing at the time of the  
 request therefor, in accordance with the Loan Commitment Agreement, the date (the  
 "Maturity Date") for repayment of such Advance. The Maturity Date of each Advance  
 shall be subject to approval in writing by REA and shall be not less than two (2)  
 years nor more than seven (7) years after the date of the Advance; provided, however,  
 that if the Borrower desires a long term maturity, it may designate a Maturity Date  
 of thirty-four (34) years after the end of the calendar year in which such Advance  
 was made.

The Maturity Date of each Advance shall, at the option of the Borrower by  
 written notice given to FFB not less than 15 days prior to the Maturity Date, be  
 extended to such new Maturity Date as the Borrower, with REA approval, may designate;  
 provided that the period of such extension shall be not less than two (2) years, but  
 the extended Maturity Date of any Advance shall not be later than seven (7) years  
 after the date of the Advance, except that the Borrower may designate an extended  
 Maturity Date of thirty-four (34) years after the end of the calendar year in which  
 the Advance was made.

POOR ORIGINAL

3. The interest rate applicable to each Advance shall be the respective rate established by FFB at the time of the Advance on the basis of the determination of the Secretary of the Treasury pursuant to Section 6(b) of the Federal Financing Bank Act of 1973 (12 U.S.C. 2285(b)), except that in the event of extension in accordance with paragraph 2 hereof, the rate of interest, from and after such extension, shall be the respective rate established by FFB at the time of such extension on the basis of the determination of the Secretary of the Treasury pursuant to said Section 6(b). During the period ending on the Maturity Date of each Advance, interest on each Advance remaining unpaid shall be payable quarterly on the last day of March, June, September and December of each year (the "Quarterly Payment Dates").

4. The principal of each Advance having a Maturity Date not later than seven years after the date of the Advance shall be payable on the Maturity Date. The principal of each Advance having a Maturity Date later than seven years after the date of the Advance (all such Advances made in the same calendar year being herein collectively called an "Amortized Advance") shall be payable in installments on the Quarterly Payment Dates during the period commencing seven (7) years after the date of the Advance and ending on the Maturity Date of such Amortized Advance, subject to the following:

(i) each quarterly payment with respect to the same Amortized Advance, including both interest and principal, shall be equal in amount to every other such quarterly payment, and

(ii) the aggregate amount of all quarterly payments in respect of the same Amortized Advance, including both interest and principal, shall be such as will pay the accrued interest and amortize the principal thereof within the period stated in this paragraph.

5. Each payment made on this note shall be applied first to the payment of interest and then on account of principal and shall be in such funds as are then legal tender for the payment of debts due FFB.

6. No Advance shall be made on account of this note later than seven (7) years after the date of this note.
7. To the extent not inconsistent with applicable law, this note, so long as FFB is the holder thereof, shall be subject to modification by such amendments, extensions and renewals as may be agreed upon from time to time by FFB, the Borrower, and REA.
8. This note is given in consideration of the purchase hereof by FFB pursuant to Section 6 of the Federal Financing Bank Act of 1973 (12 U.S.C. 2285).
9. The Borrower may elect to pay all or any part of the unpaid principal balance of an Amortized Advance at any time later than 12 years after the end of the year in which the amounts included in such Amortized Advance were advanced, on payment of a prepayment premium determined in accordance with this paragraph, but so long as there shall be any unpaid principal balance, the Borrower shall be obligated to make the quarterly payments in the amounts determined as herein provided. The prepayment premium shall be an amount equal to one hundred per cent (100%) of the amount of interest for one year on the unpaid principal balance of the Amortized Advance, or part thereof, proposed to be prepaid, multiplied by the ratio which the number of Quarterly Payment Dates between the proposed prepayment date and the Maturity Date of the Amortized Advance bears to the number of Quarterly Payment Dates between the first prepayment date permitted by this paragraph and such Maturity Date.
10. Upon execution of the Guarantee set forth below, the payment by the Borrower of the entire principal amount advanced under this note and of the interest on such amount, in accordance with the terms hereof, will be guaranteed by REA, pursuant to the Rural Electrification Act of 1936, as amended, including Public Law 93-32. In consideration of such Guarantee by REA, the Borrower promises to REA to make the payments required by this note. For purposes of the mortgage of the Borrower's System to REA (the "Mortgage"), REA shall be considered to be, and shall have the rights of, holder of this note, and this note shall be secured to REA by the Mortgage and such supplements or amendments thereto as REA may require.



