

COST BASED RATE DESIGN
JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006

COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)

COST OF SERVICE						ALLOCATION
LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	METHOD & SOURCE
1	TOTAL RATE BASE	\$12,996,465	\$1,769,740	\$11,227,075	(\$350)	
2	RETURN	\$912,979	\$124,321	\$788,683	(\$25)	RATE BASE
3	TOTAL OPER & MTN EXPENSES	\$8,268,935	\$500,550	\$4,007,963	\$3,760,422	
DEPRECIATION & AMORTIZATION EXPENSES						
4	PRODUCTION	\$0	\$0	\$0	\$0	PROD PLANT
5	TRANSMISSION	\$0	\$0	\$0	\$0	TRANS PLANT
6	DISTRIBUTION	\$594,410	\$82,664	\$511,746	\$0	DIST PLANT
7	GENERAL	\$41,641	\$6,063	\$35,578	\$0	G&I PLANT
8	TOTAL DEPR & AMORT EXPENSES	\$636,051	\$88,727	\$547,324	\$0	
9	INTEREST ON CUSTOMER DEPOSITS	\$0	\$0	\$0	\$0	CUSTOMER
GENERAL TAXES						
10	AD VALOREM	\$0	\$0	\$0	\$0	NET PLANT
11	FRANCHISE TAX	\$6,923	\$965	\$5,958	\$0	NET PLANT
12	MISCELLANEOUS GENERAL TAXES	\$13,627	\$13,321	\$142	\$164	A&G O&M
13	TOTAL GENERAL TAXES	\$20,550	\$14,286	\$6,100	\$164	
14	TOTAL FED & ST INCOME TAXES	\$0	\$0	\$0	\$0	RATE BASE
15	PROV FOR DEF TAXES	\$0	\$0	\$0	\$0	NET PLANT
16	INVESTMENT TAX CREDIT - NET	\$0	\$0	\$0	\$0	NET PLANT
17	A F U D C	\$0	\$0	\$0	\$0	CWIP
18	PRELIMINARY COST OF SERVICE	\$9,838,515	\$727,884	\$5,350,070	\$3,760,561	
19	REVENUE-RELATED (AS PROPOSED)	(\$162,962)	(\$12,056)	(\$88,617)	(\$62,289)	PRLM COS
20	COST OF SERVICE	\$9,675,552	\$715,827	\$5,261,453	\$3,698,272	

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COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)

RATE DESIGN

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	COST OF SERVICE REVENUE REQMNT	\$9,675,552	\$715,827	\$5,261,453	\$3,698,272	COSRR
	REVENUE CREDITS:					
2	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0	COSRR
3	TRANSMISSION REVENUE	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
4	REV TO COLLECT THRU RATES	\$9,675,552	\$715,827	\$5,261,453	\$3,698,272	
		=====	=====	=====	=====	
	BILLING DETERMINANTS:					
5	NUMBER OF CUSTOMERS			734		
6	NUMBER OF TIMES BILLS ISSUED PER YEAR			12		
7	ANNUAL ENERGY CONSUMPTION BILLED (KWH)			178,774,164		
8	AVERAGE MONTHLY BILLING DEMAND			56,724		
9	MONTHLY FACILITY CHARGE			\$81.27		
10	MONTHLY DEMAND CHARGE PER KW			\$7.73		
11	BASE \$/MWH, (DEMAND+ENERGY)/MWH			\$0.02069		

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COST BASED RATE DESIGN
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OUTDOOR LIGHTING

ELECTRIC NET PLANT

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
	TRANSMISSION PLANT					
2	POWER PLANT EQUIP	\$0	\$0	\$0	\$0	DEMAND
3	LARGE POWER SERVICE EQUIP	\$0	\$0	\$0	\$0	DEMAND
4	OTHER DIST IN ACCT 353	\$0	\$0	\$0	\$0	DEMAND
5	ALL OTHER TRANSMISSION	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
6	TOTAL TRANSMISSION PLANT	\$0	\$0	\$0	\$0	TRAN PLNT
	DISTRIBUTION PLANT					
7	PRIMARY DEMAND RELATED	\$81,836	\$0	\$81,836	\$0	DEMAND
8	SECONDARY DEMAND RELATED	\$31,349	\$0	\$31,349	\$0	DEMAND
9	CUSTOMER RELATED	\$2,479,068	\$2,479,068	\$0	\$0	CUSTOMER
10	LIGHTING SPECIFIC	\$384,193	\$384,193	\$0	\$0	CUSTOMER
		-----	-----	-----	-----	
11	TOTAL DISTRIBUTION PLANT	\$2,976,446	\$2,863,261	\$113,185	\$0	DIST PLNT
	GENERAL AND INTANGIBLE PLANT					
12	PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
13	TRANSMISSION RELATED	\$0	\$0	\$0	\$0	DEMAND
14	DISTRIBUTION RELATED CUST ACCT/SERV & INFO/	\$153,924	\$148,071	\$5,853	\$0	DIST PLT
15	SALES RELATED	\$7,054	\$7,054	\$0	\$0	CUSTOMER
		-----	-----	-----	-----	
16	TOTAL GENERAL & INTANGIBLE PLANT	\$160,978	\$155,125	\$5,853	\$0	GENR PLNT
17	TOTAL NET PLANT IN SERVICE	\$3,137,424	\$3,018,386	\$119,038	\$0	NET PLANT
		=====	=====	=====	=====	

COST BASED RATE DESIGN
JPEC
Cost of Service Study for the Twelve Months Ended December 31, 2006

OUTDOOR LIGHTING

OTHER RATE BASE

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL NET PLANT IN SERVICE	\$3,137,424	\$3,018,386	\$119,038	\$0	
CONSTRUCTION WORK IN PROGRESS						
2	PRODUCTION PLANT	\$0	\$0	\$0	\$0	DEMAND
3	TRANSMISSION PLANT	\$0	\$0	\$0	\$0	DEMAND
4	DISTRIBUTION PLANT	\$137,481	\$132,253	\$5,228	\$0	DIST PLT
5	GENERAL PLANT	\$0	\$0	\$0	\$0	G&I PLANT
6	TOTAL CWIP	\$137,481	\$132,253	\$5,228	\$0	
7	NET ACQUISITION ADJUSTMENT	\$0	\$0	\$0	\$0	DEMAND
8	PLANT HELD FOR FUTURE USE	\$0	\$0	\$0	\$0	DEMAND
MISC DEFERRED DEBITS						
9	PROD RELATED	\$0	\$0	\$0	\$0	DEMAND
10	TRAN RELATED	\$0	\$0	\$0	\$0	DEMAND
11	DIST RELATED	\$0	\$0	\$0	\$0	DIST PLT
12	GENR RELATED	\$62,610	\$60,334	\$2,276	\$0	G&I PLANT
13	NPR RELATED	\$0	\$0	\$0	\$0	NET PLANT
14	TOTAL MISC DEFERD DEBITS	\$62,610	\$60,334	\$2,276	\$0	
WORKING CAPITAL						
15	CASH WORK CAP, FUNDS, MAT & SUP	\$121,897	\$117,272	\$4,625	\$0	NET PLANT
16	FUEL STOCK	\$0	\$0	\$0	\$0	ENERGY
17	PREPAID LIGNITE ROYALTIES	\$0	\$0	\$0	\$0	ENERGY
18	OTHER PREPAYMENTS	\$19,352	\$18,618	\$734	\$0	NET PLANT
19	TOTAL WORKING CAPITAL	\$141,249	\$135,890	\$5,359	\$0	
20	UNAMORTIZED LOSS ON REACQD LTD	\$0	\$0	\$0	\$0	NET PLANT
21	DEFERRED FUEL	\$0	\$0	\$0	\$0	ENERGY

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COST BASED RATE DESIGN
JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006

OUTDOOR LIGHTING

OTHER RATE BASE (continued)

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	ACCUMULATED DEFERRED INCOME TAX					
22	ACCT 281: POL CON	\$0	\$0	\$0	\$0	NET PLANT
23	ACCT 282: LIBERAL DEP - PROD	\$0	\$0	\$0	\$0	DEMAND
24	' TRAN	\$0	\$0	\$0	\$0	DEMAND
25	DIST	\$0	\$0	\$0	\$0	DIST PLNT
26	GENR	\$0	\$0	\$0	\$0	GENR PLNT
27	LIGNITE EXPLORATION	\$0	\$0	\$0	\$0	ENERGY
28	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
29	TOTAL ACCOUNT 282	\$0	\$0	\$0	\$0	
30	ACCT 283: UNBILLED REV	\$0	\$0	\$0	\$0	ENERGY
31	LONG TERM DEBT LOSS	\$0	\$0	\$0	\$0	NET PLANT
32	TOTAL ACCOUNT 283	\$0	\$0	\$0	\$0	
33	ACCOUNT 190: PRODUCTION RELATED	\$0	\$0	\$0	\$0	DEMAND
34	PLANT RELATED	\$0	\$0	\$0	\$0	NET PLANT
35	ENERGY RELATED	\$0	\$0	\$0	\$0	ENERGY
36	LABOR RELATED	\$0	\$0	\$0	\$0	A&G O&M
37	FERC REFUND	\$0	\$0	\$0	\$0	DEMAND
38	TOTAL ACCOUNT 190	\$0	\$0	\$0	\$0	
39	TOTAL ACCUM DEFIRD INC TAX	\$0	\$0	\$0	\$0	
40	INVESTMENT TAX CREDIT PRE '71	\$0	\$0	\$0	\$0	NET PLANT
41	CUSTOMER ADVANCES AND DEPOSITS	(\$277,327)	(\$277,327)	\$0	\$0	CUSTOMER
42	STORM DAMAGE & INJ & DAM RESERVE	\$0	\$0	\$0	\$0	DEMAND
43	PNSN & MIS OP RSRVS, OTR DEF CREDITS	(\$7,746)	(\$7,572)	(\$28)	(\$146)	A&G O&M
44	TRANSMISSION RATE REFUND RESERVE	\$0	\$0	\$0	\$0	DEMAND
45	TOTAL RATE BASE	\$3,193,691	\$3,061,964	\$131,873	(\$146)	

