



STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
OFFICE OF STATE AND LOCAL FINANCE  
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November 25, 2014

Honorable Kim McMillan, Mayor  
Members of the City Council  
City of Clarksville  
P.O. Box 928  
Clarksville, TN 37040

Dear Mayor McMillan and Councilmembers:

The City of Clarksville (the "City") presented a plan of balloon indebtedness (the "Plan") on November 20, 2014, to issue an estimated \$38,735,000 Revenue Refunding Bonds, Series 2015 (the "Refunding Bonds") for Clarksville Electric as balloon indebtedness. The City's report of the plan of refunding is presented in a separate letter dated November 25, 2014.

**BALLOON INDEBTEDNESS**

The City requested approval of a plan of balloon indebtedness ("Plan") in association with its request for a report on its proposed Series 2015 Electric System Revenue Refunding Bonds. The City stated that this advance refunding transaction is in the public's interest because the proposed bond structure reduces the average life of the refunded bonds from 11.536 years to 10.699 years and produces net present savings of \$3,071,534. This transaction reduces Clarksville Electric's debt service payments by \$5,630,583 over the life of the refunded bonds. The Refunding Bonds' final maturity does not extend beyond the final maturity of the refunded bonds.

**APPROVAL OF BALLOON INDEBTEDNESS**

This letter constitutes approval of the plan of balloon indebtedness because this advance refunding transaction as submitted appears to be in the public's interest because the transaction produces debt service savings of \$5,630,583 and accelerates principal repayment.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Thompson".

Sandra Thompson  
Director of the Office of State & Local Finance

Cc: Mr. Jim Arnette, Director of County Audit, COT  
Ms. Julianne Graham, Wiley Bros.  
Mr. Jeff Oldham, Bass Berry & Sims LLP