RECEIVED

OCT 21 2010 BRITE & HOPKINS, PLLC ATTORNEYS AT LAW

83 BALLPARK ROAD, P.O. BOX 309 HARDINSBURG, KENTUCKY 40143-0309

PHONE (270) 756-2184, FAX (270) 756-1214

PUBLIC SERVICE COMMISSION

THOMAS C. BRITE e-mail: tbrite@bbtel.com STEPHEN G. HOPKINS e-mail: shopkins@bbtel.com

October 20, 2010

Jeff Derouen, Executive Director Kentucky Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602

RE: Application of Meade County Rural Electric for an Adjustment of Rates Case No. 2010-00222

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of the responses to the Commission's Order "Commission Staff's Third Information Request to Meade County Rural Electric Cooperative Corporation." dated October 12, 2010.

Please contact me at (270) 756-2184 or Burns E. Mercer at (270) 422-2162 with any questions regarding this filing.

Respectfully submitted,

THOMAS C. BRITE

Attorney for Meade County Rural Electric

Cooperative Corporation

Enclosure

RECEIVED

COMMONWEALTH OF KENTUCKY

OCT 2 1 2010

BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

In the Matter of adjustment of
Rates of Meade County Rural Electric
Cooperative Corporation

Case No. 2010-00222

APPLICANT'S RESPONSES TO

THIRD INFORMATION REQUEST OF COMMISSION STAFF

The applicant, Meade County Rural Electric Cooperative Corporation, makes the following responses to the "Third Information Request of Commission Staff", as follows:

- 1. The witnesses who are prepared to answer questions concerning each request are Burns E. Mercer, Karen Brown, and Jim Adkins.
- 2. Burns E. Mercer, President and CEO of Meade County Rural Electric Cooperative Corporation is the person supervising the preparation of the responses on behalf of the applicant.
- 3. The responses and Exhibits are attached hereto and incorporated by reference herein.

THOMAS C. BRITE

BRITE & HOPKINS, PLLC

P.O. BOX 309

HARDINSBURG, KENTUCKY 40143

ATTORNEY FOR MEADE COUNTY RURAL

ELECTRIC COOPERATIVE CORPORATION

TELEPHONE: 270-756-2184

The undersigned, Burns E. Mercer, as President & CEO of Meade County Rural Electric Cooperative Corporation, being duly sworn, states that the responses herein are true and accurate to the best of my knowledge and belief formed after reasonable inquiry.

DATED: October 20, 2010.

Meade County Rural Electric Cooperative Corp.

Subscribed, sworn to, and acknowledged before me by Burns E. Mercer, as President & CEO for Meade County Rural Electric Cooperative Corporation on behalf of said Corporation the 20th day of October, 2010.

> NOTARY PUBLIC, Kentucky State At Large My Commission Expires: $\sqrt{3}$ $\sqrt{8}$ $\sqrt{20}$

CERTIFICATE OF SERVICE

The undersigned counsel certifies that the foregoing responses have been served upon the following:

Original and Ten Copies Mr. Jeff Derouen, Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40601

This 20th day of October, 2010.

Attorney for Meade County Rural Electric

14. Mint

Cooperative Corporation



OCT 2 1 2010

PUBLIC SERVICE

COMMISSION

Meade County Rural Electric Cooperative

Case No. 2010-00222

Third Information Request of Commission Staff

	•		
1.4			

Exhibit 1q
Pagel of //6

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

- 1. Refer to the response to Item 2.b. of Commission Staffs Second Information request ("Staffs Second Request").
- a. Refer to pages 2-4 of 5. Meade states that it corrected the tariff pages by referencing the Environmental Surcharge to Schedule 9. Did Meade intend to reference the Environmental Surcharge to Schedule 19 rather than Schedule 9?

Response:

The correct number for the Environmental Surcharge Schedule is Schedule 19. In reviewing the response to the "Staffs Second Request" it is determined that the following schedules are to be revised to reflect Adjustment Clause adjustments:

Schedule 1

Schedule 2

Schedule 3

Schedule 3A

Schedule 4

Schedule 5

Schedule 6

Marked up tariff sheets and new tariff sheets are include as pages 2 through 15 of this exhibit.

MEADE COUNTY DUDA! ELECTRIC		(Revised)			
MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION		Canceling	P.S.C. No.	34	
	1st	_ (Original)	Sheet No.	1	
Schedule 1 CLASSIFICATIO	N OF SE	RVICE			
Residential, Farm and Non-Farm, Schools & Churches				RATE PER UNIT	2
Applicable: Entire Territory Served.					
Availability of Service: Available to customers of the Cooperative located on its line incidental appliances, refrigeration, cooking, home heating and including seven and one-half horsepower (7 1/2 H.P.); All subjet the Cooperative covering this service.	power for	motors up to	and		
Character of Service: Single phase, 60 hertz, at Seller's standard voltages.				,	
Rates: Monthly Customer charge - No KWH usage			7	14.16	工
Energy charge per KWH				.06001	
State, Federal and local tax will be added to above rate where a	ipplicable.	•			
Minimum Monthly Charge: \$6.47 In no case shall the menthly minimum bill be less than \$9.85 pe	day. er mont h.				(I)
Adjustment Clauses! - Exist Cost Adjustment: The b: provovi computed at the cost Schedule 18 for applicable charge. De increased or the follow: "3!	!harges deereac	specified divaccon	abowe showled	911 ith	
Environmental Surcharge: FUEL ADJUSTMENT See Schedule It for applicable charge. ENUIL ON MENTAL SORCE 19 Wholesale Power Cost Adjustment Men ber Ratestability See Schedule 14 for applicable charge RUAL Economic Rese	HARCE O HARCE O L'S Northanion S	chedule 19 chedule 20 chedule 20			
Terms of Payment: The above rates are net, the gross rates being ten percent (current monthly bill is not paid within ten (10) days from the due	0%) high	er. In the eve	nt the		I
ATE OF ISSUE January 24, 2008 August 16, 2010	PUBLIC	SERVICE OF KENT EFFEC	UCKY	SION	
ATE EFFECTIVE December 24, 2007 Sentember 18, 2017		12/24/2	007		
SSUED BY Kno E, Waver Presider	PUR	SUANT TO 8	07 KAR 5:0 andenburg, KY Address	40108	-
SSUED BY AUTHORITY OF P.S.C.			Addiess		
	Зу		ン		
		Executive I	Jirector	1	

: ..

FOR Entire Territory served

Community, Town or City

P.S.C. No. 36 Sheet No. 1

Ex 19 3 416

	FOR	Entire Territory	served	
		Community,	Town or City	
			P.S.C. No.	38
			Sheet No.	1
		(Revised)		
MEADE COUNTY RURAL ELECTRIC				
COOPERATIVE CORPORATION		Canceling	P.S.C. No.	36
		(Original)	Sheet No.	1
	***************************************	`		

Residential, Farm and Non-Farm, Schools & Churches Applicable: Entire Territory Served. Availability of Service: Availability of Service: Availabile to customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, home heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.); All subject to the rules and regulations of the Cooperative covering this service. Character of Service: Single phase, 60 hertz, at Seller's standard voltages. Rates: Customer charge - No KWH usage Monthly Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Unwind Surcredit Adjustment Schedule 18 Environment Surcharge Schedule 20 Rebate Adjustment Schedule 21 The Member Rate Stability Mechanism Schedule 21 The Adjustment Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	Schedule 1 CI	LASSIFICATION OF SERVICE		
Applicable: Entire Territory Served. Availability of Service: Available to customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, home heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.); All subject to the rules and regulations of the Cooperative covering this service. Character of Service: Single phase, 60 hertz, at Seller's standard voltages. Rates: Customer charge - No KWH usage Monthly Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Unwind Surcredit Adjustment Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 20 Rebate Adjustment Schedule 21 The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.			T	RATE PER
Entire Territory Served. Availability of Service: Available to customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, home heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.); All subject to the rules and regulations of the Cooperative covering this service. Character of Service: Single phase, 60 hertz, at Seller's standard voltages. Rates: Customer charge - No KWH usage Monthly Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Rebate Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.		nes		ONII
Availability of Service: Available to customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, home heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.); All subject to the rules and regulations of the Cooperative covering this service. Character of Service: Single phase, 60 hertz, at Seller's standard voltages. Rates: Customer charge - No KWH usage Monthly Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Schedule 18 Environment Surcharge Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Rebate Adjustment Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.				
Available to customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, home heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.); All subject to the rules and regulations of the Cooperative covering this service. Character of Service: Single phase, 60 hertz, at Seller's standard voltages. Rates: Customer charge - No KWH usage Monthly Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Schedule 18 Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Rebate Adjustment Rebate Adjustment Schedule 20 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	•			
including seven and one-half horsepower (7 1/2 H.P.); All subject to the rules and regulations of the Cooperative covering this service. Character of Service: Single phase, 60 hertz, at Seller's standard voltages. Rates: Customer charge - No KWH usage Monthly Daily N, T Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Schedule 18 Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Rebate Adjustment Schedule 21 Rebate Adjustment Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	Available to customers of the Cooperative loc			
the Cooperative covering this service. Character of Service: Single phase, 60 hertz, at Seller's standard voltages. Rates: Customer charge - No KWH usage Monthly Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Schedule 18 Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.			.	
Single phase, 60 hertz, at Seller's standard voltages. Rates: Customer charge - No KWH usage Monthly Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Schedule 18 Environment Surcharge Schedule 20 Rebate Adjustment Schedule 20 Rebate Adjustment Schedule 21 The Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.		H.P.), All subject to the rules and regulations of		
Rates: Customer charge - No KWH usage Monthly Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Schedule 18 Environment Surcharge Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Member Rate Stability Mechanism Schedule 21 Member Rate Stability Mechanism Schedule 23 Tamaral Economic Reserve Clause Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.				
Monthly Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	Single phase, 60 hertz, at Seller's standard vo	oltages.		:
Daily Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Schedule 18 Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	Rates: Customer charge - No KWH usage			
Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Unwind Surcredit Adjustment Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.		ļ	l l	•
State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Schedule 18 Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.		N	, '	•
Minimum Charge: In no case shall the minimum bill be less than \$0.47 per day Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Schedule 18 Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	Energy charge per revert			
Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Unwind Surcredit Adjustment Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Member Rate Stability Mechanism Schedule 21 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	State, Federal and local tax will be added to above	ve rate where applicable.		
Adjustment Clauses: The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Environment Surcharge Unwind Surcredit Adjustment Rebate Adjustment Schedule 20 Rebate Adjustment Member Rate Stability Mechanism Schedule 21 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	Minimum Charge:			
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Schedule 18 Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	In no case shall the minimum bill be less than \$6	0.47 per day		I, T
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Schedule 18 Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	Adjustment Clauses:			т
Fuel Adjustment Schedule 18 Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	The bill amount computed at the charges sp	pecified above shall be increased or decrease	d	T
Environment Surcharge Schedule 19 Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	in accordance with the following:			Т
Unwind Surcredit Adjustment Schedule 20 Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	Fuel Adjustment	Schedule 18		-
Rebate Adjustment Schedule 21 Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 To D Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.				
Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.			- 1	-
Rural Economic Reserve Clause Schedule 23 Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.			- 1	
Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.			- 1	
The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.	Rural Economic Reserve Clause	Schedule 23	1	
current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.				
apply.				
apply.	• • • • • • • • • • • • • • • • • • • •	s from the due date, the gross rates shall		
August 16, 2010	apply. August 16, 2010			

	August 16, 2010		
	Month	Day	Year
DATE EFFECTIVE	September 18, 2010		
	Month	Day	Year
ISSUED BY		President/CEO	P. O. Box 489, Brandenburg, KY 40108
	Name of Officer	Title	Address

ISSUED BY AUTHORITY OF P.S.C.

