

Inter County Energy Cooperative

Case No. 2006-00415

Comparison of Test Year Income Statement Account

Balances with those of the Preceding Year

July 31, 2006

Witness: Alan Zumstein

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
440.100	Residential sales	2,223,464	1,977,052	1,584,716	1,908,816	2,907,559	2,487,114	2,629,607	2,254,114	1,845,548	1,505,889	1,772,217	2,103,489	25,199,585
	Prior year	1,599,082	1,656,783	1,390,190	1,692,681	2,406,501	2,396,994	2,490,049	2,303,168	1,722,402	1,506,606	1,737,313	2,256,366	23,158,135
	Change	624,382	320,269	194,526	216,135	501,058	90,120	139,558	(49,054)	123,146	(717)	34,904	(152,877)	2,041,450
440.110	Res - fuel	119,448	158,892	259,054	354,416	396,912	232,640	365,184	267,182	169,857	164,165	214,636	243,172	2,945,558
	Prior year	127,358	116,896	163,370	146,267	203,289	249,799	413,218	512,765	223,353	141,134	281,702	33,850	2,613,001
	Change	(7,910)	41,996	95,684	208,149	193,623	(17,159)	(48,034)	(245,583)	(53,496)	23,031	(67,066)	209,322	332,557
440.111	Res - env surcharge			305,585	154,539	214,206	198,993	114,938	132,796	117,736	100,662	118,875	154,809	1,613,139
	Prior year			305,585	154,539	214,206	198,993	114,938	132,796	117,736	100,662	118,875	154,809	1,613,139
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
40.120	ETS sales	75	(35)	522	2,553	5,906	4,992	5,753	4,564	2,772	802	259	(79)	28,084
	Prior year	(4)	12	377	1,629	3,684	4,167	4,411	4,109	2,043	906	90	17	21,441
	Change	79	(47)	145	924	2,222	825	1,342	455	729	(104)	169	(96)	6,643
440.130	ETS - Fuel	7	(2)	163	887	1,447	849	1,446	993	479	169	60	(17)	6,481
	Prior year	2	2	86	266	567	791	1,329	1,673	501	164	28	1	5,408
	Change	7	(4)	77	621	880	58	117	(680)	(22)	5	32	(18)	1,073
440.131	ETS - env surcharge			53	208	491	441	285	302	197	61	20	(7)	2,051
	Prior year			53	208	491	441	285	302	197	61	20	(7)	2,051
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
440.140	Envirowatts	135	135	135	135	135	135	132	132	146	132	132	135	1,619
	Prior year	312	312	179	135	124	124	124	124	121	132	135	135	1,957
	Change	(177)	(177)	(44)	0	11	11	8	8	25	0	(3)	0	(338)
442.100	Small commercial sale	50,733	48,377	41,310	38,354	48,983	43,959	47,142	44,723	43,163	43,674	46,800	54,967	552,185
	Prior year	25,032	25,739	21,597	22,584	25,671	31,008	35,503	37,582	34,592	38,120	43,934	50,555	391,917
	Change	25,701	22,638	19,713	15,770	23,312	12,951	11,639	7,141	8,571	5,554	2,866	4,412	160,268
442.110	Sm comm - fuel	2,487	3,480	5,918	6,160	5,654	3,470	5,603	4,600	3,471	4,264	5,173	5,747	56,027
	Prior year	1,824	1,659	2,308	1,737	1,860	2,779	5,068	7,187	3,912	3,208	6,436	687	38,665
	Change	663	1,821	3,610	4,423	3,794	691	535	(2,587)	(441)	1,056	(1,263)	5,060	17,362
442.111	Sm comm - env surcharge			20,062	8,398	9,891	9,778	5,634	6,962	7,100	7,085	7,993	9,905	92,808
	Prior year			20,062	8,398	9,891	9,778	5,634	6,962	7,100	7,085	7,993	9,905	92,808
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
442.200	Commercial & industr	193,990	194,130	172,322	161,506	169,149	151,783	158,776	141,185	145,789	125,546	137,281	146,346	1,897,803
	Prior year	149,149	156,328	153,226	144,174	152,915	130,794	135,270	137,851	141,875	142,841	152,624	190,397	1,787,444
	Change	44,841	37,802	19,096	17,332	16,234	20,989	23,506	3,334	3,914	(17,295)	(15,343)	(44,051)	110,359

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442.210	Commercial - fuel	10,649	15,469	28,238	29,517	22,400	13,777	22,314	16,650	13,193	13,652	16,080	16,542	218,481
	Prior year	11,892	11,074	18,583	12,526	12,664	13,216	22,267	29,802	18,332	13,252	24,932	2,863	191,403
	Change	(1,243)	4,395	9,655	16,991	9,736	561	47	(13,152)	(5,139)	400	(8,852)	13,679	27,078
442.211	Commercial - env surcharge			30,866	13,501	13,836	13,445	8,082	9,989	11,163	11,703	12,371	14,030	138,986
	Prior year													0
	Change	0	0	30,866	13,501	13,836	13,445	8,082	9,989	11,163	11,703	12,371	14,030	138,986
442.300	Large commercial sale	82,870	70,895	57,985	65,724	60,198	79,639	72,812	72,105	72,607	76,876	89,228	74,984	875,923
	Prior year	52,000	55,387	48,056	49,263	47,111	51,657	53,118	57,130	52,888	51,182	54,529	66,401	638,722
	Change	30,870	15,508	9,929	16,461	13,087	27,982	19,694	14,975	19,719	25,694	34,699	8,583	237,201
442.310	Lg comm - fuel	7,019	8,614	18,354	18,195	11,426	11,432	15,116	12,920	10,268	13,467	17,275	13,141	157,227
	Prior year	7,696	7,312	10,553	7,785	6,934	9,545	15,649	22,927	12,669	8,977	16,409	1,470	127,926
	Change	(677)	1,302	7,801	10,410	4,492	1,887	(533)	(10,007)	(2,401)	4,490	866	11,671	29,301
442.311	Lg comm - env surcharge			12,557	5,933	4,784	6,876	3,482	4,625	5,022	5,674	6,625	6,028	61,606
	Prior year													0
	Change	0	0	12,557	5,933	4,784	6,876	3,482	4,625	5,022	5,674	6,625	6,028	61,606
442.320	Industrial sales	94,253	94,765	108,000	88,283	98,797	105,540	103,321	117,000	117,136	145,514	148,665	139,636	1,360,910
	Prior year	64,339	54,462	52,095	57,960	55,154	62,300	60,523	65,139	64,546	69,747	77,859	66,718	750,842
	Change	29,914	40,303	55,905	30,323	43,643	43,240	42,798	51,861	52,590	75,767	70,806	72,918	610,068
442.330	Industrial - fuel	7,677	11,655	27,726	25,050	18,940	14,587	21,278	20,640	16,246	24,188	26,957	23,765	238,709
	Prior year	8,343	6,701	10,806	8,166	6,944	10,035	15,041	22,688	14,102	10,832	19,986	1,528	135,172
	Change	(666)	4,954	16,920	16,884	11,996	4,552	6,237	(2,048)	2,144	13,356	6,971	22,237	103,537
442.331	Industrial - env surcharge			19,671	8,013	6,819	7,944	3,828	5,948	6,424	7,552	7,757	7,920	81,876
	Prior year													0
	Change	0	0	19,671	8,013	6,819	7,944	3,828	5,948	6,424	7,552	7,757	7,920	81,876
450.000	Forfeit discounts	38,931	39,592	38,152	32,164	33,669	58,730	47,619	43,407	51,963	40,958	26,965	33,017	485,167
	Prior year	34,922	30,038	27,632	30,301	27,593	45,157	44,493	43,748	47,704	39,880	28,482	29,721	429,671
	Change	4,009	9,554	10,520	1,863	6,076	13,573	3,126	(341)	4,259	1,078	(1,517)	3,296	55,496
451.000	Miscellaneous service	10,199	9,847	9,334	6,303	7,639	8,779	8,812	6,289	7,776	8,214	7,554	5,325	96,071
	Prior year	6,686	6,323	4,645	5,838	8,631	9,731	9,090	5,994	12,969	10,358	9,877	6,788	96,930
	Change	3,513	3,524	4,689	465	(992)	(952)	(278)	295	(5,193)	(2,144)	(2,323)	(1,463)	(859)
454.000	Rent from electric proj	30,624	30,623	30,623	30,623	30,624	9,239	9,418	9,833	40,718	40,609	44,409	40,807	348,150
	Prior year	26,510	26,110	26,186	25,910	25,685	8,654	8,475	29,867	30,024	33,991	30,623	30,623	302,658
	Change	4,114	4,513	4,437	4,713	4,939	585	943	(20,034)	10,694	6,618	13,786	10,184	45,492

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456.000	Other electric revenues	215	258	265	278	259	253	252	260	253	250	266	291	3,100
	Prior year	194	193		183	(25,951)	172		192	214	191	190	225	(24,197)
	Change	21	65	265	95	26,210	81	252	68	39	59	76	66	27,297
***	Total Revenues	2,872,776	2,663,747	2,771,611	2,959,556	4,069,724	3,464,395	3,650,834	3,177,219	2,689,027	2,341,106	2,707,598	3,093,953	36,461,546
	Prior year	2,115,335	2,155,331	1,929,889	2,207,405	2,959,376	3,026,923	3,313,628	3,281,946	2,382,247	2,071,521	2,485,149	2,738,345	30,667,095
	Change	757,441	508,416	841,722	752,151	1,110,348	437,472	337,206	(104,727)	306,780	269,585	222,449	355,608	5,794,451
*** 555.00	Total Purchase Power	2,143,442	2,044,591	1,823,304	2,147,113	2,978,134	1,907,840	2,766,175	2,299,276	1,707,141	1,710,729	1,902,113	2,268,399	25,698,257
	Prior year	1,498,283	1,406,494	1,181,685	1,438,941	2,303,442	2,482,200	2,089,043	1,981,749	1,397,341	1,337,642	1,644,641	2,106,863	20,868,324
	Change	645,159	638,097	641,619	708,172	674,692	(574,360)	677,132	317,527	309,800	373,087	257,472	161,536	4,829,933
580.00	Operations - Supervisi	4,508	5,232	4,864	5,693	5,572	4,645	4,263	5,161	3,789	4,242	2,953	9,086	60,008
	Prior year	6,378	6,026	5,836	6,169	7,033	5,155	5,218	5,888	4,942	11,840	4,001	4,797	73,283
	Change	(1,870)	(794)	(972)	(476)	(1,461)	(510)	(955)	(727)	(1,153)	(7,598)	(1,048)	4,289	(13,275)
583.00	Overhead Line Exp	104,070	78,484	129,380	100,382	77,143	88,462	110,647	85,303	89,506	124,632	105,537	85,132	1,178,678
	Prior year	95,181	85,983	79,405	66,881	78,926	92,096	78,743	78,525	90,201	88,652	49,273	60,525	944,391
	Change	8,889	(7,499)	49,975	33,501	(1,783)	(3,634)	31,904	6,778	(695)	35,980	56,264	24,607	234,287
584.00	Underground Line Exp	2,302	2,200	2,147	1,765	2,253	2,166	2,681	4,972	2,984	2,365	3,102	2,783	31,720
	Prior year	1,365	1,159	1,159	2,577	791	1,417	1,760	2,125	2,753	2,175	2,570	1,990	21,841
	Change	937	1,041	988	(812)	1,462	749	921	2,847	231	190	532	793	9,879
586.00	Meter	22,372	23,896	24,096	21,642	16,249	20,285	16,819	19,663	16,480	21,026	24,949	25,936	253,413
	Prior year	22,680	20,761	19,503	23,371	21,523	6,989	16,371	8,556	19,036	23,564	21,142	15,792	219,288
	Change	(308)	3,135	4,593	(1,729)	(5,274)	13,296	448	11,107	(2,556)	(2,538)	3,807	10,144	34,125
587.00	Consumer Installation	10,742	11,195	11,452	12,512	10,830	12,342	12,462	13,000	13,766	12,940	13,072	14,234	148,547
	Prior year	11,045	10,636	7,438	9,156	7,696	11,509	11,934	12,027	10,984	11,235	11,543	11,463	126,666
	Change	(303)	559	4,014	3,356	3,134	833	528	973	2,782	1,705	1,529	2,771	21,881
588.00	Miscellaneous Distrib	15,348	20,101	29,082	41,802	54,956	15,181	15,472	16,271	16,365	15,771	15,926	10,817	267,092
	Prior year	20,120	20,045	19,561	13,000	12,466	14,668	12,398	14,675	15,620	17,109	13,507	14,807	187,776
	Change	(4,772)	56	9,721	28,802	42,490	513	3,074	1,596	745	(1,338)	2,419	(3,990)	79,316
589.00	Rents	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	13,800
	Prior year	500	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	13,150
	Change	650	0	0	0	0	0	0	0	0	0	0	0	650
***	Total Operations	160,492	142,258	202,171	184,946	168,153	144,231	163,494	145,520	144,040	182,126	166,689	149,138	1,953,258
	Prior year	157,269	145,760	133,852	122,304	129,585	132,984	127,574	122,946	144,686	155,725	103,186	110,524	1,586,395
	Change	3,223	(3,502)	68,319	62,642	38,568	11,247	35,920	22,574	(646)	26,401	63,503	38,614	366,863

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		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
590.00	Engineering & supervi Prior year Change	2,480 2,584 (104)	2,726 2,404 322	2,725 2,582 143	2,933 2,662 271	2,913 3,029 (116)	2,466 2,030 436	2,229 2,749 (520)	2,638 2,950 (312)	2,317 2,288 29	2,731 2,564 167	2,540 2,338 202	2,898 2,938 (40)	31,596 31,118 478
593.00	Maintenance of overthe Prior year Change	32,915 41,867 (8,952)	18,656 34,351 (15,695)	39,690 23,049 16,641	28,409 19,456 8,953	19,985 34,674 (14,689)	22,388 22,354 34	31,546 18,489 13,057	28,586 19,661 8,925	26,060 20,924 5,136	49,883 25,142 24,741	42,545 24,097 18,448	36,946 31,168 5,778	377,609 315,232 62,377
593.10	Right-of-way maintenan Prior year Change	79,303 53,649 25,654	52,780 5,810 46,970	40,050 72,215 (32,165)	47,817 36,113 11,704	40,085 47,197 (7,112)	52,920 12,291 40,629	52,586 43,028 9,558	63,622 63,149 473	51,375 49,065 2,310	73,305 64,213 9,092	68,615 83,355 (14,740)	63,642 64,355 (713)	686,100 594,440 91,660
593.20	Pole treatment maintenanc Prior year Change	17,851 17,851	28,240 28,240	0 0	0 0	38 (38)	0 0	18,035 (18,035)	16,095 11,271 4,824	5,357 9,112 (3,755)	16,939 24,618 (7,679)	26,195 20,395 5,800	21,079 10,268 10,811	131,756 93,737 38,019
594.00	Underground Prior year Change	2,721 3,705 (984)	3,117 1,797 1,320	4,443 4,856 (413)	2,208 2,082 126	2,751 2,896 (145)	4,010 3,007 1,003	2,009 2,794 (785)	1,627 833 794	4,642 256 4,386	3,072 1,174 1,898	1,415 613 802	830 669 161	32,845 24,682 8,163
595.00	Transformer maintenanc Prior year Change	1,849 3,494 (1,645)	4,136 1,920 2,216	2,226 1,668 558	2,530 1,734 796	1,252 1,480 (228)	2,130 967 1,163	2,965 1,915 1,050	2,200 991 1,209	1,423 993 430	7,422 1,813 5,609	3,488 9,578 (6,090)	1,243 2,497 (1,254)	32,864 29,050 3,814
597.00	Meter maintenance Prior year Change	1,092 1,026 66	565 499 66	1,401 1,192 209	509 347 162	230 675 (445)	1,012 1,012	446 1,259 (813)	342 (342)	2,213 1,021 1,192	755 (755)	561 1,919 (1,358)	2,450 2,150 300	10,479 11,185 (706)
598.00	Miscellaneous distribu Prior year Change	7,221 6,318 903	8,154 6,794 1,360	7,030 8,029 (999)	6,936 6,963 (27)	7,350 8,296 (946)	9,773 6,451 3,322	8,083 6,842 1,241	5,080 5,401 (321)	6,171 5,587 584	6,511 5,337 1,174	7,555 6,331 1,224	6,778 7,162 (384)	86,642 79,511 7,131
***	Total Maintenance Prior year Change	145,432 112,643 32,789	118,374 53,575 64,799	97,565 113,591 (16,026)	91,342 69,357 21,985	74,566 98,285 (23,719)	94,699 47,100 47,599	99,864 95,111 4,753	119,848 104,598 15,250	99,558 89,246 10,312	159,863 125,616 34,247	152,914 148,626 4,288	135,866 121,207 14,659	1,389,891 1,178,955 210,936
901.00	Supervision Prior year Change	11,694 11,504 190	13,848 10,356 3,492	12,804 10,113 2,691	14,553 13,566 987	11,773 7,290 4,483	14,475 10,947 3,528	12,099 13,150 (1,051)	12,157 13,107 (950)	12,027 13,119 (1,092)	14,017 14,300 (283)	12,856 14,613 (1,757)	10,037 11,149 (1,112)	152,340 143,214 9,126
902.00	Meter reading Prior year Change	23,787 22,630 1,157	24,058 23,384 674	24,246 23,220 1,026	23,458 23,039 419	23,888 22,734 1,154	23,941 22,936 1,005	23,826 23,430 396	25,138 23,706 1,432	25,094 23,357 1,737	25,311 23,257 2,054	25,613 22,764 2,849	25,418 22,952 2,466	293,778 277,409 16,369

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903.00	Consumer records & c Prior year Change	85,213 66,160 19,053	86,116 68,836 17,280	80,827 76,131 4,696	84,816 76,577 8,239	73,511 78,940 (5,429)	81,706 81,412 294	81,320 99,238 (17,918)	85,805 91,097 (5,292)	78,839 79,841 (1,002)	81,626 59,301 22,325	85,344 84,375 969	82,233 78,010 4,223	987,356 939,918 47,438
903.10	Cash short/over Prior year Change	139 6 133	(16) (93) 77	19 (7) 26	11 7 4	31 (32) 63	(4) 82 (86)	(11) (44) 33	20 (15) 35	(8) (419) 411	165 73 92	27 67 (40)	59 (10) 69	432 (385) 817
904.00	Uncollectibles Prior year Change	7,623 5,678 1,945	8,133 9,000 (867)	8,685 11,000 (2,315)	9,602 11,000 (1,398)	12,112 19,766 (7,654)	8,730 7,753 977	9,178 8,410 768	8,118 8,301 (183)	6,918 6,232 686	6,157 5,542 615	8,018 6,522 1,496	7,892 7,097 795	101,166 106,301 (5,135)
***	Total Consumer Acct Prior year Change	128,456 105,978 22,478	132,139 111,483 20,656	126,581 120,457 6,124	132,440 124,189 8,251	121,315 128,698 (7,383)	128,848 123,130 5,718	126,412 144,184 (17,772)	131,238 136,196 (4,958)	122,870 122,130 740	127,276 102,473 24,803	131,858 128,341 3,517	125,639 119,198 6,441	1,535,072 1,466,457 68,615
908.00	Consumer Assistance Prior year Change	37,150 37,735 (585)	36,327 29,852 6,475	36,770 34,610 2,160	38,201 36,478 1,723	28,845 35,394 (6,549)	36,214 42,708 (6,494)	34,403 39,797 (5,394)	30,329 51,050 (20,721)	37,195 38,485 (1,290)	49,311 23,612 25,699	34,313 42,118 (7,805)	37,093 31,871 5,222	436,151 443,710 (7,559)
909.00	Information and instru Prior year Change	6,009 8,162 (2,153)	3,388 6,105 (2,717)	3,494 3,374 120	2,847 234 2,613	1,962 (2,814) 4,776	6,284 5,710 574	4,501 3,856 645	2,411 4,235 (1,824)	2,595 2,870 (275)	(1,925) (2,010) 85	(1,074) 8,110 (9,184)	2,354 3,793 (1,439)	32,846 41,625 (8,779)
912.00	Demonstration Prior year Change	0 0 0	0 0 0	350 350 0	3,942 122 3,820	(409) 2,105 (2,514)	31 1,940 (1,940)	31 31 0	510 27 483	(950) 950 0	6,000 (215) 6,215	(3,118) 40 (3,158)	500 500 0	7,806 3,069 4,737
***	Total Customer Serv Prior year Change	43,159 45,897 (2,738)	39,715 35,957 3,758	40,614 37,984 2,630	44,990 36,834 8,156	30,398 34,685 (4,287)	42,498 50,358 (7,860)	38,935 43,653 (4,718)	33,250 55,312 (22,062)	39,790 40,405 (615)	53,386 21,387 31,999	30,121 50,268 (20,147)	39,947 35,664 4,283	476,803 488,404 (11,601)
920.00	Administrative salaries Prior year Change	50,172 47,245 2,927	51,524 48,079 3,445	49,235 45,860 3,375	51,802 49,632 2,170	46,473 46,190 283	45,421 46,317 (896)	44,755 45,215 (460)	51,655 50,610 1,045	49,330 46,631 2,699	51,085 48,496 2,589	52,689 50,156 2,533	50,405 48,412 1,993	594,546 572,843 21,703
921.00	Office supplies & exp Prior year Change	12,953 8,997 3,956	(1,967) 11,238 (13,205)	12,680 12,318 362	14,254 7,492 6,762	14,721 5,906 8,815	18,415 26,707 (8,292)	16,937 14,647 2,290	16,372 11,282 5,290	14,473 11,075 3,398	15,306 31,414 (16,108)	16,215 24,672 (8,457)	14,526 20,986 (6,460)	165,085 186,734 (21,649)
923.00	Outside services Prior year Change	4,253 4,846 (593)	6,828 2,237 4,591	3,974 3,059 915	2,641 8,729 (6,088)	3,187 7,882 (4,695)	2,055 3,403 (1,348)	6,171 8,286 (2,115)	1,571 8,241 (6,670)	8,642 6,728 1,914	2,339 2,827 (488)	810 2,041 (1,231)	2,159 1,427 732	44,630 59,706 (15,076)