11. In case of default by the Borrower under this note or the Mortgage, and in consideration of the obligation of REA in that event under the guarantee to continue to make the quarterly payments to FFB as scheduled, the entire unpaid principal balance of this note, and all interest thereon, may be declared by REA, and upon such declaration shall become, due and payable to REA, in the manner and with the effect provided in the Mortgage.

IN WITNESS WHEREOF, the Borrower has caused this note to be signed in its corporate name and its corporate seal to be hereunder affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

CAJUN ELECTRIC POWER COOPERATIVE, INC.  
Borrower

by

(SEAL)

Attest:

Secretary

\_\_\_\_\_  
President

"Ne Varietur" - For identification with an Act of Supplement to Supplemental Mortgage passed on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_, State of Louisiana.

\_\_\_\_\_  
Notary Public

(SEAL)

#### GUARANTEE

The United States of America acting through the Administrator of the Rural Electrification Administration ("REA") hereby guarantees to the Federal Financing Bank ("FFB"), the making of the quarterly payments of principal and interest when and as due on this note in accordance with the terms thereof, with interest on the

principal until paid, irrespective of (i) acceleration thereof under the terms of the note or (ii) receipt by REA of any sums or property from its enforcement of its remedies for the Borrower's default.

This Guarantee is issued pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. 901, et seq.), including Public Law 93-32, Section 6 of the Federal Financing Bank Act of 1973 (12 U.S.C. 2285), and the Loan Commitment Agreement between REA and FFB dated as of August 14, 1974, as heretofore amended.

UNITED STATES OF AMERICA

Date \_\_\_\_\_

By \_\_\_\_\_  
Administrator  
of  
Rural Electrification Administration

LOAN COMMITMENT AGREEMENT

Agreement made as of August 14, 1974, by and between Federal Financing Bank, an instrumentality and wholly owned Corporation of the United States (FFB), and the Administrator of Rural Electrification Administration (REA), an agency of the United States.

1. FFB Purchase

Pursuant to section 6(a) of the Federal Financing Bank Act of 1973 (12 U.S.C. 2285(a)), FFB hereby agrees to purchase, during the periods provided for in paragraph 2 hereof, obligations guaranteed by the Administrator of REA pursuant to section 306 of the Rural Electrification Act, as amended (7 U.S.C. 901 et seq.), under the following terms and conditions:

a. Obligations purchased hereunder shall be in the form of the Note attached hereto, executed by owners of electrification and telephone systems (Borrowers), which have been or may be financed by REA, and delivered to REA as agent for FFB, which Borrowers shall have been designated, and which obligations shall have been guaranteed, by REA in the manner herein provided.

b. The aggregate amount of Notes of all Borrowers purchased hereunder shall not exceed one billion five hundred million dollars (\$1,500,000,000). Increases or decreases of such aggregate amount may be provided for by written agreement of FFB and REA.

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## 2. Designation of Borrowers

On or before December 31, 1974, REA, by giving written notice (the Notice), to each respective Borrower, with copy to FFB, may designate Borrowers whose Notes shall be purchased by FFB hereunder. The effect of the Notice as to each such Borrower shall be, and the Notice shall so state, that

a. FFB is thereby committed to the Borrower and REA to purchase, and REA is thereby committed to the Borrower and FFB to guarantee, a Note of the Borrower in the form attached to the Notice, in accordance with the terms and conditions of this Loan Commitment Agreement, a copy of which shall be enclosed with the Notice; and

b. such commitments shall be conditioned upon the return of the duly executed Note to REA, as agent for FFB, within 45 days after the date of the Notice. This period may be extended by Agreement of FFB, REA and the Borrower.

## 3. REA certification and Guarantee

As to each Note to be purchased hereunder, REA, within 10 days after receipt of the Note, duly executed by the Borrower, shall execute the guarantee endorsed on the Note and shall certify in writing to FFB the following:

a. The name and address of the Borrower and the date and amount of the Note.

b. The due execution of the Note by the Borrower.

c. The delivery of the Note to REA, the execution by REA of the guarantee endorsed on the Note, and retention by REA of custody thereof as agent for FFB, unless actual possession has been requested by FFB.

POOR ORIGINAL

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Upon receipt by FFB of such certification, which shall be promptly confirmed in writing, FFB shall be irrevocably committed to purchase the Note in accordance with this agreement.

