

ORIGINAL

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION  
RECEIVED

In the Matter of Adjustment of Rates  
for Big Sandy Rural Electric Cooperative

APR 19 2012

PUBLIC SERVICE  
COMMISSION

Case No. 2012-00030

APPLICATION

Big Sandy Rural Electric Cooperative (herein designated as "Big Sandy") hereby makes application for an adjustment of rates, as follows:

1. Big Sandy informs the commission that it is engaged in the business of operation of a retail electric distributions system in portions of eight (8) counties in eastern Kentucky and does hereby propose to adjust rates, effective April 12, 2012, in conformity with the attached schedule.

2. The name and post office address of the applicant is Big Sandy Rural Electric Cooperative, 504 Eleventh Street, Paintsville, Kentucky, 41240 [807 KAR 5:001, Section 8(1)].

3. The Articles of Incorporation and all amendments thereto for Big Sandy were filed with the Commission in PSC Case No. 92-219, for an application to increase rates. [807 KAR 5:001, Section 8(3)].

4. The application is supported by a twelve month historical test period ending August 31, 2011 and includes adjustments for known and measurable changes [807 KAR 5:001, Section 10(1)(a)].

5. Big Sandy states that the reasons the rate adjustment are required pursuant to 807 KAR Section 10(1)(a)(1) are as follows:

a. Big Sandy last filed an increase in rates in Case No. 2008-00401. Since then, Big Sandy has incurred increases in the cost of power, materials, equipment, labor, taxes, interest, debt service and other fixed and variable costs. Big Sandy has been required to borrow funds to finance its construction projects.

b. The financial condition of Big Sandy has continued to deteriorate over the past few years.

c. Big Sandy had a Times Interest Earned Ratio (TIER) of 1.96 [a TIER of 1.18 excluding G&T capital credits], for the test year ending August 31, 2011. The TIER was 2.00 for calendar year of 2010 [a TIER of 1.25 excluding G&T capital credits]. Big Sandy is required

under its mortgage agreement of maintain an operating TIER of 1.25, based on an average of two of the three most current years.

d. Big Sandy requires this rate adjustment to meet the terms of the mortgage agreement and to maintain its financial stability and integrity.

e. The Board of Directors of Big Sandy at its meeting on March 22, 2012, received the current financial condition of Big Sandy and the need for a rate adjustment to maintain the financial stability and integrity of the Cooperative. The Board of Directors adopted a motion directing the administrative staff and consultants to proceed with the necessary application and filings with the Public Service Commission to adjust the rates of Big Sandy. A copy of the motion is attached as Exhibit F.

f. Big Sandy proposes to increase its customer charge in three (3) steps. The increases will be implemented in annual amounts to increase the customer charge from \$10.38 to \$18.00 as reflected in Exhibit 21.

g. The Purchase Power Adjustment Clause is a rider to any and all rate schedules used by the Cooperative. All rates applicable to the Purchase Power Adjustment Clause and may be increased or decreased by an amount equal to the difference between the base line rate for power cost and the actual base power cost. The base line rate will be a rolling 12 month average, adjusted for any rate increases or decreases from East Kentucky Power Cooperative. Any over/under recovery will be adjusted to the next month bill. The Purchase Power Adjustment is subject to all other applicable provisions as set forth in 807 KAR 5:056. This is included with Exhibit 22.

6. Annual reports, including 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].

7. Big Sandy is not a limited partnership [807 KAR 5:001, Section 10(1)(a) 4].

8. Big Sandy files with this application a Certificate of Good Standing dates within 60 days of the date of this application and attached as Exhibit A. [807 KAR 5:001, Section 10(1)5].

9. Big Sandy does not conduct business under an assumed name [807 KAR 5:001, Section 10(1)(a)6].

10. The proposed tariff is attached as Exhibit B in a form that complies with 807 KAR 5:001 with an effective date not less than 30 days from the date of this application [807 KAR 5:001, Section 10(1)(a)7].

11. The proposed tariff changes, identified in compliance with 807 KAR 5:001, are shown by providing the present and proposed tariffs in comparative form on the same sheet, side by side, or on facing sheets, side by side, as Exhibit C [807 KAR 5:001, Section 10(1)(a)8].

12. Big Sandy has given notice to its members of the filing of this application in accordance with 807 KAR 5:001, Section 3-10 (3) and (4). A copy of the notice is attached as Exhibit D [807 KAR 5:001, Section 10(1)(a)9].

13. Big Sandy filed with the Commission a written notice of intent to file a rate application at least four (4) weeks prior to filing this application. The notice of intent stated the rate application would be supported by a historical test period and was served upon the Attorney General, Utility Intervention and Rate Division is shown as Exhibit E [807 KAR 5:001, Section 10(2)].

14. A complete description and qualified explanation for all proposed adjustments with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment, including a Revenue Analysis shown as Exhibit G [807 KAR 5:001, Section (10)(6)(a)].

15. The prepared testimony of each witness supporting the application are attached as Exhibits H [807 KAR 5:001, Section 10(6)(b)].

16. A statement estimating the effect the new rates will have upon the revenues of Big Sandy, including, at a minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increases or decreases and the percentage of the increase or decrease is shown by Exhibit G [807 KAR 5:001, Section 10(6)(d)].

17. The effect upon the average bill for each customer classification to which the proposed rate change will apply is shown by Exhibits I and J [807 KAR 5:001, Section 10(6)(e)].

18. An analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class is shown by Exhibit J [807 KAR 5:001, Section 10(6)(g)].

19. A summary of the Cooperative's 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 is shown by Exhibit K [ 807 KAR 5:001, Section 10(6)(h)].

20. A reconciliation of the rate base and capital used to determine its revenue requirements is shown by Exhibit L [807 KAR 5:001, Section 10(6)(i)].

21. A current chart of accounts is shown by Exhibit M [807 KAR 5:001, Section 10(6)(j)].

22. The independent auditor's report is attached as Exhibit N [807 KAR 5:001, Section 10(6)(k)].

23. The Federal Energy Regulatory Commission or Federal Communications Commission have not audited Big Sandy and no audit reports exist [807 KAR 5:001, Section 10(6)(l)].

24. No Federal Energy Regulatory Commission Form 1 exists as to Big Sandy [807 KAR 5:001, Section 10(6)(m)].

25. Big Sandy performed a depreciation study as of December 31, 2007 in Case No. 2008-00401. Big Sandy does not propose any changes to those rates. [807 KAR 5:001, Section 10(6)(n)].

26. A list of commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of this application are attached as Exhibit O [807 KAR 5:001, Section 10(6)(o)].

27. No stock or bond offerings have been made by Big Sandy [807 KAR 5:001, Section 10(6)(p)].

28. Annual Reports to members for 2011 and 2010 are attached as Exhibit P [807 KAR 5:001, Section 10(6)(q)].

29. The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period are attached as Exhibit Q [807 KAR 5:001, Section 10(6)(r)].

30. No Securities and Exchange Commission Annual Reports exist as to Big Sandy because it is not regulated by that regulated body [807 KAR 5:001, Section 10(6)(s)].

31. Big Sandy had no amounts charged or allocated to it by an affiliate or general or home office and did not pay monies 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)].

32. 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 is attached as Exhibit R [807 KAR 5:001, Section 10(6)(u)].

33. Big Sandy is not a Local Exchange Carrier or Company as set forth in 807 KAR 5:001, Section 10(6)(v)].

34. A detailed income statement and balance sheet reflecting the impact of all proposed adjustments is attached as Exhibit S [807 KAR 5:001, Section 10(7)(a)].

35. No “proposed pro forma adjustments reflecting plant additions” exist or apply to Big Sandy [807 KAR 5:001, Section (7)(c)].

36. The operating budget for each month of the period encompassing the pro forma adjustments is attached as Exhibit T [807 KAR 5:001, Section (7)(d)].

37. Additional financial exhibits required by 807 KAR 5:001, Section 10, financial information covering twelve (12) month historical test period ending June 30, 2009, and other information required to be filed is attached by exhibits, as follows:

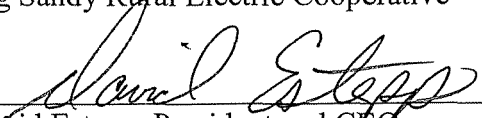
Exhibit U	By-Laws
Exhibit V	Detailed comparative income statement, statement of cash flows and balance sheet
Exhibit W	Schedule showing monthly comparison of balance sheet accounts from Test year to Preceding year
Exhibit X	Schedule showing monthly comparison of income statement accounts from Test year 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 interest
Exhibit 6	Adjustment for retirement costs
Exhibit 7	Adjustment for donations
Exhibit 8	Adjustment for professional fees
Exhibit 9	Adjustment for director expenses
Exhibit 10	Adjustment for miscellaneous expenses
Exhibit 11	Adjustment for rate case expenses
Exhibit 12	Adjustment for health insurance
Exhibit 13	Adjustment for G&T capital credits
Exhibit 14	Adjustment for cable television attachments
Exhibit 15	Adjustment for purchase power

- Exhibit 16      Adjustment for normalized revenue
- Exhibit 17      Adjustment for end of year customer adjustment
- Exhibit 18      KAEC Statistical Comparison
- Exhibit 19      Capitalization policies and employee benefits
- Exhibit 20      Equity management plan
- Exhibit 21      Customer Charge proposal
- Exhibit 22      Power factor adjustment tariff Rider

WHEREFORE, BIG SANDY RURAL ELECTRIC COOPERATIVE applies and requests approval of the adjustment of rates as set forth in this application and issuance of an order approving and authorizing the new rates at the earliest possible date.

Dated: April 17, 2012.

Big Sandy Rural Electric Cooperative

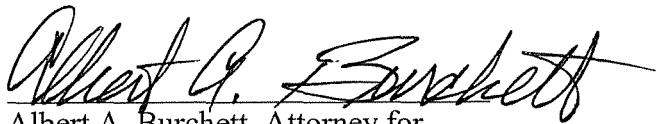
  
\_\_\_\_\_  
David Estep, President and CEO

COUNSEL:

ALBERT A. BURCHETT

P.O. Box 0346

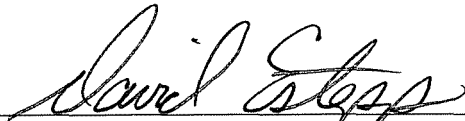
Prestonsburg, Kentucky 41653




Albert A. Burchett, Attorney for

Big Sandy Rural Electric Cooperative

I, David Estep, President and CEO, state that the statements contained in the foregoing application are true to the best of my information and belief.

  
\_\_\_\_\_  
David Estep, President & General Manager  
Big Sandy Rural Electric Cooperative

Subscribed and sworn to before me by David Estep as President & General Manager of Big Sandy Rural Electric Cooperative this 17<sup>th</sup> day of April, 2012.

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

My Commission Expires: 6-19-2014

Commonwealth of Kentucky  
Alison Lundergan Grimes, Secretary of State

Alison Lundergan Grimes  
Secretary of State  
P. O. Box 718  
Frankfort, KY 40602-0718  
(502) 564-3490  
<http://www.sos.ky.gov>

**Certificate of Existence**

Authentication number: 124565  
Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 273, whose date of incorporation is September 5, 1940 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 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 9<sup>th</sup> day of April, 2012, in the 220<sup>th</sup> year of the Commonwealth.



*Alison Lundergan Grimes*

Alison Lundergan Grimes  
Secretary of State  
Commonwealth of Kentucky  
124565/0004187



# Big Sandy RECC

ORIGINAL

PSC KY NO. 2004-00468

CANCELS PSC KY NO. 2002-00436

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**

**OF**

**PAINTSVILLE, KENTUCKY 41240**

**RATES, RULES AND REGULATIONS FOR FURNISHING**

**ELECTRICITY**

**AT**


**Johnson, Floyd, Martin, Lawrence, Morgan, Magoffin, Knott and Breathitt Counties in  
Kentucky**

**Filed with**

**PUBLIC SERVICE COMMISSION OF KENTUCKY**

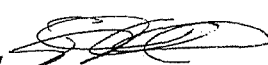
**ISSUED: MAY 24, 2005    EFFECTIVE: JUNE 1, 2005**

**Issued By: Big Sandy Rural Electric  
Cooperative Corporation**

**PUBLIC SERVICE COMMISSION  
By  OF KENTUCKY  
EFFECTIVE  
6/1/2005**

**PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)**

**By**

  
**Executive Director**

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 1**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 1**

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**CLASSIFICATION OF SERVICE**

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**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

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**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

**TYPE OF SERVICE:**

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

**RATES:**

Customer charge per delivery point	\$ 12.87 per month	I
Energy charge	0.09069 per KWH	I
Off peak energy charge	0.05441	I

Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

Months	Off-Peak Hours (EST)
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 PM
May through September	10:00 PM to 10:00 AM

**DATE OF ISSUE: April 13, 2012**

**DATE EFFECTIVE: June 1, 2012**

**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 2**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 2**

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**CLASSIFICATION OF SERVICE**

---

**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

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**MINIMUM CHARGES:**

The minimum monthly charge under the above rate is \$12.87. For members requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**SPECIAL RULES:**

- A. The rated capacity of a single-phase motor shall not be in excess of ten horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 50 KVA. Customers requiring more than 50 KVA shall be serviced under an appropriate schedule for larger power service.

**BUDGET BILLING:**

Members having an opportunity to sign agreements with the Cooperative for spreading billing evenly over a twelve (12) month period. The billing is based on estimated consumption made by a Cooperative representative. In May, the end of the twelve-month

**DATE OF ISSUE: April 13, 2012**

**ISSUED BY: \_\_\_\_\_**

**DATE EFFECTIVE: June 1, 2012**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 3**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 3**

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**CLASSIFICATION OF SERVICE**

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**SCHEDULE A-1 FARM & HOME**

**RATE PER UNIT**

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Period, the difference between payments and actual usage is adjusted by adding or crediting the difference of the regular electric service bill.

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale power supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**DATE OF ISSUE: April 13, 2012**

**DATE EFFECTIVE: June 1, 2012**

**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 4**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 4**

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-2 COMMERCIAL AND SMALL POWER      RATE PER UNIT**

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

**TYPE OF SERVICE:**

Single-phase and Three-phase at a standard voltage

**RATES:**

Customer charge per delivery point	\$ 24.64	per month	I
Energy charge	0.07880	per KWH	I
Demand charge	5.50	per KW	I

**MINIMUM MONTHLY CHARGE:**

The minimum monthly charge under the above rate shall be \$24.64 where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

**MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:**

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

**DATE OF ISSUE: April 13, 2012**

**DATE EFFECTIVE: June 1, 2012**

**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 5**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 5**

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**CLASSIFICATION OF SERVICE**

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**SCHEDULE A-2 COMMERCIAL AND SMALL POWER      RATE PER UNIT**

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**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale power Supplier for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**TEMPORARY SERVICE:**

Temporary service shall be supplied in accordance with the foregoing rate except that there shall be an additional charge of one dollar and twenty-five cents (\$1.25) for each kilowatt or fraction thereof of connected load for each month or fraction thereof that service is connected. Bills will not be prorated for a fractional part of a month. The customer shall in addition, pay the total cost of connecting and disconnecting service less the value of materials returned to stock. The cooperative may require a deposit, in advance, of two-twelfth (2/12) of the estimated annual bill.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**DATE OF ISSUE: April 13, 2012**

**ISSUED BY: \_\_\_\_\_**

**DATE EFFECTIVE: June 1, 2012**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 6**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 6**

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**CLASSIFICATION OF SERVICE**

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**SCHEDULE A-2 COMMERCIAL AND SMALL POWER      RATE PER UNIT**

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**SPECIAL RULES:**

- A.      The rated capacity of a single-phase motor shall not be in excess of ten Horsepower (10 hp).
  
- B.      Motors having a rated capacity in excess of ten horsepower (10 hp) Must be three-phase.
  
- C.      Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 25 KVA. Customers requiring more than 25 KVA shall be served under an appropriate schedule for large power service.

**DATE OF ISSUE: April 13, 2012**

**DATE EFFECTIVE: June 1, 2012**

**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 7

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 7

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**CLASSIFICATION OF SERVICE**

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**SCHEDULE LP LARGE POWER SERVICE**

**RATE PER UNIT**

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**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

**RATES:**

Demand Charge	\$ 6.25	per KW of billing	I
Secondary Meter Energy Charge	0.06119	per KWH	I
Primary Meter Energy Charge	0.05507	per KWH	D
Customer Charge Per Delivery Point	93.28	per Month	I

**DETERMINATION OF BILLING DEMAND:**

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

**POWER FACTOR ADJUSTMENT:**

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

**DATE OF ISSUE:** April 13, 2012

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**ISSUED BY:** \_\_\_\_\_

**TITLE:** PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 8

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 8

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CLASSIFICATION OF SERVICE

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SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

---

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**MINIMUM MONTHLY CHARGE:**

The minimum monthly charge shall be the highest one of the following charges as determined for the customer in question.

- (1) The minimum monthly charge specified in the contract for service.
- (2) A charge of seventy-five cents (\$.75) per KVA of installed transformer capacity.
- (3) A charge of ninety-three dollars and twenty-eight cents (93.28). I

**MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:**

Customers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

**TYPE OF SERVICE:**

Three-phase, 60 hertz, at Seller's standard voltage.

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TITLE: PRESIDENT/GENERAL MANAGER

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**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 9**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 9**

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**CLASSIFICATION OF SERVICE**

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**SCHEDULE LP LARGE POWER SERVICE**

**RATE PER UNIT**

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**CONDITIONS OF SERVICE:**

1. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three-phase.
2. Both power and lighting shall be billed at the foregoing rate. If a separate meter is required for the lighting circuit, it shall be a kilowatt-hour meter only (not a demand meter). The registration of the two kilowatt-hour meters shall be added to obtain the total kilowatt hours used and the registration of the one demand meter shall determine the kilowatt demand for billing purposes.
3. All wiring, pole lines, and other electrical equipment beyond the metering point, shall be considered the distribution system of the customer and shall be furnished and maintained by the customer.
4. If service is furnished at primary distribution voltage, the primary meter energy charge shall apply.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher, In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**DATE OF ISSUE: April 13, 2012**

**DATE EFFECTIVE: June 1, 2012**

**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 10**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 10**

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE LPR LARGE POWER SERVICE**

**RATE PER UNIT**

---

**APPLICABLE:**

In all territory served.

**AVAILABILITY OF SERVICE:**

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

**CONDITIONS:**

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

**CHARACTER OF SERVICE:**

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

**RATE:**

Maximum Demand Charge:	\$ 6.25	per KW of billing demand	I
Secondary Meter Energy Charge:	0.06030	per KWH	I
Primary Meter Energy Charge:	0.05427	per KWH	D
Customer Charge Per Delivery Point:	\$ 107.68	per month	I

**DETERMINATION OF BILLING DEMAND:**

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 11

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 11

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE LPR LARGE POWER SERVICE**

**RATE PER UNIT**

---

rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided below.

**POWER FACTOR ADJUSTMENT:**

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

**MINIMUM CHARGES:**

The minimum monthly charge shall be the highest one of the following charges:

- (a) The minimum monthly charge as specified in the contract for service.
- (b) A charge of seventy-five cents (\$.75) per KVA per month of contract capacity.

**FUEL COST ADJUSTMENT:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses.

**DATE OF ISSUE: April 13, 2012**

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**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 12

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 12

---

**CLASSIFICATION OF SERVICE**

---

**SCHEDULE LPR LARGE POWER SERVICE**

**RATE PER UNIT**

---

The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL PROVISIONS:**

1. **Delivery Point** – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be the point of attachment of Seller's primary line to customer's transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. **Lighting** – Both power and lighting shall be billed at the foregoing rate.
3. **Primary Service** – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**DATE OF ISSUE:** April 13, 2012

**DATE EFFECTIVE:** June 1, 2012

**ISSUED BY:** \_\_\_\_\_

**TITLE:** PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 13**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 13**

**CLASSIFICATION OF SERVICE**

**SCHEDULE YL-1**

**RATE PER UNIT**

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to all members of the Cooperative subject to its established rules and regulations.

**TYPE OF SERVICE:**

Single-Phase, 120 volts, mercury vapor type or equivalent lighting unit.

**RATES:**

Flat rate per light per month as follows:

175	Watt	@	\$ 9.49	per month	I
400	Watt	@	14.27	per month	I
500	Watt	@	16.82	per month	I
1,500	Watt	@	39.13	per month	I
400	Watt Flood	@	19.28	per month	I

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10%

**DATE OF ISSUE: April 13, 2012**

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**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 14

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 14

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**CLASSIFICATION OF SERVICE**

---

**SCHEDULE YL-1**

**RATE PER UNIT**

---

and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL RULES:**

Those members having primary metering or receiving service at a voltage other than approximately 120 volts shall not be eligible for service under this rate schedule except for special agreement.

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**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case

No. 2012-00030, dated June 1, 2012.



**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

PSC NO. 2012-00030

ORIGINAL SHEET NO. 15

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 15

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**CLASSIFICATION OF SERVICE**

---

**SCHEDULE IND 1**

**RATE PER UNIT**

---

**APPLICABLE:**

Applicable to contracts with contract demands of 1000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

**AVAILABILITY:**

Available to all members.

**MONTHLY RATE:**

Demand Charge:	\$ 5.93	per KW of Billing Demand
Secondary Meter Energy Charge	0.05701	per KWH
Primary Meter Energy Charge:	0.05638	per KWH
Customer Charge:	\$ 165.06	

**BILLING DEMAND:**

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein:

**Months:**

October through April	7:00 AM to 12:00 Noon 5:00 PM to 10:00 PM
May through September	10:00 AM to 10:00 PM

**DATE OF ISSUE: April 13, 2012**

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**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 16**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 16**

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**CLASSIFICATION OF SERVICE**

---

**SCHEDULE IND 1**

**RATE PER UNIT**

---

**MINIMUM MONTHLY CHARGE:**

The Minimum monthly charge shall not be less than the sum of (A), (B) & (C) below:

- A. The product of the billing demand multiplies by the demand charge, plus
- B. The product of the billing demand multiplies by 425 hours and the energy charge per KWH,  
plus
- C. Consumer Charge

**POWER FACTOR ADJUSTMENT:**

The consumer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and dividing this product by the actual power factor at the time of the monthly maximum demand.

**DATE OF ISSUE: April 13, 2012**

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**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case  
No. 2012-00030, dated June 1, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 17

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 17

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 1**

**RATE PER UNIT**

**FUEL ADJUSTMENT CLAUSE:**

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL PROVISIONS:**

1. **Delivery Point** – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the customer. If service is furnished at Seller’s primary line voltage, the delivery point shall be the point of attachment of Seller’s primary line to customer’s transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. **Lighting** – Both power and lighting shall be billed at the foregoing rate.

**DATE OF ISSUE:** April 13, 2012

**DATE EFFECTIVE:** June 1, 2012

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**TITLE:** PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 18

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 18

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**CLASSIFICATION OF SERVICE**

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<b>SCHEDULE</b>	<b>IND 1</b>	<b>RATE PER UNIT</b>
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3. Primary Service – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**DATE OF ISSUE:** April 13, 2012

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**TITLE:** PRESIDENT/GENERAL MANAGER

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**FORM FOR FILING RATE SCHEDULES**

**FOR ALL TERRITORIES SERVED**

**PSC NO. 2012-00030**

**ORIGINAL SHEET NO. 19**

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

**CANCELLING PSC NO. 2010-00496**

**ORIGINAL SHEET NO. 19**

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 2**

**RATE PER UNIT**

**APPLICABLE:**

Applicable to contracts with contract demands of 5000 KW or greater with a monthly energy usage equal to or greater than 425 hours per KW of Billing Demand. These contracts will be a "two party" contract between the Cooperative and the ultimate consumer.

**AVAILABILITY:**

Available to all members.

**MONTHLY RATE:**

Demand Charge:	\$ 5.93	per KW of Billing Demand
Secondary Meter Energy Charge	0.05151	per KWH
Primary Meter Energy Charge	0.05102	per KWH
Customer Charge	\$ 1,176.33	

**BILLING DEMAND:**

The Kilowatt Demand shall be the greater of (A) or (B) listed below:

- A. The Contract Demand.
- B. The ultimate consumer's highest demand during the current month or preceding eleven months coincident with the load center's peak demand. The load center's peak demand is the highest average rate at which energy is used during any fifteen minute interval in the below listed hours for each month and adjusted for power factor as provided herein.

**DATE OF ISSUE: April 13, 2012**

**DATE EFFECTIVE: June 1, 2012**

**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

PSC NO. 2012-00030

ORIGINAL SHEET NO. 20

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 20

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CLASSIFICATION OF SERVICE

---

SCHEDULE IND 2

RATE PER UNIT

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Months:

October through April

7:00 AM to 12:00 Noon

5:00 PM to 10:00 PM

May through September

10:00 AM to 10:00 PM

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall not be less than the sum of (A), (B) & (C) below:

- A. The product of the billing demand multiplies by the demand charge, plus
- B. The product of the billing demand multiplies by 425 hours and the energy charge per KWH,  
plus
- C. Consumer charge.

POWER FACTOR ADJUSTMENT:

The consumer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and dividing this product by the actual power factor at the time of the monthly maximum demand.

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the wholesale power supplier, plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month

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TITLE: PRESIDENT/GENERAL MANAGER

issued by authority of an Order of the Public Service Commission of Kentucky in Case  
No. 2012-00030, dated June 1, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 21

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2010-00496

ORIGINAL SHEET NO. 21

**CLASSIFICATION OF SERVICE**

**SCHEDULE IND 2**

**RATE PER UNIT**

moving average of such losses. This fuel clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

**SPECIAL PROVISIONS:**

1. **Delivery Point** – If service is furnished at secondary voltage, the delivery point shall be the metering point unless otherwise specified in the contract for service. All wiring, pole lines, and other electric equipment on the load side of the delivery point shall be owned and maintained by the customer. If service is furnished at Seller’s primary line voltage, the delivery point shall be the point of attachment of Seller’s primary line to customer’s transformer structure unless otherwise specified in the contract for service. All wiring, pole lines, and other electrical equipment (except metering equipment on the load side of the delivery point) shall be owned and maintained by the customer.
2. **Lighting** – Both power and lighting shall be billed at the foregoing rate.
3. **Primary Service** – If service is furnished at 7620/13200 volts or above, the Primary Meter Energy Charge shall apply.

**TERMS OF PAYMENT:**

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

**DATE OF ISSUE: April 13, 2012**

**DATE EFFECTIVE: June 1, 2012**

**ISSUED BY: \_\_\_\_\_**

**TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

Big Sandy Rural Electric  
Cooperative Corporation

For All Territories Served  
P.S.C. No. \_\_\_\_\_  
Original Sheet No. 22

CLASSIFICATION OF SERVICE

RENEWABLE RESOURCE POWER SERVICE

STANDARD RIDER – This Renewable Resource Power Service is a rider to all currently applicable rate schedules. The purpose of this rider is to provide the consumer with a renewable source of energy that may be considered more environmentally friendly.

APPLICABLE

To the entire territory served.

AVAILABLE

This schedule shall be made available to any consumer in the following listed block amounts:

100 kWh Block (Minimum size) or Greater

AND where the consumer will contract with the Cooperative to purchase these blocks under this Retail Rider.

AGREEMENT

An "Agreement for Purchase of Renewable Resource Power" shall be executed by the consumer prior to service under this schedule.

RATE

The monthly rate for this service will be a renewable power premium, i.e. an added charge, for all renewable power supplied to the consumer. The renewable power rate premium will be as provided below:

\$0.0275 per kWh or \$2.75 per 100 kWh Block

This rate is addition to the regular retail rate for power

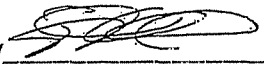
DATE OF ISSUE \_\_\_\_\_

DATE EFFECTIVE 8/1/2004

ISSUED BY \_\_\_\_\_

TITLE President and General Manager

ISSUED BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE	
PURSUANT TO 807 KAR 5:011	
SECTION 9 (1)	
By 	IN
Executive Director	



For Entire Territory Served

P.S.C. No. \_\_\_\_\_

Original Sheet No. 23

CLASSIFICATION OF SERVICE

RENEWABLE RESOURCE POWER SERVICE

(continued)

BILLING AND MINIMUM CHARGE

Blocks of power contracted for under this tariff shall constitute the minimum amount of kWh the customer will be billed for during a normal billing period. For all power purchased in excess of the contracted Renewable Resource amount, the customer shall be billed at the normal rate for that class. For periods shorter than a normal monthly billing cycle (i.e. termination of service and final bill of a service) and actual kWh use is less than the contracted Renewable kWh amount, the customer shall pay for the full monthly block of kWh ordinarily contracted for.

TERMS OF SERVICE AND PAYMENT

This rider tariff shall be subject to all other terms of service and payment of the applicable tariffs to which it is applied for each customer.

CONDITIONS OF SERVICE

The rate granted under this Retail Rider shall be supported by one (1) year contracts between the customer and the cooperative.

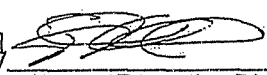
DATE OF ISSUE \_\_\_\_\_

DATE EFFECTIVE 8/1/2004

ISSUED BY \_\_\_\_\_

TITLE President and General Manager

ISSUED BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
  
ON \_\_\_\_\_  
Executive Director

FOR ENTIRE SERVICE AREA  
P.S.C. NO. \_\_\_\_\_  
Original Sheet No. 24  
Canceling P.S.C. No. \_\_\_\_\_

( N )

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION  
PURCHASE POWER ADJUSTMENT CLAUSE

Standard Rider

The Purchase Power Adjustment Clause is a rider to any and all rate schedules used by the Cooperative.

Terms and Conditions

All rates applicable to the Purchase Power Adjustment Clause and may be increased or decreased by an amount equal to the difference between the base line rate for power cost and the actual base power cost. The base line rate will be a rolling 12 month average, adjusted for any rate increases or decreases from East Kentucky Power Cooperative. Any over/under recovery will be adjusted to the next month bill. The Purchase Power Adjustment is subject to all other applicable provisions as set forth in 807 KAR 5:056.

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY IN CASE NO. 2012-00030 DATED \_\_\_\_\_

Date of Issue: April 13, 2012 Date Effective: June 1, 2012

Issued By: \_\_\_\_\_ President & General Manager

ORIGINAL

FOR ENTIRE TERRITORY SERVED

P.S.C. KY. NO. 2010-00021

SHEET NO. 1

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

CLASSIFICATION OF SERVICE

RATES SCHEDULE ES – ENVIRONMENTAL SURCHARGE

AVAILABILITY

In all of the Company's service territory.

APPLICABILITY

This rate schedule shall apply to all electric rate schedules and special contracts.

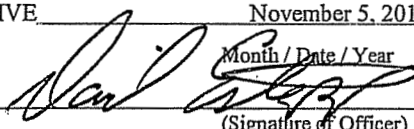
RATE

$CES(m) = ES(m)$

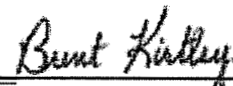
where CES(m) = Current Month Environmental Surcharge Factor  
ES(m) = Current Month Environmental Surcharge Calculation

$ES(m) = [((WESF) \times (\text{Average of 12-months ended revenues from sales to Member System, excluding environmental surcharge})) + (\text{Over})/(\text{Under Recovery})] \text{ divided by } [\text{Average of 12-months ending Retail Revenue (excluding environmental surcharge)}] = \underline{\hspace{2cm}} \%$

where WESF = Wholesale Environmental Surcharge Factor for Current Expense Month

DATE OF ISSUE November 12, 2010  
Month / Date / Year  
DATE EFFECTIVE November 5, 2010  
Month / Date / Year  
ISSUED BY   
(Signature of Officer)  
TITLE President and General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 2010-00021 DATED November 5, 2010

<b>KENTUCKY</b> <b>PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR
TARIFF BRANCH  
EFFECTIVE <b>11/5/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR ENTIRE TERRITORY SERVED

P.S.C. KY. NO. **2010-00021**

SHEET NO. 1

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

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**CLASSIFICATION OF SERVICE**

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(Over)/Under Recovery =

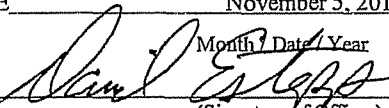
6-months cumulative (over)/under recovery as defined by amount billed by EKPC to Member System minus the amount billed by Member System to retail customer. Over or under recoveries shall be amortized over a six-month period. (T)

**BILLING**

The current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

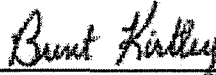
DATE OF ISSUE November 12, 2010  
Month / Date / Year

DATE EFFECTIVE November 5, 2010  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE President and General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 2010-00021 DATED November 5, 2010

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
TARIFF BRANCH 
EFFECTIVE <b>11/5/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Big Sandy Rural Electric Cooperative Corporation

AVAILABILITY

The KY Energy Retrofit Rider (Rider) is a voluntary tariff available to customers for the purpose of improving resource efficiency and reducing energy consumption and net customer bills. The Rider is only available to qualifying customers taking service under Rate Schedules 1 (residential) and 2 (commercial/small industrial).

Definitions:

Agent – party acting on behalf of the company as defined under Kentucky law.

Company – Utility company implementing the tariff.

Contractor – The individual or company installing a Retrofit.

Customer – The purchaser of utility services at a property that includes a Retrofit or who is applying for a Retrofit. May be an owner or a tenant.

Owner/Landlord – The owner of the property where the retrofit is being installed. May also be the Customer of the utility, or just the landlord.

Retrofit – the energy efficiency improvement being funded as part of utility service, including efficiency improvements to new construction.

Retrofit Project Charge – The monthly payment from the Customer to the Company covering the Retrofit service/amortization.

Terms and Conditions – Any and all regulations, guidelines, and agreements under which the Company provides service to the Customer.

RETROFIT INVESTMENT AND REPAYMENT TERMS

1. No up-front investment is required by Customers. The initial cost of approved efficiency measures will be paid by the Company or its Agent.
2. The Retrofit repayment obligation shall be assigned to the premises and will survive changes in ownership and/or tenancy.
3. Retrofit program costs shall be recovered through a monthly line item Retrofit Project Charge on the utility bill.
4. The Retrofit Project Charge shall be part of the Company's charges for basic utility service. Failure to make payment may result in disconnection of service in accordance with the Company's approved Terms and Conditions.

Date of Issue: December 16, 2010

Effective date: December 16, 2010

Issued By: *David S. [Signature]*, President & CEO, 504 11<sup>th</sup> St., Pa...

*Brent Kirtley*,  
EFFECTIVE

Issued by authority of an Order by the PSC dated December 16, 2010 in Case No. 2010-0011

<b>KENTUCKY</b> PUBLIC SERVICE COMMISSION
<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR
<b>12/16/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Big Sandy Rural Electric Cooperative Corporation

5. The Retrofit Project Charge must be less than ninety (90) percent of the estimated average savings associated with the investment.
6. Company or its Agent will be responsible for estimating resource savings and developing a Conservation Plan upon which the Retrofit Project Charge will be based.
7. Although the Company and its Agent(s) expect that all Customers will receive lower monthly utility bills, there is no guarantee of savings.
8. If a Retrofit measure is reported to be faulty, the Company or its Agent will assess (verify the failure), suspend Retrofit Project Charges to the degree that savings are compromised, initiate and verify repairs, assign cost to responsible party and reinstitute Retrofit Project Charges.
9. When an account is closed, the outstanding balance of the Retrofit obligation remains with the meter until the account is reopened, combined with another account/service or its meter is transferred to a new Customer, at which time Retrofit repayments will resume as part of service to that meter/facility until paid in full.

CONSERVATION PLAN

The Conservation Plan will be developed by the Company or its Agent and specify measures recommended by the Company to the prospective Retrofit Customer. The Conservation Plan includes:

- Plan Scope – The Conservation Plan will include a detailed description of each retrofit option proposed. The estimated and maximum amounts of financing the Company/its Agent would pay/invest towards each retrofit would be identified. If energy savings are not completely justified on a cost basis, the Conservation Plan will include the amount Customer would pay or invest to ‘buy down’ the remaining project balance to what can be amortized by energy savings/on-bill repayment. There will also be a financial summary of the cumulative projected on-bill repayments including: amount of cumulative program fees repaid; amount of cumulative interest repaid; amount of cumulative principle repaid; and total amount to be repaid over the life of the investment.
- Estimated Resource Savings – The modeled change(s) in cost of resources consumed at the premises attributable to the efficiency measure(s) recommended. The Company or its Agent will be solely responsible for savings estimates and will use generally accepted modeling software and techniques.
- Retrofit Project Charge – The charge to be included on Customer’s utility bill based on the cost of the proposed measure(s) and the resulting savings. The Company will be solely responsible for calculating the Retrofit Project Charge utilizing its standard

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Effective date: December 16, 2010

Issued By: *Mark Stapp*, President & CEO, 504 11<sup>th</sup> St., Pa  
Issued by authority of an Order by the PSC dated December 16, 2010 in Case No. *Bunt Kirtley*

KENTUCKY PUBLIC SERVICE COMMISSION <b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR TARIFF BRANCH
EFFECTIVE <b>12/16/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

economic model of discounted cash flows. To the extent available, Company will incorporate grants and low-interest funds into calculation of Retrofit Project Charge for the benefit of Customers who meet qualifying guidelines of such funding sources. In calculating the Project Charge, the Company may add five (5) percent of the capitalized cost of proposed projects as bid by contractors or vendors to offset Retrofit program costs. The annual interest rate used to calculate the Retrofit Project Charge shall be no more than the Company's current average cost of long-term debt.

- Audit Fee- A Customer or Landlord may be charged a \$200 Audit Fee for complete Conservation Plans. The charge will be waived for program participants or when the Conservation Plan yields less than \$1,000 in improvements that can be paid for by the Company through the program. The charge will be assessed no sooner than (90) days after the Conservation Plan has been provided to the Customer.
- Number of payments- The number of periods for which Retrofit Project Charge will apply at the premises. In no case shall the duration of the Retrofit Project Charge exceed seventy-five (75) percent of the estimated life of the measure or fifteen (15) years, whichever is less.
- In the event that multiple measures are being completed as part of a Conservation Plan, the Project Charge will not appear on the Customer's bill until all measures have been completed.

A Customer's and Landlord's signature on the Retrofit Agreement shall indicate acceptance of the Conservation Plan.

"BUY DOWN" ALTERNATIVE

A Customer or Landlord may elect to "buy down" the cost of implementing an efficiency measure so that the Retrofit Project Charge will be less than the average estimated monthly savings. In this way, measures that might not otherwise yield sufficient economic savings to pay for themselves may still be approved. Prior to Company approval of a Conservation Plan that includes one or more uneconomic measures, the Customer or Landlord or a third party must agree to pay the amount required to buy down said measure(s) such that the Retrofit charge is no greater than ninety (90) percent of the estimated savings.

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Issued By: *David Stutz*, President & CEO, 504 11<sup>th</sup> St., Louisville, KY 40202

**JEFF R. DEROUEN**  
EXECUTIVE DIRECTOR

Issued by authority of an Order by the PSC dated December 16, 2010 in Case No. 2010-0089

TARIFF BRANCH

*Brent Kirtley*

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**12/16/2010**

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Big Sandy Rural Electric Cooperative Corporation

NEW STRUCTURES

A Customer or Owner may utilize this Rider to install high efficiency equipment or measures in new structures. The tariff may cover only the incremental cost between the lowest allowable or "standard" efficiency equipment or measure required in the structure and the higher efficiency equipment or measures chosen by the Contractor, Customer or Owner. Under any circumstances, the Retrofit Project Charge to appear on the participant's bill must be less than the average estimated cost of resources saved by purchase of the higher efficiency equipment or measures.

RESPONSIBILITIES

Responsibilities, understandings and authorizations of the Customer, Company, landlord (if applicable) and Contractor shall be evidenced by this Rider and written agreements, notifications and disclosures/consents, the forms of which are incorporated into this Rider by reference.

The Company/its Agent(s) will

1. market and administer the program,
2. prequalify eligible accounts,
3. perform energy audits to produce Conservation Plans,
4. certify and maintain a list of Contractors, and arrange for a certified Contractor to install retrofit measures
5. act as Customer's representative in verifying suitability of proposed retrofits, estimated savings, satisfactory installation of retrofit measures, and evaluating ongoing performance or need for repair of measures
6. file UCC disclosures with County Clerk for each location
7. disclose pre-existing retrofit investment benefits and costs to new Customers,

The Company will not be liable for any decisions or actions taken by its Agent, including but not limited to selection of measures, savings estimates, decisions on repairs or extending payment terms to collect missed payments and repair costs, or injury or damage to homes related to installation or use of retrofit measures.

The Company will not be liable for any failure by the previous occupant, building owner or landlord to disclose a Customer's payment obligation.

Date of Issue: December 16, 2010

Effective date: December 16, 2010  
DEBRA DEERCOEN  
EXECUTIVE DIRECTOR

Issued By: [Signature], President & CEO, 504 11<sup>th</sup> St., Paintsville, KY 41240

Issued by authority of an Order by the PSC dated December 16, 2010 in Case No. Brent Kirtley

<b>KENTUCKY</b> <b>PUBLIC SERVICE COMMISSION</b>
DEBRA DEERCOEN EXECUTIVE DIRECTOR
EFFECTIVE <b>12/16/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



Big Sandy Rural Electric Cooperative Corporation

Company will not be liable for Contractor's work. Any verification by the Company or its Agent and request that the Company initiate Retrofit charges in no way limits the installing Contractor's and product manufacturer's liability as per contractual agreement with the Company/its Agent and under State law.

The written agreements include:

- KY Retrofit Purchase Agreement – Establishes permission and terms for program participation, clarifies charges involved in the program, roles and responsibilities of each party, and notification requirements. Customer responsibilities include signing agreement to participate, providing access to the Company, its Agent and retrofit Contractor(s) for audit, retrofit, inspection and repairs, payment of retrofit charges included in utility bills, becoming informed about routine operation of retrofits, informing the Company if an installed retrofit measure fails or malfunctions, being responsible for all costs associated with Customer damage or neglect and accepting cost for out-of-warranty repairs. Owner responsibilities include agreeing to have retrofit installed, maintaining retrofits, written notification to prospective tenants or purchasers of the property so new occupants sign that they are informed of the energy investment burden on the meter, and fulfillment of Customer responsibilities any time metered account is in the Owner's name. Residential accounts will have repayment terms of up to 15 years, while commercial property accounts will have a maximum repayment term of 10 years and require loan security on investments greater than \$20,000.
- Master Contractor Agreement – Establishes that the contractor agrees to do the work as specified in the Conservation Plan. If the contractor needs to deviate from the Conservation Plan, the contractor will secure written authorization from the Company in advance. The Contractor is responsible for all aspects of his/her work, energy savings if provided, and all permits, insurance coverage, warranties, bonding and representation. The contractor will not charge more than the final approved estimate for the work performed. The Agreement states that the Company is not responsible for the contractor's work, but the Company does act as an intermediary in attempting to resolve any disputes.

Date of Issue: December 16, 2010

Issued By: *Neal Stutz*, President & CEO,

Issued by authority of an Order by the PSC dated December 16, 2010 in Case No. 2010-00089

Effective date: December 16, 2010

RENTUCKY PUBLIC SERVICE COMMISSION 504 11 <sup>th</sup> St., Paintsville, KY 41240
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
<i>Brent Kinley</i>
EFFECTIVE <b>12/16/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

TRANSITION IN ROLES

Unless otherwise specifically set forth in a standard Retrofit purchase agreement made part of this Rider, responsibility for outstanding Retrofit obligations falls on the successor party when the roles of the Customer, Owner or tenant change, provided the required disclosure is made and consent to assume the obligation is obtained. For example: If a tenant purchases an apartment complex, that individual assumes the obligations of Owner if disclosure is made and consent is obtained.

FAILURE TO MAKE REPAYMENT

The Customer or Landlord is obligated to pay for overall utility service which includes both the electric service provided and the repayment of the energy efficient investment as presented on the monthly bill. In the event no payment is made and the total monthly bill become past due, then delinquency will be handled in accordance with the Company's approved Terms and Conditions.

OTHER

1. This Rider applies to Retrofit measures permanently installed as fixtures at the premises. Portable efficiency products such as commercial lighting may be included where preapproved and documented by the Company/its Agent. The Company will solely determine which measures or products may be included in the Retrofit Program. Premises in which Retrofit measures will be installed must be permanently anchored to a foundation.
2. Measures will be owned by the capital provider for tax or carbon credit purposes until Retrofits have been fully paid off, however if tax credits can only be applied for by Customer, than Customer shall retain eligibility.
3. The Company or its Agent will determine the eligibility of a Customer based upon the Customer's bill payment history with the Company, projected energy savings and program capacity. At its sole discretion, the Company may determine a property is not eligible for the program and does not qualifies for this Rider if:

Date of Issue: December 16, 2010

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Issued By: *David Stepp*, President & CEO, 504 11<sup>th</sup> St.,

JEFF R. DEROUEN  
EXECUTIVE DIRECTOR

Issued by authority of an Order by the PSC dated December 16, 2010 in Case No. 2010-0089

2010-0089

*Brent Kirtley*

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Big Sandy Rural Electric Cooperative Corporation

- a. The structure has an expected life shorter than the payback period, or
  - b. The structure does not meet applicable public safety or health codes.
4. At its sole discretion, the Company will determine the maximum Retrofit program investment in any year.
5. The initial term of the Retrofit Purchase Agreement may be extended by the Company or its Agent to recover its costs for out-of-warranty repairs or missed payments.
6. If an account is dormant for more than one year, or the underlying facility has been destroyed, any outstanding retrofit balance net of insurance reimbursement may be charged as loss in accordance with the Company's approved Terms and Conditions.

Date of Issue: December 16, 2010

Issued By: *David Stapp*, President & CEO, 504 11<sup>th</sup> St., P

Issued by authority of an Order by the PSC dated December 16, 2010 in Case No.

Effective date: December 16, 2010

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN</b> <del>EXECUTIVE DIRECTOR</del>
TARIFF BRANCH 240
<i>Brent Kintley</i> EFFECTIVE
<b>12/16/2010</b>
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

# Energy Efficiency Measure Purchase Agreement

Customer Name: \_\_\_\_\_ Agreement Date: \_\_\_\_\_, 20\_\_\_\_

Customer Mailing Address: \_\_\_\_\_

Service Address: \_\_\_\_\_

Customer Phone - day: \_\_\_\_\_ evening: \_\_\_\_\_ mobile: \_\_\_\_\_

Account #: \_\_\_\_\_ Meter/Location ID: \_\_\_\_\_ Occupancy: \_\_\_\_\_ Owner  
 Renter

Property Owner's Name: \_\_\_\_\_ Co-Owner Name: \_\_\_\_\_

Owner's Phone: \_\_\_\_\_ Co-Owner Phone: \_\_\_\_\_

Owner Mailing Address: \_\_\_\_\_

Co-Owner Address: \_\_\_\_\_

## 1. ENERGY EFFICIENCY MEASURE(S) PURCHASED, NOT-TO-EXCEED COST & ESTIMATED SAVINGS

Energy Efficiency Measure(s)*	Projected Cost	Not to Exceed Monthly Payment**	Est # Payments	Current value of projected savings (yr)
<b>Energy Efficiency Measure Product(s) Total</b>				

\* Detailed description of products(s) and specifications for installation included in the attached Conservation Plan.

\*\* Total Monthly payment amount(s) include a portion of Energy Efficiency Measure program costs.

## 2. INFORMATION ACCURACY

Customer and owner have made every effort to provide Company/its Agent with accurate information about the structure and its use to enable the Company to assess the energy efficiency of Customer's premises and equipment. Customer and owner acknowledge that the accuracy of the savings estimates above depend on the accuracy of information provided to the Company. Customer's Initials \_\_\_\_\_

## 3. PURPOSE OF THIS AGREEMENT

This Agreement permits the Energy Efficiency Measure(s) noted above to be installed on behalf of the Customer, in the Owners' building at the above property address with the above Location ID and \_\_\_\_\_ or to disclose any payment requirement to future tenants and to any purchaser of these premises at \_\_\_\_\_ ion 6.2 below. The agreement also describes the responsibilities, understandings and authorizations of Customers and Owners in

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
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implementing, maintaining, disclosing and paying for the above mentioned Energy Efficiency Measures.

4. CUSTOMER RESPONSIBILITIES AND UNDERSTANDING

- 4.1 Customer will provide access to premises to the Company/its agent, Contractor and their respective employees or subcontractors to install, inspect and/or repair Energy Efficiency Measures.
- 4.2 Customer shall make consecutive monthly payments specified above to the Company as part of the utility bill until all payments have been made or Customer no longer has an account with the Company. For portable Energy Efficiency Measures, all remaining payments will be due with the final bill.
- 4.3 Maintain the installed Energy Efficiency Measure measure(s) in place for at least as long as there are payments due under this Agreement unless otherwise agreed to by Company/its Agent. Customers will be responsible for all required maintenance and out of warrantee repairs.
- 4.4 Customer shall notify the Company if any of the above Energy Efficiency Measures stop working. The Company/its Agent will verify Energy Efficiency Measure failure, assess repair need/cause and authorize the repair. The Company/its agent may suspend Customer's Project Charges while repairs are being made, to the degree that energy savings are compromised. Contractors and warrantees will cover costs of repairs due to defects in workmanship or equipment per contract and warrantees. Customers will cover costs for customer damage, out of warrantee repairs and any remaining repair costs. The Company/its Agent may increase the number of remaining Energy Efficiency Measure payments to recover repair costs not reimbursed, including administration.

Alternatively, Customer may repair Energy Efficiency Measures at Customer's expense and, if applicable, will be entitled to any reimbursement from existing warranties.

The Company/its Agent may repair a measure that is not working and seek compensation from Customer or owner as appropriate or recover any costs that were not reimbursed after warranty payments are applied by increasing the number of Energy Efficiency Measure payments at this location. The Company/its Agent may likewise be reimbursed for maintenance costs required to keep systems operating as described above.

- 4.5 Capital Provider will own the installed Energy Efficiency Measures during the duration of payments by occupant, Customer will not apply for or claim tax or other credits which will be claimed by and belong to the Capital Provider.
- 4.6 In some cases,(where the portable equipment replaced belonged to the meter holder) Customers may relocate portable Energy Efficiency Measures to another meter/account location also served by Company upon obtaining Company prior agreement in writing and transferring all outstanding balances for the relocated Energy Efficiency Measures to their new account .
- 4.7 Customer will make a good faith effort to participate in KY Energy Retrofit Rider program follow-up surveys for the purpose of evaluating the effectiveness of the Energy Efficiency Measures and to provide information requested by the Public Service Commission and state Energy Office.

4.8 The Customer understands that an Independent Contractor-Customer relationship has been created by virtue of the Contractor Master Agreement between Company/its Agent and Contractor. Company/its Agent will not be liable for personal injury, property damage or legal activity caused by Contractor or Contractor's agents or employees. Company Agreement does not limit Customer's rights regarding manufacturers, vendors and contractors.

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Customer understands that this Agreement does not constitute a loan nor create any consumer credit or mortgage financing. Early repayment of Energy Efficiency Measure obligations shall not result in any prepayment discounts nor refunds.

**CUSTOMER AUTHORIZES COMPANY/ITS AGENT TO:**

- 5.1 Assign the KY Energy Retrofit Rider Tariff to this location which shall remain in full force until the final Project Charge has been paid in full.
- 5.2 Be its representative to coordinate and facilitate the installation of the Energy Efficiency Measures listed above and related work including arranging for repair or replacement if any of the Energy Efficiency Measures fail prior to the Customer making the final payment.
- 5.3 Enter into the Contractor Installation Agreement with the Contractor on Customer's behalf for the purpose of installing Energy Efficiency Measures and related work.
- 5.4 Enter into change orders with Contractor on behalf of the Customer so long as the change orders do not increase the Customer's monthly payment amount under the terms of this Agreement. Customer understands that any change order that increases Customer's monthly payment amount under this Agreement must be agreed to in writing by Customer, the Owner, the Company/its Agent and the Contractor.

**6. OWNER RESPONSIBILITIES AND UNDERSTANDING**

- 6.1 Owner agrees to assume all the above mentioned Customer Responsibilities, Understandings and Authorizations, including Energy Efficiency Measure repayment whenever utility service to the above reference service location is in the Owners' name.
- 6.2 Owner shall make all remaining KY Energy Retrofit Rider payments upon closing their utility account or upon sale of the property or disclose the monthly payment obligation to the next customer. Owners renting out the above premises shall disclose monthly payment obligation to all subsequent tenants until the obligation has been repaid. Failure to disclose will constitute permission by the Owner for the next customer to break a lease or purchase agreement for the premises within thirty (30) business days of applying for utility service. A signed copy of the New Customer Disclosure form will constitute proof of disclosure.
- 6.3 Owner will maintain installed Energy Efficiency Measures in place for at least as long as there are payments due under this Agreement and responsible for any required maintenance and for costs incurred from failure to properly maintain the Energy Efficiency Measure measure(s) .
- 6.4 Owner will be responsible for cost associated with owner damage.
- 6.5 Owner will obtain and maintain property insurance for casualty losses on the premises sufficient to ensure replacement of any measure installed under this program, or repayment of any outstanding Energy Efficiency Measure obligation if building/measures are not restored. Customer and owner agree to use any insurance claims payments to pay for replacement or repair of damaged measures with comparable products approved by Company/its Agent or to pay off any balance owed to the Company for Energy Efficiency Measure products installed in the premises.
- 6.6 Owner understands that this Agreement does not constitute a loan nor create any obligations under Kentucky law pertaining to consumer credit or mortgage financing. Early repayment of Energy Efficiency Measure obligations shall not result in any prepayment discounts nor refunds.
- 6.7 Owner warrants that (s)he is the sole owner or represents all owners of these premises and is authorized to sign below. If this is not the case, signee agrees to assume all responsibility for costs as: installation of Energy Efficiency Measures including but not limited to their installation, removal and program costs.

<p><b>KENTUCKY</b>  <b>ENERGY EFFICIENCY MEASURES</b></p>
<p><b>JEFF R. DEROUEN</b>  EXECUTIVE DIRECTOR</p>
<p><i>Brent Kirley</i></p>
<p>EFFECTIVE  <b>12/16/2010</b>  PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p>

**7. OWNER AUTHORIZES COMPANY/ITS AGENT TO:**

- 7.1 Arrange for installation of the Energy Efficiency Measures listed above and detailed in the Conservation Plan.
- 7.2 Assign the KY Energy Retrofit Rider Tariff to this premise. Owner understands repayment obligations will continue until such time Company has been fully reimbursed for costs itemized above. Owner has no repayment obligations at any time utility service is in the name of his/her current tenant or future tenants with this exception: Owner will assume the payment obligation any time a Energy Efficiency Measure measure is removed by Owner.
- 7.3 Owner may indicate a preferred Contractor among those qualified by the Company/its agent to install Energy Efficiency Measures. Owner authorizes the Company/its Agent to arrange for a qualified Contractor to install Energy Efficiency Measures. Owner understands that when an independent contractor installs Energy Efficiency Measures, an independent relationship has been created by virtue of the Contractor Master Agreement between Company/its Agent and Contractor. Contractor is not an employee or agent of the Company. Company/its Agent will not be liable for personal injury or property damage caused by Owner, Contractor or Contractor's agents or employees. Company is not a guarantor of products, materials, or work performed by contractor. This Agreement does not limit or increase Owner's rights regarding manufacturers, vendors and contractors.
- 7.4 Manage change orders consistent with the Conservation Plan. Any change that deviates from the approved Conservation Plan must be agreed to in writing by Customer, Owner, Company/its Agent, and the Contractor.
- 7.5 Issue payment for Energy Efficiency Measure products, materials and/or work when an independent contractor or vendor is used. (Labor or installation charges will not be reimbursed for self-installed measures). Payment made by Company does not guarantee the work performed by the Contractor. The Contractor is solely responsible for the installation of the Energy Efficiency Measure measure(s).
- 7.6 Obtain insurance (e.g., fire) or authorize its agent to obtain insurance at its cost on the premises sufficient to ensure Company or its financing agent recovers all costs associated with measure installation. Any insurance costs to be charged back to Customer are included in the Energy Efficiency Measure costs noted above.
- 7.7 Record a UCC-1 Fixture Lien form at the County Clerk's Office to facilitate disclosure of Energy Efficiency Measure obligations to successor customers at this location.

**8. AGREEMENT DURATION, TERMINATION AND MISCELLANEOUS PROVISIONS**

- 8.1 This Agreement shall remain in full force and effect until the final Energy Efficiency Measure payment has been made, Customer closes the account at this location, or the Agreement is terminated by mutual consent of the parties.
- 8.2 No related payments will be due to Company until these premises are occupied but no later than three months after the completion of the work.
- 8.3 If the Customer breaches any of the terms of this Agreement, Customer shall reimburse Company for all costs incurred for Energy Efficiency Measures. Such costs include but are not limited to all costs for measures, installation, repair or replacement, administration, litigation, product subsidy, and interest. Upon termination, Company may recover these costs through payments to Company from customers at this location.
- 8.4 At Customer's request, at any time, Company will terminate this Agreement. Customer must pay all costs Company/its Agent incurred for these Energy Efficiency Measure measure(s).

No waiver, alteration or modification of any of the provisions of this Agreement shall be effective unless in writing and signed by a duly authorized representative of both parties to this Agreement.

<p>JEFF R. DEROUEN EXECUTIVE DIRECTOR TARIFF BRANCH</p> <p><i>Brent Kirtley</i> SPECTIVE</p> <p>12/16/2010 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)</p>
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- 8.6 Notice from one party to the other under this Agreement shall be deemed to have been properly delivered if forwarded by First Class Mail to Customer or Company addresses noted on this page.
- 8.7 Company maintains a right of inspection and access for repair, upon reasonable notice and during normal business hours, of the Energy Efficiency Measure measure(s) installed pursuant to this Agreement for the duration of this Agreement. Any such inspection shall not be deemed as endorsement by Company/its Agent of work performed.
- 8.8 In the event of any dispute arising over the Energy Efficiency Measure program between Customers, Owners, and/or Contractors, Company will work with the disputing parties to obtain a mutually satisfactory resolution. In the event a satisfactory resolution cannot be reached, the dispute will be submitted to an arbiter of Company's choice. Responsibility for all costs of arbitration shall be allocated between the disputing parties as determined by the arbiter.
- 8.9 Company's Energy Efficiency Measure program is subject to Kentucky Public Service Commission (PSC) jurisdiction and approved as Kentucky Energy Efficiency Measure Rider.
- 8.10 The provisions of this Agreement shall benefit and bind the successors and assigns of Customer and Company. If any of this Agreement shall be held invalid or ineffective in whole or in part, such determination shall not be deemed to invalidate any of the remaining portions of this Agreement. This Agreement is governed by State law.

Customer	Date Signed
Owner	Date Signed
Co-Owner	Date Signed
Company	Date Signed

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE <b>12/16/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



# KY Energy Retrofit Rider - Participating Contractor Master Agreement

Contractor Name: \_\_\_\_\_ Agreement Date: \_\_\_\_\_, 20\_\_\_\_

Contractor Mailing Address: \_\_\_\_\_

Contractor Phones - mobile: \_\_\_\_\_ day: \_\_\_\_\_ evening: \_\_\_\_\_

## 1. PURPOSE OF THIS AGREEMENT

The Contractor is engaged in the business of selling and/or installing resource saving equipment, products and services. By agreeing to the provisions of the KY Energy Retrofit Rider Program, the Contractor becomes a participating Contractor in the Program to install Energy Efficiency measures to improve the resource efficiency for Customers served by Company. This agreement describes roles, responsibilities, and understandings of the Contractor and the Company/its Agent(s).

## 2. CONTRACTOR RESPONSIBILITIES AND UNDERSTANDINGS

- 2.1 Contractor shall submit a binding bid for Energy Efficiency measures to the Company. Energy Efficiency measures may include equipment, products and/or services that result in resource savings and lower bills. Company will be solely responsible for determining whether proposed measures meet the general or economic criteria for inclusion in the KY Energy Retrofit Rider program.
- 2.2 Approved Energy Efficiency measures, specifications and costs for each project shall be as set forth in a Conservation Plan developed by Company/its Agent and subject to this Agreement. An executed Conservation Plan will be considered an instruction to Contractor to commence work.
- 2.3 Contractor understands that only non-portable efficiency measures installed on premises permanently anchored to a foundation are eligible unless explicitly included in conservation plan. Savings must be greater than the monthly Project Charge calculated by Company/its Agent.
- 2.4 Contractor shall be solely responsible for determining the materials and products to be installed, and the means and methods of installation. Contractor shall furnish, at Contractor's own expense, all labor, materials, equipment, and other items necessary to satisfy the binding bid and meet the terms of this Agreement.
- 2.5 Contractor shall complete approved Energy Efficiency work in a timely manner. Upon completion, Contractor shall instruct Customer and Tenant(s), if applicable, on the proper use, operation and maintenance of Retrofit measures.
- 2.6 Contractor will provide for timely removal of debris resulting from installation or repairs of Retrofit projects unless otherwise stipulated in writing with the Customer.
- 2.7 Contractor is responsible for the conduct of its employees or agents. Contractor will be responsible for any costs associated with damage to property of Customer or Tenant(s) caused by its employees or agents.
- 2.8 Contractor will secure and pay for all permits, governmental fees, licenses and inspections necessary for the proper execution and completion of the work.
- 2.9 Contractor will give all notices and comply with all laws, ordinances, rules and orders of any public authority bearing on the performance of the work.
- 2.10 Contractor is obligated to make certain that its work conforms to all applicable federal, state and local laws, statutes, building codes and regulations, including but not limited to all applicable EPA/VOSTA/VCLTA/NEC and NEC rules and regulations.
- 2.11 Upon post-installation inspection by Company/its Agent, Contractor agrees to replace any equipment or repair any condition resulting in Energy Efficiency measure performance failing to meet the specifications set forth in the

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Conservation Plan of any project. Contractor agrees to pay Company for the cost of follow-up inspections which result in rework. Any inspection by Company or initiation of Project Charge on responsible party's utility bill in no way limits either Contractor's or product manufacturer's liability as set forth herein or under Kentucky law.

- 2.12 Contractor shall purchase and maintain a minimum of \$1 million of such comprehensive general liability and other insurance which will provide protection from claims arising from the result of Contractor's performance on any Retrofit project. Contractor shall also maintain insurance coverage consistent with requirements of any regulatory or licensing body associated with the services provided. Any property damage or bodily injury claims related to the performance of this Agreement in excess of insurance limits or not covered by comprehensive liability, worker's compensation, or automobile liability insurance are the responsibility of the Contractor.
- 2.13 Contractor understands that an independent relationship has been created between Customer and Contractor. Contractor is not an employee or agent of the Company. Company will not be liable for personal injury or property damage caused by Customer, Tenant(s) (if different from Customer), Contractor or Contractor's agents or employees. Company is not a guarantor of products, materials, or work performed by Contractor.
- 2.14 Contractor understands that Company's roles under this Agreement are limited to: (1) Providing efficiency guidance to Customer and Contractor, (2) Approving measures that qualify for the program (3) Inspecting to ensure quality and investigating when Customer's raise concern about performance of measures. (4)Facilitating payment to Contractor for approved Energy Efficiency measures, (5) Collecting Project Charge revenue from the party responsible for utility bills, and (6) Facilitating dispute resolution.
- 2.15 In the event of any dispute arising over the Retrofit program between Customers, Tenant(s) and/or Contractors, Company will work with the disputing parties to obtain a mutually satisfactory resolution. In the event satisfactory resolution cannot be reached, the dispute will be submitted to an arbiter of Company's choice. Responsibility for all costs of arbitration shall be allocated between the disputing parties as determined by the arbiter.
- 2.16 Contractor shall be responsible for ensuring that all utilities are properly located, marked and identified through utilization of and compliance with the requirements of the Kentucky One-Call "Dig Safe" program. Contractor is responsible for working around existing utilities and agrees to defend, indemnify and hold harmless Company and Customer for any and all claims for damages to such utilities.
- 2.17 Contractor understands that failure to abide by the terms of this Agreement may result in disallowance of Contractor's subsequent participation in the KY Energy Retrofit Rider program in addition to any other remedies afforded to offended parties. Any such disallowance shall be at Company's sole discretion.

**3. PAYMENT FOR RETROFIT PROJECTS**

- 3.1 Contractor should notify Company when work on a Retrofit Project is complete. When work is considered complete and satisfactory, Company will pay to Contractor and Customer jointly the outstanding balance of the amount agreed upon in the Conservation Plan. For projects with equipment purchases costing more than one-thousand (1,000) dollars, Company will pay Contractor in advance up to fifty (50) percent of the total project cost agreed upon in the Conservation Plan provided Contractor is bonded at or above the amount of the advance.
- 3.2 In lieu of supplying a bond, Contractor has the option of performing work and receiving full payment upon satisfactory completion, with check payable to Contractor.
- 3.3 Work shall be considered complete and satisfactory when Customer and Company have signed off that the work is complete and acceptable. Acceptance is signified by endorsement of the check written by Company jointly to Customer and Contractor for the approved Energy Efficiency measures. Company/its agent may waive Customer/owner acceptance of work as a requirement for payment if it deems work acceptable.

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3.4 In the event the Company/its Agent documents that work has not been completed as specified in the Conservation Plan/work order, the Company/has the Contractor's permission to withhold from final payment a penalty amount of \$500 for each failed inspection conducted by the Company/its Agent.

**4. WARRANTEES**

4.1 Contractor will warrant to Customer that all materials and equipment furnished under this Agreement will be new, and that all work will be of good quality, free from faults and defects.

4.2 Contractor will guarantee its workmanship, including all parts and labor, for a period of one year from date of final payment and acceptance of the work.

4.3 Contractor warrants that the resource efficient products designed and installed by the Contractor will meet Customer's requirements.

4.4 Contractor will extend to Customer all manufacturer's warranties for material and equipment installed. Contractor agrees to provide copies of all warrantee information to Customer should such information exist. Said warranties will not in any way limit Contractor's obligations as set forth above.

**5. INDEMNIFICATION**

5.1 Contractor shall assume all liability and shall defend, indemnify and hold harmless Customer, Tenant, Owner and Company, individually, against all liability or loss and against all claims or actions based upon or arising out of damage or injury (including death) to persons or property caused by or sustained in connection with the performance of the Agreement or by conditions created thereby, or based upon any violation of any statute, ordinance, building code or regulation and the defense of any such claims or actions.

5.2 In addition to the indemnification set forth above, Contractor agrees to indemnify, defend and hold harmless the Customer, Tenant, Owner, and Company and any and all of Company's officers, employees, contractors and agents from and against any costs or damages resulting from enforcement or nuisance actions brought by any governmental entity or third party arising from the handling, removal and/or disposal of Hazardous Materials from the project, such costs to include but not be limited to costs of remediation, fines, penalties, and legal costs incurred in the defense of such actions either in a court of law or an administrative proceeding including reasonable fees and disbursements of attorneys and consultants, property damage, personal injury and third party claims.

**6. TERMINATION**

6.1 This Agreement may be terminated either by Company or Contractor with seven (7) days written notice from one party to the other.

6.2 In the event of termination, Contractor will be paid for any work completed to the satisfaction of Customer, less the cost of Company's estimate of the additional cost that might be incurred in completing work in progress and started under this Agreement. Company may delay such payment until such time as another contractor has signed an agreement to complete the remaining work.

**7. CHANGES IN WORK**

7.1 Contractor shall not make changes to the work which either increase or decrease the Agreement price, without the written approval of Company and Customer. Said changes include but are not limited to substitutions, additions or alterations of specified materials or equipment, relocations and replacements. Additional costs may render proposed measures uneconomic and not acceptable as Energy Efficiency measures.

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7.2 The cost or credit resulting from such change shall be determined by lump sum, mutually agreed to by Company, Customer, Owner and Contractor and supported by substantiating data. If the parties are unable to agree, Company will work with the disputing parties to obtain a mutually satisfactory resolution. In the event satisfactory resolution cannot be reached, the dispute will be submitted to an arbiter of Company's choice. Responsibility for all costs of arbitration shall be allocated between the disputing parties as determined by the arbiter.

**8. MISCELLANEOUS PROVISIONS**

- 8.1 No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.
- 8.2 This Agreement may not be assigned nor any of the rights and duties hereunder without the prior written consent of Contractor and Company.
- 8.3 Notice from one party to the other under this Agreement shall be deemed to have been properly delivered if forwarded by United States Postal Service, First Class Mail, to the addresses shown in this Agreement.
- 8.4 If any of this Agreement shall be held invalid or ineffective in whole or in part, such determination shall not be deemed to invalidate any of the remaining portions of this Agreement. This agreement is governed by Kentucky law.

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COMPANY	Date	CONTRACTOR	Date
---------	------	------------	------

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TARIFF BRANCH  <i>Brent Kirtley</i>
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# Transfer Customer Retrofit Disclosure Form

**Energy Retrofit measures were installed at this location to save on energy costs. Monthly Retrofit charges will appear on your electric bill. The savings are estimated to be significantly greater than the charges.**

## Read below to understand what this means.

This form should be signed prior to signing a lease or purchase agreement for this property.

Property Address: \_\_\_\_\_ Unit #: \_\_\_\_\_

Location ID: \_\_\_\_\_

Whoever pays the electric bills at this location will be required to make monthly payments to Big Sandy RECC for cost-saving energy Retrofit measures installed here. Payments will continue until the required number of payments for these measures has been paid. These measures were installed to lower the electric bills for this location. If you decide to occupy the premises you will get these lower electric bills. Therefore, you will help pay for these products as long as you receive the savings and there are remaining payments to be paid. The savings are estimated to be greater than the charges.

If you want more information **before buying this property or signing a lease**, you can call Big Sandy RECC (888) 789-7322 to learn about the:

- Specific Retrofit measures installed,
- Monthly payment amount,
- Number of payments remaining, and
- Your estimated savings.

When you request electric service, Big Sandy RECC will send you a form outlining your Retrofit related Customer Responsibilities, including:

- Making monthly payments,
- If you rent, promptly reporting to your landlord if a Retrofit measure stops working, and,
- If you own the property, maintaining the measures in good working condition as long as payments are due.

My signature below indicates that I have read or have had this form read to me. I understand my obligation to make monthly payments for the Retrofit measures installed at this location should I choose to rent or buy the premises. I am signing this form before signing any purchase or lease agreement.

(Purchaser/Renter) Signature \_\_\_\_\_ Date \_\_\_\_\_

(Purchaser/Renter) Name (print) \_\_\_\_\_

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EXECUTIVE DIRECTOR**

TARIFF BRANCH

*Brent Kirtley*

EFFECTIVE

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# Efficiency Plan

Customer Name JF  
 Owner Name JF  
 Account # 00001  
 Utility Name MACED  
 Assessor's Name JF  
 Date of Assessment 12/20/2010  
 Current Rate 0.068 per kWh

## How your Home uses Electricity

Your home uses energy for heating, cooling, and base load (which is everything that is not heating or cooling).

	Estimated Use (yr)	Amount Wasted
🔥 Heating	11,805 kwh	- kwh
❄️ Cooling	15,911 kwh	7,365 kwh
⚡ Base Load	1,793 kwh	- kwh
	<b>29,509 kwh</b>	<b>7,365 kwh</b>

**25%** of the energy you buy is going to waste

## Smart Energy Efficiency Improvements

✓ Improve Attic Insulation
✓ Improve Floor Insulation
✓ Reduce Duct leakage
✓ reduce air leakage
✓ 0
✓ 0
✓ 0

Estimated Value of Measures:	\$4,850
Not to exceed amount	\$5,755

**Energy Efficiency is different than Energy Conservation.**  
 Energy Efficient measures deliver the same and often better performance than current equipment while also using less energy. Energy Conservation measures are actions that you can take to reduce your energy consumption such as turning off lights or taking shorter showers.

Your current electrical usage is equivalent to:

**56** 60W light bulbs  
**14** Number we can turn off

**\$500** Approx. annual cost of wasted energy  
**\$370** Approx. annual project charges

KENTUCKY PUBLIC SERVICE COMMISSION  
 JEFFREY DEROUEN, EXECUTIVE DIRECTOR  
 The project charge will appear on your bill monthly. It has been calculated based on the value of the savings and to pay back the cost of the improvements over time. The amount it will no longer appear on your bill is \$370.  
*Brent Kirley*

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## Next Steps

1. Sign Purchase Agreement
2. Select contractor and schedule the job
3. Energy Specialist returns to inspect completed work
4. Savings begin and project charge appears on utility bill.

If, after operation, any of the upgrades fail, the Utility will reevaluate the work.

## Acceptance:

### I understand that:

Values on previous page are estimates only and are not a guarantee of savings. Energy savings are a best-effort estimation calculated using a computer model. The model takes into account previous usage and characteristics of the house to determine usage and potential savings. Actual savings will vary depending on behavior, weather events, maintenance of the efficiency improvements, and future utility rates.

The Utility has explained what I can do to reduce my energy consumption including, but no limited to: thermostat and other equipment settings, the impact of lighting changes, and additional appliance or home investments not covered under the Kentucky Energy Retrofit Rider.

Value of the improvements (cost of work) is an estimate and will be verified with the selected contractor. Final monthly charge will be determined at the time of contractor selection. If final project cost is more than the "not to exceed" amount, then customer may opt out of the installation.

Non-payment of the charge will be treated like non-payment of the utility bill potentially resulting in disconnection of service.

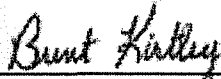
The Kentucky Energy Retrofit Rider is a voluntary utility tariff that amortizes the cost of the efficiency improvement over the course of fifteen years or 75% of the expected life of the improvement (whichever is less) at a fixed interest rate. The expected cumulative cost to the customer over the course of the payback

		<u>Estimate</u>	<u>Not to Exceed</u>
	<i>Project Charge</i>	\$31.00	\$37.56
	Estimated Materials and Labor	\$4,850.00	\$5,755.11
<i>Payback Period (years)</i> 15	Project Management Fee (5%)	<u>\$242.50</u>	<u>\$287.76</u>
<i>Cost of Capital</i> 3.00%	Estimated Total Cost of Work	\$5,092.50	\$6,042.86
	Total Interest over life of payback	<u>\$487.23</u>	<u>\$718.21</u>
	Total Payments over life of payback	\$5,579.73	\$6,761.07

Signed:

signature

printed name

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TARIFF BRANCH

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**UCC FINANCING STATEMENT**

**FOLLOW INSTRUCTIONS (front and back) CAREFULLY**

A. NAME & PHONE OF CONTACT AT FILER [optional]

---

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY**

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME

---

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX
------------	-------------	--------

1c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
------	-------	-------------	---------

1d. SEE INSTRUCTIONS

ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
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NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME

---

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX
------------	-------------	--------

2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
------	-------	-------------	---------

2d. SEE INSTRUCTIONS

ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
-----------------------------------	--------------------------	----------------------------------	---------------------------------

NONE

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME

---

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX
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3c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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**4. This FINANCING STATEMENT covers the following collateral:**

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EXECUTIVE DIRECTOR**

TARIFF BRANCH

*Brent Kirtley*

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ALTERNATIVE DESIGNATION [if applicable]:	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEY/BAILOR	SECURITY AGREEMENT	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]			7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional] <input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2		

**8. OPTIONAL FILER REFERENCE DATA**



## Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read all Instructions, especially Instruction 1; correct Debtor name is crucial. Follow Instructions completely.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. Filing office cannot give legal advice. Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use.

When properly completed, send Filing Office Copy, with required fee, to filing office. If you want an acknowledgment, complete item B and, if filing in a filing office that returns an acknowledgment copy furnished by filer, you may also send Acknowledgment Copy; otherwise detach. If you want to make a search request, complete item 7 (after reading Instruction 7 below) and send Search Report Copy, otherwise detach. Always detach Debtor and Secured Party Copies.

If you need to use attachments, you are encouraged to use either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP).

A. To assist filing offices that might wish to communicate with filer, filer may provide information in item A. This item is optional.

B. Complete item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor name:** Enter only one Debtor name in item 1, an organization's name (1a) or an individual's name (1b). Enter Debtor's exact full legal name. Don't abbreviate.
  - 1a. **Organization Debtor.** "Organization" means an entity having a legal identity separate from its owner. A partnership is an organization; a sole proprietorship is not an organization, even if it does business under a trade name. If Debtor is a partnership, enter exact full legal name of partnership; you need not enter names of partners as additional Debtors. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed charter documents to determine Debtor's correct name, organization type, and jurisdiction of organization.
  - 1b. **Individual Debtor.** "Individual" means a natural person; this includes a sole proprietorship, whether or not operating under a trade name. Don't use prefixes (Mr., Mrs., Ms.). Use suffix box only for titles of lineage (Jr., Sr., III) and not for other suffixes or titles (e.g., M.D.). Use married woman's personal name (Mary Smith, not Mrs. John Smith). Enter individual Debtor's family name (surname) in Last Name box, first given name in First Name box, and all additional given names in Middle Name box.  
For both organization and individual Debtors: Don't use Debtor's trade name, DBA, AKA, FKA, Division name, etc. in place of or combined with Debtor's legal name; you may add such other names as additional Debtors if you wish (but this is neither required nor recommended).
- 1c. An address is always required for the Debtor named in 1a or 1b.
- 1d. Reserved for Financing Statements to be filed in North Dakota or South Dakota only. If this Financing Statement is to be filed in North Dakota or South Dakota, the Debtor's taxpayer identification number (tax ID#) — social security number or employer identification number must be placed in this box.
- 1e,f,g. "Additional information re organization Debtor" is always required. Type of organization and jurisdiction of organization as well as Debtor's exact legal name can be determined from Debtor's current filed charter document. Organizational ID #, if any, is assigned by the agency where the charter document was filed; this is different from tax ID #; this should be entered preceded by the 2-character U.S. Postal identification of state of organization if one of the United States (e.g., CA12345, for a California corporation whose organizational ID # is 12345); if agency does not assign organizational ID #, check box in item 1g indicating "none."

*Note:* If Debtor is a trust or a trustee acting with respect to property held in trust, enter Debtor's name in item 1 and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a decedent's estate, enter name of deceased individual in item 1b and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a transmitting utility or this Financing Statement is filed in connection with a Manufactured-Home transaction or a Public-Finance Transaction as defined in applicable Commercial Code, attach Addendum (Form UCC1Ad) and check appropriate box in item 18.

2. If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. To include further additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.
3. Enter information for Secured Party or Total Assignee, determined and formatted per Instruction 1. To include further additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names. If there has been a total assignment of the Secured Party's interest prior to filing this form, you may either (1) enter Assignor S/P's name and address in item 3 and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Total Assignee's name and address in item 3 and, if you wish, also attaching Addendum (Form UCC1Ad) giving Assignor S/P's name and address in item 12.
4. Use item 4 to indicate the collateral covered by this Financing Statement. If space in item 4 is insufficient, put the entire collateral description or continuation of the collateral description on either Addendum (Form UCC1Ad) or other attached additional page(s).
5. If filer desires (at filer's option) to use titles of lessee and lessor, or consignee and consignor, or seller and buyer (in the case of accounts or chattel paper), or bailee and bailor instead of Debtor and Secured Party, check the appropriate box in item 5. If this is an agricultural lien (as defined in applicable Commercial Code) filing or is otherwise not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 5, complete items 1-7 as applicable and attach any other items required under other law.
6. If this Financing Statement is filed as a fixture filing or if the collateral consists of timber to be cut or as-extracted collateral, complete items 1-5, check the box in item 6, and complete the required information (items 13, 14 and/or 15) on Addendum (Form UCC1Ad).
7. This item is optional. Check appropriate box in item 7 to request Search Report(s) on all or some of the Debtors named in this Financing Statement. The Report will list all Financing Statements on file against the designated Debtor on the date of the Report, including this Financing Statement. There is an additional fee for each Report. If you have checked a box in item 7, file Search Report Copy together with Filing Officer Copy (and Acknowledgment Copy). Note: Not all states do searches and not all states will honor a search request made via this form; some states require a separate request form.
8. This item is optional and is useful for filer's convenience of reference. Filer may enter EXECUTIVE SUMMARY information (e.g., Secured Party's loan number, law firm file number, Debtor's name or other identification, state in which form is being filed, etc.) that filer may find useful.

**KENTUCKY**  
**PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN**  
**EXECUTIVE DIRECTOR**  
**LARUE BRANCH**

*Brent Kirley*

EFFECTIVE  
**12/16/2010**  
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

P.S.C. KY NO. 1

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**

**OF**

**PAINTSVILLE, KENTUCKY**

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**RATES, RULES, AND REGULATIONS FOR NET METERING  
FOR ELIGIBLE MEMBER-GENERATORS  
IN BIG SANDY RURAL ELECTRIC'S SERVICE TERRITORY**

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**FILED WITH THE PUBLIC SERVICE COMMISSION  
OF KENTUCKY**

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**ISSUED    APRIL 9, 2009**

**EFFECTIVE**

**MAY 9, 2009**

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**ISSUED BY BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

BY   
**BOBBY SEXTON**  
**PRESIDENT AND GENERAL MANAGER**

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
RECEIVED**

5/9/2009

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By 

Executive Director

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

**RATES SCHEDULE NM—NET METERING**

**AVAILABILITY OF NET METERING SERVICE**

Net Metering is available to eligible member-generators in BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's service territory, upon request, and on a first-come, first-served basis up to a cumulative capacity of one percent (1%) of the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's single hour peak load during the previous year. If the cumulative generating capacity of net metering systems reaches 1% of a supplier's single hour peak load during the previous year, upon Commission approval, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's obligation to offer net metering to a new member-generator may be limited. An eligible member-generator shall mean a member retail electric member of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION with a generating facility that:

- 1) Generates electricity using solar energy, wind energy, biomass or biogas energy, or hydro energy;
- 2) Has a rated capacity of not greater than thirty (30) kilowatts;
- 3) Is located on the member's premises;
- 4) Is owned and operated by the member;
- 5) Is connected in parallel with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric distribution system; and
- 6) Has the primary purpose of supplying all or part of the member's own electricity requirements.

At its sole discretion, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may provide Net Metering to other member- generators not meeting all the conditions listed above on a case-by-case basis.

**METERING**

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall provide net metering services, without any cost to the Member for metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. This provision does not relieve Member of his or her responsibility to pay metering costs embedded in the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's Commission-

DATE OF April 9, 2009 DATE EFFECTIVE: May 9, 2009

ISSUED BY Bobby Sexton TITLE President & General Manager

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

5/9/2009

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By



Executive Director

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

approved base rates. Net metered electricity shall be measured in accordance with standard metering practices established by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION using metering equipment capable of measuring and recording energy flows, on a kWh basis, from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION to the member-generator and from the member-generator to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, with each directional energy flow recorded independently. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the member-generator shall be metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day and time-of-use billing agreement currently in place.

Any additional meter, meters, or distribution upgrades needed to monitor the flow in each direction shall be installed at the Member's expense.

**BILLING AND PAYMENT**

For charges collected on the basis of metered registration, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall, for each monthly billing period, determine the net meter registration of the member-generator by comparing the directional energy flow in each direction. If the net meter registration shows that the deliveries of energy in kWh from the member-generator to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION exceed the deliveries of energy in kWh from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION to the member-generator, the net meter registration in kWh will be carried forward to the next monthly billing period as a Net Metering Credit, expressed in kWh. If the member-generator carries over a Net Metering Credit from one or more prior months, the net meter registration from the current month shall be added to the Net Metering Credit that exists from prior months.

If the net metering registration shows that deliveries of energy in kWh from the Cooperative to the member-generator exceed the deliveries of energy in kWh from the member-generator to the Cooperative, the member-generator shall pay the Cooperative for the net amount of energy delivered by the Cooperative after application of any Net Metering Credit carried forward from previous months at the current rate applicable to its type or class of electric service.

The member shall be responsible for payment of any applicable member charge or other applicable charges.

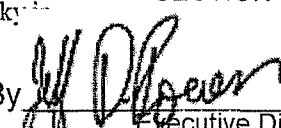
At no time shall BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION be required to convert the Net Billing Credit to cash. If a member-generator closes his account, no cash refund for residual Net Metering Credits shall be paid.

Net Metering Credits are not transferable between members or locations.

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**APPLICATION AND APPROVAL PROCESS**

The Member shall submit an Application for Interconnection and Net Metering ("Application") and receive approval from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION prior to connecting the generator facility to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's system.

Applications will be submitted by the Member and reviewed and processed by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION according to either Level 1 or Level 2 processes defined in this tariff.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may reject an Application for violations of any code, standard, or regulation related to reliability or safety; however, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will work with the Member to resolve those issues to the extent practicable.

Members may contact BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION to check on status of an Application or with questions prior to submitting an Application. Contact information is provided on the Application form and is listed on BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's website.

**LEVEL 1 AND LEVEL 2 DEFINITIONS**

**LEVEL 1**

A Level 1 Application shall be used if the generating facility is inverter-based and is certified by a nationally recognized testing laboratory to meet the requirements of Underwriters Laboratories Standard 1741 "Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources" (UL 1741).


BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will approve the Level 1 Application if the generating facility also meets all of the following conditions:

- 1) For interconnection to a radial distribution circuit, the aggregated generation on the circuit, including the proposed generating facility, will not exceed 15% of the Line Section's most recent annual one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.

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- 2) If the proposed generating facility is to be interconnected on a single-phase shared secondary, the aggregate generation capacity, including the proposed generating facility, will not exceed the smaller of 20 kVA or the nameplate rating of the transformer.
- 3) If the proposed generating facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- 4) If the generating facility is to be connected to three-phase, three wire primary BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION distribution lines, the generator shall appear as a phase-to-phase connection at the primary BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION distribution line.
- 5) If the generating facility is to be connected to three-phase, four wire primary BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION distribution lines, the generator shall appear to the primary BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION distribution line as an effectively grounded source.
- 6) The interconnection will not be on an area or spot network.
- 7) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION does not identify any violations of any applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems."
- 8) No construction of facilities by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION on its own system will be required to accommodate the generating facility.

If the generating facility does not meet all of the above listed criteria, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, in its sole discretion, may either: 1) approve the generating facility under the Level 1 Application if BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION determines that the generating facility can be safely and reliably connected to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's system; or 2) deny the Application as submitted under the Level 1 Application.

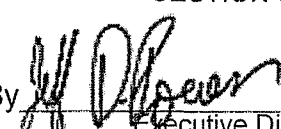
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall notify the member within 20 business days whether the Application is approved or denied, based on the criteria provided in this section.

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If the Application lacks complete information, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the time to process the Application.

When approved, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will indicate by signing the approval line on the Level 1 Application Form and returning it to the Member. The approval will be subject to successful completion of an initial installation inspection and witness test if required by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION. BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's approval section of the Application will indicate if an inspection and witness test are required. If so, the Member shall notify BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION to occur within 10 business days of completion of the generator facility installation or as otherwise agreed to by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION and the Member. The Member may not operate the generating facility until successful completion of such inspection and witness test, unless BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION expressly permits operational testing not to exceed two hours. If the installation fails the inspection or witness test due to non-compliance with any provision in the Application and BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION approval, the Member shall not operate the generating facility until any and all non-compliance issues are corrected and re-inspected by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION.

If the Application is denied, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will supply the Member with reasons for denial. The Member may resubmit under Level 2 if appropriate.

**LEVEL 2**


A Level 2 Application is required under any of the following:

- 1) The generating facility is not inverter based;
- 2) The generating facility uses equipment that is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741; or
- 3) The generating facility does not meet one or more of the additional conditions under Level 1.

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BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will approve the Level 2 Application if the generating facility meets BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's technical interconnection requirements, which are based on IEEE 1547. Big Sandy RECC will make its technical interconnection requirements available upon request.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will process the Level 2 Application within 30 business days of receipt of a complete Application. Within that time BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will respond in one of the following ways:

- 1) The Application is approved and BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will provide the Member with an Interconnection Agreement to sign.
- 2) If construction or other changes to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's distribution system are required, the cost will be the responsibility of the Member. BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will give notice to the Member and offer to meet to discuss estimated costs and construction timeframe. Should the Member agree to pay for costs and proceed, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will provide the Member with an Interconnection Agreement to sign within a reasonable time.
- 3) The Application is denied. BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will supply the Member with reasons for denial and offer to meet to discuss possible changes that would result in BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION approval. Member may resubmit Application with changes.

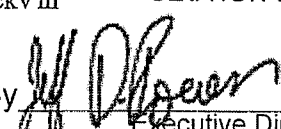
If the Application lacks complete information, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall notify the Member that additional information is required, including a list of such additional information. The time between notification and receipt of required additional information will add to the 30-business-day target to process the Application.

The Interconnection Agreement will contain all the terms and conditions for interconnection consistent with those specified in this tariff, inspection and witness test requirements, description of and cost of construction or other changes to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's distribution system required to accommodate the generating facility, and detailed documentation of the generating facilities which may include single line diagrams, relay settings, and a description of operation.

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The Member may not operate the generating facility until an Interconnection Agreement is signed by the Member and BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION and all necessary conditions stipulated in the agreement are met.

**APPLICATION, INSPECTION AND PROCESSING FEES**

No application fees or other review, study, or inspection or witness test fees may be charged by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION for Level 1 Applications.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION requires each Member to submit with each Level 2 Application a non-refundable application, inspection and processing fee of up to \$100 for Level 2 Applications. In the event BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION determines an impact study is necessary with respect to a Level 2 Application, the Member shall be responsible for any reasonable costs up to \$1,000 for the initial impact study. BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall provide documentation of the actual cost of the impact study. Any other studies requested by the Member shall be at the Member's sole expense.

**TERMS AND CONDITIONS FOR INTERCONNECTION**


To interconnect to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's distribution system, the Member's generating facility shall comply with the following terms and conditions:

- 1) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation

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of the generating facility in parallel with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system. Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, the Member shall demonstrate generating facility compliance.

- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with: (a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's rules, regulations, and Service Regulations as contained in BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION for actual costs incurred for all such excess facilities prior to construction.
- 5) Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system. At all times when the generating facility is being operated in parallel with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system, Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION to any of its other members or to any electric system interconnected with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system. Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.

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- 6) The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION.
- 7) After initial installation, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION personnel at all times. BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's safety and operating protocols.
- 9) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall have the right and authority at Big Sandy RECC's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if [Name of

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Cooperative] believes that: (a) continued interconnection and parallel operation of the generating facility with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system may create or contribute to a system emergency on either BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system; or (c) the generating facility interferes with the operation of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system. In non-emergency situations, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION is unable to immediately isolate or cause the Member to isolate only the generating facility, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may isolate the Member's entire facility.

- 10) The Member shall agree that, without the prior written permission from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION except where such injury, death or damage was caused or contributed to by the fault or negligence of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION or its employees, agents, representatives, or contractors.

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The liability of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

**EFFECTIVE TERM AND TERMINATION RIGHTS**


This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) Member may terminate this Agreement at any time by giving BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION at least sixty (60) days' written notice; (b) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at

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least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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**LEVEL 1**

Application for Interconnection and Net Metering

Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL1741.