Inter County Energy Cooperative

Case No. 2006-00415

Comparison of Test Year Income Statement Account

Balances with those of the Preceding Year

July 31, 2006

Witness: Alan Zumstein

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
924.00	Property insurance		(500)		(1,821)	2,079	(258)			1,063	(17,021)	(1,774)	(1,176)	(19,408)
	Prior year	(2,469)				159				(11,893)		(15,500)		(29,703)
	Change	2,469	(500)	0	(1,821)	1,920	(258)	0	0	12,956	(17,021)	13,726	(1,176)	10,295
925.00	Injuries & damages						470		157			1,547		2,174
	Prior year				10	200		9	45	4	356	1,000		1,624
	Change	0	0	0	(10)	(200)	470	(9)	112	(4)	(356)	547	0	550
926.00	Employee benefits						793	3,298	2,033	1,547	1,934	1,351	1,297	27,671
	Prior year	2,857	1,922	2,115	1,867	6,657	10,961	1,936	1,798	534	7,765	713	3,028	43,994
	Change	2,740	947	2,328	9,831	1,413	(10,168)	1,362	235	1,013	(5,831)	638	(1,731)	(16,323)
929.00	Duplicate charge													
	Prior year	(3,120)	(2,947)	(3,485)	(4,769)	(3,725)	(3,992)	(3,803)	(2,917)	(2,618)	(3,652)	(3,131)	(3,127)	(41,286)
	Change	(1,390)	(974)	(1,043)	(1,258)	(1,757)	(1,587)	(2,115)	(1,506)	(1,061)	(1,074)	(1,587)	(3,258)	(18,610)
		(1,730)	(1,973)	(2,442)	(3,511)	(1,968)	(2,405)	(1,688)	(1,411)	(1,557)	(2,578)	(1,544)	131	(22,676)
930.20	Miscellaneous general													
	Prior year	12,901	12,034	16,141	11,376	10,271	14,394	10,556	10,432	10,380	11,235	10,467	17,695	147,882
	Change	10,012	11,136	10,628	10,252	9,882	11,743	9,999	13,364	10,846	12,232	12,046	12,268	134,408
		2,889	898	5,513	1,124	389	2,651	557	(2,932)	(466)	(997)	(1,579)	5,427	13,474
930.30	Directors expenses													
	Prior year	1,135	1,135	2,000	995	995	995	995	995	995	995	995	995	13,225
	Change	1,325	1,325	1,324	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	14,189
		(190)	(190)	676	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(964)
930.31	Directors exp - Ballard													
	Prior year	1,904	2,186	2,948	1,632	2,885	2,786	1,932	1,654	1,407	5,216	1,904	1,703	28,157
	Change	1,462	2,181	2,082	3,318	2,442	1,531	2,124	1,549	1,790	3,433	1,580	1,725	25,217
		442	5	866	(1,686)	443	1,255	(192)	105	(383)	1,783	324	(22)	2,940
930.32	Directors exp - Divine													
	Prior year	2,638	2,143	3,187	1,653	2,559	3,089	1,652	3,950	1,358	3,984	2,475	1,656	30,344
	Change	1,420	2,526	1,998	3,840	2,735	1,496	2,255	3,647	1,734	3,289	1,518	1,630	28,088
		1,218	(383)	1,189	(2,187)	(176)	1,593	(603)	303	(376)	695	957	26	2,256
930.33	Directors exp - Gooch													
	Prior year	1,345	1,855	1,350	1,350	1,400	1,675	1,420	12,420		(66)			22,749
	Change	(1,345)	(1,855)	(1,350)	(1,350)	(1,400)	(1,675)	(1,420)	(12,420)	0	66	0	0	(22,749)
930.34	Directors exp - Martin													
	Prior year	1,743	1,685	1,429	1,427	1,427	1,550	1,551	1,551	1,289	3,147	1,854	1,547	20,200
	Change	1,351	2,439	1,351	1,351	2,177	2,206	2,374	1,447	2,105	1,702	1,760	1,717	21,980
		392	(754)	78	76	(750)	(656)	(823)	104	(816)	1,445	94	(170)	(1,780)
930.35	Directors exp - Peyton													
	Prior year	4,096	2,333	3,098	1,695	2,441	1,895	2,421	3,508	2,968	4,424	2,140	3,980	34,999
	Change	1,572	1,572	1,905	3,592	2,706	1,925	2,961	4,022	1,937	3,350	1,708	1,820	29,070
		2,524	761	1,193	(1,897)	(265)	(30)	(540)	(514)	1,031	1,074	432	2,160	5,929

Inter County Energy Cooperative

Case No. 2006-00415

Comparison of Test Year Income Statement Account

Balances with those of the Preceding Year

July 31, 2006

Witness: Alan Zumstein

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
930.37	Directors exp - Spaldir Prior year Change	1,931 1,667 264	2,413 2,745 (332)	3,016 1,668 1,348	1,624 1,864 (240)	3,195 3,948 (753)	2,495 1,473 1,022	1,783 3,987 (2,204)	2,072 5,154 (3,082)	1,485 3,335 (1,850)	4,313 3,573 740	2,545 1,654 891	3,791 2,044 1,747	30,663 33,112 (2,449)
930.38	Directors exp - Prestor Prior year Change	3,267 1,105 2,162	2,202 2,113 89	3,275 1,780 1,495	1,594 3,055 (1,461)	2,674 1,927 747	2,537 1,612 925	1,501 1,217 284	2,600 4,757 (2,157)	2,334 2,420 (86)	6,259 2,711 3,548	1,832 1,243 589	1,595 1,303 292	31,670 25,243 6,427
930.39	Directors exp - Jason J Prior year Change	648 648	1,452 1,452	1,797 1,797	3,854 3,854	1,610 1,610	1,913 1,913	2,152 2,152	3,602 3,602	1,137 1,137	3,379 3,101	8,259 7,988	3,547 3,233	33,350 32,487
930.40	Dues in associated con Prior year Change	6,551 6,138 413	6,551 6,138 413	6,551 6,138 413	6,551 6,013 538	6,551 6,138 413	7,221 4,280 2,941	7,171 6,459 712	7,171 6,709 462	7,432 6,742 690	7,164 6,426 738	7,164 6,601 563	7,164 6,551 613	83,242 74,333 8,909
930.50	Capital credit expenses Prior year Change	1,500 328 1,172	1,115 2,066 (951)	964 1,857 (893)	668 738 (70)	673 924 (251)	1,074 1,239 (165)	929 684 245	892 800 92	958 1,099 (141)	1,541 901 640	1,541 605 182	787 817 (424)	11,494 12,058 (564)
930.24	Annual meeting Prior year Change	19,548 1,000 18,548	1,000 13,238 (12,238)	0 0 0	7,122 7,122 0	0 0 0	1,050 1,050 0	4,081 (20) 4,101	600 241 359	3,240 6,853 (3,613)	34,009 32,106 1,903	554 953 (399)	225 225	64,307 48,299 16,008
935.00	Maintenance of genera Prior year Change	92,080 20,415 71,665	28,573 12,600 15,973	28,836 14,208 14,628	15,903 14,870 1,033	22,441 15,409 7,032	20,413 17,716 2,697	20,644 13,378 7,266	25,928 31,152 (5,224)	23,768 22,563 1,205	23,915 15,508 8,407	22,167 18,685 3,482	23,018 24,328 (1,310)	347,686 220,832 126,854
***	Total Administrative & Prior year Change	217,057 109,109 107,948	119,682 123,461 (3,779)	137,761 108,811 28,950	112,946 118,692 (5,746)	127,114 110,816 16,298	124,316 134,882 (10,566)	124,726 115,951 8,775	134,026 156,867 (22,841)	131,188 114,577 16,611	159,572 176,362 (16,790)	130,850 111,254 19,596	131,393 126,247 5,146	1,650,631 1,507,029 143,602
403.60	Distribution depreciati Prior year Change	186,135 175,570 10,565	187,198 176,342 10,856	188,084 176,924 11,160	189,160 178,164 10,996	189,932 178,874 11,058	190,691 179,692 10,999	191,326 180,393 10,933	192,129 181,019 11,110	193,348 182,447 10,901	194,140 183,432 10,708	195,088 184,299 10,789	196,019 185,382 10,637	2,293,250 2,162,538 130,712
403.70	General depreciation Prior year Change	10,156 9,285 871	9,368 9,284 84	21,970 9,412 12,558	22,344 9,412 12,932	22,371 9,316 13,055	22,548 15,070 7,478	22,772 15,089 7,683	22,961 15,135 7,826	23,040 15,001 8,039	23,200 14,427 8,773	23,199 14,427 8,772	23,200 10,120 13,080	247,129 145,978 101,151
***	Total Depreciation Prior year Change	196,291 184,855 11,436	196,566 185,626 10,940	210,054 186,336 23,718	211,504 187,576 23,928	212,303 188,190 24,113	213,239 194,762 18,477	214,098 195,482 18,616	215,090 196,154 18,936	216,388 197,448 18,940	217,340 197,859 19,481	218,287 198,726 19,561	219,219 195,502 23,717	2,540,379 2,308,516 231,863

Inter County Energy Cooperative

Case No. 2006-00415

Comparison of Test Year Income Statement Account

Balances with those of the Preceding Year

July 31, 2006

Witness: Alan Zumstein

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
408.70	Regulatory Prior year Change	0	0	0	0	0	0	0	0	0	0	37,048	37,048	37,048
***	Total Tax Expense - 0	0	0	0	0	0	0	0	0	0	0	37,048	37,048	37,048
	Prior year	0	0	0	0	0	0	0	0	0	0	32,450	32,450	32,450
	Change	0	0	0	0	0	0	0	0	0	0	4,598	4,598	4,598
427.10	RUS interest	59,973	57,643	59,426	57,388	58,838	58,734	52,962	59,410	72,847	67,387	69,048	71,237	744,893
	Prior year	59,980	58,981	58,071	57,426	58,922	58,950	53,127	58,361	56,389	58,220	58,259	60,097	696,783
	Change	(7)	(1,338)	1,355	(38)	(84)	(216)	(165)	1,049	16,458	9,167	10,789	11,140	48,110
427.20	FFB interest	32,549	33,832	37,883	33,598	37,374	37,883	31,522	36,603	35,422	33,632	35,422	36,603	422,323
	Prior year	21,006	22,015	22,045	23,592	34,584	26,178	16,604	27,631	28,235	30,296	29,897	32,370	314,453
	Change	11,543	11,817	15,838	10,006	2,790	11,705	14,918	8,972	7,187	3,336	5,525	4,233	107,870
427.40	CFC interest	55,346	53,560	72,804	76,291	76,293	80,000	69,775	86,426	90,951	93,983	125,099	117,807	998,335
	Prior year	23,160	22,413	27,898	26,998	27,898	32,865	29,685	48,595	39,518	59,178	48,539	55,346	442,093
	Change	32,186	31,147	44,906	49,293	48,395	47,135	40,090	37,831	51,433	34,805	76,560	62,461	556,242
***	Total Interest on Long-	147,868	145,035	170,113	167,277	172,505	176,617	154,259	182,439	199,220	195,002	229,569	225,647	2,165,551
	Prior year	104,146	103,409	108,014	108,016	121,404	117,993	99,416	134,587	124,142	147,694	136,695	147,813	1,453,329
	Change	43,722	41,626	62,099	59,261	51,101	58,624	54,843	47,852	75,078	47,308	92,874	77,834	712,222
431.00	Interest - customer dep	2,026	2,031	2,031	2,032	2,037	2,028	2,015	2,031	2,040	2,044	2,045	2,028	24,388
	Prior year	1,856	1,869	1,887	1,898	1,909	1,898	1,918	1,928	1,931	1,939	1,952	1,989	22,974
	Change	170	162	144	134	128	130	97	103	109	105	93	39	1,414
431.10	Short-term loans	56,900	56,900	21,796	21,796	9,376	9,376	19,879	20,356	20,356	0	30,300	0	180,416
	Prior year	0	0	0	0	70	0	(19,879)	44,183	20,356	0	(30,300)	0	87,290
	Change	56,900	56,900	21,796	21,796	9,306	9,376	19,879	27,805	20,356	0	30,300	0	93,126
43,130.00	EKPC mkt loans	655	306	293	277	263	254	245	284	274	264	254	244	3,613
	Prior year	655	912	435	423	408	394	404	390	376	362	348	244	4,452
	Change	0	(606)	(142)	(146)	(145)	(140)	(159)	(106)	(102)	(98)	(94)	244	(839)
***	Total Interest - Other	2,681	59,237	24,120	2,309	11,676	2,282	2,260	74,303	22,670	2,308	2,299	2,272	208,417
	Prior year	1,856	2,781	2,322	2,321	11,623	2,292	22,201	30,123	2,307	2,301	32,600	1,989	114,716
	Change	825	56,456	21,798	(12)	53	(10)	(19,941)	44,180	20,363	7	(30,301)	283	93,701
426.10	Donations	3,497	(380)	(529)	2,259	162	1,588	866	618	695	1,586	(326)	1,623	11,659
	Prior year	3,543	387	1,746	(2,826)	329	1,642	409	1,748	3,050	612	460	1,196	12,296
	Change	(46)	(767)	(2,275)	5,085	(167)	(54)	457	(1,130)	(2,355)	974	(786)	427	(637)

Inter County Energy Cooperative

Case No. 2006-00415

Comparison of Test Year Income Statement Account

Balances with those of the Preceding Year

July 31, 2006

Exhibit X
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Witness: Alan Zumstein

Acct #	Description	August Month 1	September Month 2	October Month 3	November Month 4	December Month 5	January Month 6	February Month 7	March Month 8	April Month 9	May Month 10	June Month 11	July Month 12	Total
415.100	Revenue from merch Prior year	(593) (2,060)	(3,863) (2,153)	(7,552) (1,942)	(2,557) (2,063)	(8,183) (2,118)	(2,200) (311)	(25) (2,983)	(3,001) (449)	(175) (598)	(546) (1,465)	(1,122) (1,715)	(1,596) (2,341)	(31,413) (20,198)
	Change	1,467	(1,710)	(5,610)	(494)	(6,065)	(1,889)	2,958	(2,552)	423	919	593	745	(11,215)
416.100	Expense of merchandi Prior year	(79) 26,623	996 1,501	17,912 1,387	19,270 9,473	7,009 13,980	5,437 815	1,507 2,173	601 3,767	217 825	135 1,357	19 1,045	106 500	53,130 63,446
	Change	(26,702)	(505)	16,525	9,797	(6,971)	4,622	(666)	(3,166)	(608)	(1,222)	(1,026)	(394)	(10,316)
***	Total Other Deduction Prior year	2,825 28,106	(3,247) (265)	9,831 1,191	18,972 4,584	(1,012) 12,191	4,825 2,146	2,348 (401)	(1,782) 5,066	737 3,277	1,175 504	(1,429) (210)	133 (645)	33,376 55,544
	Change	(25,281)	(2,982)	8,640	14,388	(13,203)	2,679	2,749	(6,848)	(2,540)	671	(1,219)	778	(22,168)
****	Total Cost of Electric Prior year	3,187,703 2,348,142	2,994,350 2,168,281	2,842,114 1,994,243	3,113,839 2,212,814	3,895,152 3,138,919	2,839,395 3,287,847	3,692,571 2,932,214	3,333,208 2,923,598	2,683,602 2,235,559	2,808,777 2,267,563	3,000,319 2,586,577	3,297,653 2,964,362	37,688,683 31,060,119
	Change	839,561	826,069	847,871	901,025	756,233	(448,452)	760,357	409,610	448,043	541,214	413,742	333,291	6,628,564
****	Operating Margins Prior year	(314,927) (232,807)	(330,603) (12,950)	(70,503) (64,354)	(154,283) (5,409)	174,572 (179,543)	625,000 (260,924)	(41,737) 381,414	(155,989) 358,348	5,425 146,688	(467,671) (196,042)	(292,721) (101,428)	(203,700) (226,017)	(1,227,137) (393,024)
	Change	(82,120)	(317,653)	(6,149)	(148,874)	354,115	885,924	(423,151)	(514,337)	(141,263)	(271,629)	(191,293)	22,317	(834,113)
*** 419.00	Interest income Prior year	2,046 8,604	1,881 5,284	22,414 25,690	764 4,051	11,738 14,995	776 4,267	516 3,669	942 3,226	11,643 8,731	3,934 2,336	9,225 2,303	7,036 2,684	72,915 85,840
	Change	(6,558)	(3,403)	(3,276)	(3,287)	(3,257)	(3,491)	(3,153)	(2,284)	2,912	1,598	6,922	4,352	(12,925)
*** 421.10	Gain/loss on dispositio Prior year	(88,788) (88,788)	(36,039) (36,039)	(51,049) (51,049)	(51,049) (51,049)	(51,049) (51,049)	0 0	0 0	20 20	(12,720) (12,720)	1,650 (6,922)	(51,049) 51,049	(44,565) 44,565	(289,024) (88,336) (200,688)
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
*** 423.00	Patonage capital - East KY Prior year	0 0												
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
*** 424.00	Total Other Patronage Prior year	33,450 28,177	15,703 14,628	0 0	0 0	2,080 (7,634)	0 0	(1,664) 500	18,844 20,731	0 0	0 0	0 64	0 0	68,413 56,466
	Change	5,273	1,075	0	0	9,714	0	(2,164)	(1,887)	0	0	(64)	0	11,947
*****	Net Margins Prior year	(368,219) (196,026)	(349,058) 6,962	(99,138) (38,664)	(204,568) (1,358)	137,341 (157,982)	625,776 (256,657)	(42,885) 385,583	(136,183) 382,305	4,348 155,419	(462,087) (200,628)	(283,496) (150,110)	(196,664) (267,898)	(1,374,833) (339,054)
	Change	(172,193)	(356,020)	(60,474)	(203,210)	295,323	882,433	(428,468)	(518,488)	(151,071)	(261,459)	(133,386)	71,234	(1,035,779)

* * * INTER-COUNTY ENERGY * * *
 BALANCE SHEET - DETAIL
 FOR PERIOD ENDING: JULY 31, 2006

CURRENT
 Y-T-D AMOUNT

ASSETS & OTHER DEBITS

360.000 LAND & LAND RIGHTS	8,859.80
364.000 POLES, TOWERS & FIXTURES	19,377,040.99
365.000 OVERHEAD CONDUCTOR & DEVICES	17,872,054.10
367.000 UNDERGROUND CONDUCTOR & DEVICES	2,705,390.35
368.000 LINE TRANSFORMERS	12,411,174.28
369.000 SERVICES	13,469,152.84
370.000 METERS	1,807,802.28
371.000 INSTALLATION ON CONSUMERS PREMISES	2,640,315.88
389.000 LAND & LAND RIGHTS	53,591.20
390.000 STRUCTURES & IMPROVEMENTS	7,560,817.29
391.000 OFFICE FURNITURE & EQUIPMENT	622,365.39
392.000 TRANSPORTATION EQUIPMENT	1,738,423.19
393.000 STORES EQUIPMENT	78,590.60
394.000 TOOLS, SHOP & GARAGE EQUIPMENT	128,563.32
395.000 LABORATORY EQUIPMENT	66,784.47
396.000 POWER OPERATED EQUIPMENT	26,536.10
397.000 COMMUNICATION EQUIPMENT	1,112,414.15
398.000 MISCELLANEOUS EQUIPMENT	87,525.72
.000 COMPLETED CONSTRUCTION NOT CLASSIFIED	105.00CR
TOTAL UTILITY PLANT IN SERVICE	81,767,296.95
107.200 CWIP FORCE ACCOUNT	352,734.45
107.254 CWIP - NEW OFFICE BUILDING	251.13
107.310 GENERAL PLANT EQUIPMENT	5,000.00
CONSTRUCTION WORK IN PROGRESS	357,985.58
TOTAL UTILITY PLANT	82,125,282.53
108.662 ACCUM. DEPREC. - STATION EQUIP.	32,773.89
108.664 ACCUM. DEPREC. - POLES, TOWERS & FIXTURES	3,957,078.77CR
108.665 ACCUM. DEPREC. - O/H CONDUCTOR & DEVICES	3,394,003.03CR
108.667 ACCUM. DEPREC. - URD CONDUCTOR & DEVICES	390,228.00CR
108.668 ACCUM. DEPREC. - LINE TRANSFORMERS	3,034,099.52CR
108.669 ACCUM. DEPREC. - SERVICES	2,229,223.51CR
108.670 ACCUM. DEPREC. - METERS	457,042.47CR
108.671 ACCUM. DEPREC. - INSTALL. ON CONS. PREMISES	416,641.70CR
108.790 ACCUM DEPREC. - STR & IMP.	2,670.81
108.791 ACCUM DEPREC. - OFFICE FRNT & EQ	33,463.54CR
108.792 ACCUM DEPREC. - TRANSP. EQ.	1,393,833.62CR
108.793 ACCUM DEPREC. - STORES EQ.	41,723.53CR
108.794 ACCUM DEPREC. - TOOLS & SHOP EQ.	81,371.24CR
108.795 ACCUM DEPREC. - LABORATORY EQ.	40,845.99CR
108.796 ACCUM DEPREC. - POWER OPER. EQ.	72,571.56CR
108.797 ACCUM DEPREC. - COMMUNICATIONS EQ.	385,801.11CR
108.798 ACCUM DEPREC. - MISCELLANEOUS EQ.	35,718.76CR
108.800 RWIP	24,637.33

