

ORIGINAL



Big Sandy Rural Electric
Cooperative Corporation

504 11th Street
Paintsville, Kentucky 41240-1422
(606) 789-4095 • Fax (606) 789-5454
Toll Free (888) 789-RECC (7322)

December 17, 2010

Mr. Jeff Derouen, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
PO Box 615
Frankfort, Kentucky 40602

Re: Application for "Certificate of Convenience and Necessity"

Dear Mr. Derouen:

Enclosed is one (1) original and ten (10) copies of the Application of Big Sandy Rural Electric Cooperative Corporation for a certificate of convenience and necessity pursuant to KRS 278.020 and 807 KAR 5:001 Section 9 and related sections, authorizing certain proposed construction.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Albert A. Burchett".

Albert A. Burchett

Copy to: David Estepp, President & General Manager
Big Sandy Rural Electric Cooperative

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION
IN THE MATTER OF:

Case No. _____

THE APPLICATION OF BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A CERTIFICATE
OF CONVENIENCE AND NECESSITY PURSUANT TO
KRS 278.020 AND 807 KAR 5:001 SECTION 9 AND RELATED
SECTIONS AUTHORIZING CERTAIN PROPOSED
CONSTRUCTION

In support of its application, entitled above, Big Sandy Rural Electric Cooperative Corporation (hereafter called "Big Sandy"), respectfully states:

I.

Big Sandy proposes to construct property for the following purpose:

- An Operations Center to include the Engineering and Operations Department and move the Warehouse to this facility. Big Sandy purchased approximately 3 (three) acres of land on October 12, 2010 for this project. It is estimated that construction will commence during the spring of 2011. An architectural firm has been contracted to provide drawings and specifications for the Operations Center. Big Sandy expects that approximately 25 of its engineering, operations, and construction crews will report to this location. Big Sandy will submit three (3) copies of the architectural design of the building and estimates of the cost of construction when these become available. It is estimated that the cost of the Operations Center will be approximately \$1 million.

- Big Sandy will move the warehouse to this location due to the fact that a portion of the present warehouse location floods on a regular basis. Poles and other material have to be either moved or rearranged when this flooding occurs. The location for the new warehouse is in a location that does not flood.

No franchise or permits from any public authority are required for the proposed new construction.

II.

The full name and post office address of the Applicant is as follows:

Big Sandy Rural Electric Cooperative Corporation
504 Eleventh Street
Paintsville, Kentucky 41240

III.

The Applicant, Big Sandy, is an electric cooperative corporation duly organized and existing under Chapter 279 of the Kentucky revised Statutes with authority to do all acts hereinafter stated as done or proposed to be done.

A certified copy of the Articles of Incorporation of Big Sandy has heretofore been filed with this Commission in Case No. 96-496, and reference is respectfully made thereto.

IV.

Big Sandy, as of September 30, 2010, distributes electric energy to some **13,197** consumers in the Kentucky counties of Breathitt, Floyd, Johnson, Knott, Lawrence, Magoffin, Martin and Morgan.

V.

Big Sandy's property consists of approximately **1,020** miles of electric distribution lines and other property necessary and incidental to the operations of its

system in the foregoing counties. The original cost of the Applicant's property as of September 30, 2010, is as follows:

Total Utility Plant **\$42,905,951**

Applicant files herewith the following financial statement:

- A. No amount or kinds of stock are authorized.
- B. No amount or kinds of stock are issued or outstanding.
- C. No preferred stock has been issued or outstanding.
- D. Exhibit 1 lists the outstanding notes and mortgages that have been executed by Big Sandy as Mortgagor and delivered to the United States of America, and the National Rural Utilities Cooperative Finance Corporation, as Mortgages as of the date of this application. The balance outstanding, as of September 30, 2010.
- E. No bonds are authorized or issued.
- F. Big Sandy has not other indebtedness, except current liabilities which accrue in the ordinary course of business and which are unsecured.
- G. No dividends have been paid during the 5 previous fiscal years.
- H. One-hundred percent (100%) of the financing of this work plan will be with the United States Rural Utilities Services (RUS). Pursuant to KRS 278.300(10) the Commission's approval of evidences of indebtedness in connection with this loan will not be required.