Submit this Application to:

Big Sandy RECC, 504 11<sup>th</sup> Street, Paintsville, KY 41240

If you have questions regarding this Application or its status, contact the Cooperative at:

606-789-4095

Member Name: \_\_\_\_\_ Account Number: \_\_\_\_\_

Member Address: \_\_\_\_\_

Member Phone No.: \_\_\_\_\_ Member E-Mail Address: \_\_\_\_\_

Project Contact Person: \_\_\_\_\_

Phone No.: \_\_\_\_\_ E-mail Address (Optional): \_\_\_\_\_

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Energy Source:      Solar              Wind              Hydro              Biogas              Biomass

Inverter Manufacturer and Model #: \_\_\_\_\_

Inverter Power Rating: \_\_\_\_\_ Inverter Voltage Rating: \_\_\_\_\_

Power Rating of Energy Source (i.e., solar panels, wind turbine): \_\_\_\_\_

Is Battery Storage Used:      No      Yes      If Yes, Battery Power Rating: \_\_\_\_\_

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Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of Cooperative's meter, energy source, Cooperative accessible disconnect switch and inverter.

Attach single line drawing showing all electrical equipment from the Cooperative's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.


Expected Start-up Date: \_\_\_\_\_

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BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

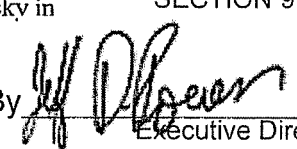
**TERMS AND CONDITIONS:**

- 1) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall provide the Member net metering services, without charge for standard metering equipment, through a standard kilowatt-hour metering system capable of measuring the flow of electricity in two (2) directions. If the Member requests any additional meter or meters or distribution upgrades are needed to monitor the flow in each direction, such installations shall be at the Member's expense.
- 2) The Member shall install, operate, and maintain, at Member's sole cost and expense, any control, protective, or other equipment on the Member's system required by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's technical interconnection requirements based on IEEE 1547, the NEC, accredited testing laboratories such as Underwriters Laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the generating facility in parallel with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system. The Member shall bear full responsibility for the installation, maintenance and safe operation of the generating facility. Upon reasonable request from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, the Member shall demonstrate generating facility compliance.
- 3) The generating facility shall comply with, and the Member shall represent and warrant its compliance with:  
(a) any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories; (b) the NEC as may be revised from time to time; (c) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's rules, regulations, and Service Regulations as contained in BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's Retail Electric Tariff as may be revised from time to time with the approval of the Kentucky Public Service Commission (Commission); (d) the rules and regulations of the Commission, as such rules and regulations may be revised from time to time by the Commission; and (e) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time. Where required by law, Member shall pass an electrical inspection of the generating facility by a local authority having jurisdiction over the installation.
- 4) Any changes or additions to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's system required to accommodate the generating facility shall be considered excess facilities. Member shall agree to pay BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION for actual costs incurred for all such excess facilities prior to construction.

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- 5) The Member shall operate the generating facility in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system. At all times when the generating facility is being operated in parallel with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system, the Member shall operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION to any of its other members or to any electric system interconnected with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system. The Member shall agree that the interconnection and operation of the generating facility is secondary to, and shall not interfere with, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's ability to meet its primary responsibility of furnishing reasonably adequate service to its members.
- 6) The Member shall be responsible for protecting, at Member's sole cost and expense, the generating facility from any condition or disturbance on BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall be responsible for repair of damage caused to the generating facility resulting solely from the negligence or willful misconduct on the part of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION.
- 7) After initial installation, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall have the right to inspect and/or witness commissioning tests, as specified in the Level 1 or Level 2 Application and approval process. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to the Member, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance, and operation of the generating facility comply with the requirements of this tariff.
- 8) For Level 1 and 2 generating facilities, an eligible Member shall furnish and install on the Member's side of the point of common coupling a safety disconnect switch which shall be capable of fully disconnecting the Member's energy generating equipment from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric service under the full rated conditions of the Member's generating facility. The external disconnect switch (EDS) shall be located adjacent to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, the

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Member shall be responsible for ensuring that the location of the EDS is properly and legibly identified for so long as the generating facility is operational. The disconnect switch shall be accessible to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION personnel at all times. BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may waive the requirement for an EDS for a generating facility at its sole discretion, and on a case-by-case basis, upon review of the generating facility operating parameters and if permitted under BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's safety and operating protocols.


- 9) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall have the right and authority at BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION believes that: (a) continued interconnection and parallel operation of the generating facility with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system may create or contribute to a system emergency on either BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system; or (c) the generating facility interferes with the operation of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system. In non-emergency situations, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION is unable to immediately isolate or cause the Member to isolate only the generating facility, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may isolate the Member's entire facility.
  
- 10) The Member shall agree that, without the prior written permission from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.

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- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION except where such injury, death or damage was caused or contributed to by the fault or negligence of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION or its employees, agents, representatives, or contractors.

The liability of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

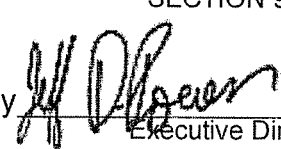
- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will notify the Member in writing and list what must be done to place the facility in compliance.

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15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

**EFFECTIVE TERM AND TERMINATION RIGHTS**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION at least sixty (60) days' written notice; (b) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

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Executive Director

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

I hereby certify that, to the best of my knowledge, all of the information provided in this Application is true, and I agree to abide by all the Terms and Conditions included in this Application for Interconnection and Net Metering and BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's Net Metering Tariff.

Member Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

**COOPERATIVE APPROVAL SECTION**

When signed below by a Cooperative representative, Application for Interconnection and Net Metering is approved subject to the provisions contained in this Application and as indicated below.

Cooperative inspection and witness test:      Required      Waived

If inspection and witness test is required, the Member shall notify the Cooperative within 3 business days of completion of the generating facility installation and schedule an inspection and witness test with the Cooperative to occur within 10 business days of completion of the generating facility installation or as otherwise agreed to by the Cooperative and the Member. Unless indicated below, the Member may not operate the generating facility until such inspection and witness test is successfully completed. Additionally, the Member may not operate the generating facility until all other terms and conditions in the Application have been met.

Call \_\_\_\_\_ to schedule an inspection and witness test.

Pre-Inspection operational testing not to exceed two hours:      Allowed      Not Allowed

If inspection and witness test is waived, operation of the generating facility may begin when installation is complete, and all other terms and conditions in the Application have been met.

Additions, Changes, or Clarifications to Application Information:

None      As specified here: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_


Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

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**LEVEL 2**

Application For Interconnection And Net Metering

*Use this Application form when generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional conditions under Level 1.*

Submit this Application ( along with an application fee of \$100) to:

Big Sandy RECC, 504 11<sup>th</sup> Street, Paintsville, KY 41240

If you have questions regarding this Application or its status, contact the Cooperative at:

606-789-4095

Member Name: \_\_\_\_\_ Account Number: \_\_\_\_\_

Member Address: \_\_\_\_\_

Project Contact Person: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Email Address (Optional): \_\_\_\_\_

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total Generating Capacity of Generating Facility: \_\_\_\_\_

Type of Generator:            Inverter-Based            Synchronous            Induction


Power Source:            Solar            Wind            Hydro            Biogas            Biomass

Adequate documentation and information must be submitted with this application to be considered complete. Typically this should include the following:

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1. Single-line diagram of the member's system showing all electrical equipment from the generator to the point of interconnection with the Cooperative's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections.
2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. A description of how the generator system will be operated including all modes of operation.
7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL1741.
8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data ( $X_d$ ,  $X'_d$ , &  $X''_d$ ).
9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

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

Date: \_\_\_\_\_

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BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

**LEVEL 2**  
**INTERCONNECTION AGREEMENT**

**THIS INTERCONNECTION AGREEMENT** (Agreement) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_, by and between \_\_\_\_\_ (Cooperative), and \_\_\_\_\_ (Member). Cooperative and Member are hereinafter sometimes referred to individually as "Party" or collectively as "Parties".

**WITNESSETH:**

**WHEREAS**, Member is installing, or has installed, generating equipment, controls, and protective relays and equipment (Generating Facility) used to interconnect and operate in parallel with Cooperative's electric system, which Generating Facility is more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: \_\_\_\_\_

Generator Size and Type: \_\_\_\_\_

**NOW, THEREFORE**, in consideration thereof, Member and Cooperative agree as follows:

Cooperative agrees to allow the Member to interconnect and operate the Generating Facility in parallel with the Cooperative's electric system and the Member agrees to abide by Cooperative's Net Metering Tariff and all the Terms and Conditions listed in this Agreement including any additional conditions listed in Exhibit A.

**TERMS AND CONDITIONS:**

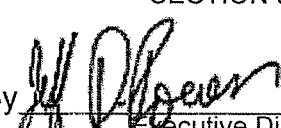
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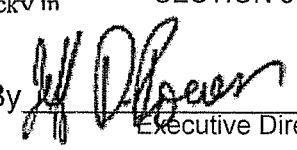
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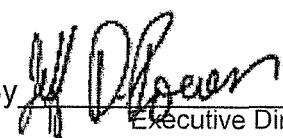
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- 9) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall have the right and authority at BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's sole discretion to isolate the generating facility or require the Member to discontinue operation of the generating facility if BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION believes that: (a) continued interconnection and parallel operation of the generating facility with BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system may create or contribute to a system emergency on either BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's or the Member's electric system; (b) the generating facility is not in compliance with the requirements of this tariff, and the noncompliance adversely affects the safety, reliability, or power quality of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system; or (c) the generating facility interferes with the operation of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION's electric system. In non-emergency situations, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall give the Member notice of noncompliance including a description of the specific noncompliance condition and allow the Member a reasonable time to cure the noncompliance prior to isolating the generating facilities. In emergency situations, when BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION is unable to immediately isolate or cause the Member to isolate only the generating facility, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may isolate the Member's entire facility.
  
- 10) The Member shall agree that, without the prior written permission from BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, no changes shall be made to the generating facility as initially approved. Increases in generating facility capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in generating facility capacity is allowed without approval.
  
- 11) To the extent permitted by law, the Member shall protect, indemnify, and hold harmless BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by the Member or the Member's employees, agents, representatives and contractors in tampering with, repairing, maintaining, or operating the Member's generating facility or any related equipment or any facilities owned by Big Sandy RECC.

DATE OF ISSUE April 9, 2009 DATE EFFECTIVE: May 9, 2009

ISSUED BY Bobby Sexton TITLE President & General Manager

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
5/9/2009  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By   
Executive Director

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Cooperative] except where such injury, death or damage was caused or contributed to by the fault or negligence of the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION or its employees, agents, representatives, or contractors.

The liability of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION to the Member for injury to person and property shall be governed by the tariff(s) for the class of service under which the Member is taking service.

- 12) The Member shall maintain general liability insurance coverage (through a standard homeowner's, commercial, or other policy) for both Level 1 and Level 2 generating facilities. The Member shall, upon request, provide BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION with proof of such insurance at the time that application is made for net metering.
- 13) By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
- 14) A Member's generating facility is transferable to other persons or service locations only after notification to the BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, member, or location, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will verify that the installation is in compliance with this tariff and provide written notification to the member(s) within 20 business days. If the installation is no longer in compliance with this tariff, BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION will notify the Member in writing and list what must be done to place the facility in compliance.
- 15) The Member shall retain any and all Renewable Energy Credits (RECs) that may be generated by their generating facility.

DATE OF ISSUE April 9, 2009 DATE EFFECTIVE: May 9, 2009

ISSUED BY Bobby Sexton TITLE President & General Manager

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
5/9/2009  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By   
Executive Director

**EFFECTIVE TERM AND TERMINATION RIGHTS**

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) The Member may terminate this Agreement at any time by giving BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION at least sixty (60) days' written notice; (b) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may terminate upon failure by the Member to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, so long as the notice specifies the basis for termination and there is opportunity to cure the default; (d) BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION may terminate by giving the Member at least thirty (30) days notice in the event that there is a material change in an applicable law, regulation or statute affecting this Agreement or which renders the system out of compliance with the new law or statute.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first above written.

**COOPERATIVE NAME**

**MEMBER**

By: \_\_\_\_\_ By: \_\_\_\_\_

Printed Name

Printed Name

Title: \_\_\_\_\_ Title: \_\_\_\_\_

DATE OF ISSUE April 9, 2009 DATE EFFECTIVE: May 9, 2009

ISSUED BY Bobby Sexton TITLE President & General Manager

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. 2008-00169 Dated January 8, 2009

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY**

EFFECTIVE

5/9/2009

PURSUANT TO 807 KAR 5:011

SECTION 9 (1)

By



Executive Director

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

**Exhibit A**

**(To be developed by each member system)**

Exhibit A will contain additional detailed information about the Generating Facility such as a single line diagram, relay settings, and a description of operation.

When construction of Utility facilities is required, Exhibit A will also contain a description and associated cost.

Exhibit A will also specify requirements for a Utility inspection and witness test and when limited operation for testing or full operation may begin.

DATE OF ISSUE April 9, 2009 DATE EFFECTIVE: May 9, 2009

ISSUED BY Bobby Sexton TITLE President & General Manager

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. 2008-00169 Dated January 8, 2009

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
5/9/2009  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

By   
Executive Director

BIG SANDY RECC

**Section DSM – 3(a)**

**Direct Load Control Program – Residential**

**Purpose**

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative (“EKPC”) to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

**Availability**

The Direct Load Control Program is available to residential customers in the service territory of BIG SANDY RECC and will include the control of water heaters, air conditioners and heat pumps, and pool pumps.

Availability may be denied where, in the judgment of BIG SANDY RECC installation of the load control equipment is impractical.

**Eligibility**

To qualify for this Program, the participant must be located in the service territory of BIG SANDY RECC and have:

- 40-gallon (minimum) electric water heating units, and/or
- Central air conditioning or heat pump units, and/or
- Pool pumps.

The above appliances may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant may either own or rent the residence where the qualifying appliances are located. The residence may be either a single-family structure or a multi-family apartment facility.

The participant is responsible for obtaining the permission of the owner of the rented residence to participate in the load control program. BIG SANDY RECC may require that a rental property agreement be executed between BIG SANDY RECC and the owner of the rented residence.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DATE OF ISSUE July 8, 2009 DATE EFFECTIVE: Service rendered on and after ~~8/8/2008~~ 2009  
PURSUANT TO 807 KAR 5:011

ISSUED BY *Bobby Sutton* TITLE President & Chief Executive Officer SECTION 9(1)

Issued by authority of an Order of the Public Service Commission of Ke  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_ 2009 By

*J. H. Brown*  
Executive Director



BIG SANDY RECC

**Program Incentives**

BIG SANDY RECC will provide an incentive to the participants in this program for the following appliances.

Water Heaters. BIG SANDY RECC will credit the residential power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

Air Conditioners and Heat Pumps. BIG SANDY RECC will provide an incentive to the participants in this program. The participant may select one of two alternatives. The participant will receive one of these incentives regardless of whether the air conditioner or heat pump is actually controlled during any program month.

Alternative One. BIG SANDY RECC will credit the residential power bill of the participant \$20.00 per air conditioner (\$5 per summer months, June, July, August, and September).

Alternative Two. EKPC, on behalf of BIG SANDY RECC, will provide and install at no cost one or more digital thermostats as needed for control purposes.

After the initial selection of one of the alternatives, the participant may change to the other alternative subject to the following conditions:

- From bill credits to digital thermostats – The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will pay 50 percent of the installed cost of each digital thermostat.
- From digital thermostats to bill credits – The change in alternative will be permitted in any month except for the summer months of June through September. In addition, the participant will either reimburse EKPC, through BIG SANDY RECC, an amount equal to 50 percent of the original installed cost of each digital thermostat that was initially installed if the participant keeps the thermostat or pay 50 percent of the cost to remove each digital thermostat that was initially installed.
- Only one change in incentive alternatives will be permitted during a 12 month period.

DATE OF ISSUE July 8, 2009 DATE EFFECTIVE: Service rendered on and after August 8, 2009

ISSUED BY *Bobby Sexton* TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_ 2009

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
8/8/2009  
PURSUANT TO 807 KAR 5.011  
SECTION 9 (1)  
By *J. D. Brown*  
Executive Director

BIG SANDY RECC

Pool Pumps. BIG SANDY RECC will credit the residential power bill of the participant \$10.00 per pool pump per year. The participant will receive this credit regardless of whether the pool pump is actually controlled.

When the qualifying appliances are located in rental residences, program incentives will be paid to the participant, regardless of whether the participant owns or rents the residence where the qualifying appliances are located. Nothing contained in this Tariff will prohibit a further disposition of the program incentive between the participant and the owner of a rented residence.

**Time Periods for Direct Load Control Program**

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

Air Conditioners and Heat Pumps. A load control device (switch or thermostat) will be placed on each central air conditioning unit or heat pump that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units and heat pumps only during its summer on-peak billing hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
May through September	10:00 a.m. to 10:00 p.m.

Pool Pumps. A load control switch will be placed on the pool pump and may be controlled for a four hour curtailment during on peak days May through September. In addition, there may be a 50 percent cycling for the ensuing 2 hour recovery period to prevent creating a new peak.

DATE OF ISSUE July 8, 2009 DATE EFFECTIVE: Service rendered on and after August 1, 2009

ISSUED BY Bobby Smith TITLE President & Chief Executive Officer  
8/8/2009  
SECTION 9 (1)

Issued by authority of an Order of the Public Service Commission of Kentucky  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_ 2009

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
8/8/2009  
SECTION 9 (1)  
By [Signature]  
Executive Director

BIG SANDY RECC

**Terms and Conditions**

1. Prior to the installation of load control devices, BIG SANDY RECC may inspect the participant's electrical equipment to insure good repair and working condition, but BIG SANDY RECC shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of BIG SANDY RECC, will install, own, and maintain the load management devices controlling the participant's air conditioner, heat pump, or water heater. The participant must allow BIG SANDY RECC, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of BIG SANDY RECC to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at BIG SANDY RECC's option, result in discontinuance of credits under this tariff until such time as BIG SANDY RECC is able to gain the required access.
3. Participants in the Pilot program from Big Sandy RECC and Blue Grass Energy will have the opportunity to participate in this program. Equipment already installed on the premises may be used as part of this program.
4. Participants may join the program at any time during the year. Participants with water heaters and/or pool pumps will receive the first annual incentive within 12 months after the installation of the load control device. Participants with air conditioning or heat pump units who join during the months of June through September can select an incentive alternative as described in this Tariff. If the bill credit incentive is selected, bill credits will not begin until after the installation of the load control device and continue for the months remaining in the June to September time period for that year.
5. If a participant decides to withdraw from the program or change incentive alternatives, BIG SANDY RECC will endeavor to implement the change as soon as possible.
6. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months. Returning participants for air conditioning and heat pump units will be required to initially select the bill credit alternative, but may change alternatives later as described in this Tariff.

DATE OF ISSUE July 8, 2009 DATE EFFECTIVE: Service rendered on and after August 8, 2009  
ISSUED BY *Sally Sexton* TITLE President & Chief Executive Officer  
Issued by authority of an Order of the Public Service Commission of Kentucky  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_ 2009

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
8/8/2009  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
By *J. D. Brown*  
Executive Director

BIG SANDY RECC

**Section DSM – 3(b)**

**Direct Load Control Program – Commercial**

**Purpose**

The Direct Load Control Program will encourage the reduction in growth of peak demand, enabling East Kentucky Power Cooperative (“EKPC”) to utilize its system more efficiently, manage market purchases, and defer the construction of new generation.

**Availability**

The Direct Load Control Program is available to commercial customers in the service territory of BIG SANDY RECC and will include the control of air conditioners and water heaters.

Availability may be denied where, in the judgment of BIG SANDY RECC, installation of the load control equipment is impractical.

**Eligibility**

To qualify for this Program, the participant must be located in the service territory of a BIG SANDY RECC and have a central air conditioning unit and/or a 40-gallon (minimum) electric water heating unit. The appliance may be electrically cycled or interrupted in accordance with the rules of this Tariff.

The participant is responsible for obtaining the permission of the commercial property owner to participate in the load control program. BIG SANDY RECC may require that a rental property agreement be executed between BIG SANDY RECC and the owner of the rented commercial property.

**Program Incentives**

BIG SANDY RECC will provide an incentive to the participants in this program for the following appliances.

DATE OF ISSUE July 08, 2009 DATE EFFECTIVE: Service rendered on and after August 18, 2009

ISSUED BY [Signature] TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_ 2009

PUBLIC SERVICE COMMISSION OF KENTUCKY	
8/8/2009	
SECTION 9 (1)	
By <u>[Signature]</u>	Executive Director

BIG SANDY RECC

Air Conditioners. The incentive will be based on the tonnage of the air conditioning unit. Units up to and including five tons will receive a monthly credit of \$5.00 per unit. Units over five tons will receive an additional monthly credit of \$1.00 per ton per unit. BIG SANDY RECC will credit the commercial power bill of the participant the applicable incentive credit during the months of June through September. The participant will receive the incentive regardless of whether the air conditioner is actually controlled during any program month.

Water Heaters. BIG SANDY RECC will credit the commercial power bill of the participant \$10.00 per water heater per year. The participant will receive this credit regardless of whether the water heater is actually controlled.

**Time Period for Direct Load Control Program**

Air Conditioners. A load control device will be placed on each central air conditioning unit that will allow the operating characteristics of the unit to be modified to reduce demand on the system. Communication to the load control device will be accomplished via AMR, AMI, or paging equipment.

EKPC will control the air conditioning units only during its summer on-peak billing hours listed below:

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
May through September	10:00 a.m. to 10:00 p.m.

Water Heaters. A load control switch will be placed on the water heater and may be electrically interrupted for a maximum time period of four hours.

EKPC will cycle the water heaters only during the hours listed below.

<u>Months</u>	<u>Hours Applicable for Demand Billing – EST</u>
October through April	6:00 a.m. to 12:00 noon 4:00 p.m. to 10:00 p.m.
May through September	10:00 a.m. to 10:00 p.m.

DATE OF ISSUE July 08, 2009 DATE EFFECTIVE: Service rendered on and after August 8, 2009

ISSUED BY *Sally Sexton* TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_ 2009

PUBLIC SERVICE COMMISSION OF KENTUCKY 8/8/2009 ISSUANT TO 807 KAR 5.011 SECTION 9 (1)	
By <u><i>J. D. Brown</i></u>	Executive Director

BIG SANDY RECC

**Terms and Conditions**

1. Prior to the installation of load control devices, BIG SANDY RECC may inspect the participant's electrical equipment to insure good repair and working condition, but BIG SANDY RECC shall not be responsible for the repair or maintenance of the electrical equipment.
2. EKPC, on behalf of BIG SANDY RECC, will install, own, and maintain the load management devices controlling the participant's air conditioner unit or water heater. The participant must allow BIG SANDY RECC, or their representative, reasonable access to install, maintain, inspect, test and remove load control devices. Inability of BIG SANDY RECC to gain access to the load management device to perform any of the above activities for a period exceeding 30 days may, at BIG SANDY RECC's option, result in discontinuance of credits under this tariff until such time as BIG SANDY RECC is able to gain the required access.
3. Participants may join the program at any time during the year. Participants with air conditioning who join during the months of June through September will receive bill credits beginning after the installation of the load control device and continuing for the months remaining in the June to September time period for that year. Participants with water heaters will receive the first annual incentive within 12 months after the installation of the load control device.
4. If a participant decides to withdraw from the program, BIG SANDY RECC will endeavor to implement the withdrawal as soon as possible. If a participant decides to withdraw from the program, the participant may not apply to rejoin the program for a period of 6 months.

DATE OF ISSUE July 08, 2009 DATE EFFECTIVE: Service rendered on and after August 8, 2009  
ISSUED BY *Andy Sexton* TITLE President & Chief Executive Officer  
Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_ 2009

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
8/8/2009  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
By *Jeff D. Brown*  
Executive Director

ORIGINAL

For All Counties Served  
P.S.C. No. 34  
First Revised Sheet No. 28  
Canceling PSC No. 34  
Original Sheet No. 9

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Section DSM-5

(N)

Commercial & Industrial Advanced Lighting Program

Purpose

The Commercial & Industrial Advanced Lighting Program is an energy efficiency program that encourages commercial and industrial customers to install high efficiency lamps and ballasts in their facilities.

Availability

This program is available to commercial and industrial facilities located in all service territory served by EKPC.

Eligibility

To qualify for the Commercial & Industrial Advanced Lighting Program the customer must be on a retail commercial or industrial rate. The business must have been in operations for at least two years prior to January 1, 2011, and be current on its power bill payment to the Member System. No empty buildings, inactive warehouses, or inactive storage areas shall qualify. The business must be open or have its normal lighting load on for at least 50 hours per week. Retrofits of parking lot lighting, provided on photocell control, are eligible.

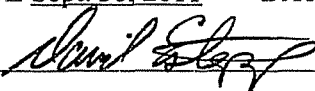
Rebate

EKPC and its Member Systems will provide an incentive to the customer of \$213 for each kW of lighting load reduction for businesses open 50 hours a week or more. EKPC will reimburse the Member System an additional \$320 for each kW of lighting load reduction, which is to compensate for lost revenue. For commercial customers, rebates are limited to \$15,000 per upgrade (total of both customer and distribution system rebates) for any facility. For industrial customers, rebates are limited to \$30,000 per upgrade (total of both customer and distribution system rebates) for any facility.

DATE OF ISSUE Sept. 30, 2011

DATE EFFECTIVE: Service rendered on and after Sept. 30, 2011

ISSUED BY



TITLE

President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky  
Case No. 2011-00148 Dated: September 30, 2011

<b>KENTUCKY</b> PUBLIC SERVICE COMMISSION	
<b>JEFF R. DEROUEN</b> EXECUTIVE DIRECTOR <small>TARIFF BRANCH</small>	
 EFFECTIVE <b>9/30/2011</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Section DSM-5 (cont.)

(N)

Term

The Commercial & Industrial Advanced Lighting Program is an ongoing program.

Verification Procedure

Qualifying lighting must be identified or documented by EKPC or Member System staff prior to retrofitting. After the customer completes the retrofit, EKPC or Member System staff must verify the installed lighting retrofit. Demand and energy savings will be calculated based on lighting information gathered during the visits. EKPC will utilize the manufacturer's lighting fixture specifications and known measurements to calculate the savings; rebates under this tariff will be paid after these verification procedures are complete.

DATE OF ISSUE Sept. 30, 2011 DATE EFFECTIVE: Service rendered on and after Sept. 30, 2011

ISSUED BY *David J. Stepp* TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky  
Case No. 2011-00148 Dated: September 30, 2011

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE <b>9/30/2011</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Section DSM-6

(N)

Industrial Compressed Air Program

Purpose

The Industrial Advanced Compressed Air Program is a program designed to reduce electricity consumption through a comprehensive approach to efficient production and delivery of compressed air in industrial facilities. The program includes (1) training of plant staff; (2) a detailed system assessment of the plant's compressed air system including written findings and recommendations; and (3) incentives for capital-intensive improvements.

Availability

This program is available to commercial and industrial facilities using electric compressed air applications located in all service territory served by EKPC.

Eligibility

To qualify for the Industrial Compressed Air Program, the customer must be on a retail industrial rate and must be a manufacturing operation with a compressed air system that is turned on during all the operating hours of the facility. The business must have been in operations for at least two years prior to January 1, 2011, and be current on its power bill payment to the Member System.

Rebate

If the customer reduces at least 60% of the compressed air leaks (CFMs), EKPC will reimburse through the Member System to the customer the cost of the original compressed air leakage audit up to \$5,000. The combination of the Member System lost revenue payment and the reimbursement of the compressed air leakage audit costs are limited to \$15,000 for any facility.

DATE OF ISSUE <u>Sept. 30, 2011</u>	DATE EFFECTIVE: Service rendered on and after <u>SEP 30 2011</u>	<b>KENTUCKY</b>
ISSUED BY <u><i>Alvin Stapp</i></u>	TITLE <u>President &amp; Chief Executive Officer</u>	<b>JEFF R. DEROUEN</b> Executive Director
Issued by authority of an Order of the Public Service Commission of Kentucky Case No. 2011-00148 Dated: September 30, 2011		TARIFF BRANCH <u><i>Brent Kinley</i></u>
		EFFECTIVE <b>9/30/2011</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Section DSM-6 (con't)

(N)

Term

The Industrial Compressed Air Program is an ongoing program.

Verification Procedures

Determination of the amount of leakage reduction:

1. The leakage reduction will be determined by the measured reduction in compressed air leakage.
2. An ultrasonic compressed air leakage audit shall be performed and the results of this audit provided to the customer and EKPC. The report will contain an estimate of the amount of excess load in kW that the leaks are causing. The report will include a detail of leaks detected. The detail of leaks and the excess kW load will be based on the criteria for leak reporting.
3. Upon completion of repairs to the system, a follow-up ultrasonic compressed air leakage audit will be conducted for the documented leaks to measure the difference in the kW leakage load. The follow-up audit report will show the net kW leakage saved and results provided to the customer and EKPC. A lost revenue reimbursement will be paid to the Member System based on the difference in the kW leakage load and the cost of the original air-leakage audit will be reimbursed to the customer if a 60% reduction in CFMs air leakage is achieved.

Criteria for leak reporting:

1. The criteria for reporting leaks shall be at the discretion of the auditor. At a minimum the report must detail the leak location, decibels measured, CFM of air leakage, and kW leakage load for each leak and summed for the facility.
2. The basic rule is that leaks that do not exceed 30 decibels in ultrasonic noise will not be reported or counted in the leakage kW load.
3. Exceptions to the 30 decibels rule are as follows:
  - a. In a quiet environment with a minimal amount of compressed air, the minimum will drop to between 15 to 20 decibels.
  - b. In a high noise environment, especially with robotic welding, the minimum will be raised to 40 to 50 decibels.
  - c. Distance is also a factor. A 25 decibel leak in a trunk pipe in a 20-foot ceiling, in a noisy environment, will be documented and added to the leakage kW according to the distance.

DATE OF ISSUE Sept. 30, 2011 DATE EFFECTIVE: Service rendered on and after Sept 30, 2011

ISSUED BY *Paul Stapp* TITLE President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky  
Case No. 2011-00148 Dated: September 30, 2011

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN Executive Director
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE <b>9/30/2011</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

PSC KY NO. 95-383

CANCELS PSC KY NO. 251-28

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION  
OF  
PAINTSVILLE, KENTUCKY 41240

RATES, RULES AND REGULATIONS FOR FURNISHING

CATV

AT

Johnson, Floyd, Martin, Lawrence, Morgan, Magoffin,  
Knott and Breathitt Counties of Kentucky

Filed with PUBLIC SERVICE COMMISSION OF  
KENTUCKY

ISSUED: APRIL 24, 1996

EFFECTIVE: MAY 1, 1996

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

Issued By: Big Sandy Rural Electric  
Cooperative Corporation

By: Bruce A. Davis

MAY 01 1996

PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

**FORM FOR FILING RATE SCHEDULES**

FOR ALL TERRITORIES SERVED

PSC NO. 2012-00030

ORIGINAL SHEET NO. 1

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. 2008-00401

ORIGINAL SHEET NO. 1

**CLASSIFICATION OF SERVICE**

SCHEDULE	CATV TELEVISION ATTACHMENT TARIFF	RATE PER UNIT
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**APPLICABLE:**

In all territory served by the company on poles owned and used by the Company for their electric plant.

**AVAILABILITY:**

To all qualified CATV operators having the right to receive service.

**RENTAL CHARGE:**

The yearly rental charge shall be as follows:

	<u>Annual</u>
Two-party pole attachment	\$ 8.60 (I)
Three-party pole attachment	6.13 (I)

**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 annual bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.

**DATE OF ISSUE: April 13, 2012**

**DATE EFFECTIVE: June 1, 2012**

**ISSUED BY: \_\_\_\_\_ TITLE: PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2012-00030, dated June 1, 2012.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 95-383

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 2

CANCELLING PSC NO. 251-28

ORIGINAL SHEET NO. 3

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

SPECIFICATIONS:

A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, 1981 Edition, and subsequent revisions thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.

B. The strength of poles covered by this agreement shall be sufficient to withstand the transverse and vertical load imposed upon them under the storm loading of the National Electrical Safety Code assumed for the area in which they are located.

ESTABLISHING POLE USE:

A. Before the CATV operator shall make use of any the poles of the Cooperative under this tariff, they shall notify the Cooperative of their intent in writing and shall comply with the procedures established by the Cooperative. The CATV operator shall furnish the Cooperative detailed construction plans and drawings for each pole line, together with necessary maps, indicating specifically the poles of the Cooperative, the number and character of the attachments to be placed on such poles, and rearrangements of the Cooperative's fixtures and equipment necessary for the attachment, any relocation or replacements of existing poles, and any additional poles that CATV intends to install.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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MAY 21 1996  
PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

By W. H. Neal  
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: APRIL 24, 1996

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ISSUED BY: Bruce H. [Signature]

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of  
KY in Case No. 95-383

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 95-383

ORIGINAL SHEET NO. 3

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 251-28

ORIGINAL SHEET NO. 4

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

The Cooperative shall, on the basis of such detailed construction plans and drawings, submit to the CATV operator a cost estimate (including overhead and less salvage value of materials) of all changes that may be required in each such pole line. Upon written notice by the CATV operator to the Cooperative that the cost estimate is approve, the Cooperative shall proceed with the necessary changes in pole lines covered by cost estimate.

Upon completion of all changes, the CATV operator shall have the right hereunder to make attachments in accordance with the terms of the application of this tariff. The CATV operator shall, at their own expense, make attachments in such manner as not to interfere with the service of the Cooperative.

B. Upon completion of all changes, the CATV operator shall pay to the Cooperative the actual cost (including overhead and less salvage value of materials) of making such changes. The obligations of the CATV operator hereunder shall not be limited to amounts shown on estimates made by the Cooperative hereunder. An itemized statement of the actual cost of all such changes shall be submitted by the Cooperative to the CATV operator in a form mutually agreed upon.

C. Any reclearing of existing rights-of-way and any tree trimming necessary for the establishment of pole line attachments hereunder shall be performed by the CATV operator.

PUBLIC SERVICE COMMISSION  
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MAY 1, 1996  
PURSUANT TO 807 KAR 5011,  
SECTION 9(1)  
By Robert C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 95-383

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 4

CANCELLING PSC NO. 251-28

ORIGINAL SHEET NO. 5

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

D. All poles to which attachments have been made under this tariff shall remain the property of the Cooperative, and any payments made by the CATV operator for changes in pole line under this tariff shall not entitle the CATV operator to the ownership of any of said poles.

E. Any changes necessary for correction of substandard installation made by the CATV operator, where notice of intent had not been requested, shall be billed at rate equal to twice the charges that would have been imposed if the attachment had been properly authorized.

EASEMENTS AND RIGHTS-OF-WAY

A. The Cooperative does not warrant nor assure to the CATV operator any rights-of-way privileges or easements, and if the CATV operator shall at any time be prevented from placing or maintaining its attachments on the Cooperative's poles, no liability on account thereof shall attach to the Cooperative. Each party shall be responsible for obtaining its own easements and rights-of-way.

MAINTENANCE OF POLES, ATTACHMENTS AND OPERATION

A. Whenever right-of-way considerations or public regulations make relocation of a pole, or poles necessary, such relocation shall be made by the Cooperative at its expense, except that each party shall bear the cost of transferring its own attachments.

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SECTION 9(1)  
*Walter C. Neal*  
PUBLIC SERVICE COMMISSION

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ISSUED BY: *Blaine A. Dancy*

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 95-383

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

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CANCELLING PSC NO. 251-28

ORIGINAL SHEET NO. 6

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

B. Whenever it is necessary to replace or relocate an attachment, the Cooperative shall, before making such replacement or relocation, give forty-eight (48) hours notice (except in cases of emergency) to the CATV operator, specifying in said notice the time of such proposed replacement or relocation, and the CATV operator shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the CATV operator fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Cooperative may elect to do such work and the CATV operator shall pay the Cooperative the cost thereof.

C. Any existing attachment of CATV which does not conform to the specifications as set out in this tariff hereof shall be brought into conformity therewith as soon as practical. The Cooperative, because of the importance of its service, reserves the right to inspect each new installation of the CATV operator on its poles and in the vicinity of its lines or appurtenances. Such inspection, made or not, shall not operate to relieve the CATV operator of any responsibility, obligations or liability assumed under the tariff.

D. The Cooperative reserves to itself, its successor and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgement, best enable it to fulfill its own service requirements. The Cooperative shall not be liable to the CATV operator for any interruption of service of CATV operator or for interference with the operations of the

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SECTION 9(1)  
BY: James P. Neal  
FOR THE PUBLIC SERVICE COMMISSION

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ISSUED BY: Bruce A. [Signature]

TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 95-383

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 6

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CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

cables, wires and appliances of the CATV operator arising in any manner out of the use of the Cooperative's poles hereunder.

The Cooperative shall exercise reasonable care to avoid damaging the facilities of the CATV operator, make an immediate report to the CATV operator of the occurrence of any such damage caused by its employees, agents, contractors, and, except for removal for non-payment or for failure to post or maintain the required "Performance Bond," agrees to reimburse the CATV operator for all reasonable cost incurred by the CATV operator for the physical repair of facilities damaged by the negligence of the Cooperative.

INSPECTIONS

A. Periodic Inspection: Any unauthorized or unreported attachment by CATV operator will be billed at a rate of two times the amount equal to the rate that would have been due, had the installation been made the day after the last previously required inspection.

B. Make-Ready Inspection: Any "make-ready" inspection or "walk-through" inspection required of the Cooperative will be paid for by the CATV operator at a rate equal to the cooperative's actual expenses, plus appropriate overhead charges.

INSURANCE OR BOND

A. The CATV operator agrees to defend, indemnify, and save harmless the Cooperative from any and all damages, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including, but not limited to, costs

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TITLE: PRESIDENT/GENERAL MANAGER

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PUBLIC SERVICE COMMISSION  
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MAY 01 1996  
PURSUANT TO 807 KAR 5011  
SECTION 9(1)  
BY: Bruce A. Deane, Jr.  
FOR THE PUBLIC SERVICE COMMISSION

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 95-383

BIG SANDY RURAL ELECTRIC  
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ORIGINAL SHEET NO. 8

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (a) injuries or deaths to persons, (b) damages to or destruction of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by the Cooperative itself, or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of the CATV operator, its employees, agents, or other representatives or from their presence on the premises of the cooperative, either solely or in concurrence with any alleged joint negligence of the Cooperative. The Cooperative shall be liable for sole active negligence.

B. The CATV operator will provide coverage from a company authorized to do business in the Commonwealth of Kentucky:

1. Protection for its employees to the extent required by Workers Compensation Law of Kentucky.
2. Public liability coverage with separate coverage for each town or city in which the CATV operator operates under this contract to a minimum amount of \$100,000.00 for each person and \$300,000.00 for each accident or personal injury or death, and \$25,000.00 as to the property of any one person, and \$100,000.00 as to any one accident of property damage.

PUBLIC SERVICE COMMISSION  
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SECTION 9 (1)

BY: *[Signature]*  
FOR THE PUBLIC SERVICE COMMISSION

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FORM FOR FILING RATE SCHEDULES

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BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

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CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

Before beginning operations under this tariff, the CATV operator shall cause to be furnished to the Cooperative a certificate for such coverage, evidencing the existence of such coverage. Each policy required hereunder shall contain a contractual endorsement written as follows:

"The insurance or bond provided herein shall also be for the benefit of Big Sandy Rural Electric Cooperative Corporation, so as to guarantee, within the coverage limits, the performance by the insured of any indemnity agreement set forth in this tariff. This insurance or bond may not be cancelled for any cause without thirty (30) days advance notice being first given to Big Sandy Rural Electric Cooperative Corporation."

CHANGE OF USE PROVISION

When the Cooperative subsequently requires a change in its poles or attachment for reasons unrelated to the CATV operations, the CATV operator shall be given forty-eight (48) hours notice of the proposed change (except in case of emergency). If the CATV operator is unable or unwilling to meet the Cooperative's time schedule for such changes, the Cooperative may do the work and charge the CATV operator a reasonable cost for performing the change of CATV attachments.

ABANDONMENT

A. If the Cooperative desires at any time to abandon

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ISSUED BY: *Bruce A. Jones*  
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PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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MAY 01 1996  
PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)  
BY: *Jordan C. Neal*  
FOR THE PUBLIC SERVICE COMMISSION

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 95-383

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 9

CANCELLING PSC NO. 251-28

ORIGINAL SHEET NO. 10

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

any pole to which CATV operator has attachments, it shall give the CATV operator notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, the Cooperative shall have no attachments on the pole, but the CATV operator shall not have removed all of its attachments therefrom, such pole shall thereupon become the property of the CATV operator, and the CATV operator shall save harmless the Cooperative from all obligations, liability, damages, cost, expenses or charges incurred thereafter; and shall pay the Cooperative for such pole an amount equal to the Cooperative's depreciated cost thereof. The Cooperative shall further evidence transfer to the CATV operator of title to the pole by means of a bill of sale.

B. The CATV operator may at any time abandon the use the attached pole by giving due notice thereof in writing to the Cooperative and by removing therefrom any and all attachments it may have thereon. The CATV operator shall in such case pay to the Cooperative the full rental for said pole for the then current billing period.

RIGHTS OF OTHERS

Upon notice from the Cooperative to the CATV operator that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit governing the use of such pole or poles shall immediately terminate and the CATV operator shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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PURSUANT TO 807 KAR 5.011,  
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BY: *Richard C. Neal*  
PUBLIC SERVICE COMMISSION

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ISSUED BY: *Bruce A. Davis*

TITLE: PRESIDENT/GENERAL MANAGER

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FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 95-383

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 10

CANCELLING PSC NO. 251-28

ORIGINAL SHEET NO. 11

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

PAYMENT OF TAXES

Each party shall pay all taxes and assessments lawfully levied on its own property upon said attached poles, and the taxes and the assessments which are levied on said property shall be paid by the owner thereof, but any tax fee, or charge levied on the Cooperative's poles solely because of their use by the CATV operator shall be paid by the CATV operator.

BOND OR DEPOSITOR PERFORMANCE

A. The CATV operator shall furnish bond or satisfactory evidence of contractual insurance coverage for the purposes hereinafter specified in the amount of Twenty-Five Thousand Dollars (\$25,000.00), until such time as the CATV operator shall occupy twenty-five hundred (2500) poles of the Cooperative and thereafter the amount thereof shall be increased to increments of One Thousand Dollars (\$1,000.00), for each one hundred (100) poles (or fraction thereof) occupied by the CATV operator, evidence of which shall be presented to the Cooperative fifteen (15) days prior to beginning construction. Such bond or insurance shall contain the provision that it shall not be terminated prior to six (6) months after receipt by the Cooperative or written notice of the desire of the Bonding or Insurance Company to terminate such bond or insurance. Upon receipt of such notice, the Cooperative shall request the CATV operator to immediately remove its cables, wires, and all other facilities from all poles of the Cooperative. If the operator should fail to complete the removal of all its

PUBLIC SERVICE COMMISSION  
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MAY 31, 1996  
PURSUANT TO 807 KAR 5011,  
SECTION 9(1)

BY: *Richard C. Neal*  
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: APRIL 24, 1996

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ISSUED BY: *Bruce A. Davis*  
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TITLE: PRESIDENT/GENERAL MANAGER  
of the Public Service Commission  
Dated: April 17, 1996

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 95-383

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 11

CANCELLING PSC NO. 251-28

ORIGINAL SHEET NO. 11

CLASSIFICATION OF SERVICE

SCHEDULE CATV - SPECIAL RULES

RATE PER UNIT

facilities from the pole of the Cooperative within thirty (30) days after receipt of such request from the Cooperative, then the Cooperative shall have the right to remove them at the cost and expense of the CATV operator and without being liable for any damage to the CATV operator's wires, cables, fixtures, or appurtenances. Such bond or insurance shall guarantee the payment of any sums which may become due to the Cooperative for rentals, inspections or work performed for the benefit of the CATV operator under this tariff, including the removal of attachments upon termination of service by any of its provisions.

B. After the CATV operator has been a customer of the Cooperative and not in default for a period of two years, the Cooperative shall reduce the bond by 50%, or, at the Cooperative's option, require a deposit in keeping with 807 KAR 5:006, Section 7.

USE OF ANCHORS

The Cooperative reserves the right to prohibit the use of any existing anchors by CATV operator where the strength or conditions of said anchors cannot be readily identified by visual inspection.

DISCONTINUANCE OF SERVICE

The Cooperative may refuse or discontinue serving an applicant or customer under the conditions set out in 807 KAR 5:006 Section 11(1).

PUBLIC SERVICE COMMISSION  
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PURSUANT TO 807 KAR 5011.  
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BY: *Andrew C. Neal*  
FOR THE PUBLIC SERVICE COMMISSION

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ISSUED BY: *Andrew A. Davis*  
Issued by authority of an Order of  
KY in Case No. 95-383

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TITLE: PRESIDENT/GENERAL MANAGER  
of the Public Service Commission of  
Dated: April 17, 1996

Exhibit C  
Witness: David Estep

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Proposed Tariffs

The existing tariffs are included with the present and proposed tariffs in comparative form. There are no other changes proposed to any of the rates or wording, other than those that are attached.

**Official Notice**

Big Sandy Rural Electric Cooperative Corporation, with its principal office at Paintsville, Kentucky, and with its address as 504 Eleventh Street, Paintsville, Kentucky 41240, intends to file with the Kentucky Public Service Commission in Case No. 2012-00030 an application to adjust its retail rates and charges. This Adjustment will result in a general rate increase to the member-consumers of Big Sandy Rural Electric Cooperative Corporation.

The rates proposed in this application are the rates proposed by Big Sandy 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. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting David Estep, Big Sandy Rural Electric Cooperative Corporation, 504 Eleventh Street, Paintsville, Kentucky 41240, phone 606-789-4095.

Any person may examine the rate application and any other filings made by the utility at the office of Big Sandy Rural Electric Cooperative Corporation or at the Commission's office.

Big Sandy Rural Electric Cooperative  
504 Eleventh Street  
Paintsville, Kentucky 41240  
606-789-4095

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602  
502-564-3940

The amount and percent of increase are listed below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Schedule A-1, Farm & Home	\$694,971	4%
Schedule A-2, Commercial & Small Power	\$76,252	5%
Schedule LP, Large Power Service	\$55,558	2%
Schedule LPR, Large Power Service	\$30,793	2%
Schedule YL-1, Outdoor Lighting Service	\$54,411	6%

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

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Schedule A-1, Farm & Home	\$5	4%
Schedule A-2, Commercial & Small Power	\$7	5%
Schedule LP, Large Power Service	\$32	2%
Schedule LPR, Large Power Service	\$270	2%



The present and proposed rate structures of Big Sandy Rural Electric Cooperative are listed below:

<u>Rate Class</u>	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
Schedule A-1, Farm & Home		
Customer charge	\$10.38	\$12.87
Energy charge	\$0.08886	\$0.09069
Energy charge per ETS	\$0.05332	\$0.05441
Schedule A-2, Commercial and Small Power		
Customer charge	\$20.76	\$24.64
Demand charge	\$5.19	\$5.50
Energy charge	\$0.07764	\$0.07880
Schedule LP - Large Power Service		
Customer charge	\$64.36	\$93.28
Demand charge	\$6.23	\$6.25
Secondary meter energy charge	\$0.06105	\$0.06119
Primary meter energy charge	\$0.05896	\$0.05507
Schedule LPR - Large Power Service		
Customer charge	\$86.19	\$107.68
Demand charge	\$6.23	\$6.25
Secondary meter energy charge	\$0.05742	\$0.06030
Primary meter energy charge	\$0.05552	\$0.05427
Schedule YL-1, Outdoor Lighting Service		
175 Watt	\$8.93	\$9.49
400 Watt	\$13.42	\$14.27
500 Watt	\$15.82	\$16.82
1,500 Watt	\$36.81	\$39.13
400 Watt Flood	\$18.14	\$19.28
Cable Television Attachments		
Two-party pole attachment	\$6.64	\$8.60
Three-party pole attachment	\$4.87	\$6.13

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. ~~2010-00496~~ 2012-00030

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 1

CANCELLING PSC NO. ~~2010-00168~~ 496

ORIGINAL SHEET NO. 1

CLASSIFICATION OF SERVICE

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to members of this Cooperative for Farm and Home use having a required transformer capacity not to exceed 50 KVA, subject to all rules and regulations established by the Cooperative.

TYPE OF SERVICE:

- A. Single-Phase, 120/240 volts, or
- B. Three-Phase, 240/480 volts, or
- C. Three-Phase, 120/208 wye volts

RATES:

Customer charge per delivery point	\$ <del>10.38</del> per month	12.87	I
Energy charge	<del>0.08886</del> per KWH	0.09069	I
Off peak energy charge	<del>0.05332</del>	0.05441	I

Applicable only to programs which are expressly approved by the Commission to be offered under the Marketing Rate of East Kentucky Power Cooperative's Wholesale Power Rate Schedule A during the following off-peak hours. Energy furnished under this rate shall be separately metered for each point of delivery.

Months	Off-Peak Hours (EST)
October through April	12:00 noon to 5:00 PM 10:00 PM to 7:00 PM
May through September	10:00 PM to 10:00 AM

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ISSUED BY: *[Signature]*

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2012-00030

*June 1, 2012*

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
<i>Brent Kirkley</i> EFFECTIVE <b>6/1/2011</b> PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2010-00496 2012-00030

ORIGINAL SHEET NO. 2

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

CANCELLING PSC NO. 2010-00168 496

ORIGINAL SHEET NO. 2

CLASSIFICATION OF SERVICE

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

MINIMUM CHARGES:

12.87

The minimum monthly charge under the above rate is \$10.38. For members requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

TERMS OF PAYMENT:

All of the above rates are net, the gross rates being seven percent (7%) higher. In the event the current monthly bill is not paid within 15 days from the date of the bill, the gross rates shall apply.

SPECIAL RULES:

- A. The rated capacity of a single-phase motor shall not be in excess of ten horsepower (10 hp).
- B. Motors having a rated capacity in excess of ten horsepower (10 hp) must be three phase.
- C. Service under this schedule is limited to customers whose load requirements can be met by transformers having a capacity not to exceed 50 KVA. Customers requiring more than 50 KVA shall be serviced under an appropriate schedule for larger power service.

BUDGET BILLING:

Members having an opportunity to sign agreements with the Cooperative for spreading billing evenly over a twelve (12) month period. The billing is based on estimated consumption made by a Cooperative representative. In May, the end of the twelve-month

DATE OF ISSUE: May 31, 2011  
ISSUED BY: [Signature]

DATE EFFECTIVE: June 1, 2011  
TITLE: PRESIDENT/GENERAL MANAGER

dated May 31, 2011 by authority of an Order of the Public Service Commission of Kentucky in Case No. Bunt Kirby

*June 1, 2012*

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
EFFECTIVE <b>6/1/2011</b> PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. ~~2010-00496~~ 2012-00030

ORIGINAL SHEET NO. 4

**BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

CANCELLING PSC NO. ~~2010-00168~~ 496

ORIGINAL SHEET NO. 4

**CLASSIFICATION OF SERVICE**

**SCHEDULE A-2 COMMERCIAL AND SMALL POWER RATE PER UNIT**

**APPLICABLE:**

Entire territory served.

**AVAILABILITY OF SERVICE:**

Available to commercial loads having a required transformer capacity not to exceed 25 KVA

**TYPE OF SERVICE:**

Single-phase and Three-phase at a standard voltage

**TES:**

Customer charge per delivery point	\$20.76	per month	24.64	I
Energy charge	0.07764	per KWH	0.07880	I
Demand charge	5.19	per KW	5.50	I

**MINIMUM MONTHLY CHARGE:**

24.64

The minimum monthly charge under the above rate shall be \$20.76 where 15 KVA or less of transformer capacity is required. For consumers requiring more than 15 KVA of transformer capacity, the minimum monthly charge shall be increased at the rate of 75 cents for each additional KVA or fraction thereof required.

**MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:**

Customers requiring service during, but not to exceed nine months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section, in which case there shall be no minimum monthly charge.

April 13, 2012

DATE OF ISSUE: May 31, 2011  
ISSUED BY: [Signature]

DATE EFFECTIVE: June 1, 2011  
TITLE: PRESIDENT/GENERAL MANAGER

ed by authority of an Order of the Public Service Commission of Kentucky in Case No. Bunt Kirtley  
dated May 31, 2011.

June 1, 2012

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
EFFECTIVE <b>6/1/2011</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. ~~2010-00496~~ 2012-00030

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 7

CANCELLING PSC NO. ~~2010-00168-496~~

ORIGINAL SHEET NO. 7

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

Entire territory served.

AVAILABILITY OF SERVICE:

Available to customers located on or near Seller's three-phase lines having a required transformer capacity not to exceed 750 KVA, subject of the established rules and regulations of seller.

RATES:

Demand Charge	\$ <del>6.23</del>	per KW of billing	6.25	I
Secondary Meter Energy Charge	<del>0.06105</del>	per KWH	0.06119	I
Primary Meter Energy Charge	0.05896	per KWH	0.05507	S
Customer Charge Per Delivery Point	<del>64.36</del>	per Month	93.28	I

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is rendered, as indicated or recorded by demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT:

The customer agrees to maintain unity power factor as nearly as practicable. Should the demand meter indicate that the average power factor is less than ninety percent (90%), the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by ninety percent (90%) and divided by the percentage power factor.

April 13, 2012

DATE OF ISSUE: ~~May 31, 2011~~  
ISSUED BY: *[Signature]*

DATE EFFECTIVE: ~~June 1, 2011~~  
TITLE: PRESIDENT/GENERAL MANAGER

June 1, 2012

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
<i>Brent Kinley</i> MANAGER
EFFECTIVE 6/1/2011 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. *[Signature]*  
dated May 31, 2011.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2010-00496 2012-00030

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

ORIGINAL SHEET NO. 8

CANCELLING PSC NO. 2010-00168 496

ORIGINAL SHEET NO. 8

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

FUEL ADJUSTMENT CLAUSE:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM MONTHLY CHARGE:

The minimum monthly charge shall be the highest one of the following charges as determined for the customer in question.

- (1) The minimum monthly charge specified in the contract for service.
- (2) A charge of seventy-five cents (\$.75) per KVA of installed transformer capacity.
- (3) A charge of Sixty-four Dollars and thirty-six cents (~~\$64.36~~)

93.28

T

MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE:

Customers requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual payment of twelve (12) times the minimum monthly charge determined in accordance with the foregoing section in which case there shall be no minimum monthly charge.

TYPE OF SERVICE:

Three-phase, 60 hertz, at Seller's standard voltage.

April 13, 2012

DATE OF ISSUE: May 31, 2011  
ISSUED BY: [Signature]

DATE EFFECTIVE: June 1, 2011  
TITLE: PRESIDENT/GENERAL MANAGER

June 1, 2012

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TITLE: PRESIDENT/GENERAL MANAGER
EFFECTIVE 6/1/2011
PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. [Signature] dated May 31, 2011.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2010-00496 2012 00030

ORIGINAL SHEET NO. 10

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

CANCELLING PSC NO. 2010-00168 496

ORIGINAL SHEET NO. 10

CLASSIFICATION OF SERVICE

SCHEDULE LPR LARGE POWER SERVICE

RATE PER UNIT

APPLICABLE:

In all territory served.

AVAILABILITY OF SERVICE:

Available to all commercial and industrial customers whose power requirements shall exceed 750 KVA of transformer capacity.

CONDITIONS:

An "Agreement for Purchase of Power" shall be executed by the customer for service under this schedule.

CHARACTER OF SERVICE:

The electric service furnished under this schedule will be 60 hertz, alternating current and at available nominal voltage.

RATE:

Maximum Demand Charge:	\$ 6.23	per KW of billing demand	6.25	17 14 17
Secondary Meter Energy Charge:	0.05742	per KWH	0.06030	
Primary Meter Energy Charge:	0.05552	per KWH	0.05427	
Customer Charge Per Delivery Point:	\$ 86.19	per month	107.68	

DETERMINATION OF BILLING DEMAND:

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during the month for which the bill is

April 13, 2012

DATE OF ISSUE: May 31, 2011  
ISSUED BY: [Signature]

DATE EFFECTIVE: June 1, 2011  
TITLE: PRESIDENT/GENERAL MANAGER

June 1, 2012

KENTUCKY PUBLIC SERVICE COMMISSION	
JEFF R. DEROUEN	EXECUTIVE DIRECTOR
[Signature]	GENERAL MANAGER
EFFECTIVE 6/1/2011	
PURSUANT TO 807 KAR 5.011 SECTION 9 (1)	

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2010-00496 dated May 31, 2011.





FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

PSC NO. 2008-00401 *2012-00030*

ORIGINAL SHEET NO. 1

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2005-00125 *2003-00401*

ORIGINAL SHEET NO. 1

CLASSIFICATION OF SERVICE

SCHEDULE CATV TELEVISION ATTACHMENT TARIFF RATE PER UNIT

APPLICABLE:

In all territory served by the company on poles owned and used by the Company for their electric plant.

AVAILABILITY:

To all qualified CATV operators having the right to receive service.

RENTAL CHARGE:

The yearly rental charge shall be as follows:

	<u>Annual</u>		
Two-party pole attachment	<del>\$6.64 (I)</del>	8.60	I
Three-party pole attachment	<del>4.87 (I)</del>	6.13	I

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 annual bill is not paid within thirty (30) days from the date of the bill, the gross rate shall apply.

*June 1, 2012*

*April 13, 2012*

DATE OF ISSUE: *June 5, 2009*

DATE EFFECTIVE: *June 5, 2009*

ISSUED BY: *[Signature]*

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00401, dated June 3, 2009.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
PURSUANT TO 807 KAR 5-011  
SECTION 9 (1)

By *[Signature]*  
Executive Director

**Official Notice**

Big Sandy Rural Electric Cooperative Corporation, with its principal office at Paintsville, Kentucky, and with its address as 504 Eleventh Street, Paintsville, Kentucky 41240, intends to file with the Kentucky Public Service Commission in Case No. 2012-00030 an application to adjust its retail rates and charges. This Adjustment will result in a general rate increase to the member-consumers of Big Sandy Rural Electric Cooperative Corporation.

The rates proposed in this application are the rates proposed by Big Sandy 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. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting David Estapp, Big Sandy Rural Electric Cooperative Corporation, 504 Eleventh Street, Paintsville, Kentucky 41240, phone 606-789-4095.

Any person may examine the rate application and any other filings made by the utility at the office of Big Sandy Rural Electric Cooperative Corporation or at the Commission's office.

Big Sandy Rural Electric Cooperative  
504 Eleventh Street  
Paintsville, Kentucky 41240  
606-789-4095

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602  
502-564-3940

The amount and percent of increase are listed below:

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Schedule A-1, Farm & Home	\$694,971	4%
Schedule A-2, Commercial & Small Power	\$76,252	5%
Schedule LP, Large Power Service	\$55,558	2%
Schedule LPR, Large Power Service	\$30,793	2%
Schedule YL-1, Outdoor Lighting Service	\$54,411	6%

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

<u>Rate Class</u>	<u>Increase</u>	
	<u>Dollar</u>	<u>Percent</u>
Schedule A-1, Farm & Home	\$5	4%
Schedule A-2, Commercial & Small Power	\$7	5%
Schedule LP, Large Power Service	\$32	2%
Schedule LPR, Large Power Service	\$270	2%

The present and proposed rate structures of Big Sandy Rural Electric Cooperative are listed below:

<u>Rate Class</u>	<u>Rates</u>	
	<u>Present</u>	<u>Proposed</u>
Schedule A-1, Farm & Home		
Customer charge	\$10.38	\$12.87
Energy charge	\$0.08886	\$0.09069
Energy charge per ETS	\$0.05332	\$0.05441
Schedule A-2, Commercial and Small Power		
Customer charge	\$20.76	\$24.64
Demand charge	\$5.19	\$5.50
Energy charge	\$0.07764	\$0.07880
Schedule LP - Large Power Service		
Customer charge	\$64.36	\$93.28
Demand charge	\$6.23	\$6.25
Secondary meter energy charge	\$0.06105	\$0.06119
Primary meter energy charge	\$0.05896	\$0.05507
Schedule LPR - Large Power Service		
Customer charge	\$86.19	\$107.68
Demand charge	\$6.23	\$6.25
Secondary meter energy charge	\$0.05742	\$0.06030
Primary meter energy charge	\$0.05552	\$0.05427
Schedule YL-1, Outdoor Lighting Service		
175 Watt	\$8.93	\$9.49
400 Watt	\$13.42	\$14.27
500 Watt	\$15.82	\$16.82
1,500 Watt	\$36.81	\$39.13
400 Watt Flood	\$18.14	\$19.28
Cable Television Attachments		
Two-party pole attachment	\$6.64	\$8.60
Three-party pole attachment	\$4.87	\$6.13



Steve L. Beshear  
Governor

EAH  
1 of 2  
David L. Armstrong  
Chairman

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**

James Gardner  
Vice Chairman

211 Sower Blvd.  
P.O. Box 615  
Frankfort Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

January 25, 2012

Mr. David Estep, President & General Manager  
Big Sandy R.E.C.C.  
504 11th Street  
Paintsville, KY 41240-1422

RE: Case No. **2012-00030**

Big Sandy R.E.C.C.  
(General Rates)  
Notice of Intent to File Application for Increase in Retail Rates

This letter is to acknowledge receipt of notice of intent to file an application in the above case. The notice was date-stamped received January 25, 2012 and has been assigned Case No. 2012-00030. 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,

Jeff Derouen  
Executive Director

JD/rs



**Big Sandy Rural Electric  
Cooperative Corporation**

504 11th Street  
Paintsville, Kentucky 41240-1422  
(606) 789-4095 • Fax (606) 789-5454  
Toll Free (888) 789-RECC (7322)

**RECEIVED**

JAN 25 2012

**PUBLIC SERVICE  
COMMISSION**

January 23, 2012

Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Dear Mr. Derouen:

This is to advise, in accordance with the Commission's Administrative Regulation 807 KAR 5:001, Section 11(2), that, after 30 days from January 23, 2012, Big Sandy Rural Electric Cooperative Corporation intends to file an application for an increase in its retail rates based on a historical test year ending August 31, 2011.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David Estep".

David Estep, President & CEO

Copy to:

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

### **PSC Rate Case**

President & General Manager David Estepp had a meeting with our consultants last week. Mr. Estep explained how a 3.7% overall increase to the customer charge (not the energy charge) and by a fixed rate instead of a variable rate, could ensure our investment. Example: Based on 1100 kWh, for Farm & Home rates, a \$5 per month increase would be enough to accomplish this. So, Mr. Estep is seeking approval to finish the filing for the rate case with this change. Of course there would be advance notice in the newspapers seven days prior to filing for this increase. Bill Maxey made a motion to approve for Mr. Estep to complete the process for filing this increase. This motion was seconded by Kelly Shepherd. All votes were favorable.

Big Sandy Rural Electric  
Case No. 2012-00030  
Revenue Analysis  
August 31, 2011

Exhibit G  
page 1 of 1  
Witness: Alan Zumstein

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Rate Schedule	Kwh Useage	Test Year Revenue	Percent of Total	Normalized Case No. 2010-496	Percent of Total	Proposed Revenue	Percent of Total	Increase Amount	Increase Percent
A-1, Farm and Home	182,561,395	\$18,404,648	73%	\$17,726,810	73%	\$18,421,781	75%	\$694,971	3.9%
A-2, Commercial and Small Power	12,983,285	1,569,808	6%	1,525,836	6%	1,602,088	7%	76,252	5.0%
LP, Large Power Service	32,130,740	2,876,157	11%	2,766,198	11%	2,821,756	12%	55,558	2.0%
LPR, Large Power Service	20,760,132	1,619,462	6%	1,541,539	6%	1,572,332	6%	30,793	2.0%
Schedule 6, Security Lights	7,210,041	889,408	4%	865,869	4%	920,280	4%	54,411	6.3%
Envirowatts	41,000	1,158	0%	1,158	0%	1,158	0%	0	0.0%
Rounding differences						(978)		(978)	
Total from base rates	<u>255,686,593</u>	25,360,641	100%	<u>\$24,427,410</u>	100%	<u>\$25,338,416</u>	104%	<u>\$911,007</u>	3.7%
Fuel adjustment billed		(1,937,581)							
Environmental surcharge billed		<u>1,914,232</u>							
Increase		\$25,337,292							
Reconciliation to General Ledger									
Recognize fuel and surcharge lag		<u>230,721</u>							
Total per General Ledger		<u>\$25,568,013</u>						\$0	

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF ADJUSTMENT OF  
RATES OF BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

CASE NO. 2012-00030

PREPARED TESTIMONY OF DAVID ESTEPP

Q1. Would you please state your name and business address.

A1. David Estep, with a business address of 504 Eleventh Street, Paintsville, Kentucky 41240.

Q2. What is your occupation?

A2. President & General Manager for Big Sandy Rural Electric Cooperative ("Big Sandy Rural Electric").

Q3. How long have you been employed at Big Sandy Rural Electric?

A3. Approximately 18 years.

Q4. What is your professional background?

A4. I was Manager of Finance and Administration for Big Sandy Rural Electric Cooperative for 16 years, and the President & General Manager for the past 2 years. I have a B.A. from Eastern Kentucky University with a major in Accounting.

Q5. Are you familiar with the contents of the Notice Application of Big Sandy Rural Electric 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.

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

A7. Yes. I worked with Alan Zumstein, CPA and Jim Adkins, Consultant, in the preparation of these exhibits, and I am familiar with them. In my opinion, the factual material contained in this Application are correct.

Q8. When was the last General Rate Application filed by Big Sandy Rural Electric?

A8. The last General Rate Application filed by Big Sandy Rural Electric was in 2008, in Case No. 2008-00401.

Q9. What is the purpose of this Notice of Application of Big Sandy Rural Electric to this Commission?

A9. To seek an increase in rates in an amount necessary to obtain a Times Interest Earned Ratio ("TIER") of 2.0.

Q10. What considerations were given to increase the rates and charges of Big Sandy Rural Electric .

A10. The purpose of this Application is to provide support the fact that Big Sandy Rural Electric needs the requested rate relief that is being sought in this rate application. Big Sandy Rural Electric has filed this application due to its need to meet certain financial ratios as required by its mortgage agreements with its lenders: the Rural Utilities Service ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). According to those mortgage agreements, Big Sandy Rural Electric is required to maintain a Net TIER of 1.25 and an Operating TIER of 1.1

In addition, this application is necessary for Big Sandy Rural Electric to pay capital credits and maintain adequate equity and cash reserves.

Q11. What is the Test Year used by Big Sandy Rural Electric for its financial data compiled to the Commission in the Application?

A11. The twelve months ended August 31, 2011 was selected as the Test Year. The management and Board of Directors of Big Sandy Rural Electric review the operations and TIER on a monthly basis. Noting the steady decline in margins and TIER, the Board of Directors authorized an Application to be prepared to increase rates and charges sufficient to obtain a TIER of 2.0.

Q12. How was the proposed increase in revenues of \$911,007 allocated to rates?

A12. Big Sandy Rural Electric and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q13. Why was a TIER of 2.0x requested?

A13. The financial condition of Big Sandy Rural Electric cooperative has deteriorated substantially since 2009. In order to continue to meet debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to request a TIER of 2.0 in this Application.

Q14. In your opinion, are the adjusted rates requested in this Case by Big Sandy Rural Electric Cooperative necessary to maintain the financial integrity of the Cooperative?

A14. Yes. To enable Big Sandy Rural Electric to maintain its financial integrity, it is necessary that it be permitted to increase its rates as proposed in this Application.

Q15. In your opinion, are the proposed changes to the "Customer Charge" necessary for Big Sandy Rural Electric Cooperative?

A15. Yes. To Enable Big Sandy Rural Electric to promote and encourage energy efficiency programs, such as Beat the Peak, KY How Smart, and Direct Load Control, while maintaining its financial integrity, it is necessary that the rates be adjusted so that the customer charge covers the fixed costs of the cooperative, as proposed in this Application.

Q16. In your Opinion, will the proposed increases to the “Customer Charge” help promote energy efficiency programs and how?

A16. Yes. Generally speaking, fixed costs should be recovered through fixed charges and variable costs should be recovered through variable charges, which for most distribution cooperatives, would result in a higher customer charge and a lower energy charge.

By allowing a cooperative to have an adequate fixed charge, there isn’t a negative financial impact as a result of promoting energy efficiency programs, because fixed costs are already covered. This would allow the cooperative to more aggressively promote energy efficiency programs that would reduce electric consumption by its members and ultimately saving the member money. The Cooperative can and will aggressively pursue energy efficiency and conservation programs when such efforts don’t pose a negative financial impact.

Q17. Please describe Big Sandy Rural Electric’s Member Energy Solutions for energy efficiency and conservation.

A17. Big Sandy offers several programs to assist its Member conserve electricity consumption. The following is a list describing our efforts:

Beat the Peak – designed to help members become more energy aware and lower their power bills by using electricity more efficiently during peak periods when prices are at their highest.

How Smart KY – a program designed to assist members in need of efficiency improvements, but can’t afford to pay for them up front. The program provides initial funding for necessary improvements and the monthly payment for such improvements comes from their energy savings.

Direct Load Control – Members can participate in our load management and cost containment program by installing a direct load control device on their electric water heater or air conditioner, which will be managed by Big Sandy and East KY Power. This program will cycle down a water heater or air conditioner during peak usage times. The participating member will also receive an incentive for their participation.

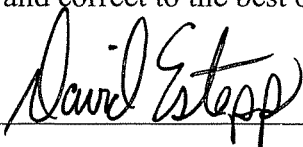
Energy Audits – This program is a free service to our customers and can help identify areas in their homes that need improvements for increased energy efficiency. The program identifies insulation amounts in Member’s homes, causes of heat gain and loss, along with recommendations for correcting found problems. The Member’s HVAC system is also checked by a licensed HVAC technician to test for efficiency.

Rebates and Incentives – Big Sandy offers several financial rebates through East KY Power for installation of Air-to-Air Heat Pumps, GeoThermal systems and efficient Water Heaters.

Q15. What are your conclusions regarding this rate case application?

A15. At a time of increased energy costs and slowed economic conditions, energy efficiency and cost containment are necessary. By matching the customer charge with our fixed costs, Big Sandy Rural Electric can aggressively promote energy efficiency programs that will save our customers money, and at the same time, not harm the financial integrity of the Cooperative.

Affiant, David Estep, states that the answers given by her to the foregoing questions are true and correct to the best of her knowledge and belief.



David Estep, President & General Manager

Subscribed and sworn to before me by the affiant, David Estep, this 17<sup>th</sup> day of April, 2012.

My Commission expires 6-19-2014. *Judy L. McClure*

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

**In the Matter of Adjustment of Rates  
of Big Sandy Rural Electric Cooperative**

**Case No. 20012-00030**

PREPARED TESTIMONY OF ALAN M. ZUMSTEIN

Q1. Would you please state your name, residence, and occupation.

A1. Alan M. Zumstein, my address is 1032 Chetford Drive, Lexington, Kentucky 40509. I am a self-employed Certified Public Accountant.

Q2. How long have you been practicing your profession?

A2. I have been self-employed for approximately twenty eight (28) years. Prior to that, I was employed by a local CPA firm for six (6) years.

Q3. Are you familiar with accounting work and accounting procedures for rural electric cooperatives.

A3. Yes. I have had much prior experience in electric cooperative accounting and have done accounting work in the preparation of rate cases for electric cooperative for presentation to the Public Service Commission.

Q4. Have you appeared before the Kentucky Public Service Commission and given testimony in electric cooperative cases?

A4. Yes, I have.

Q5. Did you prepare or assist in the preparation of the financial exhibits for Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") filed with its Notice Application in this case?

A5. Yes.

Q6. What considerations were given to increase the rates and charges of Big Sandy?

A6. The mortgage agreements require that Big Sandy maintain a Times Interest Earned Ratio ("TIER") of above 1.25 based on an average of two of the three most recent years. The TIER for the Test Year of August 31, 2011 was 1.18 (excluding G&T capital credits). The TIER has consistently been below 1.40x since 2006. The TIER, giving effect to the normalized adjustments without an increase in revenues, as reflected in Exhibit S, page 2 of 4, would result in a TIER on only 1.11 for the Test Year.

Q7. Would you briefly describe the procedures used to arrive at the proposed increase in rates and charges.

A7. The margins and TIER of Big Sandy have been reviewed, and giving effect to the steady decline in TIER, it was determined that an application for increase in rates should be filed with the Kentucky Public Service Commission. The twelve months ended August 31, 2011 was selected as the Test Year. All revenues were normalized using rates that went into effect in connection with the roll-in of fuel into the base rates in Case No. 2010-00496, effective June 1, 2011. Other expenses were normalized using rates and known changes, and adjusted as if they were in effect for the entire Test Year. The revenue proposed of \$911,007, or approximately 3.7% increase, would provide for a TIER of 2.0x.

Q8. How was the proposed increase in revenues of \$911,007 allocated to rates?

A8. Big Sandy and Jim Adkins have prepared a Cost of Service Study and based its rate design on this study.

Q9. Why was a TIER of 2.0x requested?

A9. The financial condition of Big Sandy cooperative has been deteriorating since 2008. In order to continue to meet debt service obligations, operating costs and maintain the minimum joint mortgage agreement requirements, it was necessary to request a TIER of 2.0x in this Application.

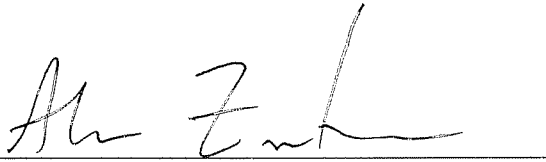
Q10. In your opinion, are the adjusted rates requested in this Case by Big Sandy necessary to maintain the financial integrity of the Cooperative?

A10. The financial exhibits as shown in the Application conclusively indicate the adjusted rates arising out of the Application are necessary to prevent problems of a deteriorating financial position.

Q11. Does this conclude your testimony in this case?

A11. Yes, it does.

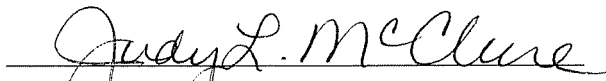
Affiant, Alan M. Zumstein, states that the answers given by him the foregoing questions are true and correct to the best of his knowledge and belief.



Alan M. Zumstein

Subscribed and sworn to before me by the affiant, Alan M. Zumstein, this 13<sup>th</sup> day of April, 2012.

My Commission expires 6-19-2014

  
Notary Public, State of Kentucky at Large

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE ADJUSTMENT            )  
OF RATES OF BIG SANDY RURAL                )    CASE NO. 2012-00030  
ELECTRIC COOPERATIVE CORPORATION        )

PREPARED TESTIMONY OF JAMES R. ADKINS

Q1. State your name and business address.

R1. I am James R. Adkins and my business address is 1041  
Chasewood Way, Lexington, KY 40513-1731.

Q2. What has been your role in this application?

R2. My role in this application has been to assist Big  
Sandy RECC ("Big Sandy") to develop a cost of service  
study ("COSS") and to assist in the design of the  
proposed rates.

Q3. What is your professional experience in the area of  
electric utility rate-making?

R3. I have spent the last thirty-five plus years dealing  
with electric utility rates. I was employed by EKPC  
as its Pricing Manager for almost twenty-five years.  
I spent a little over one year with the Prime Group,  
LLC and I have been self-employed for the last nine



years. Prior to my electric utility career, I was employed in the finance and accounting areas of the medical care field for close to eight years. I also served in the U.S. Army as an infantryman in the Republic of Vietnam in the late 1960s.

Q4. What is your educational background?

R4. I received a Bachelors Degree in Commerce with a major in banking and finance in 1971 and a Masters of Science in Accounting in 1976. Both of my degrees were granted by the University of Kentucky. Since then, I have attended several seminars, conferences and courses on rate-making as well as a presenter at many conferences and seminars of electric utility rate-making, cost of service studies, and rate design.

Q5. Have you ever appeared as a witness before this Commission?

R5. I have appeared as a witness before this Commission many times in rate applications, applications for certificates of public convenience and necessity, fuel adjustment clause hearings, and administrative cases. I have testified on the behalf of East Kentucky Power Cooperative ("EKPC") and for all of EKPC's member cooperatives and for other distribution cooperatives.

- Q6. What is the purpose of the cost of service study ("COSS") in this application and has it been prepared in manner and approach similar to others that you have completed for distribution cooperatives?
- R6. The COSS in this application has been completed in a manner that uses the same methodology and approach as the others that I have completed for other distribution cooperatives. The purpose of the cost of service in this rate application is the following:
- one) it provides the costs to serve each rate class as well as the total revenue requirements for each class;
  - two) it provides guidance in the development of the amount of rate increases for each rate class; and
  - three) it provides a breakdown of the cost to serve into segments that are useful for rate design purposes.
- Q7. Please explain the Cost of Service Study ("COSS") filed in this application?
- R7. The COSS presented in this application follows the standard process of the functionalization of costs, the classification of costs and the allocation of

costs to the various rate classes. This COSS contains seven (7) major sections in it. These sections are listed below:

- Test year revenue requirements;
- The functionalization of costs into the appropriate functions of purchased power, lines, transformers, services, meters, consumer services and accounting, and lighting;
- The classification of costs as either demand-related, energy-related or consumer-related;
- The allocation of the classified costs to the individual rate classes;
- An statement of operations for each rate class that provides the margins, the TIER, and the return on Net Investment Rate Base for each rate class for the test year for the current rates and the proposed rates
- The determination of the amount of rate increase for each rate class; and
- The development of the proposed rate design.

Each one of these sections will be discussed in its order within Exhibit R.

Q8. Please explain Schedule 1 in the COSS?

R8. Schedule 1 is the determination of the overall

revenue requirements for South Kentucky presented by each expense account number. It presents the test year actual expenses, the adjustments to the test year, and the adjusted test year. It is presented in a manner that is utilized in the process used to complete the COSS. As a part of Schedule 1 is a schedule on payroll expenses that has been utilized in the allocation of the test year adjustments to appropriate expenses category. These payroll expenses are also utilized in the functionalization of the test year expenses. The adjusted test year amount provides the total revenue requirements for South Kentucky.

Q9. Please explain Schedule 2 of the COSS?

R9. Schedule 2 is a functionalization of the expenses from Schedule 1 into their appropriate function. Schedule 2 also has a section with footnotes which identifies and explains the basis for how some of the test year expenses are allocated to the proper function. A section of this schedule also contains the allocation of the Net Investment Rate Base to its proper functions and it is utilized to allocate some of the test year expenses to the functional area. These functional areas are then classified as demand-related, energy-related or consumer-related in Schedule 3.

Q10. Would you explain Schedule 3?

R10. Schedule 3 is the classification of expenses as being demand-related, energy-related or consumer related. Distribution line expenses (poles and conduit) and distribution transformer expenses contain both demand-related expenses and consumer-related expenses. Distribution expenses for services, meters, and consumer services and accounting are all considered to be customer-related. Purchased power contains a demand-related component, which are the demand charges, and an energy-related component, which are the energy charges. The distribution substations are considered to be demand-related.

Q11. What is the basis for the division of the distribution line expenses and the transformer expenses into a demand-related component and a customer-related component?

R11. The basis for the determination of the demand-related and energy related expenses are the use of one of two methods: 1) the minimum size method and 2) the 'Zero-intercept". These methods are applied to data from Meade County's Continuous Property Records ("CPRs") for Accounts 364-Poles, 365-Overhead Conductor, and 368-Transformers. The approach for the zero-intercept method is to determine the no load or zero demand component for each account. The zero load amount is then utilized as a basis to determine the customer-

related investment and its percent of the total investment for the accounts listed above. The residual amount and percentage is considered to be demand-related. For the minimum size method, the cost of the minimum size unit multiplied by the total number of units is utilized to determine the customer component of each investment while the remaining amount is considered demand related. Correspondingly, the expenses associated with these accounts are then proportioned as either demand related or consumer related based on the investment proportions. The zero-intercept method was used for account 368-transformers, account 365-overhead conductor and account 364-poles. The percentages for the demand-related component and the customer-related component are then applied to the test year expenses to determine the amount of expenses that are demand-related and customer-related.

Q12. Explain Schedule 4?

R12. Schedule 4 is the allocation of the classified expenses to South Kentucky's electric rate classes. The demand related expenses are allocated on two different bases. The demanded-related purchased power costs and the distribution demand-related costs for lines and transformers are allocated proportionally on

the basis of the sum of each rate class's monthly peak demand for the test year. The purchased power energy-related costs allocated to the rate classes proportional on retail energy sales for the test period. The customer-related costs for each customer-related segment are allocated differently. For lines, the allocation is proportional based on number of customers. For transformers, the allocation is proportionally weighted based on the number of consumers and the investment in the minimum size transformer for each rate class. For services, it is based on the number of customers and the minimum investment applied to the average length of the service for each rate class. For meters, the number of customers and the minimum size meter is used to allocate these expenses. For consumer services and accounting, the allocation is based on weighting factors that considers the number of consumers, the billing complexity or billing units per rate class for consumer records. Meter reading is also utilized to differentiate the different types of meter data need from the various rate classes. The number of customers is also a factor in this to determine the proper allocation. Sections of this schedule contain the

basis for the allocation of the classified expenses to each rate class.

Q13. What is the purpose of Schedule 5?

R13. Schedule 5 provides a statement of operations for Big Sandy based on the results of the cost of service study compared with the current rates. It provides a TIER for each rate class and rate of return on the Net Investment Rate Base for each rate class. It does provide the margins for each rate class for the current rates. Additionally, it provides the impact of the new rates (from Schedule 6) upon the margins, the TIER and the rate of return on the Net Investment Rate Base. It is a new schedule that has been added for informational purposes.

Q14. What is included in Schedule 6?

R14. Schedule 6 provides a comparison of the revenue from the current rates for each rate class with costs to serve each rate class from Schedule 4. This comparison will provide how much increase or decrease each rate class should receive based on the results of the COSS. Also, Schedule 5 provides how Meade Big Sandy is proposing to spread its overall requested increase among its various rate classes. South Kentucky is fully cognizant of the original purpose of



the COSS and has used it as the basis for the allocation of any additional revenue requirements to each one of its rate classes. Based on the results of the cost of service study, justification is provided to increase the rates for several rate classes (Schedules A-1 and A-2) with some justification for a large increase for Schedule YL-1 while justification exists to decrease the rates of some other rate classes (Schedules LP and LPR). Big Sandy has determined that no rate class will receive a decrease in rates and these savings will be utilized to temper the amount of rate increase for other rate classes. The COSS justifies that the Security Lights class receive the largest percentage increase. The increases for the residential class, the small commercial class have been reduced by proposing a small increase for Schedules LP and LPR.

15. What is Big Sandy proposing in the way of rate design for those classes receiving an increase in rates?

R15. Big Sandy is proposing to gradually increase its customer charge over a period of three years to \$17.50. Exhibit JA-1 to this testimony provides the detail on how Big Sandy is proposing to increase this customer charge.

Q16. In the Commission's final Order in the Meade County's

Case No. 2010-00222, Meade County was not able to increase its customer charge for the residential class to the level requested because of a lack of Demand Side Management ("DSM") programs. Is a lack a DSM programs a basis for not allowing the increase in customer charges that South Kentucky is seeking in this case?

R16 Big Sandy has a very comprehensive listing of DSM programs Big Sandy a good candidate for gradually increasing its customer charge for its Schedule A-1 - Farm and Home rate class over a reasonable period of time. Increasing the customer charge to the proposed level for both of this rate classes will increase the opportunity for Big Sandy to continue and to expand its DSM Offerings to its members.

Q17. Why would an increase in the customer charge increase the opportunity for Big Sandy to expand its DSM offerings?

R17. An increase in its customer charges for this rate class places more of its costs into a fixed rate which has the effect of leveling its revenue stream from these customers. It places less costs into rates in a component where its revenue stream is based on

the volume of sales or usage by its members. With less revenue at risk, South Big Sandy because less is based it volume of sales, Big Sandy will be better able to provides additional means for members to better manage their electric bills. The future will be more geared to assisting members manage their electric bills and less on individual rates and increase in usage.

Q18. What is Big Sandy's cost structure that makes Increases in it customer charges realistic?

R18. In the short term, Big Sandy's distribution costs are fixed and its only variable cost is the cost of its wholesale power. By placing more of its costs into a fixed rate component, less distribution costs will come from energy sales based on the volume of usage. And Big Sandy will have less risk exposure to conservation and will be more prone and incentivized to better able to enter into additional DSM programs and better able to assist it members to manage their electric bills.

Q19. What has been Big Sandy's approach to rate design for the other rate classes?

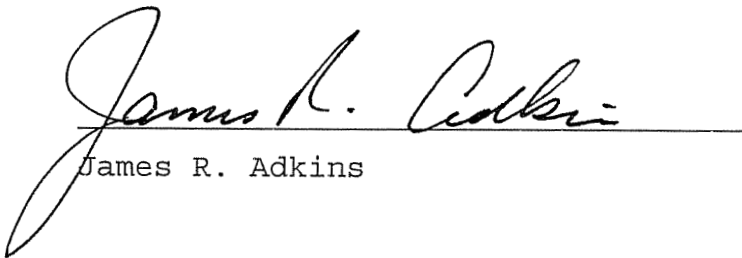
R19. Big Sandy has followed the results of the COSS in the design of rates for the other rate classes for which an increased is proposed. For the Security

Lights class, all lamps within that class are receiving the same percentage increase.

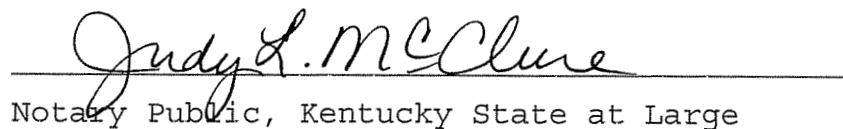
Q20. Does this conclude your testimony?

R20. This concludes my testimony.

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 17<sup>th</sup> day of April, 2012.

