United States Department of Agriculture Rural Development

February 6, 2007

Per the requirement in your loan contract you are required to file an operating report with the Rural Development Utilities Program annually.

The due dates for the reports are:

| Type of Borrower | Report | Due Date |
|---|--|---------------------------------|
| Electric - Distribution Electric - Power Supply | Form 7, Financial and Statistical Report Form 12, Operating Report | March 1, 2007 March 15, 2007 |

Rural Development Utilities Programs announces that the replacement Data Collection System (DCS) located at https://dcs.sc.egov.usda.gov is available to receive submissions of borrower operating reports. The replacement DCS is a web based system and does not require the installation of any software on your computer. It is accessed using the eAuthentication account that was mentioned in our letter of May 10, 2006.

The replacement DCS currently provides an electronic method of submitting the Form 7 and Form 12.

Information about the DCS is provided on the DCS Information Web Page which is located at: http://www.usda.gov/rus/dcs/. This is how we will communicate to you about DCS. Please check this web page frequently. It currently has information about the status of DCS eAuthentication accounts, the Form 674, Points of Contact and how to Identify the DCS Administrator that is responsible for adding your name to the system. We will be adding sections to cover the changes to the reports shortly.

If you have questions please check the DCS Information Web Page, or contact your assigned General Field Representative or Field Accountant.

Sincerely,

JAMES R. NEWBY

· Assistant Administrator - Electric

Rural Development Utitities Programs

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1400 Independence Avenue, SW, Washington, DC 20250 Web: http://www.rurdev.uoda.gov

Committee to the future of rural communities

"USDA is an equal opportunity provider, employer and lender."

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W. Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or cell (202)720-5964 (voice of TDD).

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