

October 30, 2017

RECEIVED

OCT 30 2017

PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602


Re: IN THE MATTER OF: APPLICATION OF BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF EXISTING
RATES - Case No. 2017-00374

Ms. Pinson:

Please find enclosed and accept for filing in the above-styled matter an original and ten (10) copies of Big Sandy Rural Electric Cooperative Corporation's Application for a general adjustment of its existing rates. Please return a file-stamped copy to me.

I appreciate your assistance with this matter, and please do not hesitate to contact me with any questions or concerns.

Respectfully submitted,



Mark David Goss

cc (with enclosure):

Attorney General's Office of Rate Intervention
Attn: Rebecca W. Goodman
700 Capital Avenue, Suite 20
Frankfort, Kentucky 40601

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 30 2017

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A GENERAL) Case No. 2017-00374
ADJUSTMENT OF EXISTING RATES)

APPLICATION

Comes now Big Sandy Rural Electric Cooperative Corporation (“Big Sandy”), by counsel, pursuant to KRS 278.180, 807 KAR 5:001 Sections 14 and 16, and other applicable law, and for its Application requesting a general adjustment of existing rates, respectfully states as follows:

1. Big Sandy is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Big Sandy is engaged in the business of distributing retail electric power to approximately 13,000 members in the Kentucky counties of Breathitt, Floyd, Johnson, Knott, Lawrence, Magoffin, Martin, and Morgan.

2. Pursuant to 807 KAR 5:001 Section 14(1), Big Sandy’s mailing address is 504 11th Street, Paintsville, Kentucky, 41240 and its electronic mail address is bfrasura@bigsandyrecc.com. This Application, including the Exhibits attached hereto and incorporated herein, contains fully the facts on which Big Sandy’s request for relief is based, and an Order from the Commission granting the rate adjustment proposed herein is requested, consistent with KRS 278.180 and other applicable law.

3. Pursuant to 807 KAR 5:001 Section 14(2), Big Sandy states that it incorporated in Kentucky on September 5, 1940, and attests that it presently is a Kentucky corporation in good standing.

4. Big Sandy's existing general rates went into effect on October 31, 2012, following their approval by the Commission in Case No. 2012-00030, *In the Matter of: Application of Big Sandy Rural Electric Cooperative Corporation for an Adjustment of Rates* (Ky.P.S.C. Oct. 31, 2012). Since that time, Big Sandy's customer base and revenues from energy sales have declined and, despite concerted cost-reduction efforts, expenses associated with nearly every aspect of Big Sandy's operations have increased.

5. In order to address Big Sandy's unsustainable financial condition, the cooperative's Board of Directors, in conjunction with its management, has determined that a general adjustment of retail rates is necessary. Consistent with KRS 278.030(1), Big Sandy seeks Commission approval to demand, collect and receive fair, just and reasonable rates for the services it provides; specifically, Big Sandy seeks approval to increase its annual revenues by \$927,642, or 4.1%, to achieve a Times Interest Earned Ratio of 2.00x. Big Sandy bases its proposed rates on a twelve-month historical test period ending July 31, 2016, appropriately adjusted for known and measurable changes, and proposes that its revised tariff schedules become effective as of November 30, 2017.

6. Further support for Big Sandy's requested relief is throughout this Application and its Exhibits, particularly in the testimony of the following witnesses:

a. Mr. Bobby Sexton, Big Sandy's President and Chief Executive Officer, who offers testimony at Exhibit 8 describing, *inter alia*, the cooperative's business and existing retail electric distribution system, the events that preceded the filing of this case, and the cooperative's need to

revise its existing rates to ensure it may continue to provide safe, reliable retail electric service to its owner-members;

b. Mr. Billy O'Brian (Brian) Frasure, Big Sandy's Accounting and Finance Manager, who offers testimony at Exhibit 9 discussing, *inter alia*, the cooperative's financial health, its expenses, and certain of its relevant practices and policies, as well as the necessity of the rate relief requested by the cooperative in this proceeding; and

c. Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, who offers testimony at Exhibit 10 describing, *inter alia*, Big Sandy's rate classes, the calculation of Big Sandy's revenue requirement, the pro forma adjustments to the test period results, the Cost of Service Study process and results, the proposed allocation of the revenue increase to the rate classes, and the rate design, proposed rates, and estimated billing impact by rate class.

7. Big Sandy has initiated this proceeding because its existing retail rates do not provide sufficient revenue to ensure the financial strength of the cooperative. While it is always Big Sandy's goal to keep rates as low as possible, the expense of providing safe and reliable service must be recovered; additionally, prudent management (and lender requirements) demand that healthy financial benchmarks be maintained. Based on the facts and figures presented herein, Big Sandy respectfully requests that the rates and rate design it proposes in this case be approved by the Commission at the earliest possible date.

WHEREFORE, Big Sandy respectfully requests an Order from the Commission granting the rate relief requested herein, as well as granting to Big Sandy any and all other relief to which it may appear entitled.

VERIFICATION

COMMONWEALTH OF KENTUCKY)

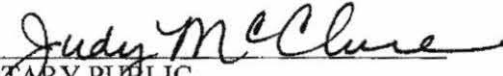
COUNTY OF Johnson)

Comes now Bobby Sexton, President and Chief Executive Officer, and, after being duly sworn, does hereby verify, swear and affirm that the averments set forth in the foregoing Application are true and correct based upon my personal knowledge and belief, formed after reasonable inquiry, as of this 26th day of October, 2017.



Bobby Sexton
President and Chief Executive Officer
Big Sandy Rural Electric Cooperative Corporation

The foregoing Verification was verified, sworn to and affirmed before me, the NOTARY PUBLIC by Bobby Sexton, President and Chief Executive Officer of Big Sandy Rural Electric Cooperative Corporation, on this 26 day of October, 2017.

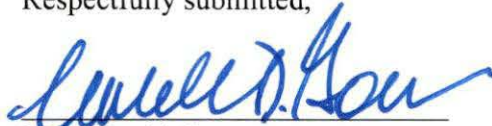

NOTARY PUBLIC

Commission No. _____

My Commission Expires: 6-19-2018

This 30th day of October, 2017.

Respectfully submitted,



Mark David Goss

M. Evan Buckley

GOSS SAMFORD, PLLC

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Lexington, Kentucky 40504

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(859) 368-7740

*Counsel for Big Sandy Rural Electric
Cooperative Corporation*

Big Sandy Rural Electric Cooperative Corporation

Case No. 2017-00374

Table of Contents

General Rate Adjustment Filing Requirements / Exhibit List

(Historical Test Period: Twelve Months Ending 07/31/2016)

Exhibit No.	Filing Requirement	Description	Sponsoring Witness(es)
1	807 KAR 5:001 Sec. 16(1)(b)(1)	Statement of the reason the rate adjustment is required	Bobby Sexton
2	807 KAR 5:001 Sec. 16(1)(b)(2)	Certificate of assumed name or statement that one is not necessary	Bobby Sexton
3	807 KAR 5:001 Sec. 16(1)(b)(3)	Proposed tariff sheets	Brian Frasure & John Wolfram
4	807 KAR 5:001 Sec. 16(1)(b)(4)	Proposed tariff sheets with proposed changes identified	Brian Frasure & John Wolfram
5	807 KAR 5:001 Sec. 16(1)(b)(5)	Statement that compliant notice to customers has been given, with a copy of the notice	Brian Frasure
6	807 KAR 5:001 Sec. 16(2) / KRS 278.180	Notice to the Kentucky Public Service Commission of intent to adjust rates	Brian Frasure
7	807 KAR 5:001 Sec. 16(4)(a)	Complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment	John Wolfram
8	807 KAR 5:001 Sec. 16(4)(b)	Written testimony of witnesses in support of Application (Mr. Sexton)	Bobby Sexton
9	807 KAR 5:001 Sec. 16(4)(b)	Written testimony of witnesses in support of Application (Mr. Frasure)	Brian Frasure
10	807 KAR 5:001 Sec. 16(4)(b)	Written testimony of witnesses in support of Application (Mr. Wolfram)	John Wolfram
-	807 KAR 5:001 Sec. 16(4)(c)	<i>Not applicable - Utility has gross annual revenues greater than \$5 million</i>	-

Big Sandy Rural Electric Cooperative Corporation

Case No. 2017-00374

Table of Contents

General Rate Adjustment Filing Requirements / Exhibit List

(Historical Test Period: Twelve Months Ending 07/31/2016)

Exhibit No.	Filing Requirement	Description	Sponsoring Witness(es)
11	807 KAR 5:001 Sec. 16(4)(d)	Statement estimating the effect that each new rate will have upon the revenues of the utility, including the total amount of revenues resulting from the increase or decrease and percentage increase or decrease	John Wolfram
12	807 KAR 5:001 Sec. 16(4)(e)	Effect upon the average bill for each customer classification to which the proposed rate change will apply	John Wolfram
-	807 KAR 5:001 Sec. 16(4)(f)	<i>Not applicable - Utility is not an incumbent local exchange company</i>	-
13	807 KAR 5:001 Sec. 16(4)(g)	Detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class	John Wolfram
14	807 KAR 5:001 Sec. 16(4)(h)	Summary of the utility'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	John Wolfram
15	807 KAR 5:001 Sec. 16(4)(i)	Reconciliation of the rate base and capital used to determine its revenue requirements	John Wolfram
16	807 KAR 5:001 Sec. 16(4)(j)	Current chart of accounts if more detailed than the Uniform System of Accounts	Brian Frasure
17	807 KAR 5:001 Sec. 16(4)(k)	Independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls	Brian Frasure
18	807 KAR 5:001 Sec. 16(4)(l)	Most recent Federal Energy Regulatory Commission audit report	Brian Frasure
19	807 KAR 5:001 Sec. 16(4)(m)	Most recent FERC Financial Report FERC Form No.1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone)	Brian Frasure
20	807 KAR 5:001 Sec. 16(4)(n)	Summary of the utility's latest depreciation study with schedules by major plant accounts	Brian Frasure

Big Sandy Rural Electric Cooperative Corporation

Case No. 2017-00374

Table of Contents

General Rate Adjustment Filing Requirements / Exhibit List

(Historical Test Period: Twelve Months Ending 07/31/2016)

Exhibit No.	Filing Requirement	Description	Sponsoring Witness(es)
21	807 KAR 5:001 Sec. 16(4)(o)	List of all 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 the utility's application	Brian Frasure & John Wolfram
-	807 KAR 5:001 Sec. 16(4)(p)	<i>Not applicable - Utility has made no stock or bond offerings</i>	-
22	807 KAR 5:001 Sec. 16(4)(q)	Annual report to shareholders or members and statistical supplements covering the two (2) most recent years from the utility's application filing date	Bobby Sexton
23	807 KAR 5:001 Sec. 16(4)(r)	Monthly managerial reports providing financial results of operations for the twelve (12) months in the test period	Brian Frasure
24	807 KAR 5:001 Sec. 16(4)(s)	Utility's annual report on Form 10-K (most recent two (2) years), any Form 8-K issued during the past two (2) years, and any Form 10-Q issued during the past six (6) quarters updated as information becomes available	Brian Frasure
25	807 KAR 5:001 Sec. 16(4)(t)	Affiliate charges, allocations, and payments with description, explanation, and demonstration of reasonableness	Brian Frasure
26	807 KAR 5:001 Sec. 16(4)(u)	Cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period	John Wolfram
-	807 KAR 5:001 Sec. 16(4)(v)	<i>Not applicable - Utility is not a local exchange carrier</i>	-
27	807 KAR 5:001 Sec. 16(5)(a)	Detailed income statement and balance sheet reflecting the impact of all proposed adjustments	John Wolfram
28	807 KAR 5:001 Sec. 16(5)(b)	Most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions	Brian Frasure
29	807 KAR 5:001 Sec. 16(5)(c)	Detail regarding pro forma adjustments reflecting plant additions	Brian Frasure

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 1

807 KAR 5:001 Sec. 16(1)(b)(1)
Sponsoring Witness: Bobby Sexton

Description of Filing Requirement:

A statement of the reason the adjustment is required.