COST BASED RATE DESIGN
JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006

OUTDOOR LIGHTING

OPERATION AND MAINTENANCE EXPENSES

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
	PRODUCTION O&M EXPENSE					
1	FUEL EXPENSE - ACCT 501	\$0	\$0	\$0	\$0	ENERGY
	PURCHASE POWER - ACCT 555					
2	DEMAND - OTHER	\$36,281	\$0	\$36,281	\$0	DEMAND
3	ENERGY - OTHER	\$192,887	\$0	\$0	\$192,887	ENERGY
4	NET OFF SYSTEM REVENUE	\$0	\$0	\$0	\$0	DEMAND
	OTHER PRODUCTION O&M					
5	DEMAND - OTHER	\$0	\$0	\$0	\$0	DEMAND
6	ENERGY - OTHER	\$0	\$0	\$0	\$0	ENERGY
7	TOTAL OTHER PRODUCTION O&M	\$0	\$0	\$0	\$0	
8	TOTAL PRODUCTION O&M EXPENSE	\$229,168	\$0	\$36,281	\$192,887	
9	TOTAL TRANSMISSION O&M EXPENSE	\$0	\$0	\$0	\$0	DEMAND
	DISTRIBUTION O&M EXPENSE					
10	LIGHTING SPECIFIC	\$27,463	\$27,463	\$0	\$0	CUSTOMER
11	ALL OTHER	\$203,643	\$195,899	\$7,744	\$0	DIST PLT
12	TOTAL DISTRIBUTION O&M EXPENSE	\$231,106	\$223,362	\$7,744	\$0	
13	TOTAL CUST ACCT/SERV & INFO/ SALES	\$100,692	\$100,692	\$0	\$0	CUSTOMER
	ADMINISTRATIVE & GENERAL EXPENSE					
14	PROP INSURANCE / INJ & DAMAGES	\$1,925	\$0	\$305	\$1,620	OTR PRO O&M
15	CUST ACCT / SERV & INFO / SALES REL	\$83,889	\$83,889	\$0	\$0	CUST
16	TOTAL ADMIN & GENERAL EXPENSE	\$85,814	\$83,889	\$305	\$1,620	A&G O&M
17	TOTAL OPER & MTN EXPENSES	\$646,780	\$407,943	\$44,330	\$194,507	

COST BASED RATE DESIGN
JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006

OUTDOOR LIGHTING

COST OF SERVICE

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	TOTAL RATE BASE	\$3,193,691	\$3,061,964	\$131,873	(\$146)	
2	RETURN	\$224,351	\$215,097	\$9,264	(\$10)	RATE BASE
3	TOTAL OPER & MTN EXPENSES	\$646,780	\$407,943	\$44,330	\$194,507	
	DEPRECIATION & AMORTIZATION EXPENSES					
4	PRODUCTION	\$0	\$0	\$0	\$0	PROD PLANT
5	TRANSMISSION	\$0	\$0	\$0	\$0	TRANS PLANT
6	DISTRIBUTION	\$158,102	\$152,090	\$6,012	\$0	DIST PLANT
7	GENERAL	\$11,495	\$11,077	\$418	\$0	G&I PLANT
8	TOTAL DEPR & AMORT EXPENSES	\$169,597	\$163,167	\$6,430	\$0	
9	INTEREST ON CUSTOMER DEPOSITS	\$0	\$0	\$0	\$0	CUSTOMER
	GENERAL TAXES					
10	AD VALOREM	\$0	\$0	\$0	\$0	NET PLANT
11	FRANCHISE TAX	\$1,843	\$1,773	\$70	\$0	NET PLANT
12	MISCELLANEOUS GENERAL TAXES	\$3,157	\$3,086	\$11	\$60	A&G O&M
13	TOTAL GENERAL TAXES	\$5,000	\$4,859	\$81	\$60	
14	TOTAL FED & ST INCOME TAXES	\$0	\$0	\$0	\$0	RATE BASE
15	PROV FOR DEF TAXES	\$0	\$0	\$0	\$0	NET PLANT
16	INVESTMENT TAX CREDIT - NET	\$0	\$0	\$0	\$0	NET PLANT
17	A F U D C	\$0	\$0	\$0	\$0	CWIP
18	PRELIMINARY COST OF SERVICE	\$1,045,728	\$791,066	\$60,105	\$194,557	
19	REVENUE-RELATED (AS PROPOSED)	(\$15,170)	(\$11,476)	(\$872)	(\$2,822)	PRLM COS
20	COST OF SERVICE	\$1,030,557	\$779,589	\$59,233	\$191,735	

COST BASED RATE DESIGN
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OUTDOOR LIGHTING

RATE DESIGN

LINE NO.	DESCRIPTION	TOTAL	CUSTOMER RELATED	DEMAND RELATED	ENERGY RELATED	ALLOCATION METHOD & SOURCE
1	COST OF SERVICE REVENUE REQMNT	\$1,030,557	\$779,589	\$59,233	\$191,735	COSRR
	REVENUE CREDITS:					
2	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0	COSRR
3	TRANSMISSION REVENUE	\$0	\$0	\$0	\$0	DEMAND
		-----	-----	-----	-----	
4	REV TO COLLECT THRU RATES	\$1,030,557	\$779,589	\$59,233	\$191,735	
		=====	=====	=====	=====	
	BILLING DETERMINANTS:					
5	NUMBER OF CUSTOMERS			9,354		
6	NUMBER OF TIMES BILLS ISSUED PER YEAR			12		
7	ANNUAL ENERGY CONSUMPTION BILLED (KWH)			9,179,517		
8	MONTHLY CHARGE			\$9.18		

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COST BASED RATE DESIGN
JPEC
Cost of Service Study for the Twelve Months Ended December 31, 2006

SUMMARY OF COST BASED RATES

LINE NO.	CLASSIFICATION	FACILITY CHARGE	ENERGY CHARGE	DEMAND CHARGE
1	RESIDENTIAL	\$26.77	\$0.04947	
2	SMALL COMMERCIAL SINGLE PHASE	\$26.51	\$0.05015	
3	SMALL COMMERCIAL THREE PHASE	\$28.52	\$0.05142	
4	LARGE COMMERCIAL - EXISTING	\$2,687.70	\$0.01986	\$9.61
5	COMMERCIAL AND INDUSTRIAL (LESS THAN 3,000 KW)	\$81.27	\$0.02069	\$7.73
6	OUTDOOR LIGHTING	\$9.18		

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JPEC

STUDY DATE:	December 31, 2006
RUN DATE AND TIME:	02:16 PM
RETURN ON COMMON EQUITY	8.64%
OVERALL RATE OF RETURN	7.02%

CAPITALIZATION:	OUTSTANDING	EFFECTIVE RATE	COMPOSITE
DBT	\$48,718,372	5.88%	3.448%
PRF	\$0	0.00%	0.000%
CMN	\$34,444,409	8.64%	3.577%

FEDERAL EFFECTIVE INCOME TAX RATE	0.00%
FEDERAL NOMINAL INCOME TAX RATE	0.00%
STATE EFFECTIVE INCOME TAX RATE	0.00%
STATE NOMINAL INCOME TAX RATE	0.00%

NOTATIONS: THIS RUN ALLOCATES PRODUCTION PLANT ON AVG OF 12 CP

NOTES

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JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Customer Data

Exhibit T-1
 Witness - Gary C. Stephens
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Line No	Description	Control All	Control Out	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
1	NUMBER OF CUSTOMERS	C1A	C1A	37,750	25,461	2,021	178	2	734	9,354
2	PERCENT OF TOTAL	C1A	C1A	100.000%	67.446%	5.354%	0.472%	0.005%	1.944%	24.779%
3	NUMBER OF WEIGHTED CUSTOMERS	C2A	C2A	31,471	25,461	2,021	178	4	1,468	2,339
4	PERCENT OF TOTAL	C2A	C2A	100.000%	80.904%	6.422%	0.566%	0.013%	4.665%	7.431%
5	NUMBER OF RETAIL DISTR CUSTOMERS	C3A	C3A	37,750	25,461	2,021	178	2	734	9,354
6	PERCENT OF TOTAL	C3A	C3A	100.000%	67.446%	5.354%	0.472%	0.005%	1.944%	24.779%
7	NUMBER OF RETAIL WTD CUSTOMERS	C4A	C4A	31,471	25,461	2,021	178	4	1,468	2,339
8	PERCENT OF TOTAL	C4A	C4A	100.000%	80.904%	6.422%	0.566%	0.013%	4.665%	7.431%
9	LIGHTING DIRECT ALLOCATOR	LDE	LDE	9,354	0	0	0	0	0	9,354
10	PERCENT OF TOTAL	LDE	LDE	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	100.000%
11	LFS DIRECT ALLOCATOR	DA1	DA1	0	0	0	0	0	0	0
12	PERCENT OF TOTAL	DA1	DA1	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
13	AVERAGE COINCIDENT KW DEMAND	D1A	D1A	121.650	73.803	5.041	1.013	5.714	35.680	399
14	DEMAND ALLOCATION FACTOR-PROD	D1A	D1A	100.000%	60.668%	4.144%	0.833%	4.697%	29.330%	0.328%
15	AVERAGE COINCIDENT KW DEMAND	D1B	D1B	121.650	73.803	5.041	1.013	5.714	35.680	399
16	DEMAND ALLOCATION FACTOR-TRANS	D1B	D1B	100.000%	60.668%	4.144%	0.833%	4.697%	29.330%	0.328%
17	AVG PRIMARY DISTRIB KW DEMAND	D2A	D2A	128.238	77.011	5.258	1.056	7.289	37.197	427
18	DIST-PRI DEMAND ALLOC FACTOR	D2A	D2A	100.000%	60.053%	4.100%	0.823%	5.684%	29.006%	0.333%
19	AVG SECONDARY DISTRIB KW DEMAND	D3A	D3A	134.826	80.219	5.476	1.098	8.864	38.713	455
20	DIST-SEC DEMAND ALLOC FACTOR	D3A	D3A	100.000%	59.498%	4.061%	0.815%	6.575%	28.714%	0.337%
21	AVG SECONDARY DISTRIB KW DEMAND	D4A	D4A	134.826	80.219	5.476	1.098	8.864	38.713	455
22	DIST-SEC DEMAND ALLOC FACTOR	D4A	D4A	100.000%	59.498%	4.061%	0.815%	6.575%	28.714%	0.337%
23	ANNUAL MWH ENERGY CONTRIBUTION	E1A	E1A	663.944	395.877	26.427	5.067	40.619	186.384	9,570
24	ENERGY ALLOCATION FACTOR	E1A	E1A	100.000%	59.625%	3.980%	0.763%	6.118%	28.072%	1.441%