  
Notary Public, Kentucky State at Large

My Commission expires. 6-19-2014

Big Sandy Rural Electric  
Case No. 2012-00030  
**Effect on Average Bill**  
**Schedule A1 - Farm and Home**

	<u>Present</u>	<u>Proposed</u>	<u>Difference</u>		
Customer charge	\$10.38	\$12.87	\$2.49		
Energy charge	\$0.08886	\$0.09069	\$0.00183		
	<u>Existing</u>	<u>Proposed</u>	<u>Increase</u>		
<u>kwh Useage</u>	<u>Rate</u>	<u>Rate</u>	<u>Amount</u>	<u>Percent</u>	
0	\$10.38	\$12.87	\$2.49	19.3%	
25	12.60	15.14	2.54	16.8%	
50	14.82	17.40	2.58	14.8%	
100	19.27	21.94	2.67	12.2%	
150	23.71	26.47	2.76	10.4%	
200	28.15	31.01	2.86	9.2%	
250	32.60	35.54	2.95	8.3%	
300	37.04	40.08	3.04	7.6%	
350	41.48	44.61	3.13	7.0%	
400	45.92	49.15	3.22	6.6%	
450	50.37	53.68	3.31	6.2%	
500	54.81	58.22	3.41	5.8%	
600	63.70	67.28	3.59	5.3%	
700	72.58	76.35	3.77	4.9%	
800	81.47	85.42	3.95	4.6%	
900	90.35	94.49	4.14	4.4%	
1,000	99.24	103.56	4.32	4.2%	
1,100	108.13	112.63	4.50	4.0%	
1,200	117.01	121.70	4.69	3.9%	
1,300	125.90	130.77	4.87	3.7%	
1,400	134.78	139.84	5.05	3.6%	
1,500	143.67	148.91	5.24	3.5%	
1,600	152.56	157.97	5.42	3.4%	
1,700	161.44	167.04	5.60	3.4%	
1,800	170.33	176.11	5.78	3.3%	
1,900	179.21	185.18	5.97	3.2%	
2,000	188.10	194.25	6.15	3.2%	
<b>The average monthly usage</b>					
<b>1,260</b>	<b>122.31</b>	<b>127.11</b>	<b>4.80</b>	<b>3.8%</b>	

Big Sandy Rural Electric  
Case No. 2012-00030  
**Revenue Analysis**  
August 31, 2011

Exhibit J  
page 1 of  
Witness: Alan Zumstein

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<u>Rate Schedule</u>	<u>Kwh Useage</u>	<u>Test Year Revenue</u>	<u>Percent of Total</u>	<u>Normalized Case No. 2010-496</u>	<u>Percent of Total</u>	<u>Proposed Revenue</u>	<u>Percent of Total</u>	<u>Increase Amount</u>	<u>Percent</u>
A-1, Farm and Home	182,561,395	\$18,404,648	73%	\$17,726,810	73%	\$18,421,781	75%	\$694,971	3.9%
A-2, Commercial and Small Power	12,983,285	1,569,808	6%	1,525,836	6%	1,602,088	7%	76,252	5.0%
LP, Large Power Service	32,130,740	2,876,157	11%	2,766,198	11%	2,821,756	12%	55,558	2.0%
LPR, Large Power Service	20,760,132	1,619,462	6%	1,541,539	6%	1,572,332	6%	30,793	2.0%
Schedule 6, Security Lights	7,210,041	889,408	4%	865,869	4%	920,280	4%	54,411	6.3%
Envirowatts	41,000	1,158	0%	1,158	0%	1,158	0%	0	0.0%
Rounding differences						(978)		(978)	
<b>Total from base rates</b>	<u>255,686,593</u>	25,360,641	100%	<u>\$24,427,410</u>	100%	<u>\$25,338,416</u>	104%	<u>\$911,007</u>	3.7%
Fuel adjustment billed		(1,937,581)							
Environmental surcharge billed		<u>1,914,232</u>							
		\$25,337,292							
<b>Increase</b>				<u>(\$933,232)</u>		<u>\$911,007</u>		\$0	
Reconciliation to General Ledger									
Recognize fuel and surcharge lag		<u>230,721</u>							
<b>Total per General Ledger</b>		<u>\$25,568,013</u>							

Big Sandy Rural Electric  
Case No. 2012-00030  
Billing Analysis  
August 31, 2011

Exhibit J  
page 2 of  
Witness: Alan Zumstein

Schedule A1 - Farm and Home

<u>Description</u>	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00496		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	144,933	\$1,466,794	\$10.38	\$1,504,405	\$12.87	\$1,865,288
Energy charge per kWh	182,561,395	16,937,854	\$0.08886	16,222,406	\$0.09069	16,556,493
Off peak energy charge	0	0	\$0.05332	0	\$0.05441	0
Total from base rates		18,404,648		<u>\$17,726,810</u>		<u>\$18,421,781</u>
Fuel adjustment		(1,418,525)				
Environmental surcharge		<u>1,450,437</u>				
Total revenues		<u>\$18,436,560</u>				
Amount				(\$677,838)		\$694,971
Percent				-3.7%		3.9%
Average monthly bill		\$126.99		\$122.31		\$127.11
Amount				(\$4.68)		\$4.80
Percent				-3.7%		3.9%

Big Sandy Rural Electric  
Case No. 2012-00030  
Billing Analysis  
August 31, 2011

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Witness: Alan Zumstein

Schedule A-2, Commercial and Small Power

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00496		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	11,463	\$232,023	\$20.76	\$237,972	\$24.64	\$282,448
Demand charge	53,919	272,846	\$5.19	279,842	\$5.50	296,557
Energy charge	12,983,285	1,064,940	\$0.07764	1,008,022	\$0.07880	1,023,083
Total from base rates		1,569,808		<u>\$1,525,836</u>		<u>\$1,602,088</u>
Fuel adjustment		(103,856)				
Environmental surcharge		124,717				
Total revenues		<u>\$1,590,669</u>				
Amount				(\$43,972)		\$76,252
Percent				-2.8%		5.0%
Average monthly bill		\$136.95		\$133.11		\$139.76
Amount				(\$3.84)		\$6.65
Percent				-2.8%		5.0%



Schedule LP, Large Power Rate

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00496		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	1,755	\$110,128	\$64.36	\$112,952	\$93.28	\$163,706
Demand Charge	111,181	675,343	\$6.23	692,659	\$6.25	694,883
Secondary meter charge per kwh	31,654,640	2,060,738	\$0.06105	1,932,516	\$0.06119	1,936,947
Primary meter charge per kwh	476,100	29,948	\$0.05896	28,071	\$0.05507	26,219
	<u>32,130,740</u>					
Total from base rates		<u>2,876,157</u>		<u>\$2,766,198</u>		<u>\$2,821,756</u>
Fuel adjustment		(251,537)				
Environmental surcharge		<u>218,172</u>				
Total revenues		<u>\$2,842,792</u>				
Amount				(\$109,959)		\$55,558
Percent				-3.8%		2.0%
Average monthly bill		\$1,638.84		\$1,576.18		\$1,607.84
Amount				(\$62.65)		\$31.66
Percent				-3.8%		2.0%

Schedule LPR - Large Power Service

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00496		Proposed	
			Rates	Revenues	Rates	Revenues
Customer Charge	114	\$9,580	\$86.19	\$9,826	\$107.68	\$12,276
Demand Charge	56,927,220	345,790	\$6.23	354,657	\$6.25	355,795
Secondary meter charge per kwh	12,870,440	788,055	\$0.05742	739,021	\$0.06030	776,088
Primary meter charge per kwh	7,889,692	476,037	\$0.05552	438,036	\$0.05427	428,174
	<u>20,760,132</u>					<u>0</u>
Total from base rates		1,619,462		<u>\$1,541,539</u>		<u>\$1,572,332</u>
Fuel adjustment		(161,791)				
Environmental surcharge		<u>118,914</u>				
Total revenues		<u>\$1,576,585</u>				
Amount				(\$77,923)		\$30,793
Percent				-4.8%		2.0%
Average monthly bill		\$14,205.81		\$13,522.27		\$13,792.38
Amount				(\$683.54)		\$270.12
Percent				-4.8%		2.0%

Schedule YL-1, Security Lights

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00496		Proposed	
			Rates	Revenues	Rates	Revenues
175 Watt	71,622	656,972	\$8.93	639,584	\$9.49	679,693
400 Watt	12,397	170,891	\$13.42	166,368	\$14.27	176,905
500 Watt	0	0	\$15.82	0	\$16.82	0
1,500 Watt	0	0	\$36.81	0	\$39.13	0
400 Watt Flood	3,303	61,545	\$18.14	59,916	\$19.28	63,682
kWh	<u>7,210,041</u>					
Billing adjustments						<u>0</u>
Total from base rates		889,408		<u>\$865,869</u>		<u>\$920,280</u>
Fuel adjustment		(1,872)				
Environmental surcharge		<u>1,992</u>				
Total revenues		<u>\$889,527</u>				
Amount				(\$23,539)		\$54,411
Percent				-2.65%		6.28%

Envirowatts

Description	Billing Determinants	Test Year Revenues	Normalized Case No. 2010-00496		Proposed	
			Rates	Revenues	Rates	Revenues
Envirowatts		1,158	\$0.02825	1,158	\$0.02825	1,158
kWh	<u>41,000</u>					
Billing adjustments				<u>0</u>		<u>0</u>
Total from base rates		1,158		<u>\$1,158</u>		<u>\$1,158</u>
Fuel adjustment						
Environmental surcharge						
Total revenues		<u>\$1,158</u>				
Amount				\$0		\$0
Percent				0.0%		0.0%

## Big Sandy Rural Electric Cooperative

Case No. 2012-00030

Computation of Rate of Return

August 31, 2011

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
Net margins	\$940,800	\$1,024,751
Non-cash patronage dividends	759,797	0
Interest on long-term debt	<u>979,583</u>	<u>1,024,751</u>
Total	<u><u>2,680,180</u></u>	<u><u>2,049,502</u></u>
<b>Net rate base</b>	<u><u>32,037,169</u></u>	<u><u>32,016,829</u></u>
Rate of return	<u>8.37%</u>	<u>6.40%</u>
<b>Equity Capitalization</b>	<u><u>31,174,503</u></u>	<u><u>38,066,709</u></u>
Rate of return	<u>8.60%</u>	<u>5.38%</u>

Witness: Alan Zumstein

## Big Sandy Rural Electric Cooperative

Case No. 2012-00030

Determination of Rate Base

August 31, 2011

	Actual <u>Test Year</u>	Adjusted <u>Test Year</u>
Gross rate base:		
Total electric plant	\$44,128,055	\$44,128,055
Material and supplies (13 months average for test year)	433,205	433,205
Prepayments (13 months average for test year)	68,289	68,289
Working capital: 12.5% of operating expense less cost of power	<u>578,058</u>	<u>591,842</u>
	45,207,607	45,221,391
Deductions from rate base:		
Accumulated depreciation	13,142,207	13,176,331
Consumer advances	<u>28,231</u>	<u>28,231</u>
Net rate base	<u><u>\$32,037,169</u></u>	<u><u>\$32,016,829</u></u>

	<u>Material</u>	<u>Prepayments</u>
August 2010	452,816	42,643
September	433,922	24,660
October	391,294	47,990
November	411,795	29,813
December	439,936	13,259
January 2011	462,132	140,588
February	457,595	124,095
March	428,139	103,202
April	428,548	91,192
May	435,606	87,343
June	431,693	68,312
July	434,614	66,559
August	423,577	48,096
Average	433,205	68,289

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Computation of Rate of Return  
August 31, 2011

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Test Year	Calendar Year					
	1st	2nd	3rd	4th	5th	
2011	2010	2009	2008	2007	2006	
Net margins	\$940,800	\$1,014,903	\$1,225,942	(\$20,214)	\$262,163	\$393,314
Interest on long-term debt	979,583	1,013,008	998,756	1,041,493	987,686	1,024,565
<b>Total</b>	<b>1,920,383</b>	<b>2,027,911</b>	<b>2,224,698</b>	<b>1,021,279</b>	<b>1,249,849</b>	<b>1,417,879</b>
Net rate base	32,003,045	31,633,696	30,768,030	30,414,717	29,952,352	27,180,963
<b>Rate of return</b>	<u>6.00%</u>	<u>6.41%</u>	<u>7.23%</u>	<u>3.36%</u>	<u>4.17%</u>	<u>5.22%</u>

Test Year	Calendar Year					
	1st	2nd	3rd	4th	5th	
2011	2010	2009	2008	2007	2006	
Return excluding G & T patronage dividends:						
Net margins	\$940,800	\$1,014,903	\$1,225,942	(\$20,214)	\$262,163	\$393,314
G & T patronage dividends	759,797	759,797	803,974	238,402	-	-
Interest on long-term debt	979,583	1,013,008	998,756	1,041,493	987,686	1,024,565
<b>Total</b>	<b>1,160,586</b>	<b>1,268,114</b>	<b>1,420,724</b>	<b>782,877</b>	<b>1,249,849</b>	<b>1,417,879</b>
Net rate base	32,003,045	31,633,696	30,768,030	30,414,717	29,952,352	27,180,963
<b>Rate of return, excluding G &amp; T</b>	<u>3.63%</u>	<u>4.01%</u>	<u>4.62%</u>	<u>2.57%</u>	<u>4.17%</u>	<u>5.22%</u>

Big Sandy Rural Electric Cooperative  
 Case No. 2012-00030  
 Determination of Rate Base  
 August 31, 2011

Test Year	Calendar Year					
	1st 2010	2nd 2009	3rd 2008	4th 2007	5th 2006	
<b>Gross rate base:</b>						
Total electric plant	\$44,128,055	\$42,891,178	\$41,214,274	\$39,625,015	\$38,553,391	\$35,563,256
Material and supplies (13 mo. ave t	433,205	439,936	363,929	323,593	311,606	276,293
Prepayments (13 mo. ave test year)	68,289	13,259	11,809	11,321	11,226	24,179
Working capital:						
12.5% of operating expense						
less cost of power	578,058	590,617	522,051	488,955	469,327	444,425
	<u>45,207,607</u>	<u>43,934,990</u>	<u>42,112,063</u>	<u>40,448,884</u>	<u>39,345,550</u>	<u>36,308,153</u>
<b>Deductions from rate base:</b>						
Accumulated depreciation	13,176,331	12,271,603	11,312,610	9,998,460	9,366,168	9,077,303
Consumer advances	28,231	29,691	31,423	35,707	27,030	49,887
	<u>13,204,562</u>	<u>12,301,294</u>	<u>11,344,033</u>	<u>10,034,167</u>	<u>9,393,198</u>	<u>9,127,190</u>
<b>Net rate base</b>	<u>\$32,003,045</u>	<u>\$31,633,696</u>	<u>\$30,768,030</u>	<u>\$30,414,717</u>	<u>\$29,952,352</u>	<u>\$27,180,963</u>

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**Big Sandy Rural Electric Cooperative**

**Case No. 2012-00030**

**TIER and DSC Calculations**

**August 31, 2011**

	<u>Actual</u> <u>Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
<b>TIER:</b>		
Margins, excluding G&T capital cr	\$181,003	\$1,024,751
Interest on long term debt	979,583	1,024,751
 TIER	 1.18	 2.00

<b>DSC:</b>		
Margins, excluding G&T capital credits	\$181,003	\$1,024,751
Depreciation expense	1,912,568	1,946,692
Interest on long term debt	979,583	1,024,751
Principal payment on long term debt	866,786	866,786
 DSC	 1.66	 2.11

$$\text{DSC} = \frac{\text{(Margins + depreciation + interest)}}{\text{(interest + principal payments)}}$$

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
TIER and DSC Calculations  
August 31, 2011

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**TIER calculations:**

Test Year	Calendar Year				
	1st	2nd	3rd	4th	5th
2011	2010	2009	2008	2007	2006

Margins, excluding G&T

capital credits	\$181,003	\$255,106	\$421,968	(\$258,616)	\$262,163	\$393,314
Interest on long term debt	979,583	1,013,008	998,756	1,041,493	987,686	1,024,565

**Modified TIER** 1.18 1.25 1.42 0.75 1.27 1.38

Margins, including G&T

capital credits	\$940,800	\$1,014,903	\$1,225,942	(\$20,214)	\$262,163	\$393,314
Interest on long term debt	979,583	1,013,008	998,756	1,041,493	987,686	1,024,565

**TIER** 1.96 2.00 2.23 0.98 1.27 1.38

**DSC calculations:**

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

Margins, excluding G&T

capital credits	\$181,003	\$255,106	\$421,968	(\$258,616)	\$262,163	\$393,314
Depreciation expense	1,912,568	1,865,647	1,823,818	1,277,338	1,231,836	1,163,292
Interest on long term debt	979,583	1,013,008	998,756	1,041,493	987,686	1,024,565

Principal payment on long term debt	866,786	840,320	828,037	791,166	755,180	711,339
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**Modified DSC** 1.66 1.69 1.78 1.12 1.42 1.49

Margins, including G&T

capital credits	\$940,800	\$1,014,903	\$1,225,942	(\$20,214)	\$262,163	\$393,314
Depreciation expense	1,912,568	1,865,647	1,823,818	1,277,338	1,231,836	1,163,292
Interest on long term debt	979,583	1,013,008	998,756	1,041,493	987,686	1,024,565

Principal payment on long term debt	866,786	840,320	828,037	791,166	755,180	711,339
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**DSC** 2.08 2.10 2.22 1.25 1.42 1.49

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Equity Capitalization  
August 31, 2011

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Proposed	Test Year 2011	Calendar Year				
		2010	2009	2008	2007	2006

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

Total margins and equities	15,952,820	15,824,149	15,436,318	14,354,013	12,936,206	12,987,786	13,859,671
Less G&T Patronage capital	0	6,763,535	6,003,738	5,199,764	4,961,362	4,961,362	4,961,362
	15,952,820	9,060,614	9,432,580	9,154,249	7,974,844	8,026,424	8,898,309
Long-term debt	22,113,889	22,113,889	22,804,191	21,644,511	22,472,549	20,383,715	19,638,895
Total	38,066,709	31,174,503	32,236,771	30,798,760	30,447,393	28,410,139	28,537,204
Equity capitalization ratio	<u>42%</u>	<u>29%</u>	<u>29%</u>	<u>30%</u>	<u>26%</u>	<u>28%</u>	<u>31%</u>

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

Total margins and equities	15,952,820	15,824,149	15,436,318	14,354,013	12,936,206	12,987,786	13,859,671
Long-term debt	22,113,889	22,113,889	22,804,191	21,644,511	22,472,549	20,383,715	19,638,895
Total	38,066,709	37,938,038	38,240,509	35,998,524	35,408,755	33,371,501	33,498,566
Equity capitalization ratio	<u>42%</u>	<u>42%</u>	<u>40%</u>	<u>40%</u>	<u>37%</u>	<u>39%</u>	<u>41%</u>

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

Total margins and equities	15,952,820	15,824,149	15,436,318	14,354,013	12,936,206	12,987,786	13,859,671
Total assets	43,384,700	43,196,020	43,567,259	42,268,165	40,342,900	38,641,644	37,094,558
Equity to total asset ratio	<u>37%</u>	<u>37%</u>	<u>35%</u>	<u>34%</u>	<u>32%</u>	<u>34%</u>	<u>37%</u>

**Big Sandy Rural Electric Cooperative****Case No. 2012-00030****Reconciliation of Rate Base and Capital****August 31, 2011**

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

Equity Capitalization, with	
G&T capital credits	37,938,038
G&T capital credits	<u>0</u>
	37,938,038
Reconciling items:	
Capital credits from associated organizations	
(Allocated but unpaid)	(7,800,583)
Working capital requirements	578,058
Material and supplies, 13 month average	433,205
Prepayments, 13 month average	68,289
Cash and temporary investments	(328,998)
Accounts receivable	(3,599,629)
Material and supplies	(423,577)
Prepayments	(57,385)
Accumulated operating provisions	1,549,083
Notes payable	500,000
Accounts payable	1,948,632
Consumer deposits	649,264
Accrued expenses	582,772
	<u>32,037,169</u>
Net Rate Base	<u><u>32,037,169</u></u>

EXH M

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
107.10	CWIP CONTRACTOR	2.00		2.00		107.10				
107.20	CWIP FORCE ACCOUNT	2.00		2.00		107.20				
107.21	CWIP - INDIRECT	2.00		2.00		107.21				
107.30	CWIP SPECIAL EQUIPMENT	2.00		2.00		107.30				
107.31	CWIP-OFFICE REMOBL E PROJECT	2.00		2.00		107.31				
108.60	ACCUM PROV DEPR DIST PLANT	4.00		4.00		108.60				
108.61	ACCUM.DEPR.DIST.PLANT A/C 364	4.00		4.00		108.61				
108.62	ACCUM DEPR.DIST.PLANT A/C 365	4.00		4.00		108.62				
108.63	ACCUM.DEPR.DIST.PLANT A/C 366	4.00		4.00		108.63				
108.64	ACCUM DEPR.DIST.PLANT. A/C 367	4.00		4.00		108.64				
108.65	ACCUM.DEPR.DIST.PLANT A/C 368	4.00		4.00		108.65				
108.66	ACCUM.DEPR.DIST.PLANT. A/C 369	4.00		4.00		108.66				
108.67	ACCUM.DEPR.DIST.PLANT.A/C 370	4.00		4.00		108.67				
108.68	ACCUM PERP.DIST.PLANT A/C 371	4.00		4.00		108.68				
108.69	ACCUM DEPR.DIST.PLANT A/C 362	4.00		4.00		108.69				
108.70	ACCUM PROV DEPR GENERAL PLANT	4.00		4.00		108.70				
108.71	ACCUM.DEPR.GEN.PLANT A/C 390.10	4.00		4.00		108.71				
108.72	ACCUM.DEPR.GEN.PLANT A/C 391	4.00		4.00		108.72				
108.73	ACCUM.DEPR.GEN.PLANT A/C 394	4.00		4.00		108.73				
108.74	ACCUM.DEPR.GEN.PLANT.A/C 395	4.00		4.00		108.74				
108.75	ACCUM.DEPR.GEN.PLANT A/C 396	4.00		4.00		108.75				
108.76	ACCUM.DEPR.GEN.PLANT A/C 397	4.00		4.00		108.76				
108.77	ACCUM.DEPR.GEN.PLANT A/C 398	4.00		4.00		108.77				
108.80	RETIREMENT WIP	4.00		4.00		108.80				
108.81	RETIREMENT WIP - INDIRECT	4.00		4.00		108.81				
108.90	RETIREMENT WIP CONTRACTOR	4.00		4.00		108.90				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
123.10	PATR CAP ASSOC CO OPS	8.00		8.00		123.10				
123.11	INVESTMENTS IN SUBSIDIARY COMPAN	7.00		7.00		123.11				
123.21	SUBSC.CAP.TERM CERT.CFC	40.00		40.00		123.21				
123.22	INVEST.CAP.TERM CERT. CFC	10.00		10.00		123.22				
123.23	OTHER INVEST.ASSOC.ORGIZ.	9.00		9.00		123.23				
124.00	OTHER INVESTMENTS	12.00		12.00		124.00				
131.10	CASH GENERAL PAYROLL CHECKS	15.00		15.00		131.10		042103253	CITIZENS NATIONAL BANK 00014125	
131.11	CORPORATION CONSTRUCTION ACCT.	15.00		15.00		131.11		051904524	CITY NATIONAL BANK 8003649103	
131.12	CASH GENERAL CITIZENS GEN CHECK	15.00		15.00		131.12		042103253	CITIZENS NATIONAL BANK 00014125	
131.13	CASH-GENERAL BSRECC FLEX-SPEND.	15.00		15.00		131.13		042103253	CITIZENS NATIONAL 00014125	
131.14	CASH GENERAL HOW\$MART	15.00		15.00		131.14		042103253	CITIZENS NATIONAL 20327151	
131.20	CASH CONST.FUND TRUSTEE	16.00		16.00		131.20		051904524	CITY NATIONAL BANK 2029871	
131.40	TRANSFER OF CASH	15.00		15.00		131.40		0	FIRST NATIONAL BANK 2029871	
134.00	OTHER SPECIAL DEPOSITS	17.00		17.00		134.00				
135.00	WORKING FUND PETTY CASH/SANDRA	15.00		15.00		135.00				
135.10	CHANGE FUND PRESTONSBURG OFFICE	15.00		15.00		135.10				
135.11	WORKING FUND-CHANGE	15.00		15.00		135.11				
135.12	WORKING FUND-CHANGE/	15.00		15.00		135.12				
135.13	WORKING FUND-CHANGE BARBARA	15.00		15.00		135.13				
135.20	WORKING FUND-CHANGE DENISE	15.00		15.00		135.20				
135.30	CHANGE FUND-PAINTSVILLE OFFICE	15.00		15.00		135.30				
135.40	WORKING FUND-CHANGE RHEA LYNN	15.00		15.00		135.40				
135.50	WORKING FUND-CHANGE	15.00		15.00		135.50				
135.60	WORKING FUND-CHANGE PRESTONSBURG	15.00		15.00		135.60				
135.70	WORKING FUND-CHANGE	15.00		15.00		135.70				
135.80	WORKING FUND-CHANGE PRESTONSBURG	15.00		15.00		135.80				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
135.90	WORKING FUND-CHANGE PRESTONSBURG	15.00		15.00		135.90				
136.00	TEMPORARY CASH INVESTMENTS	18.00		18.00		136.00				
136.10	TEMP.CASH INVST.6 MO CD'S	18.00		18.00		136.10				
136.20	TEMP.CASH INVST.MONEY MARKET	18.00		18.00		136.20				
136.30	TEMP CASH INVST CR UNION B.DAVIS	18.00		18.00		136.30				
136.40	TEMP CASH INVS HOMESTEAD/B.DAVIS	18.00		18.00		136.40				
142.10	CONS.ACCTS.RECEIVABLE ELECTRIC	20.00		20.00		142.10				
142.20	CASH PAYMT'S/CAP VOUCHERS	20.00		20.00		142.20				
143.00	OTHER ACCOUNTS RECEIVABLE	21.00		21.00		143.00				
143.10	OTHER ACCTS RECIV-EXPENSE ADVANC	21.00		21.00		143.10				
143.20	OTHER ACCTS.REC.WINTER CARE	21.00		21.00		143.20				
143.30	ACCTS.REC.NRECA PERSONAL LOAN	21.00		21.00		143.30				
143.40	AMERICAN FUNDS LOANS	21.00		21.00		143.40				
143.50	RELAY FOR LIFE DONATION	21.00		21.00		143.50				
143.60	OTHER ACCTS.REC.TOOLS DEDUCTIONS	21.00		21.00		143.60				
143.70	ACCOUNTS RECEIVABLE - MACED PROG	21.00		21.00		143.70				
143.80	MACED - NOTES RECEIVABLE	21.00		21.00		143.80				
143.90	CLEARING ACCT.OUTAGE LBR./PAY	21.00		21.00		143.90				
144.10	ACCUM PROV UNCOLLECT ACCTS CR	20.00		20.00		144.10				
144.40	ACCUM PROV OTHER UNCOLLECT CR	21.00		21.00		144.40				
154.00	PLANT MATERIAL & OPERATING SUPPLY	23.00		22.00		154.00				
155.00	MERCHANDISE	23.00		22.00		155.00				
155.10	OTHR.MERCHANDISE GAS/AUTO PARTS	23.00		22.00		155.10				
163.00	STORES EXPENSE UNDISTRIBUTED	23.00		22.00		163.00				
163.10	MINOR MATERIAL/ STORES EXPENSE	23.00		22.00		163.10				
165.10	PREPAYMENTS-INSURANCE	24.00		23.00		165.10				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
165.20	OTHER PREPAYMENTS-LICENSE FEES	24.00		23.00		165.20				
165.30	OTHER PREPAY-REGISTRATIONS	24.00		23.00		165.30				
165.40	OTHR PREPAY/MRG, OFFC, DIRC, INS	24.00		23.00		165.40				
165.50	OTHER PREPAY-DUES	24.00		23.00		165.50				
171.00	INTEREST & DIVIDENDS RECEIVABLE	25.00		24.00		171.00				
171.10	INTEREST & DIVIDENDS REC/OTHER	25.00		24.00		171.10				
183.00	PRELIM SERVAYS & INVESTGAT. CHGE	28.00		27.00		183.00				
184.00	TRANSPOTATION EXP. - INDIRECT	28.00		27.00		184.00				
184.10	TRANSPORTATION EXP CLEARING	28.00		27.00		184.10				
186.00	MISC. DEFERRED DEBITS	28.00		27.00		186.00				
186.10	MISC DEFERRED DEBITS-RATE CASE	28.00		27.00		186.10				
186.60	DEFERRED PAST SERVICE PENSION	28.00		27.00		186.60				
200.10	MEMBERSHIPS	30.00		29.00		200.10				
201.10	PATRONS CAPITAL CREDITS	31.00		30.00		201.10				
201.20	PATRONAGE CAPITAL CR.ASSIGNABLE	31.00		30.00		201.20				
208.00	DONATED CAPITAL	35.00		34.00		208.00				
208.10	DONATED CAPITAL/CAPITAL CREDITS	35.00		34.00		208.10				
215.30	OTHER COMPREHENSIVE INCOME/FASB	35.00		34.00		215.30				
217.00	RETIRED CAPITAL CREDIT-GAIN	35.00		34.00		217.00				
217.10	RETIRED CAP.CR. GAIN-DISCOUNT \$	35.00		34.00		217.10				
219.10	OPERATING MARGINS	33.00		32.00		219.10				
219.20	NON OPERATING MARGINS	34.00		33.00		219.20				
219.30	OTHER MARGINS	35.00		34.00		219.30				
224.11	OTHER LONG TERM DEBT-SUBSC.	40.00		40.00		224.11				
224.12	OTHER LONG TERM DEBT-CFC	40.00		40.00		224.12				
224.13	CFC NOTES EXUC.-DEBIT/REFINANCED	40.00		40.00		224.13				



ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
224.14	OTH LONG TERM DEBT-PAST SVC COST	40.00		40.00		224.14				
224.15	NOTES EXECUTED-OTHER DEBIT	40.00		40.00		224.15				
224.16	CO-BANK NOTES EXECUTED	40.00		40.00		224.16				
224.20	FFB NOTES EXUC.	40.00		40.00		224.20				
224.21	FFB NOTES EXUC CONST DEBT	40.00		40.00		224.21				
224.30	LONG TERM DEBT-RUS NOTES EXUC	37.00		36.00		224.30				
224.40	RUS NOTES EXUC CONST DEBT	37.00		36.00		224.40				
224.50	INT ACCR DEFERRED RUS CONST	37.00		36.00		224.50				
224.60	ADV PAY UNAPPLYD LONG TERM DEBT	37.00		36.00		224.60				
224.70	MACED - NOTES PAYABLE	37.00		36.00		224.70				
228.30	ACCUM PROV PENSIONS/BENEFITS	45.00		43.00		228.30				
231.00	NOTES PAYABLE	47.00		45.00		231.00				
232.10	ACCOUNTS PAYABLE GENERAL	48.00		46.00		232.10				
232.25	ACCTS.PAYABLE LEASED VEHICLE	48.00		46.00		232.25				
232.26	ACCTS. PAYABLE FINANCED VEHICLE	48.00		46.00		232.26				
232.30	ACCTS PAYABLE INSPECT/SPRAYING	48.00		46.00		232.30				
232.40	ACCTS PAYABLE-WHOLESALE POWER	48.00		46.00		232.40				
232.50	ACCTS PAYABLE/PSC ASSMT	48.00		46.00		232.50				
232.60	ACCTS PAY/CFC/ZTC 11/03 TO 06/04	48.00		46.00		232.60				
232.70	ACCTS PAYABLE/SECURE WORKS IPS	48.00		46.00		232.70				
232.80	ACCTS PAYABLE CHILD SUPPORT	48.00		46.00		232.80				
232.90	ACCTS PAYBLE TWACS SUPPORT AGRMT	48.00		46.00		232.90				
234.00	ACCTS PAYABLE ASSOC COMPANIES	48.00		46.00		234.00				
235.00	CONSUMER DEPOSITS	49.00		47.00		235.00				
235.10	CONSUMER DEPOSITS-COMMERCIAL	49.00		47.00		235.10				
236.10	ACCURED PROPERTY TAX	53.00		51.00		236.10				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
236.20	ACCRD US SOC SECURITY UNEMPLMEN	53.00		51.00		236.20				
236.30	ACCRD US SOC SECURITY TAX FICA	53.00		51.00		236.30				
236.40	ACCRD STATE SOC SECURITY UNEMP	53.00		51.00		236.40				
236.50	ACCRUED STATE SALES TAX	53.00		51.00		236.50				
237.10	ACCRUED RUS INT CONST OBLIG	53.00		51.00		237.10				
237.20	FFB INTEREST ACCRUED	53.00		51.00		237.20				
237.30	OTHER INTEREST ACCRUED	53.00		51.00		237.30				
237.40	ACCRUED INT.-SHORT TERM LOAN	53.00		51.00		237.40				
237.50	OTHER INT ACCRUED CONSUMER DEP	53.00		51.00		237.50				
237.60	CO-BANK - ACCRUED INTEREST	53.00		51.00		237.60				
238.10	PATRONAGE CAPITAL PAYABLE	53.00		51.00		238.10				
241.00	TAX COLLECTION PAYBLE FEDERAL	53.00		51.00		241.00				
241.10	SCHOOL TAX -MARTIN COUNTY	53.00		51.00		241.10				
241.11	MARTIN COUNTY OCCUPATIONAL TAX	53.00		51.00		242.11				
241.20	TAX COLLECTION PAY-CITY TAX	53.00		51.00		241.20				
241.30	TAX COLLECT PAYBLE ST INCOME TAX	53.00		51.00		241.30				
241.40	SCHOOL TAX-BREATHITT COUNTY	53.00		51.00		241.40				
241.50	SCHOOL TAX-JOHNSON COUNTY	53.00		51.00		241.50				
241.60	SCHOOL TAX LAWRENCE COUNTY	53.00		51.00		241.60				
241.70	SCHOOL TAX-MAGOFFIN COUNTY	53.00		51.00		241.70				
241.80	SCHOOL TAX-KNOTT COUNTY	53.00		51.00		241.80				
241.90	JOHNSON COUNTY OCCUPATIONAL TAX	53.00		51.00		241.90				
242.10	BSRECC FLEX-SPENDING PLAN	53.00		51.00		242.10				
242.11	CUR/ACCRUED LIAB-CANCER INS	53.00		51.00		242.11				
242.12	CURR.ACCR.D.LIAB-COLONIAL INS	53.00		51.00		242.12				
242.13	CUR.ACCR.D.LIAB/COMMONWEALTH INS	53.00		51.00		242.13				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
242.14	CURR.ACCRD.LIAB/DENTAL INS	53.00		51.00		242.14				
242.15	CURR.ACCRD.LIAB/TWACS SUPPORT	53.00		51.00		242.15				
242.16	CURR.ACCRD.LIAB/AUTO USE	53.00		51.00		242.16				
242.17	CURR ACCRD LIAB 401K ALL EMP	53.00		51.00		242.17				
242.18	CURR.ACCR.LIB.401K OTSD/PAY DED.	53.00		51.00		242.18				
242.19	AMERICAN FUNDS 401-K OUTSIDE %	53.00		51.00		242.19				
242.20	ACCRUED PAYROLL	53.00		51.00		242.20				
242.30	ACCRUED EMPLOYEE VACATION	53.00		51.00		242.30				
242.31	ACCRUED EMPLOYEE SICK LEAVE	53.00		51.00		242.31				
242.40	EMPLOYEE PAID HEALTH INSIRANCE	53.00		51.00		242.40				
242.50	CURR.ACCRD.LIAB.MEETNG/AUDIT	53.00		51.00		242.50				
242.60	CURR.ACCRD.LIAB/DEPENDENT LIFE	53.00		51.00		242.60				
242.80	CURR.ACCRD.LIAB/CREDIT UNION	53.00		51.00		242.80				
242.90	CURR.ACCRD.LIAB/UNION DUES	53.00		51.00		242.90				
252.00	CONSUMER ADVANCE CONSTRUCTION	56.00		55.00		252.00				
253.00	OTHER DEFERRED CREDITS	56.00		55.00		253.00				
360.00	LAND & LAND RIGHTS	1.00		1.00		360.00				
362.00	STATION EQUIPMENT	1.00		1.00		362.00				
364.00	POLES,TOWERS &FIXTURES	1.00		1.00		364.00				
365.00	OVERHEAD CONDUCTORS & DEVICES	1.00		1.00		365.00				
366.00	UNDERGROUND CONDUIT	1.00		1.00		366.00				
367.00	UNDERGROUND COND.& DEVICES	1.00		1.00		367.00				
368.00	LINE TRANSFORMERS	1.00		1.00		368.00				
369.00	SERVICES	1.00		1.00		369.00				
370.00	METERS	1.00		1.00		370.00				
371.00	INST. ON CONSUMER PREMISES	1.00		1.00		371.00				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
389.00	LAND & LAND RIGHTS	1.00		1.00		389.00				
390.10	STRUCTURES & IMPROVEMENTS	1.00		1.00		390.10				
391.00	OFFICE FURNITURE & EQUIPMENT	1.00		1.00		391.00				
392.00	TRANSPORTATION EQUIPMENT	1.00		1.00		392.00				
394.00	TOOLS, SHOP, GARAGE EQUIPMENT	1.00		1.00		394.00				
395.00	LABORATORY EQUIPMENT	1.00		1.00		395.00				
396.00	POWER OPERATED EQUIPMENT	1.00		1.00		396.00				
397.00	COMMUNICATIONS EQUIPMENT	1.00		1.00		397.00				
398.00	MISCELLANEOUS EQUIPMENT	1.00		1.00		398.00				
403.60	DEPR EXPENSE DISTRIBUTION PLANT	33.00	13.00	32.00	12.00	219.10				
403.70	DEPR EXPENSE GENERAL PLANT	33.00	13.00	32.00	12.00	219.10				
408.10	TAXES-PROPERTY	33.00	14.00	32.00	13.00	219.10				
408.20	TAXES US SOCIAL SECURITY UMEMP	33.00	15.00	32.00	14.00	219.10				
408.30	TAXES US SOCIAL SECURITY FICA	33.00	15.00	32.00	14.00	219.10				
408.40	TAXES STATE SOCIAL SEC.UNEMP	33.00	15.00	32.00	14.00	219.10				
408.70	TAXES OTHER REGULATORY COMMISSION.	33.00	15.00	32.00	14.00	219.10				
415.00	REVENUE FROM MERCHANDISING	34.00	25.00	33.00	24.00	219.10				
419.00	INTEREST & DIVIDEND INCOME	34.00	22.00	33.00	21.00	219.20				
421.10	GAIN ON DISPOSITION OF PROPERTY	34.00	25.00	33.00	24.00	219.20				
421.20	LOSS ON DISPOSITION OF PROPERTY	34.00	25.00	33.00	24.00	219.20				
423.00	GENERATION & TRANSM.CAPITAL CR.	33.00	26.00	32.00	25.00	219.10				
424.00	OTHR CAP.CR.& PATR.CAP.ALLOC	33.00	27.00	32.00	26.00	219.10				
426.10	DONATIONS	33.00	19.00	32.00	18.00	219.10				
426.30	PENALTIES	33.00	19.00	32.00	18.00	219.10				
426.40	EXPENDITURE CIVIC & POLITICAL	33.00	19.00	32.00	18.00	219.10				
426.50	OTHER DEDUCTIONS	33.00	19.00	32.00	18.00	219.10				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
427.10	INT.ON RUS CONSTRUCTION LOAN	33.00	16.00	32.00	15.00	219.10				
427.20	INT.ON OTHER LONG TERN DEBT	33.00	16.00	32.00	15.00	219.10				
427.30	INTEREST ON FFB NOTES	33.00	16.00	32.00	15.00	219.10				
427.40	INTEREST ON CO-BANK NOTES	33.00	16.00	32.00	15.00	219.10				
428.00	AMORT.OF DEBT DISCOUNT	33.00	19.00	32.00	18.00	219.10				
431.00	OTHER INTEREST EXPENSE	33.00	18.00	32.00	17.00	219.10				
431.10	OTHER INT EXP.SHORT TERM LOAN	33.00	18.00	32.00	17.00	219.10				
431.20	INTEREST EKP INEZ 69KV LINE PROJ	33.00	18.00	32.00	17.00	219.10				
431.30	INT.EXP.FARM CREDIT LEASE/TRUCK	33.00	18.00	32.00	17.00	219.10				
435.10	CUMULATIVE EFFECTS PRIOR YEARS	33.00	28.00	32.00	27.00	219.20				
440.10	RESIDENTIAL SALES-RURAL	33.00	1.00	32.00	1.00	219.10				
442.10	COMM.& INDUST.SALES-SMALL	33.00	1.00	32.00	1.00	219.10				
442.20	COMM. & INDUST.SALES-LARGE	33.00	1.00	32.00	1.00	219.10				
450.00	FORFEITED DISCOUNTS	33.00	1.00	32.00	1.00	219.10				
451.00	MISC.SERVICE REVENUES	33.00	1.00	32.00	1.00	219.10				
454.00	RENT FROM ELECTRIC PROPERTY	33.00	1.00	32.00	1.00	219.10				
456.00	OTHER ELECTRIC REVENUE	33.00	1.00	32.00	1.00	219.10				
555.00	PURCHASED POWER	33.00	3.00	32.00	3.00	219.10				
580.00	OPERATIONS & SUPERVSON ENGR.	33.00	6.00	32.00	5.00	219.10				
582.00	STATION EXPENSE	33.00	6.00	32.00	5.00	219.10				
583.00	OVERHEAD LINE EXPENSE	33.00	6.00	32.00	5.00	219.10				
586.00	METER EXPENSE	33.00	6.00	32.00	5.00	219.10				
586.10	METER EXPENSE TWACS SYSTEM	33.00	6.00	32.00	5.00	219.10				
587.00	CONSUMER INSTALLATION EXPENSE	33.00	6.00	32.00	5.00	219.10				
588.00	MIS.DISTRIBUTION EXPENSE	33.00	6.00	32.00	5.00	219.10				
588.10	MAPPING EXPENSE/GPS SYSTEM	33.00	6.00	32.00	5.00	219.10				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
589.00	RENTS	33.00	6.00	32.00	5.00	219.10				
590.00	MAINT.SUPERVSN.ENGR.	33.00	7.00	32.00	6.00	219.10				
592.00	MAINTENANCE STATION EQUIPMENT	33.00	7.00	32.00	6.00	219.10				
593.00	MAINT.OVERHEAD LINES	33.00	7.00	32.00	6.00	219.10				
593.10	MAINT.OVERHEAD LINES R/W	33.00	7.00	32.00	6.00	219.10				
593.20	OVERHEAD LINES R/W-CONTRACTOR	33.00	7.00	32.00	6.00	219.10				
595.00	MAINT.LINE TRANSFORMERS	33.00	7.00	32.00	6.00	219.10				
597.00	MAINT. OF METERS	33.00	7.00	32.00	6.00	219.10				
598.00	MAINT.MISC.DISTRIBUTION PLANT	33.00	7.00	32.00	6.00	219.10				
901.00	SUPERVISION	33.00	8.00	32.00	7.00	219.10				
902.00	METER READING EXPENSE	33.00	8.00	32.00	7.00	219.10				
903.00	CONSUMER RECD'S COLLECTION EXP	33.00	8.00	32.00	7.00	219.10				
903.10	CONS.RECD'S EXP.OVER/SHORT	33.00	8.00	32.00	7.00	219.10				
904.00	UNCOLLECTIBLE ACCOUNTS	33.00	8.00	32.00	7.00	219.10				
908.00	CONSUMER ASSISTANCE EXPENSE	33.00	9.00	32.00	8.00	219.10				
909.00	INFORMATION & INSTRUCTION EXP	33.00	9.00	32.00	8.00	219.10				
912.00	DEMONSTRATING & SELLING EXP	33.00	10.00	32.00	9.00	219.10				
913.00	ADVERTISING EXPENSE	33.00	10.00	32.00	9.00	219.10				
920.00	ADMINISTRATIVE SALARIES	33.00	11.00	32.00	10.00	219.10				
921.00	OFFICE SUPPLIES & EXPENSE	33.00	11.00	32.00	10.00	219.10				
923.00	OUTSIDE SERVICE EMPLOYED	33.00	11.00	32.00	10.00	219.10				
924.00	PROPERTY INSURANCE	33.00	11.00	32.00	10.00	219.10				
925.00	INJURIES & DAMAGES	33.00	11.00	32.00	10.00	219.10				
926.00	EMPLOYEE PENSIONS & BENEFITS	33.00	11.00	32.00	10.00	219.10				
926.10	EMP.PENSIONS & BENEFITS RETIR IN	33.00	11.00	32.00	10.00	219.10				
926.20	EMP.PENSIONS/BENEFITS PAST SVC	33.00	11.00	32.00	10.00	219.10				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT ABA NBR	BANK NAME BANK ACCOUNT	ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE					
926.30	EMPLOYEE BENEFITS/SAVINGS	33.00	11.00	32.00	10.00	219.10				
928.00	REGULATORY COMMISSION EXP	33.00	11.00	32.00	10.00	219.10				
929.00	DUP.CHGES.CR.(CO-OP USED KWH)	33.00	11.00	32.00	10.00	219.10				
930.10	GENERAL ADVERTISING EXPENSE	33.00	11.00	32.00	10.00	219.10				
930.11	DIRECTORS PER DIEM	33.00	11.00	32.00	10.00	219.10				
930.12	DIRECTORS MILEAGE	33.00	11.00	32.00	10.00	219.10				
930.13	DIRECTORS EXPENSES	33.00	11.00	32.00	10.00	219.10				
930.20	MISC. GENERAL EXPENSE	33.00	11.00	32.00	10.00	219.10				
931.00	RENTS	33.00	11.00	32.00	10.00	219.10				
935.00	MAINT.GENERAL PLANT	33.00	11.00	32.00	10.00	219.10				
999.99	ACCOUNT FOR FIXED JOURNAL ENTRIE					999.99				
TOTAL ACCOUNTS		271								
		INCOME 80								
		BAL/SHEET 191								

Kentucky 58  
Big Sandy Rural Electric  
Cooperative Corporation  
Paintsville, Kentucky  
Audited Financial Statements  
December 31, 2011

W. Dudley Shryock, CPA, PSC  
Certified Public Accountant  
145 College Street  
Lawrencburb, Kentucky 40342



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**W. DUDLEY SHRYOCK, CPA, PSC**  
CERTIFIED PUBLIC ACCOUNTANTS

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LAWRENCEBURG, KY 40342  
(502) 839-8112

MEMBER AICPA

MEMBER KY SOCIETY  
OF CPAs

**Independent Auditor's Report**

To the Board of Directors  
Big Sandy Rural Electric Cooperative Corporation

I have audited the balance sheet of Big Sandy Rural Electric Cooperative Corporation, as of December 31, 2011, and the related statements of income and patronage capital and cash flows for the year then ended. These financial statements are the responsibility of Big Sandy Rural Electric Cooperative Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of Big Sandy Rural Electric Cooperative Corporation as of December 31, 2010, were audited by other auditors whose report dated January 23, 2011, expressed an unqualified opinion on those statements.

I conducted my audit 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 audits 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 audit provides 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 Big Sandy Rural Electric Cooperative Corporation as of December 31, 2011, and the results of operations and cash flows for the year 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 April 11, 2012, on my consideration of Big Sandy 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.

*W. Dudley Shryock*  
W. Dudley Shryock, CPA  
April 11, 2012

**W. DUDLEY SHRYOCK, CPA, PSC**  
CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 542  
145 COLLEGE STREET  
LAWRENCEBURG, KY 40342  
(502) 839-8112

MEMBER AICPA

MEMBER KY SOCIETY  
OF CPA'S

To the Board of Directors  
Big Sandy Rural Electric Cooperative Corporation

I have audited the financial statements of Big Sandy Rural Electric as of and for the year ended December 31, 2011, and have issued my report thereon dated April 11, 2012. 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.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Big Sandy's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Big Sandy's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Big Sandy's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

To the Board of Directors  
Big Sandy Rural Electric Cooperative Corporation  
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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Big Sandy's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

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

*W. Dudley Shryock*  
W. Dudley Shryock, CPA  
April 11, 2012

Big Sandy Rural Electric Cooperative Corporation

Balance Sheets, December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Electric Plant, at original cost:		
In service	\$ 44,366,590	\$ 42,622,215
Under construction	282,674	268,963
	<u>44,649,264</u>	<u>42,891,178</u>
Less accumulated depreciation	13,453,190	12,271,603
	<u>31,196,074</u>	<u>30,619,575</u>
Investments in Associated Organizations	<u>9,185,532</u>	<u>7,784,481</u>
Current Assets:		
Cash and cash equivalents	834,434	478,074
Accounts receivable, less allowance for 2011 of \$117,710 and 2010 of \$117,927	3,250,404	3,808,749
Other receivables	250,660	421,854
Material and supplies, at average cost	391,186	439,936
Other current assets	19,706	14,590
	<u>4,746,390</u>	<u>5,163,203</u>
Total	<u>\$ 45,127,996</u>	<u>\$ 43,567,259</u>
<u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$ 232,340	\$ 231,875
Patronage capital	17,925,364	16,243,291
Other equities	(214,499)	(266,840)
Accumulated other comprehensive income	(660,528)	(772,008)
	<u>17,282,677</u>	<u>15,436,318</u>
Long Term Debt	<u>21,337,229</u>	<u>21,904,191</u>
Accumulated Postretirement Benefits	<u>1,547,992</u>	<u>1,549,573</u>
Current Liabilities:		
Short term borrowings	500,000	-
Accounts payable	2,353,311	2,763,589
Current portion of long term debt	925,000	900,000
Consumer deposits	664,277	617,940
Accrued expenses	490,588	365,958
	<u>4,933,176</u>	<u>4,647,487</u>
Consumer Advances	<u>26,922</u>	<u>29,690</u>
Total	<u>\$ 45,127,996</u>	<u>\$ 43,567,259</u>

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

Statements of Revenue and Patronage Capital  
for the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues	<u>\$ 26,431,734</u>	<u>\$ 26,163,695</u>
Operating Expenses:		
Cost of power	18,824,313	18,296,515
Distribution - operations	838,615	948,310
Distribution - maintenance	1,305,834	1,564,379
Consumer accounts	779,820	761,261
Customer services	142,334	116,174
Sales	9,238	3,305
Administrative and general	1,217,374	1,331,506
Depreciation, excluding \$199,786 in 2011 and \$199,786 in 2010 charged to clearing account	1,939,171	1,865,647
Taxes, other than income	26,017	24,432
Other deductions	17,358	11,376
	<u>25,100,074</u>	<u>24,922,905</u>
Operating margins before interest charges	<u>1,331,660</u>	<u>1,240,790</u>
Interest Charges:		
Long-term debt	926,623	1,013,009
Other	98,703	94,573
	<u>1,025,326</u>	<u>1,107,582</u>
Operating margins after interest charges	<u>306,334</u>	<u>133,208</u>
Nonoperating Margins		
Interest income	30,888	29,916
Others	-	11,950
	<u>30,888</u>	<u>41,866</u>
Patronage Capital Credits	<u>1,427,206</u>	<u>839,829</u>
Net Margins	1,764,428	1,014,903
Patronage Capital, beginning of year	16,243,291	15,317,010
Refunds to estates of deceased members	(40,488)	(60,170)
Transfers to prior year's deficits and other equities	<u>(41,867)</u>	<u>(28,452)</u>
Patronage Capital, end of year	<u>\$ 17,925,364</u>	<u>\$ 16,243,291</u>

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

Statements of Cash Flows  
for the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Cash Flows from Operating Activities:</b>		
Net margins (deficit)	\$ 1,764,428	\$ 1,014,903
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation:		
Charged to expense	1,939,171	1,865,647
Charged to clearing accounts	199,786	199,786
Patronage capital credits assigned	(1,427,206)	(839,829)
Accumulated postretirement benefits	109,899	125,873
Change in assets and liabilities:		
Receivables	729,539	(360,254)
Material and supplies	48,750	(76,006)
Other assets	(5,116)	3,385
Payables	(410,278)	428,008
Consumer deposits and advances	43,569	(11,240)
Accrued expenses	124,630	(74,097)
	<u>3,117,172</u>	<u>2,276,176</u>
<b>Cash Flows from Investing Activities:</b>		
Plant additions	(2,403,952)	(2,584,614)
Plant removal costs	(304,499)	(361,847)
Salvage recovered from retired plant	(7,005)	163,117
Receipts from other investments, net	26,155	40,005
	<u>(2,689,301)</u>	<u>(2,743,339)</u>
<b>Cash Flows from Financing Activities:</b>		
Net increase in memberships	465	890
Refund of patronage capital to members	(40,488)	(60,170)
Increase in other equities	10,474	15,203
Short term borrowings	500,000	(1,300,000)
Payments on long term debt	(861,756)	(840,320)
Advances of long term debt	1,000,000	2,000,000
Advance payments	(680,206)	-
	<u>(71,511)</u>	<u>(184,397)</u>
Net increase in cash	356,360	(651,560)
Cash and cash equivalents, beginning of year	<u>478,074</u>	<u>1,129,634</u>
Cash and cash equivalents, end of year	<u>\$ 834,434</u>	<u>\$ 478,074</u>
<b>Supplemental cash flows information:</b>		
Interest paid on long-term debt	\$ 843,442	\$ 1,002,053

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

## Notes to Financial Statements

### Note 1. Summary of Significant Accounting Policies

Big Sandy Rural Electric Cooperative (“Big Sandy”) maintains its records in accordance with the 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, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead cost including any construction period interest and taxes. There was no interest required to be capitalized during 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 units of property replaced or retired, including cost of removal, net of any salvage value, is charged to accumulated depreciation. Electric plant consists of:

	<u>2011</u>	<u>2010</u>
Distribution plant	\$40,831,572	\$39,488,447
General plant	<u>3,535,018</u>	<u>3,133,768</u>
Total	<u>\$44,366,590</u>	<u>\$42,622,215</u>

**Depreciation** Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Depreciation rates range from 2.2% to 6.67%, with a composite rate of 4.7% for distribution plant. General plant rates range from 2.5% to 17%.

**Cash and Cash Equivalents** Big Sandy considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

**Off Balance Sheet Risk** Big Sandy 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 December 31, 2011, the financial institutions reported deposits in excess of the \$250,000 FDIC insured limit on several of the accounts.

**Revenue** Big Sandy records revenue as billed to its consumers based on monthly meter-readings through the end of the month. All consumers are required to pay a refundable deposit, however, it may be waived under certain circumstances. Big Sandy’s sales are concentrated in a six county area of southeastern Kentucky. There were no consumers whose individual account balance exceeded 10% of outstanding accounts receivable at December 31, 2011 or 2010. 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** Big Sandy is one of sixteen members of East Kentucky Power Cooperative, Inc. (“East Kentucky”). Under a wholesale power agreement, Big Sandy is committed to purchase its electric power and energy requirements from East Kentucky until 2051. The rates charged by East Kentucky 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 East Kentucky.

**Estimates** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.



## Notes to Financial Statements

### Note 1. Summary of Significant Accounting Policies, continued

**Fair Value Measurements** The Fair Value Measurements and Disclosures Topic of the FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous, market for the asset or liability in an orderly transaction between market participants at the measurement date. The Fair Values Measurements Topic establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs when possible. The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices (unadjusted) or identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices of similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The carrying amounts of Big Sandy's cash and cash equivalents, other receivables, investments, inventories, other assets, trade accounts payable, accrued expenses and liabilities, and other liabilities approximate fair value due to their short maturity. Investments in associated organizations are not considered a financial instrument because they represent nontransferable interests in associated organizations. Other assets and liabilities are not considered financial instruments because they represent activities specifically related to Big Sandy. Long term debt can not be traded in the market, and is specifically for electric cooperatives and, therefore, a value other than its outstanding principal cannot be determined.

Big Sandy may, and also does, will also invest idle funds in local banks and in National Rural Utilities Cooperative Finance Corporation ("CFC") commercial paper. These investments are classified as held-to-maturity in accordance with provisions of the *Financial Instruments Topic* of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"). Held-to-maturity securities are presented at amortized cost. The fair value of held-to-maturity securities approximates cost at 2011 and 2010.

**Risk Management** Big Sandy is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

**Income Tax Status** Big Sandy 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.

Effective January 1, 2008, Big Sandy adopted the provisions of the *Income Taxes Topic* of the FASB ASC that pertains to accounting for uncertainty in income taxes. Big Sandy had no prior unrecognized tax benefits as a result of the implementation. Management evaluates its potential exposures from tax positions taken that have or could be challenged by taxing authorities. These potential exposures result because taxing authorities may take positions that differ from those taken by management in the interpretation and application of statutes, regulations, and rules. There are no tax positions for which the ultimate deductibility is highly uncertain included in the accompanying financial statements. Big Sandy recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Big Sandy did not recognize any interest or penalties during the years ended December 31, 2011 or 2010.

## Notes to Financial Statements

### Note 1. Summary of Significant Accounting Policies, continued

**Advertising** Big Sandy expenses advertising costs as incurred.

**Subsequent Events** Management has evaluated subsequent events through April 11, 2012, the date the financial statements were available to be issued. There were no significant subsequent events to report.

### Note 2. Investments in Associated Organizations

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

The Capital Term Certificates ("CTCs") of CFC are recorded at cost. The CTCs were purchased from CFC as a condition of obtaining long-term financing. The CTCs bear interest at 3% and 5% and are scheduled to mature at varying times from 2020 to 2080.

Investments in associated organizations consist of:

	<u>2011</u>	<u>2010</u>
East Kentucky, patronage capital	\$8,131,313	\$6,763,535
CFC, CTC's	531,907	532,894
CFC, patronage capital	171,753	156,835
Other associated organizations	<u>350,559</u>	<u>331,217</u>
Total	<u>\$9,185,532</u>	<u>\$7,784,481</u>

### Note 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 the net margins for the next preceding year, Big Sandy may distribute the difference between 25% and the payments made to such estates. The equity at December 31, 2011 was 38% of total assets. Included in other equities are \$645,408 of losses that will be offset with future years' non operating margins.

Patronage capital consists of:

	<u>2011</u>	<u>2010</u>
Assigned to date	\$18,571,749	\$17,598,712
Assignable margins	1,764,427	1,014,903
Retirements to date	<u>(2,410,812)</u>	<u>(2,370,324)</u>
Total	<u>\$17,925,364</u>	<u>\$16,243,291</u>

## Notes to Financial Statements

### Note 4. Accumulated Other Comprehensive Income

The changes in accumulated other comprehensive income, which includes the effects of applying the provisions of *Compensation – Retirement Benefits* of the FASB ASC. The effects on accumulated postretirement benefits are as follows:

	<u>2011</u>	<u>2010</u>
Balance, beginning of period	(\$772,008)	(\$883,488)
Amortization	111,480	111,480
Adjustments	-	-
Balance, end of period	<u>(\$660,528)</u>	<u>(\$772,008)</u>

### Note 5. Long Term Debt

All assets, except vehicles, are pledged as collateral on the long term debt to RUS, Federal Financing Bank (“FFB”), CFC, and National Bank for Cooperatives (“CoBank”) under a joint mortgage agreement. First mortgage notes consist of:

	<u>2011</u>	<u>2010</u>
RUS, 0.22% to 4.93%	\$9,213,292	\$9,439,271
Advance payments	(689,595)	-
	<u>8,523,697</u>	<u>9,439,271</u>
FFB, 0.140% and 4.472%	9,030,799	8,166,339
CoBank, 3.26%	860,958	-
CFC:		
3.25% to 6.40% notes	1,433,486	2,440,537
Refinance RUS loans 5.10% to 5.70%	2,413,289	2,758,044
	<u>3,846,775</u>	<u>5,198,581</u>
	22,262,229	22,804,191
Less current portion	925,000	900,000
Long term portion	<u>\$21,337,229</u>	<u>\$21,904,191</u>

The long term debt is due in quarterly and monthly installments of varying amounts through 2039. The 3.25% to 6.46% notes due CFC are available for repricing every 7 years to either a variable or fixed rate. RUS assess 12.5 basis points to administer the FFB loans. Big Sandy has loan funds available from FFB in the amount of \$7,397,000. These funds will be used for future plant additions. During 2011 \$860,958 of CFC loans were refinanced with proceeds from CoBank.

As of December 31, 2011, the annual principal portion of long term debt outstanding for the next five years are as follows: 2011 - \$925,000; 2012 - \$950,000; 2013 - \$975,000; 2014 - \$1,000,000; 2015 - \$1,025,000.

### Note 6. Short Term Borrowings

At December 31, 2011, Big Sandy had short term lines of credit of \$2,500,000 available from CFC and \$2,000,000 from CoBank. Big Sandy has advances against the CoBank line of credit during the audit period in the amount of \$500,000 at an interest rate of 3.05%.

## Notes to Financial Statements

### Note 7. Pension Plans

All eligible non-union employees of Big Sandy 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. Big Sandy makes annual contributions to the Program equal to the amounts accrued for pension expense. Contributions to this plan were \$229,368 for 2011 and \$252,902 for 2010. In this multiemployer plan, which is available to all member corporations of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer.

All eligible union employees participate in the American Funds Retirement Planning Center's 401(k) Savings Plan. This plan was converted from NRECA effective January 1, 2010. Big Sandy contributes 6% of base wages to the plan. The Corporation contributions to the plan totaled \$73,193 in 2011 and \$56,027 in 2010.

### Note 8. Postretirement Benefits

Big Sandy sponsors a defined benefit plan that provides medical insurance coverage to retirees and their dependents. Participating retirees and dependents do not contribute to the projected cost of coverage. For measurement purposes, an annual rate of increase of 8% in 2010, then decreasing by 0.5% per year until 5% per year, in the per capita cost of covered health care benefit was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 6.0%.

The funded status of the plan is as follows:

	<u>2011</u>	<u>2010</u>
Projected benefit obligation	(\$1,547,992)	(\$1,549,573)
Plan assets at fair value	-	-
Funded status	<u>(\$1,547,992)</u>	<u>(\$1,549,573)</u>

The components of net periodic postretirement benefit costs are as follows:

	<u>2011</u>	<u>2010</u>
Benefit obligation - beginning of period	\$1,549,573	\$1,535,180
Net periodic benefit cost:		
Service cost	81,073	81,457
Interest cost	92,927	92,543
Amortize gains/losses	<u>111,480</u>	<u>111,480</u>
Net period cost	285,480	285,480
Amortize comprehensive income	(111,480)	(111,480)
Benefit payments to participants	<u>(175,581)</u>	<u>(159,607)</u>
Benefit obligation - end of period	<u>\$1,547,992</u>	<u>\$1,549,573</u>

Projected retiree benefit payments for the next five years are expected to be as follows: 2012 - \$183,000; 2013 - \$185,000; 2014 - \$187,000; 2015 - \$189,000; 2016 - \$181,000.

### Note 9. Related Party Transactions

Several of the Directors of Big Sandy and its President & General Manager are on the Boards of Directors of various associated organizations. One director is an employee of a local bank where Big Sandy conducts some of its banking functions.

## Notes to Financial Statements

### **Note 10. Commitments**

Big Sandy is contingently liable as guarantor for approximately \$40,000 of long term obligations of East Kentucky to RUS and CFC. Substantially all assets of Big Sandy are pledged as collateral for this guarantee, in addition to the pledge in the mortgage agreement referred to in Note 5. This contingent liability was part of an overall financing plan for the construction of generating facilities near Maysville, Kentucky.

Big Sandy 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.

### **Note 11. Environmental Contingency**

Big Sandy 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 Big Sandy 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 Big Sandy's financial position or its future cash flows.

### **Note 12. Labor Force**

Approximately 40% of Big Sandy's labor force is subject to a collective bargaining agreement. A two (2) year agreement was negotiated and approved for the period starting February 5, 2011 between Big Sandy and the International Brotherhood of Electric Workers ("IBEW").

### **Note 13. Rate Matters**

East Kentucky increased its base rates to Big Sandy during August 2007, by 2%, in April 2009, by 7% and in January 2011 by another 5%. Big Sandy passed East Kentucky's increases on to its customers using the methodology prescribed by the PSC. Big Sandy is in the process of preparing an application before the PSC to increase base rates in the amount of approximately 4%.

### **Note 14. Contingencies**

Big Sandy is involved in litigation arising in the normal course of business. While the results of such litigation cannot be predicted with certainty, management, based upon advice of counsel, believes that the final outcome will not have a material adverse effect on the financial statements.

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Exhibit O

page 1 of

Witness: Alan Zumstein

Big Sandy Rural Electric Cooperative

Case No. 2012-00030

**Computer Software Programs**

August 31, 2011

Big Sandy has used Microsoft Excel and Word in the preparation of this Application

Big Sandy Rural Electric Cooperative

Case No. 2012-00030

August 31, 2011

**Annual Meeting Information**

The most recent Big Sandy annual meeting was held May 19, 2011.

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>
2011	492	-	\$ 30,783
2010	472	-	\$ 29,640
2009	386	-	\$ 24,499
2008	517	-	\$ 24,029
2007	599	-	\$ 26,293

**Big Sandy Rural Electric Cooperative Corporation**

**71<sup>st</sup> Annual Meeting of Membership**

**May 19, 2011**

**Mountain Arts Center, Prestonsburg, KY**

**Call to order:** The meeting was called to order by Chairman Wade May at 7:03 p.m. Chairman Wade May turned the meeting over to Bill Corum to act as Chairman.

**Invocation:** The Invocation was given by Director William Maxey.

**FIOB: Resolution:** Mr. Corum read the Resolution that set the date and location for the 2011 Annual Meeting, and then announced that a quorum was present.

**NIOB: Notice of Meeting:** The Official Affidavit of Meeting was read by Bill Corum.

**NIOB: Minutes:** The reading of the 2010 Annual Meeting minutes was waived by a motion and second from the floor. All votes were favorable. Approval of minutes of the Annual Meeting was secured without reading, with a motion and second from the floor. All votes were unanimous.

**NIOB: Introduction of Board of Directors, President & General Manager and Attorney:** Mr. Corum introduced all Directors by district as follows: Danny Wallen, District #1; Kelly Shepherd, District #2; Wade May, District #3; William Maxey, District #4; Robert Moore, District #5; Greg Davis, District #6. Mr. Corum then also introduced the President & General Manager, David Estep and Attorney Albert Burchett.

**NIOB: Recognition of Guests:** Mr. Corum recognized the distinguished guests present for our Annual Meeting as follows: State Representative Hubie Collins, past President & General Manager, Bobby Sexton, and long-time member, Neva Rowland.

**NIOB: Introduction of Tony Campbell:** Mr. Corum introduced Tony Campbell, the President and CEO of East Kentucky Power Cooperative. Mr. Campbell spoke about East Ky Power's efforts to provide reliable power at reasonable rates to the consumers. Mr. Campbell also explained "who" East Ky Power is and the purpose of their business. Mr. Campbell stressed that the world runs on electricity and stated that coal-fired generation is here to stay. Consumers can help too, through simple home energy saving steps. Mr. Campbell stated that we want consumers to use all the electricity they need, but not to have to pay more for unneeded electricity. We all need to use our power efficiently. Mr. Campbell then turned the meeting back over to acting Chairman Bill Corum, who had a few comments regarding electrical cooperatives. Mr. Corum is the President & CEO of the Kentucky Association of Electrical Cooperatives. Mr. Corum stated that in a report from the American Consumers Index, electrical cooperative consumers are the most satisfied consumers receiving electrical power. We know what we are doing and we are not giving up on electrical distribution for this country. We have the cleanest coal-fired plants in the state of Kentucky. Mr. Corum mentioned the handouts given



tonight to everyone regarding “The Seven Cooperative Principles”, stating what makes a Cooperative unique.

**NIOB: Unfinished Business:** Mr. Corum stated that the agenda disclosed no unfinished business carried over from the 2010 Annual Meeting.

**NIOB: New Business:** President & General Manager David Esteppe greeted the audience and spoke several words of gratitude. Mr. Esteppe thanked everyone for coming and recognized all cooperative employees. President & General Manager David Esteppe and Chairman Wade May then presented scholarships to the following:

Bryce Osborne, Paintsville HS; Zach Fletcher, Lawrence Co. HS; Holly Whitaker, Prestonsburg HS; Austin Woods, Allen Central HS; Olivia Waller, Sheldon Clark HS; Zackary Bolen, Knott Co. Central HS; Shelby Higgins and Courtney Mollette, Johnson Central HS; and Kes Moore, Piarist School. Two students were chosen for the Washington Youth Tour; Danna Spears from Sheldon Clark HS and Macie Salyers from Johnson Central HS. Mr. Esteppe stated the Big Sandy RECC is very proud of these outstanding students and is very thankful that Big Sandy could provide assistance with the furthering of education in our area schools.

**NIOB: Other Business:** Mr. Bill Corum made the statement that, that’s what it’s all about: the young people, moving in a positive manner. And with no further to do, Mr. Corum stated with no other business on the agenda, he addressed the audience for a motion to adjourn the meeting.

**NIOB: Adjourn:** A motion was made and seconded from the floor to adjourn. All votes were unanimous and the meeting adjourned promptly at 7:26 p.m.

---

Chairman Wade May

---

Secretary Kelly Shepherd

# Big Sandy RECC 2010 Annual Report

## 2011 ANNUAL MEETING



**FEATURING  
CANDY COBURN**

**CARICATURIST  
DENNY WHALEN**



**THURSDAY, MAY 19**

Dear Members:

We invite you to our 2011 annual meeting. This year's meeting will once again be held at the Mountain Arts Center in Prestonsburg. Our featured entertainment will be Candy Coburn. Back by popular demand is Denny Whalen. Bring your family on Thursday, May 19, for fun and entertainment. We look forward to seeing you there!

Sincerely yours,  
David Estep

**When: Thursday, May 19**

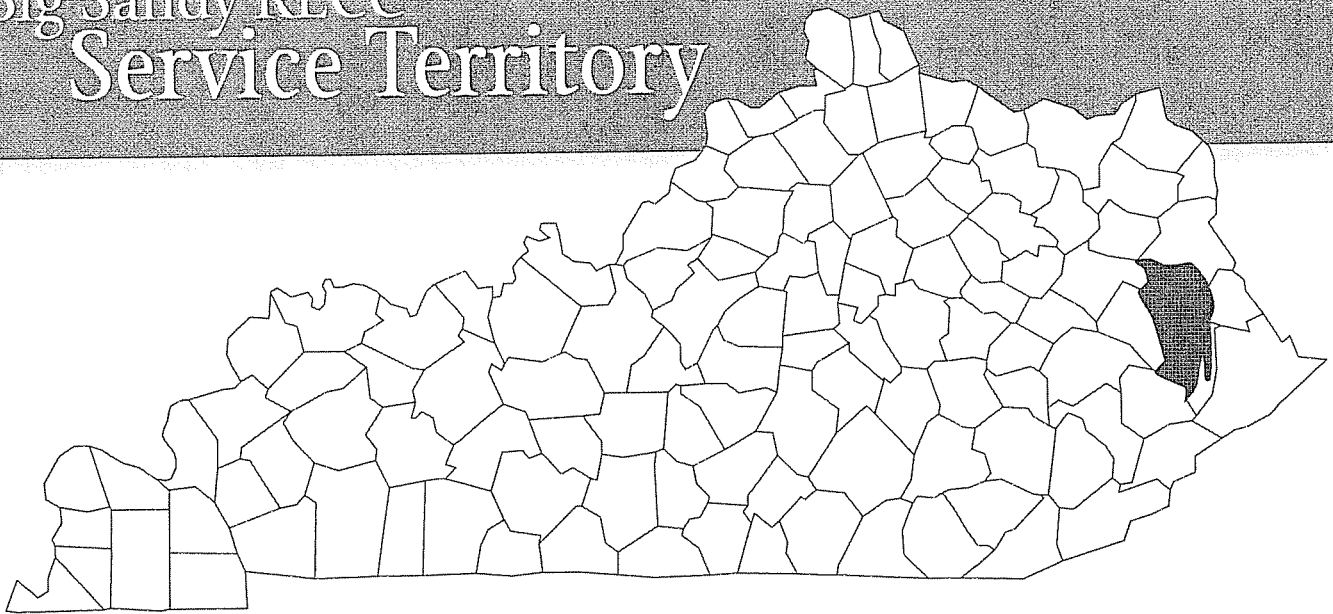
**Where: Mountain Arts  
Center, Prestonsburg**

**Registration: 6:00 p.m.**

**Business meeting: 7:00 p.m.**

entertainment  
• door prizes •  
caricatures

# Big Sandy RECC Service Territory



## Members served in 2010

Breathitt .....	16
Floyd.....	5,897
Johnson .....	5,549
Knott .....	338
Lawrence .....	529
Magoffin.....	1
Martin .....	866
Morgan.....	30

## Accounts billed

2010 .....	13,226
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## Average Kilowatt-hour use

(Residential per month)

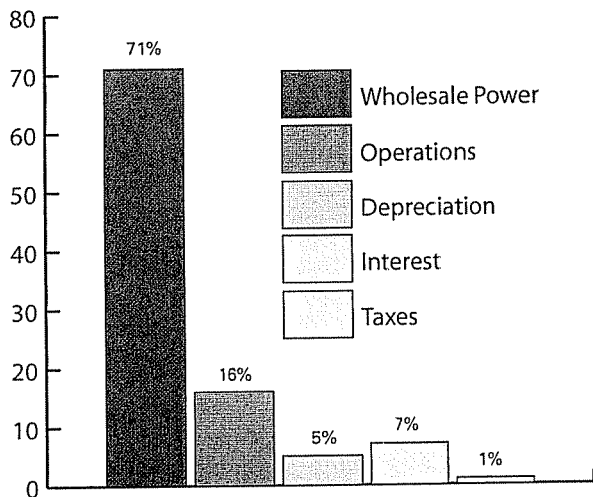
2010 .....	1,775
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## Consumers

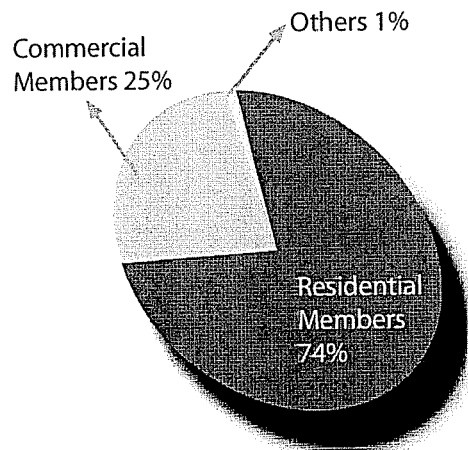
per Mile

2010 .....	8
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## Major costs



## Revenue sources



# Big Sandy RECC Financial Results

# Your Board of Directors

## STATEMENT OF OPERATIONS

For the Year Ending December 31, 2010

Operating Revenue and Patronage Capital.....	\$26,163,695
Operating Expense	
Cost of Purchased Power .....	\$18,296,515
Operating the Electric System.....	4,724,935
Depreciation .....	1,865,647
Taxes .....	24,433
Interest on Loans .....	1,107,582
Other Deductions .....	11,375
<b>Total Cost of Electric Service.....</b>	<b>\$26,030,487</b>
Patronage Capital & Operating Margins .....	\$133,208
Non-Operating Margins .....	30,490
Capital Credits Assigned from Other Cooperatives.....	11,950
Patronage Capital or Margins .....	\$175,648

## BALANCE SHEET

For the Year Ending December 31, 2010

### WHAT WE OWN

Total Utility Plant .....	\$42,891,178
Less Depreciation.....	12,271,603
Net Utility Plant Book Value .....	\$30,619,575
Non-Utility Property and Other Investments.....	\$7,784,481
Cash and Reserves .....	478,074
Owed to Co-op on Accounts .....	3,808,749
Material in Inventory .....	439,936
Deferred Debits and Other Assets .....	436,444
<b>Total Assets .....</b>	<b>\$43,567,259</b>

### WHAT WE OWE

Membership and Other Equities.....	15,436,318
Long-Term Debt .....	21,904,191
Notes and Accounts Payable.....	4,281,529
Other Current and Accrued Liabilities .....	1,915,531
Deferred Credits and Miscellaneous.....	29,690
<b>Total Liabilities and Equities .....</b>	<b>\$43,567,259</b>



# Official Notice of Annual Meeting

Where: Mountain Arts Center,  
Prestonsburg

When: Thursday, May 19

Registration Time: 6:00 p.m.


Business Meeting Time: 7:00 p.m.

The annual membership meeting of Big Sandy RECC organizes to take action on the following matters:

1. Call to Order
2. Report of Quorum
3. Reading of Notice of Meeting
4. Reading and Approval of Minutes of 2010 Annual Meeting
5. Presentation and Consideration of Reports of Officers, Trustees, and Committee
6. Unfinished Business
7. New Business
8. Adjourn



**Big Sandy  
RECC**

A Touchstone Energy® Cooperative 

# Delivering the Best

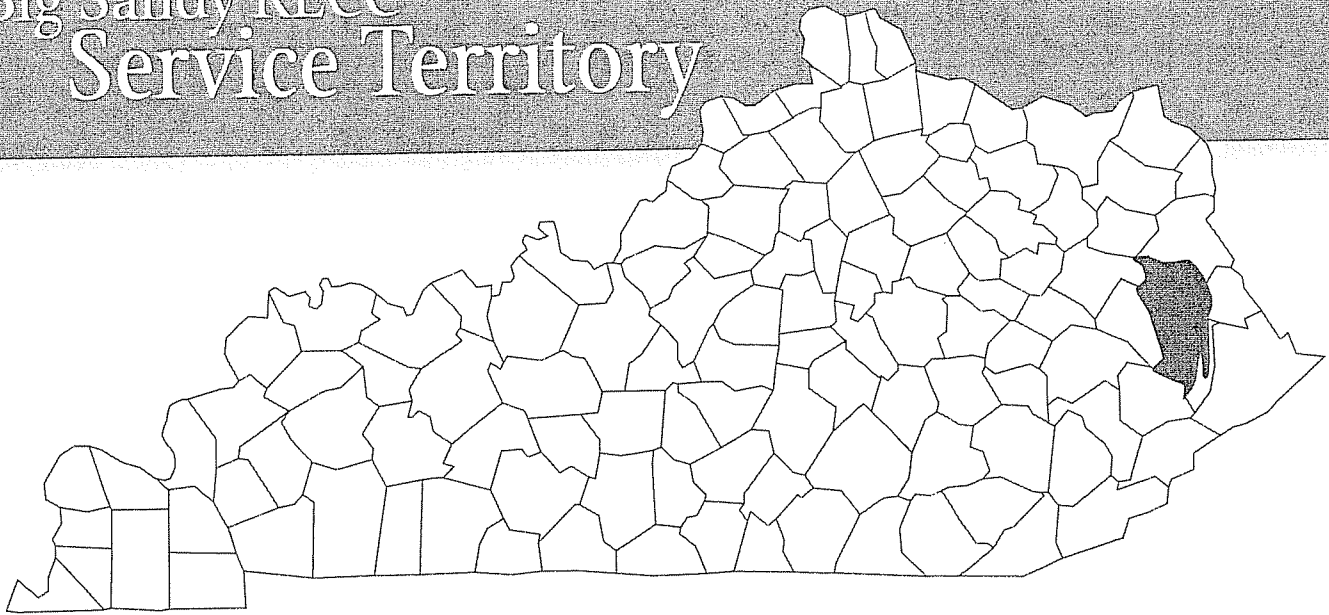


# Big Sandy RECC 2009 Annual Report



# Delivering the Best

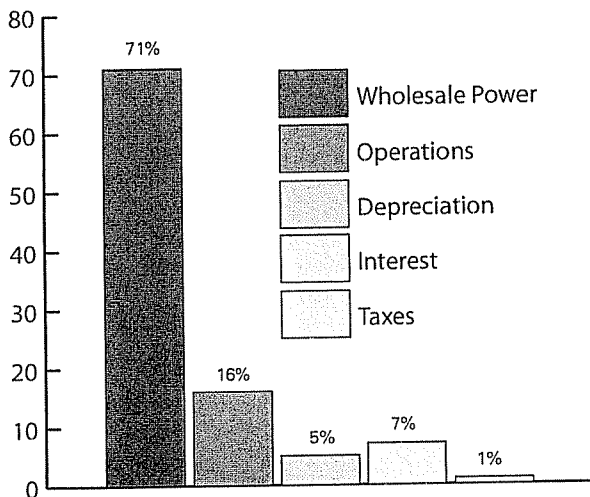
# Big Sandy RECC Service Territory



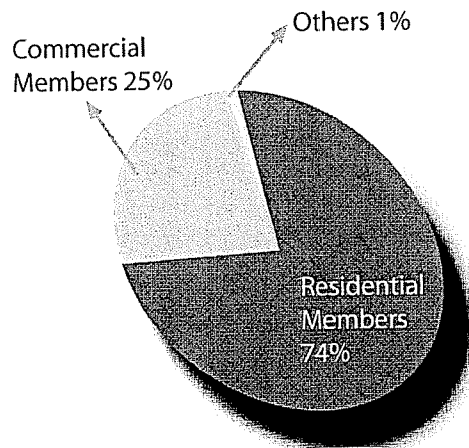
Members served in 2009	
Breathitt .....	15
Floyd.....	5,906
Johnson .....	5,562
Knott .....	340
Lawrence .....	532
Magoffin.....	1
Martin .....	857
Morgan.....	29

Accounts billed	
2009.....	13,242
Average Kilowatt-hour use (Residential per month)	
2009.....	1,775
Consumers per Mile	
2009.....	8

## Major costs



## Revenue sources



# Big Sandy RECC Financial Results

# Your Board of Directors

## STATEMENT OF OPERATIONS

For the Year Ending December 31, 2009

Operating Revenue and Patronage Capital.....	\$24,737,524
Operating Expense	
Cost of Purchased Power .....	\$17,255,105
Operating the Electric System.....	4,176,408
Depreciation .....	1,823,818
Taxes .....	22,135
Interest on Loans .....	1,161,720
Other Deductions .....	10,030
 Total Cost of Electric Service.....	 \$24,449,216
 Patronage Capital & Operating Margins .....	 \$288,306
Non-Operating Margins .....	28,452
Capital Credits Assigned from Other Cooperatives.....	11,973
Patronage Capital or Margins .....	\$328,734

## BALANCE SHEET

For the Year Ending December 31, 2009

### WHAT WE OWN

Total Utility Plant .....	\$41,039,690
Less Depreciation.....	11,312,610
Net Utility Plant Book Value .....	\$29,901,663
 Non-Utility Property and Other Investments.....	 \$6,984,658
Cash and Reserves .....	1,129,589
Owed to Co-op on Accounts .....	3,294,775
Material in Inventory .....	363,930
Deferred Debits and Other Assets .....	593,550
 Total Assets .....	 \$42,268,165

### WHAT WE OWE

Membership and Other Equities.....	14,354,012
Long-Term Debt .....	21,644,511
Notes and Accounts Payable.....	4,263,028
Other Current and Accrued Liabilities .....	1,975,189
Deferred Credits and Miscellaneous.....	31,423
 Total Liabilities and Equities .....	 \$42,268,165





# Official Notice of Annual Meeting

## Bylaws Amendments

Where: Mountain Arts Center,  
Prestonsburg  
When: Thursday, May 20  
Registration Time: 6:00 p.m.  
Business Meeting Time: 7:00 p.m.

The annual membership meeting of Big Sandy RECC organizes to take action on the following matters:

1. Call to Order
2. Report of Quorum
3. Reading of Notice of Meeting
4. Reading and Approval of Minutes of 2009 Annual Meeting
5. Presentation and Consideration of Reports of Officers, Trustees, and Committee
6. Unfinished Business
7. New Business
8. Adjourn

### Article IV Board Members

**SECTION 2. Voting Districts.** The territory served by the Cooperative shall be divided into six districts. Each district shall be represented by one Board Member. District boundaries shall be as follows:

**District No. 5 - Floyd County:**

Being all of the area within the following described boundary: Beginning at the point where the Magoffin County Line, the Floyd County line and the Johnson County line intersect; then south with the Floyd County line to KY Rt. 114; then with KY Rt. 114 in a southeasterly direction to U.S. 23; then with U.S. 23 South to the Pike County line; then North with the Pike County/Floyd County Line to the Martin County line; then North with the Martin County line to the Johnson County Line; then westerly with the Johnson/Floyd County line to the point of beginning.

**District No. 6 - Floyd, Knott and Breathitt Counties:**

Being all of the area within the following described boundary and all of the members residing in Knott and Breathitt Counties:

Beginning at KY Rt. 114 at the Floyd/Magoffin Counties line; then with KY Rt. 114 in a southeasterly direction to U.S. 23; then with U.S. 23 South to the Pike/Floyd Counties line; then with the Pike/Floyd Counties line to the Floyd/Knott Counties line; then North with said line to a point where Floyd, Knott, Magoffin and Breathitt Counties intersect; then North with the Floyd/Magoffin Counties line to the point of beginning.

**SECTION 3. Selection and Tenure.** Board members shall serve for terms of four (4) years or until their successors shall have been elected or appointed by the Board and shall have been qualified. Any vacancy on the Board caused by death, disability or resignation or failure to have candidates for the office of shall be filled by the Board for the unexpired portion of the term.

**SECTION 4. Qualifications.** No person shall be eligible to become or remain a Board member of the Cooperative who:

(a) is not a member and bona fide resident living in the district served by the Cooperative for at least one year.

(b) is an employee of a business distributing and selling electric energy to consumers; advances his pecuniary interests by directly competing with the Cooperative; engages in a transaction that directly conflicts with the interest of the Cooperative; directly takes advantage of a business opportunity that materially affects the Cooperative in an adverse way, uses Cooperative property, private information, or position to directly obtain a pecuniary benefit other than authorized compensation and/or benefits from the Cooperative, as more fully set forth in the Cooperative's Conflict Of Interest Policy;

(c) who does not live in the district to be represented by the member.

(d) Is an employee of the Cooperative or who was employed by the Cooperative within the last five years.

(e) Is absent from three (3) consecutive regular meetings of the Board, unless excused by the affirmative vote of a majority of the other Board members. Not being excused, said Director shall be deemed to have vacated the office of Director. After declaring a vacancy to exist by the affirmative vote of a majority of the remaining Board members, the Board shall proceed to fill the vacancy according to the By-Laws.

Upon establishment of the fact that a Board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such Board member from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

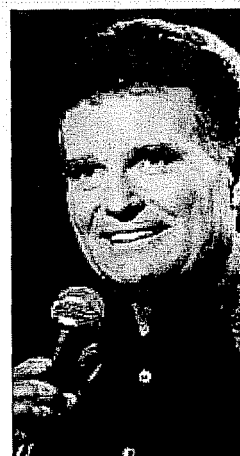
# 2010 ANNUAL MEETING

THURSDAY, MAY 20

Mountain Arts Center  
Prestonsburg, KY

Registration:  
6:00 p.m.

Business meeting:  
7:00 p.m.



FEATURED  
ENTERTAINER  
LEROY  
VAN DYKE

CARICATURIST  
DENNY WHALEN



entertainment • door prizes • caricatures

E7H Q

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE		BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	16,641,507.09	17,786,792.69	17,644,032.28	2,172,670.59	.8	6.9
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	11,861,700.00-	12,335,630.00-	12,368,888.00-	1,584,820.00-	.3-	4.0
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	640,261.54-	626,149.47-	571,777.84-	72,243.95-	9.5	2.2-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,813,301.98-	1,043,596.36-	880,198.56-	95,818.95-	18.6	42.4-
8.0	CONSUMER ACCOUNTS EXPENSE.....	419,557.18-	501,832.13-	380,163.04-	70,541.89-	32.0	19.6
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	79,663.50-	86,939.15-	90,363.84-	16,433.85-	3.8-	9.1
10.0	SALES EXPENSE.....	1,998.50-	350.00-	.00	150.00-	100.0-	82.5-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	812,408.90-	811,724.47-	774,297.84-	111,613.99-	4.8	.1-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	15,628,891.60-	15,406,221.58-	15,065,689.12-	1,951,622.63-	2.3	1.4-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,090,449.05-	1,236,460.25-	1,301,968.64-	155,880.92-	5.0-	13.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	15,162.23-	15,336.00-	15,333.28-	1,917.00-	.0	1.1
16.0	INTEREST ON LONG TERM DEBT.....	789,554.99-	676,696.17-	699,999.92-	84,717.50-	3.3-	14.3-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	76,211.64-	66,519.21-	56,933.28-	7,253.20-	16.8	12.7-
19.0	OTHER DEDUCTIONS.....	9,830.38-	10,891.31-	6,666.64-	110.00-	63.4	10.8
20.0	TOTAL COST OF ELECTRIC SERVICE.....	17,610,099.89-	17,412,124.52-	17,146,590.88-	2,201,501.25-	1.5	1.1-
=====							
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	968,592.80-	374,668.17	497,441.40	28,830.66-	24.7-	138.7-
22.0	NON OPERATING MARGINS - INTEREST.....	18,807.59	20,357.51	23,333.28	2,545.98	12.8-	8.2
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	.00	11,949.50	.00	.00	100.0	100.0
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	2,289.62	2,453.47-	.00	.00	100.0-	207.2-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	947,495.59-	404,521.71	520,774.68	26,284.68-	22.3-	142.7-
RATIOS							
	TIER	.200-	1.598	1.744	.690		
	MARGINS TO REVENUE	.057	.023	.030	.012		
	POWER COST TO REVENUE	.713	.694	.701	.729		
	INTEREST EXPENSE TO REVENUE	.047	.038	.040	.039		
	CURRENT ASSETS : CURRENT LIABILITIES	1.6655					
	MARGINS & EQUITIES AS % OF ASSETS	.3490					
	LONG TERM DEBT AS % OF PLANT	.5438					
	GENERAL FUNDS TO TOTAL PLANT	2.7389					
	QUICK ASSET RATIO	1.5180					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	41,972,262.01	30.0	MEMBERSHIPS	232,195.00-
2.0	CONSTRUCTION WORK IN PROGRESS	283,823.06	31.0	PATRONAGE CAPITAL	15,252,652.80-
3.0	TOTAL UTILITY PLANT	42,256,085.07	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	11,900,160.43-	33.0	OPERATING MARGINS-CURRENT YEAR	372,214.70-
5.0	NET UTILITY PLANT		34.0	NON-OPERATING MARGINS	89,211.73-
		30,355,924.64	35.0	OTHER MARGINS & EQUITIES	1,138,756.82
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	14,807,517.41-
7.0	INVEST IN SUBSIDIARY COMPANIES	25,000.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	6,396,371.68	37.0	LONG TERM DEBT - RUS (NET)	9,505,318.09-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	532,893.88	38.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	40.0	LONG TERM DEBT - OTHER (NET)	13,475,357.03-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS		42.0	PAYMENTS - UNAPPLIED	.00
		6,962,970.56	43.0	TOTAL LONG TERM DEBT	22,980,675.12-
15.0	CASH - GENERAL FUNDS	47,620.50			
16.0	CASH - CONSTRUCTION FUND TRUST	465.50	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	45.0	ACCUM OPERATING PROVISIONS	1,542,305.14-
18.0	TEMPORARY INVESTMENTS	1,101,043.77	46.0	TOTAL OTHER NONCURR LIABILITY	1,542,305.14-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY (NET)	3,054,070.28	47.0	NOTES PAYABLE	.00
21.0	ACCTS RECV - OTHER (NET)	405,697.15	48.0	ACCOUNTS PAYABLE	1,948,922.89-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	624,984.00-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	452,816.04	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	42,642.65	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	8,969.85	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS		53.0	OTHER CURRENT & ACCRUED LIAB	496,230.66-
		5,113,345.74	54.0	TOTAL CURRENT & ACCRUED LIAB	3,070,137.55-
27.0	REGULATORY ASSETS	.00			
28.0	OTHER DEFERRED DEBITS	1,987.40	55.0	REGULATORY LIABILITIES	.00
			56.0	OTHER DEFERRED CREDITS	29,618.32-
29.0	TOTAL ASSETS & OTHER DEBITS	42,430,253.54	57.0	TOTAL LIABILITIES & OTH CREDIT	42,430,253.54-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	95,654.53
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	95,654.53

C E R T I F I C A T I O N

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.

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.

\_\_\_\_\_  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE		BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	18,699,465.30	19,372,811.90	19,570,272.94	1,586,019.21	1.0-	3.6
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	13,002,779.00	13,538,243.00-	13,684,788.00-	1,202,613.00-	1.1-	4.1
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	726,223.38-	701,141.29-	643,250.07-	74,991.82-	9.0	3.5-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,321,603.11-	1,176,582.16-	990,223.38-	132,985.80-	18.8	11.0-
8.0	CONSUMER ACCOUNTS EXPENSE.....	483,346.12-	566,980.24-	427,683.42-	65,148.11-	32.6	17.3
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	90,481.14-	89,333.74-	101,659.32-	2,394.59-	12.1-	1.3-
10.0	SALES EXPENSE.....	2,048.50-	350.00-	.00	.00	100.0-	82.9-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	903,767.36-	928,185.22-	871,085.07-	116,460.75-	6.6	2.7
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	16,530,248.61-	17,000,815.65-	16,718,689.26-	1,594,594.07-	1.7	2.8
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,273,828.79-	1,393,015.02-	1,464,714.72-	156,554.77-	4.9-	9.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	16,905.48-	17,253.00-	17,249.94-	1,917.00-	.0	2.1
16.0	INTEREST ON LONG TERM DEBT.....	896,932.77-	760,013.41-	787,499.91-	83,317.24-	3.5-	15.3-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	89,013.92-	73,761.92-	64,049.94-	7,242.71-	15.2	17.1-
19.0	OTHER DEDUCTIONS.....	9,830.38-	11,191.31-	7,499.97-	300.00-	49.2	13.8
20.0	TOTAL COST OF ELECTRIC SERVICE.....	18,816,759.95-	19,256,050.31-	19,059,703.74-	1,843,925.79-	1.0	2.3
=====							
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	117,294.65-	116,761.59	510,569.20	257,906.58-	77.1-	199.5-
22.0	NON OPERATING MARGINS - INTEREST.....	21,008.59	22,599.36	26,249.94	2,241.85	13.9-	7.6
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	.00	11,949.50	.00	.00	100.0	100.0
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	11,973.04	69,980.69	.00	72,434.16	100.0	484.5
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	84,313.02-	221,291.14	536,819.14	183,230.57-	58.8-	362.5-
RATIOS							
	TIER	.906	1.291	1.682	1.199-		
	MARGINS TO REVENUE	.005	.011	.027	.116		
	POWER COST TO REVENUE	.695	.699	.699	.758		
	INTEREST EXPENSE TO REVENUE	.048	.039	.040	.053		
	CURRENT ASSETS : CURRENT LIABILITIES	1.6308					
	MARGINS & EQUITIES AS % OF ASSETS	.3497					
	LONG TERM DEBT AS % OF PLANT	.5410					
	GENERAL FUNDS TO TOTAL PLANT	2.8878					
	QUICK ASSET RATIO	1.4709					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 42,118,247.66	30.0 MEMBERSHIPS 232,505.00-
2.0	CONSTRUCTION WORK IN PROGRESS 259,825.11	31.0 PATRONAGE CAPITAL 15,249,877.39-
3.0	TOTAL UTILITY PLANT 42,378,072.77	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 11,970,631.26-	33.0 OPERATING MARGINS-CURRENT YEAR 186,742.28-
5.0	NET UTILITY PLANT 30,407,441.51	34.0 NON-OPERATING MARGINS 91,453.58-
		35.0 OTHER MARGINS & EQUITIES 1,128,903.90
		36.0 TOTAL MARGINS & EQUITIES 14,631,674.35-
6.0	NON-UTILITY PROPERTY (NET) .00	
7.0	INVEST IN SUBSIDIARY COMPANIES 25,000.00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 6,449,425.54	37.0 LONG TERM DEBT - RUS (NET) 9,488,349.39-
9.0	INV IN ASSOC ORG OTHR GEN FND 3,205.00	(PAYMENTS-UNAPPLIED .00 )
10.0	INV IN ASSOC ORG - NON GEN FND 532,893.88	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 5,500.00	40.0 LONG TERM DEBT - OTHER (NET) 13,438,078.66-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 7,016,024.42	42.0 PAYMENTS - UNAPPLIED .00
		43.0 TOTAL LONG TERM DEBT 22,926,428.05-
15.0	CASH - GENERAL FUNDS 378,056.32	
16.0	CASH - CONSTRUCTION FUND TRUST 465.50	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 20.00	45.0 ACCUM OPERATING PROVISIONS 1,544,629.80-
18.0	TEMPORARY INVESTMENTS 837,019.41	46.0 TOTAL OTHER NONCURR LIABILITY 1,544,629.80-
19.0	NOTES RECEIVABLE (NET) .00	
20.0	ACCTS REC - SALES ENERGY (NET) 2,301,072.06	47.0 NOTES PAYABLE .00
21.0	ACCTS REC - OTHER (NET) 439,876.43	48.0 ACCOUNTS PAYABLE 1,638,931.11-
22.0	RENEWABLE ENERGY CREDITS .00	49.0 CONSUMER DEPOSITS 624,309.00-
23.0	MATERIAL & SUPPLIES-ELEC & OTH 433,921.86	50.0 CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS 24,659.68	51.0 CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS 10,740.46	52.0 CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS 4,425,831.72	53.0 OTHER CURRENT & ACCRUED LIAB 450,675.79-
		54.0 TOTAL CURRENT & ACCRUED LIAB 2,713,915.90-
27.0	REGULATORY ASSETS .00	
28.0	OTHER DEFERRED DEBITS 2,792.29-	55.0 REGULATORY LIABILITIES .00
		56.0 OTHER DEFERRED CREDITS 29,857.26-
29.0	TOTAL ASSETS & OTHER DEBITS 41,846,505.36	57.0 TOTAL LIABILITIES & OTH CREDIT 41,846,505.36-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0	BALANCE BEGINNING OF YEAR .00
59.0	AMOUNT RECEIVED THIS YEAR (NET) 109,516.69
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST 109,516.69

C E R T I F I C A T I O N

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.  
 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.