VI.

It is estimated that the new construction and extension will not compete with any public utility, corporations, or person.

VII.

Estimated costs of operation after the facilities are completed would not change materially from operating costs shown on our September 30, 2010, Statement of

Operations included in this filing as Exhibit II, as required by 807 KAR 5:001, Section 9(2)(f).


A copy of the following items are attached herewith and made a part hereof:

1. Board of Directors Resolution adopting same as a course of action.
2. Statement of Operations for the 12 months ending September 30, 2010.

The attached Exhibit List and Exhibits are hereby incorporated by references in this application and made a part hereof.

WHEREFORE, the Applicant, Big Sandy Rural Electric Cooperative Corporation asks that the Public Service Commission of Kentucky make its order issuing a certificate of convenience and necessity as requested herein, and for such other relief as the Commission may deem appropriate as to which Big Sandy may appear entitled.

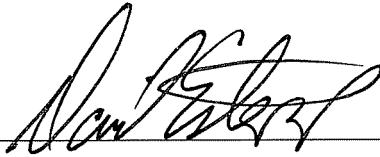
Albert A. Burchett
PO Box 346
Prestonsburg, Kentucky 41653
Telephone 606-874-9701



Albert A. Burchett, Counsel for Big Sandy RECC

VERIFICATION

The undersigned, David Estep, being duly sworn that she is the President and General Manager of Big Sandy Rural Electric Cooperative Corporation; that he has the personal knowledge of the matters set forth in the foregoing application; and that the statements contained therein are true and correct to the best of his knowledge, information, and belief.

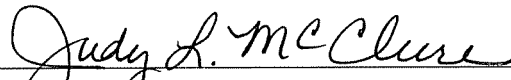


David Estep, President & General Manager

State of Kentucky
County of Johnson

Subscribed, sworn to, and acknowledged before me by DAVID ESTEPP this
17th day of December, 2010

My commission expires 6-19-2014



Notary Public, State of Kentucky at Large

(Seal)

EXHIBIT LIST

<u>Number</u>	<u>Description</u>
I	List of loans outstanding as of September 30, 2010
II	September 30, 2010, Statement of Operations
III	Balance Sheet as of September 30, 2010
IV	Resolution of the Board of Directors approving the construction of a new Operations Center.

Big Sandy Rural Electric Cooperative
Exhibit I
Case No. 2010-00xxx
Schedule of Outstanding Long-Term Debt
September 30, 2010

<u>Type of Debt Issued</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Outstanding Amount</u>	<u>Interest Rate</u>
RUS loans				
1B270	Jan-96	Jan-31	325,043	3.375%
1B271	Jan-96	Jan-31	545,032	3.875%
1B272	Jan-96	Jan-31	545,032	3.875%
1B273	Jan-96	Jan-31	187,559	3.750%
1B275	Jan-96	Jan-31	398,128	2.750%
1B276	Jan-96	Jan-31	683,617	4.250%
1B280	Nov-04	Oct-39	1,454,527	2.490%
1B281	Nov-04	Oct-39	1,950,465	4.630%
1B282	Nov-04	Oct-39	1,471,543	4.930%
1B283	Nov-04	Oct-39	1,459,523	4.580%
1B284	Nov-04	Oct-39	1,352,449	4.570%
			<u>10,372,918</u>	
FFB loans				
H0010	Jan-99	Dec-33	<u>6,527,499</u>	4.472%
CFC loans				
9007	Apr-77	Mar-12	95,206	6.35%
9011	Jul-79	Jun-14	158,312	6.30%
9014	Mar-82	Feb-17	213,628	6.30%
9015	Sep-84	Aug-19	176,081	6.30%
9016	Sep-89	Aug-24	506,330	6.35%
9017	Mar-93	Feb-28	633,235	6.35%
9018	Dec-95	Nov-30	976,940	6.46%
9021007	Jun-03	May-10	344,755	4.60%
9021008	Jun-03	May-11	344,755	4.85%
9021009	Jun-03	May-12	344,755	5.10%
9021010	Jun-03	May-13	344,755	5.30%
9021011	Jun-03	May-14	344,755	5.50%
9021012	Jun-03	May-15	344,755	5.55%
9021013	Jun-03	May-16	344,755	5.65%
9021014	Jun-03	May-17	344,755	5.65%
9021015	Jun-03	May-18	344,761	5.70%
			<u>5,862,533</u>	
Total long term debt			<u><u>22,762,950</u></u>	

