



NEWS RELEASE

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USDA ADMINISTRATOR ANNOUNCES \$38 MILLION LOAN TO KODIAK ELECTRIC ASSOCIATION

Rural Development Funds to Finance Purchase of Terror Lake Hydro Project

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Kodiak, Alaska, August 25, 2008 – USDA Rural Development will provide a \$38 million loan to Kodiak Electric Association (KEA) to fund the purchase of the Terror Lake Hydroelectric Plant, James Andrew, Administrator of USDA Rural Development’s rural utilities programs announced today.

“Its expected that when this plant is acquired by KEA from the Four Dam Pool Power Association, cooperative members’ will benefit through a projected reduction in overall costs,” Andrew said. Andrew noted that USDA Rural Development has a long and positive track record in supporting rural infrastructure development in Alaska and across America.

Located about 25 miles from Kodiak, Terror Lake is the only hydro facility inside a national wildlife refuge. It is a two-unit, 20 megawatt facility and delivers power through a 17-mile long transmission line. The system also includes three substations and 11 miles of distribution lines. Funding of the project is contingent upon the recipient meeting the requirements of the loan agreement. Since 2001, USDA Rural Development has awarded approximately \$28 billion in electric loans to utilities across the nation. Andrew announced the loan after touring the Terror Lake facility with KEA officials and with Acting Rural Development Alaska State Director Chad Padgett.

USDA Rural Development's mission is to increase economic opportunity and improve the quality of life for rural residents. Rural Development has invested more than \$90 billion since 2001 for equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. More than 1.7 million jobs have been created or saved through these investments. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA Rural Development's web site at <http://www.rurdev.usda.gov> .

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