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 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

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 DATE

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 SIGNATURE OF MANAGER

\_\_\_\_\_  
 DATE

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE		BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	19,888,301.83	21,139,171.56	21,377,945.60	1,766,359.66	1.1-	6.3
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	14,132,102.00-	14,576,652.00-	14,926,908.00-	1,038,409.00-	2.3-	3.1
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	803,440.39-	777,861.81-	714,722.30-	76,720.52-	8.8	3.2-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	897,827.25-	1,328,372.02-	1,100,248.20-	151,789.86-	20.7	48.0
8.0	CONSUMER ACCOUNTS EXPENSE.....	541,856.00-	626,693.42-	475,203.80-	59,713.18-	31.9	15.7
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	97,981.38-	97,103.53-	112,954.80-	7,769.79-	14.0-	.9-
10.0	SALES EXPENSE.....	2,098.50-	400.00-	.00	50.00-	100.0-	80.9-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	991,292.87-	1,057,414.93-	967,872.30-	129,229.71-	9.3	6.7
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	17,466,598.39-	18,464,497.71-	18,297,909.40-	1,463,682.06-	.9	5.7
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,457,106.73-	1,550,311.67-	1,627,460.80-	157,296.65-	4.7-	6.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	18,648.73-	19,646.17-	19,166.60-	2,393.17-	2.5	5.3
16.0	INTEREST ON LONG TERM DEBT.....	1,004,310.55-	844,356.93-	874,999.90-	84,343.52-	3.5-	15.9-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	101,587.59-	80,993.72-	71,166.60-	7,231.80-	13.8	20.3-
19.0	OTHER DEDUCTIONS.....	10,030.38-	11,326.31-	8,333.30-	135.00-	35.9	12.9
20.0	TOTAL COST OF ELECTRIC SERVICE.....	20,058,282.37-	20,971,132.51-	20,899,036.60-	1,715,082.20-	.3	4.6
=====							
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	169,980.54-	168,039.05	478,909.00	51,277.46	64.9-	198.9-
22.0	NON OPERATING MARGINS - INTEREST.....	24,050.38	25,802.89	29,166.60	3,203.53	11.5-	7.3
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	.00	11,949.50	.00	.00	100.0	100.0
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	11,973.04	69,980.69	.00	.00	100.0	484.5
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	133,957.12-	275,772.13	508,075.60	54,480.99	45.7-	305.9-
RATIOS							
	TIER	.867	1.327	1.581	1.646		
	MARGINS TO REVENUE	.007	.013	.024	.031		
	POWER COST TO REVENUE	.711	.690	.698	.588		
	INTEREST EXPENSE TO REVENUE	.050	.040	.041	.048		
	CURRENT ASSETS : CURRENT LIABILITIES	1.5740					
	MARGINS & EQUITIES AS % OF ASSETS	.3517					
	LONG TERM DEBT AS % OF PLANT	.5368					
	GENERAL FUNDS TO TOTAL PLANT	2.2600					
	QUICK ASSET RATIO	1.4229					



PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	22,036,537.77	23,029,899.77	23,671,614.26	1,890,728.21	2.7-	4.5
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	15,431,424.00-	15,957,183.00-	16,555,508.00-	1,380,531.00-	3.6-	3.4
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	882,607.80-	860,285.35-	786,194.53-	82,423.54-	9.4	2.5-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	979,570.04-	1,413,700.80-	1,210,273.02-	85,328.78-	16.8	44.3
8.0	CONSUMER ACCOUNTS EXPENSE.....	605,716.51-	692,309.30-	522,724.18-	65,615.88-	32.4	14.3
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	106,665.17-	107,438.42-	124,250.28-	10,334.89-	13.5-	.7
10.0	SALES EXPENSE.....	2,148.50-	1,453.00-	.00	1,053.00-	100.0-	32.4-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,084,014.03-	1,168,676.56-	1,064,659.53-	111,261.63-	9.8	7.8
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	19,092,146.05-	20,201,046.43-	20,263,609.54-	1,736,548.72-	.3-	5.8
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,640,311.77-	1,707,803.83-	1,790,206.88-	157,492.16-	4.6-	4.1
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	20,391.98-	22,039.34-	21,083.26-	2,393.17-	4.5	8.1
16.0	INTEREST ON LONG TERM DEBT.....	971,402.64-	927,568.39-	962,499.89-	83,211.46-	3.6-	4.5-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	112,543.98-	88,248.18-	78,283.26-	7,254.46-	12.7	21.6-
19.0	OTHER DEDUCTIONS.....	10,030.38-	11,376.31-	9,166.63-	50.00-	24.1	13.4
20.0	TOTAL COST OF ELECTRIC SERVICE.....	21,846,826.80-	22,958,082.48-	23,124,849.46-	1,986,949.97-	.7-	5.1
=====							
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	189,710.97	71,817.29	546,764.80	96,221.76-	86.9-	62.1-
22.0	NON OPERATING MARGINS - INTEREST.....	26,244.71	27,866.31	32,083.26	2,063.42	13.1-	6.2
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	.00	11,949.50	.00	.00	100.0	100.0
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	11,973.04	69,980.69	.00	.00	100.0	484.5
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	227,928.72	181,613.79	578,848.06	94,158.34-	68.6-	20.3-
RATIOS							
	TIER	1.235	1.196	1.601	.132-		
	MARGINS TO REVENUE	.010	.008	.024	.050		
	POWER COST TO REVENUE	.700	.693	.699	.730		
	INTEREST EXPENSE TO REVENUE	.044	.040	.041	.044		
	CURRENT ASSETS : CURRENT LIABILITIES	1.5107					
	MARGINS & EQUITIES AS % OF ASSETS	.3496					
	LONG TERM DEBT AS % OF PLANT	.5347					
	GENERAL FUNDS TO TOTAL PLANT	2.0469					
	QUICK ASSET RATIO	1.3598					



PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1.0	TOTAL UTILITY PLANT IN SERVICE	42,529,913.73	
2.0	CONSTRUCTION WORK IN PROGRESS	211,493.59	
3.0	TOTAL UTILITY PLANT	42,741,407.32	
4.0	ACCUM PROV FOR DEP & AMORT	12,117,962.76-	
5.0	NET UTILITY PLANT		30,623,444.56
6.0	NON-UTILITY PROPERTY (NET)	.00	
7.0	INVEST IN SUBSIDIARY COMPANIES	25,000.00	
8.0	INV IN ASSOC ORG - PAT CAPITAL	6,449,425.54	
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	
10.0	INV IN ASSOC ORG - NON GEN FND	532,893.88	
11.0	INV IN ECON DEVEL PROJECTS	.00	
12.0	OTHER INVESTMENTS	5,500.00	
13.0	SPECIAL FUNDS	.00	
14.0	TOT OTHER PROP & INVESTMENTS		7,016,024.42
15.0	CASH - GENERAL FUNDS	190,267.19	
16.0	CASH - CONSTRUCTION FUND TRUST	465.50	
17.0	SPECIAL DEPOSITS	20.00	
18.0	TEMPORARY INVESTMENTS	675,911.76	
19.0	NOTES RECEIVABLE (NET)	.00	
20.0	ACCTS RECV - SALES ENERGY(NET)	2,331,638.91	
21.0	ACCTS RECV - OTHER (NET)	480,291.09	
22.0	RENEWABLE ENERGY CREDITS	.00	
23.0	MATERIAL & SUPPLIES-ELEC & OTH	411,795.49	
24.0	PREPAYMENTS	29,812.86	
25.0	OTHER CURRENT & ACCR ASSETS	3,677.58	
26.0	TOTAL CURRENT & ACCR ASSETS		4,123,880.38
27.0	REGULATORY ASSETS	.00	
28.0	OTHER DEFERRED DEBITS	3,566.63-	
29.0	TOTAL ASSETS & OTHER DEBITS	41,759,782.73	
			30.0 MEMBERSHIPS
			31.0 PATRONAGE CAPITAL
			32.0 OPERATING MARGINS - PRIOR YEAR
			33.0 OPERATING MARGINS-CURRENT YEAR
			34.0 NON-OPERATING MARGINS
			35.0 OTHER MARGINS & EQUITIES
			36.0 TOTAL MARGINS & EQUITIES
			37.0 LONG TERM DEBT - RUS (NET)
			(PAYMENTS-UNAPPLIED
			38.0 LNG-TERM DEBT-FFB-RUS GUAR
			39.0 LONG-TERM DEBT OTHER-RUS GUAR
			40.0 LONG TERM DEBT - OTHER (NET)
			41.0 LNG-TERM DEBT-RUS-ECON DEV NET
			42.0 PAYMENTS - UNAPPLIED
			43.0 TOTAL LONG TERM DEBT
			44.0 OBLIGATION UNDER CAPITAL LEASE
			45.0 ACCUM OPERATING PROVISIONS
			46.0 TOTAL OTHER NONCURR LIABILITY
			47.0 NOTES PAYABLE
			48.0 ACCOUNTS PAYABLE
			49.0 CONSUMER DEPOSITS
			50.0 CURR MATURITIES LONG-TERM DEBT
			51.0 CURR MATURIT LT DEBT ECON DEV
			52.0 CURR MATURITIES CAPITAL LEASES
			53.0 OTHER CURRENT & ACCRUED LIAB
			54.0 TOTAL CURRENT & ACCRUED LIAB
			55.0 REGULATORY LIABILITIES
			56.0 OTHER DEFERRED CREDITS
			57.0 TOTAL LIABILITIES & OTH CREDIT

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0	BALANCE BEGINNING OF YEAR
59.0	AMOUNT RECEIVED THIS YEAR (NET)
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST

C E R T I F I C A T I O N

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. 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.

\_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

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 DATE

\_\_\_\_\_  
 SIGNATURE OF MANAGER

\_\_\_\_\_  
 DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	24,737,524.45	26,163,695.34	26,470,824.00	3,133,795.57	1.2- 5.8
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0 .0
3.0	COST OF PURCHASED POWER.....	17,255,105.00-	18,296,515.00-	18,523,148.00-	2,339,332.00-	1.2- 6.0
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0 .0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0 .0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	892,526.81-	948,309.90-	857,668.00-	88,024.55-	10.6 6.3
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,301,811.13-	1,564,378.82-	1,320,299.00-	150,678.02-	18.5 20.2
8.0	CONSUMER ACCOUNTS EXPENSE.....	666,790.07-	761,261.13-	570,245.00-	68,951.83-	33.5 14.2
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	113,894.88-	116,174.50-	135,546.00-	8,736.08-	14.3- 2.0
10.0	SALES EXPENSE.....	2,227.00-	3,304.50-	.00	1,851.50-	100.0- 48.4
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,199,158.22-	1,331,506.15-	1,161,448.00-	162,829.59-	14.6 11.0
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	21,431,513.11-	23,021,450.00-	22,568,354.00-	2,820,403.57-	2.0 7.4
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,823,817.73-	1,865,646.91-	1,952,953.00-	157,843.08-	4.5- 2.3
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0 .0
15.0	TAX EXPENSE - OTHER.....	22,135.23-	24,432.52-	23,000.00-	2,393.18-	6.2 10.4
16.0	INTEREST ON LONG TERM DEBT.....	998,755.53-	1,013,008.50-	1,050,000.00-	85,440.11-	3.5- 1.4
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0 .0
18.0	INTEREST EXPENSE - OTHER.....	120,537.12-	94,572.72-	85,400.00-	6,324.54-	10.7 21.5-
19.0	OTHER DEDUCTIONS.....	10,030.38-	11,376.31-	10,000.00-	.00	13.8 13.4
20.0	TOTAL COST OF ELECTRIC SERVICE.....	24,406,789.10-	26,030,486.96-	25,689,707.00-	3,072,404.48-	1.3 6.7
=====						
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	330,735.35	133,208.38	781,117.00	61,391.09	82.9- 59.7-
22.0	NON OPERATING MARGINS - INTEREST.....	28,452.36	29,916.04	35,000.00	2,049.73	14.5- 5.1
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0 .0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0 .0
25.0	NON OPERATING MARGINS - OTHER.....	.00	11,949.50	.00	.00	100.0 100.0
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0 .0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	866,754.69	839,828.60	.00	769,847.91	100.0 3.1-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0 .0
29.0	PATRONAGE CAPITAL OR MARGINS.....	1,225,942.40	1,014,902.52	816,117.00	833,288.73	24.4 17.2-
RATIOS						
	TIER	2.227	2.002	1.777	10.753	
	MARGINS TO REVENUE	.050	.039	.031	.266	
	POWER COST TO REVENUE	.698	.699	.700	.746	
	INTEREST EXPENSE TO REVENUE	.040	.039	.040	.027	
	CURRENT ASSETS : CURRENT LIABILITIES	1.3789				
	MARGINS & EQUITIES AS % OF ASSETS	.3543				
	LONG TERM DEBT AS % OF PLANT	.5317				
	GENERAL FUNDS TO TOTAL PLANT	1.1338				
	QUICK ASSET RATIO	1.2615				

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	42,622,214.52	30.0 MEMBERSHIPS	231,875.00-
2.0	CONSTRUCTION WORK IN PROGRESS	268,963.53	31.0 PATRONAGE CAPITAL	15,228,388.03-
3.0	TOTAL UTILITY PLANT	42,891,178.05	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	12,271,603.31-	33.0 OPERATING MARGINS-CURRENT YEAR	973,036.98-
5.0	NET UTILITY PLANT		34.0 NON-OPERATING MARGINS	41,865.54-
		30,619,574.74	35.0 OTHER MARGINS & EQUITIES	1,038,847.31
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0 TOTAL MARGINS & EQUITIES	15,436,318.24-
7.0	INVEST IN SUBSIDIARY COMPANIES	25,000.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	7,217,881.99	37.0 LONG TERM DEBT - RUS (NET)	9,439,271.12-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	532,893.88	38.0 LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	40.0 LONG TERM DEBT - OTHER (NET)	13,364,920.18-
13.0	SPECIAL FUNDS	.00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	7,784,480.87	42.0 PAYMENTS - UNAPPLIED	.00
			43.0 TOTAL LONG TERM DEBT	22,804,191.30-
15.0	CASH - GENERAL FUNDS	25,283.77-		
16.0	CASH - CONSTRUCTION FUND TRUST	465.50	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	45.0 ACCUM OPERATING PROVISIONS	1,549,572.73-
18.0	TEMPORARY INVESTMENTS	502,872.56	46.0 TOTAL OTHER NONCURR LIABILITY	1,549,572.73-
19.0	NOTES RECEIVABLE (NET)	.00		
20.0	ACCTS REC - SALES ENERGY(NET)	3,808,749.33	47.0 NOTES PAYABLE	.00
21.0	ACCTS REC - OTHER (NET)	421,854.42	48.0 ACCOUNTS PAYABLE	2,763,588.71-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0 CONSUMER DEPOSITS	617,939.55-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	439,935.82	50.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	13,259.13	51.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	5,457.92	52.0 CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	5,167,330.91	53.0 OTHER CURRENT & ACCRUED LIAB	365,958.10-
			54.0 TOTAL CURRENT & ACCRUED LIAB	3,747,486.36-
27.0	REGULATORY ASSETS	.00		
28.0	OTHER DEFERRED DEBITS	4,127.40-	55.0 REGULATORY LIABILITIES	.00
			56.0 OTHER DEFERRED CREDITS	29,690.49-
29.0	TOTAL ASSETS & OTHER DEBITS	43,567,259.12	57.0 TOTAL LIABILITIES & OTH CREDIT	43,567,259.12-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	116,145.40
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	116,145.40

C E R T I F I C A T I O N

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.

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.

\_\_\_\_\_  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	3,180,567.37	3,329,818.61	3,211,649.66	3,329,818.61	3.7	4.7
2.0	.00	.00	.00	.00	.0	.0
3.0	2,291,237.00	2,331,793.00	2,238,966.00	2,331,793.00	4.1	1.8
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	92,856.10	84,242.07	65,929.78	84,242.07	27.8	9.3
7.0	216,934.30	94,988.31	105,308.64	94,988.31	9.8	56.2
8.0	52,948.46	66,265.82	60,380.62	66,265.82	9.7	25.2
9.0	8,955.27	9,411.84	12,143.56	9,411.84	22.5	5.1
10.0	.00	50.00	.00	50.00	100.0	100.0
11.0	83,151.12	110,385.93	106,462.58	110,385.93	3.7	32.8
12.0	2,746,082.25	2,697,136.97	2,589,191.18	2,697,136.97	4.2	1.8
13.0	183,752.40	158,252.58	174,053.24	158,252.58	9.1	13.9
14.0	.00	.00	.00	.00	.0	.0
15.0	1,917.00	2,041.67	2,041.66	2,041.67	.0	6.5
16.0	85,562.06	85,392.03	80,833.33	85,392.03	5.6	.2
17.0	.00	.00	.00	.00	.0	.0
18.0	10,616.03	7,199.44	7,449.99	7,199.44	3.4	32.2
19.0	1,006.31	368.20	916.66	368.20	59.8	63.4
20.0	3,028,936.05	2,950,390.89	2,854,486.06	2,950,390.89	3.4	2.6
21.0	151,631.32	379,427.72	357,163.60	379,427.72	6.2	150.2
22.0	2,211.71	2,046.99	2,666.66	2,046.99	23.2	7.4
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	.00	.00	.00	.00	.0	.0
26.0	.00	.00	.00	.00	.0	.0
27.0	.00	.00	.00	.00	.0	.0
28.0	.00	.00	.00	.00	.0	.0
29.0	153,843.03	381,474.71	359,830.26	381,474.71	6.0	148.0
RATIOS						
TIER	2.798	5.467	5.452	5.467		
MARGINS TO REVENUE	.048	.115	.112	.115		
POWER COST TO REVENUE	.720	.700	.697	.700		
INTEREST EXPENSE TO REVENUE	.027	.026	.025	.026		
CURRENT ASSETS : CURRENT LIABILITIES	1.4157					
MARGINS & EQUITIES AS % OF ASSETS	.3558					
LONG TERM DEBT AS % OF PLANT	.5299					
GENERAL FUNDS TO TOTAL PLANT	1.9375					
QUICK ASSET RATIO	1.3080					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 42,701,942.48	30.0 MEMBERSHIPS 232,275.00-
2.0	CONSTRUCTION WORK IN PROGRESS 302,046.69	31.0 PATRONAGE CAPITAL 16,199,314.99-
3.0	TOTAL UTILITY PLANT 43,003,989.17	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 12,375,553.89-	33.0 OPERATING MARGINS-CURRENT YEAR 379,427.72-
5.0	NET UTILITY PLANT 30,628,435.28	34.0 NON-OPERATING MARGINS 2,046.99-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 OTHER MARGINS & EQUITIES 987,118.48
7.0	INVEST IN SUBSIDIARY COMPANIES 25,000.00	36.0 TOTAL MARGINS & EQUITIES 15,825,946.22-
8.0	INV IN ASSOC ORG - PAT CAPITAL 7,217,881.99	37.0 LONG TERM DEBT - RUS (NET) 9,423,161.67-
9.0	INV IN ASSOC ORG OTHR GEN FND 3,205.00	(PAYMENTS-UNAPPLIED .00 )
10.0	INV IN ASSOC ORG - NON GEN FND 532,893.88	38.0 LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS 5,500.00	40.0 LONG TERM DEBT - OTHER (NET) 13,364,920.18-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 7,784,480.87	42.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 380,331.74	43.0 TOTAL LONG TERM DEBT 22,788,081.85-
16.0	CASH - CONSTRUCTION FUND TRUST 465.50	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 20.00	45.0 ACCUM OPERATING PROVISIONS 1,549,499.84-
18.0	TEMPORARY INVESTMENTS 444,185.48	46.0 TOTAL OTHER NONCURR LIABILITY 1,549,499.84-
19.0	NOTES RECEIVABLE (NET) .00	47.0 NOTES PAYABLE 500,000.00-
20.0	ACCTS REC - SALES ENERGY (NET) 4,416,411.55	48.0 ACCOUNTS PAYABLE 2,730,163.43-
21.0	ACCTS RECV - OTHER (NET) 226,124.38	49.0 CONSUMER DEPOSITS 621,404.00-
22.0	RENEWABLE ENERGY CREDITS .00	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 462,131.87	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 140,588.29	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 7,238.26	53.0 OTHER CURRENT & ACCRUED LIAB 441,410.90-
26.0	TOTAL CURRENT & ACCR ASSETS 6,077,497.07	54.0 TOTAL CURRENT & ACCRUED LIAB 4,292,978.33-
27.0	REGULATORY ASSETS .00	55.0 REGULATORY LIABILITIES .00
28.0	OTHER DEFERRED DEBITS 4,399.95-	56.0 OTHER DEFERRED CREDITS 29,507.03-
29.0	TOTAL ASSETS & OTHER DEBITS 44,486,013.27	57.0 TOTAL LIABILITIES & OTH CREDIT 44,486,013.27-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	5,799.45
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	5,799.45

C E R T I F I C A T I O N

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 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.

\_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
 DATE

\_\_\_\_\_  
 SIGNATURE OF MANAGER

\_\_\_\_\_  
 DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	6,120,784.34	5,672,109.49	5,965,824.32	2,342,290.88	4.9-	7.3-
2.0	.00	.00	.00	.00	.0	.0
3.0	4,275,298.00-	4,039,342.00-	4,116,217.00-	1,707,549.00-	1.9-	5.5-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	179,526.16-	170,212.51-	131,859.56-	85,970.44-	29.1	5.2-
7.0	309,220.66-	171,817.27-	210,617.28-	76,828.96-	18.4-	44.4-
8.0	113,649.80-	129,296.69-	120,761.24-	63,030.87-	7.1	13.8
9.0	19,926.83-	20,430.65-	24,287.12-	11,018.81-	15.9-	2.5
10.0	50.00-	1,907.12-	.00	1,857.12-	100.0-	3714.2
11.0	167,999.75-	216,733.87-	212,925.16-	106,347.94-	1.8	29.0
12.0	5,065,671.20-	4,749,740.11-	4,816,667.36-	2,052,603.14-	1.4-	6.2-
13.0	368,278.47-	316,661.35-	348,106.48-	158,408.77-	9.0-	14.0-
14.0	.00	.00	.00	.00	.0	.0
15.0	3,834.00-	4,083.34-	4,083.32-	2,041.67-	.0	6.5
16.0	167,791.37-	170,296.28-	161,666.66-	84,904.25-	5.3	1.5
17.0	.00	.00	.00	.00	.0	.0
18.0	22,131.76-	15,024.47-	14,899.98-	7,825.03-	.8	32.1-
19.0	1,206.31-	768.20-	1,833.32-	400.00-	58.1-	36.3-
20.0	5,628,913.11-	5,256,573.75-	5,347,257.12-	2,306,182.86-	1.7-	6.6-
21.0	491,871.23	415,535.74	618,567.20	36,108.02	32.8-	15.5-
22.0	4,558.08	4,079.90	5,333.32	2,032.91	23.5-	10.5-
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	.00	.00	.00	.00	.0	.0
26.0	.00	.00	.00	.00	.0	.0
27.0	.00	2,827.00-	.00	2,827.00-	100.0-	100.0-
28.0	.00	.00	.00	.00	.0	.0
29.0	496,429.31	416,788.64	623,900.52	35,313.93	33.2-	16.0-
RATIOS						
TIER	3.959	3.447	4.859	1.416		
MARGINS TO REVENUE	.081	.073	.105	.015		
POWER COST TO REVENUE	.698	.712	.690	.729		
INTEREST EXPENSE TO REVENUE	.027	.030	.027	.036		
CURRENT ASSETS : CURRENT LIABILITIES	1.4849					
MARGINS & EQUITIES AS % OF ASSETS	.3621					
LONG TERM DEBT AS % OF PLANT	.5268					
GENERAL FUNDS TO TOTAL PLANT	2.7399					
QUICK ASSET RATIO	1.3593					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS			
1.0	TOTAL UTILITY PLANT IN SERVICE	42,781,599.93	30.0	MEMBERSHIPS	233,490.00-
2.0	CONSTRUCTION WORK IN PROGRESS	359,757.51	31.0	PATRONAGE CAPITAL	16,196,680.57-
3.0	TOTAL UTILITY PLANT	43,141,357.44	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	12,504,593.37-	33.0	OPERATING MARGINS-CURRENT YEAR	412,708.74-
5.0	NET UTILITY PLANT		34.0	NON-OPERATING MARGINS	4,079.90-
		30,636,764.07	35.0	OTHER MARGINS & EQUITIES	977,166.66
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	15,869,792.55-
7.0	INVEST IN SUBSIDIARY COMPANIES	25,000.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	7,215,054.99	37.0	LONG TERM DEBT - RUS (NET)	9,403,783.19-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	532,893.88	38.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	40.0	LONG TERM DEBT - OTHER (NET)	13,325,072.48-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	7,781,653.87	42.0	PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	684,529.41	43.0	TOTAL LONG TERM DEBT	22,728,855.67-
16.0	CASH - CONSTRUCTION FUND TRUST	465.50	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	45.0	ACCUM OPERATING PROVISIONS	1,551,230.53-
18.0	TEMPORARY INVESTMENTS	488,803.77	46.0	TOTAL OTHER NONCURR LIABILITY	1,551,230.53-
19.0	NOTES RECEIVABLE (NET)	.00	47.0	NOTES PAYABLE	500,000.00-
20.0	ACCTS RECV - SALES ENERGY(NET)	3,537,465.05	48.0	ACCOUNTS PAYABLE	2,062,461.47-
21.0	ACCTS RECV - OTHER (NET)	106,213.16	49.0	CONSUMER DEPOSITS	634,499.00-
22.0	RENEWABLE ENERGY CREDITS	.00	50.0	CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	457,595.01	51.0	CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	124,095.09	52.0	CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	9,018.60	53.0	OTHER CURRENT & ACCRUED LIAB	445,133.86-
26.0	TOTAL CURRENT & ACCR ASSETS	5,408,205.59	54.0	TOTAL CURRENT & ACCRUED LIAB	3,642,094.33-
27.0	REGULATORY ASSETS	.00	55.0	REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	5,143.42	56.0	OTHER DEFERRED CREDITS	29,507.03-
29.0	TOTAL ASSETS & OTHER DEBITS	43,821,480.11	57.0	TOTAL LIABILITIES & OTH CREDIT	43,821,480.11-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	25,413.69
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	25,413.69

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C E R T I F I C A T I O N

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.  
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.

\_\_\_\_\_  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	8,180,381.80	7,780,676.49	8,158,769.98	2,108,567.00	4.6-	4.9-
2.0						
3.0						
4.0	5,788,146.00-	5,454,154.00-	5,706,728.00-	1,414,812.00-	4.4-	5.8-
5.0						
6.0						
7.0	441,021.92-	291,116.05-	315,925.92-	119,298.78-	7.9-	34.0-
8.0	190,958.58-	197,406.26-	181,141.86-	68,109.57-	9.0	3.4
9.0	29,228.65-	37,512.19-	36,430.68-	17,081.54-	3.0	28.3
10.0	100.00-	3,107.12-		1,200.00-	100.0-	3007.1
11.0	277,313.14-	321,068.35-	319,387.74-	104,334.48-	.5	15.8
12.0	7,002,226.13-	6,561,167.45-	6,757,403.54-	1,811,427.34-	2.9-	6.3-
13.0	553,311.78-	476,375.15-	522,159.72-	159,713.80-	8.8-	13.9-
14.0						
15.0	5,751.00-	6,125.01-	6,124.98-	2,041.67-	.0	6.5
16.0	252,553.58-	253,060.03-	242,499.99-	82,763.75-	4.4	.2
17.0						
18.0	30,005.66-	23,680.63-	22,349.97-	8,656.16-	6.0	21.1-
19.0	1,506.31-	1,018.20-	2,749.98-	250.00-	63.0-	32.4-
20.0	7,845,354.46-	7,321,426.47-	7,553,288.18-	2,064,852.72-	3.1-	6.7-
21.0	335,027.34	459,250.02	605,481.80	43,714.28	24.2-	37.1
22.0	7,148.36	6,199.36	7,999.98	2,119.46	22.5-	13.3-
23.0						
24.0						
25.0						
26.0						
27.0	2,453.47-	23,626.58		26,453.58	100.0	1063.0-
28.0						
29.0	339,722.23	489,075.96	613,481.78	72,287.32	20.3-	44.0
RATIOS						
TIER	2.345	2.933	3.530	1.873		
MARGINS TO REVENUE	.042	.063	.075	.034		
POWER COST TO REVENUE	.708	.701	.699	.671		
INTEREST EXPENSE TO REVENUE	.031	.033	.030	.039		
CURRENT ASSETS : CURRENT LIABILITIES	1.4972					
MARGINS & EQUITIES AS % OF ASSETS	.3660					
LONG TERM DEBT AS % OF PLANT	.5236					
GENERAL FUNDS TO TOTAL PLANT	3.4988					
QUICK ASSET RATIO	1.3704					



PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	43,083,915.03	30.0	MEMBERSHIPS	233,735.00-
2.0	CONSTRUCTION WORK IN PROGRESS	207,566.23	31.0	PATRONAGE CAPITAL	16,192,932.18-
3.0	TOTAL UTILITY PLANT	43,291,481.26	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	12,566,717.98-	33.0	OPERATING MARGINS-CURRENT YEAR	482,876.60-
5.0	NET UTILITY PLANT		34.0	NON-OPERATING MARGINS	6,199.36-
		30,724,763.28	35.0	OTHER MARGINS & EQUITIES	967,219.09
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	15,948,524.05-
7.0	INVEST IN SUBSIDIARY COMPANIES	25,000.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	7,234,970.52	37.0	LONG TERM DEBT - RUS (NET)	9,384,404.71-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	531,907.20	38.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	40.0	LONG TERM DEBT - OTHER (NET)	13,283,197.17-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS		42.0	PAYMENTS - UNAPPLIED	.00
		7,800,582.72	43.0	TOTAL LONG TERM DEBT	22,667,601.88-
15.0	CASH - GENERAL FUNDS	980,102.49			
16.0	CASH - CONSTRUCTION FUND TRUST	465.50	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	45.0	ACCUM OPERATING PROVISIONS	1,552,961.22-
18.0	TEMPORARY INVESTMENTS	525,896.06	46.0	TOTAL OTHER NONCURR LIABILITY	1,552,961.22-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY(NET)	2,862,977.09	47.0	NOTES PAYABLE	500,000.00-
21.0	ACCTS RECV - OTHER (NET)	141,542.28	48.0	ACCOUNTS PAYABLE	1,822,302.76-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	650,149.00-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	428,138.97	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	103,201.89	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	10,798.94	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS		53.0	OTHER CURRENT & ACCRUED LIAB	402,516.77-
		5,053,143.22	54.0	TOTAL CURRENT & ACCRUED LIAB	3,374,968.53-
27.0	REGULATORY ASSETS	.00	55.0	REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	4,926.51	56.0	OTHER DEFERRED CREDITS	29,507.03-
29.0	TOTAL ASSETS & OTHER DEBITS	43,573,562.71	57.0	TOTAL LIABILITIES & OTH CREDIT	43,573,562.71-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	33,428.07
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	33,428.07

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C E R T I F I C A T I O N

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.  
 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.

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 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
 DATE

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 SIGNATURE OF MANAGER

\_\_\_\_\_  
 DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	9,653,566.46	9,451,385.74	9,891,257.64	1,670,709.25	4.4-	2.1-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	6,712,575.00-	6,628,540.00-	6,826,724.00-	1,174,386.00-	2.9-	1.3-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	363,114.91-	332,861.80-	263,719.12-	76,058.32-	26.2	8.3-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	531,770.47-	477,074.58-	421,234.56-	185,958.53-	13.3	10.3-
8.0	CONSUMER ACCOUNTS EXPENSE.....	254,384.84-	261,679.27-	241,522.48-	64,273.01-	8.3	2.9
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	38,751.65-	53,936.37-	48,574.24-	16,424.18-	11.0	39.2
10.0	SALES EXPENSE.....	100.00-	3,157.12-	.00	50.00-	100.0-	3057.1
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	384,543.52-	433,524.20-	425,850.32-	112,455.85-	1.8	12.7
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	8,285,240.39-	8,190,773.34-	8,227,624.72-	1,629,605.89-	.4-	1.1-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	615,692.62-	636,467.17-	696,212.96-	160,092.02-	8.6-	3.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	7,668.00-	8,166.68-	8,166.64-	2,041.67-	.0	6.5
16.0	INTEREST ON LONG TERM DEBT.....	336,176.95-	335,823.78-	323,333.32-	82,763.75-	3.9	.1-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	37,353.98-	32,467.39-	29,799.96-	8,786.76-	9.0	13.1-
19.0	OTHER DEDUCTIONS.....	1,606.31-	1,738.62-	3,666.64-	720.42-	52.6-	8.2
20.0	TOTAL COST OF ELECTRIC SERVICE.....	9,283,738.25-	9,205,436.98-	9,288,804.24-	1,884,010.51-	.9-	.8-
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21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	369,828.21	245,948.76	602,453.40	213,301.26-	59.2-	33.5-
22.0	NON OPERATING MARGINS - INTEREST.....	10,657.13	9,237.16	10,666.64	3,037.80	13.4-	13.3-
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	11,949.50	.00	.00	.00	.0	100.0-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	2,453.47-	23,626.58	.00	.00	100.0	1063.0-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	389,981.37	278,812.50	613,120.04	210,263.46-	54.5-	28.5-
RATIOS							
TIER		2.160	1.830	2.896	1.541-		
MARGINS TO REVENUE		.040	.029	.062	.126		
POWER COST TO REVENUE		.695	.701	.690	.703		
INTEREST EXPENSE TO REVENUE		.035	.036	.033	.050		
CURRENT ASSETS : CURRENT LIABILITIES		1.4193					
MARGINS & EQUITIES AS % OF ASSETS		.3686					
LONG TERM DEBT AS % OF PLANT		.5168					
GENERAL FUNDS TO TOTAL PLANT		2.3731					
QUICK ASSET RATIO		1.2741					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS			
1.0	TOTAL UTILITY PLANT IN SERVICE	43,205,804.18	30.0	MEMBERSHIPS	233,520.00-
2.0	CONSTRUCTION WORK IN PROGRESS	212,981.98	31.0	PATRONAGE CAPITAL	16,191,897.38-
3.0	TOTAL UTILITY PLANT	43,418,786.16	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	12,683,416.46-	33.0	OPERATING MARGINS-CURRENT YEAR	269,575.34-
5.0	NET UTILITY PLANT		34.0	NON-OPERATING MARGINS	9,237.16-
		30,735,369.70	35.0	OTHER MARGINS & EQUITIES	957,718.84
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	15,746,511.04-
7.0	INVEST IN SUBSIDIARY COMPANIES	25,000.00	37.0	LONG TERM DEBT - RUS (NET)	9,157,109.93-
8.0	INV IN ASSOC ORG - PAT CAPITAL	7,234,970.52		(PAYMENTS-UNAPPLIED	.00 )
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	38.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
10.0	INV IN ASSOC ORG - NON GEN FND	531,907.20	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	40.0	LONG TERM DEBT - OTHER (NET)	13,283,197.17-
12.0	OTHER INVESTMENTS	5,500.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
13.0	SPECIAL FUNDS	.00	42.0	PAYMENTS - UNAPPLIED	.00
14.0	TOT OTHER PROP & INVESTMENTS		43.0	TOTAL LONG TERM DEBT	22,440,307.10-
		7,800,582.72	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
15.0	CASH - GENERAL FUNDS	677,632.64	45.0	ACCUM OPERATING PROVISIONS	1,551,201.89-
16.0	CASH - CONSTRUCTION FUND TRUST	465.50	46.0	TOTAL OTHER NONCURR LIABILITY	1,551,201.89-
17.0	SPECIAL DEPOSITS	20.00	47.0	NOTES PAYABLE	200,000.00-
18.0	TEMPORARY INVESTMENTS	344,033.21	48.0	ACCOUNTS PAYABLE	1,618,851.69-
19.0	NOTES RECEIVABLE (NET)	.00	49.0	CONSUMER DEPOSITS	649,544.00-
20.0	ACCTS REC - SALES ENERGY (NET)	2,451,925.72	50.0	CURR MATURITIES LONG-TERM DEBT	.00
21.0	ACCTS REC - OTHER (NET)	193,121.53	51.0	CURR MATURIT LT DEBT ECON DEV	.00
22.0	RENEWABLE ENERGY CREDITS	.00	52.0	CURR MATURITIES CAPITAL LEASES	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	428,547.88	53.0	OTHER CURRENT & ACCRUED LIAB	482,911.51-
24.0	PREPAYMENTS	91,191.81	54.0	TOTAL CURRENT & ACCRUED LIAB	2,951,307.20-
25.0	OTHER CURRENT & ACCR ASSETS	1,955.64	55.0	REGULATORY LIABILITIES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	4,188,893.93	56.0	OTHER DEFERRED CREDITS	29,309.88-
27.0	REGULATORY ASSETS	.00	57.0	TOTAL LIABILITIES & OTH CREDIT	42,718,637.11-
28.0	OTHER DEFERRED DEBITS	6,209.24			
29.0	TOTAL ASSETS & OTHER DEBITS	42,718,637.11			

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	62,925.42
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	62,925.42

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C E R T I F I C A T I O N

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.  
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.

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SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE		BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	11,256,370.05	11,229,406.14	11,649,931.30	1,778,020.40	3.6-	.2-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	7,739,180.00-	7,866,656.00-	8,052,665.00-	1,238,116.00-	2.3-	1.6
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	451,384.29-	415,176.85-	329,648.90-	82,315.05-	25.9	8.0-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	649,347.51-	622,719.46-	526,543.20-	145,644.88-	18.3	4.1-
8.0	CONSUMER ACCOUNTS EXPENSE.....	318,888.28-	314,732.40-	301,903.10-	53,053.13-	4.2	1.3-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	49,299.47-	61,068.95-	60,717.80-	7,132.58-	.6	23.9
10.0	SALES EXPENSE.....	150.00-	3,257.12-	.00	100.00-	100.0-	2071.4
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	494,581.76-	509,364.84-	532,312.90-	75,840.64-	4.3-	3.0
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	9,702,831.31-	9,792,975.62-	9,803,790.90-	1,602,202.28-	.1-	.9
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	770,456.43-	796,917.94-	870,266.20-	160,450.77-	8.4-	3.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	9,585.00-	10,208.35-	10,208.30-	2,041.67-	.0	6.5
16.0	INTEREST ON LONG TERM DEBT.....	420,832.91-	410,284.66-	404,166.65-	74,460.88-	1.5	2.5-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	44,648.17-	40,811.32-	37,249.95-	8,343.93-	9.6	8.6-
19.0	OTHER DEDUCTIONS.....	9,956.31-	11,338.62-	4,583.30-	9,600.00-	147.4	13.9
20.0	TOTAL COST OF ELECTRIC SERVICE.....	10,958,310.13-	11,062,536.51-	11,130,265.30-	1,857,099.53-	.6-	1.0
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	298,059.92	166,869.63	519,666.00	79,079.13-	67.9-	44.0-
22.0	NON OPERATING MARGINS - INTEREST.....	13,141.03	11,055.40	13,333.30	1,818.24	17.1-	15.9-
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	11,949.50	.00	.00	.00	.0	100.0-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	2,453.47-	23,626.58	.00	.00	100.0	1063.0-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	320,696.98	201,551.61	532,999.30	77,260.89-	62.2-	37.2-

RATIOS

TIER	1.762	1.491	2.319	.038-
MARGINS TO REVENUE	.028	.018	.046	.043
POWER COST TO REVENUE	.688	.701	.691	.696
INTEREST EXPENSE TO REVENUE	.037	.037	.035	.042
CURRENT ASSETS : CURRENT LIABILITIES	1.2366			
MARGINS & EQUITIES AS % OF ASSETS	.3701			
LONG TERM DEBT AS % OF PLANT	.5055			
GENERAL FUNDS TO TOTAL PLANT	1.6546			
QUICK ASSET RATIO	1.0940			

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	43,354,189.19	30.0 MEMBERSHIPS	233,695.00-
2.0	CONSTRUCTION WORK IN PROGRESS	240,493.92	31.0 PATRONAGE CAPITAL	16,185,014.77-
3.0	TOTAL UTILITY PLANT	43,594,683.11	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	12,829,160.39-	33.0 OPERATING MARGINS-CURRENT YEAR	190,496.21-
5.0	NET UTILITY PLANT		34.0 NON-OPERATING MARGINS	11,055.40-
		30,765,522.72	35.0 OTHER MARGINS & EQUITIES	946,651.13
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0 TOTAL MARGINS & EQUITIES	15,673,610.25-
7.0	INVEST IN SUBSIDIARY COMPANIES	25,000.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	7,234,970.52	37.0 LONG TERM DEBT - RUS (NET)	9,138,692.56-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	531,907.20	38.0 LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	40.0 LONG TERM DEBT - OTHER (NET)	12,898,100.85-
13.0	SPECIAL FUNDS	.00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS		42.0 PAYMENTS - UNAPPLIED	.00
		7,800,582.72	43.0 TOTAL LONG TERM DEBT	22,036,793.41-
15.0	CASH - GENERAL FUNDS	340,178.54		
16.0	CASH - CONSTRUCTION FUND TRUST	465.50	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	45.0 ACCUM OPERATING PROVISIONS	1,550,983.31-
18.0	TEMPORARY INVESTMENTS	372,418.69	46.0 TOTAL OTHER NONCURR LIABILITY	1,550,983.31-
19.0	NOTES RECEIVABLE (NET)	.00		
20.0	ACCTS REC - SALES ENERGY(NET)	2,327,085.37	47.0 NOTES PAYABLE	200,000.00-
21.0	ACCTS REC - OTHER (NET)	210,818.79	48.0 ACCOUNTS PAYABLE	1,709,968.64-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0 CONSUMER DEPOSITS	664,388.42-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	435,606.24	50.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	87,342.51	51.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	3,541.20	52.0 CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS		53.0 OTHER CURRENT & ACCRUED LIAB	480,260.66-
		3,777,476.84	54.0 TOTAL CURRENT & ACCRUED LIAB	3,054,617.72-
27.0	REGULATORY ASSETS	.00		
28.0	OTHER DEFERRED DEBITS	1,732.29	55.0 REGULATORY LIABILITIES	.00
			56.0 OTHER DEFERRED CREDITS	29,309.88-
29.0	TOTAL ASSETS & OTHER DEBITS	42,345,314.57	57.0 TOTAL LIABILITIES & OTH CREDIT	42,345,314.57-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	66,288.97
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	66,288.97

C E R T I F I C A T I O N

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. 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.

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SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	13,060,084.10	13,320,084.76	13,715,355.96	2,090,678.62	2.9- 2.0
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0 .0
3.0	COST OF PURCHASED POWER.....	9,134,518.00-	9,355,689.00-	9,538,286.00-	1,489,033.00-	1.9- 2.4
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0 .0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0 .0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	528,803.89-	454,100.67-	395,578.68-	38,923.82-	14.8 14.1-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	797,709.66-	716,872.77-	631,851.84-	94,153.31-	13.5 10.1-
8.0	CONSUMER ACCOUNTS EXPENSE.....	372,118.74-	382,719.95-	362,283.72-	67,987.55-	5.6 2.8
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	60,185.80-	75,027.07-	72,861.36-	13,958.12-	3.0 24.7
10.0	SALES EXPENSE.....	200.00-	3,435.62-	.00	178.50-	100.0- 1617.8
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	593,004.61-	606,475.43-	638,775.48-	97,110.59-	5.1- 2.3
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	11,486,540.70-	11,594,320.51-	11,639,637.08-	1,801,344.89-	.4- .9
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	924,800.74-	958,221.77-	1,044,319.44-	161,303.83-	8.2- 3.6
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0 .0
15.0	TAX EXPENSE - OTHER.....	11,502.00-	12,250.02-	12,249.96-	2,041.67-	.0 6.5
16.0	INTEREST ON LONG TERM DEBT.....	505,890.60-	488,763.50-	484,999.98-	78,478.84-	.8 3.4-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0 .0
18.0	INTEREST EXPENSE - OTHER.....	51,932.12-	48,770.68-	44,699.94-	7,959.36-	9.1 6.1-
19.0	OTHER DEDUCTIONS.....	9,956.31-	11,488.62-	5,499.96-	150.00-	108.9 15.4
20.0	TOTAL COST OF ELECTRIC SERVICE.....	12,990,622.47-	13,113,815.10-	13,231,406.36-	2,051,278.59-	.9- .9
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21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	69,461.63	206,269.66	483,949.60	39,400.03	57.4- 197.0
22.0	NON OPERATING MARGINS - INTEREST.....	15,596.23	13,009.34	15,999.96	1,953.94	18.7- 16.6-
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0 .0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0 .0
25.0	NON OPERATING MARGINS - OTHER.....	11,949.50	.00	.00	.00	.0 100.0-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0 .0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	2,453.47-	23,626.58	.00	.00	100.0 1063.0-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0 .0
29.0	PATRONAGE CAPITAL OR MARGINS.....	94,553.89	242,905.58	499,949.56	41,353.97	51.4- 156.9

RATIOS

TIER	1.187	1.497	2.031	1.527
MARGINS TO REVENUE	.007	.018	.036	.020
POWER COST TO REVENUE	.699	.702	.695	.712
INTEREST EXPENSE TO REVENUE	.039	.037	.035	.038
CURRENT ASSETS : CURRENT LIABILITIES	1.2263			
MARGINS & EQUITIES AS % OF ASSETS	.3676			
LONG TERM DEBT AS % OF PLANT	.5052			
GENERAL FUNDS TO TOTAL PLANT	1.4953			
QUICK ASSET RATIO	1.0965			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	43,602,345.62	30.0	MEMBERSHIPS	234,155.00-
2.0	CONSTRUCTION WORK IN PROGRESS	214,115.46	31.0	PATRONAGE CAPITAL	16,181,299.49-
3.0	TOTAL UTILITY PLANT	43,816,461.08	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	12,932,741.84-	33.0	OPERATING MARGINS-CURRENT YEAR	229,896.24-
5.0	NET UTILITY PLANT	30,883,719.24	34.0	NON-OPERATING MARGINS	13,009.34-
			35.0	OTHER MARGINS & EQUITIES	936,253.25
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES	15,722,106.82-
7.0	INVEST IN SUBSIDIARY COMPANIES	25,000.00			
8.0	INV IN ASSOC ORG - PAT CAPITAL	7,234,970.52	37.0	LONG TERM DEBT - RUS (NET)	9,277,569.67-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00 )
10.0	INV IN ASSOC ORG - NON GEN FND	531,907.20	38.0	LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0	OTHER INVESTMENTS	5,500.00	40.0	LONG TERM DEBT - OTHER (NET)	12,858,780.67-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	7,800,582.72	42.0	PAYMENTS - UNAPPLIED	.00
			43.0	TOTAL LONG TERM DEBT	22,136,350.34-
15.0	CASH - GENERAL FUNDS	247,604.41			
16.0	CASH - CONSTRUCTION FUND TRUST	465.50	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	20.00	45.0	ACCUM OPERATING PROVISIONS	1,550,764.73-
18.0	TEMPORARY INVESTMENTS	398,883.94	46.0	TOTAL OTHER NONCURR LIABILITY	1,550,764.73-
19.0	NOTES RECEIVABLE (NET)	.00			
20.0	ACCTS RECV - SALES ENERGY(NET)	2,671,549.16	47.0	NOTES PAYABLE	200,000.00-
21.0	ACCTS RECV - OTHER (NET)	255,103.11	48.0	ACCOUNTS PAYABLE	1,960,751.38-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS	665,052.36-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	431,692.55	50.0	CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	68,312.33	51.0	CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	5,311.81	52.0	CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	4,078,942.81	53.0	OTHER CURRENT & ACCRUED LIAB	500,329.00-
			54.0	TOTAL CURRENT & ACCRUED LIAB	3,326,132.74-
27.0	REGULATORY ASSETS	.00	55.0	REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	1,419.74	56.0	OTHER DEFERRED CREDITS	29,309.88-
29.0	TOTAL ASSETS & OTHER DEBITS	42,764,664.51	57.0	TOTAL LIABILITIES & OTH CREDIT	42,764,664.51-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	109,392.12
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	109,392.12

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C E R T I F I C A T I O N

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.  
 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.

\_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
 DATE

\_\_\_\_\_  
 SIGNATURE OF MANAGER

\_\_\_\_\_  
 DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	15,614,122.10	15,748,149.68	16,015,649.62	2,428,064.92	1.7-	.9
2.0	.00	.00	.00	.00	.0	.0
3.0	10,750,810.00-	11,053,455.00-	11,109,867.00-	1,697,766.00-	.5-	2.8
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	553,905.52-	522,189.54-	461,508.46-	68,088.87-	13.1	5.7-
7.0	947,777.41-	892,691.65-	737,160.48-	175,818.88-	21.1	5.8-
8.0	431,290.24-	437,408.72-	422,664.34-	54,688.77-	3.5	1.4
9.0	70,505.30-	84,906.96-	85,004.92-	9,879.89-	.1-	20.4
10.0	200.00-	3,435.62-	.00	.00	100.0-	1617.8
11.0	700,110.48-	704,087.98-	745,238.06-	97,612.55-	5.5-	.6
12.0	13,454,598.95-	13,698,175.47-	13,561,443.26-	2,103,854.96-	1.0	1.8
13.0	1,080,579.33-	1,120,470.61-	1,218,372.68-	162,248.84-	8.0-	3.7
14.0	.00	.00	.00	.00	.0	.0
15.0	13,419.00-	14,291.69-	14,291.62-	2,041.67-	.0	6.5
16.0	591,978.67-	568,173.86-	565,833.31-	79,410.36-	.4	4.0-
17.0	.00	.00	.00	.00	.0	.0
18.0	59,266.01-	56,670.40-	52,149.93-	7,899.72-	8.7	4.4-
19.0	10,781.31-	11,068.62-	6,416.62-	420.00	72.5	2.7
20.0	15,210,623.27-	15,468,850.65-	15,418,507.42-	2,355,035.55-	.3	1.7
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21.0	403,498.83	279,299.03	597,142.20	73,029.37	53.2-	30.8-
22.0	17,811.53	14,965.53	18,666.62	1,956.19	19.8-	16.0-
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	11,949.50	.00	.00	.00	.0	100.0-
26.0	.00	.00	.00	.00	.0	.0
27.0	2,453.47-	23,626.58	.00	.00	100.0	1063.0-
28.0	.00	.00	.00	.00	.0	.0
29.0	430,806.39	317,891.14	615,808.82	74,985.56	48.4-	26.2-

RATIOS

TIER	1.728	1.559	2.088	1.944
MARGINS TO REVENUE	.028	.020	.038	.031
POWER COST TO REVENUE	.689	.702	.694	.699
INTEREST EXPENSE TO REVENUE	.038	.036	.035	.033
CURRENT ASSETS : CURRENT LIABILITIES	1.2203			
MARGINS & EQUITIES AS % OF ASSETS	.3655			
LONG TERM DEBT AS % OF PLANT	.5042			
GENERAL FUNDS TO TOTAL PLANT	1.0357			
QUICK ASSET RATIO	1.1022			





PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	17,786,792.69	17,938,523.58	18,135,870.28	2,190,373.90	1.1-	.9
2.0	.00	.00	.00	.00	.0	.0
3.0	12,335,630.00-	12,659,433.00-	12,687,158.00-	1,605,978.00-	.2-	2.6
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	626,149.47-	601,791.87-	527,438.24-	79,602.33-	14.1	3.9-
7.0	1,043,596.36-	948,175.23-	842,469.12-	55,483.58-	12.5	9.1-
8.0	501,832.13-	505,722.09-	483,044.96-	68,313.37-	4.7	.8
9.0	86,939.15-	102,926.68-	97,148.48-	18,019.72-	5.9	18.4
10.0	350.00-	9,165.37-	.00	5,729.75-	100.0-	2518.7
11.0	811,724.47-	802,336.65-	851,700.64-	98,248.67-	5.8-	1.2-
12.0	15,406,221.58-	15,629,550.89-	15,488,959.44-	1,931,375.42-	.9	1.4
13.0	1,236,460.25-	1,283,380.94-	1,392,425.92-	162,910.33-	7.8-	3.8
14.0	.00	.00	.00	.00	.0	.0
15.0	15,336.00-	16,333.36-	16,333.28-	2,041.67-	.0	6.5
16.0	676,696.17-	643,271.02-	646,666.64-	75,097.16-	.5-	4.9-
17.0	.00	.00	.00	.00	.0	.0
18.0	66,519.21-	64,755.65-	59,599.92-	8,085.25-	8.7	2.7-
19.0	10,891.31-	11,358.62-	7,333.28-	290.00-	54.9	4.3
20.0	17,412,124.52-	17,648,650.48-	17,611,318.48-	2,179,799.83-	.2	1.4
21.0	374,668.17	289,873.10	524,551.80	10,574.07	44.7-	22.6-
22.0	20,357.51	16,919.12	21,333.28	1,953.59	20.7-	16.9-
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	11,949.50	.00	.00	.00	.0	100.0-
26.0	.00	.00	.00	.00	.0	.0
27.0	2,453.47-	23,626.58	.00	.00	100.0	1063.0-
28.0	.00	.00	.00	.00	.0	.0
29.0	404,521.71	330,418.80	545,885.08	12,527.66	39.5-	18.3-
RATIOS						
TIER	1.598	1.514	1.844	1.167		
MARGINS TO REVENUE	.023	.018	.030	.006		
POWER COST TO REVENUE	.694	.706	.700	.733		
INTEREST EXPENSE TO REVENUE	.038	.036	.036	.034		
CURRENT ASSETS : CURRENT LIABILITIES	1.1979					
MARGINS & EQUITIES AS % OF ASSETS	.3663					
LONG TERM DEBT AS % OF PLANT	.5011					
GENERAL FUNDS TO TOTAL PLANT	.7642					
QUICK ASSET RATIO	1.0828					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1.0 TOTAL UTILITY PLANT IN SERVICE	43,926,974.16	30.0 MEMBERSHIPS	232,740.00-
2.0 CONSTRUCTION WORK IN PROGRESS	201,080.84	31.0 PATRONAGE CAPITAL	16,177,664.62-
3.0 TOTAL UTILITY PLANT	44,128,055.00	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0 ACCUM PROV FOR DEP & AMORT	13,142,207.13-	33.0 OPERATING MARGINS-CURRENT YEAR	313,499.68-
5.0 NET UTILITY PLANT	30,985,847.87	34.0 NON-OPERATING MARGINS	16,919.12-
		35.0 OTHER MARGINS & EQUITIES	916,674.59
6.0 NON-UTILITY PROPERTY (NET)	.00	36.0 TOTAL MARGINS & EQUITIES	15,824,148.83-
7.0 INVEST IN SUBSIDIARY COMPANIES	25,000.00		
8.0 INV IN ASSOC ORG - PAT CAPITAL	7,234,970.52	37.0 LONG TERM DEBT - RUS (NET)	9,289,054.29-
9.0 INV IN ASSOC ORG OTHR GEN FND	3,205.00	(PAYMENTS-UNAPPLIED .00 )	
10.0 INV IN ASSOC ORG - NON GEN FND	531,907.20	38.0 LNG-TERM DEBT-FFB-RUS GUAR	.00
11.0 INV IN ECON DEVEL PROJECTS	.00	39.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0 OTHER INVESTMENTS	5,500.00	40.0 LONG TERM DEBT - OTHER (NET)	12,824,835.04-
13.0 SPECIAL FUNDS	.00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0 TOT OTHER PROP & INVESTMENTS	7,800,582.72	42.0 PAYMENTS - UNAPPLIED	.00
		43.0 TOTAL LONG TERM DEBT	22,113,889.33-
15.0 CASH - GENERAL FUNDS	63,227.82		
16.0 CASH - CONSTRUCTION FUND TRUST	465.50	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0 SPECIAL DEPOSITS	20.00	45.0 ACCUM OPERATING PROVISIONS	1,549,082.71-
18.0 TEMPORARY INVESTMENTS	265,284.87	46.0 TOTAL OTHER NONCURR LIABILITY	1,549,082.71-
19.0 NOTES RECEIVABLE (NET)	.00		
20.0 ACCTS RECV - SALES ENERGY(NET)	3,283,133.31	47.0 NOTES PAYABLE	500,000.00-
21.0 ACCTS RECV - OTHER (NET)	316,495.79	48.0 ACCOUNTS PAYABLE	1,948,631.67-
22.0 RENEWABLE ENERGY CREDITS	.00	49.0 CONSUMER DEPOSITS	649,264.00-
23.0 MATERIAL & SUPPLIES-ELEC & OTH	423,577.43	50.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0 PREPAYMENTS	48,095.97	51.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0 OTHER CURRENT & ACCR ASSETS	8,853.03	52.0 CURR MATURITIES CAPITAL LEASES	.00
26.0 TOTAL CURRENT & ACCR ASSETS	4,409,153.72	53.0 OTHER CURRENT & ACCRUED LIAB	582,772.46-
		54.0 TOTAL CURRENT & ACCRUED LIAB	3,680,668.13-
27.0 REGULATORY ASSETS	.00		
28.0 OTHER DEFERRED DEBITS	436.16	55.0 REGULATORY LIABILITIES	.00
29.0 TOTAL ASSETS & OTHER DEBITS	43,196,020.47	56.0 OTHER DEFERRED CREDITS	28,231.47-
		57.0 TOTAL LIABILITIES & OTH CREDIT	43,196,020.47-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0 BALANCE BEGINNING OF YEAR	.00
59.0 AMOUNT RECEIVED THIS YEAR (NET)	110,687.11
60.0 TOTAL CONTRIBUTIONS IN AID OF CONST	110,687.11

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C E R T I F I C A T I O N

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.  
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.

\_\_\_\_\_  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE		BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR	
	LAST YEAR A	THIS YEAR B					
1.0	2,288,873.39	2,172,670.59	2,056,034.66	2,172,670.59	5.7	5.1-	
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.0	.0	
3.0	COST OF PURCHASED POWER.....	1,358,868.00-	1,584,820.00-	1,445,900.00-	1,584,820.00-	9.6	16.6
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	87,604.96-	72,243.95-	71,472.23-	72,243.95-	1.1	17.5-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	134,332.91-	95,818.95-	110,024.82-	95,818.95-	12.9-	28.7-
8.0	CONSUMER ACCOUNTS EXPENSE.....	43,567.34-	70,541.89-	47,520.38-	70,541.89-	48.4	61.9
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	15,482.08-	16,433.85-	11,295.48-	16,433.85-	45.5	6.1
10.0	SALES EXPENSE.....	50.00-	150.00-	.00	150.00-	100.0-	200.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	92,412.69-	111,613.99-	96,787.23-	111,613.99-	15.3	20.8
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	1,732,317.98-	1,951,622.63-	1,783,000.14-	1,951,622.63-	9.5	12.7
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	182,286.38-	155,880.92-	162,746.08-	155,880.92-	4.2-	14.5-
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	1,743.23-	1,917.00-	1,916.66-	1,917.00-	.0	10.0
16.0	INTEREST ON LONG TERM DEBT.....	107,377.78-	84,717.50-	87,499.99-	84,717.50-	3.2-	21.1-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	12,831.46-	7,253.20-	7,116.66-	7,253.20-	1.9	43.5-
19.0	OTHER DEDUCTIONS.....	50.00	110.00-	833.33-	110.00-	86.8-	320.0-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	2,036,506.83-	2,201,501.25-	2,043,112.86-	2,201,501.25-	7.8	8.1
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	252,366.56	28,830.66-	12,921.80	28,830.66-	323.1-	111.4-
22.0	NON OPERATING MARGINS - INTEREST.....	2,076.68	2,545.98	2,916.66	2,545.98	12.7-	22.6
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
25.0	NON OPERATING MARGINS - OTHER.....	.00	.00	.00	.00	.0	.0
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	.00	.00	.00	.00	.0	.0
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	254,443.24	26,284.68-	15,838.46	26,284.68-	266.0-	110.3-
RATIOS							
TIER	3.370	.690	1.181	.690			
MARGINS TO REVENUE	.111	.012	.008	.012			
POWER COST TO REVENUE	.594	.729	.703	.729			
INTEREST EXPENSE TO REVENUE	.047	.039	.043	.039			
CURRENT ASSETS : CURRENT LIABILITIES	1.5676						
MARGINS & EQUITIES AS % OF ASSETS	.0627						
LONG TERM DEBT AS % OF PLANT	.5152						
GENERAL FUNDS TO TOTAL PLANT	292.9627						
QUICK ASSET RATIO	1.5695						

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1.0	TOTAL UTILITY PLANT IN SERVICE	58,275.28	30.0	MEMBERSHIPS 185.00-
2.0	CONSTRUCTION WORK IN PROGRESS	44,567.88	31.0	PATRONAGE CAPITAL 6,210.58
3.0	TOTAL UTILITY PLANT	102,843.16	32.0	OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT	17,282.90-	33.0	OPERATING MARGINS-CURRENT YEAR 28,830.66
5.0	NET UTILITY PLANT		34.0	NON-OPERATING MARGINS 2,545.98-
			35.0	OTHER MARGINS & EQUITIES 11,067.59-
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0	TOTAL MARGINS & EQUITIES 21,242.67
7.0	INVEST IN SUBSIDIARY COMPANIES	.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	.00	37.0	LONG TERM DEBT - RUS (NET) 15,833.14
9.0	INV IN ASSOC ORG OTHR GEN FND	.00		(PAYMENTS-UNAPPLIED .00 )
10.0	INV IN ASSOC ORG - NON GEN FND	6,895.11-	38.0	LNG-TERM DEBT-FFB-RUS GUAR .00
11.0	INV IN ECON DEVEL PROJECTS	.00	39.0	LONG-TERM DEBT OTHER-RUS GUAR .00
12.0	OTHER INVESTMENTS	.00	40.0	LONG TERM DEBT - OTHER (NET) 37,150.16
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS		42.0	PAYMENTS - UNAPPLIED .00
			43.0	TOTAL LONG TERM DEBT 52,983.30
15.0	CASH - GENERAL FUNDS	336,863.31-		
16.0	CASH - CONSTRUCTION FUND TRUST	.00	44.0	OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS	.00	45.0	ACCUM OPERATING PROVISIONS 2,324.66-
18.0	TEMPORARY INVESTMENTS	35,571.18	46.0	TOTAL OTHER NONCURR LIABILITY 2,324.66-
19.0	NOTES RECEIVABLE (NET)	.00		
20.0	ACCTS RECV - SALES ENERGY(NET)	107,893.83-	47.0	NOTES PAYABLE .00
21.0	ACCTS RECV - OTHER (NET)	14,803.50	48.0	ACCOUNTS PAYABLE 192,642.31
22.0	RENEWABLE ENERGY CREDITS	.00	49.0	CONSUMER DEPOSITS 14,720.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	496.82	50.0	CURR MATURITIES LONG-TERM DEBT .00
24.0	PREPAYMENTS	24,809.94-	51.0	CURR MATURIT LT DEBT ECON DEV .00
25.0	OTHER CURRENT & ACCR ASSETS	1,770.61	52.0	CURR MATURITIES CAPITAL LEASES .00
26.0	TOTAL CURRENT & ACCR ASSETS		53.0	OTHER CURRENT & ACCRUED LIAB 58,598.36
			54.0	TOTAL CURRENT & ACCRUED LIAB 265,960.67
27.0	REGULATORY ASSETS	.00		
28.0	OTHER DEFERRED DEBITS	280.57-	55.0	REGULATORY LIABILITIES .00
			56.0	OTHER DEFERRED CREDITS 678.41
29.0	TOTAL ASSETS & OTHER DEBITS	338,540.39-	57.0	TOTAL LIABILITIES & OTH CREDIT 338,540.39

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0	BALANCE BEGINNING OF YEAR .00
59.0	AMOUNT RECEIVED THIS YEAR (NET) 95,654.53
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST 95,654.53

C E R T I F I C A T I O N

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.  
 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.

\_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
 DATE

\_\_\_\_\_  
 SIGNATURE OF MANAGER

\_\_\_\_\_  
 DATE

**BIG SANDY RECC**  
**CASE NO. 2012-00030**

**COST OF SERVICE STUDY**

April 2012

By: J. Adkins

TEST YEAR REVENUE REQUIREMENTS

Test Year Expenses											
Test Year Adjustments											
1	2	3	4	5	6	7	8	9	10	11	12
Acct No.	Description	Actual Test Year	Adjust. 1, 2, 6, 7, & 13	Adjust. 3	Adjust. 4	Adjust. 5, 8, 9, & 10	Adjust. 11, 12, 15 & 16	Adjust. 14, 17, 18 & 19	Total Adjustments	Adjusted Test Year	
555	Purchased Power										
	Base Rates	18,369,223	-	-	-	-	-	(935,634)	(935,634)	17,433,589	
	FAC & ES Clauses	251,095	-	-	-	-	-	(251,095)	(251,095)	-	
	<b>Total Purchased Power</b>	<b>18,620,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,186,729)</b>	<b>(1,186,729)</b>	<b>17,433,589</b>	
580	Operations Supv & Eng	40,659	1,141						1,141	41,800	
582	Station Expense	-	-						-	-	
583	Overhead Line Exp.	123,042	2,073						2,073	125,114	
584	Underground Line Exp	-	-						-	-	
586	Meter Expense	507,925	12,411						12,411	520,336	
587	Consumer Installations	23,811	305						305	24,115	
588	Misc. Distribution Exp	228,516	6,157	1,097	9,750				17,004	245,520	
589	Rents	-	-						-	-	
	<b>Total Dist. Operations</b>	<b>923,952</b>	<b>22,086</b>	<b>1,097</b>	<b>9,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,933</b>	<b>956,885</b>	
590	Maint Supv & Eng	119,976	3,645						3,645	123,621	
592	Maint of Station Equip	1,017	-						-	1,017	
593	Maint. Overhead Lines	1,202,591	16,379						16,379	1,218,970	
594	Maint of Underground Lines	-	-						-	-	
595	Maint Line Transformers	48,040	704						704	48,744	
596	Maint of St Lg & Signal Sys	-	-						-	-	
597	Maintenance of Meters	1,660	50						50	1,710	
598	Maint Misc Distrib Plant	95,675	2,109	1,605					3,714	99,389	
	<b>Total Dist. Maint.</b>	<b>1,468,958</b>	<b>22,889</b>	<b>1,605</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,494</b>	<b>1,493,452</b>	
901	Supervision	-	-						-	-	
902	Meter Reading Expense	57,703	16,480		93				16,573	74,276	
903	Cons Recds & Collections	629,448	-						-	629,448	
904	Uncollectible Accounts	78,000	-						-	78,000	
	<b>Total Consum Accts</b>	<b>765,151</b>	<b>16,480</b>	<b>-</b>	<b>93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,573</b>	<b>781,724</b>	

TEST YEAR REVENUE REQUIREMENTS

2	Test Year Adjustments										
	3	Acct Description	Actual	Adjust.	Adjust.	Adjust.	Adjust.	Adjust.	Adjust.	Total	Adjusted
4	No.		Test Year	1, 2, 6, 7, & 13	3	4	5, 8, 9, & 10	11, 12, 15 & 16	14, 17, 18 & 19	Adjustments	Test Year
5											
36											
37	907	Customer Information	-							-	-
38	908	Customer Assistance	132,162	-		278				278	132,440
39	913	Sales	12,120		124					124	12,244
40	910	Miscellaneous Cust Inform.	-							-	-
41		<b>Total Customer Serv.</b>	144,282	-	124	278	-	-	-	402	144,684
42										37,405	693,701
43	920	Administrative Salaries	656,296	37,405						-	151,704
44	921	Office Supplies	151,704	-						-	69,772
45	923	Outside Services	69,772	-						-	-
46	924	Property Ins	-	-						-	56,120
47	925	Injuries & Damages	56,120	-						-	39,690
48	926	Employ Pensions & Benef	39,690	-						-	-
49	928	Regulatory Exp	-	-						-	(4)
50	929	Duplicate Charges	(4)	-						183	302,061
51	930	Misc General Exp	301,878	-		183				-	16,120
52	931	Rents	16,120	-						(1,726)	28,816
53	935	Misc. General Plant	30,542	-			(21,739)	20,013		-	1,357,980
54		<b>Total Admin &amp; General</b>	1,322,118	37,405	-	183	(21,739)	20,013	-	35,862	
55											
56	403	Deprec. Distribution Plant	1,860,341	-	34,124					34,124	1,894,465
57	403	Deprec. General Plant	52,227	-						-	52,227
58		<b>Total Depreciation</b>	1,912,568	-	34,124	-	-	-	-	34,124	1,946,692
59											
60	408	Taxes Other Than Inc. Taxes	25,430							-	25,430
61	16&42	Miscell. Income Deductions	11,844	-			(11,223)			(11,223)	621
62		<b>Total Miscellaneous</b>	37,274	-	-	-	(11,223)	-	-	(11,223)	26,051
63											
64	427	Interest - RUS Constuc	379,292							-	379,292
65	427	Interest - FFB Notes	295,549							-	295,549
66	427	Interest - Other LTD	304,742				45,168			45,168	349,910
67		<b>Total Interest on LTD</b>	979,583	-	-	-	45,168	-	-	45,168	1,024,751





**BIG SAND . RECC  
CASE NO. 2012-00030**

**PAYROLL EXPENSES**

Used in the Allocation of the Test Year Adjusted Expenses										
Acct No.	Description	Total		Wages and Salaries - 1		2 Payroll Taxes	6 FAS 106	7 Retirement	13 Health Insur.	Total
		Wages	Percent	Oper. Percent	Oper. Adjust.					
580	Operations Supv & Eng	15,771	1.15%	5.17%	545	98	-	112	386	1,141
582	Station Expense									
583	Overhead Line Exp.	28,651	2.10%	9.38%	990	178	-	203	702	2,073
584	Underground Line Exp									
586	Meter Expense	171,575	12.55%	56.20%	5,927	1,065	-	1,216	4,204	12,411
587	Consumer Installations	4,210	0.31%	1.38%	145	26	-	30	103	305
588	Misc. Distribution Exp	85,108	6.23%	27.88%	2,940	528	-	603	2,085	6,157
	<b>Total Dist. Operations</b>	<b>305,315</b>	<b>22.34%</b>	<b>100.00%</b>	<b>10,547</b>	<b>1,895</b>	<b>-</b>	<b>2,163</b>	<b>7,481</b>	<b>22,086</b>
				<b>Maint. Percent</b>	<b>Maint. Adjust.</b>					
590	Maint Supv & Eng	50,396	3.69%	15.93%	1,741	313	-	357	1,235	3,645
592	Maint of Station Equip	-	0.00%	0.00%	-	-	-	-	-	-
593	Maint. Overhead Lines	226,433	16.57%	71.56%	7,822	1,405	-	1,604	5,548	16,379
595	Maint Line Transformers	9,736	0.71%	3.08%	336	60	-	69	239	704
597	Maintenance of Meters	698	0.05%	0.22%	24	4	-	5	17	50
598	Maint Misc Distrib Plant	29,160	2.13%	9.22%	1,007	181	-	207	714	2,109
	<b>Total Dist. Maint.</b>	<b>316,423</b>	<b>23.15%</b>	<b>100.00%</b>	<b>10,930</b>	<b>1,964</b>	<b>-</b>	<b>2,242</b>	<b>7,753</b>	<b>22,889</b>
901	Supervision									1,651
902	Meter Reading Expense	22,830	1.67%							14,829
903	Cons Recds & Collections	204,998	15.00%							16,480
	<b>Total Consum Accts</b>	<b>227,828</b>	<b>16.67%</b>		<b>7,870</b>	<b>1,414</b>	<b>-</b>	<b>1,614</b>	<b>5,582</b>	
907	Customer Information									
908	Customer Assistance	-	0.00%							
	<b>Total Customer Serv.</b>	<b>-</b>	<b>0.00%</b>							
920	Administrative Salaries	308,304	22.56%		17,862	3,210	-	3,664	12,669	37,405
921	Office Supplies	-	0.00%							
930	Miscellaneous	203,148	14.86%							
935	Misc. General Plant	5,643	0.41%							
	<b>Total Admin &amp; General</b>	<b>517,095</b>	<b>37.84%</b>		<b>17,862</b>	<b>3,210</b>	<b>-</b>	<b>3,664</b>	<b>12,669</b>	<b>37,405</b>
		<b>1,366,661</b>	<b>100.0%</b>		<b>47,209</b>	<b>8,483</b>	<b>-</b>	<b>9,683</b>	<b>33,485</b>	<b>98,860</b>

**BIG SAND , RECC  
CASE NO. 2012-00030**

Exhibit R  
Schedule 2  
Page 5 of 33  
Witness: Jim Adkins

**FUNCTIONALIZATION SUMMARY**

Expense	Adjusted Expenses	Purchased Power	Lines	Trans formers	Services	Meters	Consumer Services & Accounting	Lighting
Purchased Power	17,433,589	17,433,589						
Distribution Operations	956,885		152,050	-	26,752	743,619	-	34,463
Distribution Maintenance	1,493,452		1,293,227	57,301	140,913	2,011	-	-
Consumer Accounts	781,724						781,724	
Customer Service	144,684						144,684	
Administrative & General	1,357,980		609,081	147,808	107,163	79,985	364,169	49,774
Depreciation	1,946,692		1,184,494	287,445	208,403	155,548	14,006	96,796
Miscellaneous	26,051		15,636	3,794	2,751	2,053	539	1,278
Interest on Long Term Debt	1,024,751		663,948	134,665	98,364	73,445	10,318	44,011
Short Term Interest	86,555		56,080	11,374	8,308	6,204	872	3,717
Total Costs	25,252,362	17,433,589	3,974,516	642,387	592,654	1,062,865	1,316,311	230,039
Margin Requirements	1,024,751	-	663,948	134,665	98,364	73,445	10,318	44,011
Revenue Requirements	26,277,113	17,433,589	4,638,465	777,052	691,018	1,136,311	1,326,629	274,050

FUNCTIONALIZATION OF TEST YEAR EXPENSES

FUNCTIONALIZATION												
1	2	3	4	5	6	7	8	9	10	11	12	13
Acct No.	Description	Adjusted Test Year	Purchased Power	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Lighting	Total	Alloc. Basis	
555	Purchased Power											
	Base Rates	17,433,589	17,433,589							#####		
	FAC & ES Clauses	-	-							#####	DA	
	<b>Total Purchased Power</b>	<b>17,433,589</b>	<b>17,433,589</b>									
580	Operations Supv & Eng	42,492		6,642		1,169	32,484		1,505	41,800	1 & 2	
582	Station Expense	-								-		
583	Overhead Line Exp.	126,372		106,395		18,719				125,114	DA	
584	Underground Line Exp	-								-		
586	Meter Expense	527,870					520,336			520,336	DA	
587	Consumer Installations	24,300							24,115	24,115	DA	
588	Misc. Distribution Exp	249,257		39,013		6,864	190,800		8,843	245,520	2	
589	Rents	-								-		
	<b>Total Dist. Operations</b>	<b>970,291</b>		<b>152,050</b>	<b>-</b>	<b>26,752</b>	<b>743,619</b>	<b>-</b>	<b>34,463</b>	<b>956,885</b>		
590	Maint Supv & Eng	125,834		107,048	4,743	11,664	166			123,621	3	
592	Maint of Station Equip	1,017		1,017						1,017	DA	
593	Maint. Overhead Lines	1,228,913		1,099,098		119,872				1,218,970	DA	
594	Maint of Underground Lines	-								-		
595	Maint Line Transformers	49,172			48,744					48,744	DA	
596	Maint of St Lg & Signal Sys	-								-		
597	Maintenance of Meters	1,741					1,710			1,710	DA	
598	Maint Misc Distrib Plant	144,252		86,064	3,813	9,378	134			99,389	3	
	<b>Total Dist. Maint.</b>	<b>1,550,929</b>		<b>1,293,227</b>	<b>57,301</b>	<b>140,913</b>	<b>2,011</b>	<b>-</b>	<b>-</b>	<b>1,493,452</b>		
901	Supervision	-								-		
902	Meter Reading Expense	84,280						74,276		74,276	DA	
903	Cons Recds & Collections	629,448						629,448		629,448	DA	
904	Uncollectible Accounts	78,000						78,000		78,000	DA	
	<b>Total Consum Accts</b>	<b>791,728</b>						<b>781,724</b>		<b>781,724</b>	DA	
907	Customer Information	-								-		
908	Customer Assistance	132,440						132,440		132,440	DA	
913	Sales	12,244						12,244		12,244	DA	
910	Miscellaneous Cust Inform.	-								-		
	<b>Total Customer Serv.</b>	<b>144,684</b>						<b>144,684</b>		<b>144,684</b>	DA	

FUNCTIONALIZATION OF TEST YEAR EXPENSES

FUNCTIONALIZATION												
1	2	3	4	42	43	44	45	46	47	48	49	50
Acct No.	Description	Adjusted Test Year	Purchased Power	Lines	Trans-formers	Services	Meters	Consumer Services & Accounting	Lighting	Total	Alloc. Basis	
920	Administrative Salaries	716,406										
921	Office Supplies	151,704										
923	Outside Services	69,772										
924	Property Ins	-										
925	Injuries & Damages	56,120										
926	Employ Pensions & Benef	39,690										
928	Regulatory Exp	-										
929	Duplicate Charges	(4)										
930	Misc General Exp	302,061										
931	Rents	16,120										
935	Misc. General Plant	28,816										
	<b>Total Admin &amp; General</b>	1,380,685		609,081	147,808	107,163	79,985	364,169	49,774	1,357,980	4 Gen Plt	
403	Deprec. Distribution Plant	1,894,465		1,161,069	281,760	204,281	152,472	-	94,882	1,894,465	DA	
403	Deprec. General Plant	52,227		23,425	5,685	4,121	3,076	14,006	1,914	52,227	4 GenPlt	
	<b>Total Depreciation</b>	1,946,692		1,184,494	287,445	208,403	155,548	14,006	96,796	1,946,692		
408	Taxes Other Than Inc. Taxes	25,430										
16&42	Miscell. Income Deductions	621										
	<b>Total Miscellaneous</b>	26,051		15,636	3,794	2,751	2,053	539	1,278	26,051	Tot Plt	
427	Interest - RUS Constuc	379,292										
427	Interest - FFB Notes	295,549										
427	Interest - Other LTD	394,630										
	<b>Total Interest on LTD</b>	1,069,471		663,948	134,665	98,364	73,445	10,318	44,011	1,024,751	5 Rt Base	
431	Other Interest Expense	39,805										
431	Interest on Customer Dep.	-										
431	Other Interest	46,751										
	<b>Total ST Interest</b>	86,555		56,080	11,374	8,308	6,204	872	3,717	86,555	Rate Base	
	<b>Total Costs</b>	25,400,674	17,433,589	3,974,516	642,387	592,654	#####	1,316,311	#####	#####		
	<b>Margin Requirements</b>	1,069,471	-	663,948	134,665	98,364	73,445	10,318	44,011	1,024,751		
	<b>Total Revenue Require.</b>	26,470,145	17,433,589	4,638,465	777,052	691,018	#####	1,326,629	#####	#####		

FUNCTIONALIZATION OF TEST YEAR EXPENSES

FOOTNOTES						
1	Line Expenses are Allocated between Lines and Services Based on Plant Investment.					
2	<u>Allocation of Dist. Oper. Supervision &amp; Miscellaneous Expenses</u>					
						Miscell.
			Actual	%	Superv	Exp.
	Overhead Line Exp.		106,395	15.89%	6,642	39,013
	Overhead Line Exp.		18,719	2.80%	1,169	6,864
	Meter Expense		520,336	77.71%	32,484	190,800
	Consumer Installations		24,115	3.60%	1,505	8,843
			669,565	100.0%	41,800	245,520
3	<u>Allocation of Dist. Maint. Supervision &amp; Miscellaneous Expenses</u>					
						Miscell.
			Actual	%	Superv	Exp.
	Maint of Station Equip		1,017	0.08%	99	80
	Maint. Overhead Lines		#####	86.51%	106,949	85,985
	Maint. Overhead Lines		119,872	9.44%	11,664	9,378
	Maint Line Transformers		48,744	3.84%	4,743	3,813
	Maintenance of Meters		1,710	0.13%	166	134
			#####	100.0%	123,621	99,389
4	General Plant Allocation Comes From the Rate Base Schedule Line General Plant Percent					
5	Rate Base Allocation Comes from the Rate Base Schedule Line Rate Base Percent.					