**Big Sandy RECC
Statement of Operations
For the Year Ended 9/30/2010**

OPERATING REVENUE AND PATRONAGE CAPITAL		
440.10 Residential Sales - Rural		18,870,496.62
442.10 Comm. & Indust. Sales - Small		1,568,620.08
442.20 Comm. & Indust. Sales - Large		4,272,316.60
450.00 Forfeited Discounts		342,557.06
451.00 Misc. Service Revenues		62,089.83
454.00 Rent From Electric Property		294,160.86
456.00 Other Electric Revenue		630.00
		25,410,871.05
COST OF PURCHASED POWER		
555.00 Purchased Power		17,790,569.00
DISTRIBUTION EXPENSE - OPERATION		
580.00 Operations & Supervision Engr.		38,629.27
583.00 Overhead Line Expense		130,357.75
586.00 Meter Expense		354,092.39
586.10 Meter Expense TWACS		76,866.30
587.00 Consumer Installation Expense		19,647.80
588.00 Mis. Distribution Expense		63,818.95
588.10 Mapping Expense/GPS System		184,041.71
589.00 Rents		(9.45)
DISTRIBUTION EXPENSE - MAINTENANCE		
590.00 Maint. Supervision Engr.		160,385.00
593.00 Maint. Overhead Lines		314,694.07
593.10 Maint. Overhead Lines R/W		91,323.24
593.20 Overhead Lines R/W - Contractor		476,039.13
595.00 Maint. Line Transformers		40,257.01
597.00 Maint. Of Meters		935.69
598.00 Maint. Misc. Distribution Plant.		73,156.04
CONSUMER ACCOUNTS EXPENSE		
902.00 Meter Reading Expense		73,924.52
903.00 Consumer Rec'd Collection Expense		597,824.70
903.10 Consumer Rec'd Collection Expense over/short		674.97
904.00 Uncollectible Accounts		78,000.00
CUSTOMER SERVICE & INFORMATIONAL EXPENSE		
908.00 Customer Assistance Expense		112,747.48
SALES EXPENSE		
913.00 Advertising Expense		528.50
ADMINISTRATIVE & GENERAL EXPENSE		
920.00 Administrative Salaries		683,910.21
921.00 Office Supplies & Expense		129,913.01
923.00 Outside Service Employed		36,019.33
925.00 Injuries & Damages		50,198.83
926.00 Employee Pension & Benefits		(566.78)
929.00 Dup. Charges Credit		(1,244.13)
930.10 General Advertising Expense		2,210.30
930.11 Directors Per Diem		38,000.00

