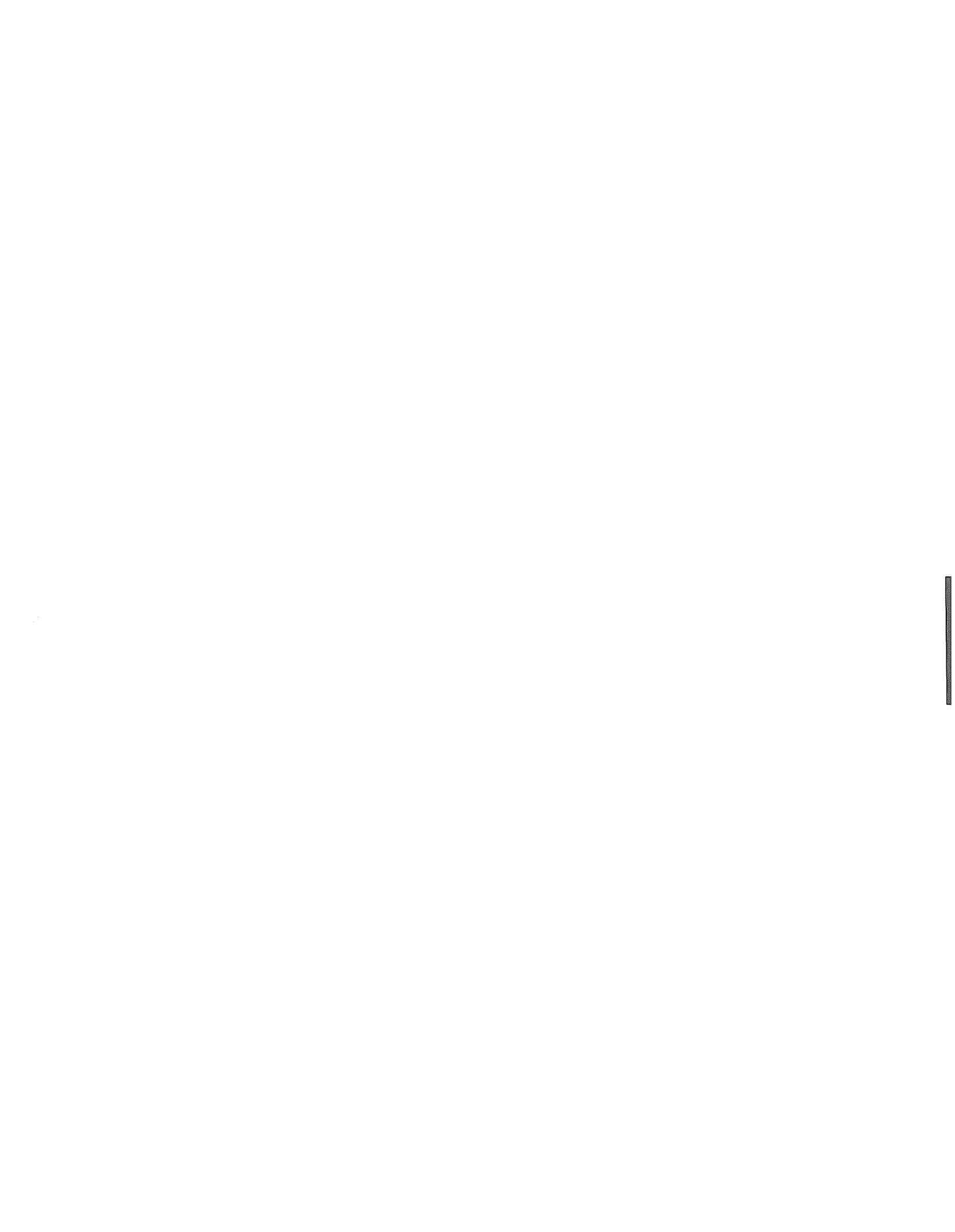


Big Sandy Rural Electric Cooperative
Second Data Request of the Commission Staff
Case No. 2005-00125

Witness: Alan Zumstein

Item 16. SFAS include Directors or attorney?

Neither.



Big Sandy Rural Electric Cooperative
Second Data Request of the Commission Staff
Case No. 2005-00125

Witness: David Estep

Item 17. Attorney fees and expenses to NRECA and KAEC annual meetings.

- a. NRECA and KAEC have seminars specifically related to legal issues that effect electric cooperatives. Big Sandy feels it is very important for its attorney to be abreast of the issues that effect Big Sandy and the electric industry.
- b. Since Big Sandy's attorney attends meetings specifically related to legal issues effecting the electric industry, Big Sandy is of the opinion that these expenses should be included for rate-making purposes.

