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**David S. Samford**

(859) 368-7740

david@gosssamfordlaw.com

December 15, 2016

***VIA HAND DELIVERY***

Ms. Talina R. Mathews, Ph.D.  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: In the Matter of the Application of Farmers Rural Electric Cooperative Corporation for an Adjustment of Rates, Case No. 2016-00365

Dear Dr. Mathews:

Please find attached for filing on behalf of Farmers Rural Electric Cooperative Corporation ("Farmers RECC") an original and ten copies of the responses to the Commission Staff's First Request for Information, dated November 10, 2016. Also, enclosed, please find an original and ten copies of Farmers RECC's Motion for Confidential Treatment along with a sealed envelope containing one copy of the information for which confidential treatment is sought. Please return a file-stamped copy of these filings to my office

Should you have any questions, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Samford".

David S. Samford

Enc.

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of Adjustment of Rates  
of Farmers Rural Electric Cooperative  
Corporation**

**Case No. 2016-00365**

**APPLICANT'S RESPONSES TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

The applicant, Farmers Rural Electric Cooperative Corporation, makes the following responses to the "Commission Staff's First Request for Information", as follows:

1. The witnesses who are prepared to answer questions concerning each request are William T. Prather, Jennie Phelps and Lance C. Schafer.
2. William T. Prather, President & CEO of Farmers 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.

Done this 15<sup>th</sup> day of December, 2016.

Respectfully submitted,



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David S. Samford  
GOSS SAMFORD, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KY 40504  
(859) 368-7740  
david@gosssamfordlaw.com

*Counsel for Farmers Rural  
Electric Cooperative Corporation*

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of Adjustment of Rates  
of Farmers Rural Electric Cooperative  
Corporation

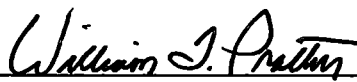
Case No. 2016-00365

AFFIDAVIT

The undersigned, William T. Prather, as President & CEO of Farmers Rural Electric Cooperative Corporation, being duly sworn, states that the responses herein are true and accurate to the best of his knowledge and belief formed after reasonable inquiry.

Dated: December 15, 2016

FARMERS RURAL ELECTRIC COOPERATIVE

  
\_\_\_\_\_  
WILLIAM T. PRATHER, PRESIDENT & CEO

Subscribed, sworn to, and acknowledged before me by William T. Prather, as President & CEO for Farmers Rural Electric Cooperative Corporation on behalf of said Corporation this 15<sup>th</sup> day of December, 2016.

  
\_\_\_\_\_  
Notary Public, Kentucky State At Large

ID: 446566

My Commission Expires: 07-30-2019

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of Adjustment of Rates  
of Farmers Rural Electric Cooperative  
Corporation

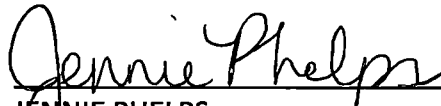
Case No. 2016-00365

AFFIDAVIT

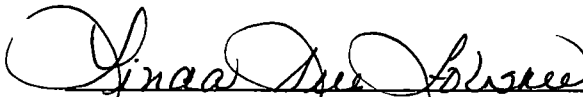
The undersigned, Jennie Phelps, Vice President, Finance & Accounting of Farmers Rural Electric Cooperative Corporation, being duly sworn, states that the responses herein are true and accurate to the best of her knowledge and belief formed after reasonable inquiry.

Dated: December 15, 2016

FARMERS RURAL ELECTRIC COOPERATIVE

  
\_\_\_\_\_  
JENNIE PHELPS

Subscribed, sworn to, and acknowledged before me by Jennie Phelps, Vice President, Finance & Accounting of Farmers Rural Electric Cooperative Corporation on behalf of said Corporation this 15<sup>th</sup> day of December, 2016.

  
\_\_\_\_\_  
Notary Public, Kentucky State At Large

ID: 446566

My Commission Expires: 07-30-2019



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of Adjustment of Rates  
of Farmers Rural Electric Cooperative  
Corporation

Case No. 2016-00365

AFFIDAVIT

The undersigned, Lance Schafer, a Rate and Financial Analyst for Power System Engineering, Inc., being duly sworn, states that the responses herein are true and accurate to the best of his knowledge and belief formed after reasonable inquiry.

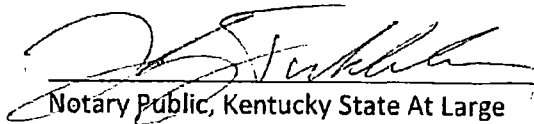
Dated: December 15, 2016

POWER SYSTEM ENGINEERING, INC



\_\_\_\_\_  
LANCE C. SCHAFER

Subscribed, sworn to, and acknowledged before me by Lance C. Schafer, a Rate and Financial Analyst for Power System Engineering, Inc. on behalf of said Corporation this 9 day of December, 2016.

  
\_\_\_\_\_  
Notary Public, Kentucky State At Large

ID: 541185

My Commission Expires: 08/31/19

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

1. Provide in comparative form, a detailed income statement, a statement of cash flows, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

Response

See Exhibit S of the Application.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

2. Provide Farmers' rate of return on net investment rate base for the test year and five preceding calendar years. Include the date used to calculate each return.

Response

The information is attached to this response.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2016-00365**  
**Computation of Rate of Return**  
**December 31, 2015**

<b>Line No.</b>	<b>Actual Test Year</b>	<b>Pro-Forma (at Present Rates) Test Year</b>	<b>Pro-Forma (at Proposed Rates) Test Year</b>
1	\$ 2,494,478	\$ (125,927)	\$ 1,767,878
2			
3	\$ 2,372,445	\$ -	\$ -
4			
5	\$ 1,769,176	\$ 1,769,176	\$ 1,769,176
6			
7	<u>\$ 1,891,209</u>	<u>\$ 1,643,249</u>	<u>\$ 3,537,054</u>
8			
9	\$ 63,277,446	\$ 63,058,183	\$ 63,058,183
10			
11	Rate of return [line 7 / line 9] 2.99%	2.61%	5.61%
12			
13	\$ 65,871,228	\$ 67,517,073	\$67,517,073
14			
15	Rate of return [line 7 / line 13] 2.87%	2.43%	5.24%

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Determination of Rate Base  
December 31, 2015

<u>Line No.</u>		<u>Actual Test Year</u>	<u>Pro-Forma Test Year</u>
1	Gross rate base:		
2			
3	Total Utility Plant	\$ 87,188,062	\$ 87,188,062
4	Material and supplies	\$ 779,564	\$ 779,564
5	(13-month average for test year)		
6	Prepayments	\$ 286,943	\$ 286,943
7	(13-month average for test year)		
8	Working capital:		
9	12.5% of operating expense		
10	less cost of power	\$ 1,010,946	\$ 1,004,819
11			
12		\$ 89,265,515	\$ 89,259,388
13	Deductions from rate base:		
14	Accumulated depreciation	\$ 25,640,619	\$ 25,853,755
15	Other Deferred Credits	\$ 347,450	\$ 347,450
16			
17	Net rate base	\$ 63,277,446	\$ 63,058,183

**Farmers Rural Electric Cooperative Corporation****Case No. 2016-00365****Computation of Historical Rate of Return****December 31, 2015**

Line No.	Test Year 2015	Calendar Year					
		1st 2014	2nd 2013	3rd 2012	4th 2011	5th 2010	
1	Patronage Capital or Margins	\$2,494,478	\$3,731,769	\$4,707,971	\$2,842,565	\$3,548,698	\$4,581,074
2	Interest on long-term debt	\$1,769,176	\$1,832,381	\$1,885,696	\$1,885,696	\$1,987,320	\$2,036,209
3	<b>Total</b>	<b>\$4,263,654</b>	<b>\$5,564,150</b>	<b>\$6,593,667</b>	<b>\$4,728,261</b>	<b>\$5,536,018</b>	<b>\$6,617,283</b>
4							
5	Net rate base	\$63,277,446	\$60,636,998	\$57,013,985	\$54,077,697	\$53,380,925	\$51,739,612
6							
7	<b>Rate of return [line 3 / line 5]</b>	<u>6.74%</u>	<u>9.18%</u>	<u>11.56%</u>	<u>8.74%</u>	<u>10.37%</u>	<u>12.79%</u>
8							
9	Return excluding G&T						
10	patronage dividends:						
11							
12							
13	Patronage Capital or Margins	\$2,494,478	\$3,731,769	\$4,707,971	\$2,842,565	\$3,548,698	\$4,581,074
14	Generation and Transmission Capital Credits	\$2,372,445	\$2,590,375	\$2,974,429	\$2,235,247	\$2,480,041	\$1,363,845
15	Interest on long-term debt	\$1,769,176	\$1,832,381	\$1,885,696	\$1,885,696	\$1,987,320	\$2,036,209
16	<b>Total</b>	<b>\$1,891,209</b>	<b>\$2,973,775</b>	<b>\$3,619,238</b>	<b>\$2,493,014</b>	<b>\$3,055,977</b>	<b>\$5,253,438</b>
17							
18	Net rate base	\$63,277,446	\$60,636,998	\$57,013,985	\$54,077,697	\$53,380,925	\$51,739,612
19							
20	<b>Rate of return, excluding G&amp;T [line 16 / line 18]</b>	<u>2.99%</u>	<u>4.90%</u>	<u>6.35%</u>	<u>4.61%</u>	<u>5.72%</u>	<u>10.15%</u>

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2016-00365**  
**Determination of Historical Rate Base**  
**December 31, 2015**

Line No.	Test Year 2015	Calendar Year					
		1st 2014	2nd 2013	3rd 2012	4th 2011	5th 2010	
1	<b>Gross rate base:</b>						
2	Total Utility Plant	\$87,188,062	\$83,510,459	\$79,046,361	\$75,414,168	\$73,264,338	\$70,661,635
3	Material and supplies (13 mo. ave test year)	\$779,564	\$770,707	\$609,474	\$431,990	\$455,319	\$370,476
4	Prepayments (13 mo. ave test year)	\$286,943	\$201,368	\$209,549	\$206,294	\$193,069	\$181,709
5	Working capital:						
6	12.5% of operating expense						
7	less cost of power	\$1,010,946	\$1,001,266	\$1,041,307	\$901,144	\$925,026	\$884,550
8		\$89,265,515	\$85,483,800	\$80,906,691	\$76,953,596	\$74,837,752	\$72,098,370
9							
10	<b>Deductions from rate base:</b>						
11	Accumulated depreciation	\$25,640,619	\$24,476,870	\$23,501,969	\$22,470,247	\$21,096,657	\$20,020,401
12	Other Deferred Credits	\$347,450	\$369,932	\$390,737	\$405,652	\$360,170	\$338,357
13							
14	<b>Net rate base</b>	<b>\$63,277,446</b>	<b>\$60,636,998</b>	<b>\$57,013,985</b>	<b>\$54,077,697</b>	<b>\$53,380,925</b>	<b>\$51,739,612</b>



Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

3. Provide Farmers' times interest earned ratio and debt service coverage ratio, as calculated by the Rural Utilities Service ("RUS"), for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.

Response

The information is attached to this response.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2016-00365**  
**TIER and DSC Calculations**  
**December 31, 2015**

<u>Line No.</u>	<u>Actual Test Year</u>	<u>Pro-Forma (at Present Rates) Test Year</u>	<u>Pro-Forma (at Proposed Rates) Test Year</u>	
1	<b>TIER:</b>			
2				
3	Margins (After Interest on LT Debt), excluding G&T CCs	\$122,033	(\$125,927)	\$1,767,878
4	Interest on long term debt	\$1,769,176	\$1,769,176	\$1,769,176
5				
6	TIER [(line 3 + line 4) / line 4]	1.07	0.93	2.00
7				
8				
9	<b>DSC:</b>			
10				
11	Margins (After Interest on LT Debt), excluding G&T CCs	\$122,033	(\$125,927)	\$1,767,878
12	Depreciation expense	\$2,744,248	\$2,957,384	\$2,957,384
13	Interest on long term debt	\$1,769,176	\$1,769,176	\$1,769,176
14	Principal payment on			
15	long term debt	\$2,176,575	\$2,176,575	2,176,575
16				
17	DSC	1.17	1.17	1.65
18				
19	DSC = (Margins + depreciation + interest)			
20	/(interest + principal payments)			

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2016-00365**  
**Historical TIER and DSC Calculations**  
**December 31, 2015**

Line No.	TIER calculations:	Calendar Year					
		Test Year 2015	1st 2014	2nd 2013	3rd 2012	4th 2011	5th 2010
1	Margins, excluding G&T capital credits	\$122,033	\$1,141,394	\$1,733,542	\$607,318	\$1,068,657	\$3,217,229
2	Interest on long term debt	\$1,769,176	\$1,832,381	\$1,885,696	\$1,885,696	\$1,987,320	\$2,036,209
3	<b>TIER, excluding G&amp;T capital credits</b>	1.07	1.62	1.92	1.32	1.54	2.58
4							
5	Margins, including G&T capital credits	\$2,494,478	\$3,731,769	\$4,707,971	\$2,842,565	\$3,548,698	\$4,581,074
6	Interest on long term debt	\$1,769,176	\$1,832,381	\$1,885,696	\$1,885,696	\$1,987,320	\$2,036,209
7	<b>TIER</b>	2.41	3.04	3.50	2.51	2.79	3.25
8							
9	<b><u>DSC calculations:</u></b>						
10	DSC = ((Margins + depreciation + interest) / (interest + principal payments))						
11							
12	Margins, excluding G&T capital credits	\$122,033	\$1,141,394	\$1,733,542	\$607,318	\$1,068,657	\$3,217,229
13	Depreciation expense	\$2,744,248	\$2,610,589	\$2,467,769	\$2,355,944	\$2,298,810	\$2,194,698
14	Interest on long term debt	\$1,769,176	\$1,832,381	\$1,885,696	\$1,885,696	\$1,987,320	\$2,036,209
15	Principal payment on long term debt	\$2,176,575	\$1,844,932	\$1,733,033	\$1,418,973	\$1,337,997	\$2,285,811
16	<b>DSC, excluding G&amp;T capital credits</b>	<u>1.17</u>	<u>1.52</u>	<u>1.68</u>	<u>1.47</u>	<u>1.61</u>	<u>1.72</u>
17							
18	Margins, including G&T capital credits	\$2,494,478	\$3,731,769	\$4,707,971	\$2,842,565	\$3,548,698	\$4,581,074
19	Depreciation expense	\$2,744,248	\$2,610,589	\$2,467,769	\$2,355,944	\$2,298,810	\$2,194,698
20	Interest on long term debt	\$1,769,176	\$1,832,381	\$1,885,696	\$1,885,696	\$1,987,320	\$2,036,209
21	Principal payment on long term debt	\$2,176,575	\$1,844,932	\$1,733,033	\$1,418,973	\$1,337,997	\$2,285,811
22	<b>DSC</b>	<u>1.78</u>	<u>2.22</u>	<u>2.50</u>	<u>2.14</u>	<u>2.36</u>	<u>2.04</u>

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

4. Provide "Kentucky's Electrical Cooperatives Operating Expense and Statistical Comparisons" for the most recent two years available.

Response

The information is attached to this response.

**2015  
KENTUCKY ELECTRIC COOPERATIVES  
MILES OF LINE  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE FROM 2011</u>
BIG SANDY	1,037	1,034	1,035	1,033	1,030	0.7 %
BLUE GRASS ENERGY	4,731	4,710	4,693	4,682	4,650	1.7
CLARK ENERGY COOP	3,085	3,066	3,056	3,052	3,042	1.4
CUMBERLAND VALLEY	2,643	2,639	2,633	2,626	2,614	1.1
FARMERS	3,632	3,624	3,615	3,602	3,591	1.1
FLEMING-MASON	3,595	3,582	3,575	3,560	3,550	1.3
GRAYSON	2,465	2,470	2,478	2,485	2,485	-0.8
INTER-COUNTY	3,875	3,834	3,803	3,779	3,765	2.9
JACKSON ENERGY	5,701	5,685	5,673	5,668	5,676	0.4
LICKING VALLEY	2,062	2,057	2,053	2,047	2,039	1.1
NOLIN	3,023	3,017	3,011	3,011	2,991	1.1
OWEN	4,522	4,530	4,522	4,514	4,509	0.3
SALT RIVER ELECTRIC	4,151	4,123	4,095	4,068	4,040	2.7
SHELBY ENERGY	2,126	2,121	2,109	2,104	2,097	1.4
SOUTH KENTUCKY	6,813	6,787	6,771	6,759	6,755	0.9
TAYLOR COUNTY	<u>3,248</u>	<u>3,236</u>	<u>3,230</u>	<u>3,218</u>	<u>3,210</u>	<u>1.2</u>
<b>TOTAL EKPC</b>	<b>56,709</b>	<b>56,352</b>	<b>56,208</b>	<b>56,044</b>	<b>55,869</b>	<b>1.5 %</b>
JACKSON PURCHASE	2,945	2,939	2,932	2,923	2,918	0.9 %
KENERGY	7,130	7,113	7,084	7,068	7,047	1.2
MEADE COUNTY	<u>3,216</u>	<u>3,224</u>	<u>2,982</u>	<u>2,970</u>	<u>2,974</u>	<u>8.1</u>
<b>TOTAL BIG RIVERS</b>	<b>13,291</b>	<b>12,998</b>	<b>12,961</b>	<b>12,939</b>	<b>12,893</b>	<b>3.1 %</b>
HICKMAN-FULTON	729	726	727	704	691	5.5 %
PENNYRILE	5,124	5,095	5,079	5,092	5,089	0.7
TRI-COUNTY	5,483	5,464	5,458	5,451	5,449	0.6
WARREN	5,658	5,645	5,632	5,623	5,626	0.6
WEST KENTUCKY	<u>4,124</u>	<u>4,118</u>	<u>4,111</u>	<u>4,091</u>	<u>4,079</u>	<u>1.1</u>
<b>TOTAL TVA</b>	<b>21,118</b>	<b>21,007</b>	<b>20,961</b>	<b>20,934</b>	<b>20,926</b>	<b>0.9 %</b>
<b>OVERALL TOTAL</b>	<b>91,118</b>	<b>90,357</b>	<b>90,130</b>	<b>89,917</b>	<b>89,688</b>	<b>1.6 %</b>

**2015  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER MILE OF LINE  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE FROM 2011</u>
BIG SANDY	\$4,732	\$4,702	\$4,621	\$4,280	\$4,207	12.5 %
BLUE GRASS ENERGY	3,719	3,725	3,646	3,627	3,779	-1.6
CLARK ENERGY COOP	3,096	2,814	2,840	2,682	2,595	19.3
CUMBERLAND VALLEY	3,008	2,927	2,830	2,824	2,727	10.3
FARMERS	2,230	2,211	2,307	1,996	2,061	8.2
FLEMING-MASON	2,217	2,273	2,341	2,382	2,209	0.4
GRAYSON	3,131	3,472	2,988	3,047	2,963	5.7
INTER-COUNTY	2,320	2,387	2,285	2,326	2,341	-0.9
JACKSON ENERGY	3,433	3,383	3,368	3,410	3,348	2.5
LICKING VALLEY	3,368	3,359	3,001	2,818	2,710	24.3
NOLIN	5,228	5,448	4,613	4,484	4,527	15.5
OWEN	3,969	3,857	3,790	3,728	3,693	7.5
SALT RIVER ELECTRIC	2,642	2,606	2,702	2,539	2,711	-2.5
SHELBY ENERGY	2,825	2,676	2,608	2,548	2,542	11.1
SOUTH KENTUCKY	3,008	2,852	2,780	2,590	2,751	9.3
TAYLOR COUNTY	<u>2,050</u>	<u>2,006</u>	<u>1,972</u>	<u>1,960</u>	<u>1,948</u>	<u>5.2</u>
<b>AVERAGE EKPC</b>	<b>\$3,187</b>	<b>\$3,044</b>	<b>\$2,953</b>	<b>\$2,946</b>	<b>\$2,919</b>	<b>9.2 %</b>
JACKSON PURCHASE	\$3,281	\$3,577	\$3,400	\$3,340	\$3,532	-7.1 %
KENERGY	3,055	2,964	2,977	2,759	2,837	7.7
MEADE COUNTY	<u>3,019</u>	<u>3,029</u>	<u>3,015</u>	<u>3,032</u>	<u>2,892</u>	<u>4.4</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$3,119</b>	<b>\$3,130</b>	<b>\$3,044</b>	<b>\$3,087</b>	<b>\$2,970</b>	<b>5.0 %</b>
HICKMAN-FULTON	\$4,313	\$4,069	\$3,708	\$3,395	\$4,037	6.8 %
PENNYRILE	3,248	3,165	3,080	2,945	3,000	8.3
TRI-COUNTY	2,995	2,897	2,800	2,761	2,674	12.0
WARREN	3,654	3,623	3,712	3,742	3,695	-1.1
WEST KENTUCKY	<u>3,916</u>	<u>4,000</u>	<u>3,661</u>	<u>3,128</u>	<u>3,462</u>	<u>13.1</u>
<b>AVERAGE TVA</b>	<b>\$3,626</b>	<b>\$3,391</b>	<b>\$3,195</b>	<b>\$3,374</b>	<b>\$3,000</b>	<b>20.9 %</b>
<b>OVERALL AVERAGE</b>	<b>\$3,269</b>	<b>\$3,127</b>	<b>\$3,014</b>	<b>\$3,052</b>	<b>\$2,944</b>	<b>11.0 %</b>

**2015**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL AVERAGE NUMBER OF CONSUMERS BILLED**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE FROM 2011</u>
BIG SANDY	13,053	13,102	13,177	13,199	13,213	-1.2 %
BLUE GRASS ENERGY	56,584	56,075	55,725	55,297	55,087	2.7
CLARK ENERGY COOP	26,085	25,989	25,985	25,980	26,041	0.2
CUMBERLAND VALLEY FARMERS	23,586	23,619	23,659	23,613	23,684	-0.4
FLEMING-MASON	24,987	24,894	24,816	24,710	24,683	1.2
GRAYSON	24,010	23,885	23,833	23,758	23,827	0.8
INTER-COUNTY	15,344	15,338	15,391	15,389	15,470	-0.8
JACKSON ENERGY	25,686	25,568	25,328	25,338	25,250	1.7
LICKING VALLEY	51,359	51,435	51,360	51,250	51,224	0.3
NOLIN	17,323	17,400	17,408	17,426	17,428	-0.6
OWEN	34,658	34,314	33,957	33,580	32,948	5.2
SALT RIVER ELECTRIC	59,409	58,840	58,095	57,809	57,596	3.1
SHELBY ENERGY	49,401	48,851	48,320	47,805	47,411	4.2
SOUTH KENTUCKY	15,854	15,638	15,457	15,360	15,315	3.5
TAYLOR COUNTY	66,763	66,530	66,272	66,327	66,361	0.6
	<u>26,104</u>	<u>25,958</u>	<u>25,888</u>	<u>25,728</u>	<u>25,613</u>	<u>1.9</u>
<b>TOTAL EKPC</b>	<b>530,206</b>	<b>524,671</b>	<b>522,569</b>	<b>521,151</b>	<b>520,484</b>	<b>1.9 %</b>
JACKSON PURCHASE	29,364	29,293	29,313	29,241	29,199	0.6 %
KENERGY	56,406	55,932	55,677	55,419	55,210	2.2
MEADE COUNTY	<u>29,166</u>	<u>28,985</u>	<u>28,730</u>	<u>28,592</u>	<u>28,478</u>	<u>2.4</u>
<b>TOTAL BIG RIVERS</b>	<b>114,936</b>	<b>113,720</b>	<b>113,252</b>	<b>112,887</b>	<b>112,410</b>	<b>2.2 %</b>
HICKMAN-FULTON	3,726	3,702	3,687	3,689	3,675	1.4 %
PENNYRILE	47,426	47,154	46,976	47,013	46,965	1.0
TRI-COUNTY	51,303	50,720	50,612	50,679	50,240	2.1
WARREN	62,658	61,958	61,316	60,641	60,265	4.0
WEST KENTUCKY	<u>38,541</u>	<u>38,483</u>	<u>38,398</u>	<u>38,310</u>	<u>38,154</u>	<u>1.0</u>
<b>TOTAL TVA</b>	<b>203,654</b>	<b>200,989</b>	<b>200,332</b>	<b>199,299</b>	<b>199,224</b>	<b>2.2 %</b>
<b>OVERALL TOTAL</b>	<b>848,796</b>	<b>839,380</b>	<b>836,153</b>	<b>833,337</b>	<b>832,118</b>	<b>2.0 %</b>



**2015**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**AVERAGE EXPENSE PER CONSUMER**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE FROM 2011</u>
BIG SANDY	\$376	\$371	\$363	\$335	\$328	14.6 %
BLUE GRASS ENERGY	311	313	307	307	319	-2.5
CLARK ENERGY COOP	366	332	334	315	303	20.8
CUMBERLAND VALLEY	337	327	315	314	301	12.0
FARMERS	324	322	336	291	300	8.0
FLEMING-MASON	332	341	351	357	329	0.9
GRAYSON	503	559	481	492	476	5.7
INTER-COUNTY	350	358	343	347	349	0.3
JACKSON ENERGY	381	374	372	377	371	2.7
LICKING VALLEY	401	397	354	331	317	26.5
NOLIN	456	479	409	402	411	10.9
OWEN	302	297	295	291	289	4.5
SALT RIVER ELECTRIC	222	220	229	216	231	-3.9
SHELBY ENERGY	379	363	356	349	348	8.9
SOUTH KENTUCKY	307	291	284	264	280	9.6
TAYLOR COUNTY	<u>255</u>	<u>250</u>	<u>246</u>	<u>245</u>	<u>244</u>	<u>4.5</u>
<b>AVERAGE EKPC</b>	<b>\$350</b>	<b>\$336</b>	<b>\$328</b>	<b>\$325</b>	<b>\$319</b>	<b>9.7 %</b>
JACKSON PURCHASE	329	359	340	\$334	\$353	-6.8 %
KENERGY	386	377	379	352	362	6.6
MEADE COUNTY	<u>333</u>	<u>337</u>	<u>313</u>	<u>315</u>	<u>302</u>	<u>10.3</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$349</b>	<b>\$345</b>	<b>\$333</b>	<b>\$340</b>	<b>\$329</b>	<b>6.1 %</b>
HICKMAN-FULTON	844	798	731	\$648	\$759	11.2 %
PENNYRILE	351	342	333	319	325	8.0
TRI-COUNTY	320	312	302	297	290	10.3
WARREN	330	330	341	347	345	-4.3
WEST KENTUCKY	<u>419</u>	<u>428</u>	<u>392</u>	<u>334</u>	<u>370</u>	<u>13.2</u>
<b>AVERAGE TVA</b>	<b>\$453</b>	<b>\$419</b>	<b>\$390</b>	<b>\$419</b>	<b>\$357</b>	<b>26.9 %</b>
<b>OVERALL AVERAGE</b>	<b>\$370</b>	<b>\$355</b>	<b>\$341</b>	<b>\$346</b>	<b>\$329</b>	<b>12.5 %</b>



**2015  
KENTUCKY ELECTRIC COOPERATIVES  
TOTAL RESIDENTIAL REVENUES  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE FROM 2011</u>
BIG SANDY	\$18,679,347	\$20,352,830	\$20,214,344	\$18,915,867	\$19,254,338	-3.0 %
BLUE GRASS ENERGY	83,902,592	90,335,203	86,731,904	82,219,020	85,884,006	-2.3
CLARK ENERGY COOP	36,458,088	39,274,668	37,408,399	35,261,019	36,708,481	-0.7
CUMBERLAND VALLEY	31,119,699	32,804,899	31,849,912	30,386,944	31,460,869	-1.1
FARMERS	31,985,735	35,189,349	34,021,119	31,180,284	32,782,120	-2.4
FLEMING-MASON	30,262,759	32,135,777	31,290,157	29,690,084	28,199,358	7.3
GRAYSON	23,009,195	24,408,364	23,854,195	21,816,428	21,978,172	4.7
INTER-COUNTY	37,622,733	42,209,063	39,836,984	36,934,661	38,974,091	-3.5
JACKSON ENERGY	75,406,746	84,922,276	81,972,647	77,832,875	81,135,113	-7.1
LICKING VALLEY	20,838,229	22,943,939	22,724,114	21,314,628	21,839,711	-4.6
NOLIN	48,140,251	53,001,534	51,335,752	47,495,013	48,149,006	0.0
OWEN	83,000,218	87,221,855	79,439,125	79,578,364	79,163,922	4.8
SALT RIVER ELECTRIC	66,444,049	71,348,351	69,064,012	65,507,556	66,517,122	-0.1
SELBY ENERGY	24,385,887	26,276,277	25,519,497	23,937,841	25,853,776	-5.7
SOUTH KENTUCKY	82,959,317	90,207,014	86,420,326	80,375,682	84,493,130	-1.8
TAYLOR COUNTY	<u>29,711,247</u>	<u>32,121,022</u>	<u>30,403,252</u>	<u>28,434,719</u>	<u>29,703,937</u>	<u>0.0</u>
<b>TOTAL EKPC</b>	<b>\$723,926,092</b>	<b>\$752,085,739</b>	<b>\$710,880,985</b>	<b>\$732,097,152</b>	<b>\$725,664,973</b>	<b>-0.2 %</b>
JACKSON PURCHASE	\$37,547,205	\$39,086,440	\$34,338,887	\$31,043,685	\$29,070,144	29.2 %
KENERGY	72,523,048	74,095,848	65,362,048	58,093,381	56,283,522	28.9
MEADE COUNTY	<u>35,511,355</u>	<u>36,725,209</u>	<u>31,876,222</u>	<u>27,769,525</u>	<u>27,479,674</u>	<u>29.2</u>
<b>TOTAL BIG RIVERS</b>	<b>\$145,581,608</b>	<b>\$131,577,157</b>	<b>\$116,906,591</b>	<b>\$112,833,340</b>	<b>\$114,563,582</b>	<b>27.1 %</b>
HICKMAN-FULTON	\$5,391,652	\$5,688,518	\$5,499,579	\$5,599,551	\$5,999,873	-10.1 %
PENNYRILE	67,028,690	71,535,238	66,136,309	62,724,839	65,110,934	2.9
TRI-COUNTY	65,431,598	69,404,761	64,475,661	62,236,827	65,426,019	0.0
WARREN	92,518,423	96,944,907	87,750,045	86,515,348	89,954,828	2.8
WEST KENTUCKY	<u>54,783,894</u>	<u>57,249,601</u>	<u>53,582,845</u>	<u>54,479,631</u>	<u>57,812,187</u>	<u>-5.2</u>
<b>TOTAL TVA</b>	<b>\$285,154,257</b>	<b>\$277,444,439</b>	<b>\$271,556,196</b>	<b>\$284,303,841</b>	<b>\$284,036,188</b>	<b>0.4 %</b>
<b>OVERALL TOTAL</b>	<b>\$1,154,661,957</b>	<b>\$1,161,107,335</b>	<b>\$1,099,343,772</b>	<b>\$1,129,234,333</b>	<b>\$1,124,264,743</b>	<b>2.7 %</b>

**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2015 - 2014 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2015</u>	<u>2014</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 81.00	\$ 78.00	\$ 3.00
DISTRIBUTION MAINTENANCE	\$ 120.00	\$ 120.00	\$ -
ACCOUNTING	\$ 58.00	\$ 59.00	\$ (1.00)
CONSUMER INFORMATION	\$ 10.00	\$ 13.00	\$ (3.00)
ADMINISTRATION	\$ 81.00	\$ 80.00	\$ 1.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 350.00</b>	<b>\$ 350.00</b>	<b>\$ -</b>

	<u>2015</u>	<u>2014</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 111.00	\$ 106.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 169.00	\$ 176.00	\$ (7.00)
ACCOUNTING	\$ 58.00	\$ 56.00	\$ 2.00
CONSUMER INFORMATION	\$ 10.00	\$ 11.00	\$ (1.00)
ADMINISTRATION	\$ 105.00	\$ 93.00	\$ 12.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 453.00</b>	<b>\$ 442.00</b>	<b>\$ 11.00</b>

**OTHER STATISTICAL INFORMATION**

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,173	1,172	1
MILES OF LINE	56,709	56,515	194
CONSUMERS BILLED	530,206	527,436	2,770
MILES OF LINE PER EMPLOYEE	48.5	48.4	0.1
CONSUMER PER EMPLOYEE	454	452	2
DENSITY CONSUMERS PER MILE	9.4	9.3	0.1

NUMBER OF EMPLOYEES	510	512	(2)
MILES OF LINE	21,118	21,048	70
CONSUMERS BILLED	203,654	202,017	1,637
MILES OF LINE PER EMPLOYEE	41.4	41.3	0.1
CONSUMER PER EMPLOYEE	399	396	3
DENSITY CONSUMERS PER MILE	9.6	9.6	0.0

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2015</u>	<u>2014</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 89.00	\$ 95.00	\$ (6.00)
DISTRIBUTION MAINTENANCE	\$ 123.00	\$ 125.00	\$ (2.00)
ACCOUNTING	\$ 59.00	\$ 59.00	\$ -
CONSUMER INFORMATION	\$ 4.00	\$ 7.00	\$ (3.00)
ADMINISTRATION	\$ 74.00	\$ 72.00	\$ 2.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 349.00</b>	<b>\$ 358.00</b>	<b>\$ (9.00)</b>

	<u>2015</u>	<u>2014</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 88.00	\$ 86.00	\$ 2.00
DISTRIBUTION MAINTENANCE	\$ 130.00	\$ 132.00	\$ (2.00)
ACCOUNTING	\$ 58.00	\$ 59.00	\$ (1.00)
CONSUMER INFORMATION	\$ 9.00	\$ 12.00	\$ (3.00)
ADMINISTRATION	\$ 85.00	\$ 82.00	\$ 3.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 370.00</b>	<b>\$ 371.00</b>	<b>(\$1.00)</b>

**OTHER STATISTICAL INFORMATION**

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	279	284	(5)
MILES OF LINE	13,291	13,276	15
CONSUMERS BILLED	114,936	114,210	726
MILES OF LINE PER EMPLOYEE	47.6	46.6	1.0
CONSUMER PER EMPLOYEE	412	401	11
DENSITY CONSUMERS PER MILE	8.6	8.6	0.0

NUMBER OF EMPLOYEES	1962	1968	(6)
MILES OF LINE	91,118	90,839	279
CONSUMERS BILLED	848,796	843,663	5,133
MILES OF LINE PER EMPLOYEE	46.3	46.2	0.1
CONSUMER PER EMPLOYEE	431	429	2
DENSITY CONSUMERS PER MILE	9.3	9.3	0.0

**2015  
KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE STATISTICAL COMPARISONS  
AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	83	120	203	67	4	102	376	42	1,037	13,053	25.0	311	13.0
BLUE GRASS ENERGY COOP	51	118	169	47	14	61	311	100	4,731	56,684	47.3	565	12.0
CLARK ENERGY COOP	93	153	246	58	10	54	366	52	3,085	28,085	58.3	592	8.5
CUMBERLAND VALLEY ELECTRIC	60	124	184	84	4	65	337	49	2,643	23,585	53.9	481	8.9
FARMERS RECC	70	118	189	44	5	65	324	82	3,692	24,997	59.0	403	6.9
FLEMING JARSON ENERGY	75	120	195	68	6	63	332	49	3,595	24,010	73.4	480	6.7
GRAYSON RECC	72	208	280	73	16	134	503	47	2,465	15,344	52.5	372	6.2
INTER-COUNTY ENERGY	108	74	182	65	10	88	350	69	3,875	25,665	56.2	328	6.6
JACKSON ENERGY COOP	90	116	206	61	17	95	381	121	5,701	51,359	47.1	424	9.0
LICKING VALLEY RECC	105	158	263	52	1	85	401	44	2,062	17,923	46.9	394	8.4
NOLIN RECC	126	112	238	72	21	125	456	98	3,023	34,858	30.8	354	11.5
OWEN EC	79	69	148	65	11	78	302	129	4,522	59,409	35.1	461	13.1
SALT RIVER ELECTRIC	53	82	135	36	8	65	222	72	4,151	49,401	57.7	588	11.9
SHREVEY ENERGY COOP	95	165	260	27	24	88	379	41	2,128	15,854	51.8	387	7.5
SOUTH KENTUCKY RECC	63	123	186	58	6	59	307	144	6,813	66,793	47.3	484	9.8
TAYLOR COUNTY RECC	72	74	146	52	1	55	255	54	3,248	26,104	60.0	483	8.0
BPCC GROUP AVERAGE	81	120	201	58	10	81	350	73	3,544	33,138	48.5	484	9.4
JACKSON PURCHASE ENERGY	83	111	204	44	2	79	329	71	2,645	29,954	41.5	414	10.0
KENNERGY COOP	71	151	222	79	5	80	386	146	7,130	56,406	48.8	388	7.9
MEADE COUNTY RECC	103	107	210	55	5	63	333	62	3,216	28,168	52.0	470	8.1
BIG RIVERS GROUP AVERAGE	89	123	212	59	4	74	349	93	4,430	38,312	47.6	412	8.6
HIGHMAN-FULTON COUNTIES RECC	166	382	548	61	6	229	844	15	729	3,728	48.6	248	5.1
PENNYRILE RECC	105	94	200	52	12	87	351	119	5,124	47,428	43.1	399	9.3
TRICO COUNTY EMC	95	117	212	50	13	45	320	128	5,483	51,303	43.5	407	8.4
WARREN RECC	86	90	176	57	13	84	330	157	5,658	62,858	38.0	389	11.1
WEST KENTUCKY RECC	101	161	262	72	4	81	419	83	4,124	38,541	44.3	414	9.4
TVA GROUP AVERAGE	111	169	280	68	10	105	483	102	4,224	40,731	41.4	398	9.8
OVERALL AVERAGE	88	130	218	58	9	85	370	82	3,797	35,587	46.3	431	9.3

**2015  
KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE STATISTICAL COMPARISONS  
AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	1045	1,510	2,555	843	50	1,284	4,732	42	1,037	11,960	18,679,347	130.2
BLUE GRASS ENERGY COOP	610	1,411	2,021	562	167	969	3,719	100	4,731	53,808	83,902,592	129.9
CLARK ENERGY COOP	786	1,294	2,080	474	85	457	3,096	52	3,085	24,317	36,458,088	124.9
CUMBERLAND VALLEY ELECTRIC	535	1,107	1,642	750	36	580	3,008	49	2,643	21,982	31,119,699	118.0
FARMERS RECC	482	819	1,301	303	34	592	2,230	62	3,632	23,087	31,985,735	115.5
FLEMING-MASON ENERGY	501	801	1,302	454	40	421	2,217	49	3,595	22,308	30,262,759	113.1
GRAYSON RECC	448	1,295	1,743	454	100	834	3,131	47	2,465	14,117	23,009,195	135.8
INTER-COUNTY ENERGY	716	491	1,207	437	106	570	2,320	69	3,875	24,170	37,622,733	129.7
JACKSON ENERGY COOP	811	1,063	1,874	550	153	856	3,433	121	5,701	47,664	75,406,746	131.8
LICKING VALLEY RECC	882	1,327	2,209	437	8	714	3,368	44	2,062	16,212	20,838,229	107.1
NOLIN RECC	1445	1,284	2,729	825	241	1,433	5,228	98	3,023	32,678	48,140,251	122.8
OWEN EC	1038	907	1,945	854	145	1,025	3,969	129	4,522	56,754	83,000,218	121.9
SALT RIVER ELECTRIC	631	738	1,369	428	71	774	2,642	72	4,151	46,290	66,444,049	119.6
SHELBY ENERGY COOP	708	1,230	1,938	201	179	507	2,825	41	2,126	15,214	24,385,887	133.6
SOUTH KENTUCKY RECC	617	1,205	1,822	549	59	578	3,008	144	6,813	60,801	82,959,317	113.7
TAYLOR COUNTY RECC	579	595	1,174	418	8	450	2,050	54	3,248	22,935	29,711,247	108.0
<b>EKPC GROUP AVERAGE</b>	<b>740</b>	<b>1,067</b>	<b>1,807</b>	<b>534</b>	<b>93</b>	<b>753</b>	<b>3,187</b>	<b>73</b>	<b>3,544</b>	<b>30,894</b>	<b>45,245,381</b>	<b>122.0</b>
JACKSON PURCHASE ENERGY	927	1,107	2,034	439	20	788	3,281	71	2,945	25,347	37,547,205	123.4
KENERGY CORP	562	1,195	1,757	625	40	633	3,055	146	7,130	45,587	72,523,048	132.6
MEADE COUNTY RECC	934	970	1,904	499	45	571	3,019	62	3,216	27,038	35,511,355	109.5
<b>BIG RIVERS GROUP AVERAGE</b>	<b>808</b>	<b>1,091</b>	<b>1,899</b>	<b>521</b>	<b>35</b>	<b>664</b>	<b>3,119</b>	<b>93</b>	<b>4,430</b>	<b>32,657</b>	<b>48,527,203</b>	<b>123.8</b>
HICKMAN-FULTON COUNTIES RECC	848	1,952	2,800	312	31	1,170	4,313	15	729	2,880	5,391,652	156.0
PENNYRILE RECC	981	870	1,851	481	111	805	3,248	119	5,124	42,345	67,028,690	131.9
TRI-COUNTY EMC	889	1,095	1,984	468	122	421	2,995	126	5,483	41,625	65,431,598	131.0
WARREN RECC	952	997	1,949	631	144	930	3,654	157	5,658	52,123	92,518,423	147.9
WEST KENTUCKY RECC	944	1,505	2,449	673	37	757	3,916	93	4,124	30,319	54,783,894	150.6
<b>TVA GROUP AVERAGE</b>	<b>923</b>	<b>1,284</b>	<b>2,207</b>	<b>513</b>	<b>89</b>	<b>817</b>	<b>3,626</b>	<b>102</b>	<b>4,224</b>	<b>33,858</b>	<b>57,030,851</b>	<b>140.4</b>
<b>OVERALL AVERAGE</b>	<b>786</b>	<b>1,115</b>	<b>1,901</b>	<b>528</b>	<b>85</b>	<b>755</b>	<b>3,269</b>	<b>82</b>	<b>3,797</b>	<b>31,732</b>	<b>48,110,815</b>	<b>126.4</b>

2014  
KENTUCKY ELECTRIC COOPERATIVES  
MILES OF LINE  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>% CHANGE FROM 2010</u>
BIG SANDY	1,034	1,035	1,033	1,030	1,027	0.7 %
BLUE GRASS ENERGY	4,710	4,693	4,682	4,650	4,632	1.7
CLARK ENERGY COOP	3,066	3,056	3,052	3,042	3,036	1.0
CUMBERLAND VALLEY	2,639	2,633	2,626	2,614	2,616	0.9
FARMERS	3,624	3,615	3,602	3,591	3,577	1.3
FLEMING-MASON	3,582	3,575	3,560	3,550	3,537	1.3
GRAYSON	2,470	2,478	2,485	2,485	2,483	-0.5
INTER-COUNTY	3,834	3,803	3,779	3,765	3,748	2.3
JACKSON ENERGY	5,685	5,673	5,668	5,676	5,664	0.4
LICKING VALLEY	2,057	2,053	2,047	2,039	2,031	1.3
NOLIN	3,017	3,011	3,011	2,991	2,980	1.2
OWEN	4,530	4,522	4,514	4,509	4,493	0.8
SALT RIVER ELECTRIC	4,123	4,095	4,068	4,040	4,016	2.7
SHELBY ENERGY	2,121	2,109	2,104	2,097	2,096	1.2
SOUTH KENTUCKY	6,787	6,771	6,759	6,755	6,735	0.8
TAYLOR COUNTY	<u>3,236</u>	<u>3,230</u>	<u>3,218</u>	<u>3,210</u>	<u>3,198</u>	<u>1.2</u>
<b>TOTAL EKPC</b>	<b>56,515</b>	<b>56,352</b>	<b>56,208</b>	<b>56,044</b>	<b>55,869</b>	<b>1.2 %</b>
JACKSON PURCHASE	2,939	2,932	2,923	2,918	2,909	1.0 %
KENERGY	7,113	7,084	7,068	7,047	7,010	1.5
MEADE COUNTY	<u>3,224</u>	<u>2,982</u>	<u>2,970</u>	<u>2,974</u>	<u>2,974</u>	<u>8.4</u>
<b>TOTAL BIG RIVERS</b>	<b>13,276</b>	<b>12,998</b>	<b>12,961</b>	<b>12,939</b>	<b>12,893</b>	<b>3.0 %</b>
HICKMAN-FULTON	726	727	704	691	684	6.1 %
PENNYRILE	5,095	5,079	5,092	5,089	5,100	-0.1
TRI-COUNTY	5,464	5,458	5,451	5,449	5,451	0.2
WARREN	5,645	5,632	5,623	5,626	5,622	0.4
WEST KENTUCKY	<u>4,118</u>	<u>4,111</u>	<u>4,091</u>	<u>4,079</u>	<u>4,069</u>	<u>1.2</u>
<b>TOTAL TVA</b>	<b>21,048</b>	<b>21,007</b>	<b>20,961</b>	<b>20,934</b>	<b>20,926</b>	<b>0.6 %</b>
<b>OVERALL TOTAL</b>	<b>90,839</b>	<b>90,357</b>	<b>90,130</b>	<b>89,917</b>	<b>89,688</b>	<b>1.3 %</b>



2014  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER MILE OF LINE  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>% CHANGE FROM 2010</u>
BIG SANDY	\$4,702	\$4,621	\$4,280	\$4,207	\$4,611	2.0 %
BLUE GRASS ENERGY	3,725	3,646	3,627	3,779	3,798	-1.9
CLARK ENERGY COOP	2,814	2,840	2,682	2,595	2,542	10.7
CUMBERLAND VALLEY	2,927	2,830	2,824	2,727	2,805	4.3
FARMERS	2,211	2,307	1,996	2,061	1,985	11.4
FLEMING-MASON	2,273	2,341	2,382	2,209	2,135	6.5
GRAYSON	3,472	2,988	3,047	2,963	2,645	31.3
INTER-COUNTY	2,387	2,285	2,326	2,341	2,211	8.0
JACKSON ENERGY	3,383	3,368	3,410	3,348	3,118	8.5
LICKING VALLEY	3,359	3,001	2,818	2,710	2,721	23.4
NOLIN	5,448	4,613	4,484	4,527	4,469	21.9
OWEN	3,857	3,790	3,728	3,693	3,735	3.3
SALT RIVER ELECTRIC	2,606	2,702	2,539	2,711	2,612	-0.2
SHELBY ENERGY	2,676	2,608	2,548	2,542	2,572	4.0
SOUTH KENTUCKY	2,852	2,780	2,590	2,751	2,870	-0.6
TAYLOR COUNTY	<u>2,006</u>	<u>1,972</u>	<u>1,960</u>	<u>1,948</u>	<u>1,886</u>	<u>6.4</u>
<b>AVERAGE EKPC</b>	<b>\$3,169</b>	<b>\$3,044</b>	<b>\$2,953</b>	<b>\$2,946</b>	<b>\$2,919</b>	<b>8.6 %</b>
JACKSON PURCHASE	\$3,577	\$3,400	\$3,340	\$3,532	\$3,197	11.9 %
KENERGY	2,964	2,977	2,759	2,837	2,919	1.5
MEADE COUNTY	<u>3,029</u>	<u>3,015</u>	<u>3,032</u>	<u>2,892</u>	<u>2,794</u>	<u>8.4</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$3,190</b>	<b>\$3,130</b>	<b>\$3,044</b>	<b>\$3,087</b>	<b>\$2,970</b>	<b>7.4 %</b>
HICKMAN-FULTON	\$4,069	\$3,708	\$3,395	\$4,037	\$2,835	43.5 %
PENNYRILE	3,165	3,080	2,945	3,000	2,644	19.7
TRI-COUNTY	2,897	2,800	2,761	2,674	2,623	10.4
WARREN	3,623	3,712	3,742	3,695	3,586	1.0
WEST KENTUCKY	<u>4,000</u>	<u>3,661</u>	<u>3,128</u>	<u>3,462</u>	<u>3,313</u>	<u>20.7</u>
<b>AVERAGE TVA</b>	<b>\$3,551</b>	<b>\$3,391</b>	<b>\$3,195</b>	<b>\$3,374</b>	<b>\$3,000</b>	<b>18.4 %</b>
<b>OVERALL AVERAGE</b>	<b>\$3,251</b>	<b>\$3,127</b>	<b>\$3,014</b>	<b>\$3,052</b>	<b>\$2,944</b>	<b>10.4 %</b>

2014  
KENTUCKY ELECTRIC COOPERATIVES  
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>% CHANGE FROM 2010</u>
BIG SANDY	13,102	13,177	13,199	13,213	13,226	-0.9 %
BLUE GRASS ENERGY	56,075	55,725	55,297	55,087	54,980	2.0
CLARK ENERGY COOP	25,989	25,985	25,980	26,041	26,154	-0.6
CUMBERLAND VALLEY	23,619	23,659	23,613	23,684	23,749	-0.5
FARMERS	24,894	24,816	24,710	24,683	24,574	1.3
FLEMING-MASON	23,885	23,833	23,758	23,827	23,822	0.3
GRAYSON	15,338	15,391	15,389	15,470	15,533	-1.3
INTER-COUNTY	25,568	25,328	25,338	25,250	25,256	1.2
JACKSON ENERGY	51,435	51,360	51,250	51,224	51,338	0.2
LICKING VALLEY	17,400	17,408	17,426	17,428	17,493	-0.5
NOLIN	34,314	33,957	33,580	32,948	32,638	5.1
OWEN	58,840	58,095	57,809	57,596	57,478	2.4
SALT RIVER ELECTRIC	48,851	48,320	47,805	47,411	47,046	3.8
SHELBY ENERGY	15,638	15,457	15,360	15,315	15,311	2.1
SOUTH KENTUCKY	66,530	66,272	66,327	66,361	66,430	0.2
TAYLOR COUNTY	<u>25,958</u>	<u>25,888</u>	<u>25,728</u>	<u>25,613</u>	<u>25,456</u>	<u>2.0</u>
<b>TOTAL EKPC</b>	<b>527,436</b>	<b>524,671</b>	<b>522,569</b>	<b>521,151</b>	<b>520,484</b>	<b>1.3 %</b>
JACKSON PURCHASE	29,293	29,313	29,241	29,199	29,152	0.5 %
KENERGY	55,932	55,677	55,419	55,210	54,991	1.7
MEADE COUNTY	<u>28,985</u>	<u>28,730</u>	<u>28,592</u>	<u>28,478</u>	<u>28,267</u>	<u>2.5</u>
<b>TOTAL BIG RIVERS</b>	<b>114,210</b>	<b>113,720</b>	<b>113,252</b>	<b>112,887</b>	<b>112,410</b>	<b>1.6 %</b>
HICKMAN-FULTON	3,702	3,687	3,689	3,675	3,716	-0.4 %
PENNYRILE	47,154	46,976	47,013	46,965	46,984	0.4
TRI-COUNTY	50,720	50,612	50,679	50,240	50,340	0.8
WARREN	61,958	61,316	60,641	60,265	59,995	3.3
WEST KENTUCKY	<u>38,483</u>	<u>38,398</u>	<u>38,310</u>	<u>38,154</u>	<u>38,189</u>	<u>0.8</u>
<b>TOTAL TVA</b>	<b>202,017</b>	<b>200,989</b>	<b>200,332</b>	<b>199,299</b>	<b>199,224</b>	<b>1.4 %</b>
<b>OVERALL TOTAL</b>	<b>843,663</b>	<b>839,380</b>	<b>836,153</b>	<b>833,337</b>	<b>832,118</b>	<b>1.4 %</b>

2014  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER CONSUMER  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>% CHANGE FROM 2010</u>
BIG SANDY	\$371	\$363	\$335	\$328	\$358	3.6 %
BLUE GRASS ENERGY	313	307	307	319	320	-2.2
CLARK ENERGY COOP	332	334	315	303	295	12.5
CUMBERLAND VALLEY	327	315	314	301	309	5.8
FARMERS	322	336	291	300	289	11.4
FLEMING-MASON	341	351	357	329	317	7.6
GRAYSON	559	481	492	476	423	32.2
INTER-COUNTY	358	343	347	349	328	9.1
JACKSON ENERGY	374	372	377	371	344	8.7
LICKING VALLEY	397	354	331	317	316	25.6
NOLIN	479	409	402	411	408	17.4
OWEN	297	295	291	289	292	1.7
SALT RIVER ELECTRIC	220	229	216	231	223	-1.3
SHELBY ENERGY	363	356	349	348	352	3.1
SOUTH KENTUCKY	291	284	264	280	291	0.0
TAYLOR COUNTY	<u>250</u>	<u>246</u>	<u>245</u>	<u>244</u>	<u>237</u>	<u>5.5</u>
<b>AVERAGE EKPC</b>	<b>\$350</b>	<b>\$336</b>	<b>\$328</b>	<b>\$325</b>	<b>\$319</b>	<b>9.7 %</b>
JACKSON PURCHASE	359	340	\$334	\$353	\$319	12.5 %
KENERGY	377	379	352	362	372	1.3
MEADE COUNTY	<u>337</u>	<u>313</u>	<u>315</u>	<u>302</u>	<u>294</u>	<u>14.6</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$358</b>	<b>\$345</b>	<b>\$333</b>	<b>\$340</b>	<b>\$329</b>	<b>8.8 %</b>
HICKMAN-FULTON	798	731	\$648	\$759	\$522	52.9 %
PENNYRILE	342	333	319	325	287	19.2
TRI-COUNTY	312	302	297	290	284	9.9
WARREN	330	341	347	345	336	-1.8
WEST KENTUCKY	<u>428</u>	<u>392</u>	<u>334</u>	<u>370</u>	<u>353</u>	<u>21.2</u>
<b>AVERAGE TVA</b>	<b>\$442</b>	<b>\$419</b>	<b>\$390</b>	<b>\$419</b>	<b>\$357</b>	<b>23.8 %</b>
<b>OVERALL AVERAGE</b>	<b>\$371</b>	<b>\$355</b>	<b>\$341</b>	<b>\$346</b>	<b>\$329</b>	<b>12.8 %</b>