Includes the Big Rivers Discount

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JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Customer Data (continued)

Line No	Description	Control All Out	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
25	RESERVED		0	0.000%	0	0	0	0.000%	0
26	PERCENT OF TOTAL		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
27	WAGES/SALARIES: PRODUCTION	NPP	0	0	0	0	0	0	0
28	TRANSMISSION	NPT	0	0	0	0	0	0	0
29	DISTRIBUTION	NPD	4,387,289	3,061,026	228,506	144,086	729,514	194,037	194,037
30	GENERAL	NPG	119,658	83,838	6,271	818	19,517	5,388	5,388
31	WAGES/SALARIES: TOTAL	LBR LBR	4,506,947	3,144,864	234,777	147,912	749,031	199,425	199,425
32	PERCENT OF TOTAL	LBR	100.000%	69.778%	5.209%	0.686%	3.282%	16.619%	4.425%
33	BULK TRANSMISSION REVENUE	D1A	0	0	0	0	0	0	0
34	PRIMARY TRANSMISSION REVENUE	D2A	0	0	0	0	0	0	0
35	TOTAL TRANSMISSION REVENUE	TRN TRN	0	0	0	0	0	0	0
36	PERCENT OF TOTAL	TRN	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
37	EXISTING REVENUE	OTR OTR	37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
38	EXISTING BASE REV	FUL	0	0	0	0	0	0	0
39	PURCHASED POWER REVENUE	NPD	0	0	0	0	0	0	0
40	MISCELLANEOUS REVENUE	TRN	0	0	0	0	0	0	0
41	TRANSMISSION REVENUE	E1A	0	0	0	0	0	0	0
42	SLS FOR RESALE	EXR EXR	37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
43	TOTAL EXISTING REVENUE		37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
44	PROPOSED REVENUE	PRV PRV	40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
45	PROPOSED BASE REV		0	0	0	0	0	0	0
46	PURCHASED POWER REVENUE		0	0	0	0	0	0	0
47	MISCELLANEOUS REVENUE		0	0	0	0	0	0	0
48	TRANSMISSION REVENUE		0	0	0	0	0	0	0
49	SLS FOR RESALE		0	0	0	0	0	0	0
50	TOTAL PROPOSED REVENUE		40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
51	OTHER REVENUE INCLUDED ***								
52	PROPOSED INCREASE/(DECREASE)		3,554,064	2,745,307	229,674	2,098	117,767	292,759	166,458
53	PROPOSED REVENUE INCR/(DECR) - %		9.50%	11.56%	13.90%	0.69%	6.97%	3.20%	19.52%

Includes the Big Rivers Discount

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Electric Gross Plant

Line No	Description	Control		Total Company	Residential		Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out								
1	TOTAL PRODUCTION PLANT			0	0	0	0	0	0	0	0
	TRANSMISSION PLANT										
2	POWER PLANT EQUIP	D1A	GPP	0	0	0	0	0	0	0	0
3	LARGE POWER SERVICE EQUIP	D1A		0	0	0	0	0	0	0	0
4	OTHER DIST IN ACCT 353	D2A		0	0	0	0	0	0	0	0
5	ALL OTHER TRANSMISSION	D1B		0	0	0	0	0	0	0	0
6	TOTAL TRANSMISSION PLANT	GPT	GPT	0	0	0	0	0	0	0	0
	DISTRIBUTION PLANT										
7	PRIMARY DEMAND RELATED	D4A		34,381,818	20,456,648	1,396,370	280,084	2,260,484	9,872,250	115,982	
8	SECONDARY DEMAND RELATED	D3A		13,170,637	7,836,325	534,907	107,292	865,923	3,781,761	44,429	
9	CUSTOMER RELATED	C4A		47,282,347	38,253,470	3,036,419	267,433	6,010	2,205,573	3,513,442	
10	SUB-TOTAL DISTR PLANT	SGD		94,834,803	66,546,444	4,967,696	654,809	3,132,417	15,859,584	3,673,853	
11	LIGHTING SPECIFIC	LDE		544,495	0	0	0	0	0	544,495	
12	TOTAL DISTRIBUTION PLANT	GPD	GPD	95,379,298	66,546,444	4,967,696	654,809	3,132,417	15,859,584	4,218,348	
	GENERAL AND INTANGIBLE PLANT										
13	PRODUCTION RELATED	GPP		0	0	0	0	0	0	0	0
14	DISTRIBUTION RELATED	GPT		0	0	0	0	0	0	0	0
15	CUST ACCT/SERV & INFO/ SALES RELATED	GPD		6,557,881	4,575,454	341,558	45,022	215,372	1,090,439	290,036	
16	TOTAL GENERAL & INTANGIBLE PLANT	C2A		178,859	144,704	11,486	1,012	23	8,343	13,291	
17	TOTAL GROSS PLANT IN SERVICE	GPG	GPG	6,736,740	4,720,158	353,044	46,034	215,395	1,098,782	303,327	
18	TOTAL GROSS PLANT IN SERVICE	GPR	GPR	102,116,038	71,266,602	5,320,740	700,843	3,347,812	16,958,366	4,521,675	

Includes the Big Rivers Discount

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Electric Plant - Accumulated Depreciation

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
		DIA	DPP							
1	TOTAL PRODUCTION PLANT			0	0	0	0	0	0	0
	TRANSMISSION PLANT									
2	POWER PLANT EQUIP	D1B		0	0	0	0	0	0	0
3	LARGE POWER SERVICE EQUIP	DA1		0	0	0	0	0	0	0
4	OTHER DIST IN ACCT 353	D2A		0	0	0	0	0	0	0
5	ALL OTHER TRANSMISSION	D1A		0	0	0	0	0	0	0
6	TOTAL TRANSMISSION PLANT	DPT	DPT	0	0	0	0	0	0	0
	DISTRIBUTION PLANT									
7	PRIMARY DEMAND RELATED	D4A		10,122,170	6,022,534	411,098	82,458	665,497	2,906,437	34,146
8	SECONDARY DEMAND RELATED	D3A		3,877,498	2,307,052	157,479	31,587	254,932	1,113,368	13,080
9	CUSTOMER RELATED	C4A		13,920,146	11,262,002	893,936	78,734	1,769	649,331	1,034,374
10	SUB-TOTAL DISTR PLANT	SDD		27,919,814	19,591,588	1,462,513	192,779	922,198	4,669,136	1,081,600
11	LIGHTING SPECIFIC	LDE		160,302	0	0	0	0	0	160,302
12	TOTAL DISTRIBUTION PLANT	DPD	DPD	28,080,116	19,591,588	1,462,513	192,779	922,198	4,669,136	1,241,902
	GENERAL AND INTANGIBLE PLANT									
13	PRODUCTION RELATED	GPP		0	0	0	0	0	0	0
14	TRANSMISSION RELATED	GPT		0	0	0	0	0	0	0
15	DISTRIBUTION RELATED	GPD		3,077,563	2,147,226	160,291	21,128	101,072	511,734	136,112
16	CUST ACCT/SERV & INFO/ SALES RELATED	C2A		83,937	67,909	5,390	475	11	3,915	6,237
17	TOTAL GENERAL & INTANGIBLE PLANT	DFG	DPG	3,161,500	2,215,135	165,681	21,603	101,083	515,649	142,349
18	TOTAL ACCUMULATED DEPRECIATION	DPR	DPR	31,241,617	21,806,724	1,628,194	214,382	1,023,281	5,184,785	1,384,251

Includes the Big Rivers Discount

000868

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Electric Net Plant

Line No	Description	Control All	Out	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
1	TOTAL PRODUCTION PLANT	D1A	NPP	0	0	0	0	0	0	0
2	TRANSMISSION PLANT	D1B	NPT	0	0	0	0	0	0	0
3	POWER PLANT EQUIP	D1A	NPP	0	0	0	0	0	0	0
4	LARGE POWER SERVICE EQUIP	D2A	NPP	0	0	0	0	0	0	0
5	OTHER DIST IN ACCT 353	D2A	NPP	0	0	0	0	0	0	0
6	ALL OTHER TRANSMISSION	D1A	NPP	0	0	0	0	0	0	0
7	TOTAL TRANSMISSION PLANT	NPT	NPT	0	0	0	0	0	0	0
8	DISTRIBUTION PLANT	D4A	NPP	24,259,648	14,434,114	985,272	197,626	1,594,987	6,965,813	81,836
9	PRIMARY DEMAND RELATED	D3A	NPP	9,293,139	5,529,273	377,428	75,705	610,991	2,668,393	31,349
10	SECONDARY DEMAND RELATED	C4A	NPP	33,362,201	26,991,468	2,142,483	188,699	4,241	1,556,242	2,479,068
11	CUSTOMER RELATED		NPP							
12	SUB-TOTAL DISTR PLANT	SPD	NPP	66,914,989	46,954,856	3,505,183	462,030	2,210,219	11,190,448	2,592,253
13	LIGHTING SPECIFIC	LDE	NPP	384,193	0	0	0	0	0	384,193
14	TOTAL DISTRIBUTION PLANT	NPD	NPD	67,299,182	46,954,856	3,505,183	462,030	2,210,219	11,190,448	2,976,446
15	GENERAL AND INTANGIBLE PLANT	NPP	NPP	0	0	0	0	0	0	0
16	PRODUCTION RELATED	NPT	NPP	0	0	0	0	0	0	0
17	TRANSMISSION RELATED	NPD	NPP	3,480,318	2,428,228	181,267	23,894	114,300	578,705	153,924
18	DISTRIBUTION RELATED	C2A	NPP	94,922	76,795	6,096	537	12	4,428	7,054
19	CUST ACCT/SERV & INFO/ SALES RELATED	NPG	NPG	3,575,240	2,505,023	187,363	24,431	114,312	583,133	160,978
20	TOTAL GENERAL & INTANGIBLE PLANT	NPR	NPR	70,874,422	49,459,879	3,692,546	486,461	2,324,531	11,773,581	3,137,424
21	TOTAL NET PLANT IN SERVICE									