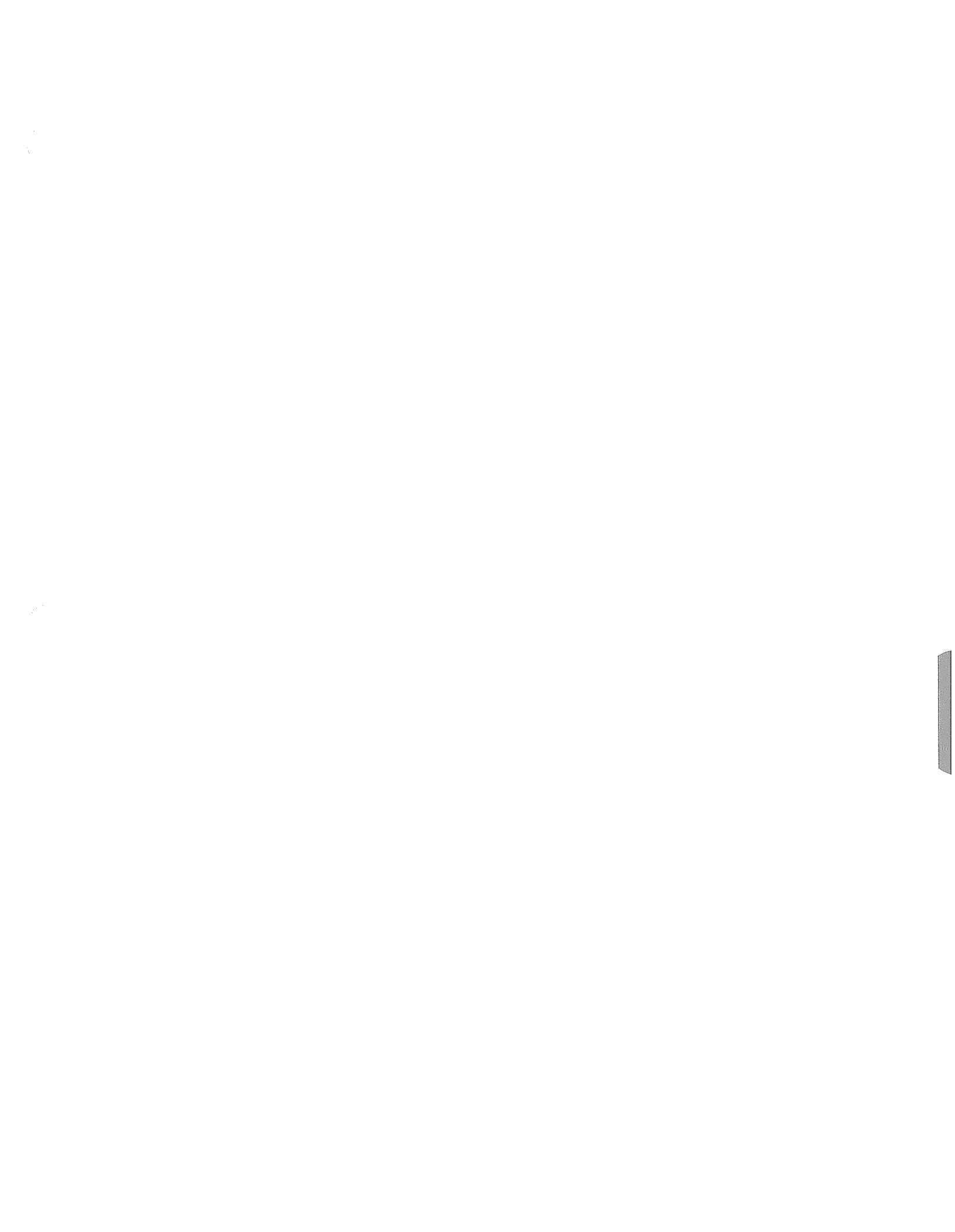


Big Sandy Rural Electric Cooperative
Second Data Request of the Commission Staff
Case No. 2005-00125

Witness: David Estep

Item 18. Directors

- a. The purpose of the "Negotiating Committee" was to negotiate a new contract with Bobby Sexton, President & General Manager.
- b. This should have been labeled "Negotiating Committee", as explained in 18 (a) above.
- c. To educate and inform its directors about the utility industry.
- d. We concur.



Witness: Alan Zumstein

Item 19. Annual meeting

- a.
- (1) Winter radio spots, copy of ads ran on a rotating basis is attached.
 - (2) Fall radio spots, copy of ads ran on a rotating basis is attached.
 - (3) Fall radio spots, copy of ads ran on a rotating basis is attached. Also, advertising sponsor for Kids Day in the Park. This amounted to \$350 of this total.
- b.
- (1) Check Nos. 29027 and 29112 are for shirts that Big Sandy Cooperative employees wear so that members in attendance at the annual meeting can identify them as employees.
 - (2) Check No. 29032 should have been removed for rate-making purposes.
- c. Big Sandy agrees that the give-aways should be excluded, however, the shirts to identify Big Sandy employees should be included.



2004 Winter Radio Commercials

Title: Winter's Here!

Time: :60

Winter's here! And along with winter come snow and freezing rain. The good folks at your locally owned electric cooperative are ready for it. But no matter how well they prepare, they can't always avoid downed power lines.

Hours of freezing rain can snap a power line without warning. And snow-laden tree limbs can break, taking critical power lines down with them.

If you encounter a downed power line when you're out and about this winter, here's what you should do:

- * First of all, stay away! Just because the power line's down on the ground doesn't mean that it's dead.
- * And warn others to stay away, too. If possible, set up a barricade or warning sign that tells others of the danger and keeps them safely away from the line.
- * Then call your local electric cooperative to report the problem. They'll dispatch a repair crew right away.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Winter Radio Commercials

Title: Winter's Here!

Time: :30

Winter's here! And along with winter come snow and freezing rain and the possibility of downed power lines.

If you encounter a downed power line this winter, here's what you should do:

- * First of all, stay away! Just because it's down on the ground doesn't mean the power line is dead.
- * Then call your local electric cooperative to report the problem.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Winter Radio Commercials

Title: Space Heater Safety

Time: :60

Portable space heaters are great for knocking the chill off of winter's frosty days. If you're in the market for a new space heater, the good folks at your local electric cooperative remind you to look for these safety features:

- * a tip over switch that shuts off the unit if it's knocked over,
- * an overheating sensor that turns off the heater if it gets too hot,
- * a screen or grill that prevents children from poking fingers or objects into the heater,
- * an Underwriters Laboratory, or U.L., approval sticker for both the heater and the power cord,
- * and a low surface temperature to protect you and your family from burns.

For more space heater information, just call the folks at your local electric cooperative. They're the energy experts. And they'll be happy to help you keep your home safe, warm, and comfortable this winter.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Winter Radio Commercials

Title: Space Heater Safety

Time: :30

Portable space heaters are great for knocking the chill off of winter's frosty days. If you're in the market for a new space heater, the good folks at your local electric cooperative remind you to look for these safety features:

- * a tip over switch that shuts off the unit if it's knocked over,
- * an overheating sensor that turns off the heater if it gets too hot,
- * and a low surface temperature to protect you and your family from burns.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Winter Radio Commercials

Title: Check Our ID

Time: :60

You just can't be too careful these days when it comes to your personal safety. The good folks at your local electric cooperative share this concern.

So, when someone comes to your door claiming to work for your local electric cooperative, take a moment to check him out. Look to see if he's driving an official co-op vehicle and wearing a co-op uniform. Both the uniform and the vehicle should have the cooperative name and logo on them. Then ask for identification. If you're still unsure, call the cooperative's customer service department to verify his identity.

Don't worry about the extra time this may take. If the person works for the co-op, he or she won't mind the precautions. On the other hand, if the person refuses to identify himself or acts suspiciously, don't take chances -- call the police.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Winter Radio Commercials

Title: Check Our ID

Time: :30

You just can't be too careful these days when it comes to your personal safety.

So, when someone comes to your door claiming to work for your local electric cooperative, take a moment to check him out. Look to see if he's driving an official co-op vehicle and wearing a co-op uniform. Then ask for identification. If you're still unsure, call the co-op to verify his identity.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Winter Radio Commercials

Title: Make the Most of It

Time: :60

Staying warm on cold winter days doesn't have to be expensive. Here's some advice from the good folks at your local electric cooperative on making the most of your heating dollars:

- * First of all, keep the windows near your thermostat tightly closed. Drafts will keep your furnace or heat pump working even though the rest of your home has reached a comfortable temperature.
- * Then, clean or replace the air filter in your forced-air heating system each month.
- * Also, check the attic access door to make sure it's well insulated and weather-stripped.
- * And, keep draperies and shades of sunny windows open during the day to let heat in. Then, close those draperies at night to retain that heat.
- * And, finally, don't forget to wear layers of loose warm clothing. It's still the cheapest heat around.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Winter Radio Commercials

Title: Make the Most of It

Time: :30

Staying warm on cold winter days doesn't have to be expensive. Here's some advice from the good folks at your local electric cooperative on making the most of your heating dollars:

- * Keep the windows near your thermostat tightly closed.
- * Keep draperies and shades open in sunny windows to let heat in. Close those drapes at night to retain that heat.
- * And don't forget to wear layers of loose warm clothing. It's still the cheapest heat around!