2014  
KENTUCKY ELECTRIC COOPERATIVES  
TOTAL RESIDENTIAL REVENUES  
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>% CHANGE FROM 2010</u>
BIG SANDY	\$20,352,830	\$20,214,344	\$18,915,867	\$19,254,338	\$19,504,677	4.3 %
BLUE GRASS ENERGY	90,335,203	86,731,904	82,219,020	85,884,006	84,916,241	6.4
CLARK ENERGY COOP	39,274,668	37,408,399	35,261,019	36,708,481	35,307,191	11.2
CUMBERLAND VALLEY	32,804,899	31,849,912	30,386,944	31,460,869	32,537,708	0.8
FARMERS	35,189,349	34,021,119	31,180,284	32,782,120	33,283,884	5.7
FLEMING-MASON	32,135,777	31,290,157	29,690,084	28,199,358	28,565,335	12.5
GRAYSON	24,408,364	23,854,195	21,816,428	21,978,172	22,417,367	8.9
INTER-COUNTY	42,209,063	39,836,984	36,934,661	38,974,091	38,111,051	10.8
JACKSON ENERGY	84,922,276	81,972,647	77,832,875	81,135,113	81,946,986	3.6
LICKING VALLEY	22,943,939	22,724,114	21,314,628	21,839,711	22,255,988	3.1
NOLIN	53,001,534	51,335,752	47,495,013	48,149,006	48,360,150	9.6
OWEN	87,221,855	79,439,125	79,578,364	79,163,922	77,481,108	12.6
SALT RIVER ELECTRIC	71,348,351	69,064,012	65,507,556	66,517,122	65,700,823	8.6
SELBY ENERGY	26,276,277	25,519,497	23,937,841	25,853,776	23,574,557	11.5
SOUTH KENTUCKY	90,207,014	86,420,326	80,375,682	84,493,130	82,781,238	9.0
TAYLOR COUNTY	<u>32,121,022</u>	<u>30,403,252</u>	<u>28,434,719</u>	<u>29,703,937</u>	<u>28,920,669</u>	<u>11.1</u>
<b>TOTAL EKPC</b>	<b>\$784,752,421</b>	<b>\$752,085,739</b>	<b>\$710,880,985</b>	<b>\$732,097,152</b>	<b>\$725,664,973</b>	<b>8.1 %</b>
JACKSON PURCHASE	\$39,086,440	\$34,338,887	\$31,043,685	\$29,070,144	\$31,240,203	25.1 %
KENERGY	74,095,848	65,362,048	58,093,381	56,283,522	57,146,551	29.7
MEADE COUNTY	<u>36,725,209</u>	<u>31,876,222</u>	<u>27,769,525</u>	<u>27,479,674</u>	<u>26,176,828</u>	<u>40.3</u>
<b>TOTAL BIG RIVERS</b>	<b>\$149,907,497</b>	<b>\$131,577,157</b>	<b>\$116,906,591</b>	<b>\$112,833,340</b>	<b>\$114,563,582</b>	<b>30.9 %</b>
HICKMAN-FULTON	\$5,688,518	\$5,499,579	\$5,599,551	\$5,999,873	\$5,138,805	10.7 %
PENNYRILE	71,535,238	66,136,309	62,724,839	65,110,934	64,755,328	10.5
TRI-COUNTY	69,404,761	64,475,661	62,236,827	65,426,019	70,308,752	-1.3
WARREN	96,944,907	87,750,045	86,515,348	89,954,828	85,524,135	13.4
WEST KENTUCKY	<u>57,249,601</u>	<u>53,582,845</u>	<u>54,479,631</u>	<u>57,812,187</u>	<u>58,309,168</u>	<u>-1.8</u>
<b>TOTAL TVA</b>	<b>\$300,823,025</b>	<b>\$277,444,439</b>	<b>\$271,556,196</b>	<b>\$284,303,841</b>	<b>\$284,036,188</b>	<b>5.9 %</b>
<b>OVERALL TOTAL</b>	<b>\$1,235,482,943</b>	<b>\$1,161,107,335</b>	<b>\$1,099,343,772</b>	<b>\$1,129,234,333</b>	<b>\$1,124,264,743</b>	<b>9.9 %</b>

**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2014 - 2013 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

	<u>2014</u>	<u>2013</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 78.00	\$ 78.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 120.00	\$ 109.00	\$ 11.00
ACCOUNTING	\$ 59.00	\$ 58.00	\$ 1.00
CONSUMER INFORMATION	\$ 13.00	\$ 13.00	\$ -
ADMINISTRATION	\$ 80.00	\$ 78.00	\$ 2.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 350.00</b>	<b>\$ 336.00</b>	<b>\$ 14.00</b>

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2014</u>	<u>2013</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 105.00	\$ 101.00	\$ 5.00
DISTRIBUTION MAINTENANCE	\$ 176.00	\$ 162.00	\$ 14.00
ACCOUNTING	\$ 56.00	\$ 56.00	\$ -
CONSUMER INFORMATION	\$ 11.00	\$ 11.00	\$ -
ADMINISTRATION	\$ 93.00	\$ 89.00	\$ 4.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 442.00</b>	<b>\$ 419.00</b>	<b>\$ 23.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,172	1,188	(16)
MILES OF LINE	56,515	56,352	163
CONSUMERS BILLED	527,436	524,671	2,765
MILES OF LINE PER EMPLOYEE	48.4	47.6	0.8
CONSUMER PER EMPLOYEE	452	443	9
DENSITY CONSUMERS PER MILE	9.3	9.3	0

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	512	505	\$ 7.00
MILES OF LINE	21,048	21,007	\$ 41.00
CONSUMERS BILLED	202,017	200,989	\$ 1,028.00
MILES OF LINE PER EMPLOYEE	41.3	41.6	\$ (0.30)
CONSUMER PER EMPLOYEE	396	398	\$ (2.00)
DENSITY CONSUMERS PER MILE	9.6	9.6	\$ -

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

	<u>2014</u>	<u>2013</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 95.00	\$ 86.00	\$ 9.00
DISTRIBUTION MAINTENANCE	\$ 125.00	\$ 125.00	\$ -
ACCOUNTING	\$ 59.00	\$ 52.00	\$ 7.00
CONSUMER INFORMATION	\$ 7.00	\$ 7.00	\$ -
ADMINISTRATION	\$ 72.00	\$ 75.00	\$ (3.00)
<b>TOTAL PER CONSUMER</b>	<b>\$ 358.00</b>	<b>\$ 345.00</b>	<b>\$ 13.00</b>

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2014</u>	<u>2013</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 86.00	\$ 84.00	\$ 2.00
DISTRIBUTION MAINTENANCE	\$ 132.00	\$ 122.00	\$ 10.00
ACCOUNTING	\$ 59.00	\$ 57.00	\$ 2.00
CONSUMER INFORMATION	\$ 12.00	\$ 12.00	\$ -
ADMINISTRATION	\$ 82.00	\$ 80.00	\$ 2.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 371.00</b>	<b>\$ 355.00</b>	<b>\$ 16.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	284	278	6
MILES OF LINE	13,276	12,998	278
CONSUMERS BILLED	114,210	113,720	490
MILES OF LINE PER EMPLOYEE	46.6	46.6	0.0
CONSUMER PER EMPLOYEE	401	408	(7)
DENSITY CONSUMERS PER MILE	8.6	8.7	(0)

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1968	1971	(3)
MILES OF LINE	90,839	90,357	482
CONSUMERS BILLED	843,663	839,380	4,283
MILES OF LINE PER EMPLOYEE	46.2	45.9	0
CONSUMER PER EMPLOYEE	429	427	2
DENSITY CONSUMERS PER MILE	9.3	9.3	0

2014  
KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE STATISTICAL COMPARISONS  
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY REEL REV
BIG SANDY RECC	938	1,584	2,522	848	89	1,242	4,702	42	1,034	12,015	20,352,830	141.2
BLUE GRASS ENERGY COOP	571	1,345	1,916	583	214	1,072	3,725	104	4,710	53,336	90,335,203	141.1
CLARK ENERGY COOP	576	1,161	1,737	483	102	482	2,814	53	3,056	24,233	36,274,668	135.1
CUMBERLAND VALLEY ELECTRIC	546	1,029	1,575	716	83	573	2,827	51	2,689	22,024	32,804,889	124.1
FARMERS RECC	460	817	1,277	302	46	584	2,211	62	3,624	23,069	35,188,349	127.5
FLEMING-MASON ENERGY	553	787	1,340	483	47	393	2,273	51	3,582	22,188	32,135,777	120.7
GRAYSON RECC	472	1,633	2,105	460	118	789	3,472	46	2,470	14,113	24,409,364	144.1
INTER-COUNTY ENERGY	687	534	1,221	493	133	600	2,387	63	3,834	24,094	42,209,083	148.0
JACKSON ENERGY COOP	823	1,031	1,854	522	145	832	3,383	121	5,685	47,723	84,922,276	148.3
LICKING VALLEY RECC	905	1,210	2,115	482	51	711	3,359	44	2,057	16,235	22,943,939	117.8
NOLIN RECC	1217	1,604	2,821	864	284	1,479	5,448	96	3,017	32,333	58,001,534	136.6
OWEN EC	1117	818	1,935	857	109	896	3,857	130	4,530	56,186	87,221,655	129.4
SALT RIVER ELECTRIC	675	675	1,350	438	95	723	2,808	72	4,123	45,790	71,348,351	129.9
SHELBY ENERGY COOP	664	995	1,659	310	184	523	2,676	39	2,121	15,189	26,276,277	144.2
SOUTH KENTUCKY RECC	578	1,437	1,715	549	86	480	2,852	145	6,787	80,800	90,207,014	123.6
TAYLOR COUNTY RECC	584	584	1,168	337	24	457	2,008	53	3,236	22,786	32,121,022	117.4
EKPC GROUP AVERAGE	711	1,060	1,771	544	117	797	3,168	73	3,832	30,755	48,047,026	132.9
JACKSON PURCHASE ENERGY	1076	1,116	2,192	498	30	857	3,577	74	2,839	25,894	39,089,440	128.8
KENERGY CORP	582	1,227	1,809	550	38	580	2,984	150	7,113	45,311	74,095,818	138.3
MEADE COUNTY RECC	935	953	1,888	512	117	512	3,029	60	3,224	26,847	36,725,209	114.0
BIG RIVERS GROUP AVERAGE	864	1,099	1,963	520	62	645	3,180	95	4,425	32,617	48,989,166	127.7
HICKMAN-FULTON COUNTIES RECC	770	1,954	2,724	280	66	979	4,089	16	728	2,819	5,688,519	188.2
PENNYRILLE RECC	916	1,009	1,925	481	102	657	3,185	115	5,085	42,085	71,535,238	141.7
TRICOUNTY EMC	891	975	1,866	464	121	448	2,887	131	5,464	41,117	88,404,761	140.7
WARREN RECC	977	955	1,932	648	143	900	3,623	167	5,645	51,647	86,944,807	150.4
WEST KENTUCKY RECC	906	1,748	2,654	645	37	664	4,000	93	4,118	30,251	57,249,601	157.7
TVA GROUP AVERAGE	892	1,336	2,228	600	94	729	3,551	102	4,210	33,584	60,184,609	149.3
OVERALL AVERAGE	768	1,122	1,890	532	105	724	3,251	82	3,785	31,577	51,478,458	136.9



2014  
**KENTUCKY ELECTRIC COOPERATIVES**  
**OPERATING EXPENSE STATISTICAL COMPARISONS**  
**AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY REV
BIG SANDY RECC	939	1,894	2,832	849	89	1,242	4,072	42	1,034	12,015	20,352,830	141.2
BLUE GRASS ENERGY COOP	571	1,345	1,916	583	214	482	2,914	104	4,710	50,335,203	141.1	
CLARK ENERGY COOP	576	1,161	1,737	483	102	492	2,514	53	3,068	24,233	39,272,688	158.1
CUMBERLAND VALLEY ELECTRIC	546	1,028	1,575	716	83	573	2,927	51	2,639	32,604,899	124.1	
FARMERS RECC	480	817	1,277	302	48	684	2,211	62	3,624	23,094	35,188,349	127.5
FLEMING-WATSON ENERGY	553	787	1,340	493	47	383	2,273	51	3,582	22,188	32,135,777	120.7
GRAYSON RECC	472	1,633	2,105	460	118	788	3,472	46	2,470	14,113	24,408,354	144.1
INTER-COUNTY ENERGY	687	534	1,221	433	133	600	2,387	63	3,834	24,094	42,209,083	148.0
JACKSON ENERGY COOP	823	1,031	1,854	552	145	832	3,338	121	5,885	18,235	22,943,939	117.8
LICKING VALLEY RECC	305	1,210	2,115	482	51	711	3,359	44	2,057	16,235	84,922,276	148.3
MOJIN RECC	1217	1,604	2,821	884	284	1,479	5,448	86	3,017	32,333	53,001,534	158.6
OWEN EC	1117	818	1,935	857	189	888	3,657	130	4,530	58,188	87,221,855	128.8
SALT RIVER ELECTRIC	675	875	1,550	438	95	723	2,808	72	4,123	45,750	71,348,351	128.8
SHELBY ENERGY COOP	664	885	1,549	310	184	523	2,876	39	2,121	16,189	26,378,277	144.2
SOUTH KENTUCKY RECC	578	1,137	1,715	549	98	480	2,852	149	6,787	60,600	90,297,014	123.6
TAYLOR COUNTY RECC	594	584	1,188	337	24	457	2,006	53	3,235	22,766	32,121,022	117.4
EPIC GROUP AVERAGE	711	1,060	1,771	544	117	737	3,169	73	3,532	30,735	49,047,026	132.9
JACKSON PURCHASE ENERGY	1078	1,116	2,192	498	30	857	3,577	74	2,839	25,634	39,088,440	128.8
KENERGY CORP	582	1,227	1,808	550	39	588	2,954	150	7,113	45,311	74,095,846	156.3
MEADE COUNTY RECC	835	953	1,888	512	117	512	3,029	60	3,224	28,447	36,725,208	114.0
BIG RIVERS GROUP AVERAGE	664	1,099	1,663	520	82	646	3,190	95	4,485	32,617	49,969,166	127.7
HICKMAN-FULTON COUNTIES RECC	770	1,894	2,764	280	65	978	4,069	16	726	2,819	5,888,518	188.2
PENNYRILE RECC	916	1,009	1,925	481	102	657	3,165	115	6,085	42,065	71,538,238	141.7
TRICOOUNTY EMC	891	975	1,866	484	121	446	2,887	131	5,484	41,117	68,404,781	140.7
WARREN RECC	927	855	1,822	648	143	800	3,823	157	5,845	51,647	86,944,907	158.4
WEST KENTUCKY RECC	908	1,748	2,654	645	37	684	4,000	83	4,118	30,251	57,248,601	187.7
TVA GROUP AVERAGE	892	1,336	2,228	500	94	728	3,551	102	4,210	33,664	80,164,605	149.3
OVERALL AVERAGE	768	1,122	1,890	532	106	724	3,251	82	3,785	31,577	51,978,466	135.9

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

5. Provide Farmers' capital structure at the end of each of the periods shown in Format 5.

Response

See Exhibit T of the Application.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

6. a. List all outstanding issues of long-term debt as of the end of the latest calendar year and the end of the test period, together with the related information as shown in Format 6a. A separate schedule is to be provided for each time period. Report in column (k) of Format 6a, Schedule 2, the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 6a, Schedule 2.
- b. Provide an analysis of end-of-period short-term debt and a calculation of the average and end-of-period cost rates as shown in Format 6b.

Response

The information is attached to this response.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2016-00365

Schedule of Outstanding Long-Term Debt

For the Year Ended December 31, 2015

Line No.	Type of debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate <sup>(1)</sup> (e)	Cost Rate at Issue <sup>(2)</sup> (f)	Cost Rate to Maturity <sup>(3)</sup> (g)	Bond Rating at Time of Issue <sup>(4)</sup> (h)	Type of Obligation (i)	Annualized Cost Col. (d) x Col. (g) (j)
1	RUS - 1B310	Aug-98	Aug-33	1,617,611			5.12%			82,822
2	RUS - 1B315	Jan-99	Jan-34	863,302			4.50%			38,849
3	RUS - 1B316	Aug-99	Aug-34	636,321			4.12%			26,216
4	FFB - H0010	Jan-01	Jan-35	3,567,192			5.49%			195,875
5	FFB - H0015	Jan-01	Jan-35	351,253			5.62%			19,730
6	FFB - H0020	Aug-03	Dec-37	4,108,291			4.77%			195,965
7	FFB - H0025	Nov-03	Dec-37	821,658			4.77%			39,193
8	FFB - H0030	Feb-04	Dec-37	821,658			4.77%			39,193
9	FFB - H0035	Dec-04	Dec-37	1,643,316			4.77%			78,386
10	FFB - H0040	Aug-05	Dec-37	2,449,001			4.35%			106,605
11	FFB - H0045	Dec-05	Dec-37	829,562			4.67%			38,749
12	FFB - H0050	Feb-06	Dec-37	828,079			4.59%			37,984
13	FFB - H0055	Oct-06	Dec-37	843,698			4.90%			41,324
14	FFB - H0060	Feb-07	Dec-37	847,452			4.93%			41,771
15	FFB - H0065	Apr-07	Dec-37	1,894,174			4.92%			93,099
16	FFB - H0070	Jan-09	Dec-40	6,209,305			3.41%			211,489
17	FFB - H0075	Mar-09	Dec-40	890,775			3.63%			32,335
18	FFB - H0080	Feb-10	Dec-40	903,673			4.45%			40,204
19	FFB - H0085	Nov-10	Dec-40	896,417			3.49%			31,294
20	FFB - H0090	Aug-11	Dec-40	675,932			2.87%			19,386
21	FFB - H0095	Jan-12	Mar-16	870,270			0.21%			1,862 **
22	FFB - H00100	Nov-12	Mar-16	893,403			0.21%			1,912 **
23	FFB - H00105	Jan-13	Mar-16	1,352,057			0.21%			2,893 **
24	FFB - H00110	Jul-13	Mar-16	2,892,909			0.21%			6,191 **
25	FFB - H00115	Jul-14	Mar-16	1,260,759			0.21%			2,698 **
26	FFB - H00120	Sep-14	Mar-16	969,815			0.21%			2,075 **
27	FFB - H00125	Feb-15	Mar-16	969,784			0.21%			2,075 **
28	FFB - H00130	May-15	Mar-16	984,680			0.21%			2,107 **
29	FFB - H00135	Aug-15	Mar-16	1,488,590			0.21%			3,186 **
30	FFB - H00140	Dec-15	Mar-16	1,500,000			0.28%			4,155 **
31	CFC - 9011-001	Feb-80	Feb-15	-			6.800%			-
32	CFC - 9014-001	Apr-82	Mar-17	63,759.00			6.800%			4,336
33	CFC - 9015-001	Feb-86	Feb-21	105,322.00			6.800%			7,162
34	CFC - 9016-001	Dec-88	Dec-23	269,463.00			6.800%			18,323
35	CFC - 9017-001	Jan-92	Jan-27	572,215.00			6.800%			38,911
36	CFC - 9018-001	Apr-98	Apr-33	685,520.00			6.800%			46,615
37	CFC - 9018-002	Sep-98	Apr-33	304,676.00			6.800%			20,718
38	CFC - 9018-003	Nov-98	Apr-33	486,952.00			6.800%			33,113
39	CFC - 9019-004	Sep-10	May-14	-			3.100%			-
40	CFC - 9019-005	Sep-10	May-15	-			3.400%			-
41	CFC - 9019-006	Sep-10	May-16	41,958.00			3.700%			1,552
42	CFC - 9019-007	Sep-10	May-17	87,417.00			3.900%			3,409
43	CFC - 9019-008	Sep-10	May-18	42,960.00			4.100%			1,761
44	CFC - 9020-002	Jul-12	May-14	-			2.800%			-
45	CFC - 9020-003	Jul-12	May-15	-			2.900%			-
46	CFC - 9020-004	Jul-12	May-16	101,587.00			3.050%			3,098
47	CFC - 9020-005	Jul-12	May-17	215,713.00			3.300%			7,119
48	CFC - 9020-006	Jul-12	May-18	220,112.00			3.500%			7,704
49	CFC - 9020-007	Jul-12	May-19	228,652.00			3.750%			8,574
50	CFC - 9020-008	Jul-12	May-20	236,677.00			3.900%			9,230
51	CFC - 9020-009	Jul-12	May-21	230,578.00			4.050%			9,338
52	CFC - 9020-010	Jul-12	May-22	195,552.00			4.200%			8,213
53	CFC - 9020-011	Jul-12	May-23	218,285.00			4.300%			9,386
54	CFC - 9020-012	Jul-12	May-24	151,914.00			4.400%			6,684
55	CFC - 9021-001	Mar-13	Nov-16	1,111,353.00			2.250%			25,005
56	REDLG Loan	Jan-15		888,880			0.00%			-
Total Long-Term Debt and Annualized cost										
Annualized Cost Rate [Total Col. (j) / Total Col. (d)]										

\*\* FFB Loans at 90-day variable rates.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2016-00365

Schedule of Outstanding Long-Term Debt

For the Year Ended December 31, 2015

Line No.	Type of debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate <sup>(1)</sup> (e)	Cost Rate at Issue <sup>(2)</sup> (f)	Cost Rate to Maturity <sup>(3)</sup> (g)	Bond Rating at Time of Issue <sup>(4)</sup> (h)	Type of Obligation (i)	Annualized Cost Col. (d) x Col. (g) (j)	Actual Test Year Interest Cost <sup>(5)</sup> (k)
1	RUS - 1B310	Aug-98	Aug-33	1,617,611			5.12%			82,822	84,525
2	RUS - 1B315	Jan-99	Jan-34	863,302			4.50%			38,849	39,665
3	RUS - 1B316	Aug-99	Aug-34	636,321			4.12%			26,216	26,819
4	FFB - H0010	Jan-01	Jan-35	3,567,192			5.49%			195,875	203,973
5	FFB - H0015	Jan-01	Jan-35	351,253			5.62%			19,730	20,530
6	FFB - H0020	Aug-03	Dec-37	4,108,291			4.77%			195,965	204,251
7	FFB - H0025	Nov-03	Dec-37	821,658			4.77%			39,193	40,851
8	FFB - H0030	Feb-04	Dec-37	821,658			4.77%			39,193	40,851
9	FFB - H0035	Dec-04	Dec-37	1,643,316			4.77%			78,386	81,700
10	FFB - H0040	Aug-05	Dec-37	2,449,001			4.35%			106,605	111,482
11	FFB - H0045	Dec-05	Dec-37	829,562			4.67%			38,749	40,416
12	FFB - H0050	Feb-06	Dec-37	828,079			4.59%			37,984	39,645
13	FFB - H0055	Oct-06	Dec-37	843,698			4.90%			41,324	43,032
14	FFB - H0060	Feb-07	Dec-37	847,452			4.93%			41,771	43,487
15	FFB - H0065	Apr-07	Dec-37	1,894,174			4.92%			93,099	96,933
16	FFB - H0070	Jan-09	Dec-40	6,209,305			3.41%			211,489	222,658
17	FFB - H0075	Mar-09	Dec-40	890,775			3.63%			32,335	33,951
18	FFB - H0080	Feb-10	Dec-40	903,673			4.45%			40,204	41,882
19	FFB - H0085	Nov-10	Dec-40	896,417			3.49%			31,294	32,912
20	FFB - H0090	Aug-11	Dec-40	675,932			2.87%			19,386	20,571
21	FFB - H0095	Jan-12	Mar-16	870,270			0.21%			1,862	1,333 **
22	FFB - H00100	Nov-12	Mar-16	893,403			0.21%			1,912	1,369 **
23	FFB - H00105	Jan-13	Mar-16	1,352,057			0.21%			2,893	2,072 **
24	FFB - H00110	Jul-13	Mar-16	2,892,909			0.21%			6,191	4,433 **
25	FFB - H00115	Jul-14	Mar-16	1,260,759			0.21%			2,698	1,922 **
26	FFB - H00120	Sep-14	Mar-16	969,815			0.21%			2,075	1,478 **
27	FFB - H00125	Feb-15	Mar-16	969,784			0.21%			2,075	1,327 **
28	FFB - H00130	May-15	Mar-16	984,680			0.21%			2,107	825 **
29	FFB - H00135	Aug-15	Mar-16	1,488,590			0.21%			3,186	1,270 **
30	FFB - H00140	Dec-15	Mar-16	1,500,000			0.28%			4,155	- **
31	CFC - 9011-001	Feb-80	Feb-15	-			6.800%			-	-
32	CFC - 9014-001	Apr-82	Mar-17	63,759			6.800%			4,336	6,245
33	CFC - 9015-001	Feb-86	Feb-21	105,322			6.800%			7,162	7,751
34	CFC - 9016-001	Dec-88	Dec-23	269,463			6.800%			18,323	19,021
35	CFC - 9017-001	Jan-92	Jan-27	572,215			6.800%			38,911	39,623
36	CFC - 9018-001	Apr-98	Apr-33	685,520			6.800%			46,615	46,634
37	CFC - 9018-002	Sep-98	Apr-33	304,676			6.800%			20,718	20,727
38	CFC - 9018-003	Nov-98	Apr-33	486,952			6.800%			33,113	33,127
39	CFC - 9019-004	Sep-10	May-14	-			3.100%			-	640
40	CFC - 9019-005	Sep-10	May-15	-			3.400%			-	313
41	CFC - 9019-006	Sep-10	May-16	41,958			3.700%			1,552	2,882
42	CFC - 9019-007	Sep-10	May-17	87,417			3.900%			3,409	3,409
43	CFC - 9019-008	Sep-10	May-18	42,960			4.100%			1,761	1,761
44	CFC - 9020-002	Jul-12	May-14	-			2.800%			-	-
45	CFC - 9020-003	Jul-12	May-15	-			2.900%			-	1,189
46	CFC - 9020-004	Jul-12	May-16	101,587			3.050%			3,098	5,762
47	CFC - 9020-005	Jul-12	May-17	215,713			3.300%			7,119	7,118
48	CFC - 9020-006	Jul-12	May-18	220,112			3.500%			7,704	7,705
49	CFC - 9020-007	Jul-12	May-19	228,652			3.750%			8,574	8,574
50	CFC - 9020-008	Jul-12	May-20	236,677			3.900%			9,230	9,231
51	CFC - 9020-009	Jul-12	May-21	230,578			4.050%			9,338	9,339
52	CFC - 9020-010	Jul-12	May-22	195,552			4.200%			8,213	8,213
53	CFC - 9020-011	Jul-12	May-23	218,285			4.300%			9,386	9,386
54	CFC - 9020-012	Jul-12	May-24	151,914			4.400%			6,684	6,684
55	CFC - 9021-001	Mar-13	Nov-16	1,111,353			2.250%			25,005	30,091
56	REDLG Loan	Jan-15		888,880			0.00%			-	-

Total Long-Term Debt and Annualized cost

Annualized Cost Rate [Total Col. (j) / Total Col. (d)]

Actual Test Year Cost Rate [Total Col. (k) / Total Reported in Col. (d)]

\*\* FFB Loans at 90-day variable rates.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2016-00365

Schedule of Outstanding Long-Term Debt

For the Year Ended December 31, 2014

Line No.	Type of debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate <sup>(1)</sup> (e)	Cost Rate at Issue <sup>(2)</sup> (f)	Cost Rate to Maturity <sup>(3)</sup> (g)	Bond Rating at Time of Issue <sup>(4)</sup> (h)	Type of Obligation (i)	Annualized Cost Col. (d) x Col. (g) (j)
1	RUS - 1B310	Aug-98	Aug-33	1,676,262			5.12%			85,825
2	RUS - 1B315	Jan-99	Jan-34	896,785			4.50%			40,355
3	RUS - 1B316	Aug-99	Aug-34	661,883			4.12%			27,270
4	FFB - H0010	Jan-01	Jan-35	3,671,341			5.49%			201,593
5	FFB - H0015	Jan-01	Jan-35	361,362			5.62%			20,298
6	FFB - H0020	Aug-03	Dec-37	4,211,819			4.77%			200,904
7	FFB - H0025	Nov-03	Dec-37	842,364			4.77%			40,181
8	FFB - H0030	Feb-04	Dec-37	842,364			4.77%			40,181
9	FFB - H0035	Dec-04	Dec-37	1,684,728			4.77%			80,362
10	FFB - H0040	Aug-05	Dec-37	2,514,189			4.35%			109,443
11	FFB - H0045	Dec-05	Dec-37	850,742			4.67%			39,738
12	FFB - H0050	Feb-06	Dec-37	849,456			4.59%			38,965
13	FFB - H0055	Oct-06	Dec-37	864,602			4.90%			42,348
14	FFB - H0060	Feb-07	Dec-37	868,363			4.93%			42,802
15	FFB - H0065	Apr-07	Dec-37	1,940,999			4.92%			95,400
16	FFB - H0070	Jan-09	Dec-40	6,364,466			3.41%			216,774
17	FFB - H0075	Mar-09	Dec-40	912,315			3.63%			33,117
18	FFB - H0080	Feb-10	Dec-40	923,016			4.45%			41,065
19	FFB - H0085	Nov-10	Dec-40	918,541			3.49%			32,066
20	FFB - H0090	Aug-11	Dec-40	694,188			2.87%			19,909
21	FFB - H0095	Jan-12	Mar-16	904,971			0.03%			271 **
22	FFB - H00100	Nov-12	Mar-16	929,026			0.03%			279 **
23	FFB - H00105	Jan-13	Mar-16	1,405,968			0.03%			422 **
24	FFB - H00110	Jul-13	Mar-16	3,008,260			0.03%			902 **
25	FFB - H00115	Jul-14	Mar-16	1,300,000			0.03%			390 **
26	FFB - H00120	Sep-14	Mar-16	1,000,000			0.03%			300 **
27	CFC - 9011-001	Feb-80	Feb-15	-			6.800%			-
28	CFC - 9014-001	Apr-82	Mar-17	111,035.00			6.800%			7,550
29	CFC - 9015-001	Feb-86	Feb-21	122,451.00			6.800%			8,327
30	CFC - 9016-001	Dec-88	Dec-23	294,036.00			6.800%			19,994
31	CFC - 9017-001	Jan-92	Jan-27	606,149.00			6.800%			41,218
32	CFC - 9018-001	Apr-98	Apr-33	706,344.00			6.800%			48,031
33	CFC - 9018-002	Sep-98	Apr-33	313,931.00			6.800%			21,347
34	CFC - 9018-003	Nov-98	Apr-33	501,745.00			6.800%			34,119
35	CFC - 9019-004	Sep-10	May-14	-			3.100%			-
36	CFC - 9019-005	Sep-10	May-15	75,286.00			3.400%			2,560
37	CFC - 9019-006	Sep-10	May-16	83,151.00			3.700%			3,077
38	CFC - 9019-007	Sep-10	May-17	87,417.00			3.900%			3,409
39	CFC - 9019-008	Sep-10	May-18	42,960.00			4.100%			1,761
40	CFC - 9020-002	Jul-12	May-14	-			2.800%			-
41	CFC - 9020-003	Jul-12	May-15	110,011.00			2.900%			3,190
42	CFC - 9020-004	Jul-12	May-16	201,643.00			3.050%			6,150
43	CFC - 9020-005	Jul-12	May-17	215,713.00			3.300%			7,119
44	CFC - 9020-006	Jul-12	May-18	220,112.00			3.500%			7,704
45	CFC - 9020-007	Jul-12	May-19	228,652.00			3.750%			8,574
46	CFC - 9020-008	Jul-12	May-20	236,677.00			3.900%			9,230
47	CFC - 9020-009	Jul-12	May-21	230,578.00			4.050%			9,338
48	CFC - 9020-010	Jul-12	May-22	195,552.00			4.200%			8,213
49	CFC - 9020-011	Jul-12	May-23	218,285.00			4.300%			9,386
50	CFC - 9020-012	Jul-12	May-24	151,914.00			4.400%			6,684
51	CFC - 9021-001	Mar-13	Nov-16	1,465,486.00			2.250%			32,973

Total Long-Term Debt and Annualized cost

Annualized Cost Rate [Total Col. (j) / Total Col. (d)]

\*\* FFB Loans at 90-day variable rates.

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2016-00365

Schedule of Outstanding Long-Term Debt

For the Year Ended December 31, 2014

Line No.	Type of debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate <sup>(1)</sup> (e)	Cost Rate at Issue <sup>(2)</sup> (f)	Cost Rate to Maturity <sup>(3)</sup> (g)	Bond Rating at Time of Issue <sup>(4)</sup> (h)	Type of Obligation (i)	Annualized Cost Col. (d) x Col. (g) (j)	Actual Test Year Interest Cost <sup>(5)</sup> (k)
1	RUS - 1B310	Aug-98	Aug-33	1,676,262			5.12%			85,825	87,451
2	RUS - 1B315	Jan-99	Jan-34	896,785			4.50%			40,355	41,134
3	RUS - 1B316	Aug-99	Aug-34	661,883			4.12%			27,270	27,849
4	FFB - H0010	Jan-01	Jan-35	3,671,341			5.49%			201,593	209,627
5	FFB - H0015	Jan-01	Jan-35	361,362			5.62%			20,298	21,091
6	FFB - H0020	Aug-03	Dec-37	4,211,819			4.77%			200,904	209,172
7	FFB - H0025	Nov-03	Dec-37	842,364			4.77%			40,181	41,834
8	FFB - H0030	Feb-04	Dec-37	842,364			4.77%			40,181	41,834
9	FFB - H0035	Dec-04	Dec-37	1,684,728			4.77%			80,362	83,669
10	FFB - H0040	Aug-05	Dec-37	2,514,189			4.35%			109,443	114,323
11	FFB - H0045	Dec-05	Dec-37	850,742			4.67%			39,738	41,404
12	FFB - H0050	Feb-06	Dec-37	849,456			4.59%			38,965	40,625
13	FFB - H0055	Oct-06	Dec-37	864,602			4.90%			42,348	44,050
14	FFB - H0060	Feb-07	Dec-37	868,363			4.93%			42,802	44,512
15	FFB - H0065	Apr-07	Dec-37	1,940,999			4.92%			95,400	99,223
16	FFB - H0070	Jan-09	Dec-40	6,364,466			3.41%			216,774	228,022
17	FFB - H0075	Mar-09	Dec-40	912,315			3.63%			33,117	34,742
18	FFB - H0080	Feb-10	Dec-40	923,016			4.45%			41,065	42,744
19	FFB - H0085	Nov-10	Dec-40	918,541			3.49%			32,066	33,695
20	FFB - H0090	Aug-11	Dec-40	694,188			2.87%			19,909	21,107
21	FFB - H0095	Jan-12	Mar-15	904,971			0.03%			271	1,534 **
22	FFB - H0100	Nov-12	Mar-15	929,026			0.03%			279	1,574 **
23	FFB - H0105	Jan-13	Mar-15	1,405,968			0.03%			422	2,383 **
24	FFB - H0110	Jul-13	Mar-15	3,008,260			0.03%			902	5,098 **
25	FFB - H0115	Jul-14	Mar-15	1,300,000			0.03%			390	1,163 **
26	FFB - H0120	Sep-14	Mar-15	1,000,000			0.03%			300	467 **
27	CFC - 9011-001	Feb-80	Feb-15	-			6.800%			-	2,146
28	CFC - 9014-001	Apr-82	Mar-17	111,035.00			6.800%			7,550	9,271
29	CFC - 9015-001	Feb-86	Feb-21	122,451.00			6.800%			8,327	8,847
30	CFC - 9016-001	Dec-88	Dec-23	294,036.00			6.800%			19,994	20,593
31	CFC - 9017-001	Jan-92	Jan-27	606,149.00			6.800%			41,218	41,795
32	CFC - 9018-001	Apr-98	Apr-33	706,344.00			6.800%			48,031	47,967
33	CFC - 9018-002	Sep-98	Apr-33	313,931.00			6.800%			21,347	21,319
34	CFC - 9018-003	Nov-98	Apr-33	501,745.00			6.800%			34,119	34,073
35	CFC - 9019-004	Sep-10	May-14	-			3.100%			-	969
36	CFC - 9019-005	Sep-10	May-15	75,286.00			3.400%			2,560	4,756
37	CFC - 9019-006	Sep-10	May-16	83,151.00			3.700%			3,077	3,077
38	CFC - 9019-007	Sep-10	May-17	87,417.00			3.900%			3,409	3,409
39	CFC - 9019-008	Sep-10	May-18	42,960.00			4.100%			1,761	1,761
40	CFC - 9020-002	Jul-12	May-14	-			2.800%			-	770
41	CFC - 9020-003	Jul-12	May-15	110,011.00			2.900%			3,190	5,935
42	CFC - 9020-004	Jul-12	May-16	201,643.00			3.050%			6,150	6,150
43	CFC - 9020-005	Jul-12	May-17	215,713.00			3.300%			7,119	7,119
44	CFC - 9020-006	Jul-12	May-18	220,112.00			3.500%			7,704	7,704
45	CFC - 9020-007	Jul-12	May-19	228,652.00			3.750%			8,574	8,574
46	CFC - 9020-008	Jul-12	May-20	236,677.00			3.900%			9,230	9,230
47	CFC - 9020-009	Jul-12	May-21	230,578.00			4.050%			9,338	9,338
48	CFC - 9020-010	Jul-12	May-22	195,552.00			4.200%			8,213	8,213
49	CFC - 9020-011	Jul-12	May-23	218,285.00			4.300%			9,386	9,386
50	CFC - 9020-012	Jul-12	May-24	151,914.00			4.400%			6,684	6,684
51	CFC - 9021-001	Mar-13	Nov-16	1,465,486.00			2.250%			32,973	35,637
Total Long-Term Debt and Annualized cost											
Annualized Cost Rate [Total Col. (j) / Total Col. (d)]											
Actual Test Year Cost Rate [Total Col. (k) / Total Reported in Col. (d)]											

\*\* FFB Loans at 90-day variable rates.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

7. Provide a trial balance as of the last day of the test year showing account number, subaccount number, account title, subaccount title, and amount. The trial balance shall include all asset, liability, capital, income, and expense accounts used by Farmers. All income statement accounts should show activity for 12 months. Show the balance in each control account and all underlying subaccounts per company books.

Response

The trial balance is attached to this response.



ACCOUNT	DESCRIPTION	AMOUNT
107.20	CONSTRUCTION W I P - F/A	662,101.94
107.21	CONST W.I.P.-OVERHEAD	0.00
107.30	CONST W.I.P-SPECIAL EQUIPMENT	0.00
108.60	ACCUM DEPR/DISTRIBUTION PLANT	21,563,201.75-
108.70	GP ACCUM DEPR-BLDG & IMPROVEMENT	831,939.43-
108.71	GP ACCUM DEPR-FURNITURE & EQUIP	591,931.79-
108.72	GP ACCUM DEPR-VEHICLES	2,099,992.98-
108.74	GP ACCUM DEPR-GARAGE EQUIP/TOOLS	59,413.67-
108.75	GP ACCUM DEPR-LABORATORY EQUIP	58,792.03-
108.76	GP ACCUM DEPR-POWER OP EQUIP	106,108.43-
108.77	GP ACCUM DEPR-COMMUNICATIO EQUIP	349,734.42-
108.78	GP ACCUM DEPR-MISC. EQUIP	84,679.41-
108.79	GP ACCUM DEPR-TEMPORARY SERVICES	6,509.10-
108.80	RETIREMENT WORK IN PROGRESS	111,683.97
108.81	RETIREMENT W.I.P.-OVERHEAD	0.00
123.10	PAT CAP FROM ASSOC COOPS-UUS	271,815.34
123.11	PAT CAP FROM ASSOC COOPS-EKPC	24,003,705.67
123.12	PAT CAP FROM ASSOC COOPS-CFC	230,389.09
123.13	PAT CAP FROM ASSOC COOPS-KAEC	65,431.71
123.14	PAT CAP ASSOC COOP-SO EASTN DATA	175,815.76
123.15	INVESTMENT IN SUBSIDIARY-FESC	1,476,326.97
123.16	INVESTMENT IN SUB - ENVISION	21,479.12
123.17	PAT CAP ASSOC COOP-NRTC	18.19
123.21	OTHER INVESTMENTS/ CRC	7,679.10
123.22	INVESTMT'S IN CAP TERM CERT-CFC	828,909.62
123.23	OTHER INVESTM'TS/ASSOC ORGANIZAN	3,120.00
123.25	OTHER INVESTMENTS/FEDERATED INS	215,312.00
124.00	OTHER INVESTMENTS - USDA REDLG	888,880.00
128.00	OTHER SPECIAL FUNDS	453,668.31
131.00	CASH CONSUMER REFUND/EDM STATE B	5,050.53
131.01	CASH CAP CR A/C-EDMONTON STATE	5,154.27
131.03	CASH - FBI MONEY MARKET ACCOUNT	26,889.91
131.04	CASH-HEALTH INS FD/SOUTH CENTRAL	215,519.92
131.05	CASH-MUNF SERV CNTR--FBI BANK	12,633.11
131.07	CASH-GEN FUNDS/EDMONTON STATE BK	116,244.43
131.09	CASH-USDA REDLG LOAN	0.00
131.10	CASH-PAYROLL-B B & T BANK	2,378.72
131.20	CASH CONSTR FUND-TRUSTEE/ESB	0.00
131.40	TRANSFER OF CASH	0.00
135.00	WORKING FUNDS	2,120.00
136.00	TEMPORARY CASH INVESTMENTS	0.00
141.50	NOTES REC/CONSUMER POLE REPLACMT	0.00
142.10	CUSTOMER ACCTS RECEIVABLE/ELEC	1,322,623.40
142.12	CUST ACCTS REC/ASSISTANCE VOUCHR	41,836.15
142.20	CUSTOMER ACCTS REC/UTILITY SERV	238.59
142.30	UNBILLED REVENUE	0.00
142.40	ACCTS REC/HOW\$MART	48,585.74
143.00	OTHER ACCOUNTS RECEIVABLE	245,097.19
143.30	OTHER A/C REC/JOBS/MATL/PROJ/ETC	9,143.58

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Witness: J. Phelps

ACCOUNT	DESCRIPTION	AMOUNT
144.10	ACCUM PROV FOR UNCOLLECTABLE A/C	92,514.16-
144.20	PREPAY DEBT MANAGEMENT	14,490.41
154.00	PLT MATERIALS & OPR SUPPLIES	824,946.73
163.00	STORES EXPENSE - UNDISTRIBUTED	0.00
163.01	MINOR MATERIAL EXPENSED	0.00
163.40	STORES/MATERIAL INVENTORY ADJ'MT	0.00
165.10	PREPAYMENTS - INSURANCE	130,134.69
165.20	OTHER PREPAYMENTS	55,546.92
165.30	GASOLINE PURCHASES	9,564.18
173.00	ACCRUED UTILITY REVENUE	2,409,391.00
184.00	TRANSPORTATION EXPENSE/OVERHEAD	0.00
184.10	TRANSPORTATION EXPENSE/CLEARING	115.52
186.00	MISCELLANEOUS DEFERRED DEBITS	1,559,834.10
186.01	DEFERRED/2011 LONG RANGE PLAN	49,343.84
186.30	CLEARING ACCOUNT/DEPRECIATION	0.00
186.40	GIS-FIELD INVENTORY COST	476,956.05
200.10	MEMBERSHIPS ISSUED	540,380.00-
201.10	PATRONS CAPITAL CREDITS	33,830,312.85-
209.00	ACCUM OTHER COMP INCOME	794,396.00
217.00	RETIRED CAPITAL CREDITS/GAIN	1,803,480.68-
219.10	OPERATING MARGINS	0.00
219.20	NON-OPERATING MARGINS	0.00
219.21	NON-OPERATING MARGINS-FESC	710,449.95-
219.22	NON OPERATING MARGINS-ENVISON	41,497.00-
224.03	LTD-RUS CONSTR NOTES EXECUTED	3,117,234.46-
224.06	ADV PAYM'TS UNAPPLIED-LTD DEBIT	91,751.41
224.07	LONG TERM DEBT OTHER-FFB	41,763,702.97-
224.12	OTHER LONG-TERM DEBT-CFC	5,570,664.78-
224.16	LTD--RUS ECONOMIC DEV NOTES EXEC	888,880.00-
228.30	ACCUMULATED BENEFITS	878,966.64-
232.03	GENERAL FUNDS/ESB BANK	240,681.43-
232.31	ACCOUNTS PAYABLE - OTHER	3,154,808.90-
232.40	ACCTS PAY/HOWSMART	32,124.00-
232.50	ES RECOVERY - LIABILITY	534,151.37-
235.00	CONSUMER DEPOSITS	861,685.78-
236.10	ACCRUED PROPERTY TAXES	0.00
236.20	ACCRUED TAXES/U S SOC SEC/UNEMPL	37.62-
236.30	ACCRUED TAXES - F.I.C.A.	0.00
236.40	ACCRUED TAXES - KY UNEMPLOYMENT	132.77-
236.50	ACCRUED TAXES - KY SALES & USE	28,362.16-
237.10	ACCRUED INT-REA CONSTR OBLIGAT'N	0.00
237.11	ACCRUED INT-FFB	0.00
237.30	OTHER INTEREST ACCRUED - CFC	23,644.01-
237.40	OTHER INTEREST ACCRUED-CONS DEP	164,723.21-
238.10	PATRONAGE CAPITAL PAYABLE	0.00
241.00	INCOME TAX WITHHELD - FEDERAL	0.00
241.20	INCOME TAX WITHHELD - CITY	6,206.69-
241.21	HART COUNTY PAYROLL TAX	682.42-
241.22	CITY OF MUNFORDVILLE PAYROLL TAX	128.86-

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 Witness: J Phelps

ACCOUNT	DESCRIPTION	AMOUNT
241.25	METCALFE COUNTY PAYROLL TAX	586.64-
241.30	UTILITY SCHOOL TAX- ALL COUNTIES	826.62-
241.40	3% UTILITY TAX-GREEN CO SCHOOLS	552.43-
241.50	3% UTIL TAX-METCALFE CO SCHOOLS	14,102.33-
241.60	3% UTIL TAX-EDMONSON CO SCHOOLS	457.41-
241.70	3% UTIL TAX-ADAIR CO SCHOOLS	326.55-
241.80	3% UTIL TAX - BARREN CO SCHOOLS	61,360.30-
241.81	3% UTIL TAX--MONROE CO SCHOOLS	233.19-
241.90	3% UTIL TAX - HART CO SCHOOLS	21,914.22-
242.00	ACCRUED LABOR	120,548.36-
242.30	ACCRUED EMPLOYEES VACATION	272,432.41-
242.40	ACCRUED SICK LEAVE - RETIREMENT	585,422.39-
242.50	OTHER CURRENT/ACCRUED LIAB/401K	0.00
242.60	OTHER CURRENT/ACCR LIA/COLONIAL	168.18-
242.70	CURRENT ACCRUED LIA/EMPL MEDICAL	0.00
242.71	CURRENT ACCRUED LIA/DIR MEDICAL	0.00
242.80	OTHER CURRENT/ACCRUED LIA/CANCER	0.00
252.00	CUSTOMER ADVANCES/CONSTRUCTION	347,450.01-
254.00	OTHER REGULATORY LIABILITIES	453,668.31-
303.00	MISCELLANEOUS INTANGIBLE PLANT	3,624.60
342.00	OPPLT-FUEL HOLDERS, PRODUCERS/ACC	40,845.76
344.00	OTHER PRODUCTION PLT-GENERATORS	1,032,396.51
345.00	OPPLT-ACCESSORY ELECTRIC EQUIP	197,673.30
362.00	DIST PLT-STATION EQUIPMENT	16,234.63
362.01	DIST PLT-SCADA/LOAD MANAGEMENT	41,355.77
364.00	DIST PLT-POLES, TOWERS & FIXTURES	25,005,047.48
365.00	DIST PLT-O/H CONDUCTOR & DEVICES	19,581,961.53
367.00	DIST PLT-U/G CONDUCT. & DEVICES	1,654,668.95
368.00	DIST PLT - LINE TRANSFORMERS	15,187,042.20
369.00	DIST PLT - SERVICES	7,787,963.12
370.00	DIST. PLT. - METERS-TRADITIONAL	118,332.68
370.01	DIST. PLT. -AMR-TWAC-METERS	4,024,563.44
370.02	DIST. PLT-AMR-TWAC-RECEIVER/EQUIP	637,136.57
370.03	DIST. PLT. -AMR-TWAC-TRANSFORMERS	254,924.25
370.04	DIST. PLT. -AMR-TWAC-COMPUTER	38,277.56
370.05	DIST. PLT. -AMR-TWAC-CONTROL LINKS	11,378.86
371.00	DIST PLT-INSTALL/CUST. PREMISE	1,998,521.02
373.00	DIST PLT - ST LIGHT & SIGN. SYS.	2,849.77
373.10	STREET LIGHTING/CITY OF GLASGOW	78,809.30
373.20	STREET LIGHTING/CITY--CAVE CITY	65,761.23
373.30	STREET LIGHTING/METCALFE COUNTY	6,722.49
373.40	STREET LIGHTING/CITY OF MUNF'VLE	4,792.42
373.50	STREET LIGHTING/CITY OF EDMONTON	14,690.83
373.70	STREET LIGHTING/BARREN COUNTY	19,040.70
389.00	GEN PLT-LAND AND LAND RIGHTS	992,774.97
390.00	GEN PLT - STRUCTURES & IMPRVEMTS	2,202,524.66
391.00	GEN PLT-OFFICE FURNITURE & EQUIP	827,358.94
392.00	GEN PLT/TRANSPORTATION EQUIPM'T	3,428,980.52
394.00	GEN PLT/TOOLS, SHOP, GARAGE EQUIP	67,681.54

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 Witness: J. Phelps

ACCOUNT	DESCRIPTION	AMOUNT
395.00	GEN PLT-LABORATORY EQUIPMENT	83,350.92
396.00	GEN PLT-POWER OPERATED EQUIPMENT	131,148.73
397.00	GEN PLT - COMMUNICATIONS EQUIPMT	783,960.15
398.00	GEN PLT - MISCELLANEOUS EQUIPM'T	177,055.52
399.00	GEN PLNT/TEMP SERVICE/CONS PREM	6,509.10
403.60	DEPR EXPENSE/DISTRIBUTION PLANT	2,476,827.51
403.70	DEPR EXPENSE - GENERAL PLANT	267,420.43
408.10	PROPERTY TAXES - EXPENSES	597,804.39
408.12	TAXES-U S UNEMPLOYMENT	0.00
408.13	TAXES-U S SOC SEC - F.I.C.A.	0.00
408.14	TAXES - STATE UNEMPLOYMENT - KY	0.00
408.16	TAXES - PSC ASSESSMENT	64,481.28
418.10	INCOME (LOSS) OF SUBSIDIARY-FESC	14,122.98
418.11	INCOME (LOSS) OF SUBSIDIARY-ENVS	2,015.00-
419.00	INTEREST AND DIVIDEND INCOME	52,038.11-
421.01	GAIN/LOSS ON DISPOSITION OF PROP	14,372.50-
423.00	G & T CAPITAL CREDITS	2,372,445.48-
424.00	OTHER CAP CRS & PATR. CAP. ALLOC	98,868.28-
426.10	DONATIONS	3,114.77
426.20	OPERATION WARM HEARTS	0.00
426.30	LOAD MANAGEMENT CREDIT REFUND	285.00-
427.10	INTEREST/REA CONSTRUCTION LOAN	151,008.79
427.11	INTEREST/FFB	1,335,154.44
427.20	INTEREST ON OTHER LTD - CFC	283,013.19
431.00	INTEREST EXP/CONSUMER DEPOSITS	773.59
431.10	INTEREST EXPENSE - SHORT TERM	10,370.46
440.10	RESIDENTIAL SALES - RURAL	31,985,734.89-
442.10	COMMERCIAL & INDUSTRIAL SALES/SM	8,160,012.97-
442.20	COMMERCIAL & INDUSTRIAL SALES/LG	8,325,372.02-
444.00	PUBLIC STREET & HIGHWAY LIGHTING	67,296.70-
450.00	FORFEITED DISC-OTHER OPERT'G REV	379,722.19-
451.00	MISCELLANEOUS SERVICE REVENUE	23,177.26-
451.10	MISC SERV REV/TRIP CHARGES	59,405.00-
451.20	MISC SERV REV/CHECK CHARGES	8,050.00-
451.30	MISC SERVICE REVENUE-ETS UNITS	0.01-
451.40	MISC SERV REV/RECONNECT REG HRS	31,416.00-
451.50	MISC SERV REV/RECONNECT O.T. HRS	6,160.00-
451.60	MISC SERV REV/METER TEST FEES	520.00-
451.70	MISCL SERV REV/INSULATION PROG	118,691.17-
454.00	RENT FROM ELECTRIC PROPERTY	228,991.80-
456.00	OTHER ELECTRIC REVENUE	65,090.52-
456.03	RENTAL INCOME - FTSK	13,140.00-
555.00	PURCHASED POWER	36,226,665.50
580.00	OPERATIONS, SUPERVISION & ENG	33,761.67
583.00	OVERHEAD LINE EXPENSE	335,645.81
583.10	OVERHEAD LINE EXPENSE - PCB	642.60
586.00	METER EXPENSE	310,686.91
587.00	CONSUMER INSTALLATION EXPENSE	2,218.16
587.40	MISCL EXP/TEMP SERV RNTL REPAIRS	376.34

Response 7  
 Page 5 of 6  
 Witness: J Phelps

ACCOUNT	DESCRIPTION	AMOUNT
588.00	MISCELLANEOUS DISTRIBUTION EXP	1,057,193.85
593.00	MAINTENANCE OF OVERHEAD LINES	1,415,946.71
593.01	MAINTENANCE OF LINE/EMERG REPAIR	179,426.85
593.10	MAINTENANCE OF RIGHT OF WAY	41,701.75
593.17	R/W MAJOR EQUIPMENT	0.00
593.21	CONTRACTORS ROW-TRIMMING	931,254.61
593.28	CONTACTORS ROW-CHEMICAL	77,165.00
593.40	MAINTENANCE OF LINE INSPECTION	233,253.79
595.00	MAINTENANCE OF LINE TRANSFORMERS	64,291.95
598.00	MAINTENANCE OF MISC DISTR PLANT	26,575.67
902.00	METER READING EXPENSE	24,556.52
903.00	CUST RECORDS & COLLECTION EXPENS	1,069,293.97
904.00	UNCOLLECTIBLE ACCOUNTS	14,523.16
904.10	UNCOLLECTIBLE/OTHER A/R	58.84
908.00	CUSTOMER ASSISTANCE EXPENSE	5,178.93
908.30	ETS EXPENSE	8,459.60
908.60	ENRGY CONSERVATION/EXP BUTTON UP	108,347.93
920.00	ADMINISTRATIVE & GEN'L SALARIES	971,013.45
921.00	OFFICE SUPPLIES AND EXPENSE	250,206.18
923.00	OUTSIDE SERVICES EMPLOYED	103,960.39
924.00	PROPERTY INSURANCE	20,541.97
925.00	INJURIES AND DAMAGES	91,745.10
926.00	EMPL TRAINING/EDUCATIONAL PROG	84,030.51
926.10	EMPLOYEE BENEFITS	0.00
930.10	GENERAL ADVERTISING EXPENSES	133,185.73
930.20	MISCELLANEOUS GENERAL EXPENSE	80,342.65
930.21	ANNUAL MEETING EXPENSE	31,961.98
930.23	PUBLIC RELATIONS & IMAGE	180,609.64
930.30	DIRECTOR'S FEES AND EXPENSES	114,039.50
932.00	MAINTENANCE OF GENERAL PLANT	85,489.40
	ACCOUNTS 000.00 TO 399.99	2,494,478.13
	ACCOUNTS 400.00 TO 999.99	2,494,478.13-

Response 7  
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Witness: J Phelps

Witnesses: Jennie Phelps and William T. Prather

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

8. Provide the following:
- a. Provide a schedule as shown in Format 8, comparing the balances for each balance sheet account or subaccount included in Farmers' chart of accounts for each month of the test year, to the same month of the 12-month period immediately preceding the test year.
  - b. Provide a schedule as shown in Format 8, comparing the balances for each income statement account or subaccount included in Farmers' chart of accounts for each month of the test year, to the same month of the 12-month period immediately preceding the test year. The amounts should reflect the income or expense activity for each month, rather than the cumulative balances as of the particular month.
  - c. A listing, with descriptions, of all activities initiatives, or programs undertaken or continued by Farmers since its last general rate case for the purpose of minimizing cost or improving the efficiency of its operations or maintenance activities.

Response

- A. The information is attached as pages 2 – 14 to this response.
- B. The information is attached as pages 15 – 21 to this response.
- C. The listing is attached as pages 22 – 23 to this response.