Order No. 2010-000222

			Community	, Town or City	y	*
				P.S.C. No.	36	
		1st		Sheet No.	7	
			(Revised)			
MEADE C	COUNTY RURAL ELECTRIC					
COOPE	ERATIVE CORPORATION		Canceling	P.S.C. No.	34	
		- 1st	(Original)	Sheet No.	7	-
			_ (=g,			
						7
Schedule 2	CLASSIFICAT	HON OF SEF	RVICE		r	_
Coveragial Data					RATE PER UNIT	
Commercial Rate Applicable:						-
Entire Territor	ry Served.					
	•		e.			
Availability of Se						1
	ommercial customers of the Cooperative loc			e		
	, incidental appliances, refrigeration, cooking			onion		
	I including seven and one-half horsepower (d from the Cooperative for motors rated abou				1	1
	subject to the rules and regulations of the Co					
(* 1,2 11), 0 0	abjoot to the rules and regulatering of the Go	operation of	rotting title oo			
Character of Ser	<u>vice</u> :				-	
Single phase,	60 hertz, at Seller's standard voltages.	*				1
				A,	20.62	(A)
Rates: Monthly	A1. 104#1				\$14.87	101
Customer ch	arge - No KWH usage				314. 07	
Energy charg	ne ner KWH				0.06469	
Littingy on any	je por kuri		**			
State, Federal an	nd local tax will be added to above rate wher	e applicable.	-			
	I. I				•	
Minimum Monthh		003				(T) 7
	the monthly minimum bill be less than \$14.8					一ク
Adjustment C	Auses! ment: The bill amount computed at the ch Horapplicable charge.ordecreased in acc 18 Final Advictory.		الإماء سيمأم أسا	I ho INCREASE	d ·	-
See-Schedule	10 for applicable charge, was consent in sec	nedance wit	. en aboue on i	Na:	-1	エナナナナ
	18 Fuel Adjustment	Sched	mie 18	,		II
Environmental St	treharge Envi Rommental Sunchange	- 1				17
Sec-Schedule	-14 for applicable charge unwind so ecredi-	that Sche	dule 20			17
	Tenange ENV. Roll MeDIA SUR Charge 44 for applicable charge New; Nd SORCREA; 19 Rebate Adjustment MeMove Rate Stab; Ity Me char Cost Adjustment Rue at Economic Reserve	visa Sche	dule 21			17
Wholesale I owe	Cost Adjustment Rue a) Economic Refer	le Clauso Sci	madule 23			计
See Scrieddie	14 for applicable charge.					QT
Terms of Paymer	nt:					141
	es are net, the gross rates being ten percen	t (10%) highe	er. In the eve	nt the		
	oill is not paid within ten (10) days from the d				1	}
apply.]
DATE OF ISSUE	January 24, 2008 AUGUST 16 2010	POBLIC	OF KENT		SIUN	
DATE OF 1000E	Month	Day	EFFEC			-
DATE EFFECTIVE	December 24, 2007 September 18, 2012		12/24/2			_
\mathbb{R}	Month	Day PUR	SUANT TO E	307 KAذ5:0	11	
ISSUED BY	Name of Officer	rdent/CEO P	. U. Hox 489, Вг	andenburg, KY	40108	~
ISSUED BY AUTHORI		T		Muditass	1	
ICCOLD DI ACINONI	11 01 1 0.0.	1 5	757	>	i	
		By				-
			Executive	Director		

; ".

FOR Entire Territory served

En la pg 507 16

	FOR	Entire Territory	y served		
		Community	, Town or City		
			P.S.C. No.	38	
			Sheet No.	7	
		(Revised)			
ELECTRIC					
RATION		Canceling	P.S.C. No.	36	

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

(Original) Sheet No. **CLASSIFICATION OF SERVICE** Schedule 2 RATE PER UNIT Commercial Rate Applicable: Entire Territory Served. Availability of Service: Available to commercial customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.). Written permission must be obtained from the Cooperative for motors rated above seven and one-half horsepower (7 1/2 H.P.); all subject to the rules and regulations of the Cooperative covering this service. Character of Service: Single phase, 60 hertz, at Seller's standard voltages. Rates: Customer charge - No KWH usage \$20.62 Monthly 1 \$0.68 Daily N. T 0.06469 Energy charge per KWH State, Federal and local tax will be added to above rate where applicable. Minimum Charge: In no case shall the minimum bill be less than \$0.68 per day. 1, T Т Adjustment Clauses: T The bill amount computed at the charges specified above shall be increased or decreased in Τ accordance with the following: Т Fuel Adjustment Schedule 18 Environment Surcharge Т Schedule 19 Unwind Surcredit Adjustment Т Schedule 20 Т Rebate Adjustment Schedule 21 T Member Rate Stability Mechanism Schedule 22 Rural Economic Reserve Clause Schedule 23 T D Terms of Payment: The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.

DATE OF ISSUE	August 16, 2010		
	Month	Day	Year
DATE EFFECTIVE	September 18, 2010		
	Month	Day	Year
ISSUED BY		President/CEO	P. O. Box 489, Brandenburg, KY 40108
	Name of Officer	Title	Address

ISSUED BY AUTHORITY OF P.S.C.

Order No. 2010-000222

프로마 (140m) - 15 - 15 - 15 - 15 - 15 - 15 - 15 - 1	Community	, Town or City	y i
		P.S.C. No.	1
선생님, 사람이들의 이번 보고를 보고 있다. 그리고 있는 	(Original)	Sheet No.	10
MEADE COUNTY DUDAL ELECTRIC	(Revised)		
MEADE COUNTY RURAL ELECTRIC			
COOPERATIVE CORPORATION	Canceling	P.S.C. No.	
	(Original)	Sheet No.	
	(Revised)	ž	
	•		
Schedule 3 - continued CLASSIFICATION OF SE	ERVICE	<u> </u>	
Three Phase Power Service, 0 KVA - 999 KVA - 3 Phase Service		ナ	RATE PER UNIT
power factor. When the power factor is found to be lower than ninety perce	ent (90%), the	}	
consumer will be required to correct its power factor to ninety percent (90%)) at the cons	umer's	
expense. The demand shall be defined as ninety percent (90%) of the high	est average		
kilovolt-amperes measured during any fifteen consecutive-minute period of	the month.		
Adjustment Clauser	•	•	
Adjustment Clauses: Fret Cost Adjustment: The bill Amount Computed at the changes specified See Schedule 10 for applicable charge order creased in accordance with the			
See Schedule to for applicable charge orderensed in accordance with the	crome change	PERCUSIA	
o raci adjustacent	10		
Environmental Surcharge Environmental Surcharge Schedul See Schedule 11 for applicable charge Now; ad Sorcea; they Schedul 19 Rebate Adjustment Schedul Wholesale Power Cost Adjustment Rue a) Economic Reserve Clause Schedul See Schedule 14 for applicable charge.	e 19	ł	1.5
19 Rebate Adjustment Soncreditaly. Schedu	le so	1	
Wholesale Power Cost Adjustment of Atc Gthb: Hey he chanism School	1e 21	- 1	1 17
- See Schedule 14 for applicable change. Economic Kesenie Clauso Sched	ule 23		li i
Minimum Monthly Charges:	•	ľ	ļ.a
The minimum monthly charge shall be the highest one of the following ch	narnes as		7
determined for the consumer in question:	.u.guu uu	-	
on an all on			
1. The monthly charge specified in this schedule.			17
The minimum monthly charge specified in the contract for service .			
	* * * * * * * * * * * * * * * * * * *	- [
Minimum Annual Charge for Seasonal Services:			
Consumers requiring service only during certain seasons not exceeding r	ine months	Der vear	
may guarantee a minimum annual payment of twelve times the minimum mo	onthly charge	po. 10a.	
determined in accordance with the foregoing section in which case there sha	all be no mini	mum	
monthly charge.	F _		· .
Due D-4 E D'9-			· · · · · · · · · · · · · · · · · · ·
Due Date of Bill:			
Payment of consumers monthly bill will be due within ten (10) days from o	are of p	III.	
Delayed Payment Charge:	LIC SERVICE	COMMISSICH	
The above rates are net, the gross rates being five percent (5%) higher of	n the fixens	1998	'
and two percent (2%) on the remainder of the bill. In the event the current m	onthly bill is	not	(M)
paid within ten (10) days from the due date of the bill, the gross rate shall app	ply.	1	
	JUL 01	2003	
DATE OF ISSUE December 22, 2002 Ave. 45 16, 2010 DIN	RSUANT TO 80	7 KAR 5:011	*
Menth Day	SECTION	9 (1) Year	~
DATE EFFECTIVE July 1, 2003 September 18, 2010	The sales	Marin-	"
Day BY	EXECUTIVE D	IRECTOR	
	O. Box 489, Bra		40108
Name of Officer Title SSUED BY AUTHORITY OF P.S.C.		Address	
STORE OF COMMITTEE CO.			

FOR

Entire Territory served

2002-391 dated 12/23/2002

Order No.

