



# Meade County RECC

P.O. Box 489  
Brandenburg, KY 40108-0489  
(270) 422-2162  
Fax: (270) 422-4705

RECEIVED

MAR 09 2007

PUBLIC SERVICE  
COMMISSION

March 9, 2007

Beth A. O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
P. O. Box 615  
Frankfort, KY 40602

Dear Ms. O'Donnell:

In accordance with 807 KAR section 8 (1) (2) we are filing one (1) original and ten (10) copies of Meade County's application and supporting documentation for Case No 2006-00500 requesting an adjustment in rates.

If you need further information, please contact me at 270-422-2162 ext. 3127.

Sincerely,

Burns E. Mercer  
President and CEO

Enclosures



# Meade County RECC

P.O. Box 489  
Brandenburg, KY 40108-0489  
(270) 422-2162  
Fax: (270) 422-4705

RECEIVED

MAR 09 2007

PUBLIC SERVICE  
COMMISSION

March 9, 2007

Attorney General Gregory D. Stumbo  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601

Dear Mr. Stumbo:

Attached is a copy of Meade County's application and supporting documentation filed with the Kentucky Public Service Commission in Case No 2006-00500 requesting an adjustment in rates.

If you need further information, please contact me at 270-422-2162 ext. 3127.

Sincerely,

Burns E. Mercer  
President and CEO

Enclosures

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

**RECEIVED**

MAR 09 2007

PUBLIC SERVICE  
COMMISSION

**In the matter of:**

**APPLICATION OF MEADE COUNTY RURAL  
ELECTRIC COOPERATIVE CORPORATION  
TO ADJUST ELECTRIC RATES**

**CASE NO. 2006-00500**

**APPLICATION**

Comes Meade County Rural Electric Cooperative Corporation (hereafter referred to as "Meade County Rural Electric" for an Application to change its retail electric power tariffs, states as follows:

1. Meade County Rural Electric is filing this Application for the purpose of requesting permission from the Commission to increase its basic rates effective April 15, 2007, in such amounts as are set forth herein for all electricity sold. The rates and revenue applied for are considered necessary as minimum amounts by Meade County Rural Electric's management and Board of Directors for Meade County Rural Electric to maintain its financial integrity and sound operations.
2. The full name of Meade County Rural Electric is "Meade County Rural Electric Cooperative Corporation", and its address is 1351 Highway 79, P.O. Box 489, Brandenburg, Kentucky 40108, (807 KAR 5:001, Section 8(1)).
3. The Articles of Incorporation and all amendments thereto for Meade County Rural Electric were filed with the Commission in PSC Case No. 2002-00391, Application of Meade County Rural Electric Cooperative Corporation to Adjust Rates (807 KAR 5:001, Section 8(3)).
4. This Application is supported by a 12 month historical test period ending October 31 2006, and includes adjustments for known and measurable changes (807 KAR 5:001, Section 10(1)).
5. Meade County Rural Electric's annual reports, including the annual report for the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1). (807 KAR 5:001, Section 10(1)(a)2.)
6. Meade County Rural Electric is not a limited partnership. (807 KAR 5:001, Section 10(1)(a)4.)
7. Meade County Rural Electric has filed with this Application a Certificate of Good Standing dated within 60 days of the date of this Application. This is filed as Meade County Rural Electric's Exhibit A. (807 KAR 5:001, Section 10(1)(a)6.)

8. Meade County Rural Electric does not conduct business under an assumed name and thus no Certificate of Assumed Name is needed for this Application. (807 KAR 5:001, Section 10(1)(a)6.)
9. Meade County Rural Electric has attached the proposed tariff as Exhibit B. (807 KAR 5:001, Section 10(1)(a)7.)
10. Meade County Rural Electric has attached the present and proposed tariffs in comparative form shown as Exhibit C. (807 KAR 5:001, Section 10(1)(a)8.)
11. Meade County Rural Electric states that its members have been given notice of the filing of this Application in compliance with 807 KAR 5:001, Section 3-10(3)-(4). A copy is attached Exhibit D. (807 KAR 5:001, Section 10(1)(a)9.) as
12. Meade County Rural Electric states that it provided written notice of its intent to file this rate case (Exhibit E) at least four (4) weeks prior to filing this Application, and that the Notice of Intent stated that the Application would be supported by a historical test period, which is October 31, 2006. (807 KAR 5:001, Section 10(2). Meade County Rural Electric's reasons for filing this Application to increase its rates and charges pursuant to the requirements of 807 KAR 5:001, Section 10(1)(s)1, are as follows:
  - a. Meade County Rural Electric's last general rate increase was an Order with this Commission dated May 30, 2003, in Case No. 2002-00391. Since that time Meade County Rural Electric has continued to incur, in addition to specific increases and decreases in the cost of power which has been passed on to its customers, other customary increases in the costs of materials, equipment, taxes, labor, debt service and other fixed and occasional costs. In addition, Meade County Rural Electric has needed to borrow moneys to finance its construction projects.
  - b. Meade County Rural Electric finds that its financial operations have continually deteriorated over the past few years. Net margins have decreased from \$1,301,542 in 2002 to \$616,815 for the test year of October 31, 2006.
  - c. For the test year ended October 31, 2006, Meade County Rural Electric attained a Times Interest Earned Ratio (TIER) of 1.31. The TIER for the test year with normalized adjustments, prior to the requested increase was 1.11. Under terms of its joint mortgage agreement, Meade County Rural Electric is required to maintain an operating TIER ratio of 1.25, based on an average of two of the three most current years. Unless Meade County Rural Electric is granted the relief it seeks, it stands to be in jeopardy on this requirement. Further, it is necessary that it maintains in excess of this bare minimum in order to continue its financial integrity.

- d. Meade County Rural Electric is on a 20 year capital credit rotation policy, where the average capital credits retired in the last five (5) years in a general retirement is approximately \$345,000 annually. In addition, Meade County Rural Electric has made retirements to estates of deceased members over the last five (5) years at an average of approximately \$160,000 annually. To continue to retire capital credits to members, Meade County Rural Electric must generate cash and attain an equity level of 32-40% to comply with its Capital Management Plan.
  - e. Meade County Rural Electric's Board of Directors, at a regular meeting held on September 20, 2006, reviewed the Cooperative's current financial situation and the results of its operations for the ten (10) months ended and twelve months ended October 31, 2006. After a thorough discussion of the situation, the Board voted unanimously to request that the President/CEO of Meade County Rural Electric, and experts, prepare an increase in retail revenues to be filed with the Commission for approval. A resolution adopted by the Board of Directors is included herein as Exhibit F of this Application.
13. Meade County Rural Electric has included a complete description and quantified explanation for all proposed adjustments with proper support for any changes in price, no changes are proposed for activity levels, for its members with the Revenue Analysis shown as Exhibit G. (807 KAR 5:001, Section 10(6)(a).)
  14. Meade County Rural Electric has included prepared testimony of each witness the utility proposes to use to support its Application. These testimonies are attached as Exhibits H-1, H-2, and H-3. (807 KAR 5:001, Section 10(6)(b).)
  15. Meade County Rural Electric has included a statement showing the effect the new rates will have upon the revenues of Meade County Rural Electric including, the total amount of revenues resulting from the increase and the percentage of the increase as shown in Exhibit G. (807 KAR 5:001, Section 10(6)(d).)
  16. Meade County Rural Electric has included a schedule showing the effect upon the average bill for each customer classification to which the proposed increase will apply as Exhibit I. (807 KAR 5:001, Section 10(6)(e).)
  17. Meade County Rural Electric has included an analysis of customer's bills in such detail that revenues from present and proposed rates can be readily determined for each rate class as the Billing Summary and is attached as Exhibit J. (807 KAR 5:001, Section 10(6)(g).)
  18. Meade County Rural Electric has attached a schedule displaying its determination of its revenue requirements based on return on net investment rate base, return on capitalization, Interest coverage, debt service coverage or operating ratio, with supporting schedules as Exhibit K. (807 KAR 5:001, Section 10(6)(h).)

19. Meade County Rural Electric has attached a reconciliation of its rate base and capital used to determine its revenue requirements as Exhibit L. (807 KAR 5:001, Section 10(6)(i).)
20. Meade County Rural Electric has included a current chart of accounts as Exhibit M. (807 KAR 5:001, Section 10(6)(j).)
21. Meade County Rural Electric has included the independent auditor's annual report as Exhibit N. (807 KAR 5:001, Section 10(6)(k).)
22. Meade County Rural Electric states that the Federal Rural Electric Regulatory Commission or Federal Communication Commission has not conducted any audits, and therefore, no reports are available. (807 KAR 5:001, Section 10(6)(l).)
23. Meade County Rural Electric has not had a depreciation study performed either with this application or at any time in the past. (807 KAR 5:001, Section 10(6)(n).)
24. Meade County Rural Electric has included a list of all commercially available or in-house developed computer software programs and models used in the development of this rate application as Exhibit O. (807 KAR 5:001, Section 10(6)(o).)
25. Meade County Rural Electric has made no stock or bond offerings. (807 KAR 5:001, Section 10(6)(p).)
26. Meade County Rural Electric has attached its annual report to members for 2006 and 2005 as Exhibit P. (807 KAR 5:001, Section 10(6)(q).)
27. Meade County Rural Electric has included its monthly managerial reports providing financial results of operations for the twelve (12) months in the test period as Exhibit Q. (807 KAR 5:001, Section 10(6)(r).)
28. Meade County Rural Electric requests a waiver of the requirement for filing Securities and Exchange Commission reports because Meade County Rural Electric is not regulated by the SEC. (807 KAR 5:001, Section 10(6)(s).)
29. Meade County Rural Electric has not had any amounts charged or allocated to it by an affiliate or general or home office or paid any moneys to an affiliate or general or home office during the test period or during the previous three (3) calendar years. (807 KAR 5:001, Section 10(6)(t).)
30. Meade County Rural Electric has included a cost of service study based on a methodology generally accepted within the electric industry and based on current and reliable data for the test period as Exhibit R. (807 KAR 5:001, Section 10(6)(u).)

31. Meade County Rural Electric states that the requirements of 807 KAR 5:001, Section 10(6)(f) and (v) are not applicable to Meade County Rural Electric since it is not a local exchange carrier.

Meade County Rural Electric has filed a detailed income statement and balance sheet reflecting the impact of all proposed adjustments for the historical test period as Exhibit S. (807 KAR 5:001, Section 10(7)(a).)

33. Meade County Rural Electric has filed in Case No. 2003-00353 its most recent capital construction budget. This case is styled as "Application of Meade County Rural Electric Cooperative for a Certificate of Public Convenience and Necessity." (807 KAR 5:001, Section 10(7)(b).)
34. Meade County Rural Electric states that the requirements of 807 KAR 10(7)(c) for proposed pro forma plant additions, are not applicable to Meade County Rural Electric.
36. In addition to the financial Exhibits required by 807 KAR 5:001, Section 10, financial information covering a twelve month historical test period ending October 31, 2006, other information required to be filed is as follows:

Exhibit T	Capitalization policies and Schedule of employee benefits
Exhibit U	Equity Management Plan
Exhibit V	Detailed comparative income statement, statement of cash flows and balance sheet.
Exhibit W	Schedule Showing Monthly Comparison of Balance Sheet Accounts from Test Year to Preceding Year
Exhibit X	Schedule Showing Monthly Comparison of Income Statement Accounts from Test Year to Preceding Year
Exhibit Y	Trial balance at end of test year
Exhibit Z	Capital Structure
Exhibit 1	Adjustment for salaries and wages
Exhibit 2	Adjustment for payroll taxes
Exhibit 3	Adjustment for depreciation

Exhibit 4	Adjustment for property taxes
Exhibit 5	Adjustment for long term and short term debt
Exhibit 6	Adjustment for postretirement benefits
Exhibit 7	Adjustment for retirement costs
Exhibit 8	Adjustment for donations
Exhibit 9	Adjustment for professional fees
Exhibit 10	Adjustment for Director expenses
Exhibit 11	Adjustment for miscellaneous expenses
Exhibit 12	Adjustment for rate case expenses
Exhibit 13	Adjustment for non-operating activities
Exhibit 14	Adjustment for cable television attachments
Exhibit 15	Adjustment for purchased power
Exhibit 16	Adjustment for normalized revenue
Exhibit 17	Adjustment for additional revenues
Exhibit 18	RUS Borrower's Statistical Profile
Exhibit 19	CFC Key Ratio Trend Analysis
Exhibit 20	KAEC Statistical Comparison
Exhibit 21	Proposed addition to Rules and Regulations



WHEREFORE, Meade County Rural Electric requests that the Public Service Commission approve the increase as expeditiously as possible and issue an order authorizing Meade County Rural Electric to make effective those rates.

Dated at Meade County Rural Electric, Kentucky this 7<sup>th</sup> day of March, 2007.

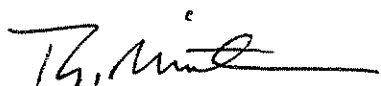
Respectfully submitted,

Meade County Rural Electric Cooperative Corporation

  
\_\_\_\_\_  
Burns E. Mercer, President & CEO

COUNSEL:

Thomas C. Brite  
Attorney at Law  
P.O. Box 309, 134 Court Square  
Hardinsburg, Kentucky 40143

  
\_\_\_\_\_  
Thomas C. Brite  
Attorney for Meade County Rural Electric  
Cooperative Corporation

I, Burns E. Mercer, President & CEO of Meade County Rural Electric Cooperative Corporation, declare that the statements contained in the foregoing Application are true to the best of my information and belief.

  
\_\_\_\_\_  
Burns E. Mercer, President & CEO  
Meade County Rural Electric Cooperative Corporation

Subscribed and sworn to before me by Burns E. Mercer, this 7<sup>th</sup> day of March, 2007.

  
\_\_\_\_\_  
NOTARY PUBLIC, State at Large

My Commission Expires: 3-18-08

# Commonwealth of Kentucky

## Trey Grayson Secretary of State

### Certificate of Existence

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records of the Office of the Secretary of State,

#### MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

is a nonprofit corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is June 4, 1937 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of state have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 273.3671 has been delivered to the Secretary of State.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 1st day of March, 2007.

Certificate Number: 44380

Jurisdiction: MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Visit <http://apps.sos.ky.gov/business/obdb/certvalidate.aspx> to validate the authenticity of this certificate.



*Trey*  
\_\_\_\_\_  
Trey Grayson  
Secretary of State  
Commonwealth of Kentucky  
44380/0034737

FOR Entire Territory served  
 \_\_\_\_\_  
 Community, Town or City  
 P.S.C. No. 34  
 1st \_\_\_\_\_ Sheet No. 1  
 (Revised)  
 Canceling P.S.C. No. 33  
 1st \_\_\_\_\_ (Original) Sheet No. 1

**MEADE COUNTY RURAL ELECTRIC  
 COOPERATIVE CORPORATION**

Schedule 1	CLASSIFICATION OF SERVICE	RATE PER UNIT
Residential, Farm and Non-Farm, Schools & Churches		
<u>Applicable:</u> Entire Territory Served.		
<u>Availability of Service:</u> Available to customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, home heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.); All subject to the rules and regulations of the Cooperative covering this service.		
<u>Character of Service:</u> Single phase, 60 hertz, at Seller's standard voltages.		
<u>Rates: Monthly</u> Customer charge - No KWH usage   \$9.90 Energy charge per KWH   .06010 /KWH		
State, Federal and local tax will be added to above rate where applicable.		
<u>Minimum Monthly Charge:</u> In no case shall the monthly minimum bill be less than \$9.90 per month.		
<u>Fuel Cost Adjustment:</u> See Schedule 10 for applicable charge.		
<u>Environmental Surcharge:</u> See Schedule 11 for applicable charge.		
<u>Wholesale Power Cost Adjustment</u> See Schedule 14 for applicable charge.		
<u>Terms of Payment:</u> The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.		

DATE OF ISSUE March 12, 2007  
 \_\_\_\_\_  
 Month Day Year  
 DATE EFFECTIVE April 15, 2007  
 \_\_\_\_\_  
 Month Day Year  
 ISSUED BY Brian E. Newer President/CEO P. O. Box 489, Brandenburg, KY 40108  
 \_\_\_\_\_  
 Name of Officer Title Address

ISSUED BY AUTHORITY OF P.S.C.

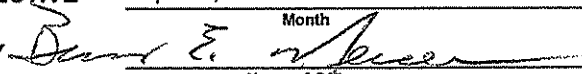
Order No. \_\_\_\_\_

Exhibit **B**

# MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

	FOR	Entire Territory served
		Community, Town or City
		P.S.C. No. <u>34</u>
1st		Sheet No. <u>7</u>
	(Revised)	
	Canceling	P.S.C. No. <u>33</u>
1st	(Original)	Sheet No. <u>7</u>

Schedule 2	CLASSIFICATION OF SERVICE
<p><b>Commercial Rate</b></p> <p><u>Applicable:</u> Entire Territory Served.</p> <p><u>Availability of Service:</u> Available to commercial customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.). Written permission must be obtained from the Cooperative for motors rated above seven and one-half horsepower (7 1/2 H.P.); all subject to the rules and regulations of the Cooperative covering this service.</p> <p><u>Character of Service:</u> Single phase, 60 hertz, at Seller's standard voltages.</p> <p><u>Rates: Monthly</u> Customer charge - No KWH usage</p> <p style="text-align: right;">\$15.00 I</p> <p style="text-align: right;">Energy charge per KWH</p> <p style="text-align: right;">0.06474 I</p> <p>State, Federal and local tax will be added to above rate where applicable.</p> <p><u>Minimum Monthly Charge:</u> In no case shall the monthly minimum bill be less than \$15.00 per month.</p> <p><u>Fuel Cost Adjustment:</u> See Schedule 10 for applicable charge.</p> <p><u>Environmental Surcharge:</u> See Schedule 11 for applicable charge.</p> <p><u>Wholesale Power Cost Adjustment</u> See Schedule 14 for applicable charge.</p> <p><u>Terms of Payment:</u> The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.</p>	<p><b>RATE PER UNIT</b></p>

<b>DATE OF ISSUE</b>	March 12, 2007			
	Month	Day	Year	
<b>DATE EFFECTIVE</b>	April 15, 2007			
	Month	Day	Year	
<b>ISSUED BY</b>		President/CEO	P. O. Box 489, Brandenburg, KY 40108	
	Name of Officer	Title	Address	

**ISSUED BY AUTHORITY OF P.S.C.**

Order No. \_\_\_\_\_ Exhibit **B**

Page **2** of **5**

Ex - B  
375

FOR Entire territory served  
 Community, Town or City  
 P.S.C. No. 29  
 Sheet No. 21  
 1<sup>st</sup>  
 (Revised)

Canceling P.S.C. No. 28  
 Sheet No. 21  
 1<sup>st</sup>  
 (Revised)

**MEADE COUNTY RURAL ELECTRIC  
 COOPERATIVE CORPORATION**

Schedule 7	CLASSIFICATION OF SERVICE	RATE PER UNIT														
<b>Cable Television Attachment Tariff</b>																
<p>Applicable:            In all territory served by the company on poles owned and used by the company for their electric plant.</p> <p>Availability of Service:            To all qualified CATV operators having the right to receive service.</p> <p>Rental Charge:            The yearly rental charges shall be as follows:</p> <table border="0"> <tr> <td>Two-party pole attachment</td> <td>Proposed</td> </tr> <tr> <td>Three-party pole attachment</td> <td>\$6.68 I</td> </tr> <tr> <td>Two-party anchor attachment</td> <td>\$5.54 I</td> </tr> <tr> <td>Three-party anchor attachment</td> <td>\$5.25 I</td> </tr> <tr> <td>Grounding attachment</td> <td>\$3.46 I</td> </tr> <tr> <td>Pedestal attachment</td> <td>\$0.25 I</td> </tr> <tr> <td></td> <td>\$0.15 I</td> </tr> </table> <p>Billing:            Rental charges shall be billed yearly, in advance, based on the number of pole attachments. The rental charges are net, the gross being ten percent (10%) higher. In the event the current bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.</p> <p>Note: Discount or penalty must apply to all electric consumers, but shall apply to advance billing only if given at least thirty (30) days before the late penalty takes effect.</p> <p>Specifications:            A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code 2002 Edition, and subsequent revisions thereof, except where the lawful</p>			Two-party pole attachment	Proposed	Three-party pole attachment	\$6.68 I	Two-party anchor attachment	\$5.54 I	Three-party anchor attachment	\$5.25 I	Grounding attachment	\$3.46 I	Pedestal attachment	\$0.25 I		\$0.15 I
Two-party pole attachment	Proposed															
Three-party pole attachment	\$6.68 I															
Two-party anchor attachment	\$5.54 I															
Three-party anchor attachment	\$5.25 I															
Grounding attachment	\$3.46 I															
Pedestal attachment	\$0.25 I															
	\$0.15 I															

DATE OF ISSUE March 12, 2007  
 Month Day Year

DATE EFFECTIVE April 15, 2007  
 Month Day Year

ISSUED BY James E. Mercer President / CEO P.O. Box 489, Brandenburg, KY 40108  
 Name of Officer Title Address

ISSUED BY AUTHORITY OF P.S.C.

ORDER NO. \_\_\_\_\_

FOR Entire territory served  
 Community, Town or City  
 P.S.C. No. 28  
 Sheet No. 30  
 1st (Original) (Revised)  
 Canceling P.S.C. No. 26  
 Sheet No. 35  
 1st (Original) (Revised)

**MEADE COUNTY RURAL ELECTRIC  
 COOPERATIVE CORPORATION**

Schedule 7 - continued	CLASSIFICATION OF SERVICE		RATE PER UNIT
Cable Television Attachment Tariff			
1. Equation -- Annual Charge -- Three-User Anchor Attachment			
Annual Charge = embedded cost of anchors x annual carrying charge factor x 33 1/3			
Three-Party Charge = \$64.80 x .1620 x .33 = \$3.46			D
EXHIBIT B			
DEVELOPMENT OF ANNUAL CARRYING CHARGE			
Fixed Charges on Investment from PSC Annual Report (12/31/2005)			
1. Operation and Maintenance Expense			
Line No. 53, Page 14	\$4,054,924		I
2. Consumer Accounts Expense			
Line No. 8, Page 15	1,196,971		I
3. Customer Service and Informational Expense			
Line No. 14, Page 15	193,427		I
4. Administrative and General Expense			
Line No. 35, Page 15	1,104,334		I
5. Depreciation Expense			
Line No. 28, Page 13	2,318,515		I
6. Taxes Other than Income Taxes			
Line No. 30, Page 13	25,105		I
Subtotal	<u>8,893,276</u>		I
Divided by Line 2, Page 1	72,146,737		12.33% D

\*Ground wires are not included with the poles at Meade County R.E.C.C.

DATE OF ISSUE March 12, 2007  
 Month Day Year  
 DATE EFFECTIVE April 15, 2007  
 Month Day Year  
 ISSUED BY Brent E. Wheeler President / CEO P.O. Box 489, Brandenburg, KY 40108  
 Name of Officer Title Address  
 ISSUED BY AUTHORITY OF P.S.C.

ORDER NO.

EX B  
545

FOR Entire territory served  
 \_\_\_\_\_  
 Community, Town or City  
 P.S.C. No. 28  
 (Original) Sheet No. 31  
 1st (Revised)  
 \_\_\_\_\_  
 Canceling P.S.C. No. 26  
 (Original) Sheet No. 36  
 1st (Revised)

**MEADE COUNTY RURAL ELECTRIC  
 COOPERATIVE CORPORATION**

Schedule 7 – continued		CLASSIFICATION OF SERVICE	
Cable Television Attachment Tariff			RATE PER UNIT
7.	“Cost of Money”		
	Rate of Return on Investment		
	Allowed in last General		
	Rate Increase, Case No. 2002-391		
	Effective 07/01/2003		<u>5.30% D</u>
	Annual Carrying Charge		<u>16.20% D</u>

Note – All line numbers and page numbers referred to above are per the 12/31/2005 PSC Annual Report.

DATE OF ISSUE March 12, 2007  
 Month Day Year  
 DATE EFFECTIVE April 15, 2007  
 Month Day Year  
 ISSUED BY Barry E. Meade President / CEO P.O. Box 489, Brandenburg, KY 40108  
 Name of Officer Title Address

ISSUED BY AUTHORITY OF P.S.C.

ORDER NO.

FOR Entire Territory served  
 \_\_\_\_\_  
 Community, Town or City  
 P.S.C. No. 34  
 (Original) Sheet No. 1  
 1st (Revised)  
 \_\_\_\_\_  
 Canceling P.S.C. No. 33  
 (Original) Sheet No. 1  
 1st (Revised)

**MEADE COUNTY RURAL ELECTRIC  
 COOPERATIVE CORPORATION**

Schedule 1		CLASSIFICATION OF SERVICE	
Residential, Farm and Non-Farm, Schools & Churches			RATE PER UNIT
<u>Applicable:</u> Entire Territory Served.			
<u>Availability of Service:</u> Available to customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, home heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.); All subject to the rules and regulations of the Cooperative covering this service.			
<u>Character of Service:</u> Single phase, 60 hertz, at Seller's standard voltages.			
<u>Rates: Monthly</u>		Present	Proposed
Customer charge - No KWH usage	I	\$8.00	\$9.90
Energy charge per KWH	I	.05619	.06010
State, Federal and local tax will be added to above rate where applicable.			
<u>Minimum Monthly Charge:</u> In no case shall the monthly minimum bill be less than \$9.90 per month.			I
<u>Fuel Cost Adjustment:</u> See Schedule 10 for applicable charge.			
<u>Environmental Surcharge:</u> See Schedule 11 for applicable charge.			
<u>Wholesale Power Cost Adjustment</u> See Schedule 14 for applicable charge.			
<u>Terms of Payment:</u> The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.			

DATE OF ISSUE March 12, 2007  
 \_\_\_\_\_  
 Month Day Year

DATE EFFECTIVE April 15, 2007  
 \_\_\_\_\_  
 Month Day Year

ISSUED BY \_\_\_\_\_  
 Name of Officer Title P. O. Box 489, Brandenburg, KY 40108  
 Address

ISSUED BY AUTHORITY OF P.S.C.

Order No. \_\_\_\_\_



FOR Entire Territory served  
 \_\_\_\_\_  
 Community, Town or City  
 P.S.C. No. 34  
 (Original) Sheet No. 7  
 1st (Revised)  
 \_\_\_\_\_  
 Canceling P.S.C. No. 33  
 (Original) Sheet No. 7  
 1st (Revised)

**MEADE COUNTY RURAL ELECTRIC  
 COOPERATIVE CORPORATION**

Schedule 2 CLASSIFICATION OF SERVICE		RATE PER UNIT
Commercial Rate		
<u>Applicable:</u> Entire Territory Served.		
<u>Availability of Service:</u> Available to commercial customers of the Cooperative located on its lines for service including lighting, incidental appliances, refrigeration, cooking, heating and power for motors up to and including seven and one-half horsepower (7 1/2 H.P.). Written permission must be obtained from the Cooperative for motors rated above seven and one-half horsepower (7 1/2 H.P.); all subject to the rules and regulations of the Cooperative covering this service.		
<u>Character of Service:</u> Single phase, 60 hertz, at Seller's standard voltages.		
<u>Rates: Monthly</u> Customer charge - No KWH usage	Present \$9.63	Proposed \$15.00 I
Energy charge per KWH	\$0.06250	0.06474 I
State, Federal and local tax will be added to above rate where applicable.		
<u>Minimum Monthly Charge:</u> In no case shall the monthly minimum bill be less than \$15.00 per month. I		
<u>Fuel Cost Adjustment:</u> See Schedule 10 for applicable charge.		
<u>Environmental Surcharge:</u> See Schedule 11 for applicable charge.		
<u>Wholesale Power Cost Adjustment</u> See Schedule 14 for applicable charge.		
<u>Terms of Payment:</u> The above rates are net, the gross rates being ten percent (10%) higher. In the event the current monthly bill is not paid within ten (10) days from the due date, the gross rates shall apply.		

DATE OF ISSUE March 12, 2007  
 \_\_\_\_\_  
 Month Day Year  
 DATE EFFECTIVE April 15, 2007  
 \_\_\_\_\_  
 Month Day Year  
 ISSUED BY \_\_\_\_\_ President/CEO P. O. Box 489, Brandenburg, KY 40108  
 Name of Officer Title Address

ISSUED BY AUTHORITY OF P.S.C.

Order No. \_\_\_\_\_

## MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

FOR	Entire territory served		
	Community, Town or City		
		P.S.C. No.	29
	(Original)	Sheet No.	21
1st	(Revised)		
	Canceling	P.S.C. No.	28
	(Original)	Sheet No.	21
1st	(Revised)		

Schedule 7	CLASSIFICATION OF SERVICE	RATE PER UNIT
	<b>Cable Television Attachment Tariff</b>	
	<b>Applicable:</b> In all territory served by the company on poles owned and used by the company for their electric plant.	
	<b>Availability of Service:</b> To all qualified CATV operators having the right to receive service.	
	<b>Rental Charge:</b> The yearly rental charges shall be as follows:	
	Two-party pole attachment	\$6.68 I
	Three-party pole attachment	\$5.54 I
	Two-party anchor attachment	\$5.25 I
	Three-party anchor attachment	\$3.46 I
	Grounding attachment	\$0.25 N
	Pedestal attachment	\$0.15 N
	<b>Billing:</b> Rental charges shall be billed yearly, in advance, based on the number of pole attachments. The rental charges are net, the gross being ten percent (10%) higher. In the event the current bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.	
	<b>Note:</b> Discount or penalty must apply to all electric consumers, but shall apply to advance billing only if given at least thirty (30) days before the late penalty takes effect.	
	<b>Specifications:</b> A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code 2002 Edition, and subsequent revisions thereof, except where the lawful	

DATE OF ISSUE	March 12, 2007				
	Month	Day	Year		
DATE EFFECTIVE	April 15, 2007				
	Month	Day	Year		
ISSUED BY		President / CEO	P.O. Box 489, Brandenburg, KY 40108		
	Name of Officer	Title	Address		

ISSUED BY AUTHORITY OF P.S.C.

ORDER NO. \_\_\_\_\_

**MEADE COUNTY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

FOR Entire territory served  
Community, Town or City  
P.S.C. No. 28  
Sheet No. 30  
1st (Original)  
(Revised)  
Canceling P.S.C. No. 26  
(Original) Sheet No. 35  
1st (Revised)

Schedule 7 – continued		CLASSIFICATION OF SERVICE		RATE PER UNIT
Cable Television Attachment Tariff				
1.	Equation – Annual Charge – Three-User Anchor Attachment			
	Annual Charge = embedded cost of anchors x annual carrying charge factor x 33 1/3			
	Three-Party Charge = \$65.66 * .2160 * .333 = \$4.72			D
	\$64.80 x .1620 x .33 = \$3.46			
EXHIBIT B				
DEVELOPMENT OF ANNUAL CARRYING CHARGE				
Fixed Charges on Investment from PSC Annual Report		(12/31/92)	(12/31/2005)	
1.	Operation and Maintenance Expense	<u>Present</u>	<u>Proposed</u>	
	Line No. 53, Page 14	\$1,359,323	\$4,054,924	I
2.	Consumer Accounts Expense			
	Line No. 8, Page 15	515,860	1,196,971	I
3.	Customer Service and Informational Expense			
	Line No. 14, Page 15	110,545	193,427	I
4.	Administrative and General Expense			
	Line No. 35, Page 15	735,187	1,104,334	I
5.	Depreciation Expense			
	Line No. 28, Page 13	880,723	2,318,515	I
6.	Taxes Other than Income Taxes			
	Line No. 30, Page 13	269,262	25,105	I
	Subtotal	<u>3,870,901</u>	<u>8,893,276</u>	I
	Divided by Line 2, Page 1	27,843,849	72,146,737	13.90% 12.33% D
*Ground wires are not included with the poles at Meade County R.E.C.C.				

DATE OF ISSUE March 12, 2007  
Month Day Year  
DATE EFFECTIVE April 15, 2007  
Month Day Year  
ISSUED BY \_\_\_\_\_ President / CEO P.O. Box 489, Brandenburg, KY 40108  
Name of Officer Title Address  
ISSUED BY AUTHORITY OF P.S.C.

ORDER NO.

FOR Entire territory served  
 \_\_\_\_\_  
 Community, Town or City  
 P.S.C. No. 28  
 (Original) Sheet No. 31  
 1st (Revised)

Canceling P.S.C. No. 26  
 (Original) Sheet No. 36  
 1st (Revised)

**MEADE COUNTY RURAL ELECTRIC  
 COOPERATIVE CORPORATION**

Schedule 7 – continued		CLASSIFICATION OF SERVICE		RATE PER UNIT
Cable Television Attachment Tariff				
1.	“Cost of Money”			
	Rate of Return on Investment			
	Allowed in last General			
	Rate Increase, Case No. 2002-391	<u>Present</u>	<u>Proposed</u>	
	Effective 07/01/2003	7.70%	5.30% D	
	Annual Carrying Charge	21.60%	<u>16.20% D</u>	

Note – All line numbers and page numbers referred to above are per the 12/31/2005 PSC Annual Report.

DATE OF ISSUE March 12, 2007  
 \_\_\_\_\_  
 Month Day Year

DATE EFFECTIVE April 15, 2007  
 \_\_\_\_\_  
 Month Day Year

ISSUED BY \_\_\_\_\_  
 Name of Officer Title Address  
 President / CEO P.O. Box 489, Brandenburg, KY 40108

ISSUED BY AUTHORITY OF P.S.C.

ORDER NO.

Meade County Rural Electric  
Case Number: 2006-00500  
Existing and Proposed Rates and Charges

Exhibit D  
page 1 of 1  
Witness: Jim Adkins

Rates	Present	Proposed	Difference
-------	---------	----------	------------

**Residential, Farm and Non-Farm, Schools & Churches**

Customer charge	\$8.00	\$9.90	\$1.90
Energy charge	\$0.05619	\$0.06010	\$0.00391

**Commerical Rate**

Customer charge	\$9.63	\$15.00	\$5.37
Energy charge	\$0.06250	\$0.06474	\$0.00224

**General Service 0-49 KVA**

Customer charge	\$34.70	\$34.70	\$0.00
Demand charge	\$8.12	\$8.12	\$0.00
Energy charge	\$0.03648	\$0.03648	\$0.00000

**TOD Schedule 3**

Customer charge	\$53.68	\$53.68	\$0.00
Demand charge	\$8.12	\$8.12	\$0.00
Energy charge per kWh	\$0.03648	\$0.03648	\$0.00000

**Outdoor Lighting Service**

Flat rate per light per month

175 W MV Unmetered			
175 W MV Unmetered - Pole Rent	\$6.73	\$6.73	\$0.00
175W MV - city	\$6.98	\$6.98	\$0.00
175W MV Metered	\$5.91	\$5.91	\$0.00
175W MV Metered - Pole Rent	\$3.25	\$3.25	\$0.00
400W MV Unmetered	\$3.50	\$3.50	\$0.00
400W MV - city	\$9.56	\$9.56	\$0.00
400W MV - Unmetered, Pole Rent	\$8.81	\$8.81	\$0.00
400W MV Flood Light	\$9.76	\$9.76	\$0.00
400w MV Metered	\$9.51	\$9.51	\$0.00
400W MV, Metered - Pole Rent	\$3.25	\$3.25	\$0.00
400W MVFL - Metered	\$3.47	\$3.47	\$0.00
400W MVFL - Unmetered	\$3.25	\$3.25	\$0.00
400W MVFL - Unmetered, Pole	\$9.56	\$9.56	\$0.00
400W MVFL, Metered - Pole Rent	\$9.81	\$9.81	\$0.00

**Official Notice**

Meade County Rural Electric Cooperative Corporation, with its principal office at Brandenburg, Kentucky and with its address at 1351 Highway 79, Brandenburg, Kentucky 40108, intends to file with the Kentucky Public Service Commission in Case No. 2006-00500 an application to adjust its retail rates and charges. This adjustment will result in a general rate increase to the member-consumers of Meade County Rural Electric Cooperative Corporation.

The rates proposed in this application are the rates proposed by Meade County Rural Electric Cooperative Corporation. However, the Kentucky Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this application.

Any corporation, association, body politic or person may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. A copy of the application and testimony shall be available for public inspection at Meade County Rural Electric Cooperative Corporation's offices.

The amount and percent of increase are listed below:

Rate Class	Increase	
	Dollar	Percent
<b>Schedule 1</b>		
Residential, Farm and Non-Farm, Schools & Churc	\$1,787,880	9.0%
<b>Schedule 2</b>		
Commercial Rate	\$165,260	9.0%
<b>CATV attachments</b>		
2 party Pole Attachments	3,493	39%
3 party Pole Attachments	7,848	28%
2 party Anchor Attachments	0	0%
3 party Anchor Attachments	202	14%
2 party Ground Attachments	0	0%
3 party Ground Attachments	-28	-39%

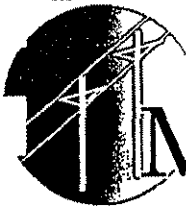
The effect of the proposed rates on the average monthly bill by rate class are listed below:

Rate Class	Increase	
	Dollar	Percent
<b>Schedule 1</b>		
Residential, Farm and Non-Farm, Schools & Churc	\$6	8.2%
<b>Schedule 2</b>		
Commercial Rate	\$8	8.2%
<b>CATV attachments</b>		
2 party Pole Attachments	\$2	39%
3 party Pole Attachments	\$1	28%
2 party Anchor Attachments	\$1	14%
3 party Anchor Attachments	\$0	14%
2 party Ground Attachments	\$0	0%
3 party Ground Attachments	\$0	-40%

EX - E  
pg 1 of 2

The present and proposed rate structure of Meade County Rural Electric Cooperative Corporation are listed below:

Rate Class	Rates	
	Present	Proposed
<b>Schedule 1</b>		
Customer charge	\$8.00	\$9.90
Energy charge	\$0.05619	\$0.06010
<b>Schedule 2</b>		
Customer charge	\$9.63	\$15.00
Energy charge	\$0.06250	\$0.06474
<b>CATV attachments</b>		
2 party Pole Attachments	\$4.82	\$6.68
3 party Pole Attachments	\$4.32	\$5.54
2 party Anchor Attachments	\$4.59	\$5.25
3 party Anchor Attachments	\$3.03	\$3.46
2 party Ground Attachments	\$0.25	\$0.25
3 party Ground Attachments	\$0.25	\$0.15



# Meade County RECC

P.O. Box 489  
1351 Hwy. 79  
Brandenburg, KY 40108  
(270) 422-2162  
Fax: (270) 422-4705

November 21, 2006

Beth A. O'Donnell, Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602

Dear Ms. O'Donnell:

This is to advise, in accordance with the Commission's Administrative Regulation 807 KAR 5:001, Section 11(2), that on or about January 31, 2007, Meade County Rural Electric Cooperative (hereafter Meade County Rural Electric) intends to file an application for an increase in its retail rates based on a historical test year ending October 31, 2006.

If there are any questions concerning this matter, please contact me at your convenience.

Respectfully submitted,

Burns E. Mercer, President & CEO

copy to:

Attorney General  
Utility Intervention and Rate Division  
1024 Capital Center Drive  
Frankfort, Kentucky 40601

NOV 23 2006  
KENTUCKY PUBLIC SERVICE COMMISSION  
211 SOWER BLVD  
FRANKFORT, KY 40602

NOV 23 2006  
KENTUCKY PUBLIC SERVICE COMMISSION  
211 SOWER BLVD  
FRANKFORT, KY 40602

Ex F  
PS 1 of 3



Ernie Fletcher  
Governor

Mark David Goss  
Chairman

Teresa J. Hill, Secretary  
Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
Commissioner  
Department of Public Protection



Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

John W. Clay  
Commissioner

Burns E. Mercer  
Manager  
Meade County R.E.C.C.  
P. O. Box 489  
Brandenburg, KY 40108-0489

November 29, 2006

RE: Case No 2006-00500  
Meade County R.E.C.C.  
(General Rates)

Meade County RECC notice of intent to file rate application

This letter is to acknowledge receipt of notice of intent to file an application in the above case. The notice was date-stamped received November 28, 2006 and has been assigned Case No 2006-00500. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/sh

Ex - F  
AS 2/3

# Meade County RECC

P.O. Box 489  
Brandenburg, KY 40108-0489  
(270) 422-2162  
Fax: (270) 422-4705

**EXCERPT FROM MINUTES DATED SEPTEMBER 20, 2006**

**MOTION AUTHORIZING THE FILING OF RATE INCREASE**

The President/CEO then went into an analysis and discussion of the deterioration of Meade County RECC's margins and other operational data over the past months. This analysis revealed that Meade County RECC was not living up to its equity management and financial plan and that a rate increase would be necessary. On a motion made by Darla Sipes, seconded by Stephen Barr, the Board authorized the President/CEO to hire the experts needed to file such rate application and to make such application as soon as possible.

## **CERTIFICATION OF SECRETARY**

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

*IN WITNESS WHEREOF, I have set my hand and affixed the seal of Meade County Rural Electric Cooperative Corporation this seventeenth day of January 2007.*

  
\_\_\_\_\_  
Darla Sipes, Secretary

Meade County Rural Electric  
Case Number: 2006-00500  
Revenue Analysis

Rate Schedule	Kwh Usage	Test Year Revenue	Percent of Total	Effective July 1, 2003 Normalized Revenue	Percent of Total	Proposed Revenue	Percent of Total	Increase	
								Amount	Percent
Residential, Farm and Non-Fe	311,938,931	\$19,912,740	73%	\$19,912,740	73%	\$21,700,620	74%	\$1,787,880	9.0%
Commerical Rate	26,420,163	1,841,520	7%	1,841,520	7%	2,006,780	7%	165,260	9.0%
General Service 0-49 KVA	66,382,639	4,627,465	17%	4,627,465	17%	4,627,465	16%	0	0.0%
TOD Schedule 3	63,209	11,931	0%	11,931	0%	11,931	0%	0	0.0%
Outdoor Lighting Service	9,384,592	828,545	3%	828,545	3%	828,545	3%	0	0.0%
rounding						(28)		(28)	
Total from base rates	<u>414,189,534</u>	<u>27,222,201</u>	100%	<u>\$27,222,201</u>	100%	<u>\$29,175,313</u>	100%	<u>\$1,953,112</u>	7.2%
Discount Adjustment		<u>(559,249)</u>							
Total revenue from books		<u>\$26,662,952</u>							
Increase				<u>\$0</u>				<u>\$1,953,112</u>	

Meade County Rural Electric  
Case Number: 2006-00500  
Explanation of Changes in Charges

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Revenues were normalized using rates effective in Meade County's last rate increase in Case No. 2002-00391, effective July 1, 2003.

The proposed rate increase was allocated in the following manner:

**Schedule 1, Residential, Farm and Non-Farm, Schools and Churches**

Based on the Cost of Service Study, the customer charge was increased to \$9.90 per month, with the remaining increase arrived at through the kwh charge. The increase in revenues from this rate class was approximately 9%.

**Schedule 2, Commercial Rate**

Based on the Cost of Service Study, the customer charge was increased to \$15.00 per month, with the remaining increase arrived at through the kwh charge. The increase in revenues from this rate class was approximately 9%.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF  
Meade County RURAL ELECTRIC  
COOPERATIVE CORPORATION

CASE NO. 2006-00500

PREPARED TESTIMONY OF BURNS E. MERCER

- Q1. Would you please state your name and business address.
- A1. Burns E. Mercer, with a business address of P.O. Box 489, Brandenburg, Kentucky 40108.
- Q2. What is your occupation?
- A2. President and CEO of Meade County Rural Electric Cooperative Corporation (Meade County).
- Q3. How long have you been employed at Meade County?
- A3. I was employed in June 1976 as Director of Accounting, then promoted to the Assistant General Manager in November 1992. I have served in the capacity of President and CEO since June 1994.
- Q4. Have you appeared before the Kentucky Public Service Commission and given testimony in electric rate cases?
- A4. Yes, I have.
- Q5. Mr. Mercer, are you familiar with the contents of the Notice Application of Meade County which has been filed with this Commission to Commence this Case?
- A5. Yes.
- Q6. Please state whether the statements of facts contained in this Notice are true.
- A6. Yes. To the best of my knowledge and belief the statements of facts contained in this application are true.

- 1 Q7. Mr. Mercer, are you familiar with the exhibits which are filed with and form a  
2 part of the Notice Application of this Case?  
3
- 4 A7. Yes. I worked with Alan Zumstein, Certified Public Accountant, with  
5 employees of Meade County and Jim Adkins, Consultant, in the preparation of these  
6 exhibits, and I am familiar with them. In my opinion, the factual material  
7 contained in this Application are correct.  
8
- 9 Q9. When was the last General Rate Application filed by Meade County?  
10
- 11 A9. The last General Rate Application filed by Meade County was in December,  
12 2002, in Case No. 2002 - 00391. The Test Period for that Case was September 30, 2002.  
13
- 14 Q10. What is the purpose of this Notice Application of Meade County to this  
15 Commission?  
16
- 17 A10. To seek an increase in its rates in an amount necessary to obtain a TIER of 2.0.  
18
- 19 Q11. What considerations were given to increase the rates and charges of Meade  
20 County?  
21
- 22 A11. Meade County's Board Policy on Capital Management (Exhibit U) requires it to maintain a current  
23 modified cash equity of between 32 & 40%, continue capital credit retirements on a 20 year cycle and  
24 maintain a modified cash TIER equal to or greater than mortgage requirements while maintaining  
25 adequate cash reserves.  
26 Although a TIER of 1.25, based on an average of two of the three most current years and our test year  
27 TIER of 1.31 and the three previous calendar years were over 1.25, they were not high enough to keep  
28 our equity from declining. Since our last general rate increase our equity has declined from 30.6  
29 percent to 29.5 percent. Although we received a 2.0 TIER in our last general rate increase and still  
30 watched equity decrease, we are again asking for a TIER of 2.0 and are of the opinion we will see  
31 some modest correction in the direction our equity is trending.  
32
- 33 Q12. What is the Test Year used by Meade County for its financial data compiled to  
34 the Commission in this Case?  
35
- 36 A12. The twelve months ended October 31, 2006, was selected as the Test Year. The  
37 management and Board of Directors of Meade County review the operations  
38 and TIER on a monthly basis. Noting the steady decline in margins and TIER,  
39 the Board of Directors authorized an Application be prepared to increase  
40 rates and charges sufficient to obtain a TIER of 2.0.  
41
- 42 Q13. Do the proposed increase in rates for Meade County in this Application provide  
43 for a fair and equitable allocation for the increase?  
44
- 45 A13. Total revenue was increased by \$1,953,112 or 7.2%, based on normalized  
46 revenues. Meade County performed a cost of Service Study, and designed the  
47 rate increase based on those results.

1 Q14. In your opinion, are the proposed rates requested in this Application by  
2 Meade County necessary to maintain the financial integrity of Meade County?  
3

4 A14. Yes. To enable Meade County to maintain its financial integrity, it is necessary  
5 that it be permitted to increase its rates as proposed in this Application.  
6

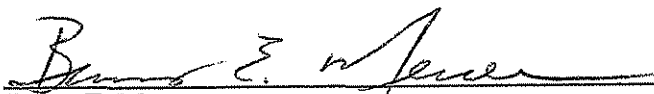
7 Q15. Do you have other comments about this filing?  
8

9 A15. No.  
10

11 Q16. Does this conclude your testimony in this Case?  
12


13 A16. Yes, it does.  
14  
15

16 Affiant, Burns E. Mercer., states that the answers given by him to the  
17 foregoing questions are true and correct to the best of his knowledge and  
18 belief.  
19

20   
21 \_\_\_\_\_  
22 Burns E. Mercer  
23  
24

25 Subscribed and sworn to before me by the affiant, Burns E. Mercer, this  
26 7<sup>th</sup> day of March, 2007.  
27

28 My Commission expires 3-18-08.  
29

30   
31 \_\_\_\_\_  
32 Notary Public, State of Kentucky at Large  
33

1  
2  
3 COMMONWEALTH OF KENTUCKY  
4  
5  
6 BEFORE THE PUBLIC SERVICE COMMISSION

7 In the Matter of:

8 ADJUSTMENT OF RATES OF  
9 MEADE COUNTY RURAL ELECTRIC  
10 COOPERATIVE CORPORATION

11  
12 CASE NO. 2006-00500

13  
14 PREPARED TESTIMONY OF KAREN BROWN

- 15
- 16 Q1. Would you please state your name and business address.
- 17
- 18 A1. Karen Brown, with a business address of P.O. Box 489, Brandenburg,  
19 Kentucky 40108.
- 20
- 21 Q2. What is your occupation?
- 22
- 23 A2. Vice-President of Administration and Finance for Meade County Rural Electric  
24 Cooperative Corporation (Meade County).
- 25
- 26 Q3. How long have you been employed at Meade County?
- 27
- 28 A3. I was employed in March 1984 as branch office clerk, then promoted to  
29 Plant Accountant in February 1989. I served as V. P. Finance and Accounting from  
30 November 1992 to April 2006 at which point I was promoted to V. P. Admin. & Finance.
- 31
- 32 Q4. Have you appeared before the Kentucky Public Service Commission and  
33 given testimony in electric rate cases?
- 34
- 35 A4. Yes, I have.
- 36
- 37 Q5. Are you familiar with the contents of the Notice Application of  
38 Meade County which has been filed with this Commission to commence this  
39 Case?
- 40
- 41 A5. Yes.
- 42
- 43 Q6. Please state whether the statements of facts contained in this Notice are true.
- 44
- 45 A6. Yes. To the best of my knowledge and belief the statements of facts contained



1 in this application are true.

2

3 Q7. Are you familiar with the exhibits which are filed with and form a part of  
4 the Notice Application of this Case?

5

6 A7. Yes, I worked with Alan Zumstein, Certified Public Accountant, and with  
7 Jim Adkins, Consultant, in the preparation of these exhibits,  
8 and am familiar with them. In my opinion, the factual material contained  
9 in these are correct.

10

11 Q8. When was the last general rate case by Meade County?

12

13 A8. The last General Rate Application filed by Meade County was in December,  
14 2002, in Case No. 2002 - 00391. The Test Period for that Case was September 30, 2002.

15

16 Q9. What was the purpose of this Notice of Application of Meade County  
17 to this Commission?

18

19 A9. To seek an increase in rates in an amount necessary to obtain a TIER of 2.0.

20

21 Q10. What considerations were given to increase the rates and charges of  
22 Meade County.

23

24 A10. To maintain all the requirements of Meade County's Capital Management Policy  
25 (see Exhibit U) a TIER of 2.0 is required.

26

27 Q11. What is the Test Year used by Meade County for its financial data compiled to  
28 the Commission in this Case?

29

30 A11. The twelve months ended October 31, 2006, was selected as the Test Year. The  
31 management and Board of Directors of Meade County review the operations  
32 and TIER on a monthly basis. Noting the steady decline in margins and TIER,  
33 the Board of Directors authorized an Application be prepared to increase  
34 rates and charges sufficient to obtain a TIER of 2.0.

35

36 Q12. Do the proposed increase in rates for Meade County in this Application provide  
37 for a fair and equitable allocation for the increase?

38

39 A12. Total revenue was increased by \$1,953,112 or 7.2%, based on normalized  
40 revenues. Meade County performed a cost of Service Study, and designed the  
41 rate increase based on those results.

42

43 Q13. Why was a TIER of 2.0 requested?

44

45 A13. To maintain all the requirements of Meade County's Capital Management Policy

1 (see Exhibit U) a TIER of 2.0 is required.

2

3 Q14. In your opinion, are the proposed rates requested in this Application by  
4 Meade County necessary to maintain the financial integrity of Meade County?

5

6 A14. Yes. To enable Meade County to maintain its financial integrity, it is necessary  
7 that it be permitted to increase its rates as proposed in this Application.

8

9 Q15. Does this conclude your testimony in this Case?

10

11 A15. Yes, it does.

12

13

14 Affiant, Karen Brown, states that the answers given by her to the  
15 foregoing questions are true and correct to the best of her knowledge and  
16 belief.

17

18

19

20

21


22

23


24

25

26

  
\_\_\_\_\_  
Karen Brown

Subscribed and sworn to before me by the affiant, Karen Brown, this  
7<sup>th</sup> day of March, 2007.

My Commission expires 3-18-08. 

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

MEADE COUNTY RECC  
CASE NO. 2006-00500

DIRECT TESTIMONY OF JAMES R. ADKINS

1 1 Q. Please state your name, your business address and job position?

2

3 A. My name is James R. Adkins. My business address is 1041 Chasewood  
4 Way, Lexington, KY 40513-1731. I am self-employed providing services  
5 to electric cooperatives in the areas of rates, rate design, cost of service  
6 studies, regulatory affairs, financial forecasting and other services.

7

8 2 Q. What is your education background and business experience?

9

10 A I am a graduate of the University of Kentucky with a Bachelors Degree in  
11 Commerce with a major in banking and finance granted in 1971 and a Masters  
12 of Science Degree in Accounting granted in 1976. My business experience for  
13 the last THIRTY years has been with the electric utility industry and primarily  
14 with the rural electric cooperatives. I spent almost twenty-five years with East  
15 Kentucky Power Cooperative, Inc. ("EKPC") dealing with rates, regulatory affairs,  
16 cost of service studies, and helping its member distribution systems with their  
17 rate matters. I took an early retirement from EKPC in early 2002 due to health  
18 reasons. Since then I spent time providing consulting services to electric  
19 cooperatives and others. I was member of the Prime Group from early 2002  
20 through the first quarter of 2003 providing assistance in the rate area to  
21 cooperatives in this area of the country. I have been self-employed since  
22 the first quarter of 2003.

23

24 3 Q. Have you ever provided testimony before the Kentucky Public Service  
25 Commission ("Commission")?

26

27 A. I have provided testimony many times before this Commission for EKPC and  
28 its member distribution cooperatives in rate application proceedings for revenue

29 requirement purposes, cost of service studies, rate design, and other special  
30 types of rates including cogeneration rates, economic development rates, etc.  
31 I have also provided testimony in fuel adjustment cases and administrative cases.  
32 I made a journey to the Republic of Armenia in 1999 at the Commission Staff  
33 request to provide assistance to the Armenian Energy Commission on distribution  
34 cost of service studies, concepts and results.

35

36 4 Q. What has been your role in this rate application ?

37

38 A. My role in this rate application has been to provide assistance to Meade County  
39 RECC ("Meade County") in its preparation and filing with this Commission. I have  
40 provided assistance in all areas of its preparation. I am responsible for the Statement of  
41 Operations, the Costs of Service Study and the revenue requirements that have been  
42 prepared specifically for this filing. I am also responsible for all other exhibits that  
43 may contain financial calculations and analyses and prepared specifically for  
44 this rate application. My statement on responsibility means that these documents  
45 have been developed by me or at my request and under my direct supervision.  
46 I am also responsible for testimony on those exhibits and documents.

47

48 5 Q. Why does Meade County need an increase in rates?

49

50 A. Meade County has filed for an increase in rates because its margins have  
51 deteriorated to the point that Meade County's Times Interest Earned Ratio ("TIER")  
52 for the test period is slightly above the TIER amount specified in its mortgage.  
53 Its mortgage requirements specify a TIER of 1.25x and OTIER of 1.10x. Meade  
54 County is requesting a TIER of 2.0x in this application as the basis for the overall  
55 increase amount.

56

57

58 6 Q. What revenue adjustments is Meade County proposing?

59

60 A. Three revenue adjustments are proposed in this application. One revenue adjustment  
61 is the normalization of revenue for the base rates. The second revenue adjustment  
62 is for CATV attachments while the third is for additional revenues.

63

64 7 Q. What expense adjustments is Meade County proposing?

65

66 A. Meade County is proposing thirteen expense adjustments in this rate application.  
67 These expense adjustments include the following where the adjustment is an  
68 expense increase: depreciation expenses, interest expense, wages and salaries,  
69 postretirement benefits, payroll taxes, rate case expenses, and property taxes.  
70 Several of the expense adjustments result in a decrease and these adjustments  
71 include donations, professional fees, directors' expenses, and non-operating margins.

72

73 8 Q Are you responsible for the Cost of Service Study filed in this rate application?

74

75 A I am responsible for the Cost of Service Study ("COSS") in this application.  
76 This COSS is consistent with the 1993 NARUC Electric Utility Cost Allocation  
77 Manual and is based on a methodology generally accepted within the industry.  
78 The results of this study indicate that the Rate Schedule 1 and Schedule 2  
79 are not providing revenue sufficient to meet the revenue requirements for those rate  
80 classes. The COSS also indicates that the rates for some of the other rate classes  
81 are providing revenues in excess of their revenue requirements. Since several rate  
82 Schedules 1 and 2 are not producing sufficient revenue, these rate classes are the  
83 only ones where rates are being increased. The amount of increase allocated to  
84 Schedules 1 and 2 will not provide revenue sufficient for it to meet revenue requirements.  
85 The customer charge for Schedules 1 and 2 is being increased for both rate classes  
86 and moves it closer the customer related costs to connect a customer to the  
87 distribution grid. The energy charge is also being increased for these two classes.  
88 Meade County's all other rate classes are providing revenues sufficient for the recovery  
89 of their revenue requirements.

90

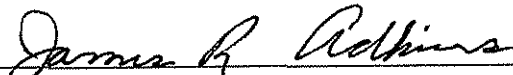
91 9 Q Does this conclude your testimony?

92

93 A. This concludes my testimony.

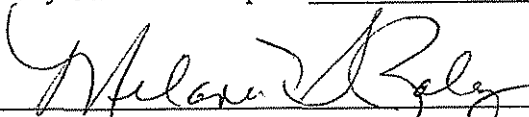
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

Affiant, James R. Adkins, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.

  
James R. Adkins

Subscribed and sworn to before me by the affiant, James R. Adkins, this 7<sup>th</sup> day of March, 2007

My Commission expires 3-18-08.

  
Notary Public, State of Kentucky at Large

Meade County Rural Electric  
Case Number: 2006-00500  
Effect on Average Bill

Exhibit I  
page 1 of 2  
Witness: Jim Adkins

**Residential, Farm and Non-Farm, Schools & Churches**

	<u>Present</u>	<u>Proposed</u>
Customer charge	\$8.00	\$9.90
Energy charge	\$0.05619	\$0.06010

<u>kwh Usage</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>Increase</u>	
			<u>Amount</u>	<u>Percent</u>
0	\$8.00	\$9.90	\$1.90	19.2%
25	9.40	11.40	2.00	17.5%
50	10.81	12.91	2.10	16.2%
100	13.62	15.91	2.29	14.4%
150	16.43	18.92	2.49	13.1%
200	19.24	21.92	2.68	12.2%
250	22.05	24.93	2.88	11.5%
300	24.86	27.93	3.07	11.0%
350	27.67	30.94	3.27	10.6%
400	30.48	33.94	3.46	10.2%
450	33.29	36.95	3.66	9.9%
500	36.09	39.95	3.86	9.6%
550	38.90	42.96	4.05	9.4%
600	41.71	45.96	4.25	9.2%
650	44.52	48.97	4.44	9.1%
700	47.33	51.97	4.64	8.9%
750	50.14	54.98	4.83	8.8%
800	52.95	57.98	5.03	8.7%
850	55.76	60.99	5.22	8.6%
900	58.57	63.99	5.42	8.5%
950	61.38	67.00	5.61	8.4%
1,000	64.19	70.00	5.81	8.3%
1,050	67.00	73.01	6.01	8.2%
1,100	69.81	76.01	6.20	8.2%
1,150	72.62	79.02	6.40	8.1%
1,200	75.43	82.02	6.59	8.0%
1,250	78.24	85.03	6.79	8.0%
1,300	81.05	88.03	6.98	7.9%
1,350	83.86	91.04	7.18	7.9%
1,400	86.67	94.04	7.37	7.8%
1,450	89.48	97.05	7.57	7.8%
<b>1,043</b>	<b>66.61</b>	<b>72.59</b>	<b>5.98</b>	<b>8.2%</b>

Average monthly usage

1 Meade County Rural Electric  
2 Case Number: 2006-00500  
3 Effect on Average Bill

Exhibit I  
page 1 of 2  
Witness: Jim Adkins

4  
5 Commerical Rate

	<u>Present</u>	<u>Proposed</u>
6 Customer charge	\$9.63	\$15.00
7 Energy charge	\$0.062500	\$0.064740

8  
9  
10 Average kwh useage 1.337

	<u>Existing</u> <u>Rates</u>	<u>Proposed</u> <u>Rates</u>	<u>Increase</u>	
			<u>Amount</u>	<u>Percent</u>
11 12 13 14 <u>Average useage</u>	\$93.22	\$101.59	\$8.37	8.2%

15  
16  
17



Meade County Rural Electric  
Case Number: 2006-00500  
Revenue Analysis

Rate Schedule	Kwh Usage	Test Year Revenue	Percent of Total	Effective July 1, 2003 Normalized Revenue	Percent of Total	Proposed Revenue	Percent of Total	Increase	
								Amount	Percent
Residential, Farm and Non-Fe	311,938,931	\$19,912,740	73%	\$19,912,740	73%	\$21,700,620	74%	\$1,787,880	9.0%
Commerical Rate	26,420,163	1,841,520	7%	1,841,520	7%	2,006,780	7%	165,260	9.0%
General Service 0-49 KVA	66,382,639	4,627,465	17%	4,627,465	17%	4,627,465	16%	0	0.0%
TOD Schedule 3	63,209	11,931	0%	11,931	0%	11,931	0%	0	0.0%
Outdoor Lighting Service	9,384,592	828,545	3%	828,545	3%	828,545	3%	0	0.0%
rounding						(28)		(28)	
Total from base rates	<u>414,189,534</u>	<u>27,222,201</u>	100%	<u>\$27,222,201</u>	100%	<u>\$29,175,313</u>	100%	<u>\$1,953,112</u>	7.2%
Discount Adjustment		<u>(559,249)</u>							
Total revenue from books		<u>\$26,662,952</u>							
Increase				<u>\$0</u>				<u>\$1,953,112</u>	

Rate IR  
Residential, Farm and Non-Farm, Schools & Churches

Billing Determinants	Actual		Normalized Effective July 1, 2003		Proposed		
	Rate	Revenues	Rate	Revenues	Rate	Revenues	
Customer Charge	299,052	\$8.00	\$2,392,416	\$8.00	\$2,392,416	\$9.90	\$2,960,615
Energy charge per kWh	311,938,931	0.05619	17,527,849	0.05619	17,527,849	\$0.06010	18,747,530
Billing adjustments/ prorations			<u>(7,525)</u>		<u>(7,525)</u>		<u>(7,525)</u>
Total from base rates			19,912,740		<u>\$19,912,740</u>		<u>\$21,700,620</u>
Discount Adjustment			<u>(423,972)</u>				
Total revenues			<u>\$19,488,031</u>				\$1,787,880
Amount					\$0		8.98%
Percent					0.00%		

Rate 2R  
Commercial Rate

Billing Determinants	Actual		Normalized Effective July 1, 2003		Proposed		
	Rate	Revenues	Rate	Revenues	Rate	Revenues	
Customer Charge	19,754	\$9.63	\$190,231	\$9.63	\$190,231	\$15.00	\$296,310
Energy charge per kWh	26,420,163	\$0.06250	1,651,260	\$0.06250	1,651,260	\$0.06474	1,710,441
Billing adjustments / prorations			<u>29</u>		<u>29</u>		<u>29</u>
Total from base rates			1,841,520		<u>\$1,841,520</u>		<u>\$2,006,780</u>
Discount Adjustment			<u>(39,847)</u>				
Total revenues			<u>\$1,801,673</u>				
Amount			\$0			\$165,260	
Percent			0.00%			8.97%	

Rate 3R  
 General Service 0-49 KVA

Billing Determinants	Actual		Normalized Effective July 1, 2003		Proposed	
	Rate	Revenues	Rate	Revenues	Rate	Revenues
Customer Charge	4,178	144,977	\$34.70	\$144,977	\$34.70	\$144,977
Demand Charge	250,551	2,034,477	\$8.12	2,034,477	\$8.12	2,034,477
Energy charge per kWh	66,382,639	2,421,639	\$0.03648	2,421,639	\$0.03648	2,421,639
Billing adjustments / Minimums		<u>26,373</u>		<u>26,373</u>		<u>26,373</u>
Total from base rates		4,627,465		<u>\$4,627,465</u>		<u>\$4,627,465</u>
Discount Adjustment		<u>(95,340)</u>				
Total revenues		<u>\$4,532,125</u>				
Amount				(\$0)		\$0
Percent				-0.00%		0.00%

Rate 3A  
**TOD Schedule 3**

Billing Determinants	Actual		Normalized Effective July 1, 2003		Proposed		
	Rate	Revenues	Rate	Revenues	Rate	Revenues	
Customer Charge	26	\$53.68	1,396	\$53.68	\$1,396	\$53.68	\$1,396
Demand Charge	263	\$8.12	2,132	\$8.12	2,132	\$8.12	2,132
Energy charge per kWh	63,209	\$0.03648	2,306	\$0.03648	2,306	\$0.03648	2,306
Billing adjustments / Minimums			<u>6,098</u>		<u>6,098</u>		<u>6,098</u>
Total from base rates			11,931		<u>\$11,931</u>		<u>\$11,931</u>
Discount Adjustment			(90)				
Total revenues							
Amount					\$0		\$0
Percent					0.00%		0.00%

**Outdoor Lighting Service**

Billing Determinants	Actual		Normalized Effective July 1, 2003		Proposed	
	Rate	Revenues	Rates	Revenues	Rates	Revenues
175 W MV Unmetered	\$6.73	\$468,240	\$6.73	\$468,240	\$6.73	\$468,240
175 W MV Unmetered - Pole	\$6.98	186,778	\$6.98	186,778	\$6.98	186,778
175W MV - city	\$5.91	28,268	\$5.91	28,268	\$5.91	28,268
175W MV Metered	\$3.25	1,576	\$3.25	1,576	\$3.25	1,576
175W MV Metered - Pole R	\$3.50	1,012	\$3.50	1,012	\$3.50	1,012
400W MV Unmetered	\$9.56	0	\$9.56	0	\$9.56	0
400W MV - city	\$8.81	38,658	\$8.81	38,658	\$8.81	38,658
400W MV - Unmetered, Pole	\$9.76	14,054	\$9.76	14,054	\$9.76	14,054
400W MV Flood Light	\$9.51	32,068	\$9.51	32,068	\$9.51	32,068
400w MV Metered	\$3.25	2,418	\$3.25	2,418	\$3.25	2,418
400W MV, Metered - Pole R	\$3.47	791	\$3.47	791	\$3.47	791
400W MVFL - Metered	\$3.25	1,131	\$3.25	1,131	\$3.25	1,131
400W MVFL - Unmetered	\$9.56	29,110	\$9.56	29,110	\$9.56	29,110
400W MVFL - Unmetered, P	\$9.81	24,672	\$9.81	24,672	\$9.81	24,672
400W MVFL, Metered - Pole	\$3.50	798	\$3.50	798	\$3.50	798

kWh 9,384,592

Billing adjustments (1,029) (1,029) (1,029)

Total from base rates 828,545 828,545 828,545

Discount Adjustment 0

Total revenues 828,545

Amount \$0

Percent -0.00% 0.00%

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32

**Meade County Rural Electric**  
**Case No. 2006-00500**  
**Computation of Rate of Return**  
October 31, 2006

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
Net margins	\$616,815	\$2,188,093
Non-cash patronage dividends	0	0
Interest on long-term debt	<u>1,962,294</u>	<u>2,188,093</u>
Total	<u>2,579,109</u>	<u>4,376,186</u>
<b>Net rate base</b>	<u>60,295,462</u>	<u>60,249,766</u>
Rate of return	<u>4.28%</u>	<u>7.26%</u>
<b>Equity Capitalization</b>	<u>66,095,883</u>	<u>67,667,161</u>
Rate of return	<u>3.90%</u>	<u>6.47%</u>

**Meade County Rural Electric****Case No. 2006-00500****Determination of Rate Base**

October 31, 2006

	<u>Actual</u>	<u>Adjusted</u>
	<u>Test Year</u>	<u>Test Year</u>
Gross rate base:		
Total electric plant	\$78,442,201	\$78,519,054
Material and supplies	425,650	425,650
(13 months average for test year)		
Prepayments	217,261	217,261
(13 months average for test year)		
Working capital:		
12.5% of operating expense		
less cost of power	<u>871,892</u>	<u>900,264</u>
	79,957,005	80,062,230
Deductions from rate base:		
Accumulated depreciation	19,058,500	19,209,421
Consumer advances	<u>603,043</u>	<u>603,043</u>
Net rate base	<u>\$60,295,462</u>	<u>\$60,249,766</u>
	<u>Material</u>	<u>Prepayments</u>
October 2005	272,765	230,048
November	294,053	263,858
December	377,002	118,302
January 2006	419,668	301,958
February	444,214	303,797
March	470,793	254,531
April	570,729	235,221
May	562,618	216,344
June	410,132	196,102
July	488,903	177,631
August	402,747	271,870
September	440,067	98,237
October	379,762	156,500
Average	425,650	217,261



**Meade County Rural Electric**  
**Case No. 2006-00500**  
**Computation of Rate of Return**  
October 31, 2006

Test Year 2006	Calendar Year				
	1st 2005	2nd 2004	3rd 2003	4th 2002	5th 2001
Net margins	\$616,815	\$1,306,875	\$1,231,132	\$1,301,542	\$1,582,741
Interest on long-term debt	1,962,294	1,808,023	1,536,005	1,581,326	1,586,100
Total	2,579,109	3,083,108	2,767,137	2,882,868	3,168,841
Net rate base	60,295,462	56,003,102	49,687,602	46,884,826	44,459,524

Rate of return 4.28% 5.51% 5.07% 5.57% 6.15% 7.13%

Test Year 2006	Calendar Year				
	1st 2005	2nd 2004	3rd 2003	4th 2002	5th 2001
Return excluding G & T patronage dividends	\$616,815	\$1,306,875	\$1,231,132	\$1,301,542	\$1,582,741
Net margins	1,962,294	1,808,023	1,536,005	1,581,326	1,586,100
G & T patronage dividends	-	-	-	-	-
Interest on long-term debt	2,579,109	3,083,108	2,767,137	2,882,868	3,168,841
Total	60,295,462	56,003,102	49,687,602	46,884,826	44,459,524

Rate of return, excluding G & T 4.28% 5.51% 5.07% 5.57% 6.15% 7.13%

**Meade County Rural Electric**  
**Case No. 2006-00500**  
**Determination of Rate Base**  
October 31, 2006

	Test Year 2006	Calendar Year				
		1st 2005	2nd 2004	3rd 2003	4th 2002	5th 2001
Gross rate base:						
Total electric plant	\$78,442,201	\$73,116,639	\$69,398,711	\$64,639,821	\$60,768,717	\$57,357,386
Material and supplies (13 months average for test year)	425,650	377,002	342,614	289,605	250,882	252,524
Prepayments (13 months average for test year)	217,261	118,302	129,670	131,310	115,758	(31,765)
Working capital: 12.5% of operating expense less cost of power	871,892	818,451	794,997	713,718	660,351	622,287
	79,957,005	74,430,394	70,665,992	65,774,454	61,795,708	58,200,432
Deductions from rate base:						
Accumulated depreciation	19,058,500	17,965,762	16,671,894	15,606,670	14,507,871	13,450,420
Consumer advances	603,043	461,530	513,104	480,182	403,011	290,488
<b>Net rate base</b>	<b>\$60,295,462</b>	<b>\$56,003,102</b>	<b>\$53,480,994</b>	<b>\$49,687,602</b>	<b>\$46,884,826</b>	<b>\$44,459,524</b>

**Meade County Rural Electric**  
**Case No. 2006-00500**  
**TIER and DSC Calculations**  
 October 31, 2006

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
<b>TIER:</b>		
Margins, excluding G&T capital credits and extraordinary items:	\$616,815	\$2,188,093
Interest on long term debt	1,962,294	2,188,093
<b>TIER</b>	<b>1.31</b>	<b>2.00</b>
<b>DSC:</b>		
Margins, excluding G&T capital credits	\$616,815	\$2,188,093
Depreciation expense	2,451,260	2,580,318
Interest on long term debt	1,962,294	2,188,093
Principal payment on long term debt	2,159,575	2,159,575
<b>DSC</b>	<b>1.22</b>	<b>1.60</b>

DSC = (Margins + depreciation + interest  
 / interest + principal payments)

**Meade County Rural Electric  
Case No. 2006-00500  
TIER and DSC Calculations**

October 31, 2006

Test Year 2006	Calendar Year				
	1st 2005	2nd 2004	3rd 2003	4th 2002	5th 2001

**TIER calculations:**

Margins, excluding G&T  
capital credits  
Interest on long term debt

\$616,815	\$1,275,085	\$1,306,875	\$1,231,132	\$1,301,542	\$1,582,741
1,962,294	1,808,023	1,404,391	1,536,005	1,581,326	1,586,100
1.31	1.71	1.93	1.80	1.82	2.00

**Modified TIER**

Margins, including G&T  
capital credits  
Interest on long term debt

\$616,815	\$1,275,085	\$1,306,875	\$1,231,132	\$1,301,542	\$1,582,741
1,962,294	1,808,023	1,404,391	1,536,005	1,581,326	1,586,100
1.31	1.71	1.93	1.80	1.82	2.00

**TIER**

**DSC calculations:**

DSC = ((Margins + depreciation + interest)  
/ (interest + principal payments))

Margins, excluding G&T  
capital credits  
Depreciation expense  
Interest on long term debt  
Principal payment on  
long term debt

\$616,815	\$1,275,085	\$1,306,875	\$1,231,132	\$1,301,542	\$1,582,741
2,451,260	2,318,515	2,176,160	2,069,065	2,000,863	1,875,298
1,962,294	1,808,023	1,404,391	1,536,005	1,581,326	1,586,100
2,159,575	2,040,521	1,406,697	772,795	830,868	675,934

**Modified DSC**

Margins, including G&T  
capital credits  
Depreciation expense  
Interest on long term debt  
Principal payment on  
long term debt

\$616,815	\$1,275,085	\$1,306,875	\$1,231,132	\$1,301,542	\$1,582,741
2,451,260	2,318,515	2,176,160	2,069,065	2,000,863	1,875,298
1,962,294	1,808,023	1,404,391	1,536,005	1,581,326	1,586,100
2,159,575	2,040,521	2,023,252	772,795	830,868	675,934

**DSC**

<u>1.22</u>	<u>1.40</u>	<u>1.74</u>	<u>2.09</u>	<u>2.02</u>	<u>2.23</u>
<u>1.22</u>	<u>1.40</u>	<u>1.43</u>	<u>2.09</u>	<u>2.02</u>	<u>2.23</u>

**Meade County Rural Electric**  
**Case No. 2006-00500**  
**Equity Capitalization**  
**October 31, 2006**

Proposed	Calendar Year				
	Test Year 2006	2005	2004	2003	2002

**Equity Capitalization:**  
**without G&T patronage capital**

Total margins and equities	\$22,315,835	\$20,744,557	\$19,997,594	\$19,208,836	\$18,470,849	\$17,766,967	\$16,851,711
Less G&T Patronage capital	22,315,835	20,744,557	19,997,594	19,208,836	18,470,849	17,766,967	16,851,711
Long-term debt	45,351,326	45,351,326	41,071,945	38,956,192	36,164,171	36,151,909	32,372,777
Total	\$67,667,161	\$66,095,883	\$61,069,539	\$58,165,028	\$54,635,020	\$53,918,876	\$49,224,488

Equity capitalization ratio

33% 31% 33% 33% 34% 33% 34%

**Equity Capitalization:**  
**with G&T patronage capital**

Total margins and equities	\$22,315,835	\$20,744,557	\$19,997,594	\$19,208,836	\$18,470,849	\$17,766,967	\$16,851,711
Long-term debt	45,351,326	45,351,326	41,071,945	38,956,192	36,164,171	36,151,909	32,372,777
Total	\$67,667,161	\$66,095,883	\$61,069,539	\$58,165,028	\$54,635,020	\$53,918,876	\$49,224,488

Equity capitalization ratio

33% 31% 33% 33% 34% 33% 34%

**Equity to Total Assets:**  
**with G&T patronage capital**

Total margins and debt	\$67,667,161	\$66,095,883	\$61,069,539	\$58,165,028	\$54,635,020	\$53,918,876	\$49,224,488
Total assets	71,908,668	70,318,085	65,231,752	61,916,128	58,600,742	58,265,269	52,243,971
Total	\$139,575,829	\$136,413,968	\$126,301,291	\$120,081,156	\$113,235,762	\$112,184,145	\$101,468,459

Equity to total asset ratio

48% 48% 48% 48% 48% 48% 49%

**Meade County Rural Electric**  
**Case No. 2006-00500**  
**Reconciliation of Rate Base and Capital**  
October 31, 2006

Reconciliation of Rate Base and Capital used to determine revenue requirements  
are as follows:

<b>Equity Capitalization, with</b>	
<b>G&amp;T capital credits</b>	66,095,883
G&T capital credits	<u>0</u>
	66,095,883
Reconciling items:	
Capital credits from associated organizations	
(Allocated but unpaid)	(1,781,292)
Working capital requirements	871,892
Material and supplies, 13 month average	425,650
Prepayments, 13 month average	217,261
Cash and temporary investments	(6,045,926)
Accounts receivable	(2,315,328)
Other receivables	(50,861)
Material and supplies	(379,762)
Prepayments	(203,686)
Other deferred debits	(157,529)
Accumulated operating provisions	511,752
Accounts payable	1,501,281
Consumer deposits	634,055
Accrued expenses	972,071
	<u>60,295,462</u>
<b>Net Rate Base</b>	<u><u>60,295,462</u></u>

LEDGER ACCOUNT

SUMMARIZE W/ACCT

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

LEDGER ACCOUNT	DESCRIPTION	REB LINE #
107,120	ACCURED PAYROLL CO WIP	C020
107,121	ACCURED PAYROLL CONT WIP	C020
107,122	ACCURED PAYROLL CO RET	C020
107,123	ACCURED PAYROLL CONT RET	C020
107,124	BILLING CLEARING ACCOUNT	A070
107,130	CONSTRUCTION W/P BUILDING	C020
107,200	CONSTRUCTION WORK IN PROGRESS	C020
107,210	CONST WORK IN PROG CONTRACTOR	C020
107,300	CONSTRUCTION W/P SPECIAL EQUIPMENT	C020
107,310	W-I-P CONTRIBUTION	C020
107,320	W-I-P MISCELLANEOUS CONTRIBUTIONS	C020
108,200	RETIREMENT WORK ORDERS	C040
108,210	RETIREMENT WORK ORDERS - CONTRACTOR	C040
108,600	ACC PROV FOR DEPREC OF DIST PLT	C040
108,650	20' & 25' POLE DEPREC	C040
108,651	30' POLE DEPREC	C040
108,652	35' POLE DEPREC	C040
108,653	40' POLE DEPREC	C040
108,654	45' POLE DEPREC	C040
108,655	50' POLE DEPREC	C040
108,656	55' POLE DEPREC	C040
108,657	60' POLE DEPREC	C040
108,658	65' POLE DEPREC	C040
108,659	70' POLE DEPREC	C040
108,660	75' POLE DEPREC	C040
108,662	DEPRECIATION - STATION EQUIPMENT	C040
108,664	DEPRECIATION - POLES TOWERS FIXTURE	C040
108,665	DEPRECIATION OVERHEAD CONDUCTOR	C040

324 M  
PS 1/16

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

DESCRIPTION

REA LINE #

PAGE 2

LEDGER ACCOUNT	DESCRIPTION	REA LINE #
108.667	DEPRECIATION UNDERGRD CONDUCTOR	C040
108.668	DEPRECIATION TRANSFORMERS	C040
108.669	DEPRECIATION SERVICES	C040
108.670	DEPRECIATION METERS	C040
108.671	DEPRECIATION SECURITY LIGHTS	C040
108.673	DEPRECIATION - STREET LIGHTS	C040
108.700	ACC PROV FOR DEPREC GENERAL PLY	C040
108.710	ACC DEPREC/STRUCTURES & IMPROV	C040
108.720	ACC DEPREC/OFFICE FURN & EQUIP	C040
108.730	ACC DEPREC/TRANSPORTATION EQUIP	C040
108.740	ACC DEPREC/STORES EQUIP	C040
108.750	ACC DEPREC/TOOL SHOP & GARAGE	C040
108.760	ACC DEPREC/LAB EQUIP	C040
108.780	ACC DEPREC/COMMUNICATIONS EQUIP	C040
108.790	ACC DEPREC/MISC	C040
123.000	INVESTMENTS IN ASSOCIATED COMPANIES	C100
123.100	PATRONAGE CAPITAL FROM ASSOC COOPS	C080
123.101	BIG RIVERS PATRONAGE CAPITAL	C080
123.110	INVESTMENT IN ASSOC ORG - ORSC	C070
123.120	INVESTMENT IN SUBSIDIARY CO - NRTC	C070
123.120	SUBSCRIPTIONS TO CAPITAL TERM CERTS	C370
123.210	INVESTMENTS IN CAPITAL TERM CERT CFC	C100
123.220	OTHER INVEST IN ASSOC ORGANIZATIONS	C100
123.230	INVESTMENT - ECONOMIC DEV PROJECT	C110
123.240	OTHER INVESTMENTS	C120
124.200	OTR SPC FUNDS-DEF COMP-OFFSET-22831	C130
128.000	OTHER SPECIAL FUNDS - MINT PLAN	C130
128.200	CASH GEN FUNDS MEADE COUNTY BANK	C150
131.100		

EN 4m  
 09 2 of 16



GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REA LINE #
131.101		FIRST FEDERAL	C150
131.102		REPUBLIC BANK AND TRUST	C150
131.110		MONEY MARK FUND FIRST ST BANK	C180
131.120		MONEY MARK FUND FARMERS BK H-BURG	C180
131.130		MONEY MARK FUND HANCOCK BK & TRUST	C180
131.140		MONEY MARK FUND BK OF FORDSVILLE	C180
131.150		CASH - PAYROLL ACCT	C150
131.160		CASH GENERAL FUND FARMERS BK H-BURG	C150
131.170		CAPITAL REPOND ACCT MEADE CO BANK	C180
131.180		MEADE COUNTY BANK - CD	C150
131.190		LEITCHFIELD DEPOSIT BANK & TRUS CO.	C150
131.200		CASH CONSTRUCTION FUND TRUSTEE	C160
131.400		TRANSFER OF CASH	C150
134.000		SPECIAL DEPOSITS	C170
135.000		WORKING FUNDS PETTY CASH	C150
136.000		TEMPORARY CASH INVESTMENTS	C180
141.000		NOTES RECEIVABLE	C190
142.000		CUSTOMER ACCOUNTS RECEIVABLE ELECT	C200
142.100		ACCOUNTS RECEIVABLE RETURNED CHECKS	C200
142.110		CYCLE 1 BILLING	C200
142.120		CYCLE 2 BILLING	C200
142.130		CYCLE 3 BILLING	C200
142.140		CYCLE 4 BILLING	C200
142.150		DISCONNECT ROUTE	C200
143.100		ACCOUNTS RECEIVABLE - OTHER	C210
143.200		ACCTS REC EMPLOYEES' 401K	C210
143.300		ACCTS REC EMPLOYEES' INS MAJOR MED	C210
143.310		ACCTS REC INS OTHER CALICO CANCER	C210

EX-77  
04 3 of 16

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

LEDGER ACCOUNT	DESCRIPTION	REB LINE #
143.320	ACCTS REC LIFE INS EMPLOYEES	C210
143.400	ACCTS REC DIRECTORS' INS MAJOR MED	C210
143.500	ACCTS REC WIDOWS RETIREES LTD & MM	C210
143.510	ACCTS REC WIDOWS	C210
144.100	ACC PROV FOR UNCOLL ACCTS CUSTOMERS	C200
144.110	ACC PROV UNCOLL ACCTS BANKRUPT	C200
144.200	RESERVE FOR UNCOLL ACCTS OTHER	C210
145.000	NOTES RECEIVABLE - KTI	C190
154.000	PLANT MATERIAL & OPERATING SUPPLIES	C220
154.100	INVENTORY - WIDDLER EQUIPMENT	C220
153.000	STORES EXPENSE - CLEARING	C220
165.100	PREPAYMENTS INSURANCE	C230
165.120	O/H DISTRIBUTION - WORKERS COMP	C230
165.200	OTHER PREPAYMENTS - DUES MATL	C230
165.220	O/H DISTRIBUTION - PENSION	C230
165.230	O/H DISTRIBUTION - LIFE, HEALTH, LTD	C230
165.300	OTHER PREPAYMENTS - DUES STATE	C230
165.500	OTHER PREPAYMENTS POSTAGE	C230
165.600	OTHER PREPAYMENTS	C230
165.700	PREPAYMENTS SALES TAX	C230
171.000	INTEREST & DIVIDENT REC CFC CERT	C240
171.100	INT & DIV REC - TIME DEPOSIT SAV	C240
172.000	RENT RECEIVABLE	C240
184.100	TRANSPORTATION EXPENSE - CLEARING	C270
186.000	MISCELLANEOUS DEFERRED DEBITS	C270
186.100	MISC DEFERRED DEBITS - LITERS QUARRY	C270
186.200	MISC DEFERRED DEBITS 4 YR WK PLAN	C270
186.300	PRG & COST OF SERVICE STUDIES	C270

Erin M  
02/11/06

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REA LINE #
186.600		MISC DEFERRED DEBITS - DEFERR COMP	C270
186.700		MISC DEFERRED DEBT PATRONAGE CAP	C270
200.100		MEMBERSHIPS - ISSUED	C300
200.110		MEMBERSHIPS ISSUED \$15.00	C300
201.100		PATRONAGE CAPITAL CREDITS	C310
201.200		PATRONAGE CAPITAL - ASSIGNABLE	C310
208.000		DONATED CAPITAL	C350
217.000		RETIRED CAPITAL CREDITS - GAINS	C350
219.100		OPERATING MARGINS	C320
219.200		NON-OPERATING MARGINS	C340
224.000		OTHER LONG TERM DEBT	C400
224.120		OTHER LONG TERM DEBT CFC	C400
224.130		CFC NOTES EXECUTED - DEBIT	C400
224.150		NOTES EXECUTED - OTHER DEBIT	C400
224.151		NOTES EXECUTED - OTHER DEBIT	C400
224.152		FBP NOTES EXECUTED - DEBIT	C390
224.300		FBP LONG TERM DEBT - EXEC	C390
224.400		LONG TERM DEBT RBA CONST NOTES EXC	C370
224.600		REB NOTES EXEC CONST DEBIT	C370
226.200		ADV PAYMENTS UNAPPLIED LONG TM DT	C400
226.500		UNAMORT DISC ON LTD NOTE 9007	C400
228.300		UNAMORT DISC ON LTD NOTE 9017	C400
228.310		ACC PROV FOR PENSIONS & BENEFITS	C430
231.000		ACC PROV DEF COMP - OLD MINT PLAN	C430
232.100		NOTES PAYABLE	C450
232.120		ACCOUNTS PAYABLE - GENERAL	C460
232.200		ACCOUNTS PAYABLE CAPITAL CREDITS	C460
232.210		ACCTS PAYABLE OTHER-HOMESTEAD FUNDS	C460
		401K LOAN	C460

32-93  
02 < 0716

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REB LINE #
232.300		ACCTS PAYABLE OTHER CR UN BD PROG	C460
232.400		ACCOUNTS PAYABLE WINTERCARE	C460
232.500		ACCTS PAYABLE - SURE/ACRE	C460
232.600		CHARITABLE CONTRIBUTIONS	C460
233.000		NOTES PAY-ASSOC ORG LINE OF CRD-CFC	C450
235.000		CUSTOMER DEPOSIT	C470
235.100		CUSTOMER INSPECTIONS	C470
235.200		OTHER DEPOSITS - LARGE POWER CONS	C470
236.100		ACCURED PROPERTY TAX	C480
236.200		ACCURED FEDERAL EMPLOYMENT TAX	C480
236.300		ACCURED US SOC SEC TAX FICA	C480
236.400		ACCURED STATE UNEMPLOYMENT TAX	C480
236.500		ACCURED STATE SALES TAX CONSUMERS	C480
236.510		SALES TAX - WIDEBLUE	C480
236.600		ACC SCHOOL TAXES	C480
236.700		ACCURED TAXES - OTHER PSC	C480
236.800		FRANCHISE TAX	C480
236.900		UTILITY TAXES - CITY	C480
237.100		INT ACCURED REA CONST OBLIGATION	C480
237.200		INTEREST ACCURED FPB NOTES	C480
237.400		INTEREST ACCURED - CFC	C480
238.100		PATRONAGE CAPITAL PAYABLE	C480
238.200		PATRONAGE REFUNDS	C480
241.100		TAX COLL PAYABLE EMP INCOME FEDERAL	C480
241.200		TAX COL PAYABLE EMP INCOME STATE	C480
241.300		OCCUPATIONAL TAX PAYABLE	C480
242.200		ACCURED PAYROLL	C480
242.320		ACCURED PROVISION - SICK LEAVE	C480

EX YN  
 028 1. 27 16

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REA LINE #
242.500		OTHER CURR AND ACC LIAB AUDIT EXP	C480
242.900		O/H DISTRIBUTION - 401K CO PAID	C480
252.000		CUSTOMERS ADVANCES FOR CONSTRUCTION	C500
253.000		OTHER DEFERRED CREDITS	C500
253.100	253.000	BIG RIVERS - ECONOMIC DEVELOPMENT	C500
360.000		LAND & LAND RIGHTS - DISTRIBUTION	C010
362.000		STATION EQUIPMENT DIST	C010
364.000		POLES TOWER & FIXTURES - DIST	C010
364.030	364.000	30 FOOT POLES	C010
364.035	364.000	35' POLES	C010
364.040	364.000	40' POLES	C010
364.045	364.000	45' POLES	C010
364.050	364.000	50' POLES	C010
364.055	364.000	55' POLES	C010
364.060	364.000	60' POLES	C010
364.065	364.000	65' POLES	C010
364.070	364.000	20' & 25' POLES	C010
364.074	364.000	70' POLES	C010
364.075	364.000	75' POLES	C010
365.000		OVERHEAD CONDUCTORS DIVICES-DIST	C010
367.000		UNDERGROUND CONDUCTORS & DEV - DIST	C010
368.000		LINE TRANSFORMERS	C010
369.000		SERVICES - DISTRIBUTION	C010
370.000		METERS - DISTRIBUTION	C010
371.000		INSTALL ON CONSUMERS PREM DIST S/L	C010
373.000		ST LIGHTING & SIG SYSTEMS DIST	C010
389.000		LAND & LAND RIGHTS - GENERAL PLT	C010
390.000		STRUCTURES & IMPROVEMENTS GEN PLT	C010

EN 43  
02 7 01 16

LEDGER ACCOUNT	DESCRIPTION	REA LINE #
390.100	STRUCTURES & IMPROVEMENTS - GEN PLT	C010
391.000	OFFICE FURNITURE & EQUIP - GEN PLT	C010
391.100	OFFICE FURNITURE & EQUIP - GEN PLT	C010
392.100	TRANSPORTATION EQUIP & GEN PLANT	C010
393.000	STORES EQUIP - GEN PLT	C010
393.100	STORES EQUIP - GEN PLANT	C010
394.000	TOOL SHOP & GAR EQUIP GEN PLT	C010
394.100	TOOL, SHOP & GARAGE EQUIP - GEN PLT	C010
395.000	LABORATORY EQUIP - GEN PLT	C010
395.100	LABORATORY EQUIP - GEN PLANT	C010
396.000	POWER OPERATED EQUIP GEN PLT	C010
396.000	POWER OPERATED EQUIP GEN PLT	C010
396.000	POWER OPERATED EQUIP - GEN PLT	C010
397.000	COMMUNICATIONS EQUIP GEN PLT	C010
397.100	COMMUNICATIONS EQUIP - GEN PLANT	C010
398.000	MISC EQUIP - GEN PLT	C010
398.100	MISCELLANEOUS EQUIP - GEN PLANT	C010
403.600	DEPRECIATION EXPENSE - DIST PLT	A120
403.700	DEPRECIATION EXPENSE - GEN PLANT	A120
408.100	TAXES - PROPERTY	A130
408.300	US SOCIAL SECURITY FICA	A140
408.400	TAXES - STATE SOC SEC UNEMPLOYMENT	A140
408.500	TAXES - STATE SALES - CONSUMERS	A140
408.700	TAXES - OTHER	A140
417.000	WILDBLUE	A240
417.001	WILDBLUE - SERVICE REVENUE	A240
417.002	WILDBLUE - EQUIPMENT REVENUE	A240
417.003	WILDBLUE - INSTALLATION REVENUE	A240
417.004	WILDBLUE - OTHER REVENUE	A240