**BIG SANDS RECC  
CASE NO. 2012-00030  
CLASSIFICATION SUMMARY**

	<u>Consumer</u>	<u>Demand</u>	<u>Energy</u>		
	<u>Related</u>	<u>Related</u>	<u>Related</u>		
	<u>Costs</u>	<u>Costs</u>	<u>Costs</u>	<u>Lighting</u>	<u>Total</u>
Purchased Power	-	4,193,600	13,239,990	-	17,433,589
Lines	892,816	3,081,700	-	-	3,974,516
Transformers	110,849	531,538	-	-	642,387
Services	592,654	-	-	-	592,654
Meters	1,062,865	-		-	1,062,865
Consumer Services					-
& Accounting	1,316,311	-	-		1,316,311
Lighting				230,039	230,039
	3,975,496	7,806,838	13,239,990	230,039	25,252,362

**BIG SANDY RECC  
CASE NO. 2012-00030**

Exhibit R  
Schedule 3  
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Witness: Jim Adkins

**CLASSIFICATION OF EXPENSES**

		Consumer Related Costs	Demand Related Costs	Total
	1			
<u>Expense</u>	<u>Lines</u>	<u>Costs</u>	<u>Costs</u>	<u>Total</u>
Purchased Power	0	-	-	-
Distribution Operations	152,050	34,156	117,894	152,050
Distribution Maintenance	1,293,227	290,504	1,002,723	1,293,227
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	609,081	136,821	472,260	609,081
Depreciation	1,184,494	266,079	918,415	1,184,494
Miscellaneous	15,636	3,512	12,123	15,636
Interest on Long Term Debt	663,948	149,146	514,802	663,948
Short Term Interest	56,080	12,598	43,483	56,080
<b>Total Costs</b>	<b>3,974,516</b>	<b>892,816</b>	<b>3,081,700</b>	<b>3,974,516</b>
Margin Requirements	-	-	-	-
Revenue Requirements	<u>3,974,516</u>	<u>892,816</u>	<u>3,081,700</u>	<u>3,974,516</u>
	2	Consumer Related Costs	Demand Related Costs	Total
<u>Expense</u>	<u>Transformers</u>	<u>Costs</u>	<u>Costs</u>	<u>Total</u>
Purchased Power	-	-	-	-
Distribution Operations	-	-	-	-
Distribution Maintenance	57,301	9,888	47,413	57,301
Consumer Accounts	-	-	-	-
Customer Service	-	-	-	-
Administrative & General	147,808	25,505	122,302	147,808
Depreciation	287,445	49,601	237,844	287,445
Miscellaneous	3,794	655	3,140	3,794
Interest on Long Term Debt	134,665	23,237	111,427	134,665
Short Term Interest	11,374	1,963	9,412	11,374
<b>Total Costs</b>	<b>642,387</b>	<b>110,849</b>	<b>531,538</b>	<b>642,387</b>
Margin Requirements	-	-	-	-
Revenue Requirements	<u>642,387</u>	<u>110,849</u>	<u>531,538</u>	<u>642,387</u>
		Energy Related Costs	Demand Related Costs	
Purchased Power		13,239,990	4,193,600	17,433,589

**BIG SANDY RECC  
CASE NO. 2012-00030**

Exhibit R  
Schedule 3  
Page 13 of 33  
Witness: Jim Adkins

**CLASSIFICATION OF EXPENSES**

	Consumer Related Costs			Total
	3	4	5	
			Consumer Services &	
<u>Expense</u>	<u>Services</u>	<u>Meters</u>	<u>Accounting</u>	
Purchased Power	-	-	-	-
Distribution Operations	26,752	743,619	-	770,371
Distribution Maintenance	140,913	2,011	-	142,924
Consumer Accounts	-	-	781,724	781,724
Customer Service	-	-	144,684	144,684
Administrative & General	107,163	79,985	364,169	551,317
Depreciation	208,403	155,548	14,006	377,957
Miscellaneous	2,751	2,053	539	5,343
Interest on Long Term Debt	98,364	73,445	10,318	182,127
Short Term Interest	8,308	6,204	872	15,383
<b>Total Costs</b>	<b>592,654</b>	<b>1,062,865</b>	<b>1,316,311</b>	<b>2,971,831</b>
Margin Requirements	-	-	-	-
Revenue Requirements	<u>592,654</u>	<u>1,062,865</u>	<u>1,316,311</u>	<u>2,971,831</u>
		6		
		<u>Lighting</u>		
<u>Expense</u>				
Purchased Power		-		
Distribution Operations		34,463		
Distribution Maintenance		-		
Consumer Accounts		-		
Customer Service		-		
Administrative & General		49,774		
Depreciation		96,796		
Miscellaneous		1,278		
Interest on Long Term Debt		44,011		
Short Term Interest		3,717		
<b>Total Costs</b>		<b>230,039</b>		
Margin Requirements		-		
Revenue Requirements		<u>230,039</u>		

**DEMAND AND CONSUMER RELATED INVESTMENTS**

**Account 364 - Poles**

**1. Actual Data**

<u>Poles</u>	<u>Size</u>	<u>Investment</u>	<u>Number</u> of Units	<u>Unit Cost</u>
20 & 25 foot	25	1,871,437	8,723	214.54
30 foot	30	705,739	3,011	234.39
35 foot	35	1,358,365	4,998	271.78
40 foot	40	2,937,730	6,256	469.59
45 foot	45	1,639,130	3,429	478.02
50 foot	50	622,607	1,125	553.43
55 foot	55	263,890	496	532.04
<b>Subtotal</b>		9,398,898	28,038	335.22
Other Investment for this Account		3,087,649		
<b>Total Investment</b>		12,486,547	28,038.00	

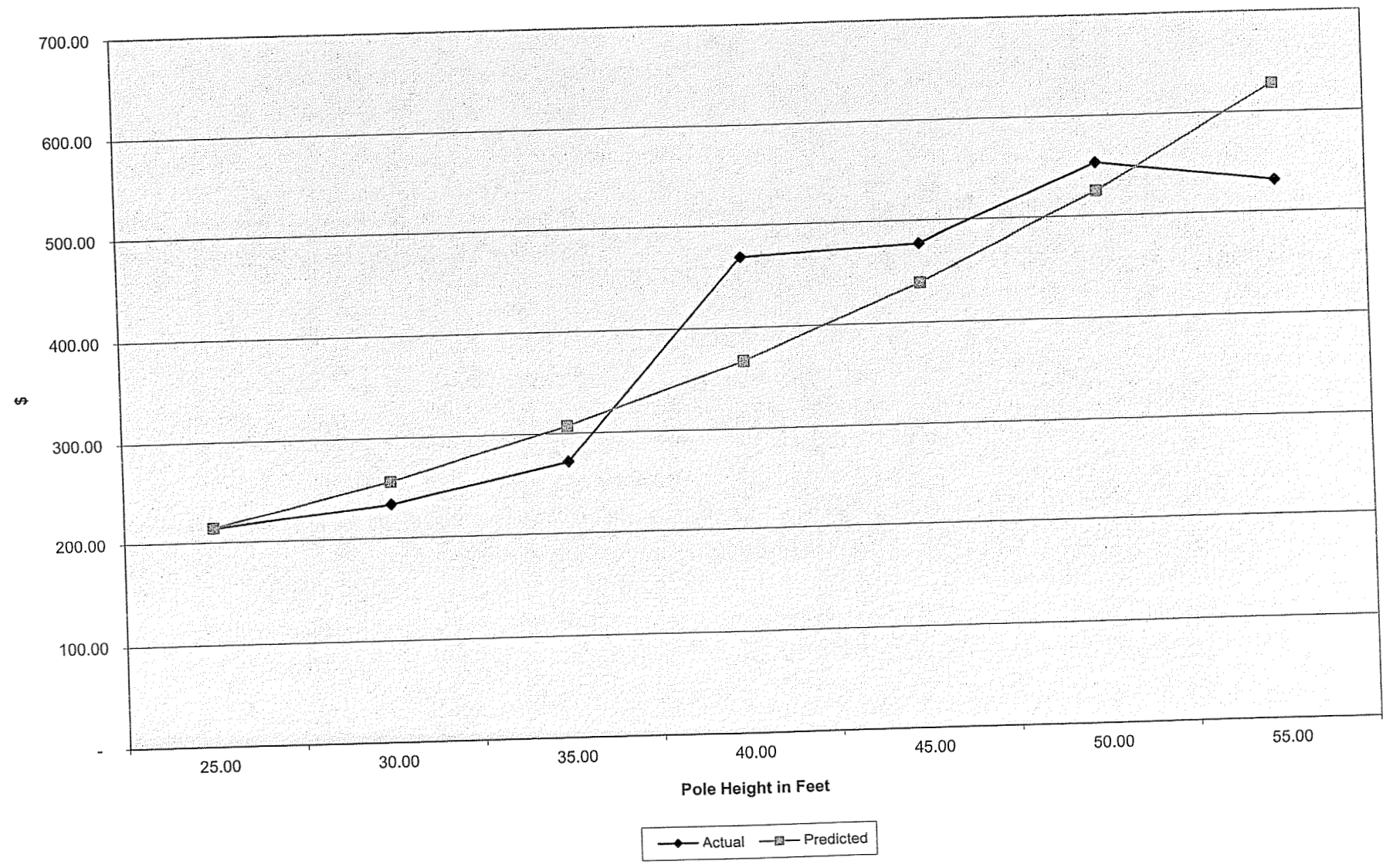
**2. Demand and Consumer Investment Percents**

Exponential Curve Formula	x-Variable	b-Constant	Y=(b*m^x)
	1.04	87.85	
Use "Y Intercept"			87.85
Number of poles			28,038.00
Consumer Related Investment			2,463,198
Total Investment In Poles			9,398,898
<b>Percent Customer Related</b>			<b>26.21%</b>
<b>Percent Demand Related</b>			<b>73.79%</b>

**3. Data for Graph**

<u>Pole Size</u>	<u>Unit Cost</u>	<u>Predicted</u>
25.00	214.54	214.84
30.00	234.39	256.91
35.00	271.78	307.22
40.00	469.59	367.38
45.00	478.02	439.33
50.00	553.43	525.36
55.00	532.04	628.25

Account 364 - Poles



**DEMAND AND CONSUMER RELATED INVESTMENTS**

**Account 365 - Overhead Conductor**

1. Actual Data

Conductor	Investment	Number of Units	Unit Cost	Amp Ratings
8 ACWC	157,859	892,060	\$ 0.1770	100
4 ACSR	696,457	2,159,604	\$ 0.3225	130
6 ACWC	293,683	2,599,192	\$ 0.1130	140
2 ACSR	2,575,839	3,216,427	\$ 0.8008	175
1/0 ACSR	1,847,059	2,645,427	\$ 0.6982	230
3/0 ACSR	836,357	1,938,844	\$ 0.4314	310
4/0 ACSR	66,354	286,613	\$ 0.2315	350
336.4 ACSR	1,871,486	913,406	\$ 2.0489	519
#2-3 Strand Copper	17,655	45,143	\$ 0.3911	
#6HD Copper	473	9,737	\$ 0.0485	
#6 Steel	188	6,100	\$ 0.0308	
#3/0 Spacer Cable	229	174	\$ 1.3158	
#250+MCM	35,720	73,864	\$ 0.4836	
4ACWC	2,975	27,738	\$ 0.1073	
#2 ACSR 15KV TW	31,245	7,842	\$ 3.9843	
1/0 AAC 15KV HENDRIX CABLE	2,685	1,344	\$ 1.9975	
#397 ACSR	8,504	31,857	\$ 0.2670	
<b>SUBTOTAL</b>	<b>7,296,768</b>	<b>9,204,516</b>	<b>\$ 0.7927</b>	
All other OH Conductor Invest.	3,995,951			
<b>TOTAL</b>	<b>11,292,719</b>	<b>9,204,516</b>		

2. Demand and Consumer Investment Percents

Exponential Curve Formula	x-Variable	b-Constant	Y=(b*m^x)
	1.004372715	0.139848381	
Use "Y Intercept"			0.13985
Amount of Conduit			9,204,516
Consumer Related Investment			1,287,237
Total Investment In Conduit			7,296,768
<b>Percent Customer Related</b>			<b>17.64%</b>
<b>Percent Demand Related</b>			<b>82.36%</b>

**DEMAND AND CONSUMER RELATED INVESTMENTS**

**Overhead Continued**

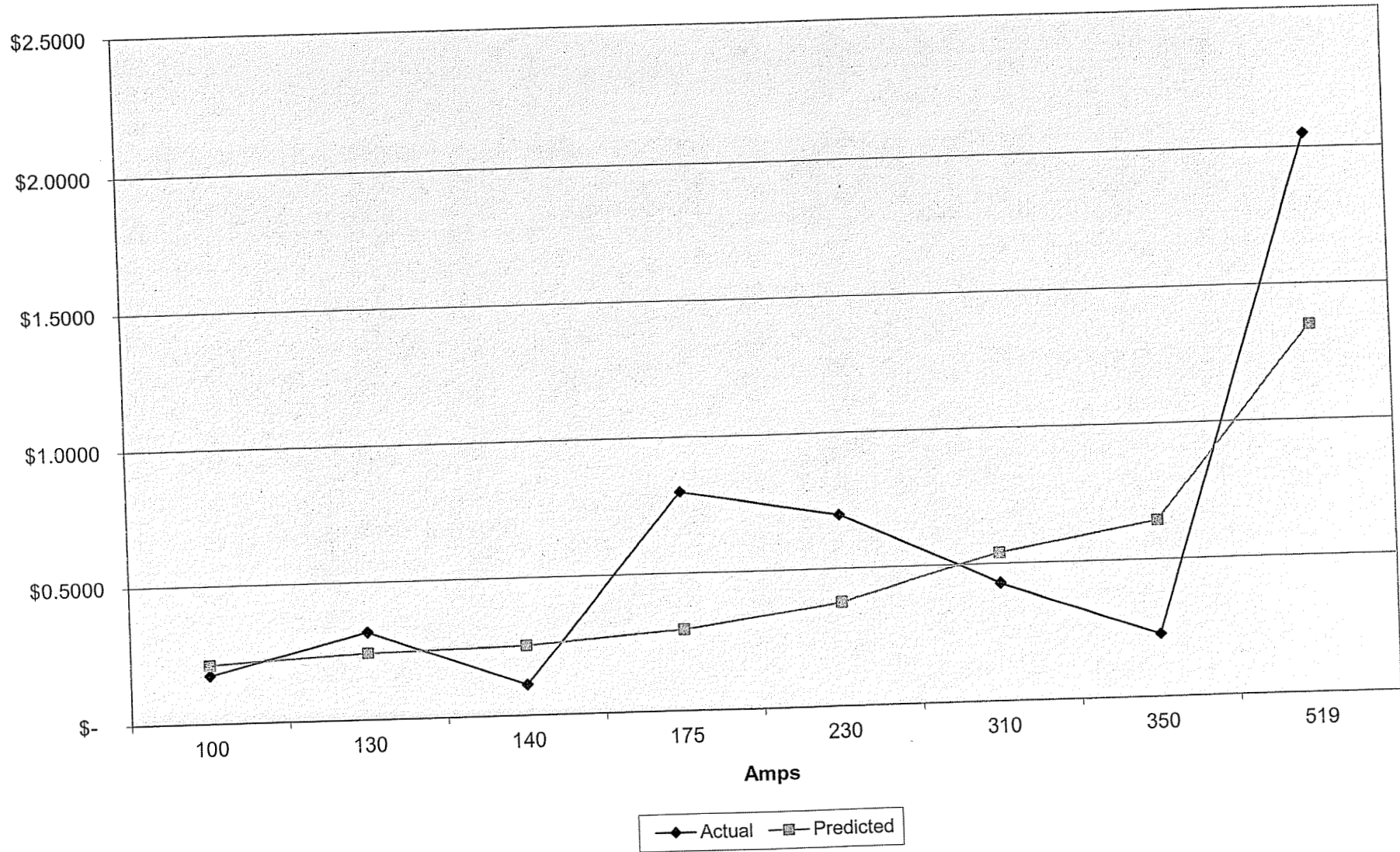
**3. Data for Graph**

Amp Ratings	Unit Cost	Predicted Cost
100	\$ 0.1770	0.216
130	\$ 0.3225	0.247
140	\$ 0.1130	0.258
175	\$ 0.8008	0.300
230	\$ 0.6982	0.381
310	\$ 0.4314	0.541
350	\$ 0.2315	0.644
519	\$ 2.0489	1.346

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

	Total Investment	Consumer		Demand	
		Percent	Amount	Percent	Amount
<b>Conductor</b>	7,296,768	17.64%	1,287,236.66	82.36%	6,009,531
<b>Poles</b>	9,398,898	26.21%	2,463,197.85	73.79%	6,935,700
	16,695,666		3,750,434.51		12,945,231
<b>Percent</b>			<b>22.46%</b>		<b>77.54%</b>

### Account 365 - Overhead Conductor





DEMAND AND CONSUMER RELATED INVESTMENTS

Account 368-Transformers

1. Actual Data

Transformers	Size for Regression	Investment	Number of Units	Unit Cost
5.00	5.00	35,735	155	230.55
10.00	10.00	64,276	167	384.89
15.00	15.00	85,002	178	477.54
25.00	25.00	138,032	226	610.76
37.50	37.50	149,338	192	777.80
50.00	50.00	431,577	508	849.56
50TWACS	50.00	27,840	36	773.33
75.00		65,979.81	54	1,221.85
100.00		93,913.99	64	1,467.41
167.00		135,559	67	2,023.27
225.00		3,572	1	3,572.00
225-333		66,906	23	2,908.96
500.00		108,877	21	5,184.61
833-1500		82,072	5	16,414.32
1.5 CSP	1.50	8,267	115	71.89
3 CSP	3.00	9,234	137	67.40
5 CSP	5.00	42,544	311	136.80
7.5 CSP	7.50	341	3	113.73
10 CSP	10.00	916,034	3,168	289.15
15 CSP	15.00	1,476,346	2,921	505.42
25 CSP	25.00	1,311,316	1,996	656.97
37.5 CSP	37.50	6,202	12	516.86
25 PAD	25.00	20,775	11	1,889
50 PAD	50.00	4,240	2	2,120
100 PAD	100.00	5,160	2	2,580
75 PAD 3PH	75	5413	1	5413
Subtotal		5,294,553	10,376	
All other Transformer Investment		734,870		
Total		6,029,423		

**DEMAND AND CONSUMER RELATED INVESTMENTS**

Transformers Continued

**2. Demand and Consumer Investment Percents**

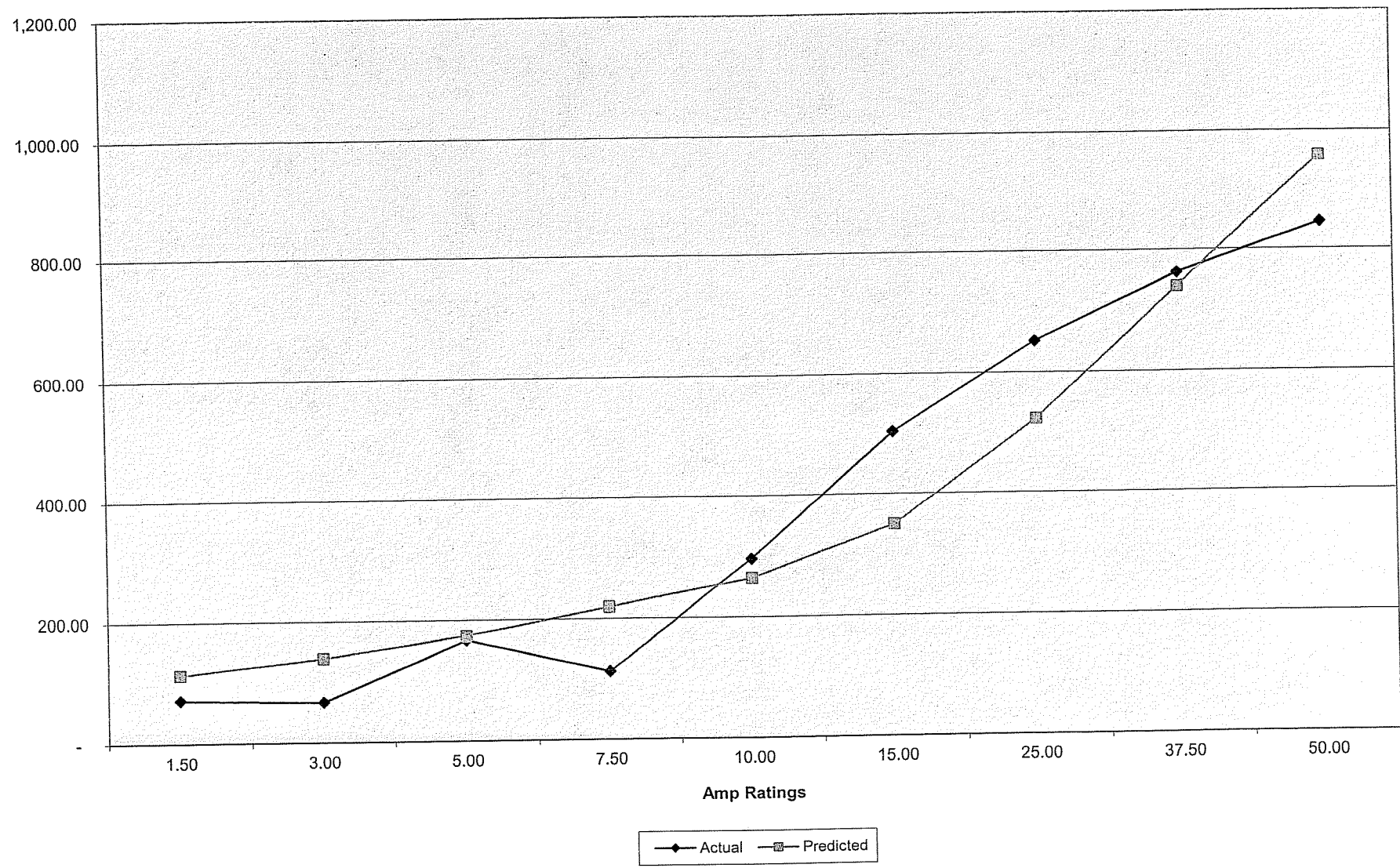
Regression Equation			Y=(a+bx)
	x-Variable	a-Constant	
	17.38	88.05	
Use "Y Intercept"			88.05
Number of transformers			10,376.00
Consumer Related Investment			913,614
Total Investment in Transformers			5,294,553
<b>Percent Customer Related</b>			<b>17.26%</b>
<b>Percent Demand Related</b>			<b>82.74%</b>

**Account 368-Transformers**

**3. Data for Graph**

Transforme	Investment	Number of Units	Unit Cost	
1.50	8,267	115	71.89	114.12
3.00	9,234	137	67.40	140.20
5.00	78,279	466	167.98	174.96
7.50	341	3	113.73	218.42
10.00	980,310	3,335	293.95	261.87
15.00	1,561,349	3,099	503.82	348.78
25.00	1,449,348	2,222	652.27	522.61
37.50	155,540	204	762.45	739.89
50.00	459,417	544	844.52	957.16

Account 368 - Transformers



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**ALLOCATION OF EXPENSES TO RATE CLASSES**

ALLOCATION TO RATE CLASSES									
Function	Classification	Amount	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Purchased Power	Demand	4,193,600	3,123,607	-	376,519	427,614	214,738	51,120	4,193,600
Purchased Power	Energy	13,239,990	9,454,929	-	672,410	1,664,064	1,075,176	373,411	13,239,990
Lines	Consumer	892,816	814,195	-	65,810	9,979	674	2,158	892,816
Lines	Demand	3,081,700	2,130,657	-	266,678	444,447	158,496	81,421	3,081,700
Transformers	Consumer	110,849	99,027	-	8,004	2,126	1,377	314	110,849
Transformers	Demand	531,538	432,939	-	35,171	44,407	12,712	6,309	531,538
Services	Consumer	592,654	514,827	-	37,830	11,170	735	28,093	592,654
Meters	Consumer	1,062,865	876,234	-	70,824	108,477	7,330	-	1,062,865
Consumer Services & Accounting	Consumer	1,316,311	1,064,725	-	100,018	31,955	2,159	117,454	1,316,311
Lighting	Lighting	230,039						230,039	230,039
		25,252,362	18,511,141	-	1,633,265	2,744,239	1,473,398	890,320	25,252,362

SUMMARY OF ALLOCATED EXPENSES								
	Amount	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Consumer Related	3,975,496	3,369,008	-	282,486	163,707	12,275	148,019	3,975,496
Demand Related	7,806,838	5,687,204	-	678,369	916,468	385,947	138,851	7,806,838
Energy Related	13,239,990	9,454,929	-	672,410	1,664,064	1,075,176	373,411	13,239,990
Lighting	230,039						230,039	230,039
	25,252,362	18,511,141	-	1,633,265	2,744,239	1,473,398	890,320	25,252,362

**BIG SANDS RECC  
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**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

**Energy Sales in kWh**

Month	A-1 Farm & Home	Envirowatts	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
September	11,979,720	3,200	1,067,215	2,726,287	1,746,940	608,805	18,132,167
October	9,819,808	3,200	869,840	2,317,566	1,525,370	607,267	15,143,051
November	12,829,400	3,200	847,599	2,308,348	1,529,580	603,882	18,122,009
December	25,126,441	3,200	1,374,625	3,040,371	1,905,282	602,858	32,052,777
January	24,935,643	3,200	1,317,088	2,967,068	1,824,314	602,115	31,649,428
February	19,462,433	3,200	1,158,366	2,729,585	1,763,782	599,747	25,717,113
March	13,378,970	3,200	970,456	2,308,714	1,623,666	599,143	18,884,149
April	12,576,908	3,200	986,638	2,576,005	1,642,474	600,568	18,385,793
May	9,984,836	3,200	931,457	2,469,920	1,664,536	596,939	15,650,888
June	12,717,581	3,200	1,080,775	2,785,135	1,811,948	600,041	18,998,680
July	14,040,355	3,200	1,137,437	2,837,586	1,749,660	594,917	20,363,155
August	15,709,300	5,800	1,241,789	3,064,155	1,972,580	593,759	22,587,383
	182,561,395	41,000	12,983,285	32,130,740	20,760,132	7,210,041	255,686,593
							255,645,593
Allocation Percent	71.41%	-	5.08%	12.57%	8.12%	2.82%	100.00%

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**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND RELATED AND ENERGY RELATED COSTS**

**Class Contributions of Wholesale Power Suppliers Billing Peak (CP) - kW**

Month	A-1 Farm & Home	0 Envirowatts	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
September	31,922	-	4,953	4,671	2,882	-	44,428
October	30,831	-	2,834	3,925	1,894	-	39,484
November	40,659	-	3,235	5,233	2,314	1,566	53,007
December	58,825	-	5,677	6,587	2,641	1,567	75,297
January	59,712	-	3,620	5,431	1,815	-	70,578
February	53,701	-	4,695	6,888	3,040	1,562	69,886
March	35,943	-	3,458	5,442	2,613	1,562	49,018
April	28,460	-	6,239	6,417	2,786	1,563	45,465
May	32,594	-	5,296	5,114	3,217	-	46,221
June	33,772	-	5,853	5,034	3,239	-	47,898
July	36,617	-	6,094	5,343	3,108	-	51,162
August	34,789	-	5,643	5,328	3,300	-	49,060
	477,825	-	57,597	65,413	32,849	7,820	641,504
							641,504.00
Allocation Percent	74.49%	0.00%	8.98%	10.20%	5.12%	1.22%	100.00%

100.00%

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**LOAD DATA USED IN THE ALLOCATION OF THE DEMAND R  
ELATED AND ENERGY RELATED COSTS**

**Sum of the Class Peak Demands for the Test Period- kW**

Month	A-1 Farm & Home	0 Envirowatts	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
September	33,534		4,953	9,009	2,882	1,579	51,957
October	30,831		3,555	7,520	2,431	1,572	45,909
November	40,659		4,052	8,216	2,676	1,566	57,169
December	58,825		5,677	9,669	3,037	1,567	78,775
January	59,712		5,143	8,520	2,966	1,564	77,905
February	53,701		4,994	8,780	3,045	1,562	72,082
March	35,943		4,106	7,945	3,029	1,562	52,585
April	28,460		6,239	8,237	3,236	1,563	47,735
May	36,616		5,296	8,785	3,217	1,573	55,487
June	38,037		5,853	8,536	3,323	1,561	57,310
July	38,491		6,094	8,456	3,386	1,569	57,996
August	37,391		5,643	8,998	3,386	1,571	56,989
	492,200	-	61,605	102,671	36,614	18,809	711,899
Allocation % Lines	69.14%	0.00%	8.65%	14.42%	5.14%	2.64%	100.00%

ALLOCATION OF CONSUMER RELATED COSTS

A. Lines (poles and conduit)

		Number of Consumers	Allocation Percent
A-1	Farm and Home	12,075	91.19%
A-1	ETS	-	0.00%
A-2	Commercial and Small Power	976	7.371%
LP	Large Power Rate	148	1.118%
LPR	Large Power Service	10	0.076%
YL-1	Security Lights	32	0.242%
		-	0.000%
		-	0.000%
		13,241	100.0%

B. Transformers

Rate Class	A-1 Farm & Home	A-1 ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Minimum Transformer Size	10 KVA		10 KVA	37.5 KVA	750 KVA	5 KVA	
Tranformer Cost	\$ 289.15		\$ 289.15	\$ 516.86	8,093.57	\$ 136.80	
Weights (10 KVA = 1.0)	1.00		1.00	1.79	27.99	0.47	
Number of Customers	12,075		976.0	145	6.00	81	13,283.00
Relative Weight	12,075		976	259	168	38	13,516.45
Allocation Per Cent	89.34%	0.00%	7.22%	1.92%	1.24%	0.28%	100.00%



ALLOCATION OF CONSUMER RELATED COSTS

C. Services

	A-1 Farm & Home	A-1 ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Minimum Service Size	4 TP	4 TP	4 TP	2 TP	4/0 TP	4 TP	
Cost per Unit	\$ 0.80	0.80	\$ 0.80	\$ 2.12	\$ 3.37	\$ 0.80	
Average Length of Service	110.00	10.00	100.00	75.00	75.00	10.00	
Cost of Service	\$ 88.00	\$ 8.00	\$ 80.00	\$ 159.00	\$ 252.75	\$ 8.00	
Relative Cost	1.00	0.09	0.91	1.81	2.87	0.09	
Number of Customers/Units	12,075	-	976	145	6	7,248	
Relative Weight	12075	-	887.2727273	262	17	659	13900
Allocation Percent	86.87%	0.00%	6.38%	1.88%	0.12%	4.74%	100.00%

D. Meters

	A-1 Farm & Home	A-1 ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Minimum Size Meter	3 Wire Twacs		3 Wire Twacs	Multi Ph Twac	Multi Ph Twac	NA	
Minimum Size Cost	\$ 131.48		\$ 131.48	\$ 1,328.02	\$ 1,328.02	\$ -	
Relative Cost	1.00		1.00	10.10	10.10	-	
Number of Customers	12,075		976	148	10	-	
Relative Weight	12,075.00		976.00	1,494.88	101.01	-	14,646.88
Allocation Percent	82.44%		6.66%	10.21%	0.69%	0.00%	100.00%

ALLOCATION OF CONSUMER RELATED COSTS

E. Consumer & Accounting Services

Rate Class	Meter Reading	Consumer Assistance	Total	Allocation Percent
A-1 Farm and Home	45,020	510,114	555,134	80.89%
A-1 ETS	-	-	-	0.00%
A-2 Commercial and Small Power	10,917	41,232	52,148	7.60%
LP Large Power Rate	1,655	15,006	16,661	2.43%
LPR Large Power Service	112	1,014	1,126	0.16%
YL-1 Security Lights	-	61,239	61,239	8.92%
	57,703	628,605	686,308	100%

Meter Reading

Rate Class	Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated
A-1 Farm and Home	1.00	12,075	12,075	78.0%	45,020
A-1 ETS	1.00	-	-	0.0%	-
A-2 Commercial and Small Power	3.00	976	2,928	18.9%	10,917
LP Large Power Rate	3.00	148	444	2.9%	1,655
LPR Large Power Service	3.00	10	30	0.2%	112
YL-1 Security Lights	-	32	-	0.0%	-
			15,477	100%	57,703

Consumer Records

Rate Class	Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated
A-1 Farm and Home	5.00	12,075	60,375	81.2%	510,114
A-1 ETS	3.00	-	-	0.0%	-
A-2 Commercial and Small Power	5.00	976	4,880	6.6%	41,232
LP Large Power Rate	12.00	148	1,776	2.4%	15,006
LPR Large Power Service	12.00	10	120	0.2%	1,014
YL-1 Security Lights	1.00	7,248	7,248	9.7%	61,239
			74,399	100%	628,605

**BIG SAN. RECC  
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**STATEMENT OF OPERATIONS - ADJUSTED TEST YEAR**

		A-1	A-1	A-2	LP	LPR	YL-1	
	Enviro- Watts	Farm & Home	- ETS	Comm & Sml Power	Large Power Rate	Large Power Service	Security Lights	Total
Revenue from Rates	\$ 1,158	\$ 17,726,810	\$ -	\$ 1,525,836	\$ 2,766,198	\$ 1,541,539	\$ 865,869	\$ 24,427,410
Purchased Power Costs								
Demand Related		3,123,607	-	376,519	427,614	214,738	51,120	4,193,600
Energy Related	974	9,453,956	-	672,410	1,664,064	1,075,176	373,411	13,239,990
Subtotal	974	12,577,563	-	1,048,929	2,091,678	1,289,914	424,531	17,433,589
Gross Margin	185	5,149,247	-	476,907	674,520	251,624	441,337	6,993,820
Distribution Costs								
Demand Related								
Lines		2,130,657	-	266,678	444,447	158,496	81,421	3,081,700
Transformers		432,939	-	35,171	44,407	12,712	6,309	531,538
Subtotal	-	2,563,596	-	301,850	488,854	171,209	87,730	3,613,238
Consumer Related								
Lines		814,195	-	65,810	9,979	674	2,158	892,816
Transformers		99,027	-	8,004	2,126	1,377	314	110,849
Services		514,827	-	37,830	11,170	735	28,093	592,654
Meters		876,234	-	70,824	108,477	7,330	-	1,062,865
Customer & Acc. Serv		1,064,725	-	100,018	31,955	2,159	117,454	1,316,311
Lighting							230,039	230,039
Subtotal		3,369,008	-	282,486	163,707	12,275	378,058	4,205,535
Total Distribution Costs		5,932,604	-	584,336	652,561	183,484	465,789	7,818,773
Operating Margin from Rates	185	(783,357)	-	(107,429)	21,959	68,141	(24,451)	(824,953)
Other Revenue Net	45	681,213	-	58,635	106,301	59,239	33,274	938,706
Net Margins	\$ 229	\$ (102,144)	\$ -	\$ (48,793)	\$ 128,259	\$ 127,380	\$ 8,823	\$ 113,753
<b>TIER</b>								
Interest Expense		757,800	-	76,550	95,268	30,189	64,944	1,024,751
Times Interest Ratio		0.87	-	0.36	2.35	5.22	1.14	1.11
<b>RETURN</b>								
Rate Base		23,691,386	-	2,393,219	2,978,385	943,799	2,030,380	32,037,169
Return on Rate Bse		2.77%	0.00%	1.16%	7.50%	16.70%	3.63%	3.55%

**BIG SAN RECC  
CASE NO. 2012-00030**

<b>STATEMENT OF OPERATIONS - ADJUSTED TEST YEAR WITH INCREASE</b>								
	- Enviro- Watts	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total
Revenue from Rates								
Present Rates	\$ 1,158	\$ 17,726,810	\$ -	\$ 1,525,836	\$ 2,766,198	\$ 1,541,539	\$ 865,869	\$ 24,427,410
Increase	-	692,430	-	76,292	55,324	30,831	56,122	\$ 910,998
Subtotal	1,158	18,419,240	-	1,602,128	2,821,522	1,572,369	921,990	25,338,408
Purchased Power Costs	974	12,577,563	-	1,048,929	2,091,678	1,289,914	424,531	17,433,589
Gross Margin	185	5,841,677	-	553,199	729,844	282,455	497,459	7,904,818
Distribution Costs								
Demand Related	-	2,563,596	-	301,850	488,854	171,209	87,730	3,613,238
Customer Related	-	3,369,008	-	282,486	163,707	12,275	378,058	4,205,535
Total	-	5,932,604	-	584,336	652,561	183,484	465,789	7,818,773
Operating Margins from Rates		(90,927)	-	(31,137)	77,283	98,972	31,670	86,045
Other Revenue Net	45	681,213	-	58,635	106,301	59,239	33,274	938,706
Net Margins	45	590,286	-	27,498	183,583	158,211	64,944	1,024,751
<b>TIER</b>								
Interest Expense		757,800	-	76,550	95,268	30,189	64,944	1,024,751
Times Interest Ratio		1.78	-	1.36	2.93	6.24	2.00	2.00
<b>RETURN</b>								
Rate Base		23,691,386	-	2,393,219	2,978,385	943,799	2,030,380	32,037,169
Return on Rate Bse		5.69%	0.00%	4.35%	9.36%	19.96%	6.40%	6.40%

**BIG SANDY RECC  
CASE NO. 2012-00030**

Exhibit R  
Schedule 6  
Page 31 of 33  
Witness: Jim Adkins

**DETERMINATION OF INCREASE BY RATE CLASS**

		A-1	A-1	A-2	LP	LPR	YL-1	
	Enviro- Watts	Farm & Home	- ETS	Comm & Sml Power	Large Power Rate	Large Power Service	Security Lights	Total
<b>Revenue Requirements</b>								
Total Costs	974	18,510,167	-	1,633,265	2,744,239	1,473,398	890,320	25,252,362
Margins Require. 2.0 TIER	-	757,800	-	76,550	95,268	30,189	64,944	1,024,751
Subtotal	974	19,267,967	-	1,709,815	2,839,507	1,503,586	955,264	26,277,113
Less								
Other Revenue Net	45	681,213	-	58,635	106,301	59,239	33,274	938,706
Revenue Require. Rates	929	18,586,754	-	1,651,180	2,733,206	1,444,347	921,990	25,338,408
Less Current Rates	1,158	17,726,810	-	1,525,836	2,766,198	1,541,539	865,869	24,427,410
Over (Under)	229	(859,944)	-	(125,344)	32,992	97,191	(56,122)	(910,998)
Increase Amount		692,430	-	76,292	55,324	30,831	56,122	910,998
Increase Percent	0%	3.91%	0%	5.00%	2.00%	2.00%	6.48%	3.73%

**BIG SAND , RECC  
CASE NO. 2012-00030**

Exhibit R  
Schedule 7  
Page 32 of 33  
Witness: Jim Adkins

**PROPOSED RATE DESIGN**

SUMMARY OF ALLOCATED EXPENSES										
Function	Classification	Enviro-Watts	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	Total	
Purchased Power	Demand	974	3,123,607	-	376,519	427,614	214,738	51,120	4,193,600	
Purchased Power	Energy		9,453,956	-	672,410	1,664,064	1,075,176	373,411	13,239,990	
Lines	Consumer		814,195	-	65,810	9,979	674	2,158	892,816	
Lines	Demand		2,130,657	-	266,678	444,447	158,496	81,421	3,081,700	
Transformers	Consumer		99,027	-	8,004	2,126	1,377	314	110,849	
Transformers	Demand		432,939	-	35,171	44,407	12,712	6,309	531,538	
Services	Consumer		514,827	-	37,830	11,170	735	28,093	592,654	
Meters	Consumer		876,234	-	70,824	108,477	7,330	-	1,062,865	
Consumer Services & Accounting	Consumer		-	-	-	-	-	-	-	-
Lighting	Lighting		1,064,725	-	100,018	31,955	2,159	117,454	1,316,311	
Other		76,543	-	17,915	(11,033)	(29,050)	31,670	86,045		
		974	18,586,710	-	1,651,180	2,733,206	1,444,347	921,990	25,338,408	

Billing Units							
	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights	
Customer Charges	144,933		11,463	1,755	114	175 Watt	71,622
Demand KW			53,919	111,181	56,927	400 Watt	12,397
Energy kWh	182,561,395		12,983,285	31,654,640	12,870,440	500 Watt	0
Primary Metered				476,100	7,889,692	1,500 Watt	0
Secondary Metered				31,079,924	20,760,132	400 Watt Floc	3,303

Revenue Requirements w/increase	18,419,240	-	1,602,128	2,821,522	1,572,369	921,990	25,338,408
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**BIG SANDS RECC  
CASE NO. 2012-00030**

Exhibit R  
Schedule 7  
Page 33 of 33  
Witness: Jim Adkins

**PROPOSED RATE DESIGN**

	A-1 Farm & Home	A-1 - ETS	A-2 Comm & Sml Power	LP Large Power Rate	LPR Large Power Service	YL-1 Security Lights
Customer Charge						
Customer Costs						
Lines	814,195		65,810	9,979	674	Increase 56,122
Transformers	99,027		8,004	2,126	1,377	Rate Revenue \$ 865,869
Services	514,827		37,830	11,170	735	% Increase <u>6.48%</u>
Meters	876,234		70,824	108,477	7,330	
Consumer & Acc, Serv.	1,064,725	-	100,018	31,955	2,159	
Total	3,369,008	-	282,486	163,707	12,275	Current Rates
Customer Charge Billing Units	144,933		11,463	1,755	114	175 Watt \$8.93
Customer Charge	12.87		24.64	93.28	107.68	400 Watt \$13.42
						500 Watt \$15.82
						1,500 Watt \$36.81
						400 Watt Flocc \$18.14
Demand Charge						Proposed Rates
Rate			5.50	6.25	6.25	
Billing Units			53,919	111,181	56,927	175 Watt 9.51
Revenue			296,557	694,883	355,795	400 Watt 14.29
						500 Watt 16.85
						1,500 Watt 39.20
						400 Watt Flocc 19.32
Energy Rate						
Revenue from Rates	18,419,240	-	1,602,128	2,821,522	1,572,369	
Less Customer Charge	1,865,288		282,486	163,707	12,275	
Less Demand Charge	-		296,557	694,883	355,795	
Revenue from Energy	16,553,952		1,023,085	1,962,931	1,204,299	
Energy kWh	182,561,395		12,983,285	31,654,640	12,870,440	
Primary Metered				476,100	7,889,692	
Energy Rate	0.09068		0.07880	0.06109	0.05801	
Primary Metered Rate				0.06119	0.06030	
Secondary Metered Rate				0.05507	0.05427	

Big Sandy Rural Electric Cooperative  
Case No. 2012-0030  
Balance Sheet, Adjusted  
August 31, 2011

Exhibit S  
page 1 of 4  
Witness: Alan Zumstein

	<u>Actual</u> <u>Test Year</u>	<u>Adjustments</u> <u>to Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
<u>ASSETS</u>			
Electric Plant:			
In service	43,926,974		43,926,974
Under construction	201,081		201,081
	<u>44,128,055</u>		<u>44,128,055</u>
Less accumulated depreciation	13,142,207	34,124	13,176,331
	<u>30,985,848</u>	<u>(34,124)</u>	<u>30,951,724</u>
Investments	7,800,583		7,800,583
Current Assets:			
Cash and temporary investments	328,998		328,998
Accounts receivable, net	3,599,629		3,599,629
Material and supplies	423,577		423,577
Prepayments and current assets	57,385		57,385
	<u>4,409,589</u>		<u>4,409,589</u>
Deferred debits and net change in assets	-	118,075	118,075
Total	<u>43,196,020</u>	<u>83,951</u>	<u>43,279,971</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>			
Margins:			
Memberships	232,740		232,740
Patronage capital	15,591,409	83,951	15,675,360
	<u>15,824,149</u>	<u>83,951</u>	<u>15,908,100</u>
Long Term Debt	22,113,889		22,113,889
Accumulated Operating Provisions	1,549,083		1,549,083
Current Liabilities:			
Short term borrowings	500,000		500,000
Accounts payable	1,948,632		1,948,632
Consumer deposits	649,264		649,264
Accrued expenses	582,772		582,772
	<u>3,680,668</u>		<u>3,680,668</u>
Deferred credits	28,231		28,231
Total	<u>43,196,020</u>	<u>83,951</u>	<u>43,279,971</u>



## Big Sandy Rural Electric Cooperative

Case No. 2012-0030

Statement of Operations, Adjusted

Exhibit S

page 2 of 4

Witness: Alan Zumstein

	Actual Test Year	Normalized Adjustments	Normalized Test Year	Proposed Increase	Proposed Test Year
Operating Revenues:					
Base rates	25,360,640	(933,232)	24,427,408	911,007	25,338,415
Fuel and surcharge	207,372	(207,372)	-		-
Other electric revenue	747,414	58,703	806,117		806,117
	<u>26,315,426</u>	<u>(1,081,901)</u>	<u>25,233,525</u>	<u>911,007</u>	<u>26,144,532</u>
Operating Expenses:					
Cost of power:					
Base rates	18,369,223	(935,634)	17,433,589		17,433,589
Fuel and surcharge	251,095	(251,095)	-		-
Distribution - operations	923,952	32,933	956,885		956,885
Distribution - maintenance	1,468,958	24,494	1,493,452		1,493,452
Consumer accounts	765,151	16,573	781,724		781,724
Customer service	132,162	278	132,440		132,440
Sales	12,120	124	12,244		12,244
Administrative and general	1,322,118	35,872	1,357,990		1,357,990
Total operating expenses	<u>23,244,779</u>	<u>(1,076,455)</u>	<u>22,168,324</u>	<u>-</u>	<u>22,168,324</u>
Depreciation	1,912,568	34,124	1,946,692		1,946,692
Taxes - other	25,430	-	25,430		25,430
Interest on long-term debt	979,583	45,168	1,024,751		1,024,751
Interest expense - other	92,809	(6,256)	86,553		86,553
Other deductions	11,844	(11,223)	621		621
Total cost of electric service	<u>26,267,013</u>	<u>(1,014,642)</u>	<u>25,252,371</u>	<u>-</u>	<u>25,252,371</u>
Utility operating margins	<u>48,413</u>	<u>(67,259)</u>	<u>(18,846)</u>	<u>911,007</u>	<u>892,161</u>
Nonoperating margins, interest	26,478	-	26,478		26,478
Nonoperating margins, other	-	-	-		-
G & T capital credits	759,797	(759,797)	-		-
Patronage capital credits	106,112	-	106,112		106,112
Net Margins	<u>940,800</u>	<u>(827,056)</u>	<u>113,744</u>	<u>911,007</u>	<u>1,024,751</u>
TIER	1.96		1.11		2.00

Big Sandy Rural Electric Cooperative  
Case No. 2012-0030  
Summary of Adjustments to Test Year

Exhibit S  
page 3 of 4  
Witness: Alan Zumstein

	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	Adj 16	Adj 17		
		Payroll		Property				Professional		Misc	Rate	Health	G & T		Purchase	Normalize	Additional	Total	
	Salaries	Taxes	Deprec	Tax	Interest	Retirement	Donations	Fees	Directors	Expenses	Case	Insurance	Capital Cr	CATV	Power	Revenue	Revenue		
Operating Revenues:																			
Base rates																	(933,232)		(933,232)
Fuel and surcharge																	(207,372)		(207,372)
Other electric revenue														15,856				42,847	58,703
	0	0	0	0	0	0	0	0	0	0	0	0	0	15,856	0	(1,140,604)	42,847	(1,081,901)	
Operating Expenses:																			
Cost of power:																			
Base rates																(935,634)			(935,634)
Fuel and surcharge																(251,095)			(251,095)
Distribution - operations	10,547	1,895	1,097	9,750		2,163						7,481							32,933
Distribution - maintenanc	10,930	1,964	1,605			2,242						7,753							24,494
Consumer accounts	7,870	1,414		93		1,614						5,582							16,573
Customer service				278															278
Sales			124																124
Administrative and gener	17,862	3,210		183		3,664		(1,074)	(20,655)	(4,987)	25,000	12,669							35,872
Total operating expense	47,209	8,484	2,827	10,304	0	9,683	0	(1,074)	(20,655)	(4,987)	25,000	33,484	0	0	(1,186,729)	0	0	(1,076,455)	
Depreciation			34,124																34,124
Taxes - other																			0
Interest on long-term debt					45,168														45,168
Interest expense - other					(6,256)														(6,256)
Other deductions							(11,223)												(11,223)
Total cost of electric ser	47,209	8,484	36,951	10,304	38,912	9,683	(11,223)	(1,074)	(20,655)	(4,987)	25,000	33,484	0	0	(1,186,729)	0	0	(1,014,642)	
Utility operating margin	(47,209)	(8,484)	(36,951)	(10,304)	(38,912)	(9,683)	11,223	1,074	20,655	4,987	(25,000)	(33,484)	0	15,856	1,186,729	(1,140,604)	42,847	(67,259)	
Nonoperating margins, interest																			0
Nonoperating margins, other													(759,797)						(759,797)
G & T capital credits																			0
Patronage capital credits																			0
	0	0	0	0	0	0	0	0	0	0	0	0	(759,797)	0	0	0	0	(759,797)	
Net Margins	(47,209)	(8,484)	(36,951)	(10,304)	(38,912)	(9,683)	11,223	1,074	20,655	4,987	(25,000)	(33,484)	(759,797)	15,856	1,186,729	(1,140,604)	42,847	(827,056)	

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Big Sandy Rural Eelctric Cooperative  
Case No. 2012-0030  
**Proposed Revenues**  
August 31, 2011

Interest on long term debt	1,024,751
Normalized margins	<u>113,744</u>
Proposed increase in revenues over normalized revenues to attain a TIER of 2.0x	<u><u>\$911,007</u></u>

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Monthly Operating Budget  
August 31, 2011

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	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>Total</u>
Operating revenue	1,926,241	1,807,673	2,293,669	2,799,210	3,211,650	2,754,175	2,192,946	1,732,488	1,758,674	2,065,425	2,300,294	2,120,221	26,962,666
Operating expenses:													
Cost of power	1,315,900	1,242,120	1,628,600	1,967,640	2,238,966	1,877,251	1,590,511	1,119,996	1,225,941	1,485,621	1,571,581	1,577,291	18,841,418
Distribution-operation	71,472	71,472	71,472	71,472	65,930	65,930	65,930	65,930	65,930	65,930	65,930	65,930	813,328
Distribution-maintena	110,025	110,025	110,025	110,025	105,309	105,309	105,309	105,309	105,309	105,309	105,309	105,309	1,282,572
Consumer accounts	47,520	47,520	47,520	47,520	60,381	60,381	60,381	60,381	60,381	60,381	60,381	60,381	673,128
Customer services	11,295	11,295	11,295	11,295	12,143	12,143	12,143	12,143	12,143	12,143	12,143	12,143	142,324
Sales													0
Administrative and ge	96,787	96,787	96,787	96,787	106,462	106,462	106,462	106,462	106,462	106,462	106,462	106,462	1,238,844
Total operation and r	1,652,999	1,579,219	1,965,699	2,304,739	2,589,191	2,227,476	1,940,736	1,470,221	1,576,166	1,835,846	1,921,806	1,927,516	22,991,614
Depreciation	162,746	162,746	162,746	162,746	174,053	174,053	174,053	174,053	174,053	174,053	174,053	174,053	2,043,408
Taxes-other	1,917	1,917	1,917	1,917	2,042	2,042	2,042	2,042	2,042	2,042	2,042	2,042	24,004
Interest on long term d	87,500	87,500	87,500	87,500	80,833	80,833	80,833	80,833	80,833	80,833	80,833	80,833	996,664
Interest expense - othe	7,117	7,116	7,116	7,116	7,450	7,450	7,450	7,450	7,450	7,450	7,450	7,450	88,065
Other deductions	833	833	833	833	917	917	917	917	917	917	917	917	10,668
Total cost of electric	1,913,112	1,839,331	2,225,811	2,564,851	2,854,486	2,492,771	2,206,031	1,735,516	1,841,461	2,101,141	2,187,101	2,192,811	26,154,423
Utility operating mar	13,129	(31,658)	67,858	234,359	357,164	261,404	(13,085)	(3,028)	(82,787)	(35,716)	113,193	(72,590)	808,243
Nonoperating margins,	2,917	2,917	2,917	2,917	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	33,004
Nonoperating margins, other													0
Patronage capital:													0
G & T													0
Others													0
Net margins	16,046	(28,741)	70,775	237,276	359,831	264,071	(10,418)	(361)	(80,120)	(33,049)	115,860	(69,923)	841,247

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Exhibit U  
page 1 of 5  
Witness: David Estepp

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
**By - Laws Changes**  
August 31, 2011

A copy of the bylaws is attached. The only change since the last general rate request is in **Article IV Board Members** where the board term was increased from 3 to 4 years.

# BIG SANDY RURAL ELECTRIC Cooperative Corporation

EXH A  
2 of 5  
Witness  
David Estopp

www.bigsandyrecc.com

## Big Sandy Rural Electric Cooperative Corporation Bylaws

This edition of Bylaws supersedes all previous issues.

### ARTICLE I MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of Big Sandy Rural Electric Cooperative Corporation hereinafter called the "Cooperative" upon receipt of electric service from the Cooperative, provided that he or it has first:

- Make a written application for membership therein;
- Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board of directors; and
- Paid the membership fee hereinafter specified;

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificates shall be signed by the Chairman and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid for. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefor upon such uniform terms and indemnity to the Cooperative as the board may prescribe.

SECTION 3. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- The vote of either separately or both jointly shall constitute one joint vote;
- waiver of notice signed by either or both shall constitute a joint waiver; notice to either shall constitute notice to both;
- expulsion of either shall terminate the joint membership;
- Withdrawal of either shall terminate the joint membership;
- Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

SECTION 4. Conversion of Membership. (a) A membership may be converted to a joint membership upon the written request of the holder, thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 5. Membership and Service Connection Fees. The membership fee shall be Twenty-five dollars (\$25.00) upon the payment of which a member shall be eligible for one service connection.

SECTION 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in their application for membership, and shall pay therefor at rates which shall from time-to-time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board from time-to-time. Each member shall pay all amounts owed by him to the Cooperative as and when the same shall become due and payable. However, notwithstanding any other provisions herein to the contrary, the Cooperative does not guarantee the continuity of electric energy to any member.

SECTION 7. Termination of Membership. (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of the members of the Board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failures shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board.

(b) In the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative. (c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid in cash by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee

the amount of any debts or obligations owed by the member to the Cooperative.

SECTION 8. Member to Grant Easements to Cooperative. Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

### ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

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

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

### ARTICLE III MEETING OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held between May 1 and October 1 of each year, beginning with the year 1968, at such place or place in the counties served by the Cooperative as may be designated by a resolution of the Board of Directors, fixing the time and place of the annual meeting, which resolution shall be duly adopted by the Board of Directors to make adequate plans and preparations for the annual meeting. If the day fixed for the annual meeting shall fall on a Sunday or a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special meetings. Special Meetings of the members may be called by resolution of the Board, or upon a written request signed by any five Board members, by the Chairman, or by thirty per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

SECTION 3. Notice of Members' meetings. Notice of all regular and special meetings of the members shall be given by advertising same in two issues of the weekly newspapers having the largest circulation in the counties which the Cooperative has members for the two next preceding the date of said meeting by announcing same over any radio stations located within the area served by the Cooperative. Such advertising shall be deemed proper notice of all regular and special meeting of the members. The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum. Not less than one hundred (100) members present in person or represented by proxy shall constitute a quorum for the transaction of business at all meetings of the members.

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of the majority of the members voting thereon in person or by proxy, except as otherwise provided by law, the articles of incorporation or these bylaws.

At all meetings of members a member may vote by proxy executed in writing wherein the notice of the meeting there is included:

(a) proposed resolution to authorize borrowing of funds from the United States of America or from National Rural Utilities Cooperative Finance Corporation or other lending agencies or lending corporations, and to incur indebtedness from time to time by the assumption of the indebtedness of third parties to the United States of America or other or sale, mortgage, lease or other disposition or encumbrance of property to United States of America or any agent or instrumentality thereof or others;

(b) In connection with a proposed amendment to the articles of incorporation of the Cooperative. To be valid a proxy must be executed by the member within sixty (60) days next before the date of the meeting.

SECTION 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting.

- Report on the number of members present in person in order to determine the existence of a quorum.
- Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the cases may be.
- Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- Presentation and consideration of reports of officers, trustees, and committees.
- Reading of report of the election commissioners on the election of Board members.
- Unfinished business.
- New business.
- Adjournment.

SECTION 7. Agenda. The agenda for the meeting of the members shall be with full disclosure to the membership, so as to inform the membership in the Notice of the Meeting, of the nature of all business to be considered. To achieve the same, no proposal shall be voted upon at the Annual Meeting unless it has been placed on the agenda at least ninety (90) days prior to such meeting. Any legitimated proposal may be submitted for inclusion on the agenda by the members. Said proposal(s) must be writing and signed by at least one hundred (100) members in good standing, and a copy of the proposal must be filed with the Secretary within the tie allowed, with a request that it be submitted to the Annual Meeting for consideration. Any item submitted by a member or members, to be placed on the Agenda of the Annual Meeting, must be clearly stated and easily understood. Nothing in this section, or any other section of the Bylaws shall be construed as diminishing the authority or duty of the board of Directors to determine items to be submitted to vote of the members at any meeting of the members and/or the arrangement and content of the agenda.

#### ARTICLE IV Board Members

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of six members which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

SECTION 2. Voting Districts. The territory served by the Cooperative shall be divided into six districts. Each district shall be represented by one Director. District boundaries shall be as follows:

District No. 1 - Johnson County: Beginning at the Lawrence County line on the east side of the Levisa Fork of Big Sandy River; thence with Levisa Fork of Big Sandy River to the Floyd county line; thence east with Floyd county line to the Martin County line; thence with Lawrence County line to Levisa Fork point of beginning.

District No. 2 - Johnson County: Beginning at the Lawrence County line of the west bank of Levisa Fork of Big Sandy River; thence with river to Paintsville; thence west with U.S. Highway 23 and 460 to the mouth of Mudlick; thence following ridge between Toms Creek and Mudlick and Hoods Creek to the Lawrence County line; thence with the Lawrence County line to Levisa Fork to Big Sand River, the point of beginning.

District No. 3 - Johnson County: Beginning at the bridge across Levisa Fork of Big Sandy River at Paintsville, Kentucky; thence following U.S. 23 and 460 to the mouth of Mudlick Creek; thence with ridge between Mudlick Creek and Toms Creek and Hoods Creek to the Lawrence County line; thence west with Lawrence County line to the Morgan County line; thence continuing to the Magoffin County line; thence to the Floyd County line; thence with the Floyd County line to Levisa Fork of Big Sandy River; thence down same to point of beginning.

District No. 4 - Martin County and Lawrence County: District No. 4 shall include all members living in Martin and Lawrence Counties.

District No. 5 - Floyd County: Being all of the area within the following described boundary: Beginning at the point where the Magoffin County Line, the Floyd County line and the Johnson County line intersect; then south with the Floyd County line to KY Rt. 114; then with KY Rt. 114 in a southeasterly direction to U.S. 23; then with U.S. 23 South to the Pike County line; the North with the Pike County/Floyd County line to the Martin County line; then westerly with the Johnson/Floyd County line to the point of beginning.

District No. 6 - Floyd County, Knott and Breathitt Counties: Being all the area within the following described boundary and all of the members residing in Knott and Breathitt Counties: Beginning at KY Rt. 114 at the Floyd/Magoffin Counties line; then with KY Rt. 114 in a southeasterly direction to U.S. 23; then with U.S. 23 South to the Pike/Floyd Counties line; then with the Pike/Floyd Counties line to the Floyd, Knott, Magoffin and Breathitt Counties intersect; then North with the Floyd/Magoffin Counties line to the point of beginning.

SECTION 3. Selection and Tenure. Directors shall serve for terms of four (4) years or until their successors shall have been elected or appointed by the Board and shall have been qualified. Any vacancy on the Board caused by death or resignation or failure to have candidates for the office of director shall be filled by Board of Directors for unexpired portion of the term.

SECTION 4. Qualifications. No person shall be eligible to become or remain a Board member of the Cooperative who:

- (a) is not a member and bona fide resident living in the district served by the Cooperative for at least one year.
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative, or
- (c) who does not live in the district to be represented by the member.
- (d) is an employee of the Cooperative or who was employed by the Cooperative with the last five years.
- (e) must be an individual.
- (f) must have the capacity to enter into legally binding contracts.
- (g) before becoming a Director, graduate from High School or earn an equivalent degree or certification.
- (h) while a Director, and prior to becoming a Director, not be convicted of, or plead guilty to, a felony.
- (i) while a Director, and prior to becoming a Director, not have a final judgment entered against them involving civil fraud, ethical violations, discrimination and/or acts of harassment.
- (j) while a Director, and seven years immediately before becoming a Director, not been a debtor in a federal bankruptcy proceeding or a similar proceeding under applicable state law such as insolvency, liquidation, receivership reorganization, or assignment for the benefit of creditors
- (k) while a Director, and seven years immediately before becoming a Director, not been a party to a foreclosure or other proceeding (Judicial or non-Judicial), which proceeding is or was instituted because of the Director's default on indebtedness
- (l) except as otherwise provided by the Board of Directors for good cause shown, receive a Credentialed Cooperative Director Designation or Certification from the National Rural Electric Cooperative Association within two (2) years of becoming a Director and after becoming a Director, participating in and complete required Director Training as established by the Board of Directors

Upon establishment of the fact that a Board member is holding office in violation of any of the foregoing provisions, the Board shall remove such Board member from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

SECTION 5. Nomination and Election of Directors.

(a) Nomination Committee. Not less than ninety (90) days before the date of annual meeting at which Directors are to be elected, the Board of Directors shall appoint a Nomination Committee consisting of six members, one from each six districts. No exist-

ing Cooperative employees, agents, officers, Directors, or known candidates for Director, or persons who are close relatives of members of the same household thereof are eligible to serve on the committee.

The Nomination Committee shall meet at the next regular meeting of the Board of Directors, which meeting shall not be less than sixty (60) days before the annual meeting of the members, at the principal office of the Cooperative at Paintsville, Kentucky, at the same time as the meeting of the Board of Directors to nominate candidates for the office of Director of the cooperative.

No person shall be nominated as a candidate for the Board of Directors unless that person is duly qualified and has requested to be nominated as a candidate by presenting a written request, on an official form provided by the cooperative, to the nomination committee. An incumbent director may be nominated as a director so long as the incumbent is duly qualified and has made written request to the Nomination Committee.

All other members, who are properly qualified, may be nominated by filling an official Nomination Request/Petition form with the secretary of the cooperative at least 14 days prior to the meeting of the Nomination Committee. The cooperative attorney shall examine the Nomination Request/Petition for accuracy and legality. If it complies the attorney shall file the Nomination Request/Petition with the Nomination Committee for its consideration.

Members shall apply to the cooperative for a Nomination Request/Petition form at least thirty (30) days prior to the meeting of the Nomination Committee.

The application must set forth the member's names, birth date, actual place of residence, membership number, length of time living at last residence, occupation, be signed by the member and notarized.

The Nomination Request/petition form shall request the Nomination Committee to nominate the member for the office of Director of the cooperative and shall state the district which the candidate will represent. This petition shall set forth the members name, place of residence, length of time living at the last residence, occupation, all business financial interest, all employment by the cooperative, date last worked for the cooperative if applicable, and be signed by the member. The petition shall be signed and dated by at least one hundred (100) bona fide current members of the cooperative actually living in the district to be represented by the member requesting nomination. Only one person shall be nominated per petition.

The Nomination Committee shall nominate as a candidate in all districts where there is an election any person who is duly qualified and duly requests to be nominated as a candidate, as set forth above the decision of the Nomination Committee shall final in respect to the qualifications of a member to serve on the Board of Directors and whether or not a proper request to be nominated has been made.

The list of nominations as a candidate shall be posted immediately at the principal office of the Cooperative. No write in votes shall be permitted in the election of the members of the Board of Directors. No nominations for the office of Director from the floor of the annual meeting of the members shall be permitted. Should the Nomination Committee select only one candidate from each district to run for the office of Director to fill the vacancy caused by the expiration of the Directors terms in accordance with Article IV, Section 3 of these Bylaws and should no candidate be nominated from the membership by written or printed petition as set forth in Article IV, section 5A of these Bylaws, then the Chairman of the Nomination Committee appointed by the Board of Directors pursuant to Article IV, Section 5 of these Bylaws, shall certify to the secretary of the Board that no petition has been filed pursuant to the Bylaws on nominations and the candidates selected by the Nomination Committee are therefore officially without opposition and the secretary of the Board will so announce at the annual membership meeting and the nominees shall be deemed elected to the Board without the necessity of mailing official ballots through the United States mail and following the election procedures set forth in these Bylaws. All of the remaining provisions of Article IV, Section 5 of these Bylaws not in conflict herein shall remain in full force and effect.

(b) Voting. Not less than thirty (30) days before the annual meeting it shall be the responsibility of the Secretary to have printed and to mail to each of the members a ballot which shall list by district the names of the candidates nominated by the committee, or by petition. With the ballot, the secretary shall include a return envelope: the return address envelope shall have the member's name and membership number printed on a (piggy-back) label. The return address envelope shall be pre-addressed to the Cooperative with postage prepaid. The secretary shall also mail, with the ballot, instructions for voting and returning the ballot to the Cooperative. The member shall vote the ballot by marking the box beside the candidate of choice; the member shall then place the ballot in the return address envelope and seal the return address envelope place it in the United States mail, or deliver the outer envelope to the Cooperative in person so that the ballot shall be received not less than ten days prior to the date of the annual meeting of members.

(c) Conduct of Election. At the regular meeting of the Board of Directors, which shall not be less than fifteen (15) days before the annual meeting, the Board of Directors shall appoint three election commissioners to supervise, conduct and canvass the election. They shall be bona fide residents of the area served by the Cooperative and shall not be active in any campaign for any candidate seeking election.

On the next regularly scheduled working day after the close of the ballot box or voting, the election commissioners shall meet at the principal office of the Cooperative for determining and counting all legal ballots, as follows: the election commissioner shall determine if the return address envelope is proper. Next, they shall examine the return address envelope to determine if it has a member name and membership number label. If the return address envelope is proper, the "piggy-back" label shall be removed from the return address envelope, counted and preserved. Then they shall open the return address envelope and separate the return address envelope from the ballot. All noncomplying return address envelopes shall be set aside and preserved, but shall not be opened or counted. The ballots shall then be examined to determine if they are properly voted. All ballots not properly voted shall be not counted, but preserved. Next, all properly voted ballots shall be counted, tabulated and preserved for a period of five days. After the votes are canvassed and tabulated the election commissioner shall issue a report of the election, certifying all action taken by the commissioners and the number of legal votes received by each of the candidates. The candidate receiving the highest number of legal votes shall be certified as the winner of each district. The original of the report of the election commissioners shall be submitted to the Board of Directors, and a copy shall be given to each of the candidates.

At the election count each candidate or his duly appointed representative shall be entitled to observe the count of the ballots and the action taken by the election commissioners.

Within three days after the completion of the count by the election commissioners, any candidate who is dissatisfied with the report may request in writing that the Board of Directors recanvass the ballots. Upon such a request being made the Board of Directors shall conduct a proper recount of the ballots and thereafter adopt or reject the report of election commissioners.

SECTION 6. Removal of Directors by Members. Any member may bring sworn charges against a Board member and, by filing with the Secretary such sworn charges in writing together with a notarized petition signed by at least ten per centum of the members, or 300, whichever is greater, may request the removal of such Board member by reason thereof. Such director shall be informed in writing of the charge at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the

same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

**SECTION 7. Vacancies.** Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of Board members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term.

**SECTION 8. Compensation.** Board members shall not receive any salary for their services such, except that the Board of Directors by resolution may authorize a fixed sum each day or part thereof spent on Cooperative business such as attendance at meetings, conferences and training programs or performing committee assignments when authorized by the Board. A member may also be reimbursed for actual expenses necessarily incurred in carrying out such Cooperative business or granted a reasonable allowance in lieu of detailed accounting for some of these expenses.

No Board member shall be compensated for serving the Cooperative in any other capacity nor shall any member of the immediate family of a Board member be allowed to be a full-time employee of the Cooperative. A member of the immediate family of a Board member shall be construed to include husband and wife and children of either the husband and wife.

Compensation may be paid to a Board member or a member of their immediate family if such services were rendered on emergency basis.

## ARTICLE V MEETING OF DIRECTORS

**SECTION 1. Regular Meetings.** A regular meeting of the Board shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. Newly elected Board members shall be installed at this Board meeting. A regular meeting of the Board shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

**SECTION 2. Special Meetings.** Special meetings of the Board may be called by the Chairman or by two-thirds (2/3) of a majority of the Board members and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or Board members calling the meeting shall fix the time and place for the holding of the meeting.

**SECTION 3. Notice of Directors' Meetings.** Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board member either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the Chairman or the Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the date set for the meeting.

**SECTION 4. Quorum.** A majority of the board shall constitute a quorum, provided, that if less than such majority of the Board present may adjourn the meeting from time-to-time; and provided further, that the secretary shall notify any absent Board member of the time and place of such adjourned meeting. The act of the majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these bylaws.

Should a majority of the Board be unable to serve because of catastrophe or other cause, the remaining members of the Board of Directors may meet and carry on the regular business of the Cooperative until new Board members are appointed. In case of the death of a Board member the remaining members may appoint Board members to fill vacancies to serve until next annual election.

## ARTICLE VI OFFICERS

**SECTION 1. Number.** The officers of the Cooperative shall be a Chairman, Vice Chairman, President/General Manager, Secretary, Treasurer, and such other officers as may be determined by the Board from time-to-time. The offices of Secretary and of Treasurer may be held by the same person.

**SECTION 2. Election and Term of Office.** The officers shall be elected by the ballot, annually by the Board at the meeting of the Board held immediately after the Annual Meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding, annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

**SECTION 3. Removal of Officers and Agents by the Board.** Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring sworn charges against an officer, and by filing with the secretary such sworn charges in writing together with a notarized petition signed by ten per centum of the members or 300, whichever is greater, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

**SECTION 4. Chairman.** The Chairman shall:

- be the principal executive officer of the Cooperative, and unless otherwise determined by the members of the Board, shall preside at all meetings of the members;
- sign, with the secretary, certificates of membership, the issue of which shall have been authorized by the Board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- in general perform all duties incident to the office of chairman and such other duties as may be prescribed by the board from time-to-time.

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

**SECTION 6. President/General Manager.** The President/General Manager shall:

- in the absence of the Chairman and Vice Chairman or in the event of their inability or refusal to act, the President/General Manager shall perform the duties of the Chairman

and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The President/General Manager shall also perform such other duties and shall exercise such authority as the Board may from time to time vest in him.

**SECTION 7. Secretary.** The secretary shall be responsible for:

- keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- seeing that all notices are duly given in accordance with these bylaws or as required by law;
- the safekeeping of the Corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issuance thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- keeping a register of the names and post office addresses of all members;
- signing, with the Chairman, certificates of membership, the issue of which shall have been authorized by the Board or the members;
- keeping on file at all times a complete copy of the articles of incorporations and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to each member upon request; and

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

**SECTION 8. Treasurer.** The Treasurer shall be responsible for:

- custody of all funds and securities of the Cooperative;
- the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- in general performance of all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned to him by the Board.

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

**SECTION 10. Compensation.** The powers, duties and compensation of officers, agents and employees shall be approved by the board, subject to the provisions of these bylaws with respect to compensation for Board member or member of their immediate family.

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

## ARTICLE VII NON-PROFIT OPERATION

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

**SECTION 2. Patronage Capital In Connection with Furnishing Electric Energy.** In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expense at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts of capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro-rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be paid according to the Board's discretion, fairly and equitable, as directed by established Board policy.

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

Notwithstanding any other provision of these bylaws, the board at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate or surviving spouse shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such patron's estate or surviving spouse shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. And, further provided that no payment of capital credits shall be made except to the extent said credits represent receipts in cash to the Cooperative.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.



ARTICLE VIII  
DISPOSITION OF PROPERTY

SECTION 1. Disposition or Encumbering of Property. The Board of Directors may not sell, lease, lease-sale, exchange transfer or otherwise dispose of any of the cooperative's property except:

- (a) property that is not necessary in operating and maintaining the Cooperative system, but sales of such property shall not, in any one year exceed then per centum (10%) in value of all the property of the Cooperative other than merchandise and property acquired for resale;
- (b) services for resale;
- (c) property acquired for resale, and
- (d) merchandise;

unless the Board shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the transaction and directing the submission of the proposal to a vote of not less than the majority of the total members and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety days after the giving of such notice to the members, provided that consideration and action by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is held not sooner than ninety days after the giving of such notice.

If the Board of Directors looks with favor upon any proposal for sale, lease, lease-sale, exchange or transfer or other disposal of any of the Cooperative's properties and assets, it shall first cause three independent, non-affiliated appraisers, expert in such matters to render their individual opinions as to the value of the Cooperative with respect to sale, lease, lease-sale, exchange, transfer, or other disposition of all substantial all of the Cooperative's properties and assets, and as to any other terms and conditions which should be considered. The three such appraisers shall be designated by the Johnson Circuit Court Judge. If such judge refuses to make such designations, they shall be made by the Board of Directors.

If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal shall be submitted for consideration by the members, it shall first give every other electric cooperative situated and operating in Kentucky (which has not made such an offer) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperative, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three appraisers. Such electric cooperative shall be given not less than ninety days during which to submit competing proposals, and the actual minimum period within which proposals, are to be submitted shall be stated in the written notice given to them.

Any (3) or more members, by so petitioning the Board not less than thirty days prior to date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternate positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The Board of Directors of the Cooperative, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust and a security interest or interests upon, or the pledging and encumbering of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated as well as the revenues and in come therefrom, and of a note or notes or other instrument evidencing the indebtedness secured thereby, all upon such terms and conditions as the Board of Directors of the cooperative shall determine, to secure any obligation of the Cooperative, any provision of the Articles of Incorporation or bylaws of the Cooperative to the contrary notwithstanding.

SECTION 2. Merger or Consolidation. The Board of Directors may not merge or consolidate the Cooperative's property and assets with any other corporation except as otherwise provided by law unless the Board shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the transaction and directing the submission of the proposal to vote of not less than a majority of the total members and shall call a special meeting of the members of consideration thereof and action thereon, which meeting shall be held not sooner than ninety days after the giving of such notice to the members; provided, that consideration and action by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is held not sooner than ninety days after the giving of such notice.

If the Board of Directors looks in favor upon any proposal for merger or consolidation of the Cooperative's properties and assets, it shall first cause three independent, non-affiliated appraisers, expert in such matters to render their individual opinions as to the value of the Cooperative with respect to merger or consolidation of all or substantial all of the Cooperative's properties and assets, and as to any other terms and conditions which should be considered. The three such appraisers shall be designated by the Johnson Circuit Court Judge. If such judge refuses to make such designations, they shall be made by the Board of Directors.

If the board of directors, after receiving such appraisals (and other terms and conditions which are submitted if any) determines that the proposal shall be submitted for consideration by the members, it shall first give every other electric cooperative situated and operating in Kentucky (which has not made such an offer) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperative, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three appraisers. Such electric cooperatives shall be given not less than ninety days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

Any (3) or more members, by so petitioning the board not less than thirty days prior to date of such special or annual meeting, may cause the Cooperative with the cost to be borne by the Cooperative, to mail to all members any opposing or alternate positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

SECTION 3. Dissolution. The Board of Directors may not dissolve the Cooperative unless the Board shall first adopt by the affirmative vote of three-fourths of all directors a resolution recommending the transaction and directing the submission of the proposal to a vote of not less than the majority of the total members and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety days after the giving of such notice to the members; provided, that the consideration and action by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is held not sooner than ninety days after the giving of such notice.

SECTION 4. Evaluative Considerations. In connection with the exercise of its judgement in determining what is in the best interest of Big Sandy RECC and its members when evaluating any proposal for dissolution, merger, consolidation, sale of assets, lease, transfers, of other disposition of all or substantially all of the Cooperative's assets, the Board of Directors shall consider all of the following factors and other factors which it deems relevant:

1. The societal and economic effects of the transaction upon the Cooperative's employees;
2. The societal and economic impact of the transaction upon the community and service territories; and
3. The long-term as well as short-term interest of the Cooperative and its members includ-

ing the possibility that these interest may be best served by the continued existence of the Cooperative.

SECTION 5. Alteration and Amendment to Bylaws. Article VIII of the bylaws as amended and adopted shall take effect upon the affirmative vote of not less than three-fourths of all directors; and shall remain in effect until altered, amended or repealed by a similar vote of all directors and not less than a majority of the total members.

ARTICLE IX  
SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Kentucky"

ARTICLE X  
FINANCIAL TRANSACTIONS

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

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

SECTION 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time-to-time to the credit of the Cooperative in such bank or banks as the board may select.

SECTION 4. Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy become effective.

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

ARTICLE XI  
MISCELLANEOUS

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

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

SECTION 3. Policies, Rules and Regulations. The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports. The board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time-to-time be designated by the Administrator of the Rural Utilities Service of the United States of America. The board shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. The yearly Financial Report shall be presented to the members in accordance with the Auditor's Report at the next following Annual Meeting.

SECTION 5. Area Coverage. The Board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such services and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 6. Rules of Order. Parliamentary procedures at all meetings of the members, of the Board of Directors, of any committee proved for in these Bylaws and of any other committee of the members of Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

ARTICLE XII  
AMENDMENTS

These bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds of all of the directors at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal. A copy of such alterations, amendments, or reasonable time after such action has been taken.

CERTIFICATE OF SECRETARY

The undersigned, being the Chairman and Secretary of Big Sandy Rural Electric Cooperative Corporation, does hereby certify that the foregoing Bylaws were duly adopted by the Board of Directors at a special meeting of the Board of Directors duly called and held on September 16, 1967, except that Article IV, Section 5 was duly adopted by the Board of Directors at a regular meeting duly called and held on April 3, 1970; the Article IV, Section 6 and Article VI, Section 3, were duly adopted by the Board of Directors at a regular meeting duly called and held on May 4, 1971; that Article VIII was duly adopted by the Board of Directors at a special meeting duly call and held on January 14, 1973; Revised Article VII, Section 2, April 5, 1974 Membership changed from \$10.00 to \$20.00 12/5/75 That amendment to Article IV, Section 2 9/2/77. Revised Article I, Section 5, 11/13/81. Revised Article III, Section 6, 2/5/82. Revised Article IV, Section 5b, 5c, 2/5/82. Revised Article V, Section 1, 2/5/82. Revised Article IV, Section 5b, 1/7/83. Article III, Section 4, Revised Oct 7, 1983. Revised Article IV, Section 5, Aug 16, 1985. Revised Article IV, Section 2, Section 4a, Section 5b, July 15, 1988. Revised Article VII, Section 2, paragraph 3, Sept 16, 1988. Revised Article IV, Section 5b, January 1, 1990. Revised Article VI, July 20, 1990. Revised Article IV, Section 5 b & c, March 15, 1996. Revised Article IV, Sections 3 & 4 (d), revised Article VII added Sections 1, 2, 3, 4 & 5, April 18, 1997. Revised Article IV Section 3, 4 (a) & 5 (b & c) July 29, 2003. Revised Article IV Section 5a June 18, 2004. Revised Article I Section 6 April 05, 2011. Revised Article IV Section 2 April 05, 2011.

Attest:  
Kelly Shepherd, Secretary

Wade May, Chairman

## 1 Big Sandy Rural Electric Cooperative

Exhibit V

2 Case No. 2012-00030

page 1 of 3

3 Statement of Operations

Witness: Alan Zumstein

4 August 31, 2011

	<u>2011</u>	<u>2010</u>	
5			
6			
7			
8	Operating revenue	\$26,315,426	\$25,882,810
9			
10	Operating expenses:		
11	Cost of power	18,620,318	17,729,035
12	Distribution-operations	923,952	878,415
13	Distribution-maintenance	1,468,958	532,105
14	Consumer accounts	765,151	749,065
15	Consumer service	132,162	121,171
16	Sales	12,120	578
17	Administrative and general	1,322,118	1,198,474
18		<u>23,244,779</u>	<u>21,208,843</u>
19			
20	Depreciation and amortization	1,912,568	1,969,829
21	Taxes-other	25,430	22,309
22	Interest on long term debt	979,583	885,897
23	Other interest expense	92,809	110,845
24	Other deductions	11,844	11,091
25		<u>26,267,013</u>	<u>24,208,814</u>
26			
27	Utility operating margins	48,413	1,673,996
28	Nonoperating margins, interest	26,478	30,002
29	Nonoperating margins, other	0	11,950
30	G & T capital credits	759,797	803,974
31	Other capital credits	106,112	58,038
32		<u>940,800</u>	<u>2,577,960</u>
33	Net margins	<u>\$940,800</u>	<u>\$2,577,960</u>
34			

## 1 Big Sandy Rural Electric Cooperative

Exhibit V

2 Case No. 2012-00030

page 2 of 3

3 Balance Sheet

Witness: Alan Zumstein

4 August 31, 2011

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Electric Plant:		
In service	\$43,926,974	\$41,972,262
Under construction	201,081	283,823
	<u>44,128,055</u>	<u>42,256,085</u>
Less accumulated depreciation	13,142,207	11,900,160
	<u>30,985,848</u>	<u>30,355,925</u>
Investments	<u>7,800,583</u>	<u>6,962,971</u>
Current Assets:		
Cash and temporary investments	328,998	1,149,150
Accounts receivable, net	3,599,629	3,459,767
Material and supplies	423,577	452,816
Prepayments	57,385	49,625
	<u>4,409,589</u>	<u>5,111,358</u>
Total Assets	<u>\$43,196,020</u>	<u>\$42,430,254</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>		
Margins and Equities:		
Memberships	\$232,740	\$232,195
Patronage capital	16,508,084	15,714,080
Other equities	(916,675)	(1,138,757)
	<u>15,824,149</u>	<u>14,807,518</u>
Long Term Debt	<u>22,113,889</u>	<u>22,980,675</u>
Accumulated Operating Provisions	<u>1,549,083</u>	<u>1,542,305</u>
Current Liabilities:		
Notes payable	500,000	0
Accounts payable	1,948,632	1,948,923
Consumer deposits	649,264	624,984
Accrued expenses	582,772	496,231
	<u>3,680,668</u>	<u>3,070,138</u>
Consumer advances	<u>28,231</u>	<u>29,618</u>
Total Members' Equities and Liabilities	<u>\$43,196,020</u>	<u>\$42,430,254</u>

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## 1 Big Sandy Rural Electric Cooperative

Exhibit V

2 Case No. 2012-00030

page 3 of 3

3 Statement of Cash Flows

Witness: Alan Zumstein

4 August 31, 2011

	<u>2011</u>	<u>2010</u>	
5			
6			
7			
8	Cash Flows from Operating Activities:		
9	Net margins	\$ 940,800	\$ 2,577,960
10	Adjustments to reconcile to net cash provided		
11	by operating activities:		
12	Depreciation		
13	Charged to expense	1,912,568	1,969,829
14	Charged to clearing accounts	196,829	199,786
15	Patronage capital credits	(865,909)	(862,012)
16	Accumulated postretirement benefits	228,860	64,859
17	Net change in current assets and liabilities:		
18	Receivables	(139,862)	(371,648)
19	Material and supplies	29,239	(69,395)
20	Prepayments and deferred debits	(7,760)	(5,001)
21	Accounts payables	(291)	355,438
22	Consumer deposits	24,280	3,515
23	Accrued expenses	86,541	(147,162)
24	Consumer advances	(1,387)	(3,735)
25		<u>2,403,908</u>	<u>3,712,434</u>
26			
27	Cash Flows from Investing Activities:		
28	Plant additions	(2,739,320)	(2,583,154)
29	Additional investments, net of receipts	28,297	36,527
30		<u>(2,711,023)</u>	<u>(2,546,627)</u>
31			
32	Cash Flows from Financing Activities:		
33	Memberships	545	1,625
34	Refund of capital credits	(60,170)	(44,650)
35	Other equities	(146,251)	23,149
36	Short term borrowings (repayments)	500,000	(1,900,000)
37	Additional long-term borrowings	-	2,000,000
38	Payments on long-term debt	(866,786)	(837,503)
39		<u>(513,037)</u>	<u>(757,379)</u>
40			
41	Net increase in cash	(820,152)	408,428
42			
43	Cash balances - beginning	<u>1,149,150</u>	<u>740,722</u>
44			
45	Cash balances - ending	<u>\$ 328,998</u>	<u>\$ 1,149,150</u>
46			

Big Sandy Electric Cooperative  
 Comparison of Best Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
362	Station equipment	353,139	353,139	353,139	353,139	353,139	354,139	354,139	354,139	354,139	354,139	354,139	354,439
	Prior year	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139	353,139
	Change	0	0	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000	1,300
364	Poles, towers & fixtures	12,087,436	12,117,463	12,139,498	12,171,282	12,221,090	12,239,941	12,337,689	12,371,138	12,398,087	12,424,545	12,441,791	12,486,547
	Prior year	11,733,037	11,728,379	11,732,339	11,762,302	11,780,777	11,833,160	11,872,288	11,910,323	11,933,158	11,969,151	12,029,139	12,048,456
	Change	354,399	389,084	407,159	408,980	440,313	406,781	465,401	460,814	464,929	455,394	412,652	438,091
365	Overhead conduct & devices	10,802,018	10,926,657	10,944,325	10,957,215	10,976,092	10,993,488	11,160,292	11,177,606	11,217,338	11,243,320	11,250,868	11,292,719
	Prior year	10,274,671	10,278,574	10,298,350	10,315,753	10,324,713	10,410,949	10,472,231	10,496,483	10,515,302	10,564,219	10,718,250	10,737,661
	Change	527,347	648,083	645,975	641,462	651,379	582,539	688,061	681,123	702,036	679,101	532,618	555,058
366	Underground conduit	375,572	381,774	382,610	385,328	386,667	388,157	390,800	390,800	391,325	396,900	400,812	417,110
	Prior year	346,683	346,868	347,883	348,209	351,404	352,995	355,986	358,220	359,246	362,922	366,306	371,932
	Change	28,889	34,906	34,727	37,119	35,263	35,163	34,813	32,580	32,079	33,978	34,506	45,178
367	Underground cond & devices	264,264	269,875	269,875	269,875	269,875	269,875	282,198	282,198	282,198	282,678	287,162	295,032
	Prior year	257,531	257,531	257,531	257,531	257,531	257,531	257,531	257,531	257,531	257,531	257,531	257,531
	Change	6,732	12,344	12,344	12,344	12,344	12,344	24,666	24,666	24,666	25,147	29,631	37,501
368	Transformers	5,892,038	5,899,276	5,893,574	5,904,149	5,911,638	5,924,864	5,954,580	5,987,372	6,000,953	6,015,647	6,023,897	6,029,423
	Prior year	5,776,420	5,786,786	5,797,877	5,805,428	5,808,338	5,814,353	5,783,383	5,794,602	5,798,769	5,804,005	5,839,557	5,851,948
	Change	115,618	112,490	95,698	98,721	103,300	110,511	171,197	192,770	202,184	211,642	184,340	177,475
369	Services	4,226,076	4,242,795	4,254,043	4,277,075	4,284,158	4,292,696	4,306,792	4,316,513	4,323,253	4,338,728	4,351,197	4,371,436
	Prior year	4,090,008	4,086,755	4,086,895	4,090,012	4,108,883	4,121,440	4,135,702	4,145,338	4,155,080	4,168,423	4,189,555	4,210,054
	Change	136,068	156,040	167,148	187,063	175,275	171,256	171,090	171,175	168,172	170,305	161,642	161,382
370	Meters	3,174,420	3,174,420	3,169,997	3,173,656	3,174,437	3,169,666	3,169,989	3,169,989	3,173,343	3,234,483	3,262,768	3,262,768
	Prior year	3,241,818	3,241,253	3,240,218	3,240,218	3,230,662	3,230,489	3,227,313	3,226,968	3,225,711	3,073,473	3,128,179	3,169,318
	Change	(67,398)	(66,833)	(70,220)	(66,562)	(56,225)	(60,823)	(57,324)	(56,979)	(52,368)	161,010	134,589	93,450
371	Security lights	1,988,270	1,987,735	1,990,200	1,996,727	1,998,969	1,998,377	2,004,472	2,005,059	2,009,263	2,020,105	2,024,214	2,030,390
	Prior year	1,959,543	1,957,727	1,958,820	1,959,918	1,967,153	1,970,251	1,972,227	1,972,434	1,972,341	1,974,138	1,978,463	1,981,642
	Change	28,727	30,007	31,381	36,809	31,816	28,125	32,245	32,625	36,922	45,968	45,751	48,748
389	Land	50,000	265,000	269,631	269,631	272,263	272,264	270,054	272,355	291,855	292,419	292,419	292,419
	Prior year	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Change	0	215,000	219,631	219,631	222,263	222,264	220,054	222,355	241,855	242,419	242,419	242,419
390	Structures & improve	678,937	678,937	678,937	678,937	678,937	678,937	681,147	681,147	676,202	742,434	834,610	877,602
	Prior year	685,709	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937	678,937
	Change	(6,772)	0	0	0	0	0	2,210	2,210	(2,736)	63,496	155,673	198,665

Big Sandy Electric Cooperative  
 Comparison of First Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
391	Office furniture	365,056	365,056	368,719	369,835	373,250	374,283	378,741	382,187	382,187	382,187	389,511	389,511
	Prior year	416,947	416,947	418,591	417,545	424,823	425,567	436,153	436,153	438,103	438,103	449,625	365,056
	Change	(51,891)	(51,891)	(49,872)	(47,710)	(51,573)	(51,284)	(57,412)	(53,966)	(55,916)	(55,916)	(60,114)	24,455
392	Transportation	1,553,580	1,506,513	1,506,510	1,506,510	1,481,431	1,515,476	1,483,329	1,500,077	1,538,821	1,558,159	1,505,814	1,505,814
	Prior year	1,266,212	1,266,212	1,453,258	1,453,258	1,453,258	1,453,258	1,429,254	1,459,130	1,459,130	1,567,865	1,567,865	1,589,147
	Change	287,368	240,301	53,252	53,252	28,173	62,219	54,075	40,947	79,691	(9,706)	(62,051)	(83,333)
394	Tools, shop & garage	61,104	61,104	61,104	61,104	65,169	65,169	65,169	65,169	65,169	66,546	66,546	66,546
	Prior year	61,104	61,104	61,104	61,104	61,104	61,104	61,104	61,104	61,104	61,104	61,104	61,104
	Change	0	(0)	0	0	4,065	4,065	4,065	4,065	4,065	5,442	5,442	5,442
395	Laboratory	120,776	122,190	122,190	122,190	122,190	124,728	124,728	124,728	124,728	124,728	124,728	124,728
	Prior year	115,023	115,023	115,023	120,776	120,776	120,776	120,776	120,776	120,776	120,776	120,776	120,776
	Change	5,752	7,166	7,166	1,414	1,414	3,952	3,952	3,952	3,952	3,952	3,952	3,952
396	Power operated	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966
	Prior year	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966	31,966
	Change	0	0	0	0	0	0	0	0	0	0	0	0
397	Communication	59,289	59,289	59,289	59,289	59,289	59,289	59,289	59,289	59,289	59,289	60,077	64,452
	Prior year	59,050	59,289	59,289	59,289	59,289	59,289	59,289	59,289	59,289	59,289	59,289	59,289
	Change	240	0	0	0	0	0	0	0	0	0	788	5,163
398	Miscellaneous	34,305	34,305	34,305	34,305	41,381	28,284	28,542	34,072	34,072	34,072	34,072	34,072
	Prior year	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305	34,305
	Change	0	0	0	0	7,076	(6,021)	(5,763)	(233)	(233)	(233)	(233)	(233)
****	Total Electric Plant in Service	42,118,248	42,477,495	42,529,914	42,622,213	42,701,941	42,781,600	43,083,915	43,205,804	43,354,189	43,602,346	43,736,591	43,926,974
	Prior year	40,753,168	40,750,797	40,975,524	41,039,690	41,097,058	41,259,508	41,331,586	41,446,699	41,503,890	41,569,347	41,913,987	41,972,261
	Change	1,365,079	1,726,698	1,554,390	1,582,523	1,604,883	1,522,092	1,752,329	1,759,105	1,850,299	2,032,999	1,822,605	1,954,713
107.20	Construction work in progress	70,894	14,122	22,562	80,032	113,115	170,826	18,635	24,051	51,563	25,184	50,117	12,150
	Prior year	132,610	11,828	67,682	117,661	126,448	123,687	109,051	109,260	141,250	131,006	50,324	94,892
	Change	(61,716)	2,295	(45,120)	(37,629)	(13,333)	47,140	(90,416)	(85,209)	(89,688)	(105,822)	(207)	(82,742)
107	CWIP - remodel	188,931	188,931	188,931	188,931	188,931	188,931	188,931	188,931	188,931	188,931	188,931	188,931
	Prior year	(199,382)	11,812	41,781	56,923	65,203	105,223	114,793	188,918	188,931	188,931	188,931	188,931
	Change	388,314	177,119	147,150	132,008	123,728	83,709	74,138	13	0	0	0	0
****	Total CWIP	259,825	203,054	211,494	268,963	302,046	359,758	207,566	212,982	240,494	214,115	239,049	201,081
	Prior year	(66,772)	23,640	109,463	174,584	191,651	228,909	223,844	298,178	330,182	319,937	239,255	283,823
	Change	326,597	179,414	102,030	94,379	110,395	130,848	(16,278)	(85,196)	(89,688)	(105,822)	(207)	(82,742)

Big Sandy Electric Cooperative  
 Comparison of Last Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
108.6	Res - distribution plant	9,854,765	9,902,027	9,992,405	10,126,409	10,236,125	10,333,594	10,405,365	10,501,980	10,623,160	10,707,578	10,840,748	10,921,781
	Prior year	8,781,451	8,915,288	9,064,351	9,192,100	9,319,404	9,468,353	9,536,004	9,540,404	9,636,283	9,552,364	9,661,374	9,773,498
	Change	1,073,314	986,739	928,054	934,309	916,721	865,241	869,360	961,576	986,877	1,155,214	1,179,374	1,148,283
108.70	Res - general plant	1,463,729	1,443,039	1,458,880	1,473,799	1,464,300	1,499,226	1,479,036	1,493,959	1,514,003	1,529,839	1,501,062	1,516,743
	Prior year	1,441,892	1,457,695	1,473,581	1,490,929	1,507,431	1,523,833	1,516,574	1,533,796	1,549,553	1,566,770	1,583,505	1,482,749
	Change	21,837	(14,656)	(14,702)	(17,130)	(43,131)	(24,607)	(37,538)	(39,836)	(35,551)	(36,930)	(82,443)	33,994
108.71	Res - structures and improve	199,332	200,744	202,156	203,568	204,980	206,393	207,809	209,226	210,633	212,177	213,913	215,738
	Prior year	181,530	183,227	184,925	186,622	188,319	190,017	191,714	192,271	193,683	195,095	196,507	197,919
	Change	17,802	17,517	17,231	16,946	16,661	16,376	16,095	16,955	16,950	17,082	17,406	17,819
108.72	Res - office equipment	249,935	251,760	253,604	255,453	257,319	259,191	261,084	262,995	264,906	266,817	268,765	270,712
	Prior year	223,523	226,025	228,536	231,042	233,591	236,144	238,761	239,655	241,846	244,036	246,284	248,110
	Change	26,412	25,735	25,067	24,411	23,728	23,047	22,323	23,340	23,060	22,781	22,481	22,602
108.73	Res - tools	47,189	47,444	47,699	47,954	48,226	48,497	48,769	49,041	49,313	49,590	49,868	50,145
	Prior year	43,980	44,285	44,591	44,896	45,202	45,507	45,813	45,915	46,170	46,425	46,680	46,935
	Change	3,210	3,159	3,108	3,058	3,024	2,990	2,956	3,125	3,142	3,165	3,188	3,210
108.74	Res - laboratory	80,348	80,851	81,361	81,870	82,380	82,900	83,420	83,940	84,460	84,980	85,501	86,021
	Prior year	74,061	74,636	75,211	75,815	76,419	77,023	77,627	77,829	78,333	78,837	79,340	79,844
	Change	6,287	6,215	6,150	6,055	5,961	5,877	5,794	6,111	6,127	6,144	6,160	6,177
108.75	Res - power operated	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
	Prior year	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
	Change	0	0	0	0	0	0	0	0	0	0	0	0
108.76	Res - communication	54,072	54,072	54,072	54,072	54,072	54,072	54,072	54,072	54,072	54,072	54,422	54,798
	Prior year	53,833	54,072	54,072	54,072	54,072	54,072	54,072	54,072	54,072	54,072	54,072	54,072
	Change	240	0	0	0	0	0	0	0	0	0	350	726
108.77	Res - miscellaneous	21,024	21,167	21,310	21,453	21,626	21,743	21,862	22,005	22,147	22,289	22,431	22,573
	Prior year	19,222	19,393	19,565	19,736	19,908	20,079	20,251	20,309	20,452	20,595	20,738	20,881
	Change	1,802	1,774	1,745	1,717	1,718	1,664	1,612	1,696	1,695	1,694	1,693	1,692
108.80	RWIP - force account	7,762	608	1,523	975	1,474	9,022	2,700	1,802	1,533	2,601	11,249	4,304
	Prior year	(12,564)	(11,425)	(11,841)	(9,398)	(10,083)	7,620	10,533	6,946	6,607	9,973	13,623	11,848
	Change	20,327	12,033	13,365	10,373	11,557	1,402	(7,833)	(5,144)	(5,074)	(7,372)	(2,374)	(7,544)
****	Total Reserve for Depreciation	11,970,631	12,008,496	12,117,963	12,271,603	12,375,554	12,504,593	12,566,718	12,683,416	12,829,160	12,932,742	13,033,459	13,142,207
	Prior year	10,840,054	10,994,047	11,164,673	11,312,610	11,462,429	11,615,408	11,678,282	11,705,305	11,821,785	11,756,220	11,882,877	11,900,160
	Change	1,130,577	1,014,449	953,290	958,993	913,125	889,185	888,436	978,112	1,007,375	1,176,522	1,150,581	1,242,047

Big Sandy Electric Cooperative  
 Comparison of Last Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
123.1i	Invest in assoc company	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	Prior year	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	Change	0	0	0	0	0	0	0	0	0	0	0	0
123.1	Invest in assoc organs	6,449,426	6,449,426	6,449,426	7,217,882	7,217,882	7,215,055	7,234,971	7,234,971	7,234,971	7,234,971	7,234,971	7,234,971
	Prior year	5,555,456	5,555,456	5,555,456	6,410,237	6,410,237	6,410,237	6,396,372	6,396,372	6,396,372	6,396,372	6,396,372	6,396,372
	Change	893,970	893,970	893,970	807,645	807,645	804,818	838,599	838,599	838,599	838,599	838,599	838,599
123.23	Other invest in assoc	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205
	Prior year	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205	3,205
	Change	0	0	0	0	0	0	0	0	0	0	0	0
123.22	Invest in CTC's	532,894	532,894	532,894	532,894	532,894	532,894	531,907	531,907	531,907	531,907	531,907	531,907
	Prior year	540,716	540,716	540,716	540,716	540,716	540,716	539,789	539,789	539,789	539,789	539,789	532,894
	Change	(7,822)	(7,822)	(7,822)	(7,822)	(7,822)	(7,822)	(7,882)	(7,882)	(7,882)	(7,882)	(7,882)	(987)
124.00	Other investmets	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
	Prior year	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
	Change	0	0	0	0	0	0	0	0	0	0	0	0
****	Total Investments	7,016,024	7,016,024	7,016,024	7,784,481	7,784,481	7,781,654	7,800,583	7,800,583	7,800,583	7,800,583	7,800,583	7,800,583
	Prior year	6,129,876	6,129,876	6,129,876	6,984,658	6,984,658	6,984,658	6,969,866	6,969,866	6,969,866	6,969,866	6,969,866	6,962,971
	Change	886,148	886,148	886,148	799,823	799,823	796,996	830,717	830,717	830,717	830,717	830,717	837,612
131.10	Cash - payroll account	(3)	(237)	263			0	0	0	0	0	0	
	Prior year	0	0	(10)			0	0	2,416	11,322	25,872	6,340	
	Change	(3)	(237)	273	0	0	0	0	(2,416)	(11,322)	(25,872)	(6,340)	0
131.12	Citizens National	372,980	301,585	186,646	(28,366)	377,349	679,969	977,900	670,430	335,780	242,595	14,242	59,899
	Prior year	1,410,080	967,478	604,311	838,044	800,660	726,704	928,004	1,019,418	733,697	535,102	371,509	41,934
	Change	(1,037,099)	(665,893)	(417,665)	(866,410)	(423,311)	(46,735)	49,896	(348,988)	(397,917)	(292,507)	(357,268)	17,965
131.13	Citizens flex	3,978	3,450	2,258	1,983	1,683	3,260	903	5,903	3,099	3,709	3,206	2,129
	Prior year	5,351	5,351	1,663	936	4,549	(26)	4,974	3,816	2,177	808	5,534	4,587
	Change	(1,372)	(1,900)	596	1,047	(2,866)	3,287	(4,071)	2,086	922	2,901	(2,328)	(2,458)
'131.14	BB&T Banking												
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	0	0	0
131.20	Cash - trustee	466	466	466	465	465	466	466	466	466	466	466	465
	Prior year	478	478	478	477	477	466	466	466	466	466	466	465
	Change	(12)	(12)	(12)	(12)	(12)	0	0	0	0	0	0	0



Big Sandy Electric Cooperative  
 Comparison of Last Year Account Balances with  
 those of the Preceding Year - Balance Sheet