Ex 1916

	FOR	Entire Territory served		
		Community, Town or City		
			P.S.C. No.	38
		(Original)	Sheet No.	10
		(Revised)		
MEADE COUNTY RURAL ELECTRIC				
COOPERATIVE CORPORATION		Canceling	P.S.C. No.	1
		(Original)	Sheet No.	10
		(Revised)		

Schedule 3 - continued	CLASSIFICATION OF SERVICE	
ochedule o - continued	DEAGON TOATION OF DERVICE	RATE PER
Three Phase Power Service, O KVA and greater - 3 F	Phase Service T	UNIT
power factor. When the power factor is found to b		
consumer will be required to correct its power fact		
expense. The demand shall be defined as ninety		
kilovolt-amperes measured during any fifteen cons		
Adjustment Clauses:		Т
	ecified above shall be increased or decreased in	Ť
accordance with the following:	coned above shall be indicased of deoleased in	Ť
Fuel Adjustment	Schedule 18	Ť
Environment Surcharge	Schedule 19	T
Unwind Surcredit Adjustment	Schedule 20	T
Rebate Adjustment	Schedule 21	
Member Rate Stability Mechanism		T -
Rural Economic Reserve Clause	Schedule 23	T
Nulai Economic Neserve Glause	Scriedule 23	Т
		D
M		т
Minimum Charges:	Cilia Callanda a abanca a a	'
The minimum charge shall be the highest one	of the following charges as	
determined for the consumer in question:		
1. The minimum charge specified in this sched	dule.	Т
The minimum monthly charge specified in the control of the co		
2. The minimum mentally enalige openings in a		
Minimum Annual Charge for Seasonal Services:		
Consumers requiring service only during certain	n seasons not exceeding nine months per year	
may guarantee a minimum annual payment of twe		
determined in accordance with the foregoing section		
monthly charge.	off in which case there shall be no minimum	
monthly charge.		
Due Date of Bill:		
Payment of consumers monthly bill will be due	within ten (10) days from due date of bill.	
. ay	The same same of the same same same of the same same of the same same same same same same same sam	
Delayed Payment Charge:		
The above rates are net, the gross rates being	five percent (5%) higher on the first \$25.00	
and two percent (2%) on the remainder of the bill.		
paid within ten (10) days from the due date of the I		
, , , , , , , , , , , , , , , , , , , ,	, ,	

DATE OF ISSUE	August 16, 2010		
	Month	Day	Year
DATE EFFECTIVE	September 18, 2010		
	Month	Day	Year
ISSUED BY		President/CEO	P. O. Box 489, Brandenburg, KY 40108
	Name of Officer	Title	Address

ISSUED BY AUTHORITY OF P.S.C.

Order No.	2010-000222	
Oluci iio.		

FOR Entire Territory served

Coriginal) (Revised) Canceling (Original) (Revised) (Original) (Revised) (Original) (Revised) (Original) (Revised) (Original) (Origi	ner's	RATE PER UNIT
Revised) Canceling (Original) Revised) VICE ate (90%), the at the consust average the month. Let above of the following in the 18 the following in the 18 the 19 the 19 the 19 the 20 the 21 the 19 the 22 the 19 the 21 the 21 the 21	P.S.C. No. Sheet No. umer's	RATE PER UNIT
Canceling (Original) (Revised) (VICE ate (90%), the at the consust average the month. (el above of the follo the 18 dule 19 dule 20 dule 21 dule 21 dule 21 dule 2	sheet No.	UNIT
Criginal) Revised) EVICE afe (90%), the at the consust average to month. I the following the following the 18 dule 20 dule 21 dule	sheet No.	UNIT
Revised) AVICE ate (90%), the at the consust average the month. A the following is a least the consust average to the consust average to the consust average to the consustance of th	umer's	UNIT
Revised) AVICE ate (90%), the at the consust average the month. A the following is a least the consust average to the consust average to the consust average to the consustance of th	ner's	UNIT
ate (90%), the at the consust average is average is month. I the following in he 18 alune 19 alune 20 alune 21 alune 21 alune 21 alune 21 alune 21	ner's	UNIT
(90%), the at the consust average to month. Let above of the following the 18 that e 19 that e 20 that e	ner's	UNIT
(90%), the at the consust average to month. Let above of the following the 18 that e 19 that e 20 that e	ner's	++++
tule 18 dule 20 dule 21 dule 21 dule 21 dule 2		++++
rges as		τ
		<i>T</i>
ne months p thly charge be no mini		
e date of bi	II.	
RVICE (OMMISS	SION
EFFECTI	/E	
11.1() 11.7(1)	7 KAR 5:01	1
NT TO 80		40108
NT TO 807 SECTION 9	Address	
P	ERVICE (F KENTU EFFECTIV 09/01/200 ANT TO 807 SECTION 9	ANT TO 807 KAR 5:01

FIGURE AND THE STREET BOOK FOR THE TO A PROSECULATION OF THE PROPERTY OF THE P

Eg 19 9 16

	FOR	Entire Territory	served	
	-	Community,	Town or City	
			P.S.C. No.	37
		(Original)	Sheet No.	13
		(Revised)		
MEADE COUNTY RURAL ELECTRIC				
COOPERATIVE CORPORATION		Canceling	P.S.C. No.	35
		(Original)	Sheet No.	13
		(Revised)		

Schedule 3A continued	CLASSIFICATION OF SERVICE	
Three Phase Power Service, 0 KVA - 999 KVA - Opt	ional Time of Day (TOD) Rate	RATE PER UNIT
power factor. When the power factor is found to be consumer will be required to correct its power factor expense. The demand shall be defined as ninety kilovolt-amperes measured during any fifteen constitution.	be lower than ninety percent (90%), the or to ninety percent (90%) at the consumer's percent (90%) of the highest average	
Adjustment Clauses:	Schedule 18 Schedule 19 Schedule 20 Schedule 21	T T T T T T
Rural Economic Reserve Clause Minimum Charges:	Schedule 23	D,T
The minimum charge shall be the highest one determined for the consumer in question:	of the following charges as	
 The minimum charge specified in this scheo The minimum monthly charge specified in the 		
Minimum Annual Charge for Seasonal Services: Consumers requiring service only during certai may guarantee a minimum annual payment of twe determined in accordance with the foregoing secti monthly charge.		
<u>Due Date of Bill:</u> Payment of consumers monthly bill will be due	within ten (10) days from due date of bill.	
Delayed Payment Charge: The above rates are net, the gross rates being and two percent (2%) on the remainder of the bill. paid within ten (10) days from the due date of the	In the event the current monthly bill is not	

DATE OF ISSUE	August 16, 2010		
	Month	Day	Year
DATE EFFECTIVE	September 18, 2010		
	Month	Day	Year
ISSUED BY		President/CEO	P. O. Box 489, Brandenburg, KY 40108
	Name of Officer	Title	Address

ISSUED BY AUTHORITY OF P.S.C.

Order No.	2007-00470	
Oluci No.	2007 00110	

	FOR Entire Territor	ry served		
	Communi	ty, Town or City	7	_
		P.S.C. No.	1	
	(Original)	Sheet No.	14B	-
	(Revised		***************************************	
MEADE COUNTY RURAL ELECTRIC	•	•		
	Canceling	P.S.C. No.		
COOPERATIVE CORPORATION	_			
	(Original)			-
	(Revised)		
				7
Schedule 4 continued CLASSIFIC	ATION OF SERVICE			
Scriedule 4 Continued			RATE PER	1
Large Power Service, 1,000 KVA and Larger (TOD)	-		UNIT]
power factor. When the power factor is found to be lower tha	n ninety percent (90%),	he		
consumer will be required to correct its power factor to ninety	percent (90%) at the con	rsumer's		1-
expense. The demand shall be defined as ninety percent (90	%) of the highest averag	e	N	1
kilovolt-amperes measured during any fifteen consecutive-mi	nute period of the month	,		1
			1	
Adjustment Clauses! Fuel Cost Adjustment: The bill Amount Computed at the cost See Schedule 18 for applicable charge.oedecrensed in ac		al all had been el	uld T	
See Schedule Wfor applicable rhame and expensed in the	changes specified above	ONALL OF LACK OF	7-	1
18 Fuel Agiostnewt	schedule 18	100010 7	$\dot{\tau}$	1
Environmental Surcharge Envi Rowmental Surcharge	Schedule 19	,	T.	1
			Ŧ	1
19 Repate Adjustment	Schedule:	21	+	1
See Schedule 17 for applicable charge Now and So receded to Rebate Adjust what adjust ment members are constant to the child members are as the constant for applicable charge. See Schedule 14 for applicable charge.	thism Schedule	22	+, ,	1
— See Schedule 14 for applicable charge.	ere chase schedule	2 S	N-7	
Minimum Monthly Charges:				
The minimum monthly charge shall be the highest one of the	he following charges as	ľ		1
determined for the consumer in question:				
· · · · · · · · · · · · · · · · · · ·	ē.			
The monthly charge specified in this schedule.				
The minimum monthly charge specified in the contract to	or service.			1
				1
Minimum Annual Charge for Seasonal Services:			1]
Consumers requiring service only during certain seasons n	ot exceeding nine montl	ns per vear	·	l
may guarantee a minimum annual payment of twelve times th	e minimum monthly cha	rge		1
determined in accordance with the foregoing section in which			ĺ	l
monthly charge.			-	1
Due Date of Bill:	0) davia 6	x 1. 31		
Payment of consumers monthly bill will be due within ten (1	u) days from due date o	r Diii.		[
Delayed Payment Charge:				1
The above rates are net, the gross rates being five percent	(5%) higher on the first	\$25.00		
and two percent (2%) on the remainder of the bill. In the even				1
paid within ten (10) days from the due date of the bill, the gros	rate shall apply.	-		
	PUBLIC SERVIC	E COMMIS	SION	J
DATE OF ISSUE August 1, 2005 A 4 9 4 5 16, 7010	OF KEN		ł	
Month		OUE Acar		-
DATE EFFECTIVE September 1, 2005 September 18, 2010	9/1/2 PURSUANT TO		11	_
> Month	Day	Year	1	
		N 9 (1) Brandenburg, K	Y 40108	
Name of Officer	Titte	Address		
SSUED BY AUTHORITY OF P.S.C.	By	_>		
	Executive	Director		
	LACOMITO	-1100101	.]	

Ex19 pg 11 of 16

	FOR	Entire Territory	served	
		Community,	Town or City	
			P.S.C. No.	38
		_ (Original)	Sheet No.	14B
		(Revised)		
MEADE COUNTY RURAL ELECTRIC				
COOPERATIVE CORPORATION		Canceling	P.S.C. No.	1
		_ (Original) (Revised)	Sheet No.	14B

Schedule 4 continued	CLASSIFICATION OF SERVICE	
Large Power Service, 1,000 KVA and Larger (TOD)		RATE PER UNIT
power factor. When the power factor is found to be consumer will be required to correct its power factor expense. The demand shall be defined as ninety kilovolt-amperes measured during any fifteen constitution.	or to ninety percent (90%) at the consumer's percent (90%) of the highest average	Т
Adjustment Clauses: The bill amount computed at the charges special accordance with the following: Fuel Adjustment Environment Surcharge Unwind Surcredit Adjustment Rebate Adjustment Member Rate Stability Mechanism Rural Economic Reserve Clause	Schedule 18 Schedule 19 Schedule 20 Schedule 21	T T T T T T T
Minimum Monthly Charges: The minimum monthly charge shall be the high determined for the consumer in question: 1. The monthly charge specified in this schedu 2. The minimum monthly charge specified in the charge specified	ile.	
Minimum Annual Charge for Seasonal Services: Consumers requiring service only during certain may guarantee a minimum annual payment of two determined in accordance with the foregoing section monthly charge.	lve times the minimum monthly charge	
<u>Due Date of Bill:</u> Payment of consumers monthly bill will be due	within ten (10) days from due date of bill.	
Delayed Payment Charge: The above rates are net, the gross rates being and two percent (2%) on the remainder of the bill. paid within ten (10) days from the due date of the	In the event the current monthly bill is not	

DATE OF ISSUE	August 16, 2010		
	Month	Day	Year
DATE EFFECTIVE	September 18, 2010		
	Month	Day	Year
ISSUED BY		President/CEO	P. O. Box 489, Brandenburg, KY 40108
	Name of Officer	Title	Address

ISSUED BY AUTHORITY OF P.S.C.