Includes the Big Rivers Discount

000367

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)

Line No	Description	Control		Total Company	Residential	Sm Commercial		Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out			(1 Phase)	(3 Phase)			
		NPR	NPR							
1	NET PLANT IN SERVICE			70,874,422	49,459,879	3,692,546	486,461	2,324,531	11,773,581	3,137,424
CONSTRUCTION WORK IN PROGRESS										
2	PRODUCTION PLANT	NPP		0	0	0	0	0	0	0
3	TRANSMISSION PLANT	NPT		0	0	0	0	0	0	0
4	DISTRIBUTION PLANT	NPD		3,108,533	2,168,834	161,904	21,341	102,089	516,884	137,481
5	GENERAL PLANT	NPG		0	0	0	0	0	0	0
6	TOTAL CWIP	CWP	CWP	3,108,533	2,168,834	161,904	21,341	102,089	516,884	137,481
7	NET ACQUISITION ADJUSTMENT	D2A	ACQ	0	0	0	0	0	0	0
8	PLANT HELD FOR FUTURE USE	EIA	PLH	0	0	0	0	0	0	0
MISC DEFERRED DEBITS										
9	PROD RELATED	NPP		0	0	0	0	0	0	0
10	TRAN RELATED	NPT		0	0	0	0	0	0	0
11	DIST RELATED	NPD		0	0	0	0	0	0	0
12	GENR RELATED	NPG		1,390,539	974,294	72,872	9,502	44,460	226,801	62,610
13	LABOR RELATED	LBR		0	0	0	0	0	0	0
14	NPR RELATED	NPR		0	0	0	0	0	0	0
15	TOTAL MISC DEFERRED DEBITS			1,390,539	974,294	72,872	9,502	44,460	226,801	62,610
WORKING CAPITAL										
16	CASH WORK CAP.FUNDS.MAT&SUP	NPR	MAS	2,753,653	1,921,643	143,465	18,900	90,314	457,434	121,897
17	FUEL STOCK	EIA	FUL	0	0	0	0	0	0	0
18	PREPAID LIGNITE ROYALTIES	EIA		0	0	0	0	0	0	0
19	OTHER PREPAYMENTS	NPR		437,151	305,067	22,775	3,000	14,338	72,619	19,352
20	TOTAL WORKING CAPITAL			3,190,804	2,226,710	166,240	21,900	104,652	530,053	141,249
21	UNAMORTIZED LOSS ON REACQD LTD	NPR		0	0	0	0	0	0	0
22	DEFERRED FUEL	EIA	DEF	0	0	0	0	0	0	0

(RATE BASE CONTINUED ON NEXT PAGE)

Includes the Big Rivers Discount

000868

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Rate Base (continued)

Line No	Description	Control All	Control Out	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
23	ACCUMULATED DEFERRED INCOME TAX									
	ACCT 281: POL CON	NPP		0	0	0	0	0	0	0
24	ACCT 282: LIBERAL DEP - PROD	NPP		0	0	0	0	0	0	0
25	TRAN	NPT		0	0	0	0	0	0	0
26	DIST	NPD		0	0	0	0	0	0	0
27	GENR	NPG		0	0	0	0	0	0	0
28	LIGNITE EXPLORATN	E1A		0	0	0	0	0	0	0
29	LABOR RELATED	LBR		0	0	0	0	0	0	0
30	TOTAL ACCOUNT 282			0	0	0	0	0	0	0
31	ACCT 283: THIS LINE RESERVED			0	0	0	0	0	0	0
32	LONG TERM DEBT LOSS	NPR		0	0	0	0	0	0	0
33	TOTAL ACCOUNT 283			0	0	0	0	0	0	0
34	ACCOUNT 190: PRODUCTION RELATED	NPP		0	0	0	0	0	0	0
35	PLANT RELATED	NPR		0	0	0	0	0	0	0
36	ENERGY RELATED	E1A		0	0	0	0	0	0	0
37	LABOR RELATED	LBR		0	0	0	0	0	0	0
38	FERC REFUND	TRN		0	0	0	0	0	0	0
39	TOTAL ACCOUNT 190			0	0	0	0	0	0	0
40	TOTAL ACCUM DEFERD INC TAX	ACC ACC		0	0	0	0	0	0	0
41	INVESTMENT TAX CREDIT PRE 71	NPR PIC		0	0	0	0	0	0	0
42	CUSTOMER ADVANCES AND DEPOSITS	C3A CAD		-1,119,209	-754,866	-59,918	-5,277	-59	-21,762	-271,327
43	STORM DAMAGE & INJ & DAM RESRVS	D2A SDR		0	0	0	0	0	0	0
44	PNSN & MIS OP RSRVS, OTR DEF CR	OMA PEN		-175,052	-122,148	-9,119	-1,202	-5,745	-29,092	-7,746
45	TRANSMISSION RATE REFUND RESERVE	TRN		0	0	0	0	0	0	0
46	TOTAL RATE BASE	RBT RBT		77,270,037	53,952,703	4,024,525	532,725	2,569,928	12,996,465	3,193,691

Includes the Big Rivers Discount

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Operation and Maintenance Expense

Line No	Description	Control All Out	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
	PRODUCTION O&M EXPENSE								
1	FUEL EXPENSE - ACCT 501	EIA	0	0	0	0	0	0	0
2	PURCHASED POWER - ACCT 555	DIA	11,073,181	6,717,922	458,829	92,250	520,131	3,247,768	36,281
3	DEMAND - OTHER	EIA	12,582,763	7,502,478	500,829	96,036	769,794	3,532,255	181,371
4	ENERGY - OTHER	EIA	0	0	0	0	0	0	0
5	NET OFF SYSTEM REVENUE								
6	OTHER PRODUCTION O&M ACCTS	DIA	0	0	0	0	0	0	0
7	DEMAND - OTHER	EIA	0	0	0	0	0	0	0
8	ENERGY - OTHER								
9	TOTAL OTHER PRODUCTION O&M	PRO PRO	0	0	0	0	0	0	0
10	TOTAL PRODUCTION O&M EXPENSE	OMP OMP	23,655,944	14,220,400	959,658	188,286	1,289,925	6,780,023	217,652
11	TOTAL TRANSMISSION O&M EXPENSE	NPT OMT	0	0	0	0	0	0	0
12	DISTRIBUTION O&M EXPENSE	LDE	27,463	0	0	0	0	0	27,463
13	LIGHTING SPECIFIC	SPD	5,256,724	3,688,691	275,361	36,296	173,631	879,102	203,643
14	ALL OTHER								
15	TOTAL DISTRIBUTION O&M EXPENSE	OMD OMD	5,284,187	3,688,691	275,361	36,296	173,631	879,102	231,106
16	TOTAL CUST ACCT/SERV & INFO/SALES EXPENSE	CZA OMC	1,355,070	1,096,311	87,021	7,664	172	63,210	100,692
17	ADMINISTRATIVE & GENERAL EXPENSE	NPR	43,480	30,343	2,265	298	1,426	7,223	1,925
18	PROP INSURANCE/MI & DAMG	LBR	1,895,873	1,322,906	98,760	13,014	62,220	315,084	83,889
19	CUST ACCT/SERV&INFO/SALES REL	OMA OMA	1,939,353	1,353,249	101,025	13,312	63,646	322,307	85,814
20	TOTAL ADMIN & GENERAL EXPENSE	OMX OMX	32,234,554	20,358,651	1,423,065	245,558	1,527,374	8,044,642	635,264
21	TOTAL OPER & MTN EXPENSES								

Includes the Big Rivers Discount

Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
Expenses Other Than Income Taxes

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	TOTAL OPER & MTN EXPENSES	OMX		32,234,554	20,358,651	1,423,065	245,558	1,527,374	8,044,642	635,264
	DEPRECIATION & AMORTIZATION EXPENSES									
2	PRODUCTION	NPP		0	0	0	0	0	0	0
3	TRANSMISSION	NPT		0	0	0	0	0	0	0
4	DISTRIBUTION	NPD		3,574,770	2,494,128	186,187	24,542	117,401	594,410	158,102
5	GENERAL	NPG		255,302	178,879	13,379	1,745	8,163	41,641	11,495
6	TOTAL DEPR & AMORT EXPEN	DEP DEP		3,830,072	2,673,007	199,566	26,287	125,564	636,051	169,597
7	INTEREST ON CUSTOMER DEPOSITS	C3A ICD		0	0	0	0	0	0	0
	GENERAL TAXES AND OTHER									
8	AD VALOREM	NPR VAL		0	29,849	0	0	0	0	0
9	MISCELLANEOUS GENERAL TAXES	LBR MIS		41,657	29,068	2,170	286	1,367	6,923	1,843
10	OTHER INTEREST & DEDUCTIONS	SPD		81,482	57,177	4,268	563	2,691	13,627	3,157
11	NON-OPERATING REVENUE	EXR		-665,414	-422,423	-29,407	-5,385	-30,066	-162,962	-15,170
12	TOTAL GENERAL TAXES AND OTHER	GTX GTX		-542,275	-336,179	-22,969	-4,536	-26,007	-142,413	-10,171
13	TOTAL EXPENSES EXCEPT INCOME TAX	EXP EXP		35,522,351	22,695,479	1,599,662	267,309	1,626,931	8,538,280	794,690

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Income Tax For 8.64 % ROE (this calculation was not used in this filing)