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Winter Radio Commercials

Title: Outage Reporting

Time: :60

The good folks at your local electric cooperative work night and day to keep your power on. But sometimes, the ice and snow of severe winter storms will cause outages.

Here's what you should do if your power *does* go out:

- * Start at home. Check your fuse box or circuit breaker panel. Replace any blown fuses, or make sure that none of your breakers are tripped.
- * If that doesn't resolve the problem, check with your neighbors to see if they have power
- * If they don't, that's the time to call the folks at your electric cooperative to notify them of the outage. Be prepared to tell the dispatcher your name, address, and phone number as well as the approximate time that you lost power.

Once you've reported your outage, you can rest assured that the co-op's service technicians will restore your power as soon as possible.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Winter Radio Commercials

Title: Outage Reporting

Time: :30

The good folks at your local electric cooperative work night and day to keep your power on. But sometimes, severe winter storms will cause outages.

Here's what you should do if your power *does* go out:

- * Start at home. Check your fuse box or circuit breaker panel.
- * Then check with your neighbors to see if they have power.
- * If they don't, that's the time to call your electric co-op to report the outage.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Fall Radio Commercials

Title: In the Hunt

Time: :60

Fall is hunting season in Kentucky. And the good folks at your local electric cooperative encourage you to grab your gun and get in on the hunt.

No, we're not talking about a 20-gauge shotgun. We're talking about a caulk gun. And the hunt is for energy-wasting cracks and openings on the outside of your home.

Start your big game hunt with your doors and windows. Every place where doors and windows meet the exterior walls of your house should be thoroughly sealed with caulk.

Then move on to the sill - where the foundation meets the rest of the house. If you've got gaps there, fill 'em up.

Next, check exterior water faucets and places where cables and pipes enter the house. Seal up any holes.

And if your house is covered with siding, caulk all of the corners that are formed when two pieces of siding come together.

For more caulking tips, contact the energy experts at your local electric co-op. They can help put energy savings in your sights.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Fall Radio Commercials

Title: In the Hunt

Time: :30

Fall is hunting season in Kentucky. And the good folks at your local electric cooperative encourage you to grab your gun and get in on the hunt.

No, we're not talking about a 20-gauge shotgun. We're talking about a caulk gun. And the hunt is for energy-wasting cracks and openings on the outside of your home.

For advice on where to start your hunt, contact the energy experts at your local electric co-op. They can help put energy savings in your sights.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Fall Radio Commercials

Title: Harvest Time

Time: :60

Harvest time is upon us. And farmers all across Kentucky are putting in long hours of hard work to bring in this year's crops.

If you're involved in this fall's harvest, the good folks at your local electric cooperative remind you to be careful and to watch out for overhead power lines.

Today's new farm equipment is bigger than ever. And when you're racing to finish combining a field of grain before a thunderstorm, it's mighty easy to forget about overhead power lines that may be in your path.

So before you start work in a new area, take a few minutes to look around. Make a mental note of the height and location of all power lines. And then obey the "ten foot rule." Always keep your farm equipment at least ten feet away from any overhead power lines. And, if you've got field hands working with you, make sure they do the same.

For more advice on working safe on the farm, contact the safety experts at your local electric cooperative.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Fall Radio Commercials

Title: Harvest Time

Time: :30

If you're involved in this fall's harvest, the good folks at your local electric cooperative remind you to be careful and to watch out for overhead power lines.

So before you start work in a new area, take a few minutes to look around. Make a mental note of the height and location of all power lines. And then obey the "ten foot rule." Always keep your farm equipment at least ten feet away from any overhead power lines.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Fall Radio Commercials

Title: Fall Leaves

Time: :60

Autumn is a beautiful time of year in the Bluegrass State. The reds, browns, and golds of Kentucky's fall foliage are always a sight to behold.

Cleaning up all of those leaves once they've fallen from the trees is another story.

As you clean up this fall's leaves, the good folks at your local electric cooperative encourage you to be careful.

Before you hoist a ladder to get to those leaf-clogged gutters, take a minute to look around your work area. Make a mental note of the height and location of all power lines. And then obey the "ten foot rule." Always keep your ladder at least ten feet away from overhead power lines.

And if you're using an electric blower to wrangle those leaves, always use a grounded, heavy-duty, outdoor-type extension cord. And make sure that cord is plugged into an outlet that's protected with a ground-fault circuit interruptor - also known as a GFCI.

For more advice on safely working outdoors this fall, contact the safety experts at your local electric cooperative.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Fall Radio Commercials

Title: Fall Leaves

Time: :30

As you clean up this fall's leaves, the good folks at your local electric cooperative encourage you to be careful.

Before you hoist a ladder to get to those leaf-clogged gutters, take a minute to look around your work area. Make a mental note of the height and location of all power lines. And then obey the "ten foot rule." Always keep your ladder at least ten feet away from any overhead power lines.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Fall Radio Commercials

Title: Life and Death

Time: :60

The good folks at your local electric cooperative work night and day to keep your power on. But sometimes, despite their best efforts, power outages occur.

For most of us, power outages, however rare, are a frustrating inconvenience. For others, they're a matter of life and death.

If you or someone you love depends on electrically powered life support equipment, give the friendly folks at your electric cooperative a call. They can help.

First of all, they can make note of the situation on a special list of customers who receive top priority in restoring power following unplanned outages.

And second, they can help you choose and safely install emergency power backup devices that can bridge the gap until power is restored.

To learn more about how your electric cooperative can assist with your special power needs, give them a call. They'll be happy to help.

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2004 Fall Radio Commercials

Title: Life and Death

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For most of us, power outages, however rare, are a frustrating inconvenience. For others, they're a matter of life and death.

If you or someone you love depends on electrically powered life support equipment, give the friendly folks at your local electric cooperative a call. They can help by noting the situation on a special list of customers who receive top priority in restoring power following unplanned outages.

We're Kentucky's electric cooperatives, *and Our Power is Our People.*



2004 Fall Radio Commercials

Title: GFCI

Time: :60

If you use electric appliances in the bathroom, garage, or outdoors -- any place where moisture is present -- you need a GFCI.

The folks at your local electric cooperative want you to know that a GFCI -- or ground fault circuit interrupter -- will help you use those appliances safely by protecting you from electrical shocks.

A plugged-in appliance can deliver a shock if it comes in contact with water -- even if it's turned off. The GFCI protects you from that shock by stopping the flow of electricity to the appliance when it detects even the slightest current leak.

GFCIs come in two forms. The first is a portable unit that plugs into an existing electric outlet. And the second is a permanent unit installed by a qualified electrician.

If you'd like to learn more about the safety benefits of GFCIs, call your local electric cooperative.

We're Kentucky's electric cooperatives and *Our Power is Our People.*



2004 Fall Radio Commercials

Title: GFCI

Time: :30

If you use electric appliances in the bathroom, garage, or outdoors -- any place where moisture is present -- you need a GFCI.

The folks at your local electric cooperative want you to know that a GFCI -- or ground fault circuit interrupter -- will help you use those appliances safely by protecting you from electrical shocks.