Order No.	2010-000222	
-----------	-------------	--

Entire Territory served

Order No. 2002-391 dated 12/23/2002

Community, Town or City

		P.S.C. No.	34
그림 마시 선생님이 있는 그가 되는 사람들이 되었다. 그 그 그 그는	(Original)	Sheet No.	15
	(Revised)	-	
MEADE COUNTY RURAL ELECTRIC		1 .	
COOPERATIVE CORPORATION	Canceling	P.S.C. No.	33 .
	(Original)	Sheet No.	15
	(Revised)		
Schedule 5 CLASSIFICATION OF SERV	ICE -		· .
Outdoor Lighting Service - Individual Consumers	* *		RATE PER UNIT
_Applicable:			
Entire Territory Served.			
_Availability of Service:			
Available to consumers who abide by the rules, regulations and bylaws o	f the Cooper	ative	
and will sign a contract agreement for service in accordance with the specia	l terms and		
conditions set forth herein.			
Character of Service:	41 *4r *	i:	
This rate schedule covers electric lighting service to outdoor equipment for streets, driveways, yards, lots, and other outdoor areas. Cooperative will pro-	or the Illumin	lation of	
maintain the lighting equipment, as hereinafter described and will furnish the	ovide, own, a	nariov to	
operate such equipment. Service under this rate will be available on an auto			
dusk-to-dawn every-night schedule of approximately 4000 hours per year. U	Inite installer	i shall	
be security light type or units as specified herein.	rines moranec	Julian	
and a country water appearance and opposited motorial			-
Rates:	e e	, N	
175 Watt unmetered, per month	-	76.93	\$ 6.73
175 Watt metered, per month		3.35	\$9.56
400 Watt unmetered, per month		9,85	
400 Watt metered, per month	•	93.35	-3.25
State, Federal and local tax will be added to above rate where applicable.	n.		
	*	1	*
Terms of Payment			
Accounts not paid when due may incur a delinquent charge for collection, and a disconnect			
Adjustment Clauses: First Cost Adjustment: The bill amount computed at the changes specified at	bowe shall be i	acressed	T 1
300 ochequie to for applicable charge of accretices in the cokative of the	AG HOWIN 1		王
18 Fuel Adjustment schedule	. 18	19810	+ 1
Environmental Surcharge Envi Rommental Surchange Schedule		1	7.
See Schedule 14 for applicable charge Now and Schedul Schedul			I
19 Rebate Adjoinment Schedule 14 Schedule 14 Schedule 14 Schedule 14 Schedule		-	I 1
TYTICLES ALL COST ACTUSTICE RILLY FORWARD CALLED	1E 23	}	
- Oce Octroduc 14 for applicable enacting.	SUANT TO 80	7 KAR 5:011	- DAT
DATE OF ISSUE December 23, 2002 August 1/6 2010	SECTION	9 (1)	
Moath Day	1 5	Mr Jear	
DV C	XECUTIVE DI		punahari
Month Day	,	Year	
	D. Box 489, Bra		40108
Name of Officer Title		Address	
SSUED BY AUTHORITY OF P.S.C.			

Ex/9 pg/33/16

	FOR	Entire Territory	served	
	•	Community	Town or City	
			P.S.C. No.	38
		(Original)	Sheet No.	15
		(Revised)		***************************************
MEADE COUNTY RURAL ELECTRIC				
COOPERATIVE CORPORATION		Canceling	P.S.C. No.	37
		(Original)	Sheet No.	15
		(Revised)		
edule 5 CLASSIFICATIO	N OF SE	RVICE		
				RATE PER

		(Revisea)	
Schedule 5	CLA	ASSIFICATION OF SERVICE	
Outdoor Lighting Service	e - Individual Consumers		RATE PER UNIT
Applicable: Entire Territory Se	erved.		
	imers who abide by the rules, act agreement for service in a	regulations and bylaws of the Cooperativ ccordance with the special terms and	/e
streets, driveways, ya maintain the lighting o operate such equipm dusk-to-dawn every-r	e covers electric lighting service ards, lots, and other outdoor a equipment, as hereinafter des ent. Service under this rate v	ce to outdoor equipment for the illumination reas. Cooperative will provide, own, and scribed and will furnish the electrical energy will be available on an automatically controlled standard to the controlled s	gy to olled
Rates: 175 Watt unmeter 175 Watt metered 400 Watt unmeter 400 Watt metered	, per month ed, per month		\$ 6.93 3.35 \$9.85 3.35
State, Federal and lo	cal tax will be added to above	rate where applicable.	
Terms of Payment: Accounts not paid when	due may incur a delinquent charge	for collection, and a disconnect and reconnect fee.	
accordance with Fuel A Enviro Unwir Rebat Memb	omputed at the charges speci n the following: Adjustment onment Surcharge nd Surcredit Adjustment	ified above shall be increased or decreas Schedule 18 Schedule 19 Schedule 20 Schedule 21 Schedule 22 Schedule 23	T T T T T T
			D,T

DATE OF ISSUE	August 16, 2010		
	Month	Day	Year
DATE EFFECTIVE	September 18, 2010		
	Month	Day	Year
ISSUED BY		President/CEO	P. O. Box 489, Brandenburg, KY 40108
	Name of Officer	Title	Address

ISSUED BY AUTHORITY OF P.S.C.

Order No. 2010-000222

Entire Territory served

Entire Territory served

FOR

: Community, Town or City

P.S.C. No. 34

FOR

	(Original)	Sheet No.	18
	(Revised)		: 2
MEADE COUNTY RURAL ELECTRIC			
COOPERATIVE CORPORATION	Canceling	P.S.C. No.	33
		Sheet No.	18
	(Revised)		
Schedule 6 CLASSIFICATION OF	SERVICE		
			RATE PER UNIT
Street Lighting - Community, Municipalities, Towns			OMI
Applicable: Entire Territory Served			
Availability of Service: To any customer who can be served in accordance with the special terms and conditions set forth service in accordance with such special terms and conditions; subject to the established rules, regular	herein and who is willing to o ations and by-laws of the Co	contract for operative.	
Character of Service:			-
This rate schedule covers electric lighting service to outdoor equipment for the Illumination and other outdoor areas. Cooperative will provide, own, and maintain the lighting equipment will furnish the electrical energy to operate such equipment. Service under this rate will be a controlled dusk-to-dawn every-night schedule of approximately 4000 hours per year. Units in or units as specified herein. Service to alternating current either series or multiple system, or provided the service of the service to alternating current either series.	i, as hereinafter described vailable on an automatica nstalled shall be security li	and fly ght type	
Distributor.	,	Ì	
Rates:			
175 Watt, per month		6.09	\$5.91
400 Watt, per month	. <i>6</i>	9,04	\$8.81
State, Federal and local tax will be added to above rate where applica	ible.		
Terms of Payment: Accounts not paid when due may incur a delinquent charge for colle and reconnect fee.	ection, and a discor	inect	* *
Adjustment Clauses! Fuel Cost Adjustment: The bill Amount Computed at the changes specified Cost Adjustment: The bill Amount Computed at the changes specified Cost Adjustment See Schedule 18 for applicable charge order creased in accordance to the specified Adjustment	eified above on all be with the following g	acrensed	T T
Environmental Surcharge ENVIRON mental Surcharge Sal See Schedule 14 for applicable charge UNWIND SORCE 14 Sorce Schedule 14 for applicable charge UNWIND SORCE SCHOOL SORCE S	nedule 19 MM chedule 20 KY chedule 21 :	SSION	T T
Wholesale Power Cost Adjustment Rule A) Economic Reserve Clause Cose Schedule 14 for applicable change.	schedule 23		\vec{b}, T
ATE OF ISSUE December 23, 2002 Hugust 16, 2010	JRSUANT TO 807 KAR SECTION 9 (1)	5:017 Year	^
ATE EFFECTIVE July 1, 2003 September 19, 2010 BY	EVECUTIVE DIRECT	OR	<u> </u>
SUED BY Ben ?. Month Day President/CEO		Year ndenburg, K	Y 40108
Name of Officer Title		Address	
SSUED BY AUTHORITY OF P.S.C.	dor No. 2002-391	dated 12/23/	2002

Ex/a P5 15 0 16

	FOR	Entire Territory served		
		Community, Town or City		
			P.S.C. No.	38
	The first court of force program and	(Original)	Sheet No.	18
		(Revised)		
MEADE COUNTY RURAL ELECTRIC				
COOPERATIVE CORPORATION		Canceling	P.S.C. No.	37
		(Original) (Revised)	Sheet No.	18

Schedule 6 C	LASSIFICATION OF SERVICE		
Street Lighting - Community, Municipalities, Towns			RATE PER UNIT
Applicable:			
Entire Territory Served.			
Availability of Service: To any customer who can be served in accordance with the special service in accordance with such special terms and conditions; subjective services in accordance with such special terms and conditions; subjective services in accordance with such special terms and conditions; subjective services in accordance with such special terms and conditions; subjective services in accordance with the special services in accordance with such special services in accordance with			
Character of Service: This rate schedule covers electric lighting service to outdoor and other outdoor areas. Cooperative will provide, own, and may will furnish the electrical energy to operate such equipment. Se controlled dusk-to-dawn every-night schedule of approximately or units as specified herein. Service to alternating current eithe Distributor.	aintain the lighting equipment, as hereinafter rvice under this rate will be available on an a 4000 hours per year. Units installed shall be	described and utomatically security light type	
Rates:			
175 Watt, per month		1	\$6.09
400 Watt, per month		1	\$9.09
State, Federal and local tax will be added to abo	ve rate where applicable.		
Terms of Payment: Accounts not paid when due may incur a deliand reconnect fee.	nquent charge for collection, and a	a disconnect	
Adjustment Clauses:			Т
The bill amount computed at the charges sp	ecified above shall be increased o	r decreased in	T
accordance with the following:			T
Fuel Adjustment	Schedule 18		ΪŤ
Environment Surcharge	Schedule 19		I
Unwind Surcredit Adjustment	Schedule 20		T
Rebate Adjustment	Schedule 21		+
Member Rate Stability Mechanis			T
Rural Economic Reserve Clause	Schedule 23		
			D,T
DATE OF ICCUIT			
DATE OF ISSUE August 16, 2010			

DATE OF ISSUE	August 16, 2010		
	Month	Day	Year
DATE EFFECTIVE	September 18, 2010		
	Month	Day	Year
ISSUED BY		President/CEO	P. O. Box 489, Brandenburg, KY 40108
	Name of Officer	Title	Address

ISSUED BY AUTHORITY OF P.S.C.