Response:

Big Sandy's Application generally, and specifically the written testimony provided at Exhibits 8, 9, and 10, underscore the necessity of the adjustment requested by Big Sandy in this proceeding. Put simply, Big Sandy requires an adjustment of its rates as a result of a decline in its customer base, declining revenues from energy sales, and increased expenses in most areas of its operations. Without an adjustment of its rates, Big Sandy's undesirable and deteriorating financial condition will continue and thus put at risk not only the cooperative's contractual relationships with its lenders, but also the safe and reliable service its members deserve and expect.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 2

807 KAR 5:001 Sec. 16(1)(b)(2)
Sponsoring Witness: Bobby Sexton

Description of Filing Requirement:

A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.

Response:

Big Sandy does not conduct or transact business under an assumed name, and thus it has not filed a certificate of assumed name pursuant to KRS 365.015 and such a certificate is not necessary.

Case No. 2017-00374
Application - Exhibit 2
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 3

807 KAR 5:001 Sec. 16(1)(b)(3)
Sponsoring Witnesses: Brian Frasure & John Wolfram

Description of Filing Requirement:

New or revised tariff sheets, if applicable, in form complying with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed (or no effective date).

Response:

Please see attached.

**BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ALL TERRITORIES SERVED

(D)

PSC NO. 2017-00374

(T)

3rd REVISED SHEET NO. 1

(T)

CANCELLING PSC NO. 2017-00007

(T)

2nd REVISED SHEET NO. 1

(T)

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	\$ 21.25 per month
Energy charge	0.8705 per KWH
Off peak energy charge	0.05190

(I)

(I)/(D)

(D)

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 AM
May through September	10:00 PM to 10:00 AM

DATE OF ISSUE: *October 30, 2017*

DATE EFFECTIVE: *November 29, 2017*

(T)

(T)

ISSUED BY: _____

TITLE: **PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2017-00374, dated [TBD].

(T)

	FOR ALL TERRITORIES SERVED	(D)
	PSC NO. 2017-00374	(T)
	3 rd REVISED SHEET NO. 2	(T)
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION	CANCELLING PSC NO. 2012-00030	(T)
	2 nd REVISED SHEET NO. 2	(T)

CLASSIFICATION OF SERVICE

SCHEDULE	A-1 FARM & HOME	RATE PER UNIT
-----------------	----------------------------	----------------------

MINIMUM CHARGES:
 The minimum monthly charge under the above rate is \$ 21.25. 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. (I)/(D)

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 20 days from the date of the bill, the gross rates shall apply. (I)

- 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.

DATE OF ISSUE: *October 30, 2017*
 DATE EFFECTIVE: *November 29, 2017* (T)
 ISSUED BY: _____ (T)
 TITLE: PRESIDENT/GENERAL MANAGER
 Issued by authority of an Order of the Public Service Commission
 of Kentucky in Case No. 2017-00374, dated [TBD]. (T)

FOR ALL TERRITORIES SERVED

(D)

PSC NO. 2017-00374

(T)

2nd REVISED SHEET NO. 4

(T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2017-00007

(T)

1st REVISED SHEET NO. 4

(T)

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	\$ 30.00	per month	(I)
Energy charge	0.07090	per KWH	(I)/(D)
Demand charge	5.50	per KW	

MINIMUM MONTHLY CHARGE:

The minimum monthly charge under the above rate shall be \$ 30.00 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.

(I)

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: *October 30, 2017*

(T)

DATE EFFECTIVE: *November 29, 2017*

(T)

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2017-00374, dated 7 [TBD].

(T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ALL TERRITORIES SERVED

(D)

PSC NO. 2017-00374

(T)

1st REVISED SHEET NO. 5

(T)

CANCELLING PSC NO. 2012-00030

(T)

ORIGINAL SHEET NO. 5

CLASSIFICATION OF SERVICE

SCHEDULE A-2 COMMERCIAL AND SMALL POWER 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 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 20 days from the date of the bill, the gross rates shall apply.

(I)

DATE OF ISSUE: *October 30, 2017*

(T)

DATE EFFECTIVE: *November 29, 2017*

ISSUED BY: _____

TITLE: **PRESIDENT/GENERAL MANAGER**

(T)

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2017-00374, dated TBD.

	FOR ALL TERRITORIES SERVED	(D)
	PSC NO. 2017-00374	(T)
	2 nd REVISED SHEET NO. 7	(T)
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION	CANCELLING PSC NO. 2017-00007	(T)
	1 st REVISED SHEET NO. 7	(T)

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	\$ 6.27	per KW of billing	(I)
Secondary Meter Energy Charge	0.05868	per KWH	(D)
Primary Meter Energy Charge	0.05256	per KWH	(D)
Customer Charge Per Delivery Point	93.28	per Month	(D)

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: *October 30, 2017*

(T)

DATE EFFECTIVE: *November 29, 2017*

(T)

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2017-00374, dated [TBD].

(T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ALL TERRITORIES SERVED (D)
PSC NO. 2017-00374 (T)
1st REVISED SHEET NO. 9 (T)
CANCELLING PSC NO. 2012-00030 (T)
ORIGINAL SHEET NO. 9

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

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 20 days from the date of the bill, the gross rates shall apply.

DATE OF ISSUE: *October 30, 2017*

DATE EFFECTIVE: *November 29, 2017*

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of
Kentucky in Case No. 2017-00374, date [TBD].

(T)

(T)

	FOR ALL TERRITORIES SERVED	(D)
	PSC NO. 2017-00374	(T)
	2 nd REVISED SHEET NO. 10	(T)
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION	CANCELLING PSC NO. 2017-00007	(T)
	1 st REVISED SHEET NO. 10	(T)

CLASSIFICATION OF SERVICE

SCHEDULE LPR LARGE POWER SERVICE	RATE PER UNIT
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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:	\$ 6.47	per KW of billing demand	(I)/(D)
Secondary Meter Energy Charge:	0.05817	per KWH	(I)/(D)
Primary Meter Energy Charge:	0.05210	per KWH	(I)/(D)
Customer Charge Per Delivery Point:	\$ 107.68	per month	

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

DATE OF ISSUE: *October 30, 2017*

DATE EFFECTIVE: *November 29, 2017*

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2017-00374, dated [TBD].

(T)

(T)

(T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ALL TERRITORIES SERVED

(D)

PSC NO. 2017-00374

(T)

1st REVISED SHEET NO. 12

(T)

CANCELLING PSC NO. 2012-00030

(T)

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 20 days from the date of the bill, the gross rates shall apply.

(I)

DATE OF ISSUE: *October 30, 2017*

DATE EFFECTIVE: *November 29, 2017*

ISSUED BY: _____

TITLE: **PRESIDENT/GENERAL MANAGER**

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2017-00374, dated [TBD].

(T)

(T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ALL TERRITORIES SERVED (D)

PSC NO. 2017-00374 (T)

2nd REVISED SHEET NO. 13 (T)

CANCELLING PSC NO. 2017-00007 (T)

1st REVISED SHEET NO. 13 (T)

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 for lights of listed wattage or for similar lights with approximately equivalent lumens as follows: (T)

175	Watt	6,000-13,000 Lumens	@	\$ 9.31	per month	(T)
400	Watt	13,001-25,000 Lumens	@	13.89	per month	(T)
500	Watt	-	@	16.29	per month	(T)
1,500	Watt	-	@	37.55	per month	(T)
400	Watt Flood	13,000-25,000 Lumens	@	18.90	per month	(T)

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 20 days from the date of the bill, the gross rates shall apply. (I)

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: October 30, 2017 (T)

DATE EFFECTIVE: November 29, 2017 (T)

ISSUED BY: _____ (T)

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2017-00374, dated [TBD]. (T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ALL TERRITORIES SERVED

(D)

PSC NO. 2017-00374

(T)

1st REVISED SHEET NO. 18

(T)

CANCELLING PSC NO. 2012-00030

(T)

ORIGINAL SHEET NO. 18

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

1. 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 20 days from the date of the bill, the gross rates shall apply.

(I)

DATE OF ISSUE: *October 30, 2017*

DATE EFFECTIVE: *November 29, 2017*

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TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of
Kentucky in Case No. 2017-00374, dated [TBD].

(T)

(T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

FOR ALL TERRITORIES SERVED (D)

PSC NO. 2017-00374 (T)

1st REVISED SHEET NO. 21 (T)

CANCELLING PSC NO. 2012-00030 (T)

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 20 days from the date of the bill, the gross rates shall apply. (I)

DATE OF ISSUE: *October 30, 2017*

DATE EFFECTIVE: *November 29, 2017*

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2017-00374, dated [TBD]. (T)

**BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ALL TERRITORIES SERVED

(D)/(T)

PSC NO. 2017-00374

(T)

3rd REVISED SHEET NO. 25

(T)

CANCELLING PSC NO. 2017-00007

(T)

2nd REVISED SHEET NO. 25

(T)

CLASSIFICATION OF SERVICE

SCHEDULE IND 1-B

RATE PER UNIT

APPLICABLE:

Applicable to contracts with contract demands of 500 kW or greater with a monthly energy usage equal to or greater than 400 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			
Contract Demand	\$	6.44 per kW of Billing Demand	(I)
Excess Demand		9.34 per kW of Billing Demand	(I)
Secondary Meter Energy Charge		0.05025 per kWh	(I)/(D)
Primary Meter Energy Charge		0.04959 per kWh	(I)/(D)
Customer Charge	\$	173.33	

BILLING DEMAND:

The monthly Billing Demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand, during the current month, exceeds the contract demand. The consumer'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 – All hours are Eastern Standard Time

October through April 7:00 A.M. to 12:00 Noon

 5:00 P.M. to 10:00 P.M.

May through September 10:00 A.M. to 10:00 P.M.

DATE OF ISSUE: October 30, 2017

(T)

DATE EFFECTIVE: November 29, 2017

(T)

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

**Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2017-00374, dated [TBD].**

(T)

**BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**

FOR ALL TERRITORIES SERVED
PSC NO. 2017-00374
1st REVISED SHEET NO. 14
CANCELLING PSC NO. 2005-00125
ORIGINAL SHEET NO. 14

(D)
(T)
(T)
(T)

MISCELLANEOUS SERVICE CHARGES

25. MEMBERSHIP FEE - \$25.00

The membership fee will be refunded, if all bills are paid, or applied against Any unpaid bills of the consumer at the time service is disconnected, which Will automatically terminate the membership.

26. SECOND SERVICE CONNECT FEE - \$ 40.00

This fee will be charged for any service connections made in addition to the Initial service connection.