* * * INTER-COUNTY ENERGY * * *
 BALANCE SHEET - DETAIL
 FOR PERIOD ENDING: JULY 31, 2006

	CURRENT Y-T-D AMOUNT
ACCUMULATED PROV. FOR DEPREC. & AMORT.	15,903,564.32
NET UTILITY PLANT	66,221,718.21
NON-UTILITY PROPERTY (NET)	.00
123.100 PATRONAGE CAPITAL - EKPC	7,231,058.06
123.110 PATRONAGE CAPITAL - KAEC	379,352.62
123.120 PATRONAGE CAPITAL - NRUCFC	185,737.77
123.130 PATRONAGE CAPITAL - NISC (FRMLY CADP)	615.73
123.140 PATRONAGE CAPITAL - NRTC	3,452.20
INVEST. IN ASSOC ORG. PATRONAGE CAP.	7,800,216.38
123.210 CAPITAL TERM CERTIFICATES	969,451.87
123.220 EKPC MEMBERSHIP FEE	100.00
123.230 NTL. RURAL TELECOMMUNICATIONS COOP.	1,000.00
123.240 ENVISION ENERGY SERVICES - MEMBERSHIP	26,059.00
123.250 CFC MEMBERSHIP FEE	1,000.00
123.260 KAEC - CD	50,000.00
123.270 CADP MEMBERSHIP FEE	25.00
3.280 KAEC - CD	5,000.00
123.290 TOUCHSTONE ENERGY - MEMBERSHIP	2,500.00
123.300 COOPERATIVE RESPONSE CENTER	12,500.00
123.310 FEDERATED RE INS EXCHANGE	65,234.00
INVEST. IN ASSOC ORG. NONGENERAL	1,132,869.87
124.000 BUSINESS DEVEL. CORP	1.00
124.010 INDUST. DEVEL. CORP.	23,725.00
INVEST IN ECONOMIC DEVEL PROJECTS	23,726.00
124.020 CENTRAL KY JOB TRAINING CONSORTIUM	3,000.00
124.021 CENTRAL KY TECHNICAL COLLEGE	6,800.00
OTHER INVESTMENTS	9,800.00
TOTAL OTHER PROPERTY & INVESTMENTS	8,966,612.25
131.000 FNB - CASH ACCOUNT	312,412.59
131.020 CASH ACCOUNT - LEBANON	82,523.59
131.030 CASH ACCT. PAYROLL	69,739.58
131.050 CASH ACCT. - AUTOMATIC PMTS	85,274.22
131.400 CASH ACCT. TRANSFER	76,463.15
135.000 WORKING FUNDS	1,400.00
135.010 WORKING FUNDS - TRAVEL ADV	225.00
CASH - GENERAL FUNDS	488,558.97

* * * INTER-COUNTY ENERGY * * *
 BALANCE SHEET - DETAIL
 FOR PERIOD ENDING - JULY 31, 2006

	CURRENT Y-T-D AMOUNT
136.020 COMMERCIAL PAPER INVEST. TEMPORARY INVESTMENTS	800,000.00 800,000.00
141.000 NOTES REC. GEOTHERMAL LOANS NOTES RECEIVABLE (NET)	32,592.92 32,592.92
142.100 ACCTS. RECEIVABLE - CUSTOMER	3,788,037.65
142.110 ACCTS. REC. AGENCY VOUCHERS	1,420.15
142.999 ACCTS RECEIVABLE - CLEARING	13,756.37
144.100 PROV. FOR UNCOLL. ACCOUNTS	51,761.81CR
ACCTS. RECEIVABLE SALES OF ENERGY	3,751,452.36
143.000 ACCTS. REC. - OTHER	3,415.81
143.020 ACCTS. REC. - LTD INS.	202.57CR
143.030 ACCTS. REC. - ACCIDENT INS.	.86CR
143.040 ACCTS. REC. - LIFE INS.	9.90CR
143.060 ACCTS REC. - KAEC (ACRE CONTRIBUTIONS)	552.00
1 ,071 ACCTS. REC. - FOOD FUND	1,641.54CR
143.072 AFLAC CANCER INSURANCE	.00
143.080 LIFE INS. - METROPOLITAN	.42CR
143.090 DELTA DENTAL INSURANCE	1,749.68
ACCTS. RECEIVABLE - OTHER (NET)	3,862.20
154.000 MATERIALS & SUPPLIES - ELECTRIC	325,641.87
155.000 MERCHANDISE	2,079.29
MATERIALS & SUPPLIES - ELEC. & OTHER	327,721.16
165.100 LIABILITY INSURANCE	53,542.49
165.120 MAJOR MEDICAL INS.	4,567.86
165.140 DIRECTOR'S LIFE INS.	245.41
165.160 WORKERS/COMP INSURANCE	76,423.75
165.180 MAJOR MED. - RETIRED EMPLOYEES & DIR.	1,625.43
165.200 ASSOC. MEMBERSHIP DUES	35,818.37
165.220 AVENIR MAINT PREPAYMENT PREPAYMENTS	9,428.15 181,651.46
OTHER CURRENT & ACCRUED ASSETS	.00
TOTAL CURRENT & ACCRUED ASSETS	5,585,839.07
186.090 DEFERRED DEBIT - FUEL ADJUSTMENT	195,377.00
186.100 DEFERRED DEBIT - ENV SURCHARGE	208,366.00

* * * INTER-COUNTY ENERGY * * *
 BALANCE SHEET - DETAIL
 FOR PERIOD ENDING: JULY 31, 2006

	CURRENT Y-T-D AMOUNT
OTHER DEFERRED DEBITS	403,743.00
TOTAL ASSETS & OTHER DEBITS	81,177,912.53
=====	
LIABILITIES & OTHER CREDITS	
200.100 MEMBERSHIPS ISSUED MEMBERSHIPS	976,280.00CR 976,280.00
201.100 PATRONS CAPITAL CREDITS PATRONAGE CAPITAL	24,264,002.59CR 24,264,002.59
219.100 OPERATING MARGINS-PRIOR YEARS OPERATING MARGINS - PRIOR YEARS	150,816.78CR 150,816.78
219.110 OPERATING MARGINS-CURRENT YEAR OPERATING MARGINS - CURRENT YEAR	883,639.97CR 275,084.30CR
NON OPERATING MARGINS	216,105.98CR
208.000 DONATED CAPITAL	46,212.26CR
217.000 GAIN ON RETIRED CAPITAL CREDITS	7,179.94CR
219.120 OPERATING MARGINS-PRIOR YEAR DEFICITS OTHER MARGINS & EQUITIES	835,626.18 782,233.98CR
TOTAL MARGINS & EQUITIES	24,117,675.11
224.030 LONG TERM DEBT - RUS	35,330,883.17CR
224.040 REA NOTES EXECUTED - CONSTRUCTION	17,709,000.00
224.600 ADV PMT UNAPPLIED - LONG TERM DEBT LONG TERM DEBT - REA	48,310.40 17,573,572.77
224.200 LONG TERM DEBT - FFB LONG TERM DEBT - FFB	26,447,336.30CR 26,447,336.30
224.120 OTHER LONG TERM DEBT	6,699,734.16CR
224.140 EKPC - MARKETING LOANS LONG TERM DEBT - OTHERS	69,204.64CR 6,768,938.80

* * * INTER-COUNTY ENERGY * * *
 BALANCE SHEET - DETAIL
 FOR PERIOD ENDING: JULY 31, 2006

	CURRENT Y-T-D AMOUNT
TOTAL LONG TERM DEBT	50,789,847.87
228.300 ACCUM. PROV. FOR PENSIONS & BENEFITS	1,619,321.00CR
TOTAL OTHER NONCURRENT LIABILITIES	1,619,321.00

NOTES PAYABLE	.00
232.100 ACCOUNTS PAYABLE - GENERAL	2,747,416.26CR
232.110 ACCOUNTS PAYABLE - MEMBERS	74.71CR
232.300 ACCOUNTS PAYABLE - EMPLOYEE LOANS	1.96CR
232.330 ACCOUNTS PAYABLE - NRECA SECTION 125	2,596.27CR
ACCOUNTS PAYABLE	2,750,089.20
235.000 CONSUMER DEPOSITS	395,175.00CR
CONSUMER DEPOSITS	395,175.00
236.100 ACCRUED PROPERTY TAXES	389,921.70CR
236.200 ACCRUED FEDERAL UNEMPLOYMENT TAX	.10CR
236.300 ACCRUED SOCIAL SECURITY TAX	9,907.25CR
36.400 ACCRUED STATE UNEMPLOYMENT TAX	158.12
236.500 KY SALES & USE TAX	37,256.81CR
236.600 ACCRUED MARION CO. SCHOOL TAX	48,302.35CR
236.700 ACCRUED WASHINGTON SCHOOL TAX	1,152.26CR
236.800 SCHOOL TAX - MADISON CO.	314.29CR
236.810 ACCRUED TAYLOR CO. SCHOOL TAX	334.31CR
236.820 ACCRUED HARRODSBURG SCHOOL TAX	122.49CR
236.830 ACCRUED LINCOLN CO. SCHOOL TAX	41,627.92CR
236.840 DANVILLE FRANCHISE TAX	2,714.73CR
236.900 ACCRUED BURGIN SCHOOL TAX	1,652.43CR
236.910 ACCRUED BOYLE CO. SCHOOL TAX	21,448.34CR
236.920 ACCRUED STANFORD FRANCHISE TAX	1,528.77CR
236.930 ACCRUED GARRARD CO. SCHOOL TAX	27,353.83CR
236.940 ACCRUED MERCER CO. SCHOOL TAX	9,820.87CR
236.950 ACCRUED LARUE CO. SCHOOL TAX	663.23CR
236.960 ACCRUED CASEY CO. SCHOOL TAX	9,850.77CR
236.970 ACCRUED DANVILLE SCHOOL TAX	875.31CR
236.980 ACCRUED ROCKCASTLE CO. SCHOOL TAX	174.74CR
236.990 ACCRUED NELSON CO. SCHOOL TAX	2,217.83CR
237.100 ACCRUED INTEREST - REA NOTES	22,786.97CR
237.300 ACCRUED INTEREST - CFC NOTES	72,024.73CR
237.500 ACCRUED INTEREST - FFB LOANS	117,807.45CR
240.000 MATURED INTEREST	12,025.10CR
241.000 FEDERAL INCOME TAX	586.29CR
241.100 STATE INCOME TAX	232.16CR
41.110 DANVILLE PAYROLL TAX	2,634.25CR
41.120 BOYLE CO PAYROLL TAX	1,609.76CR
241.130 GARRARD CO PAYROLL TAX	465.61CR
241.140 MARION CO PAYROLL TAX	349.72CR
241.150 LEBANON PAYROLL TAX	.85
241.160 MERCER CO PAYROLL TAX	80.39CR
241.170 CASEY CO PAYROLL TAX	.28

* * * INTER-COUNTY ENERGY * * *
 BALANCE SHEET - DETAIL
 FOR PERIOD ENDING - JULY 31, 2006

	CURRENT Y-T-D AMOUNT
241.180 LINCOLN CO PAYROLL TAX	440.43CR
241.190 NELSON CO PAYROLL TAX	7.56CR
242.510 ACCRUED LIABILITY - SICK LEAVE	452,480.08CR
242.600 ACCRUED LIABILITY - VACATION LEAVE	12,650.00CR
OTHER CURRENT & ACCRUED LIABILITIES	1,303,261.58
TOTAL CURRENT - ACCRUED LIABILITIES	4,448,525.78
253.000 DEFERRED CREDIT - POLE RENTAL	202,542.77CR
DEFERRED DEBITS	202,542.77
TOTAL LIABILITIES	81,177,912.53

* * * INTER-COUNTY ENERGY * * *
 INCOME STATEMENT - DETAIL
 AUGUST 01, 2005 - JULY 31, 2006

	CURRENT Y-T-D AMOUNT
440.100 RESIDENTIAL SALES - RURAL	25,199,584.46CR
440.110 FUEL ADJ. ON RESIDENTIAL S	2,945,558.61CR
440.111 ENV SURCHG ON RESIDENTIAL	1,613,139.12CR
440.120 ETS SALES	28,083.46CR
440.130 FUEL CHG ON ETS	6,481.31CR
440.131 ENV SURCHG ON ETS	2,051.85CR
440.140 ENVIRDWATTS	1,617.00CR
442.100 COMMERCIAL & INDUSTRIAL SA	552,184.09CR
442.110 FUEL ADJ. SM COMMERCIAL SA	56,027.29CR
442.111 ENV SURCHG ON SM COMMERICA	92,808.71CR
442.200 COMMERCIAL & INDUSTRIAL SA	1,897,805.44CR
442.210 FUEL ADJ. LG COMMERCIAL SA	218,480.40CR
442.211 ENV SURCHG ON LG COMMERICA	138,985.49CR
442.300 LARGE INDUSTRIAL (2500 KVA	875,922.18CR
442.310 FUEL ADJ. ON LG INDUSTRIAL	157,227.77CR
442.311 ENV SURCHG ON LG INDUSTRIA	61,605.40CR
442.320 COMMERCIAL SALES - IND RAT	1,360,910.14CR
442.330 FUEL ADJ ON INDUSTRIAL RAT	238,707.81CR
442.331 ENV SURCHG ON INDUSTRIAL R	81,875.16CR
450.000 FORFEITED DISCOUNTS	485,166.95CR
451.000 MISCELLANEOUS SERVICE REVE	96,070.50CR
454.000 RENT FROM ELECTRIC PROPERT	344,042.08CR
54.100 TEMPORARY SERVICE RENTAL	10.00CR
454.300 KY UTILITIES - POLE YARD R	3,600.00CR
454.400 COMMUNITY ROOM RENTAL	500.00CR
456.000 OTHER ELECTRIC REVENUES	3,100.72CR
OPERATING REVENUE & PATRONAGE CAPITAL	36,461,545.94
555.000 PURCHASED POWER	25,698,257.00
COST OF PURCHASED POWER	25,698,257.00
580.000 OPERATION - SUPERVISION &	60,008.34
583.000 OVERHEAD LINE EXPENSE	1,144,136.75
583.100 OVERHEAD LINE EXPENSE - LI	7.84
583.200 OVERHEAD LINE EXPENSE - PC	13,280.47
583.600 SYSTEM INPSECTION	21,254.06
584.000 UNDERGROUND LINE EXPENSES	31,721.36
586.000 METER EXPENSES	253,414.08
587.000 CONSUMER INSTALLATION EXPE	148,546.42
588.000 MISCELLANEOUS DISTRIBUTION	267,088.05
589.000 RENTS	13,800.00
DISTRIBUTION EXPENSE OPERATION	1,953,257.37
590.000 MAINTENANCE SUPERVISION &	31,595.46
593.000 MAINTENANCE OF OVERHEAD LI	377,607.47
593.100 MAINT OF OVERHEAD LINES -	686,099.06
593.200 MAINTENANCE - POLE TREATME	131,756.60
594.000 MAINTENANCE OF UNDERGROUND	32,843.82
595.000 MAINTENANCE OF LINE TRANSF	32,863.03

* * * INTER-COUNTY ENERGY * * *
 INCOME STATEMENT - DETAIL
 AUGUST 01, 2005 - JULY 31, 2005

	CURRENT Y-T-D AMOUNT
597.000 MAINTENANCE OF METERS	10,480.68
598.000 MAINTENANCE OF MISC. DISTR DISTRIBUTION EXPENSE MAINTENANCE	86,645.18 1,389,891.30
901.000 SUPERVISION - CUSTOMER ACC	152,340.47
902.000 METER READING EXPENSES	18,571.45
902.100 CONTRACT METER READING EXP	275,206.33
903.000 CONSUMER RECORDS & COLLECT	987,352.35
903.100 CASH DRAWER OUTAGES	432.76
904.000 UNCOLLECTIBLE ACCOUNTS CUSTOMER ACCOUNTS EXPENSE	101,167.39 1,535,070.75
908.000 CUSTOMER ASSISTANCE EXPENS	407,209.28
908.100 CUSTOMER ASSISTANCE EXPENS	28,826.01
908.200 CUSTOMER ASSISTANCE EXP. -	116.91
909.000 INFORMATION & INSTITUTIONA	32,846.05
912.000 DEMONSTRATING & SELLING EX CUSTOMER SERVICE & INFORMATIONAL EXP.	7,805.74 476,803.99
920.000 ADMINISTRATION & GENERAL S	594,546.14
921.000 OFFICE SUPPLIES & EXPENSES	165,085.21
923.000 OUTSIDE SERVICES EMPLOYED	44,630.28
924.000 PROPERTY INSURANCE	19,408.35CR
925.000 INJURIES & DAMAGES	2,174.25
926.000 EMPLOYEE PENSIONS & BENEFIT	27,672.33
929.000 DUPLICATE CHARGES	41,287.07CR
930.200 MISCELLANEOUS GENERAL EXPE	147,881.91
930.300 MISCELLANEOUS EXP. - DIREC	13,224.21
930.310 DIRECTOR EXP. - PAUL BALLA	28,157.62
930.320 DIRECTOR EXP. - DANNY DIVI	30,342.98
930.330 DIRECTOR EXP. - THOMAS GOD	.00
930.340 DIRECTOR EXP. - ROBERT MAR	20,200.90
930.350 DIRECTOR EXP. - WILLIAM PE	34,998.33
930.370 DIRECTOR EXP. - JOSEPH SPA	30,661.83
930.380 DIRECTOR'S EXP. - KEVIN PR	31,671.59
930.390 DIRECTOR'S EXP. - JASON TO	33,351.60
930.400 MISCELLANEOUS EXP. - ASSOC	83,241.16
930.500 MISCELLANEOUS EXP. - CAPIT	11,493.21
930.600 MISCELLANEOUS EXP. - ANNUA	64,306.50
935.000 MAINTENANCE OF GENERAL PLA ADMINISTRATIVE & GENERAL EXPENSE	347,686.26 1,650,630.89
TOTAL OPERATION & MAINTENANCE EXPENSE	32,703,911.30
403.600 DEPREC. EXPENSE - DIST. PL	2,293,250.28
403.700 DEPREC. EXPENSE - GENERAL	247,129.29
DEPRECIATION & AMORTIZATION EXPENSE	2,540,379.57

* * * INTER-COUNTY ENERGY * * *
 INCOME STATEMENT - DETAIL
 AUGUST 01, 2005 - JULY 31,

	CURRENT Y-T-D AMOUNT
TAX EXPENSE - PROPERTY	.00
408.500 PSC ASSESSMENT	37,048.23
TAX EXPENSE - OTHER	37,048.23
427.100 INTEREST ON REA LOANS	744,892.77
427.200 INTEREST ON OTHER LONG TER	422,322.67
427.400 INTEREST ON FFB LOANS	998,335.26
INTEREST ON LONG TERM DEBT	2,165,550.70
431.000 INTEREST EXPENSE - OTHER	24,387.43
431.100 INTEREST EXPENSE - CFC LIN	180,414.95
431.300 INTEREST EXPENSE - EKPC MA	3,613.19
INTEREST EXPENSE OTHER	208,415.57
426.100 DONATIONS	11,659.30
415.000 REVENUE FROM MERCHANDISING	162.99
415.100 REVENUE FROM MERCHANDISING	.00
415.200 REVENUE FROM MERCHANDISING	787.99
415.300 REVENUE FROM MERCHANDISING	244.61CR
415.600 REVENUE FROM MERCHANDISING	275.00CR
415.700 REVENUE FROM MERCHANDISING	30,812.67CR
415.800 REVENUE FROM MERCHANDISING	1,031.41CR
416.000 EXPENSE OF MERCHANDISING -	506.47
416.300 EXPENSE OF MERCHANDISING -	212.67
416.400 EXPENSE OF MERCHANDISING -	.00
416.600 EXPENSE OF MERCHANDISING -	100.00
416.700 EXPENSE OF MERCHANDISING -	52,312.28
OTHER DEDUCTIONS	33,378.01
TOTAL COST OF ELECTRIC SERVICE	37,688,683.38
PATRONAGE CAPITAL & OPERATING MARGINS	1,227,137.44CR
419.040 INTEREST INCOME - CFC	41,876.03CR
419.090 INTEREST INCOME - FNB TRUS	.00
419.100 COMMISSION INCOME - FNB	33.31
419.150 INTEREST INCOME - KAEC CD	2,006.26CR
419.220 INTEREST INCOME - KAEC CD	222.18CR
419.270 INTEREST INCOME - CFC COMM	17,535.44CR
419.290 INTEREST INCOME - FARMERS	1,056.17CR
419.310 INTEREST INCOME - MARKETIN	2,382.10CR
419.320 INTEREST INCOME - AUTOMATI	2,425.66CR
419.330 INTEREST INCOME - MARION C	.00
419.340 INTEREST INCOME - RUS CUSH	5,449.92CR
NON OPERATING MARGINS - INTEREST	72,920.45
421.100 GAIN ON DISPOSITION OF PRO	33,730.48
421.200 LOSS ON DISPOSITION OF PRO	255,245.95

* * * INTER-COUNTY ENERGY * * *
 INCOME STATEMENT - DETAIL
 AUGUST 01, 2005 - JULY 31, 20

	CURRENT Y-T-D AMOUNT
NON-OPERATING MARGINS OTHER	289,026.43CR
G & T CAPITAL CREDITS	.00
424.100 CFC PATRONAGE CAPITAL	33,450.54CR
424.200 KAEC - PATRONAGE CAPITAL	15,703.11CR
424.310 NRTC - PATRONAGE CAPITAL	1,479.52CR
424.320 ENVISION ENERGY SERVICES -	1,664.00
424.330 CRC - EQUITY INVESTMENT EA	600.00CR
424.340 FEDERATED - PATRONAGE/EQUI	18,844.00CR
OTHER CAPITAL CREDITS & DIVIDENDS	68,413.17

EXTRODINARY ITEMS	.00
PATRONAGE CAPITAL & MARGINS	1,374,830.25CR

Inter County Energy Cooperative
Case No. 2006 - 00415

Comparative Capital Structure (Excluding JDIC)
For the Periods as Shown
"000" Omitted

Line No.	Type of Capital	1996		1997		1998		1999		2000		2001	
		10th Year		9th Year		8th Year		7th Year		6th Year		5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	20,245	54%	21,253	53%	24,539	57%	27,451	59%	30,144	58%	32,018	59%
2	Short Term Debt		0%	1,450	4%		0%	200	0%	2,200	4%	1,400	3%
3	Memberships	720	2%	750	2%	783	2%	815	2%	841	2%	868	2%
4	Patronage Capital	16,196	44%	16,747	42%	17,626	41%	18,211	39%	18,542	36%	20,310	37%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%
6	Total Capitalization	37,161	100%	40,200	100%	42,948	100%	46,677	100%	51,727	100%	54,596	100%

Line No.	Type of Capital	2002		2003		2004		2005		2006		Latest Quarter		Average	
		4th Year		3rd Year		2nd Year		1st Year		Test year		June 30, 2006		Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	37,026	61%	37,370	59%	39,474	58%	45,333	61%	50,790	68%	50,819	68%	46,348	63%
2	Short Term Debt		0%		0%	2,650	4%	4,000	5%		0%		0%	2,843	4%
3	Memberships	894	1%	915	1%	938	1%	962	1%	976	1%	975	1%	964	1%
4	Patronage Capital	22,797	38%	24,569	39%	24,798	37%	23,762	32%	23,142	31%	23,356	31%	23,958	32%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%	0	0%
6	Total Capitalization	60,717	100%	62,854	100%	67,860	100%	74,057	100%	74,908	100%	75,150	100%	74,114	100%

Inter County Energy Cooperative
 Case No. 2006 - 00415
 Calculation of Average Test Period Capital Structure
 12 months ended July 31, 2006

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	71,746	42,036	4,000	953		24,757	
2	1st month	72,100	42,046	4,750	956		24,348	
3	2nd month	71,926	41,989	5,000	957		23,980	
4	3rd month	73,083	45,643	2,620	957		23,863	
5	4th month	72,921	45,446	2,870	960		23,645	
6	5th month	74,057	45,333	4,000	962		23,762	
7	6st month	76,108	46,263	4,520	962		24,363	
8	7th month	74,875	45,103	4,500	966		24,306	
9	8th month	74,795	44,977	4,700	970		24,148	
10	9th month	76,246	51,140	0	971		24,135	
11	10th month	75,563	50,941	0	972		23,650	
12	11th month	75,150	50,819	0	975		23,356	
13	12th month	74,908	50,790	0	976		23,142	
14	Total (Line 1 through Line 13)	963,478	602,526	36,960	12,537	0	311,455	0
15	Average balance (Line 14/13)	74,114	46,348	2,843	964	0	23,958	0
16	Average capitalization ratios	100%	63%	4%	1%	0%	32%	0%
17	End of period capitalization ratios	100%	68%	0%	1%	0%	31%	0%

Inter County Energy
Case No. 2006-00415
July 31, 2006

Payroll Adjustment

To reflect the increase granted by the Board of Directors, the step increases granted and promotions during the year. To give recognition to employees terminated and employees hired during the test year. Salaried employees that have overtime wages during the test year were hourly until they became salaried, at which time overtime was discontinued. Overtime pay is calculated at 1-1/2 times regular pay rate for hours worked in excess of 8 hours per day.