Order No. 2010-000222

Item No. 1b Page 16 of 16 Witness: Jim Adkins

MEADE COUNTY RECC CASE NO. 2010-00222

RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST

b.(1) Question:

The response states that "Meade does not believe that the titles used in the tariff should not be changed." Did Meade intend to state that it does not believe the titles used in the tariff should be changed.

b.(1) Response:

The titles in the tariff should not be changed.

b.(2) Question:

State whether "Grounding attachment" as it appears in the tariff is the same as a two ground attachment. If no, explain what is meant by grounding attachments.

b.(2) Response:

They are the same things.

b.(3) Questions:

State whether "Pedestal attachment" as it appears in the tariff is the same as a three-party ground attachment. If no, explain what is meant by pedestal attachment.

b.(3) Response:

They are the same things

Exhibit 2
Page 1 of 2

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

- 2. Refer to Meade's response to Item 3.b. of Staffs Second Request.
- a. The response did not explain why Meade is proposing to delete the customer deposit criteria. Provide an explanation.

Response:

Meade is not proposing to delete all customer deposit criteria but limit the criteria to:

- 1. Previous payment history with the Cooperative or
- 2. Exchange Rating obtained through OnLine Information Systems.
- b. Refer to the response to Staffs Second Request, Item 3.d.(4), page 9 of 9, Explain what is meant by "Exchange rating."

Response:

"Exchange rating" is a rating received from OnLine Information Systems to determine the credit risk of a potential customer.

Following is a description of the service provided by this organization:

Services provided through the ONLINE Utility Exchange, ONLINE maintains a centralized database containing credit and consumer data information pertaining to the payment history of utility bills and other services that ONLINE may, from time to time, make available to Subscriber. ONLINE will furnish consumer information from this database to Subscriber. ONLINE will also furnish services to Subscriber involving the supply of consumer and business information. The source of this information may be credit information, consumer information, credit scoring services, fraud detection, and criminal records provided by national credit reporting repositories, national criminal record databases, and/or local county systems. The ONLINE Utility Exchange provides access to Subscriber to Experian Credit Information Service's database.

Based on a predetermined scoring system Meade uses this rating to determine if a deposit is to be charged to the potential customer. Attached as page 2 of this exhibit is an example of an OnLine Utility Exchange report used to determine deposit requirements.

MEADE COUNTY RECC: cathys: 10/12/2010 3:22 09 PM @Report # 210 COYOTE RUN BRANDENDE BRANDENBURG, KY 40108 PHONE: 5023764645 Reported DOB: 1987 Print Report **Print Adverse Letter SSN Verification SSN Verification** RED FLAG ALERT **Match to Other Name** REPORTED ADDRESS DOES NOT MATCH INQUIRY ISSUED: Kentucky, 1986-1988 **Deposit Decision Deposit Decision** 23.8% Potential Delinquency Risk **Maximum Deposit Exchange Results Exchange Results** 0 ✓ No Exchange Results Found Other Unpaid Utilities Other Unpaid Utilities **✗ LOUISVILLE WATER COMPANY** ACCT#: 0 Amount Owed: \$81.00 as of 8/10/2009

Deposit Decisions

Red light = over 10.0% Potential Delinguency Risk

MAXIMUM Deposit Required.

Green Light = 10% on Less = No deposit Required

		•

Exhibit 3
Page (of (

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

3. Refer to the response to Staffs Second Request, Item 3.d.(4), page 9 of 9, and Item 32, page 4 of 4. The response to Item 3 states that approximately 350 of Meade's meters are read manually. The response to Item 32 states that Meade has automated meter information technology for all but demand meters on its system. Explain why the demand meters do not have automated meter information technology and state whether Meade has plans for such demand meters in the future.

Response:

As we buy new meters, they are AMI equipped, and we are installing modules in meters that are capable of AMI as we rotate through them for testing. Cost has driven the rate of replacement of demand meters.

1 4			

Witness: Jim Adkins

MEADE COUNTY RECC CASE NO. 2010-00222

RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST

Refer to Meade's response to Item 7 of Staff's Second Request.

a. Question: Refer to the responses to Item 7.a., page 1 of 2. Meade was requested to either confirm that the zero-intercept method was used for Account 365 (Overhead Conductor) or to provide the location in Schedule R of where the minimum size method was used for Account. The response discusses Account 364 (Poles) but does not discuss Account 365. Respond to the question as requested.

a. Response:

The zero-intercept method was used for account 365 (Overhead Conductor).

b. Question:

Refer to the response to Item 7.b.(2), page 2 of 2. State whether the 2,640 poles equates to 2,640 customers. If no, provide the number of customers that would be affected by the pole rental increase.

b. Response:

Yes, approximately 2,640 customers will be affected by the pole rental increase.

Exhibit 5
Page 1 of 3

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

- 5. Refer to the response to Item 8.d. of Staffs Second Request.
- a. Refer to the response to 8.d.(I), page 4 of 4. The response states that "[the proposed rate, Exhibit C, Schedule 5, is \$9.80 for the lights plus \$1.00 per month for the pole." Did Meade intend to state that the proposed 400-unmetered rate is \$9.85 as shown in revised Exhibit C, page 21 of 135? If no, explain.

Response:

The proposed rate for the 400-unmetered rate is \$9.85 as shown in revised Exhibit C, page 21 of 135.

Witness: Jim Adkins

MEADE COUNTY RECC CASE NO. 2010-00222

RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST

Refer to the response to Item 8.d of Staff's Second Request.

b. Question:

Meade did not respond to Item 8.d.(2). Provide a response.

b. Response:

The current rate is \$9.56 and the proposed rate is correct at \$9.81. The pole rental fee was included in error in the previously listed current rate.

c. Question:

This response indicates that some of the lighting rates in Exhibit J, page 6 of 6, include pole rental charges. Provide a revised Exhibit J, page 6 of 6, to include pole charges only on the line labeled, "pole rental" with all other rates on the page being shown as lighting rates only for both present and proposed rates (i.e., pole chares are not included in the lighting rates).

c. Response:

Attached as page 2 of this response is the revised page 6 of 6, Exhibit J.

Effebrit 5 page 3 of 3

	Exhibit	page	oĮ
Meade County Rural Electric	Billing Analysis	rch 31, 2010	
Меас	.E	Marc	

ر 9

Outdoor Lighting Service

Billing <u>Components</u>	Billing Detern	Billing Determinants	Actual Rate		Reve	Revenues	Normalized Case No. 2006-500 Rates Revenue	alize No.	d 2006 Re	006-500 Revenues	Proposed Rates	peg	Reve	Revenues
175 W MV Unmetered	69	75.535	€9	_	69	508.351	€-3	~	64	508.351	€.	!	€.	503 458
175 W MV Unmetered - Pole Rental	↔	27,313	· 69	_	· 69	183,816	· 69	~	↔	183,816	• •		↔	189.279
175W MV - city		5,320	↔	9	↔	31,441	↔	9	↔	31,441	· 6 Э	9	· ↔	32,399
175W MV Metered		449	↔	က	↔	1,459	s	က	↔	1,459	s	က	G	1,504
175W MV Metered - Pole Rental		282	↔	က	↔	917	S	က	6 3	917	↔	က	€	945
400W MV Unmetered		2,337	↔	9	↔	22,342	ક્ર	10	↔	22,342	6)	10	(S)	23,019
400W MV - city		4,344	69	6	↔	38,271	S	ნ	↔	38,271	69	6	⇔	39,487
400W MV - Unmetered, Pole Rental		2,209	s S	10	↔	21,008	s)	10	G	21,008	↔	10	G	21,648
400W MV Flood Light		3,294	s S	10	⇔	31,326	€	10	₽	31,326	↔	10	69	32,281
400w MV Metered		992	es.	ო	63	2,490	↔	ო	↔	2,490	↔	က	69	2,566
400W MV, Metered - Pole Rental		160	s S	က	G)	520	s s	က	↔	520	↔	က	€9	536
400W MVFL - Metered		552	69	က	↔	1,794	s	ო	↔	1,794	⇔	က	G	1,849
400W MVFL - Unmetered		3,982	↔	10	s S	38,068	↔	19	ઝ	38,068	↔	10	↔	39,223
400W MVFL - Unmetered, Pole Rental		460	↔	10	↔	4,398	↔	10	↔	4,398	↔	10	69	4,531
400W MVFL, Metered - Pole Rental		228	↔	က	↔	741	69	က	₩	741	ક્ર	က	⇔	764
Pole Rental		30,652	↔	0	↔	7,663	↔	0	↔	7,663	↔		69	30,652
kWh	↔	10,156,344												
Billing adjustments				,	€>	(1,233)			8	(1,233)		1	49	(1,233)
Total from base rates					c s	893,370			8	893,370			€>	942,908
Adjustments (facility, etc.)				,	€9	1								
Total revenues	s	893,370		**	\$	893,370								
Amount									69	(0)			જ	49,538
Percent										%0				5.55%

			•

Witness: Jim Adkins

MEADE COUNTY RECC CASE NO. 2010-00222

RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST

Refer to the response to Item 16 of Staff's Second Request. Meade used the customer-related revenue requirements to calculate the customer charges in the table.

a. Question:

Explain why customer-related revenue requirements were used in the calculation rather than customer-related costs.

a. Response:

The customer-related revenue requirements include the customer-related costs plus a margin amount which is how the overall revenue requirements have been determined for Meade in the development of this application. Every distribution cost function has a margin amount built into its revenue requirements. These distribution cost functions include the following:

		Demand-related	<u>Customer-Related</u>
•	Lines	X	X
•	Transformers	X	X
•	Services		X
•	Meters		X
•	Consumer Service		
	& Accounting		X

Meade feels that revenue requirements reflect the true costs for providing service to the end consumer. Meade also feels that the true costs associated with any rate/charge should have the full costs identified.

Item No. 6 Page 2 of 2

Witness: Jim Adkins

MEADE COUNTY RECC CASE NO. 2010-00222

RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST

b. Question:

Provide the customer charges if customer-related costs were used in the calculation rather than customer-related revenue requirements.

b. Response:

Listed below are the requested calculations.

	Monthly Consumer Related Costs						
1R 2R 3R 3A	Rate Class Residential Small Commercial General Service TOD Gen Svc	\$	Consumer Related <u>Costs</u> 5,089,072 431,408 375,246 1,408	Number of Monthly Billing <u>Units</u> 311,873 20,425 4,153 20	Ī	consumer Related Costs Per Month 16.32 21.12 90.36 70.39	

		,		
	-			

Exhibit **7**Page 1 of 1

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

7. Refer to Meade's response to Staffs Second Request, Item 19.e. Describe the functions involved for "Labor for the first time Transformer and OCR purchases" used to describe the increase in Overhead Line Expense. Describe what is meant by "first time Transformer and OCR purchases."

Response:

Purchase of new transformers and OCR equipment in Meade's accounting system is classed / defined as "first time Transformer and OCR purchases."