(I)

27. TEMPORARY DISCONNECT/RECONNECT FEE - \$ 35.00

- Seasonal (extended vacation)
- Repair to service entrance – no charge
- Upgrade service entrance – no charge

(I)

28. METER READING FEE - \$30.00

In the event that the consumer fails to read the meter as outlined or Fails to notify the Cooperative office for two (2) successive months, The Cooperative will read same meter and bill the consumer for this Service.

29. METER TEST FEE - \$ 40.00

A member may request that their meter be tested at a time other than The Cooperative's regular testing schedule by paying this fee in advance In accordance with 807 KAR 5:006 Sec. 18.

(I)

30. RETURNED CHECK FEE - \$ 25.00

A service charge shall be charged for all checks returned by the bank due To insufficient funds or a closed account.

(I)

DATE OF ISSUE: October 30, 2017
DATE EFFECTIVE: November 29, 2017
ISSUED BY: _____
TITLE: PRESIDENT/GENERAL MANAGER
Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2017-00374, dated [TBD].
FOR ALL TERRITORIES SERVED

(T)
(T)
(T)
(T)
(T)
(D)
(T)

**BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**

PSC NO. 2017-00374
1st REVISED SHEET NO. 14
CANCELLING PSC NO. 2005-00125
ORIGINAL SHEET NO. 14

(T)
(T)

31. COLLECTION FEE - \$ 35.00

(I)

When a Cooperative representative calls at a members premises
For the purpose of collecting a delinquent bill, it will be assessed
When:

- The service is terminated.
- Member pays the delinquent bill.
- Member agrees to a payment schedule.

A maximum of one (1) collection fees will be assessed a member
Within a single thirty (30) day period.

32. RECONNECTION FEE - \$35.00 DURING REGULAR OFFICE HOURS
\$ 65.00 OUTSIDE REGULAR OFFICE HOURS

(I)

Applicable to services which have been disconnected due to non-
payment. Due and payable at the time of reconnection.

33. LATE PAYMENT PENALTY - 7% OF NET AMOUNT

7% of net amount due will be assessed if member fails to pay the net amount
by the 15th of the month. A penalty may be assessed only once on any bill for
service rendered.

34. TAMPERING

If the meter or other property belonging to the Cooperative is tampered or
interfered with, the customer being supplied through such equipment shall
pay the amount which the Cooperative may estimate is due for service
rendered but not registered on the Cooperative's meter and for such testing,
replacements, and repairs as are necessary, as well as for costs of
inspections, investigation, and protective installation.

DATE OF ISSUE: October 30, 2017
DATE EFFECTIVE: November 29, 2017
ISSUED BY: _____
TITLE: PRESIDENT/GENERAL MANAGER
Issued by authority of an Order of the Public Service Commission

(T)
(T)
(T)
(T)
(T)

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 4

807 KAR 5:001 Sec. 16(1)(b)(4)
Sponsoring Witnesses: Brian Frasure and John Wolfram

Description of Filing Requirement:

New or revised tariff sheets, if applicable, identified in compliance with 807 KAR 5:011, shown either by providing: (a) the present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side; or (b) a copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.

Response:

Please see attached.

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

(D)

PSC NO. ~~2017-00007~~ 2017-00374

(T)

~~2ND~~ 3rd REVISED SHEET NO. 1

(T)

**BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**
2017-00007

CANCELLING PSC NO. ~~2012-00030~~

(T)

~~1st~~ 2nd REVISED SHEET NO. 1

(T)

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	\$ 15.00 <u>21.25</u> per month	(I)
Energy charge	0.08649 <u>0.8705</u> per KWH	(I)/(D)
Off peak energy charge	0.05190	(R) (D)

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 AM
May through September	10:00 PM to 10:00 AM

DATE OF ISSUE: ~~August 9, 2017~~ October 30, 2017

(T)

DATE EFFECTIVE: ~~September 1, 2017~~ November 29, 2017

(T)

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission

of Kentucky in Case No. ~~2017-00007~~ 2017-00374, dated ~~August 7, 2017~~ [TBD].

(T)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED

(D)

PSC NO. ~~2012-00030~~ 2017-00374

(T)

~~2nd~~ 3rd REVISED SHEET NO. 2

(T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

CANCELLING PSC NO. 2012-00030

(T)

~~1st~~ 2nd REVISED SHEET NO. 2

(T)

CLASSIFICATION OF SERVICE

SCHEDULE A-1 FARM & HOME

RATE PER UNIT

MINIMUM CHARGES:

The minimum monthly charge under the above rate is ~~\$15.00~~ 21.25. 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.

(T)

(I)/(D)

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~~ 20 days from the date of the bill, the gross rates shall apply.

(I)

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.

DATE OF ISSUE: ~~Sept. 24, 2013~~ October 30, 2017

(T)

DATE EFFECTIVE: ~~November 1, 2013~~ November 29, 2017

(T)

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission

(T)

FORM FOR FILING RATE SCHEDULES	FOR ALL TERRITORIES SERVED	(D)
	PSC NO. 2017-00007 <u>2017-00374</u>	(T)
	1ST <u>2nd</u> REVISED SHEET NO. 4	(T)
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION <u>00007</u>	CANCELLING PSC NO. 2012-00030 <u>2017-</u>	(T)
	ORIGINAL <u>1ST REVISED</u> SHEET NO. 4	(T)

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 <u>30.00</u>	per month		
Energy charge		0.07629 <u>0.07090</u>	per KWH	(R)	(I)/(D)
Demand charge		5.50	per KW		

MINIMUM MONTHLY CHARGE:
The minimum monthly charge under the above rate shall be \$~~24.64~~ 30.00 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. (I)

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: ~~August 9, 2017~~ October 30, 2017 (T)
DATE EFFECTIVE: ~~September 1, 2017~~ November 29, 2017 (T)
ISSUED BY: _____
TITLE: PRESIDENT/GENERAL MANAGER
Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. ~~2017-00007~~ 2017-00374, dated ~~August 7, 2017~~ [TBD]. (T)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED (D)

PSC NO. 2017-003742012-00030 (T)

1st REVISED ORIGINAL SHEET NO. 5 (T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION
00030

CANCELLING PSC NO. 2010-004962012- (T)

ORIGINAL SHEET NO. 5

CLASSIFICATION OF SERVICE

SCHEDULE A-2 COMMERCIAL AND SMALL POWER 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 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 45²⁰ days from the date of the bill, the gross rates shall apply.

(I)

DATE OF ISSUE: ~~Oct. 31, 2012~~ October 30, 2017

DATE EFFECTIVE: ~~Oct. 31, 2012~~ November 29, 2017

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission

of Kentucky in Case No. 2017-003742012-00030, dated [TBD]/October 31, 2012.

(T)

(T)

FORM FOR FILING RATE SCHEDULES	FOR ALL TERRITORIES SERVED	(D)
	PSC NO. 2017-00007 <u>2017-00374</u>	(T)
	1st <u>2nd</u> REVISED SHEET NO. 7	(T)
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION <u>00007</u>	CANCELLING PSC NO. 2012-00030 <u>2017-</u>	(T)
	ORIGINAL <u>1st REVISED</u> SHEET NO. 7	(T)

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	\$ 6.25 <u>6.27</u>	per KW of billing	(I)
Secondary Meter Energy Charge	0.05868	per KWH	(D) (R)
Primary Meter Energy Charge	0.05256	per KWH	(D) (R)
Customer Charge Per Delivery Point	93.28	per Month	(D)

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: August 9, 2017 <u>October 30, 2017</u>	(T)
DATE EFFECTIVE: September 1, 2017 <u>November 29, 2017</u>	(T)
ISSUED BY: _____	
TITLE: PRESIDENT/GENERAL MANAGER	
Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2017-00007 <u>2017-00374</u> , dated August 7, 2017 <u>[TBD]</u> .	(T)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED (D)

PSC NO. ~~2012-00030~~2017-00374 (T)

~~ORIGINAL~~1st REVISED SHEET NO. 9 (T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION
00496

CANCELLING PSC NO. ~~2012-00030~~2014-00496 (T)

ORIGINAL SHEET NO. 9

CLASSIFICATION OF SERVICE

SCHEDULE LP LARGE POWER SERVICE

RATE PER UNIT

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~~20 days from the date of the bill, the gross rates shall apply. (I)

DATE OF ISSUE: ~~Oct. 31, 2012~~October 30, 2017 (T)

DATE EFFECTIVE: November 29, 2017~~Oct. 31, 2012~~

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER (T)

Issued by authority of an Order of the Public Service Commission of

Kentucky in Case No. 2017-00374~~2012-00030~~, date TBD/October 31, 2012.

~~FORM FOR FILING RATE SCHEDULES~~

FOR ALL TERRITORIES SERVED

(D)

PSC NO. ~~2017-00007~~ 2017-00374

(T)

~~1st~~ 2nd REVISED SHEET NO. 10

(T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION
00007

CANCELLING PSC NO. ~~2012-00030~~ 2017-

(T)

~~ORIGINAL~~ 1st REVISED SHEET NO. 10

(T)

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:	\$	<u>6.256.47</u>	per KW of billing demand	(I)/(D)
Secondary Meter Energy Charge:		0.05779 <u>0.05817</u>	per KWH	(I)/(D)
(R) Primary Meter Energy Charge:		-0.05176 <u>0.05210</u>	per KWH	(I)/(D)
(R) Customer Charge Per Delivery Point:	\$	107.68	per month	

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

DATE OF ISSUE: ~~August 9, 2017~~ October 30, 2017

(T)

DATE EFFECTIVE: ~~September 1, 2017~~ November 29, 2017

(T)

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission

of Kentucky in Case No. ~~2017-00007~~ 2017-00374, dated ~~August 7, 2017~~ [TBD].

(T)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED (D)

PSC NO. ~~2012-00030~~2017-00374 (T)

~~ORIGINAL~~1st REVISED SHEET NO. 12 (T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION
00496

CANCELLING PSC NO. ~~2012-00030~~2014-00496 (T)

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~~20 days from the date of the bill, the gross rates shall apply.

(I)

DATE OF ISSUE: ~~October 30, 2017~~Oct. 31, 2012

DATE EFFECTIVE: ~~November 29, 2017~~Oct. 31, 2012

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission

of Kentucky in Case No. ~~2017-00374~~2012-00030, dated ~~TBD~~October 31, 2012.