SR 43  
02 8 07 16

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REA LINE #
417.100		WIDBLUE - COST OF SALES	A240
417.101		WIDBLUE - COS - SERVICE	A240
417.102		WIDBLUE - COS - EQUIPMENT	A240
417.103		WIDBLUE - COS - INSTALLATIONS	A240
417.104		WIDBLUE - COS - OTHER	A240
417.105		WIDBLUE - A&G - CUSTOMER SUPPORT	A240
417.106		WIDBLUE - A&G - BILLING	A240
417.107		WIDBLUE - A&G - OTHER CUST EXPENSE	A240
417.108		WIDBLUE - A&G - ADVERTISING & COMM	A240
417.109		WIDBLUE - A&G - BAD DEBT	A240
417.110		WIDBLUE - A&G - DEPRECIATION	A240
417.111		WIDBLUE - A&G	A240
417.112		WIDBLUE - INTEREST EXPENSE	A240
417.113		WIDBLUE - PARTICIPATION FEE AMORTZ	A240
419.000		INTEREST & DIVIDEND INCOME	A210
419.100		INTEREST INCOME - RUS CUSHION OF CR	A210
421.000		MISC NON-OPERATING INCOME	A240
421.100	421.000	GAIN ON DISPOSITION OF PROPERTY	A240
423.000		GENERATION & TRANS COOP CAPITAL CR	A250
423.100	423.000	BIG RIVERS PATRONAGE CAPITAL	A250
423.101	423.000	BR PATRONAGE CAPITAL	A250
424.000		OTHER CAPITAL CREDS & PATRONAGE CAP	A260
426.300		PENALTIES	A180
426.400		EXPENDITURES FOR CIVIC POL ETC	A180
427.100		INTEREST ON REA CONSTRUCTION LOAN	A150
427.200		INTEREST ON LONG TERM DEBT - CFC	A150
427.300		INTEREST ON FPB NOTE	A150
431.000		OTHER INTEREST EXPENSE	A170

Er - 74  
02 8 21 16

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REA LINE #
435.000		EXTRAORDINARY DEDUCTIONS	A270
435.100		CHANGE IN ACCT PRIN - CUMULATIVE	A270
440.100		RESIDENTIAL SALES - RURAL	A010
440.300		RESIDENTIAL SALES - TOWNS & VILLAGE	A010
442.100		COMM & INDUSTRIAL SALES SMALL	A010
442.110		COMM SALES - TOD RATE 3A	A010
442.200		COMM & INDUSTRIAL - LARGE	A010
442.300		LARGE POWER 1000 OVER 1000 KVA	A010
444.000		PUBLIC STREET & HIGHWAY LIGHTING	A010
445.000		SALES TO PUBLIC BLDGS & OTHER AUTHS	A010
450.000		FORFEITED DISCOUNTS	A010
451.000		MISCELLANEOUS SERVICE REVENUE	A010
452.000		RETURNED CHECK REVENUE	A010
454.000		RENT FROM ELECTRIC PROPERTY	A010
456.000		OTHER ELECTRIC REVENUES	A010
555.000		PURCHASED POWER	A030
580.000		OPERATION-SUPERVISION & ENGINEERING	A050
582.000		STATION EQUIPMENT	A050
583.000		OVERHEAD LINE EXPENSE	A050
583.001	583.000	RADIO DISPATCHING	A050
583.002	583.000	MAKING REPAIR JOB ORDERS	A050
583.003	583.000	SQUEEZE UPS	A050
583.004	583.000	OTHER - OPERATIONS SUPPORT	A050
583.100		OVERHEAD LINE EXPENSE BIG RIVERS	A050
583.300		LINE INSPECTIONS	A050
585.000		ST LIGHTING & SIGNAL SYSTEM EXPENSE	A050
586.000		METER EXPENSE	A050
586.001	586.000	SETTING/DISCONNECTING METERS	A050

24 43  
02/10/07/16



LEDGER ACCOUNT

SUMMARIZE W/ACCT

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REB LINE #
586.002	586.000	METER CHANGES	A050
586.003	586.000	TAMPER SITUATIONS	A050
586.004	586.000	CUT LOOSE SERVICE	A050
586.005	586.000	OTHER - ROUTINE FIELD WORK	A050
587.000		CONSUMER INSTALLATION EXPENSE	A050
588.000		MISC DISTRIBUTION EXPENSE	A050
588.001	588.000	SECURITY LIGHT SET/DISCONNECT	A050
589.000		RENTS - OPERATION	A060
590.000		MAINTENANCE-SUPERVISION & ENG	A060
592.000		MAINTENANCE OF STATION EQUIPMENT	A060
593.000		MAINTENANCE OVERHEAD LINES	A060
593.001	593.000	OFFICE - POWER OUTAGES	A060
593.002	593.000	FIELD - POWER OUTAGES	A060
593.100		MAINTENANCE - LABOR	A060
593.200		MAINTENANCE - CHEMICALS	A060
593.300		STANDBY	A060
593.400		MAINTENANCE - SERVICE ORDERS	A060
593.500		TREE REPLACEMENT PROGRAM	A060
593.600		MAJOR STORM DAMAGE REPAIRS	A060
594.000		UNDERGROUND LINE MAINTENANCE	A060
595.000		MAINTENANCE OF LINE TRANSFORMERS	A060
595.100		LINE MAINTENANCE - PCB EXPENSE	A060
596.000		MAINTENANCE OF ST LGT & SIG SYSTEMS	A060
597.000		MAINT OF METERS	A060
598.000		MAINT OF MISC DIST OF PLT SEC LGTS	A060
901.000		CUSTOMER ACCTS EXPENSES-SUPERVISION	A070
902.000		METER READING EXPENSES	A070
902.100		SPECIAL METER READING EXPENSE	A070

Enl ym  
02 11 07 16

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REA LINE #
903.000		CUSTOMER RECORDS & COLLECTIONS EXP	A070
903.100		COIL EXPENSES OVERAGES & SHORTAGES	A070
903.200		ACCOUNT SET UP & MAINTENANCE OFFICE	A070
903.201	903.200	SIGN UP NEW MEMBERS	A070
903.202	903.200	DISCONNECT (BY REQUEST)	A070
903.203	903.200	MISC ACCT CHANGES	A070
903.204	903.200	SET UP ACCTS FOR BANK DRAFT	A070
903.205	903.200	PROCESS MEMBERSHIP FEES/DEPOSIT	A070
903.206	903.200	PROCESS LEVELIZED BILLING	A070
903.207	903.200	PROCESS DISCONNECTS/FINAL BILLS	A070
903.208	903.200	APPLY MISCELLANEOUS CHARGES	A070
903.209	903.200	FILING/SCANNING	A070
903.210	903.200	OTHER ACCOUNT MAINTENANCE	A070
903.300		BILLING	A070
903.301	903.300	ENTER METER READINGS	A070
903.302	903.300	ADJUST AMOUNTS BILLED	A070
903.303	903.300	RESPOND TO BILL INQUIRY LETTER/PH	A070
903.304	903.300	PERFORM MONTHLY BILLING	A070
903.305	903.300	OTHER - BILLING	A070
903.400		BILL PREPARATION AND HANDLING	A070
903.401	903.400	PRINTING	A070
903.402	903.400	MAILING ELECTRIC BILLING STATEMENTS	A070
903.403	903.400	OTHER - BILL PREPARATION & HANDLING	A070
903.500		REMITTANCE PROCESSING	A070
903.501	903.500	BALANCING DAILY RECEIPTS	A070
903.502	903.500	PROCESSING ACH BANK DRAFT FILE	A070
903.503	903.500	PREPARING BATCHES	A070
903.504	903.500	ENTERING PAYMENTS INTO SYSTEM	A070

24 47  
na in st 11a

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REA LINE #
903.505	903.500	BANK/MAIL RUN	A070
903.506	903.500	TAKING PAYMENTS	A070
903.507	903.500	OTHER - REMITTANCE PROCESSING	A070
903.600		COLLECTIONS (ACTIVE ACCOUNTS)	A070
903.601	903.600	PREPARING AND SENDING LATE NOTICES	A070
903.602	903.600	COMMUNICATION ON PAST DUE BALANCES	A070
903.603	903.600	EXTINGUISH PAST DUE BALANCES	A070
903.604	903.600	PROCESSING RETURNED CHECKS	A070
903.605	903.600	REVIEW FOR TAMPER/POSSIBLE THEFT	A070
903.606	903.600	FIELD COLLECTION/DISCONNECT NON-PAY	A070
903.607	903.600	OTHER - COLLECTION (ACTIVE ACCTS)	A070
903.700	903.700	COLLECTIONS (INACTIVE ACCOUNTS)	A070
903.701	903.700	SEARCH FOR FORMER MEMBERS	A070
903.702	903.700	MAINTAIN/CONTACT TRANSDUNION	A070
903.703	903.700	PREPARE FINAL NOTICE LETTERS	A070
903.704	903.700	PREPARATION OF CPC LETTERS	A070
903.705	903.700	MAINT OF INACTIVE DELINQUENT ACCTS	A070
903.706	903.700	OTHER - COLLECTION (INACTIVE ACCTS)	A070
904.000		UN-COLLECTIBLE ACCOUNTS	A070
905.000		MISCELLANEOUS CUSTOMER ACCTS EXP	A080
907.000		SUPERVISION	A080
908.000		CUSTOMER ASSISTANCE EXPENSE	A080
909.000		INFORMATIONAL & INSTRUCT ADV EXP	A080
910.000		MISC CUSTOMER SER & INFORM EXPENSE	A090
912.000		DEMONSTRATION & SELLING EXPENSE	A090
913.000		SALES EXPENSE - ADVERTISING	A090
914.000		REV FROM MDSE JOBBING & CONTR WORK	A090
914.100		REVENUE FROM METER BASES	A090

24 93  
02 13 16

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REA LINE #
915.000		COSMS & EXP OF MDSE JOBBING & CONTR	A090
915.100		COSTS & EXPENSES FROM METER BASES	A090
920.000		ADMINISTRATIVE & GENERAL SALARIES	A100
920.200		CAPITAL CREDITS	A100
920.201	920.200	ALLOCATION OF CAPITAL CREDITS	A100
920.202	920.200	PREPARATION OF ESTATE REFUNDS	A100
920.203	920.200	PREPARATION OF GENERAL REFUNDS	A100
920.204	920.200	PREPARATION OF REPORTS	A100
920.205	920.200	GENERAL REFUND INQ, RETURNED CAP CR	A100
920.206	920.200	OTHER - CAPITAL CREDITS	A100
920.300	920.300	ADMINISTRATIVE	A100
920.301	920.300	PURCHASING, VERIFYING, CODE INVOICE	A100
920.302	920.300	TIME SHEETS	A100
920.303	920.300	TEACHING	A100
920.304	920.300	MEETING	A100
920.305	920.300	PLANNING	A100
920.306	920.300	DAILY GENERAL AS400 TASKS	A100
920.307	920.300	OTHER - ADMINISTRATIVE	A100
920.400	920.400	HUMAN RESOURCES	A100
920.401	920.400	BENEFIT ADMINISTRATION	A100
920.402	920.400	RECRUIT, INTERVIEW, ORIENTATION	A100
920.403	920.400	POLICY DEVELOPMENT, JOB DESC, ETC	A100
920.404	920.400	OTHER - HUMAN RESOURCES	A100
920.500	920.500	RECEPTION/CASHIER AREAS	A100
920.501	920.500	ANSWERING/TRANSFERRING CALLS	A100
920.502	920.500	TAKING CALLS	A100
920.503	920.500	DIRECTING VISITORS/CUSTOMERS	A100
920.504	920.500	OTHER - RECEPTION/CASHIER AREAS	A100

84 m  
200 14 16

ID:G143W1 1/17/07

LEDGER ACCOUNT

SUMMARIZE W/ACCT

GENERAL LEDGER ACCOUNT NUMBER AND DESCRIPTION LISTING

DESCRIPTION

REA LINE #

PAGE 15

LEDGER ACCOUNT	SUMMARIZE W/ACCT	DESCRIPTION	REA LINE #
921.000		OFFICE SUPPLIES AND EXPENSES	A100
921.100		A & G EXPENSE OTHER THAN SALARIES	A100
921.120		A & G NON REGULATORY EXPENSE	A100
923.000		OUTSIDE SERVICES EMPLOYED	A100
923.100		LEGAL FEES - BANKRUPTCY	A100
925.000		INJURIES AND DAMAGES	A100
926.000		EMPLOYEE PENSIONS AND BENEFITS	A100
926.100		EMPLOYEE SICK LEAVE	A100
928.000		REGULATORY COMMISSION EXPENSE	A100
929.000		DUPLICATE CHARGES CREDIT - OWN USE	A100
930.100		MISC GENERAL EXPENSE MAGAZINE	A100
930.200		MISC GENERAL EXPENSE	A100
930.210		NON PSC CHARGES	A100
930.300		MISC GEN EXPENSE - DIRECTORS FEE EX	A100
930.400		MISC GEN EXPENSE - ANNUAL MEETING	A100
930.500		MISC GENERAL EXPENSE - ADVERTISING	A100
935.000		MAINTENANCE OF GENERAL PROPERTY	A100

EN M  
00 158116

\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\* MEADE COUNTY RURAL ELECTRIC \*\*\*\*\*  
\*\*\*\*\*  
\*\* JOB TITLE : \* \* \* LIST G/L ACCOUNT & DESCRIPTION \* \* \* \*\*  
\*\*  
\*\* PROGRAM ID : GILSM1 W3 \*\*  
\*\*  
\*\* E N D O F J O B \*\*  
\*\*  
\*\*  
\*\*  
\*\* TOTAL NUMBER OF PAGES : TIME OUT : 15:18:09 \*\*  
\*\*  
\*\* DATE JOB RAN : 1/17/07 \*\*  
\*\*  
\*\*  
\*\*\*\*\*

EK 43  
on 16 of 16

**Kentucky 18**  
**Meade County Rural**  
**Cooperative Corporation**  
**Brandenburg, Kentucky**  
**Report on Audits of Financial Statements**  
**for the years ended October 31, 2006 and 2005**

## CONTENTS

Independent Auditors' Report	1
Report on Compliance	2
Report on Internal Controls	3
Financial Statements:	
Balance Sheets	4
Statements of Revenue and Patronage Capital	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 13



**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

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

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

**Independent Auditor's Report**

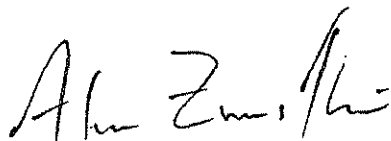
to the Board of Directors of  
Meade County Rural Electric Cooperative Corporation

I have audited the balance sheets of Meade County Rural Electric Cooperative Corporation, as of October 31, 2006 and 2005, and the related statements of income and patronage capital and cash flows for the years then ended. These financial statements are the responsibility of Meade County Rural Electric Cooperative Corporation's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meade County Rural Electric Cooperative Corporation as of October 31, 2006 and 2005, and the results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated December 7, 2006, on my consideration of Meade County Rural Electric Cooperative Corporation's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.



Alan M. Zumstein  
December 7, 2006

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

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

MEMBER:

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

to the Board of Directors of  
Meade County Rural Electric Cooperative Corporation

I have audited the financial statements of Meade County Rural Electric Cooperative Corporation as of and for the years ended October 31, 2006 and 2005, and have issued my report thereon dated December 7, 2006. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

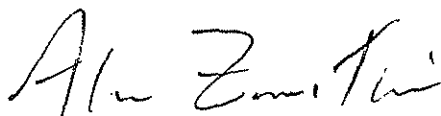
**Compliance**

As part of obtaining reasonable assurance about whether Meade County Rural Electric Cooperative Corporation's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Meade County Rural Electric Cooperative Corporation's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the Rural Utilities Service and supplemental lenders, and is not intended to be and should not be used by anyone other than those specified parties.



Alan M. Zumstein  
December 7, 2006

Exhibit *N*

Page *4* of *14*

Meade County Rural Electric Cooperative Corporation  
Balance Sheets, October 31, 2006 and 2005

<u>Assets</u>	<u>2006</u>	<u>2005</u>
Electric Plant, at original cost:		
In service	\$77,441,864	\$71,643,765
Under construction	1,000,337	689,883
	<u>78,442,201</u>	<u>72,333,648</u>
Less accumulated depreciation	19,058,500	17,762,536
	<u>59,383,701</u>	<u>54,571,112</u>
 Investments in Associated Organizations	 <u>1,781,292</u>	 <u>1,872,748</u>
 Current Assets:		
Cash and cash equivalents	6,045,926	5,689,238
Accounts receivable, less allowance for 2006 of \$201,886 and 2005 of \$178,854	2,366,189	2,373,420
Material and supplies, at average cost	379,762	272,764
Other current assets	361,215	460,427
	<u>9,153,092</u>	<u>8,795,849</u>
 Total	 <u>\$70,318,085</u>	 <u>\$65,239,709</u>
 <u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$115,940	\$121,800
Patronage capital	19,942,916	19,887,770
Other equities	685,701	655,977
	<u>20,744,557</u>	<u>20,665,547</u>
 Long Term Debt	 <u>43,076,326</u>	 <u>38,797,307</u>
 Accumulated Postretirement Benefits	 <u>511,752</u>	 <u>425,509</u>
 Current Liabilities:		
Current portion of long term debt	2,275,000	2,150,000
Accounts payable	1,501,281	1,435,362
Consumer deposits	634,055	554,211
Accrued expenses	972,071	630,525
	<u>5,382,407</u>	<u>4,770,098</u>
 Consumer Advances for Construction	 <u>603,043</u>	 <u>581,248</u>
 Total	 <u>\$70,318,085</u>	 <u>\$65,239,709</u>

The accompanying notes are an integral part of the financial statements.

Statements of Revenue and Patronage Capital  
for the years ended October 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Operating Revenues	<u>\$27,490,406</u>	<u>\$27,214,354</u>
Operating Expenses:		
Cost of power	15,768,944	15,722,062
Distribution - operations	1,805,050	1,728,888
Distribution - maintenance	2,504,881	2,177,825
Consumer accounts	1,192,735	1,178,182
Consumer service and information	226,791	186,878
Administrative and general	1,245,679	1,103,022
Depreciation, excluding \$221,348 in 2006 and \$187,782 in 2005 charged to clearing accounts	2,451,260	2,293,413
Taxes	32,695	24,939
Other deductions	<u>105,756</u>	<u>87,662</u>
	<u>25,333,791</u>	<u>24,502,871</u>
Operating Margins before Interest Charges	2,156,615	2,711,483
Interest Charges:		
Long-term debt	<u>1,962,294</u>	<u>1,749,447</u>
Operating Margins after Interest Charges	<u>194,321</u>	<u>962,036</u>
Patronage Capital from Associated Organizations	<u>153,345</u>	<u>110,643</u>
Nonoperating Margins, principally interest	<u>269,149</u>	<u>170,192</u>
Net Margins	616,815	1,242,871
Patronage Capital - beginning of year	19,887,770	19,237,322
Retirement of patronage capital	(352,071)	(430,460)
Retirements to estates of deceased members	<u>(209,598)</u>	<u>(161,963)</u>
Patronage Capital - end of year	<u>\$19,942,916</u>	<u>\$19,887,770</u>

The accompanying notes are an integral part of the financial statements.

Statements of Cash Flows  
for the years ended October 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash Flows from Operating Activities:		
Net margins	\$616,815	\$1,242,871
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	2,451,260	2,293,413
Charged to clearing	221,348	187,125
Capital credits allocated	(153,345)	(110,643)
Accumulated postretirement benefits	86,243	80,382
Net change in current assets and liabilities:		
Receivables	7,231	177,624
Material and supplies	(106,998)	(6,955)
Other current assets	99,212	(61,389)
Accounts payable	65,919	169,292
Consumer deposits	79,844	55,266
Accrued expenses	341,546	6,741
Consumer advances for construction	21,795	66,119
	<u>3,730,870</u>	<u>4,099,846</u>
Cash Flows from Investing Activities:		
Construction of plant	(7,558,172)	(4,704,130)
Salvage recovered from plant	72,975	63,570
Receipts from investments, net	244,801	8,149
	<u>(7,240,396)</u>	<u>(4,632,411)</u>
Net Cash Flows from Financing Activities:		
Net decrease in memberships	(5,860)	(6,425)
Retirement of patronage capital	(561,669)	(592,423)
Increase in other equities	29,724	50,479
Additional long-term borrowings	6,000,000	4,000,000
Advance payments	563,594	(688,728)
Payments on long-term debt	(2,159,575)	(2,027,020)
	<u>3,866,214</u>	<u>735,883</u>
Net increase in cash balances	356,688	203,318
Cash and cash equivalents - beginning	<u>5,689,238</u>	<u>5,485,920</u>
Cash and cash equivalents - ending	<u>\$6,045,926</u>	<u>\$5,689,238</u>
Supplemental disclosures of cash flow information:		
Interest on long-term debt	\$1,995,152	\$1,678,311

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

1. **Summary of Significant Accounting Policies**

Meade County maintains its records in accordance with policies prescribed or permitted by the Kentucky Public Service Commission (PSC) and the United States Department of Agriculture, Rural Utilities Service (RUS), which conform in all material respects with generally accepted accounting principles. The more significant of these policies are as follows:

**Electric Plant**

Electric plant is stated at original cost, less contributions, which is the cost when first dedicated to public service. Such cost includes applicable supervisory and overhead costs. There was no interest required to be capitalized on construction for the year.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The cost of units of property replaced or retired, including cost of removal net of any salvage value, is charged to accumulated depreciation

Electric plant in service consisted of:

	<u>2006</u>	<u>2005</u>
Distribution plant	\$70,709,900	\$66,374,752
General plant	<u>6,731,964</u>	<u>5,269,013</u>
Total	<u>\$77,441,864</u>	<u>\$71,643,765</u>

**Depreciation**

Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Meade County uses a composite depreciation rate of 3.36% per annum for distribution plant. General plant depreciation rates are as follows:

Structures and improvements	2.5% - 3%
Transportation equipment	12.5% - 25%
Other general plant	5% - 14.3%

**Statement of Cash Flows**

For purposes of the statement of cash flows, Meade County considers temporary investments having a maturity of three months or less to be cash equivalents.

Continued

**1. Summary of Significant Accounting Policies, continued**

**Revenue**

Meade County records revenue as billed to its consumers based on monthly meter-reading cycles. Certain consumers are required to pay a refundable deposit. Meade County's sales are concentrated in a six county area of western Kentucky. There were no consumers whose individual account balance exceeded 10% of outstanding accounts receivable at October 31, 2006 or 2005. Consumers must pay their bill within 20 days of billing, then are subject to disconnect after another 10 days. Accounts are written off when they are deemed to be uncollectible. The allowance for uncollectible accounts is based on the aging of receivables.

**Cost of Power**

Meade County is one of three (3) members of Big Rivers Electric Corporation, Inc. (Big Rivers). Under a wholesale power agreement, Meade County is committed to purchase its electric power and energy requirements from Big Rivers until 2023. The rates charged by Big Rivers are subject to approval of the PSC. The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from Big Rivers.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the preparation of the financial statements.

**Fair Value of Financial Instruments**

Financial instruments include cash, temporary cash investments and long-term debt. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interest in associated organizations.

The carrying value of cash and temporary cash investments approximates fair value because of the short maturity of those instruments. The fair value of long term debt approximates the fair value because of the borrowing policies of Meade County.

Meade County will also invest idle funds in local banks. These investments are classified as held-to-maturity in accordance with Statement of Financial Accounting Standards (SFAS) No. 115. Held-to-maturity securities are presented at amortized cost. The fair value of held-to-maturity securities approximates cost at 2006 and 2005.

Continued

**1. Summary of Significant Accounting Policies, continued**

**Off Balance Sheet Risk**

Meade County has off balance sheet risk in that they maintain cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC). At October 31, 2006 and 2005, the financial institutions reported deposits in excess of the \$100,000 FDIC insured limit on several of the accounts.

**Advertising**

Meade County expenses advertising costs as incurred. Advertising costs were \$66,060 for 2006 and \$67,742 for 2005.

**Income Tax Status**

Meade County is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements include no provision for income taxes.

**2. Investments in Associated Organizations**

Meade County records patronage capital assigned by associated organizations in the year in which such assignments are received.

The Capital Term Certificates (CTCs) of National Rural Utilities Cooperative Finance Corporation (NRUCFC) are recorded at cost. The CTCs were purchased from NRUCFC as a condition of obtaining long-term financing. The CTCs bear interest at 0%, 3% and 5% and are scheduled to mature at varying times from 2020 to 2080.

Investments in associated organizations consisted of:

	<u>2006</u>	<u>2005</u>
Associated Organizations:		
National Rural Utilities Cooperative		
Finance Corporation:		
Capital Term Certificates	\$1,099,255	\$1,130,329
Patronage capital assigned	209,639	187,924
Other associated organizations	471,268	435,866
Others	<u>1,130</u>	<u>118,629</u>
 Total	 <u>\$1,781,292</u>	 <u>\$1,872,748</u>

Continued



**3. Patronage Capital**

Under provisions of the long-term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of net margins for the next preceding year, Meade County may distribute the difference between 25% and the payments made to such estates. The equity at October 31, 2006 was 30% of total assets.

Patronage capital consisted of:

	<u>2006</u>	<u>2005</u>
Assigned to date	\$26,691,920	\$25,657,811
Assignable	919,919	1,578,190
Unassigned	1,999,503	1,758,527
Retirements to date	<u>(9,668,426)</u>	<u>(9,106,758)</u>
 Total	 <u>\$19,942,916</u>	 <u>\$19,887,770</u>

**4. Long Term Debt**

All assets, except vehicles, are pledged as collateral on the long-term debt to RUS, Federal Financing Bank (FFB) and NRUCFC under a joint mortgage agreement. Long term debt consisted of:

	<u>2006</u>	<u>2005</u>
First mortgage notes due RUS:		
2%	\$12,384	\$24,744
4.10% to 4.875%	\$19,429,889	\$13,645,608
Advance payment	<u>(317,034)</u>	<u>(880,628)</u>
	<u>19,125,239</u>	<u>12,789,724</u>
 First mortgage notes due FFB:		
2.707% to 6.049%	<u>10,187,197</u>	<u>10,411,293</u>
 First mortgage notes due NRU CFC:		
7%	59,432	69,711
3.05% to 6.90% fixed rate	5,699,880	4,505,535
3.60% variable rate	-	1,422,955
Refinance RUS loans 3.10 to 5.95%	<u>10,279,578</u>	<u>11,748,089</u>
	<u>16,038,890</u>	<u>17,746,290</u>
	45,351,326	40,947,307
Less current portion	<u>2,275,000</u>	<u>2,150,000</u>
 Long term portion	 <u>\$43,076,326</u>	 <u>\$38,797,307</u>

Continued

**4. Long Term Debt**

The long term debt payable to RUS, FFB and NRUCFC is due in quarterly and monthly installments of varying amounts through 2041. Meade County has loan funds available from RUS in the amount of \$17,136,000.

During 2004, Meade County refinanced \$14,685,111 of RUS 5% interest loans with the 3.10% - 5.95% fixed and variable interest rate notes from NRUCFC. These notes are due in ten (10) annual installments of \$1,468,511 each through 2013.

As of October 31, 2006, the annual current portion of long term debt outstanding for the next five years are as follows: 2007 - \$2,275,000; 2008 - \$2,300,000; 2009 - \$2,350,000; 2010 - \$2,400,000; 2011 - \$2,450,000.

**5. Short Term Borrowings**

At October 31, 2006, Meade County had a short-term line of credit of \$5,000,000 available from NRUCFC. There were no borrowings against this line of credit during the audit period.

**6. Employee Benefits**

**Pension Plan**

All eligible employees of Meade County participate in the NRECA Retirement and Security Program, a defined benefit pension plan qualified under section 401 and tax-exempt under section 501(a) of the Internal Revenue Code. Eligible employees include employees hired prior to August 2002. Non-eligible employees are those hired after August, 2002. Meade County makes annual contributions to the Program equal to the amounts accrued for pension expense. Contributions to this plan were \$369,393 for 2006 and \$338,414 for 2005. In this multiemployer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer.

**Retirement Savings Plan**

Meade County participates in the NRECA Savings Plan, a multiemployer, defined contribution master pension plan. All employees are eligible to participate in the Savings plan upon completion of one month employment. Participating employees contribute from 1% to 3% of their annual base salary and Meade County contributes 3%. Non-eligible employees, as defined above, participate in the savings plan, with Meade County contributing 12% of annual base pay, and the employee contributing from 1% to 3%. Meade County makes annual contributions to the plan equal to amounts accrued for pension expense. Contributions are vested immediately. Pension costs for the savings plan were \$144,158 for 2006 and \$122,685 for 2005. A portion of this cost is allocated to construction of electric plant.

**6. Employee Benefits, continued****Postretirement Benefits**

Meade County sponsors a defined benefit plan that provides medical insurance coverage to retirees. During 1996, Meade County changed its plan from contributing 50% of the projected cost of coverage to contributing 50% of the cost of a single policy. For purposes of the liability estimates, the substantive plan is assumed to be the same as the extant written plan. Postretirement benefits are not funded.

The funded status of the plan was as follows:

	<u>2006</u>	<u>2005</u>
Accumulated postretirement benefit obligation	\$814,499	\$635,000
Plan assets at fair value	-	-
Funded status	<u>814,499</u>	<u>635,000</u>
Unrecognized net gain (losses) from changes in assumptions	<u>(302,747)</u>	<u>(209,491)</u>
Accrued postretirement benefit cost	<u><u>\$511,752</u></u>	<u><u>\$425,509</u></u>

The following is a reconciliation of the postretirement benefit obligation:

	<u>2006</u>	<u>2005</u>
Postretirement Benefit Obligation:		
Balance, beginning of period	<u>\$425,509</u>	<u>\$345,127</u>
Recognition of components of net periodic postretirement benefit cost:		
Service cost	43,000	45,000
Interest cost	40,000	39,000
Amortization of gains or losses	<u>21,267</u>	<u>20,672</u>
	104,267	104,672
Benefits paid to participants	<u>(18,024)</u>	<u>(24,290)</u>
Net change	<u>86,243</u>	<u>80,382</u>
Balance, end of period	<u><u>\$511,752</u></u>	<u><u>\$425,509</u></u>

For measurement purposes, a 8.5% annual rate of increase, decreasing by 0.5% per year until 5.5% per year, in the per capita cost of covered health care benefits was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 6.50%.

Continued

**7. Risk Management**

Meade County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Meade County carries commercial insurance for all risks of loss, including workers' compensation, general liability and property loss insurance. As is customary in the utility industry, Electric Plant, except substations, are not insured. Settled claims resulting from these risks have not exceeded commercial insurance coverage in 2006 or 2005.

**8. Related Party Transactions**

Several of the Directors of Meade County, its President & CEO and another employee are on the Boards of Directors of various associated organizations. During 2006 Meade County paid \$41,240 to the son of one of its Directors to pave the parking lot of the District Office.

**9. Commitments**

Meade County has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

**10. Environmental Contingency**

Meade County from time to time is required to work with and handle PCBs, herbicides, automotive fluids, lubricants and other hazardous materials in the normal course of business. As a result, there is the possibility that environmental conditions may arise which would require Meade County to incur cleanup costs. The likelihood of such an event, or the amount of such costs, if any, cannot be determined at this time. However, management does not believe such costs, if any, would materially affect Meade County's financial position or its future cash flows.

Meade County Rural Electric  
Case No. 2006-00500  
October 31, 2006

**Computer Software Programs**

Meade County Rural Electric has used Microsoft Excel and Word in the preparation of this Application.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Meade County Rural Electric  
Case No. 2006-00500  
Annual Meeting Information  
October 31, 2006

The most recent Meade County Rural Electric annual meeting was held June 26, 2006. The minutes of that annual meeting are attached, along with the insert in the Kentucky Living Magazine, describing the annual meeting.

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

<u>Year</u>	<u>Members Attending</u>	<u>Members Voting</u>	<u>Cost</u>
2006	512	769	\$15,105
2005	509	720	\$14,860
2004	471	747	\$13,939
2003	438	797	\$13,116
2002	407	714	\$13,665

MINUTES OF THE MEMBERS' ANNUAL MEETING  
MEADE COUNTY RURAL ELECTRIC  
COOPERATIVE CORPORATION  
June 26, 2006

The Annual Meeting of the Members of the Meade County Rural Electric Cooperative Corporation was held on June 26, 2006, at the Breckinridge County High School, Harned, Kentucky.

Registration of the members for the Annual Meeting began at approximately 6:30 p.m., EDT. The official business session of the meeting was opened at approximately 7:30 p.m., EDT.

The meeting was called to order by Mr. David T. Wilson who acted as Chairman. The invocation was given by Mr. Paul Butler. Mr. Wilson introduced the Board of Directors and Mr. Burns Mercer introduced other guests on the stage. After these introductions, Mr. Wilson appointed Mr. Bruce Butler as temporary Chairman to conduct any business that might come before the meeting.

The Chairman stated that unless there were any objections from the floor that the Chair would ascertain that a quorum was present and dispense with the call of the roll of the membership.

A motion was made and duly seconded that the reading of the minutes of the previous Annual Meeting be dispensed with and adopted as written. Motion carried.

The Chair recognized Mr. Burns E. Mercer, President/CEO of the Cooperative, who gave a *brief report concerning the Cooperative's operation for the calendar year of 2005.*

The Chair introduced Mr. Scott Smart, Chairman of the Nominating Committee, to give the Nominating Committee report. Mr. Smart reported that the Nominating Committee met at the Cooperative's Headquarters Building on Tuesday, May 2, 2006, at 1:00 p.m., EDT, with all members of the committee present. The Committee nominated the following members to be presented to the membership at the 2006 Annual Meeting for their consideration as directors:

District #2	-	David Wilson
District #5	-	Robert Rhodes
District #7	-	Paul Edd Butler

Following the Nominating Committee report and since no petitions were filed, a motion was made from the floor and approved that the directors as nominated be elected.

The Chair asked if any members knew of any business that needed to be brought before the meeting. There being no further business, motion was made and duly seconded and unanimously carried that the meeting stand adjourned.

Immediately following the adjournment of the business session, attendance prize drawings were held for numerous small prizes and one electric grill.

With the completion of the drawing for door prizes, the emcee introduced the entertainment for the evening. The conclusion of the entertainment completed the activities of the 2006 Annual Meeting.

---

Secretary

APPROVED:

---

Chairman



# The Hi-line News



Serving Members of Breckinridge, Grayson, Hancock, Hardin, Meade and Ohio Counties

Meade County RECC

www.mcrecc.coop

A Touchstone Energy® Cooperative 

## Official Notice

### *Annual Membership Meeting of Meade County Rural Electric*

Dear Member:

The Annual Meeting of the Meade County Rural Electric Cooperative Corporation will be held at the Breckinridge County High School, Harned, Kentucky, on the 26th day of June 2006, at 6:30 p.m., Central Daylight Time, or 7:30 p.m., Eastern Daylight Time, to take action on the following matters:

1. Reading of unapproved minutes of previous meeting and the taking of necessary action thereon.
2. The report of officers, directors, and committees.
3. The election of three directors of the Cooperative.
4. All other business which may come before the meeting or any adjournment or adjournments thereof.

In connection with the election of three directors scheduled for this meeting, the following members have been - nominated by a nominating committee, appointed by the Board of Directors, pursuant to Article IV, Section 4.05 of the Bylaws, to serve for a period of three years from the date of his/her election, and shall represent District Nos. 2, 5, and 7 as provided in Article IV, Section 4.03 of the Bylaws of the Cooperative.

#### NOMINATIONS BY DISTRICT

District 2 .....David T. Wilson, Brandenburg, KY  
District 5 .....Robert Rhodes, Hardinsburg, KY  
District 7 .....Paul Edd Butler, Falls of Rough, KY

By authority of the Secretary, Darla Sipes

*Darla Sipes*

Exhibit P

Page 4 of 11

# Meade County RECC

## 2005 Financial Statement

### Statement of Operations

As of December 31, 2005

Operating Revenue and Patronage Capital	\$27,757,054
Operating Expense:	
Cost of Purchased Power .....	\$15,965,623
Operating the Electric System .....	6,547,609
Depreciation .....	2,318,515
Taxes .....	25,105
Interest on Loans .....	1,808,023
Other Deductions .....	<u>58,070</u>
Total Cost of Electric Service .....	\$26,722,944
Patronage Capital and Operating Margins .....	1,034,110
Non Operating Margins .....	130,332
Other Capital Credits .....	110,643
<b>Patronage Capital and Operating Margins</b>	<u>\$1,275,085</u>

### Balance Sheet

As of December 31, 2005

#### Assets

Total Utility Plant .....	\$73,116,638
Less Depreciation .....	\$17,965,762
Net Utility Plant Book Value .....	\$55,150,877
Certificates in Rural Electric Bank and Investments in Associated Organizations .....	\$1,866,164
Cash and Reserves .....	4,632,694
Owed to Co-op on Accounts and Notes .....	2,905,836
Material in Inventory .....	377,002
Expenses Paid in Advance .....	118,302
Deferred Debits and Other Assets .....	<u>180,878</u>
<b>Total Assets</b>	<u>\$65,231,752</u>

#### Liabilities and Equities

Consumer Deposits .....	\$566,738.00
Membership and Other Equities .....	19,997,593.60
Long-Term Debt .....	41,071,944.64
Notes and Accounts Payable .....	2,442,646.31
Other Current and Accrued Liabilities .....	<u>1,152,829.66</u>

#### Total Liabilities

\$65,231,752

Exhibit P  
Page 5 of 11

# 2006 ANNUAL MEETING



Meade County RECC

A Touchstone Energy Cooperative

TICKETS AND BULBS

HEALTH SCREENINGS

DIRECTOR

ELECTIONS

DOOR PRIZES

REFRESHMENTS

LOCAL GOSPEL GROUP



FEATURING JOHNNY COUNTERFIT



AND CHILDREN'S ENTERTAINER  
\* HARMLESS T. JESTER

MONDAY, JUNE 26

BRECKINRIDGE COUNTY HIGH SCHOOL, HARNED

REGISTRATION: 6:30 P.M. EDT

BUSINESS MEETING: 7:30 P.M. EDT

# Right-of-way work schedules

We are now providing information about areas where right-of-way crews are working on a month-to-month basis. We hope this information is helpful to you. In June, crews will be trimming rights-of-way in the Irvington and Union Star areas. Please use extra caution if you see right-of-way crews and their vehicles on the road.

**MEADE COUNTY RECC**  
**OFFICE HOURS**  
**MONDAY-FRIDAY**

Brandenburg 7:30 a.m. (EDT)-4:30 p.m. (EDT)  
 (270) 422-2162

Hardinsburg 7:30 a.m. (EDT)-4:30 p.m. (EDT)  
 (270) 756-5172

Fordsville 8:30 a.m. (EDT)-12:00 p.m. (EDT)  
 (270) 276-5353

Questions regarding your account?  
 Please have your account number or meter number when you call or visit the cooperative offices

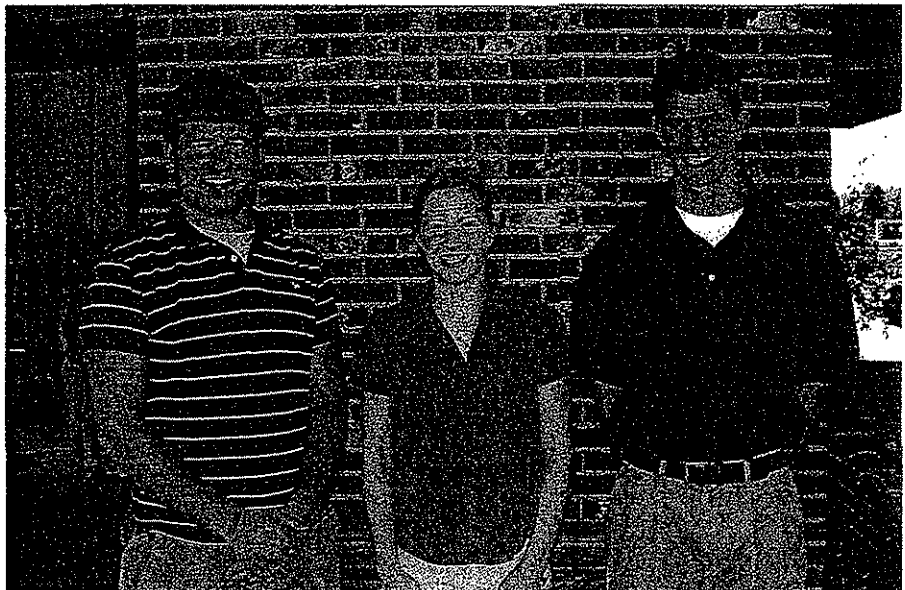
# Washington Youth Tour 2006

This year's representatives of Meade County RECC in the annual Washington Youth Tour are Grant Phelps, Breckinridge County High School, Audrey Popham, Frederick Fraize High School, and Jacob Baldwin, Meade County High School.

These three students, along with approximately 75 other students and 12 chaperones, will depart Kentucky on June 9 for Washington, D.C. Along the way they will stop in Lexington to meet student representatives from other Kentucky electric cooperatives and have a brief orientation about the rural electrification program. Then they will board chartered coaches and head to West Virginia for the night.

The following day will find the group stopping for a tour of Monticello, the home of Thomas Jefferson, and then proceeding on their way to our nation's Capitol for a five-day tour of Washington, D.C.

While in Washington they will meet students from across the



nation, all representing their electric co-ops. Grant, Audrey, and Jacob will learn about rural electrification, government, and American history. They will meet with their congressmen and senators and visit historical sites in Washington—from Arlington Cemetery to the Washington Cathedral to the new World War II Memorial. Other activities include a tour of the Capitol, Smithsonian Institution,

Supreme Court, National Archives, Library of Congress, the Washington, Lincoln, Roosevelt, and Jefferson monuments, the Vietnam War Memorial, Ford's Theater, the Holocaust Museum, a boat ride and dance on the Potomac River, and many other activities. The one-week tour is sponsored by Kentucky's rural electric cooperatives. Congratulations to Grant, Audrey, and Jacob!

# The Hi-line News

Serving Members of Breckinridge, Grayson, Hancock, Hardin, Meade and Ohio Counties

Meade County RECC  
www.mcrecc.coop

A Touchstone Energy® Cooperative 

## Official Notice

### *Annual Membership Meeting of Meade County Rural Electric*

Dear Member:

The Annual Meeting of the Meade County Rural Electric Cooperative Corporation will be held at the Breckinridge County High School, Harned, Kentucky, on the 27th day of June 2005, at 6:30 p.m., Central Daylight Time, or 7:30 p.m., Eastern Daylight Time, to take action on the following matters:

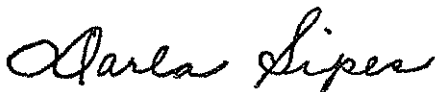
1. Reading of unapproved minutes of previous meeting and the taking of necessary action thereon.
2. The report of officers, directors, and committees.
3. The election of one director of the Cooperative.
4. All other business which may come before the meeting or any adjournment or adjournments thereof.

In connection with the election of three directors scheduled for this meeting, the following members have been nominated by a nominating committee, appointed by the Board of Directors, pursuant to Article IV, Section 4.05 of the Bylaws, to serve for a period of three years from the date of his/her election, and shall represent District Nos. 3, 4, and 6 as provided in Article IV, Section 4.03 of the Bylaws of the Cooperative.

#### NOMINATIONS BY DISTRICT

District 3 .....Darla Sipes, Ekron  
District 4 .....Dr. James G. Sills, Hardinsburg  
District 6 .....Ann Marie Williams, Reynolds Station

By authority of the Secretary, Darla Sipes



# Meade County RECC

## 2004 Financial Statement

### Statement of Operations

As of December 31, 2004

Operating Revenue and Patronage Capital	
Operating Expense:	<b>\$25,968,656</b>
Cost of Purchased Power .....	\$14,875,527
Operating the Electric System .....	6,359,973
Depreciation .....	2,176,161
Taxes .....	26,748
Interest on Loans .....	1,404,391
Other Deductions .....	<u>42,305</u>
Total Cost of Electric Service .....	<b>\$24,885,105</b>
Patronage Capital and Operating Margins .....	<b>1,083,551</b>
Non Operating Margins .....	<b>110,824</b>
Other Capital Credits .....	<b>112,500</b>
<b>Patronage Capital and Operating Margins</b>	<b><u>\$1,306,875</u></b>

### Balance Sheet

As of December 31, 2004

#### Assets

Total Utility Plant .....	\$69,398,711
Less Depreciation .....	\$16,671,894
Net Utility Plant Book Value .....	\$52,726,817
Certificates in Rural Electric Bank and Investments in Associated Organizations .....	\$1,801,919
Cash and Reserves .....	3,951,632
Owed to Co-op on Accounts and Notes .....	2,769,795
Material in Inventory .....	342,614
Expenses Paid in Advance .....	129,670
Deferred Debits and Other Assets .....	<u>193,681</u>
<b>Total Assets</b>	<b><u>\$61,916,128</u></b>

#### Liabilities and Equities

Consumer Deposits .....	\$500,340.00
Membership and Other Equities .....	19,208,836.18
Long-Term Debt .....	38,956,192.06
Notes and Accounts Payable .....	2,150,933.14
Other Current and Accrued Liabilities .....	<u>1,099,826.88</u>

#### Total Liabilities

**\$61,916,128**

Exhibit *P*  
Page 9 of 11

# Local students participate in Washington Youth Tour

This year's representatives of Meade County RECC in the annual Washington Youth Tour are Andrew Cash, Breckinridge County High School, Mike Bivins, Frederick County High School, and Travis M. [Name obscured], Meade County High School. These three students, along with approximately 75 other students and 12 chaperones, will depart Kentucky on June 17 for Washington, D.C. Along the way they will stop in Lexington to meet student representatives from other Kentucky electric cooperatives and give a brief orientation about the rural electrification program. Then, they will board chartered coaches and head to West Virginia for the first part. The following day will find the

group stopping for a tour of Monticello, the home of Thomas Jefferson, and then proceeding on their way to our nation's Capitol for a five-day tour of Washington, D.C. While in Washington, they will meet students from across the nation, all representing their electric co-ops. Andrew, Mike, and Travis will learn about rural electrification, government, and American history. They will meet with their congressmen and sena-



Travis, Andrew, and Mike

tors and visit historical sites in Washington—from Arlington Cemetery to the Washington Cathedral to the new World War II Memorial. Other activities include a tour of the Capitol, Smithsonian Institution, Supreme Court, National Archives, Library of Congress, the Washington, Lincoln, Roosevelt, and Jefferson monuments, the Vietnam War Memorial,

Ford's Theater, the Holocaust Museum, a boat ride and dance on the Potomac River, and many other activities. The one-

week tour is sponsored by Kentucky's rural electric cooperatives. Congratulations to Andrew, Mike, and Travis!

## Right-of-way work schedules

We are now providing information about areas where right-of-way crews are working on a month-to-month basis. We hope this information is helpful to you. In Breckinridge County, crews will be working in the Hardinsburg area. In Meade County, crews will be trimming rights-of-way in Garrett and in the Flaherty area.

In addition, if you see crews working in these areas and would like free wood chips from the brush chipped by the contractors, call Meade County RECC at 422-2162. We will be glad to try to help you get a free load of wood chips.

### MEADE COUNTY RECC OFFICE HOURS MONDAY-FRIDAY

Brandenburg 7:30 a.m. (EDT)-4:30 p.m. (EDT)  
(270) 422-2162

Hardinsburg 7:30 a.m. (EST)-4:30 p.m. (EDT)  
(270) 756-5172

Fordsville 8:30 a.m. (EDT)-12:00 p.m. (EDT)  
(270) 276-5353

Questions regarding your account? Please have your account number or meter number when you call or visit the cooperative offices.

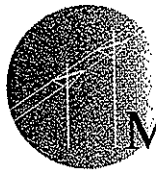
# 2005 ANNUAL MEETING

FEATURING  
THE MUSIC OF THE PERRYS

Buckets and Bulbs  
Refreshments  
Health Screenings  
Local Gospel Group  
Director Elections  
Door Prizes



AND CHILDREN'S  
ENTERTAINER MARK WOOD



Meade County RECC

A Touchstone Energy® Cooperative 

MONDAY, JUNE 27

BRECKINRIDGE COUNTY HIGH SCHOOL, HARRISBURG, KY  
REGISTRATION 6:30 P.M. EDT . BUSINESS MEETING 7:30 P.M.

Exhibit P  
Page of

11 11



This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b></p> <p>KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b></p> <p>MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 31-Oct-06 <span style="float: right;"><b>REA USE</b></span></p>
--	--

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

*Karen Brown*  
 \_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Beau E. Power*  
 \_\_\_\_\_  
 SIGNATURE MANAGER

11/14/06  
 \_\_\_\_\_  
 DATE

11/14/06  
 \_\_\_\_\_  
 DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	23,200,676.16	22,934,028.09	2,078,500	1,924,092.36
2. Power Production Expense.....				
3. Cost of Purchased Power.....	12,994,797.13	12,798,118.70	1,113,202	1,148,002.16
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,441,514.08	1,519,205.51	129,157	149,465.56
6. Distribution Expense - Maintenance.....	1,886,164.10	2,063,480.03	217,266	200,213.67
7. Customer Accounts Expense.....	1,005,424.28	1,001,188.36	96,751	100,736.57
8. Customer Service and Informational Expense.....	150,342.30	181,979.98	18,415	21,257.98
9. Sales Expense.....	(1,258.40)	2,515.77	(1,708)	897.26
10. Administrative and General Expense.....	907,322.69	1,048,667.45	92,332	97,184.76
11. Total Operation & Maintenance Expense (2 thru 10).....	18,384,306.18	18,615,155.80	1,665,415	1,717,757.96
12. Depreciation and Amortization Expense.....	1,920,976.96	2,053,722.18	207,852	214,061.17
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	20,776.48	28,366.30	2,218	2,723.66
15. Interest on Long-Term Debt.....	1,475,031.81	1,629,302.20	186,503	197,285.35
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	26,109.07	30,065.51	2,448	2,857.79
18. Other Deductions.....	16,983.89	12,050.22	78	750.00
19. Total Cost of Electric Service (11 thru 18).....	21,844,184.39	22,368,662.21	2,064,514	2,135,435.93
20. Patronage Capital & Operating Margins (1 minus 19)....	1,356,491.77	565,365.88	13,986	-211,343.57
21. Non-Operating Margins - Interest.....	152,562.44	224,249.73	20,990	28,408.28
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(41,508.11)	(23,041.37)	(2,535)	455.18
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	110,643.46	153,344.94	-	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,578,189.56	\$919,919.18	32,441	(182,480.11)

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	632	599	5. Miles Transmission		
2. Services Retired	233	234	6. Miles Distribution - Overhead	2,824	2,861
3. Total Services in Place	28,884	29,444	7. Miles Distribution - Underground	63	71
4. Idle Services (Exclude Seasonal)	2,046	2,111	8. Total Miles Energized (5 + 6 + 7)	2,887	

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
2. Construction Work in Progress.....	31. Patronage Capital.....
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
Non-Utility Property.....	35. Other Margins and Equities.....
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$.....)
Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.....
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar.....
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43).....
17. Special Deposits.....	45. Notes Payable.....
18. Temporary Investments.....	46. Accounts Payable.....
19. Notes Receivable (Net).....	47. Consumers Deposits.....
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48).....
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
23. Prepayments.....	51. Accumulated Deferred Income Taxes.....
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51).....
26. Regulatory Assets.....	53. ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
7. Other Deferred Debits.....	53. Balance Beginning of Year.....
8. Accumulated Deferred Income Taxes.....	54. Amount Received This Year (Net).....
29. Total Assets and Other Debits (5+14+25 thru 28).....	55. Total Contributions in Aid of Construction.....

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Receiving Serv.	kWh Sold	Amount
	Service			Bills	c	f	G
a	b	c	d	e	f	G	
1. Residential Sales (excl seas.)	25,140	20,013,735	1,320,371.47	1,200	24,959	265,270,612	16,763,458.37
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 KVA or less	1,666	2,022,241	141,054.81	146	1,650	23,433,236	1,606,819.29
5. Comm. & Indus. - over 50 KVA	347	5,535,374	387,527.73	20	348	55,946,916	3,817,964.70
6. Public St. & Highway Lighting	6	84,186	5,398.94	6	6	838,167	53,785.82
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	27,159	27,655,536	1,854,352.95	1,372	26,963	345,488,931	22,242,028.18
11. Other Electric Revenue			69,739.41				691,999.91
12. Total (10 + 11)			1,924,092.36				22,934,028.09

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	80,954	736,450
2. kWh Purchased	32,481,480	356,372,198	7. Total Unaccounted For (4 Less 5 & 6)	4,744,990	10,146,817
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	14.61%	2.85%
4. Total kWh (1 thru 3)	32,481,480	356,372,198	9. Maximum Demand (kW)	71,021	94,971
5. Total kWh Sold	27,655,536	345,488,931	10. Month When Maximum Demand Occurred		2

Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0g72-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b></p> <p>KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b></p> <p>MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 30-Sep-06 <span style="float: right;"><b>REA USE</b></span></p>
--	--

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

*Karen Brown*  
 \_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*James E. W. Jensen*  
 \_\_\_\_\_  
 SIGNATURE MANAGER

10/17/06  
 \_\_\_\_\_  
 DATE

10/18/06  
 \_\_\_\_\_  
 DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	21,156,171.34	21,009,935.73	2,179,647	2,321,730.55
2. Power Production Expense.....				
3. Cost of Purchased Power.....	11,915,475.83	11,650,116.54	1,405,568	1,016,240.43
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,316,904.86	1,369,739.95	132,722	161,396.97
6. Distribution Expense - Maintenance.....	1,704,695.14	1,863,266.36	256,725	236,360.89
7. Customer Accounts Expense.....	912,080.50	900,451.79	104,958	131,822.62
8. Customer Service and Informational Expense.....	132,575.66	160,722.00	18,813	27,037.15
9. Sales Expense.....	389.88	1,618.51	1,144	(1,622.67)
10. Administrative and General Expense.....	818,803.80	951,482.69	99,081	109,707.13
11. Total Operation & Maintenance Expense (2 thru 10).....	16,800,925.67	16,897,397.84	2,019,011	1,680,942.52
12. Depreciation and Amortization Expense.....	1,722,431.94	1,839,661.01	205,885	213,746.48
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	18,636.87	25,642.64	2,007	2,704.90
15. Interest on Long-Term Debt.....	1,286,534.68	1,432,016.85	180,487	175,979.86
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	23,743.58	27,207.72	3,517	4,108.47
18. Other Deductions.....	16,908.89	11,300.22	4,917	149.63
19. Total Cost of Electric Service (11 thru 18).....	19,869,181.63	20,233,226.28	2,415,824	2,077,631.86
20. Patronage Capital & Operating Margins (1 minus 19)....	1,286,989.71	776,709.45	-236,177	244,098.69
21. Non-Operating Margins - Interest.....	131,583.82	195,841.45	20,700	28,404.77
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(37,641.09)	(23,496.55)	(2,780)	(2,615.58)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	110,643.46	153,344.94	23,500	132,758.06
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,491,575.90	\$1,102,399.29	(194,757)	402,645.94

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	572	534	5. Miles Transmission		
2. Services Retired	219	206	6. Miles Distribution - Overhead	2,823	2,860
3. Total Services in Place	28,857	29,367	7. Miles Distribution - Underground	63	69
4. Idle Services (Exclude Seasonal)	2,036	2,112	8. Total Miles Energized (5 + 6 + 7)	2,886	2,929

FINANCIAL AND STATISTICAL REPORT

KY-18-MEADE  
PERIOD ENDED

REA USE ONLY

INSTRUCTIONS - See REA Bulletin 1717B-2

September 30, 2006

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
Total Utility Plant in Service.....	76,847,666.08	30. Memberships.....	116,555.00
Construction Work in Progress.....	738,663.63	31. Patronage Capital.....	17,037,538.70
3. Total Utility Plant (1 + 2).....	77,586,329.71	32. Operating Margins - Prior Year.....	77,784.13
Accum. Provision for Depreciation and Amort.....	18,885,951.53	33. Operating Margins - current Year.....	930,054.39
Net Utility Plant (3 - 4).....	58,700,378.18	34. Non-Operating Margins.....	2,094,063.81
Non-Utility Property.....	0.00	35. Other Margins and Equities.....	686,353.19
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35).....	20,942,349.22
8. Invest. in Assoc. Org. - Patronage Capital.....	679,906.61	37. Long-Term Debt - REA (Neg).....	19,039,048.42
Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	0.00
2. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,101,384.96	38. Long-Term Debt - REA - Econ. Devel.	10,187,196.99
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar	16,038,889.89
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	45,265,135.30
3. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	0.00
4. Total Other Property and Investments (6 thru 13).....	1,781,291.57	42. Obligations Under Capital Leases.....	505,842.58
5. Cash - General Funds.....	4,176,989.14	43. Accumulated Operating Provisions.....	505,842.58
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43)	0.00
17. Special Deposits.....	0.00	45. Notes Payable.....	1,339,139.59
8. Temporary Investments.....	1,890,681.45	46. Accounts Payable.....	628,146.00
9. Notes Receivable (Net).....	2,875,089.83	47. Consumers Deposits.....	995,299.46
20. Accounts Receivable - Sales of Energy (Net).....	51,148.60	48. Other Current and Accrued Liabilities..	2,962,585.05
21. Accounts Receivable - Other (Net).....	440,067.51	49. Total Current & Accrued Liab (45 thru 48)	547,267.13
2. Materials and Supplies - Electric and Other.....	98,236.70	50. Deferred Credits.....	0.00
3. Prepayments.....	48,600.00	51. Accumulated Deferred Income Taxes...	0.00
4. Other Current and Accrued Assets.....	9,580,813.23	52. Total Liabilities and Other Credits.....	70,223,179.28
25. Total Current and Accrued Assets (15 thru 24).....	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
26. Regulatory Assets.....	160,696.30	53. Balance Beginning of Year.....	
7. Other Deferred Debits.....	0.00	54. Amount Received This Year (Net).....	
8. Accumulated Deferred Income Taxes.....	70,223,179.28	55. Total Contributions in Aid of Construction.....	
29. Total Assets and Other Debits (5 + 14 + 25 thru 28).....			

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Re-	kWh Sold	Amount
	Service			Bills	ceiving Serv.	Cumulative	Cumulative
a	b	c	d	e	f	g	
1. Residential Sales (excl seas.)	25,119	25,924,440	1,644,330.84	1,222	24,939	245,256,877	15,443,086.90
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,667	2,738,551	184,576.15	150	1,649	21,410,995	1,465,764.48
5. Comm. & Indus. - over 50 kVA	346	6,189,065	415,533.30	22	348	50,411,542	3,430,436.97
6. Public St. & Highway Lightng.	6	84,186	5,398.94	6	6	753,981	48,386.88
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	27,138	34,936,242	2,249,839.23	1,400	26,942	317,833,395	20,387,675.23
11. Other Electric Revenue			71,891.32				622,260.50
12. Total (10 + 11)			2,321,730.55				21,009,935.73

PART E. kWh AND kW STATISTICS\*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	71,675	655,496
2. kWh Purchased	28,428,960	323,890,718	7. Total Unaccounted For (4 Less 5 & 6)	-6,578,957	5,401,827
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	-23.14%	1.67%
4. Total kWh (1 thru 3)	28,428,960	323,890,718	9. Maximum Demand (kW)	65,110	94,971
5. Total kWh Sold	34,936,242	317,833,395	10. Month When Maximum Demand Occurred		2

Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0672-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 31-Aug-06 <span style="float: right;"><b>REA USE</b></span></p>
--	--

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

*Karen Brown*  
 \_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*George E. Jensen*  
 \_\_\_\_\_  
 SIGNATURE MANAGER

9/19/06  
 \_\_\_\_\_  
 DATE

9/19/06  
 \_\_\_\_\_  
 DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	18,738,823.84	18,688,205.18	2,630,271	2,613,605.40
2. Power Production Expense.....				
3. Cost of Purchased Power.....	10,680,584.90	10,633,876.11	1,546,638	1,526,946.36
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,191,587.74	1,208,342.98	151,697	153,543.31
6. Distribution Expense - Maintenance.....	1,488,145.24	1,626,905.47	246,874	278,327.64
7. Customer Accounts Expense.....	801,819.20	768,629.17	105,235	111,862.73
8. Customer Service and Informational Expense.....	112,812.35	133,684.85	18,513	(21,463.23)
9. Sales Expense.....	(811.58)	3,241.18	(627)	659.85
10. Administrative and General Expense.....	717,988.61	841,775.56	100,751	98,784.84
11. Total Operation & Maintenance Expense (2 thru 10).....	14,992,126.46	15,216,455.32	2,169,081	2,148,661.50
12. Depreciation and Amortization Expense.....	1,524,487.19	1,625,914.53	203,918	207,849.35
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	16,514.55	22,937.74	2,175	2,716.14
15. Interest on Long-Term Debt.....	1,121,109.98	1,256,036.99	186,811	165,551.12
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	20,345.08	23,099.25	3,150	3,112.98
18. Other Deductions.....	11,743.89	11,150.59	1,019	6,500.00
19. Total Cost of Electric Service (11 thru 18).....	17,686,327.15	18,155,594.42	2,566,154	2,534,391.09
20. Patronage Capital & Operating Margins (1 minus 19)....	1,052,496.69	532,610.76	64,117	79,214.31
21. Non-Operating Margins - Interest.....	110,886.80	167,436.68	22,280	21,986.65
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(27,852.00)	(20,880.97)	(3,030)	995.25
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	87,204.19	20,586.88	79,000	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,222,735.68	\$699,753.35	162,367	102,196.21

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	473	461	5. Miles Transmission		
2. Services Retired	193	192	6. Miles Distribution - Overhead	2,820	2,858
3. Total Services in Place	28,789	29,323	7. Miles Distribution - Underground	62,3169	67
4. Idle Services (Exclude Seasonal)	2,015	2,079	8. Total Miles Energized (5 + 6 + 7)	2,882	2,925

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
2. Construction Work in Progress.....	31. Patronage Capital.....
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
i. Non-Utility Property.....	35. Other Margins and Equities.....
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
i. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$.....)
0. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.....
1. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar.....
2. Other Investments.....	40. Long-Term Debt - Other (Net).....
3. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
4. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
5. Cash - General Funds.....	43. Accumulated Operating Provisions.....
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43).....
17. Special Deposits.....	45. Notes Payable.....
8. Temporary Investments.....	46. Accounts Payable.....
9. Notes Receivable (Net).....	47. Consumers Deposits.....
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48).....
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
23. Prepayments.....	51. Accumulated Deferred Income Taxes.....
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51).....
26. Regulatory Assets.....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
17. Other Deferred Debits.....	53. Balance Beginning of Year.....
28. Accumulated Deferred Income Taxes.....	54. Amount Received This Year (Net).....
29. Total Assets and Other Debits (5+14+25 thru 28).....	55. Total Contributions in Aid of Construction.....

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Re-	kWh Sold	Amount
	Service			Bills	ceiving Serv.	Cumulative	Cumulative
a	b	c	d	e	f	g	
1. Residential Sales (excl seas.)	25,062	30,500,907	1,895,235.60	1,235	24,916	219,332,437	13,798,756.06
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,665	2,843,944	191,373.69	150	1,646	18,672,444	1,281,188.33
5. Comm. & Indus.-over 50 kVA	351	7,018,262	449,758.73	18	349	44,222,477	3,014,903.67
6. Public St. & Highway Lighting	6	84,186	5,398.94	6	6	669,795	42,987.94
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	27,084	40,447,299	2,541,766.96	1,409	26,917	282,897,153	18,137,836.00
11. Other Electric Revenue			71,838.44				550,369.18
12. Total (10 + 11)			2,613,605.40				18,688,205.18

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	57,085	583,821
2. kWh Purchased	43,265,990	295,461,758	7. Total Unaccounted For (4 Less 5 & 6)	2,761,606	11,980,784
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	6.38%	4.05%
4. Total kWh (1 thru 3)	43,265,990	295,461,758	9. Maximum Demand (kW)	93,381	94,971
5. Total kWh Sold	40,447,299	282,897,153	10. Month When Maximum Demand Occurred		2

Exhibit Q  
Page of  
6 24

Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0g72-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

USDA-REA

FINANCIAL AND STATISTICAL REPORT

INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.

BORROWER DESIGNATION

KY-18-MEADE

BORROWER NAME AND ADDRESS

MEADE COUNTY R. E. C. C-

P. O. BOX 489

BRANDENBURG, KY 40108

PERIOD ENDED

REA USE

31-Jul-06

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge

L INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

SIGNATURE MANAGER

DATE

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
Operating Revenue and Patronage Capital.....	16,116,802.91	16,074,599.78	2,542,362	2,436,842.78
2. Power Production Expense.....				
3. Cost of Purchased Power.....	9,161,474.99	9,106,929.75	1,461,792	1,519,529.89
Transmission Expense.....				
Distribution Expense - Operation.....	1,052,560.05	1,054,799.67	139,418	142,280.68
6. Distribution Expense - Maintenance.....	1,252,756.14	1,348,577.83	229,129	222,941.70
7. Customer Accounts Expense.....	702,491.76	656,766.44	92,549	95,902.27
Customer Service and Informational Expense.....	94,648.02	155,148.08	20,210	21,972.36
Sales Expense.....	(196.82)	2,581.33	1,049	1,498.13
Administrative and General Expense.....	622,184.67	742,990.72	94,339	109,858.87
11. Total Operation & Maintenance Expense (2 thru 10).....	12,885,918.81	13,067,793.82	2,038,486	2,113,983.90
12. Depreciation and Amortization Expense.....	1,328,083.68	1,418,065.18	201,951	206,150.32
Tax Expense - Property and Gross Receipts.....				
Tax Expense - Other.....	14,380.59	20,221.60	2,258	2,745.52
15. Interest on Long-Term Debt.....	967,904.14	1,090,485.87	186,811	174,338.52
16. Interest Charge to Construction - Credit.....				
Interest Expense - Other.....	17,301.75	19,986.27	2,400	2,845.50
Other Deductions.....	10,743.89	4,650.59	6,550	750.00
19. Total Cost of Electric Service (11 thru 18).....	15,224,332.86	15,621,203.33	2,438,456	2,500,813.76
20. Patronage Capital & Operating Margins (1 minus 19)....	892,470.05	453,396.45	103,906	-63,970.98
Non-Operating Margins - Interest.....	88,620.34	145,450.03	15,285	22,252.72
Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(6,959.44)	(21,876.22)	(3,280)	4,243.66
i. Generation and Transmission Capital Credits.....				
ii. Other Capital Credits and Patronage Dividends.....	8,190.00	20,586.88		
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$982,320.95	\$597,557.14	115,911	(37,474.60)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	418	368	5. Miles Transmission		
2. Services Retired	170	178	6. Miles Distribution - Overhead	2,826	2,853
3. Total Services in Place	28,726	29,253	7. Miles Distribution - Underground	62	67
4. Idle Services (Exclude Seasonal)	1,993	2,077	8. Total Miles Energized (5 + 6 + 7)	2,888	2,920

<b>USDA-REA</b>  <b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b> KY-18-MEADE
	<b>PERIOD ENDED</b> July 31, 2006
<b>INSTRUCTIONS - See REA Bulletin 1717B-2</b>	<b>REA USE ONLY</b>

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service.....	30. Memberships.....
2. Construction Work in Progress.....	31. Patronage Capital.....
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
6. Non-Utility Property.....	35. Other Margins and Equities.....
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$.....)
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.....
11. Investments in Economic Development Projects..... *****	39. Long-Term Debt - Other - REA Guar.....
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43).....
17. Special Deposits.....	45. Notes Payable.....
18. Temporary Investments.....	46. Accounts Payable.....
19. Notes Receivable (Net).....	47. Consumers Deposits.....
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities.....
21. Accounts Receivable - Other (Net).....	49. Total Current & Accrued Liab (45 thru 48).....
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
23. Prepayments.....	51. Accumulated Deferred Income Taxes.....
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51).....
26. Regulatory Assets.....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
27. Other Deferred Debits.....	53. Balance Beginning of Year.....
28. Accumulated Deferred Income Taxes.....	54. Amount Received This Year (Net).....
29. Total Assets and Other Debits (5+14+25 thru 28).....	55. Total Contributions in Aid of Construction.....

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Re-	kWh Sold	Amount
	Service			Bills	ceiving Serv.	Cumulative	Cumulative
a	b	c	d	e	f	G	
1. Residential Sales (excl seas.)	25,023	28,439,304	1,781,822.58	1,184	24,895	188,831,530	11,903,520.46
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,650	2,816,110	189,644.33	147	1,644	15,828,500	1,089,814.64
5. Comm. & Indus. - over 50 kVA	350	5,984,663	397,357.89	18	348	37,204,215	2,565,144.94
6. Public St. & Highway Lighting	6	84,186	5,398.94	6	6	585,609	37,589.00
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	27,029	37,324,263	2,374,223.74	1,355	26,893	242,449,854	15,596,069.04
11. Other Electric Revenue			62,619.04				478,530.74
12. Total (10 + 11)			2,436,842.78				16,074,599.78

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	58,099	526,736
2. kWh Purchased	42,649,765	252,195,768	7. Total Unaccounted For (4 Less 5 & 6)	5,267,403	9,219,178
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	12.35%	3.66%
4. Total kWh (1 thru 3)	42,649,765	252,195,768	9. Maximum Demand (kW)	93,729	94,971
5. Total kWh Sold	37,324,263	242,449,854	10. Month When Maximum Demand Occurred		2

REA Form 7 (Rev 6-94)

Page 2 of 7 Pages

\*\*\*\*\*This amount will be reclassified in August 2006. It hit the incorrect account in July.

Exhibit Q  
Page 8 of 24



Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0672-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 30-Jun-06 <b>IREA USE</b></p>
--	--

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

*Beren Brown*  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Bernie W. Jener*  
SIGNATURE MANAGER

7/14/06  
DATE

7/14/06  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	13,629,643.07	13,637,757.00	2,405,400	2,066,677.94
2. Power Production Expense.....				
3. Cost of Purchased Power.....	7,646,152.99	7,587,399.86	1,304,190	1,284,243.26
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	925,252.50	912,518.99	138,410	157,571.38
6. Distribution Expense - Maintenance.....	1,054,929.89	1,125,636.13	255,266	202,901.30
7. Customer Accounts Expense.....	614,181.96	560,864.17	101,601	91,628.19
8. Customer Service and Informational Expense.....	75,364.13	133,175.72	22,019	22,336.04
9. Sales Expense.....	(1,197.55)	1,083.20	(1,185)	(991.01)
10. Administrative and General Expense.....	535,106.60	633,131.85	106,376	117,510.64
11. Total Operation & Maintenance Expense (2 thru 10).....	10,849,790.52	10,953,809.92	1,926,677	1,875,199.80
12. Depreciation and Amortization Expense.....	1,133,523.10	1,211,914.86	199,984	205,074.10
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	12,226.08	17,476.08	2,167	2,191.12
15. Interest on Long-Term Debt.....	820,216.06	916,147.35	180,785	173,804.37
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	14,982.46	17,140.77	4,764	4,320.67
18. Other Deductions.....	4,493.89	3,900.59	111	-
19. Total Cost of Electric Service (11 thru 18).....	12,835,232.11	13,120,389.57	2,314,488	2,260,590.06
20. Patronage Capital & Operating Margins (1 minus 19)....	794,410.96	517,367.43	90,912	-193,912.12
21. Non-Operating Margins - Interest.....	73,348.36	123,197.31	14,050	23,109.65
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(4,112.22)	(26,119.88)	(3,530)	5,913.82
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	8,190.00	20,586.88	-	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$871,837.10	\$635,031.74	101,432	(164,888.65)

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	352	308	5. Miles Transmission		
2. Services Retired	152	152	6. Miles Distribution - Overhead	2,817	2,848
3. Total Services in Place	28,690	29,197	7. Miles Distribution - Underground	61	67
4. Idle Services (Exclude Seasonal)	1,956	2,119	8. Total Miles Energized (5 + 6 + 7)	2,878	2,914

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Construction Work in Progress.....	75,449,657.63	30. Memberships.....	118,080.00
2. Total Utility Plant (1 + 2).....	923,933.36	31. Patronage Capital.....	17,071,174.12
3. Accum. Provision for Depreciation and Amort.....	76,373,590.99	32. Operating Margins - Prior Year.....	77,784.13
4. Net Utility Plant (3 - 4).....	18,565,095.84	33. Operating Margins - current Year.....	537,954.31
5. Non-Utility Property.....	57,808,495.15	34. Non-Operating Margins.....	2,018,796.34
6. Investments in Subsidiary Companies.....	0.00	35. Other Margins and Equities.....	685,712.21
7. Invest. in Assoc. Org. - Patronage Capital.....	0.00	36. Total Margins & Equities (30 thru 35).....	20,509,501.11
8. Invest. in Assoc. Org. - Other - General Funds.....	638,949.88	37. Long-Term Debt - REA (Net).....	15,715,541.81
9. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	0.00	(Payments-Unapplied \$	
10. Investments in Economic Development Projects.....	1,130,755.18	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Other Investments.....	0.00	39. Long-Term Debt - Other - REA Guar	10,241,889.94
12. Special Funds.....	0.00	40. Long-Term Debt - Other (Net).....	16,095,762.66
13. Total Other Property and Investments (6 thru 13).....	1,769,705.06	41. Total Long-Term Debt (37 thru 40).....	42,053,194.41
14. Cash - General Funds.....	2,827,272.00	42. Obligations Under Capital Leases.....	0.00
15. Cash - Construction Funds - Trustee.....	0.00	43. Accumulated Operating Provisions.....	484,111.73
16. Special Deposits.....	0.00	44. Total Other Noncurrent Liab. (42 + 43)	484,111.73
17. Temporary Investments.....	1,425,298.25	45. Notes Payable.....	0.00
18. Notes Receivable (Net).....	0.00	46. Accounts Payable.....	1,911,076.22
19. Accounts Receivable - Sales of Energy (Net).....	2,407,739.81	47. Consumers Deposits.....	603,003.00
20. Accounts Receivable - Other	51,989.11	48. Other Current and Accrued Liabilities..	900,512.77
21. Materials and Supplies - Electric and Other.....	410,132.16	49. Total Current & Accrued Liab (45 thru 48)	3,414,591.99
22. Prepayments.....	196,102.33	50. Deferred Credits.....	598,291.94
23. Other Current and Accrued Assets.....	-7,240.83	51. Accumulated Deferred Income Taxes...	0.00
24. Total Current and Accrued Assets (15 thru 24).....	7,311,292.83	52. Total Liabilities and Other Credits.....	67,059,691.18
25. Regulatory Assets.....	0.00	<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
26. Other Deferred Debits.....	170,198.14	53. Balance Beginning of Year.....	
27. Accumulated Deferred Income	0.00	54. Amount Received This Year (Net).....	
28. Total Assets and Other Debits (5 + 14 + 25 thru 28).....	67,059,691.18	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Receiving Serv.	kWh Sold	Amount
	a	b	c	d	e	f	g
1. Residential Sales (excl seas.)	24,930	22,762,584	1,469,560.34	1,169	24,874	160,392,226	10,121,697.88
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,655	2,332,196	160,190.15	140	1,643	13,012,390	900,170.31
5. Comm. & Indus.-over 50 kVA	350	5,226,867	371,505.98	17	348	31,219,552	2,167,787.05
6. Public St. & Highway Lighting	6	84,186	5,398.94	6	6	501,423	32,190.06
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	26,941	30,405,833	2,006,655.41	1,332	26,871	205,125,591	13,221,845.30
11. Other Electric Revenue			60,022.53				415,911.70
12. Total (10 + 11)			2,066,677.94				13,637,757.00

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	47,910	468,637
2. kWh Purchased	34,586,230	209,546,003	7. Total Unaccounted For (4 Less 5 & 6)	4,132,487	3,951,775
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	11.95%	1.89%
4. Total kWh (1 thru 3)	34,586,230	209,546,003	9. Maximum Demand (kW)	84,201	94,971
5. Total kWh Sold	30,405,833	205,125,591	10. Month When Maximum Demand Occurred		2

Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0672-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p><b>USDA-REA</b></p> <p><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 31-May-06 <span style="float: right;">(REA USE)</span></p>
--	---

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

*Baren Brown*  
 \_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*George E. ...*  
 \_\_\_\_\_  
 SIGNATURE MANAGER

6/21/06  
 \_\_\_\_\_  
 DATE

6/27/06  
 \_\_\_\_\_  
 DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	11,588,691.16	11,571,079.06	2,010,338	1,840,185.39
2. Power Production Expense.....				
3. Cost of Purchased Power.....	6,268,889.14	6,303,156.60	1,122,632	1,155,900.47
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	793,965.66	754,947.61	160,890	140,979.72
6. Distribution Expense - Maintenance.....	841,008.68	922,734.83	215,686	193,979.64
7. Customer Accounts Expense.....	518,059.52	469,235.98	81,114	101,434.69
8. Customer Service and Informational Expense.....	54,532.99	110,839.68	(24,220)	19,186.99
9. Sales Expense.....	(76.13)	2,074.21	(978)	(947.96)
10. Administrative and General Expense.....	432,930.63	515,621.21	78,687	101,002.28
11. Total Operation & Maintenance Expense (2 thru 10).....	8,909,310.49	9,078,610.12	1,633,811	1,711,535.83
12. Depreciation and Amortization Expense.....	941,564.87	1,006,840.76	198,017	202,792.95
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	10,175.67	15,284.96	1,766	2,170.51
15. Interest on Long-Term Debt.....	670,852.31	742,342.98	189,364	157,932.27
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	10,379.68	12,820.10	2,596	3,303.25
18. Other Deductions.....	4,388.89	3,900.59	2,362	2,000.00
19. Total Cost of Electric Service (11 thru 18).....	10,546,671.91	10,859,799.51	2,027,916	2,079,734.81
20. Patronage Capital & Operating Margins (1 minus 19)....	1,042,019.25	711,279.55	-17,578	-239,549.42
21. Non-Operating Margins - Interest.....	59,289.53	100,087.66	14,350	20,440.94
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(3,846.70)	(32,033.70)	(3,780)	(9,582.48)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	8,190.00	20,586.88	-	5,372.88
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,105,652.08	\$799,920.39	(7,008)	(223,318.08)

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	260	226	5. Miles Transmission		
2. Services Retired	132	119	6. Miles Distribution - Overhead	2,813	2,846
3. Total Services in Place	28,606	29,160	7. Miles Distribution - Underground	61	66
4. Idle Services (Exclude Seasonal)	1,950	2,095	8. Total Miles Energized (5 + 6 + 7)	2,874	2,912

FINANCIAL AND STATISTICAL REPORT

KY-18-MEADE

PERIOD ENDED

REA USE ONLY

INSTRUCTIONS - See REA Bulletin 1717B-2

May 31, 2006

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
Total Utility Plant in	75,079,078.00	30. Memberships.....	118,550.00
Construction Work in Progress.....	519,244.45	31. Patronage Capital.....	17,088,648.36
3. Total Utility Plant (1 + 2).....	75,598,322.45	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	18,461,051.34	33. Operating Margins - current Year.....	731,866.43
Net Utility Plant (3 - 4).....	57,137,271.11	34. Non-Operating Margins.....	1,989,772.87
Non-Utility Property	0.00	35. Other Margins and Equities.....	686,012.46
7. Investments in Subsidiary Companies.....	0.00	36. Total Margins & Equities (30 thru 35)..	20,692,634.25
8. Invest. in Assoc. Org. - Patronage Capital.....	641,252.55	37. Long-Term Debt - REA (Net).....	16,411,563.69
Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	0.00
Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,130,755.18	38. Long-Term Debt - REA - Econ. Devel.	10,298,819.02
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar	16,095,762.66
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	42,806,145.37
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	0.00
i. Total Other Property and Investments (6 thru 13).....	1,772,007.73	42. Obligations Under Capital Leases.....	478,049.14
i. Cash - General Funds.....	4,680,505.12	43. Accumulated Operating Provisions.....	478,049.14
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43)	0.00
17. Special Deposits.....	0.00	45. Notes Payable.....	1,794,192.34
i. Temporary Investments.....	1,056,622.74	46. Accounts Payable.....	609,883.00
Notes Receivable (Net).....	2,143,192.64	47. Consumers Deposits.....	821,109.77
20. Accounts Receivable - Sales of Energy (Net).....	54,398.72	48. Other Current and Accrued Liabilities..	3,225,185.11
21. Accounts Receivable - Other	562,618.20	49. Total Current & Accrued Liab (45 thru 48)	568,458.44
2. Materials and Supplies - Electric and Other.....	216,344.07	50. Deferred Credits.....	0.00
3. Prepayments.....	-25,854.44	51. Accumulated Deferred Income Taxes...	67,770,472.31
4. Other Current and Accrued Assets.....	8,687,828.05	52. Total Liabilities and Other Credits.....	
25. Total Current and Accrued Assets (15 thru 24).....	0.00	(36 + 41 + 44 + 49 thru 51).....	
26. Regulatory Assets.....	173,365.42	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
7. Other Deferred Debits.....	0.00	53. Balance Beginning of Year.....	
8. Accumulated Deferred Income	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28).....	67,770,472.31	55. Total Contributions in Aid of Construction.....	

PART D. NOTES TO FINANCIAL STATEMENTS

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Re-	kWh Sold	Amount
	Service			Bills	ceiving Serv.	Cumulative	Cumulative
a	b	c	d	e	f	g	
1. Residential Sales (excl seas.)	24,897	18,741,327	1,248,805.45	1,205	24,863	137,629,642	8,652,137.54
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,645	2,038,026	141,568.31	133	1,640	10,680,194	739,980.16
5. Comm. & Indus.-over 50 kVA	347	5,543,870	380,352.93	17	348	25,992,685	1,796,281.07
6. Public St. & Highway Lighting	6	83,634	5,368.54	6	6	417,237	26,791.12
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	26,895	26,406,857	1,776,095.23	1,361	26,857	174,719,758	11,215,189.89
11. Other Electric Revenue			64,090.16				355,889.17
12. Total (10 + 11)			1,840,185.39				11,571,079.06

PART E. kWh AND kW STATISTICS\*

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	49,254	420,727
2. kWh Purchased	29,763,820	174,959,773	7. Total Unaccounted For (4 Less 5 & 6)	3,307,709	-180,712
Interchange kWh - net			8. Percent System Loss (7/4) x 100	11.11%	-0.10%
4. Total kWh (1 thru 3)	29,763,820	174,959,773	9. Maximum Demand (kW)	79,937	94,971
5. Total kWh Sold	26,406,857	174,719,758	10. Month When Maximum Demand Occurred		2

Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #072-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;">USDA-REA</p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 30-Apr-06 <span style="float: right;">(REA USE)</span></p>
---	---

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

<p>_____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p> <p>_____ SIGNATURE MANAGER</p>	<p style="text-align: right;">5/16/06 DATE</p> <p style="text-align: right;">5/17/06 DATE</p>
---	---

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	9,707,129.78	9,730,893.67	1,877,114	2,106,455.87
2. Power Production Expense.....				
3. Cost of Purchased Power.....	5,249,779.19	5,147,256.13	1,174,088	957,052.11
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	663,894.65	613,967.89	146,939	123,714.37
6. Distribution Expense - Maintenance.....	657,483.84	728,755.19	186,262	169,889.15
7. Customer Accounts Expense.....	424,615.90	367,801.29	96,405	86,308.97
8. Customer Service and Informational Expense.....	82,436.63	91,652.69	17,185	19,343.52
9. Sales Expense.....	1,051.09	3,022.17	572	1,646.81
10. Administrative and General Expense.....	349,860.30	414,618.93	85,997	91,309.29
11. Total Operation & Maintenance Expense (2 thru 10).....	7,429,121.60	7,367,074.29	1,707,448	1,449,264.22
12. Depreciation and Amortization Expense.....	752,231.90	804,047.81	193,867	202,261.47
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	8,141.15	13,114.45	2,032	2,181.14
15. Interest on Long-Term Debt.....	534,932.76	584,410.71	172,334	163,743.87
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	7,871.63	9,516.85	2,257	2,494.00
18. Other Deductions.....	1,667.67	1,900.59	100	1,500.00
19. Total Cost of Electric Service (11 thru 18).....	8,733,966.71	8,780,064.70	2,078,038	1,821,444.70
20. Patronage Capital & Operating Margins (1 minus 19).....	973,163.07	950,828.97	-200,924	285,011.17
21. Non-Operating Margins - Interest.....	44,971.69	79,646.72	12,700	19,712.84
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(2,548.74)	(22,451.22)	(4,025)	(15,288.08)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	8,190.00	15,214.00		
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,023,776.02	\$1,023,238.47	(192,249)	289,435.93

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	205	168	5. Miles Transmission		
2. Services Retired	113	107	6. Miles Distribution - Overhead	2,810	2,830
3. Total Services in Place	28,532	29,116	7. Miles Distribution - Underground	61	65
4. Idle Services (Exclude Seasonal)	1,951	2,089	8. Total Miles Energized (5 + 6 + 7)	2,871	2,895

Exhibit Q  
Page 13 of 24

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in	30. Memberships.....
73,350,428.79	118,990.00
2. Construction Work in Progress.....	31. Patronage Capital.....
1,626,634.23	17,106,481.73
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
74,977,063.02	77,784.13
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
18,452,195.43	966,042.97
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
56,524,867.59	1,978,914.41
6. Non-Utility Property	35. Other Margins and Equities.....
0.00	686,174.01
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
0.00	20,934,387.25
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
635,879.67	13,360,438.52
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$
0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.
1,130,755.18	10,298,819.02
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar
0.00	17,625,698.66
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
0.00	41,284,956.20
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
0.00	0.00
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
1,766,634.85	471,986.55
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
2,498,509.26	471,986.55
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43)
0.00	0.00
17. Special Deposits.....	45. Notes Payable.....
1,677,912.35	1,317,988.95
18. Temporary Investments.....	46. Accounts Payable.....
0.00	602,577.00
19. Notes Receivable (Net).....	47. Consumers Deposits.....
2,691,437.09	894,339.47
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities..
68,745.92	2,814,905.42
21. Accounts Receivable - Other	49. Total Current & Accrued Liab (45 thru 48)
570,729.16	659,861.90
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
235,220.63	0.00
23. Prepayments.....	51. Accumulated Deferred Income Taxes...
-44,466.05	66,166,097.32
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
7,698,086.36	(36 + 41 + 44 + 49 thru 51).....
25. Total Current and Accrued Assets (15 thru 24).....	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
0.00	53. Balance Beginning of Year.....
26. Regulatory Assets.....	54. Amount Received This Year (Net).....
176,508.52	55. Total Contributions in Aid of Construction.....
27. Other Deferred Debits.....	0.00
28. Accumulated Deferred Income	
0.00	
29. Total Assets and Other Debits (5+14+25 thru 28).....	
66,166,097.32	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Receiving Serv.	kWh Sold	Amount
	Service			Bills	c	f	G
1. Residential Sales (excl seas.)	24,863	23,733,350	1,521,907.52	1,237	24,854	118,888,315	7,403,332.09
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,638	2,133,550	147,757.92	140	1,639	8,642,168	598,411.85
5. Comm. & Indus.-over 50 kVA	347	5,281,374	361,033.90	18	348	20,448,815	1,415,928.14
6. Public St. & Highway Lightng	6	83,406	5,355.93	6	6	333,603	21,422.58
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	26,854	31,231,680	2,036,055.27	1,401	26,847	148,312,901	9,439,094.66
11. Other Electric Revenue			70,400.60				291,799.01
12. Total (10 + 11)			2,106,455.87				9,730,893.67

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	66,646	371,473
2. kWh Purchased	27,303,280	145,195,953	7. Total Unaccounted For (4 Less 5 & 6)	-3,995,046	-3,488,421
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	-14.63%	-2.40%
4. Total kWh (1 thru 3)	27,303,280	145,195,953	9. Maximum Demand (kW)	60,614	114,961
5. Total kWh Sold	31,231,680	148,312,901	10. Month When Maximum Demand Occurred		2

Exhibit Q  
Page 14 of 24

Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0g72-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C.- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 31-Mar-06 <span style="float: right;">(REA USE)</span></p>
--	---

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

*Baron Brown*  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Bruce E. Spencer*  
SIGNATURE MANAGER

4/13/06  
DATE

4/14/06  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	7,582,087.95	7,624,437.80	2,499,372	2,324,387.15
2. Power Production Expense.....				
3. Cost of Purchased Power.....	4,285,172.81	4,190,204.02	1,357,246	1,305,303.33
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	527,474.30	490,253.52	200,038	181,573.03
6. Distribution Expense - Maintenance.....	405,841.11	558,866.04	199,034	238,503.68
7. Customer Accounts Expense.....	327,817.49	281,492.32	131,412	129,638.22
8. Customer Service and Informational Expense.....	65,182.50	72,309.17	28,006	28,589.73
9. Sales Expense.....	477.00	1,375.36	(483)	(61.35)
10. Administrative and General Expense.....	263,934.15	323,309.64	122,052	121,848.93
11. Total Operation & Maintenance Expense (2 thru 10).....	5,875,899.36	5,917,810.07	2,037,305	2,005,395.57
12. Depreciation and Amortization Expense.....	563,633.88	601,786.34	191,900	201,187.78
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	6,100.57	10,933.31	2,108	2,179.35
15. Interest on Long-Term Debt.....	399,906.35	420,666.84	176,831	161,982.10
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	5,690.59	7,022.85	2,286	2,449.52
18. Other Deductions.....	1,567.67	400.59	849	400.59
19. Total Cost of Electric Service (11 thru 18).....	6,852,798.42	6,958,620.00	2,411,279	2,373,594.91
20. Patronage Capital & Operating Margins (1 minus 19)....	729,289.53	665,817.80	88,093	-49,207.76
21. Non-Operating Margins - Interest.....	32,346.57	59,933.88	12,380	21,378.43
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(1,656.66)	(7,163.14)	(4,275)	7,698.20
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	8,190.00	15,214.00	8,200	15,214.00
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$768,169.44	\$733,802.54	104,398	(4,917.13)

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	138	116	5. Miles Transmission		
2. Services Retired	88	98	6. Miles Distribution - Overhead	2,809	2,828
3. Total Services in Place	28,459	29,060	7. Miles Distribution - Underground	61	65
4. Idle Services (Exclude Seasonal)	1,939	2,061	8. Total Miles Energized (5 + 6 + 7)	2,870	2,893

<b>USDA-REA</b>  <b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b> KY-18-MEADE
	<b>PERIOD ENDED</b> March 31, 2006
<b>INSTRUCTIONS - See REA Bulletin 1717B-2</b>	<b>REA USE ONLY</b>

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in	73,127,155.83	30. Memberships.....	119,380.00
2. Construction Work in Progress.....	1,394,778.68	31. Patronage Capital.....	17,135,030.92
3. Total Utility Plant (1 + 2).....	74,521,934.51	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	18,349,213.56	33. Operating Margins - current Year.....	681,031.80
5. Net Utility Plant (3 - 4).....	56,172,720.95	34. Non-Operating Margins.....	1,974,489.65
6. Non-Utility Property	0.00	35. Other Margins and Equities.....	686,216.69
7. Investments in Subsidiary Companies.....	5,400.00	36. Total Margins & Equities (30 thru 35).....	20,673,933.19
8. Invest. in Assoc. Org. - Patronage Capital.....	635,879.67	37. Long-Term Debt - REA (Net).....	13,311,346.55
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,130,755.18	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar	10,298,819.02
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	17,625,698.66
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	41,235,864.23
14. Total Other Property and Investments (6 thru 13).....	1,772,034.85	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	2,395,899.28	43. Accumulated Operating Provisions.....	465,798.68
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43)	465,798.68
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	2,101,880.50	46. Accounts Payable.....	1,789,882.42
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	594,867.00
20. Accounts Receivable - Sales of Energy (Net).....	2,700,940.42	48. Other Current and Accrued Liabilities..	736,180.23
21. Accounts Receivable - Other	123,978.51	49. Total Current & Accrued Liab (45 thru 48)	3,120,929.65
22. Materials and Supplies - Electric and Other.....	470,793.04	50. Deferred Credits.....	632,879.59
23. Prepayments.....	254,530.56	51. Accumulated Deferred Income Taxes...	0.00
24. Other Current and Accrued Assets.....	-43,072.75	52. Total Liabilities and Other Credits.....	66,129,405.34
25. Total Current and Accrued Assets (15 thru 24).....	8,004,949.56	(36 + 41 + 44 + 49 thru 51).....	
26. Regulatory Assets.....	0.00	<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
27. Other Deferred Debits.....	179,699.98	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28).....	66,129,405.34	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Receiving Serv.	kWh Sold	Amount
	a	b	c	d	e	f	g
1. Residential Sales (excl seas.)	24,872	28,017,440	1,757,611.27	1,371	24,851	95,154,965	5,881,424.57
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,641	2,026,363	141,555.99	152	1,639	6,508,618	450,653.93
5. Comm. & Indus. - over 50 kVA	347	4,887,096	349,634.38	16	348	15,167,441	1,054,894.24
6. Public St. & Highway Lighting	6	83,406	5,355.93	6	6	250,197	16,066.65
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	26,866	35,014,305	2,254,157.57	1,545	26,844	117,081,221	7,403,039.39
11. Other Electric Revenue			70,229.58				221,398.41
12. Total (10 + 11)			2,324,387.15				7,624,437.80

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	83,750	304,827
2. kWh Purchased	36,530,120	117,892,673	7. Total Unaccounted For (4 Less 5 & 6)	1,432,065	506,625
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	3.92%	0.43%
4. Total kWh (1 thru 3)	36,530,120	117,892,673	9. Maximum Demand (kW)	82,660	94,971
5. Total kWh Sold	35,014,305	117,081,221	10. Month When Maximum Demand Occurred		2



Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #072-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> _____ <b>REA USE</b> 28-Feb-06</p>
--	---

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge.