According to RUS guidelines "The first installation cost, as well as all incidental costs necessary to prepare the equipment for use, shall be capitalized with the material upon purchase."

The installation cost referred to in RUS Bulletin 1767B-1 is the "Labor for the first time Transformer and OCR purchases" and is referenced in the response to "Staff's Second Request, Item 19.e." Note: Below is an excerpt from the USDA web site.

119 Special Equipment. Bulletin 1767B-1 Page 268

Special Equipment items are classified as such because they are continually being moved from one location to another due to load changes and maintenance practices. The USoA provides accounting that differs from that used for other types of materials. The cost, new, of special equipment items shall be capitalized at the time of purchase; it shall not be charged to Account 154 as is the case with other materials. The first installation cost, as well as all incidental costs necessary to prepare the equipment for use, shall be capitalized with the material upon purchase.

All subsequent costs of removing, resetting, changing, renewing oil, and repairing constitute operations and maintenance expenses. The capitalized cost of special equipment items, including the first installation, shall be removed from the electric plant accounts only when the items are abandoned or retired from the system.

	J

Exhibit **8** Page **1** of **1**

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

8. Refer to Meade's response to Staffs Second Request, item 19.g. Meade's response indicates that OMS training contributed to part of the increase for Account 588.000, Misc Distribution Expense. Provide the cost of OMS training during the test year and a description of the training. Include in the description how frequently such training is required.

Response:

The cost of training for the test year was \$11,630. This was a new application for Meade and the costs were to train Meade's software administrators. It is anticipated that like any other software application, updates may require additional administrator training. That cost is estimated to be \$2,000 to \$3,000 per year.

*			

Exhibit **9**Page **1** of **1**

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

9. Refer to Meade's response to Staffs Second Request, Item 19.i. Meade's response indicates that right-of-way tree-trimming contracts contributed to 98 percent of the increase in Account 593.1 00, Maintenance. For the period ending March 31, for the four years preceding the test year, provide the costs for right-of-way tree-trimming contracts.

Response:

2009	\$732,105
2008	\$531,995
2007	\$721,258
2006	\$615,684

			•
· · ·			
· j			

Exhibit 10 Page 1 of 1

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

I0 . Refer to Meade's response to Staffs Second Request, Item 19.j. Meade's response indicates that right-of-way clearing to service orders contributed to 48 percent of the increase in Account 593.400, Maintenance-Service Orders. For the period ending March 31, for the four years preceding the test year, provide the balances for right-of-way clearing to service orders.

Response:

2009	\$76,223
2008	\$85,057
2007	\$45,466
2006	\$83,014

	,	

Exhibit II
Page I of I

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

- 11. Refer to Meade's response to Staff's Second Request, Item 19.k. Meade's response indicates that an \$89,000 credit received from a vendor contributed to the decrease in the account balance for the test year.
- a. State whether additional credits are anticipated to be received from the vendor related to the warranty on the AMI modules. If yes, provide the amount of credits and when they are expected to be received.

Response:

Credits are based on the failure of modules installed in meters and unless a module fails no credits are applicable. It is next to impossible to determine when or if equipment will fail therefore no additional credits are anticipated.

b. For the period ending March 31, for the four years preceding the test year, provide the balances for Account 902.100, Special Meter Reading Expenses.

Response:

2009	\$ 88,304
2008	\$103,210
2007	\$ 90,526
2006	\$ 65,792

Note: 2006 and 2007 Special Meter Reading Expenses were recorded in Account 902,000

		·	
	,		

Exhibit 12.
Page 1 of 1

Witness: Karen Brown

MEADE COUNTY RECC RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST IN CASE NO. 2010-00222

- 12. Refer to Meade's response to Staffs Second Request, Item 19.1. Meade's response indicates that an increase in contractor costs for field technicians contributed to the increase in the account balance.
- a. Provide a more detailed explanation for the increased contractor costs (i.e., additional hours, new negotiated vendor contracts, etc.).

Response:

A change in vendors occurred in September 2008 with a 16% increase in rate. There was also a 3% increase in hours worked from 11,242 hours in 2008 to 11, 898 hours in 2009.

b. For the period ending March 31, for the four years preceding the test year, provide the balances for Account 903.000, Customer Records & Collection.

Response:

2009 \$248,388 2008 \$222,708 2007 \$215,769 2006 \$229,579

Exhibit 13
Page 1 of 1
Witness: Burns Mercer

Meade County Rural Electric Cooperative Case No. 2010-00222 Third Information Request of Commission Staff

13. Refer to Meade's response to Staff's Second Request, Item 21. Meade states that the Board of Directors has not determined whether to grant a salary increase at the usual November 1 date for 2010. Meade should consider this an ongoing request, with its decision on a 2010 salary increase to be provided when it becomes available.

Response:

Meade's Board granted an average increase of 1.38% at the Board meeting on September 22, 2010, effective November 1, 2010.

Exhibit 14
Page / of 2
Witness: Jim Adkins

Meade County Rural Electric Cooperative Case No. 2010-00222 Third Information Request of Commission Staff

- 14. Refer to the response to Item 25 of Staffs Second Request.
 - a. Provide the criteria or indices that govern the change in the interest rate for RUS loans B324, B325 and B236.

Response:

Meade County has the option of selecting a variable rate that changes on a monthly basis, or can select a fixed interest rate for various lengths of time, ranging from 1 year to the remaining life of the loan. Meade County has selected a ten year period for these loans.

Exhibit 14
Page 2 of >Witness: Jim Adkins

Meade County Rural Electric Cooperative Case No. 2010-00222 Third Information Request of Commission Staff

- 14. Refer to the response to Item 25 of Staffs Second Request.
 - b. The column heading for the Interest Rate indicates the rate is as of November 2009. Verify that the date is correct. If correct, provide an explanation why Meade would use an interest rate from November 2009 and provide the interest rate as of September 2010.

Response:

This heading should have stated "August 31, 2010". The interest rates reflected in the response to Item 25 are the actual rates as of August 31, 2010.

The interest rates for September 30, 2010 are the same as August 31, 2010, therefore, the schedule will remain the same (except for the heading which would then state Sept 30, 2010.

		•	
^ !			

Exhibit 15
Page / of /
Witness: Jim Adkins

Meade County Rural Electric Cooperative Case No. 2010-00222 Third Information Request of Commission Staff

15. Refer to Meade's response to Staffs Second Request, Item 27, page 2. Explain why Meade's labor and benefits would be included as actual rate case expenses when it was indicated in Exhibit 12 of the application that inhouse labor would not be included in the estimated rate case expenses.

Response:

Meade County records all costs for rate case in Account 928. The response to Item 27 reflected the subtotal of costs, which includes all costs to be included with the adjustment for Exhibit 12 of the application. The in-house labor and benefits were shown so that the total of costs recorded in Account 928 would be identified.

- 16. Refer to the response to Item 28 of Staffs Second Request.
 - a. Refer to pages 1 and 10 of 12. The request referred to Exhibit 13 of the application and asked Meade to explain why the existing rates for three-party anchor attachments and three-party ground attachments differed from the amounts shown in Meade's current tariff. No response was provided.
 - (1) Provide a response to the original request.
 - (2) Provide a revised page 10 of 12 using the tariff amounts for three-party anchor attachments and three-party ground attachments.
 - b. Refer to the response to Item 28.b.' pages 2 and 8 of 12. For the 40'-45' Poles, explain why the weighted average cost is shown as \$542.55 on page 2 and \$538.21 on page 8.
 - c. Refer to the response to Item 28.b., page 8 of 12. The average cost of anchors is shown as \$94.01. Provide supporting documentation for this amount.
 - d. Refer to the response to Item 28.b., page 9 of 12, and Exhibit S of the application, page 12 of 4. The schedule at Item 28.b.' page 9 of 12, shows total utility plant as \$91,162,723. Exhibit S of the application shows total plant as \$92,400,689. Explain the discrepancy in the two amounts.
 - e. Refer to the response to Item 28.b, page 9 of 12. In the Cost of Money section, did Meade intend to reference Case No. 2009-00222? If no, provide the correct case reference.

Response:

- Meade County sincerely apologizes for this oversight. There was a miscommunication when billing for the three-party anchor attachment. The rate should have been the \$3.74 in the tariff. There were 97 three-party anchor attachments billed during the test year, this resulted in a difference of only \$95.06 for the year. The \$0.15 for three-party grounds was a result of using the format from another cooperatives' calculations. Since there were no billings for this rate, this was an oversight only.
- 16.a.(2) The updated schedule is attached, along with the updated cost of 40'-45' Poles. See as attached as pages 3-5 of this exhibit. See 16.b. for that explanation.
- 16.b. As noted in Exhibit 28, of Staff's second Request, page 2, the costs for both 35'-40' and 40'-45' poles were updated. The cost for the 40'-45' poles was not carried forward to the revised schedule as shown on page 8.
- 16.c. The CPR's include the cost for both anchors and guys. The CATV companies use the anchor portion and not the guy unit. Therefore, the cost of the anchor is broken out separately from the entire assembly unit. Based on discussions with the VP, Engineering and Operations, approximately 75% of the cost of the anchor/guy assembly unit in the CPR's is related to the anchor. The total cost of the anchor/guy unit from the CPR's is \$125.35. The calculation is as follows:

 $$125.35 \times 75\% = 94.01

- 16.d. The total utility plant in Item 28.b., page 9 reflects the balance at December 31, 2009. This is consistent with using the fixed charges as of December 31, 2009. The total utility plant in Exhibit S is as of March 31, 2010.
- 16.e. This was supposed to reference Case No. 2006-00500, which was Meade County's last general rate request.

Exhibit 13 page 1 of 3

Meade County Rural Electric CATV Pole Attachments as of December 31, 2009

Additional revenues generated

		Ra	Rates	Revenue	enne	Increase	ease
Attachment Description	Number	Existing	Proposed	Existing	Proposed	Amount	Percent
			The state of the s				
2 party Pole	1,680	\$7.21	\$9.75	\$12,113	\$16,376	\$4,263	79%
3 party Pole	7,152	5.98	6.17	42,769	44,125	\$1,356	3%
2 party Anchor		5.67	8.35	9	8	\$3	32%
3 party Anchor	76	4.72	5.51	458	535	277	14%
2 party Ground	919	0.27	0.27	248	250	\$2	1%
3 party Ground	0	0.15	0.17	0	0	80	%0
Total			•	\$55,593	\$61,294	\$5,700	%6
			"				

Exhibit 13 page 2 of 3

Meade County Rural Electric Case No. 2010-00222 CATV Pole Attachments as of December 31, 2009

A. 1. Two-Party Pole Cost:

Size	Quantity	<u>Amount</u>		Weighted Avera	age Cost				
35'-40' Poles	27,840	\$14,680,250		<u>\$527.31</u>					
2. Three-Party Pole	Cost:								
Size	Quantity	Amount		Weighted Avera	age Cost				
40 - 45' Poles	29,426	\$15,837,457		<u>\$538.21</u>					
3. Average cost of a	anchors			<u>\$94.01</u>					
B. 1. Pole Charge:									
a. Two party =	\$527.31	85%		17.77%	0.1224	\$9.75			
b. Three party =	\$538.21	85%		17.77%	0.0759	\$6.17			
2. Pole Charge, with ground attachments:									
a. Two party =	\$527.31	85%	\$12.50	17.77%	0.1224	\$0.27			
b. Three party =	\$538.21	85%	\$12.50	17.77%	0.0759	\$0.17			
3. Anchor Charge:									
a. Two party =	\$94.01			17.77%	0.50	\$8.35			
b. Three party =	\$94.01			17.77%	0.33	\$5.51			
1 7	• –					•			

(1) Remove miscellaneous allocations to pole accounts when using Record Units in the continuing property record (CPR's) system, per PSC Administrative Case No. 251

Meade County has not made any adjustments or modifications to its CPR's during the current or previous several years.