If you'd like to learn more about GFCIs, call your local electric cooperative.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



2004 Fall Radio Commercials

Title: Cooperative Month - use in October only
Time: :60

October is Cooperative Month, and this year's theme is "Cooperatives: Businesses People Trust!"

Your locally owned electric cooperative is proud to be among the 1,000 electric co-ops in the United States and one of the 27 electric cooperatives right here in Kentucky.

Co-op businesses are located everywhere. And they're special for many reasons. First of all, they're locally owned and operated. And, second, they're committed to helping not only their consumer-owners but their communities, too.

The good folks at your local electric cooperative work hard all year long to provide reliable, affordable electric service and to help make your community thrive and prosper. That's the co-op way of doing business.

It's all part of improving everyone's quality of life, and it's what makes cooperatives businesses people trust.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



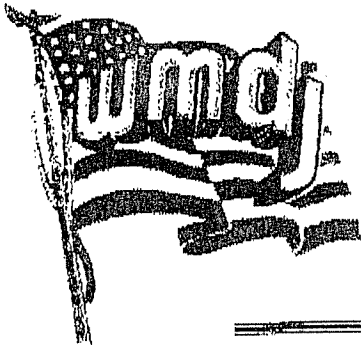
2004 Fall Radio Commercials

Title: Cooperative Month - use in October only
Time: :30

October is Cooperative Month, and this year's theme is "Cooperatives: Businesses People Trust!" As one of 47,000 cooperative businesses in America, your locally owned electric cooperative is a proud participant in this celebration.

The good folks at your electric co-op work hard to provide reliable, affordable electricity and to help the community thrive. That's the co-op way of doing business.

We're Kentucky's electric cooperatives, and *Our Power is Our People.*



FLOYD CO. BROADCASTING INC.
WMDJ FM 100
PO BOX 1530
MARTIN, KY 41649
PHONE (606)874-8005
FAX (606)874-0057
EMAIL fm100wmdj@mikrotec.com

Client: BTG SANDY R.E.C.C. **For:** KID'S DAY IN THE PARK
Begin: 4-01-05 **End:** 4-30-05 **Date:** 4-23-05

ONE OF EVERYONE'S FAVORITE KID'S DAY IN THE PARK GAMES IS THE BIG SANDY RECC BIG WHEEL RACE AND AGAIN THIS YEAR BIG SANDY RECC IS GIVING THEIR BIG WHEELS AWAY AT THE END OF THE DAY...FOOD CITY AND WMDJ RADIO'S 12th ANNUAL KID'S DAY IN THE PARK IS SATURDAY APRIL 30th, BEGINNING AT 11am. AT ARCHER PARK IN PRESTONSBURG...AND THANKS TO JUDGE PAUL HUNT THOMPSON, THE FLOYD COUNTY FISCAL COURT, COUNTY ATTORNEY KEITH BARTLETT, COUNTY PVA CONNIE HANCOCK, AND CIRCUIT COURT CLERK DOUGLAS RAY HALL THIS YEAR WE'VE GOT TWO TRAINS TO RIDE IN THAT'S RIGHT WE'LL HAVE TWO CHOO CHOO EXPRESS TRAINS THIS YEAR SO EVERYBODY CAN RIDE...THE DAY GETS UNDERWAY AT 11am! JOIN US FOR OUR 12th GREAT YEAR...FOOD CITY AND WMDJ RADIO'S KID'S DAY IN THE PARK

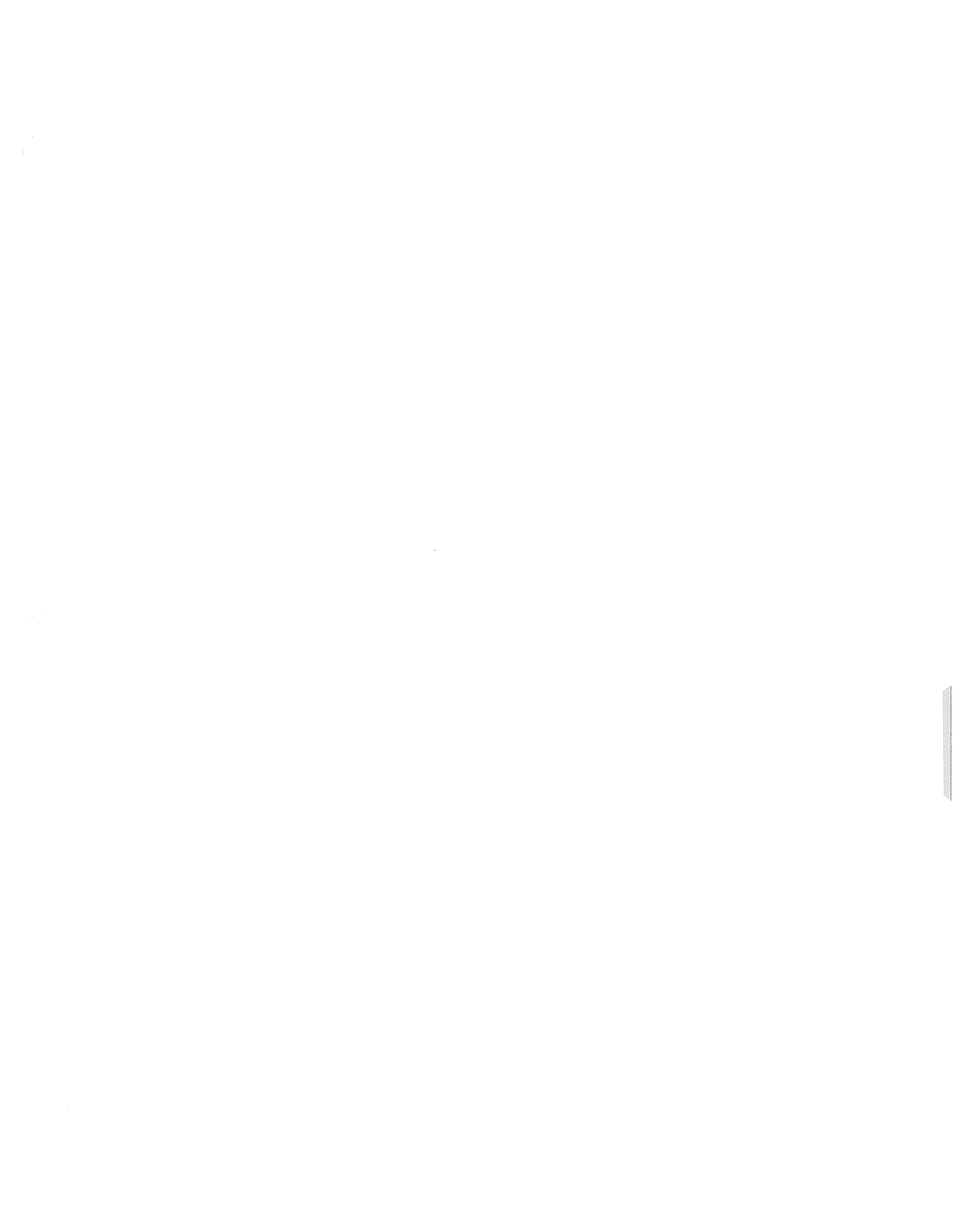
\$ _____ EACH FOR _____ ANNOUNCEMENT FOR A TOTAL OF \$ 150.00
\$ _____ EACH FOR _____ ANNOUNCEMENT FOR A TOTAL OF \$ _____
\$ _____ EACH FOR _____ ANNOUNCEMENT FOR A TOTAL OF \$ _____

Betha Harrett *Mona Douglas*
SIGNATURE OF STATION OFFICIAL

(NOTARIZE ABOVE)

TYPED NAME AND TITLE

WMDJ
STATION



Witness: Alan Zumstein

Item 20. Joint use attachments

- a. The amounts are reported at gross cost.
- b. The quantities and amounts were from the format for another filing. These should be the amounts listed from the amounts on page 4 of 5.