930.12 Directors Mileage	1,557.60	
930.13 Directors Expenses	39,099.21	
930.20 Misc. General Expense	178,405.87	
931.00 Rents	20,351.06	
935.00 Maint. General Plant	45,721.57	
TOTAL OPERATIONS & MAINTENANCE EXPENSE	<u>21,902,080.15</u>	
DEPRECIATION & MAORTIZATION EXPENSE		
403.60 Depreciation Expense Distribution Plant	1,887,252.32	
403.70 Depreciation Expense General Plant	55,751.64	
TAX EXPENSE OTHER		
408.70 Taxes Other Regulatory Commision	22,482.75	
INTEREST ON LONG TERM DEBT		
427.10 Interest on RUS Construction Loan	289,306.29	
427.20 Interest on Other Long Term Debt	274,746.19	
427.30 Interest on FFB Notes	297,783.69	
INTEREST EXPENSE - OTHER		
431.00 Other Interest Expense	35,631.64	
431.10 Other Interest Expense Short Term Loan	20,423.16	
431.20 Interest Expense Inez 69kv Line Project	42,126.96	
431.30 Interest Expense Farm Credit Lease/Truck	7,103.36	
OTHER DEDUCTIONS		
426.10 Donations	11,391.31	
TOTAL COST OF ELECTRIC SERVICE	<u>24,846,079.46</u>	
PATRONAGE CAPITAL & OPERATING MARGINS	564,791.59	
	<u>25,410,871.05</u>	<u>25,410,871.05</u>
NON OPERATING MARGINS - INTEREST		
419.00 Interest & Dividend Income	30,043.13	
NON OPERATING MARGINS - OTHER		
421.10 Gain on Disposition of Property	11,949.50	
OTHER CAPITAL CREDITS & PATRONAGE DIVIDENDS		
424.00 Other Capital Credits & Patronage Capital Allocation	924,762.34	

FINANCIAL AND STATISTICAL REPORT
FROM 10/09 THRU 09/10

BIG SANDY RECC
PRG. OPERBSHT (OBSA)

PART A. STATEMENT OF OPERATIONS

LINE NO	DESCRIPTION	YEAR TO DATE			BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B	THIS YEAR C				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL.....	25,359,282.51	25,410,871.05	25,838,424.03	1,586,019.21	1.7-	.2	
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0	
3.0	COST OF PURCHASED POWER.....	18,144,144.00-	17,790,569.00	17,968,723.00-	1,202,613.00-	1.0-	1.9-	
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0	
5.0	DISTRIBUTION EXPENSE-OPERATION.....	987,516.58-	867,444.72	863,160.91-	74,991.82-	.5	12.2-	
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,568,050.57-	1,156,790.18	1,273,089.49-	132,985.80-	9.1-	26.2-	
7.0	CONSUMER ACCOUNTS EXPENSE.....	658,412.21-	750,424.19	516,688.53-	65,148.11-	45.2	14.0	
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	119,524.91-	112,747.48	135,304.03-	2,394.59-	16.7-	5.7-	
9.0	SALES EXPENSE.....	2,418.50-	528.50	.00	.00	100.0-	78.1-	
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,217,272.49-	1,223,576.08	1,161,197.13-	116,460.75-	5.4	.5	
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE.....	22,697,339.26-	21,902,080.15	21,918,163.09-	1,594,594.07-	.1-	3.5-	
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,595,881.29-	1,943,003.96	1,873,074.34-	156,554.77-	3.7	21.8	
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS.....	.00	.00	.00	.00	.0	.0	
14.0	TAX EXPENSE - OTHER.....	22,621.22-	22,482.75	23,000.00-	1,917.00-	2.2-	.6-	
15.0	INTEREST ON LONG TERM DEBT.....	1,164,594.33-	861,836.17	1,058,750.06-	83,317.24-	18.6-	26.0-	
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT.....	.00	.00	.00	.00	.0	.0	
17.0	INTEREST EXPENSE - OTHER.....	113,104.14-	105,285.12	83,775.03-	7,242.71-	25.7	6.9-	
18.0	OTHER DEDUCTIONS.....	11,255.38-	11,391.31-	10,000.00-	300.00-	13.9	1.2	
19.0	TOTAL COST OF ELECTRIC SERVICE.....	25,604,795.62-	24,846,079.46	24,966,762.52-	1,843,925.79-	.5-	3.0-	
20.0	PATRONAGE CAPITAL & OPERATING MARGINS.....	245,513.11-	564,791.59	871,661.51	257,906.58-	35.2-	330.0-	
21.0	NON OPERATING MARGINS - INTEREST.....	30,175.18	30,043.13	38,750.00	2,241.85	22.5-	.4-	
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION.....	.00	.00	.00	.00	.0	.0	
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS.....	.00	.00	.00	.00	.0	.0	
24.0	NON OPERATING MARGINS - OTHER.....	.00	11,949.50	.00	.00	100.0	100.0	
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS.....	.00	.00	.00	.00	.0	.0	
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID.....	292,794.28	924,762.34	.00	72,434.16	100.0	215.8	
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0	
28.0	PATRONAGE CAPITAL OR MARGINS.....	77,456.35	1,531,546.56	910,411.51	183,230.57-	68.2	1877.3	
RATIOS		1.067	2.777	1.860	1.199-			
TIER		.003	.060	.035	.116			
MARGINS TO REVENUE		.715	.700	.695	.758			
POWER COST TO REVENUE		.046	.034	.041	.053			
INTEREST EXPENSE TO REVENUE		1.6392						
CURRENT ASSETS : CURRENT LIABILITIES		.3709						
MARGINS & EQUITIES AS % OF ASSETS		.5315						
LONG TERM DEBT AS % OF PLANT		1.6750						
GENERAL FUNDS TO TOTAL PLANT		1.4875						
QUICK ASSET RATIO								