Farmers Rural Electric Cooperative  
 Comparison of Test Year Account Balance with  
 those of the Preceding Year - Balance Sheet

Case No. 2016-00365

Response 8.A.  
 Page 2 of 23  
 Witness: Jennie Phelps

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
303.00	Misc. Intangible Plant	4	4	4	4	4	4	4	4	4	4	4	4
	Prior Year	4	4	4	4	4	4	4	4	4	4	4	4
	Change	0	0	0	0	0	0	0	0	0	0	0	0
342.00	Fuel Production	41	41	41	41	41	41	41	41	41	41	41	41
	Prior Year	41	41	41	41	41	41	41	41	41	41	41	41
	Change	0	0	0	0	0	0	0	0	0	0	0	0
344.00	Other Production - Generators	877	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
	Prior Year	862	862	902	902	903	947	947	947	947	947	947	877
	Change	15	170	130	130	129	85	85	85	85	85	85	155
345.00	Other Production - Accessory	198	198	198	198	198	198	198	198	198	198	198	198
	Prior Year	198	198	198	198	198	198	198	198	198	198	198	198
	Change	0	0	0	0	0	0	0	0	0	0	0	0
362.00	Station Equipment	57	58	58	58	58	58	58	58	58	58	58	58
	Prior Year	57	58	58	58	58	58	58	58	58	58	58	58
	Change	0	0	0	0	0	0	0	0	0	0	0	0
364.00	Poles, Towers & Fixtures	24,001	24,124	24,194	24,283	24,348	24,400	24,537	24,603	24,746	24,856	24,964	25,005
	Prior Year	22,932	22,995	23,065	23,125	23,182	23,300	23,381	23,619	23,749	23,813	23,868	23,954
	Change	1,069	1,129	1,129	1,158	1,166	1,100	1,156	984	997	1,043	1,096	1,051
365.00	Overhead Conduct & Devices	18,455	18,663	18,760	18,865	18,938	18,996	19,132	19,199	19,360	19,454	19,541	19,582
	Prior Year	17,252	17,329	17,401	17,450	17,515	17,609	17,708	18,009	18,154	18,246	18,290	18,406
	Change	1,203	1,334	1,359	1,415	1,423	1,387	1,424	1,190	1,206	1,208	1,251	1,176
367.00	Underground Conduct & Devices	1,585	1,610	1,620	1,620	1,626	1,632	1,634	1,635	1,636	1,645	1,651	1,655
	Prior Year	1,469	1,473	1,474	1,483	1,487	1,490	1,532	1,536	1,576	1,578	1,578	1,582
	Change	116	137	146	137	139	142	102	99	60	67	73	73
368.00	Line Transformers	14,415	14,564	14,563	14,715	14,791	14,838	14,971	15,030	15,084	15,107	15,150	15,187
	Prior Year	13,366	13,538	13,625	13,944	13,916	13,964	13,812	13,919	14,085	14,115	14,196	14,347
	Change	1,049	1,026	938	771	875	874	1,159	1,111	999	992	954	840
369.00	Services	7,595	7,608	7,621	7,641	7,663	7,676	7,691	7,710	7,728	7,755	7,768	7,788
	Prior Year	7,409	7,429	7,445	7,453	7,470	7,487	7,505	7,517	7,536	7,555	7,560	7,590
	Change	186	179	176	188	193	189	186	193	192	200	208	198
370.00	Meters, Traditional	132	128	118	118	118	118	118	118	118	118	118	118
	Prior Year	169	169	155	146	146	146	146	148	148	148	134	132

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
	Change	-37	-41	-37	-28	-28	-28	-28	-30	-30	-16	-16	-14
370.01	Meters, TWACs	3,919	3,917	3,927	3,944	3,954	3,973	4,001	4,002	4,030	4,021	4,025	4,025
	Prior Year	3,712	3,754	3,782	3,810	3,813	3,813	3,816	3,845	3,878	3,879	3,879	3,910
	Change	207	163	145	134	141	160	185	157	152	142	146	115
370.02	Meters, Receiver Equip	639	640	646	646	653	653	653	661	661	630	637	637
	Prior Year	592	592	592	592	592	592	593	593	640	640	640	640
	Change	47	48	54	54	61	61	60	68	21	-10	-3	-3
370.03	Meters, Transformers	255	255	255	255	255	255	255	255	255	255	255	255
	Prior Year	236	236	236	236	236	236	236	236	255	255	255	255
	Change	19	19	19	19	19	19	19	19	0	0	0	0
370.04	Meters, Computer	38	38	38	38	38	38	38	38	38	38	38	38
	Prior Year	38	38	38	38	38	38	38	38	38	38	38	38
	Change	0	0	0	0	0	0	0	0	0	0	0	0
370.05	Meters, Control Link	11	11	11	11	11	11	11	11	11	11	11	11
	Prior Year	11	11	11	11	11	11	11	11	11	11	11	11
	Change	0	0	0	0	0	0	0	0	0	0	0	0
371.00	Security Lights	1,949	1,953	1,956	1,965	1,965	1,967	1,971	1,972	1,978	1,985	1,987	1,998
	Prior Year	1,913	1,916	1,919	1,922	1,924	1,927	1,930	1,933	1,934	1,936	1,939	1,946
	Change	36	37	37	43	41	40	41	39	44	49	48	52
373.00	Street Lights	202	201	192	192	192	192	192	192	193	193	193	193
	Prior Year	198	198	200	200	200	200	201	201	201	201	201	201
	Change	4	3	-8	-8	-8	-8	-9	-9	-8	-8	-8	-8
389.00	Land	988	988	988	993	993	993	993	993	993	993	993	993
	Prior Year	1,065	1,073	1,073	1,073	988	988	988	988	988	988	988	988
	Change	-77	-85	-85	-80	5	5	5	5	5	5	5	5
390.00	Structures & Improvements	2,151	2,155	2,186	2,192	2,192	2,192	2,202	2,202	2,202	2,202	2,202	2,202
	Prior Year	1,880	1,924	1,932	1,948	2,092	2,140	2,140	2,140	2,140	2,140	2,151	2,151
	Change	271	231	254	244	100	52	62	62	62	62	51	51
391.00	Office Furniture	896	900	910	795	801	802	822	822	827	827	827	827
	Prior Year	854	862	862	825	825	827	827	831	875	878	898	891
	Change	42	38	48	-30	-24	-25	-5	-9	-48	-51	-71	-64
392.00	Transportation	3,158	3,158	3,158	3,399	3,399	3,434	3,478	3,481	3,425	3,428	3,429	3,429



Acct #	Description	January	February	March	April	May	June	July	August	September	October	November	December
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
	Prior Year	2,904	2,904	2,904	3,167	3,167	3,193	3,209	3,209	3,149	3,152	3,157	3,158
	Change	254	254	254	232	232	241	269	272	276	276	272	271
394.00	Tools, Shop & Garage	68	68	68	68	68	68	68	68	68	68	68	68
	Prior Year	81	81	81	69	69	69	69	69	68	68	68	68
	Change	-13	-13	-13	-1	-1	-1	-1	-1	0	0	0	0
395.00	Laboratory	83	83	83	83	83	83	83	83	83	83	83	83
	Prior Year	129	129	129	100	107	107	107	107	107	107	107	83
	Change	-46	-46	-46	-17	-24	-24	-24	-24	-24	-24	-24	0
396.00	Power Operated	131	131	131	131	131	131	131	131	131	131	131	131
	Prior Year	112	112	112	131	131	131	131	131	131	131	131	131
	Change	19	19	19	0	0	0	0	0	0	0	0	0
397.00	Communications	804	804	804	804	804	804	804	804	804	804	804	804
	Prior Year	847	848	848	848	848	850	850	850	850	850	850	793
	Change	-43	-44	-44	-44	-44	-66	-66	-66	-66	-66	-66	-9
398.00	Miscellaneous	168	168	172	172	172	172	172	172	172	177	177	177
	Prior Year	164	164	159	159	159	159	160	160	160	161	161	164
	Change	4	4	13	13	13	13	12	12	12	16	16	13
399.00	Temp Service	7	7	7	7	7	7	7	7	7	7	7	7
	Prior Year	39	39	39	39	39	39	39	39	39	39	39	39
	Change	-32	-32	-32	-32	0	0	0	0	0	0	0	0
***	Total Electric Plant in Service	82,827	83,507	83,741	84,270	84,535	84,748	85,277	85,502	85,863	86,101	86,372	86,526
	Prior Year	78,534	78,977	79,285	79,972	80,127	80,532	80,645	81,345	81,928	82,191	82,355	82,624
	Change	4,293	4,530	4,456	4,298	4,408	4,216	4,632	4,157	3,935	3,910	4,017	3,902
*** 107.2	Construction WIP	740	630	552	350	343	417	386	536	534	488	554	662
	Prior Year	751	757	890	929	1,034	1,157	1,194	871	710	751	884	887
	Change	-11	-127	-338	-579	-691	-740	-808	-335	-176	-263	-330	-225
108.60	Accum Dep - Distribution	20,886	20,908	20,953	21,044	21,147	21,221	21,276	21,381	21,325	21,285	21,399	21,563
	Prior Year	20,248	20,341	20,409	20,493	20,546	20,646	20,675	20,577	20,634	20,713	20,830	20,842
	Change	638	567	544	551	601	575	601	804	691	572	569	721
108.70	Accum Dep - Bldg	788	792	796	800	804	808	812	816	820	824	828	832
	Prior Year	738	741	745	748	757	760	764	768	772	776	780	784

Acct #	Description	January	February	March	April	May	June	July	August	September	October	November	December
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
	Change	50	51	51	52	47	48	48	48	48	48	48	48
108.71	Accum Dep - Furn & Equip	597	607	617	512	522	532	542	552	562	572	583	592
	Prior Year	596	604	611	577	585	595	604	612	621	630	639	586
	Change	1	3	6	-65	-63	-63	-62	-60	-59	-58	-56	6
108.72	Accum Dep - Vehicles	1,884	1,910	1,936	1,963	1,988	2,014	2,040	2,067	2,027	2,051	2,075	2,100
	Prior Year	1,638	1,662	1,686	1,712	1,737	1,763	1,789	1,815	1,781	1,807	1,832	1,857
	Change	246	248	250	251	251	251	251	252	246	244	243	243
108.74	Accum Dep - Tools	51	52	53	54	54	55	56	57	57	58	59	59
	Prior Year	55	56	57	46	47	47	48	49	48	49	50	51
	Change	-4	-4	-4	8	7	8	8	8	9	9	9	8
108.75	Accum Dep - Lab Equipment	56	56	56	57	57	57	57	58	58	58	59	59
	Prior Year	103	103	103	76	77	77	77	77	77	77	78	78
	Change	-47	-47	-47	-19	-20	-20	-20	-19	-19	-19	-19	-19
108.76	Accum Dep - Power Op Equip	98	99	100	100	101	102	102	103	104	105	105	106
	Prior Year	88	88	89	90	91	92	92	94	94	95	96	97
	Change	10	11	11	10	10	10	10	9	10	10	9	9
108.77	Accum Dep - Communications	308	314	319	325	330	316	322	327	333	339	344	350
	Prior Year	298	304	309	315	320	326	331	337	342	348	353	302
	Change	10	10	10	10	10	-10	-9	-10	-9	-9	-9	48
108.78	Accum Dep - Misc. Equip.	76	77	78	78	79	80	81	81	82	83	83	85
	Prior Year	70	72	68	69	71	72	72	72	73	74	75	75
	Change	6	5	10	9	8	8	9	9	9	9	8	10
108.79	Accum Dep - Temp Services	7	7	7	7	7	7	7	7	7	7	7	7
	Prior Year	39	39	39	39	39	39	39	39	39	39	39	39
	Change	-32	-32	-32	-32	0	0	0	0	0	0	0	0
108.80	Retirement WIP	126	120	104	76	79	88	95	97	97	81	84	112
	Prior Year	199	179	202	205	215	207	212	154	153	150	172	179
	Change	-73	-59	-98	-129	-136	-119	-117	-57	-56	-69	-88	-67
***	Total Reserve for Depreciation	24,625	24,702	24,811	24,864	25,010	25,104	25,200	25,352	25,278	25,301	25,458	25,641
	Prior Year	23,674	23,831	23,914	23,960	24,023	24,178	24,247	24,254	24,296	24,426	24,568	24,477
	Change	951	871	897	904	987	926	953	1,098	982	875	890	1,164



Acct #	Description	January	February	March	April	May	June	July	August	September	October	November	December
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
124.00	Other Invest - USDA REDLG	991	981	972	963	954	944	935	926	917	908	898	889
	Prior Year	0	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Change	991	981	972	963	-46	-56	-65	-74	-83	-92	-102	-111
128.00	Other Special Funds	0	0	0	0	0	0	0	0	0	0	0	454
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	454
***	Total Investments	25,861	25,849	25,893	25,884	25,875	25,865	25,856	25,847	25,857	25,848	25,838	28,643
	Prior Year	22,087	22,093	22,139	22,139	23,139	23,139	23,139	23,139	23,164	23,164	23,164	25,868
	Change	3,774	3,756	3,754	3,745	2,736	2,726	2,717	2,708	2,693	2,684	2,674	2,775
131.00	Cash - Consumer Refunds	5	5	4	4	4	6	5	4	5	5	5	5
	Prior Year	4	4	4	5	7	7	6	5	5	5	4	5
	Change	1	1	0	-1	-3	-1	-1	-1	0	0	1	0
131.01	Cash - Capital Credits	79	79	79	27	5	6	8	7	6	6	5	5
	Prior Year	28	28	561	111	89	84	82	80	80	79	79	79
	Change	51	51	-482	-84	-84	-78	-74	-73	-74	-73	-74	-74
131.03	Cash - Money Market	5	13	65	71	48	37	5	166	48	250	12	27
	Prior Year	0	0	0	0	5	5	95	7	235	209	44	22
	Change	5	13	65	71	43	32	-90	159	-187	41	-32	5
131.04	Cash - Health Funds	260	222	184	106	112	94	78	79	41	112	126	216
	Prior Year	141	108	107	117	104	101	136	156	146	128	129	215
	Change	119	114	77	-11	8	-7	-58	-77	-105	-16	-3	1
131.05	Cash - Gen Funds Branch	30	21	52	6	8	22	13	17	9	11	22	13
	Prior Year	47	52	99	94	56	56	16	18	41	12	9	11
	Change	-17	-31	-47	-88	-48	-34	-3	-1	-32	-1	13	2
131.07	Cash - General Funds	749	722	1,226	765	561	1,050	382	825	423	222	304	116
	Prior Year	1,377	1,541	1,921	1,737	1,058	495	1,529	1,035	1,198	1,229	528	193
	Change	-628	-819	-695	-972	-497	555	-1,147	-210	-775	-1,007	-224	-77
131.09	Cash - UDSA REDLG Loan	0	0	0	0	0	0	0	0	0	0	0	0
	Prior Year	0	0	0	1,000	0	0	0	0	0	0	0	0
	Change	0	0	0	-1,000	0	0	0	0	0	0	0	0
131.10	Cash - Payroll	2	2	2	142	4	4	3	3	3	3	3	2

Farmers Rural Electric Cooperative  
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Acct #	Description	January	February	March	April	May	June	July	August	September	October	November	December
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
	Prior Year	3	3	2	2	2	2	2	2	2	2	2	2
	Change	-1	-1	0	140	2	2	1	1	1	1	1	0
135.00	Working Funds												
	Prior Year	2	2	2	2	2	2	2	2	2	2	2	2
	Change	0	0	0	0	0	0	0	0	0	0	0	0
****	Total Cash	1,132	1,066	1,614	1,123	744	1,221	496	1,103	537	611	479	386
	Prior Year	1,602	1,738	2,696	3,068	1,323	752	1,868	1,305	1,709	1,666	797	529
	Change	-470	-672	-1,082	-1,945	-579	469	-1,372	-202	-1,172	-1,055	-318	-143
*** 136.10	Temporary Investments												
	Prior Year	0	30	0	0	6	6	228	21	33	33	12	0
	Change	571	280	0	0	33	33	33	0	15	15	124	0
	Change	-571	-250	0	0	-27	-27	195	21	18	18	-112	0
142.10	Accounts Receivable												
	Prior Year	2,549	2,912	2,180	1,537	1,597	1,447	1,688	1,861	1,760	1,472	1,348	1,323
	Change	3,017	3,301	2,449	1,886	1,637	1,800	2,048	2,031	1,877	1,166	2,005	2,124
	Change	-468	-389	-269	-349	-40	-353	-360	-170	-117	306	-657	-801
142.12	Cust AR - Assistance Voucher												
	Prior Year	116	151	54	4	1	1	0	5	7	2	22	42
	Change	158	195	94	5	2	1	2	4	0	1	48	42
	Change	-42	-44	-40	-1	-1	0	-2	1	7	1	-26	0
142.30	Unbilled Revenue												
	Prior Year	2,923	3,105	2,316	1,993	2,163	2,731	2,906	2,531	2,217	2,096	2,288	0
	Change	3,634	2,616	2,262	1,998	2,262	2,776	2,686	2,820	2,221	2,433	2,794	2,880
	Change	-711	489	54	-5	-99	-45	220	-289	-4	-337	-505	-2,880
142.40	Acct Rec - HowSmart												
	Prior Year	0	0	0	4	4	4	8	15	7	7	45	49
	Change	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	4	4	4	8	15	7	7	45	49
143.00	Other Accounts Receivable												
	Prior Year	99	121	97	108	121	137	170	189	264	252	225	254
	Change	89	198	92	104	116	161	154	183	202	237	261	287
	Change	10	-77	5	-1	5	-24	16	6	62	15	-36	-33
144.10	Accum Prov for Uncollectible												
	Prior Year	-93	-96	-119	-122	-119	-113	-100	-98	-100	-98	-96	-93
	Change	-96	-109	-131	-135	-133	-112	-102	-94	-94	-96	-97	-92
	Change	3	13	12	13	14	-1	2	-4	-6	-2	1	-1
144.20	Prepay Debt Management												
	Prior Year	9	10	12	14	13	16	15	15	17	17	15	14
	Change	3	5	8	12	12	13	11	13	11	10	9	8

Acct #	Description	January	February	March	April	May	June	July	August	September	October	November	December
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
***	Total Receivables	5,603	6,203	4,540	3,533	3,780	4,223	4,687	4,518	4,172	3,748	3,847	1,589
	Prior Year	6,805	6,206	4,774	3,870	3,896	4,639	4,799	4,957	4,217	3,751	5,020	5,249
	Change	-1,202	-3	-234	-337	-116	-416	-112	-439	-45	-3	-1,173	-3,660
*** 154.00	Total Materials & Supplies	750	741	758	805	818	822	763	721	794	824	743	825
	Prior Year	692	710	669	669	691	605	755	768	780	783	713	771
	Change	58	31	89	136	127	217	8	-47	14	41	30	54
163.40	Mat Inventory Adjust	0	0	0	0	0	0	-3	0	0	0	0	0
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	-3	0	0	0	0	0
165.10	Prepaid Insurance	196	176	167	146	122	101	79	58	37	12	151	130
	Prior Year	180	160	144	124	102	83	63	43	23	1	154	134
	Change	16	16	23	22	20	18	16	15	14	11	-3	-4
165.20	Other Prepayments	128	139	148	160	170	245	255	265	205	146	115	56
	Prior Year	122	134	142	155	167	244	256	265	205	146	114	55
	Change	6	5	6	5	3	1	-1	0	0	0	1	1
165.30	Gasoline Purchases	8	15	4	13	13	12	9	6	13	14	14	10
	Prior Year	16	15	11	21	18	10	16	12	21	16	18	12
	Change	-8	0	-7	-8	-5	2	-7	-6	-8	-2	-4	-2
***	Total Prepayments	332	330	319	319	305	358	340	329	255	172	280	196
	Prior Year	318	309	297	300	287	337	335	320	249	163	286	201
	Change	14	21	22	19	18	21	5	9	6	9	-6	-5
*** 173.00	Accrued Utility Revenue	0	0	0	0	0	0	0	0	0	0	0	2,409
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	2,409
184.10	Transportation Clearing	5	8	20	3	-8	-23	-18	-10	-2	12	10	0
	Prior Year	8	-20	5	2	-8	-12	-19	-7	-12	-1	21	8
	Change	-3	28	15	1	0	-11	1	-3	10	13	-11	-8
186.00	Deferred Debits	1,708	1,714	1,701	1,689	1,669	1,661	1,658	1,674	1,655	1,637	1,623	1,609

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Acct #	Description	January	February	March	April	May	June	July	August	September	October	November	December
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
186.40	Prior Year	1,852	1,859	1,843	1,837	1,817	1,795	1,793	1,801	1,780	1,780	1,741	1,720
	Change	-144	-145	-142	-148	-148	-134	-135	-127	-125	-124	-118	-111
	Prior Year	508	506	503	500	497	494	491	488	486	483	480	477
	Change	543	540	537	534	531	528	525	523	520	516	514	511
	Change	-35	-34	-34	-34	-34	-34	-34	-35	-34	-33	-34	-34
****	Deferred Debits	2,221	2,228	2,224	2,192	2,158	2,132	2,131	2,152	2,139	2,132	2,113	2,086
	Prior Year	2,403	2,379	2,385	2,373	2,340	2,311	2,299	2,317	2,288	2,276	2,276	2,239
	Change	-182	-151	-161	-181	-182	-179	-168	-165	-149	-144	-163	-153
*****	Total Assets and Debts	94,841	95,882	94,830	93,612	93,554	94,688	94,964	95,377	94,906	94,656	94,780	97,681
	Prior Year	90,089	89,618	89,221	89,360	88,847	89,327	90,820	90,768	90,764	90,334	91,051	93,891
	Change	4,752	6,264	5,609	4,252	4,707	5,361	4,144	4,609	4,142	4,322	3,729	3,790
200.10	Memberships Issued	537	537	537	537	538	538	538	539	539	540	540	540
	Prior Year	535	535	535	535	535	535	536	536	537	537	537	536
	Change	2	2	2	2	3	3	2	3	2	3	3	4
201.10	Patrons Capital Credits	35,524	35,524	34,908	34,908	34,908	34,908	34,908	34,908	34,908	34,908	34,908	33,830
	Prior Year	32,072	32,072	31,441	31,441	31,441	31,441	31,441	31,441	31,441	31,441	31,441	31,441
	Change	3,452	3,452	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	2,389
219.10	Operating Margins	-171	208	215	223	309	46	-234	-115	-159	-267	-452	-31
	Prior Year	697	1,195	1,189	1,087	905	1,074	1,000	1,102	1,027	1,149	1,238	851
	Change	-868	-987	-974	-864	-596	-1,028	-1,234	-1,217	-1,186	-1,416	-1,690	-882
219.20	Non-Operating Margins	147	151	219	238	240	240	241	243	291	310	314	3,278
	Prior Year	630	648	710	727	731	732	732	733	782	801	806	2,907
	Change	-483	-497	-491	-489	-491	-492	-491	-490	-491	-491	-492	371
209.00	Accum Other Comp Income	-453	-451	-449	-447	-446	-444	-442	-440	-438	-437	-434	-794
	Prior Year	-419	-17	-415	-413	-412	-410	-408	-406	-406	-403	-401	-455
	Change	-34	-434	-34	-34	-34	-34	-34	-34	-34	-34	-33	-339
217.00	Retired Gain	1,680	1,680	1,775	1,775	1,775	1,774	1,774	1,774	1,774	1,783	1,803	1,803
	Prior Year	1,558	1,157	1,616	1,616	1,615	1,614	1,614	1,614	1,614	1,651	1,680	1,680
	Change	122	523	159	159	160	160	160	160	160	132	123	123
*****	Total Margins & Equities	37,264	37,649	37,205	37,234	37,324	37,062	36,785	36,909	36,915	36,837	36,679	38,626
	Prior Year	35,073	35,590	35,076	34,993	34,815	34,986	34,915	35,020	34,995	35,176	35,301	36,960
	Change	2,191	2,059	2,129	2,241	2,509	2,076	1,870	1,889	1,920	1,661	1,378	1,666

Farmers Rural Electric Cooperative  
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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
224.03	RUS Notes Executed	3,225	3,215	3,206	3,196	3,186	3,176	3,167	3,157	3,147	3,137	3,127	3,117
	Prior Year	3,338	3,328	3,319	3,310	3,301	3,291	3,282	3,273	3,263	3,254	3,244	3,235
	Change	-113	-113	-113	-114	-115	-115	-115	-116	-116	-117	-117	-118
224.06	RUS - Adv. Payments Unapplied	-104	-405	-57	-34	-14	-150	-128	-458	-150	-128	-109	-92
	Prior Year	-582	-570	-122	-99	-81	-58	-136	-440	-91	-319	-301	-127
	Change	478	165	65	65	67	-92	8	-18	-59	191	192	35
224.07	FB Notes Executed	37,863	38,863	38,584	38,594	38,594	39,326	39,326	40,826	40,542	40,552	40,552	41,764
	Prior Year	36,504	36,504	36,267	36,267	36,267	36,032	37,332	37,332	38,099	38,099	38,099	37,863
	Change	1,359	2,359	2,317	2,327	2,327	3,294	1,994	3,494	2,443	2,453	2,453	3,901
224.12	CFC Notes Executed	6,419	6,198	6,198	6,198	5,975	5,975	5,975	5,774	5,774	5,774	5,571	5,571
	Prior Year	7,211	7,001	7,001	7,001	6,789	6,789	6,789	6,564	6,564	6,564	6,419	6,419
	Change	-792	-803	-803	-803	-814	-814	-814	-790	-790	-790	-848	-848
224.16	RUS Eco Dev Notes Executed	991	981	972	963	954	944	935	926	917	907	898	889
	Prior Year	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Change	991	981	972	-37	-46	-56	-65	-74	-83	-93	-102	-111
***	Total Long Term Debt	48,394	48,852	48,903	48,917	48,695	49,271	49,275	50,225	50,230	50,242	50,039	51,249
	Prior Year	46,471	46,263	46,465	47,479	47,276	47,054	48,267	47,729	48,835	48,598	48,461	48,390
	Change	1,923	2,589	2,438	1,438	1,419	2,217	1,008	2,496	1,395	1,644	1,578	2,859
*** 228.30	Accumulated Benefits	530	528	527	526	525	524	523	521	520	519	518	879
	Prior Year	498	495	494	492	491	489	488	486	484	481	479	532
	Change	32	33	33	34	34	35	35	35	36	38	39	347
232.03	Accounts Payable	367	226	284	427	230	329	547	400	393	307	370	241
	Prior Year	339	399	372	520	214	261	288	362	315	304	116	324
	Change	28	-173	-88	-93	16	68	259	38	78	3	254	-83
232.31	Accounts Payable - Other	4,385	4,607	3,548	2,403	2,715	3,554	3,666	3,216	2,882	2,857	3,361	3,154
	Prior Year	4,845	3,880	3,473	2,809	2,986	3,591	3,698	4,080	3,187	2,839	3,818	4,022
	Change	-460	727	75	-406	-271	-27	-32	-864	-305	18	-457	-868
232.40	Accounts Payable - HowSmart	0	0	0	4	4	4	4	7	7	10	10	32
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	4	4	4	4	7	7	10	10	32



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Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
232.50	ES Recovery - Liability	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	534
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	1,078
	Change	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	-544
***	Total Payables	5,830	5,911	4,910	3,912	4,027	4,975	5,295	4,701	4,360	4,252	4,819	3,961
	Prior Year	5,184	4,279	3,845	3,329	3,200	3,852	3,986	4,442	3,502	3,143	3,934	5,424
	Change	646	1,632	1,065	583	827	1,123	1,309	259	858	1,109	885	-1,463
*** 235.00	Consumer Deposits	898	899	892	882	881	878	877	874	867	865	864	862
	Prior Year	923	922	916	910	913	915	912	903	903	898	896	900
	Change	-25	-23	-24	-28	-32	-37	-35	-29	-36	-33	-32	-38
236.10	Accrued Property Taxes	47	94	142	189	237	284	332	181	225	194	63	0
	Prior Year	49	93	138	183	227	272	317	175	220	257	135	0
	Change	-2	1	4	6	10	12	15	6	5	-63	-72	0
236.20	Accrued Taxes - FUTA	2	2	3	0	0	0	0	0	0	0	0	0
	Prior Year	-3	-2	-2	-3	-3	-3	-7	-7	-7	-13	-13	0
	Change	5	4	5	3	3	3	7	7	7	13	13	0
236.30	Accrued Taxes - FICA	0	0	0	0	0	0	0	0	0	0	0	0
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	0
236.40	Accrued Taxes - SUTA	3	6	7	0	1	1	0	0	0	0	0	0
	Prior Year	2	5	6	0	0	0	0	0	0	0	0	0
	Change	1	1	1	0	1	1	0	0	0	0	0	0
236.50	Accrued Taxes - Sales Tax	30	32	24	30	29	32	36	42	35	29	31	28
	Prior Year	30	37	24	30	32	38	40	39	38	30	33	29
	Change	0	-5	0	0	-3	-6	-4	3	-3	-1	-2	-1
237.10	Accrued Interest - FFB	113	226	0	109	222	0	111	221	0	110	217	0
	Prior Year	115	221	0	112	228	0	115	231	0	116	228	0
	Change	-2	5	0	-3	-6	0	-4	-10	0	-6	-11	0
237.30	Other Interest - CFC	52	0	25	50	0	24	49	0	23	47	0	24
	Prior Year	57	2	30	57	0	27	54	0	26	53	0	26
	Change	-5	-2	-5	-7	0	-3	-5	0	-3	-6	0	-2
237.40	Other Interest - Con Deposit	179	178	177	172	170	170	169	168	167	166	165	165

Acct #	Description	January	February	March	April	May	June	July	August	September	October	November	December
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
	Prior Year	192	191	190	189	188	187	186	185	183	182	181	180
	Change	-13	-13	-13	-17	-18	-17	-17	-17	-16	-16	-16	-15
238.10	Pat Cap Payable	0	0	502	80	44	35	33	31	31	21	0	0
	Prior Year	0	0	546	96	76	71	69	68	67	30	0	0
	Change	0	0	-44	-16	-32	-36	-36	-37	-36	-9	0	0
241.00	Payroll Taxes Withheld	2	4	7	2	6	8	2	4	6	3	6	8
	Prior Year	2	4	6	2	5	7	2	4	6	3	5	7
	Change	0	0	1	0	1	1	0	0	0	0	1	1
241.30	Utility School Tax	142	140	128	90	85	91	111	122	107	90	88	100
	Prior Year	149	167	122	95	87	104	117	117	112	90	109	124
	Change	-7	-27	6	-5	-2	-13	-6	5	-5	0	-21	-24
242.00	Accrued Labor	133	136	160	191	69	97	134	146	175	67	81	121
	Prior Year	130	142	144	171	64	81	124	135	158	61	66	104
	Change	3	-6	16	20	5	16	10	11	17	6	15	17
242.30	Accrued Vacation	278	284	282	284	295	285	281	280	292	283	284	272
	Prior Year	276	287	293	293	310	302	281	285	289	278	286	269
	Change	2	-3	-11	-9	-15	-17	0	-5	3	5	-2	3
242.40	Accrued Sick Leave - Retirement	575	581	578	584	589	595	597	600	602	584	586	585
	Prior Year	550	554	559	564	570	575	581	583	579	578	577	576
	Change	25	27	19	20	19	20	16	17	23	6	9	9
242.70	Other Accruals	0	0	0	0	0	0	0	0	0	0	0	0
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	0
***	Total Current & Accrued Liabilities	1,556	1,683	2,035	1,781	1,747	1,622	1,855	1,795	1,663	1,594	1,520	1,303
	Prior Year	1,549	1,701	2,056	1,789	1,784	1,661	1,879	1,815	1,671	1,665	1,608	1,315
	Change	7	-18	-21	-8	-37	-39	-24	-20	-8	-71	-88	-12
*** 254.00	Regulatory Liability	0	0	0	0	0	0	0	0	0	0	0	454
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	454
*** 252.00	Consumer Advances/Const.	369	360	358	360	355	356	354	352	351	347	341	347
	Prior Year	391	368	369	368	368	370	373	373	374	373	372	370

Farmers Rural Electric Cooperative  
 Comparison of Test Year Account Balance with  
 those of the Preceding Year - Balance Sheet

Case No. 2016-00365

Response 8.A.  
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 Witness: Jennie Phelps

<u>Acct #</u>	<u>Description</u>	<u>January</u> <u>Month 1</u>	<u>February</u> <u>Month 2</u>	<u>March</u> <u>Month 3</u>	<u>April</u> <u>Month 4</u>	<u>May</u> <u>Month 5</u>	<u>June</u> <u>Month 6</u>	<u>July</u> <u>Month 7</u>	<u>August</u> <u>Month 8</u>	<u>September</u> <u>Month 9</u>	<u>October</u> <u>Month 10</u>	<u>November</u> <u>Month 11</u>	<u>December</u> <u>Month 12</u>
	Change	-22	-8	-11	-8	-13	-14	-19	-21	-23	-26	-31	-23
*****	Total Equities & Liabilities	94,841	95,882	94,830	93,612	93,554	94,688	94,964	95,377	94,906	94,656	94,780	97,681
	Prior Year	90,089	89,618	89,221	89,360	88,847	89,327	90,820	90,768	90,764	90,334	91,051	93,891
	Change	4,752	6,264	5,609	4,252	4,707	5,361	4,144	4,609	4,142	4,322	3,729	3,790



Acct #	Description	January	February	March	April	May	June	July	August	September	October	November	December	Total
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
451.70	Insulation Program	17	0	38	6	7	8	2	3	2	5	16	13	117
	Prior Year	16	6	10	12	8	0	12	0	3	4	12	9	92
	Change	1	-6	28	-6	-1	8	-10	3	-1	1	4	4	25
454.00	Rent	18	18	18	18	18	18	18	18	18	18	18	27	225
	Prior Year	19	19	19	19	19	19	19	19	19	19	19	8	217
	Change	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	19	8
456.00	Other Electric	8	6	8	8	6	6	6	6	7	8	7	7	83
	Prior Year	7	6	6	7	6	6	3	2	2	3	2	2	52
	Change	1	0	2	1	0	0	3	4	5	5	5	5	31
456.10	Temp Service	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior Year	1	0	1	1	0	0	0	0	0	0	0	0	3
	Change	-1	0	-1	-1	0	0	0	0	0	0	0	0	-3
***	Total Revenues	5,321	5,427	4,132	3,182	3,495	4,092	4,472	4,337	3,851	3,434	3,642	4,086	49,471
	Prior Year	6,385	5,160	4,250	3,398	3,654	4,534	4,448	4,651	3,728	3,751	4,532	4,339	52,830
	Change	-1,064	267	-118	-216	-159	-442	24	-314	123	-317	-890	-253	-3,359
*** 555.00	Total Purchase Power	3,891	3,929	3,048	2,107	2,359	3,204	3,534	3,115	2,847	2,452	2,781	2,960	36,227
	Prior Year	4,494	3,610	3,195	2,521	2,760	3,326	3,430	3,430	2,895	2,515	3,276	3,471	38,923
	Change	-603	319	-147	-414	-401	-122	104	-315	-48	-63	-495	-511	-2,696
580.00	Supervision	3	3	3	2	3	2	3	3	4	3	3	3	35
	Prior Year	3	3	3	3	4	5	7	3	3	3	3	5	45
	Change	0	0	0	-1	-1	-3	-4	0	1	0	0	-2	-10
583.00	Overhead Line Exp	30	40	32	14	16	17	28	19	70	25	23	19	333
	Prior Year	52	8	19	-2	27	35	24	50	31	21	31	25	321
	Change	-22	32	13	16	-11	-18	4	-31	39	4	-8	-6	12
586.00	Meter Expense	23	23	27	26	23	23	21	43	21	26	25	30	311
	Prior Year	19	40	20	21	22	22	24	25	20	25	21	32	291
	Change	4	-17	7	5	1	1	-3	18	1	1	4	-2	20
587.00	Consumer Installation	0	0	1	0	0	0	0	0	0	0	0	0	1
	Prior Year	0	0	0	1	0	1	0	1	0	0	0	0	3
	Change	0	0	1	-1	0	-1	0	-1	0	0	0	0	-2
588.00	Misc. Distribution	75	95	92	69	93	86	85	96	73	107	100	88	1,059
	Prior Year	82	97	72	71	78	72	86	97	76	74	75	120	1,000
	Change	-7	-2	20	-2	15	14	-1	-1	-3	33	25	-32	59
***	Total Operations	131	161	155	111	135	128	137	161	168	161	151	140	1,739
	Prior Year	156	148	114	94	131	135	141	176	130	123	130	182	1,660

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
	Change	-25	13	41	17	4	-7	-4	-15	38	38	21	-42	79
593.00	Maint of Overhead Lines	108	107	124	141	115	149	198	114	115	121	138	166	1,596
	Prior Year	142	106	114	125	120	115	125	105	91	116	112	164	1,435
	Change	-34	1	10	16	-5	34	73	9	24	5	26	2	161
593.10	Maint of Right of Way	3	1	4	3	5	3	4	4	4	5	4	-1	39
	Prior Year	7	8	6	6	8	7	11	6	3	4	6	0	72
	Change	-4	-7	-2	-3	-3	-4	-7	-2	1	1	-2	-1	-33
593.21	ROW - Trimming	164	102	82	99	81	99	72	63	37	32	25	75	931
	Prior Year	99	86	95	16	29	69	48	27	56	158	222	35	940
	Change	65	16	-13	83	52	30	24	36	-19	-126	-197	40	-9
593.28	ROW - Chemical	0	0	0	0	0	0	0	32	46	0	0	0	78
	Prior Year	0	0	0	0	0	0	0	62	1	0	0	0	63
	Change	0	0	0	0	0	0	0	-30	45	0	0	0	15
593.40	Maint of Line Inspection	22	14	21	21	21	17	19	18	3	39	18	21	234
	Prior Year	20	16	18	18	20	16	21	17	18	18	18	28	228
	Change	2	-2	3	3	1	1	-2	1	-15	21	0	-7	6
595.00	Maint of Line Transformer	6	44	10	-14	-18	60	-19	4	-11	-1	1	2	64
	Prior Year	39	20	19	26	66	17	28	45	-84	16	-20	16	188
	Change	-33	24	-9	-40	-84	43	-47	-41	73	-17	21	-14	-124
598.00	Maint of Misc Distr Plant	2	2	2	3	2	1	3	4	1	3	1	4	28
	Prior Year	6	2	2	3	2	4	3	2	2	2	1	5	34
	Change	-4	0	0	0	0	-3	0	2	-1	1	0	-1	-6
***	Total Maintenance	305	270	243	253	206	329	277	239	195	199	187	267	2,970
	Prior Year	313	238	254	194	245	228	236	264	87	314	339	248	2,960
	Change	-8	32	-11	59	-39	101	41	-25	108	-115	-152	19	10
902.00	Meter Reading Exp	1	3	3	1	2	1	2	2	2	2	2	3	24
	Prior Year	2	1	1	1	2	1	1	2	3	3	2	4	23
	Change	-1	2	2	0	0	0	1	0	-1	-1	0	-1	1
903.00	Cust Records & Collection	83	79	91	87	93	87	87	83	82	109	89	100	1,070
	Prior Year	78	72	82	85	91	76	85	78	83	77	85	117	1,009
	Change	5	7	9	2	2	11	2	5	-1	32	4	-17	61
904.00	Uncollectible Acct	4	4	4	4	4	0	-2	0	0	-2	-1	-1	14
	Prior Year	16	10	6	6	4	0	4	4	4	4	4	0	62
	Change	-12	-6	-2	-2	0	0	-6	-4	-4	-6	-5	-1	-48

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
***	Total Consumer Account	88	86	98	92	99	88	87	85	84	109	90	102	1,108
	Prior Year	96	83	89	92	97	77	90	84	90	84	91	121	1,094
	Change	-8	3	9	0	2	11	-3	1	-6	25	-1	-19	14
*** 908	Customer Assist Exp	13	11	13	15	13	2	11	10	15	10	11	-3	121
	Prior Year	14	13	16	15	15	11	12	12	14	11	12	24	169
	Change	-1	-2	-3	0	-2	-9	-1	-2	1	-1	-1	-27	-48
920.00	Admin & General	76	70	70	71	76	81	152	67	59	88	76	85	971
	Prior Year	78	69	69	74	78	73	77	68	71	71	71	115	914
	Change	-2	1	1	-3	-2	8	75	-1	-12	17	5	-30	57
921.00	Office Supplies & Exp	21	22	25	20	18	21	25	23	17	18	21	20	251
	Prior Year	26	24	26	22	23	21	24	23	23	26	19	21	278
	Change	-5	-2	-1	-2	-5	0	1	0	-6	-8	2	-1	-27
923.00	Outside Services Employed	1	7	3	6	13	6	7	10	9	11	10	21	104
	Prior Year	18	2	13	2	3	2	2	3	6	2	11	12	76
	Change	-17	5	-10	4	10	4	5	7	3	9	-1	9	28
924.00	Property Insurance	2	2	2	2	2	2	2	2	2	2	2	2	24
	Prior Year	2	2	2	2	2	2	2	2	2	2	2	2	24
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
925.00	Injuries & Damages	7	8	7	7	7	7	12	8	7	7	8	6	91
	Prior Year	8	7	8	7	10	6	7	7	7	7	7	7	88
	Change	-1	1	-1	0	-3	1	5	1	0	0	1	-1	3
926.00	Empl Training	9	4	5	5	5	4	4	4	6	8	9	22	85
	Prior Year	10	7	2	6	6	4	6	3	4	6	5	31	90
	Change	-1	-3	3	-1	-1	0	-2	1	2	2	4	-9	-5
930.10	Gen Advertising Exp	11	11	11	11	11	11	10	11	11	11	11	11	131
	Prior Year	11	11	11	11	11	11	10	11	11	11	11	11	131
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
930.20	Misc. General Exp	6	6	7	7	7	9	6	6	6	6	6	7	79
	Prior Year	6	6	7	8	6	6	7	8	7	6	6	7	80
	Change	0	0	0	-1	1	3	-1	-2	-1	0	0	0	-1
930.21	Annual Meeting	0	0	0	0	0	0	19	11	0	0	0	1	31
	Prior Year	1	0	0	0	0	3	23	10	1	0	0	0	38
	Change	-1	0	0	0	0	-3	-4	1	-1	0	0	1	-7

Acct.#	Description	January	February	March	April	May	June	July	August	September	October	November	December	Total
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
930.23	Public Relations	17	11	14	14	13	12	14	24	17	13	14	18	181
	Prior Year	14	16	14	12	12	13	22	16	13	9	15	23	179
	Change	3	-5	0	2	1	-1	-8	8	4	4	-1	-5	2
930.30	Director's Fee	8	8	10	10	8	8	10	8	8	8	12	16	114
	Prior Year	10	10	13	9	10	10	8	9	8	10	17	12	126
	Change	-2	-2	-3	1	-2	-2	2	-1	0	-2	-5	4	-12
932.00	Maint of General Plant	3	7	10	6	9	8	9	5	10	7	7	5	86
	Prior Year	9	8	10	11	7	12	6	7	11	5	7	10	103
	Change	-6	-1	0	-5	2	-4	3	-2	-1	2	0	-5	-17
***	Total Admin & General	161	156	164	159	169	169	270	179	152	179	176	214	2,148
	Prior Year	193	162	175	164	168	163	194	167	164	155	171	251	2,127
	Change	-32	-6	-11	-5	1	6	76	12	-12	24	5	-37	21
403.60	Distribution Depr	201	203	204	205	205	206	207	208	209	209	210	211	2,478
	Prior Year	191	192	193	194	194	195	195	197	199	200	200	201	2,351
	Change	10	11	11	11	11	11	12	11	10	9	10	10	127
403.70	General Depr	22	22	22	22	22	22	22	22	22	22	22	22	268
	Prior Year	21	20	20	24	25	21	21	19	20	20	21	29	261
	Change	1	2	2	-2	-3	1	1	3	2	2	1	-3	7
***	Total Depreciation	223	225	226	227	227	228	229	230	231	231	232	237	2,746
	Prior Year	212	212	213	218	219	216	216	216	219	220	221	230	2,612
	Change	11	13	13	9	8	12	13	14	12	11	11	7	134
408.10	Property Taxes	48	48	48	48	48	48	48	48	50	50	58	61	603
	Prior Year	45	45	45	45	45	45	45	45	45	53	48	36	542
	Change	3	3	3	3	3	3	3	3	5	-3	10	25	61
408.12	Taxes - Unemployment	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
408.16	PSC Assessment	5	5	5	5	5	5	5	5	5	5	5	5	60
	Prior Year	4	4	4	4	5	5	5	5	5	5	5	5	56
	Change	1	1	1	1	0	0	0	0	0	0	0	0	4
***	Regulatory Assessment	53	53	53	53	53	53	53	53	55	55	63	66	663
	Prior Year	49	49	49	49	50	50	50	50	50	58	53	45	602
	Change	4	4	4	4	3	3	3	3	5	-3	10	21	61



Acct #	Description	January	February	March	April	May	June	July	August	September	October	November	December	Total
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
427.10	RUS Interest	13	12	13	13	13	12	13	13	12	13	12	13	152
	Prior Year	14	12	13	13	13	13	13	13	13	13	13	13	156
	Change	-1	0	0	0	0	-1	0	0	-1	0	-1	0	-4
427.11	FFB Interest	113	113	96	118	113	112	111	111	105	119	107	117	1,335
	Prior Year	115	106	118	112	116	112	115	115	112	116	112	113	1,362
	Change	-2	7	-22	6	-3	0	-4	-4	-7	3	-5	4	-27
427.20	CFC Interest	26	22	25	25	22	24	25	21	23	24	21	24	282
	Prior Year	29	25	28	27	23	27	27	24	26	27	23	26	312
	Change	-3	-3	-3	-2	-1	-3	-2	-3	-3	-3	-2	-2	-30
***	Total Interest on LTD	152	147	134	156	148	148	149	145	140	156	140	154	1,769
	Prior Year	158	143	159	152	152	152	155	152	151	156	148	152	1,830
	Change	-6	4	-25	4	-4	-4	-6	-7	-11	0	-8	-2	-61
431.00	Interest Exp - Con Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	0
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
431.10	Short-Term Loans	1	1	1	1	0	0	0	1	2	0	1	1	9
	Prior Year	1	0	1	0	0	1	0	0	1	0	0	0	4
	Change	0	1	0	1	0	-1	0	1	1	0	1	1	5
***	Total Interest - Other	1	1	1	1	0	0	0	1	2	0	1	1	9
	Prior Year	1	0	1	0	0	1	0	0	1	0	0	0	4
	Change	0	1	0	1	0	-1	0	1	1	0	1	1	5
**** 426.00	Donations	1	9	-9	1	-1	5	5	0	6	-10	-5	0	2
	Prior Year	1	8	-8	2	-1	5	0	1	1	-5	0	0	4
	Change	0	1	-1	-1	0	0	5	-1	5	-5	-5	0	-2
*****	Total Cost of Electric Service	5,019	5,048	4,126	3,175	3,408	4,354	4,752	4,218	3,895	3,542	3,827	4,138	49,502
	Prior Year	5,687	4,666	4,257	3,501	3,836	4,364	4,524	4,552	3,802	3,631	4,441	4,724	51,985
	Change	-668	382	-131	-326	-428	-10	228	-334	93	-89	-614	-586	-2,483
*****	Operating Margins	302	379	6	7	87	-262	-280	119	-44	-108	-185	-52	-31
	Prior Year	698	494	-7	-103	-182	170	-76	99	-74	120	91	-385	845
	Change	-396	-115	13	110	269	-432	-204	20	30	-228	-276	333	-876
**** 419.00	Interest Income	0	4	0	19	3	0	0	2	0	19	4	0	51
	Prior Year	0	10	0	19	4	0	0	2	0	19	5	0	59

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12	Total
	Change	0	-6	0	0	-1	0	0	0	0	0	-1	0	-8
418.10	Income Subsidiary - FESC	0	0	0	0	0	0	0	0	0	0	0	-14	-14
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	115	115
	Change	0	0	0	0	0	0	0	0	0	0	0	-129	-129
418.11	Income Subsidiary - Envision	0	0	2	0	0	0	0	0	0	0	0	0	2
	Prior Year	0	6	0	0	0	0	0	0	0	0	0	0	6
	Change	0	-6	2	0	0	0	0	0	0	0	0	0	-4
***	Income (Loss) Subsidiary	0	0	2	0	0	0	0	0	0	0	0	-14	-12
	Prior Year	0	6	0	0	0	0	0	0	0	0	0	115	121
	Change	0	-6	2	0	0	0	0	0	0	0	0	-129	-133
*** 421.01	Gain/Loss on Retirements	0	0	0	0	0	0	0	0	15	0	0	0	15
	Prior Year	0	0	0	2	0	0	0	0	6	0	0	0	8
	Change	0	0	0	-2	0	0	0	0	9	0	0	0	7
**** 423.00	G&T Capital Credits	0	0	0	0	0	0	0	0	0	0	0	2,372	2,372
	Prior Year	0	0	0	0	0	0	0	0	0	0	0	2,590	2,590
	Change	0	0	0	0	0	0	0	0	0	0	0	-218	-218
*** 424.00	Other Cap Crs & Pat Cap	0	0	66	0	0	0	0	0	33	0	0	0	99
	Prior Year	0	0	62	0	0	0	0	0	42	0	0	0	104
	Change	0	0	4	0	0	0	0	0	-9	0	0	0	-5
*****	Net Margins	302	383	74	26	90	-262	-280	121	4	-89	-181	2,306	2,494
	Prior Year	698	510	55	-82	-178	170	-76	101	-26	139	96	2,320	3,727
	Change	-396	-127	19	108	268	-432	-204	20	30	-228	-277	-14	-1,233

Management has consistently been focused on continual improvement with the goals of improving service and efficiency and lowering or controlling increases in cost. Some of the efforts are listed which have occurred since the last rate case in 2009:

- Reduced the number of Full-time Equivalent employees from seventy-one to sixty-three since 2007; the reduction since the last rate case in 2009 has been from sixty-seven to sixty-three.
- Installed GPS mapping system in 2009 to replace outdated paper maps, improve service response in the field, and to serve as a platform for an Outage Management System.
- Installed Outage Management System in 2010 to improve outage diagnosis and management, and improve speed of restoration of services. Member-owners can also view outages on line and obtain restoration information.
- Adopted significantly higher level employee deductibles (from \$100 to \$1,500 for single; \$200 to \$3,000 for family) for medical insurance in 2010 to reduce costs.
- Adopted an employee Wellness Plan in 2010 to encourage and improve long term employee health and reduce insurance claims and absences due to illness.
- Outsourced management of vegetation control program to outside consulting firm in 2010 to reduce employee costs and gain greater knowledge, insight, and control in managing right-of-way costs.
- Since 2011, significantly reduced the average system average interruption duration index ("SAIDI") for our member-owners and reduced our average restoration time ("CAIDI"); resulting in improved reliability and reduced outage costs.
- Established two small satellite material warehouses and pole yards in outlying counties and have decentralized line technicians to report from those locations to reduce travel time and costs, improve productivity, and speed restoration time for outage work. One was established in 2011, and the second was established in 2014.
- Installed new phone system in 2011 to allow member-owners improved and greater access to the cooperative for general business, telephonic self-service payments, and outage reporting. This has resulted in improved service and has reduced the need to add staff.
- Installed supervisory control and data acquisition system ("SCADA") in 2011 to improve monitoring of the distribution system, speed diagnosis of outage locations, and allow for remote control of certain distribution equipment.
- Joined the Cooperative Response Center, Inc., in Austin, Wisconsin, in 2011 to provide 24x7x365 phone answering for member-owners. This has reduced the need to add staff, while providing around-the-clock service for billing inquiries, payments, and outage reporting.

- In 2011, began refurbishing a large percentage of transformers brought in from the field and changing the units from Completely Self-Protected ("CSP") types to Conventional-type units. Refurbishment saves 50% or more over the cost of a new unit. All new units purchased are Conventional type. This allows for better fuse protection in the field, fewer damaged transformers due to lightning, and much faster and less costly service restoration when a unit has been affected in a storm.
- Adopted new defined contribution retirement plan on 1/1/2012 for all new employees to reduce benefit costs. Participated in voluntary prepay option with the National Rural Electric Cooperative Association Retirement and Security defined benefit retirement plan in 2013 to reduce current and future cost.
- Implemented Pre Pay optional service in 2013 for members-owners, which has reduced the number of late notices produced and mailed, cutoff of delinquent accounts, and write offs for bad debts.
- Implemented a smart phone application in 2013 which allows member-owners to check their energy usage, manage, and pay their bills via their phone anytime of the day or week.
- All extended or unusual outages are reviewed using a "5-Why" continuous improvement approach to determine root cause of the outage and institute corrective process changes where possible to prevent similar occurrences.
- Refinanced existing RUS long-term debt on two occasions to lower interest costs, once in 2010 and the second time in 2012.
- Utilized historically low, variable interest rates on approximately 30% of the loan portfolio to reduce overall cost of debts from 2012 to present.
- In 2015, changed from using pentachlorophenol ("Penta") to copper chromated arsenate ("CCA") treated poles based on an initial cheaper purchase price and longer expected lifespan of CCA poles.
- Joined the Kentucky Rural Electric Cooperative Medical Insurance Plan in 2016 to reduce and moderate growth in premium costs.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

9. Provide the following information for each item of the electric property or plant held for future use at the end of the test year.

- a. Description of property.
- b. Location
- c. Date purchased
- d. Cost.
- e. Estimated date to be placed in service.
- f. Brief description of intended use.
- g. Current status of each project.

Response

Farmers does not have property held for future use.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

10. List all non-utility property, related property taxes, and the accounts where amounts are recorded for the test period. Include a description of the property, the date purchased, and the cost.

Response

Farmers does not have non-utility property.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

11. Provide all studies, including all applicable work papers, which are the basis of jurisdictional plant allocations and expense account allocations.

Response

Not applicable.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

12. Provide Farmers' current bylaws. Indicate any changes to the bylaws since Farmers' most recent general rate case.

Response

The marked-up version of the bylaws is attached as pages 2 – 27 of this response.

The current version of the bylaws is attached as pages 28 – 51 of this response.



**BYLAWS**  
**of**  
**FARMERS RURAL ELECTRIC**  
**COOPERATIVE CORPORATION**

Glasgow, Kentucky

(As Amended Through September 19, 2013)

**ARTICLE I**  
**MEMBERSHIP**

**Section 1. Requirements for Membership.** Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of the Farmers Rural Electric Cooperative Corporation (hereinafter called the "Cooperative") by:

- (a) making a written application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any respective amendment or amendments thereto and any rules and regulations adopted by the Board of Directors; and
- (d) paying the membership fee hereinafter specified; provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he, she or it has been accepted for membership by the Board of Directors. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.

**Section 2. Membership Certificates.** Membership in the Cooperative shall be evidenced by a signed application for membership which has been approved for membership by the Board of Directors. In the absence of a signed membership application, payment of the first electric bill shall constitute evidence of agreement to all provisions of membership by the member.

No membership shall be issued for less than the membership fee fixed in these Bylaws, nor until such membership fee has been fully paid. In case a signed membership application is lost, destroyed or mutilated a replacement may be issued therefor upon such uniform terms and indemnity to the Cooperative as the Board of Directors may prescribe.

**Section 3. Joint Membership.** ~~A husband and wife~~ Individuals may apply for a joint

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membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these Bylaws shall be deemed to include ~~a husband and wife~~ both individuals holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall have the effect of revoking a proxy executed by either or both and of constituting a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A proxy executed by either or both shall constitute one joint proxy;
- (d) A waiver of notice signed by either or both shall constitute a joint waiver;
- (e) Notice to either shall constitute notice to both;
- (f) Expulsion of either shall terminate the joint membership;
- (g) Withdrawal of either shall terminate the joint membership;
- (h) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

**Section 4. Conversion of Membership.** A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and ~~his or her spouse~~ the other designated individual to comply with the Articles of Incorporation, Bylaws, and rules and regulations adopted by the Board of Directors. A new signed application for membership shall be executed to indicate the changed membership status. Upon death of either ~~spouse~~ individual who is a party to the joint membership, such membership shall be held solely by the survivor.