The adjusted schedule to reflect the quantities and amounts from page 4 of 5 is attached.

- c. Big Sandy counts the pole and ground attachments separately and prefers to charge for ground attachments as a separate charge.

1 Big Sandy Rural Electric
 2 **CATV Pole Attachments**
 3 December 31, 2004
 4 Witness: Alan Zumstein
 5
 6

Exhibit 12
 Page 3
 of 5

Description	Number of Attachments	Rates		Revenue	
		Existing	Proposed	Existing	Proposed

10	2 party Pole Attachments	1,228	\$4.66	\$5.86	5,722	7,191
11	3 party Pole Attachments	7,344	\$3.84	\$4.58	28,201	33,657
12	2 party Anchor Attachments	0	\$2.65	\$4.05	0	0
13	3 party Anchor Attachments	466	\$2.65	\$2.67	1,235	1,245
14	2 party Ground Attachments	209	\$0.34	\$0.30	71	62
15	3 party Ground Attachments	282	\$0.21	\$0.19	59	52
16					<hr/>	
17						
18	Total				<u>35,289</u>	<u>42,208</u>
19						
20						
21	Increase					<u>6,920</u>
22						
23						
24						

1 Big Sandy Rural Electric Exhibit 12
 2 **CATV Pole Attachments** Page 2
 3 December 31, 2004 of 5
 4 Witness: Alan Zumstein

5
 6 A. 1. Two-Party Pole Cost:

	<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
	35' poles	5,649	\$1,335,868	
	40' poles	<u>5,414</u>	<u>\$1,854,163</u>	
		<u>11,063</u>	<u>\$3,190,031</u>	<u>\$288.35</u>

14
 15 2. Three-Party Pole Cost:

	<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
	40' poles	5,414	\$1,854,163	
	45' poles	<u>3,065</u>	<u>\$1,231,400</u>	
		<u>8,479</u>	<u>\$3,085,563</u>	<u>\$363.91</u>

23
 24 3. Average cost of anchors \$41.47

25
 26 B. 1. Pole Charge:

27	a. Two party =	\$288.35	85%	19.52%	0.1224	\$5.86
28	b. Three party =	\$363.91	85%	19.52%	0.0759	\$4.58

29
 30
 31 2. Ground Attachment Charge:

32	a. Two party =	\$288.35	85%	\$12.50	19.52%	0.1224	\$0.30
33	b. Three party =	\$363.91	85%	\$12.50	19.52%	0.0759	\$0.19

34
 35
 36 3. Anchor Charge:

37	a. Two party =	\$41.47		19.52%	0.50	\$4.05
38	b. Three party =	\$41.47		19.52%	0.33	\$2.67

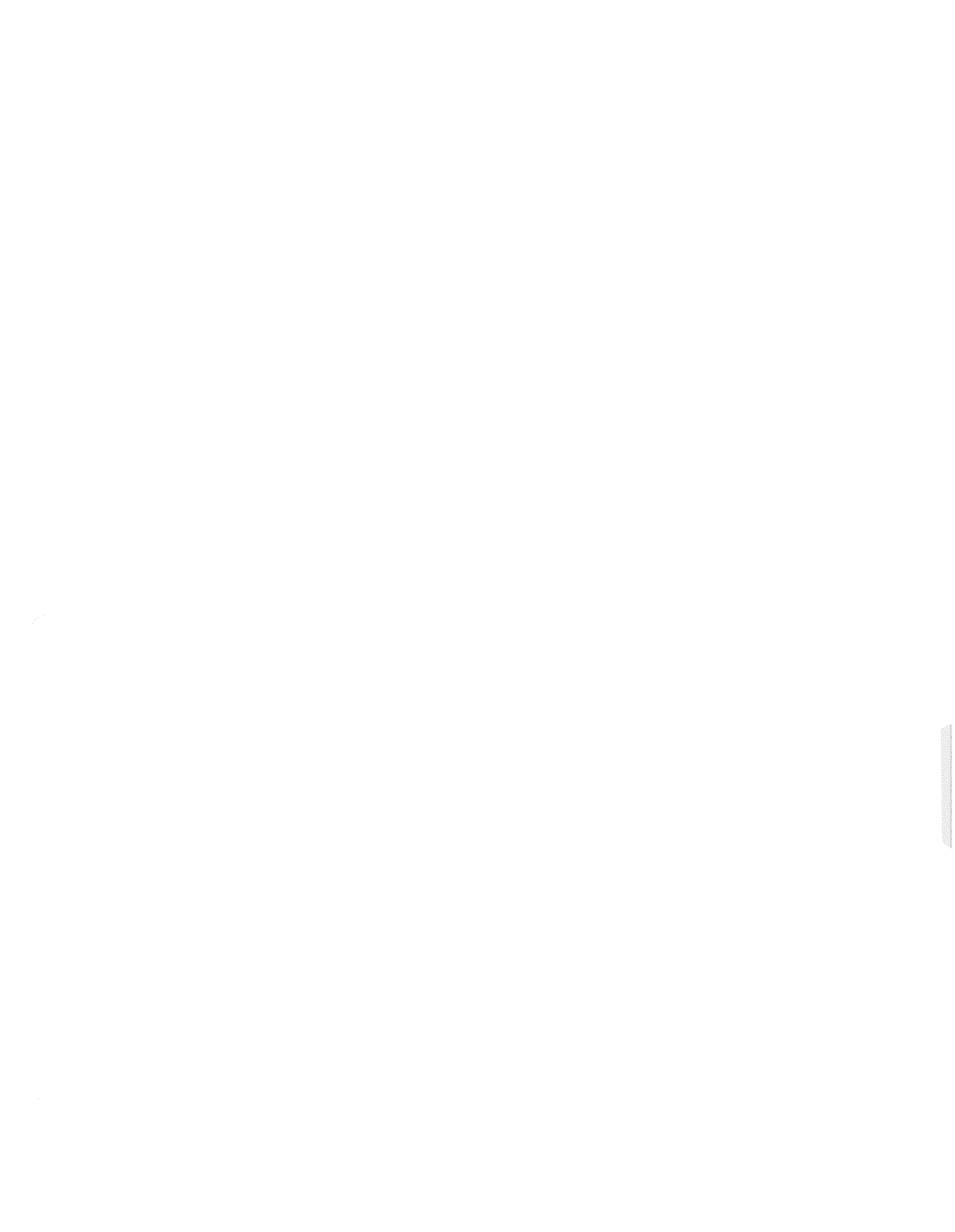
39
 40
 41 No adjustments have been made to any of the quantities or amounts in the CPRs.