Line No	Description	Control	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
1	RATE BASE	RBT	77,270,037	53,952,703	4,024,525	532,725	2,569,928	12,996,465	3,193,691
2	RETURN AT 7.02%	RBT RET	5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351
3	INTEREST (3.45% OF LINE 1)	RBT INT	-2,663,917	-1,860,042	-138,747	-18,366	-88,599	-448,059	-110,104
4	A F U D C	NPR AFD	0	0	0	0	0	0	0
5	PROVISION FOR DEFERRED TAXES	NPP	0	0	0	0	0	0	0
6	ACT 410.1: PROD RLTD	NPT	0	0	0	0	0	0	0
7	TRAN RLTD	NPR	0	0	0	0	0	0	0
8	PLANT RLTD	EIA	0	0	0	0	0	0	0
9	ENERGY RLTD	LBR	0	0	0	0	0	0	0
10	LABOR RLTD	C3A	0	0	0	0	0	0	0
11	CUSTOMER RELATED		0	0	0	0	0	0	0
12	RESERVED		0	0	0	0	0	0	0
13	TOTAL 410.1		0	0	0	0	0	0	0
14	ACT 411.1: PROD RLTD	NPP	0	0	0	0	0	0	0
15	TRAN RLTD	NPT	0	0	0	0	0	0	0
16	PLANT RELATED	NPR	0	0	0	0	0	0	0
17	ENERGY RELATED	EIA	0	0	0	0	0	0	0
18	LABOR RELATED	LBR	0	0	0	0	0	0	0
19	CUSTOMER RELATED	C3A	0	0	0	0	0	0	0
20	TOTAL 411.1		0	0	0	0	0	0	0
21	NET PROVISION FOR DEFERRED INC TAX	PDT	0	0	0	0	0	0	0
22	ITC AMORT	NPR ITA	0	0	0	0	0	0	0
23	ADJUSTED RETURN	ART ART	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
24	FED ADD INC & UNALLOW DEDUCTS		0	0	0	0	0	0	0
25	PRODUCTION RELATED	NPP	0	0	0	0	0	0	0
26	DISTRIBUTION RELATED	NPD	0	0	0	0	0	0	0
27	PLANT RELATED	NPR	0	0	0	0	0	0	0
28	ENERGY RELATED	EIA	0	0	0	0	0	0	0
29	LABOR RELATED	LBR	0	0	0	0	0	0	0
30	TRANSMISSION REV RELATED	TRN	0	0	0	0	0	0	0
31	RESERVED		0	0	0	0	0	0	0
32	DISTRIBUTION CUSTOMER RELATED	C3A	0	0	0	0	0	0	0
33	TOTAL ADDITIONS	FTA FTA	0	0	0	0	0	0	0

(INCOME TAX CALCULATION CONTINUED ON NEXT PAGE)

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Income Tax For 8.64% ROE (this calculation was not used in this filing)
 (Continued)

Line No	Description	Control All Out	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
32	FED DEDUCTS AND NON-TAX INCOME								
33	PRODUCTION RELATED	NPP	0	0	0	0	0	0	0
34	DISTRIBUTION RELATED	NPD	0	0	0	0	0	0	0
35	PLANT RELATED	NPR	0	0	0	0	0	0	0
36	ENERGY RELATED	E1A	0	0	0	0	0	0	0
37	LABOR RELATED	LBR	0	0	0	0	0	0	0
38	TRANSMISSION REV RELATED	TRN	0	0	0	0	0	0	0
39	DISTRIBUTION CUSTOMER RELATED	C3A	0	0	0	0	0	0	0
40	TOTAL DEDUCTIONS	FTD FTD	0	0	0	0	0	0	0
41	NET FEDERAL DEDUCTIONS	NFD NFD	0	0	0	0	0	0	0
42	ST ADD INC & UNALLOW DEDUCTS	FTA	0	0	0	0	0	0	0
43	ST DEDUCTS AND NON-TAX INCOME	FTD	0	0	0	0	0	0	0
44	NET STATE DEDUCTIONS	NSD NSD	0	0	0	0	0	0	0
45	PROV FOR DEPD ITC - CURRENT	NPR ITC	0	0	0	0	0	0	0
46	FEDERAL TAXABLE INCOME	ART TART	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
47	ADJ RET = 1/(1-0.0000-0.0000)	NFD	0	0	0	0	0	0	0
48	NET FED DED = 1/(1-0.0000)	NSD	0	0	0	0	0	0	0
49	NET ST DED = (1/(1-0.0000))-1	ITC	0	0	0	0	0	0	0
50	CURRENT ITC = (1/(1-0.0000))-1	FTI FTI	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
51	TOTAL FEDERAL TAXABLE INCOME	NFD NSD	0	0	0	0	0	0	0
52	PLUS: NET FED DEDUCTS	STI STI	0	0	0	0	0	0	0
53	LESS: NET STATE DEDUCTS	FTI	0	0	0	0	0	0	0
54	TOTAL STATE TAXABLE INCOME	STI STI	2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247
55	FED & ST INCOME TAXES:	FTI	0	0	0	0	0	0	0
56	FED TAXABLE INC = 0.0000	STI	0	0	0	0	0	0	0
57	ST. TAXABLE INC = 0.0000	ITC	0	0	0	0	0	0	0
58	LESS: CRNT ITC = (1-0.0000)	FST FST	0	0	0	0	0	0	0
59	TOTAL FED & ST INCOME TAXES	NPR ITN	0	0	0	0	0	0	0
60	INVESTMENT TAX CREDIT - NET		0	0	0	0	0	0	0

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Cost of Service - Proposed

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
1	RATE BASE	RBT		77,270,037	57,146,394	4,024,525	532,725	2,569,928	12,996,465	3,193,691
2	RETURN AT 7.02%	RET		5,428,086	4,014,435	282,716	37,423	180,533	912,979	224,351
3	OPERATION & MAINTENANCE EXPENSES	OMX		32,234,554	20,993,915	1,423,065	245,558	1,527,374	8,044,642	635,264
4	DEPRECIATION & AMORT EXPENSES	DEP		3,830,072	2,842,604	199,566	26,287	125,564	636,051	169,597
5	INTEREST ON CUSTOMER DEPOSITS	ICD		0	0	0	0	0	0	0
6	GENERAL TAXES	GTX		-542,275	-346,350	-22,969	-4,536	-26,007	-142,413	-10,171
7	FEDERAL AND STATE INCOME TAX	FST		0	0	0	0	0	0	0
8	PROVISION FOR DEFERRED TAXES	PDT		0	0	0	0	0	0	0
9	INVESTMENT TAX CREDIT - NET	ITN		0	0	0	0	0	0	0
10	A F U D C	AFD		0	0	0	0	0	0	0
11	COST OF SERVICE REVENUE REQUIREMENT BEFORE ATTRITION ADJUSTMENT	CSR CSR		40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
12	LESS: PURCHASED POWER REVENUE	FUL		0	0	0	0	0	0	0
13	BASE COST OF SERVICE REVENUE REQUIREMENT	BRR BRR		40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
14	ATTRITION ADJUSTMENT	BRR		0	0	0	0	0	0	0
15	BASE COST OF SERVICE REV REQ AFTER ATTRITION ADJUSTMENT	ARR ARR		40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
16	PLUS: PURCHASED POWER REVENUE	FUL		0	0	0	0	0	0	0
17	COST OF SERVICE REV REQ AFTER ATTRITION ADJUSTMENT			40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
18	LESS: MISCELLANEOUS REVENUE			0	0	0	0	0	0	0
19	LESS: BULK TRANSMISSION REVENUE			0	0	0	0	0	0	0
20	LESS: PRIMARY TRANSMISSION REVENUE			0	0	0	0	0	0	0
21	LESS: SLS FOR RESALE			0	0	0	0	0	0	0
22	NET ELECTRIC REVENUE REQUIREMENT			40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041

Includes the Big Rivers Discount

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Existing Return and Income Tax

Line No	Description	Control		Total Company	Residential	Sm Commercial		Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out			(1 Phase)	(3 Phase)			
1	EXISTING REVENUE	EXR		37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
2	REVENUE DEDUCTIONS:									
3	O&M EXPENSES	OMX		-32,234,554	-20,358,651	-1,423,065	-245,558	-1,527,374	-8,044,642	-635,264
4	DEPRECIATION & AMORT EXPENSES	DEP		-3,830,072	-2,673,007	-199,566	-26,287	-125,564	-636,051	-169,597
5	AD VALOREM TAXES	VAL		0	0	0	0	0	0	0
6	MISCELLANEOUS GENERAL TAXES	MIS		-41,657	-29,068	-2,170	-286	-1,367	-6,923	-1,843
7	OTHER INTEREST AND DEDUCTIONS	SPD		-81,482	-57,177	-4,268	-563	-2,691	-13,627	-3,157
8	NON-OPERATING REVENUE	EXR		665,414	422,423	29,407	5,385	30,066	162,962	15,170
9	INTEREST ON CUST DEPOSITS	ICD		0	0	0	0	0	0	0
10	TOTAL REVENUE DEDUCTIONS			-35,522,351	-22,695,479	-1,599,662	-267,309	-1,626,931	-8,538,280	-794,690
11	NET FOR RETURN AND INCOME TAXES	NET NET		1,874,022	1,044,777	53,042	35,325	62,766	620,220	57,893
12	LESS: INTEREST EXPENSE	INT		-2,663,917	-1,860,042	-138,747	-18,366	-88,599	-448,059	-110,104
13	LESS: NET FEDERAL DEDUCTIONS	NFD		0	0	0	0	0	0	0
14	TOTAL FEDERAL TAXABLE INCOME	NFD		-789,895	-815,265	-85,705	16,959	-25,833	172,161	-52,211
15	PLUS: NET FEDERAL DEDUCTIONS	NFD		0	0	0	0	0	0	0
16	LESS: NET STATE DEDUCTIONS	NSD		0	0	0	0	0	0	0
17	TOTAL STATE TAXABLE INCOME			-789,895	-815,265	-85,705	16,959	-25,833	172,161	-52,211
18	FED AND ST INCOME TAXES			0	0	0	0	0	0	0
19	FED TAXABLE INC * 0.0000			0	0	0	0	0	0	0
20	ST. TAXABLE INC * 0.0000			0	0	0	0	0	0	0
21	LESS: CRNT ITC * (1-0.0000)			0	0	0	0	0	0	0
22	TOTAL FED & ST INCOME TAXES			0	0	0	0	0	0	0
23	*****RETURN COMPUTATION*****									
24	NET FOR RETURN AND INCOME TAXES	NET		1,874,022	1,044,777	53,042	35,325	62,766	620,220	57,893
25	FED & ST INCOME TAXES	PDT		0	0	0	0	0	0	0
26	PROV FOR DEF TAXES	ITN		0	0	0	0	0	0	0
27	INVESTMENT TAX CREDIT - NET	AFD		0	0	0	0	0	0	0
28	A F U D C			0	0	0	0	0	0	0
29	NET RETURN	RBT		1,874,022	1,044,777	53,042	35,325	62,766	620,220	57,893
30	RATE BASE	ROR		77,270,037	53,952,703	4,024,525	532,725	2,569,928	12,996,465	3,193,691
31	RETURN ON RATE BASE	DA3		2.43%	1.94%	1.32%	6.63%	2.44%	4.77%	1.81%
32	NON-EQUITY PORTION OF RETURN	DA3		-3.45%	-3.45%	-2.13%	-3.45%	-3.45%	-3.45%	-3.45%
33	EQUITY PORTION OF EXISTING RETRN	DA3		-1.02%	-1.51%	-5.14%	7.68%	-1.01%	1.32%	-1.64%
34	EXISTING RETURN ON EQUITY	DA3 ROE		-2.46%	-3.64%	-2.43%	3.19%	-2.43%	3.19%	-3.95%