**Section 5. Membership Fees.** The membership fee shall be fixed by the Board of Directors and upon the payment of which a member shall then be eligible for service.

**Section 6. Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefor at rates which shall from time to time be fixed by the Board. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws.

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Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors and authorized by the Kentucky Public Service Commission from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

**Section 7. Termination of Membership.** (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe.

The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds of all the Directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors.

The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the Board of Directors.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him; provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

## ARTICLE II

### RIGHTS AND LIABILITIES OF MEMBERS

**Section 1. Property Interest of Members.** Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid; and (b) all capital furnished through patronage shall have been retired as provided in these Bylaws; the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven years next preceding the date of the filing of the certificate of dissolution, or, if the

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Cooperative shall not have been in existence for such period, during the period of its existence.

**Section 2. Nonliability for Debts of the Cooperative.** The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

**ARTICLE III**

**MEETING OF MEMBERS**

**Section 1. Annual Meeting.** (a) The Annual Meeting of the members shall be held each year in Barren, Hart or Metcalfe Counties and at a time to be selected by the Board. The place, date and time shall be designated in two notices of the Annual Meeting furnished by mail to all membership in printed or written form prior to said meeting.

(b) Notice of Annual Meeting. The primary notice shall be mailed not less than fiftyfive (55) days nor more than eightyfive (85) days prior to the time set by the Board for the Annual Meeting and shall also include information as to the last date and place for posting of the nominations of the Nominating Committee and the last date and place for filing nominating petitions. The second notice of the Annual Meeting shall be given not less than twenty (20) days prior to the date set for said meeting.

(c) Purpose. The Annual Meeting will be held for the purpose of presenting reports for the previous calendar year, announcing the results of the election of Directors conducted by mail and transacting such other business as may properly come before the meeting. It shall be the responsibility of the Board to make plans and preparations for the Annual Meeting.

(d) Failure to hold the Annual Meeting at the designated time or place shall not work a forfeiture or dissolution of the Cooperative, nor shall it affect the tenure of the existing Directors who shall hold office until their successors are properly elected and qualified even though the incumbents may exceed their normal elected time in office.

**Section 2. Special Meetings of Members.** Special meetings of the members which do not have to be designated as such, may be called by resolution of the Board, or upon a written request signed by a majority of the Board members, ~~by the Chairman of the Board,~~ or by fifteen percent (15%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Such meetings of the members may be held at any place within Barren County as designated by the Board and shall be specified in the notice of the meeting.

**Section 3. Notice of Special Meetings of Members.** Written or printed notice stating

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the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

**Section 4. Quorum.** A quorum at any membership meeting shall consist of one hundred (100) members. If less than a quorum is present at any meeting, the majority of those who are present in person may adjourn the meeting from time to time without further notice.

**Section 5. Voting.** Only members who are actively receiving service and in good standing shall be eligible to vote. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the Articles of Incorporation or these Bylaws.

A member which is a firm, partnership, corporation, church, fraternal organization, school or body politic shall have one (1) vote which may be cast through its duly authorized agent by resolution or written statement from its Board of Directors, trustees or partners of such member organization.

Each member at an annual or other duly called membership meeting shall be required to present himself to the duly designated employees of the Cooperative in charge of the membership roster. After it is ascertained that he, she, or it is a member who is actively receiving service and in good standing, official identification credentials indicating same will be issued. Only those persons identifying themselves by the use of proper credentials may vote.

Unless otherwise directed by the Board prior to the membership meeting or meetings, Robert's Rules of Order shall apply.

**Section 6. Proxies.** At all meetings of members, a member in good standing may vote by proxy executed in writing by the member on all matters submitted to a vote at a meeting of members except the election of Directors which shall be done by mail ballot. Such proxy shall be filed with the Secretary ~~before or at the time of the meeting~~ at least five days in advance of the meeting date to provide sufficient time to verify and authenticate such proxy. No proxy shall be voted at any meeting of the members unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated, or any adjournment of such meeting.

No person shall vote as proxy for more than three (3) members at any meeting of the members and no proxy shall be valid after sixty (60) days from the date of its execution,

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provided, however, that a person may vote as proxy for an unlimited number of members upon the question of amendment of the Articles of Incorporation to increase the number of counties in which the Cooperative may operate.

The presence of a member at a meeting of the members shall revoke a proxy theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.

In case of a joint membership a proxy may be executed by either party of the joint membership. ~~the husband or wife~~. The presence of either party husband or wife at a meeting of the members shall revoke a proxy theretofore executed by either of them and such joint member or members shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed.

**Section 7. Order of Business.** The order of business at the Annual Meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation of reports of officers, directors and committees.
5. Report on the election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

**ARTICLE IV**

**BOARD OF DIRECTORS**

**Section 1. General Powers.** The business and affairs of the Cooperative shall be managed by a board of seven directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

**Section 2. Districts.** The territory served or to be served by the Cooperative shall be divided into three districts. Each district shall have two directors except that District No. 1 shall

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have three directors. The three districts shall be as follows:

- District No. 1 Barren and Edmonson Counties
- District No. 2 Hart, Grayson and Larue Counties
- District No. 3 Metcalfe, Green and Adair Counties

All directors shall have a fundamental fiduciary duty, regardless of their district, to represent the best interests of the whole cooperative membership. Representative districts exist for the purpose of encouraging diversity in geographical representation from across the system, and not for the purposes of representing or promoting special regional concerns.

**Section 3. Tenure of Office.** The regular tenure of office for each Director shall be three years or until his successor is elected and qualified. The term of office of the Directors shall be so that two Directors shall be elected each year except every third year three Directors shall be elected.

**Section 4. Qualifications.** No member shall be eligible to become or remain a director of the Cooperative who:

- (a) is not a natural person; or
- (b) is not a member in good standing of the Cooperative; or
- (c) is not, and was not for the last one (1) year next before the date of his or her election or appointment, a bona fide resident of the district which he or she is to represent; or
- (d) does not receive electric service from the Cooperative at his or her primary residential abode; or
- (e) does not have the legal capacity to enter into a binding contract; or
- (f) has not completed at least the twelfth grade or has not been issued a high school equivalency diploma or has not received a high school diploma through participation in the external diploma program; or
- (g) has entered a plea of guilty to, or no contest to, or been convicted of a felony; or
- (h) holds, or held within the last two (2) years next before the date of his or her election or appointment, any elective public office except for that of a committee member on a federal, state or county agricultural agency; or
- (i) is an employee or retired employee of the Cooperative or one of its subsidiaries; or
- (j) is receiving disability or worker's compensation benefits from the Cooperative or one of its subsidiaries; or
- (k) was employed by the Cooperative or by one of its subsidiaries within the last five (5) years next before the date of his or her election or appointment; or
- (l) is an employee, representative, agent, or official of any collective bargaining organization that represents the employees of the Cooperative or one of its subsidiaries; or
- (m) is a close relative of any incumbent director, current employee, or retired employee

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- of the Cooperative or one of its subsidiaries; or
- (n) is a close relative of any person employed by the Cooperative or by one of its subsidiaries within the last five (5) years next before the date of his or her election or appointment; or
  - (o) is an employee, representative, agent, or official or has a material financial interest in any enterprise that is in competition with the Cooperative or one of its subsidiaries; or
  - (p) is an employee, representative, agent, or official or has a material financial interest in any enterprise selling energy, equipment, material, supplies or services to the Cooperative or one of its subsidiaries; or
  - (q) is an employee, representative, agent, or official or has a material financial interest in any enterprise selling electrical, gas or plumbing appliances, fixtures, supplies or services to the members of the Cooperative; or
  - (r) conducts themselves in any way that violates, or creates the perception of, the Cooperative's conflict of interest or code of conduct policies.

A "close relative" is defined as follows: spouse; parent, grandparent or great-grandparent; parent, grandparent or great-grandparent of a spouse; child, grandchild or great-grandchild; child, grandchild or great-grandchild of a spouse; son-in-law or daughter-in-law; brother or sister; brother-in-law or sister-in-law; uncle or aunt; uncle or aunt of a spouse; nephew or niece; nephew or niece of a spouse. Persons unmarried to each other but who are cohabiting as husband and wife shall be considered as husband and wife in the determination of a close relative. However, no incumbent director shall lose eligibility to remain a director or to be reelected as a director if he or she becomes a close relative of another incumbent director or of a current, retired, or a former employee of the Cooperative or one of its subsidiaries because of a marriage to which he or she was not a party.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the Board of Directors shall remove such director from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

**Section 5. Nominations.** (a) It shall be the duty of the Board of Directors to select and appoint not less than fifty (50) days nor more than ninety (90) days before the Annual Meeting of the members a Nominating Committee consisting of not less than five (5) nor more than eleven (11) members of the Cooperative.

The members chosen by the Board shall be selected so as to give, as far as possible, equitable representation on the Nominating Committee considering the geographical areas served by the Cooperative. No officer or member of the Board shall be appointed a member of the Nominating Committee. Members of the Nominating Committee may be compensated for their service by a fixed meeting fee and reimbursement of actual expenses, as authorized by the Board of Directors.



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(b) It shall be the responsibility of the Nominating Committee to select candidates to run for office of Director to fill vacancies caused by the expiration of Director's terms. The Nominating Committee shall prepare and post its nominations in a conspicuous manner in the lobby of the Cooperative's headquarters building not less than fortyfive (45) days prior to the date set for the Annual Meeting, at which the results of the election of Directors shall be announced.

Any fifty (50) or more qualified members may, by written or printed petition, make other nominations from the membership for the office of Director, not exceeding the number of Directors to be elected in any one calendar year, by personally affixing their signatures and addresses to the petition or petitions. In no event shall a member or members sign a petition or petitions for more than the number of Directors to be elected in any one calendar year. In the event a member or members do sign a petition or petitions for more candidates than there are Directors to be elected in any one calendar year, then their signatures shall be invalid on all petitions signed by them.

Petition or petitions by qualified members nominating candidates for the office of Director shall be filed at the headquarters offices of the Cooperative during the regular office hours of the Cooperative, but in any event not later than forty (40) days prior to the date set for the Annual Meeting.

A certification date of seventy (70) days prior to the Annual Meeting shall be established on which it shall be determined whether a member is in good standing and qualified for the purposes of signing nominating petitions and/or voting in the election of Directors.

A "Member in good standing" is any member of the Cooperative who is in compliance with the Bylaws, rules and regulations of the Cooperative and the rules and orders of the Kentucky Public Service Commission and who is not delinquent in payment of his account as billed by the Cooperative more than 30 days from date of billing.

(c) The Board of Directors shall have the duty of naming a Provost who shall be an independent Certified Public Accountant or Accounting Firm who shall be in charge of the election of Directors.

(d) The duties of the Provost shall be as follows:

1. The Provost is granted the power and authority to pass upon and determine the validity of each of the signatures, addresses and social security numbers on the petition or petitions to determine if those signing are qualified members in good standing of the Cooperative and entitled to vote for the election of Directors.

2. The Provost of the election shall examine and audit the petition or petitions filed by candidates for election to the office of Director to determine if the petition or petitions comply with the requirements of the Kentucky Revised Statutes, Articles of Incorporation and these Bylaws.

3. If the Provost shall disapprove a signature and/or address or social security number on a petition or petitions, he shall list same in writing giving the reason or reasons why said signature and/or address or social security number was not approved.

4. The Provost shall determine if the required number of qualified voting members

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have signed the petition or petitions after having deducted from the petition or petitions the names disapproved by him because the names and/or addresses and social security number(s) on said petition or petitions fail to comply with the Kentucky Revised Statutes, the Articles of Incorporation of the Cooperative and these Bylaws. If the petition or petitions do not contain the signatures, addresses and social security numbers of the required number, then the Provost shall notify the Petitioner and the Secretary of the Cooperative that the Petition is not valid.

If, after examination by the Provost, it is determined by said Provost that said petition or petitions meet the requirements, said nominating petition(s) shall then be posted in the lobby of the Cooperative headquarters building not less than thirty-five (35) days prior to the date set for the Annual Meeting.

5. Upon completion of the examination and audit of the petition or petitions by the Provost, he shall certify to the Secretary of the Cooperative the name or names of those persons properly nominated by petition or petitions so that those so nominated may be listed on the official ballot.

6. After the Provost has certified the names of the candidates nominated by petition or petitions to be placed upon the official ballot, it shall be the duty of the Provost to prepare a printed ballot of those persons duly nominated either by the Committee on Nominations or by nominating petition.

The printed ballot shall list separately those persons nominated by the Nominating Committee and those persons nominated by petition in alphabetical order and labeled in such a manner as to note which candidates appear on the ballot by nomination of the Nominating Committee and which appear on the ballot by nomination by petition.

It shall be the further duty of the Provost to see that the official ballots are mailed to each active and qualified member at his or her last address shown on the Cooperative records not less than fifteen (15) days prior to said Annual Meeting at which the results of said election are to be announced.

Each official ballot shall be placed with an envelope labeled Ballot Envelope within a Return Envelope bearing postage prepaid, addressed to the Provost all in a Cover Envelope, all of which shall be mailed by the Provost to each member eligible to vote.

The official ballot shall be inscribed with instructions by the Provost as to how many candidates may be voted for on each official ballot by the member and with instructions that all official ballots must be returned only by U.S. mail except as provided in paragraph seven (7) hereafter and received not less than five (5) days prior to the said Annual Meeting.

The official ballot shall be personally marked and voted by the eligible member and then placed in the Ballot Envelope and sealed. The sealed Ballot Envelope, with the official ballot enclosed, shall then be placed in the Return Envelope which is addressed to the Provost with postage prepaid. The Return Envelope shall then be signed and dated by the member in the space provided in the upper corner of the Return Envelope so it can be determined by the Provost prior to opening the Return Envelope whether the person signing and dating the Return Envelope is an eligible voting member of the Cooperative. The member shall then seal and mail the Return Envelope to the Provost.

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The Provost shall have complete responsibility for the security of the ballots.

7. In the event a voting member in good standing has his, her or its ballot inadvertently destroyed, or the Return Envelope inadvertently destroyed, or the Cover Envelope with the contents therein was not received by the voting member, then, upon the voting member having exhibited to the Provost his driver's license and/or a Social Security card, the Provost shall check the Cooperative's membership list to determine if he, she or it is a voting member in good standing.

The Provost shall then cause the voting member to execute an Affidavit before a Notary Public at the office of the Provost, and, if the Provost approves, he may then and there only deliver to the voting member a Return Envelope, a Ballot Envelope and a Ballot. However, no Affidavit, Return Envelope, Ballot Envelope or Ballot shall be delivered by the Provost after 4:30 P.M. on the fifth day prior to the Annual Meeting. In this instance the Provost may receive the ballot in the sealed envelope from the voter.

8. When the Committee on Nominations selects only one nominee for each forthcoming vacancy on the Board of Directors, and if no candidate(s) is nominated from the membership by written or printed petition within the prescribed time, as set forth in Article IV, Section 5 of these Bylaws, the Provost shall then certify to the Secretary of the Board that no petition has been filed within the prescribed time and that the candidate(s) nominated by the Committee on Nominations is/are therefore officially elected without opposition.

In any district where the candidate of the Committee on Nominations is unopposed because no other candidate has filed to run by petition within the prescribed time, the unopposed candidate shall not appear on the ballot, as he will have been elected without opposition.

The Provost will so announce at the Annual Membership Meeting, and the nominees shall be deemed elected to the Board by acclamation without the necessity of mailing official ballots through the United States mail and following the mailballot election procedures set forth in these Bylaws.

**Section 6. Elections.** The Provost in charge of Directors' elections shall, with the help of his personnel, count the ballots as expeditiously as may be possible following his receipt of said ballots. After the ballots have been duly counted the result of such election shall be announced by the Provost or his designee at the subsequent Annual Meeting of Members and the Board shall meet thereafter and the person receiving the highest number of ballots and/or the person nominated who is unopposed for each directorship shall be seated.

The following ballots shall not be counted:

1. A vote marked for more than the number of candidates to be elected;
2. Ballots other than the official ballot;
3. Ballots not received through the United States mail except as provided in Section five (5) paragraph seven (7); and
4. Ballots arriving late.

The duties of the Provost regarding votes and counting shall be as follows:

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1. The Provost shall examine each Return Envelope to ascertain if it has been properly signed and dated.
2. When the unopened Return Envelope is found by the Provost to be in conformity with the provisions and requirements of these Bylaws, the Provost shall see that the membership record is marked so as to indicate the member has voted.
3. Any and all Return Envelopes found by the Provost not to conform with the provisions and requirements of these Bylaws shall not be opened but shall be rejected and retained by the Provost.
4. Any official ballot deemed invalid by the Provost for reasons set forth in these Bylaws shall be retained by the Provost and marked rejected.
5. Each member shall be allowed only one vote.
6. In the event of a tie vote, the Provost shall conduct and oversee a drawing of lots to determine the winner.
7. The Provost shall promptly, upon completion of the counting of the membership votes and announcing the results at the Annual Meeting, certify in writing to the FRECC Board the names of the candidates and the number of votes received by each and shall also certify the names and addresses of the candidates receiving the highest number of votes taking into account the number of Directors to be elected and the respective districts they are to represent.
8. If no contest of the election shall have been filed within 60 days following the Annual Meeting at which the newly elected directors have been announced by the Provost, then the Provost shall destroy all ballots and envelopes related to the election, otherwise same shall be retained until any contest is resolved.

### **Section 7. Removal of Directors by Members, Director Removal. (a)**

After being elected or appointed, if a Director does not comply with all general director qualifications, responsibilities, or cooperative policies, then, except as otherwise provided by the Board for good cause, the Board shall disqualify the Director and the individual is no longer a Director if:

- (1) the Board notifies the Director in writing or electronically of the basis for, and provides the Director an opportunity to comment regarding, the Board's proposed disqualification; and
- (2) within 60 days after the Board notifies the Director of the proposed disqualification, the Director neither complies with nor meets the Director Qualification.

(b) Any member may bring specific charges against a Director by filing with the Secretary such charges in writing together with a petition signed by at least ten (10) percent of the members or five hundred (500), whichever is lesser, and may request the removal of such Director by reason of said specific charges.

Such Director shall be informed in writing of the charges at least twenty (20) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person and/or by counsel and present evidence in

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respect to the charges. The person or persons bringing the charges shall have the same opportunity.

By a majority vote of the members present at any annual or special meeting, at which a hearing on the question has been voted, the question of such removal shall then be submitted to the members in good standing within thirty (30) days following the meeting of the members. The Secretary shall send a separate ballot for each Director charged to every member in good standing setting forth the question of such removal so that it might be answered "yes" or "no" and the ballot shall be returned to the Provost by mail postmarked within ten (10) days after they are mailed to the members. The ballots shall be received and counted by the Provost named by the Board as provided in Article IV, Section 5.

A Director shall be removed by a majority vote of the members voting in this ballot by mail. If the question of the removal is voted in the affirmative by a majority of the valid ballots returned, the vacancy thereby created shall be filled in accordance with Article IV, Section 8 of these Bylaws.

**Section 8. Vacancies.** When a vacancy on the Board of Directors occurs for any reason other than the expiration of a term, the remaining members of the Board, by a majority vote, shall fill vacancy by appointment for the unexpired portion of the term of the member who has vacated or been removed from his position on the Board. The member elected as Director to fill the vacancy must reside in the same district as the Director to whose office he succeeds.

**Section 9. Compensation.** Directors shall not receive any salary for their services as Directors, except that by resolution of the Board of Directors a fixed monthly stipend, along with a fixed sum and actual expenses for each meeting attended on behalf of Cooperative business may be allowed.

No Director shall receive compensation for serving the Cooperative in any other capacity. No immediate relative of a Director shall receive compensation for serving the Cooperative unless that person is an employee of the Cooperative, or unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by such Director or immediate relative shall have been certified by the Board of Directors as an emergency measure.

## ARTICLE V

### MEETINGS OF DIRECTORS

**Section 1. Regular Meetings.** A regular meeting of the Board of Directors shall be held monthly at such time and place in Glasgow, Barren County, Kentucky, as the Board of Directors may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

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**Section 2. Special Meetings.** Special meetings of the Board of Directors may be called by the Chairman of the Board or by any three Directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or the Directors calling the meeting shall fix the time and place for the holding of the meeting.

**Section 3. Notice of Special Meetings.** Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each Director not less than five days previous thereto either personally, ~~or~~ by postal mail service, or by electronic mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the Directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his address as it appears on the records of the Cooperative, with postage thereon prepaid. If electronically mailed, such notice shall be deemed to be delivered when sent to the electronic mail address as it appears on the records of the Cooperative. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting.

**Section 4. Quorum.** A majority of the Board of Directors shall constitute a quorum, provided, that if less than such majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Presence at a meeting may be either in person or through electronic means in occasional cases where a director is reasonably prevented from attending in person. Directors must attend a majority of all meetings in person.

### ARTICLE VI

#### OFFICERS

**Section 1. Number.** The officers of the Cooperative shall be a Chairman of the Board, Vice-Chairman of the Board, Secretary, Treasurer, all of who shall be elected regular directors, and the President and Chief Executive Officer, who shall be appointed by the Board of Directors, and such other officers as may be determined from time to time by the Board of Directors. Any two (2) or more offices may not be held by the same person, except that the offices of Secretary and Treasurer may be held by the same person.

**Section 2. Election and Term of Office.** The elected officers shall be elected annually by and from the Board of Directors at the meeting of the Board of Directors held next following

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after the annual meeting of the members. If the election of such elected officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be.

Each elected officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

**Section 3. Removal of Officers and Agents by Directors.** Any officer or agent elected or appointed by the Board of Directors may be removed by a majority vote of the Board of Directors whenever in its judgement the best interests of the Cooperative will be served thereby.

In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten percent (10%) of the members, may request the removal of such officer.

The officer against whom such charges have been brought shall be informed in writing of the charges at least twenty (20) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person and/or by counsel and to present evidence in respect of the charges. The person or persons bringing the charges shall have the same opportunity.

In the event the Board does not remove such officer, the question of his removal may be considered anew at the next meeting of the members upon written request of the person or persons bringing the charges, provided the request is filed with the Secretary twenty (20) days in advance of said meeting of the members and the procedure followed as outlined in Article IV, Section 7.

**Section 4. Chairman of the Board.** The Chairman of the Board shall:

- (a) be the principal presiding officer of the Cooperative and, unless otherwise determined by the members of the Board of Directors, shall preside at all meetings of the members and the Board of Directors, and may consult with the President and CEO in the formulation and preparation of the agenda for meetings of the Board of Directors;
- (b) sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general, perform all duties incident to the office of Chairman of the Board, consistent with these Bylaws, and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 5. Vice-Chairman of the Board.** In the absence of the Chairman of the Board, or in the event of his inability or refusal to act, the Vice-Chairman of the Board shall perform the

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duties of the Chairman of the Board; and, when so acting, shall have all the power of and be subject to all the restrictions upon the Chairman of the Board. The Vice-Chairman of the Board shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

**Section 6. Secretary.** The Secretary shall:

- (a) keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative;
- (d) keep or have kept a register of the names and post office addresses of all members;
- (e) have general charge of the books of the Cooperative, including membership rosters;
- (f) keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto, a copy of which shall be open to the inspection of any member during reasonable business hours of the Cooperative; and
- (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.
- (h) in the absence of the Chairman of the Board and the Vice-Chairman of the Board, or in event of their inability or refusal to act, the Secretary of the Board shall perform the duties of the Chairman of the Board, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman of the Board.

**Section 7. Treasurer.** The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) be responsible for the receipt of and the issuance of receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- (c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

**Section 7.01. Delegation of Secretary's and Treasurer's Responsibilities.**

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Section 6 and 7, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of such officers' such duties to one or more agents, employees or other officers of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.



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**Section 8. President and Chief Executive Officer.** The President and CEO shall be the chief operating officer of the Cooperative. He is charged with the duties and obligations of managing the foreseeable business affairs of the Cooperative, that shall include, but is not limited to, the Cooperative's approved budget and programs, and the formulation and preparation of the agenda for each regular meeting of the Board of Directors. Also, the President and CEO shall perform such other duties and shall exercise such other authority that the Board of Directors may from time to time vest in him.

**Section 9. Bonds of Officers and Others.** The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall ~~give bond~~ be bonded, at Cooperative expense, in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to ~~give bond~~ be bonded, at Cooperative expense, in such amount and with such surety as it shall determine.

**Section 9.01 Indemnification of Officers, Directors, Employees and Agents.** The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a director, officer, employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses, (including

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attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

To the extent that a director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in paragraphs 1 and 2, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

Any indemnification under paragraphs 1 and 2 (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs 1 and 2. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding or (b) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the members.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability

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asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

**Section 10. Compensation.** The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Directors subject to the limitations of Article IV, Section 9.

**Section 11. Reports.** The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

**ARTICLE VII**

**NONPROFIT OPERATION**

**Section 1. Interest or Dividends on Capital Prohibited.** The Cooperative shall at all times be operated on a cooperative nonprofit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**Section 2. Patronage Capital in Connection with Furnishing Electric Energy.** (a) In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and nonmembers alike, will through their patronage furnish capital for the Cooperative.

In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis the Cooperative is obligated to account on a patronage basis to all of its patrons, members and nonmembers alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy.

All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and nonmembers alike, as capital.

(b) The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron.

All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and

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the patron had then furnished the Cooperative corresponding amounts for capital.

(c) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members.

If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of retirement for all amounts furnished as capital.

(d) Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

In the event that a nonmember patron shall elect to become a member of the Cooperative the capital credited to the account of such nonmember patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such nonmember patron.

(e) Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

(f) The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

**Section 3. Patronage Refunds in Connection with Furnishing Other Services.** In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those members from whom such amounts were obtained. Other earnings, dividends, patronage capital, or monies returned to the Cooperative due to its investment in other business entities shall be prorated annually to all member-owners of the Cooperative, based upon their patronage of the Cooperative.

## ARTICLE VIII

### DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber any of its property except as authorized by the Kentucky Revised Statutes.

## ARTICLE IX

### SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Kentucky."

## ARTICLE X

### FINANCIAL TRANSACTIONS

**Section 1. Contracts.** Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

**Section 2. Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 3. Deposits.** All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Directors may select.

**Section 4. Change in Rates.** Written notice shall be given to the Administrator of the Rural Electrification Administration Utilities Service of the United States of America and to the National Rural Utilities Cooperative Finance Corporation ~~not less than ninety days, as required,~~ prior to the date upon which any proposed change in the rates by the Cooperative for electric energy becomes effective.

**Section 5. Fiscal Year.** The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirtyfirst day of December of the same year.

## ARTICLE XI

### MISCELLANEOUS

**Section 1. Membership in Other Organizations.** The Cooperative shall not become a member of, or purchase stock in, any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase; provided, however, that the Cooperative may upon the authorization of the Board of Directors, purchase stock in or become a member of any corporation or organization organized on a nonprofit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of ~~REA~~the Rural Utilities Service, or any other corporation for the purpose of acquiring electric facilities.

**Section 2. Waiver of Notice.** Any member or Director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or Director at any meeting shall constitute a waiver of notice of such meeting by such member or Director, except in case a member or Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

**Section 3. Rules and Regulations.** The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

**Section 4. Accounting System and Reports.** The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural ~~Electrification Administration~~ Utilities Service of the United States of America.

The Board of Directors shall each year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative. Reports on such audit shall be submitted to the members at the next annual meeting.

## ARTICLE XII

### AMENDMENTS

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These Bylaws may be altered, amended or repealed by the affirmative vote of not less than twothirds (2/3) of all the Directors at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

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**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

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**of**  
**FARMERS RURAL ELECTRIC**  
**COOPERATIVE CORPORATION**

Glasgow, Kentucky

As Amended Through September 19, 2013

Randy H. London  
Secretary-Treasurer

9-19-13  
Date

**ARTICLE I**

**MEMBERSHIP**

**Section 1. Requirements for Membership.** Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of the Farmers Rural Electric Cooperative Corporation (hereinafter called the "Cooperative") by:

- (a) making a written application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any respective amendment or amendments thereto and any rules and regulations adopted by the Board of Directors; and
- (d) paying the membership fee hereinafter specified; provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he, she or it has been accepted for membership by the Board of Directors. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.

**Section 2. Membership Certificates.** Membership in the Cooperative shall be evidenced by a signed application for membership which has been approved for membership by the Board of Directors. In the absence of a signed membership application, payment of the first electric bill shall constitute evidence of agreement to all provisions of membership by the member.

No membership shall be issued for less than the membership fee fixed in these Bylaws, nor until such membership fee has been fully paid. In case a signed membership application is lost, destroyed or mutilated a replacement may be issued therefor upon such uniform terms and indemnity to the Cooperative as the Board of Directors may prescribe.

**Section 3. Joint Membership.** Individuals may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be

accepted for such membership. The term "member" as used in these Bylaws shall be deemed to include both individuals holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall have the effect of revoking a proxy executed by either or both and of constituting a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A proxy executed by either or both shall constitute one joint proxy;
- (d) A waiver of notice signed by either or both shall constitute a joint waiver;
- (e) Notice to either shall constitute notice to both;
- (f) Expulsion of either shall terminate the joint membership;
- (g) Withdrawal of either shall terminate the joint membership;
- (h) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

**Section 4. Conversion of Membership.** A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and the other designated individual to comply with the Articles of Incorporation, Bylaws, and rules and regulations adopted by the Board of Directors. A new signed application for membership shall be executed to indicate the changed membership status. Upon death of either individual who is a party to the joint membership, such membership shall be held solely by the survivor.

**Section 5. Membership Fees.** The membership fee shall be fixed by the Board of Directors and upon the payment of which a member shall then be eligible for service.

**Section 6. Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefor at rates which shall from time to time be fixed by the Board. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws.

Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors and authorized by the Kentucky Public Service Commission from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

**Section 7. Termination of Membership.** (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe.

The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds of all the Directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Secretary of the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors.

The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the Board of Directors.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him; provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

## ARTICLE II

### RIGHTS AND LIABILITIES OF MEMBERS

**Section 1. Property Interest of Members.** Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid; and (b) all capital furnished through patronage shall have been retired as provided in these Bylaws; the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

**Section 2. Non-liability for Debts of the Cooperative.** The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

## ARTICLE III

### MEETING OF MEMBERS

**Section 1. Annual Meeting.** (a) The Annual Meeting of the members shall be held each year in Barren, Hart or Metcalfe Counties and at a time to be selected by the Board. The place, date and time shall be designated in two notices of the Annual Meeting furnished by mail to all membership in printed or written form prior to said meeting.

(b) **Notice of Annual Meeting.** The primary notice shall be mailed not less than fifty-five (55) days nor more than eighty-five (85) days prior to the time set by the Board for the Annual Meeting and shall also include information as to the last date and place for posting of the nominations of the Nominating Committee and the last date and place for filing nominating petitions. The second notice of the Annual Meeting shall be given not less than twenty (20) days prior to the date set for said meeting.

(c) **Purpose.** The Annual Meeting will be held for the purpose of presenting reports for the previous calendar year, announcing the results of the election of Directors conducted by mail and transacting such other business as may properly come before the meeting. It shall be the responsibility of the Board to make plans and preparations for the Annual Meeting.

(d) **Failure to hold the Annual Meeting at the designated time or place shall not work a forfeiture or dissolution of the Cooperative, nor shall it affect the tenure of the existing Directors who shall hold office until their successors are properly elected and qualified even though the incumbents may exceed their normal elected time in office.**

**Section 2. Special Meetings of Members.** Special meetings of the members which do not have to be designated as such, may be called by resolution of the Board, or upon a written request signed by a majority of the Board members, or by fifteen percent (15%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Such meetings of the members may be held at any place within Barren County as designated by the Board and shall be specified in the notice of the meeting.

**Section 3. Notice of Special Meetings of Members.** Written or printed notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

**Section 4. Quorum.** A quorum at any membership meeting shall consist of one hundred

(100) members. If less than a quorum is present at any meeting, the majority of those who are present in person may adjourn the meeting from time to time without further notice.

**Section 5. Voting.** Only members who are actively receiving service and in good standing shall be eligible to vote. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the Articles of Incorporation or these Bylaws.

A member which is a firm, partnership, corporation, church, fraternal organization, school or body politic shall have one (1) vote which may be cast through its duly authorized agent by resolution or written statement from its Board of Directors, trustees or partners of such member organization.

Each member at an annual or other duly called membership meeting shall be required to present himself to the duly designated employees of the Cooperative in charge of the membership roster. After it is ascertained that he, she, or it is a member who is actively receiving service and in good standing, official identification credentials indicating same will be issued. Only those persons identifying themselves by the use of proper credentials may vote.

Unless otherwise directed by the Board prior to the membership meeting or meetings, Robert's Rules of Order shall apply.

**Section 6. Proxies.** At all meetings of members, a member in good standing may vote by proxy executed in writing by the member on all matters submitted to a vote at a meeting of members except the election of Directors which shall be done by mail ballot. Such proxy shall be filed with the Secretary at least five days in advance of the meeting date to provide sufficient time to verify and authenticate such proxy. No proxy shall be voted at any meeting of the members unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated, or any adjournment of such meeting.

No person shall vote as proxy for more than three (3) members at any meeting of the members and no proxy shall be valid after sixty (60) days from the date of its execution, provided, however, that a person may vote as proxy for an unlimited number of members upon the question of amendment of the Articles of Incorporation to increase the number of counties in which the Cooperative may operate.

The presence of a member at a meeting of the members shall revoke a proxy theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.

In case of a joint membership a proxy may be executed by either party of the joint membership. The presence of either party at a meeting of the members shall revoke a proxy theretofore executed by either of them and such joint member or members shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed.

**Section 7. Order of Business.** The order of business at the Annual Meeting of the

members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation of reports of officers, directors and committees.
5. Report on the election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

#### ARTICLE IV

#### BOARD OF DIRECTORS

**Section 1. General Powers.** The business and affairs of the Cooperative shall be managed by a board of seven directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

**Section 2. Districts.** The territory served or to be served by the Cooperative shall be divided into three districts. Each district shall have two directors except that District No. 1 shall have three directors. The three districts shall be as follows:

- District No. 1 - Barren and Edmonson Counties
- District No. 2 - Hart, Grayson and Larue Counties
- District No. 3 - Metcalfe, Green and Adair Counties

All directors shall have a fundamental fiduciary duty, regardless of their district, to represent the best interests of the whole cooperative membership. Representative districts exist for the purpose of encouraging diversity in geographical representation from across the system, and not for the purposes of representing or promoting special regional concerns.

**Section 3. Tenure of Office.** The regular tenure of office for each Director shall be three years or until his successor is elected and qualified. The term of office of the Directors shall be so that two Directors shall be elected each year except every third year three Directors shall be elected.



**Section 4. Qualifications.** No member shall be eligible to become or remain a director of the Cooperative who:

- (a) is not a natural person; or
- (b) is not a member in good standing of the Cooperative; or
- (c) is not, and was not for the last one (1) year next before the date of his or her election or appointment, a bona fide resident of the district which he or she is to represent; or
- (d) does not receive electric service from the Cooperative at his or her primary residential abode; or
- (e) does not have the legal capacity to enter into a binding contract; or
- (f) has not completed at least the twelfth grade or has not been issued a high school equivalency diploma or has not received a high school diploma through participation in the external diploma program; or
- (g) has entered a plea of guilty to, or no contest to, or been convicted of a felony; or
- (h) holds, or held within the last two (2) years next before the date of his or her election or appointment, any elective public office except for that of a committee member on a federal, state or county agricultural agency; or
- (i) is an employee or retired employee of the Cooperative or one of its subsidiaries; or
- (j) is receiving disability or worker's compensation benefits from the Cooperative or one of its subsidiaries; or
- (k) was employed by the Cooperative or by one of its subsidiaries within the last five (5) years next before the date of his or her election or appointment; or
- (l) is an employee, representative, agent, or official of any collective bargaining organization that represents the employees of the Cooperative or one of its subsidiaries; or
- (m) is a close relative of any incumbent director, current employee, or retired employee of the Cooperative or one of its subsidiaries; or
- (n) is a close relative of any person employed by the Cooperative or by one of its subsidiaries within the last five (5) years next before the date of his or her election or appointment; or
- (o) is an employee, representative, agent, or official or has a material financial interest in any enterprise that is in competition with the Cooperative or one of its subsidiaries; or
- (p) is an employee, representative, agent, or official or has a material financial interest in any enterprise selling energy, equipment, material, supplies or services to the Cooperative or one of its subsidiaries; or
- (q) is an employee, representative, agent, or official or has a material financial interest in any enterprise selling electrical, gas or plumbing appliances, fixtures, supplies or services to the members of the Cooperative; or
- (r) conducts themselves in any way that violates, or creates the perception of, the Cooperative's conflict of interest or code of conduct policies.

A "close relative" is defined as follows: spouse; parent, grandparent or great-grandparent;

parent, grandparent or great-grandparent of a spouse; child, grandchild or great-grandchild; child, grandchild or great-grandchild of a spouse; son-in-law or daughter-in-law; brother or sister; brother-in-law or sister-in-law; uncle or aunt; uncle or aunt of a spouse; nephew or niece; nephew or niece of a spouse. Persons unmarried to each other but who are cohabiting as husband and wife shall be considered as husband and wife in the determination of a close relative. However, no incumbent director shall lose eligibility to remain a director or to be reelected as a director if he or she becomes a close relative of another incumbent director or of a current, retired, or a former employee of the Cooperative or one of its subsidiaries because of a marriage to which he or she was not a party.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the Board of Directors shall remove such director from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

**Section 5. Nominations.** (a) It shall be the duty of the Board of Directors to select and appoint not less than fifty (50) days nor more than ninety (90) days before the Annual Meeting of the members a Nominating Committee consisting of not less than five (5) nor more than eleven (11) members of the Cooperative.

The members chosen by the Board shall be selected so as to give, as far as possible, equitable representation on the Nominating Committee considering the geographical areas served by the Cooperative. No officer or member of the Board shall be appointed a member of the Nominating Committee. Members of the Nominating Committee may be compensated for their service by a fixed meeting fee and reimbursement of actual expenses, as authorized by the Board of Directors.

(b) It shall be the responsibility of the Nominating Committee to select candidates to run for office of Director to fill vacancies caused by the expiration of Director's terms. The Nominating Committee shall prepare and post its nominations in a conspicuous manner in the lobby of the Cooperative's headquarters building not less than forty-five (45) days prior to the date set for the Annual Meeting, at which the results of the election of Directors shall be announced.

Any fifty (50) or more qualified members may, by written or printed petition, make other nominations from the membership for the office of Director, not exceeding the number of Directors to be elected in any one calendar year, by personally affixing their signatures and addresses to the petition or petitions. In no event shall a member or members sign a petition or petitions for more than the number of Directors to be elected in any one calendar year. In the event a member or members do sign a petition or petitions for more candidates than there are Directors to be elected in any one calendar year, then their signatures shall be invalid on all petitions signed by them.

Petition or petitions by qualified members nominating candidates for the office of Director shall be filed at the headquarters offices of the Cooperative during the regular office hours of the Cooperative, but in any event not later than forty (40) days prior to the date set for the Annual Meeting.

A certification date of seventy (70) days prior to the Annual Meeting shall be established

on which it shall be determined whether a member is in good standing and qualified for the purposes of signing nominating petitions and/or voting in the election of Directors.

A "Member in good standing" is any member of the Cooperative who is in compliance with the Bylaws, rules and regulations of the Cooperative and the rules and orders of the Kentucky Public Service Commission and who is not delinquent in payment of his account as billed by the Cooperative more than 30 days from date of billing.

(c) The Board of Directors shall have the duty of naming a Provost who shall be an independent Certified Public Accountant or Accounting Firm who shall be in charge of the election of Directors.

(d) The duties of the Provost shall be as follows:

1. The Provost is granted the power and authority to pass upon and determine the validity of each of the signatures, addresses and social security numbers on the petition or petitions to determine if those signing are qualified members in good standing of the Cooperative and entitled to vote for the election of Directors.

2. The Provost of the election shall examine and audit the petition or petitions filed by candidates for election to the office of Director to determine if the petition or petitions comply with the requirements of the Kentucky Revised Statutes, Articles of Incorporation and these Bylaws.

3. If the Provost shall disapprove a signature and/or address or social security number on a petition or petitions, he shall list same in writing giving the reason or reasons why said signature and/or address or social security number was not approved.

4. The Provost shall determine if the required number of qualified voting members have signed the petition or petitions after having deducted from the petition or petitions the names disapproved by him because the names and/or addresses and social security number(s) on said petition or petitions fail to comply with the Kentucky Revised Statutes, the Articles of Incorporation of the Cooperative and these Bylaws. If the petition or petitions do not contain the signatures, addresses and social security numbers of the required number, then the Provost shall notify the Petitioner and the Secretary of the Cooperative that the Petition is not valid.

If, after examination by the Provost, it is determined by said Provost that said petition or petitions meet the requirements, said nominating petition(s) shall then be posted in the lobby of the Cooperative headquarters building not less than thirty-five (35) days prior to the date set for the Annual Meeting.

5. Upon completion of the examination and audit of the petition or petitions by the Provost, he shall certify to the Secretary of the Cooperative the name or names of those persons properly nominated by petition or petitions so that those so nominated may be listed on the official ballot.

6. After the Provost has certified the names of the candidates nominated by petition or petitions to be placed upon the official ballot, it shall be the duty of the Provost to prepare a printed ballot of those persons duly nominated either by the Committee on Nominations or by nominating petition.

The printed ballot shall list separately those persons nominated by the Nominating Committee and those persons nominated by petition in alphabetical order and labeled in such a manner as to note which candidates appear on the ballot by nomination of the Nominating

Committee and which appear on the ballot by nomination by petition.

It shall be the further duty of the Provost to see that the official ballots are mailed to each active and qualified member at his or her last address shown on the Cooperative records not less than fifteen (15) days prior to said Annual Meeting at which the results of said election are to be announced.

Each official ballot shall be placed with an envelope labeled Ballot Envelope within a Return Envelope bearing postage prepaid, addressed to the Provost all in a Cover Envelope, all of which shall be mailed by the Provost to each member eligible to vote.

The official ballot shall be inscribed with instructions by the Provost as to how many candidates may be voted for on each official ballot by the member and with instructions that all official ballots must be returned only by U.S. mail except as provided in paragraph seven (7) hereafter and received not less than five (5) days prior to the said Annual Meeting.

The official ballot shall be personally marked and voted by the eligible member and then placed in the Ballot Envelope and sealed. The sealed Ballot Envelope, with the official ballot enclosed, shall then be placed in the Return Envelope which is addressed to the Provost with postage prepaid. The Return Envelope shall then be signed and dated by the member in the space provided in the upper corner of the Return Envelope so it can be determined by the Provost prior to opening the Return Envelope whether the person signing and dating the Return Envelope is an eligible voting member of the Cooperative. The member shall then seal and mail the Return Envelope to the Provost.

The Provost shall have complete responsibility for the security of the ballots.

7. In the event a voting member in good standing has his, her or its ballot inadvertently destroyed, or the Return Envelope inadvertently destroyed, or the Cover Envelope with the contents therein was not received by the voting member, then, upon the voting member having exhibited to the Provost his driver's license and/or a Social Security card, the Provost shall check the Cooperative's membership list to determine if he, she or it is a voting member in good standing.

The Provost shall then cause the voting member to execute an Affidavit before a Notary Public at the office of the Provost, and, if the Provost approves, he may then and there only deliver to the voting member a Return Envelope, a Ballot Envelope and a Ballot. However, no Affidavit, Return Envelope, Ballot Envelope or Ballot shall be delivered by the Provost after 4:30 P.M. on the fifth day prior to the Annual Meeting. In this instance the Provost may receive the ballot in the sealed envelope from the voter.

8. When the Committee on Nominations selects only one nominee for each forthcoming vacancy on the Board of Directors, and if no candidate(s) is nominated from the membership by written or printed petition within the prescribed time, as set forth in Article IV, Section 5 of these Bylaws, the Provost shall then certify to the Secretary of the Board that no petition has been filed within the prescribed time and that the candidate(s) nominated by the Committee on Nominations is/are therefore officially elected without opposition.

In any district where the candidate of the Committee on Nominations is unopposed because no other candidate has filed to run by petition within the prescribed time, the unopposed candidate shall not appear on the ballot, as he will have been elected without opposition.

The Provost will so announce at the Annual Membership Meeting, and the nominees

shall be deemed elected to the Board by acclamation without the necessity of mailing official ballots through the United States mail and following the mail-ballot election procedures set forth in these Bylaws.

**Section 6. Elections.** The Provost in charge of Directors' elections shall, with the help of his personnel, count the ballots as expeditiously as may be possible following his receipt of said ballots. After the ballots have been duly counted the result of such election shall be announced by the Provost or his designee at the subsequent Annual Meeting of Members and the Board shall meet thereafter and the person receiving the highest number of ballots and/or the person nominated who is unopposed for each directorship shall be seated.

The following ballots shall not be counted:

1. A vote marked for more than the number of candidates to be elected;
2. Ballots other than the official ballot;
3. Ballots not received through the United States mail except as provided in Section five (5) paragraph seven (7); and
4. Ballots arriving late.

The duties of the Provost regarding votes and counting shall be as follows:

1. The Provost shall examine each Return Envelope to ascertain if it has been properly signed and dated.
2. When the unopened Return Envelope is found by the Provost to be in conformity with the provisions and requirements of these Bylaws, the Provost shall see that the membership record is marked so as to indicate the member has voted.
3. Any and all Return Envelopes found by the Provost not to conform with the provisions and requirements of these Bylaws shall not be opened but shall be rejected and retained by the Provost.
4. Any official ballot deemed invalid by the Provost for reasons set forth in these Bylaws shall be retained by the Provost and marked rejected.
5. Each member shall be allowed only one vote.
6. In the event of a tie vote, the Provost shall conduct and oversee a drawing of lots to determine the winner.
7. The Provost shall promptly, upon completion of the counting of the membership votes and announcing the results at the Annual Meeting, certify in writing to the FRECC Board the names of the candidates and the number of votes received by each and shall also certify the names and addresses of the candidates receiving the highest number of votes taking into account the number of Directors to be elected and the respective districts they are to represent.
8. If no contest of the election shall have been filed within 60 days following the Annual Meeting at which the newly elected directors have been announced by the Provost, then the Provost shall destroy all ballots and envelopes related to the election, otherwise same shall be retained until any contest is resolved.

**Section 7. Director Removal.** (a) After being elected or appointed, if a Director does not comply with all general director qualifications, responsibilities, or cooperative policies, then, except

as otherwise provided by the Board for good cause, the Board shall disqualify the Director and the individual is no longer a Director if:

(1) the Board notifies the Director in writing or electronically of the basis for, and provides the Director an opportunity to comment regarding, the Board's proposed disqualification; and

(2) within 60 days after the Board notifies the Director of the proposed disqualification, the Director neither complies with nor meets the Director Qualification; or

(b) Any member may bring specific charges against a Director by filing with the Secretary such charges in writing together with a petition signed by at least ten (10) percent of the members or five-hundred (500), whichever is lesser, and may request the removal of such Director by reason of said specific charges.

Such Director shall be informed in writing of the charges at least twenty (20) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person and/or by counsel and present evidence in respect to the charges. The person or persons bringing the charges shall have the same opportunity.

By a majority vote of the members present at any annual or special meeting, at which a hearing on the question has been voted, the question of such removal shall then be submitted to the members in good standing within thirty (30) days following the meeting of the members. The Secretary shall send a separate ballot for each Director charged to every member in good standing setting forth the question of such removal so that it might be answered "yes" or "no" and the ballot shall be returned to the Provost by mail postmarked within ten (10) days after they are mailed to the members. The ballots shall be received and counted by the Provost named by the Board as provided in Article IV, Section 5.

A Director shall be removed by a majority vote of the members voting in this ballot by mail. If the question of the removal is voted in the affirmative by a majority of the valid ballots returned, the vacancy thereby created shall be filled in accordance with Article IV, Section 8 of these Bylaws.

**Section 8. Vacancies.** When a vacancy on the Board of Directors occurs for any reason other than the expiration of a term, the remaining members of the Board, by a majority vote, shall fill vacancy by appointment for the unexpired portion of the term of the member who has vacated or been removed from his position on the Board. The member elected as Director to fill the vacancy must reside in the same district as the Director to whose office he succeeds.

**Section 9. Compensation.** Directors shall not receive any salary for their services as Directors, except that by resolution of the Board of Directors a fixed monthly stipend, along with a fixed sum and actual expenses for each meeting attended on behalf of Cooperative business may be allowed.

No Director shall receive compensation for serving the Cooperative in any other capacity. No immediate relative of a Director shall receive compensation for serving the Cooperative unless that person is an employee of the Cooperative, or unless the payment and amount of

compensation shall be specifically authorized by a vote of the members or the service by such Director or immediate relative shall have been certified by the Board of Directors as an emergency measure.

## ARTICLE V

### MEETINGS OF DIRECTORS

**Section 1. Regular Meetings.** A regular meeting of the Board of Directors shall be held monthly at such time and place in Glasgow, Barren County, Kentucky, as the Board of Directors may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

**Section 2. Special Meetings.** Special meetings of the Board of Directors may be called by the Chairman of the Board or by any three Directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or the Directors calling the meeting shall fix the time and place for the holding of the meeting.

**Section 3. Notice of Special Meetings.** Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each Director not less than five days previous thereto either personally, by postal mail service, or by electronic mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the Directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at his address as it appears on the records of the Cooperative, with postage thereon prepaid. If electronically mailed, such notice shall be deemed to be delivered when sent to the electronic mail address as it appears on the records of the Cooperative. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting.

**Section 4. Quorum.** A majority of the Board of Directors shall constitute a quorum, provided, that if less than such majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Presence at a meeting may be either in person or through electronic means in occasional cases where a director is reasonably prevented from attending in person. Directors must attend a majority of all meetings in person.

## ARTICLE VI

### OFFICERS

**Section 1. Number.** The officers of the Cooperative shall be a Chairman of the Board, Vice-Chairman of the Board, Secretary, Treasurer, all of who shall be elected regular directors, and the President and Chief Executive Officer, who shall be appointed by the Board of Directors, and such other officers as may be determined from time to time by the Board of Directors. Any two (2) or more offices may not be held by the same person, except that the offices of Secretary and Treasurer may be held by the same person.

**Section 2. Election and Term of Office.** The elected officers shall be elected annually by and from the Board of Directors at the meeting of the Board of Directors held next following after the annual meeting of the members. If the election of such elected officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be.

Each elected officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

**Section 3. Removal of Officers and Agents by Directors.** Any officer or agent elected or appointed by the Board of Directors may be removed by a majority vote of the Board of Directors whenever in its judgement the best interests of the Cooperative will be served thereby.

In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten percent (10%) of the members, may request the removal of such officer.

The officer against whom such charges have been brought shall be informed in writing of the charges at least twenty (20) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person and/or by counsel and to present evidence in respect of the charges. The person or persons bringing the charges shall have the same opportunity.

In the event the Board does not remove such officer, the question of his removal may be considered anew at the next meeting of the members upon written request of the person or persons bringing the charges, provided the request is filed with the Secretary twenty (20) days in advance of said meeting of the members and the procedure followed as outlined in Article IV, Section 7.

**Section 4. Chairman of the Board.** The Chairman of the Board shall:

- (a) be the principal presiding officer of the Cooperative and, unless otherwise determined by the members of the Board of Directors, shall preside at all meetings of the members and the Board of Directors, and may consult with the President and CEO in the formulation and preparation of the agenda for meetings of the Board of Directors;
- (b) sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts



or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(c) in general, perform all duties incident to the office of Chairman of the Board, consistent with these Bylaws, and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 5. Vice-Chairman of the Board.** In the absence of the Chairman of the Board, or in the event of his inability or refusal to act, the Vice-Chairman of the Board shall perform the duties of the Chairman of the Board; and, when so acting, shall have all the power of and be subject to all the restrictions upon the Chairman of the Board. The Vice-Chairman of the Board shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

**Section 6. Secretary.** The Secretary shall:

(a) keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose;

(b) see that all notices are duly given in accordance with these Bylaws or as required by law;

(c) be custodian of the corporate records and of the seal of the Cooperative;

(d) keep or have kept a register of the names and post office addresses of all members;

(e) have general charge of the books of the Cooperative, including membership rosters;

(f) keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto, a copy of which shall be open to the inspection of any member during reasonable business hours of the Cooperative; and

(g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

(h) in the absence of the Chairman of the Board and the Vice-Chairman of the Board, or in event of their inability or refusal to act, the Secretary of the Board shall perform the duties of the Chairman of the Board, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman of the Board.

**Section 7. Treasurer.** The Treasurer shall:

(a) have charge and custody of and be responsible for all funds and securities of the Cooperative;

(b) be responsible for the receipt of and the issuance of receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and

(c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

**Section 7.01. Delegation of Secretary's and Treasurer's Responsibilities.**

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Section 6 and 7, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of such officers' such duties to one or more agents, employees or other officers of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

**Section 8. President and Chief Executive Officer.** The President and CEO shall be the chief operating officer of the Cooperative. He is charged with the duties and obligations of managing the foreseeable business affairs of the Cooperative, that shall include, but is not limited to, the Cooperative's approved budget and programs, and the formulation and preparation of the agenda for each regular meeting of the Board of Directors. Also, the President and CEO shall perform such other duties and shall exercise such other authority that the Board of Directors may from time to time vest in him.

**Section 9. Bonds of Officers and Others.** The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded, at Cooperative expense, in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded, at Cooperative expense, in such amount and with such surety as it shall determine.

**Section 9.01 Indemnification of Officers, Directors, Employees and Agents.** The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a director, officer, employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses, (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

To the extent that a director, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in paragraphs 1 and 2, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

Any indemnification under paragraphs 1 and 2 (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs 1 and 2. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding or (b) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the members.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

**Section 10. Compensation.** The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Directors subject to the limitations of Article IV, Section 9.

**Section 11. Reports.** The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

## ARTICLE VII

### NON-PROFIT OPERATION

**Section 1. Interest or Dividends on Capital Prohibited.** The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**Section 2. Patronage Capital in Connection with Furnishing Electric Energy.** (a) In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative.

In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all of its patrons, members and non-members alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy.

All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital.

(b) The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron.

All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

(c) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members.

If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of retirement for all amounts furnished as capital.

(d) Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

In the event that a non-member patron shall elect to become a member of the Cooperative the capital credited to the account of such non-member patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron.

(e) Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

(f) The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

**Section 3. Patronage Refunds in Connection with Furnishing Other Services.** In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those members from whom such amounts were obtained. Other earnings, dividends, patronage capital, or monies returned to the Cooperative due to its investment in other business entities shall be prorated annually to all member-owners of the Cooperative, based upon their patronage of the Cooperative.

## ARTICLE VIII

### DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber any of its property except as authorized by the Kentucky Revised Statutes.

## ARTICLE IX

### SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Kentucky."

## ARTICLE X

### FINANCIAL TRANSACTIONS

**Section 1. Contracts.** Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

**Section 2. Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 3. Deposits.** All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Directors may select.

**Section 4. Change in Rates.** Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America and to the National Rural Utilities Cooperative Finance Corporation, as required, prior to the date upon which any proposed change in the rates by the Cooperative for electric energy becomes effective.