**Big Sandy RECC
Balance Sheet
9/30/2010**

ASSETS AND OTHER DEBITS

TOTAL UTILITY PLANT IN SERVICE		
362.00	Station Equipment	353,138.97
364.00	Poles, Towers & Fixtures	12,116,700.68
365.00	Overhead Conductors & Devices	10,843,100.54
366.00	Underground Conduit	377,098.24
367.00	Underground Conduit & Devices	264,263.77
368.00	Line Transformers	5,921,045.43
369.00	Services	4,226,079.55
370.00	Meters	3,172,819.54
371.00	Installation On Consumer Premises	1,988,645.85
389.00	Land & Land Rights	50,000.00
390.10	Structures & Improvements	672,165.28
391.00	Office Furniture & Equipment	365,653.59
392.00	Transportation Equipment	1,740,625.78
394.00	Tools, Ship, Garage Equipment	61,104.14
395.00	Laboratory Equipment	126,528.29
396.00	Power Operated Equipment	31,985.64
397.00	Communications Equipment	59,529.00
398.00	Miscellaneous Equipment	34,305.17
CONSTRUCTION WIP		
107.20	CWIP Force Account	55,944.42
107.21	CWIP - Indirect	199,382.22
107.31	CWIP - Office Remodel Project	245,854.40
TOTAL UTILITY PLANT		42,905,950.50
ACCUM. PROVISION FOR DEPRECC. & AMORT.		
108.60	Accum. Prov. Depr. Dist. Plant	3,255,400.00
108.61	Accum. Depr. Dist. Plant A/C 364	(4,404,658.99)
108.62	Accum. Depr. Dist. Plant A/C 365	(3,818,393.80)
108.63	Accum. Depr. Dist. Plant A/C 366	(85,129.90)
108.64	Accum. Depr. Dist. Plant A/C 367	(64,552.28)
108.65	Accum. Depr. Dist. Plant A/C 368	(1,984,681.57)
108.66	Accum. Depr. Dist. Plant A/C 369	(1,400,906.15)
108.67	Accum. Depr. Dist. Plant A/C 370	(995,868.28)
108.68	Accum. Depr. Dist. Plant A/C 371	(700,893.41)
108.69	Accum. Depr. Dist. Plant A/C 362	(65,730.10)
108.70	Accum. Prov. Depr. General Plant	(1,512,766.71)
108.71	Accum. Depr. Gen. Plant A/C 390.10	(204,423.59)
108.72	Accum. Depr. Gen. Plant A/C 391	(257,453.45)
108.73	Accum. Depr. Gen. Plant A/C 394	(48,106.04)
108.74	Accum. Depr. Gen. Plant A/C 395	(82,101.73)
108.75	Accum. Depr. Gen. Plant A/C 396	(7,999.67)
108.76	Accum. Depr. Gen. Plant A/C 397	(54,311.70)
108.77	Accum. Depr. Gen. Plant A/C 398	(21,538.39)
108.80	Retirement WIP	10,928.47
NET UTILITY PLANT		30,462,763.22
INVEST IN SUBSIDIARY COMPANIES		
123.11	Investments in Subsidiary Companies	25,000.00
INVEST IN ASSOC. ORG. - PAT CAPITAL		
123.10	Patronage Cap. Assoc. Co-ops	7,304,207.19