<u>Acct #</u>	<u>Description</u>	<u>September Month 1</u>	<u>October Month 2</u>	<u>November Month 3</u>	<u>December Month 4</u>	<u>January Month 5</u>	<u>February Month 6</u>	<u>March Month 7</u>	<u>April Month 8</u>	<u>May Month 9</u>	<u>June Month 10</u>	<u>July Month 11</u>	<u>August Month 12</u>
134.00	Special deposits	20	20	20	20	20	20	20	20	20	20	20	20
	Prior year	20	20	20	20	20	20	20	20	20	20	20	20
	Change	0	0	0	0	0	0	0	0	0	0	0	0
135.00	Working funds	1,100	1,100	1,100	1,100	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,200
	Prior year	1,700	1,700	1,700	1,700	1,800	1,800	1,800	1,100	1,100	1,100	1,100	1,100
	Change	(600)	(600)	(600)	(600)	(500)	(500)	(500)	200	200	200	200	100
****	Total Cash	378,542	306,384	190,753	(24,798)	380,817	685,015	980,588	678,118	340,664	248,090	19,233	63,713
	Prior year	1,417,628	975,026	608,161	841,177	807,506	728,963	935,263	1,027,236	748,781	563,368	384,969	48,106
	Change	(1,039,086)	(668,642)	(417,409)	(865,975)	(426,689)	(43,948)	45,325	(349,118)	(408,117)	(315,278)	(365,736)	15,607
****	136 Temporary investments	837,019	649,958	675,912	502,873	444,185	488,804	525,896	344,033	372,419	398,884	428,011	265,285
	Prior year	217,067	244,910	263,316	288,411	326,430	1,063,014	1,102,480	1,130,280	1,190,936	1,237,552	1,065,473	1,101,044
	Change	619,952	405,049	412,596	214,462	117,755	(574,210)	(576,584)	(786,247)	(818,517)	(838,668)	(637,461)	(835,759)
142.1	Accounts receivable	2,405,630	2,334,941	2,447,119	3,926,677	4,538,013	3,664,874	2,996,874	2,592,931	2,452,348	2,778,007	3,392,208	3,385,129
	Prior year	2,780,658	1,734,753	2,454,944	3,399,398	3,984,559	4,131,181	3,198,040	2,373,092	2,212,723	2,438,471	3,259,338	3,156,106
	Change	(375,028)	600,188	(7,825)	527,279	553,454	(466,307)	(201,167)	219,839	239,625	339,537	132,871	229,023
143.00	Other receivables	439,822	457,903	480,684	421,854	226,124	106,332	141,661	193,240	210,819	255,103	245,557	314,340
	Prior year	244,787	617,993	643,598	575,574	546,698	311,823	330,764	376,302	418,167	439,540	390,839	405,643
	Change	195,035	(160,089)	(162,913)	(153,720)	(320,574)	(205,491)	(189,103)	(183,062)	(207,348)	(184,437)	(145,282)	(91,303)
143.30	Employee loans												664
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	0	0	664
143.40	Employee loans	54	(393)	(393)			(119)	(119)	(119)	0	0	0	1,492
	Prior year	0	0	0		(63)	(1,662)	23	23	210	54	54	54
	Change	54	(393)	(393)	0	63	1,543	(142)	(142)	(210)	(54)	(54)	1,438
144.10	Allow for uncollectibles	(104,558)	(112,875)	(115,480)	(117,927)	(121,601)	(127,409)	(133,897)	(141,006)	(125,263)	(106,458)	(104,162)	(101,995)
	Prior year	(89,006)	(94,842)	(101,057)	(104,622)	(105,440)	(124,592)	(131,605)	(134,490)	(124,610)	(95,312)	(97,374)	(102,036)
	Change	(15,552)	(18,033)	(14,424)	(13,305)	(16,161)	(2,817)	(2,292)	(6,516)	(653)	(11,147)	(6,789)	41
****	Total Recievables	2,740,948	2,679,576	2,811,930	4,230,604	4,642,536	3,643,678	3,004,519	2,645,047	2,537,904	2,926,652	3,533,603	3,599,630
	Prior year	2,936,439	2,257,904	2,997,485	3,870,350	4,425,754	4,316,750	3,397,223	2,614,927	2,506,490	2,782,753	3,552,858	3,459,767
	Change	(195,490)	421,672	(185,555)	360,254	216,782	(673,071)	(392,704)	30,120	31,414	143,899	(19,255)	139,863
154	Material & supplies	433,922	391,294	411,795	439,936	462,132	457,595	428,139	428,548	435,606	431,693	434,614	416,339
	Prior year	349,934	361,736	376,023	363,930	396,447	410,801	408,588	414,829	435,295	414,742	452,319	452,816
	Change	83,988	29,558	35,773	76,006	65,685	46,794	19,551	13,719	311	16,950	(17,705)	(36,477)

Big Sandy Electric Cooperative  
 Comparison of Last Year Account Balances with  
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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
155.1	Merchandise												7,238
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	0	0	7,238
****	Total Material & Supplies	433,922	391,294	411,795	439,936	462,132	457,595	428,139	428,548	435,606	431,693	434,614	423,577
	Prior year	349,934	361,736	376,023	363,930	396,447	410,801	408,588	414,829	435,295	414,742	452,319	452,816
	Change	83,988	29,558	35,773	76,006	65,685	46,794	19,551	13,719	311	16,950	(17,705)	(29,239)
165.1	Prepaid insurance	16,479	26,202	12,665	750	98,348	86,502	70,256	61,324	62,122	47,738	49,063	35,247
	Prior year	10,463	22,525	11,613	700	83,533	71,965	57,571	67,942	54,798	40,405	50,305	29,978
	Change	6,016	3,677	1,052	50	14,815	14,537	12,685	(6,618)	7,323	7,333	(1,242)	5,269
165.40	DOM insurance	(1)	1,044	522		1,046	523	(0)	1,045	523	0	1,046	523
	Prior year	(0)	1,187	593		1,043	522	(0)	1,043	521	(1)	1,043	521
	Change	(1)	(143)	(72)	0	3	1	(0)	2	1	1	3	2
165.50	Prepaid dues	8,182	20,744	16,626	12,509	41,194	37,070	32,946	28,822	24,698	20,574	16,450	12,326
	Prior year	23,473	19,311	15,210	11,109	39,875	35,914	31,952	27,990	24,029	20,067	16,105	12,143
	Change	(15,291)	1,432	1,416	1,400	1,319	1,157	994	832	670	507	345	183
****	Total Prepayments	24,660	47,990	29,813	13,259	140,588	124,095	103,202	91,192	87,343	68,312	66,559	48,096
	Prior year	33,936	43,023	27,416	11,809	124,451	108,400	89,523	96,976	79,348	60,471	67,453	42,642
	Change	(9,276)	4,966	2,397	1,450	16,137	15,695	13,679	(5,784)	7,994	7,841	(893)	5,454
171.00	Interest receivable	10,740	1,897	3,678	5,458	7,238	9,019	10,799	1,956	3,541	5,312	7,082	8,853
	Prior year	10,609	1,780	3,561	5,341	7,121	8,902	10,682	1,887	3,658	5,429	7,199	8,970
	Change	132	117	117	117	117	117	117	68	(117)	(117)	(117)	(117)
183.00	Preliminary survey and invest	(4,221)	(4,690)	(5,159)	(4,127)	(4,400)	(6,566)	(7,035)	(7,504)	(0)	(0)	0	436
	Prior year	1,407	938	469	826	1,301	(938)	(1,407)	(1,876)	(2,345)	(2,814)	(3,283)	(1,987)
	Change	(5,628)	(5,628)	(5,628)	(4,953)	(5,701)	(5,628)	(5,628)	(5,628)	2,345	2,814	3,283	2,423
184.00	Transportation	1,429	1,388	1,592			1,423	2,109	1,295	1,732	1,420	1,098	
	Prior year	(95,361)	(16,734)	(2,768)			1,462	1,714	1,674	1,235	905	1,576	
	Change	96,789	18,122	4,361	0	0	(39)	395	(379)	497	515	(478)	0
186.10	Miscellaneous	0	0	0									
	Prior year	0	0	0									
	Change	0	0	0	0	0	0	0	0	0	0	0	0
****	Total Deferred Debits	7,948	(1,404)	111	1,331	2,838	3,875	5,872	(4,254)	5,273	6,732	8,181	9,289
	Prior year	(83,344)	(14,015)	1,262	6,167	8,422	9,425	10,989	1,685	2,548	3,520	5,492	6,983
	Change	91,293	12,611	(1,151)	(4,836)	(5,584)	(5,550)	(5,116)	(5,939)	2,725	3,212	2,688	2,306

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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
*****	Total Assets and Debits	41,846,505	41,761,875	41,759,783	43,567,259	44,486,010	43,821,480	43,573,563	42,718,637	42,345,315	42,764,665	43,232,966	43,196,021
	Prior year	40,847,878	39,778,851	40,323,854	42,268,166	42,899,948	43,495,021	42,791,079	42,295,372	41,945,551	42,165,336	42,768,794	42,430,253
	Change	998,628	1,983,024	1,435,929	1,299,093	1,586,062	326,459	782,484	423,265	399,764	599,329	464,171	765,768
****	Memberships issued	232,505	232,190	233,120	231,875	232,275	233,490	233,735	233,520	233,695	234,155	232,995	232,740
	Prior year	230,480	230,105	230,465	230,985	230,785	231,295	231,995	232,480	231,750	231,350	232,010	232,195
	Change	2,025	2,085	2,655	890	1,490	2,195	1,740	1,040	1,945	2,805	985	545
201.10	Patrons capital credits	15,249,877	15,237,474	15,231,813	15,228,388	16,199,315	16,196,681	16,192,932	16,191,897	16,185,015	16,181,299	16,178,445	16,177,665
	Prior year	14,100,956	14,097,867	14,092,010	14,091,068	14,089,608	14,087,061	14,083,199	15,274,692	15,269,009	15,263,492	15,258,863	15,252,653
	Change	1,148,921	1,139,608	1,139,803	1,137,320	2,109,707	2,109,620	2,109,734	917,206	916,006	917,808	919,582	925,012
201.20	Pat cap- assignable												
	Prior year					0	1,197,490	1,197,490	56,905	56,905	56,905	56,905	56,905
	Change	0	0	0	0	0	(1,197,490)	(1,197,490)	(56,905)	(56,905)	(56,905)	(56,905)	(56,905)
219.10	Current year margins	278,196	332,677	238,519	1,014,903	381,475	416,789	489,076	278,813	201,552	242,906	317,891	330,419
	Prior year	(84,313)	(133,957)	227,929	1,225,942	1,379,785	524,882	368,175	389,981	320,697	94,554	430,806	404,521
	Change	362,509	466,634	10,590	(211,039)	(998,310)	(108,093)	120,901	(111,169)	(119,145)	148,352	(112,915)	(74,103)
****	Total Capital Credits	15,528,073	15,570,151	15,470,331	16,243,291	16,580,790	16,613,469	16,682,008	16,470,710	16,386,566	16,424,205	16,496,336	16,508,084
	Prior year	14,016,643	13,963,909	14,319,938	15,317,010	15,469,393	15,809,432	15,648,863	15,721,578	15,646,610	15,414,951	15,746,574	15,714,079
	Change	1,511,430	1,606,242	1,150,393	926,281	1,111,397	804,037	1,033,145	749,132	739,956	1,009,255	749,762	794,004
208.00	Donated capital	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025
	Prior year	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025	49,025
	Change	0	0	0	0	0	0	0	0	0	0	0	0
208.10	Donated capital - capital credi	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686
	Prior year	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686	14,686
	Change	0	0	0	0	0	0	0	0	0	0	0	0
215.30	Accum comp income	(799,878)	(790,588)	(781,298)	(772,008)	(762,718)	(753,428)	(744,138)	(734,848)	(725,558)	(716,268)	(706,978)	(697,688)
	Prior year	(994,924)	(994,924)	(994,924)	(883,488)	(874,198)	(864,908)	(855,618)	(846,328)	(837,038)	(827,748)	(818,458)	(809,168)
	Change	195,046	204,336	213,626	111,480	111,480	111,480	111,480	111,480	111,480	111,480	111,480	111,480
217.00	Retired gains	105,564	105,564	105,564	105,564	105,564	105,564	105,564	105,564	105,557	105,557	105,557	105,557
	Prior year	105,566	105,565	105,565	105,565	105,564	105,565	105,564	105,564	105,564	105,564	105,564	105,564
	Change	(2)	(1)	(1)	(1)	0	(1)	0	0	(7)	(7)	(7)	(7)
217.10	Retired gains - discounts	245,877	248,734	250,131	251,159	251,732	252,394	253,052	253,262	255,046	256,154	256,957	257,153
	Prior year	233,351	234,141	235,732	235,955	236,353	236,979	237,941	239,187	240,619	242,495	243,536	245,314
	Change	12,526	14,593	14,399	15,204	15,379	15,414	15,111	14,074	14,428	13,659	13,421	11,839

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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
219.30	Prior year deficits	(744,178)	(744,178)	(744,178)	(687,274)	(645,408)	(645,408)	(645,408)	(645,408)	(645,408)	(645,408)	(645,408)	(645,408)
	Prior year	(715,726)	(715,726)	(715,726)	(715,726)	(715,726)	(715,726)	(715,726)	(744,178)	(744,178)	(744,178)	(744,178)	(744,178)
	Change	(28,452)	(28,452)	(28,452)	28,452	70,318	70,318	70,318	98,770	98,770	98,770	98,770	98,770
****	Total Other Equities	(1,128,904)	(1,116,757)	(1,106,070)	(1,038,848)	(987,119)	(977,167)	(967,219)	(957,719)	(946,651)	(936,253)	(926,160)	(916,675)
	Prior year	(1,308,021)	(1,307,232)	(1,305,642)	(1,193,983)	(1,184,296)	(1,174,378)	(1,164,128)	(1,182,043)	(1,171,322)	(1,160,155)	(1,149,824)	(1,138,757)
	Change	179,117	190,475	199,572	155,135	197,177	197,211	196,909	224,325	224,671	223,902	223,664	222,082
*****	Total Margins & Equities	14,631,674	14,685,584	14,597,382	15,436,318	15,825,946	15,869,793	15,948,524	15,746,511	15,673,610	15,722,107	15,803,171	15,824,149
	Prior year	12,939,102	12,886,782	13,244,762	14,354,012	14,515,882	14,866,349	14,716,730	14,772,014	14,707,038	14,486,145	14,828,760	14,807,517
	Change	1,692,572	1,798,802	1,352,620	1,082,306	1,310,064	1,003,443	1,231,794	974,497	966,573	1,235,962	974,411	1,016,631
224.30	RUS notes	9,488,349	9,472,407	9,455,332	9,439,271	9,423,162	9,403,783	9,384,405	9,157,110	9,138,693	9,277,570	9,307,866	9,289,054
	Prior year	9,683,009	9,667,726	9,651,291	9,635,893	9,620,449	9,601,672	9,586,109	9,569,408	9,553,739	9,536,930	9,521,151	9,505,318
	Change	(194,660)	(195,319)	(195,958)	(196,622)	(197,287)	(197,889)	(201,705)	(412,298)	(415,046)	(259,360)	(213,286)	(216,264)
224.12	CFC notes	2,478,276	2,478,276	2,440,537	2,440,537	2,440,537	2,400,689	2,400,689	2,400,689	2,360,348	2,360,348	2,360,348	2,319,507
	Prior year	2,629,763	2,629,763	2,591,185	2,591,185	2,591,185	2,551,996	2,551,996	2,551,996	2,515,426	2,515,426	2,515,426	2,478,276
	Change	(151,487)	(151,487)	(150,649)	(150,648)	(150,648)	(151,307)	(151,307)	(151,307)	(155,078)	(155,078)	(155,078)	(158,769)
224.14	RUS notes refinanced	2,758,044	2,758,044	2,758,044	2,758,044	2,758,044	2,758,044	2,758,044	2,758,044	2,413,289	2,413,289	2,420,184	2,420,184
	Prior year	3,102,799	3,102,799	3,102,799	3,102,799	3,102,799	3,102,799	3,102,799	3,102,799	2,758,044	2,758,044	2,758,044	2,758,044
	Change	(344,755)	(344,755)	(344,755)	(344,755)	(344,755)	(344,755)	(344,755)	(344,755)	(344,755)	(344,755)	(337,860)	(337,860)
224.20	FFB notes	16,598,759	16,598,759	16,598,759	16,563,339	16,563,339	16,563,339	16,521,464	16,521,464	16,521,464	16,482,144	16,482,144	16,482,144
	Prior year	6,350,654	6,350,654	6,350,654	6,314,634	6,314,634	16,711,634	16,673,660	16,673,660	16,673,660	16,636,037	16,636,037	16,636,037
	Change	10,248,105	10,248,105	10,248,105	10,248,705	10,248,705	(148,294)	(152,196)	(152,196)	(152,196)	(153,893)	(153,893)	(153,893)
224.21	FFB notes unadvanced	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)
	Prior year	0	0	0	0	0	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)
	Change	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	(8,397,000)	0	0	0	0	0	0	0
224.60	Advance payment												
	Prior year												
	Change	0	0	0	0	0	0	0	0	0	0	0	0
****	Total long term debt	22,926,428	22,910,486	22,855,672	22,804,191	22,788,082	22,728,856	22,667,602	22,440,307	22,036,793	22,136,350	22,173,541	22,113,889
	Prior year	21,766,226	21,750,942	21,695,929	21,644,511	21,629,067	23,571,102	23,517,566	23,500,864	23,103,869	23,049,437	23,033,658	22,980,675
	Change	1,160,202	1,159,544	1,159,742	1,159,680	1,159,015	(842,246)	(849,964)	(1,060,557)	(1,067,076)	(913,087)	(860,117)	(866,786)
**** 228.	Postretirement benefits	1,544,630	1,545,826	1,547,248	1,549,573	1,549,500	1,551,231	1,552,961	1,551,202	1,550,983	1,550,765	1,548,765	1,549,083
	Prior year	1,647,499	1,646,675	1,646,148	1,535,180	1,533,654	1,534,618	1,536,070	1,535,678	1,537,147	1,539,752	1,539,980	1,542,305
	Change	(102,869)	(100,849)	(98,900)	14,393	15,846	16,613	16,892	15,524	13,837	11,013	8,785	6,778

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**** 231.	Notes payable - short term	0	0	0		500,000	500,000	500,000	200,000	200,000	200,000	400,000	500,000
	Prior year	1,900,000	900,000	900,000	1,300,000	1,300,000	0	0	0	0	0	0	0
	Change	(1,900,000)	(900,000)	(900,000)	(1,300,000)	(800,000)	500,000	500,000	200,000	200,000	200,000	400,000	500,000
232.1	AP - general	292,290	398,231	174,799	272,608	236,560	175,207	218,283	245,763	263,662	319,129	207,468	215,932
	Prior year	258,411	166,008	172,886	336,819	301,577	189,889	215,883	168,026	187,806	330,007	385,410	222,154
	Change	33,880	232,223	1,913	(64,211)	(65,017)	(14,681)	2,400	77,737	75,857	(10,878)	(177,942)	(6,222)
232.25	AP - leases	157,245	155,387	153,522	151,649	149,769	155,622	153,083	150,536	147,982	140,339	138,336	136,405
	Prior year	0	0	174,542	173,652	171,857	170,055	168,246	166,430	164,607	162,777	160,941	159,096
	Change	157,245	155,387	(21,020)	(22,003)	(22,088)	(14,433)	(15,163)	(15,894)	(16,626)	(22,438)	(22,604)	(22,691)
232.30	AP - spraying					10,000	20,000	30,000	40,000	50,000	0	0	0
	Prior year												
	Change	0	0	0	0	10,000	20,000	30,000	40,000	50,000	0	0	0
232.40	Purchased power	1,202,613	1,038,409	1,380,531	2,339,332	2,331,793	1,707,549	1,414,812	1,174,386	1,238,116	1,489,033	1,697,766	1,605,978
	Prior year	1,141,079	1,129,323	1,299,322	1,823,681	2,291,237	1,984,061	1,512,848	924,429	1,026,605	1,395,338	1,616,292	1,584,820
	Change	61,534	(90,914)	81,209	515,651	40,556	(276,512)	(98,036)	249,957	211,511	93,695	81,474	21,158
232.50	PSC assessment	(7,180)	(4,786)	(2,393)		2,041	4,083	6,125	8,167	10,208	12,250	(11,725)	(9,683)
	Prior year	(5,230)	(3,487)	(1,743)		1,917	3,834	5,751	7,668	9,585	(12,931)	(11,014)	(9,097)
	Change	(1,950)	(1,300)	(650)	0	124	249	374	499	623	25,181	(711)	(586)
232.60	Other payables	(6,038)	(4,025)	(2,012)							0	0	
	Prior year	1,430	1,430	1,430	1,430	1,430	0	0			(12,077)	(10,064)	(8,051)
	Change	(7,468)	(5,455)	(3,442)	(1,430)	(1,430)	0	0	0	0	12,077	10,064	8,051
****	Total Payables	1,638,931	1,583,216	1,704,446	2,763,589	2,730,163	2,062,461	1,822,303	1,618,852	1,709,969	1,960,751	2,031,845	1,948,632
	Prior year	1,395,690	1,293,275	1,646,436	2,335,582	2,768,018	2,347,838	1,902,728	1,266,553	1,388,603	1,863,115	2,141,565	1,948,922
	Change	243,241	289,941	58,010	428,007	(37,855)	(285,377)	(80,426)	352,299	321,366	97,636	(109,720)	(290)
**** 232	Customer deposits	624,309	623,556	629,524	617,940	621,404	634,499	650,149	649,544	664,388	665,052	658,863	649,264
	Prior year	622,178	624,279	625,972	627,447	624,927	631,718	634,234	638,019	628,594	627,954	639,704	624,984
	Change	2,131	(723)	3,552	(9,507)	(3,523)	2,781	15,915	11,525	35,794	37,098	19,159	24,280
236.1	Acc property taxes	74,434	(40,419)	(12,795)	12,000	35,155	56,663	74,716	86,624	107,475	130,728	152,981	176,130
	Prior year	54,198	58,750	88,756	57,000	79,490	101,990	121,019	141,913	160,411	181,579	101,502	121,958
	Change	20,236	(99,169)	(101,551)	(45,000)	(44,335)	(45,327)	(46,303)	(55,289)	(52,936)	(50,851)	51,478	54,172
236.2	Acc FUTA tax	0	2	2		1,299	2,090	0	74	130	0	21	37
	Prior year	0	12	15		1,353	2,076	0	63	93	0	17	96
	Change	0	(10)	(13)	0	(54)	14	0	10	37	0	5	(59)



Big Sandy Rural Electric Cooperative  
 Comparison of First Year Account Balances with  
 those of the Preceding Year - Balance Sheet

Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
241.40	Breathitt school	0	0	0				0	0	0	0	0	
	Prior year	0	0	0				0	0	0	0	80	78
	Change	0	0	0	0	0	0	0	0	0	0	(80)	(78)
241.90	Johnson occupational	0	731	1,367		620	1,208	0	630	1,233	0	621	1,227
	Prior year	0	563	1,130		614	1,184	0	606	1,232	0	537	1,459
	Change	0	168	237	0	6	24	0	24	1	0	85	(232)
242.11	Flex accounts	(888)	215	519	1,605	2,414	100	(595)	514	(1,181)	1,107	1,144	2,253
	Prior year	548	2,178	120	1,023	1,347	(1,517)	1,050	(3,396)	(3,324)	(2,981)	(3,351)	(1,851)
	Change	(1,437)	(1,963)	399	582	1,067	1,616	(1,645)	3,910	2,143	4,088	4,495	4,104
242.12	401(k)	609	(7,835)	(6,754)	(6,742)	(10,569)	(10,499)	(9,612)	(9,064)	(8,502)	(8,526)	(7,091)	(11,500)
	Prior year	572	281	(31)	(359)	(9,476)	(7,513)	(14,336)	(13,978)	1,609	1,967	2,371	542
	Change	37	(8,116)	(6,723)	(6,383)	(1,093)	(2,986)	4,724	4,913	(10,111)	(10,493)	(9,462)	(12,042)
242.20	Accrued payroll	25,396	29,038	43,818	65,345	69,021	68,607	15,938	24,044	40,016	56,667	68,996	85,982
	Prior year	8,788	26,089	31,495	69,098	63,167	65,541	9,155	25,995	35,905	51,645	67,346	0
	Change	16,608	2,950	12,323	(3,753)	5,854	3,066	6,784	(1,951)	4,111	5,021	1,651	85,982
242.30	Vacation	135,161	127,402	111,882	101,086	89,396	95,243	102,792	104,327	106,795	105,527	100,901	102,379
	Prior year	120,465	116,651	115,197	107,873	101,987	113,809	121,550	127,552	133,183	134,659	127,854	132,723
	Change	14,696	10,751	(3,315)	(6,787)	(12,591)	(18,565)	(18,758)	(23,226)	(26,387)	(29,132)	(26,953)	(30,344)
242.31	Sick leave	145,749	145,749	145,749	129,424	129,424	129,424	129,424	129,424	129,424	129,424	129,424	129,424
	Prior year	132,205	132,205	132,205	145,749	145,749	145,749	145,749	145,749	145,749	145,749	145,749	145,749
	Change	13,544	13,544	13,544	(16,325)	(16,325)	(16,325)	(16,325)	(16,325)	(16,325)	(16,325)	(16,325)	(16,325)
242.40	Employee Paid Health						130	260	389	519	649	779	
	Prior year						124	248	372	496	496	496	
	Change						6	11	17	23	153	282	
242.50	Acc annual mtg & audit	(3,759)	227	4,214	8,200	11,692	6,307	9,115	12,237	(9,661)	(6,898)	(3,405)	(6,422)
	Prior year	(1,353)	1,765	882	8,000	11,067	4,104	7,171	9,802	(16,750)	(14,401)	(11,598)	(7,746)
	Change	(2,407)	(1,538)	3,331	200	625	2,204	1,944	2,434	7,089	7,504	8,193	1,324
242.60	Dependent life	0	0	3			(5)	(0)	(0)	(1)	(1)	(2)	
	Prior year	(11)	(11)	1		27	34	40	47	(8)	(0)	(0)	
	Change	11	11	2	0	(27)	(39)	(40)	(47)	7	(1)	(1)	0
242.80	Credit union	0	0	0	38		(6,939)	(2,276)	(2,276)	0	0	0	
	Prior year	0	0	0		(7,827)	0	0	0	0	0	0	
	Change	0	0	0	38	7,827	(6,939)	(2,276)	(2,276)	0	0	0	0

Big Sandy Electric Cooperative  
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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12
242.90	Union dues	0	0	0		19	19	19	19	0	0	0	
	Prior year	0	0	0			0	0	0	0	0	0	
	Change	0	0	0	0	19	19	19	19	0	0	0	0
****	Total Current & Accrued Liab	450,676	383,517	395,821	365,957	441,411	445,004	402,257	482,522	479,742	499,680	587,091	582,774
	Prior year	545,594	645,476	533,183	440,009	497,157	512,032	452,264	550,082	548,014	567,740	554,333	496,230
	Change	(94,918)	(261,959)	(137,362)	(74,052)	(55,746)	(67,028)	(50,007)	(67,560)	(68,272)	(68,060)	32,758	86,544
**** 252.	Consumer advances for const	29,857	29,690	29,690	29,690	29,507	29,507	29,507	29,310	29,310	29,310	28,910	28,231
	Prior year	31,590	31,423	31,423	31,423	31,239	31,239	31,239	31,789	31,789	30,697	30,297	29,618
	Change	(1,732)	(1,732)	(1,732)	(1,733)	(1,732)	(1,732)	(1,732)	(2,479)	(2,479)	(1,387)	(1,387)	(1,387)
*****	Total Equities & Liabilities	41,846,506	41,761,875	41,759,783	43,567,258	44,486,013	43,821,350	43,573,303	42,718,248	42,344,796	42,764,016	43,232,187	43,196,022
	Prior year	40,847,878	39,778,851	40,323,854	42,268,164	42,899,944	43,494,897	42,790,831	42,294,999	41,945,054	42,164,839	42,768,297	42,430,251
	Change	998,628	1,983,024	1,435,929	1,299,094	1,586,069	326,454	782,472	423,248	399,742	599,176	463,890	765,770
	Total assets minus total liabilities												
	Current year	(0)	0	0	1	(3)	130	260	389	519	649	779	(1)
	Prior year	(0)	0	(0)	2	4	124	248	372	497	496	497	2
	Total assets												
	Current year	35,029,764	34,855,250	34,746,531	34,470,700	34,046,179	33,972,855	34,129,868	33,921,258	33,746,215	33,550,634	33,472,471	32,351,532
	Prior year	32,607,340	32,687,775	32,519,326	31,691,011	31,563,434	31,543,798	34,326,944	33,443,219	33,211,376	33,203,795	33,320,226	34,467,248



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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
440.10	Residential	1,075,451	1,230,889	1,410,161	2,540,384	2,642,929	1,767,697	1,541,866	1,135,314	1,215,450	1,552,776	1,758,384	1,571,522	19,442,823
	Prior year	1,385,330	827,910	1,590,434	2,128,910	2,535,403	2,320,026	1,508,417	992,630	1,128,044	1,300,077	1,891,243	1,571,953	19,180,377
	Change	(309,879)	402,979	(180,273)	411,474	107,526	(552,329)	33,449	142,684	87,406	252,699	(132,859)	(431)	262,446
442.10	Small commercial	121,248	123,238	123,510	148,075	170,092	135,773	135,737	126,218	130,629	129,594	161,858	146,910	1,652,882
	Prior year	140,810	88,092	135,036	143,117	156,566	154,015	128,546	110,967	95,835	130,418	163,782	140,999	1,588,183
	Change	(19,562)	35,146	(11,526)	4,958	13,526	(18,242)	7,191	15,251	34,794	(824)	(1,924)	5,911	64,699
442.20	Large commercial	329,757	358,301	306,325	383,764	440,388	354,970	360,149	350,124	372,792	354,792	451,303	409,644	4,472,309
	Prior year	475,013	215,869	380,325	375,367	412,023	396,842	347,541	307,203	330,057	326,069	448,743	402,519	4,417,571
	Change	(145,256)	142,432	(74,000)	8,397	28,365	(41,872)	12,608	42,921	42,735	28,723	2,560	7,125	54,738
450.00	Forfeit Discounts	29,316	21,831	20,935	23,113	46,684	50,819	36,891	25,457	25,698	20,042	23,427	28,018	352,231
	Prior year	27,564	26,821	14,172	24,265	48,362	41,536	44,246	30,084	18,757	16,839	20,708	27,451	340,805
	Change	1,752	(4,990)	6,763	(1,152)	(1,678)	9,283	(7,355)	(4,627)	6,941	3,203	2,719	567	11,426
451.00	Miscellaneous Serv	5,628	7,452	5,208	4,531	4,344	5,329	6,221	5,863	5,689	5,712	5,240	6,547	67,764
	Prior year	5,280	6,213	4,368	3,730	3,686	3,209	6,198	7,742	5,522	5,692	4,974	5,129	61,743
	Change	348	1,239	840	801	658	2,120	23	(1,879)	167	20	266	1,418	6,021
454.00	Rent form electric	24,529	24,529	24,529	33,869	25,352	27,673	27,673	27,673	27,673	27,673	27,673	27,673	326,519
	Prior year	23,901	23,902	23,902	25,598	24,529	24,529	24,529	24,529	24,529	24,529	24,529	24,529	293,535
	Change	628	627	627	8,271	823	3,144	3,144	3,144	3,144	3,144	3,144	3,144	32,984
456.00	Other electric revei	90	120	60	60	30	30	30	60	90	90	180	60	900
	Prior year	60	30				60	120	30	60	90	60	90	600
	Change	30	90	60	60	30	(30)	(90)	30	30	0	120	(30)	300
***	Total Revenues	1,586,019	1,766,360	1,890,728	3,133,796	3,329,819	2,342,291	2,108,567	1,670,709	1,778,021	2,090,679	2,428,065	2,190,374	26,315,428
	Prior year	2,057,958	1,188,837	2,148,237	2,700,987	3,180,569	2,940,217	2,059,597	1,473,185	1,602,804	1,803,714	2,554,039	2,172,670	25,882,814
	Change	(471,939)	577,523	(257,509)	432,809	149,250	(597,926)	48,970	197,524	175,217	286,965	(125,974)	17,704	432,614
***555	Total Purchase Pov	1,202,613	1,038,409	1,380,531	2,339,332	2,331,793	1,707,549	1,414,812	1,174,386	1,238,116	1,489,033	1,697,766	1,605,978	18,620,318
	Prior year	1,141,079	1,129,323	1,299,322	1,823,681	2,291,237	1,984,061	1,512,848	924,429	1,026,605	1,395,338	1,616,292	1,584,820	17,729,035
	Change	61,534	(90,914)	81,209	515,651	40,556	(276,512)	(98,036)	249,957	211,511	93,695	81,474	21,158	891,283
580.00	Operations - Super	3,012	3,223	3,683	2,979	3,543	3,607	3,609	3,497	3,480	3,561	3,332	3,134	40,660
	Prior year	3,610	2,519	2,839	3,213	3,309	3,270	3,848	3,334	3,635	3,250	2,978	3,422	39,227
	Change	(598)	704	844	(234)	234	337	(239)	163	(155)	311	354	(288)	1,433
583.00	Overhead Line Exp	6,335	14,330	12,258	14,856	13,123	12,689	3,160	10,562	5,417	7,709	8,787	13,816	123,042
	Prior year	19,776	19,240	21,478	(21,829)	20,171	22,569	20,423	7,128	7,415	9,584	11,975	5,871	143,801
	Change	(13,441)	(4,910)	(9,220)	36,685	(7,048)	(9,880)	(17,263)	3,434	(1,998)	(1,875)	(3,188)	7,945	(20,759)

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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
586.00	Meter	38,636	39,793	44,028	47,071	43,705	45,480	54,333	41,064	48,955	13,602	40,898	50,357	507,922
	Prior year	39,169	36,417	35,661	17,843	45,105	41,560	47,960	50,519	49,526	33,740	(8,672)	42,660	431,488
	Change	(533)	3,376	8,367	29,228	(1,400)	3,920	6,373	(9,455)	(571)	(20,138)	49,570	7,697	76,434
587.00	Consumer Installat	1,320	1,390	1,655	2,703	2,145	1,461	2,226	2,131	1,846	1,811	2,192	2,931	23,811
	Prior year	4,100	4,038	4,603	(4,379)	3,328	2,206	2,758	1,076	1,204	1,213	1,223	1,059	22,429
	Change	(2,780)	(2,648)	(2,948)	7,082	(1,183)	(745)	(532)	1,055	642	598	969	1,872	1,382
588.00	Miscellaneous Dist	25,689	17,985	20,799	20,415	21,726	22,734	23,262	18,804	22,618	12,240	12,879	9,365	228,516
	Prior year	19,307	15,003	14,586	15,071	20,942	17,065	20,943	25,600	26,489	29,633	17,598	19,231	241,468
	Change	6,382	2,982	6,213	5,344	784	5,669	2,319	(6,796)	(3,871)	(17,393)	(4,719)	(9,866)	(12,952)
***	Total Operations	74,992	76,721	82,423	88,024	84,242	85,971	86,590	76,058	82,316	38,923	68,088	79,603	923,951
	Prior year	85,962	77,217	79,167	9,919	92,855	86,670	95,932	87,657	88,269	77,420	25,102	72,243	878,413
	Change	(10,970)	(496)	3,256	78,105	(8,613)	(699)	(9,342)	(11,599)	(5,953)	(38,497)	42,986	7,360	45,538
590.00	Engineering & sup	10,272	8,038	9,003	6,834	11,245	11,101	12,436	11,098	9,556	10,709	9,904	9,780	119,976
	Prior year	15,494	12,799	13,343	14,956	15,676	14,246	18,360	16,647	13,541	13,564	9,416	7,565	165,607
	Change	(5,222)	(4,761)	(4,340)	(8,122)	(4,431)	(3,145)	(5,924)	(5,549)	(3,985)	(2,855)	488	2,215	(45,631)
582.00	Station expense				156								860	1,016
	Prior year													0
	Change	0	0	0	156	0	0	0	0	0	0	0	860	1,016
593.00	Maintenance of own	25,932	36,219	37,571	24,405	19,021	18,467	38,575	87,627	62,466	49,227	93,509	(9,949)	483,070
	Prior year	(543,270)	(445,974)	13,046	247,914	175,266	33,859	30,726	38,403	38,631	57,953	69,062	29,876	(254,508)
	Change	569,202	482,193	24,525	(223,509)	(156,245)	(15,392)	7,849	49,224	23,835	(8,726)	24,447	(39,825)	737,578
593.10	Right-of-way main	4,826	4,464	4,616	5,703	14,549	15,510	17,554	24,801	22,550	(33,903)	15,284	11,437	107,391
	Prior year	12,501	7,764	6,207	9,618	6,309	6,728	8,516	8,337	8,347	10,261	9,258	5,151	98,997
	Change	(7,675)	(3,300)	(1,591)	(3,915)	8,240	8,782	9,038	16,464	14,203	(44,164)	6,026	6,286	8,394
593.20	Contract right-of-w	80,352	84,999	21,152	101,636	39,783	24,883	40,822	52,325	35,947	56,901	45,513	27,818	612,131
	Prior year	11,507	(7,805)	38,017	37,828	7,688	33,848	64,621	20,131	49,801	59,571	54,860	37,126	407,193
	Change	68,845	92,804	(16,865)	63,808	32,095	(8,965)	(23,799)	32,194	(13,854)	(2,670)	(9,347)	(9,308)	204,938
595.00	Transformer maint	3,889	8,841	3,497	4,031	4,172	1,656	4,084	5,322	6,033	1,370	1,292	3,851	48,038
	Prior year	4,846	2,505	5,749	8,006	2,359	986	1,321	2,043	1,379	2,594	485	8,941	41,214
	Change	(957)	6,336	(2,252)	(3,975)	1,813	670	2,763	3,279	4,654	(1,224)	807	(5,090)	6,824
597.00	Meter maintenance			1,402				258						1,660
	Prior year			193	138	244					107		254	936
	Change	0	0	1,209	(138)	(244)	0	258	0	0	(107)	0	(254)	724

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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
598.00	Miscellaneous dist	7,715	9,229	8,087	7,912	6,220	5,212	5,570	4,785	9,093	9,849	10,317	11,686	95,675
	Prior year	7,224	6,937	5,189	3,781	9,392	2,618	8,257	5,187	5,877	4,311	6,987	6,906	72,666
	Change	491	2,292	2,898	4,131	(3,172)	2,594	(2,687)	(402)	3,216	5,538	3,330	4,780	23,009
***	Total Maintenance	132,986	151,790	85,328	150,677	94,990	76,829	119,299	185,958	145,645	94,153	175,819	55,483	1,468,957
	Prior year	(491,698)	(423,774)	81,744	322,241	216,934	92,285	131,801	90,748	117,576	148,361	150,068	95,819	532,105
	Change	624,684	575,564	3,584	(171,564)	(121,944)	(15,456)	(12,502)	95,210	28,069	(54,208)	25,751	(40,336)	936,852
902.00	Meter reading	2,980	1,127	10,965	9,780	7,352	2,991	2,831	3,232	1,735	5,356	3,649	5,705	57,703
	Prior year	2,514	3,469	4,512	7,812	3,580	7,226	7,553	9,041	10,924	4,226	5,477	7,124	73,458
	Change	466	(2,342)	6,453	1,968	3,772	(4,235)	(4,722)	(5,809)	(9,189)	1,130	(1,828)	(1,419)	(15,755)
903.00	Consumer records	55,669	51,992	48,141	52,652	52,313	53,308	58,729	54,529	44,827	56,025	44,405	56,016	628,606
	Prior year	44,947	48,390	52,775	46,682	42,857	46,863	63,268	47,741	47,123	42,348	47,211	56,898	587,103
	Change	10,722	3,602	(4,634)	5,970	9,456	6,445	(4,539)	6,788	(2,296)	13,677	(2,806)	(882)	41,503
903.10	Cash short/over		94	10	20	101	232	49	12	(8)	107	135	92	844
	Prior year	9,828	150	73	79	12	112	(12)	144	(44)	156	(16)	20	10,502
	Change	(9,828)	(56)	(63)	(59)	89	120	61	(132)	36	(49)	151	72	(9,658)
904.00	Uncollectibles	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000
	Prior year	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	78,000
	Change	0	0	0	0	0	0	0	0	0	0	0	0	0
***	Total Consumer Ac	65,149	59,713	65,616	68,952	66,266	63,031	68,109	64,273	53,054	67,988	54,689	68,313	765,153
	Prior year	63,789	58,509	63,860	61,073	52,949	60,701	77,309	63,426	64,503	53,230	59,172	70,542	749,063
	Change	1,360	1,204	1,756	7,879	13,317	2,330	(9,200)	847	(11,449)	14,758	(4,483)	(2,229)	16,090
908.00	Consumer Assista	2,395	7,770	10,335	8,736	9,412	11,019	17,082	16,424	7,133	13,958	9,880	18,020	132,164
	Prior year	10,818	7,500	8,684	7,230	8,955	10,972	9,302	9,523	10,548	10,886	10,320	16,434	121,172
	Change	(8,423)	270	1,651	1,506	457	47	7,780	6,901	(3,415)	3,072	(440)	1,586	10,992
***	Total Customer Ser	2,395	7,770	10,335	8,736	9,412	11,019	17,082	16,424	7,133	13,958	9,880	18,020	132,164
	Prior year	10,818	7,500	8,684	7,230	8,955	10,972	9,302	9,523	10,548	10,886	10,320	16,434	121,172
	Change	(8,423)	270	1,651	1,506	457	47	7,780	6,901	(3,415)	3,072	(440)	1,586	10,992
913.00	Advertising		50	1,053	1,851	50	1,857	1,200	50	100	178		5,730	12,119
	Prior year	50	50	50	78		50	50		50	50		150	578
	Change	(50)	0	1,003	1,773	50	1,807	1,150	50	50	128	0	5,580	11,541
***	Total Sales	0	50	1,053	1,851	50	1,857	1,200	50	100	178	0	5,730	12,119
	Prior year	50	50	50	78	0	50	50	0	50	50	0	150	578
	Change	(50)	0	1,003	1,773	50	1,807	1,150	50	50	128	0	5,580	11,541

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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
920.00	Administrative salaries	75,392	78,785	53,720	54,894	50,899	49,991	56,001	46,119	46,156	46,958	46,125	51,257	656,297
	Prior year	56,748	51,209	54,148	51,148	43,420	51,130	59,984	63,688	56,577	53,330	58,564	65,318	665,264
	Change	18,644	27,576	(428)	3,746	7,479	(1,139)	(3,983)	(17,569)	(10,421)	(6,372)	(12,439)	(14,061)	(8,967)
921.00	Office supplies & equipment	11,180	13,196	12,722	12,456	15,483	13,064	12,879	13,257	9,074	15,134	12,752	10,508	151,705
	Prior year	9,256	10,316	9,073	14,078	13,863	9,814	9,627	7,661	9,759	13,820	9,940	10,781	127,988
	Change	1,924	2,880	3,649	(1,622)	1,620	3,250	3,252	5,596	(685)	1,314	2,812	(273)	23,717
923.00	Outside services	3,720	4,791	2,747	9,258	5,678	5,133	5,337	6,885	6,465	6,292	7,741	5,724	69,771
	Prior year	1,897	1,897	2,344	6,348	1,864	1,859	1,859	2,624	2,359	1,859	4,992	4,297	34,199
	Change	1,823	2,894	403	2,910	3,814	3,274	3,478	4,261	4,106	4,433	2,749	1,427	35,572
925.00	Injuries & damages	4,716	4,716	4,716	4,716	4,810	4,810	4,810	19,240	(10,232)	4,198	4,810	4,810	56,120
	Prior year	2,585	2,585	2,585	2,585	4,716	4,716	4,716	4,716	4,716	4,716	4,716	4,716	48,068
	Change	2,131	2,131	2,131	2,131	94	94	94	14,524	(14,948)	(518)	94	94	8,052
926.00	Employee benefits	(1,182)	363	(261)	40,088	208	58	466	(274)	(457)	199	(199)	682	39,691
	Prior year	350	142	(317)	(392)	300	667	(416)	(350)	108	59	711	104	966
	Change	(1,532)	221	56	40,480	(92)	(609)	882	76	(565)	140	(910)	578	38,725
929.00	Duplicate charge	(4)												(4)
	Prior year	(110)	(78)	(94)	(257)	(288)	(272)	(141)	(50)	(17)	(14)	(14)	(14)	(1,349)
	Change	106	78	94	257	288	272	141	50	17	14	14	14	1,345
930.10	General advertising	50		1,144	2,400	460	(460)			788				4,382
	Prior year	25						1,372		788				2,185
	Change	25	0	1,144	2,400	460	(460)	(1,372)	0	0	0	0	0	2,197
930.11	Directors per diem	1,800	5,400	4,200	6,400	2,400	8,400	2,400	2,400	4,800	3,150	4,800	2,400	48,550
	Prior year	3,000	1,800	4,400	1,800	1,800	1,800	6,800	3,600	6,200	4,400	1,800	1,800	39,200
	Change	(1,200)	3,600	(200)	4,600	600	6,600	(4,400)	(1,200)	(1,400)	(1,250)	3,000	600	9,350
930.12	Directors mileage	97	97	97	788	90	90	90	90	181	90	196	98	2,004
	Prior year	85	97	97	97	97	97	97	195	292	195	297	(103)	1,543
	Change	12	0	0	691	(7)	(7)	(7)	(105)	(111)	(105)	(101)	201	461
930.14	Directors expenses	883	979	11,483	5,111	10,488	5,629	880	961	1,193	1,135	1,200	4,395	44,337
	Prior year	603	1,606	1,418	12,803	1,876	999	894	5,797	8,969	1,098	956	1,799	38,818
	Change	280	(627)	10,065	(7,692)	8,612	4,630	(14)	(4,836)	(7,776)	37	244	2,596	5,519
930.20	Miscellaneous general	16,988	18,470	18,107	14,499	16,579	17,013	17,031	20,241	13,786	17,003	17,031	15,853	202,601
	Prior year	13,985	14,114	14,021	13,369	11,731	11,735	11,731	15,758	15,728	15,771	18,852	18,607	175,402
	Change	3,003	4,356	4,086	1,130	4,848	5,278	5,300	4,483	(1,942)	1,232	(1,821)	(2,754)	27,199

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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
931.00	Rents			100	9,755		500	665	1,700	1,700	500	500	700	16,120
	Prior year	750	750	850	10,439	1,250	750	750	1,912	1,950		950	750	21,101
	Change	(750)	(750)	(750)	(684)	(1,250)	(250)	(85)	(212)	(250)	500	(450)	(50)	(4,981)
935.00	Maintenance of ge	2,821	2,433	2,486	2,465	3,290	2,120	3,775	1,836	2,388	2,452	2,655	1,821	30,542
	Prior year	2,185	3,087	4,195	3,125	2,520	1,554	12,039	1,680	2,609	3,188	5,342	3,560	45,084
	Change	636	(654)	(1,709)	(660)	770	566	(8,264)	156	(221)	(736)	(2,687)	(1,739)	(14,542)
***	Total Administrati	116,461	129,230	111,261	162,830	110,385	106,348	104,334	112,455	75,842	97,111	97,611	98,248	1,322,116
	Prior year	91,359	87,525	92,720	115,143	83,149	84,849	109,312	107,231	110,038	98,422	107,106	111,615	1,198,469
	Change	25,102	41,705	18,541	47,687	27,236	21,499	(4,978)	5,224	(34,196)	(1,311)	(9,495)	(13,367)	123,647
403.60	Distribution deprec	152,416	153,158	153,329	153,674	154,020	154,215	155,492	155,830	156,199	156,909	157,275	157,822	1,860,339
	Prior year	177,780	177,787	177,944	178,222	178,425	179,194	179,638	56,986	153,841	149,840	151,217	151,742	1,912,616
	Change	(25,364)	(24,629)	(24,615)	(24,548)	(24,405)	(24,979)	(24,146)	98,844	2,358	7,069	6,058	6,080	(52,277)
403.70	General depreciati	4,139	4,139	4,163	4,169	4,232	4,193	4,221	4,262	4,251	4,395	4,973	5,088	52,225
	Prior year	5,601	5,491	5,261	5,284	5,327	5,332	5,395	5,395	923	4,504	4,562	4,139	57,214
	Change	(1,462)	(1,352)	(1,098)	(1,115)	(1,095)	(1,139)	(1,174)	(1,133)	3,328	(109)	411	949	(4,989)
***	Total Depreciation	156,555	157,297	157,492	157,843	158,252	158,408	159,713	160,092	160,450	161,304	162,248	162,910	1,912,564
	Prior year	183,381	183,278	183,205	183,506	183,752	184,526	185,033	62,381	154,764	154,344	155,779	155,881	1,969,830
	Change	(26,826)	(25,981)	(25,713)	(25,663)	(25,500)	(26,118)	(25,320)	97,711	5,686	6,960	6,469	7,029	(57,266)
408.70	Regulatory	1,917	2,393	2,393	2,393	2,042	2,042	2,042	2,042	2,042	2,041	2,042	2,042	25,431
	Prior year	1,743	1,743	1,743	1,743	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	22,308
	Change	174	650	650	650	125	125	125	125	125	124	125	125	3,123
***	Total Tax Expense	1,917	2,393	2,393	2,393	2,042	2,042	2,041	2,042	2,042	2,041	2,042	2,042	25,431
	Prior year	1,743	1,743	1,743	1,743	1,917	1,917	1,917	1,917	1,917	1,917	1,917	1,917	22,308
	Change	174	650	650	650	125	125	124	125	125	124	125	125	3,123
427.10	RUS interest	32,409	33,435	32,303	33,316	33,268	29,999	33,147	33,147	29,500	29,364	30,296	29,106	379,290
	Prior year	49,378	49,378	(90,908)	33,980	33,934	30,601	33,815	32,676	33,709	32,569	33,599	33,545	306,276
	Change	(16,969)	(15,943)	123,211	(664)	(666)	(602)	(668)	471	(4,209)	(3,205)	(3,303)	(4,439)	73,014
427.20	CFC interest	25,585	25,585	25,585	25,585	25,585	28,367	28,366	28,366	23,710	23,710	23,710	20,586	304,740
	Prior year	36,000	36,000	36,000	(35,627)	27,100	27,100	26,400	26,400	26,400	26,901	26,901	25,585	285,160
	Change	(10,415)	(10,415)	(10,415)	61,212	(1,515)	1,267	1,966	1,966	(2,690)	(3,191)	(3,191)	(4,999)	19,580
427.30	FFB interest	25,323	25,323	25,323	26,538	26,538	26,538	21,251	21,251	21,251	25,404	25,404	25,404	295,548
	Prior year	22,000	22,000	22,000	29,000	24,528	24,528	24,547	24,547	24,547	25,588	25,588	25,588	294,461
	Change	3,323	3,323	3,323	(2,462)	2,010	2,010	(3,296)	(3,296)	(3,296)	(184)	(184)	(184)	1,087

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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
***	Total Interest on Loans	83,317	84,343	83,211	85,439	85,391	84,904	82,764	82,764	74,461	78,478	79,410	75,096	979,578
	Prior year	107,378	107,378	(32,908)	27,353	85,562	82,229	84,762	83,623	84,656	85,058	86,088	84,718	885,897
	Change	(27,384)	(26,358)	112,796	60,548	(2,181)	665	1,298	2,437	(6,899)	(6,396)	(6,494)	(9,438)	92,594
431.00	Interest - customer	3,122	3,118	3,148	2,225	3,107	3,174	3,816	3,808	3,875	3,871	3,294	3,246	39,804
	Prior year	3,111	3,122	3,130	1,002	3,125	3,159	3,172	3,192	3,145	3,142	3,199	3,125	35,624
	Change	11	(4)	18	1,223	(18)	15	644	616	730	729	95	121	4,180
431.10	Short-term loans						566	1,329	1,468	959	578	557	798	6,255
	Prior year	6,181	5,941	3,635	2,807	3,314	4,187	539						26,604
	Change	(6,181)	(5,941)	(3,635)	(2,807)	(3,314)	(3,621)	790	1,468	959	578	557	798	(20,349)
431.20	Other interest	4,121	4,113	4,107	4,100	4,093	4,085	3,511	3,511	3,511	3,511	4,048	4,041	46,752
	Prior year	3,511	3,511	4,191	4,184	4,177	4,170	4,163	4,156	4,149	4,142	4,136	4,127	48,617
	Change	610	602	(84)	(84)	(84)	(85)	(652)	(645)	(638)	(631)	(88)	(86)	(1,865)
***	Total Interest - Other	7,243	7,231	7,255	6,325	7,200	7,825	8,656	8,787	8,345	7,960	7,899	8,085	92,811
	Prior year	12,803	12,574	10,956	7,993	10,616	11,516	7,874	7,348	7,294	7,284	7,335	7,252	110,845
	Change	(5,560)	(5,343)	(3,701)	(1,668)	(3,416)	(3,691)	782	1,439	1,051	676	564	833	(18,034)
421.10	Gain on disposition													0
	Prior year								(11,950)					(11,950)
	Change	0	0	0	0	0	0	0	11,950	0	0	0	0	11,950
426.00	Donations	300	135	50		368	400	250	700	9,600	150	(420)	290	11,823
	Prior year		200			1,006	200	300	100	8,350		825	110	11,091
	Change	300	(65)	50	0	(638)	200	(50)	600	1,250	150	(1,245)	180	732
426.5	Other deductions								20					20
	Prior year													0
	Change	0	0	0	0	0	0	0	20	0	0	0	0	20
***	Total Other Deductions	300	135	50	0	368	400	250	720	9,600	150	(420)	290	11,843
	Prior year	0	200	0	0	1,006	200	300	(11,850)	8,350	0	825	110	(859)
	Change	300	(65)	50	0	(638)	200	(50)	12,570	1,250	150	(1,245)	180	12,702
****	Total Cost of Electricity	1,843,928	1,715,082	1,986,948	3,072,402	2,950,391	2,306,183	2,064,850	1,884,009	1,857,104	2,051,277	2,355,032	2,179,798	26,267,005
	Prior year	1,206,664	1,241,523	1,788,543	2,559,960	3,028,932	2,599,976	2,216,440	1,426,433	1,674,570	2,032,310	2,220,004	2,201,501	24,196,856
	Change	637,264	473,559	198,405	512,442	(78,541)	(293,793)	(151,590)	457,576	182,534	18,967	135,028	(21,703)	2,070,149
****	Operating Margins	(257,909)	51,278	(96,220)	61,394	379,428	36,108	43,717	(213,300)	(79,083)	39,402	73,033	10,576	48,423
	Prior year	851,294	(52,686)	359,694	141,027	151,637	340,241	(156,843)	46,752	(71,766)	(228,596)	334,035	(28,831)	1,685,958
	Change	(1,109,203)	103,964	(455,914)	(79,633)	227,791	(304,133)	200,560	(260,052)	(7,317)	267,998	(261,002)	39,407	(1,637,535)

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Acct #	Description	September Month 1	October Month 2	November Month 3	December Month 4	January Month 5	February Month 6	March Month 7	April Month 8	May Month 9	June Month 10	July Month 11	August Month 12	Total
419.00	Interest income	2,242	3,204	2,063	2,050	2,047	2,033	2,119	3,038	1,818	1,954	1,956	1,954	26,478
	Prior year	2,201	3,042	2,194	2,208	2,212	2,346	2,590	3,509	2,484	2,455	2,215	2,546	30,002
	Change	41	162	(131)	(158)	(165)	(313)	(471)	(471)	(666)	(501)	(259)	(592)	(3,524)
***	Total Non Operatin	2,242	3,204	2,063	2,050	2,047	2,033	2,119	3,038	1,818	1,954	1,956	1,954	26,478
	Prior year	2,201	3,042	2,194	2,208	2,212	2,346	2,590	3,509	2,484	2,455	2,215	2,546	30,002
	Change	41	162	(131)	(158)	(165)	(313)	(471)	(471)	(666)	(501)	(259)	(592)	(3,524)
424.40	Patronage capital - East KY				759,797									759,797
	Prior year				803,974									803,974
	Change	0	0	0	(44,177)	0	0	0	0	0	0	0	0	(44,177)
***	Total G & T Capit	0	0	0	759,797	0	0	0	0	0	0	0	0	759,797
	Prior year	0	0	0	803,974	0	0	0	0	0	0	0	0	803,974
	Change	0	0	0	(44,177)	0	0	0	0	0	0	0	0	(44,177)
424.10	Patronage capital -	72,434			10,051		(2,827)	26,454						106,112
	Prior year	9,683			50,808			(2,453)						58,038
	Change	62,751	0	0	(40,757)	0	(2,827)	28,907	0	0	0	0	0	48,074
***	Total Other Patron.	72,434	0	0	10,051	0	(2,827)	26,454	0	0	0	0	0	106,112
	Prior year	9,683	0	0	50,808	0	0	(2,453)	0	0	0	0	0	58,038
	Change	62,751	0	0	(40,757)	0	(2,827)	28,907	0	0	0	0	0	48,074
*****	Net Margins	(183,233)	54,482	(94,157)	833,292	381,475	35,314	72,290	(210,262)	(77,265)	41,356	74,989	12,530	940,810
	Prior year	863,178	(49,644)	361,888	998,017	153,849	342,587	(156,706)	50,261	(69,282)	(226,141)	336,250	(26,285)	2,577,972
	Change	(1,046,411)	104,126	(456,045)	(164,725)	227,626	(307,273)	228,996	(260,523)	(7,983)	267,497	(261,261)	38,815	(1,637,162)

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ACCOUNT	DESCRIPTION	AMOUNT
107.10	CWIP CONTRACTOR	0.00
107.20	CWIP FORCE ACCOUNT	2,710.02-
107.21	CWIP - INDIRECT	0.00
107.30	CWIP SPECIAL EQUIPMENT	0.00
107.31	CWIP-OFFICE REMOIBLE PROJECT	188,931.33
108.60	ACCUM PROV DEPR DIST PLANT	4,032,670.86
108.61	ACCUM.DEPR.DIST.PLANT A/C 364	4,993,773.46-
108.62	ACCUM DEPR.DIST.PLANT A/C 365	4,336,926.90-
108.63	ACCUM.DEPR.DIST.PLANT A/C 366	103,607.37-
108.64	ACCUM DEPR.DIST.PLANT. A/C 367	72,925.69-
108.65	ACCUM.DEPR.DIST.PLANT A/C 368	2,181,392.85-
108.66	ACCUM.DEPR.DIST.PLANT. A/C 369	1,567,207.76-
108.67	ACCUM.DEPR.DIST.PLANT.A/C 370	1,196,948.37-
108.68	ACCUM PERP.DIST.PLANT A/C 371	779,255.66-
108.69	ACCUM DEPR.DIST.PLANT A/C 362	75,324.58-
108.70	ACCUM PROV DEPR GENERAL PLANT	1,507,792.80-
108.71	ACCUM.DEPR.GEN.PLANT A/C 390.10	221,387.02-
108.72	ACCUM.DEPR.GEN.PLANT A/C 391	278,055.61-
108.73	ACCUM.DEPR.GEN.PLANT A/C 394	51,164.38-
108.74	ACCUM.DEPR.GEN.PLANT.A/C 395	88,047.02-
108.75	ACCUM.DEPR.GEN.PLANT A/C 396	7,999.67-
108.76	ACCUM.DEPR.GEN.PLANT A/C 397	54,798.18-
108.77	ACCUM.DEPR.GEN.PLANT A/C 398	23,145.07-
108.80	RETIREMENT WIP	6,568.48-
108.81	RETIREMENT WIP - INDIRECT	0.00
108.90	RETIREMENT WIP CONTRACTOR	0.00
123.10	PATR CAP ASSOC CO OPS	8,056,480.83
123.11	INVESTMENTS IN SUBSIDIARY COMPAN	25,000.00
123.21	SUBSC.CAP.TERM CERT.CFC	0.00
123.22	INVEST.CAP.TERM CERT. CFC	531,907.20
123.23	OTHER INVEST.ASSOC.ORGIZ.	3,205.00
124.00	OTHER INVESTMENTS	5,500.00
131.10	CASH GENERAL PAYROLL CHECKS	48,878.99
131.11	CORPORATION CONSTRUCTION ACCT.	0.00
131.12	CASH GENERAL CITIZENS GEN CHECK	59,280.20-
131.13	CASH-GENERAL BSRECC FLEX-SPEND.	475.24-
131.14	CASH GENERAL HOW\$MART	0.00
131.20	CASH CONST.FUND TRUSTEE	465.50
131.40	TRANSFER OF CASH	0.00
134.00	OTHER SPECIAL DEPOSITS	20.00
135.00	WORKING FUND PETTY CASH/SANDRA	100.00
135.10	CHANGE FUND PRESTONSBURG OFFICE	100.00
135.11	WORKING FUND-CHANGE	100.00
135.12	WORKING FUND-CHANGE/	0.00
135.13	WORKING FUND-CHANGE BARBARA	100.00
135.20	WORKING FUND-CHANGE DENISE	100.00
135.30	CHANGE FUND-PAINTSVILLE OFFICE	500.00
135.40	WORKING FUND-CHANGE RHEA LYNN	100.00
135.50	WORKING FUND-CHANGE	0.00



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ACCOUNT	DESCRIPTION	AMOUNT
135.60	WORKING FUND-CHANGE PRESTONSBURG	100.00
135.70	WORKING FUND-CHANGE	0.00
135.80	WORKING FUND-CHANGE PRESTONSBURG	0.00
135.90	WORKING FUND-CHANGE PRESTONSBURG	0.00
136.00	TEMPORARY CASH INVESTMENTS	74,765.07
136.10	TEMP.CASH INVST.6 MO CD'S	0.00
136.20	TEMP.CASH INVST.MONEY MARKET	407,651.41-
136.30	TEMP CASH INVST CR UNION B.DAVIS	0.00
136.40	TEMP CASH INVST HOMESTEAD/B.DAVIS	0.00
142.10	CONS.ACCTS.RECEIVABLE ELECTRIC	4,155,699.12
142.20	CASH PAYMT'S/CAP VOUCHERS	0.00
143.00	OTHER ACCOUNTS RECEIVABLE	330,551.05
143.10	OTHER ACCTS RECIV-EXPENSE ADVANC	0.00
143.20	OTHER ACCTS.REC.WINTER CARE	0.00
143.30	ACCTS.REC.NRECA PERSONAL LOAN	664.38
143.40	AMERICAN FUNDS LOANS	1,437.63
143.50	RELAY FOR LIFE DONATION	0.00
143.60	OTHER ACCTS.REC.TOOLS DEDUCTIONS	0.00
143.70	ACCOUNTS RECEIVABLE - MACED PROG	0.00
143.80	MACED - NOTES RECEIVABLE	0.00
143.90	CLEARING ACCT.OUTAGE LBR./PAY	0.00
144.10	ACCUM PROV UNCOLLECT ACCTS CR	117,886.76-
144.40	ACCUM PROV OTHER UNCOLLECT CR	0.00
154.00	PLANT MATERIAL & OPERATING SUPPLY	403,458.43
155.00	MERCHANDISE	0.00
155.10	OTHR.MERCHANDISE GAS/AUTO PARTS	0.00
163.00	STORES EXPENSE UNDISTRIBUTED	0.00
163.10	MINOR MATERIAL/ STORES EXPENSE	7,238.78
165.10	PREPAYMENTS-INSURANCE	6,018.52
165.20	OTHER PREPAYMENTS-LICENSE FEES	0.00
165.30	OTHER PREPAY-REGISTRATIONS	0.00
165.40	OTHR PREPAY/MRG,OFFC,DIRC,INS	2.00
165.50	OTHER PREPAY-DUES	12,691.93
171.00	INTEREST & DIVIDENDS RECEIVABLE	5,341.10
171.10	INTEREST & DIVIDENDS REC/OTHER	0.00
183.00	PRELIM SERVAYS & INVESTGAT. CHGE	1,876.04-
184.00	TRANSPOTATION EXP. - INDIRECT	172.20
184.10	TRANSPORTATION EXP CLEARING	0.00
186.00	MISC. DEFERRED DEBITS	0.00
186.10	MISC DEFERRED DEBITS-RATE CASE	0.00
186.60	DEFERRED PAST SERVICE PENSION	0.00
200.10	MEMBERSHIPS	232,420.00-
201.10	PATRONS CAPITAL CREDITS	16,153,399.85-
201.20	PATRONAGE CAPITAL CR.ASSIGNABLE	0.00
208.00	DONATED CAPITAL	49,025.02-
208.10	DONATED CAPITAL/CAPITAL CREDITS	14,686.04-
215.30	OTHER COMPREHENSIVE INCOME/FASB	660,528.00
217.00	RETIRED CAPITAL CREDIT-GAIN	105,557.41-
217.10	RETIRED CAP.CR. GAIN-DISCOUNT \$	262,997.75-

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ACCOUNT	DESCRIPTION	AMOUNT
219.10	OPERATING MARGINS	0.00
219.20	NON OPERATING MARGINS	56,904.72
219.30	OTHER MARGINS	588,503.30
224.11	OTHER LONG TERM DEBT-SUBSC.	0.00
224.12	OTHER LONG TERM DEBT-CFC	2,281,767.98-
224.13	CFC NOTES EXUC.-DEBIT/REFINANCED	2,420,183.62-
224.14	OTH LONG TERM DEBT-PAST SVC COST	0.00
224.15	NOTES EXECUTED-OTHER DEBIT	0.00
224.16	CO-BANK NOTES EXECUTED	0.00
224.20	FFB NOTES EXUC.	16,409,446.59-
224.21	FFB NOTES EXUC CONST DEBT	8,397,000.00
224.30	LONG TERM DEBT-RUS NOTES EXUC	9,228,723.03-
224.40	RUS NOTES EXUC CONST DEBT	0.00
224.50	INT ACCR DEFERRED RUS CONST	0.00
224.60	ADV PAY UNAPPLYD LONG TERM DEBT	5,715.71
224.70	MACED - NOTES PAYABLE	0.00
228.30	ACCUM PROV PENSIONS/BENEFITS	1,556,350.30-
231.00	NOTES PAYABLE	500,000.00-
232.10	ACCOUNTS PAYABLE GENERAL	266,385.70-
232.25	ACCTS.PAYABLE LEASED VEHICLE	128,957.63-
232.26	ACCTS. PAYABLE FINANCED VEHICLE	0.00
232.30	ACCTS PAYABLE INSPECT/SPRAYING	0.00
232.40	ACCTS PAYABLE-WHOLESALE POWER	2,360,490.00-
232.50	ACCTS PAYABLE/PSC ASSMT	586.72
232.60	ACCTS PAY/CFC/ZTC 11/03 TO 06/04	0.00
232.70	ACCTS PAYABLE/SECURE WORKS IPS	8,050.88-
232.80	ACCTS PAYABLE CHILD SUPPORT	0.00
232.90	ACCTS PAYBLE TWACS SUPPORT AGRMT	0.00
234.00	ACCTS PAYABLE ASSOC COMPANIES	0.00
235.00	CONSUMER DEPOSITS	413,532.55-
235.10	CONSUMER DEPOSITS-COMMERCIAL	228,687.00-
236.10	ACCURED PROPERTY TAX	66,171.62-
236.20	ACCRD US SOC SECURITY UNEMPLYMEN	59.23
236.30	ACCRD US SOC SECURITY TAX FICA	10,281.97
236.40	ACCRD STATE SOC SECURITY UNEMP	92.22
236.50	ACCRUED STATE SALES TAX	0.01
237.10	ACCRUED RUS INT CONST OBLIG	3,147.36-
237.20	FFB INTEREST ACCRUED	22,775.65-
237.30	OTHER INTEREST ACCRUED	52,389.04-
237.40	ACCRUED INT.-SHORT TERM LOAN	0.00
237.50	OTHER INT ACCRUED CONSUMER DEP	912.81-
237.60	CO-BANK - ACCRUED INTEREST	0.00
238.10	PATRONAGE CAPITAL PAYABLE	0.00
241.00	TAX COLLECTION PAYBLE FEDERAL	9,254.73
241.10	SCHOOL TAX -MARTIN COUNTY	0.00
241.11	MARTIN COUNTY OCCUPATIONAL TAX	21.93
241.20	TAX COLLECTION PAY-CITY TAX	532.18
241.30	TAX COLLECT PAYBLE ST INCOME TAX	3,998.59
241.40	SCHOOL TAX-BREATHITT COUNTY	77.79

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ACCOUNT	DESCRIPTION	AMOUNT
241.50	SCHOOL TAX-JOHNSON COUNTY	0.00
241.60	SCHOOL TAX LAWRENCE COUNTY	0.00
241.70	SCHOOL TAX-MAGOFFIN COUNTY	0.00
241.80	SCHOOL TAX-KNOTT COUNTY	0.00
241.90	JOHNSON COUNTY OCCUPATIONAL TAX	232.75
242.10	BSRECC FLEX-SPENDING PLAN	5,708.68-
242.11	CUR/ACCRUED LIAB-CANCER INS	45.50
242.12	CURR.ACCRD.LIAB-COLONIAL INS	0.00
242.13	CUR.ACCRD.LIAB/COMMONWEALTH INS	0.00
242.14	CURR.ACCRD.LIAB/DENTAL INS	338.09-
242.15	CURR.ACCRD.LIAB/TWACS SUPPORT	8,491.96
242.16	CURR.ACCRD.LIAB/AUTO USE	0.00
242.17	CURR ACCRD LIAB 401K ALL EMP	8,283.77
242.18	CURR.ACCR.LIAB.401K OTSD/PAY DED.	0.00
242.19	AMERICAN FUNDS 401-K OUTSIDE %	2,300.52
242.20	ACCRUED PAYROLL	151,327.70-
242.30	ACCRUED EMPLOYEE VACATION	70,742.19-
242.31	ACCRUED EMPLOYEE SICK LEAVE	113,099.71-
242.40	EMPLOYEE PAID HEALTH INSIRANCE	908.60-
242.50	CURR.ACCRD.LIAB.MEETNG/AUDIT	8,615.05-
242.60	CURR.ACCRD.LIAB/DEPENDENT LIFE	1.45
242.80	CURR.ACCRD.LIAB/CREDIT UNION	0.00
242.90	CURR.ACCRD.LIAB/UNION DUES	38.00-
252.00	CONSUMER ADVANCE CONSTRUCTION	28,303.64-
253.00	OTHER DEFERRED CREDITS	0.00
360.00	LAND & LAND RIGHTS	0.00
362.00	STATION EQUIPMENT	354,438.97
364.00	POLES,TOWERS &FIXTURES	12,609,373.56
365.00	OVERHEAD CONDUCTORS & DEVICES	11,512,272.44
366.00	UNDERGROUND CONDUIT	430,505.80
367.00	UNDERGROUND COND.& DEVICES	307,376.06
368.00	LINE TRANSFORMERS	6,081,624.70
369.00	SERVICES	4,438,457.20
370.00	METERS	3,267,105.75
371.00	INST. ON CONSUMER PREMISES	2,045,475.98
389.00	LAND & LAND RIGHTS	512,050.08
390.10	STRUCTURES & IMPROVEMENTS	877,602.39
391.00	OFFICE FURNITURE & EQUIPMENT	394,289.42
392.00	TRANSPORTATION EQUIPMENT	1,423,176.42
394.00	TOOLS,SHOP,GARAGE EQUIPMENT	66,545.85
395.00	LABORATORY EQUIPMENT	126,142.21
396.00	POWER OPERATED EQUIPMENT	31,965.64
397.00	COMMUNICATIONS EQUIPMENT	64,452.24
398.00	MISCELLANEOUS EQUIPMENT	34,071.96
403.60	DEPR EXPENSE DISTRIBUTION PLANT	1,860,340.77
403.70	DEPR EXPENSE GENERAL PLANT	52,226.83
408.10	TAXES-PROPERTY	0.00
408.20	TAXES US SOCIAL SECURITY UMEMP	0.00
408.30	TAXES US SOCIAL SECURITY FICA	0.00

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ACCOUNT	DESCRIPTION	AMOUNT
408.40	TAXES STATE SOCIAL SEC.UNEMP	0.00
408.70	TAXES OTHER REGULATORY COMMSION.	25,429.88
415.00	REVENUE FROM MERCHANDISING	0.00
419.00	INTEREST & DIVIDEND INCOME	26,477.65-
421.10	GAIN ON DISPOSITION OF PROPERTY	0.00
421.20	LOSS ON DISPOSITION OF PROPERTY	0.00
423.00	GENERATION & TRANSM.CAPITAL CR.	0.00
424.00	OTHR CAP.CR.& PATR.CAP.ALLOC	865,908.65-
426.10	DONATIONS	11,823.20
426.30	PENALTIES	20.42
426.40	EXPENDITURE CIVIC & POLITICAL	0.00
426.50	OTHER DEDUCTIONS	0.00
427.10	INT.ON RUS CONSTRUCTION LOAN	379,291.91
427.20	INT.ON OTHER LONG TERN DEBT	304,742.93
427.30	INTEREST ON FFB NOTES	295,548.51
427.40	INTEREST ON CO-BANK NOTES	0.00
428.00	AMORT.OF DEBT DISCOUNT	0.00
431.00	OTHER INTEREST EXPENSE	39,802.54
431.10	OTHER INT EXP.SHORT TERM LOAN	6,255.56
431.20	INTEREST EKP INEZ 69KV LINE PROJ	42,126.96
431.30	INT.EXP.FARM CREDIT LEASE/TRUCK	4,624.10
435.10	CUMULATIVE EFFECTS PRIOR YEARS	0.00
440.10	RESIDENTIAL SALES-RURAL	19,442,822.33-
442.10	COMM.& INDUST.SALES-SMALL	1,652,881.48-
442.20	COMM. & INDUST.SALES-LARGE	4,472,308.88-
450.00	FORFEITED DISCOUNTS	352,231.05-
451.00	MISC.SERVICE REVENUES	67,765.60-
454.00	RENT FROM ELECTRIC PROPERTY	326,516.89-
456.00	OTHER ELECTRIC REVENUE	900.00-
555.00	PURCHASED POWER	18,620,318.00
580.00	OPERATIONS & SUPERVSON ENGR.	40,659.04
582.00	STATION EXPENSE	0.00
583.00	OVERHEAD LINE EXPENSE	123,041.61
586.00	METER EXPENSE	422,012.70
586.10	METER EXPENSE TWACS SYSTEM	85,911.80
587.00	CONSUMER INSTALLATION EXPENSE	23,810.74
588.00	MIS.DISTRIBUTION EXPENSE	23,390.02
588.10	MAPPING EXPENSE/GPS SYSTEM	205,126.39
589.00	RENTS	0.00
590.00	MAINT.SUPERVSN.ENGR.	119,975.94
592.00	MAINTENANCE STATION EQUIPMENT	1,016.74
593.00	MAINT.OVERHEAD LINES	483,068.68
593.10	MAINT.OVERHEAD LINES R/W	107,390.77
593.20	OVERHEAD LINES R/W-CONTRACTOR	612,131.09
595.00	MAINT.LINE TRANSFORMERS	48,039.82
597.00	MAINT. OF METERS	1,659.98
598.00	MAINT.MISC.DISTRIBUTION PLANT	95,674.67
901.00	SUPERVISION	0.00
902.00	METER READING EXPENSE	57,703.47

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ACCOUNT	DESCRIPTION	AMOUNT
903.00	CONSUMER RECD'S COLLECTION EXP	628,604.54
903.10	CONS.RECD'S EXP.OVER/SHORT	843.08
904.00	UNCOLLECTIBLE ACCOUNTS	78,000.00
908.00	CONSUMER ASSISTANCE EXPENSE	132,162.03
909.00	INFORMATION & INSTRUCTION EXP	0.00
912.00	DEMONSTRATING & SELLING EXP	0.00
913.00	ADVERTISING EXPENSE	12,119.87
920.00	ADMINISTRATIVE SALARIES	656,296.07
921.00	OFFICE SUPPLIES & EXPENSE	151,704.27
923.00	OUTSIDE SERVICE EMPLOYED	69,771.76
924.00	PROPERTY INSURANCE	0.00
925.00	INJURIES & DAMAGES	56,120.11
926.00	EMPLOYEE PENSIONS & BENEFITS	39,689.54
926.10	EMP.PENSIONS & BENEFITS RETIR IN	0.00
926.20	EMP.PENSIONS/BENEFITS PAST SVC	0.00
926.30	EMPLOYEE BENEFITS/SAVINGS	0.00
928.00	REGULATORY COMMISSION EXP	0.00
929.00	DUP.CHGES.CR.(CO-OP USED KWH)	4.21-
930.10	GENERAL ADVERTISING EXPENSE	4,381.80
930.11	DIRECTORS PER DIEM	48,550.00
930.12	DIRECTORS MILEAGE	2,006.26
930.13	DIRECTORS EXPENSES	44,338.52
930.20	MISC. GENERAL EXPENSE	202,601.91
931.00	RENTS	16,119.66
935.00	MAINT.GENERAL PLANT	30,542.64
999.99	ACCOUNT FOR FIXED JOURNAL ENTRIE	0.00
	ACCOUNTS 000.00 TO 399.99	940,799.61
	ACCOUNTS 400.00 TO 999.99	940,799.61-

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ACCOUNT	DESCRIPTION	AMOUNT
107.10	CWIP CONTRACTOR	0.00
107.20	CWIP FORCE ACCOUNT	12,149.51
107.21	CWIP - INDIRECT	0.00
107.30	CWIP SPECIAL EQUIPMENT	0.00
107.31	CWIP-OFFICE REMOBLE PROJECT	188,931.33
108.60	ACCUM PROV DEPR DIST PLANT	3,773,004.61
108.61	ACCUM.DEPR.DIST.PLANT A/C 364	4,791,948.24-
108.62	ACCUM DEPR.DIST.PLANT A/C 365	4,161,097.13-
108.63	ACCUM.DEPR.DIST.PLANT A/C 366	97,460.47-
108.64	ACCUM DEPR.DIST.PLANT. A/C 367	70,122.85-
108.65	ACCUM.DEPR.DIST.PLANT A/C 368	2,113,456.43-
108.66	ACCUM.DEPR.DIST.PLANT. A/C 369	1,510,257.81-
108.67	ACCUM.DEPR.DIST.PLANT.A/C 370	1,126,378.11-
108.68	ACCUM PERP.DIST.PLANT A/C 371	752,102.06-
108.69	ACCUM DEPR.DIST.PLANT A/C 362	71,962.70-
108.70	ACCUM PROV DEPR GENERAL PLANT	1,516,743.25-
108.71	ACCUM.DEPR.GEN.PLANT A/C 390.10	215,738.26-
108.72	ACCUM.DEPR.GEN.PLANT A/C 391	270,712.29-
108.73	ACCUM.DEPR.GEN.PLANT A/C 394	50,145.18-
108.74	ACCUM.DEPR.GEN.PLANT.A/C 395	86,020.68-
108.75	ACCUM.DEPR.GEN.PLANT A/C 396	7,999.67-
108.76	ACCUM.DEPR.GEN.PLANT A/C 397	54,798.18-
108.77	ACCUM.DEPR.GEN.PLANT A/C 398	22,572.87-
108.80	RETIREMENT WIP	4,304.44
108.81	RETIREMENT WIP - INDIRECT	0.00
108.90	RETIREMENT WIP CONTRACTOR	0.00
123.10	PATR CAP ASSOC CO OPS	7,234,970.52
123.11	INVESTMENTS IN SUBSIDIARY COMPAN	25,000.00
123.21	SUBSC.CAP.TERM CERT.CFC	0.00
123.22	INVEST.CAP.TERM CERT. CFC	531,907.20
123.23	OTHER INVEST.ASSOC.ORGIZ.	3,205.00
124.00	OTHER INVESTMENTS	5,500.00
131.10	CASH GENERAL PAYROLL CHECKS	0.00
131.11	CORPORATION CONSTRUCTION ACCT.	0.00
131.12	CASH GENERAL CITIZENS GEN CHECK	59,899.01
131.13	CASH-GENERAL BSRECC FLEX-SPEND.	2,128.81
131.14	CASH GENERAL HOW\$MART	0.00
131.20	CASH CONST.FUND TRUSTEE	465.50
131.40	TRANSFER OF CASH	0.00
134.00	OTHER SPECIAL DEPOSITS	20.00
135.00	WORKING FUND PETTY CASH/SANDRA	100.00
135.10	CHANGE FUND PRESTONSBURG OFFICE	100.00
135.11	WORKING FUND-CHANGE	100.00
135.12	WORKING FUND-CHANGE/	0.00
135.13	WORKING FUND-CHANGE BARBARA	100.00
135.20	WORKING FUND-CHANGE DENISE	100.00
135.30	CHANGE FUND-PAINTSVILLE OFFICE	500.00
135.40	WORKING FUND-CHANGE RHEA LYNN	100.00
135.50	WORKING FUND-CHANGE	0.00

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ACCOUNT	DESCRIPTION	AMOUNT
135.60	WORKING FUND-CHANGE PRESTONSBURG	100.00
135.70	WORKING FUND-CHANGE	0.00
135.80	WORKING FUND-CHANGE PRESTONSBURG	0.00
135.90	WORKING FUND-CHANGE PRESTONSBURG	0.00
136.00	TEMPORARY CASH INVESTMENTS	74,536.15
136.10	TEMP.CASH INVST.6 MO CD'S	0.00
136.20	TEMP.CASH INVST.MONEY MARKET	190,748.72
136.30	TEMP CASH INVST CR UNION B.DAVIS	0.00
136.40	TEMP CASH INVS HOMESTEAD/B.DAVIS	0.00
142.10	CONS.ACCTS.RECEIVABLE ELECTRIC	3,385,128.76
142.20	CASH PAYMT'S/CAP VOUCHERS	0.00
143.00	OTHER ACCOUNTS RECEIVABLE	314,339.55
143.10	OTHER ACCTS RECIV-EXPENSE ADVANC	0.00
143.20	OTHER ACCTS.REC.WINTER CARE	0.00
143.30	ACCTS.REC.NRECA PERSONAL LOAN	664.38
143.40	AMERICAN FUNDS LOANS	1,491.86
143.50	RELAY FOR LIFE DONATION	0.00
143.60	OTHER ACCTS.REC.TOOLS DEDUCTIONS	0.00
143.70	ACCOUNTS RECEIVABLE - MACED PROG	0.00
143.80	MACED - NOTES RECEIVABLE	0.00
143.90	CLEARING ACCT.OUTAGE LBR./PAY	0.00
144.10	ACCUM PROV UNCOLLECT ACCTS CR	101,995.45-
144.40	ACCUM PROV OTHER UNCOLLECT CR	0.00
154.00	PLANT MATERIAL & OPERATING SUPPLY	416,338.65
155.00	MERCHANDISE	0.00
155.10	OTHR.MERCHANDISE GAS/AUTO PARTS	0.00
163.00	STORES EXPENSE UNDISTRIBUTED	0.00
163.10	MINOR MATERIAL/ STORES EXPENSE	7,238.78
165.10	PREPAYMENTS-INSURANCE	35,246.64
165.20	OTHER PREPAYMENTS-LICENSE FEES	0.00
165.30	OTHER PREPAY-REGISTRATIONS	0.00
165.40	OTHR PREPAY/MRG,OFFC,DIRC,INS	523.00
165.50	OTHER PREPAY-DUES	12,326.33
171.00	INTEREST & DIVIDENDS RECEIVABLE	8,853.03
171.10	INTEREST & DIVIDENDS REC/OTHER	0.00
183.00	PRELIM SERVAYS & INVESTGAT. CHGE	0.00
184.00	TRANSPOTATION EXP. - INDIRECT	436.16
184.10	TRANSPORTATION EXP CLEARING	0.00
186.00	MISC. DEFERRED DEBITS	0.00
186.10	MISC DEFERRED DEBITS-RATE CASE	0.00
186.60	DEFERRED PAST SERVICE PENSION	0.00
200.10	MEMBERSHIPS	232,740.00-
201.10	PATRONS CAPITAL CREDITS	16,177,664.62-
201.20	PATRONAGE CAPITAL CR.ASSIGNABLE	0.00
208.00	DONATED CAPITAL	49,025.02-
208.10	DONATED CAPITAL/CAPITAL CREDITS	14,686.04-
215.30	OTHER COMPREHENSIVE INCOME/FASB	697,688.00
217.00	RETIRED CAPITAL CREDIT-GAIN	105,557.41-
217.10	RETIRED CAP.CR. GAIN-DISCOUNT \$	257,152.96-

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ACCOUNT	DESCRIPTION	AMOUNT
219.10	OPERATING MARGINS	0.00
219.20	NON OPERATING MARGINS	0.00
219.30	OTHER MARGINS	645,408.02
224.11	OTHER LONG TERM DEBT-SUBSC.	0.00
224.12	OTHER LONG TERM DEBT-CFC	2,319,507.42-
224.13	CFC NOTES EXUC.-DEBIT/REFINANCED	2,420,183.62-
224.14	OTH LONG TERM DEBT-PAST SVC COST	0.00
224.15	NOTES EXECUTED-OTHER DEBIT	0.00
224.16	CO-BANK NOTES EXECUTED	0.00
224.20	FFB NOTES EXUC.	16,482,144.00-
224.21	FFB NOTES EXUC CONST DEBT	8,397,000.00
224.30	LONG TERM DEBT-RUS NOTES EXUC	9,294,770.00-
224.40	RUS NOTES EXUC CONST DEBT	0.00
224.50	INT ACCR DEFERRED RUS CONST	0.00
224.60	ADV PAY UNAPPLYD LONG TERM DEBT	5,715.71
224.70	MACED - NOTES PAYABLE	0.00
228.30	ACCUM PROV PENSIONS/BENEFITS	1,549,082.71-
231.00	NOTES PAYABLE	500,000.00-
232.10	ACCOUNTS PAYABLE GENERAL	215,931.74-
232.25	ACCTS.PAYABLE LEASED VEHICLE	136,405.17-
232.26	ACCTS. PAYABLE FINANCED VEHICLE	0.00
232.30	ACCTS PAYABLE INSPECT/SPRAYING	0.00
232.40	ACCTS PAYABLE-WHOLESALE POWER	1,605,978.00-
232.50	ACCTS PAYABLE/PSC ASSMT	9,683.24
232.60	ACCTS PAY/CFC/ZTC 11/03 TO 06/04	0.00
232.70	ACCTS PAYABLE/SECURE WORKS IPS	0.00
232.80	ACCTS PAYABLE CHILD SUPPORT	0.00
232.90	ACCTS PAYBLE TWACS SUPPORT AGRMT	0.00
234.00	ACCTS PAYABLE ASSOC COMPANIES	0.00
235.00	CONSUMER DEPOSITS	411,117.00-
235.10	CONSUMER DEPOSITS-COMMERCIAL	238,147.00-
236.10	ACCURED PROPERTY TAX	176,129.57-
236.20	ACCRD US SOC SECURITY UNEMPLYMEN	36.98-
236.30	ACCRD US SOC SECURITY TAX FICA	10,281.97
236.40	ACCRD STATE SOC SECURITY UNEMP	90.14-
236.50	ACCRUED STATE SALES TAX	0.01
237.10	ACCRUED RUS INT CONST OBLIG	3,147.36-
237.20	FFB INTEREST ACCRUED	73,443.65-
237.30	OTHER INTEREST ACCRUED	25,135.04-
237.40	ACCRUED INT.-SHORT TERM LOAN	0.00
237.50	OTHER INT ACCRUED CONSUMER DEP	23,234.29-
237.60	CO-BANK - ACCRUED INTEREST	0.00
238.10	PATRONAGE CAPITAL PAYABLE	0.00
241.00	TAX COLLECTION PAYBLE FEDERAL	9,254.73
241.10	SCHOOL TAX -MARTIN COUNTY	0.00
241.11	MARTIN COUNTY OCCUPATIONAL TAX	99.28-
241.20	TAX COLLECTION PAY-CITY TAX	1,651.28-
241.30	TAX COLLECT PAYBLE ST INCOME TAX	3,998.59
241.40	SCHOOL TAX-BREATHITT COUNTY	0.00



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ACCOUNT	DESCRIPTION	AMOUNT
241.50	SCHOOL TAX-JOHNSON COUNTY	0.00
241.60	SCHOOL TAX LAWRENCE COUNTY	0.00
241.70	SCHOOL TAX-MAGOFFIN COUNTY	0.00
241.80	SCHOOL TAX-KNOTT COUNTY	0.00
241.90	JOHNSON COUNTY OCCUPATIONAL TAX	1,226.66-
242.10	BSRECC FLEX-SPENDING PLAN	2,252.53-
242.11	CUR/ACCRUED LIAB-CANCER INS	45.50
242.12	CURR.ACCRD.LIAB-COLONIAL INS	0.00
242.13	CUR.ACCRD.LIAB/COMMONWEALTH INS	0.00
242.14	CURR.ACCRD.LIAB/DENTAL INS	3.09-
242.15	CURR.ACCRD.LIAB/TWACS SUPPORT	1,415.30
242.16	CURR.ACCRD.LIAB/AUTO USE	0.00
242.17	CURR ACCRD LIAB 401K ALL EMP	7,945.24
242.18	CURR.ACCR.LIB.401K OTSD/PAY DED.	0.00
242.19	AMERICAN FUNDS 401-K OUTSIDE %	2,097.89
242.20	ACCRUED PAYROLL	85,982.21-
242.30	ACCRUED EMPLOYEE VACATION	102,379.02-
242.31	ACCRUED EMPLOYEE SICK LEAVE	129,424.33-
242.40	EMPLOYEE PAID HEALTH INSIRANCE	908.60-
242.50	CURR.ACCRD.LIAB.MEETNG/AUDIT	7,330.73
242.60	CURR.ACCRD.LIAB/DEPENDENT LIFE	1.61
242.80	CURR.ACCRD.LIAB/CREDIT UNION	0.00
242.90	CURR.ACCRD.LIAB/UNION DUES	0.00
252.00	CONSUMER ADVANCE CONSTRUCTION	28,231.47-
253.00	OTHER DEFERRED CREDITS	0.00
360.00	LAND & LAND RIGHTS	0.00
362.00	STATION EQUIPMENT	354,438.97
364.00	POLES,TOWERS &FIXTURES	12,486,547.23
365.00	OVERHEAD CONDUCTORS & DEVICES	11,292,718.51
366.00	UNDERGROUND CONDUIT	417,109.72
367.00	UNDERGROUND COND.& DEVICES	295,032.11
368.00	LINE TRANSFORMERS	6,029,423.30
369.00	SERVICES	4,371,435.76
370.00	METERS	3,262,768.18
371.00	INST. ON CONSUMER PREMISES	2,030,390.45
389.00	LAND & LAND RIGHTS	292,419.25
390.10	STRUCTURES & IMPROVEMENTS	877,602.39
391.00	OFFICE FURNITURE & EQUIPMENT	389,510.84
392.00	TRANSPORTATION EQUIPMENT	1,505,813.50
394.00	TOOLS,SHOP,GARAGE EQUIPMENT	66,545.85
395.00	LABORATORY EQUIPMENT	124,728.26
396.00	POWER OPERATED EQUIPMENT	31,965.64
397.00	COMMUNICATIONS EQUIPMENT	64,452.24
398.00	MISCELLANEOUS EQUIPMENT	34,071.96
403.60	DEPR EXPENSE DISTRIBUTION PLANT	1,247,763.93
403.70	DEPR EXPENSE GENERAL PLANT	35,617.01
408.10	TAXES-PROPERTY	0.00
408.20	TAXES US SOCIAL SECURITY UMEMP	0.00
408.30	TAXES US SOCIAL SECURITY FICA	0.00

Big Sandy Rural Electric Cooperative  
Case No. 2012 - 00030  
Comparative Capital Structure (Excluding JDIC)  
For the Periods as Shown  
"000" Omitted

Line No.	Type of Capital	2001 10th Year		2002 9th Year		2003 8th Year		2004 7th Year		2005 6th Year		2006 5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	16,119	57%	16,009	55%	16,641	55%	17,005	55%	20,314	60%	19,639	58%
2	Short Term Debt	419	1%	200	1%	0	0%	0	0%	0	0%	300	1%
3	Memberships	212	1%	215	1%	217	1%	219	1%	221	1%	225	1%
4	Patronage Capital	11,543	41%	12,860	44%	13,254	44%	13,648	44%	13,278	39%	13,635	40%
5	Other (Itemize by type)												
6	Total Capitalization	28,293	100%	29,284	100%	30,112	100%	30,872	100%	33,813	100%	33,799	100%

Line No.	Type of Capital	2007 4th Year		2008 3rd Year		2009 2nd Year		2010 1st Year		2011 Test year		Latest Quarter August 31, 2011		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	20,384	60%	22,472	63%	21,645	58%	22,804	60%	22,114	58%	22,141	58%	22,582	59%
2	Short Term Debt	800	2%	0	0%	1,300	3%	0	0%	500	1%	367	1%	231	1%
3	Memberships	227	1%	229	1%	231	1%	232	1%	233	1%	233	1%	233	1%
4	Patronage Capital	12,761	37%	12,707	36%	14,123	38%	15,204	40%	15,591	41%	15,550	41%	15,196	40%
5	Other (Itemize by type)														
6	Total Capitalization	34,172	100%	35,408	100%	37,299	100%	38,240	100%	38,438	100%	38,291	100%	38,241	100%

Big Sandy Rural Electric Cooperative  
 Case No. 2012 - 00030  
 Calculation of Average Test Period Capital Structure  
 12 months ended August 31, 2011

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	37,789	22,981		232		14,576	
2	1st month	37,558	22,926		233		14,399	
3	2nd month	37,596	22,910		232		14,454	
4	3rd month	37,453	22,856		233		14,364	
5	4th month	38,240	22,804		232		15,204	
6	5th month	39,114	22,788	500	232		15,594	
7	6st month	39,099	22,729	500	233		15,637	
8	7th month	39,117	22,668	500	234		15,715	
9	8th month	38,387	22,440	200	234		15,513	
10	9th month	37,911	22,037	200	234		15,440	
11	10th month	38,058	22,136	200	234		15,488	
12	11th month	38,377	22,174	400	233		15,570	
13	12th month	38,438	22,114	500	233		15,591	
14	Total (Line 1 through Line 13)	497,137	293,563	3,000	3,029	0	197,545	0
15	Average balance (Line 14/13)	38,241	22,582	231	233	0	15,196	0
16	Average capitalization ratios	100%	59%	1%	1%	0%	40%	0%
17	End of period capitalization ratios	100%	58%	1%	1%	0%	41%	0%

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Test year August 31, 2011

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 are granted wage rate increases on November 1 of each year. Generally all employees are granted wage increases based on the union contract. Outside, non-management employees, participate in the union.