42 The values were taken from the CPRs as of December 31, 2004.

1 Big Sandy Rural Electric Exhibit 12
 2 **CATV Pole Attachments** Page 3
 3 December 31, 2004 of 5
 4 Witness: Alan Zumstein

5
 6 Fixed charges on investment from PSC Annual Report at December 31, 2004.
 7

8			
9	Operation and Maintenance Expense		\$1,636,345
10	Page 14, line 53		
11	Customer Accounts Expense		691,036
12	Page 15, line 8		
13	Customer Service and Informational Expense		95,517
14	Page 15, line 14		
15	Administrative and General		1,170,048
16	Page 15, line 34		
17	Depreciation Expense		1,037,868
18	Page 13, line 28		
19	Taxes Other than Income Taxes		<u>17,172</u>
20	Page 13, line 30		
21	Sub total		4,647,986
22			
23	Divided by Utility Plant		\$32,435,506 14.33%
24	Page 1, line 2		
25	Cost of Money		
26	Rate of Return on Investment		
27	allowed in the last General		
28	Rate Request, Case No 95-383		
29	effective 04/17-96.		6.77%
30			
31	Distribution plant, page 4	<u>30,123,865</u>	
32	Accumulated depreciation, page 5	<u>7,026,718</u>	
33	Reserve ratio	=	23%
34			
35	Rate of return times 1 minus reserve ratio		<u>5.19%</u>
36			
37	Annual carrying charges		<u><u>19.52%</u></u>
38			



Big Sandy Rural Electric Cooperative
Second Data Request of the Commission Staff
Case No. 2005-00125

Witness: David Estepp

Item 21. Return Check Fee

The local banks do not currently charge Big Sandy a return check charge.

Big Sandy Rural Electric Cooperative
Second Data Request of the Commission Staff
Case No. 2005-00125

Witness: Alan Zumstein

Item 22. Year end customer adjustment

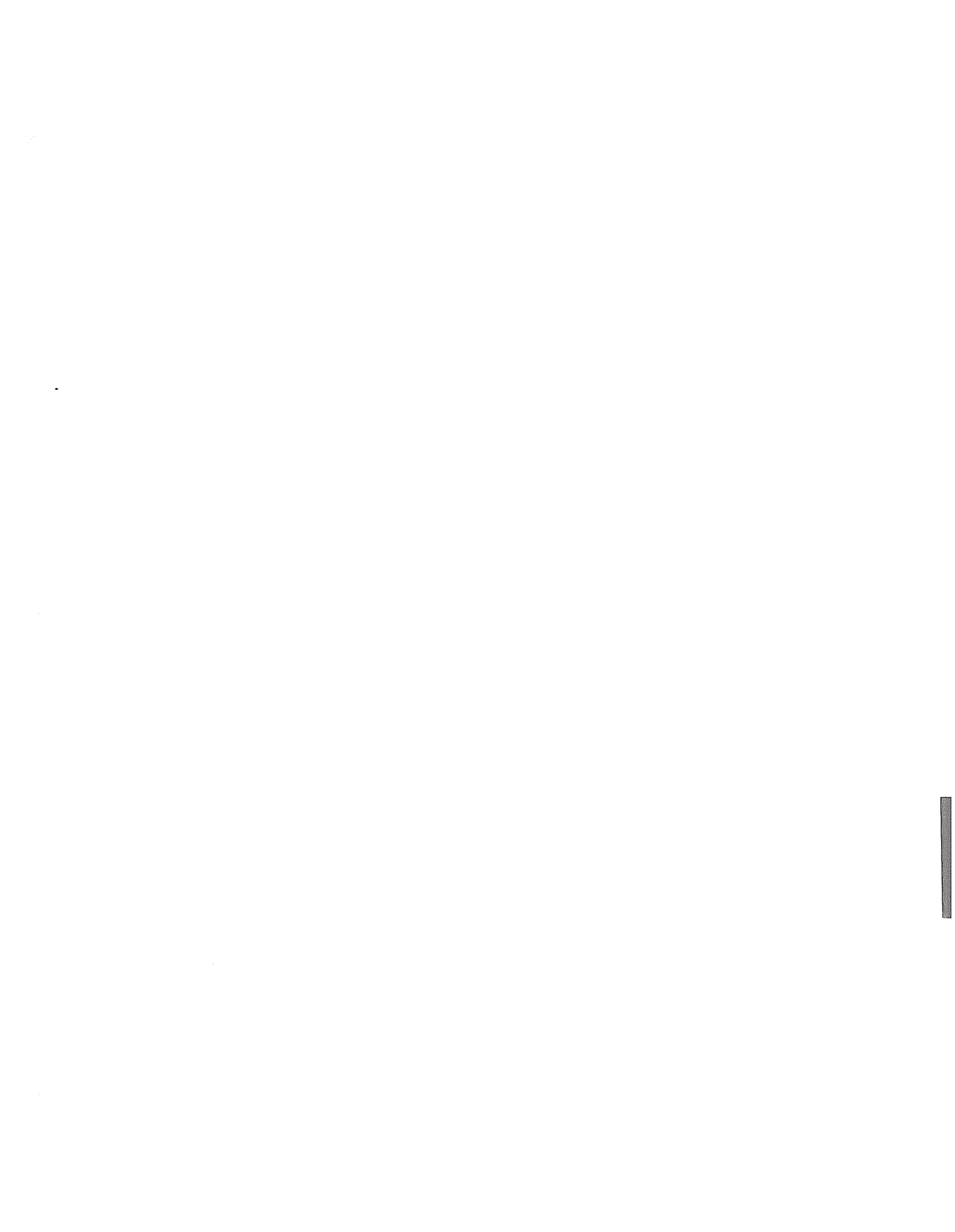
Should have used 13 months. Adjusted schedule is attached.