**Section 5. Fiscal Year.** The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

## ARTICLE XI

### MISCELLANEOUS

**Section 1. Membership in Other Organizations.** The Cooperative shall not become a member of, or purchase stock in, any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase; provided, however, that the Cooperative may upon the authorization of the Board of Directors, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of the Rural Utilities Service, or any other corporation for the purpose of acquiring electric facilities.

**Section 2. Waiver of Notice.** Any member or Director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or Director at any meeting shall constitute a waiver of notice of such meeting by such member or Director, except in case a member or Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

**Section 3. Rules and Regulations.** The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

**Section 4. Accounting System and Reports.** The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America.

The Board of Directors shall each year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative. Reports on such audit shall be submitted to the members at the next annual meeting.

## ARTICLE XII

### AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of all the Directors at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

**INDEX TO BYLAWS**

(As Amended Through September 19, 2013)

**ARTICLE**  
**NUMBER**

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- Section 2. Membership Certificates
- Section 3. Joint Membership
- Section 4. Conversion of Membership
- Section 5. Membership Fees
- Section 6. Purchase of Electric Energy
- Section 7. Termination of Membership

**II. RIGHTS AND LIABILITIES OF MEMBERS**

- Section 1. Property Interest of Members
- Section 2. Non-Liability for Debts of the Cooperative

**III. MEETING OF MEMBERS**

- Section 1. Annual Meeting
- Section 2. Special Meetings of Members
- Section 3. Notice of Special Meetings of Members
- Section 4. Quorum
- Section 5. Voting
- Section 6. Proxies
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Section 5. Vice-Chairman of the Board  
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**XI. MISCELLANEOUS**

- Section 1. Membership in Other Organizations
- Section 2. Waiver of Notice
- Section 3. Rules and Regulations
- Section 4. Accounting System and Reports

**XII. AMENDMENTS**

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

13. Provide Farmers' equity management plan. Indicate when the current plan was adopted and identify any changes made in the plan since the year utilized as the test year in Farmers' last rate case. Provide a 5-year analysis of the amount of capital credits refunded to members under the plan and indicate the amounts related to general retirements and special retirements (i.e., estates of deceased patrons).

Response

A copy of the equity management plan is included in Exhibit U of the Application.

The 5-year analysis of capital credits refunded to members is below:

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
December 31, 2015

Capital credits were paid as follows:

	<u>General</u>	<u>Estates</u>	<u>Total</u>
2015	\$ 616,378		\$ 616,378
2014	\$ 631,125		\$ 631,125
2013	\$ 465,726		\$ 465,726
2012	\$ 350,779		\$ 350,779
2011	\$ 990,994		\$ 990,994
2010	\$ 786,602		\$ 786,602
Prior Years	\$ 10,250,193	\$ 433,300	\$ 10,683,493
<b>TOTAL</b>	<b>\$ 14,091,797</b>	<b>\$ 433,300</b>	<b>\$ 14,525,097</b>

Witnesses: Jennie Phelps and Lance Schafer

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

14. Provide Farmers' written policies on the compensation of its attorneys, auditors, and all other professional service providers. Include a schedule of fees, per diems, and other compensation in effect during the test year. Include all agreements, contracts, memoranda of understanding, and any other documentation that explains the nature and type of reimbursement paid for professional services. If any changes occurred during the test year, the effective date of these changes, and the reason for these changes.

Response

A copy of Farmers' policy for the compensation of the attorney's fee is attached to this response.

Schedules of fees are included in the Application, Exhibit F, Schedule H, Page 43 and Pages 45-46.

POLICY NO. 151

FUNCTIONS AND COMPENSATION OF COOPERATIVE ATTORNEY

I. POLICY

The Board of Directors shall select and the Cooperative shall maintain a continuing relationship with a competent attorney to provide the Cooperative with sound and timely general legal guidance and counsel in order to ensure maximum protection of the legal rights of the Cooperative and to maintain its operations within the limits prescribed by law.

II. PROVISIONS

A. Functions

The services required of the attorney will vary in nature and extent according to the conditions and problems that arise. These services can be divided into routine and special services.

1. Routine Services

- a. Attendance at regular and special Board meetings, or meetings of committees of the Board, when requested by the Board or President and CEO.
- b. Review of the minutes and proceedings of all regular and special Board meetings to check conformity with the Bylaws and applicable state and federal laws and regulations.
- c. Review of the minutes, resolutions, notice of meetings, and proceedings of the annual meeting of the members, or of special meetings of the members, and attending such meetings to be available for consultation and participation if events warrant.
- d. Review and legal approval of standard contracts and other standard documents as to form, substance, and execution.
- e. Advice, consultation, and correspondence concerning miscellaneous legal matters of a minor nature not requiring an unusual amount of time, study, and attention.
- f. Attendance at association meetings pertaining to the activities of the Cooperative where special services are not required and the choice of attending is left to the discretion of the attorney.

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

**POLICY NO. 151**

**FUNCTIONS AND COMPENSATION OF COOPERATIVE ATTORNEY**

Response 14  
Page 3 of 4  
Witness: JPhelps

2. Special Services

- a. Review and legal approval of special contracts and other special documents as to form, substance, and execution.
- b. Preparation and legal review of documents and matters pertaining to the disposition or acquisition of real property and interests in real property.
- c. Preparation and legal review of documents and matters pertaining to loans and mortgages.
- d. Representation of the Cooperative in state or federal court, or before a local, state, or federal agency.
- e. Collection activities regarding money owed to the Cooperative when specifically requested to do so by the Board or President and CEO.
- f. Special requests from the Board or President and CEO for actions, opinions, or advice that require considerable time, study, and research.
- g. All types of legal proceedings, other than those of a minor and routine nature, and those under the direction of the legal department of the Cooperative's insurance carrier.
- h. Attendance at association meetings pertaining to the legal responsibilities and concerns of the Cooperative when specifically required by the Board or President and CEO.

B. Compensation

1. Routine services shall be compensated for and included in the monthly retainer fee as agreed upon from time to time by the Board of Directors and the attorney with the following exceptions:
  - a. The attorney shall be compensated and reimbursed for attendance at special Board meetings, or meetings of committees of the Board, in the same manner as members of the Board of Directors.

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

**POLICY NO. 151**

**FUNCTIONS AND COMPENSATION OF COOPERATIVE ATTORNEY**

- b. The attorney shall be compensated and reimbursed for voluntary attendance at association meetings pertaining to the activities of the Cooperative in the same manner as members of the Board of Directors.
2. Special services as described above shall be compensated for at the hourly rate as contractually agreed upon from time to time by the Board of Directors and the attorney.
3. The Cooperative shall reimburse the attorney for all reasonable and legitimate expenses incurred and associated with representation of the Cooperative.

**III. RESPONSIBILITY**

The Board of Directors and the President and CEO shall be responsible for the administration of this policy.

Witnesses: Jennie Phelps and Lance Schafer

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

15. Provide Farmers' policies specifying the compensation of directors and a schedule of standard directors' fees, per diems, and other compensation in effect during the test year. If changes occurred during the test year, indicate the effective date and the reason for the changes.

Response

A copy of Farmers' policy for the compensation of directors' is attached to this response.

A schedule of standard directors' fees, per diems, and other compensation is included in the Application, Exhibit F, Schedule H, Page 43 and Pages 51 – 74.



**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

Response 15

Page 2 of 3

Witness: J Phelps

**POLICY NO. 152**

**DIRECTOR'S COMPENSATION**

**I. POLICY**

In order to encourage full member involvement in the governance of the Cooperative, it shall be the practice of the Cooperative to adequately and fairly compensate directors for the time and effort they spend conducting the Board's business.

**II. PROVISIONS**

Director's fees and expenses are set as follows:

1. An \$800 monthly stipend, plus:
2. \$300 per meeting for attendance at regular and special board meetings, committee meetings, training meetings, and all other authorized meetings. The Board of Directors, at its discretion, may reduce the amount of the fee paid for any meeting of shorter duration or limited agenda.
  - a. If a director is attending another authorized cooperative meeting on the same day as the regular monthly board meeting, then the director shall be paid only one per diem fee for that day. The rate paid for that day shall be the normal board meeting per diem of \$300. Additional meeting days preceding or following the board meeting day shall be paid at \$300 per day.
  - b. In the event the board authorizes a director to participate in a board meeting via conference call, the per diem shall be \$300 unless otherwise determined by the board.
  - c. If the director misses a regular board meeting due to illness or death of an immediate family member, the per diem for that meeting shall be paid. Subsequent absences will be addressed by the Board on a case-by-case basis.
  - d. When a meeting is held at a distance requiring a Director to travel out of state on a day prior to and/or a day after the meeting, payment for such additional travel and expenses shall be limited to one additional day's compensation.

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

Response 15  
Page 3 of 3  
Witness: J Phelps

**POLICY NO. 152**

**DIRECTOR'S COMPENSATION**

3. Expenses:

- a. Expenses shall be paid/reimbursed in accordance with Policy 102 – Travel and Expense Reimbursement – Directors.

4. Dental insurance coverage:

- a. Directors may elect to participate in the Cooperative's dental insurance program by paying the full cost of the monthly premium for either a single or family plan. Payment shall be made monthly.

5. Term and Travel Insurance:

- a. Directors may elect to participate in the Cooperative's NRECA Term Life and Travel insurance group policy by paying the full cost of the monthly premiums. Payment shall be made monthly. They will qualify for varying amounts of coverage based upon their age and any other terms as dictated by the Summary Plan Description.

III. **RESPONSIBILITY**

The Board of Directors and the President and CEO shall be responsible for the administration of this policy.

Witnesses: Jennie Phelps and Lance Schafer

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

16. Provide the date, time, and a general description of the activities at the most recent annual members' meeting. Indicate the number of new board members elected. For the most recent meeting and the 5 previous annual members' meetings, provide the number of members in attendance, the number of members voting for new board members, and the total cost of the annual meeting.

Response

See also Exhibit O of the Application and Exhibit F, Schedule H, Pages 49-50 of the Application.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
**Annual Meeting Information**  
Test Year Ending December 31, 2015

The most recent Farmers annual meeting was held July 14, 2016.

Data for the last five (5) annual meetings are as follows:

<u>Date</u>	<u>Members Attending</u>	<u>Cost</u>
July 9, 2015	286	\$ 31,362
July 10, 2014	234	\$ 35,302
July 11, 2013	301	\$ 37,021
July 12, 2012	333	\$ 35,681
July 7, 2011	289	\$ 38,003

There were no contested elections for Board Members.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

17. Provide the following:

a. A schedule showing, by customer class (i.e., residential, commercial, industrial, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each class. Provide a detailed explanation of the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective customer classes.

b. A schedule showing how the increase or decrease in (a) above was further distributed to each rate charge (i.e., customer or facility charge, kWh charge, etc.). Explain in detail the methodology or basis used to allocate the increase or decrease.

c. If the rate schedule contains a demand charge, describe in detail how the proposed demand charge was determined. Provide all calculations, assumptions, workpapers, methodologies, etc. used in the development of the proposed demand charge.

d. If the rate schedule contains a monthly customer charge, describe in detail how the proposed customer charge was determined. Provide all calculations, assumptions, workpapers, methodologies, etc. used in the development of the proposed customer charge.

e. A reconciliation of the Fuel Adjustment Clause ("FAC") revenue and expense for the test year. The net result of this adjustment should remove all FAC revenue and expense from test-year revenue and expense.

f. A reconciliation of the Environmental Surcharge ("ES") revenue and expense for the test year. The net result of this adjustment should remove all ES revenue and expense from test-year revenue and expense.

Response

17.a - See Exhibits G-3, G-4, H, I, and Q of the Application.

17.b - See Exhibits G-3, H, and I of the Application.

17.c - See Exhibits G-3, G-4, H, I, and Q of the Application.

17.d - See Exhibits G-3, G-4, H, I, and Q of the Application.

17.e - See Exhibit F, pages 2-3 and 8-10 of the Application.

17.f - See Exhibit F, pages 2-3 and 8-10 of the Application.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

18. For each rate schedule (rate class), provide the following information for the test year:

- a. Number of customers.
- b. Kilowatt-hour sales.
- c. Rate schedule's percent of Farmers' total kilowatt-hour sales.
- d. Monthly peak KW demands for the rate schedule.
- e. Total revenue collected.
- f. Rate schedule's percent of Farmers' total revenues.

Response

- 18.a – See Exhibit F, page 3 of the Application.  
18.b – See Exhibit F, page 3 of the Application.  
18.c – See Exhibit F, page 3 of the Application.  
18.d – See Exhibit Q, pages 29-31 of the Application.  
18.e – See Exhibit F, page 3 of the Application.  
18.f – See Exhibit F, page 3 of the Application.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

19. Provide a schedule of purchased power costs for the test year and the 12-month period immediately preceding the test year, by vendor, separated into demand and energy components. Include kW and kWh purchased. Indicate any estimates used and explain their use in detail.

Response

For the Test Year purchased power costs, see Exhibit F, pages 8-10 of this Application.

For the purchased power cost for the 12-month period immediately preceding the Test Year, see page 2 of this item.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

**Purchased Power Costs for the 12 Months Immediately Preceding the Test Year**

2014	KWH	NON CP DEMAND	BILLING DEMAND	\$ COMPONENTS OF POWER BILL					TOTAL POWER COST
				DEMAND CHARGE	ENERGY CHARGE	OTHER CHARGES *	FUEL ADJUSTMENT	ENVIRO SURCHARGE	
January	64,623,998	147,707	141,336	858,893	3,102,597	45,547	(83,365)	570,498	4,494,170
February	51,181,959	125,735	117,978	722,520	2,444,207	41,392	46,064	355,351	3,609,534
March	47,650,194	114,906	109,728	672,853	2,269,251	45,226	42,886	164,843	3,195,059
April	34,668,270	87,780	78,152	482,767	1,644,252	45,031	86,671	262,457	2,521,178
May	38,326,707	86,818	70,687	439,067	1,852,480	44,757	95,819	327,603	2,759,726
June	44,050,165	102,681	92,759	573,064	2,141,834	46,304	110,126	454,678	3,326,006
July	45,705,665	103,123	93,799	577,919	2,225,102	48,162	114,263	464,810	3,430,256
August	47,081,874	102,823	87,481	541,191	2,291,441	48,160	117,705	431,176	3,429,673
September	38,670,185	95,789	89,672	554,927	1,870,607	48,153	96,677	324,377	2,894,741
October	36,568,225	82,749	71,436	445,441	1,732,454	48,148	(10,972)	299,695	2,514,766
November	47,320,096	111,128	103,853	639,406	2,254,430	48,146	(105,999)	441,558	3,277,541
December	49,324,403	103,647	98,060	604,531	2,355,108	48,150	(39,460)	503,123	3,471,452
<b>Total</b>	<b>545,171,741</b>			<b>7,112,579</b>	<b>26,183,763</b>	<b>557,176</b>	<b>470,415</b>	<b>4,600,169</b>	<b>38,924,102</b>

\*Metering Point, Sub/Wheeling, DLC & Green Power

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

20. Describe how the test-year capitalization rate was determined. If differing rates were used for specific expenses (i.e., payroll, transportation clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed charges to the test-year capitalization rate and how they were determined.

Response

See page 2 of this item.

No changes are proposed to the test year allocation.



Witness: Lance C. Schafer

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2016-00365**  
**Commission Staff's First Request for Information**

**Capitalization Policies**

Line No.	Acct No.	Description	Benefits Distribution
1	107.20	Construction WIP	264,026
2	108.80	Retirement WIP	80,137
3	142.20	Accts Rec	4,296
4	163.00	Store Expense	59,746
5	184.10	Tran. Expense	38,373
6	580.00	Operations, Supervision	10,448
7	583.00	OH Line Exp	16,094
8	586.00	Meter Expense	83,473
9	587.00	Consumer Install	382
10	587.40	Misc. Exp./Temp	86
11	588.00	Misc. Dist. Exp	273,147
12	593.00	Maint of OH Lines	348,682
13	593.01	Maint of Lines/Emerg	44,190
14	593.10	Maint of ROW	13,863
15	593.40	Maint of Line Insp	67,999
16	595.00	Maint of Line Trans	2,841
17	598.00	Maint of Misc Distr	2,836
18	902.00	Meter Reading Exp	6,879
19	903.00	Cust Records	254,850
20	908.60	Engy Conservation	31,949
21	920.00	Admin & General	306,694
22	925.00	Injuries & Damages	707
23	930.21	Annual Meeting	1,792
24	930.23	Public Relations	53,167
25	932.00	Maint of General Plant	3,835
26		<b>TOTAL</b>	<b><u>1,970,493</u></b>
27			
28		Benefits include the following:	
29		Medical insurance	1,070,770
30		Life and disability insurance	49,376
31		R & S retirement	709,103
32		Savings plan 401(k)	53,142
33		Workers Comp	84,744
34		Employee Assistance Program	<u>3,358</u>
35			
36			<u>1,970,493</u>
37			
38		Farmers RECC accumulates all benefits, then allocates these to accounts based on the	
39		labor distribution for the month. The above is the actual allocation for the test year for	
40		the above benefits	
41			
42		The total number of employees is 61, with an average benefit cost of \$32,303.	

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

21. Provide the following:

a. A schedule of salaries and wages for the test year and each of the 3 calendar years preceding the test year as shown in format 21a. For each time period, provide the amount of overtime pay.

b. A schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the 5 preceding calendar years.

Response

A. A schedule of salaries and wages for the test year and each of the 3 calendar years is attached to this response.

B. There are no union employees at Farmers. Wage and salary increases are as follows:

<u>Year</u>	<u>Increase: Non-Union</u>
2015	2.00%
2014	3.00%
2013	3.00%
2012	2.50%
2011	3.00%
2010	2.90%

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
Case No. 2016-000365

Analysis of Salaries and Wages  
For the calendar years 2012 through 2014  
and the Test year ending December 31, 2015

"000 Omitted"

Line No	Item (a)	Twelve Months Ended						Test year 2015	
		2012		2013		2014		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	1,148	0%	1,181	3%	1,188	1%	1,245	5%
3	Customer accounts expense	413	-7%	360	-13%	358	-1%	377	5%
4	Customer service and information	53	-10%	69	30%	59	-14%	48	-19%
5	Sales expense								
6	Administrative and general expenses:								
7	(a) Administrative and general	561	4%	454	-19%	465	2%	530	14%
8	(b) Office supplies and expense								
9	(h) Miscellaneous general	94	19%	105	12%	102	-3%	112	10%
10	(i) Maintenance of general plant	6	0%	5	-17%	5	0%	5	0%
11									
12	Total administrative and general expenses L6(a) to L6(i)	661	6%	564	-3%	572	1%	647	-3%
13									
14									
15	Charged to clearing and others	403	-13%	486	21%	459	-6%	470	2%
16									
17	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	2,678	-2%	2,660	-1%	2,636	-1%	2,787	6%
18									
19									
20	Wages capitalized	813	9%	923	14%	935	1%	980	5%
21									
22	Total salaries and wages	3,491	0%	3,583	3%	3,571	0%	3,767	5%
23									
24	Ratio of salaries and wages charged to expense to total wages L9 / L11	77%		74%		74%		74%	
25									
26									
27	Ratio of salaries and wages capitalized to total wages L10 / L11	23%		26%		26%		26%	
28									
29									
30	Overtime wages	241	-17%	287	19%	279	-3%	259	-7%
31	Overtime hours	7,540	-18%	8,642	15%	8,313	-4%	7,448	-10%
32									
33		31.96		33.21		33.56		34.77	

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

22. Provide the following payroll information for each employee:
- a. The actual regular hours worked during the test year.
  - b. The actual overtime hours worked during the test year.
  - c. The test-year-end wage rate for each employee and the date of the last increase; and
  - d. A calculation of the percent of increase granted during the test year.
  - e. The annual percentage of increase granted for both salaried and hourly employees for 2010 to 2015. The information shall identify all the employees as either salaried or hourly, and also as either full-time, part-time, or temporary. Employee numbers or other identifiers may be used instead of employee names. Include an explanation of how the overtime pay rate is determined. All employees terminated during the test year shall be identified (along with the month in which the termination occurred), as well as those employees who replaced terminated employees or were otherwise added to the payroll during the test year. If Farmers has more than 100 employees, the above information may be provided by employee classification.

Response

- A. The actual regular hours worked during the test year is 135,016 hours. See Exhibit F, Schedule D, Page 19-20 of the Application.
- B. The actual overtime hours worked during the test year is 7,448 hours. Overtime pay is calculated at 1 ½ times regular pay rate for hours worked in excess of eight (8) hours per day. See Exhibit F, Schedule D, Page 19-20 of the Application.
- C. The test-year-end wage rate for each employee is listed in Exhibit F, Schedule D, Pages 25-26 of the Application. Also, see the exhibit attached to this response.
- D. A calculation of the percent of increase granted during the test year is listed in the Exhibit F, Schedule D, Pages 25-26 of the Application. Also, see the exhibit attached to this response.
- E. See the exhibit attached to this response.

Line No.	Employee Designation	11/01/09		11/01/10		11/01/11		11/01/12		11/01/13		11/01/14		01/01/16	
		Wage Rate	Percent Increase	Wage Rate	Percent Increase	Wage Rate	Percent Increase	Wage Rate	Percent Increase	Wage Rate	Percent Increase	Wage Rate	Percent Increase	Wage Rate	Percent Increase
<b>Salaryed</b>															
<b>Employees:</b>															
1	S1	67.31	6.0%	71.35	6.0%	74.91	5.0%	77.16	3.0%	79.86	3.5%	84.65	6.0%	87.19	2.9%
2	S2	35.00	3.0%	36.05	3.0%	37.13	3.0%	38.24	3.0%	42.36	10.8%	43.74	3.3%	44.62	2.0%
3	S3	36.47	8.3%	39.50	8.3%	40.69	3.0%	42.73	5.0%	45.28	6.0%	46.75	3.2%	47.69	2.0%
4	S4	35.36	3.0%	36.42	3.0%	39.23	7.7%	40.41	3.0%	42.36	4.8%	43.74	3.3%	44.62	2.0%
5	S5	28.85	3.0%	29.71	3.0%	32.19	8.3%	36.83	14.4%	42.36	15.0%	43.74	3.3%	44.62	2.0%
6	S6	n/a	n/a	32.93	n/a	33.92	3.0%	35.28	4.0%	44.19	25.3%	46.07	4.3%	47.45	2.9%
7															
8															
<b>Hourly</b>															
<b>Employees:</b>															
9	H1	21.81	3.0%	22.46	3.0%	23.13	3.0%	23.82	3.0%	26.42	10.9%	27.21	3.0%	27.75	2.0%
10	H2	27.45	6.1%	29.12	6.1%	29.70	2.0%	30.29	2.0%	31.20	3.0%	31.82	2.0%	32.46	2.0%
11	H3	25.76	3.0%	26.53	3.0%	27.06	2.0%	27.60	2.0%	28.43	3.0%	29.00	2.0%	29.58	2.0%
12	H4	28.34	2.8%	29.12	2.8%	29.70	2.0%	30.29	2.0%	30.29	0.0%	30.29	0.0%	30.29	0.0%
13	H5	28.34	2.8%	29.12	2.8%	29.70	2.0%	30.29	2.0%	34.00	12.2%	35.02	3.0%	35.72	2.0%
14	H6	25.76	3.0%	26.53	3.0%	27.06	2.0%	27.60	2.0%	28.15	2.0%	29.00	3.0%	29.58	2.0%
15	H7	16.75	3.0%	17.25	3.0%	17.60	2.0%	17.95	2.0%	18.22	1.5%	18.59	2.0%	18.96	2.0%
16	H8	24.48	2.0%	24.97	2.0%	25.47	2.0%	25.98	2.0%	26.50	2.0%	27.03	2.0%	27.57	2.0%
17	H9	14.57	3.0%	15.01	3.0%	15.31	2.0%	15.62	2.0%	16.09	3.0%	16.57	3.0%	16.90	2.0%
18	H10	23.82	2.0%	24.30	2.0%	24.79	2.0%	25.29	2.0%	26.05	3.0%	26.83	3.0%	27.37	2.0%
19	H11	20.44	3.0%	21.06	3.0%	21.48	2.0%	21.91	2.0%	22.24	1.5%	22.91	3.0%	23.37	2.0%
20	H12	16.75	2.5%	17.17	2.5%	17.51	2.0%	17.86	2.0%	18.40	3.0%	18.91	2.8%	19.29	2.0%
21	H13	15.84	3.0%	16.32	3.0%	16.65	2.0%	16.98	2.0%	17.32	2.0%	17.67	2.0%	18.02	2.0%
22	H14	20.38	6.3%	21.67	6.3%	22.10	2.0%	22.76	3.0%	24.48	7.6%	29.64	21.1%	30.23	2.0%
23	H15	12.20	3.0%	12.57	3.0%	16.32	29.8%	16.65	2.0%	16.98	2.0%	17.32	2.0%	17.67	2.0%
24	H16	21.90	3.0%	22.56	3.0%	23.01	2.0%	24.00	4.3%	27.81	15.9%	28.64	3.0%	29.21	2.0%
25	H17	17.38	3.0%	17.90	3.0%	18.26	2.0%	18.81	3.0%	19.19	2.0%	19.57	2.0%	19.97	2.0%
26	H18	23.41	3.0%	24.11	3.0%	24.71	2.5%	25.95	5.0%	26.73	3.0%	27.53	3.0%	28.08	2.0%
27	H19	13.00	8.3%	14.08	8.3%	14.36	2.0%	14.65	2.0%	14.94	2.0%	15.24	2.0%	15.54	2.0%
28	H20	21.57	3.0%	22.22	3.0%	22.66	2.0%	24.00	5.9%	25.20	5.0%	25.96	3.0%	26.48	2.0%
29	H21	20.30	2.0%	20.71	2.0%	21.12	2.0%	21.54	2.0%	22.19	3.0%	22.86	3.0%	23.32	2.0%
30	H22	15.96	13.8%	18.17	13.8%	18.53	2.0%	18.90	2.0%	19.09	1.0%	19.66	3.0%	20.05	2.0%
31	H23	20.53	1.3%	20.80	1.3%	21.22	0.0%	21.75	2.5%	21.75	0.0%	22.51	3.5%	23.07	2.5%
32	H24	16.58	3.0%	17.08	3.0%	17.42	2.0%	17.84	2.4%	18.38	3.0%	18.93	3.0%	19.31	2.0%
33	H25	21.29	4.7%	22.29	4.7%	22.74	2.0%	24.00	5.5%	24.72	3.0%	25.46	3.0%	25.97	2.0%
34	H26	22.40	1.3%	22.69	1.3%	23.14	2.0%	23.14	0.0%	23.60	2.0%	24.07	2.0%	24.31	1.0%
35	H27	21.57	3.0%	22.22	3.0%	22.66	2.0%	24.00	5.9%	27.81	15.9%	28.64	3.0%	29.21	2.0%
36	H28	17.84	3.0%	18.38	3.0%	19.31	5.1%	19.31	0.0%	19.70	2.0%	20.29	3.0%	20.70	2.0%
37	H29	20.50	5.5%	21.63	5.5%	22.06	2.0%	24.00	8.8%	24.72	3.0%	25.46	3.0%	25.97	2.0%
38	H30	20.50	5.5%	21.63	5.5%	23.00	15.6%	27.00	8.0%	28.84	6.8%	29.71	3.0%	30.30	2.0%

Line No.	Employee Designation	Wage Rate	Wage Rate	Percent Increase	Wage Rate	Percent Increase	Wage Rate	Percent Increase	Wage Rate	Percent Increase	Wage Rate	Percent Increase	Wage Rate	Percent Increase
		11/01/09	11/01/10		11/01/11		11/01/12		11/01/13		11/01/14		01/01/16	
Hourly Employees, continued														
40	H31	18.34	19.01	3.7%	19.97	5.0%	20.67	3.5%	21.50	4.0%	24.01	11.7%	20.98	-12.6%
41	H32	16.24	17.38	7.0%	18.26	5.1%	19.54	7.0%	20.94	7.2%	23.31	11.3%	23.78	2.0%
42	H33	13.39	14.21	6.1%	14.64	3.0%	15.37	5.0%	16.45	7.0%	17.44	6.0%	17.79	2.0%
43	H34	16.82	17.24	2.5%	17.84	3.5%	18.38	3.0%	18.93	3.0%	19.69	4.0%	20.18	2.5%
44	H35	12.21	14.08	15.3%	14.50	3.0%	15.23	5.0%	15.99	5.0%	16.31	2.0%	16.64	2.0%
45	H36	11.63	13.29	14.3%	13.69	3.0%	14.10	3.0%	14.45	2.5%	15.32	6.0%	15.62	2.0%
46	H37	17.04	17.41	2.2%	17.76	2.0%	18.12	2.0%	18.66	3.0%	19.13	2.5%	19.47	1.8%
47	H38	10.35	13.49	30.3%	13.89	3.0%	14.45	4.0%	14.88	3.0%	15.33	3.0%	15.79	3.0%
48	H39	15.36	16.66	8.5%	18.09	8.6%	18.63	3.0%	19.96	7.1%	22.58	13.1%	23.46	3.9%
49	H40	n/a	13.42	n/a	13.82	3.0%	14.65	6.0%	16.16	10.3%	16.81	4.0%	17.15	2.0%
50	H41	n/a	16.00	n/a	17.51	9.4%	18.58	6.1%	19.96	7.4%	22.47	12.6%	23.46	4.4%
51	H42	n/a	13.03	n/a	13.69	5.1%	14.10	3.0%	14.88	5.5%	15.51	4.3%	15.82	2.0%
52	H43	n/a	n/a	n/a	26.70	n/a	27.50	3.0%	28.33	3.0%	29.18	3.0%	29.76	2.0%
53	H44	n/a	n/a	n/a	13.42	n/a	13.96	4.0%	14.73	5.5%	15.36	4.2%	15.67	2.0%
54	H45	n/a	n/a	n/a	16.51	n/a	17.01	3.0%	18.05	6.1%	20.70	14.7%	21.93	5.9%
55	H46	n/a	n/a	n/a	19.23	n/a	19.81	3.0%	20.80	5.0%	21.48	3.3%	21.91	2.0%
56	H47	n/a	n/a	n/a	n/a	n/a	17.00	n/a	18.03	6.1%	19.13	6.1%	20.91	9.3%
57	H48	n/a	n/a	n/a	n/a	n/a	17.00	n/a	18.03	6.1%	19.13	6.1%	20.91	9.3%
58	H49	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13.81	n/a	14.78	7.0%	15.07	2.0%
59	H50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	17.50	n/a	18.57	6.1%	20.91	12.6%
60	H51	n/a	n/a	n/a	n/a	n/a	n/a	n/a	17.50	n/a	18.57	6.1%	19.70	6.1%
61	H52	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	37.50	n/a
62	H53	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20.40	n/a
63	H54	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	19.57	n/a
64	H55	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	19.00	n/a
65														
66														
Part Time/Summer Employees:														
67														
68	PT1	11.76	11.94	1.5%	11.94	0.0%	11.94	0.0%	11.94	0.0%	11.94	0.0%	12.18	2.0%
69	PT2	11.76	11.94	1.5%	12.12	1.5%	12.36	2.0%	12.61	2.0%	12.61	0.0%	12.86	2.0%
70	PT3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10.00	n/a

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
Case No. 2016-00365  
**Employee Information**  
December 31, 2015

1 The following is a list of employees added during the test year, and the employees that were  
2 replaced, or reason for hiring the employees.  
3

4 Employee  
5 Hired Reason  
6  
7 H52 Hired Supervisor for Department  
8 H53 Replaced R/T3 who retired  
9 H54 Replaced R/T9 who quit  
10 PT3 Replaced R/T8 for seasonal summer work  
11 H55 Replaced R/T2 who quit  
12  
13

14 The following is a list of employees terminated or retired, and the date.  
15

16 Employee  
17 Number Month  
18  
19 R/T2 Aug-15  
20 R/T3 May-15  
21 R/T4 Oct-15  
22 R/T5 Feb-15  
23 R/T7 Jun-15  
24 R/T8 Jun-15  
25 R/T9 May-15

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

23. Provide the following payroll tax information:

- a. The base wages and salaries used to calculate the taxes, with an explanation of how the base wages and salaries were determined.
- b. The tax rates in effect at test-year-end.

Response

See Exhibit F, Pages 11 - 32 of the Application.



Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

24. Provide the following tax data for the test year:
- a. A schedule of franchise fees paid to cities, towns or municipalities during the test year, including the basis of these fees.
  - b. An analysis of operating taxes imposed by Kentucky as shown in Format 24b.

Response

- A. No franchise fees were paid for the test year ending December 31, 2015.
- B. See Exhibit F, Pages 40 – 42 of the Application.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

25. Provide a statement of electric plant in service, per company books, for the test year. This data shall be presented as shown in Format 25.

Response

The data is attached to this response:

## FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2016-00365

## Statement of Electric Plant in Service

Test Year Ending December 31, 2015

		Beginning			Ending
	Changes in electric plant:	Balance	Additions	Retirements	Balance
303	Intangible	3,625	0	0	3,625
342	Fuel Producers	40,846	0	0	40,846
344	Generators	876,549	155,848	0	1,032,397
345	Electronic Equipment	197,673	0	0	197,673
362	Station Equipment	16,235	0	0	16,235
362.01	SCADA Equipment	41,356	0	0	41,356
364	Poles, Towers & Fixtures	23,954,407	1,467,718	417,078	25,005,047
365	Overhead Conductors & Devices	18,406,230	1,492,931	317,200	19,581,961
367	Underground Conductors & Devices	1,582,071	87,320	14,722	1,654,669
368	Line Transformers	14,346,754	871,130	30,842	15,187,042
369	Services	7,590,270	263,562	65,869	7,787,963
370	Meters	131,992	0	13,659	118,333
370.01	Meters, 1-Ph TWACS	3,909,925	114,638	0	4,024,563
370.02	Meters, Receiver Equipment	639,591	0	2,455	637,136
370.03	Meters, Transformers	254,924	0	0	254,924
370.04	Meters, Computer Equip.	38,278	0	0	38,278
370.05	Meters, Control Links	11,379	0	0	11,379
371	Installations on Customer Premises	1,947,198	107,779	56,456	1,998,521
373	Street lights	200,572	8,755	16,660	192,667
	Subtotal distribution plant	74,189,875	4,569,681	934,941	77,824,615
389	Land	987,775	5,000	0	992,775
390	Structures and Improvements	2,150,803	51,722	0	2,202,525
391	Office Furniture and Equipment	891,383	51,352	115,376	827,359
392	Transportation Equipment	3,158,238	336,154	65,412	3,428,980
394	Tools, Shop and Garage	67,682	0	0	67,682
395	Laboratory	83,351	0	0	83,351
396	Power Operated Equipment	131,149	0	0	131,149
397	Communication	793,311	10,600	19,951	783,960
398	Miscellaneous	170,333	13,231	0	183,564
	Subtotal general plant	8,434,025	468,059	200,739	8,701,345
	Total electric plant in service	\$82,623,900	\$5,037,740	\$1,135,680	\$86,525,960

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

26. Provide a schedule of all employee benefits available to Farmers' employees. Include the number of employees at test-year-end covered under each benefit, the test year end actual cost of each benefit, the amount of the cost capitalized, the amount of the cost expensed, and the account numbers in which the capitalized or expensed costs were recorded.

Response

See Exhibit F, pages 17-32 of this Application.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

27. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and 2 preceding calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each executive officer, and to whom each executive officer reports. Also, for employees elected to executive officer status during the test year, provide the salaries, for the test year, for those persons whom they replaced.

Response

A schedule is attached to this response.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
**Compensation of Executive Officer**  
December 31, 2015

1  
2  
3  
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10  
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12  
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14  
15  
16  
17

	<-----	Test Year	----->	Employees
		Percent of		Who
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>	<u>Report</u>
President & CEO	181,349	3.0%	1/1/2016	all
		<u>First Preceding Year</u>		
		Percent of		
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>	
President & CEO	176,068	6.0%	11/1/2014	
		<u>Second Preceding Year</u>		
		Percent of		
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>	
President & CEO	166,100	3.5%	11/1/2013	

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

28. Provide a detailed analysis of advertising expenditures during the test year. Include a breakdown of Account No. 913, Advertising Expenses, as shown in Format 28, and show any advertising expenditures included in other expense accounts. Specify the purpose and expected benefit of each expenditure.

Response

Farmers utilizes account 908.00 for energy efficiency/DSM advertising. Any DSM advertising rebates received from East Kentucky Power Cooperative is applied to this account.

A schedule is attached to this response.

## FARMER RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2016-00365

## Advertising Expenses

For the 12 Months Ending December 31, 2015

Line No.	Item (a)	Sales or Promotional Advertising (b)	Institutional Advertising (c)	Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
1	Newspaper						-
2	Magazines and other (digital)			672			672
3	Televsion			920			920
4	Radio			100			100
5	Direct Mail			3,412		75	3,487
6	Sales Aids						-
7	Total	-	-	5,104	-	75	5,179
8	Amount assigned to KY retail						
9							
10							



Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

29. Provide an analysis of Account No. 930, Miscellaneous General Expenses, for the test year. Include a complete breakdown of this account as shown in Format 29. Include all detailed workpapers supporting this analysis. At a minimum, the workpapers shall show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and a brief description of each expenditure. Detailed analysis is not required for amounts less than \$100 provided the items are grouped by classes as shown in Format 29.

Response

A schedule is attached to this response.

**Farmers Rural Electric Cooperative Corp.**  
**Case No. 2016-00365**  
**Summary of Accounts 930.10, 930.20, 930.21, 930.23 and 930.30**  
**For the 12 Months Ending December 31, 2015**

Line No.	Item (a)	Amount (b)	
1	Industry Association Dues	88,751	
2	Stockholder and Debt-Servicing Expenses (Annual Meeting)	31,962	**
3	Institutional Advertising	3,330	
4	Conservation, Safety, and EE Advertising (Kentucky Living)	112,400	
5	Rate Department Load Studies	-	
6	Director's Fees and Expenses	114,040	****
7	Dues and Subscriptions	4,555	
8	Miscellaneous	37,673	
9	Payroll/Benefits/Transportation	147,429	
10	Total	540,140	
11	Amount Assigned to KY Retail		

\*\* Data for Account 930.21 (Annual Meeting) included in Application, Exhibit F, Pages 47-49

\*\*\*\* Data for Account 930.30 (Directors' Fees) included in Application, Exhibit F, Pages 51-59

**Farmers Rural Electric Cooperative Corp.**  
**Case No. 2016-000365**  
**Account 930.10 - General Advertising Expense**  
**For the 12 Months Ended December 31, 2015**

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VOUCHER (e)	VENDOR (f)	VENDOR NAME (g)	DEBIT (h)	CREDIT (i)	DESCRIPTION (j)	INVOICE NBR (k)	
1	930.10	232.03	MBSV 10	01/28/15		1295	KENTUCKY ASSOCIATION OF	9,368.44	-	KENTUCKY LIVING	11541941	
2	930.10	165.20	DUES 01	01/31/15	FJ2007			1,793.07	-	DUES - KAEC		
3	930.10	232.03	MBSV 10	02/27/15		1295	KENTUCKY ASSOCIATION OF	9,418.98	-	KENTUCKY LIVING	11543753	
4	930.10	165.20	DUES 01	02/28/15	FJ2007			1,793.07	-	DUES - KAEC		
5	930.10	232.03	MBSV 10	03/26/15		1295	KENTUCKY ASSOCIATION OF	9,415.26	-	KENTUCKY LIVING	11544758	
6	930.10	165.20	DUES 01	03/31/15	FJ2007			1,793.07	-	DUES - KAEC		
7	930.10	232.03	MBSV 10	04/29/15		1295	KENTUCKY ASSOCIATION OF	9,428.55	-	KENTUCKY LIVING	11546244	
8	930.10	165.20	DUES 01	04/30/15	FJ2007			1,793.07	-	DUES - KAEC		
9	930.10	232.03	MBSV 10	05/31/15		1295	KENTUCKY ASSOCIATION OF	9,409.91	-	KENTUCKY LIVING	11547841	
10	930.10	165.20	DUES 01	05/31/15	FJ2007			1,793.07	-	DUES - KAEC		
11	930.10	232.03	MBSV 10	06/17/15		1295	KENTUCKY ASSOCIATION OF	9,413.63	-	KENTUCKY LIVING	11548923	
12	930.10	165.20	DUES 01	06/30/15	FJ2007			1,793.07	-	DUES - KAEC		
13	930.10	232.03	MBSV 10	07/27/15		1295	KENTUCKY ASSOCIATION OF	8,016.96	-	KENTUCKY LIVING	11550593	
14	930.10	165.20	DUES 01	07/31/15	FJ2007			1,793.07	-	DUES - KAEC		
15	930.10	232.03	MBSV 10	08/27/15		1295	KENTUCKY ASSOCIATION OF	9,428.55	-	KENTUCKY LIVING	11552502	
16	930.10	165.20	DUES 01	08/31/15	FJ2007			1,793.07	-	DUES - KAEC		
17	930.10	232.03	MBSV 10	09/22/15		1295	KENTUCKY ASSOCIATION OF	9,432.84	-	KENTUCKY LIVING	11554158	
18	930.10	165.20	DUES 01	09/30/15	FJ2007			1,793.07	-	DUES - KAEC		
19	930.10	232.03	MBSV 10	10/27/15		1295	KENTUCKY ASSOCIATION OF	9,446.87	-	KENTUCKY LIVING	11556100	
20	930.10	165.20	DUES 01	10/31/15	FJ2007			1,793.07	-	DUES - KAEC		
21	930.10	232.03	MBSV 10	11/23/15		1295	KENTUCKY ASSOCIATION OF	9,445.78	-	KENTUCKY LIVING	11557921	
22	930.10	165.20	DUES 01	11/30/15	FJ2007			1,793.07	-	DUES - KAEC		
23	930.10	232.03	MBSV 10	12/21/15		1295	KENTUCKY ASSOCIATION OF	9,443.12	-	KENTUCKY LIVING	11559299	
24	930.10	165.20	DUES 01	12/31/15	FJ2007			1,793.07	-	DUES - KAEC		
25												
26												
<b>Total</b>								<b>133,185.73</b>	<b>-</b>			

Farmers Rural Electric Cooperative Corp.  
 Case No. 2016-000365  
 Account 930.20 - Misc. General Expense  
 For the 12 Months Ended December 31, 2015

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VOUCHER (e)	VENDOR (f)	VENDOR NAME (g)	DEBIT (h)	CREDIT (i)	DESCRIPTION (j)	INVOICE NBR (k)
1	930.20	232.03	SAFT 03	01/19/15		11572	PREMIER INTEGRITY	107.00	-	SAFETY--DRUG SCREENS	176287
2	930.20	143.00	JECR 07	01/23/15	117			134.52	-	TRUE UP 14300 ACCOUNT	
3	930.20	232.03	ADMN 03	01/28/15		12752	GLASGOW GOLF & COUNTRY CLUB	189.97	-	ECONOMIC DEVELOPMENT MTG MEALS	SA00000000055228
4	930.20	232.03	SAFT 02	01/29/15		1751	VISA	73.17	-	FOOD/SAFETY MTG	SA00000000055263
5	930.20	232.03	SAFT 04	01/30/15		1371	NATIONAL RURAL ELECTRIC	80.00	-	LOSS CONTROL PROF FEES/SUBSCRIPT	1284809
6	930.20	232.03	ADMN 03	01/31/15		1751	VISA	19.88	-	LUNCHEON MTG/BRIAN C/LOGAN D/TOD	SA00000000055270
7	930.20	165.20	DUES 03	01/31/15	FJ2007			5,589.99	-	DUES - NRECA	
8	930.20	143.30	OARV 46	02/05/15				0.07	-	CORRECTION	
9	930.20	232.03	BNFT 13	02/13/15		1751	VISA	94.77	-	WELLNESS ROOM	SA00000000055304
10	930.20	232.03	ADMN 03	02/17/15		12442	PRATHER WILLIAM T	60.65	-	EMPL FOOD/BAD WEATHER	SA00000000055311
11	930.20	232.03	ADMN 03	02/20/15		14020	SEBY B JONES CANCER CENTER	100.00	-	MEMORY OF CHARLES B GILL	SA00000000055342
12	930.20	232.03	ADMN 03	02/25/15		1751	VISA	105.71	-	PLATES,FORKS,STC/RESTOCK KITCHEN	SA00000000055359
13	930.20	232.03	SAFT 02	02/25/15		1751	VISA	89.45	-	FOOD,SNACKS/SAFETY MTG	SA00000000055359
14	930.20	232.03	ADMN 03	02/28/15		1751	VISA	58.45	-	FOOD/NISC MTG	SA00000000055393
15	930.20	232.03	BDEX 03	02/28/15		1751	VISA	64.50	-	BOARDROOM SUPPLIES	SA00000000055393
16	930.20	232.03	BDEX 03	02/28/15		1751	VISA	58.31	-	BOARDROOM SUPPLIES	SA00000000055393
17	930.20	165.20	DUES 03	02/28/15	FJ2007			5,589.99	-	DUES - NRECA	
18	930.20	232.03	SAFT 03	03/06/15		11572	PREMIER INTEGRITY	60.00	-	SAFETY--DRUG SCREENS	178197
19	930.20	232.03	SAFT 03	03/06/15		11572	PREMIER INTEGRITY	107.00	-	SAFETY--DRUG SCREENS	178198
20	930.20	232.03	SAFT 03	03/26/15		11572	PREMIER INTEGRITY	548.00	-	SAFETY--DRUG SCREENS	178648
21	930.20	232.03	SAFT 03	03/26/15		11572	PREMIER INTEGRITY	227.00	-	SAFETY--DRUG SCREENS	178647
22	930.20	232.03	ADMN 03	03/27/15		1751	VISA	78.25	-	RESTOCK KITCHEN	SA00000000055490
23	930.20	232.03	BDEX 03	03/27/15		12981	PHELPS JENNIE G	42.94	-	BOARDROOM SUPPLIES	SA00000000055482
24	930.20	232.03	SAFT 02	03/27/15		1751	VISA	83.23	-	FOOD,SNACKS/SAFETY MTG	SA00000000055490
25	930.20	165.20	DUES 03	03/31/15	FJ2007			5,589.99	-	DUES - NRECA	
26	930.20	232.03	SAFT 03	04/15/15		11572	PREMIER INTEGRITY	120.00	-	SAFETY--DRUG SCREENS	179264
27	930.20	232.03	SAFT 03	04/15/15		11572	PREMIER INTEGRITY	60.00	-	SAFETY--DRUG SCREENS	179265
28	930.20	232.03	SAFT 03	04/24/15		11572	PREMIER INTEGRITY	107.00	-	SAFETY--DRUG SCREENS	179765
29	930.20	232.03	SAFT 03	04/24/15		11572	PREMIER INTEGRITY	60.00	-	SAFETY--DRUG SCREENS	179764
30	930.20	232.03	ADMN 03	04/27/15		1751	VISA	42.99	-	ITEMS TO RESTOCK KITCHEN	SA00000000055609
31	930.20	232.03	BDEX 03	04/27/15		1751	VISA	78.36	-	BOADROOM SUPPLIES	SA00000000055616
32	930.20	232.03	MBSV 24	04/27/15		1751	VISA	3.00	-	HOWSMART PROJECT/RECORD FEES	SA00000000055605
33	930.20	232.03	SAFT 03	04/27/15		1751	VISA	82.73	-	FOOD,SNACKS/SAFETY MTG	SA00000000055611
34	930.20	232.03	SAFT 05	04/28/15		9950	SUPERIOR FIRE & SAFETY	76.66	-	FIRE EXTINGUISHERS EXP/MUNFORDVI	301501
35	930.20	232.03	BDEX 03	04/30/15		12981	PHELPS JENNIE G	59.92	-	BOARDROOM SUPPLIES	SA00000000055626
36	930.20	165.20	DUES 03	04/30/15	FJ2007			5,589.99	-	DUES - NRECA	
37	930.20	232.03	MBSV 01	04/30/15		1210	GLASGOW DAILY TIMES	300.00	-	WEATHERING THE STORM AD	SA00000000055645
38	930.20	232.03	MBSV 24	04/30/15		14052	MACED	250.00	-	RETROFIT/M NUNNALLY	2946
39	930.20	232.03	ADMN 03	05/14/15		14058	SUMMITT GROUP LLC	762.17	-	FRECC LOGO PINS (50)	1933366
40	930.20	236.50	ADMN 03	05/14/15		14058	SUMMITT GROUP LLC	45.73	-	FRECC LOGO PINS (50)	
41	930.20	232.03	ADMN 22	05/15/15		10326	BARTON WADE	58.05	-	NOMINATING COMMITTEE MEETING	SA00000000055680
42	930.20	232.03	ADMN 22	05/15/15		12061	BAUER LEWIS	61.50	-	NOMINATING COMMITTEE MEETING	SA00000000055681
43	930.20	232.03	ADMN 22	05/15/15		9296	BUNNELL LOLA	75.30	-	NOMINATING COMMITTEE MEETING	SA00000000055682
44	930.20	232.03	ADMN 22	05/15/15		719	GIBSON FRANK	74.73	-	NOMINATING COMMITTEE MEETING	SA00000000055683
45	930.20	232.03	ADMN 22	05/15/15		11448	THOMAS,JR JESSIE	61.50	-	NOMINATING COMMITTEE MEETING	SA00000000055684
46	930.20	232.03	ADMN 22	05/15/15		13277	MOSS EUGENE	73.58	-	NOMINATING COMMITTEE MEETING	SA00000000055685
47	930.20	232.03	ADMN 22	05/15/15		13875	BROOKS DENISE	72.43	-	NOMINATING COMMITTEE MEETING	SA00000000055686

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VOUCHER (e)	VENDOR (f)	VENDOR NAME (g)	DEBIT (h)	CREDIT (i)	DESCRIPTION (j)	INVOICE NBR (k)
48	930.20	232.03	SAFT 02	05/27/15		1751	VISA	87.74	-	FOOD/SAFETY MTG	SA00000000055738
49	930.20	232.03	ADMN 22	05/29/15		1751	VISA	132.55	-	FOOD/NOMINATING COMMITTEE	SA00000000055747
50	930.20	232.03	ADMN 03	05/31/15		12676	SOUTH CENTRAL KENTUCKY	100.00	-	MEMORIAL DONATION/SHEILA OLIVER	SA00000000055761
51	930.20	165.20	DUES 03	05/31/15	FJ2007			5,589.99	-	DUES - NRECA	
52	930.20	232.03	SAFT 03	06/12/15		11572	PREMIER INTEGRITY	270.00	-	SAFETY--DRUG SCREENS	181320
53	930.20	232.03	SAFT 03	06/12/15		11572	PREMIER INTEGRITY	472.00	-	SAFETY--DRUG SCREENS	181321
54	930.20	232.03	SAFT 05	06/19/15		9950	SUPERIOR FIRE & SAFETY	2,560.74	-	FIRE EXTINGUISHERS EXPENSE	260378
55	930.20	232.03	SAFT 03	06/23/15		11572	PREMIER INTEGRITY	120.00	-	SAFETY--DRUG SCREENS	181772
56	930.20	232.03	SAFT 03	06/23/15		11572	PREMIER INTEGRITY	60.00	-	SAFETY--DRUG SCREENS	181771
57	930.20	232.03	ADMN 03	06/26/15		1751	VISA	32.91	-	LUNCHEON MTG/FB/EKPC ENVIRONMENT	SA00000000055843
58	930.20	232.03	ADMN 03	06/26/15		1751	VISA	153.84	-	RESTOCK KITCHEN	SA00000000055848
59	930.20	232.03	SAFT 02	06/26/15		1751	VISA	84.25	-	FOOD,SNACKS/SAFETY MTG	SA00000000055848
60	930.20	232.03	ADMN 03	06/29/15		1751	VISA	103.22	-	VARIOUS LUNCHEON MTGS/TS	SA00000000055855
61	930.20	131.07	ADMN 03	06/30/15				-	(233.50)	TERRIE ADAMS COURT COST CLAIM	
62	930.20	165.20	DUES 03	06/30/15	FJ2007			5,589.99	-	DUES - NRECA	
63	930.20	232.03	BDEX 03	07/13/15		1084	FOSHEE LINDA SUE	24.97	-	COKES,WATER/BOARD ROOM	SA00000000055892
64	930.20	232.03	BDEX 03	07/27/15		12981	PHELPS JENNIE G	61.92	-	BOARDROOM SUPPLIES	SA00000000055952
65	930.20	232.03	SAFT 03	07/27/15		11572	PREMIER INTEGRITY	107.00	-	SAFETY--DRUG SCREENS	182382
66	930.20	232.03	SAFT 03	07/27/15		11572	PREMIER INTEGRITY	60.00	-	SAFETY--DRUG SCREENS	50530
67	930.20	232.03	ADMN 03	07/28/15		1751	VISA	216.03	-	LEADERSHIP TRNG MEALS,ETC	SA00000000055963
68	930.20	165.20	DUES 03	07/31/15	FJ2007			5,589.99	-	DUES - NRECA	
69	930.20	232.03	SAFT 03	08/11/15		11572	PREMIER INTEGRITY	120.00	-	SAFETY--DRUG SCREENS	183411
70	930.20	232.03	SAFT 03	08/11/15		11572	PREMIER INTEGRITY	94.00	-	SAFETY--DRUG SCREENS	183412
71	930.20	232.03	SAFT 03	08/25/15		11572	PREMIER INTEGRITY	120.00	-	SAFETY--DRUG SCREENS	183853
72	930.20	232.03	SAFT 03	08/25/15		11572	PREMIER INTEGRITY	214.00	-	SAFETY--DRUG SCREENS	183852
73	930.20	232.03	SAFT 02	08/28/15		1751	VISA	74.96	-	FOOD/SAFETY MTG	SA00000000056088
74	930.20	165.20	DUES 03	08/31/15	FJ2007			5,589.99	-	DUES - NRECA	
75	930.20	142.40	MBSV 24	08/31/15		824		8.50	-	UCC/HOWSMART/M SMITH	
76	930.20	232.03	MBSV 24	08/31/15		14052	MACED	250.00	-	RETROFIT/MYRON SMITH REQ 4870471	2978
77	930.20	232.03	SAFT 03	09/09/15		11572	PREMIER INTEGRITY	60.00	-	SAFETY--DRUG SCREENS	184324
78	930.20	232.03	ADMN 03	09/11/15		14107	T J REGIONAL HEALTH	100.00	-	ROOM/KY ECONOMIC DEVELOPMENT MTG	SA00000000056127
79	930.20	232.03	ADMN 03	09/25/15		1751	VISA	60.50	-	FEDERATED LUNCHEON MTG	SA00000000056187
80	930.20	232.03	ADMN 03	09/25/15		1751	VISA	46.56	-	LUNCHEON MTG MEAL/NATHAN BIRGE	SA00000000056190
81	930.20	232.03	MBSV 24	09/25/15		1751	VISA	5.00	-	UCC STATE FILING/C LOPE	SA00000000056186
82	930.20	232.03	SAFT 02	09/25/15		1751	VISA	85.73	-	FOOD/SAFETY MTG	SA00000000056184
83	930.20	232.03	BDEX 03	09/28/15		12981	PHELPS JENNIE G	24.96	-	BOARDROOM SUPPLIES	SA00000000056196
84	930.20	165.20	DUES 03	09/30/15	FJ2007			5,589.99	-	DUES - NRECA	
85	930.20	142.40	MBSV 24	09/30/15		924		9.10	-	UCC FILING/HOWSMART/C LOPE	
86	930.20	232.03	MBSV 24	09/30/15		14052	MACED	250.00	-	RETROFIT/C LOPE	2983
87	930.20	232.03	SAFT 03	09/30/15		11572	PREMIER INTEGRITY	60.00	-	SAFETY--DRUG SCREENS	184871
88	930.20	131.07	MBSV 24	10/19/15				-	(6.00)	HART COUNTY CLERK REFUND ON UCC	
89	930.20	232.03	BDEX 03	10/23/15		1751	VISA	95.35	-	BOARDROOM DRINKS/9535	SA00000000056300
90	930.20	232.03	ADMN 03	10/31/15		1751	VISA	131.05	-	RESTOCK KITCHEN	SA00000000056334
91	930.20	165.20	DUES 03	10/31/15	FJ2007			5,589.99	-	DUES - NRECA	
92	930.20	232.03	MBSV 02	10/31/15		1751	VISA	80.03	-	FOOD/CONTRACTOR MTG	SA00000000056329
93	930.20	232.03	SAFT 02	10/31/15		1751	VISA	76.81	-	SAFETY MTG SNACKS	SA00000000056334
94	930.20	232.03	SAFT 03	11/11/15		11572	PREMIER INTEGRITY	167.00	-	SAFETY--DRUG SCREENS	186441
95	930.20	232.03	SAFT 03	11/11/15		11572	PREMIER INTEGRITY	274.00	-	SAFETY--DRUG SCREENS	186442
96	930.20	232.03	SAFT 03	11/23/15		11572	PREMIER INTEGRITY	107.00	-	SAFETY--DRUG SCREENS	186958
97	930.20	232.03	ADMN 03	11/25/15		1751	VISA	53.00	-	KAEC ANN MTG MEAL/SL,LF	SA00000000056424
98	930.20	232.03	SAFT 02	11/25/15		1751	VISA	71.10	-	SNACKS,DRINKS/SAFETY MTG	SA00000000056430
99	930.20	165.20	DUES 03	11/30/15	FJ2007			5,667.24	-	DUES - NRECA	
100	930.20	232.03	ADMN 03	12/14/15		1295	KENTUCKY ASSOCIATION OF	234.00	-	KAEC ANN MTG MEALS/STAFF	11558638