Wage and salary increases are as follows:

	<u>Increase</u>	
	<u>Union</u>	<u>Non-Union</u>
2011	2.00%	2.00%
2010	2.00%	2.00%
2009	\$0.50	\$0.50 per hour
2008	\$0.50	\$0.50 per hour
2007	4.00%	4.00%

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

Projected wages	\$2,216,148
Actual wages for test year	<u>2,142,151</u>
Increase in normalized wages	<u><u>\$73,997</u></u>

The allocation is on the following page:

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030

Allocation of increase in payroll:

<u>Acct No.</u>		<u>Labor Distribution</u>	<u>Percent</u>	<u>Allocation</u>
107.20	Construction work in progress	359,363	16.8%	12,414
108.80	Retirement work in progress	117,411	5.5%	4,056
163.00	Stores	49,006	2.3%	1,693
184.10	Transportation	44,912	2.1%	1,551
242.32	Employee sick leave/vacation	204,707	9.6%	7,071
398.00	Non operating accounts	91	0.0%	3
580.00	Supervision, operations	15,771		
583.00	Overhead line	28,651		
586.00	Meter	171,575		
587.00	Installations	4,210		
588.00	Miscellaneous distribution	85,108	14.3%	10,547
590.00	Supervision, maintenance	50,396		
593.00	Maintenance	226,433		
595.00	Transformers	9,736		
597.00	Meters	698		
598.00	Miscellaneous maintenance	29,160	14.8%	10,930
902.00	Meter reading	22,830		
903.00	Consumer records	204,998	10.6%	7,870
920.00	Administrative	308,304		
930.00	Miscellaneous	203,148		
935.00	Maintenance general plant	<u>5,643</u>	<u>24.1%</u>	<u>17,862</u>
	Total	<u>2,142,151</u>	<u>100.0%</u>	<u>73,997</u>

Emp #	Hours Worked		Actual Test Year Wages					Wage	Normalized Wages		
	Reg Hrs	OT Hrs	Regular	Overtime	Dispatch	Misc	Total	Rate	@ 2,080 Hours		
								1/1/11	Regular	Overtime	Total

**Salary Employees**

1	14	2,088.0		67,076			729	67,076	33.00	68,640		68,640
1	16	2,088.0		71,440			915	71,440	34.42	71,594		71,594
1	130	2,088.0		81,808			818	81,808	48.08	100,006		100,006
1	134	2,088.0		46,735				46,735	22.53	46,862		46,862
1	136	2,088.0		66,079				66,079	31.84	66,227		66,227
1	149	2,088.0		42,539			859	42,539	20.64	42,931		42,931
1	159	2,088.0		44,711				44,711	21.68	45,094		45,094
1	167	2,088.0		42,903				42,903	22.43	46,654		46,654
8	<b>Subtotal</b>	<b>16,704.0</b>	<b>0.0</b>	<b>463,291</b>	<b>0</b>	<b>0</b>	<b>3,321</b>	<b>463,291</b>		<b>488,010</b>	<b>0</b>	<b>488,010</b>

**Hourly Employees:**

1	3	2,088.0	34.5	56,343	1,405			57,748	27.13	56,430	1,404	57,834
1	5	1,723.0	23.5	48,985	1,021			50,006	28.26	58,781	996	59,777
1	8	2,088.0	8.5	54,983	338			55,321	26.48	55,078	338	55,416
1	10	2,088.0	1,123.5	54,087	43,777			97,864	26.03	54,142	43,867	98,009
1	11	2,088.0	519.0	54,095	20,271			74,366	26.03	54,142	20,264	74,407
1	13	2,088.0	54.0	51,859	2,016			53,875	24.99	51,979	2,024	54,003
1	15	2,090.0	77.0	59,624	3,309			62,933	28.26	58,781	3,264	62,045
1	17	2,088.0	460.5	54,064	17,969			72,033	26.03	54,142	17,980	72,123
1	18	2,088.0	33.0	54,030	1,289			55,319	26.03	54,142	1,288	55,431
1	22	2,088.0	77.0	53,891	2,911			56,802	26.03	54,142	3,006	57,149
1	23	2,088.0	43.5	46,613	1,463			48,076	22.46	46,717	1,466	48,182
1	24	2,088.0	550.5	56,399	22,439			78,838	27.13	56,430	22,403	78,833
1	25	2,088.0	317.5	56,142	12,487			68,629	26.03	54,142	12,397	66,539
1	31	2,088.0	40.5	54,503	1,503			56,006	25.78	53,622	1,566	55,189
1	34	2,086.5	36.0	34,532	927	1,200		36,659	19.00	39,520	1,026	40,546
1	38	2,088.0	58.5	54,791	2,244			57,035	25.78	53,622	2,262	55,885

Emp #	Hours Worked		Actual Test Year Wages					Wage Rate	Normalized Wages @ 2,080 Hours		
	Reg Hrs	OT Hrs	Regular	Overtime	Dispatch	Misc	Total	1/1/11	Regular	Overtime	Total
1 40	2,088.0	54.5	54,649	2,080			56,729	25.78	53,622	2,108	55,730
1 41	2,088.0	49.5	54,530	1,859			56,389	25.78	53,622	1,914	55,537
1 43	2,088.0	53.5	54,537	2,026			56,563	25.78	53,622	2,069	55,691
1 47	1,973.5	33.0	26,645	733			27,378	20.43	42,494	1,011	43,506
1 50	2,088.0	71.0	52,607	2,572	415		55,594	25.78	53,622	2,746	56,368
1 51	829.5	19.5	8,295	293			8,588	10.00	20,800	293	21,093
1 52	651.5	6.5	10,094	149			10,243	16.50	34,320	161	34,481
1 53	126.0	1.5	1,638	29			1,667	13.00	27,040	29	27,069
1 54	560.0	0.0	7,360	0			7,360	13.50	28,080	0	28,080
1 124	2,088.0	48.0	45,191	1,564			46,755	21.79	45,323	1,569	46,892
1 138	2,088.0	3.0	43,785	98			43,883	21.73	45,198	98	45,296
1 139	2,088.0	10.0	34,141	245			34,386	16.44	34,195	247	34,442
1 142	2,088.0	17.0	32,429	395			32,824	15.62	32,490	398	32,888
1 144	2,088.0	18.5	33,013	441			33,454	15.90	33,072	441	33,513
1 155	803.0	3.5	10,495	68		2128	10,563	13.30	27,664	70	27,734
1 161	1,900.0	32.0	25,066	635			25,701	13.29	27,643	638	28,281
1 163	2,088.0		34,944				34,944	16.84	35,027	0	35,027
1 164	1,356.0	36.0	15,088	602			15,690	11.50	23,920	621	24,541
1 166	2,088.0	42.0	25,476	772			26,248	12.29	25,563	774	26,337
1 168	1,256.0	20.0	12,896	305			13,201	11.50	23,920	345	24,265
36 Subtotal	65,467.0	3,976.0	1,427,820	150,235	1,615	2128	1,579,670		1,577,056	151,083	1,728,139
0 Part Time & Summer Employees							0	8.00	0	0	0
0 Subtotal	0.0	0.0	0	0	0	0	0		0	0	0

Emp #	Hours Worked		Actual Test Year Wages					Wage Rate	Normalized Wages		
	Reg Hrs	OT Hrs	Regular	Overtime	Dispatch	Misc	Total	@ 2,080 Hours	Regular	Overtime	Total
								1/1/11			
<b>Retired Employees</b>											
1	1	787.0		24,515			502	24,515			
1	20	1,035.0		20,959				20,959			
1	145	576.0		6,445				6,445			
1	157	983.0		47,271				47,271			
4	<b>Subtotal</b>	<b>3,381.0</b>	<b>0.0</b>	<b>99,190</b>	<b>0</b>	<b>0</b>	<b>502</b>	<b>99,190</b>	<b>0</b>	<b>0</b>	<b>0</b>
44	<b>Total</b>	<b>85,552.0</b>	<b>3,976.0</b>	<b>1,990,301</b>	<b>150,235</b>	<b>1,615</b>	<b>5,951</b>	<b>2,142,151</b>	<b>2,065,066</b>	<b>151,083</b>	<b>2,216,148</b>



Emp #	Wage Rate 1/1/09	Wage Rate 1/1/10	Percent change	Wage Rate 1/1/11	Percent change	Reason for increase
<b>Salary Employees</b>						
14	31.00	31.63	2.0%	33.00	4.3%	Promotion
16	31.75	33.75	6.3%	34.42	2.0%	
130	35.01	39.18	11.9%	48.08	22.7%	Promotion
134	21.05	22.05	4.8%	22.53	2.2%	
136	30.71	31.21	1.6%	31.84	2.0%	
149	19.27	19.77	2.6%	20.64	4.4%	Merit increase
159	20.31	20.81	2.5%	21.68	4.2%	Merit increase
167	0.00	20.67	0.0%	22.43	8.5%	Merit increase
<b>Subtotal</b>						
<b>Hourly Employees:</b>						
3	26.13	26.63	1.9%	27.13	1.9%	
5	27.26	27.76	1.8%	28.26	1.8%	
8	25.53	26.00	1.8%	26.48	1.8%	
10	25.03	25.53	2.0%	26.03	2.0%	
11	25.03	25.53	2.0%	26.03	2.0%	
13	23.99	24.49	2.1%	24.99	2.0%	
15	27.26	27.76	1.8%	28.26	1.8%	
17	25.03	25.53	2.0%	26.03	2.0%	
18	25.03	25.53	2.0%	26.03	2.0%	
22	24.73	25.23	2.0%	26.03	3.2%	Job change
23	21.46	21.96	2.3%	22.46	2.3%	
24	26.13	26.63	1.9%	27.13	1.9%	
25	25.03	25.53	2.0%	26.03	2.0%	
31	24.78	25.28	2.0%	25.78	2.0%	
34	13.50	14.00	3.7%	19.00	35.7%	Temp to full-time
38	25.53	25.28	-1.0%	25.78	2.0%	
40	24.78	25.28	2.0%	25.78	2.0%	
41	24.78	25.28	2.0%	25.78	2.0%	
43	24.78	25.28	2.0%	25.78	2.0%	
47	12.00	18.36	53.0%	20.43	11.3%	Step increase
50	24.49	24.99	2.0%	25.78	3.2%	Step increase
51	9.00	9.50	5.6%	10.00	5.3%	Step increase
52	14.50	15.50	6.9%	16.50	6.5%	Job change
53	12.00	12.50	4.2%	13.00	4.0%	Step increase
54	12.50	13.00	4.0%	13.50	3.8%	Step increase

Emp #	Wage Rate 1/1/09	Wage Rate 1/1/10	Percent change	Wage Rate 1/1/11	Percent change	Reason for increase
124	20.31	21.31	4.9%	21.79	2.3%	
138	18.75	19.25	2.7%	21.73	12.9%	Step increase
139	16.15	16.44	1.8%	16.44	0.0%	
142	14.83	15.33	3.4%	15.62	1.9%	
144	15.11	15.61	3.3%	15.90	1.9%	
155	12.01	13.01	8.3%	13.30	2.2%	
161	12.50	13.00	4.0%	13.29	2.2%	
163	16.00	16.50	3.1%	16.84	2.1%	
164	10.00	11.00	10.0%	11.50	4.5%	Merit increase
166	11.00	12.00	9.1%	12.29	2.4%	
168	0.00	10.00	0.0%	11.50	15.0%	

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030

Exhibit 1  
page of  
Witness: Alan Zumstein

Analysis of Salaries and Wages  
For the calendar years 2007 through 2009  
and the Test year

Line No	Item (a)	Twelve Months Ended						Test year 2010	
		2007		2008		2009		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	2,522	5%	2,724	8%	2,822	4%	2,923	4%
3	Customer accounts expense	1,180	2%	1,359	15%	1,282	-6%	1,214	-5%
4	Customer service and and infor	368	-7%	453	23%	430	-5%	423	-2%
5	Sales expense								
6	Administrative and general expenses:								
	(a) Administrative and general	610	1%	670	10%	678	1%	683	1%
	(b) Office supplies and expense								
	(h) Miscellaneous general	52	-21%	50	-4%	42	-16%	48	14%
	(i) Maintenance of general plant	158	4%	183	16%	171	-7%	201	18%
7	Total administrative and general expenses L6(a) to L6(i)	820	0%	903	-3%	891	-1%	932	-3%
8	Charged to clearing and others	721	1%	762	6%	844	11%	686	-19%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	5,611	2%	6,201	11%	6,269	1%	6,178	-1%
10	Wages capitalized	2,621	-2%	2,817	7%	2,666	-5%	2,601	-2%
11	Total salaries and wages	8,232	1%	9,018	10%	8,935	-1%	8,779	-2%
12	Ratio of salaries and wages charged to expense to total wages L9 / L	68%		69%		70%		70%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	32%		31%		30%		30%	
14	Overtime wages	624	-3%	795	27%	852	7%	628	-26%
15	Overtime hours	17,892	-3%	22,750	27%	23,936	5%	17,164	-28%

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Compensation of Executive Officers  
Test year August 31, 2011

	<----- Salary	Test Year Percent of Increase	-----> Date	Employees Who Report
President & General Manager	100,000	0%	11/1/2011	all
Plant Superintendent	71,594	2%	11/1/2011	26
Office Manager	66,227	2%	11/1/2011	14
Member & Public Relations Director	42,931	4%	11/1/2011	0

	<u>First Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & General Manager	100,000	0%	11/1/2010
Plant Superintendent	70,200	6%	11/1/2010
Office Manager	64,917	2%	11/1/2010
Member & Public Relations Director	41,121	3%	11/1/2010

	<u>Second Preceding Year</u>		
	<u>Salary</u>	Percent of <u>Increase</u>	<u>Date</u>
President & General Manager	100,000	0%	11/1/2009
Plant Superintendent	66,040	2%	11/1/2009
Office Manager	63,877	2%	11/1/2009
Member & Public Relations Director	40,080	3%	11/1/2009

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Duties and Responsibilities of Officers

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

**Plant Superintendent** Collaborates with Construction and Maintenance Supervisors, and contractors, on a daily basis for operational needs. Prepares and presents the President & General Manager an annual capital budget. Plans and organizes to serve members with efficient work. Promotes fast, dependable electric service to the members and maintain power quality. Maintains a knowledge of local and national laws and regulations governing the operations of Big Sandy. Reports directly to the President & General Manager.

**Office Manager** Coordinates all audit efforts by various agencies. Maintains the financial status of Big Sandy by developing budgets and financial statements. Collaborates with supervisors 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. Develops short term cash investments and long term cash requirements. Assists in the development of information necessary for filing loan applications. Reviews the financial information to ensure compliance with regulatory agencies. Ensures that taxes are properly prepared and filed on a timely basis. Analyzes electric sales revenues, collections, delinquents, write-offs, and penalty charges for efficiencies. Maintains knowledge of laws and regulations governing the administration of Big Sandy. Directs in the preparation of daily cash transactions. Reports directly to the President & General Manager.

**Member & Public Relations Director** Plans and organizes to serve member/owners with efficient work. Works with demand-side management, conservation and energy efficiency programs for consumers. Investigates member concerns that have not been satisfied by other employees. Encourages in economic development in the region. Maintains knowledge of laws and regulations governing the operations of Big Sandy. Participates in community events and programs. Reports directly to the President & General Manager.

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
**Payroll Taxes**

The employer's portion of FICA and medicare rates remain the same for 2011 as they were for 2010. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increases from \$106,800 in 2011 to \$106,800 in 2010 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 1.10% for the first \$8,000 of wages.

Proposed FICA amounts		
FICA	137,401	
Medicare	32,134	
	<u>169,535</u>	
Proposed FUTA	2,464	
Proposed SUTA	3,872	175,871
	<u>                    </u>	<u>                    </u>
Test year amount		
FICA and Medicare	156,153	
Test year FUTA	2,405	
Test year SUTA	4,016	162,574
	<u>                    </u>	<u>                    </u>
Increase		<u>                    </u> <u>                    </u> 13,297

<b>Adjustment:</b>		<u>Percent</u>	<u>Amount</u>
107	Capitalized	22.26%	2,960
163 - 416	Clearing and others	13.94%	1,854
580	Operations	14.25%	1,895
590	Mainteneance	14.77%	1,964
901	Consumer accounts	10.64%	1,414
908	Customer service	0.00%	0
910	Sales	0.00%	0
920	Administrative and general	24.14%	3,210
		<u>                    </u>	<u>                    </u>
		100.00%	\$13,297

State unemployment (SUTA) wage rates are as follows:

2011	1.10%
2010	1.40%
2009	2.00%
2008	1.50%
2007	1.50%

Emp #	Wages	Social Security		Medicare Wages		Federal Unemployment		State Unemployment	
		Up to	@	All	@	Up to	@	Up to	@
	Total	\$106,800	6.20%	Wages	1.45%	\$7,000	0.80%	\$8,000	1.10%

**Salary Employees**

14	68,640	68,640	4,256	68,640	995	7,000	56	8,000	88
16	71,594	71,594	4,439	71,594	1,038	7,000	56	8,000	88
130	100,006	100,006	6,200	100,006	1,450	7,000	56	8,000	88
134	46,862	46,862	2,905	46,862	680	7,000	56	8,000	88
136	66,227	66,227	4,106	66,227	960	7,000	56	8,000	88
149	42,931	42,931	2,662	42,931	623	7,000	56	8,000	88
159	45,094	45,094	2,796	45,094	654	7,000	56	8,000	88
167	46,654	46,654	2,893	46,654	676	7,000	56	8,000	88
<b>Subtotal</b>	<b>488,010</b>	<b>488,010</b>	<b>30,257</b>	<b>488,010</b>	<b>7,076</b>	<b>56,000</b>	<b>448</b>	<b>64,000</b>	<b>704</b>

**Hourly Employees:**

3	57,834	57,834	3,586	57,834	839	7,000	56	8,000	88
5	59,777	59,777	3,706	59,777	867	7,000	56	8,000	88
8	55,416	55,416	3,436	55,416	804	7,000	56	8,000	88
	98,009	98,009	6,077	98,009	1,421	7,000	56	8,000	88
	74,407	74,407	4,613	74,407	1,079	7,000	56	8,000	88
13	54,003	54,003	3,348	54,003	783	7,000	56	8,000	88
15	62,045	62,045	3,847	62,045	900	7,000	56	8,000	88
17	72,123	72,123	4,472	72,123	1,046	7,000	56	8,000	88
18	55,431	55,431	3,437	55,431	804	7,000	56	8,000	88
22	57,149	57,149	3,543	57,149	829	7,000	56	8,000	88
23	48,182	48,182	2,987	48,182	699	7,000	56	8,000	88
24	78,833	78,833	4,888	78,833	1,143	7,000	56	8,000	88
25	66,539	66,539	4,125	66,539	965	7,000	56	8,000	88
31	55,189	55,189	3,422	55,189	800	7,000	56	8,000	88
34	40,546	40,546	2,514	40,546	588	7,000	56	8,000	88
38	55,885	55,885	3,465	55,885	810	7,000	56	8,000	88
40	55,730	55,730	3,455	55,730	808	7,000	56	8,000	88
41	55,537	55,537	3,443	55,537	805	7,000	56	8,000	88
43	55,691	55,691	3,453	55,691	808	7,000	56	8,000	88
47	43,506	43,506	2,697	43,506	631	7,000	56	8,000	88
50	56,368	56,368	3,495	56,368	817	7,000	56	8,000	88
51	21,093	21,093	1,308	21,093	306	7,000	56	8,000	88
52	34,481	34,481	2,138	34,481	500	7,000	56	8,000	88
53	27,069	27,069	1,678	27,069	393	7,000	56	8,000	88
54	28,080	28,080	1,741	28,080	407	7,000	56	8,000	88
1	46,892	46,892	2,907	46,892	680	7,000	56	8,000	88
138	45,296	45,296	2,808	45,296	657	7,000	56	8,000	88
139	34,442	34,442	2,135	34,442	499	7,000	56	8,000	88
142	32,888	32,888	2,039	32,888	477	7,000	56	8,000	88
144	33,513	33,513	2,078	33,513	486	7,000	56	8,000	88

Emp #	Wages	Social Security		Medicare Wages		Federal Unemployment		State Unemployment	
		Up to	@	All	@	Up to	@	Up to	@
Total		\$106,800	6.20%	Wages	1.45%	\$7,000	0.80%	\$8,000	1.10%
155	27,734	27,734	1,719	27,734	402	7,000	56	8,000	88
161	28,281	28,281	1,753	28,281	410	7,000	56	8,000	88
163	35,027	35,027	2,172	35,027	508	7,000	56	8,000	88
164	24,541	24,541	1,522	24,541	356	7,000	56	8,000	88
166	26,337	26,337	1,633	26,337	382	7,000	56	8,000	88
168	24,265	24,265	1,504	24,265	352	7,000	56	8,000	88
<b>Subtotal</b>	<b>1,728,139</b>	<b>1,728,139</b>	<b>107,145</b>	<b>1,728,139</b>	<b>25,058</b>	<b>252,000</b>	<b>2,016</b>	<b>288,000</b>	<b>3,168</b>
<b>Part Time &amp; Summer Employees</b>									
	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Retired Employees</b>									
20		0	0	0	0	0	0	0	0
145		0	0	0	0	0	0	0	0
157		0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>2,216,148</b>	<b>2,216,148</b>	<b>137,401</b>	<b>2,216,148</b>	<b>32,134</b>	<b>308,000</b>	<b>2,464</b>	<b>352,000</b>	<b>3,872</b>



Big Sandy Rural Electric

Case No. 2012-00030

August 31, 2011

**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. The Commission approved the rates Big Sandy is using in Case No. 2008-00401. Big Sandy is not proposing to adjust the rates in 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.

Big Sandy Rural Electric  
Case No. 2012-00030  
August 31, 2011  
Depreciation Adjustment

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Account Number	Description	08/31/11 Balance	Rate	Normalized Expense	Test Year Expense	Items Fully Depreciated
<b>Distribution plant:</b>						
362	Station equipment	354,439	2.86%	10,137	10,103	
364	Poles, towers & fixtures	12,486,547	4.99%	623,079	613,335	
365	Overhead conductors & devices	11,292,719	4.84%	546,568	535,755	
366	Underground conduit	417,110	4.84%	20,188	18,892	
367	Underground conductor & devic	295,032	3.13%	9,235	8,679	
368	Line transformers	6,029,423	3.46%	208,618	205,740	
369	Services	4,371,436	4.02%	175,732	172,809	
370	Meters	3,262,768	6.67%	217,627	213,003	
371	Security lights	2,030,390	4.09%	83,043	82,023	
		<u>40,539,864</u>		<u>1,894,225</u>	<u>1,860,339</u>	
<b>General plant:</b>						
389	Land	292,419				
390	Structures and improvements	877,602	2.0%	17,552	17,819	0
391	Office furniture and equipment	389,511	6.0%	22,843	22,602	8,792
392	Transportation equipment	1,505,814	16.0%	201,836	196,829	244,338
394	Tools, shop and garage	66,546	5.0%	3,152	3,210	3,507
395	Laboratory	124,728	5.0%	6,170	6,177	1,325
396	Power operated equipment	31,966	14.0%	0	0	31,966
397	Communication	64,452	7.0%	1,151	726	48,013
398	Miscellaneous	34,072	5.0%	1,596	1,692	2,152
		<u>3,387,110</u>		<u>254,300</u>	<u>249,055</u>	
	Total electric plant	<u>43,926,974</u>		<u>2,148,525</u>	<u>2,109,394</u>	

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

Big Sandy Rural Electric  
Case No. 2012-00030  
Depreciation Adjustment  
August 31, 2011

Exhibit 3  
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Normalized depreciation accrual:		
Distribution plant	1,894,225	
General plant	254,300	
Less charged to clearing	<u>(201,836)</u>	
		1,946,689
Test year depreciation accrual:		
Distribution plant	1,860,339	
General plant	249,055	
Less charged to clearing	<u>(196,829)</u>	
		1,912,565
Normalized depreciation expense adjustment		<u><u>34,124</u></u>

Transportation clearing:		
Normalized		201,836
Test year accrual		<u>196,829</u>
		<u><u>5,007</u></u>

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	40%	\$1,996
Others	4%	184
Distribution - operations	22%	1,097
Distribution - maintenance	32%	1,605
Consumer accounts	0%	0
Consumer service and information	0%	0
Administrative and general	2%	124
		<u>124</u>
Total	100%	<u><u>\$5,007</u></u>

Big Sandy Rural Electric  
Case No. 2012-00030  
**Depreciation Guideline Curve**  
August 31, 2011

<u>Year Ended</u>	<u>Distribution Plant in Service</u>	<u>Accumulated Deprec for Distribution</u>	<u>Reserve Ratio</u>	<u>Ratio of Current Distribution Plant to Distribution Plant 10 Years Prior</u>
2010	39,488,447	10,126,409	25.64%	1.54
2009	38,132,510	9,192,100	24.11%	1.58
2008	36,820,698	8,106,185	22.02%	1.60
2007	35,825,302	7,566,585	21.12%	1.21
2006	34,137,274	7,382,959	21.63%	1.25
2005	31,940,918	7,213,319	22.58%	
2004	30,123,865	7,026,718	23.33%	
2003	28,915,792	6,576,124	22.74%	
2002	27,879,333	6,095,301	21.86%	
2001	26,851,193	5,689,071	21.19%	
2000	25,649,435	5,244,865	20.45%	
1999	24,154,399	4,981,672	20.62%	
1998	23,070,872	4,725,458	20.48%	
1997	29,557,342	3,642,560	12.32%	
1996	27,286,146	3,819,774	14.00%	
1995	25,134,250	4,360,987	17.35%	
1994	22,796,029	4,647,621	20.39%	
1993	21,100,693	4,451,559	21.10%	

Big Sandy Rural Electric  
Case No. 2012-00030  
August 31, 2011

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<b>Changes in electric plant:</b>		<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
362	Station equipment	353,139	1,300		354,439
364	Poles, towers and fixtures	12,048,456	602,370	164,279	12,486,547
365	Overhead conductor and devices	10,737,661	683,248	128,190	11,292,719
366	Underground conduit	371,932	45,721	543	417,110
367	Underground conductor and devices	257,531	38,234	733	295,032
368	Line transformers	5,851,948	211,499	34,024	6,029,423
369	Services	4,210,054	217,709	56,327	4,371,436
370	Meters	3,169,318	113,294	19,844	3,262,768
371	Security lights	1,981,642	84,392	35,644	2,030,390
	Subtotal distribution plant	<u>38,981,681</u>	<u>1,997,767</u>	<u>439,584</u>	<u>40,539,864</u>
389	Land	50,000	242,419		292,419
390	Structures and improvements	678,937	198,665		877,602
391	Office furniture and equipment	365,056	25,938	1,483	389,511
392	Transportation equipment	1,589,147	112,007	195,340	1,505,814
394	Tools, shop and garage	61,104	5,442		66,546
395	Laboratory	120,776	3,952		124,728
396	Power operated equipment	31,966	0		31,966
397	Communication	59,290	5,162		64,452
398	Miscellaneous	34,305	(233)		34,072
	Subtotal general plant	<u>2,990,581</u>	<u>593,352</u>	<u>196,823</u>	<u>3,387,110</u>
	Total electric plant in service	<u>\$41,972,262</u>	<u>\$2,591,119</u>	<u>\$636,407</u>	<u>\$43,926,974</u>

Big Sandy Rural Electric  
Case No. 2012-00030  
August 31, 2011

Exhibit 3  
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**Changes in reserve for depreciation:**

	31-Aug-10 <u>Balance</u>	<u>Accrual</u>	Original <u>Cost</u>	Removal <u>Cost</u>	Gain/Loss <u>Salvage</u>	Net <u>Charge</u>	31-Aug-11 <u>Balance</u>
Distribution plant	\$9,773,498	\$1,860,339	\$439,584	\$333,764	\$61,292	\$712,056	\$10,921,781
Land							
Structures and improvements	197,919	17,819	0			0	215,738
Office furniture and equipment	248,110	22,602	1,483		1,483	0	270,712
Transportation equipment	1,482,749	196,829	195,340		32,505	162,835	1,516,743
Tools, shop and garage	46,935	3,210	0			0	50,145
Laboratory	79,844	6,177	0			0	86,021
Power operated	8,000	0	0			0	8,000
Communication	54,072	726	0			0	54,798
Miscellaneous	20,881	1,692	0			0	22,573
Subtotal general plant	2,138,510	249,055	196,823	0	33,988	162,835	2,224,730
Retirement WIP	11,848			(7,544)		(7,544)	4,304
Total accumulated depreciation	\$11,900,160	\$2,109,394	\$636,407	\$341,308	\$95,280	\$882,435	\$13,142,207

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Analysis of Other Operating Taxes  
12 Months Ended  
August 31, 2011

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Line No.	<u>Item</u> (a)	<u>Charged Expense</u> (b)	<u>Charged to Construction</u> (c)	<u>Charged to Other Accounts</u> (d)	<u>Amounts Accrued</u> (e)	<u>Amount Paid</u> (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem	266,550			266,550	266,550
	(d) Payroll (Employer's Portion)	103,722	36,189	22,663	162,574	162,574
	(e) Other Taxes	25,430			25,430	25,430
2.	Total Retail (L1(a) through L1(e))	395,702	36,189	22,663	454,554	454,554
3.	Other Jurisdictions Total Per Books (L2 and L3)	395,702	36,189	22,663	454,554	454,554

Allocation of adjustment:

583	Overhead line exp	61%	6,277
584	Underground line exp	25%	2,527
586	Meter exp	3%	295
587	Customer installation exp	3%	279
588	Miscellaneous distribution exp	4%	371
903	Consumer records	3%	278
910	Misc customer service	1%	93
921	Office supply and exp	2%	183
		100%	10,304

Big Sandy Rural Elect    cooperative  
Case No. 2012-00030  
August 31, 2011

Taxing District	Assessment for 2011 Taxes			Assessment for 2010 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
<b>Floyd County</b>							
Tangible - County	7,072,897	0.1270	8,982.58	7,079,568	0.1270	8,991.05	(8)
Tangible - School	7,072,897	0.5290	37,415.63	7,079,568	0.5280	37,380.12	36
Tangible - Library	7,072,897	0.1022	7,228.50	7,079,568	0.0903	6,392.85	836
Tangible - Health	7,072,897	0.0400	2,829.16	7,079,568	0.0400	2,831.83	(3)
Tangible - Extension	7,072,897	0.0290	2,051.14	7,079,568	0.0265	1,876.09	175
Tangible FD - Allen	136,352	0.1000	136.35	136,503	0.1000	136.50	(0)
Tangible FD - Cow Creek	296,765	0.1000	296.77	297,095	0.1000	297.10	(0)
Tangible FD - David	607,567	0.1000	607.57	606,241	0.1000	606.24	1
Tangible FD - Garrett	485,251	0.1000	485.25	485,790	0.1000	485.79	(1)
Tangible FD - Maytown	76,196	0.1000	76.20	76,281	0.1000	76.28	(0)
Tangible FD - Middle Creek	485,251	0.1000	485.25	485,790	0.1000	485.79	(1)
<b>Johnson County</b>							
Real Estate - County	92,177	0.0870	80.19	111,136	0.0850	94.47	(14)
Real Estate - Common Schoc	50,000	0.3570	178.50	50,000	0.3430	171.50	7
Real Estate - Independent Sc.	42,177	0.7630	321.81	61,136	0.7630	466.47	(145)
Real Estate - Library	92,177	0.0850	78.35	111,136	0.0770	85.57	(7)
Real Estate - Health	92,177	0.0400	36.87	111,136	0.0400	44.45	(8)
Real Estate - Extension	92,177	0.0250	23.04	111,136	0.0240	26.67	(4)
Real Estate - Conservation	92,177	0.0070	6.45	111,136	0.0070	7.78	(1)
Tangible - County	11,011,969	0.0870	9,580.41	10,979,734	0.0850	9,332.77	248
Tangible - Common School	10,824,838	0.3570	38,644.67	10,863,859	0.3430	37,263.04	1,382
Tangible - Independent Scho	187,131	0.7630	1,427.81	115,875	0.7630	884.13	544
Tangible - Library	11,011,969	0.1463	16,110.51	10,979,734	0.1229	13,494.09	2,616
Tangible - Health	11,011,969	0.0400	4,404.79	10,979,734	0.0400	4,391.89	13
Tangible - Extension	11,011,969	0.0297	3,270.55	10,979,734	0.0264	2,898.65	372
<b>Knott County</b>							
Tangible - County	876,508	0.1620	1,419.94	874,872	0.1300	1,137.33	283
Tangible - School	876,508	0.5190	4,549.08	874,872	0.4690	4,103.15	446
Tangible - Extension	876,508	0.0629	551.32	874,872	0.0469	410.31	141
Tangible - Health	876,508	0.0310	271.72	874,872	0.0310	271.21	1
page totals			141,550.42			134,643.13	6,907.29



Big Sandy Rural Elect... cooperative  
Case No. 2012-00030  
40786

Taxing District	Assessment for 2011 Taxes			Assessment for 2010 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
<b>Martin County</b>							
Tangible - County	1,214,323	0.1280	1,554.33	1,218,891	0.1280	1,560.18	(6)
Tangible - School	1,214,323	0.5310	6,448.06	1,218,891	0.5310	6,472.31	(24)
Tangible - Library	1,214,323	0.1304	1,583.48	1,218,891	0.0350	426.61	1,157
Tangible - Health	1,214,323	0.0350	425.01	1,218,891	0.1240	1,511.42	(1,086)
Tangible - Extension	1,214,323	0.0909	1,103.82	1,218,891	0.0909	1,107.97	(4)
<b>Lawrence County</b>							
Tangible - County	973,510	0.1720	1,674.44	974,591	0.1580	1,539.85	135
Tangible - School	973,510	0.4590	4,468.41	974,591	0.4100	3,995.82	473
Tangible - Library	973,510	0.2000	1,947.02	974,591	0.1853	1,805.92	141
Tangible - Health	973,510	0.0300	292.05	974,591	0.0300	292.38	(0)
Tangible - Extension	973,510	0.0786	765.18	974,591	0.0603	587.68	178
<b>Morgan County</b>							
Tangible - County	66,371	0.0600	39.82	66,444	0.0550	36.54	3
Tangible - School	66,371	0.4930	327.21	66,444	0.4740	314.94	12
Tangible - Library	66,371	0.1159	76.92	66,444	0.0828	55.02	22
Tangible - Health	66,371	0.1000	66.37	66,444	0.0500	33.22	33
Tangible - Extension	66,371	0.1250	82.96	66,444	0.1300	86.38	(3)
Tangible - Ambulance	66,371	0.0710	47.12	66,444	0.0660	43.85	3
<b>Breathitt County</b>							
Tangible - County	20,854	0.1120	23.36	20,877	0.1120	23.38	(0)
Tangible - School	20,854	0.4060	84.67	20,877	0.4060	84.76	(0)
Tangible - Library	20,854	0.1150	23.98	20,877	0.0878	18.33	6
Tangible - Health	20,854	0.0800	16.68	20,877	0.0800	16.70	(0)
Tangible - Extension	20,854	0.1361	28.38	20,877	0.0992	20.71	8
page totals			21,079.28			20,033.99	1,045.29

Big Sandy Rural Elect. Cooperative  
 Case No. 2012-00030  
 40786

Taxing District	Assessment for 2011 Taxes			Assessment for 2010 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
<b>Magoffin County</b>							
Tangible - County	3,810	0.3414	13.01	3,814	0.3414	13.02	(0)
Tangible - School	3,810	0.3870	14.74	3,814	0.3570	13.62	1
Tangible - Extension	3,810	0.0680	2.59	3,814	0.0630	2.40	0
Tangible - Health	3,810	0.0500	1.91	3,814	0.0500	1.91	(0)
Tangible - Library	3,810	0.0540	2.06	3,814	0.0445	1.70	0
<b>City of Paintsville</b>							
Real Estate	42,177	0.1650	69.59	61,136	0.1650	100.87	(31)
Tangible	187,131	0.1650	308.77	115,875	0.1650	191.19	118
<b>Public Service Company Assessment:</b>							
Real Estate	294,861	0.1220	359.73	92,177	0.1220	112.46	247
Tangible Property	21,680,574	0.4500	97,562.58	21,240,242	0.4500	95,581.09	1,981
Manufacturing Machinery	3,723,452	0.1500	5,585.18	3,700,591	0.1500	5,550.89	34
this page			<u>103,920.15</u>			<u>101,569.14</u>	<u>2,351.01</u>
Total			<u><u>266,549.85</u></u>			<u><u>256,246.26</u></u>	<u><u>10,303.59</u></u>
Amount of Adjustment							<u><u>10,304</u></u>

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Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
August 31, 2011

**Adjustment for Interest on Long Term Debt**

The adjustment for interest on long-term debt results in an increase of \$45,168.

Interest on short term borrowings of \$6,256 has been removed.

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

RUS loans	382,067
FFB loans	361,568
CFC loans	<u>281,111</u>
Total annualized interest	1,024,745
Test year interest expense	<u>979,577</u>
Adjustment	<u><u>45,168</u></u>

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Schedule of Outstanding Long-Term Debt  
August 31, 2011

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	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)
<b>RUS loans</b>								
1B270	Jan-96	Jan-31	294,890	3.370%	9,938	10,297	4.500%	13,270
1B271	Jan-96	Jan-31	496,034	3.870%	19,197	19,842	3.875%	19,221
1B273	Jan-96	Jan-31	170,450	3.750%	6,392	6,610	3.750%	6,392
1B275	Jan-96	Jan-31	357,613	2.750%	9,834	10,211	2.875%	10,281
1B276	Jan-96	Jan-31	624,716	4.250%	26,550	27,404	4.250%	26,550
1B280	Nov-04	Oct-39	1,343,868	2.200%	29,565	22,059	3.830%	51,470
1B281	Nov-04	Oct-39	1,859,574	4.630%	86,098	86,832	4.630%	86,098
1B282	Nov-04	Oct-39	1,406,988	4.930%	69,365	69,921	4.930%	69,365
1B283	Nov-04	Oct-39	1,419,411	4.580%	65,009	65,568	4.930%	69,977
1B284	Nov-04	Oct-39	1,315,510	4.570%	60,119	60,545	4.580%	60,250
			<u>9,289,054</u>		<u>382,067</u>	<u>379,290</u>		<u>412,875</u>
<b>FFB loans</b>								
H0010	Jan-99	Dec-33	<u>8,085,144</u>	4.472%	<u>361,568</u>	<u>295,548</u>	4.472%	<u>361,568</u>
<b>CFC loans</b>								
9007	Apr-77	Mar-12	14,919	6.35%	947	1,922	6.35%	947
9011	Jul-79	Jun-14	81,928	6.30%	5,161	6,263	6.30%	5,161
9014	Mar-82	Feb-17	149,039	6.30%	9,389	10,535	6.30%	9,389
9015	Sep-84	Aug-19	137,806	6.30%	8,682	9,492	6.30%	8,682
9016	Sep-89	Aug-24	445,796	6.35%	28,308	30,101	6.35%	28,308
9017	Mar-93	Feb-28	578,846	6.35%	36,757	38,803	6.35%	36,757
9018	Dec-95	Nov-30	918,066	6.46%	59,307	58,344	6.46%	59,307
1008	Jun-03	May-11	0	4.85%	0	16,721	4.85%	0
1009	Jun-03	May-12	344,755	5.10%	17,583	17,583	5.10%	17,583
1010	Jun-03	May-13	344,755	5.30%	18,272	18,272	5.30%	18,272
1011	Jun-03	May-14	344,755	5.50%	18,962	18,962	5.50%	18,962
1012	Jun-03	May-15	344,755	5.55%	19,134	19,134	5.55%	19,134
1013	Jun-03	May-16	344,755	5.65%	19,479	19,479	5.65%	19,479
1014	Jun-03	May-17	344,755	5.65%	19,479	19,479	5.65%	19,479
1015	Jun-03	May-18	344,761	5.70%	19,651	19,651	5.70%	19,651
			<u>4,739,691</u>		<u>281,111</u>	<u>304,740</u>		<u>281,111</u>
Total long term debt and annualized			<u><u>22,113,889</u></u>		<u><u>1,024,745</u></u>	<u><u>979,577</u></u>		<u><u>1,055,553</u></u>

Annualized cost rate [Total Col. (j) / Total Col. (d)] 4.63%

Actual test year cost rate [Total Col (k) / Total Reported in Col (d)] 4.43%

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Schedule of Outstanding Long-Term Debt  
December 31, 2010

Exhibit 5  
page 3 of 4  
Format 8a  
Schedule 1

Type of Debt Issued	Date of Issue	Date of Maturity	Outstanding Amount	Cost Rate to Maturity	Annualized Cost Col (d)x(g)	Interest December 31 2010
(a)	(b)	(c)	(d)	(g)	(j)	
<b>RUS loans</b>						
1B270	Jan-96	Jan-31	302,925	3.370%	10,209	10,417
1B271	Jan-96	Jan-31	508,804	3.870%	19,691	20,092
1B273	Jan-96	Jan-31	174,903	3.750%	6,559	6,693
1B275	Jan-96	Jan-31	368,052	2.750%	10,121	10,328
1B276	Jan-96	Jan-31	640,126	4.250%	27,205	27,760
1B280	Nov-04	Oct-39	1,366,901	2.200%	30,072	30,685
1B281	Nov-04	Oct-39	1,883,412	4.630%	87,202	88,980
1B282	Nov-04	Oct-39	1,423,967	4.930%	70,202	71,633
1B283	Nov-04	Oct-39	1,437,767	4.580%	65,850	67,192
1B284	Nov-04	Oct-39	1,332,414	4.570%	60,891	62,133
			<u>9,439,271</u>		<u>388,001</u>	<u>395,913</u>
<b>FFB loans</b>						
H0010	Jan-99	Dec-33	<u>8,166,339</u>	4.472%	<u>365,199</u>	<u>315,129</u>
<b>CFC loans</b>						
9007	Apr-77	Mar-12	113,017	6.35%	7,177	6,538
9011	Jul-79	Jun-14	175,076	6.30%	11,030	10,048
9014	Mar-82	Feb-17	227,582	6.30%	14,338	13,062
9015	Sep-84	Aug-19	184,235	6.30%	11,607	10,574
9016	Sep-89	Aug-24	519,759	6.35%	33,005	30,068
9017	Mar-93	Feb-28	645,295	6.35%	40,976	37,330
9018	Dec-95	Nov-30	991,510	6.46%	64,052	58,352
1008	Jun-03	May-12	344,755	4.85%	16,721	15,233
1009	Jun-03	May-12	344,755	5.10%	17,583	16,018
1010	Jun-03	May-13	344,755	5.30%	18,272	16,646
1011	Jun-03	May-14	344,755	5.50%	18,962	17,274
1012	Jun-03	May-15	344,755	5.55%	19,134	17,431
1013	Jun-03	May-16	344,755	5.65%	19,479	17,745
1014	Jun-03	May-17	344,755	5.65%	19,479	17,745
1015	Jun-03	May-18	344,761	5.70%	19,651	17,903
			<u>5,614,520</u>		<u>331,463</u>	<u>301,967</u>
Total long term debt and annualized			<u>23,220,130</u>		<u>1,084,663</u>	<u>1,013,009</u>

Annualized cost rate [Total Col. (j) / Total Col. (d)] 4.67%  
Actual test year cost rate [Total Col (k) / Total Reported in Col (d)] 4.36%

1 Big Sandy Rural Electric Cooperative  
 2 Case No. 2012-00030  
 3 Schedule of Short Term Debt  
 4 August 31, 2011

Exhibit 5  
 page 4 of 4  
 Format 8b

5  
 6 **Adjustment for Short Term Interest**

7  
 8 This adjustment is to remove interest on short term borrowings. It is presumed  
 9 that the short term borrowings will be repaid as a result of additional revenues  
 10 generated from this Application.

11

12 Type of Debt	Date of Issue	Date of Maturity	Amount Outstanding	Interest Rate	Annualized Cost
14 <u>Instrument</u>	<u>Issue</u>	<u>Maturity</u>	<u>Outstanding</u>	<u>Rate</u>	<u>Cost</u>
15 (a)	(b)	(c)	(d)	(e)	(f)
17 CoBank	5/16/2011	7/31/2012	500,000	3.38%	16,900
19 Annualized cost rate [Total col. (f) / Total col. (d)]					3.38%
21 Actual interest paid, or accrued on Short Term Debt during the Test Year					6,256

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 24  
 25 Big Sandy pays East Kentucky Power Cooperative \$3,510.58 per month in interest  
 26 charges for a 69 KR transmission line to Inez, instead of building a substation in  
 27 that area.

28  
 29 Other interest expense during the test year is as follows:

30 431.00, Customer deposits	39,802.54
31 431.10, Short term borrowings	6,255.56
32 431.20, EKPC Inez line	42,126.96
33 431.30, Truck lease	4,624.10
34	<u>92,809.16</u>

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Emp #	Wages	<u>Retirement &amp; 401(k)</u>	
	Total	<u>Rate</u>	<u>Accrual</u>
<b>Salary Employees</b>			
14	68,640	29.02%	19,919
16	71,594	29.02%	20,776
130	100,006	29.02%	29,022
134	46,862	29.02%	13,599
136	66,227	29.02%	19,219
149	42,931	29.02%	12,459
159	45,094	29.02%	13,086
167	46,654	29.02%	13,539
<b>Subtotal</b>	<b>488,010</b>		141,620
<b>Hourly Employees:</b>			
3	57,834	6.00%	3,386
5	59,777	6.00%	3,527
8	55,416	6.00%	3,305
10	98,009	6.00%	3,249
11	74,407	6.00%	3,249
13	54,003	6.00%	3,119
15	62,045	6.00%	3,527
17	72,123	6.00%	3,249
18	55,431	6.00%	3,249
22	57,149	6.00%	3,249
23	48,182	6.00%	2,803
24	78,833	6.00%	3,386
25	66,539	6.00%	3,249
31	55,189	6.00%	3,217
34	40,546	6.00%	2,371
38	55,885	6.00%	3,217
40	55,730	6.00%	3,217
41	55,537	6.00%	3,217
43	55,691	6.00%	3,217
47	43,506	6.00%	2,550
50	56,368	6.00%	3,217
51	21,093	6.00%	1,248
52	34,481	6.00%	2,059
53	27,069	6.00%	1,622
54	28,080	6.00%	1,685

Emp #	Normalized Wages	<u>Retirement &amp; 401(k)</u>	
	Total	<u>Rate</u>	<u>Accrual</u>
124	46,892	29.02%	13,153
138	45,296	29.02%	13,117
139	34,442	29.02%	9,923
142	32,888	29.02%	9,428
144	33,513	29.02%	9,597
155	27,734	29.02%	8,028
161	28,281	29.02%	8,022
163	35,027	29.02%	10,165
164	24,541	29.02%	6,942
166	26,337	29.02%	7,418
168	24,265	29.02%	6,942
<b>Subtotal</b>	<b>1,728,139</b>		<b>176,118</b>



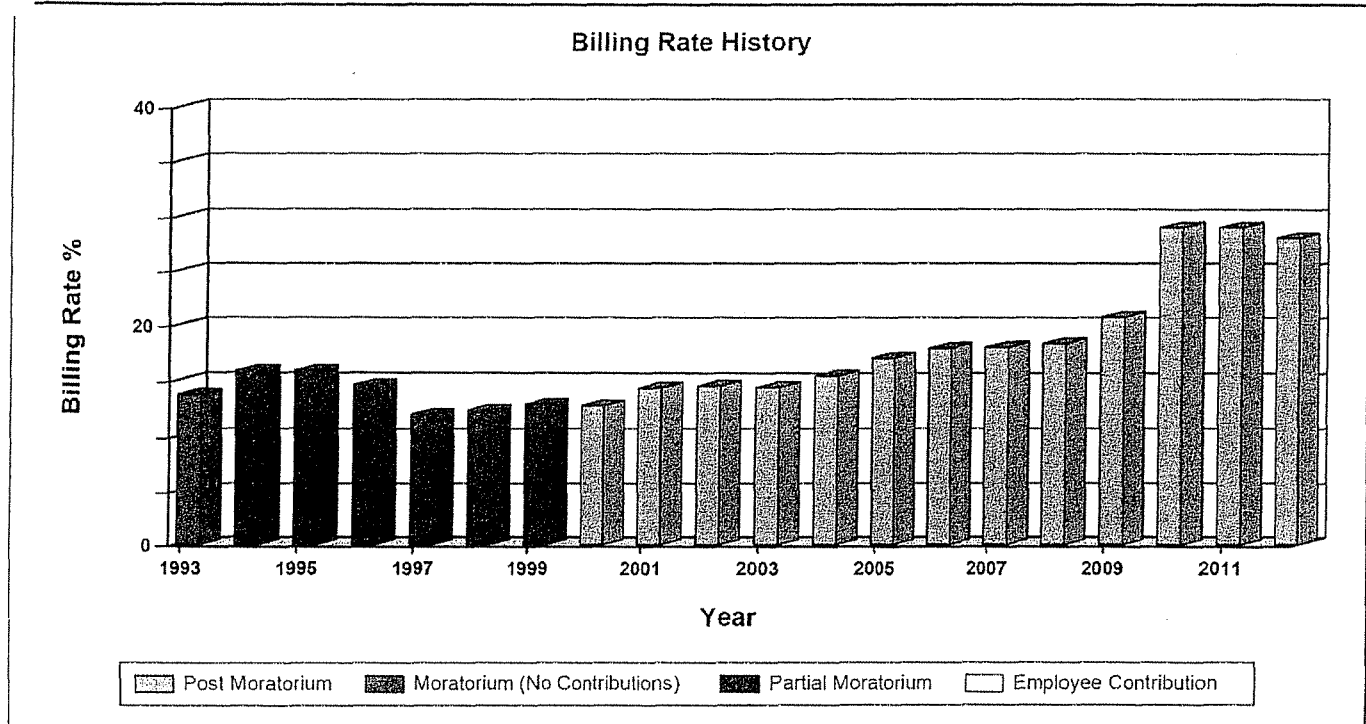


## NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

### Retirement Security Plan

System #:	01-18058-001	Plan ID:	RNR01A
Name:	BIG SANDY RECC		

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1993	1.70	13.80	0.00	30	No	46	No	BS
1994	1.70	15.91	0.00	30	No	47	No	BS
1995	1.70	15.91	0.00	30	No	47	No	BS
1996	1.70	14.65	0.00	30	No	46	Yes	BS
1997	1.70	12.01	0.00	30	No	46	Yes	BS
1998	1.70	12.41	0.00	30	No	46	Yes	BS
1999	1.70	12.95	0.00	30	No	47	Yes	BS
2000	1.70	12.82	0.00	30	No	46	Yes	BS
2001	1.70	14.41	0.00	30	No	47	Yes	BS
2002	1.70	14.59	0.00	30	No	45	Yes	BS
2003	1.70	14.46	0.00	30	No	43	Yes	BS
2004	1.70	15.49	0.00	30	No	45	Yes	BS
2005	1.70	17.08	0.00	30	No	47	Yes	BS
2006	1.70	17.94	0.00	30	No	47	Yes	BS
2007	1.70	18.03	0.00	30	No	45	Yes	BS
2008	1.70	18.39	0.00	30	No	45	Yes	BS
2009	1.70	20.78	0.00	30	No	46	Yes	BS
2010	1.70	29.02	0.00	30	No	48	Yes	BS
2011	1.70	29.02	0.00	30	No	48	Yes	BS
2012	1.70	28.04	0.00	30	No	46	Yes	BS



Note: The System Cost is the total of the Trust Contribution and the Administrative Fee.

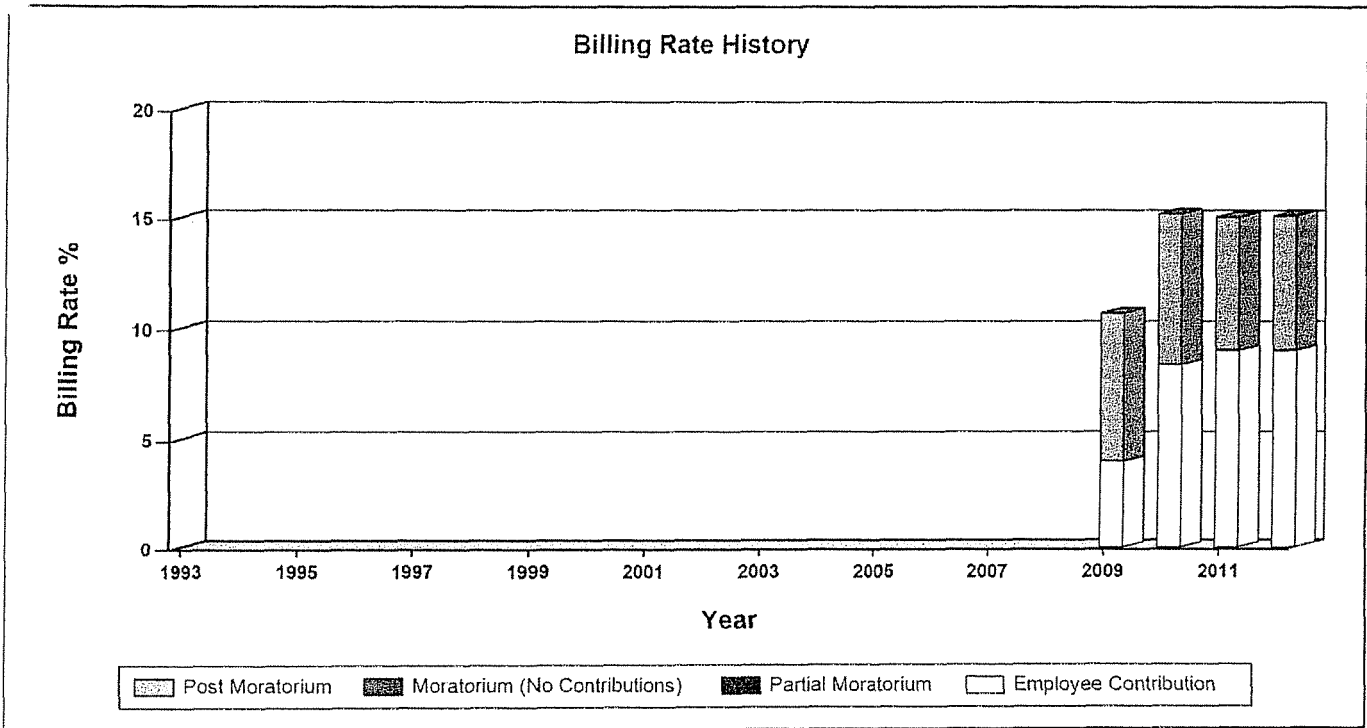
Our Retirement Security Plan's salary type is "base salary." As a result, your contribution cost is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2011, which is that participant's effective salary for the 2012 plan year. Beginning with your January 2012 monthly statement, the estimated amount due will be based on this percentage. Rates noted are for the plan in effect as of January 1 for each year.



**NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**  
Retirement Security Plan

System #:	01-18058-002	Plan ID:	RNR01A
Name:	BIG SANDY RECC		

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1993								
1994								
1995								
1996								
1997								
1998								
1999								
2000								
2001								
2002								
2003								
2004								
2005								
2006								
2007								
2008								
2009	1.00	6.72	4.00	62	No	45	No	BS
2010	1.00	6.79	8.40	62	No	46	No	BS
2011	1.00	6.00	9.04	62	No	43	No	BS
2012	1.00	6.06	9.04	62	No	44	No	BS



Note: The System Cost is the total of the Trust Contribution and the Administrative Fee.

Your Retirement Security Plan's salary type is "base salary." As a result, your contribution cost is applied as a percentage of each participant's annualized base rate of pay in effect on November 15, 2011, which is that participant's effective salary for the 2012 plan year. Beginning with your January 2012 monthly statement, the estimated amount due will be based on this percentage. Rates noted are for the plan in effect as of January 1 for each year.

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Big Sandy Rural Electric  
Case No. 2012-00030  
**Adjustment for Donations**  
August 31, 2011

Donations are removed for rate making purposes. The adjustment to adjustment to remove the donations and a detail list are attached.

## Big Sandy Rural Electric

Case No. 2012-00030

**Donations Account 426.00**

August 31, 2011

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
1/20/11	43339	KAEC	168.20	x FFA donation
5/10/11	43903	KAEC	400.00	Lineman safety
1/31/11	43372	Ky Council of Coops	200.00	Dues
7/12/11	44298	Floyd Co Rescue	300.00	x Donation
4/12/11	43744	Johnson Central HS	50.00	x FAA Horse show
10/15/10	42697	WR Castle PTO	35.00	x Yearbook
4/21/11	43787	Carl Perkins Vocational	250.00	x Sponsorship
9/1/10	42422	Allen Central	300.00	x Academic Team donation
10/13/10	42673	Prestonsburg PTA	50.00	x Cheerleader
10/15/10	42700	Alzheimers Assoc	50.00	x Donation
11/1/10	42797	American Cancer Assoc	50.00	x Donation
2/8/11	43380	Johnson Central HS	250.00	x Yearbook
2/8/11	43381	Bass Fishing Club	150.00	x Donation
3/17/11	43588	Central Elementary	100.00	x Academic Team donation
3/22/11	43603	Central Elementary	50.00	x Donation
3/24/11	43650	Boys of Summer Basebal	100.00	x Donation
4/26/11	43790	Johnson Co Autism	100.00	x Donation
5/3/11	43824	Jeff Shephard	200.00	x Donation
5/12/11	43923	Bryce Osborne	1,000.00	x Scholarship
5/12/11	43924	Zach Fletcher	1,000.00	x Scholarship
5/12/11	43925	Holly Whitaker	1,000.00	x Scholarship
5/12/11	43926	Austn Woods	1,000.00	x Scholarship
5/12/11	43927	Olivia Waller	1,000.00	x Scholarship
5/12/11	43928	Zack Bolen	1,000.00	x Scholarship
5/12/11	43929	Courtney Mollette	1,000.00	x Scholarship
5/12/11	43930	Shelby Higgins	1,000.00	x Scholarship
6/9/11	44082	Shannon Funeral Home	50.00	x Donation
6/13/11	44085	Paintsville HS	100.00	x Donation
7/13/11	44398	Perkins Student Center	280.00	x Golf sponsor
8/15/11	44599	Johnson Co HS	100.00	x Auction donation
8/29/11	44673	Special Olympics	290.00	x Donation
8/30/11	44675	Paul B. Hall Scholar Fun	200.00	x Golf sponsor

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11,823.20

 Remove for rate making 11,223.20 x

Big Sandy Rural Electric  
Case No. 2012-00030

Account 426 - Other Income Deductions  
August 31, 2011

Line No.	Item (a)	Amount (b)
1.	Donations	11,623
2.	Civic activities	
3.	Political activities	
4.	Other	<u>200</u>
5.	Total	<u><u>11,823</u></u>

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Professional Services

The Board of Directors has a responsibility to select an attorney to represent the board and cooperative to maintain the legal entity. The duties and responsibilities of the attorney are to perform routine services, special services, and other services for the cooperative. The attorney also attends the monthly and special board meetings. The monthly retainer fee was increased effective January 1, 2011 from \$500 per month to \$1,000, plus mileage. Services are billed at the normal hourly billing rates for the attorney and his staff.

The Board of Directors hires the outside auditor to perform the annual audit.

Adjustments are to remove items that are normally excluded or rate-making purposes. Among the expenses excluded are attorney health and dental premiums, gifts, attending legal seminars, and the Legislative Conference.

The list of \$1,074 of costs that have been removed for rate-making purposes is attached.

## Big Sandy Rural Electric Cooperative

Case No. 2012-00030

**Professional Services**

August 31, 2011

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Hours &amp; Bill Rate</u>	<u>Amount</u>	<u>Description</u>
<b>Legal</b>					
<b>Albert A. Burchett</b>					
10/12/10	42671			200.00	Property sale
9/30/10	42671			500.00	Monthly retainer
10/30/10	42743			500.00	Monthly retainer
11/15/10	42879			400.00	x KAEC annual mtg
11/23/10	42918			591.96	x KAEC annual mtg expenses
11/30/10	42921			500.00	Monthly retainer
12/31/10	43098			500.00	Monthly retainer
1/31/11	43268			1,000.00	Monthly retainer
2/28/11	43499			1,000.00	Monthly retainer
3/31/11	43623			1,000.00	Monthly retainer
4/30/11	43802			1,000.00	Monthly retainer
5/31/11	43983			1,000.00	Monthly retainer
6/22/11	44162			250.00	Special board mtg
6/30/11	44174			1,000.00	Monthly retainer
7/31/11	44477			1,000.00	Monthly retainer
8/31/11	44649			1,000.00	Monthly retainer
var		EKPC		8,577.64	Medical insurance premiums
11/29/10	42965	K-VA-T Food Stores		47.50	x Christmas cards
12/15/10	43070	Blair Embroidery		34.98	x Shirt
12/19/10	43167	Visa		12.99	Bd mtg meal
1/19/11	43356	Visa		5.89	Bd mtg meal
3/20/11	43698	Visa		9.09	Bd mtg meal
6/19/11	44264	Visa		12.52	Bd mtg meal
8/19/11	44717	NRECA		43.00	RE magazine

## Big Sandy Rural Electric Cooperative

Case No. 2012-00030

**Professional Services**

August 31, 2011

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Hours &amp; Bill Rate</u>	<u>Amount</u>	<u>Description</u>
<b>Cooperative Response Center</b>					
9/30/10	42610			1,811.81	Contract answering service
10/31/10	42855			2,682.92	Contract answering service
12/1/10	43091			3,634.49	Contract answering service
12/31/10	43216			3,668.15	Contract answering service
1/18/11	43392			3,193.66	Contract answering service
2/28/11	43505			2,723.29	Contract answering service
3/31/11	43668			2,918.23	Contract answering service
4/30/11	43889			4,475.39	Contract answering service
5/31/11	44102			4,054.87	Contract answering service
6/30/11	44232			3,619.91	Contract answering service
7/31/11	44525			4,731.92	Contract answering service
8/31/11	44702			3,271.55	Contract answering service
<b>Other</b>					
7/5/2011	44266	Alan Zumstein, CPA		600.00	IRS Form 990
2/23/2011	43431	Alan Zumstein, CPA		8,200.00	Annual audit
				<u>69,771.76</u>	
Disallow for rate making purposes				<u>1,074.44</u>	x



**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION  
POLICY STATEMENT NO. 400-005  
SECTION D**

**SUBJECT:           FUNCTIONS AND COMPENSATION OF  
COOPERATIVE ATTORNEYS**

- PURPOSE:**
- A.    To recognize the need for continuing legal guidance and counsel in the regular and special activities of the Cooperative, to insure maximum protection of the legal rights of the Cooperative, and to maintain operational conformity to the limitations prescribed by law.
  - B.    To provide for the functions of the legal consultant employed as the regular Cooperative Attorney(s) or a monthly retainer fee basis and for additional counsel as required from time to time.

**POLICY:**           It shall be the policy of Big Sandy RECC to maintain a continuing relationship with the Attorney or firm of attorneys for the purpose of procuring the necessary legal assistance and advice to protect the corporate interests of the Cooperative.

The Board of Directors shall designate the Cooperative Attorney(s) upon the recommendation of the President/General Manager.

**FUNCTIONS:**       The services required of the Attorney(s) will vary in nature and extent according to the conditions and problems that arise. These services can be divided into routine and special services.

- A.    Routine services shall be rendered on an annual retainer fee basis and shall include the following:
  - 1.    Attendance at regular and special Board Meetings, or meetings of committees of the Board, when requested by the Board or President/General Manager.
  - 2.    Review of minutes of all Board Meetings, regular or special, to check conformity with the bylaws and applicable state and federal law and regulations.

3. Review of minutes, resolutions, bylaw amendments, notice of meetings, and review of the proceedings of the Annual Meeting of Members, or of Special Meeting of Members, and attending such meetings to be available for consultation and participation if events warrant.
  4. Normal assistance and advice on tax matters, including reports and claims for exemption.
  5. Review and legal approval of contracts and other documents as to form, substance and execution.
  6. Miscellaneous letters and legal matters of a Minor nature not requiring an unusual amount of time, study and attention.
  7. Advice and consultation concerning Miscellaneous matters of cooperative business, including policy and personnel actions, as requested by the Board or President/General Manager.
  8. Attendance at association meetings pertaining to The activities of the Cooperative where special services are not required, and the choice of attending is left to the discretion of the attorney(s).
  9. Handling of loan documents and mortgages.
- B.
1. Attorney(s) may be requested by the Board of Directors to attend legal seminars, NRECA Annual Meetings and Regional Meetings. Such Meetings shall be compensated for at the rate of \$250.00 per day plus expenses. Expenses shall be reimbursed as described in Policy No. 400-010. This amount shall become effective January 1, 2011.
  2. Routine services shall be compensated for and included in the retainer fee of \$1000.00 per month. This amount shall become effective January 1, 2011.

3. The following benefits will be paid 100% of the Premium cost.
  - (1) Group medical and hospitalization Insurance.
  - (2) Business travel accident insurance.
  - (3) Life insurance.
  - (4) Effective January 19, 2001 life insurance and group medical/hospital insurance will be paid at 100% only for Cooperative Attorneys retained before 2001. All Attorneys retained for the first time subsequent to 1/19/01 are not entitled to these insurance benefits.

**RESPONSIBILITY:** The Board of Directors.

**SOURCE:**

REVISED	January 15, 1988
REVISED	June 17, 1994
REVISED	October 16, 1996
REVISED	January 19, 2001
REVISED	February 16, 2001
REVISED	November 16, 2004
REVISED	November 24, 2010

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Kelly Shepherd, Secretary

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Professional Services  
August 31, 2011

Format 33  
Exhibit 8  
page 2 of 4  
7 of 7

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<u>Line</u>		<u>Rate</u>	<u>Annual</u>		
<u>Number</u>	<u>Item</u>	<u>Case</u>	<u>Audit</u>	<u>Other</u>	<u>Total</u>
1	Legal			20,186	20,186
2	Engineering				0
3	Accounting		8,200	600	8,800
4	Other			40,786	40,786
5	Total	0	8,200	61,572	69,772

Big Sandy Rural Electric

Case No. 2012-00030

**Name of Board Members**

August 31, 2011

**Chariman**

Wade May                      5650 Middle Fork Rd                      Leander, KY 41228

**Vice Chariman**

Danny Wallen                      2964 Ky Rt 2040                      Offutt, KY 41237

**Secretary-Treasurer**

Kelly Shepherd                      PO Box 863                      Paintsville, KY 41240

William Maxey                      PO Box 103                      Lowmansville, KY 41232

Greg Davis                      1041 State Rt 850                      David, KY 41616

Robert Moore                      1532 Stephens Branch Rd                      Presonsburg, KY 41653

**East Kentucky Power Cooperative representative**

Wade May

**KAEC representative**

William Maxey

**NRECA representative**

No attendees

Big Sandy Rural Electric  
Case No. 2012-00030  
**Adjustment for Director expenses**  
August 31, 2011

Certain expenses are generally disallowed for rate making purposes that are incurred for, and on behalf of, Directors of an electric cooperative. Big Sandy has made this adjustment to recognize those expenses.

KAEC annual meeting for non-representative:

Wade May	361.89
Greg Davis	365.38
Robert Moore	363.46
Kelly Shephard	331.39

Per diems:

All directors	14,350.00
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General expenses for all employees

Health insurance premiums	4,282.88
Christmas gifts	600.00

20,655.00

Big Sandy Rural Electric  
Case No. 2012-00030  
**Director Fees and Expenses**  
August 31, 2011

Exhibit 9  
page 3 of 10  
Witness: Alan Zumstein

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	Regular Board <u>Mtg</u>	Other Board <u>Mtg</u>	Per <u>Diem</u>	<u>Mileage</u>	Air <u>Fare</u>	Meeting <u>Fees</u>	<u>Hotel</u>	<u>Meals</u>	Health <u>Insurance</u>	Misc <u>Expenses</u>	<u>Total</u>	
May, Wade	4,400	1,400	1,400	134	366	3,320	2,194	698	0	304	14,216	
Wallen, Danny	4,400	1,400	1,500	178	324	1,825	861	281	0	106	10,876	
Maxey, Bill	4,400	1,400	3,400	178	324	3,320	2,615	826	0	106	16,569	
Davis, Greg	4,400	1,400	2,300	476	324	3,870	1,545	563	0	106	14,984	
Moore, Robert	4,400	1,400	2,250	573	0	2,045	1,565	390	0	106	12,728	
Shepherd, Kelly	4,400	800	3,500	119	324	3,320	1,726	400	0	106	14,694	
General expenses	0	0	0	0	0	0	0	1,191	4,283	5,352	10,827	
Total	26,400	7,800	14,350	1,658	1,663	17,700	10,506	4,349	4,283	6,186	94,895	0.00

Big Sandy Rural Electric

Case No. 2012-00030

Wade May

Witness: Alan Zumstein

		Check			Regular	Other	Per		Air	Meeting			Health	Misc	
	Date	Number	Payee	Explanation	Bd Mtg	Bd Mtg	Diem	Mileage	Fare	Fees	Hotel	Meals	Ins	Expense	Total
7					300.00			9.90							309.90
8	9/15/10	42524			300.00			9.90							309.90
9	10/19/10	42722			300.00										600.00
10	10/25/10	42739		Board retreat		600.00									600.00
11	11/15/10	42894		KAEC annual mtg			600.00								309.90
12	11/15/10	42903			300.00			9.90							1,100.00
13	11/16/10	42929	NRECA	NRECA Director training						1,100.00					1,100.00
14	11/18/10	43013	Visa	Board retreat							200.50	80.71			281.21
15	11/18/10	43013	Visa	KAEC annual mtg							219.51	55.38			274.89
16	11/18/10	43013	Visa	NRECA Director training							686.37	120.00			806.37
17	12/12/10	43038		NRECA Winter School			800.00								800.00
18	12/15/10	43060			300.00			9.90							309.90
19	12/19/10	43167	Visa	NRECA Director training							469.27	177.32			646.59
20	12/19/10	43167	Visa	Christmas gift										100.00	100.00
21	1/7/11	43217	KAEC	KAEC annual mtg											87.00
22	1/12/11	43276	NRECA	NRECA Director training						1,275.00					1,275.00
23	1/18/11	43251			400.00			9.18							409.18
24	1/19/11	43356	Visa	ID CARD										5.88	5.88
25	1/19/11	43356	Visa	NRECA Director training					324.30						324.30
26	2/17/11	43414			400.00			9.18							409.18
27	2/17/11	43537	Visa	NRECA Director training					41.65		618.80	177.62			838.07
28	3/15/11	43578			400.00			9.18							409.18
29	4/25/11	43784			400.00			9.18							409.18
30	5/12/11	43916		Annual mtg		400.00		9.18							409.18
31	5/17/11	43948			400.00			9.18							409.18
32	5/19/11	44061	Visa	Background check											197.95
33	6/15/11	44129			400.00			9.18							409.18
34	7/12/11	44299		Special mtg		400.00		9.99							409.99
35	7/19/11	44441			400.00			9.99							409.99
36	8/4/11	44603	NRECA	NRECA Director training						945.00					945.00
37	8/15/11	44609			400.00			9.99							409.99
38					4,400.00	1,400.00	1,400.00	133.83	365.95	3,320.00	2,194.45	698.03	0.00	303.83	14,216.09













Big Sandy Rural Electric  
Case No. 2012-00030  
**General Expenses**  
August 31, 2011

Exhibit 9  
page 10 of 10  
Witness: Alan Zumstein

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</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>Health Ins</u>	<u>Misc Expense</u>	<u>Total</u>
9/23/10	42545	Visa	Bd meal								110.42			110.42
10/28/10	42826	Jeff Prater	Bd meal								44.22			44.22
11/18/10	43013	Visa	Bd meal								126.81			126.81
12/3/10	43006	Sandra Shepherd	Bd meal								100.00			100.00
12/16/10	43070	Blair Embroidery	Shirts										209.88	209.88
2/21/11	43427	Red Bush Comm	Bd mtg								242.34			242.34
5/19/11	44061	Visa	Bd meal								76.57			76.57
6/19/11	44264	Visa	Bd meal								191.75			191.75
7/1/11	44191	Sandra Shepherd	Bd meal								60.00			60.00
7/19/11	44551	Visa	Bd meal								93.42			93.42
8/19/11	44734	Visa	Bd meal								145.90			145.90
														0.00
var		NRECA	24-hr accident										125.42	125.42
var		Federated	Director liability ins										5,016.92	5,016.92
var		EKPC	Health Insurance premiums									4,282.88		4,282.88 x
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,191.43	4,282.88	5,352.22	10,826.53

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**POLICY STATEMENT NO. 400-010**  
**SECTION D**

**SUBJECT:**           **BOARD OF DIRECTORS - COMPENSATION**

**OBJECTIVE:**       To provide fair and equitable compensation for members of the Board of Directors.

**POLICY:**

A. Per Diem of \$400.00 plus mileage from the Director's home shall be paid to each Director for attending a regular or special Board Meeting.

B. Directors authorized to attend any meeting, workshop, seminars, etc. shall be paid \$250.00 per day and shall be reimbursed for all legitimate expenses for attendance at such meetings. A detailed expense account, with receipts attached as appropriate shall be submitted to the Board for approval. No expenses will be paid for spouses of Directors accompanying them to meetings. Travel shall be reimbursed on the following basis.

1. If commercial air travel is available, then without regard to the mode actually used, reimbursement shall be for the expenses actually incurred in an amount not to exceed round trip air coach fare, if the same is available; otherwise, first class fare, plus cost of transportation to and from airport and other expenses attendant to air travel.
2. Mileage reimbursement, plus toll costs, for use of personal automobile shall be at the rate set forth in Policy No. 100-015, Section A.
3. Expenses incurred for travel earlier than sufficient time to attend a meeting shall not be reimbursed.

C. The following benefits will be paid 100% of the premium cost:

1. Group medical and hospitalization insurance.
2. Business travel accident insurance.
3. 24-Hour accident insurance.

4. Effective January 19, 2001, group medical and hospitalization insurance will be paid on Directors elected or appointed before 2001. All Directors elected or appointed to the Board for the first time after 1/19/01 are excluded.

**RESPONSIBILITY:** It shall be the responsibility of the Chairman of the Board to see that the provisions of the policy are carried out.

**SOURCE:** ADOPTED: January 18, 1991  
AMENDED: December 16, 1993  
June 17, 1994  
April 19, 1996  
February 18, 2000  
January 19, 2001  
REVISED: February 16, 2001  
REVISED: November 24, 2010

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Kelly Shepherd, Secretary



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Big Sandy Rural Electric  
Case No. 2012-00030  
**Adjustment for miscellaneous expenses**  
August 31, 2011

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 913.00, General Advertising Expense and Account 930.10, General Advertising Expenses. Those removed include sponsorship of sports, church, civic and charitable related organizations.

Annual meeting scholarships, prizes and giveaways are also disallowed.

The amounts removed for rate making purposes is as follows:

Account 913.00, General advertising	2,952
Account 930.10, General advertising	50
Account 930.20, Annual meeting	<u>1,985</u>
	<u><u>4,987</u></u>

Big Sandy Rural Electric  
Case No. 2012-00030  
Advertising - Account 913.00  
August 31, 2011

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
10/8/10	42680	Johnson Co Schools	50.00	x Eagle Express Advertisement
11/9/10	42885	Johnson Co Schools	50.00	x Eagle Express Advertisement
12/1/10	42996	Paintsville Herald	28.50	Paper Subscription
11/30/10	42996	Paintsville Herald	363.00	Winter Preperation Advertisement
11/30/10	43016	Mountain Citizens	640.00	Winter Preperation Advertisement
12/31/10	43169	WMDJ Radio	368.00	Winter Preperation Advertisement
12/31/10	43170	Mountain Citizens	800.00	Winter Preperation Advertisement
12/31/10	43186	Johnson Co Schools	50.00	x Eagle Express Advertisement
12/31/10	43193	Paintsville Herald	605.00	Winter Preperation Advertisement
1/25/11	43337	Johnson Co Schools	50.00	x Eagle Express Advertisement
2/28/11	43521	Paintsville Herald	157.50	Fuel adjustment
2/28/11	43533	WSIP Broadcasting	310.00	Fuel adjustment
2/28/11	43539	WKLW Radio	288.00	Fuel adjustment
2/28/11	43540	WMDJ Radio	280.00	Fuel adjustment
9/5/11	43541	WQHY Radio	370.00	Fuel adjustment
2/23/11	43543	Mountain Citizens	165.37	Fuel adjustment
2/28/11	43563	Floyd Co Times	236.25	Fuel adjustment
2/28/11	43565	Johnson Co Schools	50.00	x Eagle Express Advertisement
3/31/11	43699	WKLW Radio	720.00	Co-Op Connections Advertisement
3/31/11	43700	WMDJ Radio	480.00	Co-Op Connections Advertisement
4/4/11	43730	Johnson Co Schools	50.00	x Eagle Express Advertisement
5/31/11	44107	Johnson Co Schools	100.00	x Eagle Express Advertisement
3/9/11	44249	Paintsville Herald	178.50	Bids for Operations Center
8/31/11	44720	Paintsville Herald	1,165.75	x Touchstone Energy Bowl/Simple Saver
8/31/11	44728	WSIP Broadcasting	1,386.00	x Touchstone Energy Bowl/Simple Saver
8/31/11	44735	WKLW Radio	1,320.00	Peak Advertisement
8/31/11	44736	WMDJ Radio	408.00	Peak Advertisement
8/31/11	44737	WQHY Radio	750.00	Peak Advertisement
8/31/11	44739	Mountain Citizens	700.00	Simple Saver Advertisement
			<u>12,119.87</u>	x
	Disallow for rate making purposes		<u>2,951.75</u>	x

Big Sandy Rural Electric  
Case No. 2012-00030  
General Advertising Expenses Account 930.10  
August 31, 2011

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
12/31/10	43183	Floyd Co Times	940.00	Winter Preperation
11/30/10	42986	Floyd Co Times	564.00	Winter Preperation
5/25/11	44113	Pinnacle Publishing	787.80	Foothills phone directory
12/31/10	43162	WSIP Broadcasting	575.00	Winter Preperation
1/31/11	43358	WKLM Radio	460.00	Winter Preperation
11/30/10	43014	WKLM Radio	340.00	Winter Preperation
11/30/10	43015	WMDJ Radio	240.00	Winter Preperation
9/22/10	42542	Our Lady of Mtns Schoo	50.00	x Donation
			<u>3,956.80</u>	
		Disallow for rate making purposes	<u>50.00</u>	x

Big Sandy Rural Electric  
Case No. 2012-00030  
**Miscellaneous General Expenses Account 930.20**  
August 31, 2011

Date	Check Number	Payee	Amount	Description
9/30/10	42610	Coop Response Center	361.00	Contract answering service
9/16/10	42618	KAEC	5,081.31	Ky Living Magazine
10/15/10	42715	NRECA	16,679.00	Membership dues
10/20/10	42819	KAEC	5,081.80	Ky Living Magazine
10/31/10	42855	Coop Response Center	361.00	Contract answering service
11/19/10	42991	KAEC	5,079.32	Ky Living Magazine
12/31/10	43150	KAEC	5,070.90	Ky Living Magazine
1/7/11	43217	KAEC	21,636.20	Membership dues
1/21/11	43339	KAEC	5,188.51	Ky Living Magazine
2/28/11	43505	Coop Response Center	437.00	Contract answering service
2/16/11	43516	KAEC	5,184.96	Ky Living Magazine
3/18/11	43596	Mountain Citizens	27.00	Newspaper subscription
3/31/11	43668	Coop Response Center	437.00	Contract answering service
3/23/11	43676	KAEC	5,176.36	Ky Living Magazine
4/13/11	43843	KAEC	5,189.01	Ky Living Magazine
4/30/11	43889	Coop Response Center	437.00	Contract answering service
5/13/11	44040	KAEC	5,182.94	Ky Living Magazine
5/31/11	44102	Coop Response Center	437.00	Contract answering service
6/30/11	44232	Coop Response Center	437.00	Contract answering service
6/15/11	44243	KAEC	5,175.36	Ky Living Magazine
7/31/11	44525	Coop Response Center	437.00	Contract answering service
7/14/11	44532	KAEC	5,203.67	Ky Living Magazine
8/31/11	44702	Coop Response Center	437.00	Contract answering service
8/26/11	44711	KAEC	5,197.12	Ky Living Magazine
		Accrue property taxes	55,415.20	
		Allocate property/liability ir	12,469.74	
			<u>171,819.40</u>	
		Items disallowed for rate making purposes	<u>0.00</u> x	
		Summary of Miscellaneous expenses:		
930.10	Advertising		4,381.80	
930.11	Directors expenses		94,894.78	
930.20	Annual meeting		30,782.51	
930.20	Miscellaneous		<u>171,819.40</u>	
	Total		<u>301,878.49</u>	

Big Sandy Rural Electric  
Case No. 2012-00030  
**Annual Meeting Expenses Account 930.20**  
August 31, 2011

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
2/21/11	43420	Auda Bolden	120.66	x Nominating committee
2/21/11	43422	Joe Skaggs	113.26	x Nominating committee
2/21/11	43423	Danny Walters	108.93	x Nominating committee
2/21/11	43424	Orville Ousley	113.62	x Nominating committee
2/21/11	43425	Joe Colvin	111.95	x Nominating committee
2/21/11	43428	Clay Spradlin	108.75	x Nominating committee
3/7/11	43589	Conway Entertain Group	350.00	Entertainment - deposit
3/3/11	43750	Shirt Gallery	335.23	Shirts
4/20/11	43783	Blair Custom Embroidery	740.42	Shirts
5/12/11	43915	Mountain Arts Center	2,175.00	Venue
5/12/11	43917	Aaron Davis	100.00	x Door prize
5/12/11	43919	Made from Scratch	1,343.00	Meals
5/17/11	43949	Conway Entertain Group	3,150.00	Entertainment
5/20/11	43964	Petty Cash, Shephard	21.00	Meals
5/19/11	43965	WMDJ Radio	264.00	Advertising
5/19/11	43966	WQHY Radio	351.00	Advertising
5/24/11	44040	KAEC	9,834.15	Entertainment & setup
5/19/11	44061	Visa	1,207.48	x Annual Mtg. Bikes & Gift Card
5/31/11	44062	WKLW Radio	330.00	Advertising
5/26/11	44065	Mountain Citizens	332.74	Advertising
5/31/11	44103	Floyd Co Times	257.95	Advertising
5/31/11	44112	Paintsville Herald	409.50	Advertising
5/31/11	44118	WSIP Broadcasting	337.50	Advertising
6/19/11	44264	Visa	359.05	3 Rooms/ Annual Meeting Ente
8/25/11	44711	KAEC	34.00	Annual Meeting Posters
8/26/11	44711	KAEC	6,212.45	Entertainment & setup
		Labor and benefits	1,960.87	
			<u>30,782.51</u>	
		Amounts to exclude for rate making purposes	<u>1,984.65</u>	x

Big Sandy Rural Electric  
 Case No. 2012-00030

Account 913- Advertising Expenses  
 August 31, 2011

Line No.	Item (a)	Sales or Promotional Advertising (b)	Institutional Advertising (c)	Safety & Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
1.	Newspaper	2,952		3,315	559		6,826
2.	Magazines and other						0
3.	Television						0
4.	Radio			4,046	1,248		5,294
5.	Direct Mail						0
6.	Sales Aids						0
7.	Total	2,952	0	7,361	1,807	0	12,120
8.	Amount assigned to KY retail						

Big Sandy Rural Electric  
Case No. 2012-00030  
Account 930 - Miscellaneous General Expenses  
August 31, 2011

Line No. _____	Item (a)	Amount (b)
1.	Industry association dues	35,264
2.	Annual meeting	24,029
3.	Institutional advertising	67
4.	Conservation advertising	
5.	Rate departmenet load studies	
6.	Director's fees and expenses	77,556
7.	Dues and subscriptions	59,613
8.	Miscellaneous	79,168
9.	Total	275,697
10.	Amount assigned to KY retail	

**Big Sandy Rural Electric Cooperative**

**Case No. 2012-00030**

**Rate Case Expenses**

August 31, 2011

Estimated rate case costs:

Legal	\$5,000
Consulting	63,000
Advertising	5,000
Supplies and miscellaneous	<u>2,000</u>
Total	75,000
Number of years	<u>3</u>
Adjustment	<u><u>\$25,000</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.



Big Sandy Rural Electric Cooperative

Case No. 2012-00030

Test year August 31, 2011

Medical Insurance Adjustment

Medical insurance premiums increased approximately 5% effective January 1, 2011. The adjustment is to recognize the change in premiums and give effect to the participants as of August 31, 2011.

Medical insurance premiums:

Proposed	532,994
Test year	<u>480,509</u>
Proposed increase	<u><u>52,485</u></u>

		<u>Percent</u>	<u>Amount</u>
107-108	Capitalized	22.26%	11,681
163 - 416	Clearing and others	13.94%	7,319
580	Operations	14.25%	7,481
590	Maintenance	14.77%	7,753
901	Consumer accounts	10.64%	5,582
908	Customer service	0.00%	0
910	Sales	0.00%	0
920	Administrative and general	24.14%	12,669
		<u>100.00%</u>	<u>52,485</u>

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Test year August 31, 2011  
Medical Insurance Adjustment

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No. of Participants	<u>Single</u>	Employee/ <u>Spouse</u>	Employee/ <u>Children</u>	<u>Family</u>	Spouse/ <u>Children</u>	<u>Total</u>
September, 2010	12	12	5	8	1	38
October	12	12	4	9	1	38
November	12	12	4	9	1	38
December	12	12	4	9	1	38
January, 2011	12	12	4	9	1	38
February	12	12	4	10	1	39
March	12	12	4	10	1	39
April	11	12	4	10	1	38
May	12	12	4	10	1	39
June	13	12	4	10	1	40
July	14	12	4	10	1	41
August	15	12	4	10	1	42
Total billings	149	144	49	114	12	468
<b>Proposed</b>						
Rate	\$450.69	\$1,241.90	\$1,070.02	\$1,719.09	\$1,282.04	
Expense	81,124	178,834	51,361	206,291	15,384	532,994

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Exhibit 13

page 1 of 1

Witness: David Estepp

Big Sandy Rural Electric Cooperative

Case No. 2012-00030

August 31, 2011

This adjustment is to remove G&T capital credits allocated during the test year.

East Kentucky Power Cooperative	759,797
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Big Sandy Rural Electric Cooperative  
CATV Pole Attachments  
December 31, 2010

*Additional revenues generated*

Description	Number	Charges		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
2 party Pole Attachments	1,075	\$6.24	\$7.94	\$6,708	\$8,533	\$1,825	21%
2 party Anchor Attachments	184	3.00	3.54	552	651	\$99	15%
2 party Ground Attachments	199	0.28	0.31	56	62	\$7	11%
3 party Pole Attachments	11,014	4.84	6.10	53,308	67,198	\$13,890	21%
3 party Anchor Attachments	97	1.98	2.34	192	227	\$35	15%
3 party Ground Attachments	411	0.17	0.19	70	80	\$10	12%
Total				<u>\$60,816</u>	<u>\$76,672</u>	<u>\$15,856</u>	21%

Proposed combined attachment rates:

2 party pole attachments	1,075	\$8.60	9,247
3 party pole attachments	11,014	\$6.13	67,504
			<u>76,751</u>

Big Sandy Rural Electric Cooperative  
CATV Pole Attachments  
December 31, 2010

A. 1. Two-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
35' poles	5,047	\$1,358,326	
40' poles	6,224	\$2,842,340	
	<u>11,271</u>	<u>\$4,200,666</u>	<u>\$372.70</u>

2. Three-Party Pole Cost:

<u>Size</u>	<u>Quantity</u>	<u>Amount</u>	<u>Weighted Average Cost</u>
40' poles	6,224	\$2,842,340	
45' poles	3,410	\$1,608,059	
	<u>9,634</u>	<u>\$4,450,399</u>	<u>\$461.95</u>

3. Average cost of anchors

\$34.58

B. 1. Pole Charge:

a. Two party =	\$372.70	85%	20.47%	0.1224	\$7.94
b. Three party =	\$461.95	85%	20.47%	0.0759	\$6.10

2. Pole Charge, with ground attachments:

a. Two party =	\$372.70	85%	\$12.50	20.47%	0.1224	\$0.31
b. Three party =	\$461.95	85%	\$12.50	20.47%	0.0759	\$0.19

3. Anchor Charge:

a. Two party =	\$34.58		20.47%	0.50	\$3.54
b. Three party =	\$34.58		20.47%	0.33	\$2.34

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

Big Sandy Rural Electric Cooperative  
CATV Pole Attachments  
December 31, 2010

Fixed charges on investment from PSC Annual Report at December 31, 2010.