Includes the Big Rivers Discount

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Proposed Return and Income Tax

Line No	Description	Control		Total Company	Residential	Sm Commercial		Lg Commercial (Existing)	Commercial and Industrial		Outdoor Lighting
		All	Out			(1 Phase)	(3 Phase)		and Industrial	Lighting	
1	PROPOSED REVENUE	PRV		40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041	
2	REVENUE DEDUCTIONS:										
3	O&M EXPENSES	OMX		-32,234,554	-20,358,651	-1,423,065	-245,558	-1,527,374	-8,044,642	-635,264	
4	DEPRECIATION & AMORT EXPENSES	DEP		-3,830,072	-2,673,007	-199,566	-26,287	-125,564	-636,051	-169,597	
5	AD VALOREM TAXES	VAL		0	0	0	0	0	0	0	
6	MISCELLANEOUS GENERAL TAXES	MIS		-41,657	-29,068	-2,170	-286	-1,367	-6,923	-1,843	
7	OTHER INTEREST AND DEDUCTIONS	SPD		-81,482	-57,177	-4,268	-563	-2,691	-13,627	-3,157	
8	NON-OPERATING REVENUE	EXR		665,414	422,423	29,407	5,385	30,066	162,962	15,170	
9	INTEREST ON CUST DEPOSITS	ICD		0	0	0	0	0	0	0	
10	TOTAL REVENUE DEDUCTIONS			-35,522,351	-22,695,479	-1,599,662	-267,309	-1,626,931	-8,538,280	-794,690	
11	NET FOR RETURN AND INCOME TAXES	NET	NET	5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351	
12	LESS: INTEREST EXPENSE	INT		-2,663,917	-1,860,042	-138,747	-18,366	-88,599	-448,059	-110,104	
13	LESS: NET FEDERAL DEDUCTIONS	NFD		0	0	0	0	0	0	0	
14	TOTAL FEDERAL TAXABLE INCOME	NFD		2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247	
15	PLUS: NET FEDERAL DEDUCTIONS	NFD		0	0	0	0	0	0	0	
16	LESS: NET STATE DEDUCTIONS	NSD		0	0	0	0	0	0	0	
17	TOTAL STATE TAXABLE INCOME			2,764,169	1,930,042	143,969	19,057	91,934	464,920	114,247	
18	FED AND ST INCOME TAXES			0	0	0	0	0	0	0	
19	FED TAXABLE INC * 0.0000			0	0	0	0	0	0	0	
20	ST. TAXABLE INC * 0.0000			0	0	0	0	0	0	0	
21	LESS: CRNT ITC * (1-0.0000)			0	0	0	0	0	0	0	
22	TOTAL FED & ST INCOME TAXES			0	0	0	0	0	0	0	
23	*****RETURN COMPUTATION*****										
24	NET FOR RETURN AND INCOME TAXES	NET		5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351	
25	FED & ST INCOME TAXES	PDT		0	0	0	0	0	0	0	
26	PROV FOR DEF TAXES	ITN		0	0	0	0	0	0	0	
27	INVESTMENT TAX CREDIT - NET	AFD		0	0	0	0	0	0	0	
28	A F U D C			0	0	0	0	0	0	0	
29	NET RETURN	RBT		5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351	
30	RATE BASE	ROR		77,270,037	53,952,703	4,024,575	532,725	2,569,928	12,996,465	3,193,691	
31	RETURN ON RATE BASE	DA3		7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	
32	NON-EQUITY PORTION OF RETURN	DA3		-3.45%	-3.45%	-3.45%	-3.45%	-3.45%	-3.45%	-3.45%	
33	EQUITY PORTION OF EXISTING RETRN	DA3		3.58%	3.58%	3.58%	3.58%	3.58%	3.58%	3.58%	
34	PROPOSED RETURN ON EQUITY	DA3	ROE	8.64%	8.64%	8.64%	8.64%	8.64%	8.64%	8.64%	

Includes the Big Rivers Discount

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Cost of Service Summary

Line No	Description	Control		Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
		All	Out							
	NET PLANT IN SERVICE:									
1	PRODUCTION PLANT	0	0	0	0	0	0	0	0	0
2	TRANSMISSION PLANT	0	0	0	0	0	0	0	0	0
3	DISTRIBUTION PLANT	67,299,182	46,954,856	3,505,183	462,030	2,210,219	11,190,448	2,976,446	160,978	2,976,446
4	GENERAL PLANT	3,575,240	2,505,023	187,363	24,431	114,312	583,133	160,978	3,137,424	160,978
5	TOTAL NET ELECTRIC PLANT	70,874,422	49,459,879	3,692,546	486,461	2,324,531	11,773,581	3,137,424	137,481	3,137,424
6	CONST. WORK IN PROGRESS	3,108,533	2,168,834	161,904	21,341	102,089	516,884	137,481	0	137,481
7	ACQUISITION ADJUSTMENT	0	0	0	0	0	0	0	0	0
8	PLANT HELD FOR FUTURE USE	0	0	0	0	0	0	0	0	0
9	TOTAL MISC DEFERRED DEBITS	1,390,539	974,294	72,872	9,502	44,460	226,801	62,610	0	62,610
10	WORKING CAPITAL:									
11	CASH WORK CAP.FUNDS.MAT&SUP	2,753,653	1,921,643	143,465	18,900	90,314	457,434	121,897	0	121,897
12	FUEL STOCK	0	0	0	0	0	0	0	0	0
13	PREPAID LIGNITE ROYALTIES	437,151	305,067	22,775	3,000	14,338	72,619	19,352	0	19,352
14	OTHER PREPAYMENTS	0	0	0	0	0	0	0	0	0
15	UNAMORTIZED LOSS ON REACQD LTD	0	0	0	0	0	0	0	0	0
16	DEFERRED FUEL	0	0	0	0	0	0	0	0	0
17	ACCUMULATED DEFERRED INCOME TAX	0	0	0	0	0	0	0	0	0
18	PRE-1971 INVESTMENT TAX CREDIT	-1,119,209	-754,866	-59,918	-5,277	-59	-21,762	-277,327	0	-277,327
19	CUSTOMER ADVANCES AND DEPOSITS	0	0	0	0	0	0	0	0	0
20	STORM DAMAGE/NI & DAM RESRVS	-175,052	-122,148	-9,119	-1,202	-5,745	-29,092	-7,746	0	-7,746
21	PNSN & MIS OP RSRVS, OTR DEF CRS	0	0	0	0	0	0	0	0	0
22	TRANSMISSION RATE REFUND RESERVE	77,270,036	53,952,702	4,024,525	532,725	2,569,928	12,996,465	3,193,691	0	3,193,691
23	AVERAGE ORIGINAL COST RATE BASE	5,428,086	3,790,084	282,716	37,423	180,533	912,979	224,351	0	224,351
24	RETURN AT 7.02%									
25	OPERATION & MAINTENANCE EXPENSES	23,655,944	14,220,400	959,658	188,286	1,289,925	6,780,023	217,652	0	217,652
26	PRODUCTION O&M	0	0	0	0	0	0	0	0	0
27	TRANSMISSION O&M	5,284,187	3,688,691	275,361	36,296	173,631	879,102	231,106	0	231,106
28	DISTRIBUTION O&M	1,355,070	1,096,311	87,021	7,664	172	63,210	100,692	0	100,692
29	CUST ACCT/SERV/SALES	1,939,353	1,353,249	101,025	13,312	63,646	322,307	85,814	0	85,814
30	ADMINISTRATIVE & GENERAL	32,234,554	20,358,651	1,423,065	245,558	1,527,374	8,044,642	635,264	0	635,264
31	TOTAL OPER & MAIN EXPENSES	3,830,072	2,673,007	199,566	26,287	125,564	636,051	169,597	0	169,597
32	DEPRECIATION & AMORT EXPENSES	0	0	0	0	0	0	0	0	0
33	INTEREST ON CUSTOMER DEPOSITS	-542,275	-336,179	-22,969	-4,536	-26,007	-142,413	-10,171	0	-10,171
34	GENERAL TAXES	0	0	0	0	0	0	0	0	0
35	FED & ST INCOME TAX	0	0	0	0	0	0	0	0	0
36	PROV FOR DEF TAXES	0	0	0	0	0	0	0	0	0
37	INVESTMENT TAX CREDIT - NET	0	0	0	0	0	0	0	0	0
38	A F U D C	40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041	0	1,019,041
39	COST OF SERVICE REVENUE REQ									

Includes the Big Rivers Discount

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JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Cost of Service Comparison