Employees were granted wage rate increases on November 1, 2006, based on its Wage & Salary Plan. Additional increases were given to employees who were below the midpoint for their pay rates and job classifications.

Inter County hired a part time employee. This employee was normalized at the same rate and hours during the test year.

Employees may elect to be paid up to 12 days, or 96 hours, for unused sick pay. The Board has allowed this since it is determined to be more economical to pay accumulated sick pay than to hire additional employees for the time off for sick leave.

There are no union employees.

Wage and salary increases are as follows:

	<u>Increase</u>
2006	3.0%
2005	3.0%
2004	3.5%
2003	3.0%
2002	3.0%

The amount of increase was allocated based on the actual test year.

Projected wages	\$3,435,724
Actual wages for test year	<u>3,246,741</u>
Adjustment	<u>\$188,983</u>

The allocation is on the following page:

Inter County Energy
Case No. 2006-00415

Allocation of increase in payroll:

		Labor <u>Distribution</u>	<u>Percent</u>	<u>Allocation</u>	
11	107.20	Construction work in progress	1,022,766	31.5%	59,532
12	108.80	Retirement work in progress	116,730	3.6%	6,794
13	163.00	Stores	42,999	1.3%	2,503
14	184.00	Transportation	10,911	0.3%	635
15	242.51	Employee sick leave	112,867	3.5%	6,570
16	416.00	Non operating accounts	2,150	0.1%	125
17	580.00	Operations	32,803		
18	583.00	Overhead line	354,413		
19	584.00	Underground	4,192		
20	586.00	Meter	143,488		
21	587.00	Consumer installation	10,454		
22	588.00	Miscellaneous distribution	80,646	19.3%	36,437
23	590.00	Maintenance	18,472		
24	593.00	Overhead line	149,958		
25	593.10	Right of way	16,532		
26	594.00	Underground	11,938		
27	595.00	Transformers	6,415		
28	598.00	Miscellaneous maintenance	26,292	7.1%	13,365
29	901.00	Supervision, customer accounts	89,348		
30	902.00	Meter reading	7,827		
31	903.00	Consumer records	412,643	15.7%	29,675
32	908.00	Consumer assistance	187,455		
33	909.00	Consumer information	0	5.8%	10,911
34	920.00	Administrative	355,770		
35	926.00	Employee benefits	466		
36	930.00	Miscellaneous	23,029		
37	935.00	Maintenance general plant	<u>6,176</u>	<u>11.9%</u>	<u>22,435</u>
38					
39		Total	<u>3,246,741</u>	<u>100.0%</u>	<u>188,982</u>

Inter County Energy
Case No. 2006-00415
Employee Earnings and Hours
July 31, 2006

Employee Number	Hours Worked Test Year		Actual Test Year Wages		Wage Rate Nov 1, 2006	Normalized Wages @ 2,080 Hours		Unused Sick Pay	Adjusted Total
	Regular	Overtime	Regular	Overtime		Regular	Overtime		
Salaried Employees:									
2220	2,080.00	96.00	2,176.00	72,012	35.93	74,734	74,734	3,449	78,184
3215	2,080.00		2,080.00	56,884	28.38	59,030	59,030		59,030
3360	2,080.00		2,080.00	55,087	28.85	60,008	60,008		60,008
3392	2,080.00	72.00	2,152.00	120,822	60.10	125,008	125,008	4,327	129,335
3684	2,080.00	88.00	2,168.00	65,864	33.65	69,992	69,992	2,961	72,953
4597	2,080.00	96.00	2,176.00	64,242	32.50	67,600	67,600	3,120	70,720
5503	2,080.00		2,080.00	48,121	24.14	50,211	50,211		50,211
5571	2,080.00	37.00	2,117.00	36,990	19.58	40,726	40,726		40,726
5594	2,080.00	96.00	2,176.00	65,169	32.51	67,621	67,621	3,121	70,742
6607	2,080.00		2,080.00	67,379	33.77	70,242	70,242		70,242
6641	2,080.00		2,080.00	71,872	38.46	79,997	79,997		79,997
Subtotal S	22,880.00	448.00	23,365.00	724,442		765,170	0	16,979	782,148
Hourly Employees:									
1162	2,080.00	17.50	2,097.50	43,490	23.91	49,733	49,733		50,360
2201	2,080.00	41.80	2,184.30	36,522	18.22	37,898	37,898	762	40,367
2202	2,080.00	111.50	2,191.50	39,724	19.82	41,226	41,226		44,540
2212	2,080.00	26.00	2,106.00	41,315	20.61	42,869	42,869		43,673
2219	2,080.00	7.00	2,087.00	46,026	23.08	48,006	48,006		48,249
2224	2,080.00	27.50	2,107.50	34,561	17.24	35,859	35,859		36,570
2258	2,080.00	43.50	2,123.50	31,302	16.97	35,298	35,298		36,405
2266	2,080.00		2,080.00	47,237	23.57	49,026	49,026		49,026
2279	2,080.00	11.00	2,091.00	27,605	15.27	31,762	31,762		32,014
2280	2,080.00	68.00	2,148.00	29,337	16.12	33,530	33,530		35,174
2281	2,080.00	15.00	2,095.00	29,336	16.12	33,530	33,530		33,892
2283	2,076.00	61.50	2,137.50	29,286	16.12	33,530	33,530		35,017
2287	2,080.00	15.50	2,095.50	45,766	23.58	49,046	49,046		49,595
2288	2,080.00	58.00	2,138.00	44,260	23.21	48,277	48,277	2,709	50,296
4528	2,080.00	68.00	2,244.00	56,570	28.22	58,698	58,698		64,285
4568	2,080.00	160.50	2,240.50	53,101	26.49	55,099	55,099		61,477
4595	2,080.00	178.50	2,342.10	53,103	26.49	55,099	55,099		64,406
5506	2,080.00	39.50	2,119.50	28,779	14.36	29,869	29,869		30,720
5507	915.00	29.50	944.50	12,389	17.18	35,734	35,734		36,495
5508	2,080.00	85.40	2,288.40	57,362	28.76	59,821	59,821	2,456	67,583

Inter County Energy
Case No. 2006-00415
Employee Earnings and Hours
July 31, 2006

Employee Number	Hours Worked Test Year			Total	Actual Test Year Wages			Wage Rate Nov 1, 2006	Normalized Wages @ 2,080 Hours			Unused Sick Pay	Adjusted Total		
	Regular	Sick Pay	Overtime		Regular	Overtime	Svc Award & Bonus		Unused Sick Pay	Adjusted Total	Regular			Overtime	Total
5509	920.00		66.00	986.00	19,283	2,075		21,358	21.59	44,907	2,137	47,045	47,045		
5511	2,080.00		206.00	2,286.00	51,037	7,594		58,631	25.46	52,957	7,867	60,824	60,824		
5514	2,043.00		27.00	2,070.00	55,585	1,100		56,685	28.22	58,698	1,143	59,841	59,841		
5517	2,080.00		211.50	2,291.50	53,102	8,080		61,182	26.49	55,099	8,404	63,503	63,503		
5523	2,080.00		165.50	2,245.50	53,102	6,353	100	59,555	26.49	55,099	6,576	61,675	61,675		
5534	2,080.00		179.50	2,259.50	50,310	6,534		56,844	25.45	52,936	6,852	59,788	59,788		
5535	2,080.00		156.50	2,236.50	51,038	5,766		56,804	25.46	52,957	5,977	58,934	58,934		
5540	2,080.00		254.50	2,430.50	53,102	9,757	2,451	65,310	26.49	55,099	10,113	65,212	67,755		
5542	2,080.00		32.00	2,208.00	53,340	1,215	2,462	57,017	26.81	55,765	1,287	57,052	59,625		
5543	2,080.00		96.00	2,394.00	53,102	8,373	2,451	63,926	26.49	55,099	8,662	63,761	66,304		
5545	2,080.00		357.00	2,437.00	53,102	13,716	50	66,868	26.49	55,099	14,185	69,285	69,285		
5546	2,080.00		122.50	2,202.50	53,102	4,696	50	57,848	26.49	55,099	4,868	59,967	59,967		
5547	2,029.50		184.00	2,213.50	51,803	7,020	50	58,873	26.49	55,099	7,311	62,410	62,410		
5549	2,080.00		257.50	2,420.50	60,037	11,156	300	73,886	29.95	62,296	11,568	73,864	76,350		
5564	2,080.00		10.50	2,167.00	50,292	377	1,855	52,524	25.77	53,602	406	54,007	55,979		
5569	2,080.00		343.50	2,423.50	53,101	13,153		66,254	26.49	55,099	13,649	68,748	68,748		
5574	2,080.00		104.50	2,184.50	33,205	2,416		35,621	19.09	39,707	2,992	42,700	42,700		
5575	2,080.00		106.50	2,186.50	33,205	2,638		35,843	19.09	39,707	3,050	42,757	42,757		
5586	2,080.00		98.00	2,178.00	47,768	3,404		51,172	25.45	52,936	3,741	56,677	56,677		
5596	2,080.00		462.50	2,638.50	57,708	19,289	250	79,911	28.79	59,883	19,973	79,856	82,620		
5598	2,080.00		157.50	2,319.50	53,510	6,098	2,111	61,719	27.89	58,011	6,589	64,600	66,887		
5599	2,080.00		402.50	2,482.50	53,102	15,424		68,526	26.49	55,099	15,993	71,093	71,093		
6104	2,080.00		275.50	2,355.50	35,986	7,147		43,133	17.95	37,336	7,418	44,754	44,754		
6590	2,080.00		43.50	2,217.50	56,571	1,769	2,556	60,896	28.22	58,698	1,841	60,539	63,192		
6616	2,080.00		6.00	2,086.00	35,596	153		35,749	17.95	37,336	162	37,498	37,498		
6625	2,080.00			2,080.00	33,387			33,387	16.75	34,840	0	34,840	34,840		
6627	2,080.00		72.50	2,152.50	36,387	1,922		38,309	18.94	39,395	2,060	41,455	41,455		
6629	2,069.00		11.00	2,080.00	32,998	264		33,262	16.60	34,528	274	34,802	34,802		
6648	2,080.00		133.50	2,213.50	41,071	4,005	50	45,126	22.91	47,653	4,588	52,241	52,241		
6652	2,080.00		6.50	2,086.50	28,220	129		28,349	14.14	29,411	138	29,549	29,549		
6663	2,080.00		4.00	2,084.00	41,524	120		41,644	20.94	43,555	126	43,681	43,681		
Subtotal h	103,652.50	1,026.30	5,799.00	110,477.80	2,221,747	207,562	850	2,456,953		2,406,914	218,044	2,624,958	2,652,920		

Employee Number	Hours Worked Test Year			Actual Test Year Wages				Wage Rate Nov. 1, 2006	Normalized Wages @ 2,080 Hours			Unused Sick Pay	Adjusted Total
	Regular	Sick Pay	Overtime	Regular	Overtime	Svc Award & Bonus	Unused Sick Pay		Adjusted Total	Regular	Overtime		
2276	82.00	0.00	0.00	82.00	656	0	0	8.00	656	0	656	0	656
Subtotal s	82.00	0.00	0.00	82.00	656	0	0	656	656	0	656	0	656
Retirees:													
2289	766.70			766.70	16,846				0	0	0	0	0
4439	1,339.00	28.00		1,367.00	28,805	907	800		0	0	0	0	0
Subtotal r	2,105.70	0.00	28.00	2,133.70	45,651	907	800		0	0	0	0	0
Total	128,720.20	1,474.30	5,864.00	136,058.50	2,992,496	209,368	1,800		3,172,739	218,044	3,390,783	44,941	3,435,724

Summer and Part Time Employees:

2276	82.00			82.00	656			8.00	656	0	656	0	656
Subtotal s	82.00	0.00	0.00	82.00	656	0	0	656	656	0	656	0	656
Retirees:													
2289	766.70			766.70	16,846				0	0	0	0	0
4439	1,339.00	28.00		1,367.00	28,805	907	800		0	0	0	0	0
Subtotal r	2,105.70	0.00	28.00	2,133.70	45,651	907	800		0	0	0	0	0
Total	128,720.20	1,474.30	5,864.00	136,058.50	2,992,496	209,368	1,800		3,172,739	218,044	3,390,783	44,941	3,435,724

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Inter County Energy
Case No. 2006-00415
Employee Information
July 31, 2006

The following is a list of employees added during the test year, and the employees that were replaced, or reason for hiring the employees.

<u>Employee</u> <u>Hired</u>	<u>Reason</u>	
5507	Replaced retired employee	4439
5509	Replaced promoted employee	5545

The following is a list of employees terminated, and the date.

<u>Employee</u> <u>Number</u>	<u>Month</u> <u>Retired</u>
2289	11/05
4439	03/06

Inter County Energy
Case No. 2006-00415
Compensation of Executive Officers
July 31, 2006

	<----	Test Year	---->	Employees
		Percent of		who
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>	<u>Report</u>
President & CEO	125,000.00	10.4%	07/01-05	all
VP, Customer Services	70,000.00	23.0%	11/01-06	21
VP, Finance & Accounting	74,750.00	20.1%	11/01-06	4
VP, Operations	80,000.00	43.6%	11/01-06	37

	<u>First Preceding Year</u>		
	Percent of		
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>
President & CEO	113,235.00	12.1%	07/01-04
VP, Customer Services	56,890.00	12.0%	11/01-05
VP, Finance & Accounting	62,250.00	4.9%	11/01-05
VP, Operations	55,720.00	2.8%	11/01-05

	<u>Second Preceding Year</u>		
	Percent of		
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>
President & CEO	100,980.00	6.0%	07/01-03
VP, Customer Services	50,785.00	0.0%	11/01-04
VP, Finance & Accounting	59,370.00	0.0%	11/01-04
VP, Operations	54,185.00	8.4%	11/01-04

Witness: James Jacobus

Inter County Energy
Case No. 2006-00415
Compensation of Executive Officers
July 31, 2006

President & CEO Duties and Responsibilities

It is the responsibility of the President & CEO to report directly to the Board of Directors in implementing the Board policies and directives.

VP, Customer Services

Plan and organize to serve members with efficient work. Investigate member concerns that have not been satisfied by other employees. Analyze electric sales revenues, collections, delinquents, write-offs and penalty charges for efficiencies. Maintain knowledge of laws and regulations governing the operations of Inter County Energy. Participate in community events and programs. Reports directly to the President & CEO. Directs preparation of daily cash transactions. Certifies the monthly Uniform Fuel Adjustment regulation and submits to PSC. Reports directly to the President & CEO.

VP, Finance and Accounting

Coordinates all audit efforts by various agencies. Maintains financial status of Cooperative by developing budgets and financial statements. Collaborates with other Vice Presidents to fill any vacant positions. Assists and advises other departments as requested in the preparation of departmental budgets. Maintains all information related to accounting as needed. Determine short term cash investments and long term cash requirements. Assists in the development of information necessary for long term loan applications. Review financial information to ensure compliance with regulatory agencies. Ensure taxes are properly prepared and filed on a timely basis. Reports directly to the President & CEO.

VP, Operations and Engineering

Collaborates with Construction and Maintenance Supervisors and Contractors on a daily basis for operational needs. Prepares and presents the CEO an annual capital and expense budget. Plan and organize to serve members with efficient work. Promote fast, dependable electric service to the members and maintain power quality. Maintain knowledge of local and national laws and regulations governing the operations of Inter County Energy. Reports directly to the President & CEO.

Employee Number	Wage Rate 01-Nov-2004	Wage Rate 01-Nov-2005	Percent Increase	Wage Rate 01-Nov-2006	Percent Increase	Date of last Increase	Reason for increase
Salaried Employees:							
2220	33.86	34.88	3.01%	35.93	3.01%	11/01-05	
3215	26.75	27.55	2.99%	28.38	3.01%	11/01-05	
3360	24.76	27.07	9.33%	28.85	6.58%	11/01-05	to market rate
3392	57.42	60.10	4.67%	60.10	0.00%	05/01-06	effective 05/01-06
3684	30.97	31.90	3.00%	33.65	5.49%	11/01-05	to market rate
4597	29.11	31.49	8.18%	32.50	3.21%	11/01-05	to market rate
5503	22.26	23.43	5.26%	24.14	3.03%	11/01-05	
5571	18.27	18.27	0.00%	19.58	7.17%	10/25-05	90% of market
5594	30.65	31.57	3.00%	32.51	2.98%	11/01-05	
6607	31.25	32.78	4.90%	33.77	3.02%	11/01-05	
6641	32.12	36.06	12.27%	38.46	6.66%	01/01-06	promotion
Subtotal Salaried employees							
Hourly Employees:							
1162	18.73	21.65	15.59%	23.91	10.44%	11/01-05	to market rate
2201	17.17	17.69	3.03%	18.22	3.00%	11/01-05	
2202	18.68	19.24	3.00%	19.82	3.01%	11/01-05	
2212	19.43	20.01	2.99%	20.61	3.00%	11/01-05	
2219	21.30	22.41	5.21%	23.08	2.99%	11/01-05	
2224	16.25	16.74	3.02%	17.24	2.99%	11/01-05	
2258	13.81	15.47	12.02%	16.97	9.70%	11/01-05	to market rate
2266	22.21	22.88	3.02%	23.57	3.02%	11/01-05	
2279	11.60	13.84	19.31%	15.27	10.33%	11/01-05	90% of market
2280	12.50	14.65	17.20%	16.12	10.03%	11/01-05	95% of market
2281	12.50	14.65	17.20%	16.12	10.03%	11/01-05	95% of market
2283	12.50	14.65	17.20%	16.12	10.03%	11/01-05	95% of market
2287	21.19	22.28	5.14%	23.58	5.83%	11/01-05	50% of market
2288	20.60	21.51	4.42%	23.21	7.90%	11/01-05	to market rate
4528	26.60	27.40	3.01%	28.22	2.99%	11/01-05	
4568	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
4595	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
5506	13.53	13.94	3.03%	14.36	3.01%	11/01-05	
5507	13.54	13.54	0.00%	17.18	26.88%	11/01-05	2/3 of market
5508	26.72	27.87	4.30%	28.76	3.19%	11/01-05	to market rate
5509	20.86	20.96	0.48%	21.59	3.01%	11/01-05	
5511	24.00	24.72	3.00%	25.46	2.99%	11/01-05	
5514	26.60	27.40	3.01%	28.22	2.99%	11/01-05	
5517	24.97	25.72	3.00%	26.49	2.99%	11/01-05	

Inter County Energy
Case No. 2006-00415
Employee Earnings and Hours
July 31, 2006

Exhibit 1
page 10 of 10
Witness: James L. Jacobus

Employee Number	Wage Rate 01-Nov-2004	Wage Rate 01-Nov-2005	Percent Increase	Wage Rate 01-Nov-2006	Percent Increase	Date of last Increase	Reason for increase
5523	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
5534	22.80	24.66	8.16%	25.45	3.20%	11/01-05	to market rate
5535	24.00	24.72	3.00%	25.46	2.99%	11/01-05	
5540	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
5542	24.51	26.03	6.20%	26.81	3.00%	11/01-05	
5543	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
5545	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
5546	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
5547	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
5549	28.23	29.08	3.01%	29.95	2.99%	11/01-05	
5564	22.94	24.60	7.24%	25.77	4.76%	11/01-05	to market rate
5569	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
5574	13.95	16.65	19.35%	19.09	14.65%	11/01-05	75% of market
5575	13.95	16.65	19.35%	19.09	14.65%	11/01-05	75% of market
5586	21.60	23.43	8.47%	25.45	8.62%	11/01-05	to market rate
5596	27.14	27.95	2.98%	28.79	3.01%	11/01-05	
5598	24.97	26.23	5.05%	27.89	6.33%	11/01-05	50% of market
5599	24.97	25.72	3.00%	26.49	2.99%	11/01-05	
6104	16.92	17.43	3.01%	17.95	2.98%	11/01-05	
6590	26.60	27.40	3.01%	28.22	2.99%	11/01-05	
6616	16.74	17.24	2.99%	17.95	4.12%	11/01-05	95% of market
6625	15.44	16.26	5.31%	16.75	3.01%	11/01-05	
6627	16.24	17.92	10.34%	18.94	5.69%	11/01-05	to market rate
6629	15.45	16.12	4.34%	16.60	2.98%	11/01-05	
6648	18.00	20.34	13.00%	22.91	12.64%	11/01-05	2nd to 1st class lineman
6652	13.09	13.73	4.89%	14.14	2.99%	11/01-05	
6663	19.27	20.20	4.83%	20.94	3.66%	11/01-05	to market rate

Inter County Energy
Case No. 2006-00415
Payroll Taxes

The employer's portion of FICA and medicare rates remain the same for 2007 as they were for 2006. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increases from \$90,000 in 2005 to \$94,200 in 2006 for FICA; all wages are subject to medicare.