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

*Baron Brown*  
\_\_\_\_\_  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*Baron E. W. Jones*  
\_\_\_\_\_  
SIGNATURE MANAGER

3/14/06  
\_\_\_\_\_  
DATE

3/14/06  
\_\_\_\_\_  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	5,221,637.39	5,300,050.65	2,358,113	2,442,917.32
2. Power Production Expense.....				
3. Cost of Purchased Power.....	2,919,712.13	2,884,900.69	1,532,391	1,483,995.72
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	337,867.70	308,680.49	203,914	179,082.31
6. Distribution Expense - Maintenance.....	212,493.26	320,362.36	122,502	174,205.22
7. Customer Accounts Expense.....	198,490.35	151,854.10	107,710	91,483.84
8. Customer Service and Informational Expense.....	38,214.43	43,719.44	18,113	25,059.22
9. Sales Expense.....	942.36	1,436.71	602	(584.19)
10. Administrative and General Expense.....	146,391.53	201,460.71	93,410	115,063.29
11. Total Operation & Maintenance Expense (2 thru 10).....	3,854,111.76	3,912,414.50	2,078,642	2,068,305.41
12. Depreciation and Amortization Expense.....	375,556.96	400,598.56	189,933	200,695.39
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	4,070.76	8,753.96	2,284	6,580.25
15. Interest on Long-Term Debt.....	260,068.87	258,684.74	160,002	66,626.91
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	3,481.77	4,573.33	1,872	2,876.98
18. Other Deductions.....	750.00	-	-	-
19. Total Cost of Electric Service (11 thru 18).....	4,498,040.12	4,585,025.09	2,432,733	2,345,084.94
20. Patronage Capital & Operating Margins (1 minus 19)....	723,597.27	715,025.56	-74,620	97,832.38
21. Non-Operating Margins - Interest.....	19,962.78	38,555.45	11,395	19,577.00
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....		(14,861.34)	(4,520)	(9,880.04)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....				
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$743,560.05	\$738,719.67	(67,745)	107,529.34

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	70	73	5. Miles Transmission		
2. Services Retired	33	49	6. Miles Distribution - Overhead	2,808	2,830
3. Total Services in Place	28,428	29,036	7. Miles Distribution - Underground	60	65
4. Idle Services (Exclude Seasonal)	1,897	2,024	8. Total Miles Energized (5 + 6 + 7)	2,868	2,895

INSTRUCTIONS - See REA Bulletin 1717B-2

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in <span style="float: right;">72,655,973.15</span>	30. Memberships <span style="float: right;">119,925.00</span>	
2. Construction Work in Progress <span style="float: right;">1,343,273.20</span>	31. Patronage Capital <span style="float: right;">17,152,658.30</span>	
3. Total Utility Plant (1 + 2) <span style="float: right;">73,999,246.35</span>	32. Operating Margins - Prior Year <span style="float: right;">77,784.13</span>	
4. Accum. Provision for Depreciation and Amort. <span style="float: right;">18,220,632.92</span>	33. Operating Margins - current Year <span style="float: right;">715,025.56</span>	
5. Net Utility Plant (3 - 4) <span style="float: right;">55,778,613.43</span>	34. Non-Operating Margins <span style="float: right;">1,945,413.02</span>	
6. Non-Utility Property <span style="float: right;">0.00</span>	35. Other Margins and Equities <span style="float: right;">687,488.87</span>	
7. Investments in Subsidiary Companies <span style="float: right;">6,250.00</span>	36. Total Margins & Equities (30 thru 35) <span style="float: right;">20,696,294.88</span>	
8. Invest. in Assoc. Org. - Patronage Capital <span style="float: right;">621,659.67</span>	37. Long-Term Debt - REA (Net) <span style="float: right;">13,119,792.10</span>	
9. Invest. in Assoc. Org. - Other - General Funds <span style="float: right;">0.00</span>	(Payments-Unapplied \$	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds <span style="float: right;">1,132,459.36</span>	38. Long-Term Debt - REA - Econ. Devel. <span style="float: right;">0.00</span>	
11. Investments in Economic Development Projects <span style="float: right;">0.00</span>	39. Long-Term Debt - Other - REA Guar <span style="float: right;">10,358,893.93</span>	
12. Other Investments <span style="float: right;">0.00</span>	40. Long-Term Debt - Other (Net) <span style="float: right;">17,625,698.66</span>	
13. Special Funds <span style="float: right;">0.00</span>	41. Total Long-Term Debt (37 thru 40) <span style="float: right;">41,104,384.69</span>	
14. Total Other Property and Investments (6 thru 13) <span style="float: right;">1,760,369.03</span>	42. Obligations Under Capital Leases <span style="float: right;">0.00</span>	
15. Cash - General Funds <span style="float: right;">1,733,240.11</span>	43. Accumulated Operating Provisions <span style="float: right;">455,915.05</span>	
16. Cash - Construction Funds - Trustee <span style="float: right;">0.00</span>	44. Total Other Noncurrent Liab. (42 + 43) <span style="float: right;">455,915.05</span>	
17. Special Deposits <span style="float: right;">0.00</span>	45. Notes Payable <span style="float: right;">0.00</span>	
18. Temporary Investments <span style="float: right;">2,493,927.17</span>	46. Accounts Payable <span style="float: right;">1,896,345.83</span>	
19. Notes Receivable (Net) <span style="float: right;">0.00</span>	47. Consumers Deposits <span style="float: right;">590,267.00</span>	
20. Accounts Receivable - Sales of Energy (Net) <span style="float: right;">3,113,474.60</span>	48. Other Current and Accrued Liabilities <span style="float: right;">634,888.79</span>	
21. Accounts Receivable - Other <span style="float: right;">102,953.36</span>	49. Total Current & Accrued Liab (45 thru 48) <span style="float: right;">3,121,501.62</span>	
22. Materials and Supplies - Electric and Other <span style="float: right;">444,214.25</span>	50. Deferred Credits <span style="float: right;">533,499.80</span>	
23. Prepayments <span style="float: right;">303,796.79</span>	51. Accumulated Deferred Income Taxes <span style="float: right;">0.00</span>	
24. Other Current and Accrued Assets <span style="float: right;">140.04</span>	52. Total Liabilities and Other Credits <span style="float: right;">65,913,596.04</span>	
25. Total Current and Accrued Assets (15 thru 24) <span style="float: right;">8,191,746.32</span>		
26. Regulatory Assets <span style="float: right;">0.00</span>	<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
27. Other Deferred Debits <span style="float: right;">182,867.26</span>	53. Balance Beginning of Year <span style="float: right;">_____</span>	
28. Accumulated Deferred Income <span style="float: right;">0.00</span>	54. Amount Received This Year (Net) <span style="float: right;">_____</span>	
29. Total Assets and Other Debits (5+14+25 thru 28) <span style="float: right;">65,913,596.04</span>	55. Total Contributions in Aid of Construction <span style="float: right;">_____</span>	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR -TO-DATE			
	No. Receiving	KWh Sold	Amount	No. Minimum	Avg. No. Re-	KWh Sold	Amount
	Service			Bills	ceiving Serv.		
a	b	c	d	e	f	g	
1. Residential Sales (excl seas.)	24,842	29,929,387	1,862,009.79	1,472	24,841	67,137,525	4,123,813.30
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,636	2,066,674	143,896.89	164	1,638	4,482,255	309,097.94
5. Comm. & Indus-over 50 kVA	348	5,270,272	356,267.64	21	349	10,280,345	705,259.86
6. Public St. & Highway Lighting	6	83,406	5,355.93	6	6	166,791	10,710.72
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	26,832	37,349,739	2,367,530.25	1,663	26,834	82,066,916	5,148,881.82
11. Other Electric Revenue			75,387.07				151,168.83
12. Total (10 + 11)			2,442,917.32				5,300,050.65

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	114,961	221,077
2. kWh Purchased	40,774,023	81,362,553	7. Total Unaccounted For (4 Less 5 & 6)	3,309,323	-925,440
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	8.12%	-1.14%
4. Total kWh (1 thru 3)	40,774,023	81,362,553	9. Maximum Demand (kW)	94,971	94,971
5. Total kWh Sold	37,349,739	82,066,916	10. Month When Maximum Demand Occurred		2

Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #072-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 31-Jan-06 <span style="float: right;"><b>REA USE</b></span></p>
--	--

**CERTIFICATION**

*We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge.*

**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

<p><i>[Signature]</i></p> <p>_____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p> <p><i>[Signature]</i></p> <p>_____ SIGNATURE MANAGER</p>	<p style="text-align: right;">2/13/06</p> <p>_____ DATE</p> <p style="text-align: right;">2/13/06</p> <p>_____ DATE</p>
---	---

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	2,653,022.80	2,857,133.33	2,734,573	2,857,133.33
2. Power Production Expense.....				
3. Cost of Purchased Power.....	1,600,224.92	1,400,904.97	1,633,248	1,400,904.97
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	192,079.71	129,598.18	182,666	129,598.18
6. Distribution Expense - Maintenance.....	123,418.25	146,157.14	152,973	146,157.14
7. Customer Accounts Expense.....	102,748.35	60,370.26	121,514	60,370.26
8. Customer Service and Informational Expense.....	22,114.40	18,660.22	25,988	18,660.22
9. Sales Expense.....	406.98	2,020.90	427	2,020.90
10. Administrative and General Expense.....	93,797.02	86,397.42	115,832	86,397.42
11. Total Operation & Maintenance Expense (2 thru 10).....	2,134,789.63	1,844,109.09	2,232,648	1,844,109.09
12. Depreciation and Amortization Expense.....	186,905.31	199,903.17	188,117	199,903.17
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	2,040.15	2,173.71	2,393	2,173.71
15. Interest on Long-Term Debt.....	135,360.16	192,057.83	164,228	192,057.83
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	1,673.53	1,696.35	1,732	1,696.35
18. Other Deductions.....	750.00	-	880	-
19. Total Cost of Electric Service (11 thru 18).....	2,461,518.78	2,239,940.15	2,589,998	2,239,940.15
20. Patronage Capital & Operating Margins (1 minus 19)....	191,504.02	617,193.18	144,575	617,193.18
21. Non-Operating Margins - Interest.....	8,571.58	18,978.45	8,570	18,978.45
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....		(4,981.30)	(4,775)	(4,981.30)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....				
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$200,075.60	\$631,190.33	148,370	631,190.33

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	32	39	5. Miles Transmission		
2. Services Retired	14	21	6. Miles Distribution - Overhead	2,807	2,828
3. Total Services in Place	28,412	29,021	7. Miles Distribution - Underground	60	64
4. Idle Services (Exclude Seasonal)	1,891	2,016	8. Total Miles Energized (5 + 6 + 7)	2,867	2,892

USDA-REA	BORROWER DESIGNATION
<b>FINANCIAL AND STATISTICAL REPORT</b>	KY-18-MEADE
	PERIOD ENDED
	REA USE ONLY
INSTRUCTIONS - See REA Bulletin 1717B-2	January 31, 2006

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in	72,429,936.52	30. Memberships.....	120,295.00
2. Construction Work in Progress.....	1,130,142.69	31. Patronage Capital.....	17,412,083.70
3. Total Utility Plant (1 + 2).....	73,560,079.21	32. Operating Margins - Prior Year.....	77,784.13
4. Accum. Provision for Depreciation and Amort.....	18,104,232.84	33. Operating Margins - current Year.....	617,193.18
5. Net Utility Plant (3 - 4).....	55,455,846.37	34. Non-Operating Margins.....	1,694,739.65
6. Non-Utility Property	0.00	35. Other Margins and Equities.....	689,646.13
7. Investments in Subsidiary Companies.....	6,250.00	36. Total Margins & Equities (30 thru 35).....	20,611,741.79
8. Invest. in Assoc. Org. - Patronage Capital.....	621,659.67	37. Long-Term Debt - REA (Net).....	13,075,631.34
9. Invest. in Assoc. Org. - Other - General Funds.....	0.00	(Payments-Unapplied \$	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	1,132,459.36	38. Long-Term Debt - REA - Econ. Devel.	0.00
11. Investments in Economic Development Projects.....	0.00	39. Long-Term Debt - Other - REA Guar	10,358,893.93
12. Other Investments.....	0.00	40. Long-Term Debt - Other (Net).....	17,686,367.56
13. Special Funds.....	0.00	41. Total Long-Term Debt (37 thru 40).....	41,120,892.83
14. Total Other Property and Investments (6 thru 13).....	1,760,369.03	42. Obligations Under Capital Leases.....	0.00
15. Cash - General Funds.....	1,986,978.94	43. Accumulated Operating Provisions.....	449,852.46
16. Cash - Construction Funds - Trustee.....	0.00	44. Total Other Noncurrent Liab. (42 + 43)	449,852.46
17. Special Deposits.....	0.00	45. Notes Payable.....	0.00
18. Temporary Investments.....	1,986,714.76	46. Accounts Payable.....	1,595,242.80
19. Notes Receivable (Net).....	0.00	47. Consumers Deposits.....	569,918.00
20. Accounts Receivable - Sales of Energy (Net).....	3,489,263.94	48. Other Current and Accrued Liabilities..	781,641.34
21. Accounts Receivable - Other	93,922.98	49. Total Current & Accrued Liab (45 thru 48)	2,946,802.14
22. Materials and Supplies - Electric and Other.....	419,668.11	50. Deferred Credits.....	532,975.42
23. Prepayments.....	301,957.79	51. Accumulated Deferred Income Taxes...	0.00
24. Other Current and Accrued Assets.....	-18,491.82	52. Total Liabilities and Other Credits.....	
25. Total Current and Accrued Assets (15 thru 24).....	8,260,014.70	(36 + 41 + 44 + 49 thru 51).....	65,662,264.64
26. Regulatory Assets.....	0.00	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	186,034.54	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income	0.00	54. Amount Received This Year (Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28).....	65,662,264.64	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg. No. Re-	kWh Sold	Amount
	Service			Bills	ceiving Serv.	Cumulative	Cumulative
a	b	c	d	e	f	g	
1. Residential Sales (excl seas.)	24,840	37,208,138	2,261,803.51	1,391	24,840	37,208,138	2,261,803.51
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,640	2,415,581	165,201.05	153	1,640	2,415,581	165,201.05
5. Comm. & Indus. - over 50 kVA	349	5,010,073	348,992.22	18	349	5,010,073	348,992.22
6. Public St. & Highway Lighting	6	83,385	5,354.79	6	6	83,385	5,354.79
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	26,835	44,717,177	2,781,351.57	1,568	26,835	44,717,177	2,781,351.57
11. Other Electric Revenue			75,781.76				75,781.76
12. Total (10 + 11)			2,857,133.33				2,857,133.33

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	106,116	106,116
2. kWh Purchased	40,588,530	40,588,530	7. Total Unaccounted For (4 Less 5 & 6)	-4,234,763	-4,234,763
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	-10.43%	-10.43%
4. Total kWh (1 thru 3)	40,588,530	40,588,530	9. Maximum Demand (kW)	84,705	84,705
5. Total kWh Sold	44,717,177	44,717,177	10. Month When Maximum Demand Occurred		1

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq.) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 31-Dec-05 <span style="float: right;">(REA USE)</span></p>
--	---

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

*[Handwritten Signature]*

SIGNATURE MANAGER

DATE

11/23/06

DATE

1/23/06

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	25,968,655.91	27,757,053.76	27,542,898	2,599,005.89
2. Power Production Expense.....				
3. Cost of Purchased Power.....	14,875,526.99	15,965,622.81	16,239,212	1,715,277.79
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,502,825.80	1,727,358.68	1,676,270	157,071.70
6. Distribution Expense - Maintenance.....	2,398,442.93	2,327,565.18	2,661,436	222,333.31
7. Customer Accounts Expense.....	1,137,418.80	1,196,971.14	1,225,189	104,153.79
8. Customer Service and Informational Expense.....	195,676.17	193,427.14	200,591	24,337.39
9. Sales Expense.....	2,404.57	(2,047.98)	1,182	237.93
10. Administrative and General Expense.....	1,123,205.10	1,104,334.40	1,250,942	107,993.72
11. Total Operation & Maintenance Expense (2 thru 10).....	21,235,500.36	22,513,231.37	23,254,821	2,331,405.63
12. Depreciation and Amortization Expense.....	2,176,160.50	2,318,514.70	2,294,550	199,024.45
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	26,747.97	25,104.74	26,110	2,175.42
15. Interest on Long-Term Debt.....	1,404,390.88	1,808,023.41	1,794,725	154,260.12
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	27,365.52	30,216.92	27,316	1,656.89
18. Other Deductions.....	14,939.91	27,852.83	18,879	(500.00)
19. Total Cost of Electric Service (11 thru 18).....	24,885,105.14	26,722,943.97	27,416,401	2,688,022.51
20. Patronage Capital & Operating Margins (1 minus 19).....	1,083,550.77	1,034,109.79	126,498	-89,016.62
21. Non-Operating Margins - Interest.....	105,104.18	197,462.06	86,955	21,994.74
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	5,719.97	(67,130.15)	(20,111)	(7,827.53)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	112,500.33	110,643.46	112,200	-
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,306,875.25	\$1,275,085.16	305,542	(74,849.41)

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	657	747	5. Miles Transmission		
2. Services Retired	271	278	6. Miles Distribution - Overhead	2,806	2,829
3. Total Services in Place	28,379	28,998	7. Miles Distribution - Underground	60	64
4. Idle Services (Exclude Seasonal)	1,902	2,018	8. Total Miles Energized (5 + 6 + 7)	2,866	2,894

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in	30. Memberships
72,146,736.98	120,630.00
2. Construction Work in Progress	31. Patronage Capital
969,901.48	16,151,671.26
3. Total Utility Plant (1 + 2)	32. Operating Margins - Prior Year
73,116,638.46	77,784.13
4. Accum. Provision for Depreciation and Amort.	33. Operating Margins - current Year
17,965,761.65	1,144,753.25
5. Net Utility Plant (3 - 4)	34. Non-Operating Margins
55,150,876.81	1,811,074.41
6. Non-Utility Property	35. Other Margins and Equities
0.00	691,680.55
7. Investments in Subsidiary Companies	36. Total Margins & Equities (30 thru 35)
112,045.00	19,997,593.60
8. Invest. in Assoc. Org. - Patronage Capital	37. Long-Term Debt - REA (Net)
621,659.67	13,026,683.15
9. Invest. in Assoc. Org. - Other - General Funds	(Payments-Unapplied \$
0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	38. Long-Term Debt - REA - Econ. Devel.
1,132,459.36	10,358,893.93
11. Investments in Economic Development Projects	39. Long-Term Debt - Other - REA Guar
0.00	17,686,367.56
12. Other Investments	40. Long-Term Debt - Other (Net)
0.00	41,071,944.64
13. Special Funds	41. Total Long-Term Debt (37 thru 40)
0.00	0.00
14. Total Other Property and Investments (6 thru 13)	42. Obligations Under Capital Leases
1,866,164.03	446,138.29
15. Cash - General Funds	43. Accumulated Operating Provisions
3,165,976.04	446,138.29
16. Cash - Construction Funds - Trustee	44. Total Other Noncurrent Liab. (42 + 43)
0.00	0.00
17. Special Deposits	45. Notes Payable
0.00	1,996,508.02
18. Temporary Investments	46. Accounts Payable
1,466,718.26	566,738.00
19. Notes Receivable (Net)	47. Consumers Deposits
0.00	691,298.74
20. Accounts Receivable - Sales of Energy (Net)	48. Other Current and Accrued Liabilities
2,858,373.22	3,254,544.76
21. Accounts Receivable - Other	49. Total Current & Accrued Liab (45 thru 48)
47,462.47	461,530.92
22. Materials and Supplies - Electric and Other	50. Deferred Credits
377,001.53	0.00
23. Prepayments	51. Accumulated Deferred Income Taxes
118,302.31	0.00
24. Other Current and Accrued Assets	52. Total Liabilities and Other Credits
6,675.72	65,231,752.21
25. Total Current and Accrued Assets (15 thru 24)	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
8,040,509.55	53. Balance Beginning of Year
26. Regulatory Assets	0.00
0.00	54. Amount Received This Year (Net)
27. Other Deferred Debits	0.00
174,201.82	55. Total Contributions in Aid of Construction
28. Accumulated Deferred Income	65,231,752.21
0.00	
29. Total Assets and Other Debits (5+14+25 thru 28)	
65,231,752.21	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg No. Re-	kWh Sold	Amount
	Service			Bills	ceiving Serv.	Cumulative	Cumulative
a	b	c	d	e	f	g	
1. Residential Sales (excl seas.)	24,769	32,621,387	2,009,137.40	1,370	24,532	325,022,990	20,436,215.07
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm. & Ind. - 50 kVA or less	1,640	2,184,636	151,162.41	154	1,631	27,880,967	1,915,886.43
5. Comm. & Indus. - over 50 kVA	348	5,208,392	361,357.04	18	346	67,127,610	4,511,010.67
6. Public St. & Highway Lighting	6	82,956	5,333.08	6	6	992,236	63,856.52
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	26,763	40,097,371	2,526,989.93	1,548	26,515	421,023,803	26,926,968.69
11. Other Electric Revenue			72,015.96				830,085.07
12. Total (10 + 11)			2,599,005.89				27,757,053.76

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	126,786	916,347
2. kWh Purchased	49,791,580	448,573,499	7. Total Unaccounted For (4 Less 5 & 6)	9,567,423	26,633,349
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	19.21%	5.94%
4. Total kWh (1 thru 3)	49,791,580	448,573,499	9. Maximum Demand (kW)	101,172	102,051
5. Total kWh Sold	40,097,371	421,023,803	10. Month When Maximum Demand Occurred		

Public reporting burden for this collection of information is estimated to average 17 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, FIRM, AG Box 7630, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0672-0032), Washington, DC 20503. OMB FORM NO. 0572-0032, Expires 03/31/95.

This data will be used by REA to review your financial situation. Your response is required (7 U.S.C. 901 et seq) and is not confidential.

<p style="text-align: center;"><b>USDA-REA</b></p> <p style="text-align: center;"><b>FINANCIAL AND STATISTICAL REPORT</b></p> <p>INSTRUCTIONS: Submit an original and two copies to REA, round all amounts to nearest dollar. For detailed instructions, see REA Bulletin 1717B-2.</p>	<p><b>BORROWER DESIGNATION</b> KY-18-MEADE</p> <p><b>BORROWER NAME AND ADDRESS</b> MEADE COUNTY R. E. C. C- P. O. BOX 489 BRANDENBURG, KY 40108</p> <p><b>PERIOD ENDED</b> 30-Nov-05 <span style="float: right;">  REA USE</span></p>
--	---

**CERTIFICATION**

*We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our*

ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XV11, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES

<p><i>[Signature]</i></p> <p>SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p>	<p style="text-align: center;">12/19/05</p> <p>DATE</p>
<p><i>[Signature]</i></p> <p>SIGNATURE MANAGER</p>	<p style="text-align: center;">12/19/05</p> <p>DATE</p>

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	23,754,565.76	25,158,047.87	2,101,739	1,957,371.71
2. Power Production Expense.....				
3. Cost of Purchased Power.....	13,231,553.13	14,250,345.02	1,257,839	1,255,547.89
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,341,928.52	1,570,286.98	138,692	128,772.90
6. Distribution Expense - Maintenance.....	2,248,949.37	2,105,231.87	172,901	219,067.77
7. Customer Accounts Expense.....	1,051,401.54	1,092,817.35	100,408	87,393.07
8. Customer Service and Informational Expense.....	177,962.95	169,089.75	18,571	18,747.45
9. Sales Expense.....	1,329.91	(2,285.91)	547	(1,027.51)
10. Administrative and General Expense.....	1,032,732.81	996,340.68	123,796	89,017.99
11. Total Operation & Maintenance Expense (2 thru 10).....	19,085,858.23	20,181,825.74	1,812,754	1,797,519.56
12. Depreciation and Amortization Expense.....	1,989,537.64	2,119,490.25	194,800	198,513.29
13. Tax Expense - Property and Gross Receipts.....				
14. Tax Expense - Other.....	24,661.42	22,929.32	2,346	2,152.84
15. Interest on Long-Term Debt.....	1,263,756.34	1,653,763.29	162,908	178,731.48
16. Interest Charge to Construction - Credit.....				
17. Interest Expense - Other.....	25,261.64	28,560.03	2,242	2,450.96
18. Other Deductions.....	10,439.91	28,352.83	2,000	11,368.94
19. Total Cost of Electric Service (11 thru 18).....	22,399,515.18	24,034,921.46	2,177,050	2,190,737.07
20. Patronage Capital & Operating Margins (1 minus 19)....	1,355,050.58	1,123,126.41	-75,312	-233,365.36
21. Non-Operating Margins - Interest.....	91,223.72	175,467.32	6,350	22,904.88
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	5,719.97	(59,302.62)	(2,186)	(17,794.51)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits and Patronage Dividends.....	112,500.33	110,643.46		
27. Extraordinary Items.....				
28. Patronage Capital or Margins (20 thru 27).....	\$1,564,494.60	\$1,349,934.57	(71,148)	(228,254.99)

**PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR	THIS YEAR		LAST YEAR	THIS YEAR
	(a)	(b)		(a)	(b)
1. New Services Connected	611	691	5. Miles Transmission		
2. Services Retired	263	256	6. Miles Distribution - Overhead	2,804	2,827
3. Total Services in Place	28,355	28,955	7. Miles Distribution - Underground	59	64
4. Idle Services (Exclude Seasonal)	1,912	2,000	8. Total Miles Energized (5 + 6 + 7)	2,863	2,891

INSTRUCTIONS - See REA Bulletin 1717B-2

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in	30. Memberships.....
71,857,375.50	121,295.00
2. Construction Work in Progress.....	31. Patronage Capital.....
1,012,347.19	16,178,546.48
3. Total Utility Plant (1 + 2).....	32. Operating Margins - Prior Year.....
72,869,722.69	77,784.13
4. Accum. Provision for Depreciation and Amort.....	33. Operating Margins - current Year.....
17,833,584.67	1,233,769.87
5. Net Utility Plant (3 - 4).....	34. Non-Operating Margins.....
55,036,138.02	1,796,907.20
6. Non-Utility Property	35. Other Margins and Equities.....
0.00	694,648.62
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35).....
112,045.00	20,102,951.30
8. Invest. in Assoc. Org. - Patronage Capital.....	37. Long-Term Debt - REA (Net).....
621,659.67	12,836,094.93
9. Invest. in Assoc. Org. - Other - General Funds.....	(Payments-Unapplied \$
0.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds.....	38. Long-Term Debt - REA - Econ. Devel.
1,132,459.36	10,411,293.13
11. Investments in Economic Development Projects.....	39. Long-Term Debt - Other - REA Guar
0.00	17,686,367.56
12. Other Investments.....	40. Long-Term Debt - Other (Net).....
0.00	40,933,755.62
13. Special Funds.....	41. Total Long-Term Debt (37 thru 40).....
0.00	0.00
14. Total Other Property and Investments (6 thru 13).....	42. Obligations Under Capital Leases.....
1,866,164.03	435,825.90
15. Cash - General Funds.....	43. Accumulated Operating Provisions.....
1,914,902.16	435,825.90
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liab. (42 + 43)
0.00	0.00
17. Special Deposits.....	45. Notes Payable.....
0.00	1,846,191.89
18. Temporary Investments.....	46. Accounts Payable.....
3,410,631.79	555,375.00
19. Notes Receivable (Net).....	47. Consumers Deposits.....
0.00	848,828.84
20. Accounts Receivable - Sales of Energy (Net).....	48. Other Current and Accrued Liabilities..
2,172,651.60	3,250,395.73
21. Accounts Receivable - Other	49. Total Current & Accrued Liab (45 thru 48)
47,889.28	529,361.92
22. Materials and Supplies - Electric and Other.....	50. Deferred Credits.....
294,052.74	0.00
23. Prepayments.....	51. Accumulated Deferred Income Taxes...
263,857.64	0.00
24. Other Current and Accrued Assets.....	52. Total Liabilities and Other Credits.....
68,793.11	65,252,290.47
25. Total Current and Accrued Assets (15 thru 24).....	(36 + 41 + 44 + 49 thru 51).....
8,172,778.32	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
26. Regulatory Assets.....	53. Balance Beginning of Year.....
0.00	0.00
27. Other Deferred Debits.....	54. Amount Received This Year (Net).....
177,210.10	0.00
28. Accumulated Deferred Income	55. Total Contributions in Aid of Construction.....
0.00	0.00
29. Total Assets and Other Debits (5+14+25 thru 28).....	
65,252,290.47	

**PART D. NOTES TO FINANCIAL STATEMENTS**

CLASS OF SERVICE	THIS MONTH			YEAR-TO-DATE			
	No. Receiving	kWh Sold	Amount	No. Minimum	Avg No. Re-	kWh Sold	Amount
	Service			Bills	ceiving Serv.	Cumulative	Cumulative
a	b	c	d	e	f	g	
1. Residential Sales (excl seas.)	24,695	21,001,426	1,370,657.35	1,201	24,510	292,401,603	18,427,077.67
2. Residential Sales Seasonal							
3. Irrigation Sales							
4. Comm & Ind. - 50 kVA or less	1,637	1,939,707	136,173.60	137	1,630	25,696,331	1,764,724.02
5. Comm & Indus. - over 50 kVA	348	5,579,247	381,774.85	18	346	61,919,218	4,149,653.63
6. Public St. & Highway Lighting	6	82,852	5,327.35	6	6	909,280	58,523.44
7. Other Sales to Public Auth.							
8. Sales for Resale - REA Borr.							
9. Sales for Resale - Others							
10. Total Sales of Electric Energy (1 thru 9)	26,686	28,603,232	1,893,933.15	1,362	26,492	380,926,432	24,399,978.76
11. Other Electric Revenue			63,438.56				758,069.11
12. Total (10 + 11)			1,957,371.71				25,158,047.87

**PART E. kWh AND kW STATISTICS\***

ITEM	THIS MONTH	YEAR-TO-DATE	ITEM	THIS MONTH	YEAR-TO-DATE
1. Net kWh Generated			6. Office Use	90,617	789,561
2. kWh Purchased	34,280,480	398,781,919	7. Total Unaccounted For (4 Less 5 & 6)	5,586,631	17,065,926
3. Interchange kWh - Net			8. Percent System Loss (7/4) x 100	16.30%	4.28%
4. Total kWh (1 thru 3)	34,280,480	398,781,919	9. Maximum Demand (kW)	80,892	102,051
5. Total kWh Sold	28,603,232	380,926,432	10. Month When Maximum Demand Occurred		1

Exhibit **Q**  
Page of  
**24 24**



**MEADE COUNTY**  
**Brandenburg, KY**

**Case No. 2006-00500**

**UNBUNDLED COST OF SERVICE STUDY**

**Prepared February 2007**

J. Adkins

MEADE COUNTY RECC

CASE NO. 2006-00500

Exhibit R  
Narrative  
Page 2 of 29  
Witness: Jim Adkins

NARRATIVE ON COST OF SERVICE STUDY

A description of the Cost of Service Study ("COSS") presented in Exhibit R of the original application is contained in the following discussion. This COSS is comprised of 11 schedules. Schedules 1 and 2 are schedules that present the proposed allocation of the revenue increase to the rate classes and proposed rate design for those rates receiving an increase in revenue. Schedules 3 and 4 give the results of the COSS in a summary manner. Schedules 5 and 6 are the primary schedules within the COSS. Schedules 7, through 11 are supporting schedules which provides many of the allocations methods for Schedules 3 and 4.

The COSS is a functionally unbundled because it provides the revenue requirements by function for each classification within all rate classes. By this is meant that a breakdown of the of the costs, the margins, and revenue credits for a function such as lines can be determined for all three classifications of demand-related, energy-related and consumer-related.

The COSS does follow the standard three step process of functionalization, classification, and allocation. The functions utilized in this COSS include these:

- a. purchased power
- b. Lines
- c. Transformers
- d. Services
- e. Meters
- f. Consumer and accounting services

**MEADE COUNTY RECC**

**CASE NO. 2006-00500**

Exhibit R  
Narrative  
Page 3 of 29  
Witness: Jim Adkins

The classifications used in the COSS include demand-related costs, energy-related costs, and consumer-related costs. One can readily see how specific costs may impact a specific segment of each rate class. Schedule 6 provides the functionalization and classification of costs. Schedule 5 provides the allocation of the costs to the appropriate rate classes. The relationships between functionalization and classification is better understood through the chart presented below:

	Demand <u>Related</u>	Energy <u>Related</u>	Consumer <u>Related</u>
Purchased Power	X	X	
Lines	X		X
Transformers	X		X
Services			X
Meters			X
Consumer & Acctg Services			X

Purchased power demand cost and substation costs are demand related while purchased power energy costs are considered to be energy related costs. Most distribution costs are considered to be consumer related with the exceptions being lines and transformers. Lines and transformers are considered to have a demand component and a consumer component. The determination of what portion of line expenses and transformer expenses may be demand related or consumer related is based on their proportional demand investment and consumer investment.

# MEADE COUNTY RECC

CASE NO. 2006-00500

Exhibit R  
Narrative  
Page 4 of 29  
Witness: Jim Adkins

The determination of the demand related amount and the consumer related amount in lines and transformers is based the e development of regression line. The "y intercept" becomes the basis for determining the consumer investment for each pole, each conductor and each transformer. The minimum investment per unit multiplied by the total number of poles, conductor and transformers gives the consumer related investment for that plant item. The remaining investment is considered to be demand related. Schedule 9 provides the details on the determination the demand related investment and consumer related investment for lines and transformers.

Many expenses are directly assigned to a function or allocated on the basis of O&M Other expenses such as depreciation, interest, margins, revenue credits and other similar expenses are allocated on the basis of information from Schedules 7 & 8. These schedules are the ones that provides the development of the Net Investment Rate Base ("rate base"). The end result from Schedule 6 is a revenue requirement for each functional classification which includes all costs, revenue credits and a margin requirement.

The next step in the process is the allocation of the revenue requirements to each rate class. Purchased power demand related costs are allocated on the basis of each rate class of Meade County contribution to Big Rivers Electric Corporation ("BREC") coincident peak or the basis by which Meade County is billed from BREC. Purchased power energy charges are allocated to each rate class on the basis of each rate class's proportional share of retail energy sales.

**MEADE COUNTY RECC**

**CASE NO. 2006-00500**

Exhibit R  
Narrative

Page 5 of 39  
Witness: Jim Adkins

Distribution demand related costs are allocated to each rate class's peak demand to the sum of the peak demand for all rate classes. These rate class peak demands and the BREC coincident peak demands are the sum of the monthly demands for each of the twelve months of the test year. The basis for the demand related cost allocation and the energy related allocation is contained in Schedule 10.

Schedule 11 contains the information that has been utilized to allocate the consumer related costs to the various rate classes. These allocations are based on number of consumers and weights based on the minimum size plant investments for each rate class.

The end result of this COSS is the determination of the revenue requirements for each rate class of Meade County. When the revenue requirements are matched with the revenue from current rates, it is readily apparent what rate classes are meeting their revenue requirements from the COSS and what rate classes are not meeting their revenue requirements. The end results of the COSS for Meade County indicates that several rate classes are recovering costs and some are not. Schedules 3 & 4 of the COSS provides those rate classes that are providing margins and those that are not recovering costs.

Schedule 2 of the COSS provides the full revenue requirements for each rate class along with the amount of revenue increase or revenue decrease that would be required for these rate classes to provide revenue at the level identified in the COSS.

**MEADE COUNTY RECC**

**CASE NO. 2006-00500**

Exhibit R  
Narrative  
Page 6 of 29  
Witness: Jim Adkins

Schedule 2 also shows the amount of revenue increase for each rate class that is being sought for each or used in the design of rates for each class.

The amount of increase used for rate design may differ than the COSS results and *it is different for several reasons.* Those rate classes recovering amounts in excess or COSS revenue requirements are not being proposed a reduction in rates.

The increase for Schedule 1 does not meet full revenue requirements but it is very close to recovering revenue requirements based on this proposal. The end result of the COSS is a better match of costs with revenues.

MEADE COUNTY RECC

CASE NO. 2006-00500

Exhibit R  
Schedule 1  
Page 7 of 29  
Witness: Jim Adkins

**RATE DESIGN**

	<u>Rate 1R</u> <u>Farm &amp; Home</u>	<u>Rate 1R</u> <u>Commercial</u>
<b><u>Revenue Required from Rates</u></b>		
Amount of Increase in Revenue Requirements	1,787,111	165,265
Current Revenue from Rates	<u>19,913,475</u>	<u>1,841,520</u>
Revenue from Rates	<u><u>21,700,586</u></u>	<u><u>2,006,785</u></u>

**Billing Units**

Consumer Charges	299,052	19,754
Energy kWh	311,938,931	26,420,163

**Proposed Rate Design**

**Rates 1R and 2R**

	<u>Rate 1R</u>	<u>Rate 1R</u>
Proposed Customer Charge	\$ 9.90	\$ 15.00
Revenue from Customer Charge	2,960,615	296,310
Revenue Required from Energy	<u>18,739,971</u>	<u>1,710,475</u>
Proposed Energy Rate	<u><u>\$ 0.06008</u></u>	<u><u>\$ 0.06474</u></u>

MEADE COUNTY RECC

CASE NO. 2006-00500

AMOUNT OF INCREASE

Margin Requirements for TIER of 2.0X	2,188,093
Less: Normalized Margins from current rates	<u>235,717</u>
Amount of Increase	<u><u>1,952,376</u></u>

Rate Classes Receiving Increase

Rate 1R Farm and Home	Revenue Current Rates	19,913,475	Proposed Increase Amount	1,787,111	Proposed Revenue Requirements	21,700,586	8.97%
Rate 2R Commercial	1,841,520	165,265	2,006,785	8.97%			
Total	21,754,995	1,952,376	23,707,371	0.0897			



MEADE COUNTY RECC

Case No. 2006-00500  
Statement of Operations  
Based on Expenses Category for each Rate Class

	Rate 1 R Farm & Home	Rate 2R Commercial	Rate 3R Gen Serv	Rate 3A TOD Rate	Outdoor Lighting	Total
Revenue	19,913,475	1,841,520	4,627,465	11,931	828,545	27,222,936
Purchased Power Costs	12,864,897	1,154,452	1,971,580	2,014	306,056	16,298,999
O&M	4,857,280	616,606	330,408	1,234	133,160	5,938,687
Admin & General	1,027,935	124,208	64,396	255	46,632	1,263,426
Depreciation & Misc.	2,011,050	301,273	163,325	490	136,874	2,613,013
Interest on Long Term Debt	1,684,054	252,268	136,757	410	114,604	2,188,093
Other Interest	26,301	3,940	2,136	6	1,790	34,173
Total Costs	22,471,517	2,452,747	2,668,602	4,410	739,115	28,336,391
Operating Margin	(2,558,042)	(611,227)	1,958,863	7,521	89,430	(1,113,455)
Other Income	1,038,383	155,548	84,324	253	70,664	1,349,172
Net Margins	(1,519,659)	(455,679)	2,043,187	7,774	160,094	235,717
TIER	0.098	(0.806)	15.940	19.939	2.397	1.108
Rate Base	45,926,972	6,879,768	3,729,586	11,194	3,125,440	59,672,960
Return	164,395	(203,411)	2,179,944	8,184	274,698	2,423,810
Rate of Return	0.36%	-2.96%	58.45%	73.11%	8.79%	4.06%

Statement of Operations by Functional Classification

	Rate 1R	Rate 2R	Rate 3R	Rate 3A	Outdoor	Total
	Farm & Home	Commercial	Gen Serv.	TOD Rate	Lighting	
Revenue	19,913,475	1,841,520	4,627,465	11,931	828,545	27,222,936
Wholesale Demand Costs						
Generation	6,097,968	581,316	531,534	643	102,475	7,313,936
Transmission	-	-	-	-	-	-
Distribution Substation	-	-	-	-	-	-
Total Wholesale Demand	6,097,968	581,316	531,534	643	102,475	7,313,936
Wholesale Energy Costs	6,766,928	573,136	1,440,047	1,371	203,581	8,985,063
Total Wholesale Costs	12,864,897	1,154,452	1,971,580	2,014	306,056	16,298,999
Gross Margin	7,048,578	687,068	2,655,885	9,917	522,489	10,923,937
Distribution Demand Costs						
Lines	4,046,226	891,231	527,880	1,276	118,808	5,585,421
Transformers	382,899	84,338	49,954	121	11,243	528,555
Total Distribution Demand	4,429,126	975,569	577,834	1,397	130,051	6,113,976
Distribution Consumer						
Lines	2,197,857	145,387	30,336	262	11,190	2,385,034
Transformers	305,210	33,700	8,878	14	802	348,604
Services	191,815	11,068	3,629	31	28,127	234,671
Meters	640,676	10,728	25,497	220	-	677,121
Consumer Services	1,841,936	121,843	50,847	472	4,664	2,019,762
Lighting					258,225	258,225
Total Distribution Consumer	5,177,495	322,726	119,187	1,000	303,008	5,923,416
Total Distribution Costs	9,606,620	1,298,295	697,022	2,396	433,059	12,037,392
Operating Margin	(2,558,042)	(611,227)	1,958,863	7,521	89,430	(1,113,455)
Other Revenue	1,038,383	155,548	84,324	253	70,664	1,349,172
Net Margin	(1,519,659)	(455,679)	2,043,187	7,774	160,094	235,717

MEADE COUNTY RECC  
CASE NO. 2006-00500

Allocation of Revenue Requirements to Rate Classes

	Total \$\$\$	Rate 1 R Farm & Home Service			Rate 2R Commercial Rate		
		Demand	Energy	Consumer	Demand	Energy	Consumer
<b>1 Purchased Power</b>							
2 Generation Demand	7,313,936	6,097,968			581,316		
3 Generation Energy	8,985,063		6,766,928		573,136		
4 Transmission Demand	-	-			-		
5 Substation Demand	-	-			-		
6							
<b>7 Total Purchased Power</b>	<b>16,298,999</b>	<b>6,097,968</b>	<b>6,766,928</b>	<b>-</b>	<b>581,316</b>	<b>573,136</b>	<b>-</b>
8							
<b>9 Lines</b>							
10 Distribution O&M Demand Related	2,759,728	1,999,220			440,353		
11 Distribution O&M Consumer Related	1,154,135		1,063,559			70,354	
12 Admin & Gen Demand Related	432,177	313,080			68,960		
13 Admin & Gen Consumer Related	188,260		173,486			11,476	
14 Deprec, Taxes & Misc Demand Related	1,293,535	937,071			206,401		
15 Deprec, Taxes & Misc Consumer Related	563,476		519,255			34,348	
16 Interest Demand Related	1,099,981	796,855			175,517		
17 Interest Customer Related	479,162		441,558			29,209	
18							
19 Total Costs for Lines	7,970,455	4,046,226	-	2,197,857	891,231	-	145,387
20							
21 Margins Demand Related	1,083,066	784,601			172,818		
22 Margins Consumer Related	471,794		434,768			28,760	
23							
24 Credits Demand Related	667,815	483,783			106,559		
25 Credits Consumer Related	290,907		268,077			17,733	
26							
<b>27 Revenue Requirements-Lines</b>	<b>8,566,592</b>	<b>4,347,044</b>	<b>-</b>	<b>2,364,549</b>	<b>957,490</b>	<b>-</b>	<b>156,414</b>
28							
<b>29 Transformers</b>							
30 Distribution O&M Demand Related	29,492	21,365			4,706		
31 Distribution O&M Consumer Related	19,451		17,030			1,880	
32 Admin & Gen Demand Related	76,329	55,295			12,179		
33 Admin & Gen Consumer Related	50,342		44,076			4,867	
34 Deprec, Taxes & Misc Demand Related	228,459	165,502			36,454		
35 Deprec, Taxes & Misc Consumer Related	150,678		131,922			14,566	
36 Interest Demand Related	194,274	140,738			30,999		
37 Interest Customer Related	128,132		112,182			12,387	
38							
39 Total Costs for Transformers	877,159	382,899	-	305,210	84,338	-	33,700
40							
41 Margins Demand Related	191,287	138,573			30,522		
42 Margins Consumer Related	126,161		110,457			12,196	
43							
44 Credits Demand Related	117,947	85,444			18,820		
45 Credits Consumer Related	77,791		68,108			7,520	
46							
<b>47 Revenue Requirements-Transform.</b>	<b>998,869</b>	<b>436,029</b>	<b>-</b>	<b>347,559</b>	<b>96,041</b>	<b>-</b>	<b>38,376</b>
48							
<b>49 Services</b>							
50 Distribution O&M Consumer Related	115,234		94,190			5,435	
51 Admin & Gen Consumer Related	18,267		14,931			862	
52 Deprec, Taxes & Misc Consumer Related	54,675		44,690			2,579	
53 Interest Customer Related	46,494		38,003			2,193	
54							
55 Total Costs for Services	234,671	-	-	191,815	-	-	11,068
56							
57 Margins Consumer Related	45,779	-	-	37,419			2,159
58							
59 Credits Consumer Related	28,227	0		23,072			1,331
60							
<b>61 Revenue Requirements-Services</b>	<b>252,222</b>	<b>-</b>	<b>-</b>	<b>206,162</b>	<b>-</b>	<b>-</b>	<b>11,896</b>

MEADE COUNTY RECC  
CASE NO. 2006-00500

Exhibit R  
Schedule 5  
Page 12 of 29  
Witness: Jim Adkins

Allocation of Revenue Requirements to Rate Classes

	Total \$\$\$	Rate 1 R Farm & Home Service			Rate 2R Commercial Rate		
		Demand	Energy	Consumer	Demand	Energy	Consumer
<b>1 Meters</b>							
2 Distribution O&M Consumer Related	343,493			325,006			5,442
3 Admin & Gen Consumer Related	51,027			48,280			808
4 Deprec, Taxes & Misc Consumer Related	152,727			144,506			2,420
5 Interest Customer Related	129,874			122,884			2,068
6							
7 Total Costs for meters	677,121	-	-	640,676	-	-	10,728
8							
9 Margins Consumer Related	127,877			120,994			2,026
10							
11 Credits Consumer Related	78,848			74,605			1,249
12							
13 <b>Revenue Requirements-Meters</b>	726,149	-	-	687,066	-	-	11,504
14							
<b>15 Lighting</b>							
16 Outdoor Lighting O&M	51,173						
17 Street Lighting O&M	-						
18 Outdoor Lighting A&G	31,668						
19 Street Lighting A&G	-						
20 Outdoor Lighting Deprec & Misc	94,783						
21 Street Lighting Deprec & Misc	-						
22 Outdoor Lighting Interest	80,601						
23 Street Lighting Interest	-						
24							
25 Total Costs for Lights	258,225	-	-	-	-	-	-
26							
27 Outdoor Lighting Margins	79,361						
28 Street Lighting Margins	-						
29							
30 Outdoor Lighting Revenue Credit	48,934						
31 Street Lighting Revenue Credit	-						
32							
33 <b>Revenue Requirements-Lighting</b>	288,652	-	-	-	-	-	-
34							
<b>35 Consumer Accts &amp; Serv</b>							
36 Customer Accounts	1,228,351			1,120,203			74,101
37 Customer Service	237,629			216,707			14,335
38 Admin & General	415,355			378,786			25,057
39 Depreciation & Misc	74,679			68,104			4,505
40 Interest	63,748			58,136			3,646
41							
42 Total Costs for Consumer Acctg & Service	2,019,762			1,841,936	-	-	121,843
43							
44 Margins	62,768			57,242	-	-	3,787
45							
46 Revenue Credits	38,703			35,295	-	-	2,335
47							
48 <b>Revenue Require. Cons. Act &amp; Serv.</b>	2,043,828			1,863,882	-	-	123,295
49							
50							
51							
52 <b>TOTAL COSTS</b>	28,336,391	10,527,094	6,766,928	5,177,495	1,556,885	573,136	322,726
53							
54 <b>TOTAL REVENUE REQUIREMENTS FROM RATES</b>	29,175,312	10,881,042	6,766,928	5,469,218	1,634,847	573,136	341,485
55							
56							
57 <b>MARGINS PROVIDED</b>							
58 <b>RATE REVENUE</b>	838,920	353,948	-	291,723	77,961	-	18,759
				23,117,188		2,549,467	
	0			22,471,517		2,452,747	

MEADE COUNTY RECC  
CASE NO. 2006-00500

Allocation of Revenue Requirements to Rate Classes

	Rate 3R General Service (0-46 KVA)			Rate 3A TOD Rate			Outdoor Lighting Service		
	Demand	Energy	Consumer	Demand	Energy	Consumer	Demand	Energy	Consumer
<b>1 Purchased Power</b>									
2 Generation Demand	531,534			643			102,475		
3 Generation Energy		1,440,047			1,371			203,581	
4 Transmission Demand	-			-			-		
5 Substation Demand	-			-			-		
6									
7 <b>Total Purchased Power</b>	<b>531,534</b>	<b>1,440,047</b>	<b>-</b>	<b>643</b>	<b>1,371</b>	<b>-</b>	<b>102,475</b>	<b>203,581</b>	<b>-</b>
8									
<b>9 Lines</b>									
10 Distribution O&M Demand Related	260,823			630			58,702		
11 Distribution O&M Consumer Related			14,880			127			5,415
12 Admin & Gen Demand Related	40,845			99			9,193		
13 Admin & Gen Consumer Related			2,395			21			883
14 Deprec, Taxes & Misc Demand Related	122,252			295			27,515		
15 Deprec, Taxes & Misc Consumer Related			7,167			62			2,644
16 Interest Demand Related	103,960			251			23,398		
17 Interest Customer Related			6,095			53			2,248
18									
19 Total Costs for Lines	527,880	-	30,336	1,276	-	262	118,808	-	11,190
20									
21 Margins Demand Related	102,361			247			23,038		
22 Margins Consumer Related			6,001			52			2,214
23									
24 Credits Demand Related	63,115			153			14,205		
25 Credits Consumer Related			3,700			32			1,365
26									
27 <b>Revenue Requirements-Lines</b>	<b>567,126</b>	<b>-</b>	<b>32,637</b>	<b>1,371</b>	<b>-</b>	<b>262</b>	<b>127,641</b>	<b>-</b>	<b>12,039</b>
28									
<b>29 Transformers</b>									
30 Distribution O&M Demand Related	2,787			6.74			627		
31 Distribution O&M Consumer Related			495			1			45
32 Admin & Gen Demand Related	7,214			17			1,624		
33 Admin & Gen Consumer Related			1,282			2			116
34 Deprec, Taxes & Misc Demand Related	21,592			52			4,860		
35 Deprec, Taxes & Misc Consumer Related			3,837			6			347
36 Interest Demand Related	18,361			44			4,132		
37 Interest Customer Related			3,263			5			295
38									
39 Total Costs for Transformers	49,954	-	8,878	121	-	14	11,243	-	802
40									
41 Margins Demand Related	18,079			44			4,069		
42 Margins Consumer Related			3,213			5			290
43									
44 Credits Demand Related	11,147			27			2,509		
45 Credits Consumer Related			1,981			3			179
46									
47 <b>Revenue Requirements-Transform.</b>	<b>56,885</b>	<b>-</b>	<b>10,110</b>	<b>137</b>	<b>-</b>	<b>16</b>	<b>12,803</b>	<b>-</b>	<b>913</b>
48									
<b>49 Services</b>									
50 Distribution O&M Consumer Related			1,782			15			13,812
51 Admin & Gen Consumer Related			282			2			2,189
52 Deprec, Taxes & Misc Consumer Related			845			7			6,553
53 Interest Customer Related			719			6			5,573
54									
55 Total Costs for Services	-	-	3,629	-	-	31	-	-	28,127
56									
57 Margins Consumer Related			708			6			5,487
58									
59 Credits Consumer Related			436			4			3,363
60									
61 <b>Revenue Requirements-Services</b>	<b>-</b>	<b>-</b>	<b>3,900</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>30,231</b>

MEADE COUNTY RECC  
CASE NO. 2006-00500

Allocation of Revenue Requirements to Rate Classes

	Rate 3R General Service (0-46 KVA)			Rate 3A TOD Rate			Outdoor Lighting Service		
	Demand	Energy	Consumer	Demand	Energy	Consumer	Demand	Energy	Consumer
1 <b>Meters</b>									
2 Distribution O&M Consumer Related			12,934			112			-
3 Admin & Gen Consumer Related			1,921			17			-
4 Deprec, Taxes & Misc Consumer Related			5,751			50			-
5 Interest Consumer Related			4,890			42			-
6									
7 Total Costs for meters	-	-	25,497	-	-	220	-	-	-
8									
9 Margins Consumer Related			4,815			42			-
10									
11 Credits Consumer Related			2,969			26			-
12									
13 Revenue Requirements-Meters	-	-	27,343	-	-	236	-	-	-
14									
15 <b>Lighting</b>									-
16 Outdoor Lighting O&M									51,173
17 Street Lighting O&M									-
18 Outdoor Lighting A&G									31,668
19 Street Lighting A&G									-
20 Outdoor Lighting Deprec & Misc									94,783
21 Street Lighting Deprec & Misc									-
22 Outdoor Lighting Interest									80,601
23 Street Lighting Interest									-
24									-
25 Total Costs for Lights	-	-	-	-	-	-	-	-	258,225
26									-
27 Outdoor Lighting Margins									79,361
28 Street Lighting Margins									-
29									-
30 Outdoor Lighting Revenue Credit									48,934
31 Street Lighting Revenue Credit									-
32									-
33 Revenue Requirements-Lighting	-	-	-	-	-	-	-	-	288,652
34									
35 <b>Consumer Accts &amp; Serv</b>									
36 Customer Accounts			30,924			287			2,837
37 Customer Service			5,982			55			549
38 Admin & General			10,457			97			959
39 Depreciation & Misc			1,880			17			172
40 Interest			1,605			15			147
41									
42 Total Costs for Consumer Acctg & Service	-	-	50,847	-	-	472	-	-	4,664
43									
44 Margins			1,580			15			145
45									
46 Revenue Credits			974			9			89
47									
48 Revenue Require. Cons. Act & Serv.			51,453			477			4,720
49									
50									
51									
52 <b>TOTAL COSTS</b>	#####	1,440,047	119,187	2,039	1,371	1,000	232,526	203,581	303,008
53									
54 <b>TOTAL REVENUE REQUIREMENTS FROM RATES</b>	#####	1,440,047	125,443	2,151	1,371	1,046	242,919	203,581	336,555
55									
56									
57 <b>MARGINS PROVIDED</b>									
58 <b>RATE REVENUE</b>	46,177	-	6,256	112	-	46	10,393	-	33,547
		2,721,035			4,568		783,055		
		2,668,602			4,410		739,115		







MEADE COUNTY RECC

Case No. 2006-00500

Unbundled Rate Base

Function	Classification	Rate 1R Residential Farm & Home Service		Rate 2R Commercial Rate		Rate 3R General Service (0-49 KVA)		Rate 3A TOD Rate		Outdoor Lighting	
		Demand	Consum.	Demand	Consum.	Demand	Consum.	Demand	Consum.	Demand	Consum.
	<u>Total</u>										
Lines	Demand	21,397,393		4,713,039		2,791,554		6,747		628,283	
	Consumer		11,856,843		784,325		163,657		1,415		60,369
Transformer	Demand	3,779,126		832,399		493,034		1,192		110,965	
	Consumer		3,012,350		332,607		87,624		139		7,915
Services	Demand										
	Consumer		1,020,476		58,882		19,306		167		149,640
Meters	Demand										
	Consumer		3,299,710		55,252		131,317		1,135		-
Consumer Acct & Serv.		1,711,765									
	Consumer Acct & Serv.		1,561,074		103,264		43,094		400		3,953
Outdoor Lighting		2,164,316									
	Street Lighting										2,164,316
<u>Total</u>		<u>25,176,519</u>	<u>20,750,453</u>	<u>5,545,438</u>	<u>1,334,330</u>	<u>3,284,588</u>	<u>444,998</u>	<u>7,938</u>	<u>3,256</u>	<u>739,248</u>	<u>2,386,192</u>

MEADE COUNTY RECC  
Case No. 2006-00500

Development of Net Investment Rate Base

Description	\$\$\$\$	Distribution Balances																		
		Lines		Line Transformers		Services		Meters		Consumer										
		Demand	Customer	Demand	Consumer	Demand	Consumer	Demand	Consumer	Demand	Consumer									
360 Land & Land Rights	212,649	149,942	62,707																	
362 Station Equipment	6,502,692	4,585,154	1,917,539																	
364 Poles, Towers and Fixtures	30,391,157	20,987,105	8,776,932																	
365 Overhead Conductor	13,723,191	9,234,253	4,488,939																	
366 Underground Conduit	-	-	-																	
367 UG Conductor	1,527,853	1,077,314	450,539																	
368 Line Transformers	10,561,558	6,364,146	4,197,412																	
369 Services	1,523,076																			
370 Meters	4,254,481																			
371 Install. On Consumer Prem.	1,885,574																			
373 Street Ltg & Signal Systems	127,669																			
Total Distribution Plant	70,709,900	36,033,767	15,696,655	6,364,146	4,197,412	-	1,523,076	4,254,481	-	1,523,076	-	1,523,076	4,254,481	-	2,640,363					
		51.0%	22.2%	9.0%	5.9%	0.0%	2.2%	6.0%	0.0%	2.2%	0.0%	2.2%	6.0%	0.0%	3.7%					
Total General Plant	6,731,967	2,302,788	1,003,116	406,710	268,241	-	97,334	271,888	-	97,334	-	97,334	271,888	-	168,736					
		34.2%	14.9%	6.0%	4.0%	0.0%	1.4%	4.0%	0.0%	1.4%	0.0%	1.4%	4.0%	0.0%	2.5%					
Total Utility Plant	77,441,867	38,336,555	16,699,772	6,770,856	4,465,653	-	1,620,410	4,526,369	-	1,620,410	-	1,620,410	4,526,369	-	2,809,099					
Accum. Depreciation	19,058,500	9,434,654	4,109,826	1,666,313	1,099,000	-	398,784	1,113,943	-	398,784	-	398,784	1,113,943	-	691,321					
Net Plant	58,383,367	28,901,900	12,589,946	5,104,543	3,366,653	-	1,221,626	3,412,426	-	1,221,626	-	1,221,626	3,412,426	-	2,117,778					
		49.50%	21.56%	8.74%	5.77%	0.00%	2.09%	5.84%	0.00%	2.09%	0.00%	2.09%	5.84%	0.00%	3.63%					
CWIP & RWIP	377,832	192,543	83,874	34,006	22,429	-	8,138	22,733	-	8,138	-	8,138	22,733	-	14,109					
Plus	58,761,200	29,094,444	12,673,820	5,138,550	3,389,081	-	1,229,764	3,435,160	-	1,229,764	-	1,229,764	3,435,160	-	2,131,886					
Cash Working Capital	871,892	431,618	188,017	76,231	50,277	-	18,244	50,961	-	18,244	-	18,244	50,961	-	31,627					
Materials & Supplies	425,650	210,712	91,788	37,215	24,545	-	8,906	24,879	-	8,906	-	8,906	24,879	-	15,440					
Prepayments	217,261	107,552	46,851	18,995	12,528	-	4,546	12,699	-	4,546	-	4,546	12,699	-	7,881					
Minus: Consumer Advances	603,043	307,311	133,868	54,276	35,797	-	12,989	36,284	-	12,989	-	12,989	36,284	-	22,518					
Net Investment Rate Base	59,672,960	29,537,016	12,866,608	5,216,715	3,440,634	-	1,248,471	3,487,414	-	1,248,471	-	1,248,471	3,487,414	-	2,164,316					
Percentage		49.50%	21.56%	8.74%	5.77%	0.00%	2.09%	5.84%	0.00%	2.09%	0.00%	2.09%	5.84%	0.00%	3.63%					

**MEADE COUNTY RECC**  
**Case No. 2006-00500**

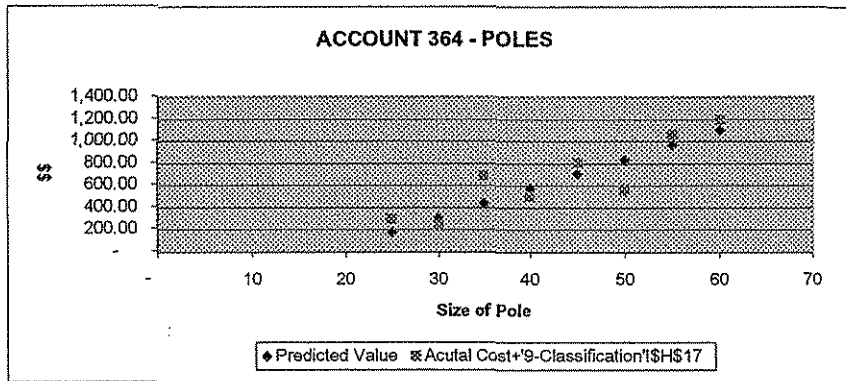
**Determination of Certain Plant Investments as Demand Related or Consumer Related**

**Account 364 - Poles**

Pole-Acct No.	Pole Size-Feet	Investment	Number of Units	Unit Cost	Predicted Value
364.070	25	3,057,730	10,182	300.31	178.09
364.030	30	5,817,466	24,425	238.18	309.34
364.035	35	686	1	686.17	440.59
364.040	40	12,904,743	25,836	499.49	571.84
364.045	45	20,190	25	807.59	703.09
364.050	50	1,083,586	1,936	559.70	834.34
364.055	55	20,182	19	1,062.19	965.58
364.060	60	71,499	60	1,191.65	1,096.83
364.065	65	-	-	-	-
364.074	70	-	-	-	-
364.075	75	737	14	52.65	-
<b>Subtotal</b>		<b>22,976,820</b>	<b>62,498.00</b>		
All Other Items in Account 364		7,414,337			
<b>Total Investment</b>		<b>30,391,157</b>	<b>62,498.00</b>		<b>17,966,551.13</b>
<b>Intercept</b>			<b>-478.1570264</b>		
<b>X Variable 1</b>			<b>26.24985011</b>		
<b>R Square</b>			<b>0.78</b>		
<b>Minimum Intercept 25 ft pole</b>			<b>Use Predicted Value</b>	<b>178.09</b>	
<b>Number of poles</b>				<b>62,498.00</b>	
<b>Consumer Related Investment</b>				<b>11,130,220.47</b>	
<b>Total Investment</b>				<b>30,391,156.50</b>	
<b>Percent Customer Related</b>				<b>36.62%</b>	
<b>Percent Demand Related</b>				<b>63.38%</b>	

**SUMMARY OUTPUT**

<i>Regression Statistics</i>	
Multiple R	0.916215656
R Square	0.839451129
Adjusted R Sc	0.807341354
Standard Erro	161.184498
Observations	7
<hr/>	
Intercept	-478.1570264
X Variable 1	26.24985011



**MEADE COUNTY RECC**  
**Case No. 2006-00500**

**Determination of Certain Plant Investments as Demand Related or Consumer Related**

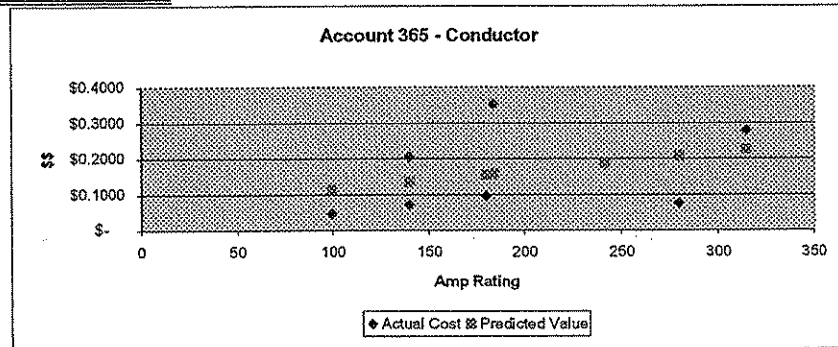
**Account 365 - Overhead Conductor**

Conductor	Investment	Number of Units	Unit Cost	Amp Ratings	Predicted Cost
365.001 4A CWC	32,988	348,540	\$ 0.0946	180	0.1551
365.002 6A CWC	107,283	1,492,302	\$ 0.0719	140	0.1343
365.003 8A CWC	239,785	5,193,045	\$ 0.0462	100	0.1134
365.009 1/0 ACSR	427,245	2,291,176	\$ 0.1865	242	0.1874
365.010 2/0 ACSR	615	8,066	\$ 0.0763	280	0.2073
365.011 3/0 ACSR	1,648,589	5,886,861	\$ 0.2800	315	0.2255
365.012 2 ACSR	3,129,662	8,865,675	\$ 0.3530	184	0.1572
365.013 4 ACSR	946,152	4,594,039	\$ 0.2060	140	0.1343
365.014 1/0 TPX	143,289	144,696	\$ 0.9903		
365.015 2 TPX	1,254,942	1,194,232	\$ 1.0508		
365.016 4 TPX	233,664	445,254	\$ 0.5248		
365.018 1/0 WP			\$ -		
365.020 1 WP			\$ -		
365.020 2 WP			\$ -		
365.021 4 WP			\$ -		
365.023 8 WP			\$ -		
365.024 250 MCM	1,070	896	\$ 1.1946		
365.025 4/0 QPC	13,179	4,998	\$ 2.6368		
365.026 4/0 TPC	17,854	11,611	\$ 1.5376		
365.027 500 MCM	14,119	3,494	\$ 4.0408		
365.028 750 MCM	259	757	\$ 0.3422		
365.029 795 MCM	817	80,817	\$ 0.0101		
365.048 1/0 QUAD	8,156.1	6,158	\$ 1.3245		
365.049 2 QUAD	5,297	7,632	\$ 0.6940		
365.050 #4 DPX	2,376	9,972	\$ 0.2383		
365.051 #6 DPX	300,779	403,728	\$ 0.7450		
<b>SUBTOTAL</b>	<b>8,495,131</b>	<b>30,645,409</b>	<b>\$ 0.2772</b>		
All Other Item	5,228,060				
<b>TOTAL</b>	<b>13,723,191</b>				

**SUMMARY OUTPUT**

<i>Regression Statistics</i>	
Multiple R	0.885519246
R Square	0.784144336
Adjusted R Sc	0.753307812
Standard Error	0.191952945
Observations	9

<i>Coefficients</i>	
Intercept	0.061294206
X Variable 1	0.000521278



Minimum Size Conductor	0.06129	Intercept
Total Amount of Conductor in Feet	30,645,409	
	\$\$\$	
Minimum Size Investment -Consumer Related	1,878,386.00	13.69%
Demand Related	11,844,805	86.31%
Investment in Conduit	13,723,191.28	100.00%

**MEADE COUNTY RECC  
Case No. 2006-00500**

Exhibit R  
Schedule 9  
Page **22** of **29**  
Witness: Jim Adkins

**Determination of Certain Plant Investments as Demand Related or Consumer Related**

**Breakdown of Lines into Demand Related and Consumer Related Components**

	Total Investment	Percent Consumer	Amount Consumer	Percent Demand	Amount Demand
Conductor	13,723,191	13.69%	1,878,386.00	86.31%	11,844,805
Poles	30,391,157	36.62%	11,130,220.47	63.38%	19,260,936
	44,114,348		13,008,606.47		31,105,741
Percent			29.49%		70.51%

**Account 368-Transformers**

Pole	Size		Investment	Number of Units	Unit Cost	Predicted Value
368.005	1.50	CON	35,126	111	316.45	211.91
368.007	3.00		3,153	48	65.69	229.76
368.008	5.00		15,911	141	112.84	253.57
368.009	7.50		841	7	120.18	283.33
368.010	10.00		94,318	330	285.81	313.09
368.011	15.00		84,063	204	412.07	372.61
368.012	25.00		135,327	267	506.84	491.65
368.013	37.50		128,150	203	631.28	640.45
368.014	50.00		114,086	174	655.66	789.24
368.015	75.00		145,210	141	1,029.86	1,086.84
368.016	100.00		160,469	130	1,234.38	1,384.44
368.017	150.00		2,898	1	2,898.44	1,979.63
368.018	250.00		94,186	34	2,770.18	3,170.02
368.019	500.00		64,593	4	16,148.18	6,145.98
368.020	1.50	CSP	14,584	47	310.30	211.91
368.021	3.00		53,275	469	113.59	229.76
368.022	5.00		74,360	491	151.45	253.57
368.023	7.50		11,874	58	204.73	283.33
368.024	10.00		1,517,157	4,308	352.17	313.09
368.025	15.00		4,640,452	9,473	489.86	372.61
368.026	25.00		1,974,814	3,193	618.48	491.65
368.027	37.50		287,824	373	771.65	640.45
368.028	50.00		-	-	-	789.24
368.029	75.00		158,567	194	817.35	1,086.84
368.032	333.00	CON	43,890	3	14,630.12	4,158.04
368.050	25.00	PAD	28,634	20	1,431.70	491.65
368.051	37.50		19,586	22	890.29	640.45
368.052	50.00		13,301	9	1,477.90	789.24
368.053	75.00		2,228	1	2,228.39	1,086.84
368.054	100.00		-	-	-	1,384.44
368.060	75.00	PD3	7,473	2	3,736.40	1,086.84
368.061	112.50		-	-	-	1,533.23
368.062	150.00		6,118	1	6,117.70	1,979.63
368.063	225.00		-	-	-	2,872.42
368.064	300.00		4,649	1	4,648.84	3,765.21
368.065	500.00		14,438	2	7,218.90	6,145.98
368.066	750.00		-	-	-	9,121.94
368.067	1,000.00		12,718	1	12,717.80	12,097.91
368.068	1,500.00		28,215	2	14,107.47	18,049.84
368.069	2,000.00		-	-	-	24,001.77
368.070	2,500.00		-	-	-	29,953.69

MEADE COUNTY RECC  
Case No. 2006-00500

Exhibit R  
Schedule 9  
Page 28 of 29  
Witness: Jim Adkins

Determination of Certain Plant Investments as Demand Related or Consumer Related

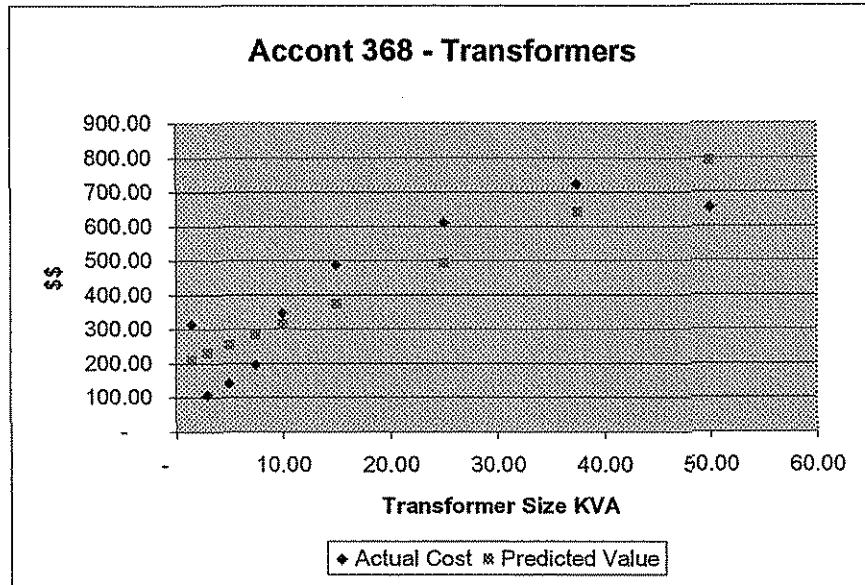
Subtotal	9,992,489	20,465
All Other Items	569,069	
Total	10,561,558	

x Coefficient	11.90
Zero Intercept	194.05
R Square	0.7684

Number of Transformers	20,465.00
Zero Intercept	194.05
Consumer Related Investment	3,971,250.42
Demand Related Investment	6,021,238.80
Percentage of Investment Consumer Related	39.74%
Percentage of Investment Demand Related	60.26%

Regression Statistics	
Multiple R	0.876565798
R Square	0.768367598
Adjusted R Sc	0.735277255
Standard Error	118.3823755
Observations	9

Intercept	194.0508389
X Variable 1	11.90385729



MEADE COUNTY RECC  
Case No. 2006-00500

Exhibit R  
Schedule 9  
Page ~~28~~ of 29  
Witness: Jim Adkins

**Determination of Certain Plant Investments as Demand Related or Consumer Related**

Wages & Salaries	Total	Percentage	w/o Admin&Gen	Percent
Distribution Operations	547,291	24.64%	547,291	30.63%
Distribution Maintenance	652,032	29.35%	652,032	36.49%
Consumer Accounts	460,592	20.73%	460,592	25.78%
Consumer Assistance	126,794	5.71%	126,794	7.10%
Administrative & General	434,762	19.57%		
Total	2,221,472	100.00%	1,786,710	100.00%

**MEADE COUNTY RECC  
CASE NO. 2006-00500**

Exhibit R  
Schedule 10  
Page **29** of **29**  
Witness: Jim Adkins

**Demand Related Costs and Energy Related Costs Allocators**

**A. Energy Sales**      Allocation is proportional on actual sales to end use customers  
**Rate Classes Billed on Basis of EKPC's Wholesale Rate Schedule E-2**

Month	Residential Farm & Home Service	Commercial Rate	Schedule 3 General Service	Schedule 3 TOD Rate	Outdoor Lighting Service Schools	Total
November	20,431,028	1,848,857	5,549,868	1,480	771,999	28,603,232
December	32,047,380	2,093,050	5,179,372	1,600	775,969	40,097,371
January	36,630,128	2,323,674	4,980,783	2,200	780,392	44,717,177
February	29,352,639	1,976,053	5,240,982	1,680	778,385	37,349,739
March	27,439,063	1,935,347	4,857,806	1,480	780,609	35,014,305
April	23,153,961	2,040,373	5,252,380	4,800	780,166	31,231,680
May	18,161,018	1,931,243	5,514,616	16,720	783,260	26,406,857
June	22,183,173	2,239,442	5,197,561	3,120	782,537	30,405,833
July	27,857,029	2,723,814	5,955,357	2,800	785,263	37,324,263
August	33,929,697	2,905,199	6,988,919	3,520	786,289	44,613,624
September	21,327,816	2,481,493	6,159,501	13,078	788,029	30,769,917
October	19,425,999	1,921,618	5,505,494	10,731	791,694	27,655,536
Total	311,938,931	26,420,163	66,382,639	63,209	9,384,592	414,189,534
Percent	75.31%	6.38%	16.03%	0.02%	2.27%	100.00%



**MEADE COUNTY RECC  
CASE NO. 2006-00500**

Exhibit R  
Schedule 10  
Page 29 of 29  
Witness: Jim Adkins

**Demand Related Costs and Energy Related Costs Allocators**

**B. Wholesale Billing CP Contributions**

<u>Month</u>	Residential Farm & Home Service	Commercial Rate	Schedule 3 General Service	Schedule 3 TOD Rate	Outdoor Lighting Service Schools	Total
November	65,855	6,729	6,212	7	2,089	80,892
December	86,048	7,074	6,207	8	1,836	101,173
January	70,748	6,208	5,821	7	1,922	84,706
February	84,680	5,841	4,444	7	-	94,972
March	67,747	6,899	5,953	7	2,053	82,659
April	48,920	4,626	5,234	5	1,830	60,615
May	63,987	8,734	7,206	8	-	79,935
June	69,898	7,638	6,657	8	-	84,201
July	80,207	7,244	6,271	8	-	93,730
August	79,837	7,308	6,227	8	-	93,380
September	50,061	5,231	5,095	7	2,261	62,655
October	57,371	5,149	6,616	7	1,879	71,022
<b>Total</b>	<b>825,359</b>	<b>78,681</b>	<b>71,943</b>	<b>87</b>	<b>13,870</b>	<b>989,940</b>
<b>Percent</b>	<b>83.37%</b>	<b>7.95%</b>	<b>7.27%</b>	<b>0.01%</b>	<b>1.40%</b>	<b>100.00%</b>

Used to allocate wholesale power demand costs to rate classes.

**MEADE COUNTY RECC  
CASE NO. 2006-00500**

**Demand Related Costs and Energy Related Costs Allocators**

**C. Monthly Peak Demands for Each Rate Class**

<u>Month</u>	Residential Farm & Home Service	Commercial Rate	Schedule 3 General Service	Schedule 3 TOD Rate	Outdoor Lighting Service Schools	Total
November	65,855	16,744	9,745	7	2,089	94,440
December	86,048	15,327	9,155	9	2,013	112,552
January	70,748	16,646	9,149	10	2,021	98,574
February	84,680	16,335	9,002	9	2,022	112,048
March	67,747	12,091	7,793	9	2,053	89,693
April	48,920	12,151	7,641	26	2,023	70,761
May	63,987	16,215	8,880	64	2,029	91,175
June	69,898	17,100	9,431	22	2,033	98,484
July	80,207	17,669	10,359	9	2,037	110,281
August	79,837	16,729	10,334	9	2,041	108,950
September	64,617	14,620	9,227	42	2,261	90,767
October	57,913	13,494	8,932	49	2,056	82,444
<b>Total</b>	<b>840,457</b>	<b>185,121</b>	<b>109,648</b>	<b>265</b>	<b>24,678</b>	<b>1,160,169</b>
<b>Percent</b>	<b>72.44%</b>	<b>15.96%</b>	<b>9.45%</b>	<b>0.02%</b>	<b>2.13%</b>	<b>100.00%</b>

Used to allocate distribution demand related costs to appropriate rate classes

MEADE COUNTY RECC

Case No. 2006-00500

Exhibit R  
 Schedule 11  
 Page 27 of 29  
 Witness: Jim Adkins

Consumer Related Costs Allocators

A. Lines (poles and conduit)

	Number of Consumers	Allocation Percent
Rate 1R Residential (F&H)	25,140	92.15%
Rate 2R Commercial Rate	1,663	6.10%
Rate 3R Gen Service (0-49KVA)	347	1.27%
Rate 3A TOD Rate	3	0.01%
Outdoor Lighting	128	0.47%
	-	0.00%
	-	0.00%
	-	0.00%
	27,281	1.0000

B. Transformers

Rate Class	Number of Consumers	Minimum		Weight	Allocation Percent
		Transformer Cost	Relative Cost		
Rate 1R Residential (F&H)	20,950	352.2	2.33	48,716.74	87.552%
Rate 2R Commercial Rate	1,663	489.9	3.23	5,379.03	9.667%
Rate 3R Gen Service (0-49KVA)	347	618.5	4.08	1,417.09	2.547%
Rate 3A TOD Rate	3	113.6	0.75	2.25	0.004%
Outdoor Lighting	128	151.4	1.00	128.00	0.230%
	-	-	-	-	0.000%
	-	-	-	-	0.000%
	-	-	-	-	0.000%
	23,091			55,643.11	1.00

MEADE COUNTY RECC

Case No. 2006-00500

Exhibit R  
 Schedule 11  
 Page 28 of 29  
 Witness: Jim Adkins

Consumer Related Costs Allocators

C. Services

Rate Class	# of Consume	Minim Service Cost	Relative Cost	Weight	Allocation Percent
Rate 1R Residential (F&H)	23,581	71.85	2.117	49,926.0	81.74%
Rate 2R Commercial Rate	1,663	58.79	1.732	2,880.8	4.72%
Rate 3R Gen Service (0-49KVA)	347	92.37	2.722	944.5	1.55%
Rate 3A TOD Rate	3	92.37	2.722	8.2	0.01%
Outdoor Lighting	7,321	33.94	1.000	7,321.0	11.99%
	-	0	-	-	0.00%
	-	-	-	-	0.00%
	-	-	-	-	0.00%
	32,915			61,080.4	100%

D. Meters

Rate Class	# of Consume	Minimum Meter Cost	Relative Cost	Weight	Allocation Percent
Rate 1R Residential (F&H)	23,581	89.29	1.00	23,581.00	94.62%
Rate 2R Commercial Rate	146	241.48	2.70	394.85	1.58%
Rate 3R Gen Service (0-49KVA)	347	241.48	2.70	938.44	3.77%
Rate 3A TOD Rate	3	241.48	2.70	8.11	0.03%
Outdoor Lighting	-	-	-	-	0.00%
	-	-	-	-	0.00%
	-	-	-	-	0.00%
	-	-	-	-	0.00%
	24,077			24,922.41	1.00

MEADE COUNTY RECC

Case No. 2006-00500

Exhibit R  
 Schedule 11  
 Page 29 of 29  
 Witness: Jim Adkins

Consumer Related Costs Allocators

E. Consumer & Accounting Services

Rate Class	Meter Reading	Consumer Records	Consumer Assistance	Total	Allocation Percent	Allocation Percent
Rate 1R Residential (F&H)	166,650	777,976	197,544	1,142,170	91.20%	0.912
Rate 2R Commercial Rate	11,024	51,463	13,067	75,554	6.03%	0.060
Rate 3R Gen Service (0-49KVA)	4,600	21,476	5,453	31,530	2.52%	0.025
Rate 3A TOD Rate	60	186	47	292	0.02%	0.000
Outdoor Lighting	-	2,641	251	2,892	0.23%	0.002
	182,334	853,742	216,363	1,252,439	100%	100%
						2.00

Meter Reading

	Factor	Number of Customers	Weight	Allocation Percent	Expenses Allocated
Rate 1R Residential (F&H)	1.00	25,140	25,140	91.398%	166,650
Rate 2R Commercial Rate	1.00	1,663	1,663	6.046%	11,024
Rate 3R Gen Service (0-49KVA)	2.00	347	694	2.523%	4,600
Rate 3A TOD Rate	3.00	3	9	0.033%	60
Outdoor Lighting	-	128	-	0.000%	-
	7.00	27,281.00	27,506.00	100%	182,334

Consumer Records

	Factor	Number of Customers	Weight	Allocation Percent	Expenses Allocated
Rate 1R Residential (F&H)	3.00	25,140	75,420	91.125%	777,976
Rate 2R Commercial Rate	3.00	1,663	4,989	6.028%	51,463
Rate 3R Gen Service (0-49KVA)	6.00	347	2,082	2.516%	21,476
Rate 3A TOD Rate	6.00	3	18	0.022%	186
Outdoor Lighting	2.00	128	256	0.309%	2,641
	20.00	27,281.00	82,765	100%	853,742

Meade County Rural Electric  
Case No. 2006-00500  
Balance Sheet, Adjusted  
October 31, 2006

Exhibit S  
page 1 of 4  
Witness: Jim Adkins

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50

	<u>Actual</u> <u>Test Year</u>	<u>Adjustments</u> <u>to Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
<b><u>ASSETS</u></b>			
Electric Plant:			
In service	77,441,864		77,441,864
Under construction	1,000,337	76,853	1,077,190
	<u>78,442,201</u>	<u>76,853</u>	<u>78,519,054</u>
Less accumulated depreciation	19,058,500	150,921	19,209,421
	<u>59,383,701</u>	<u>(74,068)</u>	<u>59,309,633</u>
Investments	1,781,292		1,781,292
Current Assets:			
Cash and temporary investments	6,045,926		6,045,926
Accounts receivable, net	2,366,189		2,366,189
Material and supplies	379,762		379,762
Prepayments and current assets	361,215		361,215
	<u>9,153,092</u>		<u>9,153,092</u>
Net Change in Assets		1,664,651	1,664,651
Total	<u>70,318,085</u>	<u>1,590,583</u>	<u>71,908,668</u>
<b><u>MEMBERS' EQUITIES AND LIABILITIES</u></b>			
Margins:			
Memberships	115,940		115,940
Patronage capital	20,628,617	1,571,278	22,199,895
	<u>20,744,557</u>	<u>1,571,278</u>	<u>22,315,835</u>
Long Term Debt	45,351,326		45,351,326
Accumulated Operating Provisions	511,752	19,305	531,057
Current Liabilities:			
Accounts payable	1,501,281		1,501,281
Consumer deposits	634,055		634,055
Accrued expenses	972,071		972,071
	<u>3,107,407</u>		<u>3,107,407</u>
Consumer Advances for Construction	603,043		603,043
Total	<u>70,318,085</u>	<u>1,590,583</u>	<u>71,908,668</u>

Meade County Rural Electric  
Case No. 2006-00500  
Statement of Operations, Adjusted

Exhibit S  
page 2 of 4  
Witness: Jim Adkins

	Actual Test Year	Normalized Adjustments	Normalized Test Year	Proposed Increase	Proposed Test Year
<b>Operating Revenues:</b>					
Base rates	\$27,222,201	\$0	\$27,222,201	\$1,953,112	\$29,175,313
Discount adjustment	(559,249)	559,249	0		0
Other electric revenue	827,454	98,750	926,204		926,204
	<u>27,490,406</u>	<u>657,999</u>	<u>28,148,405</u>	<u>1,953,112</u>	<u>30,101,517</u>
<b>Operating Expenses:</b>					
Cost of power:					
Base rates	16,298,999	0	16,298,999		16,298,999
Discount adjustment	(530,055)	530,055	0		0
Distribution - operations	1,805,050	97,014	1,902,064		1,902,064
Distribution - maintenance	2,504,881	65,762	2,570,643		2,570,643
Consumer accounts	1,192,735	35,616	1,228,351		1,228,351
Customer service	226,791	10,838	237,629		237,629
Sales	0	0	0		0
Administrative and general	1,245,679	17,747	1,263,426		1,263,426
Total operating expenses	<u>22,744,080</u>	<u>757,032</u>	<u>23,501,112</u>	<u>0</u>	<u>23,501,112</u>
Depreciation	2,451,260	129,058	2,580,318		2,580,318
Taxes - other	32,695	0	32,695		32,695
Interest on long-term debt	1,962,294	225,799	2,188,093		2,188,093
Interest expense - other	34,173	(49,137)	(14,964)		(14,964)
Other deductions	22,919	(22,919)	0		0
Total cost of electric service	<u>27,247,421</u>	<u>1,039,833</u>	<u>28,287,254</u>	<u>0</u>	<u>28,287,254</u>
Utility operating margins	<u>242,985</u>	<u>(381,834)</u>	<u>(138,849)</u>	<u>1,953,112</u>	<u>1,814,263</u>
Nonoperating margins, interest	269,149	0	269,149		269,149
Nonoperating margins, other	(48,664)	0	(48,664)		(48,664)
Patronage capital credits	153,345	0	153,345		153,345
Net Margins	<u>\$616,815</u>	<u>(\$381,834)</u>	<u>\$234,981</u>	<u>\$1,953,112</u>	<u>\$2,188,093</u>
TIER	1.31		1.11		2.00





Meade County Rural Electric  
Case No. 2006-00500  
**Proposed Revenues**  
October 31, 2006

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

Interest on long term debt	2,188,093
Normalized margins	<u>234,981</u>
Proposed increase in revenues over normalized revenues to attain a TIER of 2.0x	<u><u>\$1,953,112</u></u>

Meade County Rural Electric  
Case No. 2006-00500  
Capitalization Policies

Benefits  
Distribution

10	107.20	Construction work in progress	322,743
11	108.80	Retirement work in progress	70,392
12	163.00	Stores	71,702
13	184.00	Transportation	14,583
14	242.51	Employee sick leave	7,353
15	417.00	Non operating accounts	5,689
16	580.00	Operations	86,254
17	583.00	Overhead line	77,454
18	586.00	Meter	31,810
19	587.00	Consumer installation	1,531
20	588.00	Miscellaneous distribution	58,490
21	590.00	Maintenance	98,967
22	592.00	Station	6,209
23	593.00	Overhead line	213,026
24	598.00	Miscellaneous maintenance	28,668
25	901.00	Supervision, customer accounts	24,662
26	903.00	Customer collection	201,524
27	907.00	Supervision, customer information	2,425
28	908.00	Consumer assistance	29,504
29	909.00	Consumer information	11,931
30	910.00	Miscellaneous customer service	21,282
31	920.00	Administrative	198,747
32	930.00	Miscellaneous	16,088
33	935.00	Maintenance general plant	<u>5,217</u>
34			
35		Total	<u>1,606,251</u>

Benefits include the following:

38		Medical insurance	499,591
39		Life insurance	18,509
40		Disability insurance	34,306
41		R & S retirement	372,851
42		Savings plan 401(k)	144,158
43		Postretirement benefits	104,267
44		Workers' compensation	165,687
45		Payroll taxes	<u>266,882</u>
46			
47			<u>1,606,251</u>

Meade County accumulates all benefits, then allocates these to accounts based on the labor distribution for the month. The above is the actual allocation for the test year for the above benefits

Ex 4  
pg 1 of 4

# MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

## POLICY NO. 201

SUBJECT: Capital Management

Original Policy Effective Date: September 22, 1994 (Original)

Latest Revision: July 20, 2005

### I. PURPOSE

Meade County Rural Electric Cooperative Corporation is a non-profit corporation organized under the laws of the State of Kentucky. In addition to these legal requirements, the Cooperative is guided in its operation by the various regulations and operational practices prescribed by the RUS and the Kentucky Public Service Commission. Beyond these legal and official requirements, the Cooperative has an obligation to its members to insure the financial integrity of the Cooperative so that it can provide high quality electric service to its members at the lowest possible long-term cost.

### II. POLICY

It will be the policy of Meade County Rural Electric Cooperative Corporation to maintain current modified cash equity between 32 - 40%, continue capital credit rotation on at least a 20 year cycle, and maintain a modified cash TIER equal to or greater than mortgage requirements while also maintaining adequate cash reserves. Once achieved, those levels will be maintained to insure that the Cooperative's members receive electric service at cost.

### III. RESPONSIBILITY

The President/CEO.