LIABILITIES AND OTHER CREDITS

MEMBERSHIPS		
200.10	Memberships	(233,010.00)
PATRONAGE CAPITAL		
201.10	Patrons Capital Credits	(15,239,989.14)
OPERATING MARGINS - CURRENT YEAR		
424.00	Other Capital Credits & Patronage Capital Allocation	(564,791.59)
NON-OPERATING MARGINS		
219.20	Non Operating Margins	(30,043.13)
419.00	Interest & Dividend Income	(11,949.50)
421.10	Gain on Disposition of Property	(56,904.72)
OTHER MARGINS & EQUITIES		
208.00	Donated Capital	(14,686.04)
208.10	Donated Capital/Capital Credits	688,442.00
215.30	Other Comprehensive Income/FSB	(105,553.28)
217.00	Retired Capital Credit - Gain	(248,480.07)
217.10	Retired Capital Credit Gain - Discount	744,178.28
219.30	Other Margins	(16,046,584.55)
TOTAL MARGINS & EQUITIES		
LONG TERM DEBT - RUS		
224.30	Long Term Debt - RUS Notes Exec.	(9,441,232.90)
LONG TERM DEBT - OTHER		
224.12	Other Long Term Debt - CFC	(2,439,698.48)
224.13	CFC Notes Exec - Refinanced	(2,758,044.00)
224.20	FFB Notes Exec.	(16,562,738.31)
224.21	FFB Notes Exec. Construction	8,397,000.00
TOTAL LONG TERM DEBT		(22,804,713.69)
ACCUM. OPERATING PROVISIONS		
228.30	Accum. Prov. Pensions/Benefits	(1,432,310.70)
TOTAL OTHER NONCURRENT LIABILITY		(1,432,310.70)
NOTES PAYABLE		
231.00	Notes Payable	600,000.00
ACCOUNTS PAYABLE		
232.10	Accounts Payable General	(370,698.55)
232.25	Accounts Payable Leased Vehicle	(330,897.01)
232.40	Accounts Payable Wholesale Power	(1,885,215.00)
232.50	Accounts Payable PSC Assessment	1,949.77
232.70	Accounts Payable Secure Works	6,037.98
CONSUMER DEPOSITS		
235.00	Consumer Deposits	(400,671.42)
235.10	Consumer Deposits - Commercial	(228,907.00)