Federal unemployment rates are 0.80% for the first \$7,000 of wages and state unemployment rate is 0.60% for the first \$8,000 of wages.

Proposed FICA amounts

FICA	210,837	
Medicare	49,818	
	<u>260,655</u>	
Proposed FUTA	3,477	
Proposed SUTA	2,980	267,112
		<u>267,112</u>
Test year amount		
FICA and Medicare	245,724	
Test year FUTA	3,578	
Test year SUTA	3,054	252,356
		<u>252,356</u>
Increase		<u>14,756</u>

Adjustment:

		<u>Percent</u>	<u>Amount</u>
107	Capitalized	36.6%	5,401
163 - 416	Clearing and others	3.6%	531
580	Operations	19.3%	2,848
590	Mainteneance	7.1%	1,048
901	Consumer accounts	15.7%	2,317
908	Customer service	5.8%	856
912	Sales	0.0%	0
920	Administrative and general	11.9%	1,756
		<u>100.0%</u>	<u>\$14,756</u>

State umemployment (SUTA) wage rates are as follows:

2006	0.60%
2004	0.50%
2003	0.40%
2002	0.40%
2001	0.40%
2000	0.40%

Employee Number	Name	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To \$94,200	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	0.600%
Salaried Employees:									
2220	Lay, Vickie	78,184	4,847	78,184	1,134	7,000	56	8,000	48
3215	Maves, Mary Lou	59,030	3,660	59,030	856	7,000	56	8,000	48
3360	Hitchcock, Dan	60,008	3,720	60,008	870	7,000	56	8,000	48
3392	Jacobus, Jim	94,200	5,840	129,335	1,875	7,000	56	8,000	48
3684	Gilliam, Sherree	72,953	4,523	72,953	1,058	7,000	56	8,000	48
4597	Watts, Vincent	70,720	4,385	70,720	1,025	7,000	56	8,000	48
5503	Lewis, Charles	50,211	3,113	50,211	728	7,000	56	8,000	48
5571	Smith, Tim	40,726	2,525	40,726	591	7,000	56	8,000	48
5594	York, Cecil	70,742	4,386	70,742	1,026	7,000	56	8,000	48
6607	Phelps, David	70,242	4,355	70,242	1,019	7,000	56	8,000	48
6641	Graham, Marvin	79,997	4,960	79,997	1,160	7,000	56	8,000	48
Subtotal Salaried employees		782,148	46,315	782,148	11,341	77,000	616	88,000	528
Hourly Employees:									
1162	Luttrell, Cynthia	50,360	3,122	50,360	730	7,000	56	8,000	48
2201	Ross, Judy	40,367	2,503	40,367	585	7,000	56	8,000	48
2202	Morris, Sharon	44,540	2,762	44,540	646	7,000	56	8,000	48
2212	Staton, Lori	43,673	2,708	43,673	633	7,000	56	8,000	48
2219	Wilnot, Debra	48,249	2,991	48,249	700	7,000	56	8,000	48
2224	Adkins, Eugenia	36,570	2,267	36,570	530	7,000	56	8,000	48
2258	Dotson, Mary	36,405	2,257	36,405	528	7,000	56	8,000	48
2266	Bach, Chris	49,026	3,040	49,026	711	7,000	56	8,000	48
2279	Campbell, Teresa	32,014	1,985	32,014	464	7,000	56	8,000	48
2280	Emmons, Linda	35,174	2,181	35,174	510	7,000	56	8,000	48
2281	Coleman, Farrah	33,892	2,101	33,892	491	7,000	56	8,000	48
2283	Whitis, April	35,017	2,171	35,017	508	7,000	56	8,000	48
2287	Rogers, Diane	49,595	3,075	49,595	719	7,000	56	8,000	48
2288	Raines, Jackie	50,296	3,118	50,296	729	7,000	56	8,000	48
4528	Collier, Danny	64,285	3,986	64,285	932	7,000	56	8,000	48
4568	Warren, Robert	61,477	3,812	61,477	891	7,000	56	8,000	48
4595	Masters, Danny	64,406	3,993	64,406	934	7,000	56	8,000	48
5506	Boyle, Joshua	30,720	1,905	30,720	445	7,000	56	8,000	48
5507	Lynn, Danny Ray	36,495	2,263	36,495	529	7,000	56	8,000	48
5508	Gribbons, Ken	67,583	4,190	67,583	980	7,000	56	8,000	48

Inter County Energy
Case No. 2006-00415
Employee Earnings and Hours
July 31, 2006

Employee Number	Employee Name	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To \$94,200	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	0.600%
5509	Godbey, Nathan	47,045	2,917	47,045	682	7,000	56	8,000	48
5511	Walker, Iran	60,824	3,771	60,824	882	7,000	56	8,000	48
5514	McElroy, Ken	59,841	3,710	59,841	868	7,000	56	8,000	48
5517	Adams, Darryl	63,503	3,937	63,503	921	7,000	56	8,000	48
5523	Loomer, Kent	61,675	3,824	61,675	894	7,000	56	8,000	48
5534	Blanford, Brian	59,788	3,707	59,788	867	7,000	56	8,000	48
5535	Taylor, William	58,934	3,654	58,934	855	7,000	56	8,000	48
5540	Conder, Ricky	67,755	4,201	67,755	982	7,000	56	8,000	48
5542	Griffith, Norman	59,625	3,697	59,625	865	7,000	56	8,000	48
5543	Wheatley, Larry	66,304	4,111	66,304	961	7,000	56	8,000	48
5545	Land, John	69,285	4,296	69,285	1,005	7,000	56	8,000	48
5546	Richards, Claud	59,967	3,718	59,967	870	7,000	56	8,000	48
5547	Mullins, William	62,410	3,869	62,410	905	7,000	56	8,000	48
5549	Gordon, William	76,350	4,734	76,350	1,107	7,000	56	8,000	48
5564	Mattingly, Joe	55,979	3,471	55,979	812	7,000	56	8,000	48
5569	Turner, David	68,748	4,262	68,748	997	7,000	56	8,000	48
5574	Gander, Jacob	42,700	2,647	42,700	619	7,000	56	8,000	48
5575	McGuffey, Lloyd	42,757	2,651	42,757	620	7,000	56	8,000	48
5586	King, Bruce	56,677	3,514	56,677	822	7,000	56	8,000	48
5596	Renner, Dan	82,620	5,122	82,620	1,198	7,000	56	8,000	48
5598	Feldman, Ralph	66,887	4,147	66,887	970	7,000	56	8,000	48
5599	Brown, Mike	71,093	4,408	71,093	1,031	7,000	56	8,000	48
6104	Wilkinson, Bobby	44,754	2,775	44,754	649	7,000	56	8,000	48
6590	Gill, Tim	63,192	3,918	63,192	916	7,000	56	8,000	48
6616	Straub, Sandra	37,498	2,325	37,498	544	7,000	56	8,000	48
6625	Gray, Sally	34,840	2,160	34,840	505	7,000	56	8,000	48
6627	Denny, Robert	41,455	2,570	41,455	601	7,000	56	8,000	48
6629	Sosh, David	34,802	2,158	34,802	505	7,000	56	8,000	48
6648	Luttrell, Marty	52,241	3,239	52,241	757	7,000	56	8,000	48
6652	Metcalf, Susan	29,549	1,832	29,549	428	7,000	56	8,000	48
6663	Quinn, Ron	43,681	2,708	43,681	633	7,000	56	8,000	48
Subtotal hourly employees		2,652,920	164,481	2,652,920	38,467	357,000	2,856	408,000	2,448

Employee Number	Name	Total Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
			Up To \$94,200	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	0.600%

Summer and Part Time Employees:

2276	Pennington, Brittany	656	656	41	656	10	656	5	656	4
Subtotal summer		656	656	41	656	10	656	5	656	4

Retirees:

2289	Bodner, Sherry	0	0	0	0	0	0	0	0	0
4439	Wall, Floyd	0	0	0	0	0	0	0	0	0
Subtotal retirees		0	0	0	0	0	0	0	0	0

Total		3,435,724	3,400,589	210,837	3,435,724	49,818	434,656	3,477	496,656	2,980
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Inter County Energy
Case No. 2006-00415

July 31, 2006

Depreciation Expense

Depreciation is computed on a composite basis. The ending plant balance is multiplied by rates that are within RUS approved guidelines. Depreciation rates and procedures follow RUS Bulletin 183-1. Inter County Energy has never had a depreciation study performed, and is not submitting a study with this application.

Depreciation on transportation equipment is charged to a clearing account. Transportation costs are then cleared to various accounts based on miles driven for each vehicle from the daily time sheets of employees driving the vehicles.

Items of general plant that are fully-depreciated have been removed from the calculation in order to determine the normalized depreciation cost. These amounts have been separated on the right had column of the normalized calculation.

Account Number	Description	July 31, 2006 Balance	Rate	Normalized Expense	Test Year Expense	Items Fully Depreciated
	Distribution plant:					
360	Land	\$8,860				
364	Poles, towers & fixtures	19,377,041				
365	Overhead conductors & devices	17,872,054				
367	Underground conductor & devices	2,705,390				
368	Line transformers	12,411,174				
369	Services	13,469,153				
370	Meters	1,807,802				
371	Security lights	2,640,316				
		<u>70,291,790</u>	3.35%	<u>2,354,478</u>	<u>2,293,250</u>	
	General plant:					
389	Land	53,591				
390	Structures and improvements	7,560,817	2.0%	151,216	125,292	
391	Office furn and eqt	622,365	6.0%	37,342	32,636	
392	Transportation	1,738,423	15.0%	215,886	222,570	299,182
393	Stores	78,591	6.0%	4,457	4,344	4,310
394	Tools, shop and garage	128,563	6.0%	6,661	6,660	17,551
395	Laboratory	66,784	6.0%	3,539	3,538	7,800
396	Power operated	26,536	13.0%	0	(1)	26,536
397	Communications	1,112,414	8.0%	80,498	69,592	106,187
398	Miscellaneous	87,526	6.0%	5,252	5,068	
		<u>11,475,610</u>		<u>504,851</u>	<u>469,699</u>	
	Total electric plant	<u>\$81,767,400</u>		<u>2,859,329</u>	<u>2,762,949</u>	

Items that are fully depreciated are removed from the ending balance to compute test year depreciation.

	<u>Normalized</u>	<u>Test Year</u>	<u>Adjustment</u>
Total depreciation accruals	2,859,329	2,762,949	96,380
Less amount to transportation clearing	<u>215,886</u>	<u>222,570</u>	<u>(6,684)</u>
Depreciation expense	<u>2,643,443</u>	<u>2,540,379</u>	<u>103,064</u>

The allocation of the increase in depreciation on transportation equipment is based on actual test year transportation clearing.

<u>Account</u>	<u>%</u>	<u>Amount</u>
Construction and retirement WIP	37%	(\$2,492)
Others	2%	(149)
Distribution - operations	32%	(2,139)
Distribution - maintenance	13%	(860)
Consumer accounts	7%	(459)
Consumer service and information	5%	(305)
Administrative and general	4%	(280)
Total	<u>100%</u>	<u>(\$6,684)</u>

Inter County Energy
Case No. 2006-00415
Depreciation Guideline Curve
July 31, 2006

Year Ended	Distribution Plant in Service	Accumulated Deprec for Distribution	Reserve Ratio	Ratio of Current Distribution Plant to Distribution Plant 10 Years Prior
2005	68,315,017	13,075,631	19.14%	1.98
2004	64,377,390	11,662,562	18.12%	1.96
2003	60,699,832	10,441,991	17.20%	1.94
2002	57,700,293	9,208,504	15.96%	1.97
2001	54,618,065	7,944,824	14.55%	1.95
1995	34,469,259	6,102,375	17.70%	
1994	32,897,721	5,991,225	18.21%	
1993	31,264,971	5,708,752	18.26%	
1992	29,348,251	5,502,712	18.75%	
1991	28,055,578	5,114,874	18.23%	

	Aug 1, 2005		July 31, 2006	
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
Changes in electric plant:				
360 Land	8,860	0		8,860
364 Poles, towers and fixtures	18,605,055	906,547	134,561	19,377,041
365 Overhead conductor and devices	17,027,454	943,354	98,754	17,872,054
367 Underground conductor and devices	2,275,366	444,209	14,185	2,705,390
368 Line transformers	11,933,229	714,019	236,074	12,411,174
369 Services	12,624,510	985,027	140,384	13,469,153
370 Meters	1,709,246	113,777	15,221	1,807,802
371 Security lights	2,499,393	183,810	42,887	2,640,316
Subtotal distribution plant	66,683,113	4,290,743	682,066	70,291,790
389 Land	53,591	0		53,591
390 Structures and improvements	1,117,459	6,983,771	540,413	7,560,817
391 Office furniture and equipment	212,670	409,695		622,365
392 Transportation equipment	1,718,848	161,238	141,663	1,738,423
393 Stores	56,033	22,558		78,591
394 Tools, shop and garage	128,563	0		128,563
395 Laboratory	66,784	0		66,784
396 Power operated	26,536	0		26,536
397 Communication	1,103,502	8,912		1,112,414
398 Miscellaneous	69,269	18,257		87,526
Subtotal general plant	4,553,255	7,604,431	682,076	11,475,610
Total electric plant in service	<u>\$71,236,368</u>	<u>\$11,895,174</u>	<u>\$1,364,142</u>	<u>\$81,767,400</u>

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Changes in reserve for depreciation:

	Aug 1, 2005 Balance	Accrual	Original Cost	Removal Cost	Gain/Loss Salvage	Net Charge	July 31, 2006 Balance
Distribution plant	\$12,457,589	\$2,293,250	\$682,066	\$293,833	\$70,603	\$905,296	\$13,845,543
Land							
Structures and improvements	373,593	125,292	540,413			501,556	(2,671)
Office furniture and equipment	827	32,636	0				33,463
Transportation equipment	1,312,927	222,570	141,663			141,663	1,393,834
Stores	37,380	4,344	0				41,724
Tools, shop and garage	74,711	6,660	0				81,371
Laboratory	37,308	3,538	0				40,846
Power operated	72,572	(1)	0				72,571
Communication	316,209	69,592	0				385,801
Miscellaneous	30,651	5,068	0				35,719
Subtotal general plant	2,256,178	469,699	682,076	0	0	643,219	2,082,658
Retirement WIP	25,988			(1,351)		(1,351)	24,637
Total accumulated depreciation	\$14,687,779	\$2,762,949	\$1,364,142	\$295,184	\$70,603	\$1,549,866	\$15,903,564

Inter County Energy
Case No. 2006-00415
Analysis of Other Operating Taxes
July 31, 2006

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amounts Accrued (e)	Amount Paid (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem	599,967	8,213		608,180	608,180
	(d) Payroll (Employer's Portion)	212,435	39,921		252,356	252,356
	(e) Other Taxes	37,048			37,048	37,048
2.	Total Retail (L1(a) through L1(e))	849,450	48,134	0	897,584	897,584
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)	849,450	48,134	0	897,584	897,584

Allocation of property taxes for the test year:

Account No.	Description	Test Year	Percent	Adjustment
107.20	Construction work in progress	5,842	1%	587
163.00	Stores	2,371	0%	238
580.00	Overhead line	408,332	67%	41,010
586.00	Meter	21,677	4%	2,177
587.00	Consumer installation	85,825	14%	8,620
930.2	Miscellaneous general	84,133	14%	8,450
		608,180	100%	61,082

Inter County Energy
Case No. 2006-00415
Property Taxes
July 31, 2006

Exhibit 4
page 2 of 5
Witness: Alan Zumstein

TAXING DISTRICT	<---- TAX YEAR 2004, YEAR ENDING 12/31/03 ---->				<---- TAX YEAR 2005, YEAR ENDING 12/31/04 ---->				INCREASE OR DECREASE IN TAXES
	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	
Boyle County									
Real estate - County	773,571	773,571	0.0520	402.26	736,386	736,386	0.0520	382.92	(19)
Real estate - School	773,571	773,571	0.4650	3,597.11	736,386	736,386	0.4500	3,313.74	(283)
Real estate - Agriculture	773,571	773,571	0.0190	146.98	736,386	736,386	0.0220	162.00	15
Real estate - Independent	773,571	773,571	0.0000	0.00	736,386	736,386	0.1310	964.67	965
Real estate - Health	773,571	773,571	0.0230	177.92	736,386	736,386	0.0230	169.37	(9)
Real estate - Library	773,571	773,571	0.0430	332.64	736,386	736,386	0.0450	331.37	(1)
Tangible - Independent	129,432	129,432	0.6420	830.95	1,821,762	1,821,762	0.1540	2,805.51	1,975
Tangible - School	5,949,531	5,949,531	0.4740	28,200.78	6,201,978	6,201,978	0.4740	29,397.38	1,197
Tangible - Fire	5,949,531	5,949,531	0.1000	5,949.53	6,201,978	6,201,978	0.1000	6,201.98	252
Tangible - County	6,078,963	6,078,963	0.0690	4,194.48	8,023,740	8,023,740	0.0639	5,127.17	933
Tangible - Health	6,078,963	6,078,963	0.0230	1,398.16	8,023,740	8,023,740	0.0230	1,845.46	447
Tangible - Agriculture	6,078,963	6,078,963	0.0503	3,057.72	8,023,740	8,023,740	0.0539	4,324.80	1,267
Tangible - Library	6,078,963	6,078,963	0.0728	4,425.49	8,023,740	8,023,740	0.0705	5,656.74	1,231
Casey County									
Tangible - County	3,912,208	3,912,208	0.0680	2,660.30	4,220,697	4,220,697	0.0680	2,870.07	210
Tangible - School	3,912,208	3,912,208	0.3710	14,514.29	4,220,697	4,220,697	0.3720	15,700.99	1,187
Tangible - Ambulance	3,912,208	3,912,208	0.0220	860.69	4,220,697	4,220,697	0.0220	928.55	68
Tangible - Conservation	3,912,208	3,912,208	0.0000	0.00	4,220,697	4,220,697	0.0000	0.00	0
Tangible - Extension	3,912,208	3,912,208	0.0153	598.57	4,220,697	4,220,697	0.0153	645.77	47
Tangible - Health	3,912,208	3,912,208	0.0200	782.44	4,220,697	4,220,697	0.0250	1,055.17	273
Tangible - Hospital	3,912,208	3,912,208	0.0650	2,542.94	4,220,697	4,220,697	0.0640	2,701.25	158
Tangible - Library	3,912,208	3,912,208	0.0787	3,078.91	4,220,697	4,220,697	0.0900	3,798.63	720
Garrard County									
Tangible - County	8,930,019	8,930,019	0.1000	8,930.02	8,504,397	8,504,397	0.1000	8,504.40	(426)
Tangible - School	8,930,019	8,930,019	0.6150	54,919.62	8,504,397	8,504,397	0.6150	52,302.04	(2,618)
Tangible - Library	8,930,019	8,930,019	0.0811	7,242.25	8,504,397	8,504,397	0.0702	5,970.09	(1,272)
Tangible - Health	8,930,019	8,930,019	0.0400	3,572.01	8,504,397	8,504,397	0.0400	3,401.76	(170)
Tangible - Extension	8,930,019	8,930,019	0.0576	5,143.69	8,504,397	8,504,397	0.0503	4,277.71	(866)
Tangible - Fire 1	2,728,896	2,728,896	0.0830	2,264.98	2,652,222	2,652,222	0.0830	2,201.34	(64)
Tangible - Fire 2	2,446,173	2,446,173	0.0650	1,590.01	2,377,443	2,377,443	0.0650	1,545.34	(45)
Tangible - Fire 3	1,118,602	1,118,602	0.0670	749.46	1,087,172	1,087,172	0.0600	652.30	(97)
Tangible - Fire 4	1,511,956	1,511,956	0.0600	907.17	1,469,475	1,469,475	0.0600	881.69	(25)
Tangible - Fire 5	749,832	749,832	0.0600	449.90	728,764	728,764	0.0600	437.26	(13)

168,557.46 5,036.21

163,521.25

page totals

Inter County Energy
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Exhibit 4
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Witness: Alan Zumstein