4. Advances

a. The times and amounts of advances on each Note shall conform to the estimated schedule of advances submitted by the Borrower to, and approved by, REA, which schedule REA shall furnish to FFB along with the certification in respect of such Borrower pursuant to paragraph 3; provided, however, that no such schedule shall call for the first advance of funds earlier than 5 days after FFB receipt of such certification. Changes in the schedule may be made by the Borrower with REA approval on 15 days prior written notice given to FFB by REA, provided that no such change shall increase the aggregate amount of scheduled advances to an amount in excess of the principal amount of the Note and provided further that, if with REA and FFB approval the annual percentage interest rate is expressed as a fixed number in the Note, not subject to future determination, no such change shall decrease the aggregate amount of scheduled advances to an amount less than the principal amount of the Note.

b. In addition to conformance to the estimated schedule of advances, each advance on a note shall be made by FFB only upon receipt of specific written approval by REA as to compliance with conditions of the financing and security instruments.

c. As to each advance, the Borrower shall designate in writing at the time of the request therefor the date (the "Maturity Date") for repayment of such advance, which shall be not less than two years

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nor more than seven years after the date of the advance; provided, however, that if the Borrower desires a long term maturity, it may designate a Maturity Date of thirty-four years after the end of the calendar year in which such advance is made. The Maturity Date of each advance shall be subject to approval in writing by REA.

d. The Maturity Date of any advance shall, at the option of the Borrower by written notice given to FFB not less than 15 days prior to the Maturity Date, be extended to such new Maturity Date as the Borrower, with REA approval, may designate; provided that the period of such extension shall not be less than two years, but the extended Maturity Date of any advance shall not be later than seven years after the date of the advance, except that the Borrower may designate an extended Maturity Date of thirty-four years after the end of the calendar year in which the advance was made.

5. Interest Rate

a. The rate of interest payable on each advance shall be the respective rate established by FFB at the time of the advance on the basis of the determination of the Secretary of the Treasury pursuant to Section 6(b) of the Federal Financing Bank Act of 1973 (12 U.S.C. 2285(b)), except that in the event of extension of the

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Maturity Date of an advance in accordance with paragraph 4d hereof, the rate of interest effective from and after such extension shall be the respective rate established by FFB at the time of such extension on the basis of the determination of the Secretary of the Treasury pursuant to said Section 6(b).

b. The foregoing rate of interest shall be inclusive of all amounts chargeable to the Borrower for loan servicing. Such loan servicing as may be required under section 306 of the Rural Electrification Act of 1936, as amended, shall be performed by REA on behalf of FFB. REA shall be reimbursed by FFB for such loan servicing pursuant to section 10 of the Federal Financing Bank Act of 1973 at the rate of two one-thousandths of one per centum (0.00002) per annum of the amounts owed on guaranteed loans at the end of each calendar year.

6. Borrower's Default

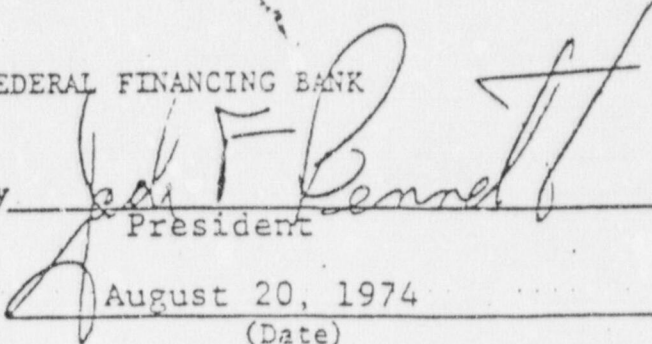
In the event of the Borrower's default on the Note, REA shall, under the guarantee endorsed thereon, continue to make payments promptly to FFB, without regard to the sufficiency of the security or remedies

POOR ORIGINAL

REA may enforce against the Borrower. Without limitation of the foregoing obligation, REA shall have sole authority in respect of acceleration of the Guaranteed Note, the exercise of other available remedies and the disposition of sums or property recovered.

FEDERAL FINANCING BANK

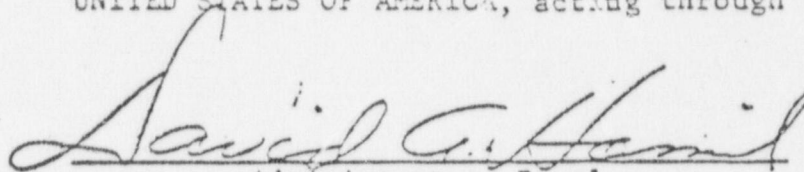
By

  
President

August 20, 1974

(Date)

UNITED STATES OF AMERICA, acting through



Administrator, Rural  
Electrification Administration

August 20, 1974

(Date)