Big Sandy Rural Electric
End of Test Year Customer Adjustment
 December 31, 2004
 Witness: Alan Zumstein

Exhibit
 page
 of

16
 1
 1

	A-1 Residential	A-2 Small Commercial	LP Large Power	LPR Large Power	
December, 2003	11,598	882	135	13	
January	11,594	884	135	13	
February	11,613	881	135	13	
March	11,597	880	136	13	
April	11,586	878	139	13	
May	11,613	887	136	13	
June	11,609	885	136	13	
July	11,637	885	135	13	
August	11,635	886	134	14	
September	11,617	895	136	14	
October	11,659	904	136	14	
November	11,672	914	138	14	
December	<u>11,679</u>	<u>910</u>	<u>137</u>	<u>14</u>	
Average	<u>11,624</u>	<u>890</u>	<u>136</u>	<u>13</u>	
Increase	<u>55</u>	<u>20</u>	<u>1</u>	<u>1</u>	
Total revenue	9,992,287	985,438	1,871,729	1,459,978	
kwh useage	<u>171,619,388</u>	<u>13,679,658</u>	<u>33,190,922</u>	<u>28,467,140</u>	
Average per kwh	<u>0.05822</u>	<u>0.07204</u>	<u>0.05639</u>	<u>0.05129</u>	
Total billings	139,511	10,689	1,633	161	
Average monthly kwh use	1,230	1,280	20,325	176,815	
Increase in consumers, times average use, times average rate, times 12 months, equals additional revenues	47,272	22,126	13,754	108,818	191,970
Increase in consumers, times average use, times average cost per kwh purchased, times 12 months, equals additional power cost	35,730	13,517	10,734	93,376	153,357
Net increase					<u>38,614</u>
Total cost of power for test year Kwh purchased		11,947,454 271,482,104			
Cost per kwh purchased		<u>\$0.04401</u>			

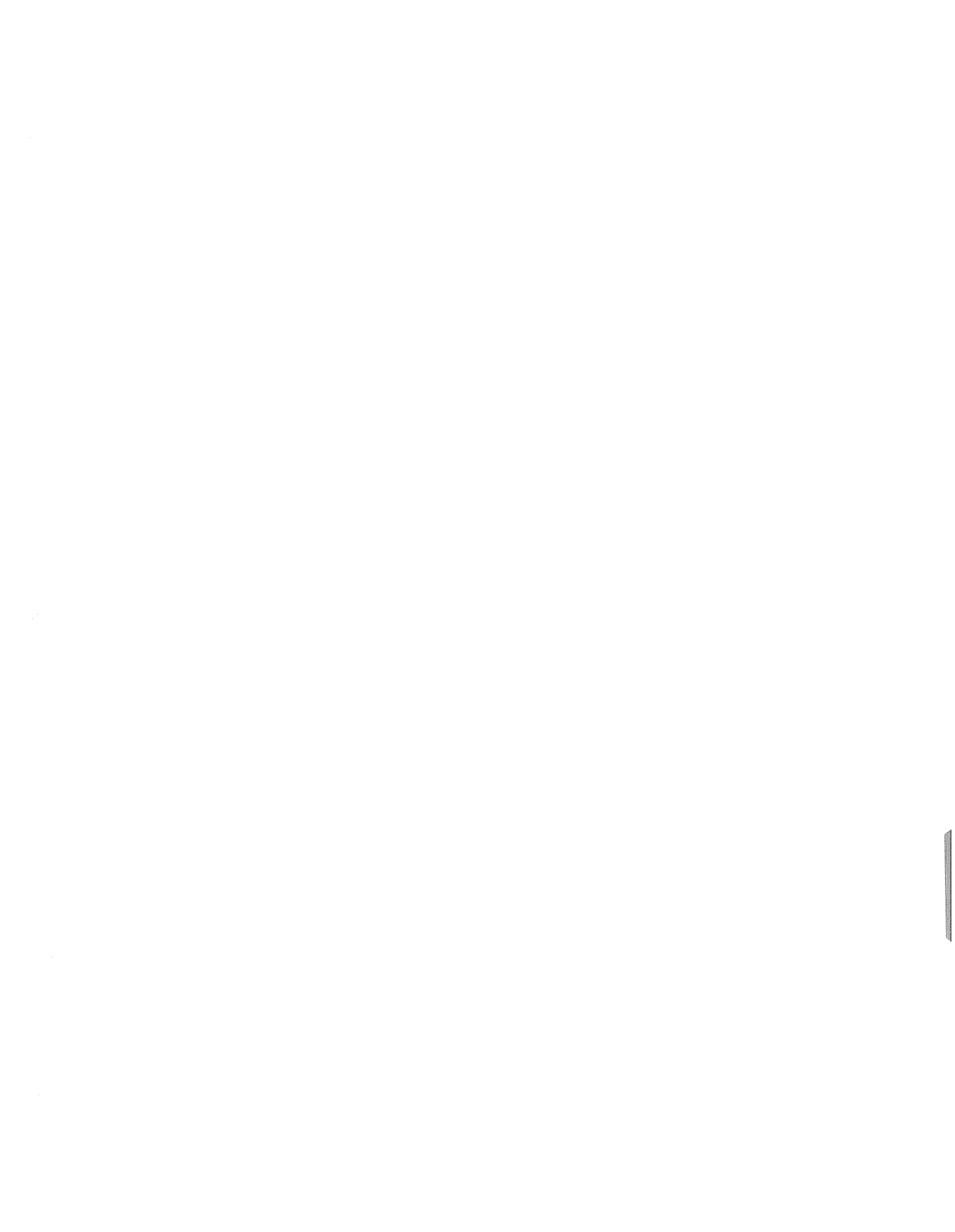


Big Sandy Rural Electric Cooperative
Second Data Request of the Commission Staff
Case No. 2005-00125

Witness: David Estep

Item 23. Capital Credits

- a. The last general payment of capital credits was in 1994.
- b. No, Big Sandy RECC's goal is to obtain a 25 year cycle for paying capital credits and doesn't feel that discounting should only occur in years when general capital credit payments are declared. According to board policy 300-100, which has been previously submitted to the PSC, certain financial criteria must be met before general capital credits will be paid. Big Sandy RECC wants to continue to employ a system that is consistent and fair to all its membership.
- c. Big Sandy RECC began discounting capital credits in January, 1997.
- d. A copy of Big Sandy RECC's most recent 10 year financial forecast is attached. The first five years of this report are more accurate and predictable than the last five years, which are mostly projections.



Big Sandy Rural Electric Cooperative
Second Data Request of the Commission Staff
Case No. 2005-00125

Witness: David Estepp

Item 24. ROW & Vegetation Management

Big Sandy RECC's Right-of-Way plan and procedures is attached. The table below shows the actual expense for right-of-way for the past five years.

2004	\$ 566,927.38
2003	\$ 456,397.04
2002	\$ 328,397.26
2001	\$ 262,332.48
2000	\$ 190,800.56

According to Big Sandy RECC's current right-of-way plan, we would need to cut approximately 145 miles of line a year at an average cost of \$ 3,200 per mile. This would equate to \$ 464,000 per year for contract cutting only.

Big Sandy RECC's current contract price is tiered, ranging from \$2,825 to \$3,575 per mile, depending on the growth of the vegetation. Our current spraying contract is \$ 283.50 per acre.

Big Sandy RECC Right-of-Way Plan and Procedures

Big Sandy RECC has approximately 1000 miles of distribution line with a goal of cutting and spraying 145 miles per year and targets a 7-year cycle of right of way maintenance with a combination of ROW cutting and herbicide spraying.