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VOUCHER (e)	VENDOR (f)	VENDOR NAME (g)	DEBIT (h)	CREDIT (i)	DESCRIPTION (j)	INVOICE NBR (k)
101	930.20	131.07	CASH 19	12/17/15				-	(151.00)	PURCHASE PROPANE HEATR	
102	930.20	232.03	ADMN 03	12/21/15		13375	JONES JUDITH	100.00	-	CHRISTMAS GIFT/JUDITH JONES/MUNF	SA00000000056530
103	930.20	232.03	ADMN 03	12/21/15		13445	REID'S PROPERTY MANAGEMENT	200.00	-	CHRISTMAS GIFT/REIDS PROPERTY	SA00000000056531
104	930.20	232.03	BDEX 03	12/21/15		12981	PHELPS JENNIE G	35.94	-	BOARD ROOM SUPPLIES	SA00000000056541
105	930.20	232.03	SAFT 03	12/22/15		11572	PREMIER INTEGRITY	60.00	-	SAFETY--DRUG SCREENS	187902
106	930.20	232.03	SAFT 03	12/22/15		11572	PREMIER INTEGRITY	60.00	-	SAFETY--DRUG SCREENS	187901
107	930.20	232.03	ADMN 03	12/28/15		1751	VISA	69.96	-	FOOD/INVENTORY	SA00000000056551
108	930.20	142.40	MBSV 24	12/29/15	1228			16.00	-	RECONCILE M THOMAS/HOWSMART	
109	930.20	142.40	MBSV 24	12/29/15	1227			10.50	-	RECONCILE D BREWSTER/HOWSMART	
110	930.20	142.40	MBSV 24	12/29/15	1226			9.00	-	RECONCILE JASON HUFF/HOWSMART	
111	930.20	232.03	SAFT 02	12/29/15		1751	VISA	153.52	-	FOOD/SAFETY MTG	SA00000000056558
112	930.20	143.00	AREC 05	12/31/15	1251			-	(3.17)	CLEAR UP 14300	
113	930.20	232.03	BDEX 03	12/31/15		1751	VISA	28.37	-	BOARDROOM SUPPLIES	SA00000000056562
114	930.20	165.20	DUES 03	12/31/15	FJ2007			5,667.20	-	DUES - NRECA	
115	930.20	242.80	JECR 07	12/31/15	1256			-	(1.00)	TRUE UP AFLAC A/C	
116	930.20	242.50	JECR 07	12/31/15	1255			0.01	-	CORRECT EMPLOYER 401 K	
117	930.20	142.10	JECR 07	12/31/15	1254			101.35	-	CORRECT BILLING TOTALS	
118	930.20	131.07	JECR 07	12/31/15	1255			-	(0.01)	WRONG AMOUNT GIVEN ON JE/401K	
119	930.20	232.03	MBSV 24	12/31/15		14052	MACED	230.00	-	VERIFICATION CHARGE TO FRECC	3007
120											
121											
								Total	80,737.33	(394.68)	

Farmers Rural Electric Cooperative Corp.  
 Case No. 2016-000365  
 Account 930.23  
 For the 12 Months Ended December 31, 2015

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
1	930.23	232.03	MBSV 07	01/07/15	1105	CAVE CITY CHAMBER COMMERCE	200.00	-	CIVIC DUES - COMPANY WIDE	1277
2	930.23	131.10	LABR 00	01/09/15			174.96	-	REGULAR LABOR	
3	930.23	131.10	LABR 02	01/09/15			171.84	-	SICK LEAVE	
4	930.23	131.10	LABR 04	01/09/15			174.96	-	HOLIDAY	
5	930.23	131.10	LABR 04	01/09/15			171.84	-	HOLIDAY	
6	930.23	232.03	MBSV 07	01/19/15	1213	GLASGOW BARREN CO CHAMBER OF	30.00	-	QRTLTY BREAKFAST TKTS (6)	14203
7	930.23	232.03	MBSV 07	01/19/15	1258	HART CO CHAMBER OF COMMERCE	1,500.00	-	2015 HART CO CHAMBER DUES	SA00000000055186
8	930.23	232.03	MBSV 12	01/19/15	9878	BONNIEVILLE SCHOOL	25.00	-	HART COUNTY SCHOOLS	SA00000000055185
9	930.23	232.03	MBSV 07	01/22/15	1172	EDMONTON METCALFE CHAMBER	1,500.00	-	CIVIC DUES - COMPANY WIDE	SA00000000055200
10	930.23	131.10	LABR 00	01/23/15			1,399.68	-	REGULAR LABOR	
11	930.23	131.10	LABR 00	01/23/15			1,374.72	-	REGULAR LABOR	
12	930.23	131.10	LABR 02	01/23/15			171.84	-	SICK LEAVE	
13	930.23	131.10	LABR 05	01/23/15			171.84	-	EMPLOYEE MEETINGS	
14	930.23	232.03	MBSV 02	01/28/15	1751	VISA	273.87	-	CHAMBER CHRISTMAS DINNER	SA00000000055234
15	930.23	232.03	MBSV 07	01/28/15	1213	GLASGOW BARREN CO CHAMBER OF	180.00	-	ANNUAL MTG TICKETS (6)	14218
16	930.23	242.00	ACCR 01	01/31/15			874.80	-	ACCRUED LABOR - REGULAR	
17	930.23	242.00	ACCR 01	01/31/15			1,374.72	-	ACCRUED LABOR - REGULAR	
18	930.23	242.00	ACCR 01	01/31/15			343.68	-	ACCRUED LABOR - REGULAR	
19	930.23	926.00	ACRD 01	01/31/15			178.87	-	ACCRUED VACATION	
20	930.23	926.00	ACRD 01	01/31/15			257.66	-	ACCRUED VACATION	
21	930.23	926.10	ACRU 06	01/31/15			640.86	-	ACCRUAL/SELF FUNDED HEALTH INS	
22	930.23	926.10	ACRU 06	01/31/15			923.17	-	ACCRUAL/SELF FUNDED HEALTH INS	
23	930.23	232.03	ADMN 03	01/31/15	1751	VISA	434.41	-	FOOD/DRINKS/ELEC CONTRACTOR MTG	SA00000000055273
24	930.23	408.12	BNFT 02	01/31/15			76.65	-	CO PD/TAXES	
25	930.23	408.12	BNFT 02	01/31/15			110.42	-	CO PD/TAXES	
26	930.23	408.13	BNFT 02	01/31/15			217.05	-	CO PD/TAXES	
27	930.23	408.13	BNFT 02	01/31/15			312.66	-	CO PD/TAXES	
28	930.23	408.14	BNFT 02	01/31/15			35.27	-	CO PD/TAXES	
29	930.23	408.14	BNFT 02	01/31/15			50.80	-	CO PD/TAXES	
30	930.23	165.10	BNFT 04	01/31/15			67.23	-	CO PD/W.C. INSURANCE	
31	930.23	165.10	BNFT 04	01/31/15			96.85	-	CO PD/W.C. INSURANCE	
32	930.23	926.10	BNFT 06	01/31/15			47.64	-	LIFE/L.T.D.	
33	930.23	926.10	BNFT 06	01/31/15			68.63	-	LIFE/L.T.D.	
34	930.23	926.10	BNFT 07	01/31/15			30.86	-	401 K	
35	930.23	926.10	BNFT 07	01/31/15			44.46	-	401 K	
36	930.23	926.10	BNFT 32	01/31/15			668.86	-	RETIREMENT	
37	930.23	926.10	BNFT 32	01/31/15			963.51	-	RETIREMENT	
38	930.23	926.10	BNFT 52	01/31/15			9.12	-	EMPLOYEE ASSISTANCE PROGRAM	
39	930.23	926.10	BNFT 52	01/31/15			13.13	-	EMPLOYEE ASSISTANCE PROGRAM	
40	930.23	926.10	BNFT 53	01/31/15			78.21	-	POSTRETIREMENT BENEFIT (62-65)	
41	930.23	926.10	BNFT 53	01/31/15			112.66	-	POSTRETIREMENT BENEFIT (62-65)	
42	930.23	232.03	MBSV 01	01/31/15	1210	GLASGOW DAILY TIMES	820.00	-	ADVERTISING/MARKET/MEMBER INFORM	SA00000000055286
43	930.23	232.03	MBSV 07	01/31/15	1239	HORSE CAVE ROTARY CLUB	240.00	-	JAN-JUNE 2015 DUES/CARALYNE P	SA00000000055287
44	930.23	232.03	MBSV 02	02/13/15	1160	EAST KENTUCKY POWER CORP	150.00	-	STRATEGIC SIGNS	5798
45	930.23	232.03	MBSV 11	02/13/15	12222	JOBE PUBLISHING INC	140.00	-	BARREN COUNTY SCHOOLS	SA00000000055301

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
46	930.23	232.03	MBSV 12	02/13/15	9126	MUNFORDVILLE ELEMENTARY SCH	25.00	-	1/4 PAGE YEARBOOK AD	SA00000000055308
47	930.23	232.03	MBSV 13	02/13/15	12222	JOBE PUBLISHING INC	35.00	-	METCALFE COUNTY SCHOOLS	SA00000000055301
48	930.23	131.10	LABR 00	02/20/15			1,224.72	-	REGULAR LABOR	
49	930.23	131.10	LABR 00	02/20/15			1,202.88	-	REGULAR LABOR	
50	930.23	131.10	LABR 02	02/20/15			343.68	-	SICK LEAVE	
51	930.23	131.10	LABR 05	02/20/15			262.44	-	EMPLOYEE MEETINGS	
52	930.23	232.03	MBSV 04	02/20/15	8003	BARREN COUNTY FAIR & LIVESTK	100.00	-	SPONSOR AWARDS/LIVESTOCK SHOW	SA00000000055340
53	930.23	232.03	MBSV 04	02/20/15	595	BARREN CO CONSERVATION DIST	250.00	-	ART & WRITING SPONSORSHIP	134
54	930.23	232.03	MBSV 02	02/27/15	1751	VISA	13.24	-	TRAINING BOOK/PRIMAL LEADERSHIP	SA00000000055368
55	930.23	242.00	ACCR 01	02/28/15			1,224.72	-	ACCRUED LABOR - REGULAR	
56	930.23	242.00	ACCR 01	02/28/15			1,546.56	-	ACCRUED LABOR - REGULAR	
57	930.23	926.00	ACRD 01	02/28/15			218.41	-	ACCRUED VACATION	
58	930.23	926.00	ACRD 01	02/28/15			249.12	-	ACCRUED VACATION	
59	930.23	926.10	ACRU 06	02/28/15			598.21	-	ACCRUAL/SELF FUNDED HEALTH INS	
60	930.23	926.10	ACRU 06	02/28/15			682.30	-	ACCRUAL/SELF FUNDED HEALTH INS	
61	930.23	232.03	ADMN 03	02/28/15	1751	VISA	49.00	-	LUNCHEON MTG/EKPC JC/CP	SA00000000055386
62	930.23	408.12	BNFT 02	02/28/15			11.79	-	CO PD/TAXES	
63	930.23	408.12	BNFT 02	02/28/15			13.45	-	CO PD/TAXES	
64	930.23	408.13	BNFT 02	02/28/15			244.21	-	CO PD/TAXES	
65	930.23	408.13	BNFT 02	02/28/15			278.54	-	CO PD/TAXES	
66	930.23	408.14	BNFT 02	02/28/15			34.04	-	CO PD/TAXES	
67	930.23	408.14	BNFT 02	02/28/15			38.82	-	CO PD/TAXES	
68	930.23	165.10	BNFT 04	02/28/15			75.46	-	CO PD/W.C. INSURANCE	
69	930.23	165.10	BNFT 04	02/28/15			86.07	-	CO PD/W.C. INSURANCE	
70	930.23	926.10	BNFT 06	02/28/15			50.47	-	LIFE/L.T.D.	
71	930.23	926.10	BNFT 06	02/28/15			57.56	-	LIFE/L.T.D.	
72	930.23	926.10	BNFT 07	02/28/15			34.78	-	401 K	
73	930.23	926.10	BNFT 07	02/28/15			39.67	-	401 K	
74	930.23	926.10	BNFT 32	02/28/15			753.69	-	RETIREMENT	
75	930.23	926.10	BNFT 32	02/28/15			859.65	-	RETIREMENT	
76	930.23	926.10	BNFT 53	02/28/15			88.13	-	POSTRETIREMENT BENEFIT (62-65)	
77	930.23	926.10	BNFT 53	02/28/15			100.52	-	POSTRETIREMENT BENEFIT (62-65)	
78	930.23	232.03	MBSV 06	03/17/15	1172	EDMONTON METCALFE CHAMBER	205.00	-	1/2 PAGE AD/METCALFE CO MAGAZINE	SA00000000055425
79	930.23	131.10	LABR 00	03/20/15			1,268.46	-	REGULAR LABOR	
80	930.23	131.10	LABR 00	03/20/15			1,718.40	-	REGULAR LABOR	
81	930.23	131.10	LAOT 01	03/20/15			80.55	-	LABOR - O.T.	
82	930.23	232.03	MBSV 06	03/26/15	1172	EDMONTON METCALFE CHAMBER	500.00	-	SENIOR CELEBRITY EVENT	SA00000000055474
83	930.23	232.03	MBSV 02	03/27/15	1160	EAST KENTUCKY POWER CORP	75.00	-	FITNESS RULES/REGULATIONS	5929
84	930.23	242.00	ACCR 01	03/29/15			1,224.72	-	ACCRUED LABOR - REGULAR	
85	930.23	242.00	ACCR 01	03/29/15			1,745.76	-	ACCRUED LABOR - REGULAR	
86	930.23	242.00	ACCR 01	03/29/15			349.92	-	ACCRUED LABOR - REGULAR	
87	930.23	242.00	ACCR 01	03/29/15			171.84	-	ACCRUED LABOR - REGULAR	
88	930.23	242.00	ACCR 01	03/31/15			174.96	-	ACCRUED LABOR - REGULAR	
89	930.23	242.00	ACCR 01	03/31/15			343.68	-	ACCRUED LABOR - REGULAR	
90	930.23	926.00	ACRD 01	03/31/15			209.57	-	ACCRUED VACATION	
91	930.23	926.00	ACRD 01	03/31/15			281.93	-	ACCRUED VACATION	
92	930.23	926.10	ACRU 06	03/31/15			692.80	-	ACCRUAL/SELF FUNDED HEALTH INS	
93	930.23	926.10	ACRU 06	03/31/15			932.04	-	ACCRUAL/SELF FUNDED HEALTH INS	
94	930.23	408.12	BNFT 02	03/31/15			2.96	-	CO PD/TAXES	
95	930.23	408.12	BNFT 02	03/31/15			3.99	-	CO PD/TAXES	



Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
96	930.23	408.13	BNFT 02	03/31/15			267.31	-	CO PD/TAXES	
97	930.23	408.13	BNFT 02	03/31/15			359.62	-	CO PD/TAXES	
98	930.23	408.14	BNFT 02	03/31/15			17.39	-	CO PD/TAXES	
99	930.23	408.14	BNFT 02	03/31/15			23.39	-	CO PD/TAXES	
100	930.23	165.10	BNFT 04	03/31/15			85.49	-	CO PD/W.C. INSURANCE	
101	930.23	165.10	BNFT 04	03/31/15			115.02	-	CO PD/W.C. INSURANCE	
102	930.23	926.10	BNFT 06	03/31/15			52.52	-	LIFE/L.T.D.	
103	930.23	926.10	BNFT 06	03/31/15			70.65	-	LIFE/L.T.D.	
104	930.23	926.10	BNFT 07	03/31/15			81.86	-	401 K	
105	930.23	926.10	BNFT 07	03/31/15			110.13	-	401 K	
106	930.23	926.10	BNFT 32	03/31/15			746.12	-	RETIREMENT	
107	930.23	926.10	BNFT 32	03/31/15			1,003.76	-	RETIREMENT	
108	930.23	926.10	BNFT 52	03/31/15			10.73	-	EMPLOYEE ASSISTANCE PROGRAM	
109	930.23	926.10	BNFT 52	03/31/15			14.44	-	EMPLOYEE ASSISTANCE PROGRAM	
110	930.23	926.10	BNFT 53	03/31/15			91.27	-	POSTRETIREMENT BENEFIT (62-65)	
111	930.23	926.10	BNFT 53	03/31/15			122.79	-	POSTRETIREMENT BENEFIT (62-65)	
112	930.23	232.03	MBSV 04	03/31/15	1216	GLASGOW KIWANIS CLUB	100.00	-	KIWANIS HOLE SPONSORSHIP	SA0000000055495
113	930.23	232.03	MBSV 04	03/31/15	8805	AMERICAN CANCER SOCIETY	500.00	-	RELAY FOR LIFE SPONSORSHIP	SA0000000055504
114	930.23	184.10	TRAN 00	03/31/15			72.96	-	TRANSPORTATION EXP-P/R	
115	930.23	232.03	MBSV 01	04/09/15	1210	GLASGOW DAILY TIMES	275.00	-	ADVERTISING/MARKET/MEMBER INFORM	SA0000000055534
116	930.23	232.03	MBSV 01	04/13/15	1213	GLASGOW BARREN CO CHAMBER OF	100.00	-	BUSINESS EXPO BOOTH FEE	14345
117	930.23	232.03	MBSV 04	04/13/15	13671	BARREN RIVER REGION FFA	166.67	-	SPONSOR BARREN RIVER FFA AWARDS	SA0000000055545
118	930.23	232.03	MBSV 05	04/13/15	13671	BARREN RIVER REGION FFA	166.67	-	SPONSOR BARREN RIVER FFA AWARDS	SA0000000055545
119	930.23	232.03	MBSV 06	04/13/15	13671	BARREN RIVER REGION FFA	166.66	-	SPONSOR BARREN RIVER FFA AWARDS	SA0000000055545
120	930.23	131.10	LABR 00	04/17/15			874.80	-	REGULAR LABOR	
121	930.23	131.10	LABR 00	04/17/15			1,374.72	-	REGULAR LABOR	
122	930.23	232.03	BNFT 15	04/20/15	13328	PENNINGTON CARALYNE	324.30	-	MILEAGE/EKPC,EKU MTGS/CARALYNE P	SA0000000055596
123	930.23	232.03	MBSV 07	04/20/15	1213	GLASGOW BARREN CO CHAMBER OF	75.00	-	QRTLY BREAKFAST TKTS (5)	14430
124	930.23	232.03	MBSV 11	04/24/15	1049	BARREN COUNTY FFA	25.00	-	FFA AWARD SPONSORSHIP	SA0000000055603
125	930.23	242.00	ACCR 01	04/26/15			1,749.60	-	ACCURED LABOR - REGULAR	
126	930.23	242.00	ACCR 01	04/26/15			1,374.72	-	ACCURED LABOR - REGULAR	
127	930.23	242.00	ACCR 01	04/26/15			174.96	-	ACCURED LABOR - REGULAR	
128	930.23	242.00	ACCR 01	04/26/15			343.68	-	ACCURED LABOR - REGULAR	
129	930.23	232.03	MBSV 09	04/29/15	1751	VISA	8.43	-	WASHINGTON/FRANKFORT YTH,SCHOLAR	SA0000000055623
130	930.23	242.00	ACCR 01	04/30/15			524.88	-	ACCURED LABOR - REGULAR	
131	930.23	242.00	ACCR 01	04/30/15			251.52	-	ACCURED LABOR - REGULAR	
132	930.23	242.00	ACCR 01	04/30/15			171.84	-	ACCURED LABOR - REGULAR	
133	930.23	242.00	ACCR 01	04/30/15			343.68	-	ACCURED LABOR - REGULAR	
134	930.23	926.00	ACRD 01	04/30/15			237.90	-	ACCURED VACATION	
135	930.23	926.00	ACRD 01	04/30/15			276.25	-	ACCURED VACATION	
136	930.23	926.10	ACRU 06	04/30/15			936.05	-	ACCRUAL/SELF FUNDED HEALTH INS	
137	930.23	926.10	ACRU 06	04/30/15			1,086.96	-	ACCRUAL/SELF FUNDED HEALTH INS	
138	930.23	408.12	BNFT 02	04/30/15			0.52	-	CO PD/TAXES	
139	930.23	408.12	BNFT 02	04/30/15			0.61	-	CO PD/TAXES	
140	930.23	408.13	BNFT 02	04/30/15			271.88	-	CO PD/TAXES	
141	930.23	408.13	BNFT 02	04/30/15			315.71	-	CO PD/TAXES	
142	930.23	408.14	BNFT 02	04/30/15			5.33	-	CO PD/TAXES	
143	930.23	408.14	BNFT 02	04/30/15			6.18	-	CO PD/TAXES	
144	930.23	165.10	BNFT 04	04/30/15			78.40	-	CO PD/W.C. INSURANCE	
145	930.23	165.10	BNFT 04	04/30/15			91.04	-	CO PD/W.C. INSURANCE	

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
146	930.23	926.10	BNFT 06	04/30/15			55.40	-	LIFE/L.T.D.	
147	930.23	926.10	BNFT 06	04/30/15			64.33	-	LIFE/L.T.D.	
148	930.23	926.10	BNFT 07	04/30/15			37.67	-	401 K	
149	930.23	926.10	BNFT 07	04/30/15			43.74	-	401 K	
150	930.23	926.10	BNFT 32	04/30/15			815.12	-	RETIREMENT	
151	930.23	926.10	BNFT 32	04/30/15			946.53	-	RETIREMENT	
152	930.23	926.10	BNFT 53	04/30/15			96.63	-	POSTRETIREMENT BENEFIT (62-65)	
153	930.23	926.10	BNFT 53	04/30/15			112.21	-	POSTRETIREMENT BENEFIT (62-65)	
154	930.23	232.03	MBSV 07	05/08/15	1213	GLASGOW BARREN CO CHAMBER OF	650.00	-	MEMBERSHIP INVESTMENT	14006
155	930.23	232.03	MBSV 06	05/12/15	2042	METCALFE COUNTY FAIR BOARD	125.00	-	DONATIONS - METCALFE	SA00000000055650
156	930.23	131.10	LABR 00	05/15/15			699.84	-	REGULAR LABOR	
157	930.23	131.10	LABR 00	05/15/15			859.20	-	REGULAR LABOR	
158	930.23	131.10	LABR 02	05/15/15			171.84	-	SICK LEAVE	
159	930.23	232.03	BNFT 15	05/26/15	1295	KENTUCKY ASSOCIATION OF	75.00	-	KMSA WKSHP/C PENNINGTON	11547552
160	930.23	232.03	MBSV 01	05/27/15	11737	COMMUNITY ACTION OF SO KY	100.00	-	GOLF CLASSIC DONATION	SA00000000055740
161	930.23	232.03	MBSV 06	05/27/15	2042	METCALFE COUNTY FAIR BOARD	45.00	-	FAIR BOOK AD 1/8 PAGE	SA00000000055741
162	930.23	131.10	LABR 00	05/29/15			1,312.20	-	REGULAR LABOR	
163	930.23	131.10	LABR 00	05/29/15			1,546.56	-	REGULAR LABOR	
164	930.23	131.10	LABR 05	05/29/15			262.44	-	EMPLOYEE MEETINGS	
165	930.23	232.03	MBSV 01	05/29/15	1295	KENTUCKY ASSOCIATION OF	460.00	-	SPONSOR LINEMAN'S RODEO & BANQUE	SA00000000055749
166	930.23	242.00	ACCR 01	05/31/15			349.92	-	ACCURED LABOR - REGULAR	
167	930.23	242.00	ACCR 01	05/31/15			687.36	-	ACCURED LABOR - REGULAR	
168	930.23	242.00	ACCR 01	05/31/15			171.84	-	ACCURED LABOR - REGULAR	
169	930.23	926.00	ACRD 01	05/31/15			291.38	-	ACCRUED VACATION	
170	930.23	926.00	ACRD 01	05/31/15			381.58	-	ACCRUED VACATION	
171	930.23	926.10	ACRU 06	05/31/15			655.82	-	ACCRUAL/SELF FUNDED HEALTH INS	
172	930.23	926.10	ACRU 06	05/31/15			858.83	-	ACCRUAL/SELF FUNDED HEALTH INS	
173	930.23	408.12	BNFT 02	05/31/15			0.59	-	CO PD/TAXES	
174	930.23	408.12	BNFT 02	05/31/15			0.77	-	CO PD/TAXES	
175	930.23	408.13	BNFT 02	05/31/15			341.40	-	CO PD/TAXES	
176	930.23	408.13	BNFT 02	05/31/15			447.08	-	CO PD/TAXES	
177	930.23	408.14	BNFT 02	05/31/15			1.29	-	CO PD/TAXES	
178	930.23	408.14	BNFT 02	05/31/15			1.69	-	CO PD/TAXES	
179	930.23	165.10	BNFT 04	05/31/15			104.59	-	CO PD/W.C. INSURANCE	
180	930.23	165.10	BNFT 04	05/31/15			136.96	-	CO PD/W.C. INSURANCE	
181	930.23	926.10	BNFT 06	05/31/15			46.03	-	LIFE/L.T.D.	
182	930.23	926.10	BNFT 06	05/31/15			60.28	-	LIFE/L.T.D.	
183	930.23	926.10	BNFT 07	05/31/15			46.40	-	401 K	
184	930.23	926.10	BNFT 07	05/31/15			60.77	-	401 K	
185	930.23	926.10	BNFT 32	05/31/15			674.40	-	RETIREMENT	
186	930.23	926.10	BNFT 32	05/31/15			883.17	-	RETIREMENT	
187	930.23	926.10	BNFT 53	05/31/15			79.11	-	POSTRETIREMENT BENEFIT (62-65)	
188	930.23	926.10	BNFT 53	05/31/15			103.60	-	POSTRETIREMENT BENEFIT (62-65)	
189	930.23	232.03	MBSV 11	05/31/15	1210	GLASGOW DAILY TIMES	600.00	-	ADS/SENIOR GRADUATION	SA00000000055763
190	930.23	232.03	MBSV 11	05/31/15	12222	JOBE PUBLISHING INC	108.00	-	BARREN COUNTY SCHOOLS	SA00000000055764
191	930.23	232.03	MBSV 13	05/31/15	12222	JOBE PUBLISHING INC	36.00	-	METCALFE COUNTY SCHOOLS	SA00000000055764
192	930.23	131.10	LABR 00	06/12/15			524.88	-	REGULAR LABOR	
193	930.23	131.10	LABR 00	06/12/15			859.20	-	REGULAR LABOR	
194	930.23	232.03	MBSV 05	06/17/15	10406	HART CO. FAIR ASSOCIATION	100.00	-	1/4 PAGE AD/HART CO FAIR BOOK	SA00000000055792
195	930.23	131.10	LABR 00	06/26/15			1,049.76	-	REGULAR LABOR	

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
196	930.23	131.10	LABR 00	06/26/15			1,546.56	-	REGULAR LABOR	
197	930.23	131.10	LABR 05	06/26/15			349.92	-	EMPLOYEE MEETINGS	
198	930.23	242.00	ACCR 01	06/30/15			874.80	-	ACCRUED LABOR - REGULAR	
199	930.23	242.00	ACCR 01	06/30/15			1,095.48	-	ACCRUED LABOR - REGULAR	
200	930.23	242.00	ACCR 01	06/30/15			107.40	-	ACCRUED LABOR - REGULAR	
201	930.23	926.00	ACRD 01	06/30/15			192.06	-	ACCRUED VACATION	
202	930.23	926.00	ACRD 01	06/30/15			247.58	-	ACCRUED VACATION	
203	930.23	926.10	ACRU 06	06/30/15			987.89	-	ACCRUAL/SELF FUNDED HEALTH INS	
204	930.23	926.10	ACRU 06	06/30/15			1,273.48	-	ACCRUAL/SELF FUNDED HEALTH INS	
205	930.23	408.12	BNFT 02	06/30/15			0.67	-	CO PD/TAXES	
206	930.23	408.12	BNFT 02	06/30/15			0.86	-	CO PD/TAXES	
207	930.23	408.13	BNFT 02	06/30/15			241.22	-	CO PD/TAXES	
208	930.23	408.13	BNFT 02	06/30/15			310.96	-	CO PD/TAXES	
209	930.23	408.14	BNFT 02	06/30/15			1.37	-	CO PD/TAXES	
210	930.23	408.14	BNFT 02	06/30/15			1.76	-	CO PD/TAXES	
211	930.23	165.10	BNFT 04	06/30/15			74.99	-	CO PD/W.C. INSURANCE	
212	930.23	165.10	BNFT 04	06/30/15			96.67	-	CO PD/W.C. INSURANCE	
213	930.23	926.10	BNFT 06	06/30/15			45.60	-	LIFE/L.T.D.	
214	930.23	926.10	BNFT 06	06/30/15			58.78	-	LIFE/L.T.D.	
215	930.23	926.10	BNFT 07	06/30/15			30.46	-	401 K	
216	930.23	926.10	BNFT 07	06/30/15			39.26	-	401 K	
217	930.23	926.10	BNFT 32	06/30/15			668.94	-	RETIREMENT	
218	930.23	926.10	BNFT 32	06/30/15			862.32	-	RETIREMENT	
219	930.23	926.10	BNFT 53	06/30/15			79.27	-	POSTRETIREMENT BENEFIT (62-65)	
220	930.23	926.10	BNFT 53	06/30/15			102.19	-	POSTRETIREMENT BENEFIT (62-65)	
221	930.23	232.03	MBSV 01	07/08/15	1210	GLASGOW DAILY TIMES	712.50	-	ADVERTISING/MARKET/MEMBER INFORM	SA00000000055876
222	930.23	232.03	MBSV 01	07/08/15	12222	JOBE PUBLISHING INC	336.00	-	ADVERTISING/MARKET/MEMBER INFORM	SA00000000055878
223	930.23	131.10	LABR 00	07/10/15			174.96	-	REGULAR LABOR	
224	930.23	131.10	LABR 00	07/10/15			171.84	-	REGULAR LABOR	
225	930.23	131.10	LABR 02	07/10/15			171.84	-	SICK LEAVE	
226	930.23	131.10	LABR 04	07/10/15			349.92	-	HOLIDAY	
227	930.23	131.10	LABR 04	07/10/15			171.84	-	HOLIDAY	
228	930.23	232.03	MBSV 09	07/15/15	1414	GERALD PRINTING	14.73	-	WASHINGTON YOUTH TOUR CERTIFICAT	149631
229	930.23	232.03	MBSV 02	07/23/15	12908	AUTO WORLD	60.00	-	SEALED BID AD/BUCKET TRUCK	SA00000000055938
230	930.23	131.10	LABR 00	07/24/15			1,399.68	-	REGULAR LABOR	
231	930.23	131.10	LABR 00	07/24/15			1,374.72	-	REGULAR LABOR	
232	930.23	242.00	ACCR 01	07/31/15			1,224.72	-	ACCRUED LABOR - REGULAR	
233	930.23	242.00	ACCR 01	07/31/15			1,546.56	-	ACCRUED LABOR - REGULAR	
234	930.23	242.00	ACCR 01	07/31/15			171.84	-	ACCRUED LABOR - REGULAR	
235	930.23	242.00	ACCR 02	07/31/15			32.22	-	ACCRUED LABOR - OVERTIME	
236	930.23	926.00	ACRD 01	07/31/15			185.69	-	ACCRUED VACATION	
237	930.23	926.00	ACRD 01	07/31/15			214.68	-	ACCRUED VACATION	
238	930.23	926.10	ACRU 06	07/31/15			1,163.44	-	ACCRUAL/SELF FUNDED HEALTH INS	
239	930.23	926.10	ACRU 06	07/31/15			1,345.05	-	ACCRUAL/SELF FUNDED HEALTH INS	
240	930.23	408.12	BNFT 02	07/31/15			0.59	-	CO PD/TAXES	
241	930.23	408.12	BNFT 02	07/31/15			0.68	-	CO PD/TAXES	
242	930.23	408.13	BNFT 02	07/31/15			323.51	-	CO PD/TAXES	
243	930.23	408.13	BNFT 02	07/31/15			374.01	-	CO PD/TAXES	
244	930.23	408.14	BNFT 02	07/31/15			1.71	-	CO PD/TAXES	
245	930.23	408.14	BNFT 02	07/31/15			1.98	-	CO PD/TAXES	

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
246	930.23	165.10	BNFT 04	07/31/15			88.64	-	CO PD/W.C. INSURANCE	
247	930.23	165.10	BNFT 04	07/31/15			102.48	-	CO PD/W.C. INSURANCE	
248	930.23	926.10	BNFT 06	07/31/15			46.29	-	LIFE/L.T.D.	
249	930.23	926.10	BNFT 06	07/31/15			53.52	-	LIFE/L.T.D.	
250	930.23	926.10	BNFT 07	07/31/15			30.40	-	401 K	
251	930.23	926.10	BNFT 07	07/31/15			35.14	-	401 K	
252	930.23	926.10	BNFT 32	07/31/15			670.95	-	RETIREMENT	
253	930.23	926.10	BNFT 32	07/31/15			775.68	-	RETIREMENT	
254	930.23	926.10	BNFT 52	07/31/15			9.38	-	EMPLOYEE ASSISTANCE PROGRAM	
255	930.23	926.10	BNFT 52	07/31/15			10.84	-	EMPLOYEE ASSISTANCE PROGRAM	
256	930.23	926.10	BNFT 53	07/31/15			79.78	-	POSTRETIREMENT BENEFIT (62-65)	
257	930.23	926.10	BNFT 53	07/31/15			92.24	-	POSTRETIREMENT BENEFIT (62-65)	
258	930.23	232.03	MBSV 09	08/01/15	9069	EASTERN KENTUCKY UNIVERSITY	1,000.00	-	SCHOLARSHIP/JOSHUA BELDEN	SA00000000055998
259	930.23	232.03	MBSV 09	08/01/15	8996	UNIVERSITY OF KENTUCKY	1,000.00	-	SCHOLARSHIP/NATHANIEL REED	SA00000000055999
260	930.23	232.03	MBSV 09	08/01/15	1753	WESTERN KENTUCKY UNIVERSITY	1,000.00	-	SCHOLARSHIP/LUKE EDMUNDS	SA00000000056000
261	930.23	232.03	MBSV 09	08/01/15	1753	WESTERN KENTUCKY UNIVERSITY	1,000.00	-	SCHOLARSHIP/EMILY BLAIR	SA00000000056001
262	930.23	232.03	MBSV 09	08/01/15	1753	WESTERN KENTUCKY UNIVERSITY	1,000.00	-	SCHOLARSHIP/KELSEY O'LEARY	SA00000000056002
263	930.23	232.03	MBSV 09	08/01/15	1753	WESTERN KENTUCKY UNIVERSITY	1,000.00	-	SCHOLARSHIP/SETH THOMPSON	SA00000000056003
264	930.23	232.03	MBSV 09	08/01/15	1753	WESTERN KENTUCKY UNIVERSITY	1,000.00	-	SCHOLARSHIP/CLAY GROCE	SA00000000056004
265	930.23	232.03	MBSV 09	08/11/15	1295	KENTUCKY ASSOCIATION OF	4,500.00	-	WASHINGTON/FRANKFORT YTH,SCHOLAR	11551478
266	930.23	232.03	MBSV 09	08/11/15	1295	KENTUCKY ASSOCIATION OF	-	(200.00)	WASHINGTON/FRANKFORT YTH,SCHOLAR	11551479
267	930.23	131.10	LABR 00	08/21/15			874.80	-	REGULAR LABOR	
268	930.23	131.10	LABR 00	08/21/15			1,718.40	-	REGULAR LABOR	
269	930.23	131.10	LABR 05	08/21/15			699.84	-	EMPLOYEE MEETINGS	
270	930.23	232.03	MBSV 07	08/26/15	1239	HORSE CAVE ROTARY CLUB	240.00	-	JULY-DEC DUES/C PENNINGTON	SA00000000056076
271	930.23	242.00	ACCR 01	08/30/15			874.80	-	ACCRUED LABOR - REGULAR	
272	930.23	242.00	ACCR 01	08/30/15			1,718.40	-	ACCRUED LABOR - REGULAR	
273	930.23	242.00	ACCR 01	08/30/15			349.92	-	ACCRUED LABOR - REGULAR	
274	930.23	242.00	ACCR 01	08/31/15			174.96	-	ACCRUED LABOR - REGULAR	
275	930.23	242.00	ACCR 01	08/31/15			171.84	-	ACCRUED LABOR - REGULAR	
276	930.23	926.00	ACRD 01	08/31/15			207.35	-	ACCRUED VACATION	
277	930.23	926.00	ACRD 01	08/31/15			251.57	-	ACCRUED VACATION	
278	930.23	926.10	ACRU 06	08/31/15			986.75	-	ACCUAL/SELF FUNDED HEALTH INS	
279	930.23	926.10	ACRU 06	08/31/15			1,197.19	-	ACCUAL/SELF FUNDED HEALTH INS	
280	930.23	408.12	BNFT 02	08/31/15			0.15	-	CO PD/TAXES	
281	930.23	408.12	BNFT 02	08/31/15			0.19	-	CO PD/TAXES	
282	930.23	408.13	BNFT 02	08/31/15			257.01	-	CO PD/TAXES	
283	930.23	408.13	BNFT 02	08/31/15			311.82	-	CO PD/TAXES	
284	930.23	408.14	BNFT 02	08/31/15			0.73	-	CO PD/TAXES	
285	930.23	408.14	BNFT 02	08/31/15			0.89	-	CO PD/TAXES	
286	930.23	165.10	BNFT 04	08/31/15			82.16	-	CO PD/W.C. INSURANCE	
287	930.23	165.10	BNFT 04	08/31/15			99.68	-	CO PD/W.C. INSURANCE	
288	930.23	926.10	BNFT 06	08/31/15			49.68	-	LIFE/L.T.D.	
289	930.23	926.10	BNFT 06	08/31/15			60.27	-	LIFE/L.T.D.	
290	930.23	926.10	BNFT 07	08/31/15			34.30	-	401 K	
291	930.23	926.10	BNFT 07	08/31/15			41.62	-	401 K	
292	930.23	926.10	BNFT 32	08/31/15			746.05	-	RETIREMENT	
293	930.23	926.10	BNFT 32	08/31/15			905.15	-	RETIREMENT	
294	930.23	926.10	BNFT 53	08/31/15			88.99	-	POSTRETIREMENT BENEFIT (62-65)	
295	930.23	926.10	BNFT 53	08/31/15			107.97	-	POSTRETIREMENT BENEFIT (62-65)	

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
296	930.23	232.03	MBSV 06	08/31/15	1172	EDMONTON METCALFE CHAMBER	250.00	-	SPONSORSHIP/5K PUMPKIN	SA00000000056108
297	930.23	232.03	MBSV 11	08/31/15	8342	GLASGOW HIGH SCHOOL	50.00	-	1/8 PAGE YEARBOOK AD	SA00000000056107
298	930.23	232.03	BNFT 15	09/01/15	13328	PENNINGTON CARALYNE	156.40	-	MILEAGE/EKPC/C PENNINGTON	SA00000000056114
299	930.23	232.03	MBSV 12	09/09/15	8386	CUB RUN SCHOOL	30.00	-	1/4 PAGE YEARBOOK AD	SA00000000056122
300	930.23	232.03	MBSV 07	09/14/15	1213	GLASGOW BARREN CO CHAMBER OF	60.00	-	JULY QRTLY BREAKFAST TKTS (4)	14611
301	930.23	232.03	MBSV 07	09/14/15	1213	GLASGOW BARREN CO CHAMBER OF	105.00	-	QRTLY BREAKFAST TKTS (7)	14654
302	930.23	232.03	MBSV 07	09/14/15	1213	GLASGOW BARREN CO CHAMBER OF	1,500.00	-	GOLF-POST RECEPTION SPONSOR	14655
303	930.23	131.10	LABR 00	09/18/15			874.80	-	REGULAR LABOR	
304	930.23	131.10	LABR 00	09/18/15			1,031.04	-	REGULAR LABOR	
305	930.23	131.10	LABR 04	09/18/15			171.84	-	HOLIDAY	
306	930.23	131.10	LABR 05	09/18/15			171.84	-	EMPLOYEE MEETINGS	
307	930.23	232.03	MBSV 02	09/22/15	1160	EAST KENTUCKY POWER CORP	500.00	-	2015 HONOR NFLIGHT SPONSORSHIP	6318
308	930.23	242.00	ACCR 01	09/27/15			1,049.76	-	ACCURED LABOR - REGULAR	
309	930.23	242.00	ACCR 01	09/27/15			1,718.40	-	ACCURED LABOR - REGULAR	
310	930.23	242.00	ACCR 01	09/27/15			699.84	-	ACCURED LABOR - REGULAR	
311	930.23	242.00	ACCR 02	09/27/15			32.22	-	ACCURED LABOR - OVERTIME	
312	930.23	242.00	ACCR 01	09/30/15			349.92	-	ACCURED LABOR - REGULAR	
313	930.23	242.00	ACCR 01	09/30/15			515.52	-	ACCURED LABOR - REGULAR	
314	930.23	926.00	ACRD 01	09/30/15			370.20	-	ACCURED VACATION	
315	930.23	926.00	ACRD 01	09/30/15			453.16	-	ACCURED VACATION	
316	930.23	926.10	ACRU 06	09/30/15			1,769.69	-	ACCRUAL/SELF FUNDED HEALTH INS	
317	930.23	926.10	ACRU 06	09/30/15			2,166.27	-	ACCRUAL/SELF FUNDED HEALTH INS	
318	930.23	408.12	BNFT 02	09/30/15			0.19	-	CO PD/TAXES	
319	930.23	408.12	BNFT 02	09/30/15			0.24	-	CO PD/TAXES	
320	930.23	408.13	BNFT 02	09/30/15			241.75	-	CO PD/TAXES	
321	930.23	408.13	BNFT 02	09/30/15			295.92	-	CO PD/TAXES	
322	930.23	408.14	BNFT 02	09/30/15			0.39	-	CO PD/TAXES	
323	930.23	408.14	BNFT 02	09/30/15			0.48	-	CO PD/TAXES	
324	930.23	165.10	BNFT 04	09/30/15			79.09	-	CO PD/W.C. INSURANCE	
325	930.23	165.10	BNFT 04	09/30/15			96.81	-	CO PD/W.C. INSURANCE	
326	930.23	926.10	BNFT 06	09/30/15			51.62	-	LIFE/L.T.D.	
327	930.23	926.10	BNFT 06	09/30/15			63.19	-	LIFE/L.T.D.	
328	930.23	926.10	BNFT 07	09/30/15			34.75	-	401 K	
329	930.23	926.10	BNFT 07	09/30/15			42.54	-	401 K	
330	930.23	926.10	BNFT 32	09/30/15			754.83	-	RETIREMENT	
331	930.23	926.10	BNFT 32	09/30/15			923.99	-	RETIREMENT	
332	930.23	926.10	BNFT 53	09/30/15			90.76	-	POSTRETIREMENT BENEFIT (62-65)	
333	930.23	926.10	BNFT 53	09/30/15			111.10	-	POSTRETIREMENT BENEFIT (62-65)	
334	930.23	232.03	MBSV 05	10/08/15	12222	JOBE PUBLISHING INC	100.00	-	DONATIONS - HART	SA00000000056234
335	930.23	232.03	MBSV 11	10/08/15	9510	HISEVILLE ELEMENTARY SCHOOL	25.00	-	1/4 PAGE AD	SA00000000056235
336	930.23	232.03	MBSV 02	10/14/15	1160	EAST KENTUCKY POWER CORP	118.00	-	NEW MEMBER SURVEY FORMS	6338
337	930.23	131.10	LABR 00	10/16/15			174.96	-	REGULAR LABOR	
338	930.23	131.10	LABR 00	10/16/15			1,031.04	-	REGULAR LABOR	
339	930.23	232.03	MBSV 04	10/20/15	10734	GLASGOW ROTARY CLUB	100.00	-	DONATION/ROTARY CLUB AUCTION	SA00000000056285
340	930.23	232.03	MBSV 01	10/27/15	1414	GERALD PRINTING	303.86	-	ADVERTISING/MARKET/MEMBER INFORM	155811
341	930.23	232.03	MBSV 13	10/27/15	13103	METCALFE COUNTY HIGH	25.00	-	METCALFE COUNTY SCHOOLS	SA00000000056313
342	930.23	131.10	LABR 00	10/30/15			874.80	-	REGULAR LABOR	
343	930.23	131.10	LABR 00	10/30/15			1,031.04	-	REGULAR LABOR	
344	930.23	131.10	LABR 05	10/30/15			699.84	-	EMPLOYEE MEETINGS	
345	930.23	131.10	LABR 05	10/30/15			687.36	-	EMPLOYEE MEETINGS	

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
346	930.23	242.00	ACCR 01	10/31/15			524.88	-	ACCRUED LABOR - REGULAR	
347	930.23	242.00	ACCR 01	10/31/15			859.20	-	ACCRUED LABOR - REGULAR	
348	930.23	926.00	ACRD 01	10/31/15			259.30	-	ACCRUED VACATION	
349	930.23	926.00	ACRD 01	10/31/15			411.39	-	ACCRUED VACATION	
350	930.23	926.10	ACRU 06	10/31/15			1,207.42	-	ACCRUAL/SELF FUNDED HEALTH INS	
351	930.23	926.10	ACRU 06	10/31/15			1,915.66	-	ACCRUAL/SELF FUNDED HEALTH INS	
352	930.23	408.12	BNFT 02	10/31/15			0.36	-	CO PD/TAXES	
353	930.23	408.12	BNFT 02	10/31/15			0.57	-	CO PD/TAXES	
354	930.23	408.13	BNFT 02	10/31/15			317.22	-	CO PD/TAXES	
355	930.23	408.13	BNFT 02	10/31/15			503.30	-	CO PD/TAXES	
356	930.23	408.14	BNFT 02	10/31/15			1.00	-	CO PD/TAXES	
357	930.23	408.14	BNFT 02	10/31/15			1.59	-	CO PD/TAXES	
358	930.23	165.10	BNFT 04	10/31/15			97.62	-	CO PD/W.C. INSURANCE	
359	930.23	165.10	BNFT 04	10/31/15			154.87	-	CO PD/W.C. INSURANCE	
360	930.23	926.10	BNFT 06	10/31/15			42.52	-	LIFE/L.T.D.	
361	930.23	926.10	BNFT 06	10/31/15			67.47	-	LIFE/L.T.D.	
362	930.23	926.10	BNFT 07	10/31/15			42.56	-	401 K	
363	930.23	926.10	BNFT 07	10/31/15			67.53	-	401 K	
364	930.23	926.10	BNFT 32	10/31/15			621.12	-	RETIREMENT	
365	930.23	926.10	BNFT 32	10/31/15			985.46	-	RETIREMENT	
366	930.23	926.10	BNFT 52	10/31/15			8.71	-	EMPLOYEE ASSISTANCE PROGRAM	
367	930.23	926.10	BNFT 52	10/31/15			13.83	-	EMPLOYEE ASSISTANCE PROGRAM	
368	930.23	926.10	BNFT 53	10/31/15			74.11	-	POSTRETIREMENT BENEFIT (62-65)	
369	930.23	926.10	BNFT 53	10/31/15			117.58	-	POSTRETIREMENT BENEFIT (62-65)	
370	930.23	232.03	MBSV 02	11/04/15	1751	VISA	154.14	-	ROOM/HONOR FLIGHT/C WRIGHT	SA00000000056349
371	930.23	232.03	BNFT 33	11/10/15	13328	PENNINGTON CARALYNE	150.00	-	CLOTHING ALLOWANCE/C PENNINGTON	SA00000000056362
372	930.23	232.03	MBSV 04	11/10/15	14136	BARREN COUNTY VETERANS ASSOC	50.00	-	DONATIONS - BARREN	SA00000000056360
373	930.23	232.03	MBSV 06	11/10/15	1172	EDMONTON METCALFE CHAMBER	150.00	-	DONATION - CHRISTMAS LIGHTS	SA00000000056359
374	930.23	232.03	MBSV 11	11/10/15	8350	PARK CITY ELEMENTARY	25.00	-	BARREN COUNTY SCHOOLS	SA00000000056361
375	930.23	232.03	MBSV 01	11/11/15	1210	GLASGOW DAILY TIMES	400.00	-	G/BC CHAMBER MAP	SA00000000056367
376	930.23	232.03	MBSV 01	11/11/15	1213	GLASGOW BARREN CO CHAMBER OF	25.00	-	ALUMNI DUES/C PENNINGTON	14787
377	930.23	232.03	MBSV 12	11/11/15	10177	MEMORIAL ELEMENTARY	30.00	-	1/8 PAGE YEARBOOK AD	SA00000000056369
378	930.23	232.03	MBSV 12	11/11/15	12528	MUNFORDVILLE SCHOOL YEARBOOK	25.00	-	1/8 PAGE YEARBOOK AD	SA00000000056370
379	930.23	131.10	LABR 00	11/13/15			713.92	-	REGULAR LABOR	
380	930.23	131.10	LABR 00	11/13/15			788.76	-	REGULAR LABOR	
381	930.23	232.03	BNFT 15	11/23/15	1295	KENTUCKY ASSOCIATION OF	190.00	-	KMSA FALL MTG/C PENNINGTON	11557662
382	930.23	232.03	MBSV 07	11/23/15	1172	EDMONTON METCALFE CHAMBER	140.00	-	BANQUET TICKETS (7)	SA00000000056389
383	930.23	232.03	BNFT 15	11/25/15	1751	VISA	333.49	-	KMSA MEMBER SERV MTG/C PENNINGTO	SA00000000056422
384	930.23	131.10	LABR 00	11/27/15			1,070.88	-	REGULAR LABOR	
385	930.23	131.10	LABR 00	11/27/15			1,511.79	-	REGULAR LABOR	
386	930.23	131.10	LABR 02	11/27/15			241.01	-	SICK LEAVE	
387	930.23	242.00	ACCR 01	11/30/15			535.44	-	ACCRUED LABOR - REGULAR	
388	930.23	242.00	ACCR 01	11/30/15			613.48	-	ACCRUED LABOR - REGULAR	
389	930.23	242.00	ACCR 01	11/30/15			356.96	-	ACCRUED LABOR - REGULAR	
390	930.23	242.00	ACCR 01	11/30/15			350.56	-	ACCRUED LABOR - REGULAR	
391	930.23	926.00	ACRD 01	11/30/15			274.31	-	ACCRUED VACATION	
392	930.23	926.00	ACRD 01	11/30/15			359.19	-	ACCRUED VACATION	
393	930.23	926.10	ACRU 06	11/30/15			1,540.02	-	ACCRUAL/SELF FUNDED HEALTH INS	
394	930.23	926.10	ACRU 06	11/30/15			2,016.54	-	ACCRUAL/SELF FUNDED HEALTH INS	
395	930.23	408.13	BNFT 02	11/30/15			239.95	-	CO PD/TAXES	

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
396	930.23	408.13	BNFT 02	11/30/15			314.20	-	CO PD/TAXES	
397	930.23	408.14	BNFT 02	11/30/15			0.38	-	CO PD/TAXES	
398	930.23	408.14	BNFT 02	11/30/15			0.50	-	CO PD/TAXES	
399	930.23	165.10	BNFT 04	11/30/15			80.33	-	CO PD/W.C. INSURANCE	
400	930.23	165.10	BNFT 04	11/30/15			105.19	-	CO PD/W.C. INSURANCE	
401	930.23	926.10	BNFT 06	11/30/15			50.39	-	LIFE/L.T.D.	
402	930.23	926.10	BNFT 06	11/30/15			65.98	-	LIFE/L.T.D.	
403	930.23	926.10	BNFT 07	11/30/15			34.70	-	401 K	
404	930.23	926.10	BNFT 07	11/30/15			45.43	-	401 K	
405	930.23	926.10	BNFT 32	11/30/15			743.05	-	RETIREMENT	
406	930.23	926.10	BNFT 32	11/30/15			972.98	-	RETIREMENT	
407	930.23	926.10	BNFT 53	11/30/15			89.36	-	POSTRETIREMENT BENEFIT (62-65)	
408	930.23	926.10	BNFT 53	11/30/15			117.01	-	POSTRETIREMENT BENEFIT (62-65)	
409	930.23	232.03	MBSV 02	12/09/15	1414	GERALD PRINTING	169.60	-	REFILLS # 50261	159144
410	930.23	232.03	MBSV 02	12/09/15	1414	GERALD PRINTING	2,448.60	-	ADHESIVE CALENDARS (5000)	159138
411	930.23	232.03	MBSV 02	12/09/15	1414	GERALD PRINTING	217.30	-	POCKET PLANNER (150)	159143
412	930.23	131.10	LABR 00	12/11/15			178.48	-	REGULAR LABOR	
413	930.23	131.10	LABR 00	12/11/15			701.12	-	REGULAR LABOR	
414	930.23	131.10	LABR 05	12/11/15			356.96	-	EMPLOYEE MEETINGS	
415	930.23	232.03	MBSV 02	12/14/15	1414	GERALD PRINTING	373.92	-	CHRISTMAS CARDS	159651
416	930.23	232.03	MBSV 04	12/14/15	8405	TEMPLE HILL SCHOOL	500.00	-	COOP DONATION/LIGHTING UP CHRISTMAS	SA00000000056508
417	930.23	232.03	MBSV 05	12/21/15	9347	HART COUNTY FAIR BOARD	400.00	-	SPONSOR/SUPREME CHAMPION	102 B
418	930.23	232.03	MBSV 07	12/21/15	1258	HART CO CHAMBER OF COMMERCE	40.00	-	ANNUAL MTG BANQUET (2)	SA00000000056545
419	930.23	232.03	MBSV 07	12/21/15	1105	CAVE CITY CHAMBER COMMERCE	200.00	-	MEMBERSHIP DUES 2016	1486
420	930.23	131.10	LABR 00	12/25/15			1,026.26	-	REGULAR LABOR	
421	930.23	131.10	LABR 00	12/25/15			1,752.80	-	REGULAR LABOR	
422	930.23	242.00	ACCR 01	12/31/15			535.44	-	ACCRUED LABOR - REGULAR	
423	930.23	242.00	ACCR 01	12/31/15			701.12	-	ACCRUED LABOR - REGULAR	
424	930.23	242.00	ACCR 01	12/31/15			356.96	-	ACCRUED LABOR - REGULAR	
425	930.23	242.00	ACCR 01	12/31/15			350.56	-	ACCRUED LABOR - REGULAR	
426	930.23	926.00	ACRD 01	12/31/15			174.23	-	ACCRUED VACATION	
427	930.23	926.00	ACRD 01	12/31/15			248.88	-	ACCRUED VACATION	
428	930.23	926.10	ACRU 06	12/31/15			1,663.90	-	ACCRAUAL/SELF FUNDED HEALTH INS	
429	930.23	926.10	ACRU 06	12/31/15			2,376.82	-	ACCRAUAL/SELF FUNDED HEALTH INS	
430	930.23	408.12	BNFT 02	12/31/15			0.03	-	CO PD/TAXES	
431	930.23	408.12	BNFT 02	12/31/15			0.04	-	CO PD/TAXES	
432	930.23	408.13	BNFT 02	12/31/15			223.23	-	CO PD/TAXES	
433	930.23	408.13	BNFT 02	12/31/15			318.88	-	CO PD/TAXES	
434	930.23	408.14	BNFT 02	12/31/15			0.06	-	CO PD/TAXES	
435	930.23	408.14	BNFT 02	12/31/15			0.09	-	CO PD/TAXES	
436	930.23	165.10	BNFT 04	12/31/15			73.53	-	CO PD/W.C. INSURANCE	
437	930.23	165.10	BNFT 04	12/31/15			105.03	-	CO PD/W.C. INSURANCE	
438	930.23	926.10	BNFT 06	12/31/15			42.21	-	LIFE/L.T.D.	
439	930.23	926.10	BNFT 06	12/31/15			60.30	-	LIFE/L.T.D.	
440	930.23	926.10	BNFT 07	12/31/15			42.65	-	401 K	
441	930.23	926.10	BNFT 07	12/31/15			60.92	-	401 K	
442	930.23	926.10	BNFT 32	12/31/15			617.53	-	RETIREMENT	
443	930.23	926.10	BNFT 32	12/31/15			882.12	-	RETIREMENT	
444	930.23	926.10	BNFT 53	12/31/15			74.26	-	POSTRETIREMENT BENEFIT (62-65)	
445	930.23	926.10	BNFT 53	12/31/15			106.07	-	POSTRETIREMENT BENEFIT (62-65)	

Line No.	ACCOUNT (a)	R-ACCT (b)	ITEM ID (c)	DATE (d)	VENDOR (e)	VENDOR NAME (f)	DEBIT (g)	CREDIT (h)	DESCRIPTION (i)	INVOICE NBR (j)
446	930.23	232.03	MBSV 01	12/31/15	1751	VISA	109.90	-	ADVERTISING/MARKET/MEMBER INFORM	SA00000000056576
447	930.23	232.03	MBSV 06	12/31/15	1751	VISA	109.90	-	DONATIONS - METCALFE GIFT CARD CHAM	SA00000000056576
448										
449										
<b>Total</b>							<b>180,809.64</b>	<b>(200.00)</b>		



Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

30. Provide an analysis of Account No. 426, Other Income Deductions, for the test period. This analysis shall show a complete breakdown of this account as shown in Format 30, and further provide all detailed supporting workpapers. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$250 provided the items are grouped by classes as shown in Format 30.