TAXING DISTRICT	<---- TAX YEAR 2003, YEAR ENDING 12/31/02 ---->				<---- TAX YEAR 2004, YEAR ENDING 12/31/03 ---->				INCREASE (DECREASE) IN TAXES
	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	
Larue County									
Tangible - County	346,461	346,461	0.1690	585.52	360,165	360,165	0.1690	608.68	23
Tangible - School	346,461	346,461	0.4490	1,555.61	360,165	360,165	0.3930	1,415.45	(140)
Tangible - Special Schoo	346,461	346,461	0.0580	200.95	360,165	360,165	0.0580	208.90	8
Tangible - Library	346,461	346,461	0.0451	156.25	360,165	360,165	0.0466	167.84	12
Tangible - Health	346,461	346,461	0.0190	65.83	360,165	360,165	0.0190	68.43	3
Tangible - Extension	346,461	346,461	0.0342	118.49	360,165	360,165	0.0359	129.30	11
Lincoln County									
Tangible - County	9,525,013	9,525,013	0.0940	8,953.51	10,126,633	10,126,633	0.0930	9,417.77	464
Tangible - School	9,525,013	9,525,013	0.3820	36,385.55	10,126,633	10,126,633	0.3820	38,683.74	2,298
Tangible - Library	9,525,013	9,525,013	0.0413	3,933.83	10,126,633	10,126,633	0.0442	4,475.97	542
Tangible - Health	9,525,013	9,525,013	0.0400	3,810.01	10,126,633	10,126,633	0.0400	4,050.65	241
Tangible - Extension	9,525,013	9,525,013	0.0463	4,410.08	10,126,633	10,126,633	0.0479	4,850.66	441
Tangible - Ambulance	9,525,013	9,525,013	0.0450	4,286.26	10,126,633	10,126,633	0.0450	4,556.98	271
Tangible - Fire Dist	9,525,013	9,525,013	0.0460	4,381.51	10,126,633	10,126,633	0.0660	6,683.58	2,302
Madison County									
Tangible - County	97,965	97,965	0.1000	97.97	100,797	100,797	0.1000	100.80	3
Tangible - School	97,965	97,965	0.5750	563.30	100,797	100,797	0.5800	584.62	21
Tangible - Health	97,965	97,965	0.0400	39.19	100,797	100,797	0.0500	50.40	11
Tangible - Extension	97,965	97,965	0.0227	22.24	100,797	100,797	0.0255	25.70	3
Tangible - Ambulance	97,965	97,965	0.0600	58.78	100,797	100,797	0.0600	60.48	2
Tangible - Library	97,965	97,965	0.0604	59.17	100,797	100,797	0.0665	67.03	8

page totals 69,684.03 76,206.97 6,522.95

Inter County Energy
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Witness: Alan Zumstein

TAXING DISTRICT	<----- TAX YEAR 2003, YEAR ENDING 12/31/02 ----->				<----- TAX YEAR 2004, YEAR ENDING 12/31/03 ----->				INCREASE/ DECREASE IN TAXES
	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	
Marion County									
Real estate - County	77,818	77,818	0.0770	59.92	75,588	75,588	0.0780	58.96	(1)
Real estate - School	77,818	77,818	0.4560	354.85	75,588	75,588	0.4610	348.46	(6)
Real estate - Library	77,818	77,818	0.0290	22.57	75,588	75,588	0.0300	22.68	0
Real estate - Health	77,818	77,818	0.0300	23.35	75,588	75,588	0.0300	22.68	(1)
Real estate - Extension	77,818	77,818	0.0200	15.56	75,588	75,588	0.0207	15.65	0
Real estate - Air Board	77,818	77,818	0.0100	7.78	75,588	75,588	0.0100	7.56	(0)
Tangible - County	8,974,742	8,974,742	0.1090	9,782.47	9,672,269	9,672,269	0.1090	10,542.77	760
Tangible - School	8,974,742	8,974,742	0.4560	40,924.82	9,672,269	9,672,269	0.4610	44,589.16	3,664
Tangible - Library	8,974,742	8,974,742	0.0372	3,338.60	9,672,269	9,672,269	0.0373	3,607.76	269
Tangible - Health	8,974,742	8,974,742	0.0300	2,692.42	9,672,269	9,672,269	0.0300	2,901.68	209
Tangible - Extension	8,974,742	8,974,742	0.0358	3,212.96	9,672,269	9,672,269	0.0349	3,375.62	163
Tangible - Air Board	8,974,742	8,974,742	0.0120	1,076.97	9,672,269	9,672,269	0.0120	1,160.67	84
Mercer County									
Tangible - County	2,399,135	2,399,135	0.0920	2,207.20	2,488,032	2,488,032	0.0920	2,288.99	82
Tangible - School	2,399,135	2,399,135	0.4690	11,251.94	2,488,032	2,488,032	0.5750	14,306.18	3,054
Tangible - Library	2,399,135	2,399,135	0.1161	2,785.40	2,488,032	2,488,032	0.1236	3,075.21	290
Tangible - Extension	2,399,135	2,399,135	0.0356	854.09	2,488,032	2,488,032	0.0370	920.57	66
Tangible - Health	2,399,135	2,399,135	0.0400	959.65	2,488,032	2,488,032	0.0400	995.21	36
Tangible - Fire	2,381,215	2,381,215	0.0720	1,714.47	2,469,594	2,469,594	0.0680	1,679.32	(35)
Nelson County									
Tangible - County	776,552	776,552	0.1660	1,289.08	840,690	840,690	0.1660	1,395.55	106
Tangible - School	776,552	776,552	0.5270	4,092.43	840,690	840,690	0.5870	4,934.85	842
Tangible - Library	776,552	776,552	0.0637	494.66	840,690	840,690	0.0692	581.76	87
Tangible - Extension	776,552	776,552	0.0100	77.66	840,690	840,690	0.0100	84.07	6
Rockcastle County									
Tangible - County	40,620	40,620	0.0820	33.31	41,794	41,794	0.0820	34.27	1
Tangible - School	40,620	40,620	0.4230	171.82	41,794	41,794	0.4290	179.30	7
Tangible - Health	40,620	40,620	0.0350	14.22	41,794	41,794	0.0350	14.63	0
Tangible - Library	40,620	40,620	0.0297	12.06	41,794	41,794	0.0334	13.96	2
Tangible - Extension	40,620	40,620	0.0358	14.54	41,794	41,794	0.0373	15.59	1
Tangible - Soil conservat	40,620	40,620	0.0000	0.00	41,794	41,794	0.0000	0.00	0
page totals				87,484.82				97,173.10	9,688.28

Inter County Energy
Case No. 2006-00415
Property Taxes
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Exhibit 4
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Witness: Alan Zumstein

TAXING DISTRICT	<----- TAX YEAR 2003, YEAR ENDING 12/31/02 ----->				<----- TAX YEAR 2004, YEAR ENDING 12/31/03 ----->				INCREASE/ DECREASE IN TAXES
	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	
Taylor County									
Tangible - County	88,407	88,407	0.0800	70.73	92,512	92,512	0.0930	86.04	15
Tangible - School	88,407	88,407	0.4410	389.87	92,512	92,512	0.4420	408.90	19
Tangible - Health	88,407	88,407	0.0300	26.52	92,512	92,512	0.0300	27.75	1
Tangible - Hospital	88,407	88,407	0.0910	80.45	92,512	92,512	0.0910	84.19	4
Tangible - Library	88,407	88,407	0.0363	32.09	92,512	92,512	0.0394	36.45	4
Tangible - Extension	88,407	88,407	0.0208	18.39	92,512	92,512	0.0226	20.91	3
Washington County									
Tangible - County	572,259	572,259	0.0710	406.30	601,095	601,095	0.0720	432.79	26
Tangible - School	572,259	572,259	0.4250	2,432.10	601,095	601,095	0.4320	2,596.73	165
Tangible - Library	572,259	572,259	0.0550	314.74	601,095	601,095	0.0590	354.65	40
Tangible - Health	572,259	572,259	0.0280	160.23	601,095	601,095	0.0280	168.31	8
Tangible - Extension	572,259	572,259	0.0478	273.54	601,095	601,095	0.0503	302.35	29
Tangible - Airport	572,259	572,259	0.0110	62.95	601,095	601,095	0.0110	66.12	3
City of Danville									
Real estate - City	129,432	129,432	0.1876	242.81	736,386	736,386	0.6290	4,631.87	4,389
Tangible - City	773,571	773,571	0.1310	1,013.38	2,609,335	2,609,335	0.6470	16,882.40	15,869
City of Harrodsburg									
Tangible - City	17,920	17,920	0.0900	16.13	18,438	18,438	0.0890	16.41	0
City of Lebanon									
Tangible - City	58,182	58,182	0.2100	122.18	61,462	61,462	0.1897	116.59	(6)
Public Service Commission Assessment:									
Real Estate		851,389	0.1330	1,132.35		811,974	0.1310	1,063.69	(69)
Tangible Property		41,316,722	0.4500	185,925.25		45,498,443	0.4500	204,742.99	18,818
Manufacturing Machinery		8,274,488	0.1500	12,411.73		8,386,060	0.1500	12,579.09	167
Intangibles		3,714,736	0.2500	9,286.84		3,853,813	0.2500	9,634.53	348
Ky State Treas				10.00				10.00	0
this page				<u>214,428.59</u>				<u>254,262.75</u>	<u>39,834.16</u>
Total pages				<u>535,118.69</u>				<u>596,200.28</u>	
Adjustment									<u>61,081.59</u>

5 **Adjustment for Interest on Long Term Debt**
6

7
8 The adjustment for interest on long-term debt results in an increase of \$327,127.

9
10 Interest on short term borrowings in the amount of \$180,415 has been removed.

11
12 This adjustment has been calculated by multiplying the test year end debt amounts
13 by the interest rates in effect at the end of the test year for each loan.
14

15
16

17 RUS loans	837,405
18 FFB loans	1,228,945
19 CFC loans	<u>426,328</u>
20	
21 Total annualized interest	2,492,677
22	
23 Test year interest expense	<u>2,165,550</u>
24	
25 Adjustment	<u><u>327,127</u></u>
26	

Inter County Energy
Case No. 2006-00415
Schedule of Outstanding Long-Term Debt
July 31, 2006

Exhibit 5
page 2 of 4
Format 8a
Schedule 2

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost
RUS loans						
0B210	Jan-72	Jan-2007	6,768	2.00%	135	205
0B220	Jun-72	Jun-2007	18,480	2.00%	370	462
1B230	Sep-73	Sep-2008	87,118	5.00%	4,356	4,809
1B240	Jul-74	Jul-2009	68,682	5.00%	3,434	3,696
1B250	Mar-75	Mar-2010	84,007	5.00%	4,200	4,451
1B260	Jan-76	Jan-2011	154,066	5.00%	7,703	8,081
1B270	Sep-76	Sep-2011	175,897	5.00%	8,795	9,157
1B280	Aug-77	Jul-2012	199,801	5.00%	9,990	10,343
1B290	May-78	May-2013	221,235	5.00%	11,062	11,402
1B300	May-79	May-2014	901,868	5.00%	45,093	46,270
1B310	Jan-82	Jan-2017	824,193	5.00%	41,210	41,954
1B320	Mar-85	Mar-2020	821,568	5.00%	41,078	41,695
1B330	May-88	May-2023	1,438,504	5.00%	71,925	72,727
1B340	Aug-91	Aug-2026	2,166,886	5.00%	108,344	109,267
1B350	Nov-93	Nov-2028	2,781,638	5.00%	139,082	140,080
1B360	Mar-98	Feb-2033	2,405,029	5.125%	123,258	123,892
1B365	Mar-98	Feb-2033	2,266,143	3.370%	76,369	76,946
1A370	Jun-2005	May-2040	3,000,000	4.700%	141,000	39,455
	Advance payment		(48,310)			
			17,573,573		837,405	744,893
FFB loans						
H0010	Sep-2005	Sep-2040	23,253,336	4.615%	1,073,141	832,361
F0055	Oct-2005	Oct-2040	3,194,000	4.878%	155,803	165,974
			26,447,336		1,228,945	998,335
CFC loans						
9001	Aug-74	Jul-2009	91,938	7.00%	6,436	6,976
9008	Mar-75	Mar-2010	43,269	5.85%	2,531	2,628
9010	Dec-75	Dec-2010	77,487	5.90%	4,572	4,696
9012	Sep-76	Sep-2011	86,751	5.95%	5,162	5,263
9014	Jun-77	Jun-2012	100,542	6.00%	6,033	6,115
9016	Mar-78	Mar-2013	115,053	6.00%	6,903	6,967
9017	Mar-79	Mar-2014	445,736	6.00%	26,744	26,869
9021	Apr-81	Apr-2016	403,288	6.05%	24,399	24,315
9022	Mar-85	Mar-2020	410,984	6.20%	25,481	25,256
9023	Mar-88	Mar-2023	626,613	6.35%	39,790	39,317
9024	Jun-91	Jun-2026	954,156	6.45%	61,543	60,676
9025	Sep-93	Aug-2028	1,239,904	6.45%	79,974	78,763
9026	Mar-98	Feb-2033	2,104,013	6.50%	136,761	134,480
			6,699,734		426,328	422,323
Total long term debt and annualized cost			50,720,643		2,492,677	2,165,550
Annualized cost rate [Total Col. (j) / Total Col. (d)]					4.91%	
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]					4.27%	

Inter County Energy
Case No. 2006-00415
Schedule of Outstanding Long-Term Debt
December 31, 2005

Exhibit 5
page 3 of 4
Format 8a
Schedule 1

Type of <u>Debt Issued</u> (a)	Date of <u>Issue</u> (b)	Date of <u>Maturity</u> (c)	Outstanding Amount (d)	Cost Rate to <u>Maturity</u> (g)	Annualized Cost <u>Col (d)x(g)</u> (j)
RUS loans					
0B210	Jan-72	Jan-2007	13,730	2.00%	275
0B220	Jun-72	Jun-2007	27,745	2.00%	555
1B230	Sep-73	Sep-2008	105,237	5.00%	5,262
1B240	Jul-74	Jul-2009	79,146	5.00%	3,957
1B250	Mar-75	Mar-2010	94,035	5.00%	4,702
1B260	Jan-76	Jan-2011	169,160	5.00%	8,458
1B270	Sep-76	Sep-2011	190,395	5.00%	9,520
1B280	Aug-77	Jul-2012	213,930	5.00%	10,697
1B290	May-78	May-2013	234,839	5.00%	11,742
1B300	May-79	May-2014	948,936	5.00%	47,447
1B310	Jan-82	Jan-2017	853,959	5.00%	42,698
1B320	Mar-85	Mar-2020	846,231	5.00%	42,312
1B330	May-88	May-2023	1,470,591	5.00%	73,530
1B340	Aug-91	Aug-2026	2,203,797	5.00%	110,190
1B350	Nov-93	Nov-2028	2,821,572	5.00%	141,079
1B360	Mar-98	Feb-2033	2,429,769	5.125%	124,526
1B365	Mar-98	Feb-2033	2,300,410	2.375%	54,635
1A370	Jun-2005	May-2040	0	0.000%	0
	Advance payment		(46,936)		
			<u>14,956,546</u>		<u>691,581</u>
FFB loans					
H0010	Sep-2005	Sep-2040	19,844,622	3.566%	707,659
F0055	Oct-2005	Oct-2040	3,611,000	4.058%	146,534
			<u>23,455,622</u>		<u>854,194</u>
CFC loans					
9001	Aug-74	Jul-2009	111,273	7.00%	7,789
9008	Mar-75	Mar-2010	48,358	5.85%	2,829
9010	Dec-75	Dec-2010	84,902	5.90%	5,009
9012	Sep-76	Sep-2011	93,696	5.95%	5,575
9014	Jun-77	Jun-2012	107,410	6.00%	6,445
9016	Mar-78	Mar-2013	121,875	6.00%	7,313
9017	Mar-79	Mar-2014	468,032	6.00%	28,082
9021	Apr-81	Apr-2016	416,865	6.05%	25,220
9022	Mar-85	Mar-2020	420,343	6.20%	26,061
9023	Mar-88	Mar-2023	636,989	6.35%	40,449
9024	Jun-91	Jun-2026	965,730	6.45%	62,290
9025	Sep-93	Aug-2028	1,252,288	6.45%	80,773
9026	Mar-98	Feb-2033	2,118,489	6.50%	137,702
			<u>6,846,250</u>		<u>435,536</u>
Total long term debt and annualized cost			<u>45,258,418</u>		<u>1,981,310</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					4.38%
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]					

1 Inter County Energy
2 Case No. 2006-00415
3 Schedule of Short Term Debt
4 July 31, 2006

Exhibit 5
page 4 of 4
Format 8b

5
6
7 **Adjustment for Short Term Interest**

8
9 This adjustment is to remove interest on short term borrowings. It is presumed
10 that the short term borrowings will be repaid as a result of additional revenues
11 generated from this Application.
12

13
14

15 Type of 16 Debt 17 <u>Instrument</u> 18 (a)	19 Date of 20 Issue 21 (b)	22 Date of 23 Maturity 24 (c)	25 Amount 26 Outstanding 27 (d)	28 Interest 29 Rate 30 (e)	31 Annualized Cost (f)
CFC	22-Mar-2006	21-Apr-2006	4,700,000	5.45%	256,150
Annualized cst rate [Total col. (f) / Total col. (d)]					5.45%
Actual inteest paid, or accrued on Short Term Debt during the Test Year					180,415

Inter County Energy
Case No. 2006-00415
July 31, 2006

**Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits**

Inter County updated its study of SFAS No. 106. As a result, the annual accrual increased. Directors are not provided health insurance premiums when they retire, as a result, this study does not include amounts for Directors, or their spouses.

Proposed annual cost	275,000
Test year accrual	<u>271,000</u>
Proposed adjustment	<u><u>4,000</u></u>

The adjustment is allocated as follows:

		<u>Percent</u>	<u>Amount</u>
107	Capitalized	35.10%	1,404
163 - 416	Clearing and others	5.20%	208
580	Operations	19.28%	771
590	Maintenance	7.07%	283
901	Consumer accounts	15.70%	628
908	Customer service	5.77%	231
912	Sales	0.00%	0
920	Administrative and general	11.87%	475
		<u>100.00%</u>	<u>\$4,000</u>

Inter County Energy
Case No. 2006-00415
July 31, 2006

**Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits**

Inter County Rural Electric implemented Statement of Financial Accounting Standard No. 106 (SFAS 106) as of January 1, 1995.

The journal entry to record the expense for the initial year of 1994 is as follows:

	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Cumulative effect of change in			
accounting principle	435.10	602,933	
Accumulated provision for pensions			
and benefits	228.30		602,933

The updated study has been included with this response.

W. DUDLEY SHRYOCK, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 542
145 COLLEGE STREET
LAWRENCEBURG, KY 40342
(502) 839-8112

MEMBER AICPA

MEMBER KY SOCIETY
OF CPA'S

July 20, 2006

Vickie Lay, VP Accounting & Finance
Inter County Energy Cooperative
1009 Hustonville Road
Danville, Kentucky 40423

Dear Vickie:

Please find enclosed the actuarial valuation results as of January 1, 2006 for Financial Accounting Standard No. 106 - Employers' Accounting for Postretirement Benefits Other than Pensions.

The annual accrual for 2006 should be \$275,000 starting when you receive this report.

The accrual for 2006 includes current service and interest costs and amortization of the actuarial gains and losses.

Using the tier coverage and the PPO helps reduce the insurance premiums and has helped keep the accrual from increasing so dramatically from the last study.

If you have any questions or would like to discuss these results, please give me a call.

Sincerely,

W. Dudley Shryock, CPA

**Inter County Energy Cooperative
Medical Insurance Premiums**

FAS 106 Expense as of January 1, 2006

FAS 106 Expense Components

1. Service cost	\$176,276
2. Interest cost	74,921
3. Expected return on assets	-
4. Amortization of transition obligation	-
5. Amortization of actuarial (gain) / loss	<u>23,178</u>
6. Total FAS 106 expense	<u>\$274,375</u>
7. Expected pay-as-you-go expense	<u>\$135,000</u>

Expected payments for the next 5 years

2006	\$131,750
2007	\$135,839
2008	\$135,467
2009	\$136,427
2010	\$115,307
2011	\$109,880

**Inter County Energy Cooperative
Medical Insurance Premiums**

FAS 106 Obligation as of January 1, 2006

	<u>Employees</u>	<u>Directors</u>	<u>Total</u>
A. Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2006:			
1. Actives not yet eligible	\$850,900	\$21,000	\$871,900
2. Actives fully eligible	153,844	40,000	193,844
3. Retirees and dependents	1,139,061	6,000	1,145,061
4. Total APBO	2,143,805	67,000	2,210,805
B. Future accruals	2,219,302	26,000	2,245,302
C. Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	\$4,363,107	\$93,000	\$4,456,107
D. Reconciliation of Funded Status			
1. Accrued Postretirement Benefit Cost		\$1,572,520	
2. Assets		<u>0</u>	
3. Funded Status = (D1 + D2)		1,572,520	
4. Unrecognized Transition Obligation		-	
5. Unrecognized (Gain) / Loss		638,285	
6. Unrecognized Prior Service Cost		-	
7. APBO		<u> </u>	
(D3 + D4 + D5 + D6)		<u>\$2,210,805</u>	

**Inter County Energy Cooperative
Medical Insurance Premiums**

FAS 106 Obligation as of January 1, 2007

		<u>Employees</u>	<u>Directors</u>	<u>Total</u>
A.	Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2007:			
	1. Actives not yet eligible	\$1,007,596	\$15,000	\$1,022,596
	2. Actives fully eligible	166,921	50,000	216,921
	3. Retirees and dependents	1,084,485	3,000	1,087,485
	4. Total APBO	2,259,002	68,000	2,327,002
B.	Future accruals	3,846,153	95,000	3,941,153
C.	Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	\$6,105,155	\$163,000	\$6,268,155
D.	Reconciliation of Funded Status			
			January 1, <u>2003</u>	
	1. Accrued Postretirement Benefit Cost		\$1,804,513	
	2. Assets		<u>0</u>	
	3. Funded Status = (D1 + D2)		1,804,513	
	4. Unrecognized Transition Obligation		-	
	5. Unrecognized (Gain) / Loss		522,489	
	6. Unrecognized Prior Service Cost		-	
	7. APBO		<u> </u>	
	(D3 + D4 + D5 + D6)		<u>\$2,327,002</u>	

**Inter County Energy Cooperative
Medical Insurance Premiums**

FAS 106 Expense as of January 1, 2006

A. Accrued Postretirement Benefit Cost

1. Balance January 1, 2005	1,572,521
2. Accrual for 2005	264,000
3. Payout for 2005	<u>(171,383)</u>
4. Balance December 31, 2005	1,665,138
5. Accrual for 2006	274,375
6. Estimated payout for 2006	<u>(135,000)</u>
7. Estimated balance December 31, 2006	<u><u>1,804,513</u></u>

**Inter County Energy Cooperative
Medical Insurance Premiums**

FAS 106 Expense as of January 1, 2006

A. Development of Actuarial (Gain)/Loss during 2006

1. Expected APBO as of December 31, 2005	\$1,572,520
2. Actual APBO as of January 1, 2006	<u>2,210,805</u>
3. Actuarial (gain)/loss as of January 1, 2006 = (2) - (1)	638,285
4. Unrecognized (gain)/loss as of December 31, 2005	<u>-</u>
5. Cumulative (gain)/loss = (3) + (4)	638,285
6. 10% corridor	<u>221,081</u>
7. (Gain)/Loss subject to amortization = (5) - (6)	417,205
8. Future working lifetime to expected retirement	<u>18</u>
9. Amortization of (gain)/loss = (7) / (8)	<u><u>\$23,178</u></u>

B. Amortization of Transition Obligation

1. Transition Obligation as of January 1, 1995	-
2. Number of years in amortization	<u>-</u>
3. Annual amortization	<u><u>-</u></u>

**Inter County Energy Cooperative
Medical Insurance Premiums**

FAS 106 Expense as of January 1, 2006

Alternate assumptions:

Impact on obligations and expense of a
health care cost trend increase of 1%

	Current	Alternate	
	<u>Plan</u>	<u>Assumptions</u>	<u>% Change</u>
APBO	2,210,805	2,540,000	14.9%
EPBO	4,456,107	5,125,000	15.0%
FAS 106 Expense	274,375	315,000	14.8%

Inter County Energy Cooperative

FAS 106 Assumptions

Covered Groups

All eligible Directors and employees.