### IV. PROVISIONS

Particular areas of concern included under this policy for which specific goals and practices need to be established are:

- A. Develop a long range financial plan and goals that will guide and insure the Cooperative of meeting all of its financial obligations through sound financial planning, which includes the following:
  - 1. Maintain necessary working capital and cash reserves.
  - 2. Maintain necessary funds for the debt retirement.

Ex 4  
pg 2 of 4

3. Maintain access to timely loan funds balances and sources to meet needed plant additions.
  4. Insure that funds are available for an established capital credit retirement program.
  5. Maintain DSC (Debt Service Coverage Ratio) minimum level to meet loan eligibility requirements of all lenders.
  6. The Cooperative shall give primary consideration to safety and liquidity in the management of general funds. Funds shall be kept in CFC or in member investment programs of the G&T or in banks whose deposits are insured by FDIC, FSLIC, or invested in securities of the United States Government or institutions insured or guaranteed by the United States Government or by an instrumentality thereof. An investment is considered liquid when it can readily be converted into cash without loss of principal. Any investment in the equity of a publicly traded company or in a development subsidiary company set up by the Cooperative may be made only with the approval of the Board of Directors.
  7. A line of credit not greater than 10% of total utility plant, with CFC, shall be maintained to provide funds in the event they are needed for storm damage, temporary construction financing, pending advances of long term debt loan funds, or other unpredictable requirements.
  8. In considering the financing of distribution plant including system additions and improvements, all available sources of capital will be considered with primary consideration to be given to the RUS and CFC. The loan terms will be level debt payments (principal and interest) and no more than 50% of the Cooperative's total long-term debt will be financed at a variable interest rate
  9. Capitalized purchases shall include property with an expected life in service of more than one year and an original cost of no less than \$1,000.
- B. Develop a flexible capital credit rotation program on a minimum year cycle using FIFO method of rotation. Retirements are to be determined by the Board of Directors based on the financial condition of the Cooperative, with a goal of retiring capital credits on at least a 20 year rotation cycle.

Consider using different rotation cycles including percentage, LIFO, or hybrids to maximize the value to the membership. Rotating capital credits

Ex 4  
pg 3 of 4

is an effective way to regulate cash and show the membership they own the Cooperative.

- C. To reach and maintain the above goals by establishing a Capital Management Plan, which determines revenue requirements to meet margins, equity level, rotation of capital credits, debt service goals, and to forecast necessary retail rate increases.

In the implementation of this policy, it is recognized that the above goals need to be reviewed at least annually to adjust for certain variables (i.e., cost of debt capital, growth of electric plant, and margins).

This policy supersedes any existing policy, which may be in conflict with provisions of this policy.

Approved:

David T. Wilson 7-20-05  
David T. Wilson, Chairman

Ex 4  
pg 4 of 4

Exhibit  
page of  
Witness: Burns Mercer

Meade County Rural Electric  
Case No. 2006-00500  
October 31, 2006

Capital credits were paid as follows:

		<u>General</u>	<u>Estates</u>	<u>Total</u>
2006	10 mos	\$0	\$162,286	\$162,286
2005		363,263	154,794	518,057
2004		430,460	188,636	619,096
2003		417,121	155,116	572,237
2002		238,797	170,570	409,367
2001		268,913	141,309	410,222
Prior years		<u>4,140,228</u>	<u>2,563,714</u>	<u>6,703,942</u>
Total		<u>\$5,858,782</u>	<u>\$3,536,425</u>	<u>\$9,395,207</u>

1 Meade County Rural Electric  
2 Case No. 2006-00500  
3 **Statement of Operations**  
4 October 31, 2006

Exhibit V  
page 1 of 3  
Witness: Jim Adkins

	<u>2006</u>	<u>2005</u>
5		
6		
7		
8	<u>\$27,490,406</u>	<u>\$27,214,354</u>
9		
10	Operating expenses:	
11	Cost of power	15,768,944 15,722,062
12	Distribution-operations	1,805,050 1,728,888
13	Distribution-maintenance	2,504,881 2,177,825
14	Consumer accounts	1,192,735 1,178,182
15	Consumer service	226,791 186,878
16	Sales	0 0
17	Administrative and general	<u>1,245,679</u> <u>1,103,022</u>
18	Total operation and maintenance	<u>22,744,080</u> <u>22,096,857</u>
19		
20	Depreciation	2,451,260 2,293,413
21	Taxes-other	32,695 24,939
22	Interest on long term debt	1,962,294 1,749,447
23	Other interest expense	34,173 30,390
24	Other deductions	<u>22,919</u> <u>21,484</u>
25	Total cost of electric service	<u>27,247,421</u> <u>26,216,530</u>
26		
27	Utility operating margins	<u>242,985</u> <u>997,824</u>
28		
29	Nonoperating margins, interest	269,149 170,192
30	Nonoperating margins, other	<u>(48,664)</u> <u>(35,788)</u>
31		<u>220,485</u> <u>134,404</u>
32	Patronage capital:	
33	G & T	- -
34	Others	<u>153,345</u> <u>110,643</u>
35		<u>153,345</u> <u>110,643</u>
36		
37	Net margins	<u><u>\$616,815</u></u> <u><u>\$1,242,871</u></u>
38		
39		

## Meade County Rural Electric

Exhibit V

Case No. 2006-00500

page 2 of 3

**Balance Sheet**

Witness: Jim Adkins

October 31, 2006

	<u>2006</u>	<u>2005</u>
<b><u>ASSETS</u></b>		
Electric Plant:		
In service	\$77,441,864	\$71,643,765
Under construction	1,000,337	689,883
	<u>78,442,201</u>	<u>72,333,648</u>
Less accumulated depreciation	19,058,500	17,762,536
	<u>59,383,701</u>	<u>54,571,112</u>
Investments	<u>1,781,292</u>	<u>1,872,748</u>
Current Assets:		
Cash and temporary investments	6,045,926	5,689,238
Accounts receivable, net	2,315,328	2,339,388
Other receivables	50,861	34,032
Material and supplies	379,762	272,764
Prepayments	203,686	280,209
	<u>8,995,563</u>	<u>8,615,631</u>
Other deferred debits	<u>157,529</u>	<u>180,218</u>
Total Assets	<u><u>\$70,318,085</u></u>	<u><u>\$65,239,709</u></u>
<b><u>MEMBERS' EQUITIES AND LIABILITIES</u></b>		
Margins and Equities:		
Memberships	\$115,940	\$121,800
Patronage capital	20,628,617	20,543,747
	<u>20,744,557</u>	<u>20,665,547</u>
Long Term Debt	<u>45,351,326</u>	<u>40,947,307</u>
Accumulated Operating Provisions	<u>511,752</u>	<u>425,509</u>
Current Liabilities:		
Accounts payable	1,501,281	1,435,362
Consumer deposits	634,055	554,211
Accrued expenses	972,071	630,525
	<u>3,107,407</u>	<u>2,620,098</u>
Consumer advances and others	<u>603,043</u>	<u>581,248</u>
Total Members' Equities and Liabilities	<u><u>\$70,318,085</u></u>	<u><u>\$65,239,709</u></u>



1 Meade County Rural Electric  
2 Case No. 2006-00500  
3 Statement of Cash Flows  
4 October 31, 2006

Exhibit V  
page 3 of 3  
Witness: Jim Adkins

	<u>2006</u>	<u>2005</u>
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
Cash Flows from Operating Activities:		
Net margins	\$616,815	\$1,242,871
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation		
Charged to expense	2,451,260	2,293,413
Charged to clearing accounts	221,348	187,125
Patronage capital credits	(153,345)	(110,643)
Accumulated postretirement benefits	86,243	80,382
Net change in current assets and liabilities:		
Receivables	7,231	177,624
Material and supplies	(106,998)	(6,955)
Prepayments	99,212	(61,389)
Accounts payables	65,919	169,292
Consumer deposits and advances	101,639	121,385
Accrued expenses	341,546	6,741
	<u>3,730,870</u>	<u>4,099,846</u>
Cash Flows from Investing Activities:		
Plant additions	(7,558,172)	(4,704,130)
Salvage recovered from plant retired	72,975	63,570
Additional investments, net of receipts	244,801	8,149
	<u>(7,240,396)</u>	<u>(4,632,411)</u>
Cash Flows from Financing Activities:		
Net increase in memberships	(5,860)	(6,425)
Other equities	29,724	50,479
Retirement of patronage capital	(561,669)	(592,423)
Additional long-term borrowings	6,000,000	4,000,000
Payments on long-term debt	(2,159,575)	(2,027,020)
Advance payments	563,594	(688,728)
	<u>3,866,214</u>	<u>735,883</u>
Net increase in cash	356,688	203,318
Cash balances - beginning	<u>5,689,238</u>	<u>5,485,920</u>
Cash balances - ending	<u>\$6,045,926</u>	<u>\$5,689,238</u>











Meade County Rural Electric  
PSC Case No. 2006-00500  
test year ended October 31, 2006

Exhibit W  
page 6 of 20 12

Witness: Jim Adkins

Account Title	Acc. #	November 1st Month	December 2nd Month	January 3rd Month	February 4th Month	March 5th Month	April 6th Month	May 7th Month	June 8th Month	July 9th Month	August 10th Month	September 11th Month	October 12th Month
Meade County Bank - CI Change	131	0	0	0	0	0	0	0	0	1,322	9,726	14,542	20,346
Working Funds Petty Ca: Prior year Change	135	1,900 1,900 0	2,200 1,900 300	2,200 1,900 300	2,200 1,900 300	2,200 1,900 300	2,000 1,900 100	2,000 1,900 100	2,000 1,900 100	2,001 1,900 101	2,000 1,900 100	2,000 1,900 100	2,800 1,900 900
Total Cash 11/05 - 10/ 11/04 - 10/ Change		1,914,902 2,781,048 (866,146)	3,165,976 2,873,767 292,209	1,986,979 2,541,827 (554,849)	1,733,240 1,874,244 (141,004)	2,395,899 2,191,882 204,018	2,498,509 1,962,717 535,792	4,680,506 2,055,592 2,624,914	2,827,272 1,797,789 1,029,503	1,957,324 3,548,564 (1,591,239)	1,675,375 1,049,177 626,198	4,176,989 2,613,081 1,563,908	3,614,853 2,794,951 819,902
Money Mkt. Fund First St Prior year Change	131	298,564 413,772 (115,208)	217,583 174,598 42,985	287,946 242,053 45,893	378,679 309,622 69,057	467,334 394,350 72,984	237,651 470,350 (232,699)	119,408 533,817 (414,409)	180,314 608,299 (427,985)	250,617 678,107 (427,490)	339,122 757,972 (418,850)	294,320 137,091 157,229	377,832 227,909 149,923
Money Mkt. Fund Farmer Prior year Change	131	2,658,466 1,670,868 987,599	964,321 645,321 319,000	1,347,128 494,129 852,999	1,789,134 860,205 928,929	1,255,098 575,430 679,667	1,051,115 971,611 79,504	666,855 1,278,063 (611,198)	918,142 1,677,602 (759,460)	1,220,821 2,017,881 (797,059)	855,876 2,423,391 (1,567,515)	1,167,135 1,828,873 (661,738)	1,546,788 2,290,186 (743,398)
Money Mkt. Fund Breck l Prior year Change	131	193,268 271,266 (77,998)	105,081 101,775 3,306	142,109 137,581 4,528	160,355 179,792 573	223,910 220,948 2,962	254,500 257,122 (2,623)	91,949 291,207 (199,258)	118,643 332,018 (213,375)	145,722 158,084 (12,362)	188,048 198,608 (10,560)	177,835 108,575 69,259	220,630 155,614 65,016
Money Mkt. Fund Bk of F Prior year Change	131	116,936 144,736 (27,799)	23,721 35,486 (11,765)	77,521 92,931 (15,410)	15,899 149,022 (133,123)	26,480 214,685 (188,205)	5,752 270,605 (264,853)	49,443 306,392 (256,948)	78,884 352,026 (273,142)	109,634 41,543 68,091	140,146 97,277 42,869	122,528 25,722 96,806	156,827 77,510 79,316
Capital Refund Acct. MC Prior year Change	131	24,747 12,361 12,386	36,931 67,234 (30,304)	12,485 36,444 (23,959)	9,915 33,465 (23,550)	8,641 32,047 (23,406)	7,998 30,976 (22,977)	7,557 29,123 (21,566)	7,402 27,833 (20,431)	7,331 27,725 (20,394)	7,230 27,388 (20,158)	5,327 24,989 (19,662)	4,909 24,815 (19,906)
Temporary Cash Investr Prior year Change	136	118,650 53,339 65,311	119,082 53,440 65,641	119,526 53,548 65,978	119,945 53,654 66,291	120,419 53,777 66,641	120,897 53,883 67,014	121,410 54,020 67,390	121,914 54,184 67,729	122,459 54,339 68,120	123,006 117,505 5,501	123,537 117,864 5,673	124,087 118,252 5,835
Temporary Investments 11/05 - 10/ 11/04 - 10/ Change		3,410,632 2,566,361 844,271	1,466,718 1,077,865 388,853	1,986,715 1,056,686 930,029	2,493,927 1,595,750 908,177	2,101,881 1,491,237 610,644	1,677,912 2,054,547 (376,635)	1,056,623 2,492,612 (1,435,989)	1,425,298 3,051,962 (1,626,664)	1,866,585 2,977,679 (1,121,094)	1,653,428 3,622,141 (1,968,713)	1,890,661 2,243,114 (352,433)	2,431,073 2,894,287 (463,214)
Customer Accts. Rec. Elk Prior year Change	142	2,309,520 2,132,475 177,045	3,003,027 2,553,672 449,355	3,643,158 3,030,590 612,568	3,277,475 3,175,178 102,297	2,873,776 2,882,292 (8,516)	2,672,546 2,665,151 207,395	2,283,735 2,504,991 (221,256)	2,567,154 2,386,557 180,597	3,028,705 2,858,166 170,539	3,036,499 3,086,401 (49,901)	3,060,304 3,021,860 38,444	2,510,638 2,512,116 (1,478)
Accounts Rec. Other Prior year Change	143	52,781 342,438 (289,657)	52,996 337,775 (284,780)	99,656 375,493 (275,836)	106,215 358,335 (252,120)	128,676 345,740 (217,064)	72,878 326,315 (253,436)	58,074 309,934 (251,860)	55,083 368,513 (313,430)	55,662 366,930 (311,268)	54,254 364,313 (310,059)	54,317 404,323 (350,005)	53,772 39,674 14,098
Accts Rec Employee's 4C Prior year Change	143	0	0	0	0	0	(156) 156	(156) 156	(156) 156	(156) 156	0	0	0
Accts Rec Employee' Ins Prior year Change	143	(98) (29) (69)	19 (19)	(25) 19 (44)	9 (19)	(1) 19 (19)	(1) 18 (19)	(1) 18 (19)	(1) 18 (20)	(2) 22 (24)	(2) 24 (25)	(2) 25 (25)	(2) 27 25
Accts Rec Big Riv Rebat Prior year Change	144	1,583	843	668	3,115	1,680	2,245	2,702	3,284	3,724	4,693	3,360	3,668
		1,583	843	668	3,115	1,680	2,245	2,702	3,284	3,724	3,810	3,957	3,158

Meade County Rural Electric  
PSC Case No. 2006-00500  
test year ended October 31, 2006

Exhibit W  
page 7 of 22  
Witness: Jim Adkins

Account Title	Acct. #	November 1st	December 2nd	January 3rd	February 4th	March 5th	April 6th	May 7th	June 8th	July 9th	August 10th	September 11th	October 12th
		Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month	Month
Acc Prov for Uncoil Accts	144	(116,040)	(123,134)	(132,374)	(142,481)	(151,291)	(159,504)	(128,810)	(137,682)	(145,264)	(154,834)	(163,307)	(172,690)
Prior year		(87,136)	(96,556)	(104,599)	(116,136)	(125,543)	(134,842)	(109,310)	(117,195)	(124,215)	(133,457)	(143,148)	(152,168)
Change		(28,905)	(26,578)	(27,776)	(26,345)	(25,748)	(24,662)	(19,500)	(20,487)	(21,050)	(21,377)	(20,159)	(20,532)
Acc Prov for Uncoil Accts	144	(20,828)	(21,520)	(21,520)	(21,520)	(21,545)	(21,605)	(21,733)	(21,733)	(21,733)	(21,733)	(21,907)	(22,620)
Prior year		(18,956)	(19,069)	(19,089)	(19,109)	(19,185)	(19,220)	(19,220)	(19,609)	(19,760)	(19,797)	(19,817)	(20,571)
Change		(1,872)	(2,451)	(2,431)	(2,411)	(2,349)	(2,513)	(2,513)	(2,124)	(1,973)	(1,936)	(2,091)	(2,049)
Reserve for Uncoil Accts	144	(6,376)	(6,376)	(6,376)	(6,376)	(6,376)	(6,376)	(6,376)	(6,376)	(6,476)	(6,526)	(6,526)	(6,576)
Prior year		(5,991)	(6,047)	(6,047)	(6,047)	(6,047)	(6,047)	(6,047)	(6,047)	(6,047)	(6,047)	(6,125)	(6,125)
Change		(385)	(330)	(330)	(330)	(330)	(330)	(330)	(330)	(430)	(480)	(402)	(452)
Total Receivables	11/05 - 10/	2,220,541	2,905,836	3,583,187	3,216,428	2,824,919	2,760,183	2,197,591	2,459,729	2,914,615	2,912,352	2,926,239	2,366,190
Prior year	11/04 - 10/	2,362,801	2,769,795	3,276,367	3,392,241	3,077,265	2,831,224	2,680,211	2,612,083	3,074,917	3,295,248	3,261,074	2,373,419
Change		(142,260)	136,041	306,820	(175,813)	(252,346)	(71,041)	(482,620)	(152,354)	(160,302)	(382,894)	(334,836)	(7,229)
Plant Matl & Oper Suppli	154	275,267	358,461	408,010	431,173	482,963	552,503	542,966	402,905	481,675	395,418	433,788	373,483
Prior year		308,192	342,614	346,350	334,870	371,304	384,583	382,366	311,557	361,735	389,973	320,295	287,507
Change		(32,926)	15,847	61,661	96,303	91,649	167,919	160,600	91,347	119,940	5,444	113,492	105,976
Material & Supplies - Cai	154	18,786	18,540	11,658	13,041	7,840	18,340	19,652	7,228	7,228	7,330	6,280	6,280
Prior year		18,786	18,540	11,658	13,041	7,840	18,340	19,652	7,228	7,228	7,330	6,280	6,280
Change													
Stores Expense - Clearin	163	0	0	261	0	(250)	(114)	0	0	(0)	0	0	0
Prior year		0	0	(261)	0	250	(114)	0	0	0	0	0	0
Change													
Total Materials & Suppl	11/05 - 10/	294,053	377,002	419,668	444,214	470,793	570,729	562,618	410,132	488,903	402,747	440,068	379,762
Prior year	11/04 - 10/	308,192	342,614	346,611	334,870	371,054	384,583	382,366	311,557	362,645	386,273	316,842	272,765
Change		(14,140)	34,387	73,057	109,344	99,739	186,146	180,252	98,575	126,258	16,474	123,225	106,998
Prepayments Insurance	165	98,206	86,930	73,655	61,558	49,283	37,007	24,731	12,455	133,598	133,598	121,452	109,307
Prior year		111,444	97,514	81,262	65,010	48,758	32,440	16,370	8,165	145,880	135,033	122,758	110,482
Change		(13,238)	(11,584)	(7,608)	(3,452)	525	4,567	8,362	4,271	(12,282)	(1,436)	(1,305)	(1,175)
O/H Distribution - Worke	165	46,372	25,308	23,199	21,090	18,981	16,872	14,763	12,654	10,545	8,436	6,327	4,218
Prior year		8,371	24,574	22,526	20,478	18,430	16,382	14,334	12,286	10,238	8,190	6,142	28,402
Change		38,001	734	673	612	551	490	429	368	307	246	185	(25,184)
Other Prepayments - Dur	165	1,456	2,461	2,461	4,923	(7,384)	(4,922)	(2,461)	0	2,461	(12,378)	(10,111)	(37,308)
Prior year		(2,022)	2,931	2,931	5,124	(5,842)	(3,649)	(1,456)	738	2,931	5,124	(5,843)	(3,649)
Change		567	(470)	(470)	(202)	(1,541)	(1,273)	(1,005)	(737)	(469)	(17,502)	(4,269)	(33,659)
O/H Distribution - Life, H	165	76,501	9,188	9,188	14,733	12,082	20,754	29,401	37,760	46,271	27,705	(106,107)	6,136
Prior year		(33,400)	1,605	1,605	7,405	(7,49)	2,687	5,854	9,375	17,731	16,385	8,063	11,358
Change		109,901	7,583	7,583	7,328	12,811	18,068	23,547	28,384	28,540	11,320	(114,170)	(5,222)
Other Prepayments - Dur	165	8,347	58,113	58,113	52,830	47,547	42,284	36,981	31,688	26,415	21,132	15,849	10,666
Prior year		4,366	57,492	57,492	52,959	48,426	43,893	39,360	34,827	30,294	25,761	21,228	16,695
Change		3,981	621	621	(129)	(879)	(1,629)	(2,379)	(3,139)	(3,879)	(4,629)	(5,379)	(6,129)
Other Prepayments - Pos	166	1,203	853	409	105	1,734	1,382	795	284	983	1,606	422	2,071
Prior year		1,886	1,382	963	597	1,988	1,988	1,988	1,220	841	482	2,141	1,761
Change		(683)	(529)	(554)	(486)	1,473	(576)	(798)	(935)	142	1,124	(1,719)	310



Meade County Rural Electric  
 PSC Case No. 2006-00500  
 test year ended October 31, 2006

Exhibit W  
 page 8 of 24  
 Witness: Jim Adkins

Account Title	Acct. #	November 1st Month	December 2nd Month	January 3rd Month	February 4th Month	March 5th Month	April 6th Month	May 7th Month	June 8th Month	July 9th Month	August 10th Month	September 11th Month	October 12th Month
Prepayments Sales Tax	166	7,329	6,211	6,296	6,737	6,017	5,928	6,454	6,424	6,778	8,232	8,788	7,860
Prior year		6,792	6,250	5,825	6,297	6,336	5,804	6,104	6,307	7,431	8,263	8,840	7,984
Change		537	(38)	471	440	(319)	124	350	117	(653)	(31)	(51)	(124)
Total Prepayments	11/05 - 10/11/04 - 10/10/04	263,858	118,302	301,958	303,797	254,531	235,221	216,344	196,102	177,631	271,870	98,237	166,500
Prior year		123,810	129,670	263,968	298,870	240,702	215,556	189,194	170,846	304,025	278,617	228,479	230,048
Change		140,048	(11,368)	37,990	4,926	13,828	19,665	27,150	25,256	(126,394)	(6,747)	(130,242)	(73,549)
Interest & Dividend Rec	171	3,338	6,676	10,014	13,351	16,689		3,320	6,639	9,959	13,278	16,598	(109)
Prior year		6,746	9,990	9,990	13,234	16,478	(168)	3,132	6,432	9,732	13,032	16,529	(109)
Change		(3,408)	(3,314)	24	118	212	168	188	208	227	247	69	
Rent Receivable	172	65,455		(28,505)	(13,211)	(59,762)	(44,468)	(29,174)	(13,880)	1,414	16,708	32,002	47,296
Prior year		84,347		(25,544)	(10,250)	5,044	20,338	35,632	(11,015)	4,279	19,573	34,867	50,161
Change		(18,891)	0	(2,962)	(2,962)	(64,806)	(64,806)	(64,806)	(2,865)	(2,865)	(2,865)	(2,865)	(2,865)
Other Current Assets	11/05 - 10/11/04 - 10/11/04	68,793	6,676	(18,492)	140	(43,073)	(44,468)	(25,854)	(7,241)	11,373	29,986	48,600	47,186
Prior year		91,092	9,990	(15,564)	2,984	21,522	20,170	38,764	(4,583)	14,011	32,605	51,397	50,161
Change		(22,299)	(3,314)	(2,938)	(2,844)	(64,595)	(64,638)	(64,618)	(2,658)	(2,638)	(2,618)	(2,797)	(2,975)
Transportation Expense	184			261	139	250	(24)		0	0	0	0	0
Prior year		0	0	(261)	(139)	(250)	(24)	0	0	0	0	0	0
Change													
Misc Def Debits Transfer	186	156,403	155,194	153,911	152,627	151,343	150,060	148,776	147,492	146,209	144,925	143,641	142,357
Prior year		170,818	169,691	168,483	167,275	166,067	164,859	163,651	162,443	161,235	160,027	158,819	157,611
Change		(14,415)	(14,497)	(14,572)	(14,648)	(14,724)	(14,799)	(14,875)	(14,951)	(15,026)	(15,102)	(15,178)	(15,253)
Misc Def Debits 2 Yr Wo	186	19,641	19,007	18,374	17,740	17,107	16,473	15,839	15,206	14,572	13,939	13,305	12,672
Prior year		19,641	19,007	18,374	17,740	17,107	16,473	15,839	15,206	14,572	13,939	13,305	12,672
Change													
Misc Deferred Debits-De	187	1,167	14,000	13,750	12,500	11,250	10,000	8,750	7,500	6,250	5,000	3,750	2,500
Prior year		1,083	14,000	12,833	11,667	10,500	9,333	8,167	7,000	5,833	4,667	3,500	2,333
Change		83	(14,000)	917	833	750	667	583	500	417	333	250	167
Total Deferred Debits	11/05 - 10/11/04 - 10/11/04	177,210	174,202	186,035	182,867	179,700	176,509	173,365	170,198	167,031	163,864	160,696	157,529
Prior year		171,901	183,691	181,578	179,080	176,817	174,192	171,818	169,443	172,339	186,235	183,227	180,218
Change		5,309	(9,489)	4,457	3,787	2,883	2,316	1,548	755	(5,308)	(22,371)	(22,530)	(22,689)
TOTAL ASSETS & DEBTS	11/05 - 10/11/04 - 10/11/04	65,252,291	65,231,752	65,662,265	65,913,596	66,129,405	66,166,087	67,770,472	67,059,691	67,361,340	67,271,247	70,223,179	70,318,085
Prior year		62,751,648	61,916,128	62,277,836	62,466,562	62,528,959	62,854,480	63,498,066	63,868,122	66,376,314	65,018,514	65,340,243	65,239,709
Change		2,500,643	3,315,624	3,384,429	3,447,034	3,600,446	3,311,618	4,274,406	3,191,569	985,026	2,252,733	4,882,937	5,078,376
Memberships - Issued	200	(20,675)	(20,565)	(20,515)	(20,430)	(20,335)	(20,245)	(20,165)	(20,070)	(19,955)	(19,865)	(19,805)	(19,700)
Prior year		(21,605)	(21,515)	(21,460)	(21,395)	(21,325)	(21,215)	(21,140)	(21,060)	(21,010)	(20,930)	(20,830)	(20,745)
Change		930	950	945	965	990	970	975	990	1,055	1,065	1,025	1,045
Memberships - Issued \$1	200	(100,620)	(100,065)	(99,780)	(99,495)	(99,045)	(98,745)	(98,385)	(98,010)	(97,605)	(97,125)	(96,750)	(96,240)
Prior year		(106,185)	(105,735)	(105,300)	(104,940)	(104,490)	(104,250)	(103,590)	(103,035)	(102,485)	(101,910)	(101,430)	(101,055)
Change		5,565	5,670	5,520	5,445	5,445	5,505	5,205	5,025	4,860	4,785	4,680	4,815
Total memberships ****		(121,295)	(120,630)	(119,295)	(119,925)	(118,550)	(118,080)	(117,550)	(117,060)	(116,550)	(116,865)	(116,555)	(115,940)
Prior year		(127,790)	(127,250)	(126,760)	(126,335)	(125,815)	(125,495)	(124,730)	(124,095)	(123,475)	(122,840)	(122,260)	(121,800)
Change		6,495	6,620	6,465	6,410	6,435	6,475	6,180	6,015	5,915	5,850	5,705	5,860
Patrons' Capital Credits	201	(16,178,546)	(16,151,671)	(16,136,999)	(16,152,658)	(17,135,031)	(17,106,482)	(17,088,648)	(17,071,174)	(17,061,581)	(17,049,575)	(17,037,539)	(17,023,455)
Prior year		(15,606,977)	(15,586,178)	(16,664,615)	(16,642,810)	(16,634,459)	(16,616,354)	(16,600,707)	(16,580,029)	(16,563,444)	(16,547,832)	(16,534,364)	(16,551,054)
Change		(571,570)	(565,493)	527,617	(503,848)	(500,572)	(490,128)	(487,942)	(481,145)	(478,137)	(475,743)	(483,155)	(472,440)



Meade County Rural Electric  
PSC Case No. 2006-00500  
test year ended October 31, 2006

Account Title	Acct. #	November 1st Month	December 2nd Month	January 3rd Month	February 4th Month	March 5th Month	April 6th Month	May 7th Month	June 8th Month	July 9th Month	August 10th Month	September 11th Month	October 12th Month
Post Retirement Benefit	11/05 - 10/11/04 - 10/	(435,826) (351,717) (84,109)	(446,138) (358,307) (87,831)	(449,852) (356,259) (93,594)	(455,915) (354,210) (101,705)	(485,799) (352,162) (113,636)	(471,987) (356,485) (115,491)	(478,049) (366,953) (111,096)	(484,112) (377,411) (106,700)	(490,174) (387,926) (102,249)	(498,933) (398,666) (101,264)	(505,843) (415,192) (90,651)	(511,752) (425,509) (86,244)
Notes Payable - CFC Lin	231	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Payable - Gens	232	(1,844,534) (1,448,244) (396,290)	(1,994,560) (1,791,150) (203,411)	(1,593,065) (1,743,034) 149,969	(1,894,012) (1,669,291) (224,721)	(1,787,165) (1,500,558) (286,607)	(1,315,118) (1,348,240) 33,122	(1,791,078) (1,403,706) (387,372)	(1,915,727) (1,732,442) (183,285)	(1,964,712) (1,920,192) (44,520)	(2,005,383) (1,591,179) (414,204)	(1,342,955) (1,528,877) 185,922	(1,504,838) (1,433,988) (70,849)
401K Loans	232	(92) (0) (91)	(92) (0) (91)	(92) (1) (91)	(92) (1) (91)	(92) (92) (0)	(92) (92) (0)	(92) (92) (0)	4,978 (92) 5,070	4,978 (92) 5,070	4,978 (92) 5,070	4,978 (92) 5,070	4,978 (92) 5,070
Accounts Payable Wintes	232	(185) (113) (73)	(258) (132) (127)	(272) (130) (141)	(207) (86) (133)	(255) (74) (169)	(186) (56) (128)	(206) (64) (142)	(196) (62) (134)	(249) (82) (159)	(220) (172) (49)	(226) (82) (143)	(157) (120) (36)
Accounts Payable - ACF	233	(1,003) (780) (223)	(1,165) (902) (263)	(1,327) (1,022) (305)	(1,493) (1,145) (348)	(1,745) (1,329) (416)	(1,913) (1,453) (460)	(2,081) (1,577) (504)	(104) (84) (20)	(282) (257) (25)	(546) (431) (115)	(717) (675) (42)	(889) (839) (50)
Accounts Payable - Char	233	(378) (384) 6	(433) (443) 10	(488) (502) 14	(543) (561) 18	(625) (649) 24	(680) (708) 28	(735) (767) 32	(28) (59) 32	(83) (116) 36	(165) (177) 12	(220) (266) 46	(275) (323) 48
Total Payables	11/05 - 10/11/04 - 10/	(1,846,192) (1,449,520) (396,672)	(1,996,508) (1,792,626) (203,882)	(1,595,243) (1,744,686) 149,445	(1,896,346) (1,671,071) (225,275)	(1,789,882) (1,502,714) (287,169)	(1,317,989) (1,350,551) 32,562	(1,794,192) (1,406,205) (387,987)	(1,911,076) (1,732,739) (178,337)	(1,960,348) (1,920,749) (39,599)	(2,001,337) (1,592,050) 190,852	(1,339,140) (1,529,991) 190,852	(1,501,281) (1,435,362) (65,919)
Customer Deposit	235	(550,245) (491,583) (58,662)	(561,608) (495,150) (66,458)	(564,786) (494,524) (70,264)	(585,137) (488,982) (86,155)	(589,737) (502,162) (87,575)	(597,447) (508,516) (88,932)	(604,753) (521,570) (83,183)	(597,873) (525,393) (72,480)	(607,087) (533,022) (74,065)	(614,635) (534,467) (80,168)	(623,016) (541,842) (81,174)	(628,955) (548,081) (79,874)
Customer Deposit - NSF	235	(5,130) (5,190) 60	(5,130) (5,190) 60	(5,130) (5,190) 60	(5,130) (5,190) 60	(5,130) (5,190) 60	(5,130) (5,190) 60	(5,130) (5,130) 0	(5,130) (5,130) 0	(5,130) (5,130) 0	(5,130) (5,130) 0	(5,130) (5,130) 0	(5,100) (5,130) 30
Total Customer Deposit	11/05 - 10/11/04 - 10/	(555,375) (496,773) (58,602)	(566,738) (500,340) (66,398)	(569,918) (499,714) (70,204)	(590,267) (504,172) (86,095)	(594,867) (507,352) (87,515)	(602,577) (513,705) (88,872)	(609,883) (525,700) (83,183)	(603,003) (530,523) (72,480)	(612,217) (538,152) (74,065)	(619,765) (539,597) (80,168)	(628,146) (548,972) (81,174)	(634,055) (554,211) (79,844)
Accrued Property Tax	236	34,425 43,977 (9,552)	(14,529) (2,165) (12,364)	(44,300) (45,274) 974	(88,200) (86,383) 183	(131,730) (131,492) (238)	(175,630) (172,731) (2,899)	(219,530) (215,840) (3,690)	(263,430) (258,372) (5,056)	(307,330) (301,481) (5,849)	(351,230) (157,534) (193,696)	(395,130) (200,643) (194,487)	(256,485) 77,034 (333,519)
Accrued Federal Employer	236	(381)	(381)	(381)	(335)	(86)	(108)	(71)	(98)	(126)	(177)	(208)	(254)
Accrued State Unemployment	236	(328) (296) (31)	(338) (296) (40)	(1,999) (1,771) (228)	(3,423) (3,006) (416)	(282) (3,192) 2,910	(330) (156) (486)	(371) (328) (44)	(399) (282) (118)	(307) (322) 15	(351) (375) 24	(379) (442) 63	(321) (307) (14)
Accrued State Sales Tax	237	(20,911) (20,655) (256)	(21,173) (19,796) (1,377)	(21,997) (20,771) (1,225)	(20,542) (20,835) 293	(20,420) (19,749) (672)	(21,493) (20,388) (1,105)	(21,256) (20,861) (395)	(22,134) (23,133) 999	(25,128) (25,059) (69)	(26,159) (25,999) (160)	(24,323) (23,601) (722)	(18,221) (22,311) 4,090

Meade County Rural Electric  
PSC Case No. 2006-00500  
test year ended October 31, 2006

Account Title	Acc. #	November 1st Month	December 2nd Month	January 3rd Month	February 4th Month	March 5th Month	April 6th Month	May 7th Month	June 8th Month	July 9th Month	August 10th Month	September 11th Month	October 12th Month
Sales Tax - WildBlue	237	(479)	(305)	(421)	(456)	(226)	(72)	(249)	(505)	(284)	(300)	(300)	(1,237)
Prior year Change		(479)	(305)	(421)	(456)	(226)	(72)	(249)	(505)	284	300	300	1,237
Acc Gross Rev or Gross	237	(56,533)	(75,646)	(83,422)	(71,003)	(67,597)	(61,018)	(53,011)	(59,893)	(70,899)	(75,964)	(67,213)	(55,283)
Prior year Change		(52,106)	(65,010)	(77,586)	(75,440)	(67,996)	(61,497)	(54,707)	(58,564)	(72,476)	(76,188)	(69,974)	(58,928)
Accrued Taxes - Other P	237	(12,555)	(14,947)	(17,339)	(19,731)	(22,123)	(24,514)	(26,906)	3,191	218	(2,756)	(5,729)	(8,702)
Prior year Change		(15,773)	(18,073)	(20,318)	(22,563)	(24,808)	(27,053)	(28,298)	(29,543)	(30,788)	(32,033)	(33,278)	(34,523)
Franchise Tax	237	(1,728)	(2,017)	(2,305)	(1,958)	(1,959)	(1,933)	(1,809)	(1,962)	(2,513)	(2,735)	(2,624)	(1,800)
Prior year Change		(1,694)	(1,785)	(2,131)	(2,086)	(1,842)	(1,824)	(1,782)	(1,999)	(2,592)	(2,770)	(2,554)	(2,147)
Utility Taxes - City	237	(1,396)	(1,556)	(1,902)	(1,559)	(1,520)	(1,612)	(1,440)	(1,571)	(1,895)	(2,145)	(2,184)	(1,462)
Prior year Change		(1,420)	(1,480)	(1,736)	(1,613)	(1,554)	(1,485)	(1,504)	(1,635)	(2,066)	(2,144)	(2,144)	(1,767)
Interest Accrued FFB N	237	(120,208)	(60,966)	(117,118)	(56,152)	(27,913)	(27,913)	(55,827)	(27,913)	(27,726)	(55,451)	(27,726)	(27,579)
Prior year Change		(52,477)	(26,107)	(91,011)	(49,813)	(23,570)	(23,570)	(49,666)	(25,953)	(25,953)	(51,906)	(27,775)	(36,196)
Interest Accrued - CFC	237	(72,187)	(71,945)	(143,889)	(6,339)	(9,281)	(4,343)	(6,160)	0	(1,773)	(3,546)	0	(163,423)
Prior year Change		(243)	(243)	(12,672)	0	(9,281)	(19,462)	(9,569)	(72,445)	(14,657)	0	(1,979)	(160,065)
Patronage Refunds	238	(311,740)	(43,743)	(19,311)	(16,725)	(15,530)	(14,891)	(14,454)	(14,236)	(14,236)	(14,168)	(11,903)	(11,292)
Prior year Change		(380,259)	(54,949)	(24,155)	(21,133)	(19,811)	(18,698)	(16,834)	(15,543)	(15,436)	(15,099)	(12,591)	(11,292)
Tax Col Payable Emp Inc	241	6,343	0	8,295	0	0	0	0	0	0	0	0	0
Prior year Change		6,343	0	(5,705)	0	0	0	0	0	0	0	0	0
OCCUPATIONAL TAX P	241	(58)	(99)	(15)	(59)	(46)	(26)	(46)	(67)	(30)	(52)	(57)	(9)
Prior year Change		(20)	(32)	(7)	(15)	(45)	(21)	(48)	(67)	(15)	(41)	(96)	(9)
Accrued Payroll	242	(61,183)	(79,371)	(23,088)	(24,246)	(57,005)	(59,263)	(89,437)	(118,751)	(141,928)	(146,287)	(59,492)	(80,477)
Prior year Change		(44,868)	(64,560)	(119,042)	(7,621)	(41,385)	(51,363)	(65,428)	(103,197)	(102,188)	(146,287)	(53,463)	(70,625)
Accrued Prov. - Sick Lea	242	(295,951)	(279,920)	(281,565)	(329,385)	(331,136)	(332,797)	(333,913)	(335,235)	(336,561)	(338,110)	(339,323)	(341,186)
Prior year Change		(278,344)	(279,920)	(281,565)	(329,385)	(331,136)	(332,797)	(333,913)	(335,235)	(336,561)	(338,110)	(339,323)	(341,186)
Other Curr and Acc Liab	243	(6,144)	(6,700)	(558)	(1,116)	(1,674)	(2,232)	(2,790)	(3,348)	(3,906)	(4,464)	(5,022)	(5,580)
Prior year Change		(6,050)	(6,700)	(564)	(1,122)	(1,680)	(2,238)	(2,796)	(3,354)	(3,912)	(4,470)	(5,028)	(5,586)
O/H Distribution - 401K C	243	0	0	0	0	0	(93)	(93)	(93)	(93)	0	0	0
Prior year Change		0	0	0	0	0	(93)	(93)	(93)	(93)	0	0	0
Other Current & Accrued	11/05 - 10/11/04 - 10/1	(848,829)	(691,299)	(781,641)	(634,889)	(736,180)	(894,339)	(821,110)	(900,513)	(1,096,416)	(921,289)	(995,299)	(972,071)
Prior year Change		(809,966)	(586,723)	(770,621)	(586,299)	(689,764)	(833,595)	(762,589)	(843,739)	(1,010,589)	(801,125)	(767,586)	(630,525)
Change		(38,843)	(104,575)	(11,021)	(48,590)	(46,417)	(60,744)	(58,520)	(56,774)	(85,927)	(120,164)	(227,713)	(341,545)

Meade County Rural Electric  
 PSC Case No. 2006-00500  
 test year ended October 31, 2006

Account Title	Acct. #	November	December	January	February	March	April	May	June	July	August	September	October
		1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month
Total Current and Acct	11/05 - 10/	(3,250,386)	(3,254,545)	(2,946,802)	(3,121,502)	(3,120,930)	(2,814,905)	(3,225,185)	(3,414,592)	(3,668,981)	(3,542,391)	(2,962,585)	(3,107,406)
Prior year	11/04 - 10/	(2,756,279)	(2,879,690)	(3,015,023)	(2,761,542)	(2,699,829)	(2,697,851)	(2,695,495)	(3,107,001)	(3,469,490)	(2,932,772)	(2,844,550)	(2,620,098)
Change		(494,116)	(374,855)	68,220	(359,960)	(421,100)	(117,055)	(529,690)	(307,591)	(199,491)	(609,819)	(118,035)	(487,308)
Customers Advances for	252	(359,458)	(359,458)	(379,595)	(380,514)	(459,040)	(463,845)	(464,826)	(468,353)	(470,020)	(493,820)	(496,351)	(500,820)
Prior year		(455,130)	(453,104)	(453,104)	(453,689)	(453,689)	(468,596)	(468,596)	(476,114)	(476,274)	(479,227)	(434,825)	(358,089)
Change		95,672	93,646	73,508	73,175	(5,351)	4,750	3,770	7,761	6,254	(14,592)	(61,526)	(142,731)
OTHER DEFERRED DEI	253	(169,904)	(102,073)	(153,380)	(152,986)	(173,839)	(198,017)	(103,632)	(129,939)	(156,246)	(64,009)	(50,916)	(102,223)
Prior year		(60,000)	(60,000)	(60,000)	(11,179)	(11,179)	(48,869)	(108,536)	(168,207)	(157,076)	(103,821)	(163,490)	(223,159)
Change		(109,904)	(42,073)	(93,380)	(141,807)	(162,660)	(147,148)	4,906	38,268	830	39,812	112,574	120,936
Total Deferred Credits T-	11/05 - 10/	(529,362)	(461,531)	(532,975)	(533,500)	(632,880)	(659,862)	(568,458)	(598,292)	(626,266)	(557,829)	(547,267)	(603,043)
Prior year	11/04 - 10/	(515,130)	(513,104)	(513,104)	(484,868)	(464,868)	(517,465)	(577,134)	(644,321)	(633,350)	(583,046)	(596,315)	(581,248)
Change		(14,232)	51,573	(19,872)	(68,632)	(168,012)	(142,397)	8,675	46,029	7,084	25,220	51,048	(21,795)
Total Liabilities and Other	11/05 - 10/	(65,252,290)	(65,231,752)	(65,662,265)	(65,913,596)	(66,129,405)	(66,165,097)	(67,770,472)	(67,059,691)	(67,361,340)	(67,271,247)	(70,223,179)	(70,318,085)
Prior year	11/04 - 10/	(62,751,648)	(61,916,128)	(62,277,836)	(62,466,562)	(62,528,959)	(62,854,480)	(63,496,066)	(63,868,122)	(66,376,313)	(65,018,514)	(65,340,242)	(65,239,709)
Change		(2,500,642)	(3,315,624)	(3,384,429)	(3,447,034)	(3,600,446)	(3,311,618)	(4,274,406)	(3,191,569)	(985,026)	(2,252,733)	(4,882,937)	(5,078,376)



Meade County Rural Electric  
 PSC Case No. 2006-00500  
 Comparison of Income Statement to Prior Year

Account Title	Acct. #	November 1st Month	December 2nd Month	January 3rd Month	February 4th Month	March 5th Month	April 6th Month	May 7th Month	June 8th Month	July 9th Month	August 10th Month	September 11th Month	October 12th Month	TOTAL
Prior year Change		0	0	0	0	0	0	0	0	0	0	0	0	0
COS Expenses - Wildblue	417.101	3,429	3,228	3,664	3,775	5,256	6,905.66	5,475	6,797	5,475	11,578	8,352	8,246	73,448
Prior year Change		3,429	3,228	3,664	3,775	5,256	6,905.66	5,475	6,797	5,475	11,578	8,352	8,246	3,228
Expenses - Wildblue	417.102	14,885	9,654	0	14,849	6,906	2,707.45	8,184	15,561	0	1,093	8,876	8,912	74,942
Prior year Change		14,885	9,654	0	14,849	6,906	2,707.45	8,184	15,561	0	1,093	8,876	8,912	36,198
Expenses - Wildblue	417.103	14,884.63	9,654.11	0	14,848.79	6,905.92	2,707.45	8,183.92	15,560.99	0	1,092.77	8,875.23	8,911.29	74,940.23
Prior year Change		14,884.63	9,654.11	0	14,848.79	6,905.92	2,707.45	8,183.92	15,560.99	0	1,092.77	8,875.23	8,911.29	38,744
Expenses - Wildblue	417.104	4,654	4,030	1,532	4,725	0	2,050.00	7,514	1,898	357	357	3,885	(357)	26,810
Prior year Change		4,654	4,030	1,532	4,725	0	2,050.00	7,514	1,898	357	357	3,885	(357)	50
Expenses - Wildblue	417.105	1,524	2,959	13,625	2,309	(5,642)	13,891.46	1,287	1,993	796	909	574	2,487	34,495
Prior year Change		1,524	2,959	13,625	2,309	(5,642)	13,891.46	1,287	1,993	796	909	574	2,487	8,685
Expenses - Wildblue	417.106	1524.27	2958.87	13624.67	2308.55	-5641.79	13891.46	1287.05	1593.09	796.08	-3301.31	-1404.18	-1828.65	25,810
Prior year Change		1524.27	2958.87	13624.67	2308.55	-5641.79	13891.46	1287.05	1593.09	796.08	-3301.31	-1404.18	-1828.65	25,810
Expenses - Wildblue	417.107	564	303	232	268	287	260.69	174	270.4	177.97	148.08	152.93	100.53	2,939
Prior year Change		564	303	232	268	287	260.69	174	270.4	177.97	148.08	152.93	100.53	2,939
Expenses - Wildblue	417.108	0	0	0	0	0	0.00	0	0	0	0	0	0	998
Prior year Change		0	0	0	0	0	0.00	0	0	0	0	0	0	0
Expenses - Wildblue	417.109	0	0	0	0	0	0.00	0	0	0	0	0	0	0
Prior year Change		0	0	0	0	0	0.00	0	0	0	0	0	0	0
Expenses - Wildblue	417.110	0	147	0	0	0	0.00	0	0	0	0	271	0	147
Prior year Change		0	147	0	0	0	0.00	0	0	0	0	271	0	271
Expenses - Wildblue	417.111	991	1,860	1,354	1,409	1,770	1,206.91	1,101	1,207	995	1,107	1,169	1,074	15,243
Prior year Change		991	1,860	1,354	1,409	1,770	1,206.91	1,101	1,207	995	1,107	1,169	1,074	12,025
Expenses - Wildblue	417.112	598	1,860.13	1,354.41	1,408.68	1,657	892	1,298	1,206.63	2,847	1,539	1,570	1,625	3,218
Prior year Change		598	1,860.13	1,354.41	1,408.68	1,657	892	1,298	1,206.63	2,847	1,539	1,570	1,625	3,218
Expenses - Wildblue	417.113	0	0	0	0	0	0.00	0	0	0	0	0	0	0
Prior year Change		0	0	0	0	0	0.00	0	0	0	0	0	0	0
Expenses - Wildblue	418.100	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior year Change		0	0	0	0	0	0	0	0	0	0	0	0	0
Equity in Subsidiary - ORSC	418.100	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior year Change		0	0	0	0	0	0	0	0	0	0	0	0	0
Interest & Dividend Income	419.000	(19,165)	(18,869)	(16,395)	(17,139)	(19,896)	(18,568.83)	(18,816)	(22,542)	(18,542)	(18,063)	(25,658)	(26,604)	(241,143)
Prior year Change		(19,165)	(18,869)	(16,395)	(17,139)	(19,896)	(18,568.83)	(18,816)	(22,542)	(18,542)	(18,063)	(25,658)	(26,604)	(144,466)
Interest Income - Cushion of Credit	419.100	(9,273)	(10,016)	(5,423)	(9,465)	(9,477)	(10,488)	(4,553)	(12,253)	(14,253)	(15,892)	(15,892)	(16,972)	(96,677)
Prior year Change		(9,273)	(10,016)	(5,423)	(9,465)	(9,477)	(10,488)	(4,553)	(12,253)	(14,253)	(15,892)	(15,892)	(16,972)	(96,677)
Interest Income - Cushion of Credit	419.100	(3,740)	(3,126)	(2,584)	(2,438)	(1,681)	(1,144.01)	(3,436)	(567)	(3,924)	(3,244)	(2,749)	(1,805)	(28,006)
Prior year Change		(3,740)	(3,126)	(2,584)	(2,438)	(1,681)	(1,144.01)	(3,436)	(567)	(3,924)	(3,244)	(2,749)	(1,805)	(32,044)
Interest Income - Cushion of Credit	419.100	(794)	(3,864)	(3,142)	(1,927)	(2,906)	(1,887)	(1,009)	(1,023)	(4,007)	(4,007)	(1,023)	(7,159)	(7,159)
Prior year Change		(794)	(3,864)	(3,142)	(1,927)	(2,906)	(1,887)	(1,009)	(1,023)	(4,007)	(4,007)	(1,023)	(7,159)	(7,159)











Meade County Rural Electric  
PSC Case No. 2006-00500  
Comparison of Income Statement to Prior Year

Account Title	Acct. #	November	December	January	February	March	April	May	June	July	August	September	October	TOTAL
		1st Month	2nd Month	3rd Month	4th Month	5th Month	8th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	(144)
Change		268	0	0	0	0	(185)	(200)	0	0	37	0	0	(224)
Maintenance - Major Storm Damage	593.600													
Prior year		(741)	8	22	0	151	271.33	(271)	0	249	26	1,858	0	419
Change		741	(8)	(22)	0	151	41	(554)	0	249	22	(1,854)	0	(219)
Maintenance - UVG Lines	594.000													
Prior year		0	0	0	0	0	0.00	0	0	55	0	0	0	55
Change		0	0	0	0	0	0	0	0	420	0	0	0	(365)
Maintenance of Line Transformers	595.000													
Prior year		3,698	(913)	1,410	0	0	256.63	0	0	0	5,599	11,585	360	22,908
Change		954	913	25	1,005	0	5,044	0	495	2,157	0	(843)	653	8,577
Line Maintenance - PCB Expense	595.100													
Prior year		0	317	2,484	0	2,759	373.16	825	1,780	1,853	2,280	2,760	0	15,410
Change		0	(3,258)	948	0	5,672	511	685	(1,909)	1,483	1,341	1,500	1,020	20,424
Maintenance St Light & Sig Systems	598.000													
Prior year		56	871	611	562	0	0.00	0	0	0	0	306	569	2,775
Change		110	(54)	147	509	68	1,077	288	453	949	511	748	569	5,523
Maintenance of Meters	597.000													
Prior year		159	408	0	34	85	1,003.84	652	412	521	256	450	510	3,894
Change		(159)	(408)	0	34	(21)	(5)	652	109	80	176	450	510	3,162
Maintenance of Sec Lights	598.000													
Prior year		13,717	16,421	14,985	10,548	15,873	7,722.92	6,635	7,935	9,541	10,261	17,022	14,341	145,002
Change		15,485	5,226	16,726	11,546	19,507	13,714	8,554	11,057	11,816	11,239	10,441	10,810	151,889
TOTAL MAINTENANCE	****	219,088	222,333	146,157	174,205	236,504	199,889	193,980	202,901	282,942	278,328	236,361	200,214	2,504,881
Customer Accis Expense-Supervision	901.000													
Prior year		4,841	7,329	4,701	4,832	6,561	8,595.18	5,500	5,620	6,011	6,205	9,554	7,158	78,634
Change		5,161	4,515	6,200	7,865.76	5,052	5,088	5,239	5,239	5,211	5,763	6,221	9,563	67,730
Meter Reading Expenses	902.000													
Prior year		20,873	15,757	20,631	8,004	13,853	19,848.05	18,503	15,014	16,980	18,607	19,285	14,979	181,262
Change		21,013	20,446	20,631	20,382	20,481.33	20,521	20,731	21,107	24,672	20,559	21,121	21,218	252,882
Special Meter Reading Expenses	902.100													
Prior year		89	90	90	90	90	89.54	90	90	90	90	87	88	1,071
Change		1	0	0	0	0	0	0	0	0	0	0	0	885
Customer Records & Collections Exp	903.000													
Prior year		14,429	19,344	13,749	18,911	18,866	19,424.55	19,999	16,957	20,208	20,788	20,443	20,917	222,005
Change		14,664	16,215	21,788	18,249	20,877.98	19,321	18,403	18,395	9,748	17,432	20,519	16,342	209,954
Coil Expenses Overages & Shortages	903.100													
Prior year		0	(29)	0	0	0	(45.34)	285	(3)	9	(74)	149	(0)	303
Change		20	(59)	6	6	12	(9)	25	(80)	9	(74)	149	23	42
Account Setup & Maintenance Office	903.200													
Prior year		0	0	0	0	0	0.00	0	0	0	64	0	0	64
Change		0	0	0	0	0	0	0	0	0	0	0	0	0
Sign-up New Members	903.201													
Prior year		4,545	6,336	3,868	5,578	8,260	4,279.22	5,271	4,881	5,279	5,929	7,222	5,311	66,650
Change		4,461	2,846	4,365	4,419	6,343.34	4,871	5,192	5,848	5,175	5,198	5,731	5,252	80,345
Disconnect (By Request)	903.202													
Prior year		1,491	2,298	1,281	1,594	2,722	1,394.85	1,673	1,720	1,889	1,816	2,145	1,521	21,324
Change		1,351	1,110	1,178	1,176	1,776	1,734	1,734	1,911	1,562	1,922	1,922	1,686	19,128
		139	1,188	105	520	586	(381)	(61)	(191)	107	126	223	(165)	2,196



Meade County Rural Electric  
PSC Case No. 2006-00500  
Comparison of Income Statement to Prior Year

Account Title	Acct. #	November	December	January	February	March	April	May	June	July	August	September	October	TOTAL
		1st Month	2nd Month	3rd Month	4th Month	5th Month	5th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	Month
Mailing Electric Billing Statements	903.402						0.00							0
Prior year Change		0	0	0	0	0	0	0	0	0	0	0	0	0
Other	903.403	45	65	73	42	377	(146.88)	66	41	94	99	0	0	691
Prior year		227	(65)	10	15	176.58	15	138	276	9	9	0	0	967
Change		(182)	(65)	63	(6)	201	(182)	(72)	(236)	85	90	0	0	(276)
Remittance Processing	903.500						0.00							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
Balancing Daily Receipts	903.501	2,798	4,020	2,333	3,525	5,151	2,157.91	3,663	2,988	3,055	4,113	6,556	3,604	43,963
Prior year		2,841	2,778	3,670	3,914	4,786.27	2,972	2,946	3,128	3,051	4,130	4,130	2,796	40,324
Change		(43)	1,241	(1,337)	(390)	364	(814)	718	(140)	4	802	2,426	809	3,640
Processing ACH Bank Draft File	903.502	70	54	39	72	61	44.63	97	57	59	70	37	66	728
Prior year		55	63	101	82	25.54	24	81	65	169	96	570	59	1,391
Change		15	(9)	(62)	(9)	36	20	17	(8)	(111)	(26)	(533)	9	(663)
Preparing Batches	903.503	1,970	2,602	1,259	2,409	8,108	4,525.21	5,729	5,799	5,829	4,729	3,717	2,776	49,453
Prior year		1,953	2,756	3,154	2,724	4,480.89	2,480	2,400	2,323	2,433	2,455	2,455	2,049	31,961
Change		17	(153)	(1,894)	(316)	3,627	2,046	3,329	3,507	3,507	2,296	1,262	727	17,492
Entering Payments	903.504	2,034	2,379	1,292	3,490	2,845	1,309.85	1,788	1,976	2,096	3,540	3,863	2,904	29,519
Prior year		1,532	1,925	1,924	1,918	3,931.47	2,403	1,835	2,012	1,897	1,832	1,989	1,696	24,875
Change		502	454	(632)	1,572	(1,087)	(1,094)	(47)	(36)	199	1,708	1,895	1,208	4,644
Bank/Mail Runs	903.505	829	939	971	952	1,996	(232.32)	926	669	560	771	898	880	9,968
Prior year		808	792	996	852	1,275.81	966	868	781	728	922	922	816	10,735
Change		21	147	(26)	100	721	(1,198)	(4)	(168)	(168)	(151)	117	(136)	(778)
Taking Payments	903.506	8,978	10,261	5,234	9,098	13,827	4,243.92	8,669	7,498	7,367	10,561	13,484	10,960	107,200
Prior year		7,721	8,721	8,657	8,701	14,187.72	7,466	7,419	7,307	6,874	8,305	10,549	6,429	102,336
Change		(743)	1,540	(3,423)	(603)	(361)	(3,222)	1,269	191	494	2,256	2,935	4,531	4,864
Other	903.507	1,043	1,355	881	1,214	3,116	(501.82)	1,511	1,174	892	979	964	599	13,225
Prior year		1,026	1,068	1,197	1,253	1,671.07	967	1,099	1,039	905	1,258	1,193	1,059	13,725
Change		17	287	(316)	(40)	1,445	(1,469)	423	135	(13)	(279)	(229)	(460)	(499)
Collections (Active Accounts)	903.600						4.71							5
Prior year		0	0	0	0	0	0	0	0	0	0	0	0	0
Change		0	0	0	0	0	(5)	0	0	0	0	0	0	(5)
Preparing and sending Late Notices	903.601						0.00							46
Prior year		0	18	9	0	0	0	18	9	0	0	0	0	1,871
Change		0	(9)	(29)	(7)	1,765.66	(1,770)	13	34	9	0	0	0	(1,825)
Communication on Past Due Balances	903.602	432	1,369	467	1,424	1,333	910.34	1,345	1,421	1,004	1,823	1,332	960	13,940
Prior year		857	726	900	857	2,149.83	1,169	1,029	1,006	1,184	1,298	1,060	1,078	13,092
Change		(424)	644	(433)	567	(817)	(258)	316	415	(160)	825	272	(98)	848
Extinguish Past Due Balances	903.603	1,627	1,947	1,337	1,789	3,004	1,101.01	1,429	1,506	1,178	1,647	2,508	1,634	20,705
Prior year		1,363	1,226	1,205	1,170	368.89	1,345	1,852	1,241	1,457	1,556	1,730	1,597	16,049
Change		264	721	132	619	2,637	(244)	(454)	265	(279)	91	776	128	4,655
Processing Return Checks	903.604	450	555	337	551	382	387.35	364	532	460	656	701	376	5,721
Prior year		280	320	404	294	318.52	401	426	331	386	441	411	555	4,570
Change		170	235	(68)	257	63	(13)	(62)	201	62	216	280	(179)	1,151
Review for Tamper/Possible Theft	903.605	42	44	14	60	280	207.37	160	267	885	645	0	0	2,606
Prior year		418	76	99	34	1,287.35	194	261	470	126	36	133	38	3,173
Change		(376)	(32)	(85)	26	(1,007)	13	(101)	202	759	609	(133)	(38)	(568)
Field Collection/Disconnect Non-Pay	903.606	1,350	930	2,414	527	1,423	416.29	628	791	921	1,057	1,578	1,005	13,041



Meade County Rural Electric  
 PSC Case No. 2006-00500  
 Comparison of Income Statement to Prior Year

Account Title	Acct. #	November 1st Month	December 2nd Month	January 3rd Month	February 4th Month	March 5th Month	April 6th Month	May 7th Month	June 8th Month	July 9th Month	August 10th Month	September 11th Month	October 12th Month	TOTAL
Change		0	0	0	0	0	0	0	0	0	0	0	0	0
ALL SEASONS COMF HOME INCENTIVE	908.400													
Prior year														
Change														
Information & Instruct Adv Exp	909.000	6,837	7,584	5,789	5,839	8,278	5,413.73	5,281	6,679	6,415	(3,992)	6,613	5,342	66,060
Prior year		5,963	6,024	6,970	5,579	8,497.73	5,497	(2,904)	7,329	6,239	6,197	6,630	5,730	67,742
Change		884	1,560	(1,181)	260	(220)	(84)	8,165	(651)	176	(10,169)	(16)	(388)	(1,683)
Misc Customer Serv & Inform Exp	910.000	3,849	6,048	4,740	6,344	8,151	4,762.18	5,473	6,500	6,964	(10,258)	8,566	6,286	57,423
Prior year		4,107	3,996	5,602	3,762	6,349.49	3,990	(14,277)	4,755	5,182	3,593	4,171	3,803	35,802
Change		(268)	2,152	(862)	2,582	1,801	772	19,750	1,745	1,801	(13,841)	4,395	2,384	22,421
TOTAL CUSTOMER SERVICE AND INFO****		18,747	24,837	18,660	25,059	28,590	19,344	19,187	22,336	21,972	(21,463)	27,037	21,258	225,065
Prior year		17,420	17,713	22,114	16,100	26,968	17,254	(27,904)	20,831	19,284	18,164	19,763	17,767	185,475
Change		1,327	6,624	(3,454)	8,959	1,622	2,089	47,091	1,505	2,688	(39,628)	7,274	3,491	39,589
Demo & Selling Expense	912.000													
Prior year														
Change														
Sales Expense - Advertising	913.000													
Prior year														
Change														
Rev From Mdse Jobbing & Contr Work	914.000													
Prior year														
Change														
Revenue - Meter Bases	914.100	(1,175)	(1,127)	(307)	(573)	(602)	(524.22)	(510)	(771)	(693)	(732)	(990)	(1,217)	(9,221)
Prior year		(982)	(472)	(884)	(907)	(453.36)	(1,330)	(1,182)	(1,675)	(1,080)	(1,002)	(1,371)	(1,641)	(13,740)
Change		(193)	(655)	577	335	(148)	806	652	904	367	1,070	381	424	4,519
Cost & Exp of Mdse Jobbing & Contr	915.000													
Prior year														
Change														
Costs - Meter Bases	915.100	159	1,876	2,383	1,542	928	2,279.00	0	0	2,399	1,452	0	2,149	13,625
Prior year		2,678	1,679	1,295	1,908	1,908	1,908	301	1,128	2,167	1,025	2,643	1,402	16,366
Change		(2,519)	197	1,088	(1,542)	928	(301)	(301)	(1,128)	233	427	(2,643)	2,149	(2,741)
TOTAL SALES	****	(1,028)	238	2,021	(594)	(61)	1,647	(991)	(991)	1,498	660	(1,623)	897	1,726
Prior year		(1,586)	1,075	407	535	(465)	(1,127)	(1,121)	(1,121)	1,001	(615)	1,201	(1,848)	1,402
Change		(2,613)	(837)	1,614	(1,120)	404	1,073	179	130	497	1,275	(2,824)	2,546	324
Administrative & General Salaries	920.000	28,265	37,364	24,811	47,615	47,175	27,260.98	33,520	37,137	31,700	37,436	31,735	28,693	410,712
Prior year		22,702	27,292	26,381	21,194	37,623.38	26,524	26,269	28,415	25,953	31,897	34,487	28,627	339,405
Change		5,562	10,072	(3,570)	26,481	9,552	737	8,722	8,722	5,748	5,439	(2,752)	(1,935)	71,307
A&G Expense Other Than Salaries	920.100													
Prior year														
Change														
Capital Credits	920.200	595	18	4	4	0	0	0	0	0	0	0	172	615
Prior year		595	16	0	0	0	0	0	0	0	0	0	(172)	172
Change			2	4	4	0	0	0	0	0	0	0	0	443
Allocation of Capital Credits	920.201	351	335	0	0	0	0	0	0	0	0	0	0	0
Prior year		(351)	(335)	0	0	0	0	0	0	0	0	0	0	731
Change														(731)
Preparation of Estate Refunds	920.202	437	719	149	446	534	342.60	319	299	330	479	1,114	426	5,597
Prior year		437	287	287	263	535.00	187	285	308	292	228	535	286	3,206
Change			437	149	183	155	34	34	140	140	251	580	140	2,391



Meade County Rural Electric  
PSC Case No. 2006-00500  
Comparison of Income Statement to Prior Year

Exhibit X  
page 20  
Witness: Jim Adkins  
12/21/14

Account Title	Acct. #	November 1st Month	December 2nd Month	January 3rd Month	February 4th Month	March 5th Month	April 6th Month	May 7th Month	June 8th Month	July 9th Month	August 10th Month	September 11th Month	October 12th Month	TOTAL
Preparation of General Funds	920.203	1,210	918	0	0	135	0.00	0	0	0	0	228	5	2,496
Prior year		2,379	381	0	0	20.53	0	0	0	0	0	228	208	2,989
Change		(1,169)	537	0	0	114	0	0	0	0	0	0	(202)	(493)
Preparation of Reports	920.204	0	0	0	0	0	0.00	0	0	0	0	0	0	0
Prior year		0	0	0	0	8.30	0	0	0	12	7	0	0	25
Change		0	0	0	0	(6)	0	0	0	(12)	(7)	0	0	(25)
Gen. Refund Inq. Returned Cap Cr.	920.205	13	1,372	381	299	123	8.51	0	9	252	360	1,469	1,300	5,587
Prior year		8	238	163	8	35.11	79	212	362	10	79	681	121	2,226
Change		5	1,134	218	291	88	(281)	(212)	(353)	241	282	788	1,180	3,360
Other	920.206	502	1,149	1,051	2,471	1,291	712.20	475	468	362	214	440	229	9,360
Prior year		456	358	163	152	230.10	226	483	235	150	1,159	2,032	1,249	6,893
Change		45	791	888	2,319	1,061	487	(9)	231	211	(945)	(1,592)	(1,020)	2,467
Administrative	920.300	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
Purchasing, verify, code Invoices	920.301	315	492	315	299	562	223.43	293	310	398	309	27	0	3,541
Prior year		397	310	589	439	577.13	216	435	422	671	389	527	389	5,341
Change		(82)	182	(274)	(141)	(18)	8	(142)	(112)	(274)	(60)	(500)	(389)	(1,800)
Time Sheets	920.302	929	1,356	814	1,129	1,696	698.34	962	919	1,173	1,286	1,172	790	12,863
Prior year		1,159	1,079	1,295	1,059	1,722.03	950	1,052	1,053	993	1,212	1,285	906	13,765
Change		(230)	276	(481)	69	(26)	(251)	(149)	(135)	180	74	(113)	(115)	(902)
Teaching	920.303	219	136	252	500	1,045	1,247.10	533	548	608	715	103	151	6,057
Prior year		36	19	567	668.43	375	93	3	1,137	362	125	101	212	3,325
Change		183	117	252	(88)	670	1,154	531	(589)	247	590	2	(61)	2,732
Meeting	920.304	955	1,842	885	1,089	1,832	577.73	749	1,273	1,709	729	631	804	13,075
Prior year		877	794	841	590	2,362.82	2,100	1,347	1,347	365	518	923	2,441	15,854
Change		77	1,048	44	499	(531)	(1,522)	(598)	(1,204)	1,344	212	(281)	(1,638)	(2,580)
Planning	920.305	27	112	0	53	40	13.26	0	0	0	0	0	17	263
Prior year		25	57	57	61	181.62	188	101	78	65	130	224	53	1,163
Change		2	112	(57)	(8)	(142)	(174)	(101)	(78)	(85)	(130)	(224)	(36)	(900)
Daily General AS-400 Tasks	920.306	281	542	560	184	0	17.76	325	284	206	66	514	65	3,025
Prior year		341	387	516	360	249.23	14	304	480	435	228	762	206	4,282
Change		(80)	155	44	(177)	(249)	4	21	(185)	(229)	(162)	(248)	(140)	(1,257)
Other	920.307	4,227	6,886	4,958	5,961	8,584	6,301.69	6,313	7,010	7,549	7,345	4,176	2,857	74,177
Prior year		3,539	4,132	5,483	4,704	8,008.66	4,941	4,934	4,718	6,265	5,139	5,581	3,795	61,179
Change		688	2,754	(525)	1,257	576	3,361	1,379	2,292	1,284	2,206	(1,405)	(876)	12,998
Human Resources	920.400	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
Benefit Administration	920.401	501	886	394	508	727	441.90	416	451	355	432	411	421	6,045
Prior year		540	217	183	215	855.13	342	258	167	250	148	232	252	3,859
Change		(39)	769	211	293	(129)	100	159	285	105	284	179	169	2,386
Recruit, Interview, Orientation	920.402	131	66	29	332	0	0.00	0	0	0	134	687	0	1,378
Prior year		131	75	995	272	187	187	63	289	270	236	109	0	2,497
Change		0	(9)	(966)	80	(63)	(187)	(102)	(289)	(270)	(102)	578	0	(1,118)
Policy Development, Job Desc., Etc.	920.403	25	106	223	0	0	0.00	0	4	548	398	0	0	31
Prior year		54	106	223	0	0	267	582	767	548	398	0	88	3,034
Change		(29)	(106)	(223)	0	0	(267)	(582)	(763)	(547)	(399)	0	(88)	(3,003)

Meade County Rural Electric  
P-SC Case No. 2006-00500  
Comparison of Income Statement to Prior Year

Exhibit X  
page 2 of 7  
Witness: Jim Adkins

13814

Account Title	Acct. #	November	December	January	February	March	April	May	June	July	August	September	October	TOTAL
		1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	
Other	920.404	531	80	447	828	2,058	1,153.79	875	540	396	614	454	334	8,311
Prior year		52	242	98	203	885.53	481	973	642	508	668	432	264	5,449
Change		479	(162)	349	625	1,172	673	(97)	(102)	(113)	(54)	22	70	2,862
Reception/Cashier Areas	920.500	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior year		2,864	3,789	2,243	3,439	5,027	1,646.12	2,679	2,657	2,526	3,276	4,323	3,362	37,829
Change		2,624	2,502	3,077	3,006	4,332.55	2,923	3,023	3,221	2,960	3,172	3,535	2,989	37,375
Change		240	1,286	(834)	433	695	(1,277)	(344)	(564)	(434)	104	787	363	454
Taking Calls	920.502	1,803	2,263	1,322	2,082	2,583	1,496.98	1,833	1,797	1,507	2,072	2,606	4,640	25,808
Prior year		1,879	1,271	1,515	1,646	2,849.72	1,863	1,625	1,754	1,580	1,587	1,989	1,785	20,733
Change		(76)	993	(193)	437	(66)	(167)	208	43	(73)	476	637	2,855	5,073
Directing Visitors/Customers	920.503	389	635	399	573	722	222.91	568	450	423	504	575	387	5,888
Prior year		471	354	461	445	537.64	438	450	413	432	420	432	342	5,196
Change		(82)	282	(63)	128	184	(215)	118	37	(9)	84	143	55	662
Other	920.504	622	1,034	501	1,156	1,286	1,334.54	626	727	802	1,235	2,038	792	12,153
Prior year		713	967	983	542	868.49	566	746	691	627	670	760	943	9,087
Change		(91)	67	(462)	614	417	(232)	(120)	36	175	565	1,278	(151)	3,066
Office Supplies and Expenses	921.000	7,114	12,594	8,490	9,976	11,746	11,836.40	11,619	14,475	12,398	9,661	12,360	11,527	133,789
Prior year		11,615	9,480	8,767	8,441	13,626.43	5,873	5,806	5,815	9,742	8,983	11,819	7,723	107,171
Change		(4,401)	3,134	(277)	1,536	(1,880)	6,164	6,013	8,660	2,656	678	541	3,604	26,628
A & G EXPENSES OTHER THAN SALARY	921.100	2,034	601	1,121	2,538	547	1,424.99	2,712	1,837	2,439	2,879	2,050	4,144	24,328
Prior year		320	1,919	1,489	2,868	369.96	3,206	1,356	1,289	1,299	555	708	2,225	17,623
Change		1,714	(1,319)	(368)	(330)	157	(1,781)	1,356	548	1,140	2,324	1,343	1,919	6,706
A & G NON REGULATORY EXPENSE	921.129	0	271	0	0	0	0.00	785	0	0	0	50	0	1,066
Prior year		0	271	0	0	0	282	(82)	200	0	0	50	0	856
Change		0	0	0	0	0	(82)	817	0	0	0	0	0	210
Outside Services Employed	923.000	4,997	1,284	2,227	2,567	1,550	1,197.50	1,747	1,198	3,286	1,248	1,188	1,865	23,763
Prior year		5,208	7,685	5,772	5,333	6,720.19	5,876	6,508	2,512	1,192	1,192	1,192	1,536	50,725
Change		(811)	(6,401)	(3,545)	(2,766)	(5,170)	(4,679)	(4,761)	(1,314)	2,094	56	6	329	(26,962)
Outside Services Bankruptcy Costs	923.100	0	0	0	0	0	0.00	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
Property Insurance	924.000	166	0	498	0	0	0.00	0	0	140	65	223	0	1,092
Prior year		22,467	345	2,887	(25,812)	142	142	206	0	0	57	960	0	1,251
Change		(22,301)	(345)	(2,389)	25,812	0	(142)	(206)	0	140	8	(737)	0	(159)
Employee Pensions and Benefits	926.000	11	11	11	11	11	11.18	10	12	11	8	14	11	134
Prior year		11	9	10	10	7.74	10	9	11	11	11	14	11	123
Change		0	2	1	1	3	1	2	2	0	(3)	3	0	12
Employee Pensions and Benefits	926.100	0	0	0	0	0	0.00	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
Regulatory Commission Expense	928.000	0	0	0	0	1,559.28	0	0	0	1,613	0	0	0	3,172
Prior year		0	0	0	0	(1,559)	0	0	0	(1,613)	0	0	0	(3,172)
Change		0	0	0	0	0	0	0	0	0	0	0	0	0
Duplicate Charges Credit - Own Use	929.000	(3,319)	(4,368)	(3,662)	(4,186)	(2,992)	(2,335.97)	(1,913)	(1,779)	(2,070)	(2,015)	(2,562)	(2,894)	(34,095)

Exhibit  
page 178  
Witness: Jim Perkins  
14014

Meade County Rural Electric  
PSC Case No. 2006-00500  
Comparison of Income Statement to Prior Year

Account Title	Acct. #	Comparison of Income Statement to Prior Year												TOTAL
		November 1st Month	December 2nd Month	January 3rd Month	February 4th Month	March 5th Month	April 6th Month	May 7th Month	June 8th Month	July 9th Month	August 10th Month	September 11th Month	October 12th Month	
Prior year Change		(2,462) (837)	(4,070) (298)	(3,735) 73	(3,457) (728)	(1,880,20) (1,112)	(2,081) (255)	(1,894) (19)	(1,779)	(4,141) 2,071	(2,191) 1,176	(1,986) (876)	(1,853) (1,041)	(29,771) (4,325)
Misc General Expense Magazine	930.100	8,902 8,412 480	8,895 8,683 212	8,894 9,235 (341)	9,048 8,822 227	9,057 8,820,82 236	9,083,30 8,848 237	9,086 8,830 255	9,083 8,846 247	9,103 8,855 248	9,108 8,875 233	9,114 8,884 230	9,136 8,902 234	106,519 106,010 2,509
Misc General Expense	930.200	12,401 10,704 1,697	14,825 10,352 4,473	10,083 9,892 191	10,680 8,968 1,722	12,566 11,837,46 723	9,795,16 9,281 514	10,089 7,328 2,761	13,667 9,618 4,050	9,779 10,645 (866)	5,319 10,106 (4,787)	12,037 10,260 1,777	11,195 11,004 191	132,431 119,987 12,445
Misc General Expense - non regulatory	930.210	221 81 139	48 232 (184)	158 84 74	584 37 547	317 317	337,42 37 300	66 66	312 1,975 (1,663)	53 53	2,424 42 2,381	85 799 (734)	0 77 (77)	0
Misc Gen Exp-Directors Fee Expense	930.300	7,510 8,486 1,706	6,167 8,486 (2,319)	9,707 7,831 1,876	7,990 6,938 1,052	7,315 9,776,05 (2,461)	6,922 6,164 771	6,358 6,151 207	6,358 13,460 (7,102)	9,885 5,439 4,446	6,777 5,781 996	6,138 6,983 (845)	8,405 6,017 2,388	88,915 88,637 277
Misc Gen Expense - Annual Meeting	930.400	0	29	0	0	0	574,76 568	0	6,805 6,298 507	7,531 1,456 6,075	106 6,485 (6,379)	2,306	(2,218) 23 (2,242)	15,134 14,831 303
Misc Gen Expense - Advertising	930.500	0	307 298	0	0	0	0	0	0	0	69 (69)	0	0	307 549 (242)
Maintenance of General Property	935.000	4,957 4,777 181	5,561 5,981 (431)	9,358 6,225 3,133	6,888 4,788 2,100	6,318 4,269,44 2,049	7,950,64 5,328 2,623	9,503 5,837 3,668	10,651 4,864 5,887	7,006 8,218 (1,212)	5,996 7,338 (1,342)	14,012 6,580 7,432	12,731 7,577 5,154	100,931 71,591 29,340
TOTAL ADMINISTRATIVE & GENERAL	****	89,018 105,227 (16,209)	107,994 90,472 17,521	86,397 93,797 (7,400)	115,063 52,595 62,468	121,849 117,543 4,306	91,309 85,928 5,383	104,002 83,070 17,932	117,511 102,176 15,335	109,859 87,078 22,781	98,785 95,804 2,981	109,707 100,815 8,892	97,185 88,518 8,668	1,245,679 1,103,022 142,657
Totals		42,683,090	6,982,092	5,455,604	6,861,347 6,856,560	6,638,594 6,634,324	5,588,798 5,583,470	6,241,032	5,786,466 5,781,803	6,497,884 6,489,766	6,664,599 6,657,261	5,995,209 5,989,629	6,749,981 6,742,404	57,035,010 105,886,003
Net Margins		(228,265) (77,699)	(74,849) (257,619)	631,191 200,076 431,115	107,529 543,484 (435,955)	(4,917) 24,609 (29,526)	289,436 255,606 33,830	(223,319) 81,876 (305,195)	(164,869) (233,815) 68,926	(37,475) 110,484 (147,959)	102,196 240,415 (138,219)	402,646 266,840 133,806	(182,480) 86,614 (269,094)	616,814 1,242,871 (626,057)
Prior year Change		(150,566)	182,770	431,115	(435,955)	(29,526)	33,830	(305,195)	68,926	(147,959)	(138,219)	133,806	(269,094)	(626,057)

27  
pg 1 of 7

Meade County Rural Electric  
Trial Balance  
October 31, 2006

<u>Account</u>	<u>Description</u>	<u>October 31, 2006 Balance</u>	
		<u>Debit</u>	<u>Credit</u>
<b>Distribution Plant</b>			
360.00	Land	212,648.96	
362.00	Station eqt	6,502,692.08	
364.00	Poles, Towers Fixture	30,391,156.50	
365.00	OH Conductor	13,723,191.28	
367.00	UG Conductor	1,527,852.77	
368.00	Line Transformers	10,561,557.94	
369.00	Services	1,523,075.62	
370.00	Meters	4,254,480.55	
371.00	Security Lights	1,885,574.28	
373.00	Street Lights	127,669.46	
108.60	Res for Dep-Dist Plt		16,017,845.26
		<u>70,709,899.44</u>	<u>16,017,845.26</u>
<b>General Plant</b>			
389.00	Land	254,822.63	
390.00	Struct & Improve	377,768.62	334,659.27
390.10	Struct & Improve	2,590,409.36	611,040.71
391.10	Office Furniture	960,378.22	654,679.17
392.10	Transportation Eqt	2,165,016.47	1,267,329.93
393.10	Stores	33,933.69	19,205.25
394.10	Tools, Work Eqt	70,980.83	49,089.18
395.10	Laboratory	64,586.83	45,004.48
397.10	Communication	210,573.85	152,622.93
398.00	Miscellaneous	3,493.98	3,493.98
		<u>6,731,964.48</u>	<u>3,137,124.90</u>
		<u>77,441,863.92</u>	<u>19,154,970.16</u>
<b>CWIP</b>			
107.12	Accrued PR for 107.200	20,251.87	
107.20	Force Account	306,707.77	
107.30	Special Eqt		
107.31	Contributions	(45,596.86)	
		<u>281,362.78</u>	
<b>RWIP</b>			
108.20	Force Account	11,138.09	
108.21	Contractor	85,331.60	
		<u>96,469.69</u>	
<b>Investments</b>			
123.00	Invest in Assoc Coop	1,130.00	
123.10	Pat Cap	42,773,142.61	
123.101	Big Rivers - contra	(42,093,236.00)	
123.221	Inv Cap Term Cert	1,099,254.96	
123.23	Other Assoc Organ	1,000.00	
		<u>1,781,291.57</u>	

Meade County Rural Electric  
 Trial Balance  
 October 31, 2006

pg 2 of 7

<u>Account</u>	<u>Description</u>	<u>October 31, 2006 Balance</u>	
		<u>Debit</u>	<u>Credit</u>
<b>Cash Accounts</b>			
131.10	BnkOne General Funds	1,860,870.77	
131.101	BankOne General Funds	201,933.61	
131.102	Republic Bank & Trust	1,423,357.71	
131.11	MM First St Bank	377,832.34	
131.12	MM Farmers H-burg	1,546,787.90	
131.13	MM Breck Bk of Cport	220,630.08	
131.14	MM F-ville	156,826.61	
131.16	Farmers H-burg	105,545.04	
131.17	Capital refund-Meade Co Bk	4,909.04	
131.19	Lietchfield Deposit Bank	20,345.59	
131.20	Trustee	0.00	
135.00	Working Funds	2,800.00	
		5,921,838.69	
<b>Temporary Investments</b>			
136.00	Temporary Invest	124,086.82	
		124,086.82	
<b>Accounts Receivables</b>			
142.00	Consumers	2,510,638.25	
142.10	Return Checks		
143.10	Other	53,771.90	
143.30	Employee Med Ins	(2.14)	
143.31	Cancer Ins	(0.10)	
143.32	Life ins	(0.10)	
143.51	Notes FmHA	3,667.62	
144.10	Allow for uncollect	(172,689.68)	
144.11	Allow for uncollect	(22,619.85)	
144.20	Allow for other AR	(6,576.43)	
		2,366,189.47	
<b>Material and Supplies</b>			
154.00	Material & Sup	373,482.57	
163.00	Stores Clearing	6,279.79	
		379,762.36	
<b>Other Current Assets</b>			
165.10	Insurance	109,307.06	
165.12	Worker's Comp	53,650.09	
165.20	NRECA dues	4,218.00	
165.22	Pension	(7,844.90)	
165.23	Health insurance	(23,327.89)	
165.30	KAEC dues	10,566.22	
165.50	Postage	2,071.32	
165.70	State sales tax	7,859.89	
171.00	Interest Rec CFC	(109.45)	
172.00	Rent Rec	47,295.95	
		203,686.29	

Meade County Rural Electric  
 Trial Balance  
 October 31, 2006

LX 1  
 pg 3 of 7

<u>Account</u>	<u>Description</u>	<u>October 31, 2006 Balance</u>	
		<u>Debit</u>	<u>Credit</u>
<b>Deferred Charges</b>			
184.00	Transportaion Clearing		
186.10	Liter's Quarry	142,357.48	
186.20	2 year work plan	12,671.54	
186.60	Deferred Comp	2,500.00	
		157,529.02	
<b>Memberships</b>			
200.10	Issued		19,700.00
200.11	Issued \$15		96,240.00
			115,940.00
<b>Patronage Capital</b>			
201.10	Credits		17,023,494.59
201.20	Assignable		919919.18
208.00	Donated Capital		21,565.49
217.00	Retired Gain		664,135.18
219.10	Operating Margins		77,784.13
219.20	Non-operating margins		1,921,718.91
			20,628,617.48
<b>Long-term Debt</b>			
224.12	CFC		16,038,889.89
224.30	REA		36,578,273.15
224.40	Unadvanced		(17,136,000.00)
224..60	RUS Advance Pmts		(317,034.49)
224.151	FFB		10,187,196.99
224.152	Unadvanced		
			45,351,325.54
<b>Accumulated Operating Provisions</b>			
228.30	Postretirement Benefits		511,752.49
228.31	Defer comp accrual		-
			511,752.49
<b>Acct Payable</b>			
232.10	Big Rivers & general		1,504,937.76
232.12	Misc		(4,977.93)
232.30	Credit Union		
232.40	Wintercare		156.75
232.50	ACRE		889.00
234.20	Charitable contributions		275.00
			1,501,280.58

Meade County Rural Electric  
 Trial Balance  
 October 31, 2006

EX Y  
 pg 4 of 7

<u>Account</u>	<u>Description</u>	<u>October 31, 2006 Balance</u>	
		<u>Debit</u>	<u>Credit</u>
<b>Consumer Deposits</b>			
235.00	Consumer Deposits		634,055.00
<hr/>			
<b>Accruals</b>			
236.10	Prop Tax		256,485.08
236.20	FUTA		253.61
236.30	FICA		
236.40	SUTA		321.15
236.50	Sales Tax		18,220.94
236.60	Gross receipts		55,283.22
236.70	PSC		8,702.32
236.80	Other		1,800.03
236.90	City taxes		1,461.63
237.10	Interest RUS		
237.20	Interest FFB		27,578.70
237.40	Interest CFC		163,423.42
238.20	Patronage cap payable		11,292.43
<hr/>			
			544,822.53
<hr/>			
240.00	Matured Int		0.00
241.10	Fed W/H		0.00
241.20	State W/H		4.83
242.20	Payroll		80,477.38
242.32	Sick leave		341,185.97
242.50	Audit Exp		5,580.00
242.90	401(k) withholding		
<hr/>			
			427,248.18
<hr/>			
			972,070.71
<hr/>			
<b>Deferred Credits</b>			
252.00	Construction		500,819.84
253.00	Mis Deferred debits		102,222.95
<hr/>			
			603,042.79
<hr/>			
		88,754,080.61	89,473,054.75
		<hr/>	

Meade County Rural Electric  
 Trial Balance  
 October 31, 2006

Ex Y  
 pg 5 of 7

<u>Account Number</u>	<u>Description</u>	<u>12 Mos 10-31-06</u>
<b>Operating Income</b>		
440.10	Residential Rural	18,111,147.71
440.30	Residential Towns	1,858,365.50
442.10	Small Commercial	1,882,315.54
442.11	Small Com Rate 5	11,839.76
442.20	Large Commercial	4,561,096.59
444.00	Public Street Lgts	64,446.25
445.10	Public Bldg & Othr	173,739.91
		<u>26,662,951.26</u>
450.00	Penalties	459,769.68
451.00	Misc Svc Rev	166,390.00
452.00	Return check charge	7,812.00
454.00	Rent Elect Prop	193,482.75
456.00	Other Elect Rev	0.00
		<u>27,490,405.69</u>
<b>Purchase Power</b>		
555.00	Purchase Power	<u>15,768,944.38</u>
<b>Distributions - Operations</b>		
580.00	Super & Eng	301,914.60
582.00	Station exp	38,271.98
583.00	OH Line Exp	770,590.80
584.00	UG Line Exp	0.00
585.00	Str Ltg & Signal	0.00
586.00	Meter Exp	180,627.79
587.00	Constr Install Eqt	25,413.86
588.00	Misc Distr Eqt	488,231.08
589.00	Rents	0.00
		<u>1,805,050.11</u>
<b>Distribution - Maintenance</b>		
590.00	Supervision	347,335.15
592.00	Station	85,611.08
593.00	OH Lines	478,099.63
593.10	Maintenance	773,484.50
593.20	Chemicals	171,104.48
593.30	Line inspections	221,489.22
593.40	Service orders	236,932.07
593.50	Tree replacement	363.03
593.60	Major storms	419.07
594.00	UG Line	54.87
595.00	Transformers	22,907.71
595.10	PCB expense	15,409.94
596.00	Security lights	2,774.72
597.00	Meters	3,893.56
598.00	Misc Dist Plant	145,002.08
		<u>2,504,881.11</u>



Meade County Rural Electric  
 Trial Balance  
 October 31, 2006

Ex Y  
 pg 6 of 7

<u>Account Number</u>	<u>Description</u>	<u>12 Mos 10-31-06</u>
<b>Consumer Accounts</b>		
901.00	Supervision	78,634.09
902.00	Meter Read Exp	182,333.69
903.00	Customer Collect	853,741.69
903.10	Cash Over\Short	302.53
904.00	Uncollectible A\C	77,723.22
905.00	Misc Customer service	0.00
		<u>1,192,735.22</u>
<b>Customer Information and Sales</b>		
907.00	Supervision	8,701.37
908.00	Customer Assist	92,881.19
909.00	Information Exp	66,059.62
910.00	Misc Cust Svc	57,422.64
912.00	Demonstr & selling	0.00
913.00	Advertising	0.00
914.00	Rev from contracting	(11,898.50)
915.00	Exp from contract	13,624.69
		<u>226,791.01</u>
<b>Administrative &amp; General</b>		
920.00	A & G Office Salaries	644,780.86
921.00	Office Sup & Exp	133,798.34
921.10	A & G other than salaries	25,384.37
923.00	Outside Svc	23,762.59
924.00	Insurance Exp	0.00
925.00	Injury & Damage	1,092.22
926.00	Employee Benefits	134.16
928.00	Reg Commission Exp	0.00
929.00	Duplicate charges	(34,095.33)
930.10	Magazine	108,518.93
930.20	Misc Genrl Exp	137,573.20
930.30	Director fees	88,914.64
930.40	Annual meeting	14,883.94
935.00	Misc Genrl Plant	100,931.24
		<u>1,245,679.16</u>
<b>Depreciation</b>		
403.60	Distribution Plant	2,280,694.10
403.70	General Plant	170,565.82
		<u>2,451,259.92</u>
<b>Taxes</b>		
408.10	Property Tax	0.00
408.20	Payroll	0.00
408.50	Sales tax comp	(2,768.69)
408.70	PSC - Assess	35,463.25
		<u>32,694.56</u>

Meade County Rural Electric  
Trial Balance  
October 31, 2006

Ex Y  
pg 7 of 7

<u>Account Number</u>	<u>Description</u>	<u>12 Mos 10-31-06</u>
<b>Interest</b>		
427.10	RUS	695,567.09
427.20	CFC	959,068.63
427.30	FFB	<u>307,658.08</u>
		<u>1,962,293.80</u>
<b>Other Income and Expenses</b>		
417.	Non-op Income	49,137.21
421.00	Gain loss on plant disposal	(473.80)
426.1	Other Inc Deduct	0.00
426.40	Civil Political contr	22,919.16
428.10	Conver to Var Int-CFC	0.00
431.00	Other Int Exp	<u>34,173.36</u>
		<u>105,755.93</u>
<b>Interest Income</b>		
419.00	Interest Income	<u>(269,149.35)</u>
<b>Patronage Capital</b>		
423.00	Big Rivers	0.00
423.10	" " Contra	0.00
424.00	Others	<u>(153,344.94)</u>
		<u>(153,344.94)</u>
		<u>(616,814.78)</u>

EX 2  
1072

Meade County Rural Electric  
Case No. 2006 - 00500

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

Line No.	Type of Capital	1996		1997		1998		1999		2000		2001	
		10th Year	Ratio	9th Year	Ratio	8th Year	Ratio	7th Year	Ratio	6th Year	Ratio	5th Year	Ratio
1	Long Term Debt	18,921	58%	20,656	59%	24,287	63%	25,741	63%	29,049	65%	32,373	66%
2	Short Term Debt	195	1%	203	1%	184	0%	170	0%	160	0%	150	0%
3	Memberships	13,443	41%	14,245	41%	14,026	36%	14,724	36%	15,491	35%	16,702	34%
4	Patronage Capital		0%		0%		0%		0%		0%		0%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%
6	Total Capitalization	32,559	100%	35,104	100%	38,497	100%	40,635	100%	44,700	100%	49,225	100%

Line No.	Type of Capital	2002		2003		2004		2005		2006		Latest Quarter		Average	
		4th Year	Ratio	3rd Year	Ratio	2nd Year	Ratio	1st Year	Ratio	Test year	Ratio	September 30, 2006	Ratio	Test Year	Ratio
1	Long Term Debt	36,960	68%	36,165	66%	38,956	67%	41,072	67%	45,351	69%	45,265	68%	42,108	67%
2	Short Term Debt	142	0%	134	0%	127	0%	121	0%	116	0%	117	0%	119	0%
3	Memberships	17,625	32%	18,337	34%	19,082	33%	19,877	33%	20,629	31%	20,825	31%	20,465	33%
4	Patronage Capital		0%		0%		0%		0%		0%		0%	0	0%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%		0%
6	Total Capitalization	54,727	100%	54,636	100%	58,165	100%	61,070	100%	66,096	100%	66,207	100%	62,692	100%

Meade County Rural Electric  
 Case No. 2006 - 00500  
 Calculation of Average Test Period Capital Structure  
 12 months ended October 31, 2006

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	61,613	40,947		122		20,544	
2	1st month	61,037	40,934		121		19,982	
3	2nd month	61,070	41,072		121		19,877	
4	3rd month	61,733	41,121		120		20,492	
5	4th month	61,802	41,104		120		20,578	
6	5th month	61,910	41,236		119		20,555	
7	6st month	62,219	41,285		119		20,815	
8	7th month	63,499	42,806		119		20,574	
9	8th month	62,563	42,053		118		20,392	
10	9th month	62,576	42,114		118		20,344	
11	10th month	62,671	42,118		117		20,436	
12	11th month	66,207	45,265		117		20,825	
13	12th month	66,096	45,351		116		20,629	
14	Total (Line 1 through Line 13)	814,996	547,406	0	1,547	0	266,043	0
15	Average balance (Line 14/13)	62,692	42,108	0	119	0	20,465	0
16	Average capitalization ratios	100%	67%	0%	0%	0%	33%	0%
17	End of period capitalization ratios	100%	69%	0%	0%	0%	31%	0%

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	
31	

Meade County Rural Electric  
Case No. 2006-00500

Analysis of Salaries and Wages  
For the calendar years 2003 through 2005  
and the Test year

Line No	Item (a)	Twelve Months Ended				Test year								
		2003		2004		2005		October 31, 2006						
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)	Amount (l)	% (m)					
1	Wages charged to expense:													
2	Distribution expense	1,086,510	-2%	1,422,489	31%	1,199,323	-16%	1,305,968	9%					
3	Customer accounts expense	434,607	0%	442,980	2%	460,592	4%	490,356	6%					
4	Customer service and information	126,618	6%	128,622	2%	126,794	-1%	141,232	11%					
5	Sales expense													
6	Administrative and general expenses:	320,759	3%	363,079	13%	396,327	9%	430,871	9%					
	(a) Administrative and general													
	(b) Office supplies and expense													
	(c) Outside services employed													
	(d) Property insurance													
	(e) Injuries and damages													
	(f) Employees hospitalization and benefits													
	(g) Retirement and security	26,270	-14%	28,607	9%	34,360	20%	34,878	2%					
	(h) Miscellaneous general	3,639	8%	3,359	-8%	4,076	21%	11,310	177%					
	(i) Maintenance of general plant													
7	Total administrative and general expenses L6(a) to L6(i)	350,668	1%	395,045	-3%	434,763	-3%	477,059	-3%					
8	Charged to clearing and others	183,597	10%	184,430	0%	210,367	14%	215,334	2%					
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	2,182,000	0%	2,573,566	18%	2,431,839	-6%	2,629,949	8%					
10	Wages capitalized	834,897	10%	786,083	-6%	845,262	8%	852,289	1%					
11	Total salaries and wages	3,016,897	3%	3,359,649	11%	3,277,101	-2%	3,482,238	6%					
12	Ratio of salaries and wages charged to expense to total wages L9 / L11		72%		77%		74%		76%					
13	Ratio of salaries and wages capitalized to total wages L10 / L11		28%		23%		26%		24%					
14	Overtime wages	231,626	4%	376,540	38%	207,565	-81%	209,368	1%					
15	Overtime hours	7,166		11,920		5,921		5,864						

Meade County Rural Electric  
Case No. 2006-00500  
Compensation of Executive Officers  
October 31, 2006

	<----	Test Year	---->	Employees
		Percent of		who
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>	<u>Report</u>
President & CEO	170,066	2.1%	11/01-06	all
VP, Engineering & Operations	104,174	5.0%	11/01-06	37
VP, Finance & Administration	95,383	13.8%	11/01-06	21
VP, Marketing	89,539	9.9%	11/01-06	4
VP, Office Services	63,361	-20.5%	11/01-06	n/a

	<u>First Preceding Year</u>		
		Percent of	
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>
President & CEO	166,637	12.5%	11/01-05
VP, Engineering & Operations	99,187	10.2%	11/01-05
VP, Finance & Administration	83,839	4.2%	11/01-05
VP, Marketing	81,452	2.1%	11/01-05
VP, Office Services	79,651	1.4%	11/01-05

	<u>Second Preceding Year</u>		
		Percent of	
	<u>Salary</u>	<u>Increase</u>	<u>Date</u>
President & CEO	148,156	5.1%	11/01-04
VP, Engineering & Operations	90,046	13.2%	11/01-04
VP, Finance & Administration	80,451	2.3%	11/01-04
VP, Marketing	79,764	5.6%	11/01-04
VP, Office Services	78,539	6.0%	11/01-04

Meade County Rural Electric  
Case No. 2006-00500  
Duties and Responsibilities of Officers  
October 31, 2006

**President & CEO**

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

**VP, Engineering and Operations**

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

**VP, Finance and Administration**

Coordinates all audit efforts by various agencies. Maintains financial status of Cooperative by developing budgets and financial statements. Collaborates with other Vice Presidents to fill any vacant positions. Assists and advises other departments as requested in the preparation of departmental budgets. Maintains all information related to accounting as needed. Determine short term cash investments and long term cash requirements. Assists in the development of information necessary for long term loan applications. Review financial information to ensure compliance with regulatory agencies. Ensure taxes are properly prepared and filed on a timely basis. Analyze electric sales revenues, collections, delinquents, write-offs and penalty charges for efficiencies. Maintain knowledge of laws and regulations governing the operations of Meade County Energy. Directs preparation of daily cash transactions. Reports directly to the President & CEO.