Total Distribution Expense	2,512,689	
Reference Page 14		
Customer Accounts Expense	761,261	
Reference Page 15		
Customer Service and Informational Expense	116,175	
Reference Page 15		
Administrative and General	1,331,506	
Reference Page 15		
Depreciation Expense	1,865,647	
Reference Page 13		
Taxes Other than Income Taxes	24,433	
Reference Page 13		
	<hr/>	
Sub total	6,611,711	
Divided by Total Utility Plant	42,622,213	15.51%
Line 2, Page 1		
Cost of Money		
Rate of Return on Investment allowed in the last General		
Rate Request, Case No 2008-00401	6.67%	
Net plant ratio adjustment:		
Distribution plant	<u>39,488,447</u>	
Accumulated depreciation	<u>10,126,409</u>	25.6%
Rate of return ( times 1 minus reserve ratio)		<u>4.96%</u>
Annual carrying charges		<u><u>20.47%</u></u>

BIG SANDY REC  
PRG. PLTLEDGR (.PLA) ACCOUNT 364.00

WORK ORDER PLANT LIT R REPORT  
FROM 12/01/10 THRU 12/31/10

PAGE 1  
RUN DATE 12/08/11 23 AM

UNIT	DESCRIPTION		-----MONTH-----		-----YTD-----		-----LIFE-----
99002100	20 & 25' POLES		BUILT 9	6910.60	9	6910.60	11605 2361798.54
			RETIRE 3-	631.95-	3-	631.95-	2880- 518859.53-
INSTALL	100.23 RETIRE	215.64	TOTAL 6	6278.65	6	6278.65	8725 1842939.01
			AVG BUILT COST	767.84		767.84	203.52
99002101	30 FT POLES		BUILT 1	1420.73	1	1420.73	3723 838297.68
			RETIRE 1-	230.76-	1-	230.76-	718- 143669.02-
INSTALL	171.49 RETIRE	235.74	TOTAL 0	1189.97	0	1189.97	3005 694628.66
			AVG BUILT COST	1420.73		1420.73	225.17
99002102	35 FT POLES		BUILT 0	.00	0	.00	6865 1769900.21
			RETIRE 2-	538.28-	2-	538.28-	1818- 411574.68-
INSTALL	247.69 RETIRE	271.78	TOTAL 2-	538.28-	2-	538.28-	5047 1358325.53
			AVG BUILT COST	.00		.00	257.82
99002103	40 FT. POLES		BUILT 4	15290.02	4	15290.02	7150 3173608.92
			RETIRE 1-	454.51-	1-	454.51-	926- 331268.92-
INSTALL	286.34 RETIRE	472.09	TOTAL 3	14835.51	3	14835.51	6224 2842340.00
			AVG BUILT COST	3822.51		3822.51	443.86
99002104	45 FT. POLES		BUILT 1	1780.29	1	1780.29	3818 1780047.45
			RETIRE 0	.00	0	.00	408- 171987.98-
INSTALL	337.27 RETIRE	480.44	TOTAL 1	1780.29	1	1780.29	3410 1608059.47
			AVG BUILT COST	1780.29		1780.29	466.23
99002105	50 FT. POLES		BUILT 0	.00	0	.00	1223 625780.22
			RETIRE 0	.00	0	.00	112- 57149.50-
INSTALL	449.90 RETIRE	553.43	TOTAL 0	.00	0	.00	1111 568630.72
			AVG BUILT COST	.00		.00	511.68
99002106	55+ POLES BEFORE 10/11		BUILT 0	.00	0	.00	540 285064.04
			RETIRE 0	.00	0	.00	44- 24832.11-
INSTALL	476.30 RETIRE	532.04	TOTAL 0	.00	0	.00	496 260231.93
			AVG BUILT COST	.00		.00	527.90
99002200	CROSSARMS		BUILT 2	1040.35	2	1040.35	12987 769682.58
			RETIRE 2-	119.86-	2-	119.86-	1926- 105868.35-
INSTALL	44.08 RETIRE	63.01	TOTAL 0	920.49	0	920.49	11061 663814.23
			AVG BUILT COST	520.18		520.18	59.27
99002201	PREASSEMBLED CROSSARMS		BUILT 0	.00	0	.00	55 13681.83
			RETIRE 0	.00	0	.00	1- 199.84-
INSTALL	217.56 RETIRE	453.74	TOTAL 0	.00	0	.00	54 13481.99
			AVG BUILT COST	.00		.00	248.76
99002300	ANCHOR-GUYS		BUILT 16	7549.69	16	7549.69	52166 2404975.29
			RETIRE 5-	232.20-	5-	232.20-	5143- 214648.95-
INSTALL	32.58 RETIRE	47.35	TOTAL 11	7317.49	11	7317.49	47023 2190326.34
			AVG BUILT COST	471.86		471.86	46.10

Big Sandy Rural Electric  
Case No. 2012-00030

Purchased Power  
August 31, 2011

EKPC Case No. 2006-00510

Billing Rates	1-Aug-07	1-Feb-11	1-Jun-11
KW-Sch C	\$6.81	\$7.17	\$7.17
KW-Sch E2	\$5.71	\$6.02	\$6.02
KWH-Sch B/C	\$0.046772	\$0.049272	\$0.042882
KWH-Sch E2 On-Peak	\$0.056641	\$0.059669	\$0.053279
KWH-Sch E2 Off-Peak	\$0.048359	\$0.050944	\$0.044554
KVA 3000-7499	\$2,598	\$2,737	\$2,737
KVA 7500-14999	\$3,125	\$3,292	\$3,292
Metering Point	\$137	\$144	\$144
Green Power	\$0.023750	\$0.023750	\$0.023750

	Billing Demand	Total KWH Billing			Green Power	Metering Point	Substation Charge			Total from Base Rates	Fuel Adjustment	Environmental Surcharge	Total
		Schedule E		Energy Charges			3000	7500	Total				
		Schedule E	On-Peak	Off-Peak									
September	252,845	599,668	332,088	931,755	76	1,233	2,598	25,000	27,598	1,213,507	(133,177)	122,284	1,202,614
October	224,329	430,823	454,554	885,377	76	1,233	2,598	25,000	27,598	1,138,613	(190,636)	90,430	1,038,407
November	303,064	556,352	593,427	1,149,779	76	1,233	2,598	25,000	27,598	1,481,750	(252,089)	150,871	1,380,532
December	429,192	861,408	940,258	1,801,667	76	1,233	2,598	25,000	27,598	2,259,766	(240,480)	320,045	2,339,331
January	420,154	840,031	916,095	1,756,126	76	1,269	2,679	25,776	28,455	2,206,080	(173,289)	299,011	2,331,802
February	422,568	633,983	689,258	1,323,241	76	1,296	2,737	26,336	29,073	1,776,254	(172,464)	103,759	1,707,549
March	293,734	584,314	633,272	1,217,586	76	1,296	2,737	26,336	29,073	1,541,765	(212,677)	85,723	1,414,811
April	248,686	446,929	474,994	921,923	76	1,296	2,737	26,336	29,073	1,201,054	(148,636)	121,966	1,174,384
May	275,704	614,523	388,474	1,002,997	76	1,296	2,737	26,336	29,073	1,309,146	(209,177)	138,146	1,238,115
June	282,428	654,854	340,632	995,485	76	1,296	2,737	26,336	29,073	1,308,358	(6,179)	186,852	1,489,031
July	308,453	774,814	407,926	1,182,740	76	1,296	2,737	26,336	29,073	1,521,638	(32,230)	208,357	1,697,765
August	293,090	716,722	370,974	1,087,696	138	1,296	2,737	26,336	29,073	1,411,293	8,057	186,628	1,605,978
<b>Total</b>	<b>3,754,246</b>	<b>7,714,420</b>	<b>6,541,953</b>	<b>14,256,373</b>	<b>974</b>	<b>15,273</b>	<b>32,230</b>	<b>310,128</b>	<b>342,358</b>	<b>18,369,223</b>	<b>(1,762,977)</b>	<b>2,014,072</b>	<b>18,620,318</b>
Normalized using rates effective August 1, 2007													
	<u>3,829,172</u>	<u>7,251,311</u>	<u>5,987,705</u>	<u>13,239,016</u>	<u>974</u>	<u>15,552</u>	<u>32,844</u>	<u>316,032</u>	<u>348,876</u>	17,433,589			

Normalized Adjustment

(935,634)



Big Sandy Rural Electric  
Case No. 2012-00030  
Purchased Power  
Test Year Billing Determinants  
August 31, 2011

	Billing Demand	<u>Total KWH Billing</u>						
		<u>Schedule E</u>		Total	Green	Metering	<u>Substation Charge</u>	
	<u>Schedule E</u>	<u>On-Peak</u>	<u>Off-Peak</u>	<u>Kwh</u>	<u>Power</u>	<u>Point</u>	<u>2598</u>	<u>3125</u>
September	44,281	10,587,166	6,867,134	17,454,300	3,200	9	1	8
October	39,287	7,606,197	9,399,582	17,005,779	3,200	9	1	8
November	53,076	9,822,425	12,271,288	22,093,713	3,200	9	1	8
December	75,165	15,208,210	19,443,298	34,651,508	3,200	9	1	8
January	71,332	14,384,302	18,373,436	32,757,738	3,200	9	1	8
February	70,194	10,624,998	13,529,727	24,154,725	3,200	9	1	8
March	48,793	9,792,584	12,430,751	22,223,335	3,200	9	1	8
April	41,310	7,490,136	9,323,847	16,813,983	3,200	9	1	8
May	45,798	10,298,859	7,625,511	17,924,370	3,200	9	1	8
June	46,915	12,291,026	7,645,364	19,936,390	3,200	9	1	8
July	51,238	14,542,577	9,155,765	23,698,342	3,200	9	1	8
August	48,686	13,452,247	8,326,393	21,778,640	5,800	9	1	8
Total	636,075	136,100,727	134,392,096	270,492,823	41,000	108	12	96

Witness: Alan Zumstein

## Big Sandy Rural Electric

Case No. 2012-00030

Analysis of Fuel Adjustment and Environmental Surcharge

August 31, 2011

An analysis of fuel adjustment and environmental surcharge as purchased and passed on to consumers as follows:

<u>Month</u>	<u>Sales</u>		<u>Purchases</u>	
	<u>Fuel Adjustment</u>	<u>Environmental Surcharge</u>	<u>Fuel Adjustment</u>	<u>Environmental Surcharge</u>
September	(136,568)	52,227	(133,177)	122,284
October	(148,624)	165,757	(190,636)	90,430
November	(228,860)	119,718	(252,089)	150,871
December	(350,251)	267,591	(240,480)	320,045
January	(114,892)	306,510	(173,289)	299,011
February	(146,491)	110,317	(172,464)	103,759
March	(167,300)	79,494	(212,677)	85,723
April	(216,801)	136,302	(148,636)	121,966
May	(176,988)	129,931	(209,177)	138,146
June	(237,887)	164,194	(6,179)	186,852
July	20,570	193,839	(32,230)	208,357
August	<u>(33,488)</u>	<u>188,350</u>	<u>8,057</u>	<u>186,628</u>
Total	<u>(1,937,581)</u>	<u>1,914,232</u>	<u>(1,762,977)</u>	<u>2,014,072</u>

The fuel purchased and environmental surcharge from East Kentucky Power Cooperative is passed on to the consumers using the Fuel Adjustment and Environmental Procedures established by this Commission.

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Big Sandy Rural Electric  
Case No. 2012-00030  
Normalized Revenues

Test year base rate revenues	25,360,641
Normalized base rate revenues	<u>24,427,410</u>
Normalized adjustment	<u>(933,232)</u>

Big Sandy Rural Electric  
Case No. 2012-00030  
End of Test Year Customer Adjustment

	Sch A-1 Farm & <u>Home</u>	Sch A-2 Small <u>Commercial</u>	LP Large <u>Power</u>	LPR Large <u>Power</u>	Security <u>Lights</u>	Enviro <u>Watts</u>	
12	August, 2010	12,064	955	148	9	7,321	4,700
13	September	12,066	955	148	9	7,327	3,200
14	October	12,104	955	148	9	7,300	3,200
15	November	12,123	951	146	9	7,294	3,200
16	December	12,088	951	142	9	7,296	3,200
17	January, 2011	12,099	947	142	9	7,271	3,200
18	February	12,097	945	143	9	7,261	3,200
19	March	12,084	953	146	10	7,270	3,200
20	April	12,039	954	146	10	7,271	3,200
21	May	12,049	951	149	10	7,274	3,200
22	June	12,053	961	149	10	7,247	3,200
23	July	12,056	964	148	10	7,263	3,200
24	August	12,075	976	148	10	7,248	5,800
26	Average	12,077	955	146	9	7,280	3,515
27	Increase	<u>(2)</u>	<u>21</u>	<u>2</u>	<u>1</u>	<u>(32)</u>	<u>2,285</u>
30	Test year base revenue	18,404,648	1,569,808	2,876,157	1,619,462	889,408	1,158
31	kwh useage	182,561,395	12,983,285	32,130,740	20,760,132	7,210,041	41,000
33	Average per kwh	0.10081	0.12091	0.08951	0.07801	0.12336	0.02825
35	Total billings	144,933	11,463	1,755	114	87,322	41,000
37	Average monthly kwh use	1,260	1,133	18,308	182,106	83	1
39	Increase in consumers, times average use, times average rate, times 12 months, equals additional revenues						
43	Increase in revenues	(3,048)	34,510	39,332	170,470	(3,911)	775
45	Increase in consumers, times average use, times average cost per kwh purchased, times 12 months, equals additional power cost						
50	Increase in power cost	(2,053)	19,383	29,839	148,403	(2,153)	1,862
52	Net increase	<u>(995)</u>	15,127	9,493	22,067	(1,758)	(1,087)
54	Adjustment	<u>42,847</u>					
58	Base power cost			18,369,223			
59	Kwh purchased			270,492,823			
59	Cost per kwh purchased			0.06791			

2010  
 KENTUCKY ELECTRIC COOPERATIVES  
 MILES OF LINE  
 STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	1,027	1,025	1,027	1,022	1,016	1.1 %
BLUE GRASS ENERGY	4,632	4,593	4,566	4,535	4,487	3.2
CLARK ENERGY COOP	3,036	3,035	3,014	2,982	2,966	2.4
CUMBERLAND VALLEY	2,616	2,609	2,592	2,577	2,559	2.2
FARMERS	3,577	3,555	3,539	3,513	3,481	2.8
FLEMING-MASON	3,537	3,517	3,506	3,483	3,456	2.3
GRAYSON	2,483	2,474	2,466	2,454	2,437	1.9
INTER-COUNTY	3,748	3,733	3,687	3,630	3,572	4.9
JACKSON ENERGY	5,664	5,663	5,663	5,652	5,621	0.8
LICKING VALLEY	2,031	2,026	2,023	2,020	2,014	0.8
NOLIN	2,980	2,959	2,939	2,917	2,841	4.9
OWEN	4,493	4,486	4,451	4,428	4,400	2.1 **
SALT RIVER ELECTRIC	4,016	3,982	3,953	3,903	3,847	4.4
SHELBY ENERGY	2,096	2,088	2,078	2,065	2,025	3.5
SOUTH KENTUCKY	6,735	6,715	6,685	6,600	6,540	3.0
TAYLOR COUNTY	<u>3,198</u>	<u>3,183</u>	<u>3,169</u>	<u>3,150</u>	<u>3,135</u>	<u>2.0</u>
<b>TOTAL EKPC</b>	<b>55,869</b>	<b>55,643</b>	<b>55,358</b>	<b>54,931</b>	<b>54,397</b>	<b>2.7 %</b>
JACKSON PURCHASE	2,909	2,900	2,891	3,271	3,244	-10.3 %
KENERGY	7,010	7,009	6,997	6,974	6,944	1.0
MEADE COUNTY	<u>2,974</u>	<u>2,978</u>	<u>2,972</u>	<u>2,959</u>	<u>2,937</u>	<u>1.3</u>
<b>TOTAL BIG RIVERS</b>	<b>12,893</b>	<b>12,887</b>	<b>12,860</b>	<b>13,204</b>	<b>13,125</b>	<b>-1.8 %</b>
HICKMAN-FULTON	684	688	689	688	685	-0.1 %
PENNYRILE	5,100	5,099	5,075	5,047	5,022	1.6
TRI-COUNTY	5,451	5,464	5,467	5,450	5,427	0.4
WARREN	5,622	5,617	5,615	5,584	5,556	1.2
WEST KENTUCKY	<u>4,069</u>	<u>4,046</u>	<u>4,033</u>	<u>3,881</u>	<u>3,970</u>	<u>2.5</u>
<b>TOTAL TVA</b>	<b>20,926</b>	<b>20,914</b>	<b>20,879</b>	<b>20,650</b>	<b>20,660</b>	<b>1.3 %</b>
<b>OVERALL TOTAL</b>	<b>89,688</b>	<b>89,444</b>	<b>89,097</b>	<b>88,785</b>	<b>88,182</b>	<b>1.7 %</b>

\*\* NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2010  
 KENTUCKY ELECTRIC COOPERATIVES  
 AVERAGE EXPENSE PER CONSUMER  
 STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	\$358	\$315	\$291	\$286	\$250	43.2 %
BLUE GRASS ENERGY	320	303	291	272	248	29.0
CLARK ENERGY COOP	295	283	253	240	237	24.5
CUMBERLAND VALLEY	309	299	267	259	264	17.0
FARMERS	289	248	262	259	223	29.6
FLEMING-MASON	317	325	291	280	294	7.8
GRAYSON	423	398	373	350	307	37.8
INTER-COUNTY	328	321	300	280	280	17.1
JACKSON ENERGY	344	358	311	301	300	14.7
LICKING VALLEY	316	303	270	260	250	26.4
NOLIN	408	363	349	342	327	24.8
OWEN	292	281	266	250	267	9.4
SALT RIVER ELECTRIC	223	237	228	196	187	19.3
SHELBY ENERGY	352	327	295	258	280	25.7
SOUTH KENTUCKY	291	270	264	262	251	15.9
TAYLOR COUNTY	<u>237</u>	<u>220</u>	<u>215</u>	<u>203</u>	<u>212</u>	<u>11.8</u>
<b>AVERAGE EKPC</b>	<b>\$319</b>	<b>\$303</b>	<b>\$284</b>	<b>\$269</b>	<b>\$262</b>	<b>21.8 %</b>
JACKSON PURCHASE	\$319	\$348	\$338	\$303	\$300	6.3 %
KENERGY	372	345	363	333	354	5.1
MEADE COUNTY	<u>294</u>	<u>271</u>	<u>267</u>	<u>251</u>	<u>250</u>	<u>17.6</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$329</b>	<b>\$321</b>	<b>\$323</b>	<b>\$295</b>	<b>\$301</b>	<b>9.3 %</b>
HICKMAN-FULTON	\$522	\$595	\$525	\$433	\$460	13.5 %
PENNYRILE	287	290	274	254	235	22.1
TRI-COUNTY	284	270	258	244	240	18.3
WARREN	336	333	331	310	302	11.3
WEST KENTUCKY	<u>353</u>	<u>329</u>	<u>384</u>	<u>331</u>	<u>313</u>	<u>12.8</u>
<b>AVERAGE TVA</b>	<b>\$357</b>	<b>\$364</b>	<b>\$355</b>	<b>\$314</b>	<b>\$309</b>	<b>15.5 %</b>
<b>OVERALL AVERAGE</b>	<b>\$329</b>	<b>\$318</b>	<b>\$303</b>	<b>\$281</b>	<b>\$276</b>	<b>19.2 %</b>

2010  
 KENTUCKY ELECTRIC COOPERATIVES  
 AVERAGE EXPENSE PER MILE OF LINE  
 STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	\$4,611	\$4,070	\$3,744	\$3,676	\$3,221	43.2 %
BLUE GRASS ENERGY	3,798	3,617	3,486	3,240	2,939	29.2
CLARK ENERGY COOP	2,542	2,435	2,182	2,077	2,038	24.7
CUMBERLAND VALLEY	2,805	2,720	2,442	2,360	2,404	16.7
FARMERS	1,985	1,704	1,793	1,749	1,499	32.4
FLEMING-MASON	2,135	2,199	1,976	1,905	1,987	7.4
GRAYSON	2,645	2,523	2,379	2,229	1,954	35.4
INTER-COUNTY	2,211	2,189	2,061	1,943	1,950	13.4
JACKSON ENERGY	3,118	3,246	2,837	2,730	2,715	14.8
LICKING VALLEY	2,721	2,615	2,330	2,224	2,121	28.3
NOLIN	4,469	3,946	3,786	3,684	3,528	26.7
OWEN	3,735	3,584	3,394	3,178	3,346	11.6 **
SALT RIVER ELECTRIC	2,612	2,767	2,658	2,282	2,187	19.4
SHELBY ENERGY	2,572	2,396	2,157	1,872	2,081	23.6
SOUTH KENTUCKY	2,870	2,667	2,618	2,477	2,375	20.8
TAYLOR COUNTY	<u>1,886</u>	<u>1,748<sup>†</sup></u>	<u>1,703</u>	<u>1,598</u>	<u>1,655</u>	<u>14.0</u>
<b>AVERAGE EKPC</b>	<b>\$2,919</b>	<b>\$2,778</b>	<b>\$2,596</b>	<b>\$2,451</b>	<b>\$2,374</b>	<b>23.0 %</b>
JACKSON PURCHASE	\$3,197	\$3,493	\$3,403	\$2,663	\$2,632	21.5 %
KENERGY	2,919	2,698	2,839	2,595	2,746	6.3
MEADE COUNTY	<u>2,794</u>	<u>2,547</u>	<u>2,503</u>	<u>2,334</u>	<u>2,300</u>	<u>21.5</u>
<b>AVERAGE BIG RIVERS</b>	<b>\$2,970</b>	<b>\$2,913</b>	<b>\$2,915</b>	<b>\$2,531</b>	<b>\$2,560</b>	<b>16.0 %</b>
HICKMAN-FULTON	\$2,835	\$3,236	\$2,882	\$2,373	\$2,509	13.0 %
PENNYRILE	2,644	2,665	2,505	2,334	2,147	23.1
TRI-COUNTY	2,623	2,481	2,375	2,248	2,192	19.7
WARREN	3,586	3,535	3,496	3,251	3,122	14.9
WEST KENTUCKY	<u>3,313</u>	<u>3,105</u>	<u>3,649</u>	<u>3,246</u>	<u>2,966</u>	<u>11.7</u>
<b>AVERAGE TVA</b>	<b>\$3,000</b>	<b>\$3,005</b>	<b>\$2,982</b>	<b>\$2,691</b>	<b>\$2,587</b>	<b>16.0 %</b>
<b>OVERALL AVERAGE</b>	<b>\$2,944</b>	<b>\$2,840</b>	<b>\$2,716</b>	<b>\$2,512</b>	<b>\$2,443</b>	<b>20.5 %</b>

\*\* NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2010  
 KENTUCKY ELECTRIC COOPERATIVES  
 DENSITY CONSUMERS PER MILE  
 STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	12.9	12.9	12.8	12.8	13.0	-0.8 %
BLUE GRASS ENERGY	11.9	11.9	12.0	11.9	11.9	0.0
CLARK ENERGY COOP	8.6	8.6	8.6	8.7	8.6	0.0
CUMBERLAND VALLEY	9.1	9.1	9.1	9.1	9.1	0.0
FARMERS	6.9	6.9	6.8	6.8	6.7	3.0
FLEMING-MASON	6.7	6.8	6.8	6.8	6.8	-1.5
GRAYSON	6.3	6.3	6.4	6.4	6.4	-1.6
INTER-COUNTY	6.7	6.8	6.9	6.9	7.0	-4.3
JACKSON ENERGY	9.1	9.1	9.1	9.1	9.1	0.0
LICKING VALLEY	8.6	8.6	8.6	9.0	8.0	7.5
NOLIN	11.0	10.9	10.9	10.8	10.8	1.9
OWEN	12.8	12.8	12.8	12.7	12.5	2.4 **
SALT RIVER ELECTRIC	11.7	11.7	11.7	11.7	11.7	0.0
SHELBY ENERGY	7.3	7.3	7.3	7.3	7.0	4.3
SOUTH KENTUCKY	9.9	9.9	9.9	9.5	9.5	4.2
TAYLOR COUNTY	<u>8.0</u>	<u>7.9</u>	<u>7.9</u>	<u>7.9</u>	<u>7.8</u>	<u>2.6</u>
<b>AVERAGE EKPC</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.2</b>	<b>1.1 %</b>
JACKSON PURCHASE	10.0	10.0	10.1	8.8	8.8	13.6 %
KENERGY	7.8	7.8	7.8	7.8	7.8	0.0
MEADE COUNTY	<u>9.5</u>	<u>9.4</u>	<u>9.4</u>	<u>9.3</u>	<u>9.2</u>	<u>3.3</u>
<b>AVERAGE BIG RIVERS</b>	<b>8.7</b>	<b>8.7</b>	<b>8.7</b>	<b>8.4</b>	<b>8.3</b>	<b>4.8 %</b>
HICKMAN-FULTON	5.4	5.4	5.5	5.5	5.5	-1.8 %
PENNYRILE	9.2	9.2	9.2	9.2	9.1	1.1
TRI-COUNTY	9.2	9.2	9.2	9.2	9.1	1.1
WARREN	10.7	10.6	10.6	10.5	10.3	3.9
WEST KENTUCKY	<u>9.4</u>	<u>9.4</u>	<u>9.5</u>	<u>9.8</u>	<u>9.5</u>	<u>-1.1</u>
<b>AVERAGE TVA</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.4</b>	<b>1.1 %</b>
<b>OVERALL AVERAGE</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.2</b>	<b>9.1</b>	<b>2.2 %</b>

\*\* NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT



2010  
 KENTUCKY ELECTRIC COOPERATIVES  
 TOTAL AVERAGE NUMBER OF CONSUMERS BILLED  
 STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	13,226	13,244	13,211	13,138	13,089	1.0 %
BLUE GRASS ENERGY	54,980	54,816	54,694	54,021	53,175	3.4
CLARK ENERGY COOP	26,154	26,123	26,006	25,801	25,508	2.5
CUMBERLAND VALLEY	23,749	23,737	23,695	23,487	23,303	1.9
FARMERS	24,574	24,439	24,226	23,729	23,377	5.1
FLEMING-MASON	23,822	23,792	23,804	23,687	23,364	2.0
GRAYSON	15,533	15,678	15,722	15,631	15,517	0.1
INTER-COUNTY	25,256	25,461	25,353	25,185	24,869	1.6
JACKSON ENERGY	51,338	51,338	51,644	51,244	50,884	0.9
LICKING VALLEY	17,493	17,485	17,453	17,272	17,085	2.4
NOLIN	32,638	32,159	31,885	31,422	30,649	6.5
OWEN	57,478	57,223	56,794	56,290	55,141	4.2
SALT RIVER ELECTRIC	47,046	46,501	46,071	45,453	44,979	4.6
SHELBY ENERGY	15,311	15,291	15,191	14,990	15,053	1.7
SOUTH KENTUCKY	66,430	66,317	66,276	62,408	61,869	7.4
TAYLOR COUNTY	<u>25,456</u>	<u>25,285</u>	<u>25,078</u>	<u>24,792</u>	<u>24,483</u>	<u>4.0</u>
<b>TOTAL EKPC</b>	<b>520,484</b>	<b>518,889</b>	<b>517,103</b>	<b>508,550</b>	<b>502,345</b>	<b>3.6 %</b>
JACKSON PURCHASE	29,152	29,109	29,092	28,747	28,461	2.4 %
KENERGY	54,991	54,839	54,736	54,337	53,860	2.1
MEADE COUNTY	<u>28,267</u>	<u>27,996</u>	<u>27,866</u>	<u>27,500</u>	<u>27,008</u>	<u>4.7</u>
<b>TOTAL BIG RIVERS</b>	<b>112,410</b>	<b>111,944</b>	<b>111,694</b>	<b>110,584</b>	<b>109,329</b>	<b>2.8 %</b>
HICKMAN-FULTON	3,716	3,742	3,782	3,770	3,736	-0.5 %
PENNYRILE	46,984	46,862	46,419	46,393	45,877	2.4
TRI-COUNTY	50,340	50,223	50,331	50,223	49,561	1.6
WARREN	59,995	59,627	59,317	58,591	57,431	4.5
WEST KENTUCKY	<u>38,189</u>	<u>38,183</u>	<u>38,323</u>	<u>38,057</u>	<u>37,639</u>	<u>1.5</u>
<b>TOTAL TVA</b>	<b>199,224</b>	<b>198,637</b>	<b>198,172</b>	<b>197,034</b>	<b>194,244</b>	<b>2.6 %</b>
<b>OVERALL TOTAL</b>	<b>832,118</b>	<b>829,470</b>	<b>826,969</b>	<b>816,168</b>	<b>805,918</b>	<b>3.3 %</b>

2010  
**KENTUCKY ELECTRIC COOPERATIVES**  
**TOTAL RESIDENTIAL REVENUES**  
**STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>% CHANGE FROM 2006</u>
BIG SANDY	\$19,504,677	\$17,723,822	\$16,830,290	\$15,853,498	\$14,192,128	37.4 %
BLUE GRASS ENERGY	84,916,241	76,618,866	75,708,257	68,578,375	61,513,915	38.0
CLARK ENERGY COOP	35,307,191	30,986,423	31,325,955	29,717,098	27,327,922	29.2
CUMBERLAND VALLEY	32,537,708	29,727,049	29,511,472	27,983,567	24,948,723	30.4
FARMERS	33,283,884	28,960,218	27,656,329	26,450,827	23,743,770	40.2
FLEMING-MASON	28,565,335	26,445,334	27,400,745	23,419,768	20,907,145	36.6
GRAYSON	22,417,367	20,375,694	19,326,239	18,131,615	16,223,795	38.2
INTER-COUNTY	38,111,051	34,703,753	35,150,797	33,391,723	28,203,005	35.1
JACKSON ENERGY	81,946,986	73,894,381	76,960,445	66,382,819	60,198,185	36.1
LICKING VALLEY	22,255,988	19,780,129	19,074,236	18,876,065	18,373,586	21.1
NOLIN	48,360,150	43,698,352	44,216,213	39,672,514	33,591,739	44.0
OWEN	77,481,108	71,405,333	68,931,115	66,458,715	58,817,668	31.7
PALM RIVER ELECTRIC	65,700,823	59,096,481	59,871,443	57,330,349	49,796,107	31.9
SELBY ENERGY	23,574,557	21,062,573	21,021,450	19,684,110	17,784,401	32.6
SOUTH KENTUCKY	82,781,238	73,895,399	76,437,150	67,646,098	59,324,021	39.5
TAYLOR COUNTY	<u>28,920,669</u>	<u>28,255,677</u>	<u>26,494,596</u>	<u>25,472,592</u>	<u>22,725,012</u>	<u>27.3</u>
<b>TOTAL EKPC</b>	<b>\$725,664,973</b>	<b>\$656,629,484</b>	<b>\$655,916,732</b>	<b>\$605,049,733</b>	<b>\$537,671,122</b>	<b>35.0 %</b>
JACKSON PURCHASE	\$31,240,203	\$27,283,351	\$27,275,780	\$25,697,996	\$23,847,988	31.0 %
KENERGY	57,146,551	50,349,518	50,078,902	50,041,715	43,955,864	30.0
MEADE COUNTY	<u>26,176,828</u>	<u>23,284,922</u>	<u>24,196,053</u>	<u>21,982,113</u>	<u>20,297,372</u>	<u>29.0</u>
<b>TOTAL BIG RIVERS</b>	<b>\$114,563,582</b>	<b>\$100,917,791</b>	<b>\$101,550,735</b>	<b>\$97,721,824</b>	<b>\$88,101,224</b>	<b>30.0 %</b>
HICKMAN-FULTON	\$5,138,805	\$5,138,805	\$5,096,364	\$4,576,311	\$4,311,951	19.2 %
PENNYRILE	64,755,328	58,273,701	58,879,793	51,817,219	48,880,787	32.5
TRI-COUNTY	70,308,752	59,900,263	59,815,321	54,981,186	52,780,772	33.2
WARREN	85,524,135	79,490,494	79,120,223	69,955,053	64,825,495	31.9
WEST KENTUCKY	<u>58,309,168</u>	<u>51,664,140</u>	<u>51,409,815</u>	<u>45,691,877</u>	<u>41,190,556</u>	<u>41.6</u>
<b>TOTAL TVA</b>	<b>\$284,036,188</b>	<b>\$254,467,403</b>	<b>\$254,321,516</b>	<b>\$227,021,646</b>	<b>\$211,989,561</b>	<b>34.0 %</b>
<b>OVERALL TOTAL</b>	<b>\$1,124,264,743</b>	<b>\$1,012,014,678</b>	<b>\$1,011,788,983</b>	<b>\$929,793,203</b>	<b>\$837,761,907</b>	<b>34.2 %</b>

**KENTUCKY ELECTRIC COOPERATIVES  
OPERATING EXPENSE AND STATISTICAL COMPARISONS  
2010 - 2009 ANNUAL COMPARISON**

	AVERAGE EXPENSE PER CONSUMER EKPC				AVERAGE EXPENSE PER CONSUMER TVA		
	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>		<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 73.00	\$ 66.00	\$ 7.00	DISTRIBUTION OPERATION	\$ 95.00	\$ 77.00	\$ 18.00
DISTRIBUTION MAINTENANCE	\$ 102.00	\$ 101.00	\$ 1.00	DISTRIBUTION MAINTENANCE	\$ 119.00	\$ 150.00	\$ (31.00)
ACCOUNTING	\$ 60.00	\$ 56.00	\$ 4.00	ACCOUNTING	\$ 56.00	\$ 55.00	\$ 1.00
CONSUMER INFORMATION	\$ 13.00	\$ 12.00	\$ 1.00	CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -
ADMINISTRATION	<u>\$ 71.00</u>	<u>\$ 68.00</u>	<u>\$ 3.00</u>	ADMINISTRATION	<u>\$ 79.00</u>	<u>\$ 74.00</u>	<u>\$ 5.00</u>
<b>TOTAL PER CONSUMER</b>	<b>\$ 319.00</b>	<b>\$ 303.00</b>	<b>\$ 16.00</b>	<b>TOTAL PER CONSUMER</b>	<b>\$ 357.00</b>	<b>\$ 364.00</b>	<b>\$ (7.00)</b>

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	1,206	1,223	(17)	NUMBER OF EMPLOYEES	516	520	\$ (4.00)
MILES OF LINE	55,869	55,643	226	MILES OF LINE	20,926	20,914	\$ 12.00
CONSUMERS BILLED	520,484	518,889	1,595	CONSUMERS BILLED	199,224	198,637	\$ 587.00
MILES OF LINE PER EMPLOYEE	46.6	45.8	0.8	MILES OF LINE PER EMPLOYEE	40.6	40.2	\$ 0.40
CONSUMER PER EMPLOYEE	434	427	7	CONSUMER PER EMPLOYEE	387	382	\$ 5.00
DENSITY CONSUMERS PER MILE	9.3	9.3	0	DENSITY CONSUMERS PER MILE	9.5	9.5	\$ -

	AVERAGE EXPENSE PER CONSUMER BIG RIVERS				AVERAGE EXPENSE PER CONSUMER OVERALL AVERAGE		
	<u>2010</u>	<u>2009</u>	<u>CHANGE</u>		<u>2010</u>	<u>2009</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 83.00	\$ 82.00	\$ 1.00	DISTRIBUTION OPERATION	\$ 79.00	\$ 71.00	\$ 8.00
DISTRIBUTION MAINTENANCE	\$ 128.00	\$ 128.00	\$ -	DISTRIBUTION MAINTENANCE	\$ 109.00	\$ 114.00	\$ (5.00)
ACCOUNTING	\$ 49.00	\$ 47.00	\$ 2.00	ACCOUNTING	\$ 58.00	\$ 54.00	\$ 4.00
CONSUMER INFORMATION	\$ 6.00	\$ 6.00	\$ -	CONSUMER INFORMATION	\$ 11.00	\$ 11.00	\$ -
ADMINISTRATION	<u>\$ 63.00</u>	<u>\$ 58.00</u>	<u>\$ 5.00</u>	ADMINISTRATION	<u>\$ 72.00</u>	<u>\$ 68.00</u>	<u>\$ 4.00</u>
<b>TOTAL PER CONSUMER</b>	<b>\$ 329.00</b>	<b>\$ 321.00</b>	<b>\$ 8.00</b>	<b>TOTAL PER CONSUMER</b>	<b>\$ 329.00</b>	<b>\$ 318.00</b>	<b>\$ 11.00</b>

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	293	294	(1)	NUMBER OF EMPLOYEES	2015	2037	(22)
MILES OF LINE	12,893	12,887	6	MILES OF LINE	89,688	89,444	244
CONSUMERS BILLED	112,410	111,944	466	CONSUMERS BILLED	832,118	829,470	2,648
MILES OF LINE PER EMPLOYEE	43.9	43.8	0.1	MILES OF LINE PER EMPLOYEE	44.5	43.8	1
CONSUMER PER EMPLOYEE	382	381	1	CONSUMER PER EMPLOYEE	413	407	6
DENSITY CONSUMERS PER MILE	8.7	8.7	0	DENSITY CONSUMERS PER MILE	9.3	9.3	0

2010  
 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	72	118	190	58	9	101	358	40	1,027	13,226	25.7	331	12.9
BLUE GRASS ENERGY COOP	52	107	159	54	30	77	320	111	4,632	54,980	41.7	495	11.9
CLARK ENERGY COOP	73	102	175	55	8	57	295	52	3,036	26,154	58.4	503	8.6
CUMBERLAND VALLEY ELECTRIC	54	122	176	74	6	53	309	55	2,616	23,749	47.6	432	9.1
FARMERS RECC	54	107	161	40	7	81	289	66	3,577	24,574	54.2	372	6.9
FLEMING-MASON ENERGY	64	111	175	75	8	59	317	51	3,537	23,822	69.4	467	6.7
GRAYSON RECC	72	158	230	64	17	112	423	47	2,483	15,533	52.8	330	6.3
INTER-COUNTY ENERGY	85	67	152	77	21	78	328	65	3,748	25,256	57.7	389	6.7
JACKSON ENERGY COOP	83	105	188	64	13	79	344	125	5,664	51,338	45.3	411	9.1
LICKING VALLEY RECC	87	110	197	46	10	63	316	48	2,031	17,493	42.0	364	8.6
NOLIN RECC	111	108	219	77	28	84	408	96	2,980	32,638	31.1	340	11.0
OWEN EC	95	66	161	65	10	56	292	134	4,493	57,478	33.5	429	12.8
SALT RIVER ELECTRIC	50	60	110	44	9	60	223	75	4,016	47,046	53.6	627	11.7
SHELBY ENERGY COOP	97	119	216	56	12	68	352	35	2,096	15,311	59.9	437	7.3
SOUTH KENTUCKY RECC	53	104	157	64	11	59	291	154	6,735	66,430	43.7	431	9.9
TAYLOR COUNTY RECC	65	68	133	44	5	55	237	52	3,198	25,456	61.5	490	8.0
EKPC GROUP AVERAGE	73	102	175	60	13	71	319	75	3,492	32,530	46.6	434	9.3
JACKSON PURCHASE ENERGY	90	110	200	39	5	75	319	81	2,909	29,152	35.9	360	10.0
KENERGY CORP	79	168	247	61	5	59	372	148	7,010	54,991	47.4	372	7.8
MEADE COUNTY RECC	79	106	185	47	8	54	294	64	2,974	28,267	46.0	442	9.5
BIG RIVERS GROUP AVERAGE	83	128	211	49	6	63	329	98	4,298	37,470	43.9	382	8.7
HICKMAN-FULTON COUNTIES RECC	130	183	313	58	3	148	522	16	684	3,716	42.8	232	5.4
PENNYRILE RECC	92	76	168	47	10	62	287	121	5,100	46,984	42.2	388	9.2
TRI-COUNTY EMC	81	96	177	53	11	43	284	136	5,451	50,340	40.1	370	9.2
WARREN RECC	92	89	181	55	13	87	336	158	5,622	59,995	35.6	380	10.7
WEST KENTUCKY RECC	78	150	228	65	5	55	353	85	4,069	38,189	47.9	449	9.4
TVA GROUP AVERAGE	95	119	214	56	8	79	357	103	4,185	39,845	40.6	387	9.5
OVERALL AVERAGE	79	109	188	58	11	72	329	84	3,737	34,672	44.5	413	9.3

2010  
 KENTUCKY ELECTRIC COOPERATIVES  
 OPERATING EXPENSE STATISTICAL COMPARISONS  
 AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	927	1,520	2,447	747	116	1,301	4,611	40	1,027	12,114	19,504,677	134.2
BLUE GRASS ENERGY COOP	617	1,270	1,887	641	356	914	3,798	111	4,632	52,322	84,916,241	135.3
CLARK ENERGY COOP	629	879	1,508	474	69	491	2,542	52	3,036	24,484	35,307,191	120.2
CUMBERLAND VALLEY ELECTRIC	490	1,108	1,598	672	54	481	2,805	55	2,616	22,261	32,537,708	121.8
FARMERS RECC	371	735	1,106	275	48	556	1,985	66	3,577	22,803	33,283,884	121.6
FLEMING-MASON ENERGY	431	748	1,179	505	54	397	2,135	51	3,537	17,722	28,565,335	134.3
GRAYSON RECC	450	988	1,438	400	106	701	2,645	47	2,483	14,260	22,417,367	131.0
INTER-COUNTY ENERGY	573	451	1,024	519	142	526	2,211	65	3,748	23,843	38,111,051	133.2
JACKSON ENERGY COOP	752	952	1,704	580	118	716	3,118	125	5,664	47,689	81,946,986	143.2
LICKING VALLEY RECC	749	947	1,696	396	86	543	2,721	48	2,031	16,297	22,255,988	113.8
NOLIN RECC	1216	1,183	2,399	843	307	920	4,469	96	2,980	30,670	48,360,150	131.4
OWEN EC	1215	844	2,059	832	128	716	3,735	134	4,493	54,991	77,481,108	117.4
SALT RIVER ELECTRIC	586	703	1,289	515	105	703	2,612	75	4,016	44,092	65,700,823	124.2
SHELBY ENERGY COOP	709	869	1,578	409	88	497	2,572	35	2,096	14,948	23,574,557	131.4
SOUTH KENTUCKY RECC	523	1,026	1,549	631	108	582	2,870	154	6,735	60,821	82,781,238	113.4
TAYLOR COUNTY RECC	517	541	1,058	350	40	438	1,886	52	3,198	22,532	28,920,669	107.0
EKPC GROUP AVERAGE	672	923	1,595	549	120	655	2,919	75	3,492	30,116	45,354,061	125.5
JACKSON PURCHASE ENERGY	902	1,102	2,004	391	50	752	3,197	81	2,909	26,053	31,240,203	99.9
KENERGY CORP	620	1,318	1,938	479	39	463	2,919	148	7,010	45,201	57,146,551	105.4
MEADE COUNTY RECC	751	1,007	1,758	447	76	513	2,794	64	2,974	26,213	26,176,828	83.2
BIG RIVERS GROUP AVERAGE	758	1,142	1,900	439	55	576	2,970	98	4,298	32,489	38,187,861	98.0
HICKMAN-FULTON COUNTIES RECC	706	994	1,700	315	16	804	2,835	16	684	2,853	5,138,805	150.1
PENNYRILE RECC	848	700	1,548	433	92	571	2,644	121	5,100	37,674	64,755,328	143.2
TRI-COUNTY EMC	748	887	1,635	489	102	397	2,623	136	5,451	40,718	70,308,752	143.9
WARREN RECC	982	950	1,932	587	139	928	3,586	158	5,622	49,886	85,524,135	142.9
WEST KENTUCKY RECC	732	1,408	2,140	610	47	516	3,313	85	4,069	30,534	58,309,168	159.1
TVA GROUP AVERAGE	803	988	1,791	487	79	643	3,000	103	4,185	32,333	56,807,238	146.4
OVERALL AVERAGE	710	964	1,674	523	104	643	2,944	84	3,737	30,874	46,844,364	126.4

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
**Capitalization Policies**

Benefits  
Distribution

107.20	Construction work in progress	178,040
108.80	Retirement work in progress	58,169
163.00	Stores	24,279
184.10	Transportation	22,251
242.32	Employee sick leave/vacation	0
398.00	Non operating accounts	45
580.00	Supervision, operations	7,813
583.00	Overhead line	14,195
586.00	Meter	85,004
587.00	Installations	2,086
588.00	Miscellaneous distribution	42,165
590.00	Supervision, maintenance	24,968
593.00	Maintenance	112,182
595.00	Transformers	4,824
597.00	Meters	346
598.00	Miscellaneous maintenance	14,447
902.00	Meter reading	11,311
903.00	Consumer records	101,563
920.00	Administrative	152,744
930.00	Miscellaneous	100,646
935.00	Maintenance general plant	<u>2,795</u>
	Total	<u>959,873</u>

Benefits include the following:

Medical insurance	480,509
Life and disability insurance	14,228
R & S retirement	229,368
Savings plan 401(k)	73,193
Payroll taxes	<u>162,574</u>

959,873

Big Sandy 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

The total number of employees is 44, with an average benefit cost of \$21,815.

Witness: David Estep

## Big Sandy Rural Electric Cooperative

Case No. 2012-00030

August 31, 2011

Attached is the Equity Management Plan. Big Sandy has paid, and continues to pay capital credits to its members in accordance with this Plan.

**Capital credits were paid as follows:**

	<u>General</u>	<u>Estates</u>	<u>Total</u>
2011	\$ -	\$ 48,025	\$ 48,025
2010	-	57,908	57,908
2009	-	32,762	32,762
2008	-	47,467	47,467
2007	-	50,807	50,807
2006	-	44,564	44,564
Prior years	<u>868,760</u>	<u>1,268,056</u>	<u>2,136,816</u>
Total	<u>\$ 868,760</u>	<u>\$ 1,549,589</u>	<u>\$ 2,418,349</u>

**BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PAINTSVILLE, KENTUCKY**

**SUBJECT: Financial Management Plan  
Policy No. 300-100**

**I. OBJECTIVE**

To establish sound principles and practices concerning the financial management of the Cooperative, to assure adequate levels of working capital and reserve funds, and to establish a policy for the investment and use of these funds. To provide appropriate financial management of the cooperative, and assure security of the loans from RUS and CFC, including the retiring of such loans on schedule. To provide that service shall be rendered on a non-profit basis to members at the lowest possible cost, consistent with an economically strong and well managed system.

**II. SCOPE**

This plan is based upon the assumption that RUS loans and CFC loans will be continued to be available at reasonable interest rates and to be repaid within thirty-five (35) years.

**A. ADDITIONS TO PLANT**

**1. Distribution Plant**

All additions to distribution plant, including extensions, increases in capacity and replacement for which RUS and CFC loan funds are available shall be financed with loan funds. Upon completion and inspection of work orders, the account department will prepare the necessary documentation to be sent to RUS or the supplemental lender for reimbursement approval of work orders on the current work plan. General funds will be used for all construction and the accounting department will draw loan funds as needed to maintain adequate working capital.

**2. General Plant**

Additions to general plant will be financed from general funds.

**B. RETIREMENT LOANS**

Loans from RUS and CFC shall be retired according to the repayment schedule contained in the notes accompanying each



loan, unless earlier retirement of any debt is economically beneficial and approved by the Board of Directors.

#### **C. MAINTENANCE OF PLANT**

The physical facilities of the cooperative shall be maintained at their highest operational level consistent with sound economic practices. Funds shall be provide from general revenues for the renewal and replacement of plant due to ordinary wear and tear and obsolescence.

#### **D. RATES**

Rates shall be maintained at the lowest possible level that will provide adequate revenue to meet the financial needs of the Cooperative each year and on a continuing basis, shall be fair and equitable to all classifications of service and also provide incentive to the members to make the maximum beneficial use of the Cooperative's service.

#### **E. WORKING CAPITAL AND RESERVES**

The funds necessary for working capital, debt retirement, special funds, and other general funds used, shall be provided from general revenues. All other funds available from general revenues shall be used for plant additions and to retire patronage capital.

#### **F. LINE OF CREDIT**

The Cooperative will maintain a line of credit with CFC and Co-Bank in sufficient amounts to insure adequate working capital.

#### **G. EQUITY MANAGEMENT**

Equity management shall be based upon the interactions of past, present and projected future conditions, including but not limited to:

1. Actual equity levels, expressed as a percent of total assets and/or as a percent of total capital.
2. The rate of growth in rate base (new plant plus working capital) which is representative of anticipated future conditions is 4%.
3. The blended cost of interest on the various outstanding long term loans.
4. TIER objective that provides financial stability and

minimizes both rate requirements and the cost of long term debt will be between 1.75 & 2.25.

5. Equity capital will be retired in such a manner so as not to jeopardize the financial stability of the Cooperative. Retirements will accrue only when certain financial criteria have been met. For each year, the TIER must be at least 1.80, equity level must be at least 33%, and cash flow must be sufficient, meaning the cooperative will not have to borrow funds to pay Capital Credits. Then, the cooperative will refund 30% of the previous year's margins in general retirement based on a 25-year cycle. All Patronage Capital retirement shall be consistent with bylaw provisions and other regulatory requirements and agreements.
6. To achieve an equitable basis, the present value of the capital credits allocated to the decedent's estates shall be computed on the basis of a Twenty-five (25) year cycle, with the allocation amount for the first year of the having a discounted value of one and each succeeding year discounted at a rate equal to the "Time Value of Money Table", using a rate of 6%. An example of the discount table is attached hereto an Exhibit "A". The residual portion of the estate's capital credits that is not retired as a result of discounting shall be accounted for as donated capital. The capital credits of any corporation or partnership member/consumer which has dissolved will be retired under the provisions of the by laws of the Cooperative and will not be retired under the above plan for the retirement of capital credits for a Decedent's estate.
7. The optimum equity level projected for 1 through 6 above is 35%, excluding EKPC's Capital Credits.

#### **H. INVESTMENT OF AVAILABLE FUNDS**

Securities in which funds are invested will, for safekeeping purposes, be kept in the custody of institutions designed for that purpose by the Board of Directors.

All available funds will be interest bearing except those funds in demand accounts required to offset banking fees. Those used for working capital, funds being temporarily retained for future retirement of patronage capital, and reserve funds shall be invested in securities issued, guaranteed or insured by the United States Government and or NRUCFC Commercial Paper, or Certificate of deposits, whichever provides the highest rate of return. These investments must be of the type that can be converted to cash as the funds are needed.

### III. PROCEDURE

The following practices shall be followed to implement the above policies. These practices must also remain within the guidelines of Big Sandy RECC's existing policy no. 300-095 "Financial Practices".

#### A. PLANNING

Long and short-range plans shall be developed, reviewed with the Board of Directors and shall be analyzed periodically to determine if revisions are necessary to reflect changing circumstances and conditions.

##### 1. Long Range Engineering Planning

Long range engineering plans shall be prepared and maintained to reflect the anticipated system improvements and new construction necessary to adequately serve the needs of the members. These plans shall provide a basis for scheduling loan applications, for minimizing obsolescence and provide a basis for financial, as well as, organizational planning. Specific requirements and procedures for the Long-Range Engineering Plan are prescribed in policy no. 300-075.

##### 2. Long Range Financial Planning

Long-range financial plans, including capital operating and cash, projected at least ten years into the future, with more detailed financial plans for the first five years, shall be prepared, in accordance with RUS recommendations, which reflect anticipated additions to plant and the associated financing required. These long-range financial plans shall also contain estimates of revenue and expenses to determine if the Cooperatives rates are appropriate. All Long-Range Financial Plans will be submitted to the Board for its review and approval.

##### 3. Annual Budget

An annual budget shall be prepared, prior to December 31 each year, which contains a detailed estimate of revenue and expenses for the coming year and an itemization of each capital project and commensurate cost, as well as an analysis of cash availability to meet capital projects. Variance reports will be available to the Board of Directors as requested.

##### 4. Equity Management Planning

The equity management objectives of the Cooperative will be reviewed and considered in conjunction with long range

forecasts, annual work plan, budget and retail rate development.

5. Billing and Collection

Consumer billing and collection policies will be developed and maintained in order to allow for levelized cash flow to assist in the elimination of short term borrowing for funds for general working capital.

**B. GENERAL FUNDS ADMINISTRATION**

1. General Funds Level

The working capital and reserve funds required by the Cooperative are based on its experience and needs.

The Cooperative will maintain sufficient working capital and reserve funds to meet promptly its operating costs, taxes, quarterly debt service payments, routine construction and replacement cost, and for contingencies.

2. Deposits and Investments

Working capital and reserves shall be invested with primary considerations given to safety and liquidity. Cash funds shall be kept in banks whose deposits are insured by the FDIC or invested in securities of the United States Government, NRUCFC Commercial Paper, or Certificates of Deposit. Such approved financial institutions are listed in Policy NO. 300-060. Investments shall be planned to mature or be converted into cash without loss to meet anticipated needs for funds.

3. Investment Activities Report

Investment activities and reports listing all investment purchases, sales and maturities will be available to each Director as requested.

4. Statement of Cash Flow

A statement of cash flow will be prepared and will be available for the Board of Directors as requested.

**IV. RESPONSIBILITY**

The Board of Directors shall be responsible for final approval and the use of investments having maturities in excess of six (6) months.

The Manager of finances shall (1) see that the status of investment institutions used continually meet the policy criteria (2) audit the institutions' annual reports (3) request to add or delete institutions, and (4) that adherence of this policy is reported to the Board of Directors as requested.

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

SOURCE:                      Adopted November 15, 1996  
                                    Effective January 01, 1997  
                                    Revised May 23, 2007

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Joe Harris, Jr., Secretary

Big Sandy Rural Electric  
Case No. 2012-00030  
Customer Charge Proposal  
August 31, 2011

Description	Test Year Billing Units	Proposed Rates	Proposed Revenues
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**Step 1 Effective May 18, 2012**

Customer charge	144,933	\$12.87	\$1,865,288
Energy charge	182,561,395	\$0.09069	16,556,493
			<u>\$18,421,781</u>

**Step 2 Effective June 1, 2013**

Customer charge	144,933	\$15.50	\$2,246,462
Energy charge	182,561,395	\$0.08860	16,175,319
			<u>\$18,421,781</u>

**Step 3 Effective June 1, 2014**

Customer charge	144,933	\$18.00	\$2,608,794
Energy charge	182,561,395	\$0.08662	15,812,987
			<u>\$18,421,781</u>

Exhibit 22  
Witness: David Estepp

Big Sandy Rural Electric Cooperative  
Case No. 2012-00030  
Purchase Power Adjustment Clause

The responses to the “Informal information request to Big Sandy RECC” as a result of the meeting held on November 29, 2011 is included in this exhibit to reflect the effect on margins from 2010 through November, 2011.



# Big Sandy Rural Electric Cooperative Corporation

504 11th Street  
Paintsville, Kentucky 41240-1422  
(606) 789-4095 • Fax (606) 789-5454  
Toll Free (888) 789-RECC (7322)

January 19, 2012

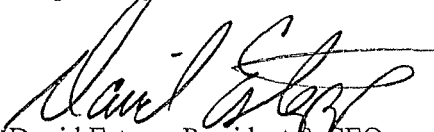
Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

Dear Mr. Derouen:

Please find enclosed responses to the "Informal information request to Big Sandy RECC" for the meeting that held on November 29, 2011. In addition, Big Sandy is also submitting information to reflect how the Purchase Power Adjustment would reflect on the margins for 2010 through November of 2011.

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

Respectfully submitted,



David Estep, President & CEO



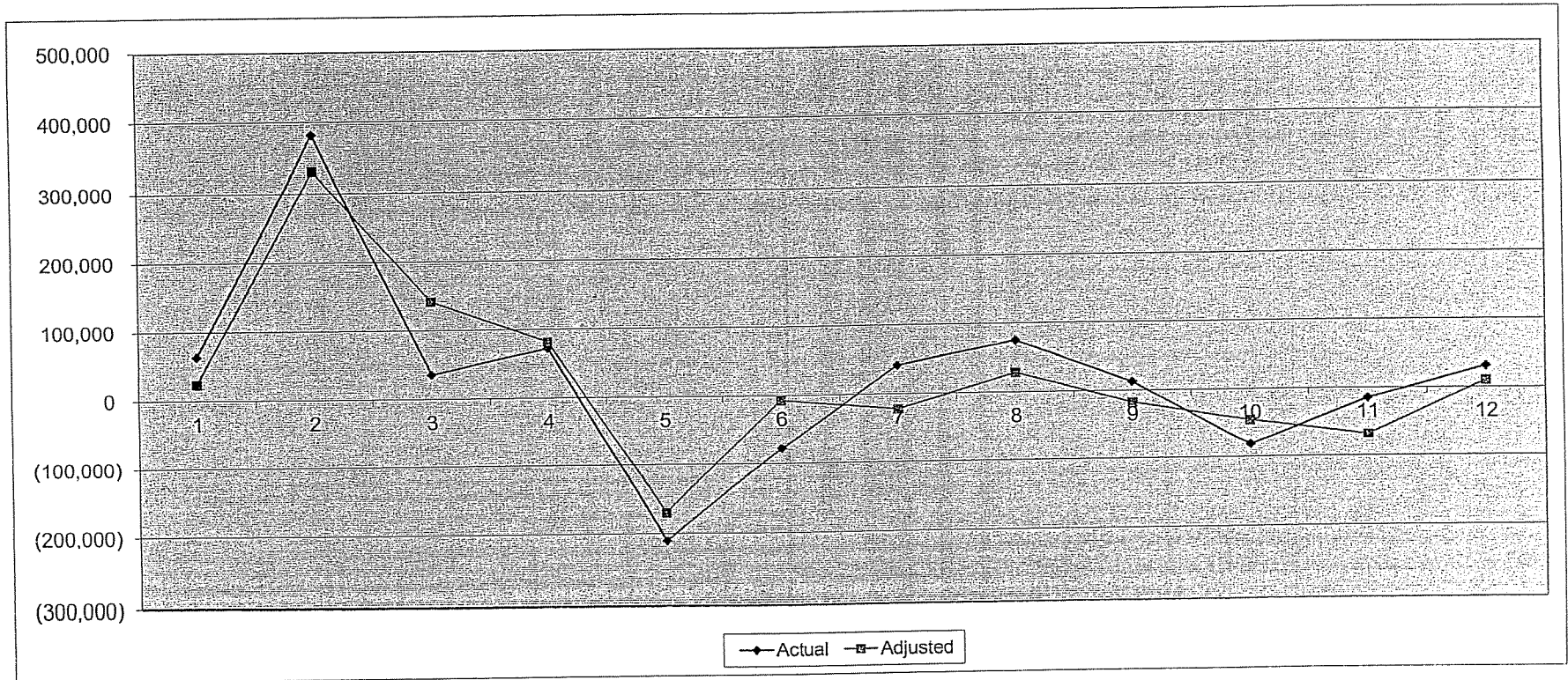
Big Sandy Rural Electric Cooperative  
Informal Information Request  
Additional Information Provided

Big Sandy proposes to account for the Purchase Power Adjustment similar to the method used in the Fuel Adjustment clause. The difference between what a base line rate for power cost and the actual base power cost will be adjusted to the customers' bill as a Purchase Power Adjustment line item on the customers' monthly bill. The base line power cost will be a rolling 12 month average, adjusted for any rate increases [or decreases] from East Kentucky Power Cooperative. Any over/under recovery will be added to, or deducted from, the next month bill. Big Sandy will record the Purchase Power Adjustment in the calendar month as either a receivable or payable, depending on whether there is monthly charge or credit. This will smooth out the swings in margins on a monthly basis. This is illustrated in the attached exhibits for 2011 thru November and for the calendar year of 2010. For each month presented, the adjusted margins are closer to the zero ("0") line on the graph. Also note that \$803,974 of EKPC capital credits have been removed for December 2010 for illustrative purposes.

The 2011 power cost was adjusted to reflect both the increase by EKPC during January and the roll in of fuel cost to the base rates.

Big Sandy Rural Electric Cooperative  
Effect of Purchase Power Adjustment on Margins

	31-Jan-10	28-Feb-10	31-Mar-10	30-Apr-10	31-May-10	30-Jun-10	31-Jul-10	31-Aug-10	30-Sep-10	31-Oct-10	30-Nov-10	31-Dec-10
Purchase power adjustment	(66,707)	(98,286)	31,427	(2,151)	27,719	28,862	13,444	25,386	55,156	10,033	15,687	(39,849)
Net margins (loss) actual	153,843	342,586	(156,707)	50,259	(69,284)	(226,143)	336,252	(26,285)	(183,231)	54,481	(94,158)	29,315
Adjusted margins	87,136	244,300	(125,280)	48,108	(41,565)	(197,281)	349,696	(899)	(128,075)	64,514	(78,471)	(10,534)



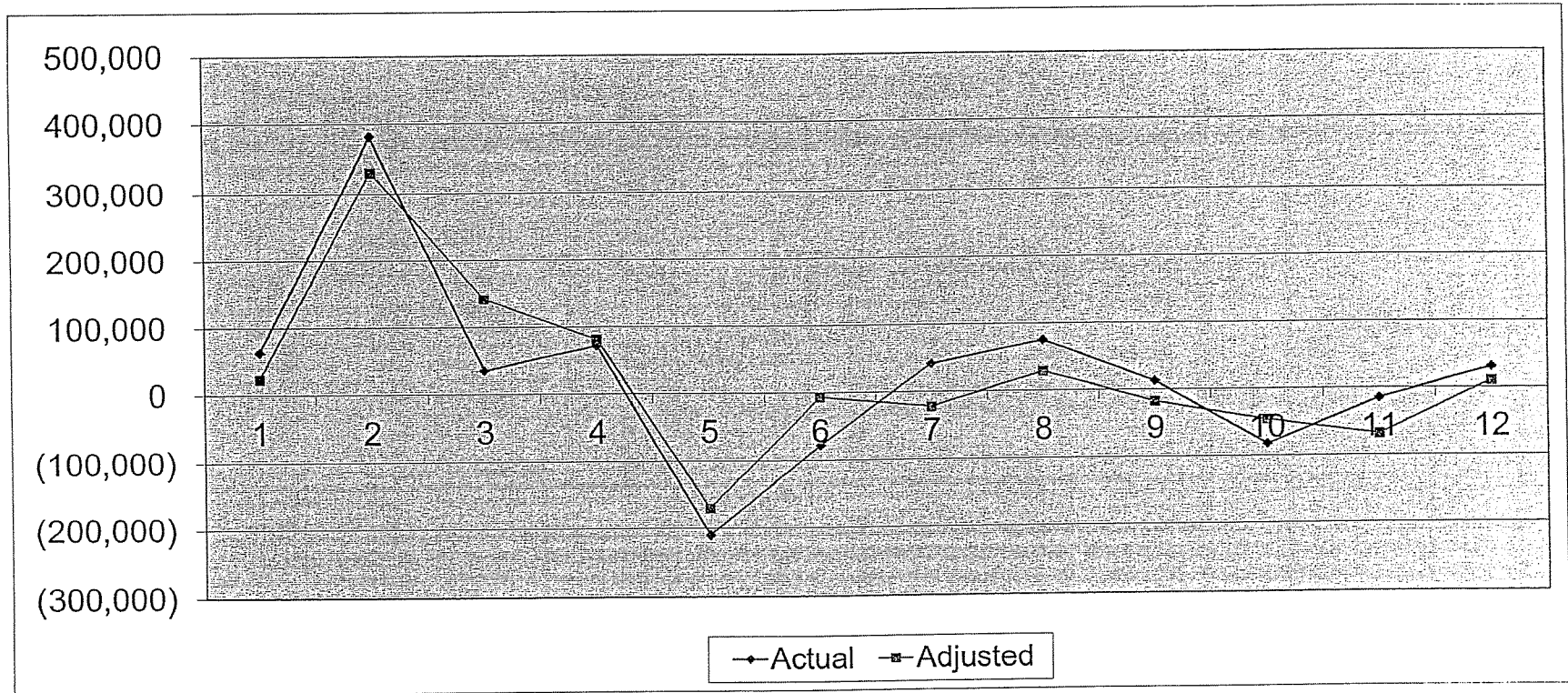
Big Sandy Rural Electric Cooperative  
Calculation of Purchase Power Adjustment

Calendar year of 2010

	Demand Schedule E	Energy Schedule E	Base Power Cost	Average Cost per kwh	Difference from Average (in	Dollar effect
January	68,621	33,690,617	2,169,095	0.06438	(1.98000)	(66,707)
February	52,269	29,339,147	1,848,777	0.06301	(3.35000)	(98,286)
March	58,367	22,773,032	1,542,680	0.06774	1.38000	31,427
April	36,655	16,548,967	1,096,104	0.06623	(0.13000)	(2,151)
May	41,162	17,768,804	1,206,906	0.06792	1.56000	27,719
June	49,097	21,538,839	1,458,185	0.06770	1.34000	28,862
July	50,342	23,585,479	1,578,663	0.06693	0.57000	13,444
August	51,813	23,290,231	1,570,859	0.06745	1.09000	25,386
September	44,281	17,454,300	1,213,507	0.06952	3.16000	55,156
October	39,287	17,005,779	1,138,613	0.06695	0.59000	10,033
November	53,076	22,093,713	1,481,750	0.06707	0.71000	15,687
December	75,165	34,651,508	2,259,766	0.06521	(1.15000)	(39,849)
Total	620,135	279,740,416	18,564,905	0.06636	0.00000	720

Big Sandy Rural Electric Cooperative  
Effect of Purchase Power Adjustment on Margins

	31-Dec-10	31-Jan-11	28-Feb-11	31-Mar-11	30-Apr-11	31-May-11	30-Jun-11	31-Jul-11	31-Aug-11	30-Sep-11	31-Oct-11	30-Nov-11
Purchase power adjustment	(39,849)	(50,119)	106,764	9,334	40,185	70,622	(63,398)	(46,686)	(30,055)	35,935	(52,490)	(20,822)
Net margins (loss) actual	63,441	381,475	35,314	72,287	(210,263)	(77,261)	41,354	74,986	12,528	(81,214)	(14,967)	30,789
Adjusted margins	23,592	331,356	142,078	81,621	(170,078)	(6,639)	(22,044)	28,300	(17,527)	(45,279)	(67,457)	9,967



Big Sandy Rural Electric Cooperative  
Calculation of Purchase Power Adjustment

Calendar year of 2010							
	Demand Schedule E	Energy Schedule E	Base Power Cost	Adjusted Base Power Cost	Adjusted Average per kwh	Difference from Average (in	Dollar Amount
January	71,332	32,757,738	2,206,080	2,117,837	0.06465	(1.53000)	(50,119.00)
February	70,194	24,154,725	1,776,254	1,705,204	0.07060	4.42000	106,764.00
March	48,793	22,223,335	1,541,765	1,480,094	0.06660	0.42000	9,334.00
April	41,310	16,813,983	1,201,054	1,153,012	0.06857	2.39000	40,185.00
May	45,798	17,924,370	1,309,146	1,256,780	0.07012	3.94000	70,622.00
June	46,915	19,936,390	1,308,358	1,256,024	0.06300	(3.18000)	(63,398.00)
July	51,238	23,698,342	1,521,638	1,521,638	0.06421	(1.97000)	(46,686.00)
August	48,686	21,778,640	1,411,293	1,411,293	0.06480	(1.38000)	(30,055.00)
September	47,563	16,950,263	1,157,735	1,157,735	0.06830	2.12000	35,935.00
October	40,423	18,417,462	1,166,375	1,166,375	0.06333	(2.85000)	(52,490.00)
November	54,045	21,246,485	1,385,262	1,385,262	0.06520	(0.98000)	(20,822.00)
December							
Total	566,297	235,901,733	15,984,960	15,611,254	0.06618	0.00000	(730.00)

### Informal Information request to Big Sandy RECC

1. TIER calculations for the years 2008, 2009, 2010 and 2011 (year-to-date)
2. State whether its residential / farm and home customers wholesale power is provided under EKPC's Sch. A tariff or Sch. E tariff. If under Sch. E, state whether Big Sandy is on Option 1 or Option 2. Indicate whether the rate schedule or option has changed since Jan. 1, 2008
3. For the test year in Big Sandy RECC's 2008 rate case (2008-00401):
  - a. monthly demand and energy billing units plus demand and energy dollar amounts on its wholesale power bills, by rate schedule
  - b. monthly base rate retail revenues, by rate schedule
4. For calendar years 2008, 2009, 2010 and 2011 (year-to-date):
  - a. monthly demand and energy billing units plus demand and energy dollar amounts on its wholesale power bills, by rate schedule
  - b. monthly base rate retail revenues, by rate schedule
5. Number of retail meter reading cycles and dates it typically renders bills
6. The lag between when it pays wholesale power bill and when it receives revenues from its customers based on that specific wholesale power bill
7. The Big Sandy cash flow analysis which demonstrates the magnitude of the under-recovery / cash flow shortfall it described to PSC Staff

Big Sandy Rural Electric Cooperative  
 Informal Information Request

Item 1. TIER calculations for the years 2008, 2009, 2010, and 2011 [year-to-date]

TIER calculations:	Calendar Year			Thru August
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Margins, excluding G&T capital credits	(\$258,616)	\$421,968	\$255,106	\$181,003
Interest on long term debt	1,041,493	998,756	1,013,008	979,583
TIER	0.75	1.42	1.25	1.18

Big Sandy Rural Electric Cooperative  
Informal Information Request  
Item Number 2

2. State whether its residential / farm and home customers wholesale power is provided under EKPC's Schedule A tariff or Schedule E tariff. If under Schedule E, state whether Big Sandy is on Option 1 or Option 2. Indicate whether the rate schedule or option has changed since January 1, 2008.

Response: Big Sandy has been under Schedule E, Option 2 since January 1, 2008.



Big Sandy Rural Electric  
Case No. 2008-00401  
Purchased Power  
Test Year Billing Units and Amounts  
August 31, 2008

	<u>Billing Units All Schedule E2</u>				<u>Dollar Amounts</u>				<u>Total from Base Rates</u>
	<u>Total KWH Billing</u>				<u>Total KWH Billing</u>				
	<u>Demand</u>	<u>On-Peak</u>	<u>Off-Peak</u>	<u>Total kwh</u>	<u>Demand</u>	<u>On-Peak</u>	<u>Off-Peak</u>	<u>Total kwh</u>	
September	44,508	11,691,405	7,466,176	19,157,581	\$232,332	\$496,534	\$260,599	\$757,133	\$1,012,880
October	37,464	8,217,554	9,955,803	18,173,357	\$195,562	\$349,000	\$347,497	\$696,497	\$915,474
November	57,514	10,493,551	12,816,837	23,310,388	\$300,223	\$445,661	\$447,359	\$893,020	\$1,216,658
December	61,941	12,466,733	15,280,467	27,747,200	\$323,332	\$529,462	\$533,349	\$1,062,812	\$1,409,559
January	75,701	14,561,810	18,234,101	32,795,911	\$395,159	\$618,440	\$636,443	\$1,254,883	\$1,673,457
February	65,324	12,332,842	15,578,125	27,910,967	\$340,991	\$523,776	\$543,739	\$1,067,515	\$1,431,921
March	59,891	10,809,005	13,963,941	24,772,946	\$312,631	\$459,058	\$487,397	\$946,456	\$1,282,502
April	46,990	8,213,820	10,163,503	18,377,323	\$245,288	\$348,841	\$354,747	\$703,588	\$972,291
May	37,823	9,530,226	7,860,253	17,390,479	\$197,436	\$404,749	\$274,354	\$679,103	\$899,954
June	49,853	12,876,855	7,955,199	20,832,054	\$260,233	\$546,880	\$277,668	\$824,548	\$1,108,196
July	47,780	13,949,519	8,455,185	22,404,704	\$249,412	\$592,436	\$295,120	\$887,556	\$1,160,382
August	46,899	13,473,165	8,241,241	21,714,406	\$244,813	\$572,205	\$287,652	\$859,858	\$1,128,085
<b>Total</b>	<b>631,688</b>	<b>138,616,485</b>	<b>135,970,831</b>	<b>274,587,316</b>	<b>\$3,297,411</b>	<b>\$5,887,042</b>	<b>\$4,745,926</b>	<b>\$10,632,968</b>	<b>\$14,211,359</b>

Big Sandy Rural Electric  
 Informal Information Request Number 3.b.  
 Revenue Reports

<u>Month</u>	<u>Energy Revenue</u>	<u>Fuel</u>	<u>Surcharge</u>
<b>Schedule A-1, Farm and Home</b>			
September	\$1,033,613	(\$3,097)	\$83,902
October	\$844,847	\$97,185	\$72,831
November	\$1,138,466	\$55,728	\$80,748
December	\$1,413,451	\$32,656	\$86,437
January	\$1,681,502	\$8,623	\$97,536
February	\$1,558,391	\$131,323	\$81,245
March	\$1,292,795	\$139,707	\$68,564
April	\$911,529	\$81,341	\$45,699
May	\$717,820	\$109,948	\$35,387
June	\$1,009,867	\$140,355	\$52,353
July	\$1,010,924	\$42,772	\$50,010
August	\$1,000,058	\$171,830	\$53,439
Total	\$13,613,263	\$1,008,372	\$808,149
<b>Schedule A-2, Commercial and Small Power</b>			
September	\$107,044	(\$234)	\$8,710
October	\$97,346	\$9,160	\$8,049
November	\$100,703	\$3,894	\$6,971
December	\$105,508	\$1,940	\$6,469
January	\$114,913	\$468	\$6,722
February	\$120,505	\$7,691	\$6,196
March	\$101,228	\$8,994	\$5,322
April	\$92,567	\$6,872	\$4,550
May	\$91,063	\$10,595	\$4,286
June	\$109,032	\$12,737	\$5,516
July	\$106,192	\$3,738	\$5,195
August	\$112,577	\$15,523	\$5,966
Total	\$1,258,677	\$81,376	\$73,953
<b>Schedule LP, Large Power Service</b>			
September	\$202,855	(\$623)	\$16,176
October	\$174,157	\$20,778	\$14,450
November	\$178,436	\$9,136	\$12,233
December	\$180,559	\$4,254	\$10,927
January	\$195,342	\$1,010	\$11,252
February	\$188,070	\$16,697	\$9,778
March	\$189,176	\$19,482	\$9,856
April	\$155,213	\$15,605	\$7,650
May	\$162,193	\$25,003	\$7,731
June	\$204,051	\$29,698	\$10,374
July	\$187,136	\$8,485	\$9,057
August	\$199,631	\$36,700	\$10,519
Total	\$2,216,821	\$186,226	\$130,003

Big Sandy Rural Electric  
 Informal Information Request Number 3.b.  
 Revenue Reports

<u>Month</u>	<u>Energy Revenue</u>	<u>Fuel</u>	<u>Surcharge</u>
<b>Schedule LPR, Large Power Rate</b>			
September	\$163,365	(\$501)	\$12,791
October	\$145,352	\$19,770	\$11,892
November	\$160,449	\$8,505	\$10,695
December	\$166,597	\$4,160	\$9,886
January	\$177,879	\$1,005	\$10,054
February	\$185,572	\$17,617	\$9,504
March	\$160,235	\$19,240	\$8,326
April	\$165,479	\$17,150	\$8,032
May	\$155,721	\$26,627	\$7,380
June	\$175,364	\$27,901	\$8,897
July	\$165,604	\$7,611	\$7,880
August	\$175,716	\$34,253	\$9,216
Total	\$1,997,333	\$183,339	\$114,555

**Schedule SL, Lights**

September	\$58,384	(\$2)	\$82
October	\$58,443	\$119	\$112
November	\$58,234	\$46	\$83
December	\$58,265	\$22	\$67
January	\$58,162	\$5	\$64
February	\$58,301	\$80	\$57
March	\$58,046	\$102	\$57
April	\$58,194	\$90	\$56
May	\$58,201	\$175	\$60
June	\$58,279	\$201	\$81
July	\$58,462	\$64	\$81
August	\$58,634	\$260	\$87
Total	\$699,604	\$1,162	\$887

**Schedule A-1, Marketing Rate**

September	\$362	(\$1)	\$31
October	\$343	\$41	\$30
November	\$629	\$40	\$45
December	\$721	\$22	\$45
January	\$822	\$6	\$48
February	\$810	\$90	\$44
March	\$695	\$101	\$39
April	\$548	\$61	\$28
May	\$395	\$68	\$20
June	\$496	\$74	\$26
July	\$431	\$18	\$22
August	\$399	\$69	\$22
Total	\$6,650	\$590	\$401

4 a

Big Sandy Rural Electric Cooperative  
Monthly Demand and Energy Billing Units for Purchase Power

Calendar year of 2008					
	Demand Schedule E	Energy Schedule E	Base Power Cost	Fuel Adjustment	Environment al Surcharge
January	75,701	32,795,911	1,673,457	196,447	140,799
February	65,324	27,910,967	1,431,919	190,911	102,071
March	59,891	24,772,946	1,282,502	136,002	90,213
April	46,990	18,377,323	972,292	167,786	68,173
May	37,823	17,390,479	899,953	139,473	58,205
June	49,853	20,832,054	1,108,199	104,785	74,110
July	47,780	22,404,704	1,160,384	269,977	90,109
August	46,899	21,714,406	1,128,087	127,464	82,236
September	45,760	19,164,569	1,019,228	194,520	80,954
October	49,008	19,994,910	1,044,882	289,127	76,169
November	61,882	25,897,736	1,337,539	312,844	128,395
December	70,760	30,756,154	1,570,019	242,975	139,415
Total	657,671	282,012,159	14,628,461	2,372,311	1,130,849

Big Sandy Rural Electric Cooperative  
Monthly Demand and Energy Billing Units for Purchase Power

Calendar year of 2009					
	Demand Schedule E	Energy Schedule E	Base Power Cost	Fuel Adjustment	Environment al Surcharge
January	79,606	32,926,648	1,697,873	307,864	160,253
February	68,818	26,255,567	1,386,203	234,725	148,148
March	73,603	23,449,862	1,303,977	184,785	134,132
April	41,061	18,928,949	1,052,800	90,859	105,212
May	38,274	17,746,368	1,006,090	35,314	102,052
June	46,492	20,177,462	1,164,260	(3,027)	109,267
July	40,839	20,254,422	1,134,665	32,003	115,377
August	48,308	21,537,425	1,452,100	(217,097)	123,865
September	36,785	17,373,849	1,160,759	(129,783)	110,103
October	41,644	18,479,576	1,225,477	(203,830)	107,676
November	47,607	21,720,522	1,428,319	(215,468)	86,471
December	65,401	29,873,794	1,953,733	(268,567)	138,515
Total	628,438	268,724,444	15,966,256	(152,222)	1,441,071

Big Sandy Rural Electric Cooperative  
 Monthly Demand and Energy Billing Units for Purchase Power

Calendar year of 2010					
	Demand Schedule E	Energy Schedule E	Base Power Cost	Fuel Adjustment	Environmental Surcharge
January	68,621	33,690,617	2,169,095	(148,240)	270,382
February	52,269	29,339,147	1,848,777	(102,393)	237,677
March	58,367	22,773,032	1,542,680	(175,807)	145,975
April	36,655	16,548,967	1,096,104	(217,950)	46,275
May	41,162	17,768,804	1,206,906	(245,210)	64,909
June	49,097	21,538,839	1,458,185	(202,249)	139,402
July	50,342	23,585,479	1,578,663	(150,711)	188,340
August	51,813	23,290,231	1,570,859	(166,991)	180,952
September	44,281	17,454,300	1,213,507	(133,177)	122,284
October	39,287	17,005,779	1,138,613	(190,636)	90,430
November	53,076	22,093,713	1,481,750	(252,089)	150,871
December	75,165	34,651,508	2,259,766	(240,480)	320,045
Total	620,135	279,740,416	18,564,905	(2,225,933)	1,957,542

Big Sandy Rural Electric Cooperative  
 Monthly Demand and Energy Billing Units for Purchase Power

Calendar year of 2011					
	Demand Schedule E	Energy Schedule E	Base Power Cost	Fuel Adjustment	Environmental Surcharge
January	71,332	32,757,738	2,206,080	(173,289)	299,011
February	70,194	24,154,725	1,776,254	(172,464)	103,759
March	48,793	22,223,335	1,541,765	(212,677)	85,723
April	41,310	16,813,983	1,201,054	(148,636)	121,966
May	45,798	17,924,370	1,309,146	(209,177)	138,146
June	46,915	19,936,390	1,308,358	(6,179)	186,852
July	51,238	23,698,342	1,521,638	(32,230)	208,357
August	48,686	21,778,640	1,411,293	8,057	186,628
September	47,563	16,950,263	1,157,735	(6,103)	129,888
October	40,423	18,417,462	1,166,375	(1,104)	139,932
November	54,045	21,246,485	1,385,262	41,856	211,907
December					
Total	566,297	235,901,733	15,984,960	(911,946)	1,812,169

Big Sandy Rural Electric Cooperative  
 Informal Information Request Item Number 4.b.  
 Monthly Base Rvenues, By Rate Schedule

Calendar Year of 2008								
	Schedule A-1	Schedule A-2	Schedule LP	Schedule LPR	Schedule SL	Total Base	Fuel	Enviornmental
	Residential	Small Commercial	Large Power	Large Power	Lights	Rate Revenues	Adjustment	Surcharge
January	1,682,323	114,913	195,342	177,879	58,162	2,228,620	11,117	125,676
February	1,559,201	120,505	188,070	185,572	58,301	2,111,649	173,498	106,825
March	1,293,478	101,752	189,176	160,235	58,046	1,802,686	187,627	92,163
April	912,077	92,567	155,213	165,479	58,194	1,383,530	121,119	66,014
May	718,215	91,063	162,193	155,721	58,201	1,185,393	172,417	54,864
June	1,010,362	109,032	204,051	175,364	58,279	1,557,088	210,965	77,248
July	1,011,355	106,192	187,136	165,604	58,462	1,528,749	62,688	72,245
August	1,000,458	112,577	199,631	175,716	58,634	1,547,016	258,635	79,250
September	975,404	104,712	203,218	181,378	58,832	1,523,544	135,035	73,633
October	802,625	91,580	172,714	174,512	58,826	1,300,258	181,696	55,787
November	1,243,137	98,995	182,943	166,106	58,972	1,750,153	376,457	113,912
December	1,553,425	109,097	195,223	155,820	58,902	2,072,466	278,178	127,310
Total	13,762,060	1,252,985	2,234,911	2,039,386	701,810	19,991,153	2,169,432	1,044,926

Big Sandy Rural Electric Cooperative  
 Informal Information Request Item Number 4.b.  
 Monthly Base Rvenues, By Rate Schedule

Calendar Year of 2009								
	Residential	Small Commercial	Large Power	Large Power	Lights	Total Base Rate Revenues	Fuel Adjustment	Enviornmental Surcharge
January	1,844,227	119,923	203,826	173,345	58,849	2,400,171	229,566	148,823
February	1,542,855	110,671	190,838	157,952	58,784	2,061,100	248,381	159,290
March	1,127,845	98,894	171,019	141,576	58,635	1,597,970	226,684	122,271
April	1,028,730	102,677	184,844	156,859	63,295	1,536,404	191,986	120,972
May	846,264	101,117	182,870	147,029	63,274	1,340,554	114,229	109,741
June	1,138,402	118,037	220,227	155,172	68,148	1,699,985	55,618	124,853
July	1,073,501	113,610	208,181	137,673	68,058	1,601,023	(9,631)	117,587
August	1,440,493	134,868	254,652	156,393	75,047	2,061,453	34,072	155,067
September	1,164,213	124,251	241,734	147,794	74,978	1,752,970	189,657	152,449
October	1,104,433	112,533	216,949	139,217	74,178	1,647,310	(537,641)	84,016
November	1,331,923	115,430	220,292	132,999	74,294	1,874,938	(221,706)	159,940
December	2,294,566	149,640	262,783	156,921	74,353	2,938,263	(294,846)	277,267
Total	15,937,452	1,401,651	2,558,217	1,802,929	811,892	22,512,142	226,369	1,732,276

Big Sandy Rural Electric Cooperative  
 Informal Information Request Item Number 4.b.  
 Monthly Base Rvenues, By Rate Schedule

Calendar Year of 2010								
	Residential	Small Commercial	Large Power	Large Power	Lights	Total Base Rate Revenues	Fuel Adjustment	Enviornmental Surcharge
January	2,105,409	134,023	224,412	142,341	73,732	2,679,917	(169,544)	183,611
February	2,248,726	143,038	239,070	151,657	73,878	2,856,369	(143,248)	295,871
March	1,606,000	127,149	214,358	141,955	72,877	2,162,340	(88,329)	27,066
April	1,177,990	122,714	221,929	140,334	73,818	1,736,785	(159,623)	107
May	1,017,858	98,982	218,607	124,612	73,456	1,533,515	(250,686)	103,905
June	1,432,358	129,184	253,137	135,618	73,822	2,024,119	(308,542)	63,335
July	1,521,827	131,999	258,113	125,412	73,512	2,110,863	(153,422)	280,444
August	1,592,871	136,803	265,568	136,959	73,364	2,205,564	(143,678)	242,155
September	1,223,942	127,181	243,901	132,837	73,906	1,801,767	(136,568)	52,227
October	1,025,448	109,375	210,257	122,058	73,767	1,540,905	(148,624)	165,757
November	1,302,843	109,906	211,877	119,192	73,059	1,816,877	(228,860)	119,718
December	2,435,487	154,670	264,081	143,893	73,436	3,071,568	(350,251)	267,591
Total	18,690,758	1,525,024	2,825,310	1,616,868	882,629	25,540,588	(2,281,375)	1,801,787



Big Sandy Rural Electric Cooperative  
 Informal Information Request Item Number 4.b.  
 Monthly Base Rvenues, By Rate Schedule

Calendar Year of 2011								
	Residential	Small Commercial	Large Power	Large Power	Lights	Total Base Rate Revenues	Fuel Adjustment	Enviornmental Surcharge
January	2,450,345	153,037	258,701	140,472	74,396	3,076,951	(114,892)	306,510
February	1,986,514	141,983	249,132	140,607	75,991	2,594,227	(146,491)	110,317
March	1,404,663	127,954	223,734	133,367	75,972	1,965,690	(167,300)	79,494
April	1,327,445	127,862	243,197	139,497	76,266	1,914,267	(216,801)	136,302
May	1,079,531	121,754	235,482	136,299	75,694	1,648,759	(176,988)	129,931
June	1,274,563	127,267	243,496	137,158	73,263	1,855,747	(237,887)	164,194
July	1,372,716	130,597	240,914	131,228	71,767	1,947,222	20,570	193,839
August	1,521,151	138,222	251,385	142,853	71,892	2,125,504	(33,488)	188,350
September	1,106,349	122,196	244,949	139,968	71,854	1,685,316	6,965	129,524
October	1,281,178	130,033	230,045	161,443	71,854	1,874,552	(6,067)	153,450
November	1,359,699	117,175	223,695	137,634	72,495	1,910,697	278	197,504
December						-		
Total	16,164,154	1,438,079	2,644,729	1,540,526	811,443	22,598,931	(1,072,102)	1,789,417

Big Sandy Rural Electric Cooperative  
Informal Information Request  
Item Number 5

5. Number of retail meter reading cycles and dates it typically renders bills.

Response: All meters are read on or about the last day of the month. Bills are sent to customers on or about the 1<sup>st</sup> day of the next month.

Big Sandy Rural Electric Cooperative  
Informal Information Request  
Item Number 6

6. The lag between when it pays wholesale power bill and when it receives revenues from its customers based on that specific wholesale power bill.

Response: Customers pay for usage up through the last day of the month and are billed on or about the first of the next month. Customers have up to the 20<sup>th</sup> to pay before a late payment penalty is assessed. Big Sandy pays EKPC for usage on a calendar month with the payment due to EKPC by the 10<sup>th</sup> of the next month.

Big Sandy Rural Electric Cooperative  
 Informal Request Item No. 7  
 Cash Flows Statement  
 for the month indicated

	30-Sep-10	31-Oct-10	30-Nov-10	31-Dec-10	31-Jan-11	28-Feb-11	31-Mar-11	30-Apr-11	31-May-11	30-Jun-11	31-Jul-11	31-Aug-11
<b>Cash From Operations</b>												
Net income (loss)	\$ (183,231)	54,481	\$ (94,158)	\$ 833,289	\$ 381,475	\$ 35,314	\$ 72,287	\$ (210,263)	\$ (77,261)	\$ 41,354	\$ 74,986	\$ 12,528
Depreciation expense	156,555	157,297	157,492	157,843	158,253	158,409	159,714	160,092	160,451	161,304	162,249	162,910
Patronage capital assigned	(72,434)	-	-	(769,848)	-	2,827	(26,454)	-	-	-	-	-
Postretirement benefits	2,325	1,196	1,422	2,326	(74)	1,730	1,731	(1,759)	(219)	(218)	(2,000)	318
Change in current assets	754,730	90,024	(136,194)	(1,431,481)	(562,964)	1,018,850	687,511	381,199	94,408	(367,263)	(609,567)	(37,635)
Change in current liabilities	(355,984)	(123,794)	139,502	1,017,695	45,309	(650,884)	(267,125)	(123,859)	103,312	271,514	152,045	(98,589)
	301,961	179,204	68,064	(190,176)	21,999	566,246	627,664	205,410	280,691	106,691	(222,287)	39,532
<b>Cash From Investing</b>												
Plant additions	(208,072)	(421,908)	(108,884)	(153,973)	(167,114)	(166,737)	(247,713)	(170,698)	(190,605)	(279,500)	(220,711)	(206,577)
Other investments, net	19,381	(2)	-	1,393	-	-	7,524	-	-	-	-	-
	(188,691)	(421,910)	(108,884)	(152,580)	(167,114)	(166,737)	(240,189)	(170,698)	(190,605)	(279,500)	(220,711)	(206,577)
<b>Cash From Financing</b>												
Memberships and other equities	10,164	11,832	11,618	9,072	10,365	11,167	10,193	9,285	11,242	10,859	8,932	9,230
Capital credits paid	(2,776)	(12,403)	(5,662)	(3,425)	(2,212)	(2,634)	(3,749)	(1,035)	(6,882)	(3,716)	(2,854)	(780)
Short term borrowings (repayments)	-	-	-	-	500,000	-	-	(300,000)	-	-	200,000	100,000
Additional long term borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Payments on long term debt	(54,247)	(15,942)	(54,814)	(51,481)	(16,109)	(59,226)	(61,254)	(227,295)	(403,514)	99,557	37,191	(59,652)
	(46,859)	(16,513)	(48,858)	(45,834)	492,044	(50,693)	(54,810)	(519,045)	(399,154)	106,700	243,269	48,798
<b>Change in Cash</b>	66,411	(259,219)	(89,678)	(388,590)	346,929	348,816	332,665	(484,333)	(309,068)	(66,109)	(199,729)	(118,247)
Beginning Cash Balance	1,149,150	1,215,561	956,342	866,664	478,074	825,003	1,173,819	1,506,484	1,022,151	713,083	646,974	447,245
Ending Cash Balance	\$ 1,215,561	956,342	\$ 866,664	\$ 478,074	\$ 825,003	\$ 1,173,819	\$ 1,506,484	\$ 1,022,151	\$ 713,083	\$ 646,974	\$ 447,245	\$ 328,998

**Cash flows from operations:**