(T)

(T)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED (D)

PSC NO. ~~2017-00007~~2017-00374 (T)

~~2nd~~ 1ST REVISED SHEET NO. 13 (T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION
00007

CANCELLING PSC NO. ~~2012-00030~~2017- (T)

~~ORIGINAL~~ 1st REVISED SHEET NO. 13 (T)

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 for lights of listed wattage or for similar lights with approximately equivalent lumens as follows: (T)

175	Watt	<u>6,000-13,000 Lumens</u>	@	\$ 9.31	per month	(T)
400	Watt	<u>13,001-25,000 Lumens</u>	@	13.89	per month	(T)
500	Watt	<u>-</u>	@	16.29	per month	(T)
1,500	Watt	<u>-</u>	@	37.55	per month	(T)
400	Watt Flood	<u>-13,000-25,000 Lumens</u>	@	18.90	per month	(T)

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~~20 days from the date of the bill, the gross rates shall apply. (I)

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: ~~August 9, 2017~~October 30, 2017 (T)

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TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. ~~2017-00007~~2017-00374, dated ~~[TBD]~~August 7, 2017. (T)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED (D)

PSC NO. ~~2017-003742012-00030~~ (T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION
00496

~~ORIGINAL~~ 1st REVISED SHEET NO. 18 (T)

CANCELLING PSC NO. ~~2012-000302010-~~ (T)

ORIGINAL SHEET NO. 18

CLASSIFICATION OF SERVICE

SCHEDULE IND 1

RATE PER UNIT

1. 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~~20 days from the date of the bill, the gross rates shall apply. (I)

DATE OF ISSUE: ~~Oct. 31, 2012~~ October 30, 2017

DATE EFFECTIVE: November 29, 2017 ~~Oct. 31, 2012~~ (T)

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of

Kentucky in Case No. ~~2012-00030~~ 2017-00374, dated [TBD]/October 31, 2012. (T)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED (D)

PSC NO. ~~2017-003742012-00030~~ (T)

~~ORIGINAL-1st REVISED~~ SHEET NO. 21 (T)

**BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**
00030

CANCELLING PSC NO. ~~2010-004962012-~~ (T)

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~~20 days from the date of the bill, the gross rates shall apply. (I)

DATE OF ISSUE: ~~Oct. 31, 2012~~October 30, 2017

DATE EFFECTIVE: ~~Oct. 31, 2012~~November 29, 2017 (T)

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission

of Kentucky in Case No. 2017-003742012-00030, dated [TBD]/October 31, 2012. (T)

FORM FOR FILING RATE SCHEDULES
FOR ALL TERRITORIES SERVED

(D)/(T)

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION
~~—2017-00007~~

PSC NO. ~~2017-00007~~ 2017-00374

(T)

~~2ND~~ 3rd REVISED SHEET NO. 25

(T)

CANCELLING PSC NO. ~~2010-00496~~

(T)

~~1ST~~ 2nd REVISED SHEET NO. 25

(T)

CLASSIFICATION OF SERVICE

SCHEDULE IND 1-B

RATE PER UNIT

APPLICABLE:

Applicable to contracts with contract demands of 500 kW or greater with a monthly energy usage equal to or greater than 400 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				
Contract Demand	\$	6.16 <u>6.44</u>	per kW of Billing Demand	(I)
Excess Demand		8.93 <u>9.34</u>	per kW of Billing Demand	(I)
Secondary Meter Energy Charge		0.04993 <u>0.05025</u>	per kWh	(I)/(D)
Primary Meter Energy Charge		0.04927 <u>0.04959</u>	per kWh	(R)
Customer Charge	\$	173.33		(I)/(D)

BILLING DEMAND:

The monthly Billing Demand (kilowatt demand) shall be the contract demand plus any excess demand. Excess demand occurs when the consumer's peak demand, during the current month, exceeds the contract demand. The consumer'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 – All hours are Eastern Standard Time

October through April	7:00 A.M. to 12:00 Noon
	5:00 P.M. to 10:00 P.M.
May through September	10:00 A.M. to 10:00 P.M.

DATE OF ISSUE: ~~August 9, 2017~~ October 30, 2017

DATE EFFECTIVE: ~~September 1, 2017~~ November 29, 2017

ISSUED BY: _____

TITLE: PRESIDENT/GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. ~~2017-00007~~ 2017-00374, dated ~~August 7, 2017~~ [TBD].

(T)

(T)

(T)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED (D)
PSC NO. ~~2005-00125~~ 2017-00374 (T)
~~ORIGINAL~~ 1st REVISED SHEET NO. 14 (T)
CANCELLING PSC NO. ~~95-383~~ 2005-00125 (T)
ORIGINAL SHEET NO. 14 (T)

**BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**

MISCELLANEOUS SERVICE CHARGES

25. MEMBERSHIP FEE - \$25.00

The membership fee will be refunded, if all bills are paid, or applied against Any unpaid bills of the consumer at the time service is disconnected, which Will automatically terminate the membership.

26. SECOND SERVICE CONNECT FEE - ~~\$30.00~~ 40.00 (I)

This fee will be charged for any service connections made in addition to the Initial service connection.

27. TEMPORARY DISCONNECT/RECONNECT FEE - ~~\$30.00~~ 35.00 (I)

- Seasonal (extended vacation)
- Repair to service entrance – no charge
- Upgrade service entrance – no charge

28. METER READING FEE - \$30.00

In the event that the consumer fails to read the meter as outlined or Fails to notify the Cooperative office for two (2) successive months, The Cooperative will read same meter and bill the consumer for this Service.

29. METER TEST FEE - ~~\$30.00~~ 40.00 (I)

A member may request that their meter be tested at a time other than The Cooperative's regular testing schedule by paying this fee in advance In accordance with 807 KAR 5:006 Sec. 18.

30. RETURNED CHECK FEE - ~~\$20.00~~ 25.00 (I)

A service charge shall be charged for all checks returned by the bank due To insufficient funds or a closed account.

DATE OF ISSUE: October 30, 2017
DATE EFFECTIVE: November 29, 2017
ISSUED BY:
TITLE: PRESIDENT/GENERAL MANAGER
Issued by authority of an Order of the Public Service Commission
of Kentucky in Case No. 2017-00374, dated [TBD].

(T)
(T)
(T)
(T)
(T)
(T)

~~DATE OF ISSUE: Sept 07, 2005~~ ~~DATE EFFECTIVE: October 01, 2005~~

(D)

~~ISSUED BY: _____~~ ~~TITLE: President/General Manager~~

(D)

~~Issued by authority of an Order of the Public Service Commission of Kentucky in Case No.~~

(D)

~~2005-00125, dated 09-29-05.~~

(D)

FORM FOR FILING RATE SCHEDULES

FOR ALL TERRITORIES SERVED (D)
PSC NO. ~~2005-00125~~ 2017-00374 (T)
~~ORIGINAL~~ 1st REVISED SHEET NO. 14 (T)
CANCELLING PSC NO. ~~95-383~~ 2005-00125 (T)
ORIGINAL SHEET NO. 14 (T)

**BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION**

31. COLLECTION FEE - ~~\$30.00~~ \$35.00 (I)

When a Cooperative representative calls at a members premises
For the purpose of collecting a delinquent bill, it will be assessed
When:

- The service is terminated.
- Member pays the delinquent bill.
- Member agrees to a payment schedule.

A maximum of one (1) collection fees will be assessed a member
Within a single thirty (30) day period.

32. RECONNECTION FEE - \$35.00 DURING REGULAR OFFICE HOURS (I)
\$~~52.50~~ 65.00 OUTSIDE REGULAR OFFICE HOURS

Applicable to services which have been disconnected due to non-
payment. Due and payable at the time of reconnection.

33. LATE PAYMENT PENALTY - 7% OF NET AMOUNT

7% of net amount due will be assessed if member fails to pay the net amount
by the 15th of the month. A penalty may be assessed only once on any bill for
service rendered.

34. TAMPERING

If the meter or other property belonging to the Cooperative is tampered or
interfered with, the customer being supplied through such equipment shall
pay the amount which the Cooperative may estimate is due for service
rendered but not registered on the Cooperative's meter and for such testing,
replacements, and repairs as are necessary, as well as for costs of
inspections, investigation, and protective installation.

DATE OF ISSUE: October 30, 2017
DATE EFFECTIVE: November 29, 2017

(T)
(T)
(T)
(T)

ISSUED BY:
TITLE: PRESIDENT/GENERAL MANAGER
Issued by authority of an Order of the Public Service Commission

(T)
(T)

DATE OF ISSUE: Sept 07, 2005 DATE EFFECTIVE: October 01, 2005
ISSUED BY: TITLE: President/General Manager

(D)
(D)

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No.
2005-00125 dated

(D)
(D)

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 5

807 KAR 5:001 Sec. 16(1)(b)(5)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

A statement that notice has been given in compliance with Section 17 of this administrative regulation, with a copy of the notice.

Response:

A copy of Big Sandy's notice is attached, and Big Sandy has given notice (and continues to give notice) in compliance with 807 KAR 5:001 Section 17. Specifically, as of the date Big Sandy submitted this Application to the Commission, Big Sandy has (i) posted at its place of business a copy of the notice; (ii) posted to its website a copy of the public notice and a hyperlink to the location on the Commission's website where the case documents are available; (iii) mailed a written copy of the notice to certain customers known or believed to be outside of the circulation area of local newspapers; and (iv) published a copy of the notice in a prominent manner in newspapers of general circulation in its service area. Big Sandy has arranged for three (3) consecutive weeks of newspaper publication, as required by Section 17(2)(b)(3), and it will file Proof of Notice within forty-five (45) days of the submission of its Application, as required by Section 17(3).

NOTICE

On or about October 30, 2017, Big Sandy Rural Electric Cooperative Corporation, with its principal offices at 504 11th Street, Paintsville Kentucky, 41240, expects to file in Case No. 2017-00374 an application with the Kentucky Public Service Commission requesting a general adjustment of the utility's existing rates. This adjustment will result in a general rate increase to the member-consumers of Big Sandy Rural Electric Cooperative Corporation. The application will request that the proposed rates become effective November 29, 2017.

The present and proposed rates for each customer classification to which the proposed rates will apply are set forth below:

Rate Class	Rates	
	Present	Proposed
<u>Schedule A-1 Farm & Home</u>		
Customer Charge (per delivery point)	\$15.00	\$21.25
Energy Charge(per kWh)	\$0.08649	\$0.08705
Off Peak Energy Charge (per kWh)	\$0.05190	\$0.05190
<u>Schedule A-2 Commercial & Small Power</u>		
Customer Charge (per delivery point)	\$24.64	\$30.00
Energy Charge (per kWh)	\$0.07629	\$0.07090
Demand Charge (per kW)	\$5.50	\$5.50
<u>Schedule LP Large Power Service</u>		
Customer Charge (per delivery point)	\$93.28	\$93.28
Secondary Meter Energy Charge (per kWh)	\$0.05868	\$0.05868
Primary Meter Energy Charge (per kWh)	\$0.05256	\$0.05256
Demand Charge (per kW)	\$6.25	\$6.27
<u>Schedule LPR Large Power Service</u>		
Customer Charge (per delivery point)	\$107.68	\$107.68
Secondary Meter Energy Charge (per kWh)	\$0.05779	\$0.05817
Primary Meter Energy Charge (per kWh)	\$0.05176	\$0.05210
Maximum Demand Charge (per kW)	\$6.25	\$6.47
<u>Industrial - IND 1-B</u>		
Customer Charge (per month)	\$173.33	\$173.33
Secondary Meter Energy Charge (per kWh)	\$0.04993	\$0.05025
Primary Meter Energy Charge (per kWh)	\$0.04927	\$0.04959
Demand Charge-Contract Demand (per kW)	\$6.16	\$6.44
Demand Charge-Excess Demand (per kW)	\$8.93	\$9.34
<u>Schedule YL-1 Yard Security Light Service</u>		
175 Watt	\$9.31	\$9.31
400 Watt	\$13.89	\$13.89
500 Watt	\$16.29	\$16.29
1,500 Watt	\$37.55	\$37.55
400 Watt Flood	\$18.90	\$18.90
<u>Schedule IND 1</u>		
Customer Charge (per month)	\$165.06	\$165.06
Secondary Meter Energy Charge (per kWh)	\$0.05450	\$0.05450
Primary Meter Energy Charge (per kWh)	\$0.05387	\$0.05387