INVEST IN ASSOC ORG - OTHER GEN FUND							
123.23 Other Invest. Assoc. Org.		3,205.00					
INVEST IN ASSOC ORG - NON GEN FUND							
123.22 Invest. Cap. Term Cert. CFC		532,893.88					
OTHER INVESTMENTS							
124.00 Other Investments		5,500.00					
TOTAL OTHER PROPERTY & INVESTMENTS			7,870,806.07				
CASH - GENERAL FUNDS							
131.10 Cash General Payroll Checks	(2.50)						
131.12 Cash General Citizens Gen Check	(199,055.20)						
131.13 Cash General Flex - Spend.	(436.10)						
135.00 Working Fund Pelly Cash/ Sandra	100.00						
135.11 Working Fund - Change	100.00						
135.13 Working Fund - Change Barbara	100.00						
135.20 Working Fund - Change Denise	100.00						
135.30 Change Fund - Paintsville Office	500.00						
135.40 Working Fund - Change Rhea Lynn	100.00						
135.60 Working Fund - Change Phurg	100.00						
CASH - CONSTRUCTION FUND TRUST							
131.20 Cash - Const. Fund Trustee	465.50						
SPECIAL DEPOSITS							
134.00 Other Special Deposits	20.00						
TEMPORARY INVESTMENTS							
136.00 Temporary Cash Investments	273,940.77						
136.20 Temp. Cash Invest. Money Market	634,422.20						
ACCOUNTS RECEIVABLE - SALES ENERGY							
142.10 Cons. Accts. Receivable Electric	3,024,370.11						
144.10 Accum Provision Uncollectable Accounts	(120,174.02)						
ACCOUNTS RECEIVABLE - OTHER							
143.00 Other Accounts Receivable	770,608.81						
143.40 American Funds Loans	54.22						
MATERIAL & SUPPLIES - ELECTRIC & OTHER							
154.00 Plant Material & Operating Supply	434,245.20						
163.00 Stores Expense Undistributed	13,672.02						
PREPAYMENTS							
165.10 Prepayments - Insurance	6,715.50						
165.40 Other Prepayments	(0.69)						
165.50 Other Prepayments - Dues	(4,181.85)						
OTHER CURRENT & ACCRUED ASSETS							
171.00 Interest & Dividends Receivable	5,472.52						
TOTAL CURRENT & ACCRUED ASSETS			4,841,236.49				
OTHER DEFERRED DEBITS							
183.00 Prelim. Surveys & Investigative Charge	(5,628.34)						
184.00 Transportation Expense - Indirect	97,614.86						
TOTAL OTHER DEFERRED DEBITS			91,986.52				
TOTAL ASSETS & OTHER DEBITS			<u>43,266,792.30</u>				
OTHER CURRENT & ACCRUED LIABILITIES							
236.10 Accrued Property Tax	(77,235.91)						
236.50 Accrued State Sales Tax	(0.02)						
237.10 Accrued RUS Interest	108,567.00						
237.20 Accrued FFB Interest	(31,192.49)						
237.30 Accrued Interest - Other	22,947.56						
237.50 Accrued Interest - Other Consumer Deposits	(339.68)						
241.00 Tax Collection Payable	4,500.00						
242.10 BSRECC Flex Spending Plan	413.72						
242.14 Current Accrued Lab. - Dental Insurance	8.61						
242.17 Current Accrued Lab. 401(k) All Emp.	(432.73)						
242.19 American Funds 401(k) Outside	745.90						
242.20 Accrued Payroll	(85,706.40)						
242.30 Accrued Employee Vacation	(122,568.91)						
242.31 Accrued Employee Sick Leave	(159,292.60)						
242.50 Current Accrued Lab. Meeting - Audit	(5,593.49)						
242.60 Current Accrued Lab. Dependent Life	(12.20)						
TOTAL CURRENT & ACCRUED LIABILITIES			(2,953,492.87)				
OTHER DEFERRED CREDITS							
252.00 Consumer Advance Construction							(29,690.49)
TOTAL LIABILITIES & OTHER CREDITS							<u>(43,266,792.30)</u>