**VP, Marketing**

Plan and organize to serve members with efficient work. Investigate member concerns that have not been satisfied by other employees. Encourage in economic development in the region. Maintain knowledge of laws and regulations governing the operations of Meade County Energy. Participate in community events and programs. Reports directly to the President & CEO.

**VP, Office Services**

This position has been merged with VP, Finance and Administration upon the retirement of this employee.



Meade County Rural Electric  
Case No. 2006-00500  
October 31, 2006

Payroll Adjustment

To reflect the increase granted by the Board of Directors, the step increases granted and promotions during the year. To give recognition to employees terminated and employees hired during the test year. Overtime pay is calculated at 1-1/2 times regular pay rate for hours worked in excess of 8 hours per day.

Employees were granted wage rate increases on November 1, 2006, based on its Wage & Salary Plan. Additional increases were given to employees who were below the midpoint for their pay rates and job classifications. As part of the wage and salary plan, Meade County has implemented a Performance Bonus Program to reward employees based on certain preset parameters.

Meade County hires summer and a part time employee. These employees were normalized at the same rate and hours as the test year.

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

There are no union employees.

Wage and salary increases are as follows:

	<u>Increase</u>
2006	3.5%
2005	2.5%
2004	3.0%
2003	3.0%
2002	2.5%

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

Projected wages	\$3,687,788
Actual wages for test year	<u>3,519,495</u>
Adjustment	<u>\$168,293</u>

The allocation is on the following page:

Meade County Rural Electric  
Case No. 2006-00500

Allocation of increase in payroll:

		<u>Labor</u>			
		<u>Distribution</u>	<u>Percent</u>	<u>Allocation</u>	
11	107.20	Construction work in progress	707,170	20.1%	33,815
12	108.80	Retirement work in progress	154,238	4.4%	7,375
13	163.00	Stores	157,107	4.5%	7,512
14	184.00	Transportation	31,954	0.9%	1,528
15	242.51	Employee sick leave	16,112	0.5%	770
16	417.00	Non operating accounts	12,465	0.4%	596
17	580.00	Operations	188,994		
18	583.00	Overhead line	169,712		
19	586.00	Meter	69,699		
20	587.00	Consumer installation	3,355		
21	588.00	Miscellaneous distribution	128,158	15.9%	26,774
22	590.00	Maintenance	216,848		
23	592.00	Station	13,605		
24	593.00	Overhead line	466,766		
25	598.00	Miscellaneous maintenance	62,815	21.6%	36,343
26	901.00	Supervision, customer accounts	54,038		
27	903.00	Customer collection	441,564	14.1%	23,698
28	907.00	Supervision, customer information	5,313		
29	908.00	Consumer assistance	64,646		
30	909.00	Consumer information	26,142		
31	910.00	Miscellaneous customer service	46,632	4.1%	6,825
32	920.00	Administrative	435,480		
33	930.00	Miscellaneous	35,251		
34	935.00	Maintenance general plant	<u>11,431</u>	<u>13.7%</u>	<u>23,056</u>
35					
36		Total	<u>3,519,495</u>	<u>100.0%</u>	<u>168,292</u>

37

EX 1  
6 of 8

Meade County Rural Electric  
Case No. 2006-00500  
Employee Earnings and Hours  
October 31, 2006

Employee Number	Hours Worked		Actual Test Year Wages						Wage Rate Nov. 1, 2006	Normalized Wages			Performance Bonus	Unused Sick Pay	Total Wages
	Regular	Overtime	Regular	Overtime	Performance Bonus	Unused Sick Pay	Total	@ 2.080 Hours							
								Regular		Overtime					
<b>Salaried Employees:</b>															
4	2,120.00	0.00	166,166	0	1,000	3,635	170,801	\$80.34	167,107	1,000	3,635	171,742			
37	2,120.00	0.00	79,464	0	1,642	1,724	82,831	\$38.11	79,269	1,642	1,724	82,635			
38	2,120.00	0.00	73,910	0	1,537	1,605	77,052	\$35.48	73,798	1,537	1,605	76,940			
65	2,120.00	0.00	73,373	0	1,000	1,047	75,420	\$35.48	73,798	1,000	1,047	75,845			
70	2,080.00	0.00	88,660	0	1,000	1,848	91,508	\$46.54	96,803	1,000	1,848	99,651			
85	2,080.00	0.00	82,867	0	1,000	1,784	85,651	\$40.83	84,926	1,000	1,784	87,711			
91	2,080.00	26.00	65,853	0	1,000	0	66,853	\$33.80	70,304	1,000	0	71,304			
110	2,080.00	0.00	67,887	0	2,056	1,081	71,023	\$32.94	68,515	2,056	1,081	71,652			
112	2,080.00	0.00	101,583	0	2,056	47	103,685	\$49.53	103,022	2,056	47	105,125			
116	2,080.00	0.00	52,974	0	1,537	585	55,095	\$25.84	53,747	1,537	585	55,869			
135	2,080.00	0.00	66,082	0	972	0	67,054	\$32.94	68,515	972	0	69,487			
146	2,072.00	0.00	53,526	0	1,443	0	54,968	\$28.12	58,490	1,443	0	59,932			
157	1,837.00	0.00	43,353	0	973	0	44,326	\$24.31	50,565	973	0	51,538			
Subtotal	26,949.00	26.00	1,015,696	0	17,216	13,355	1,046,267		1,048,861	0	17,216	1,079,431			
<b>Hourly Employees:</b>															
18	1,048.80	0.00	13,362	0	0	0	13,362	\$12.74	26,499	0	0	26,499			
22	2,080.00	35.10	51,189	1,296	1,000	0	53,485	\$25.84	53,747	1,360	1,000	56,108			
23	2,080.00	48.10	52,437	1,819	1,000	0	55,256	\$25.84	53,747	1,864	1,000	56,612			
32	2,120.00	479.20	59,233	20,069	1,642	1,272	82,216	\$28.12	58,490	20,213	1,642	81,617			
56	2,080.00	0.00	40,477	0	984	0	41,461	\$19.94	41,475	0	984	42,459			
61	2,072.00	74.00	44,237	2,370	970	0	47,577	\$21.89	45,531	2,430	970	48,931			
68	2,080.00	199.50	57,054	8,209	1,000	0	66,264	\$28.12	58,490	8,415	1,000	67,905			
80	2,080.00	270.50	36,650	7,149	987	204	44,990	\$18.06	37,565	7,328	987	46,083			
81	2,080.00	12.00	36,650	317	987	0	37,953	\$18.06	37,565	325	987	38,877			
82	1,662.70	225.20	46,145	9,267	1,537	458	57,407	\$28.12	58,490	9,499	1,537	69,984			
83	2,080.00	148.00	57,959	76	339	0	58,373	\$19.94	41,475	4,427	339	46,241			
84	2,080.00	282.50	57,591	11,625	1,537	371	71,124	\$28.12	58,490	11,916	1,537	72,313			
86	2,080.00	275.50	53,997	10,419	2,056	0	66,473	\$25.84	53,747	10,678	2,056	66,482			
87	2,078.00	3.50	36,614	93	1,000	0	37,707	\$18.06	37,565	95	1,000	38,660			
89	2,120.00	53.50	37,354	1,414	1,000	281	40,049	\$17.84	37,107	1,432	1,000	39,820			
90	1,742.80	141.70	48,671	5,831	1,537	0	56,039	\$28.12	58,490	5,977	1,537	66,003			
93	1,951.80	328.50	50,498	12,424	1,537	0	64,459	\$25.84	53,747	12,733	1,537	68,017			
98	2,080.00	186.50	52,974	7,053	1,490	0	61,517	\$25.84	53,747	7,229	1,490	62,466			
101	2,080.00	0.00	41,420	5,522	1,521	0	48,463	\$23.72	49,338	0	1,521	50,859			

Ex 1  
7 of 8

Meade County Rural Electric  
Case No. 2006-00500  
Employee Earnings and Hours  
October 31, 2006

Employee Number	Hours Worked		Actual Test Year Wages				Wage Rate Nov 1, 2006	Normalized Wages		Performance Bonus	Unused Sick Pay	Total Wages	
	Regular	Overtime	Regular	Overtime	Performance Bonus	Unused Sick Pay		Total	@ 2,080 Hours				
									Regular				Overtime
103	2,080.00	18.40	44,196	579	1,524	0	46,300	\$21.89	45,531	604	1,524	0	47,659
107	2,080.00	30.80	36,650	814	991	0	38,455	\$18.06	37,565	834	991	0	39,391
114	2,080.00	3.50	40,477	102	1,000	0	41,579	\$19.94	41,475	105	1,000	0	42,580
119	2,080.00	225.00	44,408	7,207	976	0	52,591	\$21.89	45,531	7,388	976	0	53,896
120	2,080.00	257.00	58,111	10,576	2,038	0	70,724	\$28.12	58,490	10,840	2,038	0	71,368
122	2,080.00	309.00	39,723	8,618	2,056	0	50,398	\$19.33	40,206	8,959	2,056	0	51,222
126	2,080.00	10.30	36,650	272	893	0	37,814	\$18.06	37,565	279	893	0	38,736
127	2,080.00	121.50	41,533	3,547	2,056	0	47,136	\$19.94	41,475	3,634	2,056	0	47,165
130	2,080.00	9.50	34,986	240	1,000	0	36,225	\$17.24	35,859	246	1,000	0	37,104
131	2,080.00	44.50	37,186	1,176	1,532	0	39,894	\$18.06	37,565	1,206	1,532	0	40,302
132	2,080.00	17.00	42,442	543	1,000	0	43,985	\$21.89	45,531	558	1,000	0	47,089
133	2,080.00	434.20	36,743	11,539	1,000	0	49,283	\$20.23	42,078	13,176	1,000	0	56,254
134	2,080.00	145.70	41,650	4,253	2,056	0	47,959	\$19.94	41,475	4,358	2,056	0	47,889
136	2,080.00	332.70	52,714	12,583	1,000	0	66,297	\$25.84	53,747	12,895	1,000	0	67,643
139	2,080.00	429.00	54,148	16,225	2,048	0	72,422	\$25.84	53,747	16,628	2,048	0	72,424
140	2,080.00	71.70	35,194	1,820	1,000	0	38,013	\$17.42	36,234	1,874	1,000	0	39,107
143	2,080.00	671.20	53,493	25,385	2,051	0	80,929	\$25.84	53,747	26,016	2,051	0	81,814
145	2,080.00	388.50	37,078	10,759	1,427	0	49,263	\$20.23	42,078	11,789	1,427	0	55,294
148	1,916.20	8.50	31,042	207	955	0	32,204	\$17.17	35,714	219	955	0	36,888
149	2,021.10	202.50	35,464	5,342	996	0	41,802	\$20.23	42,078	6,145	996	0	49,219
150	2,072.00	43.00	37,819	1,137	2,311	0	41,266	\$17.85	37,128	1,151	2,311	0	40,590
151	2,078.00	54.50	32,351	1,231	2,056	0	35,638	\$15.96	33,197	1,305	2,056	0	36,558
152	2,080.00	75.50	39,786	2,137	1,537	0	43,461	\$20.26	42,141	2,294	1,537	0	45,972
153	2,080.00	369.00	35,382	9,046	1,642	0	46,070	\$18.96	39,437	10,494	1,642	0	51,574
154	2,080.00	259.50	52,722	9,748	1,528	0	63,998	\$25.84	53,747	10,058	1,528	0	65,333
158	2,080.00	11.30	30,780	254	1,421	0	32,456	\$16.16	33,613	274	1,421	0	35,308
160	2,080.00	67.00	38,900	1,890	440	0	41,230	\$21.05	43,784	2,116	440	0	46,340
161	1,592.00	12.00	28,051	317	0	0	28,368	\$18.06	37,565	325	0	0	37,890
162	1,520.00	306.50	20,391	6,107	0	0	26,498	\$14.89	30,971	6,846	0	0	37,817
163	1,462.50	198.00	19,039	3,856	0	0	22,895	\$14.31	29,765	4,250	0	0	34,015
164	361.00	0.00	3,180	0	0	0	3,180	\$9.03	18,782	0	0	0	18,782
165	362.50	0.00	3,194	0	0	0	3,194	\$9.03	18,782	0	0	0	18,782
167	440.00	0.00	6,393	0	0	0	6,393	\$14.53	30,222	0	0	0	30,222
168	200.00	0.00	2,834	0	0	0	2,834	\$14.17	29,474	0	0	0	29,474
Subtotal	99,541.40	7,890.10	2,059,221	262,462	60,658	2,587	2,384,928		2,261,605	272,786	60,658	2,587	2,597,635

174 / 848

Meade County Rural Electric  
 Case No. 2006-00500  
 Employee Earnings and Hours  
 October 31, 2006

Employee Number	Hours Worked		Actual Test Year Wages				Wage Rate Nov 1, 2006	Normalized Wages @ 2,080 Hours			Performance Bonus	Unused Sick Pay	Total Wages
	Regular	Overtime	Regular	Overtime	Performance Bonus	Unused Sick Pay		Total	Regular	Overtime			
<b>Summer and Part Time Employees:</b>													
156	656.00	4.00	5,377	50	0	0	0	5,412	50	0	0	0	5,462
166	508.00	9.00	4,064	108	0	0	0	4,064	108	0	0	0	4,172
200	136.00	0.00	1,088	0	0	0	0	1,088	0	0	0	0	1,088
Subtotal	1,300.00	13.00	10,529	158	0	0	0	10,564	158	0	0	0	10,722
<b>Retirees:</b>													
16	1,888.00	0.00	75,218	0	892	0	0	0	0	0	0	0	0
144	96.00	5.00	1,395	109	0	0	0	0	0	0	0	0	0
Subtotal	1,984.00	5.00	76,613	109	892	0	0	0	0	0	0	0	0
<b>Total</b>	129,774.40	7,934.10	3,162,059	262,729	78,766	15,941	3,519,495	3,321,030	272,943	77,874	15,941	3,687,788	

Meade County Rural Electric  
Case No. 2006-00500  
Payroll Taxes

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

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

Proposed FICA amounts

FICA	223,434	
Medicare	53,473	
	<u>276,907</u>	
Proposed FUTA	3,782	
Proposed SUTA	3,232	283,921

Test year amount

FICA and Medicare	259,367	
Test year FUTA	3,773	
Test year SUTA	3,742	266,882

Increase		<u>17,039</u>
----------	--	---------------

Adjustment:

		<u>Percent</u>	<u>Amount</u>
107	Capitalized	24.5%	4,174
163 - 416	Clearing and others	6.1%	1,039
580	Operations	15.9%	2,709
590	Maintenance	21.6%	3,680
901	Consumer accounts	14.1%	2,402
908	Customer service	4.1%	699
912	Sales	0.0%	0
920	Administrative and general	13.7%	2,334
		<u>100.0%</u>	<u>\$17,039</u>

State unemployment (SUTA) wage rates are as follows:

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

Meade County Rural Electric  
 Case No. 2006-00500  
 Employee Earnings and Hours  
 October 31, 2006

Employee Number	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
	Up To \$97,500	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	0.500%
<b>Salaried Employees:</b>								
4	171,742	6,045	171,742	2,490	7,000	56	8,000	48
37	82,635	5,123	82,635	1,198	7,000	56	8,000	48
38	76,940	4,770	76,940	1,116	7,000	56	8,000	48
65	75,845	4,702	75,845	1,100	7,000	56	8,000	48
70	99,651	6,045	99,651	1,445	7,000	56	8,000	48
85	87,711	5,438	87,711	1,272	7,000	56	8,000	48
91	71,304	4,421	71,304	1,034	7,000	56	8,000	48
110	71,652	4,442	71,652	1,039	7,000	56	8,000	48
112	105,125	6,045	105,125	1,524	7,000	56	8,000	48
116	55,869	3,464	55,869	810	7,000	56	8,000	48
135	69,487	4,308	69,487	1,008	7,000	56	8,000	48
146	59,932	3,716	59,932	869	7,000	56	8,000	48
157	51,538	3,195	51,538	747	7,000	56	8,000	48
<b>Subtotal</b>	<b>1,079,431</b>	<b>61,716</b>	<b>1,079,431</b>	<b>15,652</b>	<b>91,000</b>	<b>728</b>	<b>104,000</b>	<b>624</b>
<b>Hourly Employees:</b>								
18	26,499	1,643	26,499	384	7,000	56	8,000	48
22	56,108	3,479	56,108	814	7,000	56	8,000	48
23	56,612	3,510	56,612	821	7,000	56	8,000	48
32	81,617	5,060	81,617	1,183	7,000	56	8,000	48
56	42,459	2,632	42,459	616	7,000	56	8,000	48
61	48,931	3,034	48,931	709	7,000	56	8,000	48
68	67,905	4,210	67,905	985	7,000	56	8,000	48
80	46,083	2,857	46,083	668	7,000	56	8,000	48
81	38,877	2,410	38,877	564	7,000	56	8,000	48
82	69,984	4,339	69,984	1,015	7,000	56	8,000	48
83	46,241	2,867	46,241	670	7,000	56	8,000	48
84	72,313	4,483	72,313	1,049	7,000	56	8,000	48
86	66,482	4,122	66,482	964	7,000	56	8,000	48
87	38,660	2,397	38,660	561	7,000	56	8,000	48
89	39,820	2,469	39,820	577	7,000	56	8,000	48
90	66,003	4,092	66,003	957	7,000	56	8,000	48
93	68,017	4,217	68,017	986	7,000	56	8,000	48
98	62,466	3,873	62,466	906	7,000	56	8,000	48
101	50,859	3,153	50,859	737	7,000	56	8,000	48

Meade County Rural Electric  
 Case No. 2006-00500  
 Employee Earnings and Hours  
 October 31, 2006

Employee Number	Total Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To \$97,500	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	0.600%
103	47,659	47,659	2,955	47,659	691	7,000	56	8,000	48
107	39,391	39,391	2,442	39,391	571	7,000	56	8,000	48
114	42,580	42,580	2,640	42,580	617	7,000	56	8,000	48
119	53,896	53,896	3,342	53,896	781	7,000	56	8,000	48
120	71,368	71,368	4,425	71,368	1,035	7,000	56	8,000	48
122	51,222	51,222	3,176	51,222	743	7,000	56	8,000	48
126	38,736	38,736	2,402	38,736	562	7,000	56	8,000	48
127	47,165	47,165	2,924	47,165	684	7,000	56	8,000	48
130	37,104	37,104	2,300	37,104	538	7,000	56	8,000	48
131	40,302	40,302	2,499	40,302	584	7,000	56	8,000	48
132	47,089	47,089	2,920	47,089	683	7,000	56	8,000	48
133	56,254	56,254	3,488	56,254	816	7,000	56	8,000	48
134	47,889	47,889	2,969	47,889	694	7,000	56	8,000	48
136	67,643	67,643	4,194	67,643	981	7,000	56	8,000	48
139	72,424	72,424	4,490	72,424	1,050	7,000	56	8,000	48
140	39,107	39,107	2,425	39,107	567	7,000	56	8,000	48
143	81,814	81,814	5,072	81,814	1,186	7,000	56	8,000	48
145	55,294	55,294	3,428	55,294	802	7,000	56	8,000	48
148	36,888	36,888	2,287	36,888	535	7,000	56	8,000	48
149	49,219	49,219	3,052	49,219	714	7,000	56	8,000	48
150	40,590	40,590	2,517	40,590	589	7,000	56	8,000	48
151	36,558	36,558	2,267	36,558	530	7,000	56	8,000	48
152	45,972	45,972	2,850	45,972	667	7,000	56	8,000	48
153	51,574	51,574	3,198	51,574	748	7,000	56	8,000	48
154	65,333	65,333	4,051	65,333	947	7,000	56	8,000	48
158	35,308	35,308	2,189	35,308	512	7,000	56	8,000	48
160	46,340	46,340	2,873	46,340	672	7,000	56	8,000	48
161	37,890	37,890	2,349	37,890	549	7,000	56	8,000	48
162	37,817	37,817	2,345	37,817	548	7,000	56	8,000	48
163	34,015	34,015	2,109	34,015	493	7,000	56	8,000	48
164	18,782	18,782	1,165	18,782	272	7,000	56	8,000	48
165	18,782	18,782	1,165	18,782	272	7,000	56	8,000	48
167	30,222	30,222	1,874	30,222	438	7,000	56	8,000	48
168	29,474	29,474	1,827	29,474	427	7,000	56	8,000	48
Subtotal	2,597,635	2,597,635	161,053	2,597,635	37,666	371,000	2,968	424,000	2,544



Meade County Rural Electric  
 Case No. 2006-00500  
 Employee Earnings and Hours  
 October 31, 2006

Employee Number	Total Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To \$97,500	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	0.600%
<b>Summer and Part Time Employees:</b>									
156	5,462	5,462	339	5,462	79	5,462	44	5,462	33
166	4,172	4,172	259	4,172	60	4,172	33	4,172	25
200	1,088	1,088	67	1,088	16	1,088	9	1,088	7
Subtotal	10,722	10,722	665	10,722	155	10,722	86	10,722	64
<b>Retirees:</b>	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0
144	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3,687,788</b>	<b>3,603,769</b>	<b>223,434</b>	<b>3,687,788</b>	<b>53,473</b>	<b>472,722</b>	<b>3,782</b>	<b>538,722</b>	<b>3,232</b>

Meade County Rural Electric

Case No. 2006-00500

October 31, 2006

**Depreciation Expense**

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

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

Meade County Rural Electric  
Case No. 2006-00500  
October 31, 2006

Account Number	Description	October 31, 2006 Balance	Rate	Normalized Expense	Test Year Expense	Items Fully Depreciated
	Distribution plant:					
360	Land	\$212,649				
362	Station equipment	\$6,502,692				
364	Poles, towers & fixtures	30,391,157				
365	Overhead conductors & devices	13,723,191				
367	Underground conductor & devices	1,527,853				
368	Line transformers	10,561,558				
369	Services	1,523,075				
370	Meters	4,254,481				
371	Security lights	1,885,574				
373	Street lights	127,669				
		<u>70,709,899</u>	3.36%	<u>2,368,708</u>	<u>2,280,694</u>	
	General plant:					
389	Land	254,823			10,490	
390	Structures and improvements	377,769	3.0%	11,333	77,009	17,002
390.10	Structures and improvements	2,590,409	4.0%	102,936	63,605	42,373
391	Office furn and eqt	960,378	8.0%	73,440	221,348	437,678
392	Transportation	2,165,016	15.0%	259,101	1,392	5,121
393	Stores	33,934	5.0%	1,441	3,322	5,288
394	Tools, shop and garage	70,981	6.7%	4,401	3,724	2,593
395	Laboratory	64,587	6.0%	3,720	11,024	31,343
397	Communications	210,574	8.0%	14,338	0	3,494
398	Miscellaneous	3,494	5.0%	0	391,914	
		<u>6,731,965</u>		<u>470,711</u>	<u>2,672,608</u>	
	Total electric plant	<u>\$77,441,864</u>		<u>2,839,418</u>		

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

	<u>Normalized</u>	<u>Test Year</u>	<u>Adjustment</u>
Total	2,839,418	2,672,608	166,810
Less amount to transportation clearing	259,101	221,348	37,753
Depreciation expense	2,580,318	2,451,260	129,058

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

<u>Account</u>	<u>%</u>	<u>Amount</u>
Construction and retirement WIP	39%	\$14,545
Others	4%	1,344
Distribution - operations	21%	7,995
Distribution - maintenance	31%	11,699
Consumer accounts	1%	535
Consumer service and information	2%	728
Administrative and general	2%	906
Total	100%	\$37,753

Meade County Rural Electric  
Case No. 2006-00500  
Depreciation Guideline Curve  
October 31, 2006

<u>Year</u> <u>Ended</u>	<u>Distribution</u> <u>Plant in</u> <u>Service</u>	<u>Accumulated</u> <u>Deprec</u> <u>for</u> <u>Distribution</u>	<u>Reserve</u> <u>Ratio</u>	<u>Ratio of Current</u> <u>Distribution Plant</u> <u>to Distribution</u> <u>Plant 10 Years Prior</u>
2005	66,374,927	14,810,722	22.31%	2.08
2004	62,260,936	13,927,986	22.37%	2.12
2003	58,231,350	12,910,540	22.17%	2.13
2002	54,739,430	11,835,646	21.62%	2.13
2001	51,255,660	11,264,997	21.98%	2.12
1995	31,958,257	7,742,742	24.23%	
1994	29,300,704	7,265,136	24.80%	
1993	27,355,871	6,872,700	25.12%	
1992	25,674,915	6,476,380	25.22%	
1991	24,148,551	6,157,413	25.50%	

Meade County Rural Electric  
Case No. 2006-00500  
October 31, 2006

October 31, 2006

Nov 1, 2005

**Changes in electric plant:**

	Balance	Additions	Retirements	Balance
360 Land	301,173	175	88,699	212,649
362 Station equipment	6,444,345	58,347	0	6,502,692
364 Poles, towers and fixtures	28,388,770	2,348,446	346,059	30,391,157
365 Overhead conductor and devices	12,918,655	928,662	124,126	13,723,191
367 Underground conductor and devices	1,404,220	123,906	273	1,527,853
368 Line transformers	10,065,352	619,259	123,053	10,561,558
369 Services	1,514,760	19,454	11,138	1,523,076
370 Meters	3,436,361	847,108	28,988	4,254,481
371 Security lights	1,773,919	138,793	27,138	1,885,574
373 Street lights	127,197	472	0	127,669

Subtotal distribution plant 66,374,752 5,084,622 749,474 70,709,900

389 Land	134,299	120,524	72,876	254,823
390 Structures and improvements	450,645	0	0	377,769
390 Structures and improvements	1,442,616	0	0	2,590,409
391 Office furniture and equipment	813,846	165,638	19,106	960,378
392 Transportation equipment	2,067,307	318,639	220,930	2,165,016
393 Stores	33,934	0	0	33,934
394 Tools, shop and garage	62,531	8,450	0	70,981
395 Laboratory	49,768	14,819	0	64,587
397 Communication	210,574	0	0	210,574
398 Miscellaneous	3,494	0	0	3,494

Subtotal general plant 5,269,014 628,070 312,912 6,731,965

Total electric plant in service \$71,643,766 \$5,712,692 \$1,062,386 \$77,441,865

Meade County Rural Electric  
Case No. 2006-00500  
October 31, 2006

Changes in reserve for depreciation:

	Nov 1, 2005 Balance	Accrual	Original Cost	Removal Cost	Gain/Loss Salvage	Net Charge	October 31, 2006 Balance
Distribution plant	\$14,810,722	\$2,280,694	\$749,474	\$397,072	\$72,975	\$1,073,571	\$16,017,845
Land	397,045	10,490	72,876			72,876	334,659
Structures and improvements	534,032	77,009	0				611,041
Structures and improvements	607,625	63,605	19,106			16,551	654,679
Office furniture and equipment	1,231,900	221,348	220,930			185,918	1,267,330
Transportation equipment	17,813	1,392	0				19,205
Stores	45,767	3,322	0				49,089
Tools, shop and garage	41,281	3,724	0				45,005
Laboratory	141,599	11,024	0				152,623
Communication	3,494	0	0				3,494
Miscellaneous							
Subtotal general plant	3,020,556	391,914	312,912	0	0	275,345	3,137,125
Retirement WIP	68,741			27,729		27,729	96,470
Total accumulated depreciation	\$17,762,537	\$2,672,608	\$1,062,386	\$369,343	\$72,975	\$1,321,187	\$19,058,500

**Meade County Rural Electric**  
**Analysis of Other Operating Taxes**  
October 31, 2006

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amounts Accrued (e)	Amount Paid (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees	498,718	18,088		516,806	337,355
	(c) Ad Valorem					
	(d) Payroll (Employer's Portion)	185,056	65,333	16,493	266,882	266,882
	(e) Other Taxes	35,463			35,463	35,463
2.	Total Retail (L1(a) through L1(e))	719,237	83,421	16,493	819,151	639,700
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)	719,237	83,421	16,493	819,151	639,700

Allocation of property taxes for the test year:

Account No.	Description	Test Year	Percent	Adjustment
107.20	Construction work in progress	12,920	2%	1,335
163.00	Stores	5,168	1%	534
580.00	Operations	478,046	93%	49,390
590.00	Maintenance	2,584	0%	267
921.00	Office	15,504	3%	1,602
935.00	Miscellaneous general	2,584	0%	267
		<u>516,806</u>	<u>100%</u>	<u>53,395</u>



Meade County Rural Electric  
Property Taxes  
October 31, 2006

TAXING DISTRICT	TAX YEAR 2005, YEAR ENDING 12/31/05				TAX YEAR 2006, YEAR ENDING 12/31/06				INCREASE/DECREASE IN TAXES
	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	

<b>Breckinridge County</b>									
Real estate - County	295,179	295,179	0.1120	330.60	320,863	320,863	0.1120	359.37	29
Real estate - School	294,597	294,597	0.4390	1,293.28	320,281	320,281	0.4410	1,412.44	119
Real estate - Library	295,179	295,179	0.0410	121.02	320,863	320,863	0.0470	150.81	30
Real estate - Extension	295,179	295,179	0.0320	94.46	320,863	320,863	0.0320	102.68	8
Real estate - Conservatio	295,179	295,179	0.0100	29.52	320,863	320,863	0.0100	32.09	3
Real estate - Health	295,179	295,179	0.0300	88.55	320,863	320,863	0.0300	96.26	8
Real Estate - Independen	582	582	0.4780	2.78	582	582	0.5080	2.96	0
Tangible - County	18,340,103	18,340,103	0.1310	24,025.53	19,780,023	19,780,023	0.1310	25,911.83	1,886
Tangible - School	18,130,453	18,130,453	0.4390	79,592.69	19,551,445	19,551,445	0.4410	86,221.87	6,629
Tangible - Library	18,340,103	18,340,103	0.0647	11,866.05	19,780,023	19,780,023	0.0865	17,109.72	5,244
Tangible - Extension	18,340,103	18,340,103	0.0631	11,572.60	19,780,023	19,780,023	0.0631	12,481.19	909
Tangible - Health	18,340,103	18,340,103	0.0300	5,502.03	19,780,023	19,780,023	0.0300	5,934.01	432
Tangible - Independent	209,650	209,650	0.4780	1,002.13	228,578	228,578	0.5080	1,161.18	159

<b>Grayson County</b>									
Real estate - County	41,826	41,826	0.0640	26.77	41,826	41,826	0.0640	26.77	0
Real estate - School	41,826	41,826	0.3770	157.68	41,826	41,826	0.3810	159.36	2
Real estate - Hospital	41,826	41,826	0.0390	16.31	41,826	41,826	0.0400	16.73	0
Real estate - Health	41,826	41,826	0.0260	10.87	41,826	41,826	0.0260	10.87	0
Real estate - Extension	41,826	41,826	0.0176	7.36	41,826	41,826	0.0197	8.24	1
Real estate - Library	41,826	41,826	0.0330	13.80	41,826	41,826	0.0360	15.06	1
Tangible - County	1,402,323	1,402,323	0.0790	1,107.84	1,517,319	1,517,319	0.0790	1,198.68	91
Tangible - School	1,402,323	1,402,323	0.3810	5,342.85	1,517,319	1,517,319	0.3820	5,796.16	453
Tangible - Hospital	1,402,323	1,402,323	0.0500	701.16	1,517,319	1,517,319	0.0500	758.66	57
Tangible - Health	1,402,323	1,402,323	0.0300	420.70	1,517,319	1,517,319	0.0300	455.20	34
Tangible - Extension	1,402,323	1,402,323	0.0257	360.40	1,517,319	1,517,319	0.0327	496.16	136
Tangible - Library	1,402,323	1,402,323	0.0492	689.94	1,517,319	1,517,319	0.0609	924.05	234

<b>Hancock County</b>									
Tangible - County	41,922	41,922	0.0560	23.48	45,761	45,761	0.0560	25.63	2
Tangible - School	41,922	41,922	0.4950	207.51	45,761	45,761	0.4950	226.52	19
Tangible - Library	41,922	41,922	0.0766	32.11	45,761	45,761	0.0850	38.90	7
Tangible - Health	41,922	41,922	0.0275	11.53	45,761	45,761	0.0275	12.58	1
Tangible - Extension	41,922	41,922	0.0000	0.00	45,761	45,761	0.0000	0.00	0

page totals 144,651.57 161,145.95 16,494.38

Meade County Rural Electric  
Property Taxes  
October 31, 2006

TAXING DISTRICT	TAX YEAR 2005, YEAR ENDING 12/31/05				TAX YEAR 2006, YEAR ENDING 12/31/06				INCREASE IN TAXES
	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	
<b>Hardin County</b>									
Tangible - County	82,536	82,536	0.1496	123.47	88,326	88,326	0.1496	132.14	9
Tangible - School	82,536	82,536	0.4560	376.36	88,326	88,326	0.5120	452.23	76
<b>Meade County</b>									
Real estate - County	1,118,633	1,118,633	0.2160	2,416.25	1,040,548	1,040,548	0.2160	2,247.58	(169)
Real estate - School	1,118,633	1,118,633	0.4640	5,190.46	1,040,548	1,040,548	0.5210	5,421.26	231
Real estate - Library	1,118,633	1,118,633	0.0440	492.20	1,040,548	1,040,548	0.0490	509.87	18
Real estate - Health	1,118,633	1,118,633	0.0270	302.03	1,040,548	1,040,548	0.0270	280.95	(21)
Real estate - Extension	1,118,633	1,118,633	0.0290	324.40	1,040,548	1,040,548	0.0300	312.16	(12)
Real estate - Conservatio	1,118,633	1,118,633	0.0080	89.49	1,040,548	1,040,548	0.0080	83.24	(6)
Real estate - Flaherty Fir	42,532	42,532	0.0650	27.65	42,532	42,532	0.0670	28.50	1
Real estate - Meade Fire	1,072,601	1,072,601	0.0750	804.45	994,516	994,516	0.0750	745.89	(59)
Real estate - Battletown I	3,500	3,500	0.1000	3.50	3,500	3,500	0.1000	3.50	0
Real estate - Brandenburg	1,072,601	1,072,601	0.2040	2,188.11	994,516	994,516	0.1910	1,899.53	(289)
Tangible - County	14,317,985	14,317,985	0.4000	57,271.94	15,360,058	15,360,058	0.4000	61,440.23	4,168
Tangible - School	14,317,985	14,317,985	0.4690	67,151.35	15,360,058	15,360,058	0.5260	80,793.91	13,643
Tangible - Library	14,317,985	14,317,985	0.0863	12,356.42	15,360,058	15,360,058	0.1067	16,389.18	4,033
Tangible - Health	14,317,985	14,317,985	0.0283	4,051.99	15,360,058	15,360,058	0.0283	4,346.90	295
Tangible - Extension	14,317,985	14,317,985	0.0417	5,970.60	15,360,058	15,360,058	0.0479	7,357.47	1,387
Tangible - Flaherty Fire	0	0	0.0000	0.00	2,545,409	2,545,409	0.0150	381.81	37
Tangible - Meade Fire	3,338,635	3,338,635	0.0200	667.73	3,522,959	3,522,959	0.0200	704.59	114
Tangible - Ekron Fire	1,868,289	1,868,289	0.0800	1,494.63	2,010,873	2,010,873	0.0800	1,608.70	134
Tangible - Battletown Fi	1,750,042	1,750,042	0.1000	1,750.04	1,883,603	1,883,603	0.1000	1,883.60	(302)
Tangible - Brandenburg	3,338,635	3,338,635	0.3331	11,120.99	3,522,959	3,522,959	0.3071	10,819.01	200
Tangible - Ekron	1,868,289	1,868,289	0.1400	2,615.60	2,010,873	2,010,873	0.1400	2,815.22	(1)
<b>Ohio County</b>									
Real estate - County	13,048	13,048	0.0690	9.00	12,212	12,212	0.0690	8.43	(2)
Real estate - School	13,048	13,048	0.4180	54.54	12,212	12,212	0.4320	52.76	0
Real estate - Library	13,048	13,048	0.0560	7.31	12,212	12,212	0.0600	7.33	(0)
Real estate - Health	13,048	13,048	0.0350	4.57	12,212	12,212	0.0350	4.27	(0)
Real estate - Extension	13,048	13,048	0.0210	2.74	12,212	12,212	0.0220	2.69	(0)
Real estate - Conservatio	13,048	13,048	0.0060	0.78	12,212	12,212	0.0060	0.73	(0)
Tangible - County	1,956,794	1,956,794	0.0690	1,350.19	2,054,839	2,054,839	0.0750	1,541.13	191
Tangible - School	1,956,794	1,956,794	0.4180	8,179.40	2,054,839	2,054,839	0.4320	8,876.90	698
Tangible - Library	1,956,794	1,956,794	0.0756	1,479.34	2,054,839	2,054,839	0.0983	2,019.91	541
Tangible - Health	1,956,794	1,956,794	0.0350	684.88	2,054,839	2,054,839	0.0350	719.19	34
Tangible - Extension	1,956,794	1,956,794	0.0276	540.08	2,054,839	2,054,839	0.0321	659.60	120
page totals				189,102.48				214,550.39	25,066.10

Meade County Rural Electric  
Property Taxes  
October 31, 2006

Exhibit  
page 4 of 4  
Witness: Jim Adkins

TAXING DISTRICT	<--- TAX YEAR 2005, YEAR ENDING 12/31/05 --->				<--- TAX YEAR 2006, YEAR ENDING 12/31/06 --->				INCREASE/ DECREASE IN TAXES
	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	REPORTED VALUE	CERTIFIED ASSESSMENT	TAX RATE	TAXES PAID	
<b>City of Cloverport</b>									
Real estate -	582	582	0.2940	1.71	582	582	0.2750	1.60	(0)
Tangible -	92,836	92,836	0.3630	336.99	103,702	103,702	0.3550	368.14	31
<b>City of Fordsville</b>									
Real estate -	13,048	13,048	0.1940	25.31	12,212	12,212	0.1930	23.57	(2)
Tangible -	25,835	25,835	0.3630	93.78	24,738	24,738	0.3630	89.80	(4)
<b>City of Hardinsburg</b>									
Real estate -	146,610	146,610	0.2230	326.94	135,766	135,766	0.2340	317.69	(9)
Tangible -	592,197	592,197	0.2230	1,320.60	552,214	552,214	0.2340	1,292.18	(28)
Special Fire Tax	738,807	738,807	0.0300	221.64	687,980	687,980	0.0300	206.39	(15)
<b>Public Service Commission Assessment:</b>									
Real Estate		1,468,686	0.1310	1,923.98		1,415,449	0.1310	1,854.24	(70)
Tangible Property		36,145,502	0.4500	162,654.76		38,849,946	0.4500	174,824.76	12,170
Manufacturing Machinery		10,764,613	0.1500	16,146.92		10,605,527	0.1500	15,908.29	(239)
<b>this page</b>				<u>183,052.64</u>				<u>194,886.66</u>	<u>11,834.02</u>
<b>Total pages</b>				<u>516,806.69</u>				<u>570,583.01</u>	
<b>Adjustment</b>									<u>53,394.51</u>

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

7  
8 The adjustment for interest on long-term debt results in an increase of \$225,799.  
9

10 There were no short term borrowings, or interest during the test year.  
11

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

15		
16		
17	RUS loans	900,881
18	FFB loans	325,123
19	CFC loans	<u>962,089</u>
20		
21	Total annualized interest	2,188,093
22		
23	Test year interest expense	<u>1,962,294</u>
24		
25	Adjustment	<u><u>225,799</u></u>
26		

Meade County Rural Electric  
Case No. 2006-00500  
Schedule of Outstanding Long-Term Debt  
October 31, 2006

Exhibit 5  
page 2 of 4  
Format 8a  
Schedule 2

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost
<b>RUS loans</b>						
OB180	Sep-72	Sep-2007	6,195	2.000%	124	186
OB182	Sep-72	Sep-2007	6,189	2.000%	124	186
1B290	Jun-97	May-2032	923,179	4.500%	41,543	41,811
1B291	Jun-97	May-2032	1,130,432	4.500%	50,869	51,198
1B295	Jun-97	May-2032	1,980,359	4.875%	96,543	97,477
1B310	Oct-2003	Sep-2038	2,520,834	4.670%	117,723	118,508
1B311	Oct-2003	Sep-2038	2,953,335	4.180%	123,449	124,355
1B312	Oct-2003	Sep-2038	1,970,668	4.490%	88,483	89,095
1B313	Oct-2003	Sep-2038	1,969,427	4.440%	87,443	88,071
1B314	Oct-2003	Sep-2038	2,984,750	5.060%	151,028	62,928
1B315	Oct-2003	Sep-2038	2,996,905	4.790%	143,552	21,752
Advance payment			(317,034)			
			<u>19,125,239</u>		<u>900,881</u>	<u>695,567</u>
<b>FFB loans</b>						
H0010	Mar-98	Mar-2033	395,783	6.049%	23,941	22,706
H0015	Sep-2000	Sep-2035	1,178,883	4.474%	52,743	49,792
H0020	Sep-2002	Sep-2037	1,815,052	2.707%	49,133	46,524
H0025	Sep-2002	Sep-2037	1,829,024	3.250%	59,443	56,230
F0030	Mar-2003	Mar-2038	4,968,455	2.815%	139,862	132,407
			<u>10,187,197</u>		<u>325,123</u>	<u>307,658</u>
<b>CFC loans</b>						
9001	Jul-74	Jul-2009	6,574	7.00%	460	637
9002	Jun-74	Jun-2009	52,858	7.00%	3,700	4,290
9005	Dec-75	Dec-2010	78,623	5.70%	4,482	4,935
9007	Jun-77	Jun-2012	102,418	7.00%	7,169	6,616
9009	Jun-78	Jun-2013	117,114	5.75%	6,734	7,131
9011	Sep-79	Sep-2014	346,064	5.75%	19,899	20,852
9015	Dec-81	Dec-2016	298,719	5.75%	17,176	17,776
9016	Jun-89	Jun-2024	536,463	7.00%	37,552	32,981
9017	Mar-92	Mar-2027	594,387	5.75%	34,177	34,718
9019	Dec-93	Dec-2028	707,327	7.00%	49,513	46,350
9020	Dec-93	Dec-2028	1,169,256	5.75%	67,232	67,960
9021	Dec-93	Dec-2028	1,749,510	6.90%	120,716	121,544
9022004	Aug-2004	May-2007	1,468,511	3.55%	52,132	52,132
9022005	Aug-2004	May-2008	1,468,511	4.05%	59,475	59,475
9022006	Aug-2004	May-2009	1,468,511	4.80%	70,489	70,489
9022007	Aug-2004	May-2010	1,468,511	7.00%	102,796	102,796
9022008	Aug-2004	May-2011	1,468,511	7.00%	102,796	102,796
9022009	Aug-2004	May-2012	1,468,511	7.00%	102,796	102,796
9022010	Aug-2004	May-2013	1,468,511	7.00%	102,796	102,796
			<u>16,038,890</u>		<u>962,089</u>	<u>959,069</u>
<b>Total long term debt and annualized cost</b>			<u>45,351,326</u>		<u>2,188,093</u>	<u>1,962,294</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					4.82%	
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]						4.33%

Meade County Rural Electric  
Case No. 2006-00500  
Schedule of Outstanding Long-Term Debt  
December 31, 2005

Exhibit 5  
page 3 of 4  
Format 8a  
Schedule 1

Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)
<b>RUS loans</b>					
0B180	Sep-72	Sep-2007	10,841	2.000%	217
0B182	Sep-72	Sep-2007	10,836	2.000%	217
1B290	Jun-97	May-2032	933,176	4.500%	41,993
1B291	Jun-97	May-2032	1,142,673	4.500%	51,420
1B295	Jun-97	May-2032	2,012,470	4.875%	98,108
1B310	Oct-2003	Sep-2038	2,549,019	4.670%	119,039
1B311	Oct-2003	Sep-2038	2,989,631	4.180%	124,967
1B312	Oct-2003	Sep-2038	1,993,510	4.490%	89,509
1B313	Oct-2003	Sep-2038	1,992,924	4.440%	88,486
1B314	Oct-2003	Sep-2038	0	5.060%	0
1B315	Oct-2003	Sep-2038	0	4.790%	0
Advance payment			<u>(608,397)</u>		
			<u>13,026,683</u>		<u>613,955</u>
<b>FFB loans</b>					
H0010	Mar-98	Mar-2033	403,907	6.049%	24,432
H0015	Sep-2000	Sep-2035	1,194,525	4.474%	53,443
H0020	Sep-2002	Sep-2037	1,847,104	2.707%	50,001
H0025	Sep-2002	Sep-2037	1,858,650	3.250%	60,406
F0030	Mar-2003	Mar-2038	5,054,707	2.815%	142,290
			<u>10,358,893</u>		<u>330,573</u>
<b>CFC loans</b>					
9001	Jul-74	Jul-2009	10,362	7.00%	725
9002	Jun-74	Jun-2009	65,599	7.00%	4,592
9005	Dec-75	Dec-2010	90,639	5.70%	5,166
9007	Jun-77	Jun-2012	114,109	7.00%	7,988
9009	Jun-78	Jun-2013	127,555	5.75%	7,334
9011	Sep-79	Sep-2014	371,120	5.75%	21,339
9015	Dec-81	Dec-2016	314,462	5.75%	18,082
9016	Jun-89	Jun-2024	555,823	7.00%	38,908
9017	Mar-92	Mar-2027	608,584	5.75%	34,994
9019	Dec-93	Dec-2028	723,975	7.00%	50,678
9020	Dec-93	Dec-2028	1,188,395	5.75%	68,333
9021	Dec-93	Dec-2028	1,767,657	6.90%	121,968
9022003	Aug-2004	May-2006	1,468,511	3.55%	52,132
9022004	Aug-2004	May-2007	1,468,511	3.55%	52,132
9022005	Aug-2004	May-2008	1,468,511	4.05%	59,475
9022006	Aug-2004	May-2009	1,468,511	4.80%	70,489
9022007	Aug-2004	May-2010	1,468,511	7.00%	102,796
9022008	Aug-2004	May-2011	1,468,511	7.00%	102,796
9022009	Aug-2004	May-2012	1,468,511	7.00%	102,796
9022010	Aug-2004	May-2013	1,468,511	7.00%	102,796
			<u>17,686,368</u>		<u>1,025,518</u>
Total long term debt and annualized cost			<u>41,071,944</u>		<u>1,970,045</u>
Annualized cost rate [Total Col. (j) / Total Col. (d)]					4.80%
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]					

1 Meade County Rural Electric  
 2 Case No. 2006-00500  
 3 Schedule of Short Term Debt  
 4 October 31, 2006

Exhibit 5  
 page 4 of 4  
 Format 8b

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

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

13  
 14

15 Type of Debt <u>Instrument</u>	16 Date of <u>Issue</u>	17 Date of <u>Maturity</u>	18 Amount <u>Outstanding</u>	19 Interest <u>Rate</u>	20 Annualized <u>Cost</u>
(a)	(b)	(c)	(d)	(e)	(f)
			0	7.15%	0
23 Annualized cst rate [Total col. (f) / Total col. (d)]					0.00%
25 Actual interest paid, or accrued on Short Term Debt during the Test Year					0

26  
 27  
 28  
 29  
 30  
 31  
 32

Meade County Rural Electric  
Case No. 2006-00500  
October 31, 2006

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

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

Proposed annual cost	124,844
Test year accrual	<u>104,267</u>
Proposed adjustment	<u><u>20,577</u></u>

The adjustment is allocated as follows:

		<u>Percent</u>	<u>Amount</u>
107	Capitalized	24.48%	5,036
163 - 416	Clearing and others	6.18%	1,272
580	Operations	15.91%	3,274
590	Maintenance	21.59%	4,444
901	Consumer accounts	14.08%	2,898
908	Customer service	4.06%	834
912	Sales	0.00%	0
920	Administrative and general	13.70%	2,819
		<u>100.00%</u>	<u>\$20,577</u>



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

Meade County Rural Electric  
Case No. 2006-00500  
October 31, 2006

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

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

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

	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Cumulative effect of change in			
accounting principle	435.10	420,978	
Accumulated provision for pensions			
and benefits	228.30		420,978

The updated study has been included with this response.

**Meade County Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2006**

**FAS 106 Expense Components**

1. Service cost	\$43,759
2. Interest cost	55,585
3. Expected return on assets	-
4. Amortization of transition obligation	-
5. Amortization of actuarial (gain) / loss	<u>25,500</u>
6. Total FAS 106 expense	<u>\$124,844</u>
7. Expected pay-as-you-go expense	<u>\$25,315</u>

**Estimated future year's payments**

2007	\$25,315
2008	\$25,513
2009	\$25,479
2010	\$27,135
2011	\$26,709

**Meade County Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Obligation as of January 1, 2006**

A.	Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2006:	
	1. Actives not yet eligible	\$388,639
	2. Actives fully eligible	143,273
	3. Retirees and dependents	<u>282,587</u>
	4. Total APBO	814,499
B.	Future accruals	<u>1,219,148</u>
C.	Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	<u>\$2,033,647</u>
D.	Reconciliation of Funded Status	January 1, <u>2006</u>
	1. Accrued Postretirement Benefit Cost	\$425,509
	2. Assets	<u>0</u>
	3. Funded Status = (D1 + D2)	425,509
	4. Unrecognized Transition Obligation	-
	5. Unrecognized (Gain) / Loss	201,990
	6. Unrecognized Prior Service Cost	187,000
	7. APBO	<u>814,499</u>
	(D3 + D4 + D5 + D6)	<u>\$814,499</u>

**Meade County Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2006**

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

1. Expected APBO as of December 31, 2005	\$425,509
2. Actual APBO as of January 1, 2006	<u>814,499</u>
3. Actuarial (gain)/loss as of January 1, 2006 = (2) - (1)	388,990
4. Unrecognized (gain)/loss as of December 31, 2005	<u>177,000</u>
5. Cumulative (gain)/loss = (3) + (4)	565,990
6. 10% corridor	<u>56,000</u>
7. (Gain)/Loss subject to amortization = (5) - (6)	509,990
8. Future working lifetime to expected retirement	<u>20</u>
9. Amortization of (gain)/loss = (7) / (8)	<u><u>\$25,500</u></u>

**B. Amortization of Transition Obligation**

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

**Meade County Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2006**

A. Accrued Postretirement Benefit Cost

1. Balance January 1, 2006	425,509
2. Accrual for 2006	104,267
3. Payout for 2006	<u>(18,024)</u>
4. Balance December 31, 2006	511,752
5. Accrual for 2007	124,844
6. Estimated payout for 2007	<u>(25,315)</u>
7. Estimated balance December 31, 2007	<u><u>611,280</u></u>

**Meade County Rural Electric Cooperative  
Medical Insurance Premiums**

**FAS 106 Expense as of January 1, 2006**

**Alternate assumptions:**

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

	<u>Current</u> <u>Plan</u>	<u>Alternate</u> <u>Assumptions</u>	<u>% Change</u>
APBO	814,499	940,000	15.4%
EPBO	2,033,647	2,350,000	15.6%
FAS 106 Expense	124,844	165,000	32.2%

## Meade County Rural Electric Cooperative

### FAS 106 Assumptions

<b><u>Life Expectancies</u></b>	Per annuity tables female employees can expect to live until age 78.2 and male employees can expect to live until age 73.8.
<b><u>Retirement, withdrawals and mortality</u></b>	Estimate that employees will retire at age 62 and will be replaced in the normal course of business.
<b><u>Dependents and future retirees</u></b>	Presently 30% of retirees have dependent coverage.
<b><u>Discount rate</u></b>	6.50% per year.
<b><u>Medical inflation rate</u></b>	8.5% per year decreasing by 0.5% per year until 5.5% per year.
<b><u>Computations of policy premiums</u></b>	There are presently 61 full-time employees, of which 13 are not eligible to participate in retiree's health insurance.
<b><u>Eligibility classes</u></b>	Based on the employees and retirees as of January 1, 2006 are as follows:

Actives not fully eligible	50
Actives fully eligible	11
Retirees	<u>21</u>
Total	<u><u>82</u></u>

**Meade County Rural Electric Cooperative**

**FAS 106 Assumptions**

**Covered Groups** All eligible employees.

**Eligibility** Employees who retire at age 62 and/or have 30 years of service with Meade County.

**Spouse** Spouses of retired employees can continue coverage at their own expense.

**Medicare** At age 65 retirees will commence with Medicare coverage.

**Contributions** Meade County will pay the premiums for employees reaching normal retirement age for employees based on the following schedule:

<u>Years of Service</u>	<u>Employer Contribution</u>
20 and over	50%
15 to 20	33%
10 to 15	25%
less than 10	0%

For employees hired after January 1, 2002, Meade County will not pay for premiums after Medicare eligibility age is reached.

**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%	9
30	7%	18
40	3%	16
50	1%	16
60	0%	2
		<hr style="width: 100%; border: 0; border-top: 1px solid black; margin: 5px 0;"/>
		<u>61</u>



Meade County Rural Electric  
Case No. 2006-00500

**Retirement and Security**

Meade County provides pension benefits for substantially all employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (R & S) Program and NRECA Savings Plan (401(k)). It is the policy of Meade County to fund pension costs accrued. R & S contributions are based on base salary at a rate determined by NRECA. Employees hired after August 2002, can only participate in the 401(k) plan at a rate of 12%. The plan does not allow for contributions after an employee has attained 30 years of service with Meade County.

The R & S rate for 2006 was 17.17% of base wages. For the 2007, the rate is 18.35%. The adjustment is to normalize the R & S and 401(k) contributions using the rate for 2007 and normalized base wages for full-time salary and hourly employees.

Normalized base wages		
R & S contributions	389,386	
401(k) contributions	<u>170,821</u>	560,207
Test year base wages		
R & S contributions	372,851	
401(k) contributions	<u>144,158</u>	<u>517,009</u>
Proposed adjustment		<u><u>43,198</u></u>

The adjustment is allocated as follows:		<u>Percent</u>	<u>Amount</u>
107	Capitalized	24.48%	10,573
163 - 416	Clearing and others	6.18%	2,671
580	Operations	15.91%	6,872
590	Maintenance	21.59%	9,329
901	Consumer accounts	14.08%	6,083
908	Customer service	4.06%	1,752
912	Sales	0.00%	0
920	Administrative and general	<u>13.70%</u>	<u>5,918</u>
		<u>100.00%</u>	<u>\$43,198</u>

Meade County Rural Electric  
 Case No. 2006-00500  
 Employee Earnings and Hours  
 October 31, 2006

Exhibit 9  
 Page 2 of 4

Employee Number	Rates		Accrual	
	R & S Retirement	401(k)	R & S Retirement	401(k)
<b>Salaried Employees:</b>				
4	-	3.00%	0	5,013
37	-	3.00%	0	2,378
38	18.35%	3.00%	13,542	2,214
65	18.35%	3.00%	13,542	2,214
70	18.35%	3.00%	17,763	2,904
85	18.35%	3.00%	15,584	2,548
91	18.35%	3.00%	12,901	2,109
110	18.35%	3.00%	12,573	2,055
112	18.35%	3.00%	18,905	3,091
116	18.35%	3.00%	9,863	1,612
135	18.35%	3.00%	12,573	2,055
146	-	12.00%	0	7,019
157	-	12.00%	0	6,068
Subtotal			127,244	41,281
<b>Hourly Employees:</b>				
18	18.35%	3.00%	9,863	1,612
22	-	3.00%	0	1,612
23	-	3.00%	0	1,755
32	-	3.00%	7,611	1,244
56	18.35%	3.00%	8,355	1,366
61	18.35%	3.00%	10,733	1,755
68	18.35%	3.00%	6,893	1,127
80	18.35%	3.00%	6,893	1,127
81	18.35%	3.00%	10,733	1,755
82	18.35%	3.00%	7,611	1,244
83	18.35%	3.00%	10,733	1,755
84	18.35%	3.00%	9,863	1,612
86	18.35%	3.00%	6,893	1,127
87	18.35%	3.00%	6,809	1,113
89	18.35%	3.00%	10,733	1,755
90	18.35%	3.00%	9,863	1,612
93	18.35%	3.00%	9,863	1,612
98	18.35%	3.00%	9,863	1,612
101	18.35%	3.00%	9,053	1,480

Meade County Rural Electric  
Case No. 2006-00500  
Employee Earnings and Hours  
October 31, 2006

Employee Number	Rates		Accrual	
	R & S Retirement	401(k)	R & S Retirement	401(k)
103	18.35%	3.00%	8,355	1,366
107	18.35%	3.00%	6,893	1,127
114	18.35%	3.00%	7,611	1,244
119	18.35%	3.00%	8,355	1,366
120	18.35%	3.00%	10,733	1,755
122	18.35%	3.00%	7,378	1,206
126	18.35%	3.00%	6,893	1,127
127	18.35%	3.00%	7,611	1,244
130	18.35%	3.00%	6,580	1,076
131	18.35%	3.00%	6,893	1,127
132	18.35%	3.00%	8,355	1,366
133	-	12.00%	0	5,049
134	18.35%	3.00%	7,611	1,244
136	18.35%	3.00%	9,863	1,612
139	18.35%	3.00%	9,863	1,612
140	18.35%	3.00%	6,649	1,087
143	-	12.00%	0	6,450
145	-	12.00%	0	5,049
148	-	12.00%	0	4,286
149	-	12.00%	0	5,049
150	-	12.00%	0	4,455
151	-	12.00%	0	3,984
152	-	12.00%	0	5,057
153	-	12.00%	0	4,732
154	-	12.00%	0	6,450
158	-	12.00%	0	4,034
160	-	12.00%	0	5,254
161	-	12.00%	0	4,508
162	-	12.00%	0	3,717
163	-	12.00%	0	3,572
164	-	12.00%	0	2,254
165	-	12.00%	0	2,254
167	-	12.00%	0	3,627
168	-	12.00%	0	3,537
Subtotal			262,142	129,541

Exhibit 7  
Page 3 of 4

Meade County Rural Electric  
 Case No. 2006-00500  
 Employee Earnings and Hours  
 October 31, 2006

Employee Number	Rates		Accrual	
	R & S Retirement	401(k)	R & S Retirement	401(k)
<b>Summer and Part Time Employees:</b>				
156			0	0
166			0	0
200			0	0
Subtotal			0	0
<b>Retirees:</b>				
16			0	0
144			0	0
Subtotal			0	0
<b>Total</b>			389,386	170,821

Meade County Rural Electric  
Case No. 2006-00415

Account 426 - Other Income Deductions  
October 31, 2006

Line No. _____	Item (a)	Amount (b)
1.	Donations	21,218
2.	Civic activities	1,500
3.	Political activities	201
4.	Other	_____
5.	Total	<u>22,919</u>

Meade County Rural Electric  
Case No. 2006-00415  
Donations Account 426.00  
October 31, 2006

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38

<u>Date</u>	<u>Check Number</u>	<u>Control Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
11/07-05	76756	46617	Hardinsburg Rotary	750.00	x Annual dues
11/11-05	76816	46652	KAEC	8,118.94	x 4-H camps
11/18-05	76908	46689	WKU Foundation	1,000.00	x Donation
11/30-05	76922	46804	Breckinridge Mem Hospital	1,000.00	x Donation
02/17-06	77642	47763	Elizabethtown Comm Colle	500.00	x Scholarship
03/17-06	77924	48035	Lincoln Heritage Council	200.00	x Donation
03/31-06	77986	48236	Legislative Conference	200.59	x Airline tickets
05/08-06	78333	48647	American Cancer Society	250.00	x Relay for life
04/28-06	78280	48499	KAEC	500.00	x Leadership Ky
04/28-06	78238	48560	American Cancer Society	750.00	x Relay for life
05/31-06	78599	48899	NRECA	2,000.00	x International foundation
08/07-06	79259	49799	Fordsville Historial Society	250.00	x Donation
08/07-06	79294	49845	Spalding Univer	1,000.00	x Scholarship
08/07-06	79305	49846	Western Ky Univer	1,000.00	x Scholarship
08/07-06	79247	49847	Campbellsville Univer	1,000.00	x Scholarship
08/25-06	79505	50031	Univer of Ky	1,000.00	x Scholarship
08/25-06	79485	50032	Elizabethtown Comm Colle	1,000.00	x Scholarship
08/25-06	79489	50035	Junior Achievement	500.00	x Scholarship
09/07-06	79652	50250	WKU Foundation	1,000.00	x Donation
10/30-06	80218	50889	Hardinsburg Rotary Club	750.00	x Donation
			Donate material for light poles	149.63	x Donation
				<u>22,919.16</u>	
			Remove for rate making	<u>22,919.16</u>	x

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32

Meade County Rural Electric  
Case No. 2006-00500  
Compensation of Professional Services

Legal

The attorney is paid a monthly retainer for work performed during the month to include attending the monthly Board of Directors meeting. Expenses are also paid for attending legal seminars for Cooperative business. The attorney also charges periodically for additional work performed.

Other legal services are provided as needed.

Accounting and Auditing

Attached is a copy of the audit agreement for the latest audit as of October 31, 2006, which was performed by Alan Zumstein, CPA.

Other accounting services are provided on a periodic basis, to include Agreed Upon Procedures for internal control activities

Meade County Rural Electric  
Case No. 2006-00500  
Professional Services  
October 31, 2006

Exhibit 9  
page 2 of 6  
Witness: Burns Mercer

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

Date	Check Number	Control Number	Payee	Amount	Hours & Bill Rate	Description
<b>Legal</b>						
<u>Brite &amp; Butler, PLLC</u>						
11/18-05	76850	46750		600.00		Retainer
12/23-05	77133	47071		600.00		Retainer
01/31-06	77456	47480		600.00		Retainer
02/17-06	77628	47757		600.00		Retainer
03/17-06	77904	48078		600.00		Retainer
04/28-06	78248	48568		600.00		Retainer
05/19-06	78477	48842		600.00		Retainer
06/30-06	78832	49384		600.00		Retainer
07/21-06	79087	49648		600.00		Retainer
08/18-06	79429	49996		600.00		Retainer
09/21-06	79736	50394		600.00		Retainer
10/27-06	80144	50833		600.00		Retainer
11/11-05	76796	46670		1,045.00	\$110/hr	Privacy Act, pole damage, other:
11/30-05	76913	46800	Am Ex	563.58		x KAEC annual mtg
12/30-05	77279	47171	Visa	50.00		x Christmas gift
01/31-06	77497	47422	KAEC	105.50		x KAEC annual mtg
01/31-06	77448	47456	Am Ex	398.59		NRECA annual mtg airfare
02/07-06	77591	47640	NRECA	525.00		NRECA annual mtg registration
02/24-06	77704	47798	Am Ex	619.96		NRECA annual mtg hotel
03/31-06	77986	48236	Am Ex	352.58		NRECA annual mtg expenses
10/06-06	79935	50598	NRECA	41.34		RE magazine subscription
10/27-06	80135	50787	Am Ex	625.88		x KAEC annual mtg
various			NRECA	462.50		x Life insurance
<u>Frost, Brown &amp; Todd, LLC</u>						
05/19-06	78484	48787		324.00		General labor matters
07/14-06	79098	49607		108.00		General labor matters
08/07-06	79261	49864		1,950.39		x Employee matters
08/18-06	79438	49971		50.70		General labor matters
<u>Sullivan, Mountjoy, Stainback &amp; Miller, PSC</u>						
11/30-05	76963	46793		1,555.26	\$150/hr	Condemnation hearing
12/15-05	77113	46982		44.31		Expenses
07/14-06	79072	49571		30.00		Expenses
<b>Accounting</b>						
<u>Alan Zumstein, CPA</u>						
01/31-06	77546	47479		6,700.00		Annual audit
<u>Cooperative Benefits Co</u>						
05/12-06	78419	48742		225.00		Employee benefits
<u>Drane &amp; Company, PLLC</u>						
02/17-06	77639	47708		785.00		Agreed upon procedures
				<u>23,762.59</u>		
Amounts to exclude for rate-making purposes				<u>3,757.85</u>		x



1 Meade County Rural Electric  
2 Case No. 2006-00500  
3 Professional Services  
4 October 31, 2006

Format 33  
Exhibit 9  
page 3 of 6  
Witness: Jim Adkins

5  
6  
7

8	Line		Rate	Annual		
9	<u>Number</u>	<u>Item</u>	<u>Case</u>	<u>Audit</u>	<u>Other</u>	<u>Total</u>
10						
11	1	Legal			16,053	16,053
12	2	Engineering				0
13	3	Accounting		6,700	1,010	7,710
14	4	Other				0
15						
16	5	Total	0	6,700	17,063	23,763

17  
18

**ALAN M. ZUMSTEIN**  
**CERTIFIED PUBLIC ACCOUNTANT**

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

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

October 5, 2006

Burns Mercer, President & CEO  
Meade County Rural Electric  
Cooperative Corporation  
Brandenburg, Kentucky 40108

Dear Mr. Mercer:

This will confirm our understanding of the arrangements for my audit of the financial statements for the year ended October 31, 2006.

I will audit the Cooperative's balance sheet as of October 31, 2006, and the related statements of revenue and patronage capital and cash flows for the year then ended.

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

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

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

Burns Mercer, President & CEO  
Meade County Rural Electric  
Cooperative Corporation

page - 2

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

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

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

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

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

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

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

Burns Mercer, President & CEO  
Meade County Rural Electric  
Cooperative Corporation

Exhibit 9  
Page 6 of 6  
page - 3

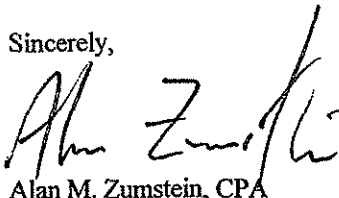
- I will comply with generally accepted government auditing standards, the rules and regulations of professional conduct promulgated by the accountancy board of the state of Kentucky and the Code of Professional Ethics of the American Institute of CPAs.
- I am independent as defined and interpreted by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

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

Fees for these services will be \$7,000. Invoices will be submitted as work progresses, and are payable on presentation. Should any situation arise that would materially increase this fee, I will, of course, notify you.

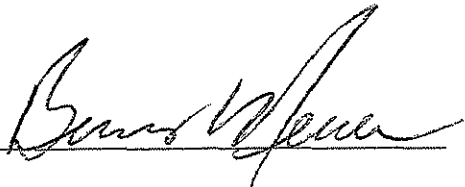
If this letter correctly expresses your understanding of these arrangements, please indicate your approval by signing the enclosed copy and returning to me. I have also included a Certification of Debarment and Suspension and my last peer review report and letter of comment, as required for audits of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

Sincerely,



Alan M. Zumstein, CPA

Approved:

By: 

Date: 11/13/06

Meade County Rural Electric Cooperative  
Case No. 2006-00500  
**Name of Board Members**  
October 31, 2006

**Chairman**

David T. Wilson      145 Molly Brown Rd      Brandenburg, KY 40108

**Vice Chairman**

James G. Sills      HC 60 Box 3B      Harned, KY 40144

**Secretary Treasurer**

Darla Sipes      155 Black Jack Rd      Ekron, KY 40117

Paul Edd Butler      RR 28AA      Falls of the Rough, Ky 40119

Robert Rhodes      PO Box 296      Hardinsburg, Ky 40143

Ann Marie Williams      1567 Zion Church Rd      Reynolds Station, KY 42368

Stephen Barr      1400 Ray Rd      Payneville, KY 40157

**Big Rivers Directors:**

James G. Sills

Paul Edd Butler

**KAEC Director:**

David T. Wilson

Meade County Rural Electric Cooperative  
Case No. 2006-00500  
Adjustment for Director expenses  
October 31, 2006

Certain expenses are generally disallowed for rate making purposes that are incurred for, and on behalf of, Directors of an electric cooperative.

Meade County has made this adjustment to recognize those expenses. the list includes:

KAEC annual meeting for non-representative:

Darla Sipes	961.12
Robert Rhodes	938.55
Ann Williams	783.85
Stephen Barr	938.12

Per diem:

David Wilson for attending KAEC mtg	500.00
-------------------------------------	--------

General expenses for all employees

Life insurance premiums	2,769.98
Awards and gifts	915.80

---

7,807.42

Meade County Rural Electric Cooperative  
Case No. 2006-00  
Director Fees and Expenses  
October 31, 2006

Exhibit 10  
page 3 of 11  
Witness: Jim Adkins

	Regular Board Mtg		Other Board Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Health Insurance		Misc Expenses		Total
										Include	Exclude	Include	Exclude	
David Wilson	7,200	600	600	500	634	269	525	1,661	554	0	0	0	0	11,943
James Sills	7,200	600	600	0	267	0	0	0	48	0	0	0	0	8,114
Darla Sipes	7,200	600	600	0	294	269	525	1,525	501	0	0	0	0	10,914
Paul Edd Butler	6,600	600	600	0	416	0	0	0	48	0	0	0	0	7,663
Robert Rhodes	7,200	600	600	0	425	269	525	1,341	494	0	0	0	0	10,854
Ann Williams	6,600	600	600	0	472	0	1,095	1,190	218	0	0	0	0	10,175
Stephen Barr	7,200	600	600	0	420	309	525	1,186	414	0	0	0	0	10,654
General expenses	0	0	0	0	0	0	0	0	0	2,770	14,912	916	916	18,597
<b>Total</b>	<b>49,200</b>	<b>4,200</b>	<b>4,200</b>	<b>500</b>	<b>2,927</b>	<b>1,117</b>	<b>3,195</b>	<b>6,902</b>	<b>2,276</b>	<b>2,770</b>	<b>14,912</b>	<b>916</b>	<b>916</b>	<b>88,915</b>

Meade County Rural Electric Cooperative  
Case No. 2006-00500  
David Wilson  
October 31, 2006

Exhibit 10  
page 4 of 4  
Witness: Burns Mercer

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Total
11/18-05	76906			600.00			7.76					607.76
11/18-05	76906		KAEC board mtg			50.00	46.56					96.56
11/30-05	76913	AmEx	KAEC annual mtg							260.42	91.39	351.81
12/23-05	77196			600.00		50.00	7.76					607.76
12/23-05	77196		KAEC board mtg				46.56					96.56
01/31-06	77448	AmEx	NRECA annual mtg					269.39				269.39
01/31-06	77448	AmEx	KAEC Btg mtg							123.92		123.92
01/31-06	77497	KAEC	KAEC annual mtg								126.15	126.15
02/07-06	77591	NRECA	NRECA annual mtg						525.00			525.00
01/31-06	77545			600.00		50.00	7.12					607.12
01/31-06	77545		KAEC board mtg				42.72					92.72
02/24-06	77704	AmEx	NRECA annual mtg							619.96		619.96
02/17-06	77699			600.00		50.00	7.12					607.12
02/17-06	77699		KAEC board mtg				42.72					92.72
03/17-06	77941		NRECA annual mtg				112.05					112.05
03/31-06	77986	AmEx	NRECA annual mtg								336.37	336.37
03/17-06	77941			600.00		50.00	7.12					607.12
03/17-06	77941		KAEC board mtg				42.72					92.72
04/28-06	78323			600.00		50.00	7.12					607.12
04/28-06	78323		KAEC board mtg				42.72					92.72
05/19-06	78514			600.00		50.00	7.12					607.12
05/19-06	78514		KAEC board mtg				42.72					92.72
06/30-06	78919			600.00			7.12					607.12
07/21-06	79129		Coop annual mtg		600.00							600.00
07/21-06	79129			600.00			7.12					607.12
08/25-06	79475	AmEx	KAEC director training							161.24		161.24
08/18-06	79469			600.00		50.00	7.12					607.12
08/18-06	79469		KAEC board mtg				42.72					92.72
09/21-06	79768			600.00		50.00	7.12					607.12
09/21-06	79768		KAEC board mtg				42.72					92.72
10/27-06	80135	AmEx	KAEC annual mtg							495.59		495.59
10/27-06	80215		KAEC board mtg				42.72					92.72
10/27-06	80215			600.00			7.12					607.12
				7,200.00	600.00	500.00	633.65	269.39	525.00	1,661.13	553.91	11,943.08



Meade County Rural Electric Cooperative  
Case No. 2006-00500  
James Sills  
October 31, 2006

Exhibit 10  
page 5 of 7  
Witness: Burns Mercer

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Total
11/18-05	76893			600.00			24.25					624.25
12/23-05	77180			600.00			24.25					624.25
01/31-06	77527			600.00			22.25					622.25
02/17-06	77686			600.00			0.00					600.00
03/17-06	77932			600.00			0.00					600.00
04/28-06	78312			600.00			22.25					622.25
05/19-06	78507			600.00			22.25					622.25
06/30-06	78902			600.00			22.25					622.25
07/21-06	79123		Coop annual mtg		600.00							600.00
07/21-06	79123			600.00			22.25					622.25
08/18-06	79463			600.00			22.25					622.25
09/21-06	79761			600.00			62.30					662.30
10/27-06	80135	AmEx	NRECA Region III mtg								47.50	47.50
10/27-06	80204			600.00			22.25					622.25
				7,200.00	600.00	0.00	266.55	0.00	0.00	0.00	47.50	8,114.05

Meade County Rural Electric Cooperative  
Case No. 2006-00500  
Daria Sipes  
October 31, 2006

Exhibit 10  
page 6 of 11  
Witness: Burns Mercer

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Total
11/18-05	76894			600.00			10.67			260.42	91.39	610.67
11/30-05	76913	AmEx	KAEC annual mtg									351.81
12/23-05	77183			600.00			10.67	269.39				610.67
01/31-06	77448	AmEx	NRECA annual mtg									269.39
01/31-06	77497	KAEC	KAEC annual mtg								126.15	126.15
02/07-06	77591	NRECA	NRECA annual mtg						525.00			525.00
01/31-06	77528			600.00			9.79			619.96		619.96
02/24-06	77704	AmEx	NRECA annual mtg				9.79					609.79
02/17-06	77688			600.00			95.60					95.60
03/17-06	77933		NRECA annual mtg								283.27	283.27
03/31-06	77986	AmEx	NRECA annual mtg									609.79
03/17-06	77933			600.00			9.79					609.79
04/28-06	78312			600.00			9.79					609.79
05/19-06	78508			600.00			9.79					609.79
06/30-06	78903			600.00			9.79					609.79
07/21-06	79124		Coop annual mtg		600.00							600.00
07/21-06	79124			600.00			9.79			161.24		609.79
08/25-06	79475	AmEx	KAEC Director training				9.79					609.79
08/18-06	79464			600.00			44.50					44.50
08/18-06	79464		KAEC Director training				44.50					644.50
09/21-06	79762			600.00			44.50			483.16		483.16
10/27-06	80135	AmEx	KAEC annual mtg				9.79					609.79
10/27-06	80206			7,200.00	600.00	0.00	294.05	269.39	525.00	1,524.78	500.81	10,914.03



Meade County Rural Electric Cooperative  
Case No. 2006-00500  
Robert Rhodes  
October 31, 2006

Exhibit 10  
paged of //  
Witness: Burns Mercer

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Explanation</u>	<u>Regular Bd Mtg</u>	<u>Other Bd Mtg</u>	<u>Per Diem</u>	<u>Mileage</u>	<u>Air Fare</u>	<u>Meeting Fees</u>	<u>Hotel</u>	<u>Meals</u>	<u>Total</u>
11/18-05	76889			600.00			26.19					626.19
11/30-05	76913	AmEx	KAEC annual mtg							260.42	91.39	351.81
12/23-05	77174			600.00			26.19					626.19
01/31-06	77448	Am Ex	NRECA annual mtg									269.39
01/31-06	77497	KAEC	KAEC annual mtg					269.39			126.15	126.15
02/07-06	77591	NRECA	NRECA annual mtg						525.00			525.00
01/31-06	77520			600.00			24.03					624.03
02/24-06	77704	Am Ex	NRECA annual mtg							619.96		619.96
02/17-06	77681			600.00			24.03					624.03
03/17-06	77929						117.85					117.85
03/31-06	77986	Am Ex	NRECA annual mtg								276.81	276.81
03/17-06	77929			600.00			24.03					624.03
04/28-06	78303			600.00			24.03					624.03
05/19-06	78501			600.00			24.03					624.03
06/30-06	78895			600.00			24.03					624.03
07/21-06	79118		Coop annual mtg		600.00							600.00
07/21-06	79118			600.00			0.00					600.00
08/18-06	79458			600.00			24.03					624.03
09/21-06	79756			600.00			62.30					662.30
10/27-06	80135	Am Ex	KAEC annual mtg							460.59		460.59
10/27-06	80196			600.00			24.03					624.03
				7,200.00	600.00	0.00	424.77	269.39	525.00	1,340.97	494.35	10,854.48

Meade County Rural Electric Cooperative  
Case No. 2006-00500  
**Ann Marie Williams**  
October 31, 2006

Exhibit 10  
page 9 of 11  
Witness: Burns Mercer

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Total
11/18-05	76904			600.00			46.56					646.56
11/30-05	76913	AmEx	KAEC annual mtg	600.00			46.56			260.42	91.39	351.81
12/23-05	77195			600.00			42.72					646.56
01/31-06	77544			600.00								642.72
01/13-06	77497	KAEC	KAEC annual mtg	600.00			42.72				126.15	126.15
02/17-06	77630			600.00			42.72					642.72
03/17-06	77940			600.00			42.72					642.72
04/28-06	78322			600.00			42.72					642.72
05/19-06	78497	NRECA	Summer Director training	600.00			42.72		1,095.00			1,095.00
05/19-06	78513			600.00						623.70		623.70
06/30-06	78817	AmEx	Summer Director training	600.00			42.72					642.72
06/30-06	78916			600.00	600.00							600.00
07/21-06	79128		Coop annual mtg	600.00			0.00					600.00
07/21-06	79128			600.00			42.72					642.72
08/18-06	79467			600.00			80.10					680.10
09/21-06	79767			600.00						305.89		305.89
10/27-06	80135	AmEx	KAEC annual mtg	6,600.00	600.00	0.00	472.26	0.00	1,095.00	1,190.01	217.54	10,174.81

Meade County Rural Electric Cooperative  
Case No. 2006-00500  
**Stephen Barr**  
October 31, 2006

Exhibit 10  
page 2 of 2  
Witness: Burns Mercer

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Other Bd Mtg	Per Diem	Mileage	Air Fare	Meeting Fees	Hotel	Meals	Total
11/18-05	76846			600.00			16.49			260.42	91.39	616.49
11/30-05	76913	AmEx	KAEC annual mtg	600.00			16.49					351.81
12/23-05	77130							309.09				309.09
01/31-06	77448	AmEx	NRECA annual mtg								126.15	126.15
01/31-06	77497	KAEC	KAEC annual mtg						525.00			525.00
02/07-06	77591	NRECA	NRECA annual mtg	600.00			15.13					615.13
01/31-06	77452									464.97		464.97
02/24-06	77704	AmEx	NRECA annual mtg	600.00			15.13					615.13
02/17-06	77623						91.00					91.00
03/17-06	77900		NRECA annual mtg								196.65	196.65
03/31-06	77986	AmEx	NRECA annual mtg								196.65	196.65
03/17-06	77900			600.00			15.13					615.13
04/28-06	78242			600.00			15.13					615.13
05/19-06	78470			600.00			15.13					615.13
06/30-06	78821			600.00			15.13					615.13
07/21-06	79081		Coop annual mtg		600.00							600.00
07/21-06	79081			600.00			15.13					615.13
08/18-06	79423			600.00			15.13					615.13
09/21-06	79732			600.00			62.30					662.30
09/21-06	79732		mtg @ Big Rivers				97.46					97.46
10/27-06	80138	AmEx	KAEC annual mtg	600.00			15.13			460.16		460.16
10/27-06	80140											615.13
				7,200.00	600.00	0.00	419.91	309.09	525.00	1,185.55	414.19	10,653.74



Meade County Rural Electric  
Case No. 2006-00415  
**Adjustment for miscellaneous expenses**  
October 31, 2006

Certain advertising expenses are disallowed for rate making purposes that are not for safety, conservation, information or the annual meeting. These have been removed from Account 909.00, Information and Instruction. Those removed include sponsorship of sports, church, civic and charitable related organizations.

There are Miscellaneous General Expenses that are also disallowed for rate making purposes to include employee meals, gifts, flower funds for deaths in families, amounts paid for the nominating committee, and other non-recurring amounts. Amounts for reimbursements and attendance at chamber of commerce functions has been removed.

Annual meeting scholarships, prizes and giveaways are also disallowed. These have been identified and removed.