Line No	Description	Control All	Out	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
	*** OTHER REVENUE INCLUDED ***									
1	COST OFF SERVICE REVENUE REQ			40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
2	EXISTING REVENUE			37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
3	REVENUE DEFICIENCY			3,554,064	2,745,307	229,674	2,098	117,767	292,759	166,458
4	REQUIRED INCREASE (%)			9.50%	11.56%	13.90%	0.69%	6.97%	3.20%	19.52%
5	EXISTING RATE OF RETURN-AS ADJ.			2.43%	1.94%	1.32%	6.63%	2.44%	4.77%	1.81%
6	EXISTING ROR AS % OF OVERALL ROR-AS ADJ.			100.00%	79.84%	54.32%	272.84%	100.41%	196.30%	74.49%
7	EXISTING RETURN ON EQUITY-AS ADJ.			-2.46%	-3.64%	-5.14%	7.68%	-2.43%	3.19%	-3.95%
8	EXISTING ROE AS % OF OVERALL ROE-AS ADJ.			100.00%	147.97%	208.94%	-312.20%	98.78%	-129.67%	160.57%
9	PROPOSED RATE OF RETURN-AS ADJ			7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%
10	PROPOSED RETURN ON EQUITY-AS ADJ			8.64%	8.64%	8.64%	8.64%	8.64%	8.64%	8.64%
	*** OTHER REVENUE EXCLUDED ***									
11	COST OF SERVICE REVENUE REQ			40,950,437	26,485,563	1,882,378	304,732	1,807,464	9,451,259	1,019,041
12	EXISTING REVENUE			37,396,373	23,740,256	1,652,704	302,633	1,689,696	9,158,500	852,583
13	REVENUE DEFICIENCY			3,554,064	2,745,307	229,674	2,098	117,767	292,759	166,458
14	REQUIRED INCREASE (%)			9.50%	11.56%	13.90%	0.69%	6.97%	3.20%	19.52%
15	EXISTING RATE OF RETURN - UNADJ			2.43%	1.94%	1.32%	6.63%	2.44%	4.77%	1.81%
16	EXISTING ROR AS % OF OVERALL ROR-UNADJ.			100.00%	79.84%	54.32%	272.84%	100.41%	196.30%	74.49%
17	EXISTING RETURN ON EQUITY-UNADJ			-2.46%	-3.64%	-5.14%	7.68%	-2.43%	3.19%	-3.95%
18	EXISTING ROE AS % OF OVERALL ROE-UNADJ.			100.00%	147.97%	208.94%	-312.20%	98.78%	-129.67%	160.57%
19	PROPOSED RATE OF RETURN - UNADJ			7.02%	7.02%	7.02%	7.02%	7.02%	7.02%	7.02%
20	PROPOSED RETURN ON EQUITY-UNADJ			8.64%	8.64%	8.64%	8.64%	8.64%	8.64%	8.64%

Includes the Big Rivers Discount

JPEC
 Cost of Service Study for the Twelve Months Ended December 31, 2006 (Includes the Big Rivers Credit)
 Proposed Mills/KWH

Exhibit T-1
 Witness - Gary C. Stephens
 Page 18 of 18

Line No	Description	Control All	Total Company	Residential	Sm Commercial (1 Phase)	Sm Commercial (3 Phase)	Lg Commercial (Existing)	Commercial and Industrial	Outdoor Lighting
PROPOSED MILLS/KWH									
1	EXISTING BASE REV		56.32	59.97	62.54	59.72	41.60	49.14	89.09
2	PURCHASED POWER REVENUE		0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	TOTAL MILLS / KWH		56.32	59.97	62.54	59.72	41.60	49.14	89.09
4	PROPOSED BASE REV		61.68	66.90	71.23	60.13	44.50	50.71	106.48
5	PURCHASED POWER REVENUE		0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	TOTAL MILLS / KWH		61.68	66.90	71.23	60.13	44.50	50.71	106.48

000879



Exhibit U

Income Statement and Balance Sheet With Normalization Adjustments

1. Income Statement with Adjustments
2. Balance Sheet with Adjustments
3. Summary of Adjustments
4. 2006 RUS Form 7 Normalized 2006
5. 2005 RUS Form 7 as Found

Jackson Purchase Energy Corporation
Case No. 2007-00116
Balance Sheet, Adjusted
December 31, 2006

Exhibit U
page 1 of 7
Witness: Chuck Williamson

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	<u>Actual Test Year</u>	<u>Adjustments to Test Year</u>	<u>Adjusted Test Year</u>
<u>ASSETS</u>			
Electric Plant:			
In service	105,262,626		105,262,626
Under construction	3,204,054	77,266	3,281,320
	108,466,680	77,266	108,543,946
Less accumulated depreciation	31,714,276	594,580	32,308,856
	<u>76,752,404</u>	<u>(517,314)</u>	<u>76,235,090</u>
Non utility proprty, at net cost	<u>0</u>		<u>0</u>
Investments	<u>2,037,879</u>		<u>2,037,879</u>
Current Assets:			
Cash and cash equivalents	3,665,763		3,665,763
Accounts receivable, net	2,301,010	463	2,301,473
Accrued unbilled revenue	1,668,277		1,668,277
Material and supplies	1,183,096	10,769	1,193,865
Prepayments and current asset:	466,211	7,271	473,482
	<u>9,284,357</u>	<u>18,503</u>	<u>9,302,860</u>
Deferred charges	<u>1,291,215</u>		<u>1,291,215</u>
Net Change in Assets		<u>4,052,875</u>	<u>4,052,875</u>
Total	<u>89,365,855</u>	<u>3,554,064</u>	<u>92,919,919</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>			
Margins:			
Memberships	208,695		208,695
Patronage capital	34,235,714	3,554,064	37,789,778
	<u>34,444,409</u>	<u>3,554,064</u>	<u>37,998,473</u>
Long Term Debt	<u>46,718,372</u>		<u>46,718,372</u>
Accumulated Operating Provisor	<u>861,127</u>	<u>0</u>	<u>861,127</u>
Current Liabilities:			
Current portion of long term det	2,000,000		2,000,000
Accounts payable	3,140,559		3,140,559
Consumer deposits	1,251,047		1,251,047
Accrued expenses	756,807		756,807
	<u>7,148,413</u>		<u>7,148,413</u>
Consumer Advances for Constru	193,534		193,534
Unclaimed capital credits	0		0
Total	<u>89,365,855</u>	<u>3,554,064</u>	<u>92,919,919</u>

Jackson Purchase Energy Corporation
Case No. 2007-00116
Statement of Operations, Adjusted

Exhibit U
page 2 of 7
Witness: Chuck Williamson

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
Operating Revenues:					
Base rates	\$37,396,373	\$0	\$37,396,373	\$3,554,064	\$40,950,437
Fuel and surcharge and lag	0	0	0		0
Other electric revenue	0	0	0		0
	<u>37,396,373</u>	<u>0</u>	<u>37,396,373</u>	<u>3,554,064</u>	<u>40,950,437</u>
Operating Expenses:					
Cost of power:					
Base rates	23,655,944	0	23,655,944		23,655,944
Fuel and surcharge	0	0	0		0
Distribution - operations	1,761,777	53,689	1,815,466		1,815,466
Distribution - maintenance	3,413,939	54,782	3,468,721		3,468,721
Consumer accounts	1,088,682	20,121	1,108,803		1,108,803
Customer service and informati	220,972	6,638	227,610		227,610
Sales	56,695	(38,038)	18,657		18,657
Administrative and general	1,992,235	(52,882)	1,939,353		1,939,353
Total operating expenses	<u>32,190,244</u>	<u>44,310</u>	<u>32,234,554</u>	<u>0</u>	<u>32,234,554</u>
Depreciation	3,235,100	594,972	3,830,072		3,830,072
Taxes - other	41,657	0	41,657		41,657
Interest on long-term debt	2,660,517	53,526	2,714,043		2,714,043
Interest expense - other	66,911	0	66,911		66,911
Other deductions	15,995	(1,424)	14,571		14,571
Total cost of electric service	<u>38,210,424</u>	<u>691,384</u>	<u>38,901,808</u>	<u>0</u>	<u>38,901,808</u>
Utility operating margins	<u>(814,051)</u>	<u>(691,384)</u>	<u>(1,505,435)</u>	<u>3,554,064</u>	<u>2,048,629</u>
Nonoperating margins, interest	593,283	(41,096)	552,187		552,187
Nonoperating margins, other	0	(1)	(1)		(1)
Patronage Capital Credits:					
G & T		0	0		0
Other	113,228	0	113,228		113,228
Net Margins	<u>(\$107,540)</u>	<u>(\$732,481)</u>	<u>(\$840,021)</u>	<u>\$3,554,064</u>	<u>\$2,714,043</u>
TIER	0.96		0.69		2.00
Modified TIER	0.96		0.69		2.00

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	Adj 1	Adj 2	Adj 3	Adj 4	Adj 5	Adj 6	Adj 7	Adj 8	Adj 9	Adj 10	Adj 11	Adj 12	Adj 13	Adj 14	Adj 15	Total
	Salaries	Payroll Taxes	Deprec	Property Tax	Interest	FAS 106 Cost	Benefits	Donations	Professional Fees	Directors Expenses	Misc	Rate Case	Normalize Purchase Power	Revenue	Additional Revenue	Total
Operating Revenues:																
Base rates																
Fuel and surcharge and leg																
Other electric revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Expenses:																
Cost of power:																
Base rates																
Fuel and surcharge																
Distribution - operations	15,155	1,282	(174)	14,439	2,055	20,932										53,689
Distribution - maintenance	15,641	1,322	(321)	14,439	2,119	21,582										54,782
Consumer accounts	7,719	653	41		1,047	10,661										20,121
Customer service	2,568	215	0	0	345	3,510										6,638
Sales	0	0	0	0	0	0										(38,038)
Administrative and general	15,814	1,338	62	14,439	2,145	21,842			0	(1,904)	(114,618)	8,000				(52,882)
Total operating expenses	56,897	4,810	(392)	43,317	7,711	78,527			0	(1,904)	(152,656)	8,000	0	0	0	44,310
Depreciation			594,972													594,972
Taxes - other				0	53,526											53,526
Interest on long-term debt					0											0
Interest expense - other																0
Other deductions								(1,424)								(1,424)
Total cost of electric servi	56,897	4,810	594,580	43,317	53,526	7,711	78,527	(1,424)	0	(1,904)	(152,656)	8,000	0	0	0	691,384
Utility operating margins	(56,897)	(4,810)	(594,580)	(43,317)	(53,526)	(7,711)	(78,527)	1,424	0	1,904	152,656	(8,000)	0	0	0	(691,384)
Nonoperating margins, interest																(41,096)
Nonoperating margins, other	(1)			0												(1)
Patronage Capital Credits:																0
G & T																0
Other																0
Net Margins	(56,898)	(4,810)	(594,580)	(43,317)	(94,622)	(7,711)	(78,527)	1,424	0	1,904	152,656	(8,000)	0	0	0	(732,481)
Amount capitalized	37,078	3,154	(1,001)	0	0	5,055	51,483	0	0	0	0	0	0	0	0	95,769
CWIP	29,992	2,548	(962)		4,085	41,603										77,266
Accounts Receivable	158	19	(39)		29	296										463
Stores Clearing	4,136	350			562	5,721										10,769
Transportation Clearing	2,792	237			379	3,863										7,271

Nomalized December 31 2006 FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken	Page 4 of 7
	BORROWER NAME Jackson Purchase Energy Corporation	
	ENDING DATE December 31, 2006	

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 and belief.