Demand Charge (per kW)	\$5.93	\$5.93
<u>Schedule IND 2</u>		
Customer Charge (per month)	\$1,176.33	\$1,176.33
Secondary Meter Energy Charge (per kWh)	\$0.04900	\$0.04900
Primary Meter Energy Charge (per kWh)	\$0.04851	\$0.04851
Demand Charge (per kW)	\$5.93	\$5.93
<u>Miscellaneous Service Charges</u>		
Second Service Connect Fee	\$30.00	\$40.00
Temporary Disconnect/Reconnect	\$30.00	\$35.00
Meter Test Fee	\$30.00	\$40.00
Returned Check Fee	\$20.00	\$25.00
Collection Fee	\$30.00	\$35.00
Reconnection Fee - Regular Hours	\$35.00	\$35.00
Reconnection Fee - After Hours	\$52.50	\$65.00
Membership Fee	\$25.00	\$25.00
Meter Reading Fee	\$30.00	\$30.00
<u>No changes are proposed to the</u>		
Renewable Energy Program - Rate 24		
PrePay Metering Program		
CATV Television Attachment Tariff		
Cogeneration and Small Power Production tariffs		

The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply is set forth below:

<u>Rate Class</u>	Increase	
	Dollars	Percent
Schedule A-1 Farm & Home	\$910,052	5.5%
Schedule A-2 Commercial & Small Power	\$810	0.1%
Schedule LP Large Power Service	\$1,973	0.1%
Schedule LPR Large Power Service	\$9,618	1.4%
Industrial - IND 1-B	\$5,189	1.3%
Schedule YL-1 Yard Security Light Service	\$0	0.0%
Total	\$927,642	4.1%

The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply is set forth below:

<u>Rate Class</u>	Average Usage (kWh)	Increase	
		Dollars	Percent
Schedule A-1 Farm & Home	1,088	\$6.37	5.5%
Schedule A-2 Commercial & Small Power	936	\$0.07	0.1%
Schedule LP Large Power Service	15,209	\$1.06	0.1%
Schedule LPR Large Power Service	98,606	\$111.84	1.4%
Industrial - IND 1-B	518,275	\$432.45	1.3%
Schedule YL-1 Yard Security Light Service	71	\$0.00	0.0%

A person may examine the application and any related documents Big Sandy Rural Electric Cooperative Corporation has filed with the Public Service Commission: (i) at the utility's offices located at 504 11th Street, Paintsville Kentucky 41240; (ii) at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m.; or (iii) through the Public Service Commission's website at <http://psc.ky.gov>.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the Commission may take final action on the application. Comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

The rates contained in this notice are the rates proposed by Big Sandy Rural Electric Cooperative Corporation but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 6

807 KAR 5:001 Sec. 16(2) / KRS 278.180
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

Notice of intent. A utility with gross annual revenues greater than \$5,000,000 shall notify the commission in writing of its intent to file a rate application at least thirty (30) days, but not more than sixty (60) days, prior to filing its application.

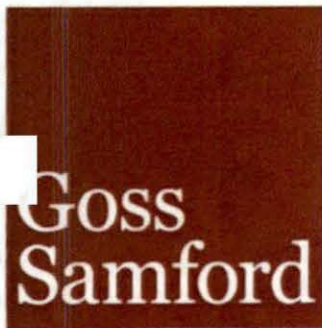
(a) The notice of intent shall state if the rate application will be supported by a historical test period or a fully forecasted test period.

(b) Upon filing the notice of intent, an application may be made to the commission for permission to use an abbreviated form of newspaper notice of proposed rate increases provided the notice includes a coupon that may be used to obtain a copy from the applicant of the full schedule of increases or rate changes.

(c) Upon filing the notice of intent with the commission, the applicant shall mail to the Attorney General's Office of Rate Intervention a copy of the notice of intent or send by electronic mail in a portable document format, to rateintervention@ag.ky.gov.

Response:

Big Sandy, by counsel, notified the Commission in writing of its intent to file a rate application by letter dated September 12, 2017. A copy of this letter (in portable document format) was also sent by electronic mail to rateintervention@ag.ky.gov. Please see attached.



ATTORNEYS AT LAW PLLC

Mark David Goss
mdgoss@gosssamfordlaw.com
(859) 368-7740

September 12, 2017

RECEIVED

SEP 13 2017

PUBLIC SERVICE
COMMISSION

Mr. John S. Lyons
Acting Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: IN THE MATTER OF: APPLICATION OF BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF EXISTING
RATES
Case No. 2017-00374

Mr. Lyons:

Please be advised that this law firm represents Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") in connection with the above-referenced matter. In accordance with 807 KAR 5:001 Section 16(2), please accept this correspondence as written notification from Big Sandy to the Kentucky Public Service Commission that, no sooner than thirty (30) days and no later than sixty (60) from your receipt of this letter, Big Sandy intends to file an application requesting a general adjustment of its existing rates. Pursuant to 807 KAR 5:001 Section 16(2)(a), Big Sandy states that its rate application will be supported by a historical test period.

I appreciate your assistance with this matter, and please do not hesitate to contact me with any questions or concerns.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mark David Goss".

Mark David Goss

cc: Attorney General's Office of Rate Intervention
via email: rateintervention@ag.ky.gov

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 7

807 KAR 5:001 Sec. 16(4)(a)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

A complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment.

Response:

A complete description and qualified explanation for all proposed rate adjustments are contained in the Application and Exhibits filed by Big Sandy. Please also see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-2 thereof.

Case No. 2017-00374
Application - Exhibit 7
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 8

807 KAR 5:001 Sec. 16(4)(b)
Sponsoring Witness: Bobby Sexton

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.

Response:

In support of its Application, Big Sandy provides written testimony from three (3) witnesses:

- Mr. Bobby Sexton, Big Sandy's President and Chief Executive Officer, whose testimony is included with this Exhibit 8;
- Mr. Billy O'Brian (Brian) Frasure, Big Sandy's Accounting and Finance Manager, whose testimony is included at Exhibit 9; and
- Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, whose testimony is included at Exhibit 10.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A GENERAL) Case No. 2017-00374
ADJUSTMENT OF EXISTING RATES)

DIRECT TESTIMONY OF BOBBY SEXTON,
PRESIDENT AND CHIEF EXECUTIVE OFFICER,
ON BEHALF OF BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Filed: October 30, 2017

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Bobby Sexton and I serve as President and Chief Executive Officer of
3 Big Sandy Rural Electric Cooperative Corporation (“Big Sandy” or the
4 “Cooperative”). My business address is 504 11th Street, Paintsville, Kentucky
5 41240.

6 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**
7 **PROFESSIONAL EXPERIENCE.**

8 A. I am a graduate of Garrett High School in Floyd County, Kentucky. I received a
9 two-year Associates Degree from Prestonsburg Community College in 1971. I then
10 attended the University of Kentucky of three years with the goal of receiving a
11 Bachelor of Science in Physics. However, prior to completion of my degree I was
12 required to withdraw from school for family reasons. My first several jobs out of
13 college lasted approximately six years and were in the coal mining industry in
14 Knott, Floyd and Martin Counties. Next, I went to work for the Kentucky
15 Department of Mines and Minerals as a coal mine inspector where I worked
16 continuously for 27 years. I retired from this position in 2003. During the last six
17 years of this employment I was a director on Big Sandy’s Board of Directors. Soon
18 after my retirement from state government (October 2003) I became Big Sandy’s
19 President and Chief Executive Officer, a position which I held until my retirement
20 in October 2010. On May 5, 2017, I again came out of retirement and assumed my
21 current position of President and Chief Executive Officer for the second time when
22 Big Sandy’s former manager ceased employment with the company. I am currently
23 working under a one-year contract which expires in May 2018.

1 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AT THE COOPERATIVE.**

2 A. My principal responsibility is to oversee all departments at Big Sandy and to the
3 extent possible ensure that all cooperative activities are completed in accordance
4 with good business practices and consistent with the direction provided by Big
5 Sandy's Board of Directors.

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
7 **PROCEEDING?**

8 A. The purpose of my testimony is first to provide a general overview of the
9 Cooperative's business and existing retail electric distribution system. I will
10 describe the events that preceded the filing of this case, discuss the Cooperative's
11 condition, and explain the Cooperative's need to revise its existing rates to ensure
12 it may continue to provide safe, reliable retail electric service to its owner-members.

13 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

14 A. Yes. Attached to my testimony and labeled Exhibit BS-1 is a Resolution of Big
15 Sandy's Board of Directors dated October 26, 2017, pursuant to which Big Sandy's
16 management was authorized and directed to prepare and submit the Application my
17 testimony supports.

18 **Q. PLEASE GENERALLY DESCRIBE THE COOPERATIVE'S BUSINESS.**

19 A. Big Sandy is a not-for-profit, member-owned rural electric cooperative corporation
20 with its headquarters in Paintsville, Kentucky. The Cooperative provides retail
21 electric service to approximately 13,000 customers in all or a portion of Breathitt,
22 Floyd, Johnson, Knott, Lawrence, Magoffin, Martin, and Morgan Counties. The
23 Cooperative is one of sixteen Owner-Members of East Kentucky Power

1 Cooperative, Inc., which serves as the wholesale electricity provider for the
2 Cooperative. Big Sandy owns and maintains approximately 1,038 miles of
3 distribution lines connecting seven (7) substations. During the test year in this case,
4 Big Sandy's average residential customer used 1,088 kWh per month.

5 **Q. HOW DOES THE COOPERATIVE BUSINESS MODEL DIFFER FROM**
6 **THAT OF INVESTOR-OWNED UTILITIES?**

7 A. Put plainly, cooperatives exist solely to provide safe and efficient electric service
8 to their owner-members, *i.e.*, their customers. As not-for-profit companies, they
9 are neither motivated by profit nor rates of return, but rather by the communities of
10 which they are a part. Although cooperatives do not have to concern themselves
11 with shareholders, they often must overcome challenges (*e.g.*, customer density,
12 local economics, and terrain) while keeping costs low and maintaining a strong
13 financial condition.

14 **Q. HOW LONG HAVE THE COOPERATIVE'S EXISTING GENERAL**
15 **RATES BEEN IN EFFECT?**

16 A. Big Sandy's existing general rates went into effect on October 31, 2012, following
17 their approval by the Commission in Case No. 2012-00030.

18 **Q. PLEASE GENERALLY DESCRIBE HOW THE COOPERATIVE'S LOAD**
19 **AND CUSTOMER BASE HAVE CHANGED IN RECENT YEARS.**

20 A. Big Sandy's customer base is primarily residential. Its customer base has seen a
21 slow but steady decline since the 2012 rate case. This customer loss has naturally
22 translated into a similar reduction in year-over-year revenues.

1 **Q. HAVE THE COOPERATIVE'S OPERATIONAL EXPENSES INCREASED**
2 **IN RECENT YEARS?**

3 A. Yes. Since the Cooperative's last general rate increase went into effect in 2012, the
4 cost of doing business and providing safe, reliable electric service has significantly
5 increased. For example, Big Sandy has experienced increases in depreciation
6 expense, labor expense, and construction and maintenance materials costs, just to
7 name a few.