The amounts removed for rate making purposes follows:

Account 909.00, Information and Instruction	5,181
Account 930.20, Miscellaneous general	10,436
Account 930.40, Annual meeting	<u>973</u>
	<u><u>16,590</u></u>



Meade County Rural Electric  
Case No. 2006-00415  
Information & Instruction Account 909.00  
October 31, 2006

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
11/18-05	76876	Meade Co Communication:	47.00	x Sponsor
11/18-05	76876	Meade Co Communication:	141.00	Safety, conservation, information
11/30-05	76942	L.A.W. Publications	124.50	Safety
12/07-05	77016	Herald News Publishing	82.50	Safety
12/07-05	77065	WXBC Radio	93.50	x Sponsor
12/07-05	77065	WXBC Radio	275.00	Safety, conservation, information
12/15-05	77098	Meade Co Communication:	135.75	x Sponsor
12/15-05	77098	Meade Co Communication:	101.75	Safety, conservation, information
01/09-06	77326	Meade Co Messenger	172.50	Christmas display
01/09-06	77358	WXBC Radio	93.75	x Sponsor
01/09-06	77358	WXBC Radio	280.75	Safety, conservation, information
01/20-06	77434	Meade Co Communication:	150.00	Safety, conservation, information
01/20-06	77434	Meade Co Communication:	143.75	x Sponsor
01/31-06	77485	Herald News Publishing	55.25	Nondiscrimination
01/31-06	77510	Ohio County Times	35.63	Nondiscrimination
02/07-06	77589	Meade Co Messenger	59.50	Nondiscrimination
02/07-06	77616	WXBC Radio	275.00	Safety, conservation, information
02/07-06	77616	WXBC Radio	12.00	x Sponsor
03/07-06	77858	WXBC Radio	356.50	x Sponsor
03/07-06	77858	WXBC Radio	267.50	Safety, conservation, information
03/10-06	77881	Meade Co Communication:	185.50	x Sponsor
03/10-06	77881	Meade Co Communication:	556.00	Safety, conservation, information
04/07-06	78093	Herald News Publishing	99.50	Information
04/07-06	78130	WXBC Radio	98.00	x Sponsor
04/07-06	78130	WXBC Radio	294.00	Safety, conservation, information
04/14-06	78180	Meade Co Communication:	166.75	Safety, conservation, information
04/14-06	78180	Meade Co Communication:	168.25	x Sponsor
05/08-06	78365	Herald News Publishing	54.00	Conservation
05/08-06	78377	Meade Co Communication:	22.75	x Sponsor
05/08-06	78377	Meade Co Communication:	68.00	Safety, conservation, information
05/08-06	78402	WXBC Radio	112.50	Safety, conservation, information
05/08-06	78402	WXBC Radio	105.66	x Sponsor
05/19-06	78471	BellSouth	44.34	Yellow page listing
05/26-06	78519	BellSouth	22.00	Yellow page listing
06/07-06	78661	Herald News Publishing	75.00	Information
06/07-06	78672	Meade Co Communication:	23.50	x Sponsor
06/07-06	78672	Meade Co Communication:	70.00	Safety, conservation, information
06/07-06	78698	WXBC Radio	52.50	x Sponsor
06/07-06	78698	WXBC Radio	157.00	Safety, conservation, information
06/16-06	78707	Barr Signs	1,200.00	x Sign lease
06/23-06	78800	Meade Co HS	35.00	x Football ad
06/30-06	78824	BellSouth	21.66	Yellow page listing
07/07-06	78959	Herald News Publishing	72.50	Information
07/07-06	78971	Meade Co Communication:	25.75	x Sponsor
07/07-06	78971	Meade Co Communication:	76.00	Safety, conservation, information
07/07-06	78972	Meade Co Fair	170.00	x Fair booth
07/07-06	79008	WXBC Radio	39.00	x Sponsor
07/07-06	79008	WXBC Radio	117.00	Safety, conservation, information
07/14-06	79032	Embroidery by Design	67.31	Employee logo shirts

Meade County Rural Electric  
Case No. 2006-00415  
**Information & Instruction Account 909.00**  
October 31, 2006

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
07/14-06	79054	Meade Co Messenger	80.00	Information
07/21-06	79116	Print Solutions	1,063.12	x Fair promo items
07/31-06	79140	BellSouth	22.00	Yellow page listing
07/31-06	79232	Windstream	41.15	Yellow page listing
08/07-06	79265	Herald News Publishing	138.00	x Hardingsburg open house
08/07-06	79308	WXBC Radio	71.00	x Sponsor
08/07-06	79308	WXBC Radio	213.00	Safety, conservation, information
08/18-06	79427	Breckinridge Co HS	75.00	x Football program
08/18-06	79428	Breckinridge Co Fair	75.00	x Fair booth
08/18-06	79447	Meade Co Communication:	46.75	x Sponsor
08/18-06	79447	Meade Co Communication:	139.00	Safety, conservation, information
08/18-06	79448	Meade Co HS	50.00	x Yearbook ad
08/31-06	79514	BellSouth	22.00	Yellow page listing
08/31-06	79583	Windstream	41.15	Yellow page listing - Lietchfield
09/07-06	79613	GraysonCo News Gazette	42.38	Close Fordsville office
09/07-06	79615	Herald News Publishing	37.50	Sponsor sports
09/07-06	79624	Meade Co Messenger	40.00	x Fair ad
09/07-06	79653	WXBC Radio	67.00	x Sponsor
09/07-06	79653	WXBC Radio	200.00	Safety, conservation, information
09/15-06	79672	Breckinridge Co HS	47.50	x Yearbook ad
09/15-06	79700	Meade Co Communication:	38.00	x Sponsor
09/15-06	79700	Meade Co Communication:	116.00	Safety, conservation, information
09/15-06	79727	Windstream	10.99	Yellow page listing
09/29-06	79783	BellSouth	22.00	Yellow page listing
09/29-06	79833	L.A.W. Publications	369.00	Safety
09/29-06	79891	Windstream	41.15	Yellow page listing
10/06-06	79923	Herald News Publishing	45.00	Safety
10/06-06	79957	WXBC Radio	276.00	Safety, conservation, information
10/06-06	79957	WXBC Radio	317.75	x Sponsor
10/13-06	80050	Meade Co Communication:	50.75	x Sponsor
10/13-06	80050	Meade Co Communication:	152.75	Safety, conservation, information
10/31-06	80222	BellSouth	22.00	Yellow page listing
10/31-06	80235	Herald News Publishing	52.00	Safety
10/31-06	80261	Windstream	41.15	Yellow page listing
11/07-06	80360	WXBC Radio	92.50	x Sponsor
11/07-06	80360	WXBC Radio	276.00	Safety, conservation, information
			23,429.84	Consumer information
			(9,853.10)	Economic Development funds
			41,365.10	
			<u>66,479.03</u>	
		Remove for rate making	<u>5,180.53</u>	x

Meade County Rural Electric  
Case No. 2006-00415  
Miscellaneous General Expenses Account 930.20  
October 31, 2006

	<u>Date</u>	<u>Check Number</u>	<u>Number</u>	<u>Amount</u>	<u>Description</u>
12	11/11-05	76816	KAEC	224.00	Member Svc mtg fee
13	11/11-05	76821	Meade Co HS	100.00	x Basketball calendar
14	11/11-05	76823	Midway Florist	47.70	x Flowers
15	11/18-05	76871	KAEC	8,902.22	Ky Living Magazine
16	11/18-05	76875	Mainly Country	172.80	x Christmas cards
17	11/18-05	76879	Jim Miller, reimbursment	50.96	x Christmas float
18	11/30-05	76925	Christmas Done Right	353.30	x Christmas float lights
19	11/30-05	76946	Meade Co Chamber	125.00	x Dinner
20	11/30-05	76954	David Pace, reimbursement	12.00	x Chamber lunch
21	11/30-05	76956	Sam's Club	18.95	x Christmas float lights
22	12/15-05	77080	EKPC	1,100.00	Energy Mgt Conference fee
23	12/15-05	77083	Tim Gossett, reimbursment	6.00	x Chamber lunch
24	12/15-05	77094	Ky Assoc for Economic Develc	150.00	Economic Development invest
25	12/23-05	77169	David Pace, reimbursement	18.00	x Chamber lunch
26	12/23-05	77194	Debbie Weber, reimbursemer	33.75	x Christmas lights
27	12/30-05	77279	Visa	103.69	x Christmas cards
28	01/09-06	77319	KAEC	8,894.53	Ky Living Magazine
29	01/09-06	77327	Midway Florist	47.70	x Flowers
30	01/31-06	77448	American Express	269.39	David Pace airfare to mtg
31	01/31-06	77497	KAEC	166.00	Mtg meals
32	01/31-06	77497	KAEC	63,396.22	Annual dues
33	01/31-06	77497	KAEC	8,893.56	Ky Living Magazine
34	01/31-06	77505	Midway Florist	68.90	x Flowers
35	01/31-06	77535	Towne & Country Pharmacy	37.10	x Flowers
36	01/31-06	77539	Visa	150.00	x Christmas cards
37	02/07-06	77584	Ky Council for Cooperatives	250.00	Annual dues
38	02/07-06	77591	NRECA	525.00	Mtg registration
39	02/07-06	77593	David Pace, reimbursement	12.00	x Chamber lunch
40	02/17-06	77658	KAEC	314.72	x Legislative reception
41	02/24-06	77704	American Express	619.96	David Pace expenses to mtg
42	02/24-06	77715	KAEC	9,048.39	Ky Living Magazine
43	02/24-06	77722	Project Graduation	50.00	x Donation
44	03/07-06	77843	David Pace, reimbursement	6.00	x Chamber lunch
45	03/10-06	77861	Assoc of US Army	150.00	x Dues
46	03/24-06	77953	Project Graduation Cloverport	25.00	x Donation
47	03/24-06	77961	KAEC	9,057.11	Ky Living Magazine
48	03/24-06	77964	Meade Co FFA	225.00	x Donation
49	03/31-06	77986	American Express	431.99	David Pace expenses to mtg
50	03/31-06	78033	Meade Co Chamber	90.00	x Annual banquet
51	03/31-06	78053	Towne & Country Pharmacy	31.80	x Flowers
52	04/07-06	78104	Midway Florist	47.10	x Flowers
53	04/14-06	78171	Teresa Kinder	250.00	x Rotary speaker
54	04/14-06	78184	David Pace, reimbursement	26.00	x Chamber lunch
55	04/28-06	78247	Project Graduation	50.00	x Donation
56	04/28-06	78269	Tim Gossett, reimbursment	391.70	NRECA Connect conference exp
57	04/28-06	78269	Tim Gossett, reimbursment	46.00	x Chamber lunch
58	04/28-06	78280	KAEC	9,083.30	Ky Living Magazine.
59	04/28-06	78291	Meade Co Museum of Arts	250.00	x Donation

Meade County Rural Electric  
Case No. 2006-00415  
Miscellaneous General Expenses Account 930.20  
October 31, 2006

Date	Check Number	Number	Amount	Description
04/28-06	78296	NRECA	595.00	NRECA Connect conference fee
04/28-06	78300	Melanie Raley, reimbursemer	37.42	x Retirement meal
05/08-06	78400	Visa	161.75	x Washington Youth tour
05/19-06	78476	Breckinridge Chamber of Con	275.00	x Annual dues
05/26-06	78534	KAEC	66.00	x Retirement dinner
05/31-06	78588	KAEC	9,085.59	Ky Living Magazine
05/31-06	78595	Meade Chamber of Commerec	375.00	x Annual dues
06/07-06	78657	Tim Gossett, reimbursment	180.00	x Washington Youth tour
06/07-06	78663	Human Development Inc.	140.00	Employee customer training
06/07-06	78680	David Pace, reimbursement	14.00	x Chamber lunch
06/30-06	78817	American Express	265.00	x Retiree gift
06/30-06	78856	Tim Gossett, reimbursment	22.00	x Chamber lunch
06/30-06	78866	KAEC	3,065.00	x Washington Youth tour
06/30-06	78912	Visa	738.39	NRECA Connect conference exp
07/07-06	78965	KAEC	9,093.39	Ky Living Magazine
07/07-06	78978	David Pace, reimbursement	6.00	x Chamber lunch
07/07-06	78996	Towne & Country Pharmacy	31.80	x Flowers
07/10-06	79010	Tim Gossett, reimbursment	100.00	x Beckinridge Co fair
07/21-06	79095	Embroidery by Design II	135.15	Logo on employee shirts
07/21-06	79099	Tim Gossett, reimbursment	100.00	x Meade Co fair
07/31-06	79185	KAEC	9,103.49	Ky Living Magazine
08/25-06	79480	Catering by Jackie	1,635.05	x Company picnic
08/25-06	79491	KAEC	9,107.63	Ky Living Magazine
08/31-06	79541	Embroidery by Design II	480.84	Logo on employee shirts
09/07-06	79625	Midway Florist	47.70	x Flowers
09/07-06	79649	Visa	225.00	x Company picnic
09/29-06	79832	KAEC	9,113.61	Ky Living Magazine
09/29-06	79883	Visa	247.89	Member services conference exp
10/13-06	80030	Tim Gossett	6.00	x Chamber lunch
10/13-06	80057	NRECA	649.49	x Willie Wirehand ornaments
10/20-06	80112	KAEC	9,136.11	Ky Living Magazine
10/27-06	80158	FFA	200.00	x Donation
10/31-06	80258	Visa	106.26	Farm Safety meals
10/31-06	80258	Visa	173.21	Member service conference
11/07-06	80330	MCHS Basketball Boosters	100.00	x Donation
11/17-06	80450	NRECA	26,429.00	Annual dues
		Item less than \$100 individual	1,359.90	
		Big Rivers Electric Coop	(4,926.56)	Economic Development funds
		Labor, benefits, transportation	34,088.19	
			<u>246,092.14</u>	
		Items disallowed for rate making purposes	<u>10,431.68</u>	x

Meade County Rural Electric  
Case No. 2006-00415  
Annual Meeting Expenses Account 930.40  
October 31, 2006

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
12/23-05	77187	Cath Smith, reimbursemen	28.80	Mileage to post office
05/02-06	78325	A L Applegate	100.00	x Nominating committee fee
05/02-06	78326	John Ditto	104.45	x Nominating committee fee/mileage
05/02-06	78327	Clint Fentress	131.15	x Nominating committee fee/mileage
05/02-06	78328	Scott Smart	125.81	x Nominating committee fee/mileage
05/02-06	78329	Joe Hobbs	113.35	x Nominating committee fee/mileage
06/23-06	78786	Embroidery by Design II	1,576.22	Shirts to designate employees
06/30-06	78870	Laura Dutschke	150.00	Entertainment
06/30-06	78831	Breckinridge Co HS	150.00	Serve meals
06/30-06	78856	Tim Gossett, reimbursemer	100.00	x Prize
06/30-06	78843	Commercial Printing	259.52	Annual mtg programs
07/07-06	78971	Meade Co Communication:	598.00	Radio ads
07/07-06	78959	Herald News Publishing	362.26	Newspaper ads
07/07-06	78977	Ohio Co Times	236.26	Newspaper ads
07/07-06	79008	WXBC Radio	340.00	Radio ads
07/07-06	79007	WULF Radio	480.00	Radio ads
07/07-06	78967	Lucas Bros Hardware	219.32	Supplies for setups
08/07-06	79269	KAEC	5,686.46	Setup and entertainment
07/14-06	79042	Grayson Co News Gazette	355.96	Newspaper ads
07/14-06	79054	Meade Co Messenger	390.60	Newspaper ads
07/31-06	79188	Lucas Bros Hardware	298.33	x Prizes
07/31-06	79225	Visa	169.24	Meals for workers
		Labor, benefits, transportation	2,908.21	
			<u>14,883.94</u>	
		Amounts to exclude for rate making purposes	<u>973.09</u>	x

**Meade County Rural Electric**

**Case No. 2006-00500**

**Rate Case Expenses**

October 31, 2006

Estimated rate case costs:

Attorney	\$4,000
Consulting	20,000
Advertising	2,000
Supplies and miscellaneous	<u>1,000</u>
Total	27,000
Number of years	<u>3</u>
Adjustment	<u><u>\$9,000</u></u>

In-house labor was not included in the above adjustment as the labor would be incurred in other accounts.

This amount is approximately the same as other rate requests filed before this Commission.

The monthly amounts filed for rate case expenses will include the labor, however, this amount is not included in the above adjustment.

Meade County Rural Electric  
Case No. 2006-00500  
Non-Operating Programs  
October 31, 2006

Meade County has removed the loss from the non-operating activities for Wildblue wireless internet services provided for customers who elect to use wireless internet using small satellite dishes. Meade County's investment in the service territory rights was reimbursed to Meade County during the test year.

The following activities are for Wildblue wireless internet services.

417.001	Service revenue	126,457.11
417.002	Equipment revenues	43,940.21
417.004	Other revenues	<u>5,701.96</u>
	Total revenues	<u>176,099.28</u>
417.101	Cost of service	73,448.17
417.102	Cost of equipment	74,941.90
417.103	Cost of installations	26,810.00
417.104	Cost of other services	65.57
417.105	Customer support expenses	34,495.10
417.106	Cost of billings	2,939.05
417.107	Other customer service	997.70
417.108	Advertising expenses	240.00
417.110	Depreciation expense	146.90
417.111	Administrative expenses	15,242.78
417.113	Participation fee, amortization	<u>(4,090.68)</u>
	Total expenses	<u>225,236.49</u>
	Net profits (loss)	<u>(49,137.21)</u>

Meade County Rural Electric  
PSC Case No. 2006-00500  
CATV Pole Attachments

Description	Number of Attachments	Rates		Revenue	
		Existing	Proposed	Existing	Proposed

2 party Pole Attachments	1,881	\$4.82	\$6.68	9,066	12,559
3 party Pole Attachments	6,426	\$4.32	\$5.54	27,760	35,608
2 party Anchor Attachments	0	\$4.59	\$5.25	0	0
3 party Anchor Attachments	466	\$3.03	\$3.46	1,412	1,614
2 party Ground Attachments	209	\$0.25	\$0.25	52	52
3 party Ground Attachments	282	\$0.25	\$0.15	71	43

38,361      49,876

11,514

Total

Increase



Meade County Rural Electric  
PSC Case No. 2006-00500  
CATV Pole Attachments

Exhibit 14  
page 2 of 3  
Witness: Jim Adkins

A. 1. Two-Party Pole Cost:

Size	Quantity	Amount	Weighted Average Cost
35' poles	11,744	\$2,637,084	
40' poles	21,966	\$10,716,113	
	<u>33,710</u>	<u>\$13,353,197</u>	<u>\$396.12</u>

2. Three-Party Pole Cost:

Size	Quantity	Amount	Weighted Average Cost
40' poles	21,966	\$10,716,113	
45' poles	5,493	\$3,841,859	
	<u>27,459</u>	<u>\$14,557,972</u>	<u>\$530.17</u>

3. Average cost of anchors

\$64.80

B. 1. Pole Charge:

a. Two party =	\$396.12	85%	16.20%	0.1224	\$6.68
b. Three party =	\$530.17	85%	16.20%	0.0759	\$5.54

2. Pole Charge, with ground attachments:

a. Two party =	\$396.12	85%	\$12.50	16.20%	0.1224	\$0.25
b. Three party =	\$530.17	85%	\$12.50	16.20%	0.0759	\$0.15

3. Anchor Charge:

a. Two party =	\$64.80		16.20%	0.50	\$5.25
b. Three party =	\$64.80		16.20%	0.33	\$3.46

No adjustments have been made to any of the quantities or amounts in the CPRs.  
The values were taken from the CPRs as of December 31, 2005.

Meade County Rural Electric  
PSC Case No. 2006-00500  
CATV Pole Attachments

Exhibit 14  
page 3 of 3  
Witness: Jim Adkins

Fixed charges on investment from PSC Annual Report at December 31, 2005.

Operation and Maintenance Expense		\$4,054,924	
Page 14, line 53			
Customer Accounts Expense		1,196,971	
Page 15, line 8			
Customer Service and Informational Expense		193,427	
Page 15, line 14			
Administrative and General		1,104,334	
Page 15, line 34			
Depreciation Expense		2,318,515	
Page 13, line 28			
Taxes Other than Income Taxes		<u>25,105</u>	
Page 13, line 30			
Sub total		8,893,276	
Divided by Utility Plant		\$72,146,737	12.33%
Page 1, line 2			
Cost of Money			
Rate of Return on Investment			
allowed in the last General			
Rate Request, Case No 2002-391			
effective 07/01/2003.		5.30%	
Distribution plant, page 4	<u>66,759,995</u>		
Accumulated depreciation, page 5	<u>17,965,762</u>		
Reserve ratio	=	27%	
Rate of return times 1 minus reserve ratio		<u>3.87%</u>	
Annual carrying charges		<u><u>16.20%</u></u>	

Meade County Rural Electric  
Case Number: 2006-00500  
Purchase Power

Exhibit 15  
page 1 of 1  
Witness: Jim Adkins

Demand rate \$7.37  
Energy rate \$0.02040

	<u>Billing Determinants</u>		<u>Demand</u>	<u>Energy</u>	<u>Base Rates</u>	<u>Discount Adjustment</u>	<u>Power Cost</u>
	<u>Demand</u>	<u>kwh</u>					
November	80,892	34,280,480	596,174	699,322	1,295,496	(39,948)	1,255,548
December	101,172	49,791,580	745,638	1,015,748	1,761,386	(46,108)	1,715,278
January	84,705	40,588,530	624,276	828,006	1,452,282	(51,377)	1,400,905
February	94,971	40,774,023	699,936	831,790	1,531,726	(47,731)	1,483,995
March	82,660	36,530,120	609,204	745,214	1,354,419	(49,115)	1,305,304
April	60,614	27,303,280	446,725	556,987	1,003,712	(46,660)	957,052
May	79,937	29,763,820	589,136	607,182	1,196,318	(40,417)	1,155,901
June	84,201	34,586,230	620,561	705,559	1,326,120	(41,877)	1,284,243
July	93,729	42,649,765	690,783	870,055	1,560,838	(41,308)	1,519,530
August	93,381	43,265,990	688,218	882,626	1,570,844	(43,898)	1,526,946
September	65,110	28,428,960	479,861	579,951	1,059,811	(43,571)	1,016,240
October	71,021	32,481,480	523,425	662,622	1,186,047	(38,045)	1,148,002
Totals	992,393	440,444,258	7,313,936	8,985,063	16,298,999	(530,055)	15,768,944

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

Meade County Rural Electric  
Case Number: 2006-00500  
**Normalized Revenues**

Base rates for the test year	27,222,201
Normalized revenues using rates effective in Case No. 2002-00319	<u>27,222,201</u>
Normalized revenue adjustment	<u><u>0</u></u>

Meade County Rural Electric  
Case Number: 2006-00500  
Analysis of Fuel Adjustment

An analysis of fuel adjustment purchased and passed on to consumers  
is as follows:

<u>Month</u>	<u>Sales</u>	<u>Purchases</u>
November	(38,771)	(39,948)
December	(53,904)	(46,108)
January	(59,999)	(51,377)
February	(50,278)	(47,731)
March	(47,158)	(49,115)
April	(42,227)	(46,660)
May	(35,890)	(40,417)
June	(41,157)	(41,877)
July	(50,410)	(41,308)
August	(60,147)	(43,898)
September	(41,772)	(43,571)
October	<u>(37,536)</u>	<u>(38,045)</u>
Total	<u>(559,249)</u>	<u>(530,055)</u>

The Discount Adjustment from Big Rivers Electric Cooperative is passed on to  
consumers in the month received from Big Rivers. The Discount Adjustment  
Procedures established by this Commission is used to pass on to consumers.

Meade County Rural Electric  
Case Number: 2006-00500  
End of Test Year Customer Adjustment

Exhibit 17  
page 1 of 1  
Witness: Jim Adkins

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57

	<u>Residential</u>	<u>Commercial</u>	<u>General Service</u>	<u>TOD</u>
October	24,684	1,636	348	2
November	24,695	1,635	348	2
December	24,769	1,638	348	2
January	24,840	1,638	349	2
February	24,842	1,634	348	2
March	24,872	1,639	347	2
April	24,863	1,636	347	2
May	24,897	1,643	347	2
June	24,930	1,653	350	2
July	25,023	1,648	350	2
August	25,062	1,663	351	2
September	25,119	1,664	346	3
October	<u>25,140</u>	<u>1,663</u>	<u>347</u>	<u>3</u>
Average	<u>24,903</u>	<u>1,645</u>	<u>348</u>	<u>2</u>
Increase	<u>237</u>	<u>18</u>	<u>(1)</u>	<u>1</u>
Total revenue	19,913,475	1,841,520	4,627,465	11,931
kwh useage	<u>311,938,931</u>	<u>26,420,163</u>	<u>66,382,639</u>	<u>63,209</u>
Average per kwh	<u>0.06384</u>	<u>0.06970</u>	<u>0.06971</u>	<u>0.18876</u>
Total billings	299,052	19,754	4,178	26
Average monthly kwh use	1,043	1,337	15,889	2,431
Increase in consumers, times average use, times average rate, times 12 months, equals additional revenues				
Increase in revenues	189,378	20,136	(13,291)	5,507
Increase in consumers, times average use, times average cost per kwh purchased, times 12 months, equals additional power cost				
Increase in power cost	109,780	10,691	(7,056)	1,080
Net increase	79,598	9,445	(6,235)	4,427
Adjustment				<u>87,236</u>
Base power cost			16,298,999	
Kwh purchased			<u>440,444,258</u>	
Cost per kwh purchased			0.03701	

REPORT NO. 168.1

BORROWER STATISTICAL PROFILE

10/17/05

KY 18 MEADE COUNTY RUR ELEC COOP CORP

ITEM	BORROWER DATA			MEDIAN VALUES			STATE VALUES			MIN	FLAG
	2002	2003	2004	U.S.	AREA	STATE	MAX	Q3	Q1		
<b>FINANCIAL RATIOS</b>											
1. TIER (ONE YEAR)	1.82	1.80	1.93	2.26	2.38	1.59	122.32	1.90	1.34	0.34	HI
2. AVERAGE TIER	1.93	1.91	1.88	2.50	2.54	2.91	69.96	3.72	2.10	1.60	LO
3. DTIER (ONE YEAR)	1.70	1.68	1.77	1.79	1.84	1.43	105.53	1.69	1.25	0.12	HI
4. AVERAGE DTIER	1.76	1.76	1.74	2.06	2.02	1.74	61.07	1.99	1.50	1.17	
5. MTIER (ONE YEAR)	1.79	1.77	1.85	1.86	1.86	1.57	122.32	1.85	1.30	0.26	
6. DSC (ONE YEAR)	2.02	0.28	1.43	2.01	2.01	1.63	54.08	1.99	1.48	0.92	LO
7. AVERAGE DSC	2.13	2.13	1.73	2.20	2.21	2.41	27.81	2.67	2.10	1.73	LO
8. ODSC (ONE YEAR)	1.94	0.27	1.36	1.78	1.77	1.61	50.42	1.88	1.40	0.84	LO
9. AVERAGE ODSC	2.03	2.03	1.65	1.94	1.91	1.87	25.96	2.02	1.71	1.34	LO
10. MDSC (ONE YEAR)	2.00	0.28	1.39	1.82	1.82	1.60	54.08	1.97	1.46	0.89	LO
11. PRR (ONE YEAR)	6.06	6.19	6.26	6.48	6.45	6.26	7.72	7.06	5.82	4.79	
12. EQUITY RATIO %	30.49	31.52	31.02	42.78	42.58	38.01	85.08	43.14	32.06	29.03	LO
13. MODIFIED EQUITY %	29.57	30.59	30.06	34.29	33.03	25.46	85.08	35.74	23.15	17.50	
14. OPERATING REVENUE / MILE \$	8828.70	8859.21	9060.94	7906.24	6565.45	11989.45	41071.66	15618.58	10463.40	8036.07	LO
15. GENERAL FUNDS/TOTAL PLANT %	11.65	7.33	5.69	4.07	3.74	2.21	17.32	4.19	0.96	0.12	HI
16. CURRENT RATIO	2.88	1.46	1.47	1.29	1.36	1.09	3.72	1.52	0.78	0.44	
17. OPERATING MARGINS/RATE BASE%	2.31	2.07	1.99	1.83	1.86	0.91	5.25	1.90	0.46	-1.96	HI
18. RATE OF RETURN ON RATE BASE%	5.70	5.19	4.65	4.50	4.59	3.56	7.60	4.62	2.87	0.31	HI
19. PAT.CAP.RETIRED/ TOT P.CAP.%	31.04	30.90	31.61	22.81	27.22	13.00	49.77	23.75	0.00	0.00	HI
20. PAT.CAP.RETIRED/NET MARGINS%	25.86	43.97	50.29	28.66	37.14	6.49	99.53	35.89	0.00	0.00	HI
<b>CONSUMER RATIOS</b>											
21. AVG. TOTAL CONSUMERS SERVED	25084.00	25553.00	26118.00	11734.00	7276.00	26118.00	60128.00	49926.00	22580.00	3752.00	
22. CONSUMERS / MILE (DENSITY)	9.07	9.18	9.18	5.82	5.14	8.78	12.74	10.19	7.20	5.51	
23. CONSUMERS / EMPLOYEE	436.62	438.95	445.73	269.52	246.19	398.03	594.74	446.00	345.80	289.15	
24. LONG TERM DEBT / CONSUMER \$	1427.57	1311.85	1404.14	1554.00	1804.43	1335.01	2132.48	1810.15	1105.99	11.16	
25. DIST+GENERAL PLT/ CONSUMER \$	2303.44	2378.92	2498.79	3339.64	3689.41	2629.10	3622.76	2933.09	2360.26	2024.51	
26. NET MARGINS / AVG.CONSUMER \$	51.89	48.18	50.04	83.48	107.57	30.53	98.51	53.50	18.39	-27.34	
27. AVG.MD.KWH/RESID CONS EX SEAS	1055.87	1027.26	1029.63	1129.49	1130.87	1225.53	1333.73	1270.21	1088.18	1029.63	LO
28. AVG.MD.KWH/RESID CONS	1055.87	1027.26	1029.63	1088.18	1067.86	1217.66	1333.73	1270.21	1079.08	1029.63	LO
29. CUST. ACCT. EXP./ AVG.CONS \$	42.08	44.85	43.55	50.02	45.32	46.94	69.26	56.28	40.34	33.18	
30. ADM. & GEN. EXP./ AVG.CONS \$	43.36	40.70	43.01	95.36	113.01	57.17	101.81	67.97	47.47	40.59	LO
31. CUST SERV &INFO / AVG.CONS \$	7.93	7.85	7.49	9.63	14.45	7.10	21.26	8.21	3.67	0.49	
32. O+M+A&G+CUST ACCT/AVG.CONS \$	202.76	215.54	235.93	317.01	345.27	238.85	388.52	281.85	228.34	188.88	
33. PWR COST+TAX+DEP+INT/AVGCONS\$	726.63	711.79	707.67	1081.73	1036.18	1081.73	5012.52	1508.33	950.96	707.67	LO

ITEM	BORROWER DATA			MEDIAN VALUES			STATE VALUES			MIN	FLAG
	2002	2003	2004	U.S.	AREA	STATE	MAX	Q3	Q1		
<b>EMPLOYEE COSTS</b>											
34. NUMBER OF EMPLOYEES	58.00	59.00	59.00	43.00	30.00	73.00	166.00	121.00	44.00	13.00	
35. AVERAGE RATE PER HOUR \$	23.26	23.58	24.80	22.71	24.23	23.14	26.95	25.35	20.81	19.56	
36. OVERTIME HOURS/TOTAL HOURS %	5.91	5.64	8.63	4.94	4.24	7.24	13.66	9.15	5.96	3.37	
37. CAPITLZD PAYROLL/TOTAL PAY %	30.75	31.95	23.40	22.50	21.91	28.05	35.01	30.08	22.15	16.49	
<b>MWH SOLD</b>											
38. MWH SOLD / 1000	382.86	381.09	390.67	216.54	139.77	608.57	9359.45	1076.76	401.99	105.97	
39. ANNUAL % CHANGE IN KWH SOLD%	5.42	-0.46	2.51	2.21	1.95	2.43	5.43	3.21	1.77	-1.15	
40. MWH / MILE OF LINE	137.13	135.09	136.31	95.76	82.17	187.93	1364.55	245.26	142.80	102.59	LO
41. REVENUE / MWH(RESD EX SEAS)\$	61.37	62.55	63.47	82.53	81.79	68.49	87.78	75.12	65.11	60.43	LO
42. OP.REV / MWH(TOTAL SALES) \$	64.38	65.98	66.47	78.03	77.15	65.50	78.33	74.11	62.72	30.10	
43. OP.REV LESS COST POWER/MWH \$	26.21	27.39	28.39	32.40	35.66	19.93	30.82	23.86	17.66	2.89	HI
44. COST OF POWER / MWH SOLD \$	38.17	38.19	38.08	46.57	41.15	45.69	53.92	47.38	43.44	27.21	LO
45. COMM+IND+IRR MWH/TOTAL MWH %	22.99	23.34	23.34	33.65	31.80	38.96	92.52	51.21	28.44	17.02	LO
46. O+M+A&G+CUST ACCT EXP /MWH \$	13.28	14.45	15.77	17.30	18.31	11.11	18.95	13.76	9.47	1.71	HI
<b>PLANT INVESTMENT</b>											
47. TOTAL PLANT / 1000	\$ 60768.72	64639.82	69398.69	45609.08	32432.77	73516.44	201980.25	137486.25	51513.65	11343.13	
48. TOTAL PLANT / MWH SOLD	\$ 158.72	169.62	177.64	210.09	228.54	127.50	202.07	177.64	106.86	21.58	
49. TOTAL PLANT / MILE OF LINE \$	21765.30	22913.80	24214.48	20149.15	19084.25	24864.78	32819.78	28602.76	21456.32	15259.44	
50. O+M EXP/ \$1000 TOTAL PLANT \$	48.43	51.39	56.22	44.61	41.93	50.42	80.41	56.22	47.06	37.90	
51. TAXES / \$1000 TOTAL PLANT \$	0.50	0.47	0.39	4.69	4.96	0.55	20.19	2.72	0.47	0.02	LO
52. ACCUM. DEPREC/PLANT IN SVC %	24.04	24.53	24.61	31.09	32.26	26.03	44.66	29.53	20.71	13.27	
53. NET NEW PLANT/TOTAL PLANT %	5.95	6.37	7.36	4.77	4.65	5.20	10.20	6.42	4.42	3.62	HI
54. GENERAL PLANT / CONSUMER \$	114.91	112.62	116.46	249.61	297.18	145.88	303.88	174.69	120.29	104.04	LO
55. HEADQTR PLANT / CONSUMER \$	79.34	78.04	77.10	122.14	139.96	75.52	239.84	113.18	56.83	20.63	
<b>LONG TERM DEBT</b>											
56. LONG TERM DEBT/TOTAL ASSETS%	62.05	57.98	59.64	45.93	46.21	48.82	59.64	53.91	45.20	0.45	HI
57. INTEREST L.T. /AVG L.T.DEBT%	4.62	4.38	3.96	4.81	4.71	3.96	6.07	4.68	3.41	2.74	
58. RUS DEBT / TOTAL L.T. DEBT %	81.93	42.36	52.09	76.46	76.81	75.78	100.00	83.17	60.74	42.70	LO
<b>REVENUE</b>											
59. INTEREST EXP. / OP.REVENUE %	6.42	6.15	5.41	4.85	5.40	3.70	5.60	4.95	2.61	0.04	HI
60. INT. EXP./OP.REV-POWER COST%	15.76	14.71	12.66	12.13	12.12	12.06	17.78	13.43	9.92	0.12	
61. COST OF POWER / DP.REVENUE %	59.29	58.23	57.28	59.12	55.12	70.60	90.39	72.71	63.51	57.28	LO
<b>OPERATING RATIOS</b>											
62. ELEC.INV. TURNOVER RATIO	4.66	4.04	3.56	1.57	1.57	2.16	4.70	2.94	1.98	-0.53	HI
63. ELEC.INV. EDY /TOTAL PLANT %	0.41	0.45	0.49	1.05	1.16	0.61	1.44	0.82	0.50	0.26	LO
64. CONSTR W.I.P./PLT ADDITIONS%	8.71	24.11	33.29	26.47	26.00	13.00	67.79	19.80	8.87	0.89	HI
65. NET NEW SERVICE/TOTAL SERV %	2.87	2.01	1.36	1.61	1.45	1.84	3.87	2.42	1.36	-5.15	
66. IDLE SERVICE/TOTAL SERVICE %	6.22	6.24	6.70	7.96	5.79	8.58	17.60	12.57	5.34	0.46	
67. ANNUAL LOAD FACTOR	53.75	46.65	46.74	51.14	53.95	49.02	86.85	54.00	43.93	39.77	
68. SYSTEM LOSS %	6.66	6.96	6.33	6.58	6.27	5.32	6.64	6.18	4.72	0.48	HI
69. TOT.HRS.OUTAGE PER CONS(1YR)	2.58	1.83	40.67	3.57	3.04	4.58	40.67	11.88	3.47	1.89	HI
70. AMT. DVER 60 DAYS/OPER.REV %	0.14	0.07	0.06	0.21	0.25	0.11	1.05	0.30	0.06	0.03	
71. AMT. WRITTEN OFF /OPER.REV %	0.14	0.09	0.14	0.19	0.17	0.26	0.60	0.45	0.20	0.08	LO
72. OTHER INTR INC-EXP/\$1000 PLT	2.06	1.69	1.12	1.46	1.48	1.04	11.83	2.60	0.01	-1.99	



10/27/04

BORROWER STATISTICAL PROFILE

REPORT NO. 168.1  
KY 18 MEADE COUNTY RUR ELEC COOP CORP

ITEM	BORROWER DATA				MEDIAN VALUES		STATE VALUES				MIN	FLAG
	2001	2002	2003	U.S.	AREA	STATE	MAX	Q3	Q1			
<b>FINANCIAL RATIOS</b>												
1. TIER (ONE YEAR)	2.00	1.82	1.80	2.22	2.28	2.57	17.60	3.05	2.08	1.60	L0	
2. AVERAGE TIER (ONE YEAR)	1.93	1.93	1.91	2.43	2.48	2.91	10.22	3.89	2.08	1.48	L0	
3. OTTIER (ONE YEAR)	1.82	1.70	1.68	1.90	1.88	1.61	16.61	1.84	1.38	0.30		
4. AVERAGE OTTIER (ONE YEAR)	1.75	1.76	1.76	2.07	2.00	1.76	8.85	2.09	1.50	1.23		
5. MTIER (ONE YEAR)	1.94	1.79	1.77	1.91	1.91	1.68	17.37	2.04	1.47	0.67		
6. DSC (ONE YEAR)	2.23	2.02	0.28	2.02	2.03	2.23	4.16	2.49	1.91	0.28	L0	
7. AVERAGE DSC (ONE YEAR)	2.18	2.13	2.13	2.20	2.19	2.45	4.43	2.80	2.13	1.88	L0	
8. ODSC (ONE YEAR)	2.11	1.94	0.27	1.83	1.80	1.64	3.18	1.97	1.53	0.27	L0	
9. AVERAGE ODSC (ONE YEAR)	2.06	2.03	2.03	1.97	1.93	1.91	3.28	2.03	1.72	1.61	L0	
10. MDSC (ONE YEAR)	2.19	2.00	0.28	1.86	1.84	1.69	3.18	2.00	1.58	0.28	L0	
11. PRR (ONE YEAR)	5.85	6.06	6.19	6.36	6.39	6.19	7.46	6.81	5.61	4.78		
12. EQUITY RATIO	32.26	30.49	31.52	43.36	42.86	39.01	87.40	43.56	33.07	28.74	L0	
13. MODIFIED EQUITY	31.24	29.57	30.89	34.96	33.93	26.26	87.40	36.51	23.70	17.57	L0	
14. OPERATING REVENUE / MILE	8531.33	8828.70	8859.21	7425.43	6174.93	11125.31	41122.60	14683.88	9558.06	7549.75	L0	
15. GENERAL FUNDS/TOTAL PLANT	7.44	11.85	7.33	4.09	3.78	3.74	17.64	7.33	0.95	0.18		
16. CURRENT RATIO	2.82	2.88	1.46	1.26	1.31	1.11	4.41	1.91	0.91	0.52		
17. OPERATING MARGINS/RATE BASE%	2.88	2.31	2.07	2.02	1.99	1.42	5.88	2.23	0.91	-1.67	HI	
18. RATE OF RETURN ON RATE BASE%	6.47	5.70	5.19	4.78	4.77	4.05	8.36	5.12	3.06	1.49	HI	
19. PAT. CAP. RETIRED/TOT P. CAP. %	31.04	31.04	30.90	22.19	27.11	12.56	49.76	22.88	0.00	0.00	HI	
20. PAT. CAP. RETIRED/NET MARGINS%	32.31	25.86	43.97	25.34	32.73	4.39	68.80	23.55	0.00	-2122.35	HI	
<b>CONSUMER RATIOS</b>												
21. AVG. TOTAL CONSUMERS SERVED	24544.00	25084.00	25553.00	11602.50	7122.00	25553.00	59081.00	49336.00	22122.00	3765.00		
22. CONSUMERS / MILE (DENSITY)	9.02	9.07	9.18	5.75	4.98	8.76	12.62	10.03	7.21	5.46		
23. CONSUMERS / EMPLOYEE	451.75	436.62	438.95	269.21	247.64	399.15	578.14	439.46	356.83	267.14		
24. LONG TERM DEBT / CONSUMER \$	1302.94	1427.57	1311.85	1512.48	1768.56	1275.05	2033.66	1720.22	1122.92	14.06		
25. DIST+GENERAL PLT/ CONSUMER \$	2284.43	2303.44	2378.92	3212.33	3609.07	2544.84	3501.24	2831.55	2312.90	1944.54		
26. NET MARGINS / AVG. CONSUMER \$	64.49	51.89	48.18	83.57	101.73	81.29	158.05	113.38	65.79	32.17	L0	
27. AVG. MO. KWH/RESID CONS EX SEAS	1009.13	1055.87	1027.26	1131.81	1184.66	1215.29	1339.40	1275.54	1081.93	1019.92	L0	
28. AVG. MO. KWH/RESID CONS	1009.13	1055.87	1027.26	1086.23	1067.94	1212.17	1339.40	1275.54	1080.82	1019.92	L0	
29. CUST. ACCT. EXP. / AVG. CONS \$	41.85	42.08	44.85	48.80	44.91	46.15	68.18	52.35	39.92	31.59		
30. ADM. & GEN. EXP. / AVG. CONS \$	37.92	43.36	40.70	93.64	105.97	55.40	91.93	68.30	47.29	40.70	L0	
31. CUST SERV. & INFO / AVG. CONS \$	7.19	7.93	7.85	9.80	14.03	7.31	24.91	11.09	3.63	-0.10	L0	
32. O+M+&G+CUST ACCT/AVG. CONS. \$	195.65	202.76	215.54	308.13	325.62	238.23	366.63	267.40	225.56	186.31	L0	
33. PWR COST+TAX+DEP+INT/AVGCONS	700.27	726.63	711.79	1036.16	989.19	992.63	5064.25	1403.43	865.95	711.79	L0	

CORP

ITEM	BORROWER DATA			MEDIAN VALUES			STATE VALUES			MIN	FLAG
	2001	2002	2003	U.S.	AREA	STATE	MAX	Q3	Q1		
<b>EMPLOYEE COSTS</b>											
34. NUMBER OF EMPLOYEES	55.00	58.00	59.00	43.00	29.00	73.00	164.00	114.00	44.00	14.00	
35. AVERAGE RATE PER HOUR \$	21.44	23.26	23.58	21.81	23.35	22.43	25.98	24.34	20.03	18.11	
36. OVERTIME HOURS/TOTAL HOURS %	5.26	5.91	5.64	4.71	4.03	6.86	12.11	9.08	5.64	2.76	
37. CAPITLZD PAYROLL/TOTAL PAY %	32.03	30.75	31.95	22.23	21.10	25.94	34.44	31.19	21.23	17.72	HI
<b>MWH SOLD</b>											
38. MWH SOLD / 1000	363.19	382.86	381.09	211.99	135.94	594.99	9335.17	1037.80	392.46	100.99	
39. ANNUAL % CHANGE IN KWH SOLD%	5.88	5.42	-0.46	1.05	1.08	0.38	4.08	1.37	-0.84	-5.53	
40. MWH / MILE OF LINE	131.83	137.13	135.09	94.18	80.12	185.52	1372.62	247.46	140.70	101.77	LO
41. REVENUE / MWH (RESID EX SEAS) \$	61.66	61.37	62.55	80.98	79.32	64.07	82.01	70.89	62.36	59.28	
42. OP.REV / MWH(TOTAL SALES) \$	64.72	64.38	65.58	76.03	74.77	61.54	74.18	70.59	58.73	29.96	
43. OP.REV LESS COST POWER/MWH \$	27.00	26.21	27.39	32.36	34.99	19.16	32.24	24.13	18.18	2.78	HI
44. COST OF POWER / MWH SOLD \$	37.72	38.17	38.19	45.37	39.22	41.94	50.00	42.70	39.39	27.18	LO
45. COMM+IND+IRR MWH/TOTAL MWH %	23.48	22.99	23.34	32.60	31.51	38.55	92.61	50.62	27.75	15.15	LO
46. O+M+A&G+CUST ACCT EXP /MWH \$	13.22	13.28	14.45	16.95	18.03	10.85	18.09	13.72	9.06	1.49	HI
<b>PLANT INVESTMENT</b>											
47. TOTAL PLANT / 1000	\$ 57357.39	60768.72	64639.82	43238.53	30584.03	68572.44	193429.55	129197.44	48600.37	10912.99	
48. TOTAL PLANT / MWH SOLD	\$ 157.93	158.72	169.62	203.76	223.22	120.05	193.47	165.00	105.34	20.72	HI
49. TOTAL PLANT / MILE OF LINE	\$ 20819.38	21765.30	22913.80	19456.36	18000.55	24041.83	31441.21	27329.36	20073.18	14821.93	
50. O+M EXP / \$1000 TOTAL PLANT \$	49.59	48.43	51.99	44.81	42.93	47.66	79.63	59.85	43.40	40.43	LO
51. TAXES / \$1000 TOTAL PLANT \$	0.48	0.50	0.47	4.78	4.98	0.58	18.73	2.59	0.51	-0.13	
52. ACCUM. DEPREC/PLANT IN SVC %	23.70	24.04	24.53	30.87	31.71	25.93	46.20	28.93	20.20	12.66	
53. NET NEW PLANT/TOTAL PLANT %	5.95	5.95	6.37	4.71	4.27	5.10	11.90	6.26	4.10	2.94	HI
54. GENERAL PLANT / CONSUMER \$	193.00	114.91	112.62	244.90	289.25	137.15	241.68	174.89	112.62	96.88	
55. HEADQTR PLANT / CONSUMER \$	0.00	79.34	78.04	119.18	139.99	74.40	245.20	110.67	57.32	16.58	
<b>LONG TERM DEBT</b>											
56. LONG TERM DEBT/TOTAL ASSETS%	61.96	62.05	57.98	45.21	46.58	48.71	58.83	53.81	45.00	0.60	HI
57. INTEREST L.T. /AVG L.T.DEBT%	5.16	4.62	4.38	4.81	4.64	4.07	5.35	4.72	3.40	2.77	
58. RUS DEBT / TOTAL L.T. DEBT %	79.06	81.93	42.36	74.54	75.38	77.52	100.00	81.04	55.68	40.61	LO
<b>REVENUE</b>											
59. INTEREST EXP. / OP.REVENUE %	6.75	6.42	6.15	4.85	5.43	3.53	6.15	5.35	2.83	0.28	HI
60. INT. EXP./OP.REV-POWER COST%	16.18	15.76	14.71	11.96	12.03	11.94	17.44	14.01	10.06	0.90	HI
61. COST OF POWER / OP.REVENUE %	58.28	59.29	58.23	58.68	54.10	68.95	90.73	70.47	62.79	56.54	LO
<b>OPERATING RATIOS</b>											
62. ELEC. INV. TURNOVER RATIO	4.94	4.66	4.04	1.53	1.52	2.17	4.97	3.05	1.68	1.02	HI
63. ELEC. INV. EDY /TOTAL PLANT %	0.44	0.41	0.45	1.01	1.08	0.61	1.40	0.80	0.45	0.30	
64. CONSTR W.I.P./PLY ADDITIONS%	10.86	8.71	24.11	23.91	21.82	15.54	41.32	25.02	9.15	0.40	
65. NET NEW SERVICE/TOTAL SERV. %	2.34	2.87	2.01	1.61	1.52	2.01	3.68	2.37	1.60	-0.89	
66. IDLE SERVICE/TOTAL SERVICE %	15.72	6.22	6.24	8.15	6.02	9.33	17.65	14.13	6.33	1.42	LO
67. ANNUAL LOAD FACTOR %	49.49	33.75	46.65	50.80	55.12	49.98	87.12	53.05	44.99	39.66	
<b>SYSTEM LOSS</b>											
68. SYSTEM LOSS %	5.01	6.66	6.96	6.63	6.13	5.13	6.98	6.14	4.06	0.45	HI
69. TOT.HRS. OUTAGE PER CONS(1YR)	1.44	2.58	1.83	2.97	3.04	3.56	84.72	5.64	1.83	0.01	
70. AMT. OVER 60 DAYS/OPR.REV %	0.17	0.14	0.07	0.23	0.27	0.13	0.77	0.27	0.07	0.03	
71. AMT. WRITTEN OFF /OPR.REV %	0.13	0.14	0.09	0.20	0.16	0.34	0.66	0.52	0.20	0.08	LO
72. OTHER INTR INC-EXP/\$1000 PLT	2.67	2.06	1.69	1.37	1.37	0.69	5.69	1.71	-0.09	-1.32	



United States Department of Agriculture  
Rural Development

OCT 26 2005

SUBJECT: Borrower Statistical Profile

TO: Electric Program Distribution Borrowers

FROM: JAMES F. ELLIOTT  
Acting Director  
Northern Regional Division  
Electric Programs

Enclosed is a copy of the current Borrower Statistical Profile (BSP) for your cooperative, along with an explanation of how the ratios were calculated.

If you have any questions concerning the BSP information, you can contact your local General Field Representative or the regional area office.

Enclosures

1400 Independence Ave. SW • Washington, DC 20250-0700  
Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

USDA is an equal opportunity provider, employer and lender.  
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

Exhibit 18

Page 5 of 9

## BSP Ratio Explanation

New BSP Number	Ratio Title	Item Derivation <u>All from RUS Form 7 unless otherwise noted</u>
1	TIER	$(A28b+A15b^*)/A15b^*$
2	Average TIER	Average of the 2 highest TIER values over the last 3 years.
3	OTIER	$(A20b+A15b^*+I2c(a))/A15b^*$
4	Average OTIER	Average of the 2 highest OTIER values over the last 3 years.
5	MTIER	$(A28b+A15b^*-A25b-A26b)/A15b^*$
6	DSC	$(A12b+A15b^*+A28b)/(N12d-N1d+RUS\ Debt\ Billed^{**}\ from\ RUS\ Debt\ Billed\ Files)$
7	Average DSC	Average of the 2 highest DSC values over the last 3 years.
8	ODSC	$(A12b+A15b^*+A20b+I2c(a))/N12d-N1d+RUS\ Debt\ Billed^{**}\ from\ RUS\ Debt\ Billed\ Files)$
9	Average DSC	Average of the 2 highest ODSC values over the last 3 years.
10	MDSC	$(A12b+A15b^*+A28b-A25b-A26b)/(N12d-N1d+RUS\ Debt\ Billed\ from\ RUS\ Debt\ Billed\ Files)$
11	PRR	$C3/[A1b-(A2b+A3b+A4b)]$
12	Equity Ratio %	$(C35/C28) \times 100$
13	Modified Equity Ratio %	$[(C35-C8)/C28] \times 100$
14	Operating Revenue Per Mile \$	A1b/B8b
15	General Funds/Total Plant %	$[(C6+C9+C12+C13+C15+C18)/C3] \times 100$
16	Current Ratio	C25/C52
17	Operating Margins/Rate Base %	$A20b \times 100/[C5+F1g+C23+(12/365 \times A3b)+(45/365 \times (A2b+A4b\ thru\ A10b))]$ Note: In leap years, the "365" figure in the above ratio changes to 366.
18	Rate of Return on rate base %	$(A20b+A15b+A16b+A17b+A18b) \times 100/[C5+F1g+C23+(12/365 \times A3b)+(45/365 \times (A2b+A4b\ thru\ A10b))]$ Note: In leap years, the "365" figure in above ratio changes to 366.
19	Pat Cap Retired/Total Pat Cap %	$I1cb \times 100/(I1cb+C35)$
20	Pat Cap Retired/Net Margins %	$I1ca \times 100/A28a$

21	Avg. Total Consumers Served	O10(b)
22	Consumers/Mile (Density)	O10(a)/B8b
23	Consumers/ Employee	O10(a)/H1
24	Long Term Debt Consumer \$	C41/O10(a)
25	Dist + General Plant/ Consumer \$	(E1e+E2e)/O10(a)
26	Net Margins/ Avg. Consumer \$	A28b/O10(b)
27	Avg. MO. KWH/ Residential Cons Ex Seasonal	(O1b(c)/O1a(b))/12
28	Avg. MO. KWH/ Residential Cons	(O1b(c)+O2b(c))/(O1a(b)+O2a(b))
29	Cust. Acct. Expense/ Avg. Consumer \$	A7b/O10(b)
30	Adm & Gen Expense/ Avg. Consumer \$	A10b/O10(b)
31	Cust Serv & Info/ Avg. Consumer \$	A8b/O10(b)
32	O&M+A&G+ Customer Acct/ Avg Consumer \$	(A5b+A6b+A7b+A10b)/O10(b)
33	PWR Cost+Tax+ Dep+Int/Avg Consumers \$	(A2b+A3b+A4b+A12b+A13b+A14b+A15b)/O10(b)
34	No. of Employees	H1
35	Avg. Rate Per Hour \$	(H4+H5+H6)/(H2+H3)
36	Overtime Hours/ Total Hours %	[H3/(H2+H3)] x 100
37	Capitalized Payroll/ Total Payroll %	[H5/(H4+H5+H6)] x 100
38	MWH Sold/1000	O11(c)/1,000,000
39	Annual % Change in MWH sold	[(O11(c)-O11(c) prior year)/O11(c) prior year] x 100
40	MWH/Mile of Line	(O11(c)/B8b)/1,000
41	Revenue/MWH Residential EX Seasonal	(O11(c) x 1,000)/O1b(c)

42	Op Revenue/MWH (Total Sales) \$	$A1b/(O11(c)/1,000)$
43	Op Revenue Less Cost Power/MWH \$	$[A1b-(A2b+A3b+A4b)]/(O11(c)/1,000)$
44	Cost of Power/ MWH Sold \$	$(A2b+A3b+A4b)/(O11(c)/1,000)$
45	Comm+Ind+IRR MWH/Total MWH %	$[(O3b(c)+O4b(c)+O5b(c))/O11(c)] \times 100$
46	O&M+A&G+ Cust Acct Exp/ MWH \$	$(A5b+A6b+A7b+A10b)/O11(c)/1,000$
47	Total Plant/1000 \$	$C3/1,000$
48	Total Plant/ MWH Sold \$	$C3/(O11(c)/1,000)$
49	Total Plant/ Mile of Line \$	$C3/B8b$
50	O&M Expense/ \$1,000 Total Plant \$	$(A5b+A6b)/(C3/1,000)$
51	Taxes/\$1,000 Total Plant	$(A13b+A14b)/(C3/1,000)$
52	Accum. Depreciation/ Plant in Service %	$(C4/C1) \times 100$
53	Net New Plant/ Total Plant %	$[(E9b-E9c+E9d)/E9a] \times 100$
54	Gen Plant/Cons \$	$E2e/O10(a)$
55	Hdqtr Plant/Cons \$	$E3e/O10(a)$
56	Long Term Debt/ Total Assets %	$(C41/C28) \times 100$
57	Int. L/T Debt/ Avg. L/T Debt	$[(A15b)/(C41+C41 \text{ prior year}/2)] \times 100$
58	RUS Debt/ Total L/T Debt %	$[(C36+C37+C38+C39)/C41] \times 100$
59	Interest Expense/ Oper. Revenue %	$[(A15b+A16b)/A1b] \times 100$
60	Interest Expense/ Oper. Revenue less. Power Cost %	$[(A15b+A16b)/(A1b-(A2b+A3b+A4b))] \times 100$
61	Cost of Power/ Oper. Revenue %	$[(A2b+A3b+A4b)/A1b] \times 100$
62	Electric Inventory Turnover Ratio	$F1d/[F1a+F1g]/2$
63	Electric Inventory End of Year/ Total Plan %	$(F1g/C3) \times 100$

64	Construction WIP/ Plant Additions %	$(E8e/E7b) \times 100$
65	Net New Service/ Total Service %	$[(B1b-B2b)/B3b] \times 100$
66	Idle Service/ Total Service %	$(B4b/B3b) \times 100$
67	Annual Load Factor %	$[O15(c)+O16(c)+O18(c)]/(O19(c) \times 8760) \times 100$ Note: In leap years the figure "8760" in this ratio becomes "8784" (this is the number of hours in the year)
68	System Loss %	$[1-((O11(c)+O14(c))/(O15(c)+O16(c)+O18(c)))] \times 100$
69	Total Hours Outage Per Consumer	Gle
70	Amt over 60 Days/ Oper Revenue %	$(J1/A1b) \times 100$
71	Amount Written Off/ Oper. Revenue %	$(J2/A1b) \times 100$
72	Other Int. Income Less Expenses/ \$1,000 Plant	$(A21b-A17b)/(C3/1,000)$

NOTE: All fields have a numeric format and are displayed to 2 decimal places.

\*Interest on Long-Term Debt shall be increased by 1/3 of the amount, if any, by which the rentals of Restricted Property (Line L3 of Form 7) exceed 2% of Margins and Equities (line C35 of Form 7).

\*\*Debt Service Billed shall be increased by 1/3 of the amount, if any, by which the rentals of Restricted Property (line L3 of Form 7) exceed 2% of Margins and Equities (line C35 of Form 7).

DSC, MDSC & ODSC – Interest on long term debt and debt service are increased by allowance for excess rentals of restricted property as provided in the mortgage. This affects very few borrowers' calculations of TIER and DSC (ratios 1 through 10).

Note: The adjustments mentioned in \* and \*\* above are the same and can be calculated as:

$(L3-(.02 \times C35))/3$  but not less than zero; therefore, if the adjustment value is negative, then the adjustment is zero.

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
<b>BASE GROUP (RATIOS 1-5)</b>																
<b>RATIO 1 --- AVERAGE TOTAL CONSUMERS SERVED</b>																
2001	24,544	11,415	827	190	23,986	24	12	22,081	55	9	26,647	3	3	21,625	52	21
2002	25,084	11,545	821	186	25,084	23	12	27,613	46	46	27,087	3	3	19,532	41	16
2003	25,553	11,779	817	185	25,553	23	12	27,942	44	38	27,343	3	3	20,047	77	32
2004	26,118	12,167	818	190	26,118	23	12	27,738	44	35	27,704	3	3	18,109	66	21
2005	26,515	12,361	819	189	26,515	23	12	28,102	37	26	28,105	3	3	18,389	120	43
<b>RATIO 2 --- TOTAL KWH SOLD (1,000)</b>																
2001	363,189	214,126	827	259	520,827	24	19	423,013	55	40	681,496	3	3	468,792	52	32
2002	382,860	218,960	821	256	607,779	23	19	478,494	46	40	607,779	3	3	348,559	41	20
2003	381,090	224,215	817	259	594,991	23	19	487,251	44	40	594,991	3	3	390,135	77	40
2004	390,672	232,994	818	262	608,568	23	19	503,125	44	39	608,568	3	3	308,665	68	27
2005	421,024	243,131	819	257	648,361	23	19	542,920	37	33	648,361	3	3	343,087	120	53
<b>RATIO 3 --- TOTAL UTILITY PLANT (1,000)</b>																
2001	57,357.38	40,181.06	831	291	60,748.57	24	14	67,352.56	55	47	86,938.00	3	3	63,057.78	52	32
2002	60,768.71	42,396.81	823	284	65,441.95	23	14	85,338.94	46	44	89,548.87	3	3	82,182.76	41	22
2003	64,639.82	44,626.10	820	284	68,572.49	23	14	91,517.83	44	43	92,183.35	3	3	68,586.83	77	44
2004	69,398.71	46,942.59	818	272	73,516.43	23	14	94,752.75	44	42	95,605.03	3	3	63,665.36	68	32
2005	73,116.63	49,101.35	820	265	79,833.29	23	14	96,249.97	37	34	101,827.93	3	3	63,744.27	120	55
<b>RATIO 4 --- TOTAL NUMBER OF EMPLOYEES (FULL TIME ONLY)</b>																
2001	55	44	825	314	68	24	15	77	55	49	73	3	3	70	52	32
2002	58	44	821	303	72	23	14	87	46	44	73	3	3	76	41	25
2003	59	44	815	291	73	23	14	89	44	43	73	3	3	77	77	49
2004	59	45	818	301	73	23	14	89	44	42	73	3	3	56	68	32
2005	59	45	819	302	71	23	14	88	37	35	75	3	3	59	120	61
<b>RATIO 5 --- TOTAL MILES OF LINE</b>																
2001	2,755	2,411	829	338	3,159	24	16	3,137	55	40	3,082	3	3	2,770	52	27
2002	2,792	2,419	821	328	3,277	23	16	3,594	46	37	3,108	3	3	2,588	41	18
2003	2,821	2,459	817	328	3,324	23	16	3,578	44	35	3,142	3	3	2,821	77	39
2004	2,866	2,490	818	330	3,386	23	16	3,285	44	34	3,180	3	3	2,466	68	28
2005	2,893	2,510	818	326	3,421	23	16	3,213	37	28	3,213	3	3	2,896	120	61
<b>FINANCIAL (RATIOS 6-12)</b>																
<b>RATIO 6 --- TIER</b>																
2001	2.00	2.11	831	461	2.49	24	18	2.19	55	32	1.66	3	1	2.09	52	30
2002	1.82	2.30	823	603	2.80	23	19	2.26	46	36	1.82	3	2	2.46	41	31
2003	1.80	2.28	820	590	2.57	23	21	2.24	44	31	1.94	3	3	2.27	77	54
2004	1.93	2.33	818	523	1.59	23	5	2.26	44	30	1.89	3	1	2.17	68	38
2005	1.71	2.20	820	621	1.71	23	12	2.13	37	31	1.71	3	2	2.18	120	92



**2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)**

Year	System Value --- TIER (2 OF 3 YEAR HIGH AVERAGE)	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
<b>RATIO 7 --- TIER (2 OF 3 YEAR HIGH AVERAGE)</b>																
2001	1.93	2.29	831	570	2.19	24	19	2.19	55	42	1.57	3	1	2.21	52	36
2002	1.92	2.35	823	598	2.75	23	19	2.35	46	34	1.81	3	1	2.31	41	32
2003	1.91	2.42	820	633	2.90	23	20	2.47	44	32	1.91	3	2	2.46	77	61
2004	1.88	2.53	818	662	2.90	23	21	2.50	44	37	1.92	3	3	2.51	68	53
2005	1.87	2.47	820	643	2.04	23	17	2.48	37	32	1.92	3	3	2.49	120	92
<b>RATIO 8 --- OTIER</b>																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.77	1.86	818	436	1.43	23	5	2.11	44	27	1.69	3	1	1.72	68	32
2005	1.57	1.80	820	534	1.45	23	10	2.05	37	30	1.51	3	1	1.86	120	79
<b>RATIO 9 --- OTIER (2 OF 3 YEAR HIGH AVERAGE)</b>																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.77	1.86	818	436	1.43	23	5	2.11	44	27	1.69	3	1	1.72	68	32
2005	1.67	1.84	820	493	1.41	23	7	2.16	37	25	1.60	3	1	1.82	120	72
<b>RATIO 10 --- MODIFIED DSC (MDSC)</b>																
2001	2.20	1.98	831	313	1.87	24	4	1.88	55	21	1.94	3	1	2.06	52	21
2002	2.02	2.02	823	413	1.97	23	9	2.08	46	25	2.08	3	3	2.21	41	26
2003	2.04	2.01	820	388	1.87	23	7	2.04	44	22	2.02	3	1	2.04	77	39
2004	1.41	1.92	818	728	1.70	23	19	1.97	44	41	1.61	3	3	1.90	68	63
2005	1.43	1.90	820	710	1.67	23	16	1.94	37	33	1.43	3	2	1.96	120	107
<b>RATIO 11 --- MDSC (2 OF 3 YEAR HIGH AVERAGE)</b>																
2001	2.16	2.15	831	408	1.98	24	8	2.12	55	23	2.07	3	1	2.16	52	27
2002	2.14	2.15	823	415	1.95	23	6	2.30	46	29	2.12	3	1	2.33	41	27
2003	2.12	2.14	820	416	1.95	23	7	2.21	44	26	2.05	3	1	2.27	77	45
2004	2.03	2.12	818	450	1.94	23	8	2.14	44	28	2.03	3	2	2.12	68	40
2005	1.74	2.06	820	615	1.81	23	13	2.13	37	31	1.74	3	2	2.15	120	99
<b>RATIO 12 --- DEBT SERVICE COVERAGE (DSC)</b>																
2001	2.23	2.08	831	352	2.39	24	15	2.19	55	26	1.92	3	1	2.23	52	27
2002	2.02	2.15	823	476	2.49	23	19	2.10	46	27	2.02	3	2	2.34	41	30
2003	2.05	2.13	820	451	2.25	23	17	2.14	44	24	2.02	3	1	2.15	77	45
2004	1.43	2.09	818	743	1.63	23	19	2.01	44	40	1.61	3	3	2.05	68	65
2005	1.42	2.07	820	745	1.64	23	16	2.10	37	35	1.42	3	2	2.17	120	112
<b>RATIO 13 --- DSC (2 OF 3 YEAR HIGH AVERAGE)</b>																
2001	2.18	2.23	831	448	2.24	24	14	2.20	55	30	2.09	3	1	2.33	52	35
2002	2.17	2.28	823	464	2.45	23	18	2.36	46	30	2.08	3	1	2.46	41	28
2003	2.14	2.27	820	476	2.50	23	19	2.32	44	29	2.00	3	1	2.36	77	47
2004	2.04	2.30	818	529	2.41	23	20	2.32	44	31	2.01	3	1	2.31	68	47

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2005	1.74	2.24	820	677	2.01	23	18	2.27	37	31	1.74	3	2	2.37	120	101
<b>RATIO 14 --- ODSC</b>																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.36	1.85	818	718	1.61	23	19	1.90	44	40	1.49	3	3	1.85	68	63
2005	1.36	1.82	820	714	1.60	23	16	1.88	37	33	1.36	3	2	1.91	120	105
<b>RATIO 15 --- ODSC (2 OF 3 YEAR HIGH AVERAGE)</b>																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.36	1.85	818	718	1.61	23	19	1.90	44	40	1.49	3	3	1.85	68	63
2005	1.36	1.85	820	733	1.62	23	18	1.92	37	35	1.38	3	3	1.87	120	113
<b>RATIO 16 --- EQUITY AS A % OF ASSETS</b>																
2001	32.26	43.55	831	705	37.68	24	21	45.66	55	47	32.26	3	2	38.64	52	40
2002	30.49	43.34	823	730	39.28	23	21	39.51	46	43	30.49	3	2	38.77	41	34
2003	31.52	43.29	820	710	39.01	23	22	42.28	44	37	31.52	3	2	39.02	77	66
2004	31.02	42.78	818	709	38.01	23	19	42.42	44	34	31.02	3	2	39.01	68	56
2005	30.66	42.32	820	712	36.14	23	19	44.10	37	30	30.66	3	2	40.99	120	103
<b>RATIO 17 --- DISTRIBUTION EQUITY (EXCLUDES EQUITY IN ASSOC. ORG'S PATRONAGE CAPITAL)</b>																
2001	31.56	38.32	831	598	31.24	24	12	38.64	55	41	31.56	3	2	32.58	52	28
2002	29.85	38.26	823	641	30.08	23	13	37.31	46	38	29.85	3	2	36.14	41	29
2003	30.88	38.49	820	607	30.39	23	11	38.61	44	32	30.88	3	2	35.90	77	52
2004	30.35	37.86	818	600	30.08	23	11	38.23	44	31	30.35	3	2	35.50	68	43
2005	29.99	36.92	820	594	28.25	23	10	38.22	37	27	29.99	3	2	35.79	120	83
<b>RATIO 18 --- EQUITY AS A % OF TOTAL CAPITALIZATION</b>																
2001	34.23	48.20	831	742	42.42	24	23	48.88	55	48	37.37	3	3	45.05	52	43
2002	32.95	48.73	823	758	45.79	23	23	47.40	46	44	36.21	3	3	43.88	41	35
2003	35.22	48.60	820	717	44.41	23	22	47.11	44	38	35.22	3	2	45.09	77	66
2004	34.22	48.20	818	725	43.36	23	22	48.21	44	34	35.00	3	3	45.02	68	58
2005	33.94	47.82	820	727	41.16	23	20	48.98	37	31	33.94	3	2	47.14	120	104
<b>RATIO 19 --- LONG TERM DEBT AS A % OF TOTAL ASSETS</b>																
2001	61.96	46.62	823	57	50.68	24	1	45.81	55	6	53.50	3	1	46.99	52	6
2002	62.05	45.79	815	53	48.64	23	1	46.66	46	3	51.82	3	1	47.74	40	5
2003	57.98	45.72	813	118	48.71	23	2	46.34	44	7	53.81	3	1	48.16	76	14
2004	59.64	46.00	812	72	48.82	23	1	46.27	44	4	53.91	3	1	47.90	68	10
2005	59.67	46.01	814	76	50.16	23	1	45.13	37	4	55.52	3	1	46.93	120	15
<b>RATIO 20 --- LONG TERM DEBT PER KWH SOLD (MILLS)</b>																
2001	89.13	82.31	820	368	54.05	24	5	77.93	55	20	65.28	3	1	68.54	52	20
2002	94.43	82.45	814	330	54.60	23	4	82.57	46	17	60.32	3	1	78.05	40	13

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2003	89.15	84.35	811	376	59.47	23	5	85.87	44	21	58.98	3	1	87.97	76	36
2004	94.52	87.86	812	364	61.07	23	4	89.04	44	20	62.21	3	1	94.81	68	35
2005	92.45	88.12	814	384	61.95	23	6	92.45	37	19	64.36	3	1	86.68	120	52
<b>RATIO 21 --- LONG TERM DEBT PER CONSUMER (\$)</b>																
2001	1,318.97	1,461.07	820	487	1,238.83	24	11	1,328.49	55	29	1,424.55	3	3	1,527.91	52	33
2002	1,441.23	1,463.29	814	419	1,171.00	23	7	1,418.08	46	21	1,441.23	3	2	1,490.62	40	23
2003	1,329.56	1,551.43	811	513	1,283.49	23	11	1,416.25	44	25	1,329.56	3	2	1,529.18	76	48
2004	1,413.82	1,607.37	812	505	1,343.60	23	9	1,503.00	44	24	1,413.82	3	2	1,615.77	68	46
2005	1,467.92	1,699.03	814	495	1,414.31	23	11	1,562.02	37	21	1,484.68	3	3	1,602.56	120	70
<b>RATIO 22 --- NON-GOVERNMENT DEBT AS A % OF TOTAL LONG TERM DEBT</b>																
2001	38.67	40.59	815	426	41.54	24	14	47.16	55	35	18.36	3	1	50.91	52	33
2002	48.08	46.65	806	374	47.01	23	10	43.01	46	18	16.65	3	1	67.40	40	30
2003	87.52	55.18	802	236	59.39	22	4	56.31	44	12	31.22	3	1	57.30	76	22
2004	47.91	32.59	783	298	24.67	22	5	35.60	42	19	24.22	3	1	26.42	66	25
2005	40.78	30.48	781	319	21.92	22	4	32.18	37	18	21.88	3	1	31.74	115	53
<b>RATIO 23 --- BLENDED INTEREST RATE (%)</b>																
2001	5.16	5.47	824	577	5.31	24	20	5.54	55	44	5.16	3	2	5.54	52	42
2002	4.62	5.01	814	572	4.62	23	13	5.18	46	37	4.62	3	2	5.13	40	32
2003	4.38	4.80	812	571	4.07	23	9	5.13	44	35	4.38	3	2	4.91	76	60
2004	3.74	4.58	811	670	3.74	23	12	4.73	44	36	3.74	3	2	4.65	68	62
2005	4.52	4.92	812	573	4.52	23	12	4.84	37	26	4.52	3	2	4.96	119	89
<b>RATIO 24 --- ANNUAL CAPITAL CREDITS RETIRED PER TOTAL EQUITY (%)</b>																
2001	2.43	2.32	626	298	0.91	18	7	1.74	43	16	4.72	2	2	2.22	38	16
2002	2.30	2.34	622	318	0.85	15	7	1.89	36	14	5.32	2	2	2.22	29	14
2003	3.10	2.45	630	224	0.71	17	4	2.36	31	12	5.00	2	2	2.25	55	18
2004	3.22	2.43	633	195	1.61	17	4	1.90	30	7	3.12	2	1	2.25	55	14
2005	2.59	2.30	635	270	0.81	17	4	2.24	26	9	3.63	2	2	2.07	89	30
<b>RATIO 25 --- LONG-TERM INTEREST AS A % OF REVENUE</b>																
2001	6.75	5.72	824	291	4.77	24	5	5.37	55	17	5.64	3	1	5.73	52	16
2002	6.42	5.15	814	248	3.93	23	2	5.49	46	13	5.49	3	1	4.98	40	13
2003	6.15	4.83	812	251	3.53	23	1	5.39	44	16	5.39	3	1	5.00	76	27
2004	5.41	4.75	811	325	3.70	23	4	5.27	44	19	5.41	3	2	5.02	68	27
2005	6.51	4.90	812	230	4.09	23	1	5.07	37	9	5.83	3	1	4.73	119	33
<b>RATIO 26 --- CUMULATIVE PATRONAGE CAPITAL RETIRED AS A % OF TOTAL PATRONAGE CAPITAL</b>																
2001	31.04	22.22	711	192	15.98	18	4	20.44	49	8	26.30	2	1	21.43	46	11
2002	31.04	22.69	700	195	17.51	17	3	23.11	37	11	27.66	2	1	21.56	35	10
2003	30.90	23.38	699	205	18.88	17	3	24.02	34	10	28.87	2	1	20.47	68	13
2004	31.61	24.08	697	205	21.13	17	3	24.32	36	8	29.81	2	1	22.77	61	16
2005	31.96	24.43	696	203	21.48	17	3	21.52	29	6	31.67	2	1	23.59	99	20
<b>RATIO 27 --- RATE OF RETURN ON EQUITY (%)</b>																

**2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)**

07/03/2005

Year	US Total		State Grouping		Consumer Size		Major Current Power Supplier		Plant Growth (2000-2005)	
	System Value	Median	Median	Rank	Median	Rank	Median	Rank	Median	Rank
2001	9.39	6.01	10.51	24	6.28	55	4.41	3	6.88	52
2002	7.33	6.56	10.97	23	6.66	46	7.33	2	8.25	41
2003	6.67	5.85	7.55	23	5.74	44	6.39	3	6.35	77
2004	6.80	5.86	3.58	23	6.22	44	5.37	3	5.73	68
2005	6.38	6.08	4.59	23	6.38	37	4.59	1	6.26	120
<b>RATIO 28 --- RATE OF RETURN ON TOTAL CAPITALIZATION (%)</b>										
2001	6.44	5.69	7.35	24	5.75	55	4.76	3	6.14	52
2002	5.35	5.89	6.89	23	5.72	46	5.15	3	6.28	41
2003	5.28	5.27	5.52	23	5.25	44	5.28	2	5.30	77
2004	4.83	5.12	3.43	23	5.35	44	4.83	2	4.99	68
2005	5.23	5.37	4.60	23	5.37	37	4.88	1	5.39	120
<b>RATIO 29 --- CURRENT RATIO</b>										
2001	2.82	1.39	1.17	24	1.06	55	1.17	3	0.98	52
2002	2.88	1.32	1.04	23	1.24	46	1.05	3	1.03	41
2003	1.46	1.29	1.11	23	1.10	44	1.13	3	1.07	77
2004	1.47	1.27	1.09	23	1.15	44	1.14	3	0.99	68
2005	1.49	1.26	1.12	23	1.17	37	1.24	3	1.19	120
<b>RATIO 30 --- GENERAL FUNDS PER TUP (%)</b>										
2001	7.44	3.97	2.77	24	3.00	55	2.92	3	2.43	52
2002	11.65	3.88	2.71	23	4.12	46	2.61	3	2.94	41
2003	7.33	3.74	3.74	23	3.91	44	3.84	3	3.19	77
2004	5.69	3.77	2.21	23	3.50	44	1.35	3	2.98	68
2005	6.34	4.00	1.75	23	3.88	37	1.50	3	3.35	120
<b>RATIO 31 --- PLANT REVENUE RATIO (PRR) ONE YEAR</b>										
2001	5.85	6.27	5.84	24	6.21	55	7.04	3	5.93	52
2002	6.06	6.19	6.06	23	5.94	46	7.13	3	5.82	41
2003	6.19	6.32	6.19	23	6.24	44	7.09	3	6.19	77
2004	6.26	6.45	6.26	23	6.39	44	7.31	3	6.31	68
2005	6.20	6.42	6.20	23	6.54	37	7.14	3	6.35	120
<b>RATIO 32 --- INVESTMENT IN SUBSIDIARIES TO TOTAL ASSETS (%)</b>										
2001	0.00	0.46	-0.02	10	0.03	23	0.00	1	0.19	13
2002	0.00	0.63	0.16	11	0.58	20	0.00	1	0.64	11
2003	0.21	0.58	0.40	10	0.33	17	0.21	1	0.18	23
2004	0.20	0.63	0.43	10	0.33	18	0.20	1	0.37	25
2005	0.17	0.58	0.47	10	0.23	18	0.17	1	0.29	40
<b>RATIO 33 --- TOTAL OPERATING REVENUE PER KWH SOLD (MILLS)</b>										
2001	64.72	74.29	61.22	24	73.65	55	58.02	3	70.62	52
2002	64.38	74.19	58.93	23	73.89	46	58.13	3	76.46	41
2003	66.58	76.78	61.54	23	74.16	44	58.75	3	79.00	77

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2004	66.47	78.83	818	673	65.50	23	11	75.94	44	36	58.40	3	1	82.05	68	60
2005	66.93	83.40	819	711	72.04	23	19	79.00	37	31	58.49	3	1	83.95	120	111
<b>RATIO 34 --- TOTAL OPERATING REVENUE PER TUP INVESTMENT (CENTS)</b>																
2001	40.98	39.03	831	359	53.14	24	22	42.61	55	33	40.98	3	2	43.70	52	34
2002	40.96	39.01	823	368	51.59	23	21	40.91	46	24	40.56	3	2	44.65	41	26
2003	38.66	38.66	820	410	50.93	23	21	38.66	44	22	38.66	3	2	41.90	77	48
2004	37.42	38.58	818	441	52.31	23	21	39.68	44	23	37.42	3	2	40.16	68	45
2005	37.96	40.25	820	480	56.46	23	22	43.63	37	23	37.96	3	2	42.88	120	82
<b>RATIO 35 --- TOTAL OPERATING REVENUE PER CONSUMER (\$)</b>																
2001	957.62	1,366.83	827	768	1,215.45	24	24	1,309.54	55	52	1,266.05	3	3	1,356.18	52	49
2002	982.69	1,422.03	821	768	1,245.92	23	23	1,362.07	46	42	1,304.26	3	3	1,422.87	41	41
2003	978.04	1,450.10	817	780	1,273.29	23	23	1,414.78	44	42	1,278.42	3	3	1,412.25	77	73
2004	994.26	1,499.83	818	782	1,348.81	23	23	1,474.04	44	41	1,282.78	3	3	1,483.50	68	64
2005	1,046.84	1,624.06	819	791	1,571.14	23	23	1,644.53	37	37	1,349.41	3	3	1,623.84	120	117
<b>RATIO 36 --- ELECTRIC REVENUE PER KWH SOLD (MILLS)</b>																
2001	62.81	73.15	827	662	59.67	24	10	71.56	55	41	57.08	3	1	71.07	52	38
2002	62.60	72.95	821	676	57.42	23	10	71.30	46	41	57.14	3	1	74.53	41	35
2003	63.63	75.30	817	676	59.74	23	10	72.16	44	39	57.39	3	1	78.27	77	63
2004	64.53	77.27	818	683	63.65	23	11	73.66	44	36	57.12	3	1	79.39	68	61
2005	63.96	81.77	819	722	70.54	23	19	78.65	37	32	56.98	3	1	82.24	120	113
<b>RATIO 37 --- ELECTRIC REVENUE PER CONSUMER (\$)</b>																
2001	929.50	1,343.88	827	774	1,186.05	24	24	1,285.59	55	54	1,245.64	3	3	1,328.41	52	50
2002	955.42	1,394.32	821	772	1,219.42	23	23	1,317.56	46	42	1,282.02	3	3	1,414.83	41	41
2003	949.00	1,422.65	817	781	1,248.36	23	23	1,359.21	44	42	1,248.90	3	3	1,362.18	77	73
2004	965.30	1,467.93	818	783	1,319.21	23	23	1,425.39	44	42	1,254.67	3	3	1,431.09	68	64
2005	1,015.54	1,593.01	819	792	1,542.53	23	23	1,579.91	37	37	1,314.48	3	3	1,582.88	120	116
<b>RATIO 38 --- RESIDENTIAL REVENUE PER KWH SOLD (MILLS)</b>																
2001	61.66	78.08	826	769	64.73	24	17	76.19	55	50	61.66	3	2	76.72	52	50
2002	61.37	78.62	821	775	62.19	23	15	77.23	46	45	61.37	3	2	79.22	41	38
2003	62.55	81.23	817	770	64.07	23	15	76.80	44	41	62.54	3	1	81.31	77	71
2004	63.47	83.39	818	780	68.49	23	20	79.22	44	41	62.45	3	1	82.44	68	66
2005	62.88	88.31	818	793	75.76	23	21	82.76	37	36	62.97	3	1	87.41	120	120
<b>RATIO 39 --- NON-RESIDENTIAL REVENUE PER KWH SOLD (MILLS)</b>																
2001	66.53	64.85	825	378	54.16	24	4	63.58	55	24	48.79	3	1	60.06	52	16
2002	66.64	65.18	819	369	54.00	23	3	66.55	46	23	49.34	3	1	65.41	41	20
2003	67.14	67.17	815	411	54.45	23	3	67.63	44	25	49.46	3	1	67.68	77	42
2004	67.99	68.69	815	429	58.77	23	3	67.33	44	22	49.08	3	1	70.31	68	41
2005	67.61	72.30	817	501	65.94	23	10	71.27	37	21	49.07	3	1	72.32	120	80
<b>RATIO 42 --- SMALL COMMERCIAL REVENUE PER KWH SOLD (MILLS)</b>																
2001	65.99	72.88	825	574	60.24	24	10	72.94	55	36	58.54	3	1	72.26	52	34

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2002	66.31	73.16	819	583	59.96	23	9	74.58	46	37	58.65	3	1	76.36	41	33
2003	67.18	75.52	815	597	61.76	23	9	76.34	44	36	58.41	3	1	78.57	77	58
2004	68.03	77.00	815	608	66.27	23	9	76.71	44	32	59.47	3	1	80.96	68	57
2005	67.65	81.62	817	654	73.47	23	19	83.72	37	30	61.27	3	1	83.34	120	103
<b>RATIO 43 --- LARGE COMMERCIAL REVENUE PER KWH SOLD (MILLS)</b>																
2001	73.05	51.04	650	69	43.00	24	1	50.36	50	3	40.31	3	1	48.78	47	7
2002	70.99	50.40	656	74	42.74	23	1	50.12	41	3	41.14	3	1	49.93	34	4
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>RATIO 45 --- STREET &amp; HIGHWAY LIGHTING REVENUE PER KWH SOLD (MILLS)</b>																
2001	61.73	100.97	598	555	91.04	19	17	99.91	40	37	108.29	3	3	98.56	36	31
2002	61.82	102.22	596	550	93.55	18	16	116.53	36	32	110.98	3	3	94.94	26	23
2003	62.86	106.06	589	547	100.16	18	16	118.00	36	33	115.17	3	3	110.46	51	49
2004	64.43	108.99	587	534	100.60	18	16	118.16	34	30	121.40	3	3	117.90	45	43
2005	64.37	115.30	585	551	108.47	18	17	121.73	28	27	119.54	3	3	119.16	89	84
<b>RATIO 47 --- OPERATING MARGINS PER KWH SOLD (MILLS)</b>																
2001	3.59	2.81	827	318	1.23	24	4	2.71	55	21	1.83	3	1	2.00	52	14
2002	2.88	3.42	821	463	1.54	23	6	3.23	46	27	2.21	3	1	4.37	41	27
2003	2.75	2.91	817	431	1.39	23	6	3.18	44	24	2.54	3	1	2.89	77	43
2004	2.77	2.73	818	404	1.07	23	3	3.09	44	24	2.20	3	1	2.70	68	32
2005	2.46	2.80	819	451	1.11	23	7	3.35	37	25	1.64	3	1	2.51	120	62
<b>RATIO 48 --- OPERATING MARGINS PER CONSUMER (\$)</b>																
2001	53.07	50.07	827	393	28.12	24	6	46.79	55	24	39.92	3	1	42.08	52	23
2002	44.02	63.53	821	543	44.02	23	12	65.21	46	34	49.54	3	3	82.70	41	32
2003	41.04	55.91	817	516	36.72	23	10	58.37	44	29	52.50	3	3	58.98	77	55
2004	41.49	54.10	818	487	16.74	23	7	65.48	44	30	41.49	3	2	43.26	68	36
2005	39.00	56.30	819	532	33.23	23	9	69.61	37	29	37.80	3	1	55.83	120	76
<b>RATIO 49 --- NON-OPERATING MARGINS PER KWH SOLD (MILLS)</b>																
2001	0.52	0.53	827	420	0.23	24	4	0.37	55	21	0.14	3	1	0.34	52	15
2002	0.39	0.42	819	430	0.14	23	6	0.39	46	23	0.01	3	1	0.26	41	12
2003	0.36	0.39	817	439	0.25	23	4	0.36	44	22	0.35	3	1	0.36	77	39
2004	0.28	0.45	818	528	0.24	23	8	0.41	44	25	0.28	3	2	0.32	68	38
2005	0.31	0.57	819	557	0.31	23	12	0.47	37	25	0.31	3	2	0.51	120	78
<b>RATIO 50 --- NON-OPERATING MARGINS PER CONSUMER (\$)</b>																
2001	7.62	9.62	827	477	4.31	24	7	6.98	55	27	7.62	3	2	7.20	52	25
2002	5.91	7.69	819	482	2.74	23	7	6.26	46	24	2.35	3	1	4.70	41	17
2003	5.39	7.39	817	505	5.46	23	13	6.20	44	27	7.55	3	3	6.16	77	44
2004	4.24	8.44	818	588	4.58	23	17	6.79	44	30	12.44	3	3	5.56	68	42
2005	4.92	10.92	819	608	7.20	23	17	8.65	37	28	14.84	3	3	9.44	120	87

**2005 Key Ratio Trend Analysis (KRTA)**  
**Meade County Rural Electric Cooperative Corporation (KY018)**

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
<b>RATIO 51 --- TOTAL MARGINS LESS ALLOCATIONS PER KWH SOLD (MILLS)</b>																		
2001	4.10	827	349	3.38	827	4	1.77	24	4	2.66	55	23	1.97	3	1	2.59	52	19
2002	3.27	821	474	3.85	821	6	1.74	23	6	3.68	46	27	1.77	3	1	4.24	41	26
2003	3.11	817	452	3.46	817	6	1.62	23	6	3.40	44	24	2.89	3	1	3.32	77	41
2004	3.05	818	444	3.32	818	3	1.04	23	3	3.05	44	22	2.77	3	1	3.03	68	34
2005	2.77	819	506	3.49	819	8	1.76	23	8	3.58	37	27	2.28	3	1	3.27	120	71
<b>RATIO 52 --- TOTAL MARGINS LESS ALLOCATIONS PER CONSUMER (\$)</b>																		
2001	60.69	827	427	62.63	827	5	38.45	24	5	50.33	55	25	42.94	3	1	57.73	52	23
2002	49.93	821	549	72.37	821	10	39.81	23	10	64.36	46	33	49.93	3	2	86.07	41	31
2003	46.43	817	539	66.25	817	11	45.88	23	11	59.61	44	29	62.88	3	3	60.86	77	52
2004	45.73	818	539	63.66	818	9	29.30	23	9	69.95	44	31	46.15	3	3	55.10	68	42
2005	43.92	819	585	70.95	819	11	41.27	23	11	74.58	37	31	43.92	3	2	67.85	120	85
<b>RATIO 54 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER KWH SOLD (MILLS)</b>																		
2001	0.26	765	649	0.99	765	18	3.35	21	18	0.67	53	45	0.18	3	1	1.24	46	40
2002	0.13	761	658	0.92	761	18	3.70	21	18	0.41	41	33	0.13	3	2	0.75	38	31
2003	0.12	764	640	0.92	764	17	2.98	22	17	0.60	39	31	0.10	3	1	0.80	70	55
2004	0.29	770	558	0.98	770	1	0.12	21	1	0.38	40	24	0.14	3	1	0.94	65	47
2005	0.26	769	622	1.12	769	4	0.13	21	4	0.45	33	23	0.17	3	1	1.04	109	90
<b>RATIO 55 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER CONSUMER (\$)</b>																		
2001	3.79	765	663	17.98	765	19	62.63	21	19	15.28	53	45	3.79	3	2	19.95	46	42
2002	1.96	761	677	16.88	761	18	73.27	21	18	8.27	41	34	1.96	3	2	14.68	38	33
2003	1.75	764	661	16.88	764	18	57.07	22	18	12.26	39	34	1.75	3	2	13.90	70	57
2004	4.31	770	584	16.82	770	2	2.50	21	2	6.47	40	26	3.11	3	1	17.11	65	48
2005	4.17	769	639	21.92	769	5	2.86	21	5	8.37	33	24	3.84	3	1	18.54	109	92
<b>RATIO 56 --- TOTAL MARGINS PER KWH SOLD (MILLS)</b>																		
2001	4.36	827	457	4.84	827	13	4.51	24	13	4.39	55	29	2.15	3	1	4.25	52	25
2002	3.40	821	592	5.08	821	17	4.60	23	17	5.05	46	36	1.94	3	1	5.11	41	30
2003	3.23	817	571	4.58	817	15	3.50	23	15	4.33	44	31	2.99	3	1	4.42	77	54
2004	3.35	818	556	4.71	818	2	1.08	23	2	4.41	44	26	2.91	3	1	3.99	68	43
2005	3.03	819	614	4.91	819	8	1.87	23	8	4.32	37	28	2.45	3	1	4.94	120	89
<b>RATIO 57 --- TOTAL MARGINS PER CONSUMER (\$)</b>																		
2001	64.49	827	535	87.64	827	17	92.75	24	17	84.21	55	32	46.92	3	1	78.93	52	32
2002	51.89	821	638	100.54	821	18	108.10	23	18	81.87	46	36	51.89	3	2	101.45	41	33
2003	48.18	817	638	88.12	817	20	81.29	23	20	72.69	44	36	65.01	3	3	76.77	77	62
2004	50.04	818	627	87.31	818	8	30.53	23	8	84.19	44	32	50.04	3	2	75.67	68	51
2005	48.09	819	672	99.80	819	11	42.83	23	11	84.65	37	33	48.09	3	2	92.85	120	100
<b>RATIO 58 --- AIR OVER 60 DAYS AS A % OF OPERATING REVENUE</b>																		
2001	0.17	811	529	0.27	811	11	0.16	24	11	0.28	53	39	0.17	3	2	0.24	52	34
2002	0.14	807	554	0.25	807	11	0.13	23	11	0.21	45	29	0.18	3	3	0.28	41	31
2003	0.07	804	671	0.23	804	17	0.13	23	17	0.21	43	38	0.12	3	3	0.20	74	62
2004	0.06	797	672	0.22	797	23	0.11	23	23	0.20	43	40	0.11	3	3	0.21	66	51

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2005	0.06	803	693	0.13	23	18	0.19	36	33	0.12	3	3	0.27	119	107			
RATIO 59 --- AMOUNT WRITTEN OFF AS A % OF OPERATING REVENUE																		
2001	0.13	795	554	0.35	24	22	0.30	53	43	0.13	3	2	0.26	52	40			
2002	0.14	792	540	0.33	23	21	0.27	46	44	0.14	3	2	0.32	41	34			
2003	0.09	791	640	0.34	23	22	0.28	44	43	0.09	3	2	0.27	76	68			
2004	0.14	787	527	0.26	23	22	0.23	44	39	0.14	3	2	0.25	67	55			
2005	0.17	784	420	0.26	23	19	0.20	37	22	0.17	3	2	0.22	119	72			

SALES RATIOS (60-76)

Year	TOTAL MWH SOLD PER MILE OF LINE			AVERAGE RESIDENTIAL USAGE KWH PER MONTH			AVERAGE SMALL COMMERCIAL KWH USAGE PER MONTH			AVERAGE LARGE COMMERCIAL KWH USAGE PER MONTH			AVERAGE STREET & HIGHWAY LIGHTING KWH USAGE PER MONTH			RESIDENTIAL KWH SOLD PER TOTAL KWH SOLD (%)		
	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2001	131.83	827	270	189.76	24	20	129.94	55	26	188.67	3	3	147.06	52	30			
2002	137.13	821	271	189.85	23	20	135.99	46	23	195.55	3	3	154.79	41	26			
2003	135.09	817	274	185.52	23	20	149.29	44	25	189.37	3	3	134.89	77	38			
2004	138.31	818	279	187.93	23	20	155.72	44	27	191.37	3	3	135.25	68	34			
2005	145.53	818	265	197.49	23	19	164.40	37	25	201.79	3	3	124.86	120	48			
RATIO 61 --- AVERAGE RESIDENTIAL USAGE KWH PER MONTH																		
2001	1,009.13	826	549	1,182.55	24	23	1,106.55	55	41	1,182.55	3	3	1,124.99	52	42			
2002	1,055.87	821	537	1,246.43	23	22	1,171.82	46	34	1,260.16	3	3	1,217.37	41	33			
2003	1,027.26	817	542	1,215.29	23	22	1,189.00	44	35	1,212.17	3	3	1,163.25	77	59			
2004	1,029.63	818	543	1,225.53	23	23	1,181.67	44	34	1,217.66	3	3	1,197.82	68	51			
2005	1,104.08	818	512	1,307.84	23	22	1,237.74	37	30	1,298.51	3	3	1,229.30	120	86			
RATIO 64 --- AVERAGE SMALL COMMERCIAL KWH USAGE PER MONTH																		
2001	3,913.61	825	289	4,297.44	24	15	3,534.25	55	22	3,913.61	3	2	3,814.61	52	26			
2002	3,588.83	819	332	4,775.79	23	15	2,980.34	46	15	3,588.83	3	2	3,325.58	41	20			
2003	3,848.65	815	290	4,044.62	23	13	2,616.23	44	12	3,848.65	3	2	3,300.04	77	32			
2004	3,891.32	815	294	3,891.32	23	12	3,163.86	44	13	3,891.32	3	2	3,436.72	68	28			
2005	4,004.76	817	281	4,004.76	23	12	3,041.97	37	11	4,004.76	3	2	3,149.08	120	37			
RATIO 65 --- AVERAGE LARGE COMMERCIAL KWH USAGE PER MONTH																		
2001	200,472.22	650	474	1,224,216.67	24	24	485,269.44	50	41	888,027.78	3	3	819,547.62	47	42			
2002	196,138.89	655	486	1,295,333.33	23	23	572,583.33	41	34	740,325.00	3	3	435,452.73	34	29			
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RATIO 66 --- AVERAGE STREET & HIGHWAY LIGHTING KWH USAGE PER MONTH																		
2001	13,013.89	598	25	2,119.44	19	2	2,443.06	40	6	9,395.83	3	1	1,843.75	36	3			
2002	13,125.00	594	22	2,452.75	18	2	3,035.12	36	1	10,937.50	3	1	2,182.29	26	2			
2003	13,347.22	593	17	2,554.94	18	1	2,932.65	36	1	10,875.00	3	1	1,350.31	51	2			
2004	13,569.44	585	19	2,355.77	18	1	2,596.37	34	2	11,208.33	3	1	1,989.58	45	1			
2005	13,777.78	581	14	2,237.95	18	1	2,137.35	28	1	11,708.33	3	1	1,793.75	89	2			