Signature of Office Manager or Accountant

Date

Signature of Manager

Date

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	37,925,200	40,950,437	38,096,541	6,740,580
2. Power Production Expense				
3. Cost of Purchased Power	23,854,261	23,655,944	24,146,972	2,149,277
4. Transmission Expense				
5. Distribution Expense - Operation	1,358,619	1,815,466	1,808,606	257,365
6. Distribution Expense - Maintenance	3,003,616	3,468,721	3,044,914	402,731
7. Consumer Accounts Expense	1,114,604	1,108,803	1,082,395	119,537
8. Customer Service and Informational Expense	239,608	227,610	253,925	30,464
9. Sales Expense	44,470	18,657	47,616	(27,919)
10. Administrative and General Expense	1,786,632	1,939,353	1,935,038	125,124
Total Operation & Maintenance Expense (2 thru 10)	31,401,810	32,234,554	32,319,466	3,056,579
11. Depreciation & Amortization Expense	3,131,797	3,830,072	3,310,638	869,429
13. Tax Expense - Property				0
14. Tax Expense - Other	40,996	41,657	40,800	3,560
15. Interest on Long-Term Debt	2,211,585	2,714,043	2,436,873	280,541
16. Interest Charged to Construction (Credit)				0
17. Interest Expense - Other	75,330	66,910	226,394	6,348
18. Other Deductions	1,251	0	0	(1,424)
19. Total Cost of Electric Service (11 thru 18)	36,862,769	38,887,236	38,334,171	4,215,033
20. Patronage Capital & Operating Margins (1 minus 19)	1,062,431	2,063,201	(237,630)	2,525,547
21. Non Operating Margins - Interest	400,839	552,187	373,200	3,378
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other	16,186	(14,574)	7,180	2,713
25. Generation & Transmission Capital Credits				
26. Other Capital Credits & Patronage Dividends	107,996	113,229	108,700	1
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	1,587,452	2,714,043	251,450	2,531,639

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	681	539	5. Miles Transmission		
2. Services Retired	110	65	6. Miles Distribution Overhead	2,683	2,692
Total Services In Place	32,919	33,393	7. Miles Distribution Underground	530	552
4. Idle Services (Exclude Seasonal)	4,638	4,801	8. Total Miles Energized (5+6+7)	3,213	3,244

Nomalized December 31 2006 FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken PERIOD ENDING	Page 5 of 7 12/31/2006
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PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	105,262,626	28. Memberships	208,695
2. Construction Work in Progress	3,281,320	29. Patronage Capital	34,343,254
3. Total Utility Plant (1+2)	108,543,946	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	32,308,856	31. Operating Margins - Current Year	2,867,813
5. Net Utility Plant (3-4)	76,235,090	32. Non-Operating Margins	578,711
6. Nonutility Property - Net	0	33. Other Margins & Equities	0
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	37,998,473
8. Invest. in Assoc. Org. - Patronage Capital	461,448	35. Long-Term Debt RUS	46,511,953
9. Invest. in Assoc. Org. - Other - General Funds	5,000	(Payments-Unapplied (\$ _____))	(4,929,856)
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,571,431	36. Long-Term Debt - Other (Net)	7,136,275
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	0
12. Other Investments	0	37. Total Long-Term Debt (35+36)	48,718,372
13. Special Funds	100,645	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	2,138,524	39. Accumulated Operating Provisions	961,772
15. Cash-General Funds	665,731	40. Total Other Noncurrent Liabilities (38+39)	961,772
16. Cash-Construction Funds-Trustee	32	41. Notes Payable	0
17. Special Deposits	0	42. Accounts Payable	3,140,559
18. Temporary Investments	3,000,000	43. Consumers Deposits	1,251,047
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	756,807
20. Accounts Receivable - Net Sales of Energy	2,145,651	45. Total Current & Accrued Liabilities (41 thru 44)	5,148,413
21. Accounts Receivable - Net Other	155,822	46. Deferred Credits	193,534
22. Materials & Supplies - Electric and Other	1,193,865	47. Total Liabilities & Other Credits (34+37+40+45+46)	93,020,564
23. Prepayments	460,276	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	5,734,155	53. Balance Beginning of the Year	5,739,692
Total Current & Accrued Assels (15 thru 24)	13,355,532	54. Amount Received This Year (Net)	520,227
25. Deferred Debits	1,291,418	55. Total Contributions in Aid of Construction	6,259,919
27. Total Assets & Other Debits (5+14+25+26)	93,020,564		

PART D. NOTES TO FINANCIAL STATEMENTS

Part C - Estimated Contributions in Aid of Construction
 An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.

THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.

The Corporation has collected GPS data and has electronically mapped its entire system. Data collection expense has been deferred into account 186 and is being amortized over an eight (8) year life.

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION Kentucky 20 McCracken
	BORROWER NAME Jackson Purchase Energy Corporation
	ENDING DATE December 31, 2005

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 and belief.

Signature of Office Manager or Accountant

Date

Signature of Manager

Date

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	35,538,125	37,925,200	37,669,086	3,716,937
2. Power Production Expense				
3. Cost of Purchased Power	22,455,065	23,854,261	24,106,628	2,203,131
4. Transmission Expense				
5. Distribution Expense - Operation	1,053,090	1,358,619	2,254,195	143,495
6. Distribution Expense - Maintenance	2,592,477	3,003,616	2,572,922	303,286
7. Consumer Accounts Expense	1,118,846	1,114,604	1,221,318	104,099
8. Customer Service and Informational Expense	165,366	239,608	50,929	2,865
9. Sales Expense	23,847	44,470	54,310	(3,124)
10. Administrative and General Expense	1,658,527	1,786,632	1,595,670	164,190
Total Operation & Maintenance Expense (2 thru 10)	29,067,218	31,401,810	31,855,972	2,917,942
12. Depreciation & Amortization Expense	3,027,261	3,131,797	3,279,699	265,211
13. Tax Expense - Property				0
14. Tax Expense - Other	42,504	40,996	43,800	3,383
15. Interest on Long-Term Debt	1,990,763	2,211,585	2,062,277	220,007
16. Interest Charged to Construction (Credit)				0
17. Interest Expense - Other	67,393	75,330	237,371	5,035
18. Other Deductions	1,208	1,251	6,600	0
19. Total Cost of Electric Service (11 thru 18)	34,196,347	36,862,769	37,485,719	3,411,578
20. Patronage Capital & Operating Margins (1 minus 19)	1,341,778	1,062,431	183,367	305,359
21. Non Operating Margins - Interest	384,493	400,839	368,400	37,926
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other	(39,855)	16,186	(14,468)	(1,938)
25. Generation & Transmission Capital Credits				
26. Other Capital Credits & Patronage Dividends	86,072	107,996	84,000	0
27. Extraordinary Items				
28. Patronage Capital or Margins (20 thru 27)	1,772,488	1,587,452	621,299	341,347

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	644	681	5. Miles Transmission		
2. Services Retired	73	110	6. Miles Distribution Overhead	2,673	2,683
Total Services In Place	32,348	32,919	7. Miles Distribution Underground	507	530
4. Idle Services (Exclude Seasonal)	4,427	4,638	8. Total Miles Energized (5+6+7)	3,180	3,213

FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION Kentucky 20 McCracken	
		PERIOD ENDING 12/31/2005	
PART C - BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	98,969,450	28. Memberships	225,625
2. Construction Work in Progress	2,858,480	29. Patronage Capital	32,755,802
3. Total Utility Plant (1+2)	101,827,930	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	29,579,797	31. Operating Margins - Current Year	1,170,427
5. Net Utility Plant (3-4)	72,248,133	32. Non-Operating Margins	417,025
6. Nonutility Property - Net	0	33. Other Margins & Equities	0
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	34,568,879
8. Invest. in Assoc. Org. - Patronage Capital	434,625	35. Long-Term Debt RUS	41,850,909
9. Invest. in Assoc. Org. - Other - General Funds	5,000	(Payments-Unapplied (\$ _____))	(6,100,450)
10. Invest in Assoc. Org. - Other - Nongeneral Funds	1,561,726	36. Long-Term Debt - Other (Net)	7,792,003
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	0
12. Other Investments	0	37. Total Long-Term Debt (35+36)	43,542,462
13. Special Funds	76,631	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	2,077,982	39. Accumulated Operating Provisions	857,865
15. Cash-General Funds	488,578	40. Total Other Noncurrent Liabilities (38+39)	857,865
16. Cash-Construction Funds-Trustee	40	41. Notes Payable	0
17. Special Deposits	0	42. Accounts Payable	2,846,825
18. Temporary Investments	500,000	43. Consumers Deposits	987,371
19. Notes Receivable - Net	0	44. Other Current & Accrued Liabilities	644,629
20. Accounts Receivable - Net Sales of Energy	1,948,581	45. Total Current & Accrued Liabilities (41 thru 44)	4,478,825
21. Accounts Receivable - Net Other	174,145	46. Deferred Credits	156,569
22. Materials & Supplies - Electric and Other	2,191,946	47. Total Liabilities & Other Credits (34+37+40+45+46)	83,604,600
23. Prepayments	406,755	ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
24. Other Current & Accrued Assets	2,078,577	53. Balance Beginning of the Year	5,201,894
5. Total Current & Accrued Assets (15 thru 24)	7,788,622	54. Amount Received This Year (Net)	537,798
26. Deferred Debits	1,489,863	55. Total Contributions In Aid of Construction	5,739,692
27. Total Assets & Other Debits (5+14+25+26)	83,604,600		
PART D - NOTES TO FINANCIAL STATEMENTS			
Part C - Estimated Contributions in Aid of Construction			
An accurate estimate of Contributions in Aid of Construction on plant cannot be made. The amount shown reflects contributions made since inception of tracking.			
The Corporation has collected GPS data and has electronically mapped its entire system. Data collection expense has been deferred into account 186 and is being amortized over an eight (8) year life.			
THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