EXHIBIT 3 Page 3 of 3

LINE NO	ASSETS AND OTHER DEBITS	AMOUNT	LIABILITIES AND OTHER CREDITS	AMOUNT
1.0	TOTAL UTILITY PLANT IN SERVICE	42,404,769.46	29.0 MEMBERSHIPS	233,010.00
2.0	CONSTRUCTION WORK IN PROGRESS	501,181.04	30.0 PATRONAGE CAPITAL	15,239,989.14
3.0	TOTAL UTILITY PLANT	42,905,950.50	31.0 OPERATING MARGINS - PRIOR YEAR	1,489,553.93
4.0	ACCUM PROV FOR DEP & AMORT	12,443,187.28	32.0 OPERATING MARGINS-CURRENT YEAR	98,897.35
5.0	NET UTILITY PLANT	30,462,763.22	33.0 NON-OPERATING MARGINS	1,014,865.87
6.0	NON-UTILITY PROPERTY (NET)	.00	34.0 OTHER MARGINS & EQUITIES	16,046,584.55
7.0	INVEST IN SUBSIDIARY COMPANIES	25,000.00	35.0 TOTAL MARGINS & EQUITIES	
8.0	INV IN ASSOC ORG - PAT CAPITAL	7,304,207.19	36.0 LONG TERM DEBT - RUS (NET)	9,441,232.90
9.0	INV IN ASSOC ORG OTHER GEN FND	3,205.00	(PAYMENTS-UNAPPLIED)	.00
10.0	INV IN ASSOC ORG - NON GEN FND	532,893.88	37.0 LONG-TERM DEBT-FRB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	39.0 LONG TERM DEBT - OTHER (NET)	13,363,480.79
13.0	SPECIAL FUNDS	.00	40.0 LONG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	7,870,806.07	41.0 PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	198,393.80	42.0 TOTAL LONG TERM DEBT	22,804,713.69
16.0	CASH - CONSTRUCTION FUND TRUST	463,500	43.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20,000	44.0 ACCUM OPERATING PROVISIONS	1,432,310.70
18.0	TEMPORARY INVESTMENTS	908,362.97	45.0 TOTAL OTHER NONCURR LIABILITY	1,432,310.70
19.0	NOTES RECEIVABLE (NET)	2,904,196.09	46.0 NOTES PAYABLE	600,000.00
20.0	ACCTS RECV - SALES ENERGY (NET)	770,663.03	47.0 ACCOUNTS PAYABLE	2,578,822.81
21.0	MATERIAL & SUPPLIES-ELEC & OTH	447,917.22	48.0 CONSUMER DEPOSITS	629,578.42
22.0	PREPAYMENTS	2,532.96	49.0 CURR MATURITIES LONG-TERM DEBT	.00
23.0	OTHER CURRENT & ACCR ASSETS	5,472.52	50.0 CURR MATURIT LT DEBT ECON DEV	.00
24.0	REGULATORY ASSETS	4,841,236.49	51.0 CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER DEFERRED DEBITS	91,986.52	52.0 OTHER CURRENT & ACCRUED LIAB	345,091.64
26.0	TOTAL ASSETS & OTHER DEBITS	43,266,792.30	53.0 TOTAL CURRENT & ACCRUED LIAB	2,953,492.87
27.0	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	57.0	54.0 REGULATORY LIABILITIES	.00
28.0	BALANCE BEGINNING OF YEAR	162,065.68	55.0 OTHER DEFERRED CREDITS	29,690.49
	AMOUNT RECEIVED THIS YEAR (NET)	162,065.68	56.0 TOTAL LIABILITIES & OTH CREDIT	43,266,792.30
	TOTAL CONTRIBUTIONS IN AID OF CONST	162,065.68		

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT _____ DATE _____
 SIGNATURE OF MANAGER _____ DATE _____



Big Sandy Rural Electric Cooperative Corporation

504 11th Street
Paintsville, Kentucky 41240-1422
(606) 789-4095 • Fax (606) 789-5454
Toll Free (888) 789-RECC (7322)

RESOLUTION

AUTHORIZING CONSTRUCTION OF NEW OPERATIONS CENTER

WHEREAS, Big Sandy Rural Electric's headquarters is located at 504 11th Street, Paintsville, KY 41240, and

WHEREAS, Big Sandy Rural Electric recognizes the existing warehouse and operations facilities are aged and in disrepair, and

WHEREAS, Big Sandy Rural Electric desires to construct a new Operations Center to include engineering, operations, warehouse and construction personnel, and

WHEREAS, Big Sandy Rural Electric recently purchased land that is adequate for such facilities,

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of Big Sandy Rural Electric Cooperative Corporation, does hereby authorize the construction of a new Operations Center, to begin construction sometime in 2011.



Chairman, Wade May

Attest: 

Secretary, Kelly Shepherd



Big Sandy Rural Electric Cooperative Corporation

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Toll Free (888) 789-RECC (7322)

CERTIFICATION OF SECRETARY

I, Kelly Shepherd, certify that I am Secretary of the Big Sandy Rural Electric Cooperative Corporation Board of Directors and that the above is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Big Sandy Rural Electric Cooperative Corporation, held on the December 17, 2010 at which a quorum was present and that the above portion of the minutes has not been modified not rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Big Sandy Rural Electric Cooperative Corporation this 17th day of December, 2010.

Kelly Shepherd
Secretary, Kelly Shepherd

(Seal)