2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2001	76.26	63.24	826	196	61.72	24	3	63.70	55	15	59.76	3	1	62.19	52	14
2002	76.76	63.09	821	182	61.44	23	3	71.15	46	13	61.27	3	1	70.05	41	11
2003	76.41	62.48	817	180	61.37	23	3	68.50	44	14	60.67	3	1	70.79	77	26
2004	76.41	61.86	818	166	60.83	23	3	65.06	44	11	60.10	3	1	69.00	68	18
2005	77.20	62.23	818	158	62.25	23	3	67.42	37	9	60.88	3	1	62.71	120	22
<b>RATIO 72 --- SMALL COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)</b>																
2001	21.49	17.01	825	260	16.19	24	7	16.05	55	16	21.49	3	2	15.55	52	17
2002	21.15	16.68	819	269	16.62	23	6	17.19	46	16	21.15	3	2	17.61	41	14
2003	23.34	16.64	815	218	16.50	23	3	16.57	44	12	23.34	3	2	15.87	77	20
2004	23.34	16.91	815	227	16.51	23	3	16.14	44	15	23.34	3	2	17.30	68	20
2005	22.57	17.09	817	242	16.94	23	4	14.25	37	10	22.57	3	2	16.86	120	32
<b>RATIO 73 --- LARGE COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)</b>																
2001	1.99	11.90	650	599	19.87	24	24	15.08	50	48	16.49	3	3	13.16	47	46
2002	1.84	11.77	656	613	19.02	23	23	7.92	41	38	14.62	3	3	10.70	34	32
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>RATIO 74 --- STREET &amp; HIGHWAY LIGHTING KWH SOLD PER TOTAL KWH SOLD (%)</b>																
2001	0.26	0.13	599	175	0.09	19	4	0.14	40	10	0.08	3	1	0.18	36	10
2002	0.25	0.13	596	175	0.09	18	5	0.13	36	12	0.09	3	1	0.22	26	10
2003	0.25	0.13	599	170	0.09	18	5	0.14	36	12	0.09	3	1	0.11	51	17
2004	0.25	0.13	587	168	0.09	18	5	0.18	34	13	0.09	3	1	0.13	45	15
2005	0.24	0.13	585	175	0.09	18	5	0.14	28	10	0.09	3	1	0.12	89	29

CONTROLLABLE EXPENSES (RATIOS 77-79)

<b>RATIO 77 --- O &amp; M EXPENSES PER TOTAL KWH SOLD (MILLS)</b>																
2001	7.93	8.40	827	460	5.73	24	4	7.41	55	22	5.36	3	1	6.88	52	17
2002	7.69	8.52	821	483	5.87	23	5	7.84	46	25	5.50	3	1	7.64	41	20
2003	8.72	8.79	817	422	6.26	23	2	8.20	44	21	6.26	3	1	8.05	77	30
2004	9.99	9.12	818	334	6.29	23	2	7.89	44	14	5.99	3	1	8.69	68	25
2005	9.63	9.00	819	360	6.25	23	3	7.44	37	7	6.73	3	1	8.70	120	49
<b>RATIO 78 --- O &amp; M EXPENSES PER DOLLARS OF TUP (MILLS)</b>																
2001	49.59	42.48	831	241	48.23	24	10	43.45	55	14	49.28	3	1	43.85	52	19
2002	48.43	42.85	823	272	48.43	23	12	44.81	46	19	44.18	3	1	47.50	41	19
2003	51.39	44.05	820	215	47.66	23	9	44.69	44	11	46.43	3	1	44.30	77	22
2004	56.22	43.49	818	127	50.42	23	6	45.42	44	6	54.37	3	1	44.80	68	13
2005	55.46	43.19	820	133	46.96	23	6	42.78	37	4	55.46	3	2	43.63	120	17
<b>RATIO 79 --- O &amp; M EXPENSES PER CONSUMER (\$)</b>																
2001	115.88	149.12	827	663	120.73	24	17	135.31	55	36	117.02	3	3	137.65	52	38
2002	117.32	158.46	821	682	125.34	23	17	133.78	46	38	123.34	3	3	141.41	41	33
2003	129.99	164.76	817	624	131.28	23	14	143.67	44	30	136.32	3	3	139.86	77	56

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2004	149.37	189.06	818	530	138.30	23	9	144.82	44	19	149.37	3	2	151.77	68	36
2005	152.93	173.30	819	539	137.58	23	10	144.50	37	13	155.21	3	3	164.83	120	73
<b>RATIO 80 --- CONSUMER ACCOUNTING EXPENSES PER TOTAL KWH SOLD (MILLS)</b>																
2001	2.83	2.55	827	325	2.08	24	3	2.60	55	22	1.80	3	1	2.43	52	15
2002	2.76	2.52	821	347	1.93	23	4	2.95	46	28	1.76	3	1	2.65	41	20
2003	3.01	2.63	817	312	1.95	23	4	3.12	44	24	1.81	3	1	2.95	77	37
2004	2.91	2.72	818	357	2.05	23	5	3.02	44	24	1.84	3	1	2.95	68	37
2005	2.84	2.62	819	354	1.99	23	5	2.84	37	19	1.72	3	1	2.84	120	59
<b>RATIO 81 --- CONSUMER ACCOUNTING EXPENSES PER CONSUMER (\$)</b>																
2001	41.85	46.66	827	542	44.11	24	14	44.74	55	35	39.21	3	1	46.03	52	40
2002	42.08	48.17	821	551	44.52	23	17	49.71	46	34	42.08	3	2	52.85	41	33
2003	44.85	49.41	817	525	46.15	23	15	50.06	44	32	44.85	3	2	50.18	77	57
2004	43.55	50.31	818	567	46.94	23	16	51.88	44	35	43.55	3	2	53.39	68	52
2005	45.14	51.67	819	542	50.59	23	15	52.08	37	28	45.14	3	2	54.41	120	88
<b>RATIO 82 --- CUSTOMER SALES AND SERVICE PER TOTAL KWH SOLD (MILLS)</b>																
2001	0.49	0.83	812	598	0.49	24	11	0.57	54	31	0.31	3	1	0.85	52	39
2002	0.51	0.80	807	550	0.42	23	9	0.57	46	28	0.30	3	1	0.97	41	34
2003	0.53	0.85	804	551	0.45	23	9	0.68	44	26	0.36	3	1	0.90	77	53
2004	0.51	0.82	805	567	0.41	23	9	0.53	44	24	0.31	3	1	0.91	68	50
2005	0.45	0.79	805	599	0.42	23	9	0.54	37	23	0.44	3	1	0.83	119	90
<b>RATIO 83 --- CUSTOMER SALES AND SERVICE PER CONSUMER (\$)</b>																
2001	7.19	15.57	812	662	9.36	24	17	10.46	54	39	6.77	3	1	16.28	52	45
2002	7.84	15.31	807	623	8.44	23	14	10.19	46	31	7.25	3	1	18.81	41	36
2003	7.91	15.96	804	619	9.29	23	16	12.48	44	27	7.83	3	1	16.47	77	62
2004	7.58	15.69	805	634	7.58	23	12	10.08	44	29	6.83	3	1	16.72	68	58
2005	7.22	15.99	805	651	8.65	23	16	10.98	37	28	7.22	3	2	15.30	119	100
<b>RATIO 84 --- A &amp; G EXPENSES PER TOTAL KWH SOLD (MILLS)</b>																
2001	2.56	4.93	827	723	2.58	24	13	3.15	55	45	2.31	3	1	3.78	52	39
2002	2.84	4.95	821	691	2.59	23	11	3.89	46	35	2.24	3	1	4.39	41	34
2003	2.73	5.20	817	720	2.73	23	12	4.10	44	37	2.55	3	1	4.24	77	62
2004	2.88	5.26	818	700	2.78	23	11	4.06	44	34	2.73	3	1	4.64	68	54
2005	2.62	5.20	819	729	2.72	23	13	4.09	37	30	2.62	3	2	4.73	120	105
<b>RATIO 85 --- A &amp; G EXPENSES PER CONSUMER (\$)</b>																
2001	37.92	89.73	827	796	53.85	24	24	62.88	55	54	50.31	3	3	77.21	52	49
2002	43.36	92.21	821	778	52.23	23	20	63.16	46	42	43.36	3	2	77.41	41	39
2003	40.70	95.79	817	794	55.40	23	23	70.31	44	41	46.60	3	3	77.05	77	74
2004	43.01	97.92	818	791	57.17	23	22	74.35	44	41	47.30	3	3	84.24	68	66
2005	41.65	100.22	819	799	57.02	23	23	81.05	37	35	57.01	3	3	86.32	120	117
<b>RATIO 86 --- TOTAL CONTROLLABLE EXPENSES PER TOTAL KWH SOLD (MILLS) (SAME AS RATIO #103)</b>																
2001	13.71	17.12	827	588	10.65	24	6	14.38	55	34	9.78	3	1	13.57	52	26

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR
2002	13.80	17.23	821	581	10.79	23	4	16.29	46	32	1	14.92	41	25	
2003	14.98	17.92	817	559	11.56	23	4	17.05	44	26	1	16.69	77	51	
2004	16.28	18.27	818	504	11.61	23	2	16.64	44	23	1	18.08	68	47	
2005	15.55	18.12	819	539	11.64	23	4	15.27	37	17	1	17.83	120	79	

RATIO 87 --- TOTAL CONTROLLABLE EXPENSES PER CONSUMER (\$) (SAME AS RATIO #104)

2001	202.83	303.12	827	788	231.46	24	21	256.12	55	51	3	213.31	52	51
2002	210.60	313.29	821	780	236.89	23	20	266.97	46	43	3	219.94	41	41
2003	223.45	327.14	817	771	253.74	23	20	283.36	44	39	3	238.90	77	73
2004	243.51	337.61	818	737	249.79	23	16	294.72	44	37	2	243.51	68	63
2005	246.94	345.95	819	735	268.55	23	14	298.51	37	32	3	268.55	120	106

FIXED EXPENSES RATIOS 88-92

RATIO 88 --- POWER COST PER KWH PURCHASED (MILLS)

2001	35.76	38.91	823	566	38.79	24	20	40.33	55	43	1	35.15	52	41
2002	35.55	40.25	821	582	38.03	23	19	41.50	46	41	1	35.51	41	32
2003	35.45	42.83	817	628	39.80	23	21	45.26	44	40	1	34.94	77	67
2004	35.59	44.15	816	643	43.68	23	21	45.88	44	38	1	35.05	68	62
2005	35.59	48.80	817	653	50.82	23	21	50.48	37	32	1	35.21	119	107

RATIO 89 --- POWER COST PER TOTAL KWH SOLD (MILLS)

2001	37.72	42.54	826	560	40.52	24	19	43.53	55	45	1	37.47	52	42
2002	38.17	43.28	821	573	39.98	23	17	44.57	46	40	1	37.53	41	32
2003	38.19	45.73	817	618	41.94	23	19	47.43	44	40	1	36.89	77	67
2004	38.08	47.17	818	635	45.69	23	21	47.56	44	38	1	36.90	68	62
2005	37.92	51.67	819	653	53.68	23	21	52.76	37	32	1	36.79	120	107

RATIO 90 --- POWER COST AS A % OF REVENUE

2001	58.28	58.29	830	416	67.80	24	23	61.54	55	38	3	64.58	52	37
2002	59.29	57.96	823	358	68.59	23	20	59.42	46	25	3	64.56	41	24
2003	58.23	58.89	820	430	68.95	23	22	60.83	44	27	3	62.79	77	47
2004	57.28	59.33	818	488	70.60	23	23	61.77	44	30	3	63.19	68	46
2005	57.52	60.83	820	510	73.23	23	23	64.12	37	30	3	62.90	120	83

RATIO 91 --- LONG-TERM INTEREST COST PER TOTAL KWH SOLD (MILLS)

2001	4.37	4.40	820	416	2.73	24	6	4.08	55	25	1	3.27	52	24
2002	4.13	4.01	813	377	2.41	23	4	4.09	46	21	1	3.19	40	18
2003	4.03	3.85	810	382	2.22	23	3	4.10	44	23	1	3.17	76	37
2004	3.59	3.88	811	451	2.44	23	4	4.00	44	24	1	3.27	68	39
2005	4.29	4.27	812	398	2.92	23	5	4.19	37	18	1	3.41	119	54

RATIO 92 --- LONG-TERM INTEREST COST AS A % OF TUP

2001	2.77	2.22	824	166	2.51	24	7	2.33	55	13	1	2.45	52	21
2002	2.60	2.00	814	126	2.15	23	3	2.20	46	9	1	2.17	40	13
2003	2.38	1.90	812	168	1.95	23	3	2.13	44	11	1	2.04	76	25
2004	2.02	1.87	811	326	1.90	23	10	2.03	44	23	2	2.02	68	35

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value		US Total		State Grouping		Consumer Size		Major Current Power Supplier		Plant Growth (2000-2005)		
	Value	Rank	Median	NBR	Median	NBR	Median	NBR	Median	NBR	Median	NBR	Rank
2005	2.47	198	2.04	812	2.20	23	2.17	37	2.17	3	2.21	119	35
<b>RATIO 93 --- LONG-TERM INTEREST COST PER CONSUMER (\$)</b>													
2001	64.62	820	76.95	539	64.43	24	72.80	55	71.44	3	80.40	52	35
2002	63.04	813	72.31	507	54.18	23	67.62	46	71.64	3	76.20	40	26
2003	60.11	810	70.83	526	53.29	23	67.80	44	64.87	3	68.69	76	49
2004	53.77	811	71.98	583	51.58	23	70.85	44	59.31	3	69.49	68	51
2005	68.19	812	81.06	524	64.63	23	77.64	37	78.69	3	78.93	119	72
<b>RATIO 94 --- DEPRECIATION EXPENSE PER TOTAL KWH SOLD (MILLS)</b>													
2001	5.16	826	5.53	488	3.60	24	5.07	55	5.16	3	4.68	52	23
2002	5.23	820	5.58	468	3.64	23	5.38	46	5.23	3	4.84	70	16
2003	5.43	816	5.82	474	3.74	23	5.56	44	4.99	3	5.56	76	41
2004	5.57	818	5.97	481	3.90	23	5.59	44	4.97	3	5.82	68	40
2005	5.51	819	5.96	487	3.96	23	5.61	37	4.83	3	5.57	120	62
<b>RATIO 95 --- DEPRECIATION EXPENSE AS A % OF TUP</b>													
2001	3.27	830	2.85	90	3.16	24	2.82	55	3.27	3	2.84	52	7
2002	3.29	822	2.87	89	3.22	23	2.94	46	3.29	3	2.93	40	7
2003	3.20	819	2.88	119	3.20	23	2.94	44	3.20	3	2.90	76	9
2004	3.14	818	2.87	157	3.17	23	2.96	44	3.14	3	2.83	68	11
2005	3.17	820	2.86	134	3.13	23	2.95	37	3.08	3	2.86	120	16
<b>RATIO 96 --- DEPRECIATION EXPENSE PER CONSUMER (\$)</b>													
2001	76.41	826	98.98	687	81.02	24	87.17	55	95.99	3	91.93	52	42
2002	79.77	820	102.42	680	85.08	23	89.46	46	95.75	3	93.00	40	32
2003	80.97	816	106.88	691	87.89	23	97.05	44	101.68	3	94.45	76	57
2004	83.32	818	109.89	692	91.49	23	101.20	44	106.27	3	99.32	68	54
2005	87.44	819	113.31	676	95.12	23	108.55	37	108.01	3	104.13	120	92
<b>RATIO 97 --- ACCUMULATIVE DEPRECIATION AS A % OF PLANT IN SERVICE</b>													
2001	23.70	831	30.27	676	23.55	24	26.23	55	23.70	3	26.04	52	34
2002	24.04	823	30.52	654	24.74	23	28.15	46	24.04	3	24.15	41	22
2003	24.53	819	30.69	640	25.93	23	28.76	44	24.53	3	25.41	77	47
2004	24.51	818	31.11	639	26.03	23	29.39	44	24.61	3	26.66	68	41
2005	24.90	820	31.40	631	26.90	23	29.89	37	24.90	3	27.73	120	84
<b>RATIO 98 --- TOTAL TAX EXPENSE PER TOTAL KWH SOLD (MILLS)</b>													
2001	0.08	604	0.85	479	0.08	23	0.43	51	0.08	3	0.88	35	32
2002	0.08	594	0.90	460	0.08	22	0.52	36	0.07	3	1.27	30	28
2003	0.08	591	0.94	467	0.08	22	0.28	35	0.07	3	1.06	52	43
2004	0.07	593	0.98	472	0.07	22	0.42	37	0.07	3	1.11	49	38
2005	0.06	589	0.95	479	0.07	22	0.46	32	0.06	3	1.15	87	78
<b>RATIO 99 --- TOTAL TAX EXPENSE AS A % OF TUP</b>													
2001	0.05	607	0.47	475	0.06	23	0.19	51	0.05	3	0.53	35	32
2002	0.05	596	0.47	459	0.06	22	0.33	36	0.05	3	0.65	30	28

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2003	0.05	0.47	594	461	0.06	22	19	0.15	35	20	3	2	0.55	52	42	
2004	0.04	0.45	593	470	0.05	22	21	0.19	37	24	3	3	0.52	49	38	
2005	0.03	0.44	590	477	0.05	22	21	0.27	32	23	3	3	0.50	87	79	
<b>RATIO 100 --- TOTAL TAX EXPENSE PER CONSUMER</b>																
2001	1.12	15.83	604	495	1.47	23	22	9.03	51	41	3	3	16.15	35	32	
2002	1.21	16.60	594	481	1.53	22	21	6.76	36	23	3	3	20.89	30	28	
2003	1.20	17.68	591	484	1.57	22	21	7.02	35	22	3	3	20.12	52	44	
2004	1.02	17.91	593	491	1.52	22	21	9.56	37	26	3	3	19.55	49	39	
2005	0.95	18.64	589	490	1.52	22	21	10.25	32	24	3	3	20.02	87	80	
<b>RATIO 101 --- TOTAL FIXED EXPENSES PER TOTAL KWH SOLD (MILLS)</b>																
2001	47.42	53.92	827	614	47.82	24	13	53.55	55	43	3	1	54.19	52	41	
2002	47.70	53.64	821	615	46.97	23	10	55.13	46	41	3	1	54.32	41	34	
2003	47.85	55.96	817	625	48.18	23	14	56.00	44	38	3	1	57.55	77	64	
2004	47.42	57.41	816	671	53.08	23	19	56.92	44	38	3	1	60.00	68	61	
2005	47.92	61.46	819	692	60.42	23	21	61.27	37	32	3	1	62.41	120	115	
<b>RATIO 102 --- TOTAL FIXED EXPENSES PER CONSUMER (\$)</b>																
2001	701.71	1,001.35	827	734	978.52	24	24	1,009.87	55	52	3	3	1,051.75	52	49	
2002	728.07	1,033.15	821	728	980.92	23	23	1,012.36	46	43	3	3	1,032.34	41	39	
2003	713.56	1,055.50	817	743	998.49	23	23	1,053.98	44	41	3	3	1,056.45	77	67	
2004	709.29	1,089.12	818	754	1,083.79	23	23	1,096.31	44	41	3	3	1,090.58	68	62	
2005	760.90	1,220.60	819	757	1,300.32	23	23	1,231.84	37	36	3	3	1,234.98	120	113	
<b>TOTAL EXPENSE RATIOS (03-07)</b>																
<b>RATIO 103 --- TOTAL OPERATING EXPENSES PER TOTAL KWH SOLD (MILLS)</b>																
2001	13.71	17.12	827	688	10.65	24	6	14.38	55	34	3	1	13.57	52	26	
2002	13.80	17.23	821	681	10.79	23	4	16.29	46	32	3	1	14.92	41	25	
2003	14.98	17.92	817	559	11.56	23	4	17.05	44	26	3	1	16.69	77	51	
2004	16.28	18.27	818	504	11.61	23	2	16.64	44	23	3	1	18.08	68	47	
2005	15.55	18.12	819	539	11.64	23	4	15.27	37	17	3	1	17.83	120	79	
<b>RATIO 104 --- TOTAL OPERATING EXPENSES PER CONSUMER (\$)</b>																
2001	202.83	303.12	827	788	231.46	24	21	258.12	55	51	3	3	270.26	52	51	
2002	210.60	313.29	821	780	236.89	23	20	266.97	46	43	3	3	293.13	41	41	
2003	223.45	327.14	817	771	253.74	23	20	283.36	44	39	3	3	290.03	77	73	
2004	243.51	337.61	818	737	249.79	23	16	294.72	44	37	3	2	312.36	68	63	
2005	246.94	345.95	819	735	268.55	23	14	298.51	37	32	3	3	322.59	120	106	
<b>RATIO 105 --- TOTAL COST OF SERVICE (MINUS POWER COSTS) PER TOTAL KWH SOLD (MILLS)</b>																
2001	23.41	28.56	827	574	18.05	24	7	24.55	56	35	3	1	23.41	52	26	
2002	23.33	28.16	821	566	18.13	23	5	28.01	46	33	3	1	25.35	41	26	
2003	24.64	28.99	817	541	18.80	23	5	27.79	44	30	3	1	28.06	77	49	
2004	25.62	29.41	818	528	19.29	23	5	27.63	44	28	3	1	29.97	68	49	
2005	25.55	29.81	819	537	19.84	23	5	27.12	37	22	3	1	29.55	120	77	

2005 Key Ratio Trend Analysis (KRTA)  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value		US Total		State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)	
	Median	NBR	Rank	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	Rank
<b>RATIO 106 --- TOTAL COST OF ELECTRIC SERVICE PER TOTAL KWH SOLD (MILLS)</b>															
2001	61.13	70.89	827	665	59.57	24	11	68.27	55	42	3	1	56.12	52	40
2002	61.50	70.65	821	652	57.94	23	10	70.08	46	40	3	1	70.65	41	35
2003	62.83	73.38	817	658	60.84	23	11	71.47	44	38	3	1	75.81	77	62
2004	63.70	75.59	818	664	63.70	23	12	72.30	44	35	3	1	78.96	68	60
2005	63.47	80.74	819	698	71.12	23	19	74.52	37	30	3	1	81.00	120	111
<b>RATIO 107 --- TOTAL COST OF ELECTRIC SERVICE PER CONSUMER (\$)</b>															
2001	904.85	1,316.50	827	775	1,214.54	24	24	1,306.59	55	54	3	3	1,321.22	52	50
2002	938.67	1,350.76	821	769	1,215.82	23	23	1,256.86	46	43	3	3	1,353.26	41	40
2003	937.00	1,390.11	817	777	1,241.37	23	23	1,355.07	44	41	3	3	1,350.33	77	72
2004	952.80	1,436.68	818	782	1,333.59	23	23	1,414.70	44	41	3	3	1,410.25	88	62
2005	1,007.84	1,564.65	819	790	1,543.85	23	23	1,575.61	37	36	3	3	1,571.83	120	117
<b>EMPLOYEES/RATIO 108/113</b>															
<b>RATIO 108 --- AVERAGE WAGE RATE PER HOUR (\$)</b>															
2001	21.44	20.62	820	317	19.90	24	9	20.51	55	21	3	3	22.14	51	18
2002	23.26	21.42	819	232	21.04	23	6	21.06	46	12	3	1	23.06	41	14
2003	23.58	22.11	814	286	22.43	23	7	21.81	44	15	3	2	23.58	77	30
2004	24.80	23.08	816	265	23.14	23	7	23.80	44	13	3	2	24.80	68	24
2005	24.82	24.12	819	339	24.41	23	8	24.41	37	17	3	2	24.82	120	50
<b>RATIO 109 --- TOTAL WAGES PER TOTAL KWH SOLD (MILLS)</b>															
2001	7.39	9.59	822	593	5.97	24	5	7.86	55	34	3	1	6.07	51	26
2002	7.71	9.41	820	556	5.91	23	1	9.22	46	30	3	1	5.91	41	25
2003	7.93	9.68	814	561	6.28	23	2	9.20	44	29	3	1	6.28	77	45
2004	8.60	9.87	816	519	6.45	23	2	8.46	44	22	3	1	6.57	68	40
2005	7.76	9.98	819	599	6.48	23	4	8.08	37	22	3	1	6.59	120	88
<b>RATIO 110 --- TOTAL WAGES PER CONSUMER (\$)</b>															
2001	109.43	171.74	822	769	123.27	24	17	149.05	55	51	3	3	132.50	51	48
2002	117.67	177.47	820	742	123.95	23	15	146.07	46	39	3	3	132.54	41	38
2003	118.33	181.56	814	745	127.05	23	17	157.86	44	38	3	3	136.74	77	69
2004	128.63	185.98	816	723	131.38	23	13	163.43	44	37	3	3	144.37	68	60
2005	123.59	193.28	819	746	133.63	23	15	172.65	37	34	3	3	152.10	120	110
<b>RATIO 111 --- OVERTIME HOURS/TOTAL HOURS (%)</b>															
2001	5.26	4.79	821	354	5.70	24	17	5.65	55	33	3	3	6.10	52	29
2002	5.91	4.80	819	254	5.91	23	12	5.44	46	20	3	3	6.08	41	12
2003	5.64	4.65	814	264	6.86	23	18	5.60	44	22	3	3	5.83	31	31
2004	8.63	4.94	816	88	7.24	23	7	5.99	44	6	3	2	8.63	68	13
2005	5.05	5.80	816	499	6.82	23	17	6.32	37	28	3	3	8.93	120	80
<b>RATIO 112 --- CAPITALIZED PAYROLL / TOTAL PAYROLL (%)</b>															
2001	32.03	22.95	819	108	27.61	24	4	26.98	55	14	3	1	30.59	51	14

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2002	30.75	22.75	819	133	26.48	23	7	26.05	46	12	30.75	3	2	27.49	41	11
2003	31.95	22.48	812	98	25.94	23	5	25.44	44	10	31.95	3	2	24.92	77	14
2004	23.40	22.60	815	367	28.05	23	16	24.68	44	28	30.08	3	3	24.13	68	38
2005	25.79	22.87	816	287	26.12	23	13	27.05	37	21	27.76	3	3	25.32	120	58
<b>RATIO 113 --- AVERAGE CONSUMERS PER EMPLOYEE</b>																
2001	446.25	261.14	825	26	370.92	24	4	302.56	55	4	365.03	3	1	292.77	52	1
2002	432.48	264.51	821	39	374.52	23	5	317.22	46	4	371.05	3	1	311.48	41	2
2003	433.10	267.94	815	48	394.69	23	8	313.49	44	5	374.56	3	1	305.22	77	6
2004	442.68	268.54	818	41	394.41	23	7	310.18	44	5	379.51	3	1	314.98	68	3
2005	449.41	274.50	819	44	393.51	23	7	314.27	37	5	374.73	3	1	301.22	120	8

**GROWTH RATIOS 114-121**

<b>RATIO 114 --- ANNUAL GROWTH IN KWH SOLD (%)</b>																
2001	3.88	2.10	811	252	3.33	23	9	2.23	54	23	3.88	3	2	1.94	52	17
2002	5.42	4.78	816	352	4.52	23	8	4.77	46	15	4.52	3	1	5.13	40	19
2003	-0.46	1.05	810	562	0.38	23	16	1.10	44	33	-0.46	3	2	1.47	77	55
2004	2.51	2.02	814	361	2.43	23	10	3.20	44	26	2.28	3	1	2.23	68	30
2005	7.77	4.66	815	170	5.94	23	3	5.43	37	9	6.54	3	1	4.76	120	23
<b>RATIO 115 --- ANNUAL GROWTH IN NUMBER OF CONSUMERS (%)</b>																
2001	2.11	1.69	809	301	1.90	23	8	1.97	54	24	1.92	3	1	2.62	52	35
2002	2.20	1.54	820	256	2.20	23	12	1.93	46	21	1.65	3	1	2.81	40	28
2003	1.87	1.47	811	284	1.66	23	8	1.87	44	22	1.08	3	1	1.86	77	38
2004	2.21	1.54	814	243	1.79	23	7	1.93	44	19	1.39	3	1	2.02	68	29
2005	1.52	1.50	815	400	1.47	23	11	1.78	37	25	1.45	3	1	1.85	120	76
<b>RATIO 116 --- ANNUAL GROWTH IN TUP DOLLARS (%)</b>																
2001	5.85	5.09	816	307	5.98	23	14	5.73	54	25	5.85	3	2	7.81	52	39
2002	5.95	4.83	819	243	5.30	23	7	5.02	46	15	5.40	3	1	6.85	41	28
2003	6.37	4.64	812	176	5.10	23	5	5.26	44	14	5.10	3	1	6.43	77	40
2004	7.36	4.79	816	122	5.20	23	2	5.52	44	9	4.42	3	1	7.01	68	30
2005	5.36	4.99	816	364	5.79	23	16	5.83	37	26	5.36	3	2	6.53	120	95
<b>RATIO 117 --- CONST. W.I.P. TO PLANT ADDITIONS (%)</b>																
2001	10.86	25.15	807	596	9.16	24	11	27.79	55	42	10.86	3	2	28.53	51	44
2002	8.71	22.23	805	623	10.62	23	15	27.97	46	40	16.52	3	3	21.41	40	38
2003	24.11	24.11	807	404	15.54	23	7	33.54	44	29	24.11	3	2	33.13	76	46
2004	33.29	25.34	801	321	13.00	23	3	32.40	44	22	26.01	3	1	29.90	68	31
2005	17.73	26.81	805	520	22.58	23	15	23.86	37	24	25.02	3	3	31.11	119	83
<b>RATIO 118 --- NET NEW SERVICES TO TOTAL SERVICES (%)</b>																
2001	2.34	1.77	827	234	2.33	24	12	2.12	55	20	1.96	3	1	2.45	52	29
2002	2.87	1.67	819	136	2.91	23	5	2.14	46	11	1.61	3	1	2.78	41	20
2003	2.01	1.63	811	294	2.01	23	12	1.92	44	18	1.73	3	1	2.30	77	45
2004	1.36	1.63	815	498	1.84	23	18	2.01	44	38	1.36	3	2	2.07	68	53

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2005	1.62	816	413	1.73	23	16	2.05	37	28	1.62	3	2	1.98	120	80			
<b>RATIO 119 --- ANNUAL GROWTH IN TOTAL CAPITALIZATION (%)</b>																		
2001	10.12	4.08	816	139	10.12	23	12	6.25	54	15	10.12	3	2	6.64	52	11		
2002	9.54	3.43	819	118	6.01	23	9	3.63	46	8	6.01	3	1	7.45	41	15		
2003	-2.73	3.22	812	772	7.43	23	22	2.67	44	40	0.25	3	3	5.12	77	76		
2004	7.04	4.29	816	233	3.03	23	4	5.72	44	14	6.79	3	1	6.65	68	29		
2005	4.96	5.35	816	437	5.37	23	14	5.19	37	22	4.96	3	2	6.88	120	84		
<b>RATIO 120 --- 2 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)</b>																		
2001	10.06	4.67	809	85	8.38	23	4	6.98	54	11	10.06	3	2	7.50	52	11		
2002	9.83	4.23	806	78	9.03	22	9	3.95	45	8	9.83	3	2	7.37	41	13		
2003	3.22	3.85	814	468	7.85	23	19	3.82	44	26	3.22	3	2	6.10	77	63		
2004	2.03	4.19	809	612	4.23	23	20	5.16	44	35	3.44	3	3	6.63	68	60		
2005	5.99	5.13	815	336	4.51	23	8	5.64	37	18	5.99	3	2	6.92	120	73		
<b>RATIO 121 --- 5 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)</b>																		
2001	8.62	5.09	790	102	7.33	22	2	6.46	55	12	8.62	2	1	7.32	52	14		
2002	8.96	4.81	785	82	7.18	21	4	5.30	45	8	8.96	2	1	8.25	41	13		
2003	6.38	4.55	793	205	7.18	21	15	4.67	43	12	6.38	2	1	6.76	77	53		
2004	6.68	4.63	798	175	6.51	22	9	5.13	43	11	6.68	3	2	7.10	68	44		
2005	5.68	4.65	805	296	6.76	22	17	5.85	37	20	5.68	3	2	6.11	120	77		
<b>PLANT RATIOS (22/46)</b>																		
<b>RATIO 122 --- TUP INVESTMENTS PER TOTAL KWH SOLD (CENTS)</b>																		
2001	15.79	19.44	827	584	11.03	24	6	17.36	55	36	14.93	3	1	15.65	52	25		
2002	15.87	19.44	821	581	11.20	23	5	18.19	46	34	14.73	3	1	16.52	41	26		
2003	16.96	20.09	817	557	12.01	23	5	18.55	44	30	15.49	3	1	19.27	77	45		
2004	17.76	20.69	818	551	12.75	23	6	18.65	44	28	15.71	3	1	20.04	68	46		
2005	17.37	20.84	819	563	13.00	23	6	18.44	37	24	15.71	3	1	19.57	120	73		
<b>RATIO 123 --- TUP INVESTMENT PER CONSUMER (\$)</b>																		
2001	2,336.92	3,462.94	827	772	2,602.28	24	18	3,087.24	55	50	3,258.83	3	3	3,171.43	52	46		
2002	2,422.61	3,573.43	821	764	2,607.94	23	17	3,139.29	46	40	3,305.97	3	3	3,185.04	41	37		
2003	2,529.64	3,711.19	817	753	2,717.53	23	16	3,309.18	44	39	3,371.37	3	3	3,297.48	77	71		
2004	2,657.12	3,830.89	818	748	2,776.55	23	16	3,390.79	44	38	3,450.95	3	3	3,436.39	68	63		
2005	2,757.56	3,954.35	819	747	2,878.77	23	17	3,583.61	37	33	3,623.13	3	3	3,563.09	120	106		
<b>RATIO 124 --- TUP INVESTMENT PER MILE OF LINE (\$)</b>																		
2001	20,819.38	18,356.53	829	326	22,698.61	24	15	21,297.70	55	30	26,152.46	3	3	23,416.98	52	34		
2002	21,765.30	19,086.04	821	320	23,096.82	23	15	24,374.11	46	29	27,310.28	3	3	26,628.53	41	27		
2003	22,913.80	19,910.36	817	314	24,041.83	23	15	25,060.34	44	26	28,441.35	3	3	25,756.61	77	46		
2004	24,214.48	20,714.35	818	304	24,864.78	23	15	26,368.59	44	30	29,447.48	3	3	26,144.40	68	38		
2005	25,273.64	21,564.30	818	309	26,132.54	23	15	28,968.07	37	24	30,239.07	3	3	24,689.35	120	55		
<b>RATIO 125 --- AVERAGE CONSUMERS PER MILE</b>																		



2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2001	8.91	5.64	827	161	8.65	24	11	7.21	55	11	8.65	3	1	7.36	52	18
2002	8.98	5.66	821	157	8.72	23	10	8.17	46	15	8.72	3	1	8.46	41	18
2003	9.06	5.70	817	158	8.70	23	9	8.41	44	16	8.70	3	1	7.49	77	24
2004	9.11	5.78	818	158	8.71	23	9	8.44	44	17	8.71	3	1	7.28	68	17
2005	9.17	5.82	818	159	9.01	23	9	8.48	37	14	8.75	3	1	6.88	120	26
<b>RATIO 126 --- DISTRIBUTION PLANT PER TOTAL KWH SOLD (MILLS)</b>																
2001	143.08	163.42	825	524	100.65	24	6	148.13	55	33	137.34	3	1	128.35	52	21
2002	144.76	163.86	785	492	103.89	23	5	150.89	44	27	135.83	3	1	137.73	38	15
2003	154.01	170.03	817	498	109.32	23	4	161.84	44	26	143.92	3	1	155.44	77	41
2004	160.37	174.76	818	480	113.48	23	4	160.39	44	23	146.16	3	1	168.25	68	38
2005	158.57	174.91	819	495	113.51	23	5	158.21	37	18	142.47	3	1	165.31	120	66
<b>RATIO 127 --- DISTRIBUTION PLANT PER CONSUMER (\$)</b>																
2001	2,117.17	2,853.92	825	729	2,342.34	24	19	2,578.18	55	49	2,940.20	3	3	2,587.61	52	44
2002	2,209.47	2,929.40	785	688	2,371.57	23	17	2,595.26	44	33	3,047.75	3	3	2,539.89	38	30
2003	2,296.90	3,066.27	817	722	2,434.35	23	17	2,731.96	44	35	3,131.64	3	3	2,769.18	77	66
2004	2,398.75	3,161.01	818	712	2,533.16	23	16	2,847.39	44	34	3,210.62	3	3	2,916.79	68	59
2005	2,517.82	3,290.37	819	700	2,623.14	23	17	3,040.52	37	30	3,286.67	3	3	3,073.54	120	100
<b>RATIO 128 --- DISTRIBUTION PLANT PER EMPLOYEE (\$)</b>																
2001	944,795.22	774,677.16	824	166	885,098.67	24	10	840,493.44	55	21	944,795.22	3	2	729,821.51	52	11
2002	955,559.50	806,768.35	785	190	989,314.23	23	13	799,029.73	44	11	989,314.23	3	3	754,825.28	38	9
2003	994,791.83	854,655.76	815	206	1,012,010.75	23	13	891,657.17	44	14	1,038,789.74	3	3	847,107.96	77	19
2004	1,061,871.69	881,431.50	818	197	1,061,871.69	23	12	956,418.19	44	16	1,077,581.06	3	3	874,817.00	68	19
2005	1,131,525.34	925,911.49	819	171	1,088,358.06	23	9	996,573.49	37	12	1,145,893.47	3	3	925,416.80	120	22
<b>RATIO 129 --- GENERAL PLANT PER TOTAL KWH SOLD (MILLS)</b>																
2001	13.20	16.27	825	533	7.23	24	1	12.45	55	25	7.61	3	1	13.78	52	27
2002	7.60	14.85	819	710	7.02	23	7	12.53	46	36	7.02	3	1	15.10	41	34
2003	7.65	14.55	816	701	7.30	23	8	12.30	44	34	7.00	3	1	13.18	77	59
2004	7.84	14.26	816	690	7.24	23	8	11.68	44	34	6.69	3	1	13.34	68	55
2005	7.69	14.32	818	695	6.89	23	8	11.24	37	26	6.89	3	1	13.93	120	98
<b>RATIO 130 --- GENERAL PLANT PER CONSUMER (\$)</b>																
2001	195.37	287.70	825	652	159.94	24	5	222.74	55	36	195.37	3	2	260.59	52	37
2002	116.01	266.45	819	781	135.19	23	16	209.81	46	42	157.68	3	3	317.61	41	37
2003	114.14	264.95	816	787	138.77	23	18	223.72	44	42	152.41	3	3	231.53	77	75
2004	117.26	263.77	816	782	147.02	23	19	236.88	44	43	147.02	3	3	235.77	68	65
2005	122.14	269.07	818	782	156.88	23	19	221.03	37	34	159.06	3	3	251.41	120	112
<b>RATIO 131 --- GENERAL PLANT PER EMPLOYEE (\$)</b>																
2001	87,186.09	75,165.62	824	271	56,724.16	24	4	68,713.81	55	14	87,186.09	3	2	75,435.83	52	18
2002	50,170.83	69,080.37	819	697	52,030.44	23	15	58,893.02	46	36	58,469.52	3	3	77,557.15	41	35
2003	49,434.47	69,160.05	814	711	55,458.64	23	17	60,663.50	44	37	57,085.59	3	3	68,911.15	77	67
2004	51,909.66	71,014.60	816	693	57,767.38	23	17	68,244.25	44	37	55,794.21	3	3	72,542.55	68	56
2005	54,892.51	74,126.87	818	679	59,604.85	23	16	67,411.90	37	31	59,604.85	3	3	73,057.18	120	98

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
	Value	Median	Rank	NBR	Median	Rank	NBR	Median	Rank	NBR	Median	Rank	NBR	Median	Rank	NBR	Median	Rank
<b>RATIO 132 --- HEADQUARTERS PLANT PER TOTAL KWH SOLD (MILLS)</b>																		
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	5.19	6.85	746	487	3.52	4	23	3	29	7.25	29	3	1	7.61	64	46	46	
2005	5.10	6.78	760	502	3.84	6	23	3	24	6.96	24	3	1	6.90	111	74	74	
<b>RATIO 133 --- HEADQUARTERS PLANT PER CONSUMER (\$)</b>																		
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	77.63	126.15	746	585	76.11	11	23	11	31	118.21	31	3	2	128.01	64	51	51	
2005	81.01	130.44	760	586	81.01	12	23	12	27	130.44	27	3	2	134.75	111	83	83	
<b>RATIO 134 --- HEADQUARTERS PLANT PER EMPLOYEE (\$)</b>																		
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	34,365.42	33,204.05	746	353	33,867.12	10	23	10	23	36,549.01	42	3	2	37,813.00	64	38	38	
2005	36,408.20	34,640.60	760	356	36,408.20	12	23	12	21	39,691.35	36	3	2	36,538.19	111	58	58	
<b>RATIO 138 --- IDLE SERVICES TO TOTAL SERVICE (%)</b>																		
2001	15.72	7.95	808	137	8.84	3	24	3	12	10.03	54	3	1	8.91	51	12	12	
2002	6.22	7.96	802	492	8.52	19	23	19	31	8.31	45	3	3	8.56	41	25	25	
2003	6.24	8.05	796	485	9.33	23	23	23	32	8.61	44	3	3	7.25	76	48	48	
2004	6.70	7.91	797	458	8.58	23	23	16	27	7.45	44	3	2	8.08	68	43	43	
2005	6.96	7.84	797	450	8.34	16	23	16	22	7.87	37	3	2	7.95	116	65	65	
<b>RATIO 139 --- LINE LOSS (%)</b>																		
2001	5.01	6.11	823	566	4.81	10	24	10	36	5.76	55	3	2	4.82	52	25	25	
2002	6.66	6.60	821	401	5.32	3	23	3	25	6.84	46	3	1	5.84	41	13	13	
2003	6.96	6.56	817	344	5.13	2	23	2	18	6.79	44	3	1	6.38	77	28	28	
2004	6.33	6.49	815	428	5.32	3	23	3	17	6.02	44	3	1	6.31	68	34	34	
2005	5.94	6.22	817	459	4.89	5	23	5	19	5.94	37	3	1	5.95	119	62	62	
<b>RATIO 140 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - POWER SUPPLIER</b>																		
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	13.02	0.26	818	8	0.29	1	23	1	1	0.12	44	3	1	0.30	68	2	2	
2005	1.31	0.26	820	132	0.09	2	23	2	4	0.10	37	3	1	0.24	120	15	15	
<b>RATIO 141 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - EXTREME STORM</b>																		
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2005 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2004	26.60	0.53	818	30	1.23	23	1	0.73	44	5	1.12	3	1	0.69	68	4
2005	0.57	0.52	820	399	0.18	23	6	0.57	37	18	0.50	3	1	0.56	120	60
<b>RATIO 142 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - PREARRANGED</b>																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	0.06	0.02	818	279	0.02	23	6	0.04	44	15	0.04	3	1	0.03	68	20
2005	0.07	0.02	820	276	0.06	23	8	0.03	37	9	0.03	3	1	0.05	120	48
<b>RATIO 143 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - ALL OTHER</b>																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	0.99	1.49	818	575	2.61	23	20	1.70	44	37	2.17	3	3	1.58	68	53
2005	0.60	1.53	820	701	1.47	23	22	1.29	37	34	1.29	3	3	1.64	120	106
<b>RATIO 144 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - TOTAL</b>																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	40.67	3.26	818	24	4.19	23	1	3.32	44	3	10.63	3	1	3.48	68	4
2005	2.55	3.26	820	511	2.11	23	8	2.55	37	19	2.55	3	2	3.43	120	80
<b>RATIO 145 --- AVG. SERVICE AVAILABILITY INDEX (ASAI) - TOTAL (%)</b>																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	99.54	99.96	818	795	99.95	23	23	99.96	44	42	99.88	3	3	99.96	68	65
2005	99.97	99.96	820	311	99.98	23	16	99.97	37	19	99.97	3	2	99.96	120	41

2004 Yearly Review - Financial Analysis - Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
<b>RATIO 1 --- AVERAGE TOTAL CONSUMERS SERVED</b>																
2000	24,037	11,183	818	183	24,037	23	12	22,049	54	10	26,145	3	3	24,200	22	12
2001	24,544	11,415	827	190	23,986	24	12	22,081	55	9	26,647	3	3	21,625	52	21
2002	25,084	11,545	821	186	25,084	23	12	27,613	46	46	27,087	3	3	19,532	41	16
2003	25,553	11,779	817	185	25,553	23	12	27,942	44	38	27,343	3	3	20,047	77	32
2004	26,118	12,167	818	190	26,118	23	12	27,738	44	35	27,704	3	3	18,109	68	21
<b>RATIO 2 --- TOTAL KWH SOLD (1,000)</b>																
2000	349,619	206,644	818	259	595,780	23	18	404,042	54	38	595,780	3	3	397,478	22	13
2001	363,189	214,126	827	259	520,827	24	19	423,013	55	40	581,496	3	3	468,762	52	32
2002	382,860	218,960	821	256	607,779	23	19	478,494	46	40	607,779	3	3	348,559	41	20
2003	381,090	224,215	817	259	594,991	23	19	487,251	44	40	594,991	3	3	390,135	77	40
2004	390,672	232,994	818	262	608,568	23	19	503,125	44	39	608,568	3	3	308,665	68	27
<b>RATIO 3 --- TOTAL UTILITY PLANT (1,000)</b>																
2000	54,187.49	38,050.29	823	287	57,987.44	23	14	63,992.57	54	47	83,957.20	3	3	70,400.93	22	14
2001	57,357.38	40,181.06	831	291	60,748.57	24	14	67,352.56	55	47	86,838.00	3	3	63,057.78	52	32
2002	60,768.71	42,396.81	823	284	65,441.95	23	14	85,338.94	46	44	89,548.87	3	3	62,182.76	41	22
2003	64,639.82	44,626.10	820	284	68,572.49	23	14	91,517.83	44	43	92,183.35	3	3	68,586.83	77	44
2004	69,398.71	46,942.59	818	272	73,516.43	23	14	94,752.75	44	42	95,605.03	3	3	63,665.36	68	32
<b>RATIO 4 --- TOTAL NUMBER OF EMPLOYEES (FULL TIME ONLY)</b>																
2000	59	43	811	289	72	23	14	76	53	44	72	3	3	79	22	16
2001	55	44	825	314	68	24	15	77	55	49	73	3	3	70	52	32
2002	58	44	821	303	72	23	14	87	46	44	73	3	3	76	41	25
2003	59	44	815	291	73	23	14	89	44	43	73	3	3	77	77	49
2004	59	45	818	301	73	23	14	89	44	42	73	3	3	56	68	32
<b>RATIO 5 --- TOTAL MILES OF LINE</b>																
2000	2,717	2,383	819	338	3,192	23	15	3,088	54	38	3,048	3	3	2,792	22	14
2001	2,755	2,411	829	338	3,159	24	16	3,137	55	40	3,082	3	3	2,770	52	27
2002	2,792	2,419	821	328	3,277	23	16	3,594	46	37	3,108	3	3	2,588	41	18
2003	2,821	2,459	817	328	3,324	23	16	3,578	44	35	3,142	3	3	2,821	77	39
2004	2,866	2,490	818	330	3,386	23	16	3,285	44	34	3,180	3	3	2,466	68	28
<b>RATIO 6 --- TIER</b>																
2000	1.85	2.03	821	490	1.60	23	8	2.04	54	33	1.55	3	1	1.85	22	11
2001	2.00	2.11	831	481	2.49	24	18	2.19	55	32	1.66	3	1	2.09	52	30
2002	1.82	2.30	823	603	2.80	23	19	2.26	46	36	1.82	3	2	2.46	41	31
2003	1.80	2.28	820	590	2.57	23	21	2.24	44	31	1.94	3	3	2.27	77	54
2004	1.93	2.33	818	523	1.59	23	5	2.26	44	30	1.89	3	1	2.17	68	38
<b>RATIO 7 --- TIER (2 OF 3 YEAR HIGH AVERAGE)</b>																
2000	1.85	2.40	823	636	1.88	23	13	2.34	54	42	1.54	3	1	2.07	22	14
2001	1.93	2.29	831	570	2.19	24	19	2.19	55	42	1.57	3	1	2.21	52	36
2002	1.92	2.35	823	596	2.75	23	19	2.35	46	34	1.81	3	1	2.31	41	32
2003	1.91	2.42	820	633	2.90	23	20	2.47	44	32	1.91	3	2	2.46	77	61
2004	1.88	2.53	818	652	2.90	23	21	2.50	44	37	1.92	3	3	2.51	68	--
<b>RATIO 8 --- OTIER</b>																
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

BASE GROUP (RATIOS 1-5)

FINANCIAL (RATIOS 6-8)

2005 Yearly Review Analysis 'A'  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.77	1.86	818	436	1.43	23	5	2.11	44	27	1.69	3	1	1.72	68	32
<b>RATIO 9 --- OTIER (2 OF 3 YEAR HIGH AVERAGE)</b>																
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.77	1.86	818	436	1.43	23	5	2.11	44	27	1.69	3	1	1.72	68	32
<b>RATIO 10 --- MODIFIED DSC (MDSC)</b>																
2000	2.08	2.00	821	370	1.91	23	8	2.05	54	26	2.08	3	2	2.06	22	10
2001	2.20	1.98	831	313	1.87	24	4	1.88	55	21	1.94	3	1	2.06	52	21
2002	2.02	2.02	823	413	1.97	23	9	2.08	46	25	2.08	3	3	2.21	41	26
2003	2.04	2.01	820	388	1.87	23	7	2.04	44	22	2.02	3	1	2.04	77	39
2004	1.41	1.92	818	728	1.70	23	19	1.97	44	41	1.61	3	3	1.90	68	63
<b>RATIO 11 --- MDSC (2 OF 3 YEAR HIGH AVERAGE)</b>																
2000	2.64	2.17	823	247	2.12	23	3	2.23	54	16	2.07	3	1	2.20	22	3
2001	2.16	2.15	831	408	1.95	24	8	2.12	55	23	2.07	3	1	2.16	52	27
2002	2.14	2.15	823	415	1.98	23	6	2.30	46	29	2.12	3	1	2.33	41	27
2003	2.12	2.14	820	416	1.95	23	7	2.21	44	26	2.05	3	1	2.27	77	45
2004	2.03	2.12	818	450	1.94	23	8	2.14	44	28	2.03	3	2	2.12	68	40
<b>RATIO 12 --- DEBT SERVICE COVERAGE (DSC)</b>																
2000	2.10	2.08	821	395	1.83	23	8	2.12	54	28	2.10	3	2	2.10	22	11
2001	2.23	2.08	831	352	2.39	24	15	2.19	55	26	1.92	3	1	2.23	52	27
2002	2.02	2.15	823	476	2.49	23	19	2.10	46	27	2.02	3	2	2.34	41	30
2003	2.05	2.13	820	451	2.25	23	17	2.14	44	24	2.02	3	1	2.15	77	45
2004	1.43	2.09	818	743	1.63	23	19	2.01	44	40	1.61	3	3	2.05	68	65
<b>RATIO 13 --- DSC (2 OF 3 YEAR HIGH AVERAGE)</b>																
2000	2.12	2.30	823	508	2.12	23	12	2.29	54	36	2.09	3	1	2.25	22	15
2001	2.18	2.23	831	448	2.24	24	14	2.20	55	30	2.09	3	1	2.33	52	35
2002	2.17	2.28	823	464	2.45	23	18	2.36	46	30	2.08	3	1	2.46	41	28
2003	2.14	2.27	820	476	2.50	23	19	2.32	44	29	2.00	3	1	2.36	77	47
2004	2.04	2.30	818	529	2.41	23	20	2.32	44	31	2.01	3	1	2.31	68	47
<b>RATIO 14 --- ODSC</b>																
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.36	1.85	818	718	1.61	23	19	1.90	44	40	1.49	3	3	1.85	68	63
<b>RATIO 15 --- ODSC (2 OF 3 YEAR HIGH AVERAGE)</b>																
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.36	1.85	818	718	1.61	23	19	1.90	44	40	1.49	3	3	1.85	68	63
<b>RATIO 16 --- EQUITY AS A % OF ASSETS</b>																
2000	32.48	42.88	821	684	37.93	23	17	42.87	54	45	32.48	3	2	33.83	22	22

2004 Key Ratio Trend Analysis (Part A)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)		
	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2001	32.26	43.55	831	705	37.68	24	21	45.66	55	47	3	32.26	3	2	38.64	52	40	
2002	30.49	43.34	823	730	39.28	23	21	39.51	46	43	3	30.49	3	2	38.77	41	34	
2003	31.52	43.29	820	710	39.01	23	22	42.28	44	37	3	31.52	3	2	39.02	77	66	
2004	31.02	42.78	818	709	38.01	23	19	42.42	44	34	3	31.02	3	2	39.01	68	56	
<b>RATIO 17 --- DISTRIBUTION EQUITY (EXCLUDES EQUITY IN ASSOC. ORG'S PATRONAGE CAPITAL)</b>																		
2000	31.78	38.41	823	585	32.53	23	15	38.07	54	40	3	31.99	3	3	30.99	22	11	
2001	31.56	38.32	831	598	31.24	24	12	38.64	55	41	3	31.56	3	2	32.58	52	28	
2002	29.85	38.26	823	641	30.08	23	13	37.31	46	38	3	29.85	3	2	36.14	41	29	
2003	30.88	38.49	820	607	30.39	23	11	38.61	44	32	3	30.88	3	2	35.90	77	52	
2004	30.35	37.86	818	600	30.08	23	11	38.23	44	31	3	30.35	3	2	35.50	68	43	
<b>RATIO 18 --- EQUITY AS A % OF TOTAL CAPITALIZATION</b>																		
2000	35.01	47.77	821	715	44.59	23	21	47.71	54	49	3	43.02	3	3	38.95	22	18	
2001	34.23	48.20	831	742	42.42	24	23	48.88	55	44	3	37.37	3	3	45.05	52	43	
2002	32.95	48.73	823	758	45.79	23	23	47.40	46	44	3	36.21	3	3	43.88	41	35	
2003	35.22	48.60	820	717	44.41	23	22	47.11	44	38	3	35.22	3	2	45.09	77	66	
2004	34.22	48.20	818	725	43.36	23	22	48.21	44	34	3	35.00	3	3	45.02	68	58	
<b>RATIO 19 --- LONG TERM DEBT AS A % OF TOTAL ASSETS</b>																		
2000	60.28	46.65	815	86	50.34	23	1	45.40	54	3	3	50.34	3	1	54.96	22	4	
2001	61.96	46.62	823	57	50.68	24	1	45.81	55	6	3	53.50	3	1	46.99	52	6	
2002	62.05	45.79	815	53	48.64	23	1	46.66	46	3	3	51.82	3	1	47.74	40	5	
2003	57.98	45.72	813	118	48.71	23	2	46.34	44	7	3	53.81	3	1	48.16	76	14	
2004	59.64	46.00	812	72	48.82	23	1	46.27	44	4	3	53.91	3	1	47.90	68	10	
<b>RATIO 20 --- LONG TERM DEBT PER KWH SOLD (MILLS)</b>																		
2000	83.09	81.75	811	398	52.74	23	5	76.50	54	23	3	60.21	3	1	84.44	22	12	
2001	89.13	82.31	820	368	54.05	24	5	77.93	55	20	3	65.28	3	1	68.54	52	20	
2002	94.43	82.45	814	330	54.60	23	4	82.57	46	17	3	60.32	3	1	78.05	40	13	
2003	89.15	84.35	811	376	59.47	23	5	85.87	44	21	3	58.98	3	1	87.97	76	36	
2004	94.52	87.86	812	364	61.07	23	4	89.04	44	20	3	62.21	3	1	94.81	68	35	
<b>RATIO 21 --- LONG TERM DEBT PER CONSUMER (\$)</b>																		
2000	1,208.50	1,443.07	810	531	1,198.24	23	10	1,273.52	54	33	3	1,271.31	3	3	1,445.59	22	16	
2001	1,318.97	1,461.07	820	487	1,238.83	24	11	1,329.49	55	29	3	1,424.55	3	3	1,527.91	52	33	
2002	1,441.23	1,463.29	814	419	1,171.00	23	7	1,441.23	46	21	3	1,441.23	3	2	1,490.62	40	23	
2003	1,329.56	1,551.43	811	513	1,283.49	23	11	1,416.25	44	25	3	1,329.56	3	2	1,529.18	76	48	
2004	1,413.82	1,607.37	812	505	1,343.60	23	9	1,503.00	44	24	3	1,413.82	3	2	1,615.77	68	46	
<b>RATIO 22 --- NON-GOVERNMENT DEBT AS A % OF TOTAL LONG TERM DEBT</b>																		
2000	29.92	36.22	808	555	30.97	23	15	38.98	54	41	3	26.69	3	1	46.10	22	21	
2001	38.67	40.59	815	426	41.54	24	14	47.16	55	35	3	18.36	3	1	50.91	52	33	
2002	48.08	46.65	806	374	47.01	23	10	43.01	46	18	3	16.65	3	1	67.40	40	30	
2003	87.52	55.18	802	236	59.39	22	4	56.31	44	12	3	31.22	3	1	57.30	76	22	
2004	47.91	32.59	783	298	24.67	22	5	35.60	42	19	3	24.22	3	1	26.42	66	25	
<b>RATIO 23 --- BLENDED INTEREST RATE (%)</b>																		
2000	5.47	5.55	812	460	5.54	23	16	5.69	54	38	3	5.47	3	2	5.64	22	17	
2001	5.16	5.47	824	577	5.31	24	20	5.54	55	44	3	5.16	3	2	5.54	52	42	
2002	4.62	5.01	814	572	4.62	23	13	5.18	46	37	3	4.62	3	2	5.13	40	32	
2003	4.38	4.80	812	571	4.07	23	9	5.13	44	35	3	4.38	3	2	4.91	76	48	
2004	3.74	4.58	811	670	3.74	23	12	4.73	44	36	3	3.74	3	2	4.65	68	68	
<b>RATIO 24 --- ANNUAL CAPITAL CREDITS RETIRED PER TOTAL EQUITY (%)</b>																		
2000	5.01	2.31	628	59	0.93	15	1	2.31	42	3	2	5.01	2	1	2.15	19	19	

2004 Peer Review Financial Analysis (Part A)  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)			
	Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2001	2.43	2.32	626	298	0.91	18	7	1.74	43	16	4.72	2	2	2.22	38	16			
2002	2.30	2.34	622	318	0.85	15	7	1.89	36	14	5.32	2	2	2.22	29	14			
2003	3.10	2.45	630	224	0.71	17	4	2.36	31	12	5.00	2	2	2.25	55	18			
2004	3.22	2.43	633	195	1.61	17	4	1.90	30	7	3.12	2	1	2.25	55	14			
<b>RATIO 25 --- LONG-TERM INTEREST AS A % OF REVENUE</b>																			
2000	6.52	5.80	813	326	5.19	23	7	5.59	54	18	5.26	3	1	6.36	22	10			
2001	6.75	5.72	824	291	4.77	24	5	5.37	55	17	5.64	3	1	5.73	52	16			
2002	6.42	5.15	814	248	3.93	23	2	5.49	46	13	5.49	3	1	4.98	40	13			
2003	6.15	4.83	812	251	3.53	23	1	5.39	44	16	5.39	3	1	5.00	76	27			
2004	5.41	4.75	811	325	3.70	23	4	5.27	44	19	5.41	3	2	5.02	68	27			
<b>RATIO 26 --- CUMULATIVE PATRONAGE CAPITAL RETIRED AS A % OF TOTAL PATRONAGE CAPITAL</b>																			
2000	30.49	21.49	709	181	16.39	16	3	19.12	48	8	24.42	2	1	26.51	21	8			
2001	31.04	22.22	711	192	15.98	18	4	20.44	49	8	26.30	2	1	21.43	46	11			
2002	31.04	22.69	700	195	17.51	17	3	23.11	37	11	27.66	2	1	21.56	35	10			
2003	30.90	23.38	699	205	18.88	17	3	24.02	34	10	28.87	2	1	20.47	68	13			
2004	31.61	24.08	697	205	21.13	17	3	24.32	35	8	29.81	2	1	22.77	61	16			
<b>RATIO 27 --- RATE OF RETURN ON EQUITY (%)</b>																			
2000	8.11	5.74	821	190	3.91	23	4	6.11	54	14	3.51	3	1	7.13	22	9			
2001	9.39	6.01	831	155	10.51	24	16	6.28	55	13	4.41	3	1	6.88	52	11			
2002	7.33	6.56	823	334	10.97	23	18	6.66	46	16	7.33	3	2	8.25	41	25			
2003	6.67	5.85	820	331	7.55	23	15	5.74	44	18	6.39	3	1	6.35	77	34			
2004	6.80	5.86	818	315	3.58	23	2	6.22	44	17	5.37	3	1	5.73	68	23			
<b>RATIO 28 --- RATE OF RETURN ON TOTAL CAPITALIZATION (%)</b>																			
2000	6.20	5.51	821	282	4.79	23	5	5.62	54	23	4.58	3	1	6.20	22	11			
2001	6.44	5.69	831	271	6.89	24	17	5.75	55	25	4.76	3	1	6.14	52	23			
2002	5.35	5.69	823	480	6.89	23	17	5.72	46	28	5.15	3	1	6.28	41	28			
2003	5.28	5.27	820	408	5.52	23	14	5.25	44	21	5.28	3	2	5.30	77	41			
2004	4.83	5.12	818	473	3.43	23	4	5.35	44	28	4.83	3	2	4.99	68	37			
<b>RATIO 29 --- CURRENT RATIO</b>																			
2000	1.73	1.46	823	337	0.97	23	5	1.36	54	17	0.96	3	1	1.26	22	5			
2001	2.82	1.39	831	148	1.17	24	2	1.06	55	9	1.17	3	1	0.98	52	5			
2002	2.88	1.32	823	110	1.04	23	1	1.24	46	3	1.05	3	1	1.03	41	3			
2003	1.46	1.29	820	330	1.11	23	9	1.10	44	18	1.13	3	1	1.07	77	23			
2004	1.47	1.27	818	324	1.09	23	8	1.15	44	15	1.14	3	1	0.99	68	14			
<b>RATIO 30 --- GENERAL FUNDS PER TUP (%)</b>																			
2000	3.33	3.72	823	436	1.39	23	9	3.15	54	26	2.77	3	1	2.62	22	9			
2001	7.44	3.97	831	232	2.77	24	6	3.00	55	12	2.92	3	1	2.43	52	9			
2002	11.65	3.98	823	119	2.71	23	3	4.12	46	7	2.61	3	1	2.94	41	4			
2003	7.33	3.74	820	194	3.74	23	6	3.91	44	13	3.84	3	1	3.19	77	14			
2004	5.69	3.77	818	280	2.21	23	5	3.50	44	15	1.35	3	1	2.98	68	16			
<b>RATIO 31 --- PLANT REVENUE RATIO (PRR) ONE YEAR</b>																			
2000	5.95	6.29	823	540	5.95	23	12	6.21	54	34	6.59	3	3	5.93	22	11			
2001	5.85	6.27	831	556	5.84	24	12	6.21	55	39	7.04	3	3	5.93	52	29			
2002	6.06	6.19	823	459	6.06	23	12	5.94	46	22	7.13	3	3	5.82	41	17			
2003	6.19	6.32	820	458	6.19	23	12	6.24	44	23	7.09	3	3	6.19	77	39			
2004	6.26	6.45	818	463	6.26	23	12	6.39	44	24	7.31	3	3	6.31	68	68			
<b>RATIO 32 --- INVESTMENT IN SUBSIDIARIES TO TOTAL ASSETS (%)</b>																			
2000	-0.01	0.48	207	170	-0.02	10	5	0.01	17	12	-0.01	1	1	0.02	6	6			

2004 Key Ratio Trend Analysis (Part A)  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2001	0.00	0.46	225	187	-0.02	10	5	0.03	23	18	0.00	1	1	0.19	13	10
2002	0.00	0.63	230	200	0.16	11	8	0.58	20	18	0.00	1	1	0.64	11	10
2003	0.21	0.58	242	149	0.40	10	6	0.33	17	10	0.21	1	1	0.18	23	11
2004	0.20	0.63	247	158	0.43	10	7	0.33	18	11	0.20	1	1	0.37	25	15

REVENUE MARGINS RATIOS (33-59)

RATIO 33 --- TOTAL OPERATING REVENUE PER KWH SOLD (MILLS)

2000	65.73	72.68	816	588	58.24	23	7	71.45	54	37	58.24	3	1	72.49	22	14
2001	64.72	74.29	827	643	61.22	24	10	73.65	55	39	58.02	3	1	70.62	52	37
2002	64.38	74.19	821	667	58.93	23	10	73.89	46	41	58.13	3	1	76.46	41	34
2003	65.58	76.78	817	662	61.54	23	10	74.16	44	39	58.75	3	1	79.00	77	63
2004	66.47	78.83	818	673	65.50	23	11	75.94	44	36	58.40	3	1	82.05	68	60

RATIO 34 --- TOTAL OPERATING REVENUE PER TUP INVESTMENT (CENTS)

2000	42.41	38.53	821	319	50.55	23	16	43.28	54	29	42.41	3	2	41.24	22	10
2001	40.98	39.03	831	359	53.14	24	22	42.61	55	33	40.98	3	2	43.70	52	34
2002	40.56	39.01	823	368	51.59	23	21	40.91	46	24	40.56	3	2	44.65	41	26
2003	38.66	38.66	820	410	50.93	23	21	38.66	44	22	38.66	3	2	41.90	77	48
2004	37.42	38.58	818	441	52.31	23	21	39.68	44	23	37.42	3	2	40.16	68	45

RATIO 35 --- TOTAL OPERATING REVENUE PER CONSUMER (\$)

2000	956.11	1,335.62	818	753	1,144.49	23	23	1,271.68	54	51	1,327.24	3	3	1,283.10	22	20
2001	957.62	1,366.83	827	768	1,215.45	24	24	1,308.54	55	52	1,266.05	3	3	1,356.18	52	49
2002	982.69	1,422.03	821	768	1,245.92	23	23	1,362.07	46	42	1,304.26	3	3	1,422.87	41	41
2003	978.04	1,450.10	817	780	1,273.29	23	23	1,414.78	44	42	1,278.42	3	3	1,412.25	77	73
2004	994.28	1,499.83	818	782	1,348.81	23	23	1,474.04	44	41	1,282.78	3	3	1,483.50	68	64

RATIO 36 --- ELECTRIC REVENUE PER KWH SOLD (MILLS)

2000	64.00	71.69	816	602	57.40	23	7	69.49	54	38	57.40	3	1	70.47	22	15
2001	62.81	73.15	827	662	59.67	24	10	71.56	55	41	57.08	3	1	71.07	52	38
2002	62.60	72.95	821	676	57.42	23	10	71.30	46	41	57.14	3	1	74.53	41	35
2003	63.63	75.30	817	676	59.74	23	10	72.16	44	39	57.39	3	1	76.27	77	63
2004	64.53	77.27	818	683	63.65	23	11	73.66	44	36	57.12	3	1	79.39	68	61

RATIO 37 --- ELECTRIC REVENUE PER CONSUMER (\$)

2000	930.83	1,311.48	817	768	1,111.34	23	23	1,250.97	54	51	1,308.05	3	3	1,262.47	22	20
2001	929.50	1,343.88	827	774	1,186.05	24	24	1,285.59	55	54	1,245.64	3	3	1,328.41	52	50
2002	955.42	1,394.32	821	772	1,219.42	23	23	1,317.56	46	42	1,282.02	3	3	1,414.83	41	41
2003	949.00	1,422.65	817	781	1,248.36	23	23	1,359.21	44	42	1,248.90	3	3	1,382.18	77	73
2004	965.30	1,467.93	818	783	1,319.21	23	23	1,425.39	44	42	1,254.67	3	3	1,431.09	68	64

RATIO 38 --- RESIDENTIAL REVENUE PER KWH SOLD (MILLS)

2000	62.89	76.15	815	725	62.89	23	12	74.14	54	48	62.89	3	2	74.06	22	20
2001	61.66	78.08	826	769	64.73	24	17	76.19	55	50	61.66	3	2	76.72	52	50
2002	61.37	78.62	821	775	62.19	23	15	77.23	46	45	61.37	3	2	79.22	41	38
2003	62.55	81.23	817	770	64.07	23	15	76.80	44	41	62.54	3	1	81.31	77	71
2004	63.47	83.39	818	780	68.49	23	20	79.22	44	41	62.45	3	1	82.44	68	66

RATIO 39 --- NON-RESIDENTIAL REVENUE PER KWH SOLD (MILLS)

2000	67.43	63.56	817	309	51.28	23	1	63.04	54	20	48.61	3	1	63.81	22	9
2001	66.53	64.85	825	378	54.16	24	4	63.58	55	24	48.79	3	1	60.06	52	16
2002	66.64	65.18	819	369	54.00	23	3	66.55	46	23	49.34	3	1	65.41	41	41
2003	67.17	67.17	815	411	54.45	23	3	67.63	44	25	49.46	3	1	67.68	77	77
2004	67.99	68.69	815	429	58.77	23	3	67.33	44	22	49.08	3	1	70.31	68	68



2004 Key Ratio Trend Analysis (N/A)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)		
	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
<b>RATIO 42 --- SMALL COMMERCIAL REVENUE PER KWH SOLD (MILLS)</b>																		
2000	66.98	816	515	59.51	23	7	70.87	54	34	59.51	3	1	70.67	22	16			
2001	65.99	825	574	60.24	24	10	72.94	55	36	58.54	3	1	72.26	52	34			
2002	66.31	819	583	59.96	23	9	74.58	46	37	58.65	3	1	76.36	41	33			
2003	67.18	815	597	61.76	23	9	78.34	44	36	58.41	3	1	76.57	77	58			
2004	68.03	815	606	66.27	23	9	78.71	44	32	59.47	3	1	80.96	68	57			
<b>RATIO 43 --- LARGE COMMERCIAL REVENUE PER KWH SOLD (MILLS)</b>																		
2000	72.06	644	64	39.73	23	1	49.67	48	4	39.73	3	1	47.07	18	1			
2001	73.06	650	69	43.00	24	1	50.36	50	3	40.31	3	1	48.78	47	7			
2002	70.99	656	74	42.74	23	1	50.12	41	3	41.14	3	1	49.93	34	4			
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
<b>RATIO 45 --- STREET &amp; HIGHWAY LIGHTING REVENUE PER KWH SOLD (MILLS)</b>																		
2000	62.76	582	524	87.83	18	16	90.32	40	35	103.38	3	3	89.66	16	15			
2001	61.73	598	555	91.04	19	17	99.91	40	37	108.29	3	3	98.56	36	31			
2002	61.82	596	550	93.55	18	16	116.53	36	32	110.98	3	3	94.94	28	23			
2003	62.86	589	547	100.16	18	16	118.00	36	33	115.17	3	3	110.46	51	49			
2004	64.43	587	534	100.60	18	16	118.16	34	30	121.40	3	3	117.90	45	43			
<b>RATIO 47 --- OPERATING MARGINS PER KWH SOLD (MILLS)</b>																		
2000	2.75	818	347	1.10	23	5	2.40	54	24	1.10	3	1	2.34	22	10			
2001	3.59	827	318	1.23	24	4	2.71	55	21	1.83	3	1	2.00	52	14			
2002	2.88	821	463	1.54	23	6	3.23	46	27	2.21	3	1	4.37	41	27			
2003	2.75	817	431	1.39	23	6	3.18	44	24	2.54	3	1	2.89	77	43			
2004	2.77	818	404	0.77	23	3	3.09	44	24	2.20	3	1	2.70	68	32			
<b>RATIO 48 --- OPERATING MARGINS PER CONSUMER (\$)</b>																		
2000	39.94	818	437	27.13	23	10	49.92	54	31	27.59	3	1	43.36	22	12			
2001	53.07	827	393	28.12	24	6	46.79	55	24	39.92	3	1	42.08	52	23			
2002	63.53	821	543	44.02	23	12	65.21	46	34	49.54	3	3	82.70	41	32			
2003	41.04	817	516	36.72	23	10	58.37	44	29	52.50	3	3	58.98	77	55			
2004	41.49	818	487	16.74	23	7	65.48	44	30	41.49	3	2	43.26	68	36			
<b>RATIO 49 --- NON-OPERATING MARGINS PER KWH SOLD (MILLS)</b>																		
2000	0.64	816	415	0.21	23	4	0.52	54	23	0.17	3	1	0.46	22	7			
2001	0.52	827	420	0.23	24	4	0.37	55	21	0.14	3	1	0.34	52	15			
2002	0.39	819	430	0.14	23	6	0.39	46	23	0.01	3	1	0.26	41	12			
2003	0.36	817	439	0.25	23	4	0.36	44	22	0.35	3	1	0.36	77	39			
2004	0.28	818	528	0.24	23	8	0.41	44	25	0.28	3	2	0.32	68	38			
<b>RATIO 50 --- NON-OPERATING MARGINS PER CONSUMER (\$)</b>																		
2000	9.37	818	475	5.61	23	8	8.07	54	25	8.70	3	1	7.45	22	10			
2001	7.62	827	477	4.31	24	7	6.98	55	27	7.62	3	2	7.20	52	25			
2002	5.91	819	482	2.74	23	7	6.26	46	24	4.70	3	1	4.70	41	17			
2003	5.39	817	505	5.46	23	13	6.20	44	27	7.55	3	3	6.16	77	44			
2004	4.24	818	588	4.58	23	17	6.79	44	30	12.44	3	3	5.56	68	42			
<b>RATIO 51 --- TOTAL MARGINS LESS ALLOCATIONS PER KWH SOLD (MILLS)</b>																		
2000	3.39	816	385	1.52	23	4	3.16	54	26	1.27	3	1	3.39	22	11			
2001	4.10	827	349	1.77	24	4	2.66	55	23	1.97	3	1	2.59	52	19			
2002	3.27	821	474	1.74	23	6	3.68	46	27	1.77	3	1	4.24	41	19			
2003	3.11	817	452	1.62	23	6	3.40	44	24	2.89	3	1	3.32	77	41			
2004	3.06	818	444	1.04	23	3	3.05	44	22	2.77	3	1	3.03	68	38			

2004 Key Ratios Financial Analysis (KY018)  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)		
	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
<b>RATIO 52 --- TOTAL MARGINS LESS ALLOCATIONS PER CONSUMER (\$)</b>																		
2000	49.32	62.18	818	31.93	23	8	63.90	54	30	36.29	3	1	52.63	22	12			
2001	60.69	62.63	827	38.45	24	5	50.33	55	25	42.94	3	1	57.73	52	23			
2002	49.93	72.37	821	39.81	23	10	64.36	46	33	49.93	3	2	86.07	41	31			
2003	46.43	66.25	817	45.88	23	11	59.61	44	29	62.88	3	3	60.86	77	52			
2004	45.73	63.66	818	29.30	23	9	69.95	44	31	46.15	3	3	55.10	68	42			
<b>RATIO 53 --- INCOME (LOSS) FROM EQUITY INVESTMENTS PER CONSUMER (\$)</b>																		
2000	0.13	-2.53	202	-1.74	11	4	-0.78	20	7	0.14	2	2	-3.60	7	1			
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
<b>RATIO 54 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER KWH SOLD (MILLS)</b>																		
2000	0.24	0.72	758	0.19	19	5	0.48	53	39	0.23	3	1	0.57	21	18			
2001	0.26	0.99	765	3.35	21	18	0.67	53	45	0.18	3	1	1.24	46	40			
2002	0.13	0.92	761	3.70	21	18	0.41	41	33	0.13	3	2	0.75	38	31			
2003	0.12	0.92	764	2.98	22	17	0.60	39	31	0.10	3	1	0.80	70	55			
2004	0.29	0.98	770	0.12	21	1	0.38	40	24	0.14	3	1	0.94	65	47			
<b>RATIO 55 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER CONSUMER (\$)</b>																		
2000	3.51	12.72	761	3.72	19	13	6.87	53	41	3.51	3	2	10.21	21	20			
2001	3.79	17.98	765	62.63	21	19	15.28	53	45	3.79	3	2	19.95	46	42			
2002	1.96	16.88	761	73.27	21	18	8.27	41	34	1.96	3	2	14.68	38	33			
2003	1.75	16.68	764	57.07	22	18	12.26	39	34	1.75	3	2	13.90	70	57			
2004	4.31	16.82	770	2.50	21	2	6.47	40	26	3.11	3	1	17.11	65	48			
<b>RATIO 56 --- TOTAL MARGINS PER KWH SOLD (MILLS)</b>																		
2000	3.63	4.28	816	1.68	23	4	4.58	54	31	1.50	3	1	4.04	22	12			
2001	4.36	4.84	827	4.51	24	13	4.39	55	29	2.15	3	1	4.25	52	25			
2002	3.40	5.08	821	4.60	23	17	5.05	46	36	1.94	3	1	5.11	41	30			
2003	3.23	4.58	817	3.50	23	15	4.33	44	31	2.99	3	1	4.42	77	54			
2004	3.35	4.71	818	1.08	23	2	4.41	44	26	2.91	3	1	3.99	68	43			
<b>RATIO 57 --- TOTAL MARGINS PER CONSUMER (\$)</b>																		
2000	52.83	79.75	818	34.21	23	8	79.33	54	34	38.70	3	1	58.13	22	13			
2001	64.49	87.64	827	92.75	24	17	84.21	55	32	46.92	3	1	78.93	52	32			
2002	51.89	100.54	821	106.10	23	18	81.87	46	36	51.89	3	2	101.45	41	33			
2003	48.18	88.12	817	81.29	23	20	72.69	44	36	65.01	3	3	76.77	77	62			
2004	50.04	87.31	818	30.53	23	8	84.19	44	32	50.04	3	2	75.67	68	51			
<b>RATIO 58 --- A/R OVER 60 DAYS AS A % OF OPERATING REVENUE</b>																		
2000	0.15	0.25	799	0.14	23	10	0.23	53	37	0.15	3	2	0.23	22	17			
2001	0.17	0.27	811	0.16	24	11	0.28	53	39	0.17	3	2	0.24	52	34			
2002	0.14	0.25	807	0.13	23	11	0.21	45	29	0.18	3	3	0.28	41	31			
2003	0.07	0.23	804	0.13	23	17	0.21	43	38	0.12	3	3	0.20	74	62			
2004	0.06	0.22	797	0.11	23	19	0.20	43	40	0.11	3	3	0.21	66	51			
<b>RATIO 59 --- AMOUNT WRITTEN OFF AS A % OF OPERATING REVENUE</b>																		
2000	0.13	0.18	783	0.22	23	20	0.25	53	44	0.13	3	2	0.16	21	13			
2001	0.13	0.21	795	0.35	24	22	0.30	53	43	0.13	3	2	0.26	52	40			
2002	0.14	0.21	792	0.33	23	21	0.27	46	44	0.14	3	2	0.32	41				
2003	0.09	0.21	791	0.34	23	22	0.28	44	43	0.09	3	2	0.27	76				
2004	0.14	0.20	787	0.26	23	22	0.29	44	39	0.14	3	2	0.25	67				

2004 Key Ratio Trends Analysis (KY018)  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)		
	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
<b>RATIO 60 --- TOTAL MWH SOLD PER MILE OF LINE</b>																		
2000	128.68	92.20	816	195.47	23	17	127.89	54	26	3	3	195.47	3	3	137.37	22	13	
2001	131.83	92.96	827	189.76	24	20	129.94	55	26	3	3	188.67	3	3	147.06	52	30	
2002	137.13	95.78	821	189.85	23	20	135.99	46	23	3	3	195.55	3	3	154.79	41	26	
2003	135.09	96.01	817	185.52	23	20	149.29	44	25	3	3	189.37	3	3	134.89	77	38	
2004	136.31	98.70	818	187.93	23	20	155.72	44	27	3	3	191.37	3	3	135.25	68	34	
<b>RATIO 61 --- AVERAGE RESIDENTIAL USAGE KWH PER MONTH</b>																		
2000	984.02	1,111.44	815	1,193.15	23	23	1,110.62	54	43	3	3	1,225.25	3	3	1,178.92	22	17	
2001	1,009.13	1,113.13	826	1,182.55	24	23	1,106.55	55	41	3	3	1,182.55	3	3	1,124.99	52	42	
2002	1,085.87	1,154.80	821	1,246.43	23	22	1,171.82	46	34	3	3	1,260.16	3	3	1,217.37	41	33	
2003	1,027.26	1,136.65	817	1,215.29	23	22	1,189.00	44	35	3	3	1,212.17	3	3	1,163.25	77	59	
2004	1,029.63	1,136.19	818	1,225.53	23	23	1,181.67	44	34	3	3	1,217.66	3	3	1,197.82	68	51	
<b>RATIO 64 --- AVERAGE SMALL COMMERCIAL KWH USAGE PER MONTH</b>																		
2000	3,912.64	3,267.01	816	4,923.10	23	15	3,466.35	54	23	3	2	3,912.64	3	2	3,863.94	22	11	
2001	3,913.61	3,237.58	825	4,297.44	24	15	3,534.25	55	22	3	2	3,913.61	3	2	3,814.61	52	26	
2002	3,588.83	3,266.21	819	4,775.79	23	15	2,980.34	46	15	3	2	3,588.83	3	2	3,325.58	41	20	
2003	3,848.65	3,252.23	815	4,044.62	23	13	2,616.23	44	12	3	2	3,848.65	3	2	3,300.04	77	32	
2004	3,891.32	3,233.06	815	3,891.32	23	12	3,163.86	44	13	3	2	3,891.32	3	2	3,436.72	68	28	
<b>RATIO 65 --- AVERAGE LARGE COMMERCIAL KWH USAGE PER MONTH</b>																		
2000	227,333.33	436,986.11	643	1,224,733.33	23	23	474,256.94	48	37	3	3	760,250.00	3	3	494,443.84	18	13	
2001	200,472.22	426,619.79	650	1,224,216.67	24	24	485,269.44	50	41	3	3	888,027.78	3	3	819,547.62	47	42	
2002	196,138.89	435,783.33	655	1,295,333.33	23	23	572,583.33	41	34	3	3	740,325.00	3	3	435,452.73	34	29	
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>RATIO 66 --- AVERAGE STREET &amp; HIGHWAY LIGHTING KWH USAGE PER MONTH</b>																		
2000	12,777.78	1,590.42	580	2,163.11	18	2	2,055.56	39	4	4	4	9,416.67	3	1	1,449.04	16	1	
2001	13,013.89	1,717.32	596	2,119.44	19	2	2,443.06	40	5	5	5	9,395.83	3	1	1,843.75	36	3	
2002	13,125.00	1,671.28	594	2,452.75	18	2	3,035.12	36	1	1	1	10,937.50	3	1	2,182.29	26	2	
2003	13,347.22	1,666.67	583	2,554.94	18	1	2,932.65	36	1	1	1	10,875.00	3	1	1,350.31	51	2	
2004	13,569.44	1,666.67	585	2,355.77	18	1	2,596.37	34	2	2	2	11,208.33	3	1	1,989.58	45	1	
<b>RATIO 69 --- RESIDENTIAL KWH SOLD PER TOTAL KWH SOLD (%)</b>																		
2000	75.69	63.79	817	63.09	23	3	67.40	54	15	15	15	60.00	3	1	65.14	22	5	
2001	76.26	63.24	826	61.72	24	3	63.70	55	15	15	15	59.16	3	1	62.19	52	14	
2002	76.76	63.09	821	61.44	23	3	71.15	46	13	13	13	61.27	3	1	70.05	41	11	
2003	76.41	62.48	817	61.37	23	3	68.50	44	14	14	14	60.67	3	1	70.79	77	26	
2004	76.41	61.86	818	60.83	23	3	65.06	44	11	11	11	60.10	3	1	69.00	68	18	
<b>RATIO 72 --- SMALL COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)</b>																		
2000	21.70	16.61	816	16.59	23	6	14.43	54	16	16	16	21.70	3	2	16.65	22	9	
2001	21.49	17.01	825	16.19	24	7	16.05	55	16	16	16	21.49	3	2	15.55	52	17	
2002	21.15	16.68	819	16.62	23	6	17.19	46	16	16	16	21.15	3	2	17.61	41	14	
2003	23.34	16.64	815	16.50	23	3	16.57	44	12	12	12	23.34	3	2	15.87	77	20	
2004	23.34	16.91	815	16.51	23	3	16.14	44	15	15	15	23.34	3	2	17.30	68	20	
<b>RATIO 73 --- LARGE COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)</b>																		
2000	2.34	12.23	644	20.03	23	23	13.38	48	46	46	46	15.31	3	3	13.00	1	1	
2001	1.99	11.90	650	19.87	24	24	15.08	50	48	48	48	16.49	3	3	13.16	4	4	
2002	1.84	11.77	656	19.02	23	23	7.92	41	38	38	38	14.62	3	3	10.70	2	2	
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

2004 Key Ratio Trend Analysis (KRA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)		
	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	0.26	583	156	0.13	599	175	0.08	18	4	0.14	40	11	0.08	3	1	0.10	16	5
2002	0.25	596	170	0.13	589	170	0.09	18	5	0.14	36	12	0.09	3	1	0.11	26	10
2003	0.25	587	168	0.13	587	168	0.09	18	5	0.18	34	13	0.09	3	1	0.13	45	15
2004	0.25	587	168	0.13	587	168	0.09	18	5	0.18	34	13	0.09	3	1	0.13	45	15

**RATIO 74 --- STREET & HIGHWAY LIGHTING KWH SOLD PER TOTAL KWH SOLD (%)**

Year	Median	NBR	Rank
2000	0.08	18	4
2001	0.09	19	4
2002	0.09	18	5
2003	0.09	18	5
2004	0.09	18	5

**CONTROLLABLE EXPENSES (RATIOS 77-87)**

**RATIO 77 --- O & M EXPENSES PER TOTAL KWH SOLD (MILLS)**

Year	Median	NBR	Rank
2000	7.99	419	2
2001	8.40	460	4
2002	8.52	483	5
2003	8.79	422	2
2004	9.12	334	2

**RATIO 78 --- O & M EXPENSES PER DOLLARS OF TUP (MILLS)**

Year	Median	NBR	Rank
2000	42.37	205	7
2001	42.48	241	10
2002	42.85	272	12
2003	44.05	215	9
2004	43.49	127	6

**RATIO 79 --- O & M EXPENSES PER CONSUMER (\$)**

Year	Median	NBR	Rank
2000	144.58	818	638
2001	149.12	827	663
2002	158.46	821	682
2003	164.76	817	624
2004	169.06	818	530

**RATIO 80 --- CONSUMER ACCOUNTING EXPENSES PER TOTAL KWH SOLD (MILLS)**

Year	Median	NBR	Rank
2000	2.44	239	1
2001	2.55	325	3
2002	2.52	347	4
2003	2.63	312	4
2004	2.72	357	5

**RATIO 81 --- CONSUMER ACCOUNTING EXPENSES PER CONSUMER (\$)**

Year	Median	NBR	Rank
2000	43.24	432	8
2001	41.85	542	14
2002	42.08	551	17
2003	44.85	525	15
2004	43.55	567	16

**RATIO 82 --- CUSTOMER SALES AND SERVICE PER TOTAL KWH SOLD (MILLS)**

Year	Median	NBR	Rank
2000	0.54	533	23
2001	0.49	598	24
2002	0.51	550	23
2003	0.53	551	23
2004	0.51	567	23

**RATIO 83 --- CUSTOMER SALES AND SERVICE PER CONSUMER (\$)**

Year	Median	NBR	Rank
2000	7.81	616	23
2001	7.19	662	24

2004 Key Ratio Trend Analysis (Ratio A)  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2000	7.84	15.31	807	623	8.44	23	14	10.19	46	31	7.25	3	1	18.81	41	36
2002	7.91	15.96	804	619	9.29	23	16	12.48	44	27	7.83	3	1	16.47	77	62
2003	7.58	15.69	805	634	7.58	23	12	10.08	44	28	6.83	3	1	16.72	68	58
2004																
<b>RATIO 84 --- A &amp; G EXPENSES PER TOTAL KWH SOLD (MILLS)</b>																
2000	2.64	4.70	816	688	2.31	23	9	3.89	54	37	2.09	3	1	4.45	22	17
2001	2.56	4.93	827	723	2.58	24	13	3.15	55	45	2.31	3	1	3.78	52	39
2002	2.84	4.95	821	691	2.59	23	11	3.89	46	35	2.24	3	1	4.39	41	34
2003	2.73	5.20	817	720	2.73	23	12	4.10	44	37	2.55	3	1	4.24	77	62
2004	2.88	5.26	818	700	2.78	23	11	4.06	44	34	2.73	3	1	4.64	68	54
<b>RATIO 85 --- A &amp; G EXPENSES PER CONSUMER (\$)</b>																
2000	38.46	85.51	816	780	48.01	23	22	64.97	54	53	47.69	3	3	80.33	22	21
2001	37.92	89.73	827	796	53.85	24	24	62.88	55	54	50.31	3	3	77.21	52	49
2002	43.36	92.21	821	778	52.23	23	20	63.16	46	42	43.36	3	2	77.41	41	39
2003	40.70	95.79	817	794	55.40	23	23	70.31	44	41	46.60	3	3	77.05	77	74
2004	43.01	97.92	818	791	57.17	23	22	74.35	44	41	47.30	3	3	84.24	68	66
<b>RATIO 86 --- TOTAL CONTROLLABLE EXPENSES PER TOTAL KWH SOLD (MILLS) (SAME AS RATIO #103)</b>																
2000	14.03	16.41	818	541	9.85	23	3	14.09	54	29	9.26	3	1	13.91	22	11
2001	13.71	17.12	827	588	10.65	24	6	14.38	55	34	9.78	3	1	13.57	52	26
2002	13.80	17.23	821	581	10.79	23	4	16.29	46	32	9.80	3	1	14.92	41	25
2003	14.98	17.92	817	559	11.56	23	4	17.05	44	26	10.98	3	1	16.69	77	51
2004	16.28	18.27	818	504	11.61	23	2	16.64	44	23	10.87	3	1	18.08	68	47
<b>RATIO 87 --- TOTAL CONTROLLABLE EXPENSES PER CONSUMER (\$) (SAME AS RATIO #104)</b>																
2000	204.01	291.05	818	755	218.20	23	19	248.50	54	49	211.00	3	3	280.29	22	19
2001	202.83	303.12	827	788	231.46	24	21	258.12	55	51	213.31	3	3	270.26	52	51
2002	210.60	313.29	821	780	236.89	23	20	266.97	46	43	219.94	3	3	293.13	41	41
2003	223.45	327.14	817	771	253.74	23	20	283.36	44	39	238.90	3	3	290.03	77	73
2004	243.51	337.61	818	737	249.79	23	16	294.72	44	37	243.51	3	2	312.36	68	63
<b>FIXED EXPENSES (RATIOS 88-102)</b>																
<b>RATIO 88 --- POWER COST PER KWH PURCHASED (MILLS)</b>																
2000	36.48	38.61	813	521	36.36	23	11	39.99	53	39	36.03	3	1	42.77	22	15
2001	35.76	39.91	823	566	38.79	24	20	40.33	55	43	35.15	3	1	41.32	52	41
2002	35.55	40.25	821	582	38.03	23	19	41.50	46	41	35.51	3	1	44.00	41	32
2003	35.45	42.83	817	628	39.80	23	21	45.26	44	40	34.94	3	1	44.95	77	67
2004	35.59	44.15	816	643	43.68	23	21	45.88	44	38	35.05	3	1	45.50	68	62
<b>RATIO 89 --- POWER COST PER TOTAL KWH SOLD (MILLS)</b>																
2000	39.67	41.61	816	504	38.67	23	5	43.26	54	35	38.17	3	1	44.97	22	14
2001	37.72	42.54	826	580	40.52	24	19	43.53	55	45	37.47	3	1	43.67	52	42
2002	38.17	43.28	821	573	39.98	23	17	44.57	46	40	37.53	3	1	46.85	41	32
2003	38.19	45.73	817	618	41.94	23	19	47.43	44	40	36.89	3	1	47.91	77	67
2004	38.08	47.17	818	635	45.69	23	21	47.56	44	38	36.90	3	1	48.91	68	62
<b>RATIO 90 --- POWER COST AS A % OF REVENUE</b>																
2000	60.34	58.90	821	353	65.13	23	19	61.32	54	29	65.54	3	3	60.91	22	13
2001	58.28	58.29	830	416	67.80	24	23	61.54	55	38	64.58	3	3	62.27	52	37
2002	59.29	57.96	823	358	68.59	23	20	59.42	46	25	64.56	3	3	59.98	4*	24
2003	58.23	58.89	820	430	68.95	23	22	60.83	44	27	62.79	3	3	60.98	7	7
2004	57.28	59.33	818	488	70.60	23	23	61.77	44	30	63.19	3	3	60.04	6	6
<b>RATIO 91 --- LONG-TERM INTEREST COST PER TOTAL KWH SOLD (MILLS)</b>																