8 **Q. PLEASE DESCRIBE SOME SIGNIFICANT COST-CONTAINMENT**
9 **MEASURES THE COOPERATIVE HAS TAKEN TO AVOID OR**
10 **MINIMIZE AN INCREASE OF ITS RATES.**

11 A. Big Sandy's Board of Directors and management have put several cost-containment
12 measures in place including a recently completed debt-refinancing case at the
13 Commission (Case No. 2017-00190) meant to take advantage of a historically low
14 interest rate environment, reduction in the number of employees meant to decrease
15 annual labor costs, a phased-in plan for employees to pay a portion of their health
16 insurance premiums which will result in an enterprise-wide reduction of health
17 insurance costs, and other similar measures.

18 **Q. DESPITE ITS EFFORTS, WHY DOES THE COOPERATIVE BELIEVE AN**
19 **ADJUSTMENT OF ITS RATES IS NECESSARY?**

20 A. While certainly worthwhile and helpful, Big Sandy's cost-cutting efforts in several
21 places throughout the company have not kept pace with the financial dilemma
22 caused by the dual problems of load loss and increased costs in other portions of
23 the company's operations. The only way to bridge this gap and ensure the

1 continued financial health and viability of Big Sandy is for its rates to be increased
2 consistent with the request made in this case.

3 **Q. HOW AND WHEN DID THE COOPERATIVE'S BOARD OF DIRECTORS**
4 **DETERMINE THAT A RATE ADJUSTMENT WAS NECESSARY?**

5 A. Big Sandy's Board of Directors, in conjunction with the Cooperative's
6 management and other employees, constantly monitors the performance and
7 financial metrics of the Cooperative. Beginning in 2016 a noticeable decline in Big
8 Sandy's financial condition was recognized and immediate efforts were undertaken
9 to attempt to address the issues, primarily by reducing expenses. Ultimately, Big
10 Sandy's leadership decided earlier this year that an Application to the Commission
11 seeking increased rates was necessary, and such an Application was filed on June
12 2, 2017, in Case No. 2017-00171.

13 **Q. WHAT IS THE STATUS OF CASE NO. 2017-00171?**

14 A. Following the filing of Big Sandy's Application for a general rate adjustment in
15 Case No. 2017-00171, it became apparent to the Cooperative that certain issues
16 existed with respect to the form and content of its submission. While the
17 Cooperative's leadership considered attempting to rectify the deficiencies and
18 progress forward with the case as initiated, it was finally decided that the best
19 course of action was to withdraw the Application and begin again with new team
20 members (Mr. John Wolfram, as expert, and Goss Samford, PLLC, as counsel) and
21 a fresh perspective. While this decision may have delayed the implementation of
22 revised rates and initially required additional care and effort by all those involved,
23 Big Sandy believes that a matter of this importance demands attention to detail and

1 that all submissions to the Commission should be of a quality that best positions
2 the Cooperative for success and positively reflects the Cooperative, its leadership,
3 and its employees. By Order entered July 7, 2017, the Commission granted Big
4 Sandy's request to withdraw its Application and dismissed Case No. 2017-00171
5 without prejudice.

6 **Q. DID THE COOPERATIVE'S BOARD OF DIRECTORS APPROVE AND**
7 **AUTHORIZE THE FILING OF THE APPLICATION IN THIS CASE?**

8 A. Yes. By formal Resolution of the Board of Directors dated October 26, 2017, the
9 management of Big Sandy was directed to seek from the Commission the rate relief
10 prayed for in this proceeding. The Board Resolution was the culmination of an
11 ongoing deliberative process involving expert guidance and extensive examination
12 of the Cooperative's financial condition, and I believe the Application and
13 supporting documents filed in this case strongly support the necessary rate relief
14 Big Sandy now seeks.

15 **Q. WHY SHOULD THE COMMISSION GRANT THE COOPERATIVE'S**
16 **REQUESTED RELIEF?**

17 A. As discussed by both Mr. Wolfram and Mr. Frasure in their testimonies, the rate
18 relief sought by Big Sandy in this case is critical to insure that its financial integrity
19 is maintained in order to provide its owner-members with reliable power at a
20 reasonable cost. The rates which Big Sandy has requested have been specifically
21 designed to account for its cost of service to the various customer classes it serves
22 with a philosophy of moving towards appropriate cost recovery in a gradual fashion

1 in to reduce or eliminate consumer disruption. Big Sandy's request in this case is
2 reasonable, necessary and supported by sound cost of service analyses.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 A. Yes.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A GENERAL) Case No. 2017-00374
ADJUSTMENT OF EXISTING RATES)

VERIFICATION OF BOBBY SEXTON

COMMONWEALTH OF KENTUCKY)
COUNTY OF Johnson)

Bobby Sexton, being duly sworn, states that he has supervised the preparation of his direct testimony included with Big Sandy's Application in the above-styled matter, that he would respond in the same manner to the questions if so asked upon taking the stand, and that his testimony is true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry. Mr. Sexton further states that any Exhibits to Big Sandy's Application for which he serves as a Sponsoring Witness are also true and correct to the best of his knowledge, information and belief.


Bobby Sexton

The foregoing Verification was signed, acknowledged and sworn to before me this 25th day of October, 2017, by Bobby Sexton.

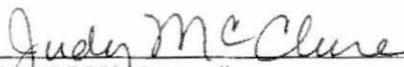

NOTARY PUBLIC, Notary # _____
Commission expiration: 6-19-18

Exhibit BS-1
Resolution of the Board of Directors
(October 26, 2017)

RESOLUTION
OF THE BOARD OF DIRECTORS OF
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

A meeting of the Board of Directors of Big Sandy Rural Electric Cooperative Corporation ("Big Sandy R.E.C.C.") was held at the cooperative's Headquarters, 504 11th Street, Paintsville, Johnson County, State of Kentucky, on October 26, 2017, during which meeting the Board continued to consider the cooperative's financial condition and its need for a general adjustment of its electric rates.

Upon motion by Robert Moore, seconded by Greg Davis, and duly carried, the following resolution was unanimously adopted:

WHEREAS, Big Sandy R.E.C.C. is owned by the Members it serves, and its purpose is to provide safe, efficient, and reliable electric service at rates and on terms that are fair, just and reasonable; and,

WHEREAS, the leadership and management of Big Sandy R.E.C.C. have closely monitored the cooperative's financial condition and, despite their efforts to reduce expenses and further delay an application for an increase in base electric rates, it has become apparent to the Board of Directors that seeking and obtaining additional revenue from rates is a prudent and necessary course of action; and,

WHEREAS, the Board of Directors has solicited, obtained and reviewed the recommendations of management and retained consultants that support the request for a general adjustment of electric rates authorized herein;

NOW, THEREFORE, BE IT RESOLVED that the management of Big Sandy R.E.C.C. is authorized and directed to prepare and submit an application to the Kentucky Public Service Commission seeking an increase in base electric rates in a total amount not to exceed \$927,643.00, based on a Times Interest Earned Ratio (TIER) of 2.0, with such rates to be effective as of November 29, 2017, or as soon thereafter as the Kentucky Public Service Commission may Order.

BE IT FURTHER RESOLVED that the management of Big Sandy R.E.C.C. is authorized to take any and all actions necessary or advisable in connection with the application for a general rate increase hereby authorized and approved.

CERTIFICATION

I, DANNY WALLER, Chairman of Big Sandy Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of Big Sandy Rural Electric Cooperative Corporation held October 26, 2017, at which meeting a quorum was present.

Danny Waller
CHAIRMAN

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 9

807 KAR 5:001 Sec. 16(4)(b)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.

Response:

In support of its Application, Big Sandy provides written testimony from three (3) witnesses:

- Mr. Bobby Sexton, Big Sandy's President and Chief Executive Officer, whose testimony is included at Exhibit 8;
- Mr. Billy O'Brian (Brian) Frasure, Big Sandy's Accounting and Finance Manager, whose testimony is included with this Exhibit 9; and
- Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, whose testimony is included at Exhibit 10.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR A GENERAL)	Case No. 2017-00374
ADJUSTMENT OF EXISTING RATES)	

DIRECT TESTIMONY OF BILLY O'BRIAN FRASURE,
ACCOUNTING AND FINANCE MANAGER,
ON BEHALF OF BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Filed: October 30, 2017

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Billy O'Brian (Brian) Frasure, and I serve as Accounting and Finance
3 Manager for Big Sandy Rural Electric Cooperative Corporation ("Big Sandy"). My
4 business address is 504 11th Street, Paintsville, Kentucky 41240.

5 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATION AND**
6 **PROFESSIONAL EXPERIENCE.**

7 A. I received my Bachelor of Business Administration in Accounting from Morehead
8 State University in 2010 and became a Licensed Certified Public Accountant in
9 2012. I began my career in December 2007 as a Financial Assistant with a local
10 non-profit healthcare agency in Prestonsburg, Kentucky, where I worked for
11 approximately three years. I was hired as a Staff Accountant in 2010 at a local CPA
12 firm in Salyersville, Kentucky, where I worked for approximately two years. I was
13 hired at Big Sandy in 2012 as Financial Accountant, and assumed my current role
14 in 2016.

15 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AT THE COOPERATIVE.**

16 A. As Accounting and Finance Manager, I am responsible for all daily accounting
17 activities at the Cooperative, such as general ledger accounting, accounts payable,
18 and payroll accounting. I am also responsible for ensuring that all customer bills
19 are accurate and timely distributed, and I maintain Big Sandy's debt portfolio
20 through regular communication with representatives of Rural Utilities Service
21 ("RUS"), Cooperative Finance Corporation ("CFC"), CoBank, and Federal
22 Financing Bank ("FFB").

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
2 **PROCEEDING?**

3 A. The purpose of my testimony is first to provide a general overview of the
4 Cooperative's financial health. I will discuss notable financial metrics and detail
5 certain expense categories, as well as describe the Cooperative's debt portfolio,
6 depreciation practices, labor expenses, and various other relevant matters. Finally,
7 I will summarize and underscore the necessity of the rate relief requested by the
8 Cooperative in this processing.

9 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

10 A. Yes. Attached to my testimony and labeled Exhibit BF-1 is Big Sandy's Board
11 Policy 300-100 (Equity Management), and attached and labeled BF-2 is Big
12 Sandy's Board Policy 300-010 (Capital Credits).

13 **Q. ARE YOU FAMILIAR WITH THE APPLICATION AND SUPPORTING**
14 **EXHIBITS FILED BY THE COOPERATIVE IN THIS CASE?**

15 A. Yes, I am familiar with the documents filed in support of this case and have been
16 closely involved in providing the necessary information to Big Sandy's expert
17 consultant, Mr. John Wolfram of Catalyst Consulting, LLC, to complete his
18 analysis and his Cost of Service Study ("COSS"). Examples of the types of
19 information I have marshalled and provided to Mr. Wolfram included income and
20 expense data for the test year, customer usage data for Big Sandy's several rate
21 classes, and various categories of information utilized to prepare all pro forma
22 adjustments and COSS reports and exhibits.

1 **Q. PLEASE GENERALLY DESCRIBE THE RELIEF SOUGHT BY THE**
2 **COOPERATIVE IN THIS PROCEEDING.**

3 A. Big Sandy requests approval to adjust the rates for service it has had in place since
4 October of 2012. Specifically, Big Sandy seeks to increase its annual revenues by
5 \$927,642, or 4.1%, in order to achieve a Times Interest Earned Ratio (“TIER”) of
6 2.00x.