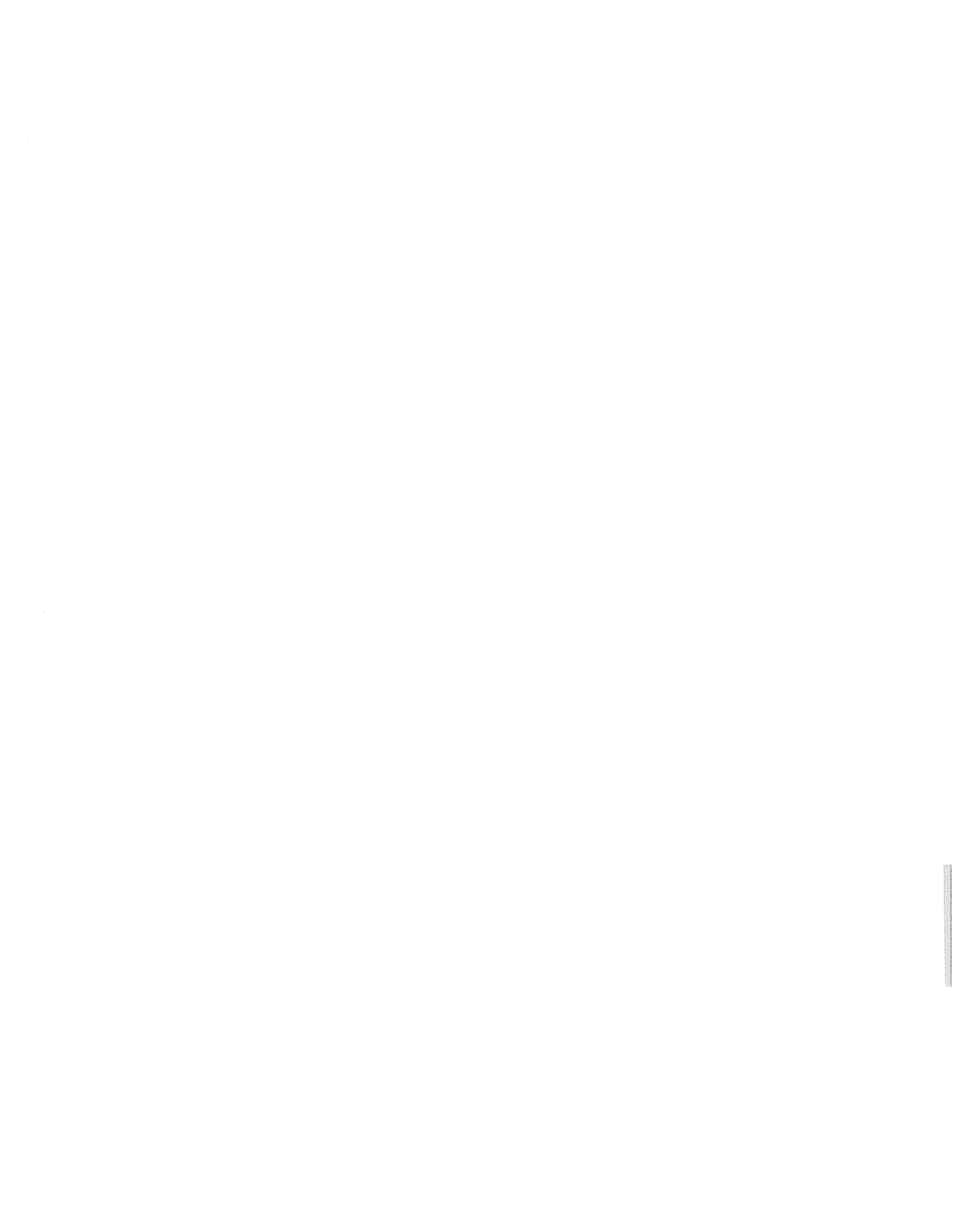
Big Sandy RECC currently uses 3 Townsend crews and 1 Big Sandy RECC crew to perform all right of way cutting; and Progressive Solutions for herbicide applications.

Big Sandy RECC procedures for the maintenance of ROW under its authority shall be performed on all energized, de-energized primary, secondary, and service drops as follows:

1. Provide no less than thirty-five feet (35) of cleared right of way depending upon permission obtained, including all side trim and overhang on all energized or de-energized distribution 3 phase, B phase, and single phase lines. All rural right of ways shall be cleared from ground to sky, dead and dangerous trees removed and all yard trees laterally trimmed.
2. Provide minimum of 5 feet clearance around secondary poles (If property owner will grant permission). Provide minimum of 2 feet on service drops on customer premises, in yards, and other congested areas (If property owner will grant permission).
3. Do such additional trimming according to RUS specifications as well as give the tree a satisfactory shape and appearance where necessary.
4. Trim all trees on highways and other public places in accordance with the requirement of the authorities having jurisdiction.
5. In those instances when Big Sandy RECC has the legal right to do so, remove all overhanging hazards in so far as conditions will permit, including cutting dead or leaning trees in or out of right of way, which will strike Big Sandy RECC lines.
6. All brush and wood will be left to the side of the right of way or chipped at the property owner's discretion. No trees, brush, etc., shall be left on fences or in creeks, etc.

7. Trees shall be trimmed only when permission to cut and/or remove cannot be obtained.
8. When conditions permit all brush and trees removed in right of way cutting shall be cut to a height of 2 inches or lower.
9. Chemical treatment of stumps with a growth retardant, at the direction of Superintendent, shall be done immediately after cutting the tree.
10. Priority work locations will be designated by Big Sandy RECC, striving to promote the efficiency of operations by enhancing progress in an orderly fashion wherever practicable.
11. Big Sandy RECC may suspend work wholly or in part for such periods, as the Superintendent may deem necessary due to unsuitable weather or such other conditions as are considered unfavorable.
12. Big Sandy RECC shall perform work in such a manner as to maximize preservation of beauty, conservation of natural resources, and minimize marring and scarring of the landscape and silting of streams. Workers shall not deposit trash in or on streams, waterways, or on consumer's property. All workers shall follow the criteria related to EPA as specified by the Superintendent.
13. Any and all excess debris, underbrush, and other useless material shall be removed from the work site as rapidly as practicable as the work progresses unless agreed by property owner.

Superintendent



Big Sandy Rural Electric Cooperative
Second Data Request of the Commission Staff
Case No. 2005-00125

Witness: David Estepp

Item 25. AMR Program

- a. Big Sandy's AMR program began in November 2004.
- b. The total estimate for the AMR program is \$2,159,508.
- c. The estimated O&M expense savings related to the AMR program will be approximately \$75,000 annually. The actual savings will be about half of this amount because an existing employee will donate about half of his time to administer this program.
- d. The actual capital expenditure for the AMR program for 2004 is \$137,405.
- e. The cost of meters and other utility plant retired or replaced by the AMR program in 2004 was \$13,168 (246 meters).
- f. Account 586.1
- g. Big Sandy did not propose an adjustment for the AMR project since there will be normal operating costs associated with the AMR system annually. The majority of these costs are labor and overhead related expenses, which would have been expensed to other labor accounts if not for the AMR project.