MARIETT ILS FIRE 5 0 5 S | Hem | 16. A. (E)

Exhibit 13 page 3 of 3

Meade County Rural Electric Case No. 2010-00222 CATV Pole Attachments as of December 31, 2009

Fixed charges on investment from PSC Annual Report at December 31, 2009.

Total Distribution Expense	4,704,658					
Reference Page 14	4,704,030					
Customer Accounts Expense	1,253,665					
Reference Page 15	-,,					
Customer Service and Informational Expense	230,731					
Reference Page 15	,					
Administrative and General	1,392,256					
Reference Page 15						
Depreciation Expense	2,956,264					
Reference Page 13						
Taxes Other than Income Taxes	32,462					
Reference Page 13						
Sub total	10,570,036					
Divided by Total Utility Plant	91,162,723	11.59%				
Line 2, Page 1						
Cost of Money						
Rate of Return on Investment allowed in the last General						
Rate Request, Case No. 2009-00222	8.26%					
1.2070						
Net plant ratio for distribution plant:						
Distribution plant 82,006,321						
Accumulated depreciation 20,716,588	25.3%					
1						
Rate of return (times 1 minus reserve ratio)	_	6.17%				
Annual carrying charges		17.77%				
· ····································	-	11.11/0				

* 1	/			

17. Refer to the response to Item 29.c.(2) of Staffs Second Request, page 4 of 4, and Exhibit 14 of the application. In response to Item 29, Meade states that including both the Direct Labor Charge and Direct Wage Expense allows the capture of "both the direct and other benefits in addition to the direct labor." As shown in Exhibit 14, 100 percent of the hourly salary rate is included in the Direct Labor Charge; retirement, 401 k, payroll taxes, and workers' compensation insurance are included in "Other Costs Based on Labor"; and health and dental insurance and post-retirement benefits are included in "Other Direct Costs." Explain what costs are included in "Direct Wage Expense" that are not already included in the other components of the nonrecurring charge calculations

Response:

Costs included in "Direct Wage Expense" include benefits for vacation, holidays, and sick leave days. These are not included in the other costs related to payroll. To recognize these employee benefits, they are included in the direct wage expenses. If they were not included in this category, they would be included as "Other Costs Based on Labor".

Item No. 18 Page 1 of 2

Witness: Jim Adkins

MEADE COUNTY RECC CASE NO. 2010-00222

RESPONSE TO COMMISSION STAFF'S THIRD INFORMATION REQUEST

Refer to the response to Item 30 of Staff's Second Request; revised Exhibit B of the application, page 107 of 120; and Exhibit 14 of the application, page 3 of 6.

a. Question:

Refer to the response to Item 30. State whether the Special Meter reading charge will apply to remote meter readings if the meter is on read and not disconnected or reconnected.

a. Response:

The Special Meter Reading charge would not apply to remote meter readings only.

b. Question:

State the Special Meter Charge that would apply if a meter is read manually.

b. Response:

The Special Meter Reading Charge would apply if a meter is read manually.

c. Question:

Refer to Exhibit 14 of the application, page 3 of 6. State whether the column "special Meter Reading" is the cost justification for the remote disconnect/reconnect charge of \$30 shown in the tariff at revised Exhibit B, page 107 of 120. If n, provide the location of the justification for the remote disconnect/reconnect

charge. If yes, provide the duties performed by the serviceman and office clerk for the time included in cost justification for the remote disconnect and reconnect charge.

c. Response:

The duties to be performed by these employees are as follows:

- The office clerk/CSR will determine if member to be disconnected/reconnected has the facilities in place for a remote disconnect or reconnect.
- The office clerk will produce a remote disconnect/reconnect ticket and send it to the district office for printing.
- The member's name is entered on a call list for a call to be made to the member to inform the member of the disconnect/reconnect.
- System operators will then activate the necessary equipment to remotely disconnect/reconnect a member.
- System operators will then insure that the remote disconnect/reconnect has been made.
- System operators will then annotate the tickets that disconnect/reconnect actions have been taken by remote means
- Tickets will then be sent to the office clerks to let them know that a remote disconnect/reconnect has been completed.
- The office clerk will then prepare the necessary paperwork and key charges into the system.

The best estimate on the amount of time for each individual event is fifteen minutes for the system operations and fifteen to twenty minutes for the office clerk/CSR.

" I				
	•			
		ı		

- 19. Refer to Meade's response to the Supplement to Commission Staffs Second Information Request ("Staffs Second Request Supplement"), Items 1, 2, and 3.
 - a. In response to Item 2, Meade's Capital Management Policy No. 201, Section IV B. from September 22, 1994 until the October 24, 2001 revision, indicates that the Board of Directors would base retirement of capital credits with a goal of retiring capital credits in excess of a modified Times Interest Earned Ratio ("TIER") of 2.0. However, Meade's responses to Items 1 and 3 show TIER results below 2.0 for the years 1994, 1995, 1998, 1999, and 2000 and general capital credits being paid in those years. Confirm that this indicates that the Board of Directors opted not to follow the approved capital management policy and explain why the Board of Directors chose to override the policy in this regard.

Response:

Both the September 22, 1994 Capital Management policy and the policy revised as of July 20, 2005, contain a Purpose, Policy, Responsibility, and Provisions. These also contain goals and practices, along with considerations for many variables to be used in making the determination to retire capital credits. There is not any single provision that is all-inclusive in making this determination. The September 22, 1994 policy contained a provision "....with a goal of retiring capital credits in excess of a Modified Tier of 2.0." This language in no way precluded Meade County from retiring capital credits when the Modified Tier was less than 2.0. The Board of Directors did *not* override the policy in this regard. In fact, on a year by year basis, the Board of Directors did rely upon the policy in making the determination to retire capital credits.

Exhibit 19
Page 2 of 4
Witness: Burns Mercer

Meade County Rural Electric Cooperative Case No. 2010-00222 Third Information Request of Commission Staff

- 19. Refer to Meade's response to the Supplement to Commission Staffs Second Information Request ("Staffs Second Request Supplement"), Items 1, 2, and 3.
 - b. Provide a schedule of Meade's year-end equity capitalization levels from 1994 through the test year if general capital credits had been paid out in accordance with Capi tal Management Policy 201, Section IV, B, in the years 1994, 1995, 1998, 1999, and 2000.

Response:

Section IV, B contained one of several goals identified throughout Capital Management Policy 201. As such, the year-end-equity capitalization levels from 1994 through the test year are the same as those included in Item 4 of the Staff's Supplemental Request.

- 19. Refer to Meade's response to the Supplement to Commission Staffs Second Information Request ("Staffs Second Request Supplement"), Items 1, 2, and 3.
 - c. Provide a schedule of Meade's year-end equity capitalization levels from 1994 through the test year if capital credits payments had been made only to the estates of deceased members.

Response:

The response is attached.

Staff's 3rd Request Item 19.c. Witness: Jim Adkins

Meade County Rural Electric Cooperative Case No. 2010-00222 Equity Capitalization March 31, 2010

_																	
	Test			Calendar Year								_					
	Year 2010	2009	2008	2002	2006	2005	2003	2002	0000	200							
Equity Capitalization: without G&T patronage capital							1002	2002	7007	1002	0007	8881	1898	1997	1996	1995	1994
Total margins and equities, modified General refund of capital credits Less G&T Patronage capital	1 30,334,859 0 0	29,121,517 0 0	27,958,458 823,439 0	25,957,151 529,408 0	24,855,697 601,300 0	23,995,691 2 363,263 0	23,995,691 22,843,670 21,675,223 20,554,220 19,400,167 17,930,960 16,787,033 15,759,210 15,471,343 14,376,693 363,263 430,460 417,121 238,797 268,913 386,294 343,810 526,452 284,138 0 0 0 0 0 0 0 0 0	1,675,223 20 417,121 0	238,797 0	,400,167 17, 268,913 0	,930,960 16, 386,294 0	,787,033 15, 343,810 0	759,210 15, 526,452 0	,471,343 14 284,138 0		13,288,099 12 247,901 0	12,458,260 490,948 0
Lang-term debt	30,334,859 54,013,405	29,121,517 51,093,205	27,958,458 47,982,373	25,957,151 46,264,913	24,855,697 45,504,316	23,995,691 2 41,071,945 3	23.995,691 22.843,670 21,675,223 20,554,220 19,400,167 17,930,960 16,787,033 15,759,210 15,471,343 14,376,693 41,071,945 38,956,192 36,164,171 36,959 32,372,777 29,048,712 25,740,740 24,287,265 20,656,473 18,820,514	1,675,223 20 5,164,171 36	20,554,220 19,400,167 17,930,960 16,787,033 15,759,210 36,959,909 32,372,777 29,048,712 25,740,740 24,287,265	,400,167 17, 372,777 29,	,930,960 16, 048,712 25.	787,033 15, 740,740 24.	759,210 15, 287,265 20,	15,471,343 14 20,656,473 18		13,288,099 12	12,458,260 16,939,007
Total	84,348,264	80,214,722	75,940,831	72,222,064	70,360,013	65,067,636	65,067,636 61,799,862 57,839,394 57,514,129 51,772,944 46,979,672 42,527,773 40,046,475 36,127,816 33,197,207	7,839,394 57	,514,129 51,	772,944 46,	979,672 42,	527,773 40,	046,475 36,	,127,816 33	l	31,908,763 29	29,397,267
Equity capitalization ratio	36%	36%	37%	36%	35%	37%	37%	37%	36%	37%	38%	39%	39%	43%	1	42%	42%
Equity Capitalization: with G&T patronage capital																	
Total margins and equities Long-term debt	30,334,859 54,013,405	29,121,517 51,093,205	27,958,458 47,982,373	25,957,151 46,264,913	24,855,697 45,504,316	23,995,691 2 41,071,945 3	23.995,691 22.843,670 21,675,223 20,554,220 19,400,167 17,930,960 16,787,033 15,759,210 15,471,343 14,376,693 41,071,945 38,956,192 36,164,171 36,959,309 32,372,777 29,048,712 25,740,740 24,287,265 20,656,473 18,820,514	21,675,223 20, 36,164,171 36,	20,554,220 19,400,167 36,959,909 32,372,777	,400,167 17, 372,777 29,	17,930,960 16,787,033 15,759,210 29,048,712 25,740,740 24,287,265	787,033 15, 740,740 24;	759,210 15, 287,265 20,	15,471,343 14 20,656,473 18		13,288,099 12 18,620,664 16	12,458,260 16,939,007
Total	84,348,264	80,214,722	75,940,831	72,222,064	70,360,013	65,067,636	65,067,636 61,799,862 57,839,394 57,514,129 51,772,944 46,979,672 42,527,773 40,046,475 36,127,816 33,197,207	7,839,394 57	,514,129 51,	772,944 46,	979,672 42,	527,773 40,	046,475 36,	,127,816 33	1 1	31,908,763 29	29,397,267
Equity capitalization ratio	36%	36%	37%	36%	35%	37%	37%	37%	36%	37%	38%	39%	39%	43%	43%	42%	42%
Equity to Total Assets: with G&T patronage capital																	
Total margins and equities Total assets	30,334,859 83,485,071	29,121,517 79,338,982	27,958,458 74,935,444	25,957,151 71,437,537	24,855,697 70,253,988	23,995,691 2 65,231,752 6	22,843,670 21,675,223 20,554,220 19,400,167 61,916,128 58,600,742 58,265,269 52,243,971	21,675,223 20, 58,600,742 58,	20,554,220 19, 58,265,269 52,3		17,930,960 16,787,033 15,759,210 15,471,343 14,376,693 48,193,455 43,820,838 41,678,530 37,635,992 35,134,408	787,033 15, 820,838 41,1	759,210 15, 578,530 37,	15,471,343 14 37,635,992 35		13,288,099 12,458,260 34,036,218 31,069,920	12,458,260 31,069,920
Equity to total asset ratio	36%	37%	37%	36%	35%	37%	37%	37%	35%	37%	37%	38%	38%	41%	41%	39%	40%