Response

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
Case No. 2016-00365  
**Account 426.10 - Other Income Deductions**  
For the 12 Months Ended December 31, 2015

Item (a)	Amount (b)
<u>Donations:</u>	
Boys and Girl Club	158
Western Kentucky University - Glasgow	700
Crossroads Life Center	500
NRECA International Foundation	500
CFC Integrity Fund	662
Other: Fire Dues	<u>595</u>
Total	3,115

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

31. Provide the name and personal mailing address of each member of Farmers' board of directors. Identify the members who represent the cooperative on the board of directors of East Kentucky Power Cooperative, Inc. ("East Kentucky"). Also identify the board members who are representatives to the Kentucky Association of Electric Cooperatives and/or the National Rural Electric Cooperative Association. If, during the course of these proceedings, any changes occur in board membership, update your response to this request.

Response

Randy London, Chairman, 1790 Goodnight Hiseville Rd., Cave City, KY 42127  
Ronnie Smith, Vice-Chairman, 238 Roberts Rd., Center, KY 42214  
Randy Sexton, Secretary-Treasurer, 400 Silver Charm Lane, Edmonton, KY 42129  
Neil Pendygraft, Director, 302 Mt. Pleasant Rd., Glasgow, KY 42141  
Freddie Button, Director, 990 Tobacco Rd., Glasgow, KY 42141  
Paul Hawkins, Director, 7925 Cub Run Hwy., Munfordville, KY 42765  
C.F. Martin, Jr., Director, 6489 Bunnell Crossing, Hardyville, KY 42746  
Randy Sexton, Director, 400 Silver Charm Lane, Edmonton, KY 42129

EKPC representative – Paul Hawkins  
KAEC representative – Freddie Button  
NRECA representative – Randy London

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

32. Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test year, including all fees, fringe benefits, and expenses, with a description of the type of meetings, seminars, etc. attended by each member. Identify any compensation to Farmers' board of directors for serving on EKPC's board of directors. Do any of the listed expenses in this analysis include the costs for a director's spouse? If yes, list expenses for the director's spouses separately.

Response

See Exhibit F, Pages 60-74 of the Application.

No expenses for Directors' spouses are included.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

33. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 33. Include detailed workpapers supporting this analysis which show the payee, dollar amount, reference (i.e., voucher no. etc.), account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided. Identify all rate case work by case number.

Response

The supporting detail for outside services is included in Exhibit F, pages 45-46 of the Application.

FARMER RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2016-00365

**Professional Services Expenses**

For the 12 Months Ending December 31, 2015

Line No.	Item (a)	Rate Case (b)	Annual Audit (c)	Other (d)	Total (e)
1	Legal			47,996	47,996
2	Engineering			11,029	11,029
3	Accounting		18,735		18,735
4	Other			26,200	26,200
5	Total	-	18,735	85,225	103,960

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

34. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of costs incurred to date. Include the date of the transaction, check number or other document reference, the vendor, amount, a description of the services performed, and the account number in which the expenditure was recorded. Indicate any costs incurred for this case during the test year. Include copies of invoices received from the vendors.

b. An itemized estimate of the total cost to be incurred, detailed explanation of how the estimate was determined, and all supporting workpapers and calculations.

c. Monthly updates of the actual costs incurred during the course of this proceeding, in the manner prescribed above.

Response

A. A schedule is attached to this response. These costs are for the period of January 1 – November 15, 2016. A copy of the 2016 invoices are attached. No costs were incurred during the test year ending December 31, 2015.

B. A schedule is attached to this response.

C. Please refer to response A above.

**Farmers Rural Electric Cooperative Corp.**  
**Case No. 2016-000365**  
**Account 928.00 - Regulatory Commission Expense**  
**January 1 - November 15, 2016**

Response 34.A.  
 Page 2 of 19  
 Witness: Jennie Phelps

ACCOUNT SOURCE	ITEM ID	DATE	CHECK	VENDOR	VENDOR NAME	DEBIT	CREDIT	DESCRIPTION	INVOICE NBR
928.00	Accounts Payable	OSEM 05 02/16/16	38632	13176	POWER SYSTEM ENGINEERING INC	4,320.44	-	FRECC 2016 RATE APPLICATION	9018587
928.00	Accounts Payable	OSEM 05 03/14/16	38776	13176	POWER SYSTEM ENGINEERING INC	4,732.50	-	2016 RATE APPLICATION	9099006
928.00	Accounts Payable	OSEM 05 04/22/16	39146	13176	POWER SYSTEM ENGINEERING INC	3,585.00	-	FRECC 2016 RATE APPLICATION	9019380
928.00	Accounts Payable	OSEM 05 05/20/16	39336	13176	POWER SYSTEM ENGINEERING INC	3,127.50	-	2016 RATE APPLICATION	9019527
928.00	Accounts Payable	OSEM 05 06/21/16	39615	13176	POWER SYSTEM ENGINEERING INC	9,922.50	-	2016 RATE APPLICATION	9020013
928.00	Accounts Payable	OSEM 05 07/20/16	39814	13176	POWER SYSTEM ENGINEERING INC	2,452.50	-	2016 RATE APPLICATION	9020117
928.00	Accounts Payable	ADMN 03 07/26/16	39799	1751	VISA	35.83	-	RATE CASE LUNCHEON	SA00000000057304
928.00	Accounts Payable	OSEM 05 08/18/16	40008	13176	POWER SYSTEM ENGINEERING INC	15,107.81	-	2016 RATE APPLICATION	9020503
928.00	Accounts Payable	OSEM 05 09/12/16	40115	13708	GOSS SAMFORD PLLC	605.00	-	2016 RATE CASE	SA00000000057463
928.00	Accounts Payable	OSEM 05 09/20/16	40224	13176	POWER SYSTEM ENGINEERING INC	1,740.00	-	2016 RATE APPLICATION	9020840
928.00	Accounts Payable	OSEM 05 10/11/16	40427	13708	GOSS SAMFORD PLLC	275.00	-	2016 RATE CASE	SA00000000057578
928.00	Accounts Payable	OSEM 05 10/24/16	40485	13176	POWER SYSTEM ENGINEERING INC	4,985.00	-	2016 RATE APPLICATION	9021034
928.00	Accounts Payable	ADMN 01 10/31/16	40609	1035	BARREN CO BUSINESS SUPPLY	482.87	-	BINDERS,INDEX,RATE CASE	573775-0
928.00	Accounts Payable	OSEM 05 10/31/16	40591	12712	ADKINS JAMES R	8,681.95	-	RATE CASE PREPARATION	SA00000000057669
928.00	Accounts Payable	ADMN 03 10/31/16	40511	1751	VISA	44.11	-	RATE CASE MTG/BILL,JENNIE,JIM,LA	SA00000000057691
928.00	Accounts Payable	OSEM 05 11/11/16	40640	13708	GOSS SAMFORD PLLC	3,278.98	-	2016 RATE CASE	SA00000000057728

**Total Expenses Jan 1 - Nov 15, 2016 63,376.99**

13176



Power System  
Engineering, Inc.

Full Service Consultants

Please remit payment to: 1532 W. Broadway  
Madison, WI 53713  
866-825-8895  
www.powersystem.org

FEB 18 2016

# INVOICE

BY: .....

FARMERS RECC  
ATTN: BILL PRATHER  
504 SOUTH BRAODWAY  
GLASGOW, KY 42141

February 11, 2016  
Work Order: KY0021606  
Invoice No: 9018587

SUBJECT: Farmers 2016 Rate Application

The following charges are for consulting services and related expenses for the 2016 Rate Application. This included the project kick-off meeting, data request/processing and initial model development work.

Professional Consulting Labor 17.70 hrs. \$3,763.50

Travel Expense \$556.94

Reimbursable Expenses \$556.94

AMOUNT DUE THIS INVOICE \$4,320.44 USD

*(OK PD)* (Rate Case Consulting)

FEB 16 2016

Date 2/16 Rec. By DB

Approved By \_\_\_\_\_ Totals Checked \_\_\_\_\_

Use Tax \_\_\_\_\_

Item ID	Acct.	Amt.
<u>Item 25</u>	<u>92300</u>	<u>92800</u>



\*00013176



~9018587

Purchaser is responsible for all sales, use or excise taxes. Any such taxes not included in this invoice may be invoiced at a later date. Payment due upon receipt, a 1.5% per month charge will be applied to amounts not paid within 30 days.

13176



**Power System  
Engineering, Inc.**

Professional Consultants

Please remit payment to: 1532 W. Broadway  
Madison, WI 53713  
866-925-8895  
www.powersystem.org

### INVOICE

FARMERS RECC  
ATTN: BILL PRATHER  
504 SOUTH BRAODWAY  
GLASGOW, KY 42141

March 10, 2016  
Work Order: KY0021606  
Invoice No: 9019006

SUBJECT: Farmers 2016 Rate Application

The following charges are for consulting services and related expenses for the 2016 Rate Application. This included data processing and work on the revenue model.

Professional Consulting Labor 33.75 hrs. \$4,732.50

RECEIVED  
MAR 14 2016

AMOUNT DUE THIS INVOICE \$4,732.50 USD

BY: .....

#### Prior Invoices Due for Payment

Invoice No.	Invoice Date	Days Old	Invoice Amount	Received	Balance
9018587	2/11/2016	28	\$4,320.44	\$ .00	\$4,320.44
					<u>\$4,320.44</u>

Date 3-17-16 Rec. By PB

Approved By PA Totals Checked \_\_\_\_\_

Use Tax \_\_\_\_\_

Item ID 92300 Acct. 92800 Amt. \_\_\_\_\_



Purchaser is responsible for all sales, use or excise taxes. Any such taxes not included in this invoice may be invoiced at a later date. Payment due upon receipt, a 1.5% per month charge will be applied to amounts not paid within 30 days.





Full Service Consultants

RECEIVED  
APR 21 2016

Please remit payment to: 1532 W. Broadway  
Madison, WI 53713  
866-825-8895  
www.powersystem.org

BY: .....  
**INVOICE**

FARMERS RECC  
ATTN: BILL PRATHER  
504 SOUTH BRAODWAY  
GLASGOW, KY 42141

April 18, 2016  
Work Order: KY0021606  
Invoice No: 9019380

SUBJECT: Farmers 2016 Rate Application

The following charges are for consulting services and related expenses for the 2016 Rate Application. This included continued work on data issues and development of Pro Forma Test Year revenue and expense adjustments.

Professional Consulting Labor                      22.00 hrs.                      \$3,585.00

**AMOUNT DUE THIS INVOICE**      **\$3,585.00 USD**

*(Handwritten initials)*

Date 4/16                      Rec. By P.B.  
Approved By                      Totals Checked

Use Tax \_\_\_\_\_

Item ID                      Acct                      Amt.  
95                      9280                      \_\_\_\_\_

**COPY**



Full Service Consultants

MAY 16 2016

Please remit payment to: 1532 W. Broadway  
Madison, WI 53713  
866-825-8895  
www.powersystem.org

BY: .....  
**INVOICE**

FARMERS RECC  
ATTN: BILL PRATHER  
504 SOUTH BRAODWAY  
GLASGOW, KY 42141

May 11, 2016  
Work Order: KY0021606  
Invoice No: 9019527

SUBJECT: Farmers 2016 Rate Application

The following charges are for consulting services and related expenses for the 2016 Rate Application. This included continued work on data issues and development of Pro Forma Test Year revenue and expense adjustments.

Professional Consulting Labor	15.75 hrs.	\$3,127.50
-------------------------------	------------	------------

**AMOUNT DUE THIS INVOICE \$3,127.50 USD**

Date 5/17/16 Rec. By RB  
 Approved By RP Totals Checked \_\_\_\_\_  
 Use Tax \_\_\_\_\_  
 Item ID 0592800 Acct. Amt. \_\_\_\_\_



Power System  
Engineering, Inc.

Full Service Consultants

RECEIVED  
JUN 20 2016

Please remit payment to: 1532 W. Broadway  
Madison, WI 53713  
866-825-8895  
www.powersystem.org

BY: ..... INVOICE

FARMERS RECC  
ATTN: BILL PRATHER  
504 SOUTH BROADWAY  
GLASGOW, KY 42141

June 14, 2016  
Work Order: KY0021606  
Invoice No: 9020013

COPY

SUBJECT: Farmers 2016 Rate Application

The following charges are for consulting services and related expenses for the 2016 Rate Application. This included ongoing work on the revenue requirements and cost of service study along with the on-site meeting. Also included was unexpected time needed to reconcile billing system sales with the Form 7 via allocation of unbilled energy and revenue adjustments.

Professional Consulting Labor 70.50 hrs. \$9,787.50

Travel Expense \$135.00  
Reimbursable Expenses \$135.00

AMOUNT DUE THIS INVOICE \$9,922.50 USD

Date 6-20-2016 Rec. By [Signature]

Approved By [Signature] Totals Checked

Use Tax

Item ID Acct. Amt.  
Qsem 05 92800

Purchaser is responsible for all sales, use or excise taxes. Any such taxes not included in this invoice may be invoiced at a later date. Payment due upon receipt, a 1.5% per month charge will be applied to amounts not paid within 30 days.



Power System  
Engineering, Inc.

Full Service Consultants

JUL 19 2016

Please remit payment to: 1532 W. Broadway  
Madison, WI 53713  
866-825-8895  
www.powersystem.org

### INVOICE

BY: .....

FARMERS RECC  
ATTN: BILL PRATHER  
504 SOUTH BRAODWAY  
GLASGOW, KY 42141

July 13, 2016  
Work Order: KY0021606  
Invoice No: 9020117

SUBJECT: Farmers 2016 Rate Application

The following charges are for consulting services rendered in June 2016 related to the 2016 Rate Application. This included ongoing work to finalize the revenue requirements and work on the class cost of service study, including the integration of load research data provided by East Kentucky.

Professional Consulting Labor	13.50 hrs.	\$2,452.50
-------------------------------	------------	------------

AMOUNT DUE THIS INVOICE **\$2,452.50 USD**

OK  
PD

Date 7/16 Rec. By RB

Approved By \_\_\_\_\_ Totals Checked \_\_\_\_\_

Use Tax \_\_\_\_\_

Item ID	Acct.	Amt.
<u>Asens 05</u>	<u>92800</u>	_____

COPY

Purchaser is responsible for all sales, use or excise taxes. Any such taxes not included in this invoice may be invoiced at a later date. Payment due upon receipt, a 1.5% per month charge will be applied to amounts not paid within 30 days.

# Visa XXXX 5632

## SUBWAY

Qty	Item	Price
1	6" Roast Beef Sub	\$4.75
1	Fresh Value Meal (21-1)	\$2.80
1	Bottled Carbonated Drink	
1	Chips	
1	6" Ham Sub	\$3.75
1	Fresh Value Meal (21-1)	\$2.80
1	Bottled Carbonated Drink	
1	Chips	
1	6" Ham Sub	\$3.75
1	-Turkey Extr6	\$1.50
1	Fresh Value Meal (21-1)	\$2.80
1	Bottled Carbonated Drink	
1	Chips	
1	Chips	\$1.10
1	6" Steak & Cheese Sub	\$4.75
1	SOTD Fin Turkey	\$3.00
1	6" Turkey Sub	
1	Fresh Value Meal (21-1)	\$2.80
1	Bottled Carbonated Drink	
1	Chips	

Sub Total \$33.80  
 Kentucky Sales Tax (6%) \$2.03  
 Total (Eat In) \$35.83  
 Credit Card \$35.83  
 Charge \$0.00

Host id: 683-297-104041E

Tell Us how We did. take a 1 min. survey @  
[www.tellsubway.com](http://www.tellsubway.com) and receive a free  
 cookie  
 Register a SUBWAY(R) Card today in order to  
 earn rewards points. Get 25 free points for  
 joining. Opt-in to email during  
 registration for a Birthday Bonus and  
 monthly offers! [www.subwaycard.com](http://www.subwaycard.com)

Get a Free Cookie! Take our 1 minute survey  
 at [www.tellsubway.com](http://www.tellsubway.com)

Store #56027-0 | 270-629-6668  
 619 L. Roger Wells BLVD.  
 Glasgow, Kentucky, 42141  
 7/6/2016 12:02:40 pm Trans #133962  
 Clerk: Amanda P

**ARE YOU GETTING OUR WEEKLY DEALS?**

**Text OFFERS to 782929 to sign up**

**JOIN TODAY AND GET A FREE 6" SUB WHEN YOU BUY A 30 OZ. DRINK**

Message and data rates may apply. Message rates may vary by carrier and are subject to change. Offer valid only at participating Subway locations. Offer ends 7/31/16. See Subway.com for details. ©2016 Subway IP Inc.



**Power System  
Engineering, Inc.**

Service Consultants

AUG 10 2016

Please remit payment to: 1532 W. Broadway  
Madison, WI 53713  
866-825-8895  
www.powersystem.org

**INVOICE**

FARMERS RECC  
ATTN: BILL PRATHER  
504 SOUTH BRAODWAY  
GLASGOW, KY 42141

August 11, 2016  
Work Order: KY0021606  
Invoice No: 9020503

**COPY**

\*SUBJECT: Farmers 2016 Rate Application

The following charges are for consulting services rendered in July 2016 related to the 2016 Rate Application. This included ongoing work to finalize the revenue requirements, class cost of service study, and rate design studies. Also included attending the Board meeting to present the study results and recommendations.

Professional Consulting Labor	84.00 hrs.	\$13,620.00
Travel Expense		\$1,487.81
Reimbursable Expenses		\$1,487.81

**AMOUNT DUE THIS INVOICE** \$15,107.81 USD ✓

**Prior Invoices Due for Payment**

Invoice No.	Invoice Date	Days Old	Invoice Amount	Received	Balance
9020117	7/13/2016	29	\$2,452.50	\$0.00	\$2,452.50
					<b>\$2,452.50</b>

Date 8-15-06 Rec. By PB

Approved By PP Totals Checked \_\_\_\_\_

Use Tax \_\_\_\_\_

Item ID Asen 05 Acct. 92800 Amt. \_\_\_\_\_

OK 39814  
mailed 8-5-16

Purchaser is responsible for all sales, use or excise taxes. Any such taxes not included in this invoice may be invoiced at a later date. Payment due upon receipt, a 1.5% per month charge will be applied to amounts not paid within 30 days.

13708

# Goss • Samford PLLC

Response 34A  
Page 11 of 19



Attorneys at Law

**David S. Samford**  
david@gosssamfordlaw.com  
(859) 368-7740

September 6, 2016

Mr. Bill Prather  
Farmers RECC  
504 South Broadway  
P.O. Box 1298  
Glasgow, KY 42141-1298

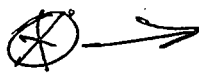
SEP 13 2016  
11:11:11

Re: Invoice for August 1, 2016 to August 31, 2016

# COPY

Dear Bill:

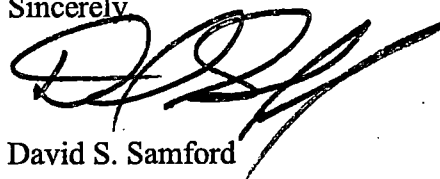
Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Farmers RECC for the period from August 1, 2016 to August 31, 2016. Please remit payment for the amounts due within thirty days of today's date. A summary of the amounts due and owing, by matter, are as follows:

	<u>Matter Description</u>	<u>Amount</u>
	2016 Rate Case – current fees	\$605.00
	<b>TOTAL:</b>	<b>\$605.00</b> ✓

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Farmers RECC and we thank you for allowing us the opportunity to work with you.

Qsem 05 92800 P/B

Sincerely,



David S. Samford

Enclosure



13176



Power System  
Engineering, Inc.

Full Service Consultants

Please remit payment to: 1532 W. Broadway  
Madison, WI 53713  
866-825-8895  
www.powersystem.org

SEP 19 2016

BY: .....

### INVOICE

FARMERS RECC  
ATTN: BILL PRATHER  
504 SOUTH BRAODWAY  
GLASGOW, KY 42141

September 13, 2016  
Work Order: KY0021606  
Invoice No: 9020840

# COPY

**SUBJECT: Farmers 2016 Rate Application**

The following charges are for consulting services rendered in August 2016 related to the 2016 Rate Application. This included work to prepare for the filing including testimony, exhibits and workpapers.

Professional Consulting Labor	14.50 hrs.	\$1,740.00
-------------------------------	------------	------------

**AMOUNT DUE THIS INVOICE \$1,740.00 USD**

OK  
PB

Date 9/16 Rec. By PB

Approved By \_\_\_\_\_ Totals Checked \_\_\_\_\_

Use Tax \_\_\_\_\_

Item ID	Acct.	Amt.
<u>925</u>	<u>92800</u>	_____

Purchaser is responsible for all sales, use or excise taxes. Any such taxes not included in this invoice may be invoiced at a later date. Payment due upon receipt, a 1.5% per month charge will be applied to amounts not paid within 30 days.



2708

# Goss • Samford PLLC

Response 34A  
Page 13 of 19



David S. Samford  
david@gosssamfordlaw.com  
(859) 368-7740

October 5, 2016

OCT 07 2016

Mr. Bill Prather  
Farmers RECC  
504 South Broadway  
P.O. Box 1298  
Glasgow, KY 42141-1298

Re: Invoice for September 1, 2016 to September 30, 2016

Dear Bill:

Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Farmers RECC for the period from September 1, 2016 to September 30, 2016. Please remit payment for the amounts due within thirty days of today's date. A summary of the amounts due and owing, by matter, are as follows:

<u>Matter Description</u>	<u>Amount</u>
2016 Rate Case – current fees	\$275.00
<b>TOTAL:</b>	<b>\$275.00</b>

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Farmers RECC and we thank you for allowing us the opportunity to work with you.

Sincerely,

David S. Samford

Enclosure

Assem 05 92500

COPY

13176

Response 34A  
Page 14 of 19



Power System  
Engineering, Inc.

Full Service Consultants

Please remit payment to: 1532 W. Broadway  
Madison, WI 53713  
888-825-8895  
www.powersystem.org

### INVOICE

FARMERS RECC  
ATTN: BILL PRATHER  
504 SOUTH BRAODWAY  
GLASGOW, KY 42141

October 12, 2016  
Work Order: KY0021606  
Invoice No: 9021034

SUBJECT: Farmers 2016 Rate Application

The following charges are for consulting services rendered in September 2016 related to the 2016 Rate Application. This included work to prepare for the filing including testimony, exhibits and workpapers.

Professional Consulting Labor	40.25 hrs.	\$4,985.00
-------------------------------	------------	------------

**AMOUNT DUE THIS INVOICE** **\$4,985.00 USD**

Date 10/16 Rec. By RB

Approved By \_\_\_\_\_ Totals Checked \_\_\_\_\_

Use Tax \_\_\_\_\_

Item ID	Acct.	Amt.
<u>09em05</u>	<u>92800</u>	_____

OK  
RB

COPY

Purchaser is responsible for all sales, use or excise taxes. Any such taxes not included in this invoice may be invoiced at a later date. Payment due upon receipt, a 1.5% per month charge will be applied to amounts not paid within 30 days.



201 Lincoln Road  
Glasgow, Kentucky 42141

270-659-2061 or Fax 270-659-9078  
accounting@bcbsupply.com

**COPY**

Response 34A  
Page of 19  
**INVOICE**

INVOICE NUMBER **573775-0**  
INVOICE DATE **10/25/16**  
ACCOUNT NUMBER **3148**  
DEPT NUMBER  
AMOUNT DUE **482.87**

BILL TO ADDRESS			SHIP TO ADDRESS		
FARMERS RURAL ELECTRIC PO BOX 1298 GLASGOW KY 42141 270-651-2191			FARMERS RURAL ELECTRIC 504 S BROADWAY STREET GLASGOW KY 42141		
CUSTOMER PURCHASE ORDER	SALESPERSON	TERMS	ROUTE	PAYCODE	ORDER TAXER
	MIKE PRUITT	1% 10 NET 30	101	CHARGE	AUTO

WE NOW ACCEPT ACH PAYMENTS!  
CONTACT US FOR DETAILS.....

INVOICE NO:  
**573775-0**

ITEM NUMBER	MFG	ITEM DESCRIPTION	UM	ORD QTY	B/O QTY	SHIP QTY	SELL PRICE	EXTEND PRICE
05729	AVE	Who Called : Jerry Carter REINFORCEMENT,2C/PK	PK	1		1	1.79	1.79
20994	UNV	BNDR,VIEW,D-RNG,4",WE	EA	15		15	17.33	259.95
24812	UNV	INDEX,LTR,A-Z,COL,WE	ST	15		15	5.79	86.85
24814	UNV	INDEX,LTR,1-31,COL,WE	ST	15		15	7.13	106.95

Phone: 270-651-2191  
Email: jcarter@farmersrecc.net

*All Late Case*

*THIS IS FOR THE CASE*

Date 10/31/16 Rec. By RB

Approved By \_\_\_\_\_ Totals Checked \_\_\_\_\_

Use Tax \_\_\_\_\_

Item ID Adm 01 Acct. 92800 Amt. \_\_\_\_\_

**RECEIVED**  
OCT 28 2016  
BY: .....

Barcode: \$00001035  
Barcode: ~573775-0

WE APPRECIATE YOUR BUSINESS

Subtotal 455.54  
Tax 27.33

Order for Jennie Phelps

Total Due 482.87

# RATE CASE

INVOICE FOR SERVICES RENDERED			
James R. Adkins 2189 Roswerll Dr Lexington, KY 40513-1811		<b>RECEIVED</b> <b>OCT 31 2016</b>	
		BY: .....	
<b>Mr. William Prather</b> <b>President &amp; DEO</b> <b>Farmers RECC</b> <b>Box 1298</b> <b>Glasgow, KY 42141-1298</b>			
RATE CASE PREPARATION ACTIVITIES - CASE NO: 2016-00365			
Week of	Description	Hours	Mileage
Jan 6	Kick Off Meeting to Discuss Goals, Amounts & Rat	8.00	
April 7	Test Year Adjustments for Revenue Requirements	8.00	274
May 2	Test Year Adjustments for Revenue Requirements	7.25	
May 23	COSS Classification Completed	3.25	
July 6	Rate Dsign Discussions	6.25	
July 11	Development of Rate Design	3.50	
July 18	Finalize and Discuss Proposed Rate Deisgn	6.25	
Aug 14	Development of Draft Application & Draft Notice	3.50	
Sept 19	Test Year Adjustments Review	3.50	
October 3	Application Needs & CATV Rate Development	4.00	
October 10	Meeting & Finalization of Application	7.50	
October 17	Review Notice, Application, Develop Rate Base, Ca		
	Reconciliation of the Two	3.50	
October 24	Compose Draft Testimony	3.75	
<b>TOTAL HOURS AND MILEAGE</b>		<b>68.25</b>	<b>274.0</b>
<b>RATE</b>		<b>\$ 125.00</b>	<b>\$ 0.55</b>
<b>TOTALS</b>		<b>\$ 8,531.25</b>	<b>\$ 150.70</b>
<b>AMOUNT OF INVOICE</b>			<b>\$ 8,681.95</b>
<i>James R. Adkins</i>			
<b>A DISABLED AMERICAN COMBAT VETERAN OWNED SERVICE</b>			

COPY

Ok to pay *JSP* *Qsem e5* *92800*

Gondolier  
509 S L. Rogers Well Blvd  
Glasgow, KY 42141  
270-629-6400

1038 JENNIFER

Tbl 18/1      Chk 4690      Gst 4  
Oct13'16 12:21PM

\*\*\*\* SEAT 1 \*\*\*\*

1 Eggplant Parm	7.59
1 Strawberry Salad	6.95
Rasp Vin	
1 Soup & Salad	6.50
1 Chx Sal Sand	6.95
2 Soft Drink	3.99
2 Tea	3.99
SALES TA 2.16    TOTAL DUE	38.11

\*\*\*\*\* ATT \*\*\*\*\*

SUBTOTAL	35.95
SALES TAX	2.16
TOTAL DUE	38.11

THANK YOU

*Bill P.*  
*Jenni Phelps*  
*Lance Shaffer*  
*Jim Adams*

} *Rate meeting*  
*Lunch*



Gondolier  
509 S.L. Rogers Well Blvd  
Glasgow, KY 42141  
270-629-6400

Date: Oct13'16 12:59PM  
Card Type: Visa  
Acct #: XXXXXXXXXXXX0160  
Card Entry: SWIPED  
Trans Type: PURCHASE  
Trans Key: III003365675713  
Auth Code: 002362  
Check: 4690  
Table: 18/1  
Server: 1038 JENNIFER

Subtotal: 38.11

Tip: 6.00

Total: \$44.11

Signature: \_\_\_\_\_

I agree to pay above total  
according to my card issuer  
agreement.

# Goss • Samford PLLC



Attorneys at Law

Response 34A  
Page 18 of 19

RECEIVED  
NOV 10 2016

BY: .....

David S. Samford  
david@gosssamfordlaw.com  
(859) 368-7740

November 7, 2016

Mr. Bill Prather  
Farmers RECC  
504 South Broadway  
P.O. Box 1298  
Glasgow, KY 42141-1298

Re: Invoice for October 1, 2016 to October 31, 2016

Dear Bill:

Please find enclosed the invoice for legal services performed by Goss Samford, PLLC on behalf of Farmers RECC for the period from October 1, 2016 to October 31, 2016. Please remit payment for the amounts due within thirty days of today's date. A summary of the amounts due and owing, by matter, are as follows:

<u>Matter Description</u>	<u>Amount</u>
2016 Rate Case – current fees	\$3,278.98
Cave City Franchise – current fees - <i>Outside Services</i>	\$352.50
<b>TOTAL:</b>	<b>\$3,631.48</b>

*DL*  
*PD*

Should you have any questions, please contact me at your convenience. Once again, it is a privilege to represent Farmers RECC and we thank you for allowing us the opportunity to work with you.

*Qsem 05 92800 -*  
*\$3,278.98*

Sincerely,  
*[Signature]*  
David S. Samford

Enclosure

**Farmers RECC**

**Rate Case Budget - Initial**

Task	Title	Hours	Cost	
<b><u>Consulting Services</u></b>		<b><u>Range</u></b>	<b><u>From</u></b>	<b><u>To</u></b>
1	Test Year Adjustments	160 - 200	\$ 20,000	\$ 25,000
2	Margins and Revenue Requirements	8 - 10	\$ 1,000	\$ 1,300
3	Cost of Service Study	80 - 100	\$ 10,000	\$ 15,000
4	Rate Design	40 - 50	\$ 2,500	\$ 3,750
5	Exhibits & Application Preparation	80 - 100	\$ 5,000	\$ 6,250
6	Respond to Interrogatories	60 - 100	\$ 7,500	\$ 17,500
7	Hearing & Brief	12 - 20	\$ 1,500	\$ 4,820
	<b>Total Consulting</b>	440 - 580	\$ 47,500	\$ 73,620
	<b>Supplies &amp; Travel</b>		\$ 5,000	\$ 5,000
	<b><u>Advertising</u></b>		\$ 25,000	\$ 50,000
	<b><u>Legal</u></b>		\$ 10,000	\$ 15,000
	<b><u>Total Budget</u></b>		<b><u>\$ 87,500</u></b>	<b><u>\$ 143,620</u></b>

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

35. Provide the estimated dates for draw downs of unadvanced loan funds at test-year-end and the proposed uses of these funds.

Response

Since the test year ending December 31, 2015, Farmers has drawn down \$4,400,000 in year 2016. These funds have been used for the construction work plan. Farmers does not anticipate drawing down any more loan funds in 2016.



Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

36. Provide a list of depreciation expenses using Format 36.

Response

See Exhibit F, pages 37-39 of the Application.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

37. Explain whether the depreciation rates reflected in this filing are identical to those most recently approved by the Commission.

- a. If identify, the case in which they were approved.
- b. If not, provide the depreciation study that supports the rates reflected in this filing.

Response

As stated in the application, Farmers has never had a depreciation study completed for the cooperative. Farmers has used a composite depreciation rate for most of its distribution plant facilities except in those situations where the expected life of the facility is less. Farmers is proposing in this application to use a depreciation rate of 6.67% for its automated metering infrastructure ("AMI") facilities. This proposed depreciation rate is based on the rate approved by this Commission for other distribution cooperatives in this state. This rate is based on a fifteen-year expected life for this type of distribution plant.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

38. Provide information for plotting the depreciation guideline curves in accordance with RUS Bulletin 183-1, as shown in Format 38.

Response

The information is attached to this response.

## FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2016-00365

## Data for Depreciation Guideline Curve

RUS Bulletin 183-1

1			Accumulated		Ratio of Current
2		Distribution,	Deprec		Distribution Plant
3	Year	Plant in	for	Reserve	to Distribution
4	<u>Ended</u>	<u>Service</u>	<u>Distribution</u>	<u>Ratio</u>	<u>Plant 10 Years Prior</u>
5					
6	2015	77,820,990	21,563,202	27.71%	1.58
7	2014	74,186,248	20,841,973	28.09%	1.57
8	2013	70,327,665	20,091,750	28.57%	1.56
9	2012	67,404,499	19,053,369	28.27%	1.56
10	2011	65,560,973	17,809,790	27.17%	1.58
11	2010	63,463,558	16,863,834	26.57%	
12	2009	61,477,603	15,845,399	25.77%	
13	2008	59,841,218	14,670,710	24.52%	
14	2007	57,121,645	14,011,008	24.53%	
15	2006	53,009,201	13,619,517	25.69%	
16	2005	49,117,159	12,927,532	26.32%	
17	2004	47,129,966	12,130,707	25.74%	
18	2003	45,113,445	11,516,123	25.53%	
19	2002	43,303,382	10,881,619	25.13%	
20	2001	41,467,828	10,569,117	25.49%	

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

39. For each charitable and political contribution (in cash or services), provide the amount, recipient, and specific account charged.

Response

No political contributions were made. For charitable donations, see response to question 30 of this first data request.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

40. Describe Farmers' lobbying activities and provide a schedule showing the name and salary of each lobbyist; all company-paid or reimbursed expenses or allowances; and the account charged for all personnel for whom a principal function is lobbying, on the local, state, or national level. Indicate whether the lobbyist is an employee or an independent contractor. If any amounts are allocated, show a calculation of the factor used to allocate each amount.

Response

Farmers does not engage in lobbying activities.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

41. Provide complete details of the financial reporting and rate-making treatment of Farmers' pension costs.

Response

Farmers has defined benefit and 401(k) pension plans. The treatment is the same for financial reporting as rate-making purposes.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

42. Provide complete details of Farmers' financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 106, including:

- a. The date Farmers adopted or plans to adopt SFAS No. 106.
- b. All accounting entries made or to be made at the date of adoption.
- c. All actuarial studies and other documents used to determine the level of SFAS No. 106 cost recorded or to be recorded by Farmers.

Response

a. Farmers adopted SFAS No. 106 in January, 2008.

b.	Accum Other Comprehensive Income	209.00	\$200,938	
	Accum Provision Postretire Benefits	228.30		\$200,938

Initially record adoption of SFAS No. 106.

c. A copy of the latest study is attached to this response.



ALAN M. ZUMSTEIN  
CERTIFIED PUBLIC ACCOUNTANT  
1032 Chetford Drive  
Lexington, Kentucky 40509

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Page 2 of 8

859-333-1695  
[zumstein@windstream.net](mailto:zumstein@windstream.net)

MEMBER:  
AICPA  
KENTUCKY SOCIETY OF CPA's  
INDIANA SOCIETY OF CPA's

January 19, 2016

Jennie Phelps, VP, Finance & CFO  
Farmers Rural Electric Cooperative  
504 South Broadway  
Glasgow, Kentucky 42141

Dear Jennie:

Please find enclosed the actuarial valuation results as of December 31, 2015 for Financial Accounting Standards Boards' Accounting Standards Codification ("ASC") 715 - *Compensation - Retirement Plans*.

The accrual for 2016 should be \$112,595 as follows:

	<u>Debit</u>	<u>Credit</u>
<i>Monthly entry for 2015</i>		
926 Employee benefits	\$ 9,383	
209.00 Accum other comprehensive income		\$ 3,310
228.30 Postretirement benefits other than pensions		\$ 6,073

Record postretirement benefits.

The adjustment for postretirement benefits as of December 31, 2015 is as follows:

209.00 Accum other comprehensive income	\$ 362,162	
228.30 Postretirement benefits other than pensic.		\$ 362,162

Record SFAS No. 158 adjustments

The liability increase is due to lowering the discount rate to 4.5%.

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

Sincerely,

*Alan Zumstein*  
Alan M. Zumstein

Exhibit 1  
Farmers Rural Electric Cooperative  
SFAS No. 106/158 Financial Statement Disclosures  
December 31, 2015

**Net Periodic Benefit Cost**

1.	Service cost	\$ 36,960
2.	Interest cost	26,148
3.	Expected return on plan assets	-
4.	Amortization of transition obligation	10,044
5.	Amortization gain / (loss)	12,708
6.	Net periodic benefit cost	<u>\$ 85,860</u>

**Change in Accumulated Benefit Obligation**

1.	Accumulated benefit obligation, beginning	\$ 531,973
2.	Service cost	36,960
3.	Interest cost	26,148
4.	Expected return on plan assets	
5.	Amortization of transition obligation	
6.	Amortization gain / (loss)	
7.	Plan amendments	
8.	Disbursements	(78,276)
9.	Accumulated other comprehensive income, initial	-
10.	Accumulated other comprehensive income	362,162
11.	Accumulated benefit obligation, ending	<u>\$ 878,967</u>

**Change in Fair Value of Plan Assets**

1.	Fair value of plan assets, beginning	
2.	Actual return on plan assets	
3.	Employer contributions	
4.	Benefits paid	
5.	Administrative expenses	
6.	Fair value of plan assets, ending	<u>\$ -</u>

Exhibit 2  
Farmers Rural Electric Cooperative  
SFAS No. 106/158 Financial Statement Disclosures  
December 31, 2015

**Benefit obligations at end of year**

1.	Accumulated benefit obligation (APBO)	\$ 878,967
2.	Expected benefit obligation (EPBO)	\$1,739,270

**Statement of funded status**

1.	Accumulated benefit obligation (APBO)	\$ (878,967)
2.	Fair value of plan assets	-
3.	Funded status of plan	\$ (878,967)

**Amounts recognized in the statement of financial position**

1.	Noncurrent assets	\$ -
2.	Current liabilities	-
3.	Noncurrent liabilities	878,967
4.	Funded status	\$ 878,967

**Amounts recognized in accumulated other comprehensive income**

1.	Net loss (gain)	\$ 653,722
2.	Transition obligation	140,674
3.	Total	\$ 794,396

**Other changes in plan assets and benefit obligations  
recognized in other comprehensive income**

1.	Beginning of year	\$ 454,986
2.	Net loss (gain)	362,162
3.	Amortization of net loss (gain)	(12,708)
4.	Amortization of transition obligation	(10,044)
5.	Total recognized in other comprehensive income	339,410
6.	End of year	\$ 794,396

**Farmers Rural Electric Cooperative  
 Medical Insurance Premiums  
 SFAS 106 Obligation as of December 31, 2015**

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 Page 5 of 8

	<u>Total</u>
A. Accumulated Postretirement Benefit Obligation (APBO) as of December 31, 2015	
1. Actives not yet eligible	\$ 141,494
2. Actives fully eligible	191,045
3. Retirees and dependents	<u>546,428</u>
4. Total APBO	878,967
B. Future accruals	<u>860,303</u>
C. Total Expected Postretirement Benefit Obligation (EPBO) (A4 + B)	<u>\$ 1,739,270</u>
D. Accrued Postretirement Benefit Cost	
Balance January 1, 2015	531,973
Accrual	63,108
Payout	<u>(78,276)</u>
Balance December 31, 2015	516,805
Accum other comprehensive income	<u>362,162</u>
Adjusted balance December 31, 2015	878,967
Accrual for 2015	86,115
Estimated payout	<u>(64,200)</u>
Estimated balance December 31, 2016	<u><u>900,882</u></u>

**Farmers Rural Electric Cooperative**  
**Medical Insurance Premiums**  
**SFAS 106 Obligation as of December 31, 2015**

**FAS 106 Expense Components**

1. Service cost		\$ 46,385
2. Interest cost		39,730
3. Expected return on assets		-
4. Amortization of transition obligation		10,044
5. Amortization of actuarial (gain) / loss		16,436
6. Total FAS 106 expense		<u>\$ 112,595</u>
7. Expected pay-as-you-go expense		<u>\$ 64,200</u>

**Alternate assumptions:**

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

	<u>Current</u> <u>Plan</u>	<u>Alternate</u> <u>Assumptions</u>	<u>% Change</u>
APBO	878,967	945,000	7.5%
EPBO	1,739,270	1,870,000	7.5%
SFAS 106 Expense	112,595	121,000	7.5%

Payments for the next five (5) years are as follows:

2016	64,200
2017	68,534
2018	72,303
2019	76,279
2020	80,475

# Farmers Rural Electric Cooperative

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## SFAS 106 Assumptions

**Covered Groups** All eligible employees.

**Eligibility** Employees who elect to retire between the ages of 62 and 65, and who have completed 15 or more years of employment with Farmers.

**Spouse** A spouse may be covered if the retiring employee so desires, with the cost of the premium being the sole responsibility of the retiree.

**Medicare** Medical insurance premiums will be paid by Farmers until such time as the retired employee reaches age 65, or is eligible for Medicare Supplement benefits.

**Contributions** If the employee chooses to retire between the ages of 62 and 65, Farmers will pay a pro-rata portion of the eligible retiree's insurance premium, based upon the ratio of that employee's number of years of employment has to 30 years.

**Mortality** - Used RP2000 Tables, updated through 2014, separately for males and females, projected with Scale AA.

**Retirement and Withdrawals** Estimate that employees will retire at age 62 and will be replaced in the normal course of business.

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

<u>Age</u>	<u>Rate</u>	<u>No. of Employees</u>
20	15%	10
30	7%	12
40	3%	15
50	1%	19
60	0%	<u>5</u>
		<u>61</u>

**Discount Rate** 4.5% per year.

**Medical Inflation Rate** 7.0% for the first year, then decreasing by 0.25% per year until level at 5% per year.

**Farmers Rural Electric Cooperative**

Response 42  
Page 8 of 8

**SFAS 106 Assumptions**

**Eligibility Classes** Based on employees and retirees as of December 31, 2015, are as follows:

	<u>Employees</u>
Actives not fully eligible	58
Actives fully eligible	3
Retirees and dependents	<u>4</u>
Total	<u>65</u>

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

43. Provide complete details of Farmers' financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 112, including;

- a. The date Farmers adopted or plans to adopt SFAS No. 112.
- b. All accounting entries made or to be made at the date of adoption.
- c. All actuarial studies and other documents used to determine the level of SFAS No. 112 cost recorded or to be recorded by Farmers.

Response

SFAS No. 112 does not apply to Farmers.



Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

44. Provide complete details of Farmers' financial reporting and ratemaking treatment of SFAS No. 143, "Accounting for Asset Retirement Obligations."

- a. The date Farmers adopted or plans to adopt SFAS No. 143.
- b. All accounting entries made or to be made at the date of adoption.
- c. All actuarial studies and other documents used to determine the level of SFAS No. 143 cost recorded or to be recorded by Farmers.
- d. A schedule comparing the depreciation rates utilized by Farmers prior to and after adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

Response

SFAS No. 143 does not apply to Farmers.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

45. Provide complete details of Farmers' financial reporting and ratemaking treatment of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans."

- a. The date Farmers adopted or plans to adopt SFAS No. 158.
- b. All accounting entries made or to be made at the date of adoption.
- c. All actuarial studies and other documents used to determine the level of SFAS No. 158 cost recorded or to be recorded by Farmers.

Response

- a. Farmers adopted SFAS No. 106 in January, 2008.
- b. See response in Question 42, Part B of the First Data Request.
- c. This amount is included with the calculations for FAS 106.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

46. Provide any information as soon as it is known, describing any events occurring after test year that would have a material effect on net operating income, rate base, and cost of capital that is not incorporated in the filed testimony and exhibits.

Response

None are known at this time.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

47. Provide all current labor contracts and the most recent contracts in effect prior to the current contracts.

Response

Farmers does not have a unionized workforce.

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

48. Regarding demand-side management, conservation, and energy efficiency programs, provide the following:

- a. A list of all programs currently offered by Farmers;
- b. The total cost incurred for these programs during the test year and in each of the three most recent calendar years; and
- c. The total demand and energy reductions realized through these programs during the test year and in each of the three most recent calendar years.

Response

a. Programs currently offered are included in response C to this response. Farmers also participates in the How\$mart program. How\$mart jobs may have multiple rebates and therefore is not broken down separately.

b. DSM Expense [all years presented are calendar years]

2015 - \$306,684

2014 - \$206,768

2013 - \$314,722

2012 - \$126,297

c. See response attached.

Program	2015				2014			
	Participants	kWh	Winter MW	Summer MW	Participants	kWh	Winter MW	Summer MW
C&I Lighting Upgrade	4	522,627	0.056	0.105	3	291,537	0.031	0.058
Appliance Recycling Freezer	2	1,392	0.000	0.000	0	0	0.000	0.000
Appliance Recycling Refrigerator	8	5,568	0.001	0.001	0	0	0.000	0.000
Button Up - Level I	52	183,124	0.142	0.043	54	212,994	0.165	0.050
Button Up - Level II	0	0	0.000	0.000	1	4,807	0.004	0.001
Button Up - Level III	0	0	0.000	0.000	1	6,485	0.005	0.002
CARES HEAT PUMP ELIGIBLE	1	4,731	0.001	0.001	0	0	0.000	0.000
CFL	200	4,200	0.001	0.000	0	0	0.000	0.000
Energy Audit - Billing/insights Online Audit	63	32,949	0.000	0.000	0	0	0.000	0.000
ENERGY STAR Air Source Heat Pump	12	9,648	0.000	0.004	0	0	0.000	0.000
ENERGY STAR Central Air Conditioner	3	1,587	0.000	0.002	0	0	0.000	0.000
ENERGY STAR Clothes Washer	40	14,000	0.003	0.001	0	0	0.000	0.000
ENERGY STAR Dishwasher	53	4,187	0.001	0.001	0	0	0.000	0.000
ENERGY STAR Freezer	5	335	0.000	0.000	0	0	0.000	0.000
ENERGY STAR Heat Pump Water Heater	4	8,800	0.002	0.001	0	0	0.000	0.000
ENERGY STAR MANUFACTURED HOME	1	11,947	0.003	0.001	0	0	0.000	0.000
ENERGY STAR Refrigerator	63	6,300	0.001	0.000	0	0	0.000	0.000
Heat Pump Retrofit (13 SEER)	2	14,348	0.000	0.000	4	28,696	0.000	0.001
Heat Pump Retrofit (14 SEER)	2	15,066	0.000	0.001	0	0	0.000	0.000
Heat Pump Retrofit (15 SEER & up / Geo)	10	79,335	0.000	0.004	4	31,912	0.000	0.002
HVAC Duct Sealing	135	140,130	0.131	0.041	130	134,940	0.126	0.039
LED-Promotional	83	1,992	0.000	0.000	0	0	0.000	0.000
TSE Home (Performance) (HERS 79 or below)	2	5,136	0.005	0.001	0	0	0.000	0.000
DLC AC	47	235	0.000	0.047	134	670	0.000	0.148
DLC WH	34	340	0.018	0.013	113	1,130	0.061	0.044

Program
C&I Lighting Upgrade
Appliance Recycling Freezer
Appliance Recycling Refrigerator
Button Up - Level I
Button Up - Level II
Button Up - Level III
CARES HEAT PUMP ELIGIBLE
CFL
Energy Audit - Billing/Insights Online Audit
ENERGY STAR Air Source Heat Pump
ENERGY STAR Central Air Conditioner
ENERGY STAR Clothes Washer
ENERGY STAR Dishwasher
ENERGY STAR Freezer
ENERGY STAR Heat Pump Water Heater
ENERGY STAR MANUFACTURED HOME
ENERGY STAR Refrigerator
Heat Pump Retrofit (13 SEER)
Heat Pump Retrofit (14 SEER)
Heat Pump Retrofit (15 SEER & up / Geo)
HVAC Duct Sealing
LED-Promotional
TSE Home (Performance) (HERS 79 or below)
DLC AC
DLC WH

2013			
Participants	kWh	Winter MW	Summer MW
3	450,584	0.049	0.090
0	0	0.000	0.000
0	0	0.000	0.000
136	299,880	0.232	0.070
1	4,567	0.004	0.002
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
1	7,174	0.000	0.001
3	22,599	0.000	0.002
1	7,934	0.000	0.001
109	113,142	0.106	0.033
0	0	0.000	0.000
0	0	0.000	0.000
354	1,770	0.000	0.391
320	3,200	0.173	0.125

2012			
Participants	kWh	Winter MW	Summer MW
3	410,629	0.038	0.070
0	0	0.000	0.000
0	0	0.000	0.000
19	45,676	0.036	0.014
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
0	0	0.000	0.000
4	28,696	0.000	0.001
0	0	0.000	0.000
0	0	0.000	0.000
18	18,684	0.017	0.005
0	0	0.000	0.000
1	2,568	0.003	0.001
63	315	0.000	0.070
40	400	0.022	0.016

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

49. Provide separate schedules, for the test year and the 12-month period immediately preceding the test year that show the following information regarding Farmers' investments in subsidiaries and joint ventures:

- a. Name of subsidiary or joint venture;
- b. Date of initial investment;
- c. Amount and type of investment;
- d. Balance sheet and income statement. Where only internal statements are prepared, furnish copies of these; and
- e. Name of officers of each of the subsidiaries or joint ventures, officer's annual compensation, and portion of compensation charged to the subsidiary or joint venture. Indicate the position that each officer holds with Farmers and the compensation received from Farmers.