Eligibility

Employees who have reached normal retirement, age 62.

Directors who have reached normal retirement, age 70.

Spouse

Inter County Energy pays family medical coverage for retirees and their dependents.

Medicare

At age 65 retirees will commence with Medicare coverage.

Contributions

Inter County Energy will pay 100% of the premiums for employees reaching normal retirement age or employees with a minimum of ten years of employment and upon reaching the early retirement age of fifty-five. Inter County Energy will continue to pay 1/2 (one-half) of the premium for employees who have retired prior to October 9, 1998.

Directors contributions will be based on the following schedule:

<u>Years of Service</u>	<u>Employer Contribution</u>
15 and over	100%
5 to 15	50%
less than 5	None

Life Expectancies

Per annuity tables female employees can expect to live until age 78.2 and male employees can expect to live until age 73.8.

Retirement, withdrawals and mortality

Estimate that Directors will retire at age 70 and employees will retire at age 62 and will be replaced in the normal course of business.

Dependents and future retirees

Presently 77% of retirees have dependent coverage.

Discount rate

6.50% per year.

Inter County Energy Cooperative

FAS 106 Assumptions

Medical inflation rate 8.0% per year decreasing by 0.5% per year until 5.50% per year.

Terminations Rates vary by attained age for employees. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>No. of Employees</u>
20	15%	6
30	7%	14
40	3%	20
50	1%	19
60	0%	<u>3</u>
		<u><u>62</u></u>

Computations of policy premiums Inter County adopted a tier policy PPO where there is not a rate for family plans, but additional coverage for covering spouses, children and bother.

Family	\$702.56
Single	\$304.14
Retiree	\$256.37

There are presently 62 employees, of which 54 have dependent coverage and 8 have single only coverage. There are 41 male employees and 21 female employees.

Eligibility classes Based on the employees, retirees and those on disability as of January 1, 2006 are as follows:

	<u>Employees</u>	<u>Directors</u>
Actives not fully eligible	59	5
Actives fully eligible	3	2
Retirees and dependents	<u>31</u>	<u>0</u>
Total	<u><u>93</u></u>	<u><u>7</u></u>

Inter County Energy
Case No. 2006-00415

Retirement and Security

Inter County provides pension benefits for substantially all employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (R & S) Program. It is the policy of Inter County to fund pension costs accrued. R & S contributions are based on base salary at a rate determined by NRECA.

The rate for 2006 was 13.40% of base wages. For the 2007, the rate is 14.07%. The adjustment is to normalize the R & S contributions using the rate for 2007 and normalized base wages for full-time salary and hourly employees.

Normalized base wages		
Salary employees		765,170
Hourly employees		2,406,914
		3,172,083
Contribution rate for 2007		14.07%
Proposed contribution cost		446,312
Test year R & S contributions		365,512
Proposed adjustment		80,801

The adjustment is allocated as follows:

Adjustment:	<u>Percent</u>	<u>Amount</u>
107 Capitalized	35.10%	28,358
163 - 416 Clearing and others	5.20%	4,204
580 Operations	19.28%	15,579
590 Maintenance	7.07%	5,714
901 Consumer accounts	15.70%	12,688
908 Customer service	5.77%	4,665
912 Sales	0.00%	0
920 Administrative and general	11.87%	9,592
	100.00%	\$80,801



National Rural Electric
Cooperative Association

A Touchstone Energy Cooperative

RECEIVED

SEP 19 2006

INTER CO. ENERGY
DANVILLE, KY

Date: September 18, 2006
To: General Manager
Cc: Benefits Administrator
From: Scott Spencer, Senior Vice President, NRECA Insurance & Financial Services
RE: Retirement Security Plan Contribution Rates For 2007

Enclosed, you will find your system's Retirement Security (RS) Plan contribution rate for 2007. The new rate, shown at the bottom of the System Cost column, will apply for the plan year beginning January 1, 2007, unless your Board of Directors amends your current plan.*

The enclosed sheet also shows your contribution rate history from 1988. In addition, it shows rates from moratorium years when systems were not billed for contributions. You will likely notice an increase in your contribution rate for 2007. The increase is due to recent plan experience, including the impact of a low interest rate environment which increases plan liabilities.

While NRECA realizes that a rate increase is a challenge for some members to incorporate into their budgets, we also hope that you will take a few moments to consider the value of the pension plan you are offering to your employees. At a time when defined benefit pension plans are becoming rarer in the marketplace, the RS Plan remains strongly funded and well managed—qualities that will allow the Plan to provide retirement security to future generations of electric cooperative employees.

The 2007 contributions will be collected through the monthly self-bill process for the entire year at the full billing rate. All annual installments that are due for past service liability costs will be collected in January 2007. If your system adopted the 100% death benefit option, the cost of this benefit improvement has been included in your 2007 contribution rate.

If you have any questions or need additional information, please contact your field representative or the Member Contact Center at 866.673.2299 or via e-mail at contactcenter@nreca.coop

Enclosures
SS-05-053A

*Your contribution cost is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2006, which is that participant's effective salary for the 2007 plan year. Beginning with your January 2007 monthly statement, the estimated amount due will be based on this percentage.

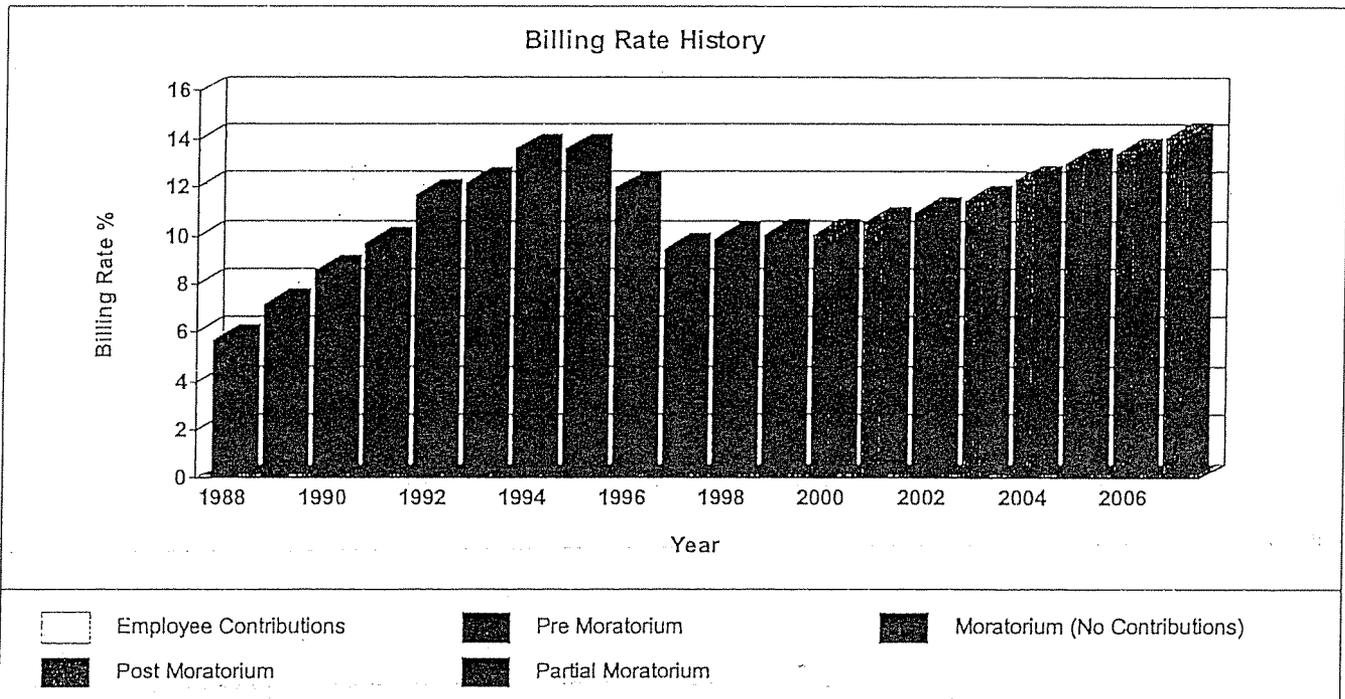


NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Retirement and Security Program

System #:	01-18027-001	Plan ID:	RNR01A
Name:	INTER-COUNTY ENERGY CO-OP, CORP.		

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1988	1.60	5.70	0.00	62	No	45	No	BS
1989	1.60	7.20	0.00	62	No	45	No	BS
1990	1.60	8.60	0.00	62	No	45	No	BS
1991	1.60	9.70	0.00	62	No	45	No	BS
1992	1.60	11.70	0.00	62	No	46	No	BS
1993	1.60	12.20	0.00	62	No	45	No	BS
1994	1.60	13.62	0.00	62	No	45	No	BS
1995	1.60	13.62	0.00	62	No	45	No	BS
1996	1.60	11.97	0.00	62	No	44	No	BS
1997	1.60	9.50	0.00	62	No	44	No	BS
1998	1.60	9.86	0.00	62	No	44	No	BS
1999	1.60	10.04	0.00	62	No	45	No	BS
2000	1.60	10.04	0.00	62	No	45	No	BS
2001	1.60	10.56	0.00	62	No	44	No	BS
2002	1.60	10.93	0.00	62	No	45	No	BS
2003	1.60	11.47	0.00	62	No	45	No	BS
2004	1.60	12.31	0.00	62	No	46	No	BS
2005	1.60	12.99	0.00	62	No	46	No	BS
2006	1.60	13.40	0.00	62	No	45	No	BS
2007	1.60	14.07	0.00	62	No	45	No	BS



Note: Rates are for the plan in effect as of January 1 for each year.

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Inter County Energy Cooperative
Case No. 2006-00415
Adjustment for Donations
July 31, 2006

Donations are removed for rate making purposes. The adjustment to remove the donations is \$11,659.

Inter County Energy Cooperative
Case No. 2006-00415

Account 426 - Other Income Deductions
July 31, 2006

Line No. _____	Item (a)	Amount (b)
1.	Donations	11,583
2.	Civic activities	76
3.	Political activities	
4.	Other	_____
5.	Total	<u><u>11,659</u></u>

Inter County Energy Cooperative
Case No. 2006-00415
Donations Account 426.00
July 31, 2006

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
08/17-05	187389	David Preston	100.00	x Tobacco cutting prize
08/01-05	187399	Community Arts Center	1,000.00	x Donation
09/13-05	187735	Visa	500.00	x Claud Richards fire donate
10/04-05	188109	Forkland Community Ctr	25.00	x Hubert Ellis memorial
10/17-05	188228	Marion Chamber of Commerc	100.00	x Donation
11/15-05	188432	Visa	31.66	x Gravel Switch fest gift
11/15-05	188432	Visa	28.02	x BPW banquet gift
11/17-05	188436	United Way	500.00	x Donation
12/07-05	188758	KAEC	1,587.89	x 4-H donation
12/08-05	188781	Visa	24.85	x Mercer Chamber banquet gift
01/10-06	189153	Visa	15.25	x Baptist Ch donate turkey
01/30-06	189415	KAEC	1,587.89	x 4-H donation
02/13-06	189565	Mercer Co APES	100.00	x Donation
02/13-06	189574	Stanford Vol Fire Dept	250.00	x Donation
02/22-06	189660	Marion Co Jr Miss	200.00	x Donation
02/22-06	189668	Ky Special Olympics	50.00	x Donation
03/09-06	189766	Visa	50.75	x Marion Chamber door prize
03/09-06	189766	Visa	31.67	x Big Bros/Bis Sis prize
03/28-06	189969	K E T	100.00	x Donation
04/17-06	190115	Visa	444.24	x Project graduation gift
04/12-06	190151	Friends of Education	50.00	x Donation
04/12-06	190157	Lincoln Co Conservation	200.00	x Donation
04/26-06	190245	Visa	94.09	x Appliances donation
05/11-06	190343	Visa	186.92	x March of Dimes
05/10-06	190417	City of Liberty	200.00	x Casey Co 4th
05/10-06	190422	Gestemane Baptist Church	50.00	x Nellie Osborne memorial
05/22-06	190537	NAACP	100.00	x Donation
05/22-06	190539	Nolin Rural Electric	107.55	x Young Farmers banquet prize
05/22-06	190540	NRECA International Found	1,000.00	x Donation
05/31-06	190600	Crab Orchard City	200.00	x 4th celebration
06/08-06	190769	Perryville Commemorations C	500.00	x Donation
07/12-06	191110	Children's Wish Found	50.00	x Donation
07/12-06	191117	Haggin Memorial Hosp	200.00	x Donation
07/12-06	191118	United Way	100.00	x Donation
07/12-06	191126	Manna	100.00	x Donation
07/12-06	191136	St Jude Child Hosp	50.00	x Donation
07/21-06	191170	Muscular Dystrophy Assoc	100.00	x Donation
07/21-06	191184	Visa	15.76	x Relay for Life
07/28-06	191237	Lincoln Co HS	500.00	x Donation
07/31-06	191257	Marion Co HS Boosters	100.00	x Donation
08/02-06	191278	Rexel Southland	75.67	x Matl for Boyle Co Fairgrounds
08/08-06	191292	Lowe's Business Acct	7.58	x Matl for Boyle Co Fairgrounds
08/08-06	191314	Visa	35.00	x Golf Tourney gift
07/31-06		EKPC	(2,664.35)	x Cost share
07/31-06		Charitable organizations	1,713.26	x Donate electric grills
08/31-05		CFC	1,860.60	x Integrity Fund
			<u>11,659.30</u>	
		Remove for rate making	<u>11,659.30</u>	

Inter County Energy Cooperative
Case No. 2006-00415
July 31, 2006

Professional Services Expenses

This adjustment is to remove items that are normally excluded for rate-making purposes. Among the expenses excluded are attorney health and dental insurances and gifts. Costs for the Legislative Conference have been removed. The per diem to attend the legal seminar's have also been removed.

The expenses for the new loan services were not removed since legal services are required each time Inter County applies for a loan.

During the test year, Inter County's attorney retired. Another law firm was selected to replace the retired attorney. The total retainers paid for the test year was \$6,700. The annual retainer fee will be \$7,200, or \$600 for 12 months.

The Board of Directors has a responsibility to select an attorney to represent the board and the cooperative to maintain the legal entity. The duties and responsibilities of the attorney are to perform routine services, special services and other services for the cooperative. The monthly retainer fee is \$600, plus mileage. Services are billed at the normal hourly billing rates for the attorney and his staff.

A copy of the audit agreement is attached.

Inter County employed East Kentucky Power Cooperative's Internal Audit staff to conduct various internal audit services. This is expected to continue into the future.

Financial planning services were also provided by NISC, and Scott Luecal. Since this is nonrecurring, the expenses have been removed for rate-making purposes.

Inter County Energy Cooperative
 Case No. 2006-00415
 Professional Services Expenses
 July 31, 2006

Line No.	Item (a)	Rate Case (b)	Annual Audit (c)	Other (d)	Total (e)
1.	Legal			29,359	29,359
2.	Engineering			0	0
3.	Accounting		6,700	6,052	12,752
4.	Other			2,519	2,519
5.	Total	0	6,700	37,930	44,630

Inter County Energy Cooperative
Case No. 2006-00415
Professional Services Expenses
July 31, 2006

Exhibit 9
page 3 of 7
Witness: Alan Zumstein

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Hours & Bill Rate</u>	<u>Description</u>
Legal					
09/09-05	187707	Visa	1,347.17		NRECA legal seminar expenses
08/01-06	187406	NRECA	0.86		x 24 hr accident
08/10-05	187474	Toy Box Catering	9.27		Special Bd mtg meal
08/29-05	187645	Toy Box Catering	9.28		Bd meal
08/01-05	187415	KREC Benefit Plan	867.44		x Medical insurance
08/01-05	187400	Wm Dishman	400.00		Retainer
08/10-05	187463	Wm Dishman	1,250.00		x NRECA legal seminar per diem
09/02-05	187752	NRECA	0.86		x 24 hr accident
09/13-05	187849	Toy Box Catering	9.27		Bd meal
09/02-05	187757	KREC Benefit Plan	867.44		x Medical insurance
09/02-05	187746	Wm Dishman	400.00		Retainer
09/13-05	187822	Wm Dishman	250.00		Special Bd mtg
09/13-05	187822	Wm Dishman	4,738.64		New loan services
10/04-05	188113	NRECA	0.86		x 24 hr accident
10/12-05	188099	Toy Box Catering	9.27		Bd meal
10/04-05	188116	KREC Benefit Plan	867.44		x Medical insurance
10/04-05	188107	Wm Dishman	400.00		Retainer
12/08-05	188781	Visa	153.93		KAEC legal seminar
11/10-05	188529	NRECA	0.86		x 24 hr accident
11/17-05	188613	Toy Box Catering	16.86		Bd meal
11/15-05	188580	KREC Benefit Plan	867.44		x Medical insurance
11/10-05	188514	Wm Dishman	400.00		Retainer
11/10-05	188514	Wm Dishman	500.00		x KAEC legal seminar per diem
11/10-05	188514	Wm Dishman	82.45		KAEC legal seminar mileage
11/10-05	188501	Bill Barnett	250.00		Retainer
01/10-06	189153	Wm Dishman	1,071.13		x Retirement gift
01/10-06	189153	Visa	199.70		Legal seminar air fare
12/07-05	188850	NRECA	0.86		x 24 hr accident
12/13-05	188934	Toy Box Catering	16.86		Bd meal
12/07-05	188854	KREC Benefit Plan	867.44		x Medical insurance
12/07-05	188832	Bill Barnett	250.00		Retainer
12/07-05	188841	Wm Dishman	400.00		Retainer
01/23-06	189345	Toy Box Catering	16.86		Bd meal
01/26-06	189385	NRECA	1,240.00		Legal seminar registration fee
01/11-06	189170	Bill Barnett	600.00		Retainer
01/11-06	189339	Bill Barnett	180.00	\$150/hr	Legal fees for ETS loan
02/13-06	189577	Toy Box Catering	9.27		Bd meal
02/08-06	189539	Sheehan, Barnett, Hays & Dean	600.00		Retainer
03/10-06	189769	James Wm Barnett	750.00		x Legal seminar per diem
03/10-06	189769	James Wm Barnett	72.98		Legal seminar mileage
03/10-06	189769	James Wm Barnett	318.91		Legal seminar expenses
04/17-06	190115	Visa	470.77		Legal seminar expenses
04/17-06	190115	Visa	288.39		x Congressional mtg air fare
03/03-06	189809	NRECA	2.58		x 24 hr accident
03/13-06	189873	Toy Box Catering	9.27		Bd meal
03/03-06	189814	Sheehan, Barnett, Hays & Dean	600.00		Retainer
04/12-06	190189	NRECA	0.86		x 24 hr accident
04/26-06	190243	Toy Box Catering	9.99		Bd meal
04/28-06	190272	Frost, Brown, Todd, LLC	720.00		Labor matters for employee issues
04/12-06	190169	Sheehan, Barnett, Hays & Dean	600.00		Retainer
05/09-06	190330	Sheehan, Barnett, Hays & Dean	780.00	\$150/hr	By-Law review, election ocmmittee

Inter County Energy Cooperative
Case No. 2006-00415
Professional Services Expenses
July 31, 2006

Exhibit 9
page 4 of 7
Witness: Alan Zumstein

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Hours & Bill Rate</u>	<u>Description</u>
06/07-06	190685	Visa	125.76		x Congressional mtg expenses
05/08-06	190399	NRECA	0.86		x 24 hr accident
05/22-06	190554	Toy Box Catering	9.27		Bd meal
05/10-06	190437	Sheehan, Barnett, Hays & Dean	600.00		Retainer
05/22-06	190548	Sheehan, Barnett, Hays & Dean	1,000.00		x Congressional mtg fees
05/22-06	190513	James Wm Barnett	603.02		x Congressional mtg expenses
06/01-06	190726	NRECA	0.86		x 24 hr accident
06/28-06	190937	Toy Box Catering	9.27		Bd meal
06/20-06	190883	Frost, Brown, Todd, LLC	180.00		Labor matters for employee issues
06/08-06	190771	Sheehan, Barnett, Hays & Dean	600.00		Retainer
08/02-06	191274	KAEC	49.00		x Congressional mtg expenses
07/12-06	191131	NRECA	0.86		x 24 hr accident
07/21-06	191182	Toy Box Catering	9.27		Bd meal
07/14-06	191031	Sheehan, Barnett, Hays & Dean	600.00		Retainer
		NRECA	1,796.05		x Life and major medical
Accounting and Financial					
02/08-06	189444	Visa	17.94		Meal with auditor
01/10-06	189153	Visa	11.81		Internal audit lunch
03/03-06	189689	EKPC	4,470.22		Internal audit services
05/11-06	190343	Visa	19.96		Meal with auditor
05/11-06	190343	Visa	11.26		Internal audit lunch
04/26-06	190248	Alan Zumstein, CPA	6,700.00		Audit fee
07/06-06	190976	Visa	20.34		Internal audit lunch
07/28-06	191246	W. Dudley Schryock, CPA	1,500.00		SFAS No. 106
Consulting					
09/16-05	187879	Hampton Inn	163.14		x Lodging for Scott Luecal
10/06-05	188063	Visa	29.36		x Expenses for Scott Luecal
10/14-05	188212	NISC	2,326.82		x Financial planning
			<u>44,630.28</u>		
		Remove for rate making purposes	<u>12,504.14</u>		x

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE
LEXINGTON, KENTUCKY 40509
(859) 264-7147

MEMBER:
AMERICAN INSTITUTE OF CPA'S
INDIANA SOCIETY OF CPA'S
KENTUCKY SOCIETY OF CPA'S
AICPA DIVISION FOR FIRMS

November 25, 2005

James L. Jacobus, President & CEO
Inter County Energy Cooperative
Danville, Kentucky 40423

Dear Mr. Jacobus:

This will confirm our understanding of the arrangements for my audit of the financial statements for the year ended December 31, 2005.