7 **Q. IS THE COOPERATIVE’S APPLICATION SUPPORTED BY A**
8 **HISTORICAL TEST YEAR?**

9 A. Yes, it is. The test year in this case consists of the twelve (12) month period ending
10 July 31, 2016.

11 **Q. WHY WAS THE PERIOD OF AUGUST 1, 2015 THROUGH JULY 31, 2016**
12 **CHOSEN AS THE HISTORICAL TEST YEAR?**

13 A. As stated by Mr. Bobby Sexton, Big Sandy’s President and Chief Executive
14 Officer, in his testimony, the cooperative previously filed an application to adjust
15 its rates on June 2, 2017, in Case No. 2017-00171. While that case was withdrawn
16 soon after it began, Big Sandy’s management and Board of Directors determined
17 that the most expedient and economical way to handle this case (and avoid
18 excessive duplication of effort and expense) was to employ the same test year
19 previously utilized in preparation for Case No. 2017-00171. Big Sandy believes
20 that its proposed test year reasonably reflects the performance of the Cooperative,
21 when adjusted for appropriate known and measurable changes.

1 **Q. PLEASE GENERALLY DESCRIBE THE LOAD SERVED BY THE**
2 **COOPERATIVE.**

3 A. The Cooperative serves at retail approximately 65 MW in total load in its eight (8)
4 county service territory, which includes the Kentucky counties of Breathitt, Floyd,
5 Johnson, Knott, Lawrence, Magoffin, Martin, and Morgan. The Cooperative's
6 customer base is primarily residential served under Schedule A-1 Farm & Home.
7 As of the end of the test year, the residential load comprised approximately 72% of
8 the Cooperative's total energy usage and represented approximately 74% of the
9 Cooperative's total revenue from energy sales. The Cooperative also serves a
10 smaller number of commercial customer loads under Schedule A-2 Commercial &
11 Small Power (representing 5% of the Cooperative's total energy usage and 6% of
12 the Cooperative's total revenue) and larger/industrial customer loads under
13 Schedule LP Large Power Service, Schedule LPR Large Power Service, and
14 Industrial - IND 1-B (combined representing 20% of the Cooperative's total energy
15 usage and 16% of the Cooperative's total revenue from energy sales). Finally, the
16 Cooperative also has customers that take service under its Schedule YL-1 Yard
17 Security Light Service schedule. A detailed discussion of Big Sandy's various rate
18 classes, including an examination of the costs and revenues associated with each,
19 is included in the testimony of Mr. Wolfram, Exhibit 10 to the Application.

20 **Q. PLEASE GENERALLY DESCRIBE HOW THE COOPERATIVE'S LOAD**
21 **AND CUSTOMER BASE HAVE CHANGED IN RECENT YEARS.**

22 A. Since Big Sandy's last rate adjustment, its customer base has continued a slow but
23 steady decline. As of calendar year end 2013, Big Sandy provided services to an

1 average of 13,177 customers monthly; at calendar year end 2016, Big Sandy
2 provided services to an average of 12,986 customers monthly.

3 **Q. PLEASE GENERALLY DESCRIBE ANY NOTABLE TRENDS IN THE**
4 **COOPERATIVE'S REVENUES AND MARGINS IN RECENT YEARS.**

5 A. Revenues from energy sales have decreased significantly since 2013, the first full
6 calendar year of operations after Big Sandy's last rate increase. As of calendar year
7 end of 2016, Big Sandy's sales revenue was approximately 12% lower than as of
8 calendar year end 2013. This equates to an approximate \$3.1 million dollar decline
9 in sales revenue. As can be seen from Big Sandy's Statement of Operations, found
10 at Exhibit 14, Big Sandy's unadjusted test year OTIER is 0.83x and TIER
11 Excluding GTCC is 1.15x. Big Sandy is required by its lenders to maintain a
12 minimum OTIER of 1.10x and a minimum TIER of 1.25x for at least two (2) of the
13 last three (3) years, which is obviously jeopardized by the Cooperative's trending
14 performance.

15 **Q. HAVE THE COOPERATIVE'S OPERATIONAL EXPENSES INCREASED**
16 **IN RECENT YEARS?**

17 A. Yes. Since the Cooperative's last general rate increase went into effect in 2012, the
18 cost of doing business and providing safe, reliable electric service has significantly
19 increased. For example, the Big Sandy's depreciation expense has increased by
20 approximately \$186,000 since 2013. Additionally, expenses related to operations,
21 maintenance, and administration have increased by approximately \$215,000 since
22 2013.

1 **Q. HOW LONG HAVE THE COOPERATIVE'S EXISTING GENERAL**
2 **RATES BEEN IN EFFECT?**

3 A. Big Sandy's existing general rates went into effect on October 31, 2012, following
4 their approval by the Commission in Case No. 2012-00030.

5 **Q. PLEASE DESCRIBE THE COOPERATIVE'S EXISTING DEBT**
6 **PORTFOLIO.**

7 A. Big Sandy is currently a borrower from RUS, CFC, CoBank, and FFB.
8 Approximately 50% of Big Sandy's long-term debt is at fixed interest rates, with
9 the remaining 50% at variable interest rates. At this time, Big Sandy believes its
10 fixed/variable ratio appropriately achieves the Cooperative's desire to balance risk
11 and reward.

12 **Q. WHAT EFFORTS HAS THE COOPERATIVE TAKEN TO REDUCE ITS**
13 **INTEREST EXPENSE?**

14 A. Recently, in Case No. 2017-00190, Big Sandy obtained approval from the
15 Kentucky Public Service Commission to refinance approximately \$6.5 million of
16 RUS debt with CFC. The reason for this refinancing was to take advantage of a
17 favorable interest rate environment. The effect of this approval will be savings of
18 approximately \$1.3 million during the twenty (20) year term of the refinancing.

19 **Q. DOES THE COOPERATIVE PROPOSE TO ADJUST ITS**
20 **DEPRECIATION RATES AS PART OF THIS PROCEEDING?**

21 A. Big Sandy does not propose to adjust its depreciation rates as part of this
22 proceeding. Big Sandy's last depreciation study was completed as of December
23 31, 2007, and its existing depreciation rates were approved by the Kentucky Public

1 Service Commission in Case No. 2008-00401. Big Sandy's depreciation and
2 reserve are reviewed at least annually as part of the Cooperative's annual audit, and
3 the Cooperative is in compliance with the guideline range acceptable to RUS and
4 typically employed by distribution cooperatives like Big Sandy. Moreover, in
5 2016, RUS completed a field audit of Big Sandy's compliance with RUS's rules
6 and regulations. Big Sandy was not advised by RUS that it had any concerns with
7 Big Sandy's current depreciation rates.

8 **Q. DOES THE COOPERATIVE HAVE AN EQUITY MANAGEMENT PLAN**
9 **OR CAPITAL CREDIT POLICY IN PLACE?**

10 A. Yes. As previously stated, Big Sandy's Equity Management Plan is embodied in
11 Board Policy 300-100, and its Capital Credit Policy is 300-010. Copies of these
12 policies are attached to my testimony as Exhibit BF-1 and Exhibit BF-2,
13 respectively.

14 **Q. WHEN DID THE COOPERATIVE LAST RETIRE CAPITAL CREDITS OF**
15 **ITS MEMBERS?**

16 A. Big Sandy last made a general retirement of capital credits in 1992 totaling
17 \$169,004.60. Big Sandy had a total of \$105,359 in unclaimed retired capital credits
18 as of September 30, 2017.

19 **Q. PLEASE GENERALLY DESCRIBE THE COOPERATIVE'S**
20 **WORKFORCE.**

21 A. As of the current date, the Cooperative employs a qualified and highly-skilled
22 workforce consisting of thirty-eight (38) individuals. Of this number, ten (10) are

1 salaried and twenty-eight (28) are hourly; eighteen (18) are members of a collective
2 bargaining unit, and twenty (20) are non-union.

3 **Q. PLEASE PROVIDE ADDITIONAL DETAIL WITH RESPECT TO THE**
4 **COOPERATIVE’S LABOR EXPENSES, INCLUDING THE BENEFITS**
5 **OFFERED TO EMPLOYEES.**

6 A. The Cooperative offers its employees a competitive compensation package in order
7 to attract and retain a qualified workforce. The primary benefits offered are:

8 **Health Insurance.** All Big Sandy employees are eligible for health insurance
9 benefits following their 90th work day. Big Sandy has historically paid 100% of
10 the premiums for employee health insurance. The Board of Directors has recently
11 decided to require all employees to contribute towards their health insurance
12 premiums. In 2018, employees will contribute 5% of the premium; in 2019, they
13 will contribute 10%; and in 2020 and thereafter, a 12% contribution will be paid by
14 employees.

15 **Dental Insurance.** Big Sandy’s non-union employees are eligible for dental
16 insurance benefits after the employee has worked six (6) months. All employees
17 pay their own dental insurance premiums with the exception of the staff employees,
18 who have a single coverage paid by the cooperative.

19 **Life Insurance.** All Big Sandy employees are eligible for life insurance benefits
20 as of their date of hire. Big Sandy provides two-times each employee’s salary for
21 all active employees at no cost to the employee. Big Sandy also provides Business
22 Travel Life Insurance to all employees, the Board of Directors and the Board
23 Attorney.

1 **Retirement**. All Big Sandy employees are eligible for retirement benefits after one
2 year of employment, but separate plans are designed for employees depending on
3 union or non-union status and date of hire.

4 All union employees have a 401k plan retirement benefit to which Big Sandy
5 contributes 10% of base wages, and the employee can contribute whatever
6 percentage or amount they desire (up to the maximum permitted by law).

7 Non-union employees hired prior to January 1, 2011, have retirement
8 benefits of a RS Defined Benefit Plan to which only Big Sandy makes
9 contributions. Currently Big Sandy has twelve (12) active employees in the RS
10 Defined Benefit Plan (down from thirteen (13) as of July 1, 2017). These
11 employees may also participate in a 401k plan; however, while they may contribute
12 to the 401k plan whatever percentage or amount they desire (up to the maximum
13 permitted by law), Big Sandy does not contribute to these employees' 401k plan.
14 Currently twelve (12) employees participate in this 401k plan, ten (10) of which
15 make contributions to their plan.

16 Non-union employees hired after January 1, 2011, have a 401k plan
17 retirement benefit to which Big Sandy contributes 10% of base wages, and the
18 employee can contribute whatever percentage or amount they desire (up to the
19 maximum permitted by law). Currently, eight (8) Big Sandy employees are in this
20 plan, four (4) of which make contributions to their plan.

21 All Non-union employees in both 401k plans have an option to participate
22 in a ROTH 401k. Big Sandy does not contribute to any ROTH 401k plan.

1 **Q. HOW DOES THE COOPERATIVE DETERMINE WHETHER AND WHEN**
2 **WAGE INCREASES AND/OR BONUSES SHOULD BE AWARDED TO**
3 **EMPLOYEES?**

4 A. Wage increases are considered and approved by action of the Board of Directors.
5 Wage increases to union employees are governed by the current collective
6 bargaining agreement. Wage increases to non-union employees are dependent
7 upon the results of an annual employee performance evaluation process. The
8 determination of whether bonuses should be awarded (and in what amount) have
9 historically been based on successfully meeting pre-established "Balanced
10 Scorecard" goals by all employees; additionally, a supplemental performance
11 evaluation process for management staff was employed by the former Chief
12 Executive Officer. Big Sandy's Board of Directors and management has not
13 determined whether this bonus structure will remain in place prospectively.