Response

- A. As of December 31, 2015, Farmers owns 100% stock of Farmers Energy Services Corporation.
- B. An initial investment of \$225,000 was made in 1997.
- C. Farmers has invested \$1,476,327 of capital investment in its subsidiary as of December 31, 2015.
- D. Copies of the balance sheet and income statement for the years ending December 31, 2015 and December 31, 2014 are attached.
- E. Information As Follows:

<u>Name of Officer</u>	<u>Compensation From Subsidiary</u>	<u>Compensation charged to Subsidiary</u>	<u>Position with Farmers</u>
William Prather	\$0.00	\$1,044	Pres & CEO
Jennie Phelps Chairman of Farmers Board	\$0.00	\$ 534	VP, Acctg.
	\$0.00	\$0.00	n/a



FESC

11:00 AM  
01/24/16  
Accrual Basis

Farmers Energy Services Corporation  
Profit & Loss Detail  
January through December 2015

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
<b>Ordinary Income/Expense</b>								
<b>Expense</b>								
<b>6200 · Interest Expense</b>								
General Jou...	9/30/2015	16		EKPC Note Payment		2150 · Not...	1,138.54	1,138.54
General Jou...	10/31/2015	17		EKPC Note Payment		2150 · Not...	1,130.36	2,268.90
General Jou...	11/30/2015	18		EKPC Note Payment		2150 · Not...	2,236.13	4,505.03
General Jou...	12/30/2015	19		EKPC Note Payment		2150 · Not...	1,105.72	5,610.75
<b>Total 6200 · Interest Expense</b>							<b>5,610.75</b>	<b>5,610.75</b>
<b>6230 · Licenses and Permits</b>								
Check	1/7/2015	1075	Farmers Rural Electric Co...	Annual Report Filing		1200 · ES...	15.00	15.00
<b>Total 6230 · Licenses and Permits</b>							<b>15.00</b>	<b>15.00</b>
<b>6270 · Professional Fees</b>								
Check	4/29/2015	1077	Campbell, Myers & Rutled...	2014 Tax Return P...		1200 · ES...	495.00	495.00
<b>Total 6270 · Professional Fees</b>							<b>495.00</b>	<b>495.00</b>
<b>6600 · Federal Income Tax Expense</b>								
Check	3/13/2015	EFTS	Internal Revenue Service	Balance of 2014 C...		1200 · ES...	8,425.00	8,425.00
Check	4/14/2015	EFTS	Internal Revenue Service	1st Qtr 2015 Est F...		1200 · ES...	22,532.00	30,957.00
Check	6/12/2015	EFTS	Internal Revenue Service	2nd Qtr 2015 Est F...		1200 · ES...	22,533.00	53,490.00
Check	9/11/2015	EFTS	Internal Revenue Service	3rd Qtr 2015 Est F...		1200 · ES...	22,532.00	76,022.00
Check	12/14/2015	EFTS	Internal Revenue Service	4th Qtr 2015 Est F...		1200 · ES...	22,532.00	98,554.00
<b>Total 6600 · Federal Income Tax Expense</b>							<b>98,554.00</b>	<b>98,554.00</b>
<b>6601 · Kentucky Income Tax Expense</b>								
Check	4/2/2015	1076	Kentucky State Treasurer	2014 State Income...		1200 · ES...	5,786.00	5,786.00
Check	5/22/2015	1078	Kentucky State Treasurer	2nd Qtr 2015 Form...		1200 · ES...	5,626.00	11,412.00
Check	8/25/2015	1079	Kentucky State Treasurer	3rd Qtr 2015 Form...		1200 · ES...	2,812.00	14,224.00
Check	12/1/2015	1120	Kentucky State Treasurer	4th Qtr 2015 Form ...		1200 · ES...	2,813.00	17,037.00
<b>Total 6601 · Kentucky Income Tax Expense</b>							<b>17,037.00</b>	<b>17,037.00</b>
<b>Total Expense</b>							<b>121,711.75</b>	<b>121,711.75</b>
<b>Net Ordinary Income</b>							<b>-121,711.75</b>	<b>-121,711.75</b>
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>7010 · Interest Income:</b>								
Deposit	1/31/2015		Edmonton State Bank	Interest Income		1200 · ES...	15.01	15.01
Deposit	2/28/2015		Edmonton State Bank	Interest Income		1200 · ES...	10.31	25.32
Deposit	3/31/2015		Edmonton State Bank	Interest Income		1200 · ES...	7.24	32.56
Deposit	4/30/2015		Edmonton State Bank	Interest Income		1200 · ES...	10.55	43.11
Deposit	5/31/2015		Edmonton State Bank	Interest Income		1200 · ES...	9.63	52.74
Deposit	6/30/2015		Edmonton State Bank	Interest Income		1200 · ES...	9.27	62.01
Deposit	7/31/2015		Edmonton State Bank	Interest Income		1200 · ES...	10.55	72.56
Deposit	8/31/2015		Edmonton State Bank	Interest Income		1200 · ES...	8.69	81.25
Deposit	9/30/2015		Edmonton State Bank	Interest Income		1200 · ES...	9.29	90.54
Deposit	10/31/2015		Edmonton State Bank	Interest Income		1200 · ES...	9.93	100.47
Deposit	11/30/2015		Edmonton State Bank	Interest Income		1200 · ES...	9.01	109.48
Deposit	12/31/2015		Edmonton State Bank	Interest Income		1200 · ES...	10.33	119.81
<b>Total 7010 · Interest Income</b>							<b>119.81</b>	<b>119.81</b>
<b>7040 · Equity in Earnings of Sub-FEPP</b>								
General Jou...	12/31/2015	20		FEPP 2015 NET IN...		1210 · Inv...	107,468.96	107,468.96
<b>Total 7040 · Equity in Earnings of Sub-FEPP</b>							<b>107,468.96</b>	<b>107,468.96</b>
<b>Total Other Income</b>							<b>107,588.77</b>	<b>107,588.77</b>
<b>Net Other Income</b>							<b>107,588.77</b>	<b>107,588.77</b>
<b>Net Income</b>							<b>-14,122.98</b>	<b>-14,122.98</b>

2:12 PM  
01/12/15  
Accrual Basis

Farmers Energy Services Corporation  
Profit & Loss Detail  
January through December 2014

Response 49  
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FESC

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
<b>Ordinary Income/Expense</b>								
<b>Expense</b>								
6230 · Licenses and Permits								
Check	1/7/2014	1069	Farmers Rural Electric Co...	Annual Report Fill...	1200	ES...	15.00	15.00
<b>Total 6230 · Licenses and Permits</b>							<b>15.00</b>	<b>15.00</b>
6270 · Professional Fees								
Check	3/19/2014	1070	Campbell, Myers & Rutled...	2013 Income Tax ...	1200	ES...	495.00	495.00
<b>Total 6270 · Professional Fees</b>							<b>495.00</b>	<b>495.00</b>
6600 · Federal Income Tax Expense								
Check	3/13/2014	EFTS	Internal Revenue Service	2013 Corp Income...	1200	ES...	36,176.00	36,176.00
Check	4/11/2014	EFTS	Internal Revenue Service	1st Qtr 2014 Est F...	1200	ES...	20,426.00	56,602.00
Check	6/13/2014	EFTS	Internal Revenue Service	2nd Qtr 2014 Est F...	1200	ES...	20,426.00	77,028.00
Check	9/12/2014	EFTS	Internal Revenue Service	3rd Qtr 2014 Est F...	1200	ES...	20,426.00	97,454.00
Check	12/12/2014	EFTS	Internal Revenue Service	4th Qtr 2014 Est F...	1200	ES...	20,426.00	117,880.00
<b>Total 6600 · Federal Income Tax Expense</b>							<b>117,880.00</b>	<b>117,880.00</b>
6601 · Kentucky Income Tax Expense								
Check	3/19/2014	1071	Kentucky State Treasurer	2013 State Income...	1200	ES...	8,552.00	8,552.00
Check	6/1/2014	1072	Kentucky State Treasurer	2nd Qtr 2014 Form...	1200	ES...	5,144.00	13,696.00
Check	9/2/2014	1073	Kentucky State Treasurer	3rd Qtr 2014 Form...	1200	ES...	2,570.00	16,266.00
Check	12/1/2014	1074	Kentucky State Treasurer	4th Qtr 2014 Form ...	1200	ES...	2,572.00	18,838.00
<b>Total 6601 · Kentucky Income Tax Expense</b>							<b>18,838.00</b>	<b>18,838.00</b>
<b>Total Expense</b>							<b>137,228.00</b>	<b>137,228.00</b>
<b>Net Ordinary Income</b>							<b>-137,228.00</b>	<b>-137,228.00</b>
<b>Other Income/Expense</b>								
<b>Other Income</b>								
7010 · Interest Income								
Deposit	1/31/2014		Edmonton State Bank	Interest Income	1200	ES...	20.63	20.63
Deposit	2/28/2014		Edmonton State Bank	Interest Income	1200	ES...	13.12	33.75
Deposit	3/31/2014		Edmonton State Bank	Interest Income	1200	ES...	11.98	45.73
Deposit	4/30/2014		Edmonton State Bank	Interest Income	1200	ES...	8.22	53.95
Deposit	5/30/2014		Edmonton State Bank	Interest Income	1200	ES...	14.97	68.92
Deposit	6/30/2014		Edmonton State Bank	Interest Income	1200	ES...	13.28	82.20
Deposit	7/31/2014		Edmonton State Bank	Interest Income	1200	ES...	14.52	96.72
Deposit	8/29/2014		Edmonton State Bank	Interest Income	1200	ES...	14.99	111.71
Deposit	9/30/2014		Edmonton State Bank	Interest Income	1200	ES...	8.19	119.90
Deposit	10/31/2014		Edmonton State Bank	Interest Income	1200	ES...	9.82	129.72
Deposit	11/30/2014		Edmonton State Bank	Interest Income	1200	ES...	13.12	142.84
Deposit	12/31/2014		Edmonton State Bank	Interest Income	1200	ES...	15.23	158.07
<b>Total 7010 · Interest Income</b>							<b>158.07</b>	<b>158.07</b>
7040 · Equity in Earnings of Sub-FEPP								
General Jou...	12/31/2014	14		FEPP 2014 Net Inc...	1210	Inv...	290,298.46	290,298.46
<b>Total 7040 · Equity in Earnings of Sub-FEPP</b>							<b>290,298.46</b>	<b>290,298.46</b>
<b>Total Other Income</b>							<b>290,456.53</b>	<b>290,456.53</b>
<b>Net Other Income</b>							<b>290,456.53</b>	<b>290,456.53</b>
<b>Net Income</b>							<b>153,228.53</b>	<b>153,228.53</b>

Farmers Energy Services Corporation  
Balance Sheet  
As of December 31, 2015

01/24/16

	Dec 31, 15	Dec 31, 14	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
1200 · ESB Checking Account	56,676.13	57,062.32	(386.19)	(0.7)%
<b>Total Checking/Savings</b>	<b>56,676.13</b>	<b>57,062.32</b>	<b>(386.19)</b>	<b>(0.7)%</b>
<b>Total Current Assets</b>	<b>56,676.13</b>	<b>57,062.32</b>	<b>(386.19)</b>	<b>(0.7)%</b>
<b>Other Assets</b>				
1210 · Investment in Farmers Pro...	1,873,359.56	1,905,016.30	(31,656.74)	(1.7)%
<b>Total Other Assets</b>	<b>1,873,359.56</b>	<b>1,905,016.30</b>	<b>(31,656.74)</b>	<b>(1.7)%</b>
<b>TOTAL ASSETS</b>	<b>1,930,035.69</b>	<b>1,962,078.62</b>	<b>(32,042.93)</b>	<b>(1.6)%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Long Term Liabilities</b>				
2150 · Notes Payable - EKPC	478,897.05	0.00	478,897.05	100.0%
<b>Total Long Term Liabilities</b>	<b>478,897.05</b>	<b>0.00</b>	<b>478,897.05</b>	<b>100.0%</b>
<b>Total Liabilities</b>	<b>478,897.05</b>	<b>0.00</b>	<b>478,897.05</b>	<b>100.0%</b>
<b>Equity</b>				
1110 · Retained Earnings	922,078.62	768,850.09	153,228.53	19.9%
1520 · Capital Stock	1,040,000.00	1,040,000.00	0.00	0.0%
1550 · Treasury Stock	(496,817.00)	0.00	(496,817.00)	(100.0)%
Net Income	(14,122.98)	153,228.53	(167,351.51)	(109.2)%
<b>Total Equity</b>	<b>1,451,138.64</b>	<b>1,962,078.62</b>	<b>(510,939.98)</b>	<b>(26.0)%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,930,035.69</b>	<b>1,962,078.62</b>	<b>(32,042.93)</b>	<b>(1.6)%</b>

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

50. Provide separate schedules showing all dividends or income of any type received by Farmers from its subsidiaries or joint ventures for the test year and the 3 years preceding the test year. Indicate how this income is reflected in the reports filed with the Commission and any reports to Farmers' member customers.

<u>Response</u>	<u>Dividends</u>	<u>Income</u>	<u>Rent</u>
Test Year	\$0	(\$14,123)	\$13,140
2014	\$0	\$114,921	\$ 4,724
2013	\$0	\$166,968	\$ 4,800
2012	\$0	\$ 97,859	\$ 4,800

Farmers Rural Electric Cooperative Corporation  
Case No. 2016-00365  
Commission Staff's First Request for Information

51. Concerning non-regulated activities:

- a. Is Farmers engaged in any non-regulated activities? If yes, provide a detailed description of each non-regulated activity.
- b. Is Farmers engaged in any non-regulated activities through an affiliate? If yes, provide the name of each affiliate and the non-regulated activity in which it is engaged.
- c. Identify each service agreement with each affiliate and indicate whether the service agreement is on file with the Commission. Provide a copy of each service agreement not already on file with the Commission.
- d. Has Farmers loaned money or property to any affiliate? If yes, describe in detail what was loaned, the terms of the loan, and the name of the affiliate.

Response

- A. Farmers is not engaged in any non-regulated activities.
- B. Yes. Farmers provides propane services thru its subsidiary as detailed in Question 49 above.
- C. Attached to this response is a copy of the Kentucky Propane Plus Operating Agreement.
- D. Farmers has not loaned money or property to any affiliate.

**OPERATING AGREEMENT OF  
KENTUCKY PROPANE PLUS, LLC**

**A Kentucky Limited Liability Company**

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This Operating Agreement is made and entered into as of this \_\_\_\_ day of July 2012, by and among the undersigned as the Members of Kentucky Propane Plus, LLC, a Kentucky Limited Liability Company (hereinafter referred to as the "Company"). The parties hereto as the members of the Company enter into this Operating Agreement as said Company's and their binding agreement and for all purposes permitted to an operating agreement under Kentucky law.

## ARTICLE I

### INTRODUCTION

#### 1.1 Agreement

For and in consideration of the mutual covenants herein and other consideration, the receipt and sufficiency of which is hereby acknowledged, the Members executing this Operating Agreement hereby agree to the terms and conditions of the Operating Agreement, as it may from time to time be amended according to its terms.

#### 1.2 Formation

Pursuant to the Kentucky Limited Liability Company Act (the "Act"), the parties to this Agreement have formed a Kentucky limited liability Company effective upon the filing of the Articles of Organization of the Company with the Secretary of State of Kentucky. The parties shall immediately, and from time to time hereafter, as may be required by law, execute all amendments to the Articles of Organization, and do all filing, recording, and other acts as may be appropriate to comply with the operation of the Company under the Act. In the event of a direct conflict between the provisions of this Operating Agreement and the mandatory provisions of the Kentucky Limited Liability Company Act or the provisions of the Articles of the Company, such provisions of the Kentucky Limited Liability Company Act or the Articles of the Company, as the case may be, will be controlling.

#### 1.3 Intent

It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes. It is the further intent of the Members that the Company not be operated or treated as a "partnership" for purposes of Section 303 of the federal Bankruptcy Code. No Member shall take any action inconsistent with the express intent of the parties to this Operating Agreement.

#### 1.4 Name

The name of this company shall be Kentucky Propane Plus, LLC and all business of the Company shall be conducted under that name or under any other name, but in any case, only to the extent permitted by applicable law.

#### 1.5 Place of Business

The principal place of business of the Company shall be 568 Twelve Oaks Drive, Mt. Washington, Kentucky 40047.

## **1.6 Purpose and Nature of Business**

The object and purpose of the Company and the general nature of the business it proposes to transact shall include all transactions of any lawful business for which limited liability companies may be formed under the laws of the Commonwealth of Kentucky or the laws of any jurisdiction in which the Company has qualified. The Company shall have the authority to do all things necessary or convenient to accomplish its purpose. The character of the business which the LLC intends to conduct includes, but is not limited to, they buying and selling of propane gas and other energy sources.

## **1.7 Term**

This Company shall commence upon the filing of its Articles of Organization and shall continue until such time as it is terminated under the provisions of Articles VIII hereof.

## **1.8 Members of Company**

The name and address of each of the Members of this Company are:

Clark Propane Plus, LLC, 2640 Iron Works Rd., P.O. Box 748, Winchester, KY 40392  
Jackson Propane Plus, LLC, 115 Jackson Energy Ln., McKee, KY 40447  
Farmers Energy Propane Plus, LLC, 504 S. Broadway, Glasgow, KY 42141  
Shelby Propane Plus, LLC, 620 Old Finchville Rd., P.O. Box 309, Shelbyville, KY 40066

## **1.9 Agent for Service of Process**

The name and business address of the agent for service of process for the Company is Aaron Armstrong, 568 Twelve Oaks Dr., Mt. Washington, KY 40047. The Members, may, from time to time, change the registered agent or office through appropriate filings with the Secretary of State for the Commonwealth of Kentucky.

## **ARTICLE II**

### **MEMBERS, MEMBERSHIP INTERESTS, CAPITALIZATION OF THE COMPANY**

#### **2.1 Names, Addresses and Capital Contributions**

The Members of the Company, their respective addresses and their respective Percentage Interests in the Company are set forth in Exhibit A, attached hereto and incorporated herein by reference.

#### **2.2 Form of Member Contributions**

The initial Capital Contributions made by the founding members are in an amount that is equal to the expenses of the Company directly attributable and allocable to that member. Any subsequent contributions shall be in any amount and may be in any type of property as agreed upon by all of the Members.

#### **2.3 Loans or Services by Members**

Any loans from or services performed by any Member on behalf of the Company shall not be

considered contributions to the capital of the Company.

#### **2.4 Certificates of Membership Interest**

A Member's Interest in the Company may be represented by a Certificate of Membership. The exact contents of a Certificate of Membership shall be determined by the Members.

#### **2.5 Addition of Members**

A person may join the Company as a member only upon unanimous agreement of all existing members of the Company. Such person joining the Company may be required to make a contribution to the Company in the amount and under conditions as shall be agreed upon by a majority of the existing members of the Company. This contribution may be construed as a capital contribution or as a contribution used to defray costs of the Company in the discretion of the existing members.

#### **2.6 Capital Accounts**

(a) A separate Capital Account shall be maintained for each Member in accordance with the applicable provisions of the Treasury Regulations:

(i) Each Member's Capital Account shall be credited with such Member's Capital Contributions, such Member's distributive share of profits and, any items in the nature of income or gain that are specially allocated pursuant to Article V, and the amount of any Company liabilities that are assumed to such Member or that are secured by any Company property distributed to such Member.

(ii) Each Member's Capital Account shall be debited by the amount of cash distributed to such Member in accordance with the terms of this Agreement, the gross asset value of any Company property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses allocated to such Member in accordance with this Agreement, any items in the nature of expenses or Losses that are specifically allocated pursuant to Article V of this Agreement and the amount of any liabilities of such Member that are assumed by this Company or that are secured by any property contributed by such Member to the Company.

(iii) In the event any Interest in this Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

(iv) In the event the gross asset values of the Company assets are adjusted pursuant to this Agreement or any amendments thereto, the Capital Accounts of all Members shall be adjusted concurrently in order to reflect the aggregate net adjustment, amount of such aggregate net adjustment and the resulting gain or loss had been allocated among the Members in accordance with the terms and provisions of this Agreement.

(v) No Member shall have the right to withdraw his Capital Contribution or to demand and receive property of the Company or any distribution in return for his Capital Contribution, except as may be specifically provided in this

Agreement. No Member shall receive out of the Company property any part of his or its Capital Contribution until (i) all liabilities of the Company have been paid, and (ii) the consent of all Members is first had and received.

(vi) Subject to the provisions of subsection (v) of Section 2.5, a Member may rightfully demand the return of his or its Capital Contribution (i) upon the dissolution of the Company, or (ii) as may otherwise be provided in the Kentucky Limited Liability Company Act. A Member shall have only the right to demand and receive cash in return for the Member's Capital Contribution.

(vii) Except as is specifically provided otherwise in this Operating Agreement or in the Act, no Member shall have any obligation to restore a negative or deficit balance in such Member's Capital Account, nor shall such Member have any liability for failure to do so.

(c) As provided for in the Articles of Organization of the Company, upon the unanimous written consent of all Members in the Company, and in order to obtain additional funds or for other lawful business purposes, additional capital may be contributed to the Company.

(d) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Sections 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Members shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or its Members), are computed in order to comply with such Regulations, the Members may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any member pursuant to the provisions of this Agreement upon the dissolution of the Company. The Members also shall (i) make any adjustments that are necessary or appropriate to maintain equality between Capital Accounts of the members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes in accordance with Regulations Section 1.704-1(b) (2) (iv) (g), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1 (b).

### ARTICLE III

#### MANAGEMENT AND CONTROL OF COMPANY

##### 3.1 Overall Management of Company Vested in Members

Except as expressly provided otherwise in this Agreement, management of the Company shall be vested in the Members of the Company in proportion to their Percentage Interests in the Company.

##### 3.2 Outside Activities; Member Qualification

The Members or any of their Affiliates may engage in other activities of any nature. A Member need not be an individual, a resident of the Commonwealth of Kentucky, or a citizen of the United States.

### 3.3 Qualification to do Business in Kentucky

If required by law, a Member of the Company shall be qualified to do business in Kentucky by obtaining a certificate of authority to do so from the Secretary of State for the Commonwealth of Kentucky.

### 3.4 Member Meetings

- (a) Meetings of the Members may be called by Members representing in the aggregate more than fifty percent (50%) of the Percentage Interests in the Company.
- (b) The Company shall deliver or mail written notice of the Membership Meeting stating the (i) the date; (ii) the time; and (iii) the place of the meeting and, when otherwise required by law, (iv) a description of the Purpose for which the meeting is called, to each Member of record entitled to vote at the meeting, at such address as appears in the records and books of the Company. This notice is to be mailed at least ten (10), but not more than thirty (30) days before the date and time of the meeting.
- (c) A Member may waive notice of a Member Meeting, before or after the date of this meeting, by delivering a signed waiver to the Company for inclusion in the books of the Company. A Member's attendance at any meeting, in person or by proxy (i) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to the holding of the meeting or transacting business at the meeting, and (ii) waives objection to consideration of a particular matter at the meeting that is not within any purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.
- (d) The record date for purposes of determining the Members who are entitled to notice of a Membership Meeting, for demanding a Membership Meeting, or for voting at such Meeting, shall be the tenth (10<sup>th</sup>) day prior to the date of the Meeting.
- (e) A Member may appoint a proxy to vote or otherwise act for the Member pursuant to a written appointment form executed by the Member or the Member's duly authorized attorney-in-fact. An appointment of a proxy is effective when received by the Company. A proxy appointment is valid for eleven (11) months unless otherwise expressly stated in the appointment form.
- (f) At any Membership Meeting, each Member entitled to vote shall have a number of votes equal to the product of (i) his or her Percentage Interest as set forth on Exhibit A to this Operating Agreement, as the same may be amended from time to time, multiplied by (ii) one hundred (100). At any Membership Meeting, the presence of Members entitled to cast at least fifty-one percent (51%) of the total votes of all Members entitled to vote at such meeting shall constitute a quorum. Action on a matter is approved and passed if it receives approval by at least fifty-one percent (51%) of the total number of votes entitled to be cast by all Members in the Company entitled to vote at such meeting or such greater number as may be required by the Act or the Articles of Organization for the particular matter under consideration at the Membership Meeting.
- (g) Upon the occurrence of an event of disassociation (as defined in Article VI of

this Agreement), a Former Member shall not be entitled to cast a vote concerning whether the Company shall purchase the interest of such Former Member as permitted in Article VI of this Agreement. As assignee of a Member's Interest in the Company shall not be entitled to vote or participate on any matters at any Membership Meeting unless such assignee becomes a Substitute Member as provided for in Article VI of this Agreement.

(h) Subject to subsection (b) of this Section and the Act, any action required or permitted to be taken at a Membership Meeting may be taken without a meeting if the action is taken by all of the Members entitled to vote on the action. The action must be evidenced by one or more written consents describing the action to be taken, signed by all the Members entitled to vote on the action, and delivered to the Company for inclusion in the Company's records. The record date for determining Members entitled to take action without a meeting is the first date a Member signs the consent to such action.

(i) Any or all Members may participate in any Membership Meeting by, or through the use of, any means or communication by which all Member participating may simultaneously hear each other during the meeting. A Member so participating is deemed to be present in person at the meeting.

(j) At any Membership Meeting, the Members shall appoint a person to preside over the meeting and a person to act as secretary of the meeting. The secretary of the meeting shall prepare minutes of the meeting which shall be placed in the records of the Company.

(k) Except as otherwise provided in this Operating Agreement or the Act, all powers of the Company shall be exercised by or under the authority of, and business affairs of the Company shall be managed under the direction of the Members.

### 3.5 Major Decisions

No act shall be taken, sum expended, or obligation incurred by the Company except by the unanimous written consent of all Members with respect to a matter within the scope of any of the major decisions enumerated below. The Major Decisions shall include:

- (i) the sale of all or substantially all assets of the Company;
- (ii) a mortgage or encumbrance upon all or substantially all assets of the Company;
- (iii) any matter which could result in a change in the amount or character of the Company's contributions to capital;
- (iv) a change in the character of the business of the Company;
- (v) a false or erroneous statement in the Articles of Organization;
- (vi) disposal of the goodwill of the Company;
- (vii) submission of claim of the Company to arbitration;

- (viii) confession of a judgment;
- (ix) commission of any act which would make it impossible for the Company to carry on its ordinary course of business;
- (x) contravention of this Operating Agreement;
- (xi) amendment of this Operating Agreement; or
- (xii) amendment of the Articles of Organization to change the management of the Company from members to managers or from managers to members.

### 3.6 General Powers of Members

(a) Except as otherwise expressly provided in this Operating Agreement, the Members of the Company, and each of them, shall have all necessary powers to carry out the purposes and objectives of the Company, including, but not limited to the following:

- (i) the right to enter into and carry out legal contracts;
- (ii) employ employees, agents, consultants and advisors to act for the benefit or on behalf of the Company;
- (iii) to lend or borrow money and to issue evidence of indebtedness;
- (iv) to bring and defend actions in law or at equity; and
- (v) to buy, own, manage, sell, lease, mortgage, pledge or otherwise acquire or dispose of Company property.

(b) The Members of the Company may employ a competent person or persons to be an employee responsible for, but not limited to, the following:

- (i) maintaining complete books of account of the Company;
- (ii) authenticating the records of the Company;
- (iii) safeguarding all valuables which may from time to time come into possession of the Company; and
- (iv) providing for the purchase and sale of propane gas on behalf of the Company and the members.

(c) Every contract, pledge, deed, mortgage, lease or other instrument executed by any Member shall be conclusive evidence in favor of any person relying or claiming thereon that at the time of the delivery of said instrument (i) the Company was in lawful existence and in good standing with the Secretary of State for the Commonwealth of Kentucky (ii) neither this Agreement nor the Articles had been amended in any manner so as to limit or decrease the grant of authority among Members and (iii) the execution and delivery of such instrument was duly authorized by the Company Members.

(d) Any person may rely on a certificate addressed to him and signed by any Member of the Company;

(i) as to who are the current Members of the Company;

(ii) as to what person is authorized to execute and deliver any instrument or document to the Company;

(iii) as to the authenticity of any copy of the Company's Articles of Organization, this Operating Agreement, amendments thereto, and any other document relating to the business of the Company.

### **3.7 Reimbursement of Expenses**

A Member of the Company shall be entitled to reimbursement from the Company of all expenses of the Company reasonably incurred and paid by such Member on behalf of the Company.

### **3.8 Expenses of Organization**

The Company shall pay all expenses incurred in the organization of the Company.

### **3.9 Limitation of Liability**

Each Member's Liability for debts and obligations of the Company shall be limited as set forth in the Kentucky Limited Liability Act Section 275.150, and other applicable law.

### **3.10 List of Members**

Upon written request of any Member, the Company shall provide a list showing the names, last known addresses and Interest of all Members in the Company.

### **3.11 Company Books and Records**

The Company shall maintain and preserve at the Company's principal office, during the term of the Company, and for three (3) years thereafter, the following records:

(i) a current list, and all past lists, setting forth the full name and last known moving address of each Company Member,

(ii) All accounts, books, or other relevant Company documents, including, but not limited to, a copy of the Articles of Organization together with any supplements, modifications, or amendments thereto, and any executed copies any power of attorney pursuant to which any Article of Amendment have been executed,

(iii) any prior operating agreements no longer in effect, written agreements by a Member to make a Capital Contribution to the Company; and

(iv) copies of the Company's federal, state, and local income tax returns and all financial statements for the three (3) most recent years.



Upon reasonable request each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the Member's expense.

### **3.12 Return of Capital**

No Member shall have priority over any other Member, either as to the return of Capital Contributions or as to profits, losses, or distributions. This Section 3.12 shall not apply to loans which a Member has made to the Company.

## **ARTICLE IV**

### **ACCOUNTING AND RECORDS OF THE COMPANY**

#### **4.1 Records and Accounting**

The Company shall maintain at its principal office separate books of account for the Company which shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received, and all income derived in connection with the operation of the Company's business. The Company shall use the cash method of accounting in preparation of its annual reports and for tax purposes and shall keep its books accordingly. The fiscal year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

#### **4.2 Access to Accounting Records**

All books and records of the Company shall be maintained at any office of the Company or at the Company's principal place of business, and each Member, and his duly authorized representative, shall have access to them at such office of the Company and have the right to inspect and copy them during business hours and at the inspecting Member's own expense.

#### **4.3 Annual and Tax Information**

The Company shall use its best efforts to cause the Company to deliver to each Member within sixty (60) days after the end of fiscal year all information necessary for the preparation of each Member's individual federal income tax return. Within ninety (90) days after the end of each fiscal year, the Company shall provide each Member with a copy of the balance sheet of the Company as of the last day of such fiscal year, a statement of the Company's cash flow for such fiscal year, and a statement of the Member's Capital Accounts and changes therein for such fiscal year. Such statements shall be reviewed by the Company's accountants.

#### **4.4 Accounting Decisions**

All decisions as to accounting matters, except as otherwise specifically set forth herein, shall be made by the Members. The Members may rely upon the advice of their accountants or upon other qualified persons as to whether such decisions are in accordance with the accounting methods followed for federal income tax purposes.

#### **4.5 Federal Income Tax Elections**

The Company may make all elections for federal income tax purposes. Such elections include,

but are not limited to the following:

- (i) elect to use an accelerated depreciation method on any depreciable unit of the assets of the Company; and
- (ii) in case of a transfer of all or part of the Interest of Member, the Company may elect pursuant to Section 734, 743, and 754 of the Code as amended (or corresponding provisions of future law) to adjust the basis of the assets of the Company, but only by the unanimous written consent of all of the Members of the Company.

## ARTICLE V

### ALLOCATIONS AND DISTRIBUTIONS

#### 5.1 Allocation

Except as may be expressly provided otherwise in this Operating Agreement, and subject to the provisions of Section 704 (c) of the Code, the net income, net loss or capital gains of the Company for each fiscal year of the Company shall be allocated to the Members, pro rata in accordance with their Percentage Interest.

#### 5.2 Special Allocations

The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback: Except as otherwise provided in Section 1.704-2 (f) of the Treasury Regulations, notwithstanding any other provisions of this Article V, if there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member shall be specially allocated items of Company income and again for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2 (g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.702-2 (f) (6) and 1.704-2 (j) (2) of the Regulations. This Section 5.2 (a) is intended to comply with the minimum gain charge back requirement of the Treasury Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback: Except as otherwise provided in Section 1.704-2 (i) (4) of the Regulations, notwithstanding any other provision of this Article V, if there is a net decrease in Member nonrecourse debt minimum gain attributable to a Member nonrecourse debt during any Company fiscal year, each Member who has a share of the member nonrecourse debt minimum gain attributable to such Member nonrecourse debt, determined in accordance with Section 1.704-2 (i) (5), shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in Member nonrecourse debt minimum gain attributable to such Member nonrecourse debt, determined in accordance with Regulations Section 1.704-2 (i) (4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items

to be so allocated shall be determined in accordance with Sections 1.704-2 (i) (4) and 1.704-2 (j) (2) of the Regulations. This Section 5.2 (b) is intended to comply with the minimum gain charge back requirement in such Section of the Regulations and shall be interpreted consistently therewith.

(c) Code Section 754 Adjustment: To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734 (b) or Code Section 743 (b) is required, pursuant to Regulations Section 1.704-1 (b) (2) (iv) (m) (2) or Regulations Section 1.704-1 (b) (2) (iv) (m) (4), to be taken into account in determining Capital Accounts, as a result of a distribution to a partner in complete liquidation of interests the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the onset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specifically allocated to the Members in accordance with their interests in the Company in the event Regulations Section 1.704-1 (b) (2) (iv) (m) (2) applies, or to the Members to whom such distribution was made in the event that Regulations Section 1.704-1 (b) (2) (iv) (m) (4) applies.

(d) Nonrecourse Deductions: Nonrecourse deductions for any fiscal year or other period shall be specially allocated among the Members.

(e) Member Nonrecourse Deductions: Any Member nonrecourse deductions for any fiscal year or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member nonrecourse debt to which such Member nonrecourse deductions are attributable in accordance with Regulations Section 1.704-1T (b) (4) (iv) (h).

(f) Qualified Income Offset: If any Member unexpectedly receives any allocation or distributions described in Section 1.704-1 (b) (2) (ii) (d) (5) or (6) of the Regulations, items of net profits shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the resulting deficit balance in such Member's Capital Account as quickly as possible, provided that an allocation pursuant to this provision shall be made only if and to the extent that such Member would have a deficit balance in such Member's Capital Account after all other allocations provided for in this Article V have been made as if this provision were not in this Agreement.

### **5.3 Curative Allocations**

The allocations set forth in Section 5.2 hereof are intended to comply with the certain requirements of the Treasury Regulations. It is the intent of the Members that, to the extent possible, all such allocations shall be offset either with other such regulatory allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 5.3. Therefore, notwithstanding any other provision of this Article V, the Members shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner they determine appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the regulatory allocations were not part of this Operating Agreement and all Company items were allocated pursuant to Section.

#### **5.4 Other Allocation Rules**

(a) Members are, aware of the income tax consequences of the allocations made by this Article V and hereby agree to be bound by the provisions of this Article V in reporting their shares of Company income and loss for income tax purposes.

(b) For purposes of determining the profits, losses, or any other items allocable to any period, profits, losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Members using any permissible method under Code Section 706 and the Regulations promulgated thereunder.

(c) Solely for the purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3 (a) (3), the Member's interests in the Company profits are in proportion to their Percentage Interests.

(d) To the extent permitted by Section 1.704-2 (h) (3) of the Regulations, the Members shall endeavor not to treat distributions of cash as having been made from the proceeds of nonrecourse liability or a Member nonrecourse debt.

#### **5.5 Tax Allocations; Code Section 704 (c)**

In accordance with Code Section 704 (c) and the regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial gross asset value. In the event the gross asset value of any Company property is adjusted pursuant to this Operating Agreement, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take into account any variation between the adjusted basis of such asset for federal income tax purposes and its gross asset value in the same manner as under Section 704 (c) of the Code and the Treasury Regulations thereunder. Any elections or other decisions regarding such allocations shall be made by the Members pursuant to the provisions of this Operating Agreement. Allocations made pursuant to this subsection (b) are solely for purposes of federal, state, and local taxes and shall not affect any Member's Capital Account or share of profits, losses, other items, or distributions pursuant to any provision of this Operating Agreement.

#### **5.6 Allocation of Income and Loss; Transferred Interest**

If any Interest in the Company is transferred, or is increased or decreased by reason of the admission of a New Member or otherwise, during any fiscal year of the Company, each item of income, gain, loss, deduction, or credit of the Company for such fiscal year shall be assigned pro rata to each day in the particular period of such fiscal year to which such item is attributable and the amount of each such item so assigned to any such day shall be allocated to the Member based upon its respective Interest in the Company at the close of such day. The Company may treat a transfer of, or an increase or decrease in, an Interest in the Company which occurs at any time during a semi-monthly period, regardless of when during such semi-monthly period such transfer, increase, or decrease actually occurred.

#### **5.7 Distribution of Available Cash**

Periodically, the Available Cash of the Company, if any, shall be distributed to the Members, pro

rata in accordance with their Percentage Interest. For any calendar quarter, Available Cash of the Company need not be distributed to the extent that such cash is required for a reasonable working capital reserve for the Company, the amount of such reasonable working capital reserve to be determined by the Members.

#### **5.8 Distributions; Transferred Interest**

Distributions of Company assets in respect of an Interest in the Company shall be made only to the Members who, according to the records of the Company, are the holders of record of the Interests in respect of which such distributions are made on the actual date of distribution. Neither the Company nor any Member shall incur any liability for making distributions in accordance with the provisions of the preceding sentence, whether or not the Company or the Member had either actual or constructive knowledge or notice of any transfer or purported transfer of ownership of the Interest in the Company which has not been approved by unanimous vote of the Members. Notwithstanding any provision above to the contrary, any gain or loss of the Company realized in connection with a sale or other disposition of any of the assets of the Company shall be allocated solely to the parties owning Interests in the Company as of the date such sale or other disposition occurred.

#### **5.9 Limitation Upon Distributions**

No distribution shall be declared and paid unless, after the distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Members on account of their contributions.

#### **5.10 Acknowledgment**

The Members are aware of the income tax consequences of the allocations made by this Article V hereof and hereby agree to be bound by the provisions of this Operating Agreement in reporting their share of Company income and loss for income tax purposes.

### **ARTICLE VI**

#### **EVENTS OF DISASSOCIATION; CONTINUATION OF BUSINESS; TRANSFER OF MEMBERSHIP INTEREST**

##### **6.1 Events of Disassociation**

(a) Events of Disassociation and Continuation of the Company; The death, retirement, resignation, withdrawal, expulsion, bankruptcy or dissolution of a Member, or the occurrence of any other event which terminates the continued membership of a Member in the Company (Event of Disassociation), shall dissolve the Company unless the remaining Member(s) unanimously consent in writing to the continuation of the business of the Company.

(b) Purchase of Former Member's Interest: If the Member whose actions or conduct result in the Event of Disassociation ("Former Member") rightfully demands the return of its Interest by a written notice to the remaining Member(s), the Company (if the remaining Member(s) unanimously consent in writing) or remaining Member(s), to avoid dissolution of Company, shall within six (6) months following such written notice, purchase the Former Member's Interest as provided in this Article VI.

(c) Company's First Option to Purchase: Upon the occurrence of the Event of Disassociation, and the unanimous consent to continue the existence of the Company, and if applicable, the rightful demand for the return of its Interest by the Former Member, the Company shall have first option to purchase the Interest of the Former Member by giving notice thereof to all Members within sixty (60) days following the occurrence of the Event of Disassociation or the Former Member's demand for return of its contribution. If the Company elects to give such notice within sixty (60) days, the purchase and sale obligation shall accrue 120 days after such Event of Disassociation or rightful demand for return of contribution. After the Company gives notice of its election and before the date upon which the purchase and sale obligation shall accrue, the parties shall take all necessary and proper steps to set the price and terms of such purchase and sale.

(d) Remaining Member's Option to Purchase: If the Company shall not exercise its first option to purchase the Interest of a Former Member within sixty (60) days as provided in Subsection (c) of Section 6.1, for thirty (30) days thereafter, the remaining Members shall have an option to purchase such Interest. During said thirty (30) day period, the remaining Member(s) shall give notice to the Former Member and all other Members in writing of their desires to purchase a portion of the Former Member's Interest. The failure of any Member to submit a notice within the applicable period shall constitute an election on the part of the remaining Member not to purchase, any of the Former Member's Interest. Each remaining Member shall be entitled to purchase a portion of the Former Member's Interest based on the remaining Member's Pro Rata Interest in the Company on the date of the unanimous consent to continue the Company's existence, or the date of receipt of the rightful demand for the return of its Interest by the Former Member.

(e) Company's Purchase Election: In the event any remaining Member elects not to purchase any portion of the Former Member's Interest then the Company may at its election purchase such portion of the Former Member's Interest. In the event the Company elects not to purchase the Former Member's Interest, the unpurchased portion may be purchased by those remaining Members, that wish to purchase more than their Pro Rata Portion of the Former Member's Interest.

(f) Failure to Purchase Former Member's Interest: If the remaining Members fail to purchase the entire interest of the Former Member, the same shall pass by operation of law to any assignee or shall remain in the hands of the Former Member.

(g) Contracts for Purchase of Member's Interest: Nothing contained in this Section 6.1 is intended to prohibit Members from agreeing upon terms and conditions for the purchase by the Company or any Member(s) of the Interest, in whole or in part, of any Member in the Company desiring to retire, withdraw or resign as a Member, nor is anything herein intended to limit or otherwise affect the ability of a Member to demand a return of his or its contribution to the Company as provided in this Operating Agreement.

## 6.2 **Transfer and Assignment of Membership Interest**

No Member shall be entitled to assign, convey, sell, encumber or in any way alienate all or any part of his Interest in the Company without the prior written consent of all other Members. Such prior written consent may be given or withheld, conditioned, or delayed as allowed by this Operating

Agreement or the Act.

### **6.3 Additional Restrictions on Transfer of Membership Interest**

No Member shall assign, convey, dispose of, sell, encumber or in any way alienate all or any part of his Interest in the Company;

(i) without an opinion from counsel satisfactory to the Members of the Company that such an assignment or transfer is subject to an effective registration under all applicable state and federal securities laws, or is exempt from such registration requirements; or

(ii) if such disposition or transfer, alone or in combination with other transactions would terminate the Company pursuant to section 708 of the Code.

### **6.4 Substitute Members**

A transferee of a Member's Interest in the Company shall have the right to become a substitute Member upon:

(i) the unanimous written consent of all non-transferring Members;

(ii) the execution by the transferee of a document satisfactory to the remaining Members accepting and adopting the terms, provisions, and obligations of this Operating Agreement; and

(iii) payment by such transferee of all reasonable expenses in connection with his, her, or its admission as a Substitute Member.

### **6.5 Effect of Interest Transfer**

The Company shall provide written notice of an Interest transfer to all Members of the Company. Any permitted transfer of all or any portion of a Member's Interest in the Company pursuant to this Agreement will take effect on the first day of the month following such written notice of transfer. Any transferee of an Interest in the Company shall take subject to the restrictions on transferability of Membership Interest imposed by this Agreement.

## **ARTICLE VII**

### **INDEMNIFICATION**

#### **7.1 Right to Indemnification**

Each Member or Organizer (including the heirs, executors, administrators, and estate of each person) shall be indemnified by the Company as of right to the fullest extent permitted or authorized by the Act or future legislation or by current or future judicial or administrative decision, against all fines, liabilities, settlements, losses, damages, costs and expenses, including attorney's fees, asserted against him or incurred by him in his capacity as a Member or Organizer.

The foregoing right of indemnification shall not be exclusive of other rights to which those

seeking indemnification may be entitled. The Company may maintain insurance, at its expense, to protect itself and the indemnified persons against all fees, liabilities, costs and expenses, including attorney's fees.

## **7.2 Advances**

All costs, charges and expenses (including reasonable attorney's fees) incurred by a Member or Organizer as referred to in Section 7.1 of this Article VII in defending a civil or criminal action or proceeding shall be paid by the Company in advance of the final determination thereof. The Company's receipt of an undertaking by the Member or Organizer to repay all amounts advanced if it is ultimately determined that the Member or Organizer is not entitled to be indemnified by the Company as authorized by this Article VII must first be had and received prior to any advance payment of costs and expenses by the Company.

## **ARTICLE VIII**

### **DISSOLUTION, TERMINATION AND WINDING UP OF THE COMPANY**

#### **8.1 Events Causing Dissolution**

The Company shall be dissolved upon the happening of the first to occur of the following:

- (a) The expiration of the term set forth in the Articles Organization of the Company;
- (b) Any order of a court of competent jurisdiction requiring dissolution;
- (c) The filing of a certificate of dissolution by the Secretary of State under KRS 275.295;
- (d) The unanimous written consent of all Members entitled to vote to dissolve the Company;
- (e) Subject to Section 6.1 of Article VI hereof, any event that terminates the continued membership of a Member in the Company, including:
  - (i) death of any Member,
  - (ii) retirement of any Member,
  - (iii) resignation of any Member,
  - (iv) to the extent that Members may be expelled pursuant to the Articles of Organization or any member control agreement, expulsion of any Member; and
  - (v) bankruptcy and/or dissolution of any Member, or
- (f) A merger or exchange in which the Company is not the surviving or acquiring company.



## 8.2 Continued Existence for Purposes of Winding Up

The Company shall continue to exist after the happening of any of the events set forth in Section 8.1 of this Article solely for the purpose of winding up its affairs in accordance with the Act.

## 8.3 Procedure upon Liquidation

Unless the business of the Company is continued pursuant the provisions of Section 6.1(a) of this Operating Agreement, upon the dissolution of the Company, the Members shall liquidate the assets of the Company and apply the proceeds of liquidation in the order of priority provided in Section 8.4 of this Article VIII.

A reasonable time shall be allowed for the orderly liquidation of the Company assets and the discharge of Company liabilities in order to minimize losses that might otherwise occur in connection with the liquidation. Upon liquidation and winding up of the Company, unsold Company property shall be valued to determine the gain or loss that would have resulted if the property were sold, and the Capital Accounts of the Members that have been maintained in accordance with this Operating Agreement shall be adjusted to reflect the manner in which the gain or loss would have been allocated to the members if the property had been sold at its assigned values. Upon completion of the liquidation of the Company and distribution of the proceeds, the Company shall cause to be filed articles of dissolution with the Secretary of State's Office in and for the Commonwealth of Kentucky.

## 8.4 Proceeds of Liquidation

Before the later to occur of (i) the close of the Company's taxable year, or (ii) ninety (90) days following the date of Company dissolution, all proceeds from the liquidation of the assets of the Company, the proceeds from the collection of the Company's accounts receivable, and the assets distributed in kind shall be distributed in the following order of priority.

- (a) **first**, to payment and discharge of all debts and liabilities of the Company which are then properly due and owing (other than to Members) and to the necessary expenses of liquidation;
- (b) **second**, to the settling of reserves in order to disburse the reserves in payment of contingent liabilities or obligations of the Company, and, at the expiration of the reserve period, the balance of the reserves, if any, shall be distributed as liquidating proceeds received at the end of the reserve period, and
- (c) **third**, to the Members in proportion to and to the extent of the balances of their Capital Accounts.

All distributions pursuant to clause (c) shall be made no later than the end of the Company's fiscal year during which the liquidation of the Company occurs (or, if late, within ninety (90) days after the date of the liquidation.) No Member shall be required to contribute any property to the Company or any third party by reason of having a negative Capital Account.

## ARTICLE IX

### MISCELLANEOUS PROVISIONS

#### 9.1 Complete Agreement

This Operating Agreement and the Articles of Organization of the Company constitute the complete and exclusive statement of agreement among the Members with respect to the subject matter hereof. This Operating Agreement and the Articles of Organization supersede all prior written and oral statements and no representation, statement, or condition or warranty not contained in this Operating Agreement or the Articles of Organization shall be binding on the Members or have any force or effect whatsoever.

#### 9.2 Governing Law

This Agreement and the rights of the parties hereunder will be governed by, interpreted, and enforced in accordance with the laws of the Commonwealth of Kentucky.

#### 9.3 Terms

Common nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm or corporation may in the context require. Any reference to the Code or other statutes or laws will include all provisions concerned.

#### 9.4 Headings

All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Operating Agreement.

#### 9.5 Severability

Every provision of this Operating Agreement is intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the validity of the remainder of this Operating Agreement.

#### 9.6 Amendments

The Members of the Company may amend this Operating Agreement only by the unanimous approval of all the Members.

#### 9.7 Heirs, Successors and Assigns

Each and all of the covenants, terms, provisions, and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors, and assigns.

#### 9.8 Notices

Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if

delivered personally to the party or to any executive office of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Operating Agreement except as otherwise provided herein, any such notice shall be deemed to be given three (3) business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States Mail, addressed and sent as aforesaid.

#### 9.9 Execution of Additional Instruments

Each Member hereby agrees to execute such other and further statements of Interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules, or regulations.

#### 9.10 Waiver

The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

#### 9.11 Rights and Remedies Cumulative

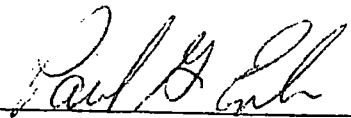
The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

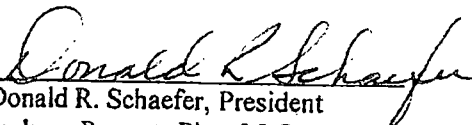
#### 9.12 Creditors


None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

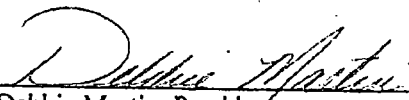
#### 9.13 Counterpart Execution

This Operating Agreement may be executed in any number of counterparts with the same effect as if all parties had signed the same document. All counterparts shall be construed together and shall constitute one Agreement.

  
\_\_\_\_\_  
Paul G. Embs, President  
Clark Propane Plus, LLC

  
\_\_\_\_\_  
Donald R. Schaefer, President  
Jackson Propane Plus, LLC

  
\_\_\_\_\_  
William T. Prather, President  
Farmers Energy Plus, LLC

  
\_\_\_\_\_  
Debbie Martin, President  
Shelby Propane Plus, LLC

**EXHIBIT A**

Clark Propane Plus, LLC 25%  
2640 Iron Works Rd.  
P.O. Box 748  
Winchester, KY 40392

Jackson Propane Plus, LLC 25%  
115 Jackson Energy Ln.  
McKee, KY 40447

Farmers Energy Propane Plus, LLC 25%  
504 S. Broadway  
Glasgow, KY 42141

Shelby Propane Plus, LLC 25%  
620 Old Finchville Rd.,  
P.O. Box 309  
Shelbyville, KY 40066

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52. Provide a copy of the cost of service study and billing analysis filed with Farmers' rate application in Excel spreadsheet format with all formulae intact and unprotected and with all columns and rows accessible.

Response

See the contents of the flash drive submitted with these responses.

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53. A. Identify any smart grid costs incurred by Farmers in the test year. Identify the account(s) where they are recorded and if the costs were expensed or capitalized.
- B. Provide smart grid costs that Farmers has included in its 2016 calendar year budget.

Response

A. Farmers purchased \$134,119 in AMR equipment in 2015. These were single and three phase meters for new services and regular meter change outs. These costs were capitalized.

B. Farmers included \$125,000 in its 2016 calendar year budget for AMR equipment. These were single and three phase meters for new services and regular meter change outs.

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54. Provide a copy of all exhibits and schedules that were prepared in Farmers' rate application in Excel spreadsheet format with all formulae intact and unprotected and with all columns and rows accessible.

Response

See the contents of the flash drive submitted with these responses.

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55. Provide the utility's written compensation policy as approved by the Board of Directors.

A. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and the utility's objectives for the policy.

B. Explain whether the compensation policy was developed with the assistance of an outside consultant, provided any study or report provided by the consultant.

C. Explain when the compensation policy was last reviewed or given consideration by the Board of Directors.

Response

A. The Cooperative's Compensation Policy and the Wage and Salary Administrative Plan was established in 2008. The reason for the policy is to assist in ensuring that a fair and reasonable process is in place for administering the compensation of all employees. To carry out the Compensation Policy, there is a Wage and Salary Administrative Plan. Within this plan, all jobs have position descriptions that define duties and responsibilities, physical requirements to reasonably perform the job, and educational/training requirements. All positions are ranked according to several criteria and placed in a hierarchy of levels, which each level assigned a pay range with a minimum, midpoint, and maximum wage amount. A periodic market study is performed to establish and maintain appropriate pay range levels for the plan.

The objectives of the Cooperative's policy and plan are:

- I. To establish a compensation program that shall attract and retain qualified personnel and encourage strong performance, growth, and development of both the employees and the Cooperative.
- II. To provide employees with an assurance that his/her salary compares fairly with what is paid for other positions requiring similar skills and knowledge, and having similar duties and responsibilities, both within the Cooperative and within the area from which the Cooperative may recruit personnel.
- III. To assure both management and employees that performance shall be appraised systematically, fairly, and consistently, and that each employee shall be provided with the advice, counsel, assistance, and training needed to enable him/her to develop, improve, and advance within the organization within demonstrated capabilities.



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- IV. To enable management to determine more accurately the budget and training needs and to do this on a planned and controlled basis.
  - V. To assure the Board of Directors that the compensation and benefit programs for the Cooperative have been fairly and objectively determined and administered in the best interest of the Cooperative and its member-owners.
- B. The Cooperative's Wage and Salary Administrative Plan was developed in consultation with Intandem, LLC, a wage and salary consultant based in Liberty Lake, Washington. The Cooperative has chosen to consistently use the services of Intandem, LLC, due to the firm's prior familiarity with Farmers RECC, the industry in general, and cooperatives in Kentucky.
- The Cooperative's Wage and Salary Administrative Plan consists of two separate parts – one for the CEO that is prepared for the Board of Directors' use in administering CEO compensation, and one for all other employees to be used by the CEO in administering the Cooperative's Compensation Policy.
- C. The Cooperative's Compensation Policy is reviewed annually by the Board of Directors. The Wage and Salary Administrative Plan is typically reviewed with the assistance of an outside consultant every three years. The Wage and Salary Administrative Plan was most recently reviewed and updated to the market by Intandem, LLC, during 2016. The Board of Directors reviewed, approved, and adopted the plan update at the regular October 2016 board meeting. The previous market update to the plan had occurred in 2013, also in consultation with Intandem, LLC.

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56. Explain whether the expenses for wages, salaries, benefits and other compensation during the test year, and any adjustments to the test year, are compliant with the Board of Director's compensation policy.

Response

The expenses for wages, salaries, benefits and other compensation during the test year are in compliance with the Board of Directors' compensation policy. The adjustments to the test year for wages, salaries, benefits, and other compensation are in compliance with the Board of Directors' compensation policy.

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57. Explain, if prior to making any adjustments to wages, salaries, benefits and other compensation in the base rate case, whether the utility, through an outside consultant or otherwise, performed a study to compare its wages, salaries, benefits and other compensation to those of other utilities in the region, or to other local or regional enterprises.

a. If comparisons were made, provide and discuss the results of each comparisons. Include the results of the study or survey with your response, including all work papers.

b. If comparisons were not made, explain why such comparisons were not performed.

Response

The Cooperative's Wage and Salary Administrative Plan is used to guide any adjustments to wages and salaries. The plan is updated to reflect market pricing on a periodic basis, typically every three years. The plan was updated in 2013 and again in 2016 using Intandem, LLC, as an independent consultant to management and the Board of Directors. As part of the 2016 update, the consultant utilized national, regional, state, and local data for comparative purposes in setting the Cooperative's desired market ranges for its plan. The data used reflects comparisons to other local utilities in the region and other local/regional enterprises. Farmers specifically directed in 2013 and 2016 that local statistical data be included and utilized in the plan updates. Details of the data used and comparisons of Farmers' data to the market data are included in the consultant's report that has been included with this response.

The 2016 plan update was received from Intandem, LLC, in September 2016 and was fully reviewed and considered by management and the Board of Directors prior to the finalization and filing of this rate case.

a. The 2016 Plan Update is attached to this response. Due to the pervasiveness of confidential information, the entirety of the compensation plan is filed under seal and subject to a motion for confidential treatment that is being tendered contemporaneously with these responses. The document explains all comparisons to the data used in the 2016 update.

The Cooperative has consistently used the same criteria for establishing market ranges within the Wage and Salary Administrative Plan. Farmers' uses four different market definitions to establish appropriate compensation levels for four groups of job positions within its plan.

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*(continued)*

For entry and clerical support positions Farmers uses the Economic Research Institute ("ERI") data specific for Glasgow, Kentucky and uses the "average" point as the market for this group of positions. For first line supervision, technical, and professional positions, Farmers uses the National Compensation System ("NCS") data specific to Kentucky and uses "90% of the average" point as the market for this group of positions. For senior departmental management positions, Farmers uses the NCS data specific to Kentucky and uses the "average" as the market for this group of positions. For the CEO position, Farmers uses the NCS data for the region (AL, KY, TN and MS), national, and Kentucky to derive an "average" point for the market range for this position. A more detailed explanation and description of the data sets used for the plan is included in the compensation plan update included with this response.

The intention of the plan is to balance Farmer's need to be competitive and to also reflect the recruiting area for different types of positions. Entry, administrative, and clerical positions tend to be local, while technical and professional are recruited and retained from utility entities in the state. The CEO position is recruited and retained on a national basis. Blending different geographical markets allows the Farmer's compensation program to be both competitive and effective in attracting and retaining the desired employee assets, while maintaining prudent control of the labor costs included in member-owner rates.

Farmers has traditionally maintained a very conservative compensation position. The 2016 compensation plan update, using the previously described conservative market criteria, shows that the overall comparison of current incumbent wages, compared to the updated market salary ranges, is at 89.4% of market (or 10.6% below market.) Full data comparison, the consultant's observations, and recommendations are included.

- b. Not applicable. Comparisons were made and discussed in item a. above.

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The 2016 Intandem report is filed in its entirety under seal.