I will audit the Cooperative's balance sheet as of December 31, 2005, and the related statements of revenue and patronage capital and cash flows for the year then ended.

The objective of the audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit will be conducted in accordance with U.S. generally accepted auditing standards and will include test of your accounting records and other procedures I consider necessary to enable me to express such an opinion. If my opinion is other than unqualified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or are unable to forma or have not formed an opinion, I may decline to express an opinion or to issue a report as a result of this engagement.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical evidence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. I will also request written representations from your attorney as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (a) errors, (b) fraudulent reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to the Cooperative or to acts by management or employees acting on behalf of the Cooperative.

Because an audit is designed to provide reasonable, but not absolute, assurance and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform you of any material errors that come to my attention, and I will inform you of any fraudulent financial reporting or misappropriation of assets that comes to my attention. I will also inform you of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I was not engaged as auditor.

My audit will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions, that is, significant deficiencies in the design or operation of internal control. However, during the audit, if I become aware of such reportable conditions, I will communicate them to you.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations and cash flows in conformity with U.S. generally accepted accounting principles. You are also responsible for management decisions and functions; for designating an individual with suitable skill, knowledge, or experience to oversee the tax services I provide; and for evaluation the adequacy and results of those services and accepting responsibility for them.

You are responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the company involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Cooperative complies with applicable laws and regulations.

In accordance with the requirements of the Rural Utilities Service (RUS), I assure you of the following:

- The audit is being performed as a requirement of RUS security instrument and any violation of RUS audit requirements shall place the RUS borrower in technical default of the RUS security instrument.
- The Auditor's Report will be signed by Alan M. Zumstein, CPA, a certified public accountant in good professional standing with the state licensing board.

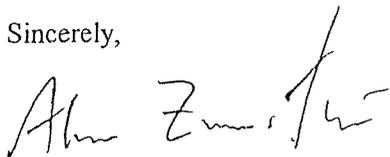
- I will comply with generally accepted government auditing standards, the rules and regulations of professional conduct promulgated by the accountancy board of the state of Kentucky and the Code of Professional Ethics of the American Institute of CPAs.
- I am independent as defined and interpreted by the Professional Ethics Division of the AICPA and as defined by 7 CFR 1773.4 (b).
- I belong to an approved peer review program (Private Companies Practice Section) and have received an unqualified opinion within three years of the "as of" date of the audit.
- The audit will be performed and the Auditor's Report, report on compliance, report on internal controls and management letter will be performed in accordance with requirements of RUS, will comply with generally accepted auditing standards and will be submitted to the Board of Directors within three months of the "as of" audit date.
- Audit work papers will be made available to RUS, Office of Inspector General (OIG) and the General Accounting Office (GAO). RUS, OIG or GAO may photocopy all audit and compliance workpapers as requested.
- I will disclose all disallowance's resulting from testing performed as set forth in 7 CFR 1773.40 and will follow the requirements of reporting irregularities and illegal acts outlined in 7 CFR 1773.7.
- I will report audit findings to the Board of Directors as required by 7 CFR 1773.25.

My audit is subject to the inherent risk that material errors and irregularities, including fraud or defalcations, if they exist, will not be detected. However, I will inform you of irregularities that come to my attention.

Fees for these services will be \$6,700. Invoices will be submitted as work progresses, and are payable on presentation. Should any situation arise that would materially increase this fee, I will, of course, notify you.

If this letter correctly expresses your understanding of these arrangements, please indicate your approval by signing the enclosed copy and returning to me. I have also included a Certification of Debarment and Suspension and my last peer review report and letter of comment, as required for audits of RUS borrowers.

Sincerely,



Alan M. Zumstein, CPA

Approved:

By: James L. Jacobus, PRES/CEO

Date: 12/9/05

Witness: Alan Zumstein

Inter County Energy Cooperative
Case No. 2006-00415
Adjustment for Director expenses
July 31, 2006

Certain expense are generally disallowed for rate making purposes that ar
incurred for, and on behalf, of the Directors of a cooperative. Inter County
has made this adjustment to recognize those expenses. The list includes:

Legislative conference

Paul Ballard	2,072
Joseph Spalding	1,831
James Preston	2,448
Daniel Divine	2,736
Jason Todd	2,059

KAEC Annual meeting, not KAEC representative

Joseph Spalding	705
James Preston	423
Daniel Divine	545
William Peyton	731
Jason Todd	423

EKPC Annual meeting, not EKPC representative

Joseph Spalding	330
James Preston	286
Robert Martin	303
William Peyton	308

Per diem

All Directors	33,250
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Health and dental insurances

All Directors	106,814
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Service awards

All Directors	<u>450</u>
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Total adjustment

	<u><u>155,712</u></u>
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Inter County Energy Cooperative

Case No. 2006-00415

Name of Board Members

July 31, 2006

<u>Name and Address</u>	<u>Board Title</u>	<u>Associated Organizations</u>
Paul G. Ballard 1127 Ballard Rd Lancaster, KY 40444	Chairman	KAEC & UUS Board Member
Joseph Spalding 1440 Three Pines Rd Lebanon, KY 40033	Vice Chairman	
James K. Preston P.O. Box 494 Lancaster, KY 40444	Secretary/ Treasurer	NRECA Board Member
Danny Devine 151 Divine Rd Perryville, KY 40468		East Kentucky Power Coop Board Member
Robert L. Martin 912 Beaumont Ave Harrodsburg, KY 40330		
William H. Peyton 4435 Kentucky Hwy 906 Hustonville, KY 40437		
Jason Todd 352 Coldspring Dr Stanford, KY 40484		

Directors are compensated at \$250 per monthly board meeting, plus a per diem of \$250 for each business meeting, or class, attended. Directors are reimbursed for all actual expenses incurred for meetings attended on behalf of the cooperative.

The Treasurer receives an additional \$125 per month. This covers the time expended to go to Inter County Energy's office each month to review invoices and sign checks.

BOARD POLICY 408DIRECTOR FEES, COMPENSATION AND EXPENSESI. OBJECTIVE

- A. To assure fair and equitable compensation for time spent and reimbursement for expenses incurred by Directors and the Cooperative attorney when attending regular and special board or committee meetings.
- B. To encourage adequate representation of the Cooperative by Directors at statewide, regional and national meetings, and training programs which will accrue to the benefit of the Cooperative.

II. CONTENTA. Per Diem

- 1. Directors shall, as determined by resolution of the Board of Directors, receive on a per diem basis a fixed fee for attending meetings of the Board of Directors. If a Director is unable to attend a regularly scheduled meeting or a specially called meeting due to circumstances beyond his/her control such as jury duty or a family medical emergency, he/she shall be compensated up to two times per calendar year. If a Director chooses to be absent for any other reason, compensation will not be paid.
- 2. The per diem payable to a director who attends at least twelve (12) regular or special meetings in a calendar year shall, for those twelve (12) meetings, also include an amount equal to one-twelfth of the annual payments of insurance premiums made on the board member's behalf by the cooperative, if any, but only if such payments would constitute income to a board member, properly reportable as such by the cooperative on the IRS Form 1099 annually issued by it with respect to the director.
- 3. No fixed cash per diem shall be paid for attendance at the annual meeting held at the cooperative.
- 4. Directors will receive a per diem for one (1) day each of travel time, both before and after the meeting (if necessary), a total of two (2) days per diem allowed for travel, regardless of the mode of transportation.
- 5. Attendance at meetings other than regular monthly board meetings requires the prior approval of the Board.
- 6. Directors shall observe the following guidelines when determining representation of the Cooperative at necessary functions.
 - a. All Directors are eligible to attend the EKPC Annual Meeting, the KAEC Annual Meeting, the NRECA Annual Meeting, the NRECA Region II & III Meetings, the NRECA National Director's Conference, the Annual CFC Forum and all in-state meetings within the limits of approved budgets.

4/23

- b. Directors may choose an additional ten (10) optional days of meetings or classes per year that will strengthen their ability to serve the Cooperative in an effective manner. Travel to and from such meetings will count as optional days. Every effort will be made to insure that the Cooperative is represented at a wide variety of functions to utilize information and technologies available within the limits of approved budgets.
- c. Directors seeking Board Certification are encouraged to complete the certification within five (5) years. Additional certification is also encouraged, but requires prior approval from the Board.
- d. Directors may, from time to time, be called upon or appointed by the Chair to attend additional functions as a representative of the full Board.

7. Attendance is defined as the actual day(s) of a function at which a Director attends classes/meetings/conferences on behalf of the Cooperative.

B. Travel and Out-of-Pocket Expenses

1. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties.
2. If commercial air travel is available, then without regard to the mode actually used, reimbursement shall be for the expense actually incurred in an amount not to exceed the most direct-route round trip coach fare, plus cost of transportation to and from the airport, parking and other expenses attendant to air travel. In some cases, directors may choose to travel together in one vehicle. In this case, the reimbursable mileage expenses mentioned in the first sentence of this paragraph for the additional director(s) will be considered as available to the driving director, and is only reimbursable for the actual expenses incurred. Airfare selection shall be based on the selection of the airline offering the lowest fare rather than the participation in an airline's frequent flyer program.
3. If a spouse/guest of a Director flies on a "Friends Fly Free" promotional plane ticket, the spouse/guest shall pay one-half (1/2) of the total cost of the ticket.
4. If commercial air travel is not available, then the Director shall select the means of travel, which in their judgment is the most satisfactory under the circumstances, giving due consideration to factors of time and cost. In instances where directors travel with others, only the Director actually using their automobile shall receive mileage and tolls paid.
5. When traveling by personal automobile, a Director shall be reimbursed at the prevailing mileage rate approved by the Internal Revenue Service for Federal income tax purposes, plus any related out-of-pocket charges, such as tolls, parking (hotel and airport) charges, etc.

6. The Corporate Credit Card is to be used only for goods and services purchased by and for Inter-County Energy. Legible receipts, vouchers, and other forms of proof of purchase shall be provided in evidence of all purchases. Under no circumstances shall the Corporate Credit Card be used for the purchase of personal goods and services.
7. Long distance phone calls made by a Director during an overnight stay while on cooperative business shall be limited to one call per day of stay and be made through the use of a Cooperative-provided phone card and shall not be billed directly to the room. Only the hotel's access fee for local calls, if applicable, shall be reimbursable if charged to the room.
8. Entertainment while on cooperative business will only be paid for the Director if the function is a part of the program the Director is attending. Spouses or guests of the Director will be the responsibility of the Director. If the Director attends a function that is not a part of the program, but a meal is a part of this entertainment, the cooperative will pay for the meal, but not the entertainment.
9. Lodging, meals and gratuities should reflect good judgement by the Director incurring such charges. A guideline for a daily meal allowance (breakfast, lunch and supper) is \$60.00 (including gratuities). In some cases, lodging and meals may be reimbursed for days with no meeting attendance due to early arrival to the conference location to accommodate reduced airfares or conference scheduling. Saturday night stays shall be used when the airfare saves at least \$150.00. Alcoholic beverages, in-room movies and other personal conveniences are not authorized for reimbursement.

If a director, while traveling for business purposes, decides to take a vacation either before or after the business trip, those days are considered personal and will be charged to the Director at the full rate of the room plus tax, along with all other expenses (meals, transportation, etc.) related to that portion of the stay. A Director bringing family members along on the trip will not be billed for any additional daily lodging charges, unless the guest is a non-family member. Only business expenses will be reimbursed.

10. Rental Cars will be permitted only if other forms of transportation (taxis, airport or hotel shuttles) are not satisfactory to meet travel needs or if a cost savings would result from the use of a rented vehicle instead of other forms of transportation. Directors are expected to rent intermediate-sized cars or smaller or an adequately sized vehicle to accommodate official Cooperative representatives. If a Director prefers a full-sized, premium or luxury vehicle, the Cooperative will only reimburse based on the price of a mid-sized/intermediate cost. Insurance to cover the deductible portion of collision damage and personal accident coverage should not be purchased as Inter-County insures for these liabilities. When several Directors are visiting the same location and car rental is the lowest cost method, only one car shall be rented for each 5 persons making the trip.

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11. Cancellations resulting in charges to the cooperative shall be billed to the Director(s) associated with the cancellation unless Board approval is granted due to the cooperative initiating the cancellation or an emergency situation arose.
 12. Tips are reimbursable and should not exceed 15% of the total charges. For routine airport check-in and/or baggage handling services, tips are allowable at \$1.00 per bag.
 13. Receipts for expenses must be presented for reimbursement and receipts for charges to Cooperative credit cards must be presented to verify charges as billed.
- C. The Board Chairman and Secretary-Treasurer, who traditionally perform services at the Cooperative's office in carrying out official duties of the office, shall receive one-half (1/2) of the fixed fee per diem per month when those duties are performed and both the Secretary-Treasurer and the President shall be entitled to the per diem when they are called in by management to perform any special duties on a date which is not a regular meeting date or at a time other than when the Secretary-Treasurer would ordinarily be present at the Cooperative office.
- D. A member of the Board of Directors who has served as an active board member for fifteen (15) consecutive years may retire when he or she reaches the age of sixty-five (65) years if he or she so desires. A retired member of the Board of Directors who has served as an active board member fifteen (15) consecutive years before retirement may be invited by the active board to attend regular or special meetings of the Board in order to share his or her expertise in board matters. Such retired director shall be paid the same per diem including available insurance coverage as defined herein, as active board members receive plus travel from home and out-of-pocket expenses for meetings actually attended.
- E. INSURANCE
1. Recognizing that directors are a valuable resource, the Cooperative has a substantial interest in their welfare. Therefore, the Cooperative will secure and carry insurance plans as indicated in this policy for the benefit of its directors and as part of their compensation specified in Paragraph II-B, supra. While the Cooperative intends that such benefit plans will remain in effect, the Cooperative reserves the right to amend any such plan to comply with federal and state law or to reflect changing economic conditions.
 2. Medical insurance for directors and their dependents will be paid by the cooperative plus the directors' life insurance as part of the per diem specified in Paragraph II-B, supra. When a directors ceases to be a member of the board for any reason other than the reasons set out in sub-paragraph 5, infra, such director can continue his or her medical insurance, if he or she so decide, under the policies of the cooperative and insurance carrier at the time of such action. The cooperative will pay all of the premium if the director has served 15 years, 50% if they have served from 5 to 15 years and none if they have served less than 5 years. Upon the death of a director, the surviving spouse and eligible

dependents shall have the right to continue medical insurance through the cooperative; however, said surviving spouse and eligible dependents shall be responsible for 100% of the premiums due. Upon the remarriage of the surviving spouse, continuation of the insurance coverage will be subject to the policies of the insurance carrier then in effect.

3. Other insurance, which shall be provided for each director at no cost to the director, shall include:
 - a. NRECA Director's Permanent Life Plan
 - b. 24-Hour Accident Insurance
 - c. Cooperative Business Travel Insurance
 - d. Managers, Officers and Directors Liability (MODL) Insurance

The terms, limits and conditions for these insurance plans shall continue to be set by the Board from time to time and coverage shall be determined by the terms of the policies approved by the Board and applicable law.

4. When a director retires from the Board or is no longer an active board member, such director can continue to carry the permanent life insurance at his or her expense if such director has served six (6) years or less. If a director has served between six (6) years and fifteen (15) years and desires to continue said insurance the Cooperative will pay one-half (1/2) of the premium. If a director has served fifteen (15) years or more then the Cooperative will pay the entire premium.
5. A director who resigns as a result of or whose service is terminated by the Board as the result of a breach of the Cooperative's by-laws, articles of incorporation or policies, shall not be eligible to continue the cooperative's medical or life insurance.

III. RESPONSIBILITY

- A. It shall be the responsibility of each Director to submit an itemized expense report to include fees and all authorized reimbursement expenses, including travel.
- B. It shall be the responsibility of the Secretary-Treasurer to review all Director expense reports and to assure that all reimbursements are reasonable and in accordance with this policy.

Effective: October 15, 1986

Revised: February 4, 1994
 January 13, 1995
 August 9, 2002
 August 8, 2003
 May 19, 2006

Inter County Energy Cooperative
Case No. 2006-00415
Director Fees and Expenses
July 31, 2006

	Regular Board Mtg	Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Insurance	Internet & Telephone	Misc Expenses Include	Misc Expenses Exclude	Total
Ballard, Paul	3,000	250	4,250	385	0	1,553	2,078	631	16,007	0	5	0	28,159
Spalding, Joe	3,000	250	4,750	961	812	1,167	1,862	685	17,065	0	10	100	30,662
Preston, James	3,000	2,125	5,750	1,464	476	1,695	3,344	924	12,883	0	10	0	31,672
Divine, Daniel	3,000	250	4,250	1,426	0	1,445	3,037	1,131	15,544	0	10	250	30,343
Martin, Robert	3,000	250	1,000	283	0	583	173	128	14,728	49	7	0	20,200
Peyton, William	3,000	250	6,250	829	949	1,595	3,538	562	17,843	72	10	100	34,998
Todd, Jason	3,000	250	7,000	1,179	988	3,245	3,751	1,183	12,745	0	10	0	33,352
General expenses	0	0	0	0	0	0	0	0	0	0	13,224	0	13,224
Total	21,000	3,625	33,250	6,527	3,225	11,283	17,784	5,243	106,814	121	13,287	450	222,609

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51	04/17-06	190115	Visa	Congressional mtg	250.00	31.15	288.39	288.39	x
52	03/13-06	189868	NRECA	24 hr accident				281.15	
53	03/03-06	189809	NRECA	24 hr accident				0.86	
54	03/13-06	189873	Toy Box Catering	Bd mtg			9.27	9.27	
55	03/13-06	189791	KREC Benefit Plan					1,358.26	
56	01/12-06	190189	NRECA	24 hr accident				0.86	
57	04/26-06	190243	Toy Box Catering	Bd mtg			9.99	9.99	
58	04/12-06	190192	KREC Benefit Plan					1,358.26	
59	05/31-06	190607	KAEC	Coordinated Training Program			197.00	197.00	
60	06/07-06	190685	Visa	Congressional mtg	250.00			524.42	124.44
61	05/08-06	190404				31.15		648.86	x
62	05/08-06	190404			750.00	62.30		281.15	
63	05/08-06	190404			250.00	62.30		845.09	x
64	05/08-06	190404			250.00	31.15		312.30	
65	05/08-06	190399	NRECA	24 hr accident				281.15	
66	05/22-06	190554	Toy Box Catering	Bd mtg			9.27	9.27	
67	05/08-06	190411	KREC Benefit Plan					1,358.26	
68	07/06-06	190976	Visa	CFC Financial Forum	250.00		523.20	162.41	
69	07/03-06	190964				31.15		685.61	
70	07/03-06	190964			250.00	80.10		281.15	
71	06/01-06	190726	NRECA	EKPC annual mtg				330.10	x
72	06/28-06	190937	Toy Box Catering	Bd mtg				0.86	
73	06/01-06	190730	KREC Benefit Plan				9.27	9.27	
74	08/02-06	191724	KAEC	Congressional mtg				1,358.26	
75	08/08-06	191314	Visa	CFC Financial Forum	250.00			49.00	x
76	07/21-06	191178				31.15		599.93	
77	07/21-06	191178			1,250.00	57.85		281.15	
78	07/12-06	191131	NRECA	CFC Financial Forum				1,362.85	
79	07/12-06	191182	Toy Box Catering	Bd mtg			9.27	9.27	
80	07/12-06	191141	KREC Benefit Plan					0.86	
81			NRECA	Life and major medical				1,358.26	
82								1,552.52	
83								0.00	
84					3,000.00	961.10	811.59	1,167.00	100.00
85					250.00	4,750.00	1,862.34	684.59	17,064.89