2004 Key Ratio Trend Analysis (cont'd)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2000	4.29	4.36	808	423	2.68	23	7	4.34	54	29	3	1	4.67	22	12	
2001	4.37	4.40	820	416	2.73	24	6	4.08	55	25	3	1	4.00	52	24	
2002	4.13	4.01	813	377	2.41	23	4	4.09	46	21	3	1	3.96	40	18	
2003	4.03	3.85	810	382	2.22	23	3	4.10	44	23	3	1	4.02	76	37	
2004	3.59	3.88	811	451	2.44	23	4	4.00	44	24	3	1	4.09	68	39	
<b>RATIO 92 --- LONG-TERM INTEREST COST AS A % OF TUP</b>																
2000	2.77	2.27	813	186	2.58	23	9	2.42	54	17	3	1	2.62	22	9	
2001	2.77	2.22	824	166	2.51	24	7	2.33	55	13	3	1	2.64	52	21	
2002	2.60	2.00	814	126	2.15	23	3	2.20	46	9	3	1	2.38	40	13	
2003	2.38	1.90	812	168	1.95	23	3	2.13	44	11	3	1	2.11	76	25	
2004	2.02	1.87	811	326	1.90	23	10	2.03	44	23	3	2	2.02	68	35	
<b>RATIO 93 --- LONG-TERM INTEREST COST PER CONSUMER (\$)</b>																
2000	62.38	76.84	810	553	62.38	23	12	73.59	54	34	3	3	74.24	22	17	
2001	64.62	76.95	820	539	64.43	24	12	72.80	55	34	3	3	80.40	52	35	
2002	63.04	72.31	813	507	54.18	23	7	67.62	46	27	3	3	76.20	40	26	
2003	60.11	70.83	810	526	53.29	23	8	67.80	44	27	3	3	68.69	76	49	
2004	53.77	71.98	811	583	51.58	23	11	70.85	44	32	3	3	69.49	68	51	
<b>RATIO 94 --- DEPRECIATION EXPENSE PER TOTAL KWH SOLD (MILLS)</b>																
2000	4.88	5.36	815	502	3.58	23	4	4.92	54	29	3	2	5.11	22	12	
2001	5.16	5.53	826	488	3.60	24	4	5.07	55	26	3	2	4.68	52	23	
2002	5.23	5.58	820	468	3.64	23	5	5.38	46	26	3	2	4.84	40	16	
2003	5.43	5.82	816	474	3.74	23	4	5.56	44	26	3	1	5.56	76	41	
2004	5.57	5.97	818	481	3.90	23	4	5.59	44	24	3	1	5.82	68	40	
<b>RATIO 95 --- DEPRECIATION EXPENSE AS A % OF TUP</b>																
2000	3.15	2.84	820	153	3.07	23	9	2.84	54	11	3	2	2.87	22	4	
2001	3.27	2.85	830	90	3.16	24	7	2.82	55	4	3	2	2.84	52	7	
2002	3.29	2.87	822	89	3.22	23	8	2.94	46	9	3	2	2.93	40	7	
2003	3.20	2.88	819	119	3.20	23	12	2.94	44	11	3	2	2.90	76	9	
2004	3.14	2.87	818	157	3.17	23	13	2.96	44	16	3	2	2.83	68	11	
<b>RATIO 96 --- DEPRECIATION EXPENSE PER CONSUMER (\$)</b>																
2000	70.99	96.37	817	711	75.52	23	18	83.64	54	42	3	3	81.93	22	16	
2001	76.41	98.98	826	687	81.02	24	16	87.17	55	41	3	3	91.93	52	42	
2002	79.77	102.42	820	680	85.08	23	18	89.46	46	33	3	3	93.00	40	32	
2003	80.97	106.88	816	691	87.89	23	18	97.05	44	32	3	3	94.45	76	57	
2004	83.32	109.89	818	692	91.49	23	18	101.20	44	35	3	3	99.32	68	54	
<b>RATIO 97 --- ACCUMULATIVE DEPRECIATION AS A % OF PLANT IN SERVICE</b>																
2000	24.06	30.05	823	658	24.06	23	12	25.91	54	34	3	2	24.92	22	13	
2001	23.70	30.27	831	676	23.55	24	12	26.23	55	37	3	2	26.04	52	34	
2002	24.04	30.52	823	654	24.74	23	13	28.15	46	33	3	2	24.15	41	22	
2003	24.53	30.69	819	640	25.93	23	13	28.76	44	32	3	2	25.41	77	47	
2004	24.61	31.11	818	639	26.03	23	13	29.39	44	30	3	2	26.66	68	41	
<b>RATIO 98 --- TOTAL TAX EXPENSE PER TOTAL KWH SOLD (MILLS)</b>																
2000	0.06	0.86	595	486	0.07	22	18	0.55	51	40	3	2	1.10	14	11	
2001	0.08	0.85	604	479	0.08	23	12	0.43	51	37	3	2	0.88	35	32	
2002	0.08	0.90	594	480	0.08	22	10	0.52	36	22	3	1	1.27	33	30	
2003	0.08	0.94	591	467	0.08	22	11	0.28	35	22	3	1	1.06	31	28	
2004	0.07	0.98	593	472	0.07	22	12	0.42	37	25	3	2	1.11	28	25	
<b>RATIO 99 --- TOTAL TAX EXPENSE AS A % OF TUP</b>																

19  
Exhibit

2004 Key Ratio Item Analysis (Ratio A)  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)		
	System Value	Median	NBR	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
2000	0.04	0.49	600	0.06	22	21	0.35	51	41	0.05	3	3	0.56	14	11
2001	0.05	0.47	607	0.06	23	21	0.19	51	38	0.05	3	3	0.53	35	32
2002	0.05	0.47	596	0.06	22	19	0.33	36	22	0.05	3	2	0.65	30	28
2003	0.05	0.47	594	0.06	22	19	0.15	35	20	0.05	3	2	0.55	52	42
2004	0.04	0.45	593	0.05	22	21	0.19	37	24	0.04	3	3	0.52	49	38
<b>RATIO 100 --- TOTAL TAX EXPENSE PER CONSUMER</b>															
2000	0.87	15.94	597	1.40	22	21	9.57	51	43	1.56	3	3	17.82	14	12
2001	1.12	15.83	604	1.47	23	22	9.03	51	41	1.67	3	3	16.15	35	32
2002	1.21	16.60	594	1.53	22	21	6.76	36	23	1.62	3	3	20.89	30	28
2003	1.20	17.68	591	1.57	22	21	7.02	35	22	1.58	3	3	20.12	52	44
2004	1.02	17.91	593	1.52	22	21	9.56	37	26	1.53	3	3	19.55	49	39
<b>RATIO 101 --- TOTAL FIXED EXPENSES PER TOTAL KWH SOLD (MILLS)</b>															
2000	48.96	53.39	818	46.03	23	7	53.26	54	35	47.89	3	1	52.82	22	18
2001	47.42	53.92	827	47.82	24	13	53.55	55	43	46.41	3	1	54.19	52	41
2002	47.70	53.64	821	46.97	23	10	55.13	46	41	46.12	3	1	54.32	41	34
2003	47.85	55.96	817	48.18	23	14	56.00	44	38	45.23	3	1	57.55	77	64
2004	47.42	57.41	818	53.08	23	19	56.92	44	38	45.33	3	1	60.00	68	61
<b>RATIO 102 --- TOTAL FIXED EXPENSES PER CONSUMER (\$)</b>															
2000	712.15	982.90	818	926.20	23	22	950.73	54	49	1,091.23	3	3	984.16	22	20
2001	701.71	1,001.35	827	978.52	24	24	1,009.87	55	52	1,012.82	3	3	1,051.75	52	49
2002	728.07	1,033.15	821	980.92	23	23	1,012.36	46	43	1,034.78	3	3	1,032.34	41	39
2003	713.56	1,055.50	817	998.49	23	23	1,053.98	44	41	984.19	3	3	1,056.45	77	67
2004	709.29	1,099.12	818	1,083.79	23	23	1,096.31	44	41	995.68	3	3	1,090.58	68	62
<b>TOTAL EXPENSES (RATIOS 103-107)</b>															
<b>RATIO 103 --- TOTAL OPERATING EXPENSES PER TOTAL KWH SOLD (MILLS)</b>															
2000	14.03	16.41	818	9.85	23	3	14.09	54	29	9.26	3	1	13.91	22	11
2001	13.71	17.12	827	10.65	24	6	14.38	55	34	9.78	3	1	13.57	52	26
2002	13.80	17.23	821	10.79	23	4	16.29	46	32	9.80	3	1	14.92	41	25
2003	14.98	17.92	817	11.56	23	4	17.05	44	26	10.98	3	1	16.69	77	51
2004	16.28	18.27	818	11.61	23	2	16.64	44	23	10.87	3	1	18.08	68	47
<b>RATIO 104 --- TOTAL OPERATING EXPENSES PER CONSUMER (\$)</b>															
2000	204.01	291.05	818	218.20	23	19	248.50	54	49	211.00	3	3	260.29	22	19
2001	202.83	303.12	827	231.46	24	21	258.12	55	51	213.31	3	3	270.26	52	51
2002	210.60	313.29	821	236.89	23	20	266.97	46	43	219.94	3	3	293.13	41	41
2003	223.45	327.14	817	253.74	23	20	283.36	44	39	238.90	3	3	290.03	77	73
2004	243.51	337.61	818	249.79	23	16	294.72	44	37	243.51	3	2	312.36	68	63
<b>RATIO 105 --- TOTAL COST OF SERVICE (MINUS POWER COSTS) PER TOTAL KWH SOLD (MILLS)</b>															
2000	23.32	27.67	816	17.59	23	3	23.94	54	29	18.97	3	1	25.47	22	14
2001	23.41	28.56	827	18.05	24	7	24.55	55	35	18.72	3	1	23.41	52	26
2002	23.33	28.16	821	18.13	23	5	28.01	46	33	18.39	3	1	25.35	41	26
2003	24.64	28.99	817	18.80	23	5	27.79	44	30	19.32	3	1	28.06	77	49
2004	25.62	29.41	818	19.29	23	5	27.63	44	28	19.29	3	1	29.97	68	49
<b>RATIO 106 --- TOTAL COST OF ELECTRIC SERVICE PER TOTAL KWH SOLD (MILLS)</b>															
2000	62.99	69.94	816	57.22	23	6	67.20	54	36	57.15	3	1	69.31	22	17
2001	61.13	70.89	827	59.57	24	11	68.27	55	42	56.19	3	1	68.12	52	26
2002	61.50	70.65	821	57.94	23	10	70.08	46	40	55.92	3	1	70.65	41	26
2003	62.83	73.38	817	60.84	23	11	71.47	44	38	56.21	3	1	75.81	77	49
2004	63.70	75.59	818	63.70	23	12	72.30	44	35	56.19	3	1	78.96	68	49

2004 Key Ratio Analysis (KRIA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value		US Total		State Grouping		Consumer Size		Major Current Power Supplier		Plant Growth (1998-2004)	
	Median	NBR	Median	NBR	Median	NBR	Median	NBR	Median	NBR	Median	NBR
<b>RATIO 107 --- TOTAL COST OF ELECTRIC SERVICE PER CONSUMER (\$)</b>												
2000	916.16	818	1,288.33	754	1,117.36	23	22	1,211.12	54	50	1,302.23	22
2001	904.55	827	1,316.50	775	1,214.54	24	24	1,306.59	55	54	1,226.13	52
2002	938.67	821	1,350.76	769	1,215.82	23	23	1,256.86	46	43	1,254.72	41
2003	937.00	817	1,390.11	777	1,241.37	23	23	1,355.07	44	41	1,223.09	77
2004	952.80	818	1,436.68	782	1,333.59	23	23	1,414.70	44	41	1,234.35	68
<b>RATIO 108 --- AVERAGE WAGE RATE PER HOUR (\$)</b>												
2000	19.15	809	19.91	474	19.15	23	12	19.65	53	32	20.90	22
2001	21.44	820	20.62	317	19.90	24	9	20.51	55	21	22.14	51
2002	23.26	819	21.42	232	21.04	23	6	21.06	46	12	23.06	41
2003	23.58	814	22.11	286	22.43	23	7	21.81	44	15	23.58	77
2004	24.80	815	23.08	265	23.14	23	7	23.80	44	13	24.80	68
<b>RATIO 109 --- TOTAL WAGES PER TOTAL KWH SOLD (MILLS)</b>												
2000	7.09	809	9.39	591	5.51	23	6	8.35	53	36	5.29	22
2001	7.39	822	9.59	593	5.97	24	5	7.86	55	34	6.07	51
2002	7.71	820	9.41	556	5.91	23	1	9.22	46	30	5.91	41
2003	7.93	814	9.68	561	6.28	23	2	9.20	44	29	6.28	77
2004	8.60	816	9.87	519	6.45	23	2	8.46	44	22	6.57	68
<b>RATIO 110 --- TOTAL WAGES PER CONSUMER (\$)</b>												
2000	103.15	810	167.81	765	121.74	23	21	140.68	53	49	120.53	22
2001	109.43	822	171.74	769	123.27	24	17	149.05	55	51	132.50	51
2002	117.67	820	177.47	742	123.95	23	15	146.07	46	39	132.54	41
2003	118.33	814	181.56	745	127.05	23	17	157.86	44	38	136.74	77
2004	128.63	816	185.96	723	131.38	23	13	163.43	44	37	144.37	68
<b>RATIO 111 --- OVERTIME HOURS/TOTAL HOURS (%)</b>												
2000	5.94	809	4.98	271	6.08	23	15	5.89	53	26	7.10	22
2001	5.26	821	4.79	354	5.70	24	17	5.65	55	33	6.10	29
2002	5.91	819	4.80	254	5.91	23	12	5.44	46	20	6.08	52
2003	5.64	814	4.65	264	6.86	23	18	5.60	44	22	6.63	41
2004	6.63	816	4.94	88	7.24	23	7	5.99	44	6	8.63	77
<b>RATIO 112 --- CAPITALIZED PAYROLL / TOTAL PAYROLL (%)</b>												
2000	36.42	807	22.82	52	27.88	23	4	26.08	53	2	31.51	22
2001	32.03	819	22.95	108	27.61	24	4	26.98	55	14	30.59	51
2002	30.75	819	22.75	133	26.48	23	7	26.05	46	12	30.75	41
2003	31.95	812	22.48	98	25.94	23	5	25.44	44	10	31.95	77
2004	23.40	815	22.60	367	28.05	23	16	24.68	44	29	30.08	68
<b>RATIO 113 --- AVERAGE CONSUMERS PER EMPLOYEE</b>												
2000	407.41	811	258.62	47	360.83	23	6	293.90	53	7	363.13	22
2001	446.25	825	261.14	26	370.92	24	4	302.56	55	4	365.03	52
2002	432.48	821	264.51	39	374.52	23	5	317.22	46	4	371.05	41
2003	433.10	815	267.94	48	394.69	23	8	313.49	44	5	374.56	77
2004	442.68	818	268.54	41	394.41	23	7	310.18	44	5	379.51	68

**EMPLOYEES RATIOS (08-13)**

**GROWTH RATIOS (14-21)**

Year	US Total	State Grouping	Consumer Size	Major Current Power Supplier	Plant Growth (1998-2004)
2000	5.05	23	6.12	3	8.42
2001	5.05	23	6.12	3	8.42
2002	5.05	23	6.12	3	8.42
2003	5.05	23	6.12	3	8.42
2004	5.05	23	6.12	3	8.42



2005 Performance Analysis (A)  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value			US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)				
	Value	Median	NBR	Rank	Value	Median	NBR	Rank	Value	Median	NBR	Rank	Value	Median	NBR	Rank	Value	Median	NBR	Rank
2001	3.88	2.10	811	252	3.33	2.23	54	23	2.23	3.88	3	2	1.94	52	17					
2002	5.42	4.78	816	352	4.52	4.77	46	15	4.77	4.52	3	1	5.13	40	19					
2003	-0.46	1.05	810	562	0.38	1.10	44	33	1.10	-0.46	3	2	1.47	77	55					
2004	2.51	2.02	814	361	2.43	3.20	44	26	3.20	2.28	3	1	2.23	68	30					
<b>RATIO 115 --- ANNUAL GROWTH IN NUMBER OF CONSUMERS (%)</b>																				
2000	2.62	2.00	808	261	2.47	2.40	54	21	2.40	1.96	3	1	3.07	22	15					
2001	2.11	1.69	809	301	1.90	1.97	54	24	1.97	1.92	3	1	2.62	52	35					
2002	2.20	1.54	820	256	2.20	1.93	46	21	1.93	1.85	3	1	2.81	40	28					
2003	1.87	1.47	811	284	1.66	1.87	44	22	1.87	1.08	3	1	1.86	77	38					
2004	2.21	1.54	814	243	1.79	1.93	44	19	1.93	1.39	3	1	2.02	68	29					
<b>RATIO 116 --- ANNUAL GROWTH IN TUP DOLLARS (%)</b>																				
2000	10.51	5.36	810	57	6.85	6.36	54	4	6.36	9.72	3	1	8.53	22	7					
2001	5.85	5.09	816	307	5.98	5.73	54	25	5.73	5.85	3	2	7.81	52	39					
2002	5.95	4.83	819	243	5.30	5.02	46	15	5.02	5.40	3	1	6.85	41	28					
2003	6.37	4.64	812	176	5.10	5.26	44	14	5.26	5.10	3	1	6.43	77	40					
2004	7.36	4.79	816	122	5.20	5.52	44	9	5.52	4.42	3	1	7.01	68	30					
<b>RATIO 117 --- CONST. W.I.P. TO PLANT ADDITIONS (%)</b>																				
2000	41.13	20.85	807	220	16.90	23.44	54	20	23.44	34.45	3	1	34.24	22	9					
2001	10.86	25.15	807	596	9.16	27.79	55	42	27.79	10.86	3	2	28.53	51	44					
2002	8.71	22.23	805	623	10.62	27.97	46	40	27.97	16.52	3	3	21.41	40	38					
2003	24.11	24.11	807	404	15.54	33.54	44	29	33.54	24.11	3	2	33.13	76	46					
2004	33.29	25.34	801	321	13.00	32.40	44	22	32.40	26.01	3	1	29.90	68	31					
<b>RATIO 118 --- NET NEW SERVICES TO TOTAL SERVICES (%)</b>																				
2000	2.39	1.92	816	299	2.39	2.46	53	30	2.46	1.98	3	1	3.07	22	16					
2001	2.34	1.77	827	234	2.33	2.12	55	20	2.12	1.96	3	1	2.45	52	29					
2002	2.87	1.67	819	136	2.31	2.14	46	11	2.14	1.61	3	1	2.78	41	20					
2003	2.01	1.63	811	294	2.01	1.92	44	18	1.92	1.73	3	1	2.30	77	45					
2004	1.36	1.63	815	498	1.84	2.01	44	38	2.01	1.36	3	2	2.07	68	53					
<b>RATIO 119 --- ANNUAL GROWTH IN TOTAL CAPITALIZATION (%)</b>																				
2000	10.01	4.32	810	133	4.44	6.56	54	11	6.56	10.01	3	2	7.83	22	7					
2001	10.12	4.08	816	139	10.12	6.25	54	15	6.25	10.12	3	2	6.64	52	11					
2002	9.54	3.43	819	118	6.01	3.63	46	8	3.63	6.01	3	1	7.45	41	15					
2003	-2.73	3.22	812	772	7.43	2.67	44	40	2.67	0.25	3	3	5.12	77	76					
2004	7.04	4.29	816	233	3.03	5.72	44	14	5.72	6.79	3	1	6.65	68	29					
<b>RATIO 120 --- 2 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)</b>																				
2000	7.76	4.80	802	180	5.84	6.51	54	20	6.51	7.76	2	1	8.92	21	15					
2001	10.06	4.67	809	85	8.38	6.98	54	11	6.98	10.06	3	2	7.50	52	11					
2002	9.83	4.23	806	78	9.03	3.95	45	8	3.95	9.83	3	2	7.37	41	13					
2003	3.22	3.85	814	468	7.85	3.82	44	26	3.82	3.22	3	2	6.10	77	63					
2004	2.03	4.19	809	612	4.23	5.16	44	35	5.16	3.44	3	3	6.63	68	60					
<b>RATIO 121 --- 5 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)</b>																				
2000	7.48	5.00	781	171	6.13	6.00	53	14	6.00	7.48	2	1	9.10	22	18					
2001	8.62	5.09	790	102	7.33	6.46	55	12	6.46	8.62	2	1	7.32	52	14					
2002	8.96	4.81	785	82	7.18	5.30	45	8	5.30	8.96	2	1	8.25	41	13					
2003	6.38	4.55	793	205	7.18	4.67	43	11	4.67	6.38	2	1	6.76	77	53					
2004	6.68	4.63	798	175	6.51	5.13	43	11	5.13	6.68	3	2	7.10	68	53					

PLANT RATIOS (22-146)

2004 Key Ratio Trend Analysis (continued)  
 Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)			
	System Value	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
<b>RATIO 122 --- TUP INVESTMENTS PER TOTAL KWH SOLD (CENTS)</b>																
2000	15.50	18.97	816	577	11.06	23	4	16.75	54	37	14.09	3	1	18.60	22	15
2001	15.78	19.44	827	584	11.03	24	6	17.36	55	36	14.93	3	1	15.65	52	25
2002	15.87	19.44	821	581	11.20	23	5	18.19	46	34	14.73	3	1	16.52	41	26
2003	16.96	20.09	817	557	12.01	23	5	18.55	44	30	15.49	3	1	19.27	77	45
2004	17.76	20.69	818	551	12.75	23	6	18.65	44	28	15.71	3	1	20.04	68	46
<b>RATIO 123 --- TUP INVESTMENT PER CONSUMER (\$)</b>																
2000	2,254.38	3,368.35	816	764	2,478.11	23	19	3,023.79	54	51	3,205.73	3	3	3,111.82	22	20
2001	2,336.92	3,462.94	827	772	2,602.28	24	18	3,087.24	55	50	3,258.83	3	3	3,171.43	52	46
2002	2,422.61	3,573.43	821	764	2,607.94	23	17	3,139.29	46	40	3,305.97	3	3	3,185.04	41	37
2003	2,529.64	3,711.19	817	753	2,717.53	23	16	3,309.18	44	39	3,371.37	3	3	3,297.48	77	71
2004	2,657.12	3,830.69	818	748	2,776.55	23	16	3,390.79	44	38	3,450.95	3	3	3,436.39	68	63
<b>RATIO 124 --- TUP INVESTMENT PER MILE OF LINE (\$)</b>																
2000	19,943.87	17,402.64	817	317	21,599.55	23	15	20,947.13	54	29	24,304.46	3	3	22,327.91	22	15
2001	20,819.38	18,356.53	829	326	22,588.61	24	15	21,297.70	55	30	26,152.46	3	3	23,416.98	52	34
2002	21,765.30	19,086.04	821	320	23,086.82	23	15	24,374.11	46	29	27,310.28	3	3	26,628.53	41	27
2003	22,913.80	19,910.36	817	314	24,041.83	23	15	25,060.34	44	26	28,441.35	3	3	28,756.61	77	46
2004	24,214.48	20,714.35	818	304	24,864.78	23	15	26,368.59	44	30	29,447.48	3	3	26,144.40	68	38
<b>RATIO 125 --- AVERAGE CONSUMERS PER MILE</b>																
2000	8.85	5.52	815	147	8.78	23	10	7.37	54	12	8.58	3	1	8.04	22	8
2001	8.91	5.64	827	161	8.65	24	11	7.21	55	11	8.65	3	1	7.36	52	18
2002	8.98	5.66	821	157	8.72	23	10	8.17	46	15	8.72	3	1	8.46	41	18
2003	9.06	5.70	817	158	8.70	23	9	8.41	44	16	8.70	3	1	7.49	77	24
2004	9.11	5.78	818	158	8.71	23	9	8.44	44	17	8.71	3	1	7.28	68	17
<b>RATIO 126 --- DISTRIBUTION PLANT PER TOTAL KWH SOLD (MILLS)</b>																
2000	135.95	159.38	817	542	97.07	23	6	146.79	54	36	127.65	3	1	137.96	22	13
2001	143.08	163.42	825	524	100.65	24	6	148.13	55	33	137.34	3	1	128.35	52	21
2002	144.76	163.86	785	492	103.89	23	5	150.89	44	27	135.83	3	1	137.73	38	15
2003	154.01	170.03	817	498	109.32	23	4	161.84	44	26	143.92	3	1	155.44	77	41
2004	160.37	174.76	818	480	113.48	23	4	160.39	44	23	146.16	3	1	168.25	68	38
<b>RATIO 127 --- DISTRIBUTION PLANT PER CONSUMER (\$)</b>																
2000	1,977.39	2,790.48	818	752	2,279.72	23	19	2,508.04	54	52	2,747.90	3	3	2,455.28	22	16
2001	2,117.17	2,853.92	825	729	2,342.34	24	19	2,578.18	55	49	2,940.20	3	3	2,587.61	52	44
2002	2,209.47	2,929.40	785	688	2,371.57	23	17	2,585.26	44	33	3,047.75	3	3	2,539.89	38	30
2003	2,296.90	3,066.27	817	722	2,434.35	23	17	2,731.96	44	35	3,131.64	3	3	2,769.18	77	66
2004	2,398.75	3,161.01	818	712	2,533.16	23	16	2,847.39	44	34	3,210.62	3	3	2,916.79	68	59
<b>RATIO 128 --- DISTRIBUTION PLANT PER EMPLOYEE (\$)</b>																
2000	805,600.46	748,528.22	811	308	814,852.05	23	13	805,600.46	53	27	805,600.46	3	2	655,334.73	22	5
2001	944,795.22	774,677.16	824	166	885,038.67	24	10	840,493.44	55	21	944,795.22	3	2	729,821.51	52	11
2002	955,559.50	806,768.35	785	190	969,314.23	23	13	799,029.73	44	11	969,314.23	3	3	754,825.28	38	9
2003	994,791.83	854,655.76	815	206	1,012,010.75	23	13	891,657.17	44	14	1,038,789.74	3	3	847,107.96	77	19
2004	1,061,871.69	881,431.50	818	197	1,061,871.69	23	12	956,418.19	44	16	1,077,591.06	3	3	874,817.00	68	19
<b>RATIO 129 --- GENERAL PLANT PER TOTAL KWH SOLD (MILLS)</b>																
2000	13.71	19.16	817	612	10.36	23	2	15.37	54	31	10.68	3	1	18.37	22	17
2001	13.20	16.27	825	533	7.23	24	1	12.45	55	25	7.61	3	1	13.78	52	27
2002	7.60	14.85	819	710	7.02	23	7	12.53	46	36	7.02	3	1	15.10	41	26
2003	7.65	14.55	816	701	7.30	23	8	12.30	44	34	7.00	3	1	13.18	77	45
2004	7.84	14.26	816	690	7.24	23	8	11.68	44	34	6.69	3	1	13.34	68	46

2004 Key Ratio Trend Analysis (KRTA)  
Meade County Rural Electric Cooperative Corporation (KY018)

Year	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (1999-2004)		
	System Value	Median	NBR	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
<b>RATIO 130 --- GENERAL PLANT PER CONSUMER (\$)</b>															
2000	199.47	340.65	818	193.06	23	11	266.16	54	45	243.31	3	3	319.79	22	20
2001	195.37	287.70	825	159.94	24	5	222.74	55	36	195.37	3	2	260.59	52	37
2002	116.01	266.45	819	135.19	23	16	209.81	46	42	157.58	3	3	317.61	41	37
2003	114.14	264.95	816	138.77	23	18	223.72	44	42	152.41	3	3	231.53	77	75
2004	117.26	263.77	816	147.02	23	19	236.88	44	43	147.02	3	3	235.77	68	65
<b>RATIO 131 --- GENERAL PLANT PER EMPLOYEE (\$)</b>															
2000	81,264.56	88,352.28	811	68,296.46	23	8	82,614.66	53	32	88,352.28	3	3	94,265.27	22	15
2001	87,186.09	75,165.62	824	56,724.16	24	4	68,713.81	55	14	87,186.09	3	2	75,435.83	52	18
2002	50,170.83	69,080.37	819	52,030.44	23	15	58,893.02	46	36	58,469.52	3	3	77,557.15	41	35
2003	49,434.47	69,160.05	814	55,458.64	23	17	60,663.50	44	37	57,085.59	3	3	68,911.15	77	67
2004	51,909.66	71,014.60	816	57,767.38	23	17	68,244.25	44	37	55,794.21	3	3	72,542.55	68	56
<b>RATIO 132 --- HEADQUARTERS PLANT PER TOTAL KWH SOLD (MILLS)</b>															
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	5.19	6.85	746	3.52	23	4	7.25	42	29	3.47	3	1	7.61	64	46
<b>RATIO 133 --- HEADQUARTERS PLANT PER CONSUMER (\$)</b>															
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	77.63	126.15	746	76.11	23	11	118.21	42	31	77.63	3	2	128.01	64	51
<b>RATIO 134 --- HEADQUARTERS PLANT PER EMPLOYEE (\$)</b>															
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	34,365.42	33,204.05	746	33,867.12	23	10	36,549.01	42	23	34,365.42	3	2	37,813.00	64	38
<b>RATIO 138 --- IDLE SERVICES TO TOTAL SERVICE (%)</b>															
2000	14.65	7.85	796	8.92	23	3	9.43	52	12	13.52	3	1	6.02	22	1
2001	15.72	7.96	808	8.84	24	3	10.03	54	12	12.63	3	1	8.91	51	12
2002	6.22	7.96	802	8.52	23	19	8.31	45	31	9.61	3	3	8.56	41	25
2003	6.24	8.05	796	9.33	23	19	8.61	44	32	10.03	3	3	7.25	76	48
2004	6.70	7.91	797	8.58	23	16	7.45	44	27	6.70	3	2	8.08	68	43
<b>RATIO 139 --- LINE LOSS (%)</b>															
2000	7.60	7.07	813	5.52	23	1	6.67	53	17	5.60	3	1	6.37	22	5
2001	5.01	6.11	823	4.81	24	10	5.76	55	36	5.01	3	2	4.82	52	25
2002	6.66	6.60	821	5.32	23	3	6.84	46	25	5.35	3	1	5.84	41	13
2003	6.96	6.56	817	5.13	23	2	6.79	44	18	5.26	3	1	6.38	77	28
2004	6.33	6.49	815	5.32	23	3	6.02	44	17	4.99	3	1	6.31	68	34
<b>RATIO 140 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - POWER SUPPLIER</b>															
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	13.02	0.26	818	0.29	23	1	0.12	44	1	0.63	3	1	0.30	N/A	N/A

Exhibit 19

2004 Key Ratio Trends Analysis (N/A) Meade County Rural Electric Cooperative Corporation (KY018)

Year	System Value	US Total			State Grouping			Major Current Power Supplier			Plant Growth (1999-2004)					
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank			
<b>RATIO 141 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - EXTREME STORM</b>																
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
2004	26.60	0.53	818	30	1.23	23	1	0.73	44	5	1.12	3	1	0.69	68	4
<b>RATIO 142 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - PREARRANGED</b>																
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	0.06	0.02	818	279	0.02	23	6	0.04	44	15	0.04	3	1	0.03	68	20
<b>RATIO 143 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - ALL OTHER</b>																
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	0.99	1.49	818	575	2.61	23	20	1.70	44	37	2.17	3	3	1.58	68	53
<b>RATIO 144 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - TOTAL</b>																
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	40.67	3.26	818	24	4.19	23	1	3.32	44	3	10.63	3	1	3.48	68	4
<b>RATIO 145 --- AVG. SERVICE AVAILABILITY INDEX (ASAI) - TOTAL (%)</b>																
2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	99.54	99.96	818	795	99.95	23	23	99.96	44	42	99.88	3	3	99.96	68	65

**2005  
KENTUCKY ELECTRIC COOPERATIVES  
MILES OF LINE  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	1,012	1,003	1,001	998	995	1.7 %
BLUE GRASS ENERGY	4,440	5,912	5,847	5,794	5,747	-22.7 *
CLARK ENERGY COOP	2,935	2,900	2,865	2,845	2,805	4.6
CUMBERLAND VALLEY	2,529	2,503	2,479	2,447	2,411	4.9
FARMERS	3,447	3,416	3,382	3,348	3,318	3.9
FLEMING-MASON	3,421	3,386	3,346	3,311	3,274	4.5
GRAYSON	2,416	2,400	2,377	2,358	2,334	3.5
INTER-COUNTY	3,502	3,409	3,324	3,276	3,236	8.2
JACKSON ENERGY	5,597	5,552	5,486	5,437	5,392	3.8
LICKING VALLEY	2,006	2,002	1,991	1,976	1,949	2.9
NOLIN	2,841	2,802	2,763	2,722	2,682	5.9
OWEN	4,940	4,836	4,771	4,690	4,618	7.0
SALT RIVER ELECTRIC	3,750	3,649	3,572	3,497	3,413	9.9
SHELBY ENERGY	2,008	1,978	1,952	1,929	1,901	5.6
SOUTH KENTUCKY	6,475	6,408	6,321	6,234	6,149	5.3
TAYLOR COUNTY	<u>3,094</u>	<u>3,067</u>	<u>3,038</u>	<u>3,006</u>	<u>2,978</u>	3.9
<b>TOTAL EKPC</b>	<b>54,413</b>	<b>55,223</b>	<b>54,515</b>	<b>53,868</b>	<b>53,202</b>	<b>2.3 %</b>
JACKSON PURCHASE	3,213	3,180	3,142	3108	3082	4.3 %
KENERGY	6,915	6,859	6,801	6739	6677	3.6
MEADE COUNTY	<u>2,893</u>	<u>2,866</u>	<u>2,821</u>	<u>2792</u>	<u>2755</u>	<u>5.0</u>
<b>TOTAL BIG RIVERS</b>	<b>13,021</b>	<b>12,905</b>	<b>12,764</b>	<b>12,639</b>	<b>12,514</b>	<b>4.1 %</b>
HICKMAN-FULTON	683	682	685	688	688	-0.7 %
PENNYRILE	4,997	4,986	4,977	4,971	4,961	0.7
TRI-COUNTY	5,388	5,358	5,331	5,299	5,262	2.4
WARREN	5,504	5,449	5,418	5,378	5,343	3.0
WEST KENTUCKY	<u>3,940</u>	<u>3,908</u>	<u>3,878</u>	<u>3,855</u>	<u>3,826</u>	<u>3.0</u>
<b>TOTAL TVA</b>	<b>20,512</b>	<b>20,383</b>	<b>20,289</b>	<b>20,191</b>	<b>20,080</b>	<b>2.2 %</b>
<b>OVERALL TOTAL</b>	<b>87,946</b>	<b>88,511</b>	<b>87,568</b>	<b>86,698</b>	<b>85,796</b>	<b>2.5 %</b>

\* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

**2005  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER MILE OF LINE  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	\$3,590	\$3,508	\$3,211	\$2,902	\$2,524	42.2 %
BLUE GRASS ENERGY	2,861	2,138	2,147	2,002	2,212	29.3 *
CLARK ENERGY COOP	2,065	2,120	2,290	1,998	1,938	6.6
CUMBERLAND VALLEY	2,186	2,065	1,986	1,924	1,752	24.8
FARMERS	1,588	1,660	1,597	1,515	1,470	8.0
FLEMING-MASON	2,004	1,754	1,719	1,695	1,529	31.1
GRAYSON	1,957	2,003	1,896	1,674	1,673	17.0
INTER-COUNTY	1,904	1,757	1,801	1,679	1,586	20.1
JACKSON ENERGY	2,425	2,474	2,285	2,119	1,980	22.5
LICKING VALLEY	2,126	1,980	1,858	1,860	1,729	23.0
NOLIN	3,208	3,639	3,452	2,953	2,680	19.7
OWEN	2,572	2,711	2,575	2,443	2,295	12.1
SALT RIVER ELECTRIC	2,190	2,443	2,244	1,974	1,764	24.1
SHELBY ENERGY	2,024	2,115	1,970	1,818	1,904	6.3
SOUTH KENTUCKY	2,211	2,167	2,263	2,160	2,054	7.6
TAYLOR COUNTY	<u>1,518</u>	<u>1,480</u>	<u>1,462</u>	<u>1,426</u>	<u>1,349</u>	<u>12.5</u>
<b>AVERAGE EKPC</b>	<b>\$2,277</b>	<b>\$2,251</b>	<b>\$2,172</b>	<b>\$2,010</b>	<b>\$1,902</b>	<b>19.7 %</b>
JACKSON PURCHASE	\$2,353	\$2,082	\$2,071	\$1,918	\$1,842	27.7 %
KENERGY	2,673	2,384	2,090	1,904	2,107	26.9
MEADE COUNTY	<u>2,264</u>	<u>2,233</u>	<u>2,028</u>	<u>1,895</u>	<u>1,808</u>	<u>25.2</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$2,430</b>	<b>\$2,233</b>	<b>\$2,064</b>	<b>\$1,905</b>	<b>\$1,920</b>	<b>26.6 %</b>
HICKMAN-FULTON	\$2,250	\$2,157	\$2,029	\$2,092	\$1,888	19.2 %
PENNYRILE	2,052	2,114	2,070	2,196	2,036	0.8
TRI-COUNTY	2,179	2,180	2,010	1,960	1,915	13.8
WARREN	3,002	2,921	2,626	2,544	2,342	28.2
WEST KENTUCKY	<u>3,115</u>	<u>2,726</u>	<u>2,684</u>	<u>2,600</u>	<u>2,589</u>	<u>20.3</u>
<b>AVERAGE TVA</b>	<b>\$2,519</b>	<b>\$2,420</b>	<b>\$2,284</b>	<b>\$2,279</b>	<b>\$2,154</b>	<b>16.9 %</b>
<b>OVERALL AVERAGE</b>	<b>\$2,347</b>	<b>\$2,284</b>	<b>\$2,182</b>	<b>\$2,053</b>	<b>\$1,957</b>	<b>19.9 %</b>

\* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

**2005  
KENTUCKY ELECTRIC COOPERATIVES  
DENSITY CONSUMERS PER MILE  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	12.7	12.7	12.5	12.4	12.3	3.3 %
BLUE GRASS ENERGY	11.7	8.6	8.5	8.3	8.2	42.7 *
CLARK ENERGY COOP	8.6	8.6	8.5	8.4	8.3	3.6
CUMBERLAND VALLEY	9.1	10.1	9.9	9.7	9.5	-4.2
FARMERS	6.7	6.6	6.6	6.5	6.5	3.1
FLEMING-MASON	6.7	6.7	6.6	6.6	6.5	3.1
GRAYSON	6.3	6.3	6.2	6.2	6.2	1.6
INTER-COUNTY	7.0	7.1	7.1	7.1	7.0	0.0
JACKSON ENERGY	9.0	9.0	9.0	9.0	8.9	1.1
LICKING VALLEY	8.0	8.0	8.3	8.0	8.0	0.0
NOLIN	10.5	10.4	10.2	10.2	10.0	5.0
OWEN	10.8	10.7	10.5	10.2	9.9	9.1
SALT RIVER ELECTRIC	11.5	11.4	11.2	11.0	10.9	5.5
SHELBY ENERGY	7.0	7.0	7.0	7.0	6.9	1.4
SOUTH KENTUCKY	9.4	9.4	9.4	9.3	9.3	1.1
TAYLOR COUNTY	<u>7.8</u>	<u>7.1</u>	<u>7.7</u>	<u>7.6</u>	<u>7.5</u>	<u>4.0</u>
<b>AVERAGE EKPC</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>8.6</b>	<b>8.5</b>	<b>5.9 %</b>
JACKSON PURCHASE	8.8	8.7	8.7	8.7	8.7	1.1 %
KENERGY	7.7	7.7	7.6	7.6	7.6	1.3
MEADE COUNTY	<u>9.2</u>	<u>9.1</u>	<u>9.1</u>	<u>9.0</u>	<u>8.9</u>	<u>3.4</u>
<b>AVERAGE BIG RIVERS</b>	<b>8.3</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>1.2 %</b>
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.1	9.0	8.9	8.9	8.2	11.0
TRI-COUNTY	9.2	9.1	9.1	9.1	9.1	1.1
WARREN	10.2	10.1	10.0	9.9	9.8	4.1
WEST KENTUCKY	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.4</u>	<u>9.4</u>	<u>1.1</u>
<b>AVERAGE TVA</b>	<b>9.4</b>	<b>9.3</b>	<b>9.2</b>	<b>9.2</b>	<b>9.0</b>	<b>4.4 %</b>
<b>OVERALL AVERAGE</b>	<b>9.0</b>	<b>8.8</b>	<b>8.7</b>	<b>8.7</b>	<b>8.6</b>	<b>4.7 %</b>

\* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

**2005**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL AVERAGE NUMBER OF CONSUMERS BILLED**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	12,888	12,705	12,509	12,375	12,193	5.7 %
BLUE GRASS ENERGY	52,068	50,774	49,421	48,347	47,093	10.6
CLARK ENERGY COOP	25,151	24,796	24,376	23,977	23,428	7.4
CUMBERLAND VALLEY	23,029	25,224	24,499	23,776	22,950	0.3
FARMERS	23,013	22,680	22,238	21,861	21,409	7.5
FLEMING-MASON	22,993	22,580	22,122	21,762	21,283	8.0
GRAYSON	15,302	15,113	14,827	14,673	14,360	6.6
INTER-COUNTY	24,501	24,059	23,672	23,220	22,691	8.0
JACKSON ENERGY	50,438	49,926	49,336	48,989	48,109	4.8
LICKING VALLEY	16,921	16,794	16,597	16,345	16,126	4.9
NOLIN	29,780	29,050	28,301	27,628	26,918	10.6
OWEN	53,598	51,811	49,940	47,741	45,691	17.3
SALT RIVER ELECTRIC	42,997	41,458	39,876	38,574	37,154	15.7
SHELBY ENERGY	14,725	14,087	13,728	13,395	13,021	13.1
SOUTH KENTUCKY	60,922	60,128	59,081	58,058	56,877	7.1
TAYLOR COUNTY	<u>24,089</u>	<u>23,646</u>	<u>23,231</u>	<u>22,802</u>	<u>22,317</u>	<u>7.9</u>
<b>TOTAL EKPC</b>	<b>492,415</b>	<b>484,831</b>	<b>473,754</b>	<b>463,523</b>	<b>451,620</b>	<b>9.0 %</b>
JACKSON PURCHASE	28,105	27,704	27,343	27,086	26,647	5.5 %
KENERGY	53,264	52,592	51,869	51,314	50,799	4.9
MEADE COUNTY	<u>26,515</u>	<u>26,118</u>	<u>25,553</u>	<u>25,084</u>	<u>24,544</u>	<u>8.0</u>
<b>TOTAL BIG RIVERS</b>	<b>107,884</b>	<b>106,414</b>	<b>104,765</b>	<b>103,484</b>	<b>101,990</b>	<b>5.8 %</b>
HICKMAN-FULTON	3,739	3,752	3,766	3,770	3,764	-0.7 %
PENNYRILE	45,367	44,653	44,028	44,021	40,574	11.8
TRI-COUNTY	49,308	48,867	48,483	48,290	47,745	3.3
WARREN	56,187	55,079	54,073	53,239	52,353	7.3
WEST KENTUCKY	<u>37,305</u>	<u>36,993</u>	<u>36,655</u>	<u>36,313</u>	<u>36,024</u>	<u>3.6</u>
<b>TOTAL TVA</b>	<b>191,906</b>	<b>189,344</b>	<b>187,005</b>	<b>185,633</b>	<b>180,460</b>	<b>6.3 %</b>
<b>OVERALL TOTAL</b>	<b>792,205</b>	<b>780,589</b>	<b>765,524</b>	<b>752,640</b>	<b>734,070</b>	<b>7.9 %</b>



**2005  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER CONSUMER  
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	\$282	\$277	\$257	\$234	\$206	36.9 %
BLUE GRASS ENERGY	244	249	254	240	270	-9.6
CLARK ENERGY COOP	241	248	269	237	232	3.9
CUMBERLAND VALLEY	240	205	201	198	184	30.4
FARMERS	238	250	243	232	228	4.4
FLEMING-MASON	298	263	260	258	235	26.8
GRAYSON	309	318	304	269	272	13.6
INTER-COUNTY	272	249	253	237	226	20.4
JACKSON ENERGY	269	275	254	235	222	21.2
LICKING VALLEY	252	236	223	225	209	20.6
NOLIN	306	351	337	291	267	14.6
OWEN	237	253	246	240	232	2.2
SALT RIVER ELECTRIC	191	215	201	179	162	17.9
SHELBY ENERGY	276	297	280	262	278	-0.7
SOUTH KENTUCKY	235	231	242	232	222	5.9
TAYLOR COUNTY	<u>195</u>	<u>192</u>	<u>191</u>	<u>188</u>	<u>180</u>	<u>8.3</u>
<b>AVERAGE EKPC</b>	<b>\$255</b>	<b>\$256</b>	<b>\$250</b>	<b>\$235</b>	<b>\$226</b>	<b>12.8 %</b>
JACKSON PURCHASE	\$269	\$239	\$238	\$220	\$213	26.3 %
KENERGY	347	311	274	250	277	25.3
MEADE COUNTY	<u>247</u>	<u>245</u>	<u>224</u>	<u>211</u>	<u>203</u>	<u>21.7</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$288</b>	<b>\$265</b>	<b>\$245</b>	<b>\$226</b>	<b>\$230</b>	<b>25.2 %</b>
HICKMAN-FULTON	\$411	392	\$369	\$382	\$345	19.1 %
PENNYRILE	226	236	234	248	249	-9.2
TRI-COUNTY	238	239	221	215	211	12.8
WARREN	294	289	263	257	239	23.0
WEST KENTUCKY	<u>329</u>	<u>288</u>	<u>284</u>	<u>276</u>	<u>275</u>	<u>19.6</u>
<b>AVERAGE TVA</b>	<b>\$300</b>	<b>\$289</b>	<b>\$274</b>	<b>\$276</b>	<b>\$262</b>	<b>14.5 %</b>
<b>OVERALL AVERAGE</b>	<b>\$270</b>	<b>\$264</b>	<b>\$255</b>	<b>\$242</b>	<b>\$235</b>	<b>14.9 %</b>

**2005**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL RESIDENTIAL REVENUES**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	\$13,672,178	11,398,809	10,605,561	10,231,337	9,849,267	38.8 %
BLUE GRASS ENERGY	59,969,633	49,545,080	45,288,666	43,124,978	42,158,650	42.2
CLARK ENERGY COOP	26,203,306	22,143,145	20,514,937	19,972,264	19,172,226	36.7
CUMBERLAND VALLEY	22,940,517	19,173,225	18,027,748	17,538,916	16,578,243	38.4
FARMERS	22,712,747	19,208,242	17,815,396	17,159,247	16,810,308	35.1
FLEMING-MASON	20,393,262	18,430,538	15,570,174	16,016,228	14,739,201	38.4
GRAYSON	16,244,690	13,861,532	13,068,736	12,765,519	12,103,891	34.2
INTER-COUNTY	27,321,723	24,142,722	22,880,567	26,098,342	20,728,908	31.8
JACKSON ENERGY	61,806,841	51,653,862	48,569,903	47,136,342	43,705,943	41.4
LICKING VALLEY	16,742,467	14,263,281	13,170,886	12,863,499	12,442,876	34.6
NOLIN	34,383,316	28,076,279	25,415,952	24,859,471	23,398,596	46.9
OWEN	55,724,664	47,113,587	42,680,828	40,989,542	38,244,753	45.7
SALT RIVER ELECTRIC	48,015,562	39,732,157	36,031,040	34,606,956	32,552,323	47.5
SHELBY ENERGY	17,533,652	14,268,131	13,127,239	12,741,343	12,146,644	44.3
SOUTH KENTUCKY	55,802,486	48,838,870	44,138,209	42,397,806	41,867,831	33.3
TAYLOR COUNTY	<u>22,031,517</u>	<u>19,056,126</u>	<u>18,004,463</u>	<u>1,695,466</u>	<u>17,087,200</u>	<u>28.9</u>
<b>TOTAL EKPC</b>	<b>\$521,498,561</b>	<b>440,905,586</b>	<b>404,910,305</b>	<b>395,455,416</b>	<b>373,586,860</b>	<b>39.6 %</b>
JACKSON PURCHASE	\$24,496,967	22,841,472	22,574,806	23,112,041	21,604,525	13.4 %
KENERGY	45,323,132	42,207,989	41,020,077	41,918,818	39,681,220	14.2
MEADE COUNTY	<u>20,436,215</u>	<u>18,944,590</u>	<u>18,213,337</u>	<u>18,036,885</u>	<u>17,078,123</u>	<u>19.7</u>
<b>TOTAL BIG RIVERS</b>	<b>\$90,256,314</b>	<b>83,994,051</b>	<b>81,808,220</b>	<b>83,067,744</b>	<b>78,363,868</b>	<b>15.2 %</b>
HICKMAN-FULTON	\$4,190,389	4,000,868	3,805,948	3,604,578	3,597,805	16.5 %
PENNYRILE	44,135,641	41,000,292	38,718,311	37,873,562	38,821,550	13.7
TRI-COUNTY	47,841,610	44,800,930	42,833,960	41,365,737	38,715,454	23.6
WARREN	60,315,980	55,933,218	52,358,896	51,327,632	49,529,345	21.8
WEST KENTUCKY	<u>38,609,978</u>	<u>35,207,258</u>	<u>34,117,587</u>	<u>34,460,472</u>	<u>32,924,262</u>	<u>17.3</u>
<b>TOTAL TVA</b>	<b>\$195,093,598</b>	<b>180,942,566</b>	<b>171,834,702</b>	<b>168,631,981</b>	<b>163,588,416</b>	<b>19.3 %</b>
<b>OVERALL TOTAL</b>	<b>\$806,848,473</b>	<b>705,842,203</b>	<b>658,553,227</b>	<b>647,155,141</b>	<b>615,539,144</b>	<b>31.1 %</b>

**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2005 - 2004 ANNUAL COMPARISON**

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

	<u>2005</u>	<u>2004</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 57.00	\$ 57.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 77.00	\$ 82.00	\$ (5.00)
ACCOUNTING	\$ 50.00	\$ 47.00	\$ 3.00
CONSUMER INFORMATION	\$ 10.00	\$ 10.00	\$ -
ADMINISTRATION	\$ <u>81.00</u>	\$ <u>60.00</u>	\$ <u>1.00</u>
<b>TOTAL PER CONSUMER</b>	<b>\$ 255.00</b>	<b>\$ 256.00</b>	<b>\$ (1.00)</b>

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2005</u>	<u>2004</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 72.00	\$ 68.00	\$ 4.00
DISTRIBUTION MAINTENANCE	\$ 106.00	\$ 102.00	\$ 4.00
ACCOUNTING	\$ 50.00	\$ 50.00	\$ -
CONSUMER INFORMATION	\$ 9.00	\$ 8.00	\$ 1.00
ADMINISTRATION	\$ <u>63.00</u>	\$ <u>61.00</u>	\$ <u>2.00</u>
<b>TOTAL PER CONSUMER</b>	<b>\$ 300.00</b>	<b>\$ 289.00</b>	<b>\$ 11.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,204	1,187	17
MILES OF LINE	54,413	55,223	(810) *
CONSUMERS BILLED	482,415	484,831	7,584
MILES OF LINE PER EMPLOYEE	45.3	46.6	(1.3)
CONSUMER PER EMPLOYEE	410	409	1
DENSITY CONSUMERS PER MILE	9.0	8.8	0.2

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	518	516	2
MILES OF LINE	20,512	20,383	129
CONSUMERS BILLED	191,906	189,344	2,562
MILES OF LINE PER EMPLOYEE	39.4	39.6	(0.2)
CONSUMER PER EMPLOYEE	369	368	1
DENSITY CONSUMERS PER MILE	9.4	9.3	0.1

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

	<u>2005</u>	<u>2004</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 64.00	\$ 53.00	\$ 11.00
DISTRIBUTION MAINTENANCE	\$ 116.00	\$ 111.00	\$ 5.00
ACCOUNTING	\$ 48.00	\$ 44.00	\$ 2.00
CONSUMER INFORMATION	\$ 8.00	\$ 7.00	\$ 1.00
ADMINISTRATION	\$ <u>54.00</u>	\$ <u>50.00</u>	\$ <u>4.00</u>
<b>TOTAL PER CONSUMER</b>	<b>\$ 288.00</b>	<b>\$ 265.00</b>	<b>\$ 23.00</b>

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2005</u>	<u>2004</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 61.00	\$ 59.00	\$ 2.00
DISTRIBUTION MAINTENANCE	\$ 88.00	\$ 90.00	\$ (2.00)
ACCOUNTING	\$ 50.00	\$ 47.00	\$ 3.00
CONSUMER INFORMATION	\$ 10.00	\$ 9.00	\$ 1.00
ADMINISTRATION	\$ <u>61.00</u>	\$ <u>59.00</u>	\$ <u>2.00</u>
<b>TOTAL PER CONSUMER</b>	<b>\$ 270.00</b>	<b>\$ 264.00</b>	<b>\$ 6.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	295	298	(3)
MILES OF LINE	13,021	12,905	116
CONSUMERS BILLED	107,884	106,414	1,470
MILES OF LINE PER EMPLOYEE	44.3	43.5	0.8
CONSUMER PER EMPLOYEE	367	358	9
DENSITY CONSUMERS PER MILE	8.3	8.2	0.1

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	2,017	2,001	16
MILES OF LINE	87,946	88,511	(565) *
CONSUMERS BILLED	792,205	780,589	11,616
MILES OF LINE PER EMPLOYEE	43.6	44.4	(0.8)
CONSUMER PER EMPLOYEE	383	392	1
DENSITY CONSUMERS PER MILE	9.0	8.8	0.2

\*BLUE GRASS ENERGY INSTALLED NEW MAPPING SYSTEM - MORE ACCURATE COUNT

2005  
**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	40	85	125	54	10	93	262	44	1,012	12,888	22.9	269	12.7
BLUE GRASS ENERGY COOP	45	72	115	45	13	71	244	114	4,449	52,068	39.0	457	11.7
CLARK ENERGY COOP	57	80	137	42	5	57	241	82	2,935	25,151	59.4	484	8.8
CUMBERLAND VALLEY ELECTRIC	55	77	132	52	9	47	240	48	2,520	23,029	52.7	480	9.1
FARMERS RECC	39	81	120	42	9	67	238	71	3,447	23,013	48.8	324	6.7
FLEMING-MASON ENERGY	47	141	188	59	4	47	298	50	3,421	22,983	69.4	460	8.7
GRAYSON RECC	57	111	168	54	11	76	309	44	2,416	15,302	55.0	348	8.3
INTER-COUNTY ENERGY	72	51	123	82	29	87	272	81	3,502	24,501	57.4	482	7.0
JACKSON ENERGY COOP	68	79	138	83	7	81	289	135	5,997	50,433	41.5	374	8.0
LICKING VALLEY RECC	65	68	133	37	9	73	252	43	2,006	18,921	47.0	394	8.0
NOLIN RECC	78	81	159	55	21	71	306	84	2,841	29,780	30.2	317	10.5
OWEN EC	60	67	127	56	6	48	237	126	4,940	53,598	39.0	425	10.8
SALT RIVER ELECTRIC	45	41	86	43	9	53	191	77	3,750	42,997	48.7	558	11.5
SHELBY ENERGY COOP	81	88	169	51	12	44	278	31	2,008	14,725	65.0	475	7.0
SOUTH KENTUCKY RECC	60	76	125	50	8	51	235	159	8,475	80,922	40.7	383	9.4
TAYLOR COUNTY RECC	57	48	103	37	5	50	195	55	3,094	24,089	56.5	436	7.8
BKPC GROUP AVERAGE	57	77	134	60	10	61	266	75	3,401	30,776	45.3	410	9.0
JACKSON PURCHASE ENERGY	48	107	155	40	10	64	259	75	3,213	28,195	42.5	375	8.8
KENERGY CORP	80	152	232	62	8	57	347	161	8,915	53,264	43.0	331	7.7
MEADE COUNTY RECC	65	88	153	45	7	42	247	69	2,893	29,519	49.0	440	9.2
BIG RIVERS GROUP AVERAGE	64	116	180	48	8	54	288	88	4,340	34,961	44.3	387	8.3
HICKMAN-FULTON COUNTIES RECC	75	177	252	47	8	106	411	13	663	3,739	52.5	288	5.5
PENNYRILE RECC	84	84	128	41	7	50	229	122	4,997	45,367	41.0	372	8.1
TRI-COUNTY EMC	84	58	142	47	11	38	236	141	5,388	49,308	38.2	350	8.2
WARREN RECC	64	90	154	51	14	75	294	162	5,604	58,187	36.2	370	10.2
WEST KENTUCKY RECC	71	141	212	64	8	45	329	90	3,940	37,395	43.8	415	9.5
TVA GROUP AVERAGE	72	106	178	60	9	63	300	104	4,102	38,381	39.4	389	9.4
OVERALL AVERAGE	61	88	149	50	10	61	270	84	3,654	33,099	43.6	393	9.0

\* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

2005  
**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 RESL REV
BIG SANDY RECC	509	1,082	1,591	688	127	1,164	3,590	44	1,012	11,804	13,872,178	96.5
BLUE GRASS ENERGY COOP	504	844	1,348	528	152	683	2,861	114	14,440	49,962	59,969,633	108.0
CLARK ENERGY COOP	488	866	1,174	369	43	488	2,065	52	2,835	23,561	28,293,308	92.7
CUMBERLAND VALLEY ELECTRIC	501	701	1,202	474	82	426	2,188	48	2,529	21,632	22,940,517	88.4
FARMERS RECC	280	541	801	250	50	447	1,588	71	3,447	21,461	22,712,747	88.2
FLEMING-MASON ENERGY	316	948	1,264	397	27	316	2,004	60	3,421	17,205	20,393,282	98.8
GRAYSON RECC	361	703	1,064	342	70	461	1,857	44	2,416	14,007	18,244,690	96.2
INTER-COUNTY ENERGY	504	357	861	434	140	469	1,804	61	3,602	21,547	27,321,723	105.2
JACKSON ENERGY COOP	613	631	1,244	568	63	550	2,425	135	5,997	47,211	61,806,641	109.1
LICKING VALLEY RECC	548	574	1,122	312	78	616	2,128	43	2,008	19,610	18,742,487	88.3
NOLIN RECC	818	849	1,667	577	220	744	3,208	94	2,841	27,899	34,383,316	102.3
OWEN EC	651	727	1,378	658	65	521	2,572	128	4,940	51,461	55,724,864	90.2
SALT RIVER ELECTRIC	518	470	988	482	103	608	2,186	77	3,759	40,429	48,015,562	99.0
SHELBY ENERGY COOP	594	646	1,239	374	68	323	2,024	31	2,008	14,162	17,533,652	103.0
SOUTH KENTUCKY RECC	470	706	1,176	470	85	480	2,211	169	6,475	52,238	55,602,488	89.0
TAYLOR COUNTY RECC	444	358	802	288	36	389	1,518	55	3,094	21,433	22,031,517	85.7
EXPC GROUP AVERAGE	506	676	1,182	450	90	555	2,277	76	3,401	28,288	32,533,660	98.1
JACKSON PURCHASE ENERGY	420	938	1,358	350	87	500	2,353	75	3,213	25,330	24,496,987	80.6
KENERGY CORP	616	1,171	1,787	401	46	439	2,673	181	6,915	45,018	45,323,132	83.9
MEADE COUNTY RECC	686	807	1,403	412	84	385	2,284	59	2,883	24,532	20,430,215	69.4
BIG RIVERS GROUP AVERAGE	544	871	1,515	388	66	461	2,436	88	4,340	31,828	30,085,438	79.3
HICKMAN-FULTON COUNTIES RECC	411	969	1,380	257	33	500	2,260	13	683	2,993	4,180,389	118.7
PENNYRILE RECC	581	581	1,162	372	64	454	2,052	122	4,067	35,773	44,156,841	102.8
TRI-COUNTY EMC	759	531	1,300	430	101	348	2,179	141	5,388	40,080	47,841,610	99.5
WARREN RECC	853	919	1,572	521	143	765	3,002	152	5,504	47,184	60,315,980	106.5
WEST KENTUCKY RECC	672	1,335	2,007	608	78	420	3,115	90	3,949	30,475	38,899,878	103.6
TYA GROUP AVERAGE	617	867	1,484	437	83	515	2,519	104	4,102	31,383	39,018,720	103.9
OVERALL AVERAGE	534	763	1,287	438	68	535	2,347	84	3,664	29,312	33,618,688	95.6

\* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

**2004  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER CONSUMER  
STATISTICAL COMPARISONS**

REVISED

<u>COOPERATIVE</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>% CHANGE FROM 2000</u>
BIG SANDY	\$277	\$257	\$234	\$206	\$198	39.9 %
BLUE GRASS ENERGY	249	254	240	270	219	13.7
CLARK ENERGY COOP	248	269	237	232	222	11.7
CUMBERLAND VALLEY	205	201	198	184	181	13.3
FARMERS	250	243	232	228	211	18.5
FLEMING-MASON	263	260	258	235	216	21.8
GRAYSON	318	304	269	272	239	33.1
INTER-COUNTY	249	253	237	226	219	13.7
JACKSON ENERGY	275	254	235	222	208	32.2
LICKING VALLEY	236	223	225	209	200	18.0
NOLIN	351	337	291	267	251	39.8
OWEN	253	246	240	232	218	16.1
SALT RIVER ELECTRIC	215	201	179	162	168	28.0
SHELBY ENERGY	297	280	262	278	257	15.6
SOUTH KENTUCKY	231	242	232	222	205	12.7
TAYLOR COUNTY	<u>192</u>	<u>191</u>	<u>188</u>	<u>180</u>	<u>174</u>	<u>10.3</u>
<b>AVERAGE EKPC</b>	<b>\$256</b>	<b>\$250</b>	<b>\$235</b>	<b>\$226</b>	<b>\$212</b>	<b>20.8 %</b>
JACKSON PURCHASE	\$239	\$238	\$220	\$213	\$212	12.7 %
KENERGY	311	274	250	277	279	11.5
MEADE COUNTY	<u>245</u>	<u>224</u>	<u>211</u>	<u>203</u>	<u>204</u>	<u>20.1</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$265</b>	<b>\$245</b>	<b>\$226</b>	<b>\$230</b>	<b>\$232</b>	<b>14.2 %</b>
HICKMAN-FULTON	392	\$369	\$382	\$345	\$295	32.9 %
PENNYRILE	236	234	248	249	220	7.3
TRI-COUNTY	239	221	215	211	208	14.9
WARREN	289	263	257	239	237	21.9
WEST KENTUCKY	<u>288</u>	<u>284</u>	<u>276</u>	<u>275</u>	<u>265</u>	<u>8.7</u>
<b>AVERAGE TVA</b>	<b>\$289</b>	<b>\$274</b>	<b>\$276</b>	<b>\$262</b>	<b>\$245</b>	<b>18.0 %</b>
<b>OVERALL AVERAGE</b>	<b>\$264</b>	<b>\$255</b>	<b>\$242</b>	<b>\$235</b>	<b>\$222</b>	<b>18.9 %</b>

**2004  
KENTUCKY ELECTRIC COOPERATIVES  
DENSITY CONSUMERS PER MILE  
STATISTICAL COMPARISONS**

<b><u>COOPERATIVE</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>	<b><u>2000</u></b>	<b><u>% CHANGE FROM 2000</u></b>
BIG SANDY	12.7	12.5	12.4	12.3	12.2	4.1 %
BLUE GRASS ENERGY	8.6	8.5	8.3	8.2	8.1	6.2
CLARK ENERGY COOP	8.6	8.5	8.4	8.3	8.3	3.6
CUMBERLAND VALLEY	10.1	9.9	9.7	9.5	9.3	8.6
FARMERS	6.6	6.6	6.5	6.5	6.4	3.1
FLEMING-MASON	6.7	6.6	6.6	6.5	6.4	4.7
GRAYSON	6.3	6.2	6.2	6.2	6.0	5.0
INTER-COUNTY	7.1	7.1	7.1	7.0	6.9	2.9
JACKSON ENERGY	9.0	9.0	9.0	8.9	8.8	2.3
LICKING VALLEY	8.0	8.3	8.0	8.0	8.0	0.0
NOLIN	10.4	10.2	10.2	10.0	9.9	5.1
OWEN	10.7	10.5	10.2	9.9	9.7	10.3
SALT RIVER ELECTRIC	11.4	11.2	11.0	10.9	10.9	4.6
SHELBY ENERGY	7.0	7.0	7.0	6.9	6.7	4.5
SOUTH KENTUCKY	9.4	9.4	9.3	9.3	9.2	2.2
TAYLOR COUNTY	<u>7.1</u>	<u>7.7</u>	<u>7.6</u>	<u>7.5</u>	<u>7.4</u>	<u>-4.1</u>
<b>AVERAGE EKPC</b>	<b>8.8</b>	<b>8.7</b>	<b>8.6</b>	<b>8.5</b>	<b>8.4</b>	<b>4.8 %</b>
JACKSON PURCHASE	8.7	8.7	8.7	8.7	8.6	1.2 %
KENERGY	7.7	7.6	7.6	7.6	7.6	1.3
MEADE COUNTY	<u>9.1</u>	<u>9.1</u>	<u>9.0</u>	<u>8.9</u>	<u>8.8</u>	<u>3.4</u>
<b>AVERAGE BIG RIVERS</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>8.2</b>	<b>8.1</b>	<b>1.2 %</b>
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.0	8.9	8.9	8.2	8.8	2.3
TRI-COUNTY	9.1	9.1	9.1	9.1	9.0	1.1
WARREN	10.1	10.0	9.9	9.8	9.7	4.1
WEST KENTUCKY	<u>9.5</u>	<u>9.5</u>	<u>9.4</u>	<u>9.4</u>	<u>9.4</u>	<u>1.1</u>
<b>AVERAGE TVA</b>	<b>9.3</b>	<b>9.2</b>	<b>9.2</b>	<b>9.0</b>	<b>9.1</b>	<b>2.2 %</b>
<b>OVERALL AVERAGE</b>	<b>8.8</b>	<b>8.7</b>	<b>8.7</b>	<b>8.6</b>	<b>8.5</b>	<b>3.5 %</b>

**2004  
KENTUCKY ELECTRIC COOPERATIVES  
AVERAGE EXPENSE PER MILE OF LINE  
STATISTICAL COMPARISONS**

REVISED

<u>COOPERATIVE</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>% CHANGE FROM 2000</u>
BIG SANDY	\$3,508	\$3,211	\$2,902	\$2,524	\$2,421	44.9 %
BLUE GRASS ENERGY	2,138	2,147	2,002	2,212	1,770	20.8
CLARK ENERGY COOP	2,120	2,290	1,998	1,938	1,846	14.8
CUMBERLAND VALLEY	2,065	1,986	1,924	1,752	1,678	23.1
FARMERS	1,660	1,597	1,515	1,470	1,351	22.9
FLEMING-MASON	1,754	1,719	1,695	1,529	1,392	26.0
GRAYSON	2,003	1,896	1,674	1,673	1,462	37.0
INTER-COUNTY	1,757	1,801	1,679	1,586	1,521	15.5
JACKSON ENERGY	2,474	2,285	2,119	1,980	1,837	34.7
LICKING VALLEY	1,980	1,858	1,860	1,729	1,650	20.0
NOLIN	3,639	3,452	2,953	2,680	2,491	46.1
OWEN	2,711	2,575	2,443	2,295	2,105	28.8
SALT RIVER ELECTRIC	2,443	2,244	1,974	1,764	1,824	33.9
SHELBY ENERGY	2,115	1,970	1,818	1,904	1,733	22.0
SOUTH KENTUCKY	2,167	2,263	2,160	2,054	1,882	15.1
TAYLOR COUNTY	<u>1,480</u>	<u>1,462</u>	<u>1,426</u>	<u>1,349</u>	<u>1,295</u>	<u>14.3</u>
<b>AVERAGE EKPC</b>	<b>\$2,251</b>	<b>\$2,172</b>	<b>\$2,010</b>	<b>\$1,902</b>	<b>\$1,766</b>	<b>27.5 %</b>
JACKSON PURCHASE	\$2,082	\$2,071	\$1,918	\$1,842	\$1,817	14.6 %
KENERGY	2,384	2,090	1,904	2,107	2,115	12.7
MEADE COUNTY	<u>2,233</u>	<u>2,028</u>	<u>1,895</u>	<u>1,808</u>	<u>1,804</u>	<u>23.8</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$2,233</b>	<b>\$2,064</b>	<b>\$1,905</b>	<b>\$1,920</b>	<b>\$1,911</b>	<b>16.8 %</b>
HICKMAN-FULTON	\$2,157	\$2,029	\$2,092	\$1,888	\$1,607	34.2 %
PENNYRILE	2,114	2,070	2,196	2,036	1,932	9.4
TRI-COUNTY	2,180	2,010	1,960	1,915	1,884	15.7
WARREN	2,921	2,626	2,544	2,342	2,303	26.8
WEST KENTUCKY	<u>2,726</u>	<u>2,684</u>	<u>2,600</u>	<u>2,589</u>	<u>2,497</u>	<u>9.2</u>
<b>AVERAGE TVA</b>	<b>\$2,420</b>	<b>\$2,284</b>	<b>\$2,279</b>	<b>\$2,154</b>	<b>\$2,044</b>	<b>18.4 %</b>
<b>OVERALL AVERAGE</b>	<b>\$2,284</b>	<b>\$2,182</b>	<b>\$2,053</b>	<b>\$1,957</b>	<b>\$1,842</b>	<b>24.0 %</b>



**2004**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**MILES OF LINE**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>% CHANGE FROM 2000</u>
BIG SANDY	1,003	1,001	998	995	986	1.7 %
BLUE GRASS ENERGY	5,912	5,847	5,794	5,747	5,673	4.2
CLARK ENERGY COOP	2,900	2,865	2,845	2,805	2,754	5.3
CUMBERLAND VALLEY	2,503	2,479	2,447	2,411	2,376	5.3
FARMERS	3,416	3,382	3,348	3,318	3,286	4.0
FLEMING-MASON	3,386	3,346	3,311	3,274	3,243	4.4
GRAYSON	2,400	2,377	2,358	2,334	2,309	3.9
INTER-COUNTY	3,409	3,324	3,276	3,236	3,192	6.8
JACKSON ENERGY	5,552	5,486	5,437	5,392	5,345	3.9
LICKING VALLEY	2,002	1,991	1,976	1,949	1,931	3.7
NOLIN	2,802	2,763	2,722	2,682	2,638	6.2
OWEN	4,836	4,771	4,690	4,618	4,544	6.4
SALT RIVER ELECTRIC	3,649	3,572	3,497	3,413	3,300	10.6
SHELBY ENERGY	1,978	1,952	1,929	1,901	1,874	5.5
SOUTH KENTUCKY	6,408	6,321	6,234	6,149	6,064	5.7
TAYLOR COUNTY	<u>3,067</u>	<u>3,038</u>	<u>3,006</u>	<u>2,978</u>	<u>2,943</u>	<u>4.2</u>
<b>TOTAL EKPC</b>	<b>55,223</b>	<b>54,515</b>	<b>53,868</b>	<b>53,202</b>	<b>52,458</b>	<b>5.3 %</b>
JACKSON PURCHASE	3,180	3,142	3108	3082	3048	4.3 %
KENERGY	6,859	6,801	6739	6677	6614	3.7
MEADE COUNTY	<u>2,866</u>	<u>2,821</u>	<u>2792</u>	<u>2755</u>	<u>2717</u>	<u>5.5</u>
<b>TOTAL BIG RIVERS</b>	<b>12,905</b>	<b>12,764</b>	<b>12,639</b>	<b>12,514</b>	<b>12,379</b>	<b>4.2 %</b>
HICKMAN-FULTON	682	685	688	688	688	-0.9 %
PENNYRILE	4,986	4,977	4,971	4,961	4,871	2.4
TRI-COUNTY	5,358	5,331	5,299	5,262	5,212	2.8
WARREN	5,449	5,418	5,378	5,343	5,291	3.0
WEST KENTUCKY	<u>3,908</u>	<u>3,878</u>	<u>3,855</u>	<u>3,826</u>	<u>3,796</u>	<u>3.0</u>
<b>TOTAL TVA</b>	<b>20,383</b>	<b>20,289</b>	<b>20,191</b>	<b>20,080</b>	<b>19,858</b>	<b>2.6 %</b>
<b>OVERALL TOTAL</b>	<b>88,511</b>	<b>87,568</b>	<b>86,698</b>	<b>85,796</b>	<b>84,695</b>	<b>4.5 %</b>

**2004**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL AVERAGE NUMBER OF CONSUMERS BILLED**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>% CHANGE FROM 2000</u>
BIG SANDY	12,705	12,509	12,375	12,193	12,053	5.4 %
BLUE GRASS ENERGY	50,774	49,421	48,347	47,093	45,872	10.7
CLARK ENERGY COOP	24,796	24,376	23,977	23,428	22,916	8.2
CUMBERLAND VALLEY	25,224	24,499	23,776	22,950	22,011	14.6
FARMERS	22,680	22,238	21,861	21,409	21,052	7.7
FLEMING-MASON	22,580	22,122	21,762	21,283	20,884	8.1
GRAYSON	15,113	14,827	14,673	14,360	14,126	7.0
INTER-COUNTY	24,059	23,672	23,220	22,691	22,161	8.6
JACKSON ENERGY	49,926	49,336	48,989	48,109	47,208	5.8
LICKING VALLEY	16,794	16,597	16,345	16,126	15,927	5.4
NOLIN	29,050	28,301	27,628	26,918	26,180	11.0
OWEN	51,811	49,940	47,741	45,691	43,879	18.1
SALT RIVER ELECTRIC	41,458	39,876	38,574	37,154	35,822	15.7
SHELBY ENERGY	14,087	13,728	13,395	13,021	12,635	11.5
SOUTH KENTUCKY	60,128	59,081	58,058	56,877	55,685	8.0
TAYLOR COUNTY	<u>23,646</u>	<u>23,231</u>	<u>22,802</u>	<u>22,317</u>	<u>21,869</u>	<u>8.1</u>
<b>TOTAL EKPC</b>	<b>484,831</b>	<b>473,754</b>	<b>463,523</b>	<b>451,620</b>	<b>440,307</b>	<b>10.1 %</b>
JACKSON PURCHASE	27,704	27,343	27,086	26,647	26,123	6.1 %
KENERGY	52,592	51,869	51,314	50,799	50,136	4.9
MEADE COUNTY	<u>26,118</u>	<u>25,553</u>	<u>25,084</u>	<u>24,544</u>	<u>24,013</u>	<u>8.8</u>
<b>TOTAL BIG RIVERS</b>	<b>106,414</b>	<b>104,765</b>	<b>103,484</b>	<b>101,990</b>	<b>100,272</b>	<b>6.1 %</b>
HICKMAN-FULTON	3,752	3,766	3,770	3,764	3,750	0.1 %
PENNYRILE	44,653	44,028	44,021	40,574	42,777	4.4
TRI-COUNTY	48,867	48,483	48,290	47,745	47,181	3.6
WARREN	55,079	54,073	53,239	52,353	51,409	7.1
WEST KENTUCKY	<u>36,993</u>	<u>36,655</u>	<u>36,313</u>	<u>36,024</u>	<u>35,781</u>	<u>3.4</u>
<b>TOTAL TVA</b>	<b>189,344</b>	<b>187,005</b>	<b>185,633</b>	<b>180,460</b>	<b>180,898</b>	<b>4.7 %</b>
<b>OVERALL TOTAL</b>	<b>780,589</b>	<b>765,524</b>	<b>752,640</b>	<b>734,070</b>	<b>721,477</b>	<b>8.2 %</b>

**2004**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL RESIDENTIAL REVENUES**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>% CHANGE FROM 2000</u>
BIG SANDY	11,398,809	10,605,561	10,231,337	9,849,267	9,427,035	20.9 %
BLUE GRASS ENERGY	49,545,080	45,288,666	43,124,978	42,158,650	37,704,440	31.4
CLARK ENERGY COOP	22,143,145	20,514,937	19,972,264	19,172,226	17,276,197	28.2
CUMBERLAND VALLEY	19,173,225	18,027,748	17,538,916	16,578,243	15,900,588	20.6
FARMERS	19,208,242	17,815,396	17,159,247	16,810,308	15,240,472	26.0
FLEMING-MASON	18,430,538	15,570,174	16,016,228	14,739,201	12,994,036	41.8
GRAYSON	13,861,532	13,068,736	12,765,519	12,103,891	11,365,942	22.0
INTER-COUNTY	24,142,722	22,880,567	26,098,342	20,728,908	19,526,033	23.6
JACKSON ENERGY	51,653,862	48,569,903	47,136,342	43,705,943	39,078,965	32.2
LICKING VALLEY	14,263,281	13,170,886	12,863,499	12,442,876	11,789,972	21.0
NOLIN	28,076,279	25,415,952	24,859,471	23,398,596	22,395,921	25.4
OWEN	47,113,587	42,680,828	40,989,542	38,244,753	34,912,330	34.9
SALT RIVER ELECTRIC	39,732,157	36,031,040	34,606,956	32,552,323	29,754,911	33.5
SHELBY ENERGY	14,268,131	13,127,239	12,741,343	12,146,644	11,106,049	28.5
SOUTH KENTUCKY	48,838,870	44,138,209	42,397,806	41,867,831	38,434,185	27.1
TAYLOR COUNTY	<u>19,056,126</u>	<u>18,004,463</u>	<u>1,695,466</u>	<u>17,087,200</u>	<u>15,038,747</u>	<u>26.7</u>
<b>TOTAL EKPC</b>	<b>440,905,586</b>	<b>404,910,305</b>	<b>395,455,416</b>	<b>373,586,860</b>	<b>341,945,823</b>	<b>28.9 %</b>
JACKSON PURCHASE	22,841,472	22,574,806	23,112,041	21,604,525	22,616,082	1.0 %
KENERGY	42,207,989	41,020,077	41,918,818	39,681,220	38,846,288	8.7
MEADE COUNTY	<u>18,944,590</u>	<u>18,213,337</u>	<u>18,036,885</u>	<u>17,078,123</u>	<u>16,644,537</u>	<u>13.8</u>
<b>TOTAL BIG RIVERS</b>	<b>83,994,051</b>	<b>81,808,220</b>	<b>83,067,744</b>	<b>78,363,868</b>	<b>78,106,907</b>	<b>7.5 %</b>
HICKMAN-FULTON	4,000,868	3,805,948	3,604,578	3,597,805	2,529,478	58.2 %
PENNYRILE	41,000,292	38,718,311	37,873,562	38,821,550	36,344,322	12.8
TRI-COUNTY	44,800,930	42,833,960	41,365,737	38,715,454	37,773,301	18.6
WARREN	55,933,218	52,358,896	51,327,632	49,529,345	47,034,747	18.9
WEST KENTUCKY	<u>35,207,258</u>	<u>34,117,587</u>	<u>34,460,472</u>	<u>32,924,262</u>	<u>32,713,064</u>	<u>7.6</u>
<b>TOTAL TVA</b>	<b>180,942,566</b>	<b>171,834,702</b>	<b>168,631,981</b>	<b>163,588,416</b>	<b>156,394,912</b>	<b>15.7 %</b>
<b>OVERALL TOTAL</b>	<b>705,842,203</b>	<b>658,553,227</b>	<b>647,155,141</b>	<b>615,539,144</b>	<b>576,447,642</b>	<b>22.4 %</b>

**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2004 - 2003 ANNUAL COMPARISON**

REVISED

**AVERAGE EXPENSE PER CONSUMER  
EKPC**

	<u>2004</u>	<u>2003</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 57.00	\$ 54.00	\$ 3.00
DISTRIBUTION MAINTENANCE	\$ 82.00	\$ 78.00	\$ 4.00
ACCOUNTING	\$ 47.00	\$ 46.00	\$ 1.00
CONSUMER INFORMATION	\$ 10.00	\$ 11.00	\$ (1.00)
ADMINISTRATION	\$ 60.00	\$ 61.00	\$ (1.00)
<b>TOTAL PER CONSUMER</b>	<b>\$ 256.00</b>	<b>\$ 250.00</b>	<b>\$ 6.00</b>

**AVERAGE EXPENSE PER CONSUMER  
TVA**

	<u>2004</u>	<u>2003</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 68.00	\$ 68.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 102.00	\$ 89.00	\$ 13.00
ACCOUNTING	\$ 50.00	\$ 52.00	\$ (2.00)
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	\$ 61.00	\$ 57.00	\$ 4.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 289.00</b>	<b>\$ 274.00</b>	<b>\$ 15.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	1,187	1,169	18
MILES OF LINE	55,223	54,515	708
CONSUMERS BILLED	484,831	473,754	11,077
MILES OF LINE PER EMPLOYEE	46.6	46.7	(0.1)
CONSUMER PER EMPLOYEE	409	406	3
DENSITY CONSUMERS PER MILE	8.8	8.7	0.1

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	516	517	(1)
MILES OF LINE	20,383	20,289	94
CONSUMERS BILLED	189,344	187,005	2,339
MILES OF LINE PER EMPLOYEE	39.6	39.4	0.2
CONSUMER PER EMPLOYEE	368	363	5
DENSITY CONSUMERS PER MILE	9.3	9.2	0.1

**AVERAGE EXPENSE PER CONSUMER  
BIG RIVERS**

	<u>2004</u>	<u>2003</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 53.00	\$ 52.00	\$ 1.00
DISTRIBUTION MAINTENANCE	\$ 111.00	\$ 94.00	\$ 17.00
ACCOUNTING	\$ 44.00	\$ 44.00	\$ -
CONSUMER INFORMATION	\$ 7.00	\$ 7.00	\$ -
ADMINISTRATION	\$ 50.00	\$ 48.00	\$ 2.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 265.00</b>	<b>\$ 245.00</b>	<b>\$ 20.00</b>

**AVERAGE EXPENSE PER CONSUMER  
OVERALL AVERAGE**

	<u>2004</u>	<u>2003</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 59.00	\$ 57.00	\$ 2.00
DISTRIBUTION MAINTENANCE	\$ 90.00	\$ 83.00	\$ 7.00
ACCOUNTING	\$ 47.00	\$ 47.00	\$ -
CONSUMER INFORMATION	\$ 9.00	\$ 10.00	\$ (1.00)
ADMINISTRATION	\$ 59.00	\$ 58.00	\$ 1.00
<b>TOTAL PER CONSUMER</b>	<b>\$ 264.00</b>	<b>\$ 255.00</b>	<b>\$ 9.00</b>

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	298	296	2
MILES OF LINE	12,905	12,764	141
CONSUMERS BILLED	106,414	104,765	1,649
MILES OF LINE PER EMPLOYEE	43.5	43.0	0.5
CONSUMER PER EMPLOYEE	358	353	5
DENSITY CONSUMERS PER MILE	8.2	8.2	0.0

**OTHER STATISTICAL INFORMATION**

NUMBER OF EMPLOYEES	2,001	1,982	19
MILES OF LINE	88,511	87,568	943
CONSUMERS BILLED	780,589	765,524	15,065
MILES OF LINE PER EMPLOYEE	44.4	44.0	0.4
CONSUMER PER EMPLOYEE	392	384	8
DENSITY CONSUMERS PER MILE	8.8	8.7	0.1

**2004**  
**KENTUCKY ELECTRIC COOPERATIVES**  
**OPERATING EXPENSE STATISTICAL COMPARISONS**  
**AVERAGE ANNUAL BASIS**

**REVISED**

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 REPT. REV
BIG SANDY RECC	570	1034	1,604	570	189	1,165	3,508	44	1,003	11,895	11,399,899	81.4
BLUE GRASS ENERGY COOP	335	885	1,220	385	137	675	2,136	114	5,812	48,538	48,535,080	84.8
CLARK ENERGY COOP	436	722	1,158	542	103	487	2,120	52	2,800	23,308	22,143,145	78.2
GIMBERLAND VALLEY ELECTRIC	483	726	1,179	383	60	443	2,065	43	2,503	23,682	19,173,225	67.5
FARMERS RECC	272	598	870	286	73	451	1,690	73	3,418	21,175	18,208,242	75.5
FLEMING-MASON ENERGY	307	680	987	387	40	340	1,754	51	3,386	20,881	18,430,638	73.8
GRAYSON RECC	334	783	1,127	309	57	610	2,003	44	2,409	13,809	13,861,532	83.1
INTER-COUNTY ENERGY	480	339	819	395	134	409	1,757	81	3,409	23,100	24,142,722	87.1
JACKSON ENERGY COOP	531	818	1,349	513	83	548	2,474	131	5,352	46,780	51,653,882	92.1
LOCKING VALLEY RECC	520	604	1,124	284	97	485	1,990	40	2,002	15,697	14,283,281	75.7
NOLIN RECC	1130	943	2,073	681	218	757	3,639	83	2,802	27,344	28,076,279	85.6
OWEN EC	718	781	1,479	600	75	557	2,711	121	4,639	48,741	47,113,587	78.9
SALT RIVER ELECTRIC	588	648	1,216	454	125	648	2,418	77	3,849	38,957	39,732,157	85.0
SHELBY ENERGY COOP	656	783	1,339	358	78	342	2,115	32	1,878	13,558	14,289,131	87.7
SOUTH KENTUCKY RECC	469	684	1,153	488	88	489	2,167	165	8,408	65,476	48,638,970	73.4
TAYLOR COUNTY RECC	424	409	833	284	31	362	1,480	58	3,087	21,078	19,068,126	75.4
BPCC GROUP AVERAGE	508	707	1,215	411	92	635	2,281	74	3,451	28,437	27,666,689	80.8
JACKSON PURCHASE ENERGY	331	819	1,150	348	61	523	2,082	73	3,180	25,030	22,841,472	76.1
KENERGY CORP	483	1,119	1,602	378	46	360	2,384	168	8,889	45,579	42,207,889	77.2
MEADE COUNTY RECC	529	638	1,167	401	73	392	2,233	59	2,865	24,159	18,944,590	65.4
BIG RIVERS GROUP AVERAGE	448	825	1,273	376	80	425	2,233	89	4,302	31,589	27,998,917	73.9
HICKMAN-FULTON COUNTIES RECC	339	1,007	1,337	242	17	681	2,157	13	882	3,033	4,000,888	109.8
PENNYRILE RECC	830	816	1,218	403	72	421	2,114	123	4,988	35,330	41,000,992	86.7
TRI-COUNTY EMC	739	564	1,323	428	81	337	2,180	141	5,355	39,786	44,800,330	83.8
WARREN RECC	857	900	1,557	475	121	766	2,921	153	5,448	46,623	55,838,218	100.2
WEST KENTUCKY RECC	644	364	1,028	653	57	388	2,726	66	3,908	30,991	35,207,256	93.6
TVA GROUP AVERAGE	694	818	1,413	440	72	495	2,420	103	4,077	31,076	35,188,813	97.1
OVERALL AVERAGE	617	787	1,274	413	84	613	2,284	83	3,888	29,381	29,410,092	83.4

2004  
**KENTUCKY ELECTRIC COOPERATIVES**  
**OPERATING EXPENSE STATISTICAL COMPARISONS**  
**AVERAGE ANNUAL BASIS**

REVISED

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	45	84	129	46	11	82	277	44	1,093	12,795	22.8	289	12.7
BLUE GRASS ENERGY COOP	38	81	120	48	18	67	249	14	6,912	60,774	51.9	445	8.8
CLARK ENERGY COOP	51	88	139	40	12	57	246	52	2,990	24,798	65.8	477	8.6
CUMBERLAND VALLEY ELECTRIC	45	72	117	38	6	44	205	43	2,503	25,224	58.2	637	10.1
FARMERS RECC	41	80	131	40	11	68	250	73	3,416	22,680	48.8	311	8.8
FLEMING-MASON ENERGY	48	102	148	58	6	81	283	51	3,386	22,580	68.0	443	6.7
GRAYSON RECC	63	128	179	48	9	81	318	44	2,400	16,113	64.6	343	6.3
INTER-COUNTY ENERGY	88	48	116	56	19	58	249	81	3,408	24,058	55.9	384	7.1
JACKSON ENERGY COOP	69	91	150	57	7	81	275	131	5,552	49,928	42.4	391	9.0
LICKING VALLEY RECC	62	72	134	35	8	59	236	40	2,002	16,794	60.0	420	8.0
NOLIN RECC	109	91	200	57	21	73	351	93	2,802	29,050	30.1	312	10.4
OMEN EC	67	71	138	55	7	52	253	121	4,838	51,811	40.0	429	10.7
SALT RIVER ELECTRIC	50	57	107	40	11	57	215	77	3,649	41,459	47.4	338	11.4
SHELBY ENERGY COOP	78	110	188	50	11	48	287	32	1,978	14,087	62.0	440	7.0
SOUTH KENTUCKY RECC	60	74	124	50	7	50	231	155	6,408	60,128	41.3	389	9.4
TAYLOR COUNTY RECC	55	53	108	33	4	47	192	58	3,087	23,646	54.8	422	7.1
EPSC GROUP AVERAGE	57	82	139	47	10	60	266	74	3,481	30,302	46.6	409	8.8
JACKSON PURCHASE ENERGY	38	94	132	40	7	60	239	73	3,180	27,704	43.6	317	8.7
KENERGY CORP	63	148	209	48	6	47	311	168	6,859	52,592	41.3	380	7.7
MEADE COUNTY RECC	58	92	150	44	8	43	245	59	2,888	28,118	48.0	443	9.1
BIG RIVERS GROUP AVERAGE	63	111	164	44	7	60	286	98	4,302	35,471	43.5	368	8.2
HICKMAN-FULTON COUNTIES RECC	60	183	243	44	3	102	392	13	882	3,752	52.5	288	5.5
PENNYRILE RECC	67	88	156	45	8	47	236	123	4,988	44,853	40.5	363	9.0
TRI-COUNTY EMC	81	84	146	47	10	37	239	141	5,358	48,887	38.0	347	9.1
WARREN RECC	65	88	154	47	12	78	289	153	6,448	55,078	35.6	380	10.1
WEST KENTUCKY RECC	68	104	172	69	6	41	288	86	3,908	36,993	45.5	430	9.5
TVA GROUP AVERAGE	68	102	170	60	8	61	288	103	4,077	37,889	38.6	388	9.3
OVERALL AVERAGE	69	90	149	47	9	68	264	83	3,688	32,525	44.4	392	8.8

MEADE COUNTY RURAL ELECTRIC  
COOPERATIVE CORPORATION

For Entire Territory Served  
P.S.C. 12  
Original Sheet No. 15  
Canceling P.S.C. No. \_\_\_\_\_  
Sheet No. \_\_\_\_\_

---

CLASSIFICATION OF SERVICE

---

**The Helping Hand Fund**

The Helping Hand Fund is a program which allows cooperative members to round up their monthly payment to the next highest dollar amount (\$38.18 to \$39.00 as an example) with funds used to help families and communities throughout the cooperative. All Meade County Rural Electric Cooperative Corporation members are given the opportunity to make **VOLUNTARY** contributions to the Helping Hand Fund.

This contribution will be included on the monthly billing statement. This rounded up amount is not subject to disconnection or service for non-payment. Members may participate in the program by notifying Meade Country Rural Electric Cooperative Corporation.

**CUSTOMER BILLS SENT BY ELECTRONIC MAIL**

Members, electing to have their montly electric bills sent by electronic mail by Meade County Rural Electric Cooperative Corporations, will not receive their bills in any other form. In other words, these members will not receive a paper bill except in circumstances dealing with disconnect notices and action.

---

DATE OF ISSUE 12-Mar-07 DATE EFFECTIVE 15-Apr-07  
ISSUED BY: *David E. Spencer* TITLE: PRESIDENT & CEO