Exhibit 19 4 page 4 of 4

- 20. Refer to the response to Item 1 of Staffs Second Request Supplement and Exhibit 19 of Meade's application.
 - a. Beginning with the August 20, 1998 revision to Policy 201 Capital Management, Section II has stated the policy as either to reach or to maintain modified cash equity between 32 and 40 percent. Section IV B. has consistently stated that retirements are to be "[d]etermined by the Board of Directors based on the financial condition of the cooperative." Provide a detailed description of the process undertaken by the Board of Directors to determine the amount of general credits retired and how it assesses the financial condition of the cooperative..

Response:

It is the intention of the Board of Directors to retire capital credits on an annual basis if the financial condition of the cooperative will allow it to do so. While the Board strives to maintain an equity level of between 32 – 40%, it also recognizes that in order to retire capital credits, this may not always be achieved. The justification to retire capital credits when equity is below 32% is based on several factors, which are contained in Section IV, A. There is not one overriding factor contained in A.1 thru 9 that would either necessitate or preclude retiring capital credits. All these factors are considered in determining if, or how much, to retire in capital credits. Each year any of these provisions may be of more or less importance in making this decision.

Exhibit 20
Page 2 of /3

Witness: Burns Mercer

Meade County Rural Electric Cooperative Case No. 2010-00222 Third Information Request of Commission Staff

- 20. Refer to the response to Item 1 of Staffs Second Request Supplement and Exhibit 19 of Meade's application.
 - b. Provide the minutes of all Board of Directors meetings since 2000 in which decisions were made as to the amount of general capital credits to be retired in a given year.

Response:

Copies of excerpts of the board minutes are attached.

Brandenburg, KY 40108-0489 (270) 422-2162 Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED OCTOBER 18, 2000 MOTION APPROVING EMERGENCY RESPONSE PLAN

Following, a discussion was held concerning general retirement of capital credits. After deliberation, the board approved the payment of the final half of 1979 and all of 1980 on a motion made by Gary Pile seconded by Leroy Humprey.

CERTIFICATION OF SECRETARY

I, Melanie Raley certify that I am Assistant Secretary of the Meade County Rural Electric Cooperative Corporation Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Meade County Rural Electric Cooperative Corporation held on the eighteenth day of October, 2000 at which meeting a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

(270) 422-2162

Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED OCTOBER 24, 2001 MOTION APPROVING EMERGENCY RESPONSE PLAN

The President/ CEO then recommended that the cooperative pay general retirement of capital credits for the year 1981, in the amount of \$277,738.38. This recommendation was approved on a motion by Robert Rhodes and a second by Paul Butler.

CERTIFICATION OF SECRETARY

I; Melanie Raley certify that I am Assistant Secretary of the Meade County Rural Electric Cooperative Corporation Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Meade County Rural Electric Cooperative Corporation held on the twenty-fourth day of October, 2001, at which meeting a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

(270) 422-2162

Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED OCTOBER 16, 2002 MOTION APPROVING EMERGENCY RESPONSE PLAN

The President/CEO then recommended that the cooperative pay general retirement of capital credits for the year 1982, in the amount of \$246,705.37. This recommendation was approved on a motion by Paul Butler and a second by Darla Sipes.

CERTIFICATION OF SECRETARY

I, Melanie Raley certify that I am Assistant Secretary of the Meade County Rural Electric Cooperative Corporation Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Meade County Rural Electric Cooperative Corporation held on the sixteenth day of October, 2002, at which meeting a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

P.O. Box 489 Brandenburg, KY 40108-0489 (270) 422-2162

Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED SEPTEMBER 24, 2003 MOTION APPROVING EMERGENCY RESPONSE PLAN

The President/CEO then recommended to the Board a general retirement of capital credits from 1983 in the amount of \$431,065.73. The recommendation was approved on a motion by Ann Marie Williams and a second by Darla Sipes.

CERTIFICATION OF SECRETARY

I, Melanie Raley certify that I am Assistant Secretary of the Meade County Rural Electric Cooperative Corporation Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Meade County Rural Electric Cooperative Corporation held on the twenty-fourth day of September, 2003, at which meeting a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Meade County Rural Electric Cooperative Corporation this fifteenth day of October 2010.

Melanie S. Ralev, Assistant Secretary

Brandenburg, KY 40108-0489 (270) 422-2162

Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED OCTOBER 20, 2004 MOTION APPROVING EMERGENCY RESPONSE PLAN

The President/CEO then recommended to the Board a general retirement of capital credits from 1984 in the amount of \$445,171.48. The recommendation was approved on a motion by Paul Edd Butler and a second by James Sills.

CERTIFICATION OF SECRETARY

I, Melanie Raley certify that I am Assistant Secretary of the Meade County Rural Electric Cooperative Corporation Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Meade County Rural Electric Cooperative Corporation held on the twentieth day of October, 2004, at which meeting a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

Brandenburg, KY 40108-0489 (270) 422-2162

Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED OCTOBER 19, 2005 MOTION APPROVING EMERGENCY RESPONSE PLAN

The President/CEO then recommended to the Board a general retirement of capital credits from 1985 in the amount of \$363,925.30. The recommendation was approved on a motion by James Sills and a second by Stephen Barr.

CERTIFICATION OF SECRETARY

I, Melanie Raley certify that I am Assistant Secretary of the Meade County Rural Electric Cooperative Corporation Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Meade County Rural Electric Cooperative Corporation held on the nineteenth day of October, 2005, at which meeting a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

(270) 422-2162 Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED SEPTEMBER 20, 2006 MOTION APPROVING EMERGENCY RESPONSE PLAN

The President/CEO then recommended to the Board a general retirement of capital credits from 1986 in the amount of approximately \$625,000.00. The recommendation was approved on a motion by Paul Edd Butler and a second by Stephen Barr.

CERTIFICATION OF SECRETARY

I, Melanie Raley certify that I am Assistant Secretary of the Meade County Rural Electric Cooperative Corporation Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Meade County Rural Electric Cooperative Corporation held on the twentieth day of September, 2006, at which meeting a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

(270) 422-2162 Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED JULY 18, 2007 MOTION APPROVING EMERGENCY RESPONSE PLAN

The President/CEO then recommended to the Board a general retirement of capital credits from 1987 in the amount of approximately \$550,000.00. The recommendation was approved on a motion by James Sills and a second by Robert Rhodes.

CERTIFICATION OF SECRETARY

I, Melanie Raley certify that I am Assistant Secretary of the Meade County Rural Electric Cooperative Corporation Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Meade County Rural Electric Cooperative Corporation held on the eighteenth day of July, 2007, at which meeting a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

Meade County RECC

Brandenburg, KY 40108-0489

(270) 422-2162 Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED OCTOBER 22, 2008 MOTION APPROVING EMERGENCY RESPONSE PLAN

The capital credit reimbursement recommendation to retire 1988 capital credits in the amount of \$850,286.76 was approved on a motion by Paul Edd Butler and a second by Darla Sipes.

CERTIFICATION OF SECRETARY

I, Melanie Raley certify that I am Assistant Secretary of the Meade County Rural Electric Cooperative Corporation Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting of the Board of Directors of Meade County Rural Electric Cooperative Corporation held on the twenty-second day of October, 2008, at which meeting a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

Exhibit 20
Page 44 of 73
Witness: Burns Mercer

Meade County Rural Electric Cooperative
Case No. 2010-00222
Third Information Request of Commission Staff

- 20. Refer to the response to Item 1 of Staffs Second Request Supplement and Exhibit 19 of Meade's application.
 - c. Given that its equity capitalization ratio has been below 32 percent each year since 2006, identify and describe the steps Meade has taken during the past five years to improve its financial condition.

Response:

Meade County has recognized for several years that its equity capitalization ratio was below 32%. That is one of the reasons that it filed a general rate increase in Case No. 2005-00500. One of the desired results of that application was to be able to build equity above 32% while continuing to retire capital credits. Obviously, that desired result did not come to fruition. As can be seen by the exhibits filed in this application, (specifically Exhibit 19 of the application and Exhibit 1 of the Supplement to Staff's Second Information Request) Meade County has continued to retire capital credits to its member/owners. This is still a primary goal of the Board of Directors. In addition to the rate increase filed in 2005, Meade County has continued to monitor its costs and expenses and has attempted to control these to the extent possible, given that operating costs have continued to increase (raw materials, right of way, labor and benefits, insurances, taxes, and others).

Exhibit 20 Page *1*3 of *13* Witness: Burns Mercer

Meade County Rural Electric Cooperative Case No. 2010-00222 Third Information Request of Commission Staff

- 20. Refer to the response to Item 1 of Staffs Second Request Supplement and Exhibit 19 of Meade's application.
 - d. Explain why there were no payments of general capital credits in 1996 or 2009.

Response:

Meade County reviewed the provision of the Capital Management Policy and determined that it would not be financially feasible to retire capital credits for those years.