14 **Q. HAS THE COOPERATIVE TAKEN ACTIONS TO LIMIT OR REDUCE**
15 **ITS LABOR EXPENSES?**

16 A. Yes. Historically, Big Sandy's employee count has been in the low 40's. Recently,
17 in order to reduce the workforce/labor costs, Big Sandy management and the Board
18 of Directors have consciously determined not to replace an employee that had left
19 to pursue other employment. Also, another employee was laid off because his area
20 was experiencing a reduction in job activities. His former duties were divided
21 among other existing employees.

1 **Q. WHAT OTHER SIGNIFICANT COST-CONTAINMENT MEASURES HAS**
2 **THE COOPERATIVE TAKEN TO AVOID OR MINIMIZE AN INCREASE**
3 **OF ITS RATES?**

4 A. Big Sandy has taken a number of concrete actions to reduce its expenses. For
5 example, the Cooperative has recently refinanced existing debt in order to decrease
6 its interest expense (*see* Case No. 2017-00190); it has reduced its employee
7 headcount (historically at approximately 42, now at 38); it has decided to require
8 employee contributions to payment of health insurance premiums (12% of
9 premiums by 2020); and it has decreased right-of-way expenditures (by prioritizing
10 the work and performing more of it internally). Moreover, on a day-to-day basis,
11 Big Sandy is constantly seeking and implementing new ways to most efficiently
12 provide safe and reliable electric service to its customers.

13 **Q. DESPITE ITS EFFORTS, WHY DOES THE COOPERATIVE BELIEVE AN**
14 **ADJUSTMENT OF ITS RATES IS NECESSARY?**

15 A. An adjustment of Big Sandy's rates is necessary because increased expenses and
16 declining margins have put the Cooperative's financial strength in jeopardy. As the
17 Commission is aware, Big Sandy's lenders require that it maintain certain financial
18 metrics, most notably a TIER of 1.25 for two (2) out of the last three (3) years. Big
19 Sandy's TIER, excluding GTCC, was 1.59x in 2016, 0.68x in the Test Year (as
20 normalized and adjusted), and is expected to be 0.69x for 2017. These figures and
21 other performance measures reveal that Big Sandy needs additional revenue to
22 maintain a strong financial condition.

1 **Q. WHY IS IT IMPORTANT THAT THE COOPERATIVE MAINTAIN A**
2 **STRONG FINANCIAL CONDITION?**

3 A. As the Commission is aware, Big Sandy is owned by the Members it serves. While
4 it is always the Cooperative's goal to keep rates as low as possible, the expense of
5 providing safe and reliable service must be recovered; additionally, prudent
6 management (and lender requirements) demand that a healthy equity ratio be
7 maintained, thereby ensuring access to low-interest financing and enabling the
8 payment of capital credits to the owners of the Cooperative that have supported its
9 mission and growth.

10 **Q. PLEASE DESCRIBE THE REVISED RATES PROPOSED BY THE**
11 **COOPERATIVE FOR ITS RESIDENTIAL CUSTOMERS.**

12 A. Under existing rates, the Cooperative's residential customers (Schedule A-1 Farm
13 & Home) pay a fixed monthly customer charge of \$15.00 and a volumetric/demand
14 rate of \$0.08649. The Cooperative proposes to increase the customer charge to
15 \$21.25 and the volumetric/demand rate to \$0.08705. If the rates proposed by Big
16 Sandy are approved by the Commission, the average residential customer's
17 monthly bill will increase by \$6.37, or 5.5%.

18 **Q. WHAT OTHER RATE CHANGES DOES THE COOPERATIVE**
19 **PROPOSE?**

20 A. Big Sandy proposes to adjust the rates under a number of its tariff schedules,
21 including Schedule A-2 Commercial & Small Power, Schedule LP Large Power
22 Service, Schedule LPR Large Power Service, and Industrial - IND 1-B. These
23 revised rates are supported by the COSS and reflect a reasonable allocation of the

1 requested revenue increase. Big Sandy's Customer Notice, found at Exhibit 5 of
2 the Application, details all rate revisions proposed by Big Sandy in this case.

3 **Q. DID THE COOPERATIVE CONSIDER ITS LOW-INCOME CUSTOMERS**
4 **WHEN DESIGNING ITS PROPOSED RATES?**

5 A. Yes. While Big Sandy's responsibility is to its membership as a whole, the
6 Cooperative certainly considered how its proposed rates and rate design may impact
7 various discreet groups within its membership, including low-income customers.
8 Ultimately, Big Sandy concluded that its rate design should seek to more accurately
9 and appropriately recover the costs of operating its distribution system; as a result,
10 all customers (including low-income customers) will benefit from a rate design that
11 better aligns cost-causers with cost-payers, avoids monthly bill volatility, and
12 allows the Cooperative to operate under a more predictable and accurate budget.

13 **Q. OTHER THAN ADJUSTMENTS TO RATES, DOES THE COOPERATIVE**
14 **PROPOSE ANY OTHER TARIFF CHANGES AS PART OF THIS**
15 **PROCEEDING?**

16 A. Big Sandy is proposing minor revisions to the tariff language in the lighting
17 schedule. These revisions are discussed in the testimony of Mr. Wolfram, Exhibit
18 10 to the Application.

19 **Q. ARE ADJUSTMENTS NECESSARY TO ENSURE THE TEST YEAR**
20 **ACCURATELY REFLECTS THE COOPERATIVE'S INCOME AND**
21 **EXPENSES?**

22 A. Yes. These adjustments are part of the COSS and can be found in Exhibit 26 to the
23 Application. All of the adjustments proposed by Big Sandy are reasonable, reflect

1 known and measurable changes to the test year, and are necessary to ensure that the
2 Cooperative's rates are based on accurate and appropriate data.

3 **Q. WHY SHOULD THE COMMISSION GRANT THE COOPERATIVE'S**
4 **REQUESTED RELIEF?**

5 A. The rate relief sought by Big Sandy is necessary to ensure the financial and
6 operational strength of the Cooperative. Big Sandy's existing rates became
7 effective on October 31, 2012; despite efforts to implement various cost-savings
8 measures, the Cooperative's expenses have increased in the past five (5) years and
9 revenue growth has been insufficient to allow the Cooperative to maintain healthy
10 (and lender-required) financial metrics. The rates and rate design proposed by Big
11 Sandy, supported by expert opinion and economic reality, should be granted in the
12 interest of the Cooperative and the members that own it.

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 A. Yes.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A GENERAL) Case No. 2017-00374
ADJUSTMENT OF EXISTING RATES)

VERIFICATION OF BILLY O'BRIAN (BRIAN) FRASURE

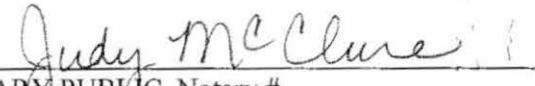
COMMONWEALTH OF KENTUCKY)
COUNTY OF Johnson)

Billy O'Brian (Brian) Frasure, being duly sworn, states that he has supervised the preparation of his direct testimony included with Big Sandy's Application in the above-styled matter, that he would respond in the same manner to the questions if so asked upon taking the stand, and that his testimony is true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry. Mr. Frasure further states that any Exhibits to Big Sandy's Application for which he serves as a Sponsoring Witness are also true and correct to the best of his knowledge, information and belief.



Billy O'Brian (Brian) Frasure

The foregoing Verification was signed, acknowledged and sworn to before me this 25th day of October, 2017, by Billy O'Brian (Brian) Frasure.



NOTARY PUBLIC, Notary # _____
Commission expiration: 6-19-2018

Exhibit BF-1

Big Sandy's Board Policy 300-100

(Equity Management)

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

Joe Harris, Jr., Secretary

Exhibit BF-2
Big Sandy's Board Policy 300-010
(Capital Credits)

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

POLICY STATEMENT NO. 300-010

SECTION C

SUBJECT: CAPITAL CREDITS

OBJECTIVE: TO ESTABLISH A CONCEPTUAL UNDERSTANDING OF THE MEANING AND PURPOSE OF CAPITAL CREDITS AND THE ALLOCATION AND RETIREMENT PROTOCOL OF SUCH CAPITAL CREDITS.

POLICY: It shall be the policy of the cooperative to assign patronage capital credits on an annual basis, after the yearly financial reports are completed. Such capital credits allocated shall reflect the net margins for the Cooperative, above all operating costs.

General Retirement of Capital Credits:

The Cooperative shall make Capital Credit refunds, to its residential members, as deemed appropriate and feasible by the Board of Directors, in accordance with sound management practices and consistent with the provisions of the Mortgage Contract with RUS, CFC and CoBank. Furthermore, such refunds shall follow the guidelines as described in policy 300-100 and comply with Article VII of the Bylaws.

Estate Retirements to Deceased Members:

The Cooperative shall refund Capital Credits upon the death of a member, who is a natural person (with a residential service), the patronage capital credited to his or her individual membership. Patronage capital shall exclude any and all patronage allocation from affiliated organizations, such as EKPC, KAEC, CFC, or others, in which, no cash patronage is received.

Such Capital Credits shall be refunded to the surviving spouse, with proper documents verifying death. If both are deceased, it shall be necessary to have the death certificate and a court order appointing an Administrator or Executor or a legal representative of their Estate, showing legal claim to the Capital Credits of the deceased member. Patronage Capital will not be refunded to any Corporation, Legal Partnership, or any commercial business, whether active, defunct, dissolved or bankrupt.

Any accumulated Capital Credits of the deceased member after date of death of said member shall then be transferred to the account of the surviving spouse, Administrator or Executor or legal representative of the Estate. If there is no surviving spouse or survivorship (court documents appointing a legal representative, Administrator or Executive to the Estate of the deceased member) the earned capital credits will be considered donated capital to the Cooperative.

Individuals requesting refunds for deceased member Capital Credits shall complete an "Election For Payment of Capital Credits of Deceased Patron & Irrevocable Donation of Certain Capital Credits" form (Attachment A), with which they will make an election to receive such refunds at the time general Capital Credit payments are authorized, OR elect to receive a one-time discounted lump sum payment, as described in Policy 300-100. Also see attached Exhibit "A" for explanation of Capital Credits.

PROCEDURE: A surviving spouse, Administrator, Executor or legal representative shall make a written request and an election for payment "Attachment A", to the Board of Directors for refund of Capital Credits earned by deceased member. Service will be transferred out of deceased member's name and membership fee refunded.

In the event that a final bill or any other amount owed exceeds the membership and deposit, the unpaid balance may be deducted from his or her Capital Credits.

SOURCE: Policy No. 300-010 Approved September 16, 1988

Policy No. 300-055 Adopted April 1, 1983 and Revised February 19, 1999

Revision of Policy No. 300-010 and 300-055, with Attachment "A" and Exhibit "A"

Adoption of Policy No. 300-010 approved per the Big Sandy RECC Board of Directors, this 25th day of April, in the year 2013.

REVISED: 27th day of March, 2014.


SECRETARY

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 10

807 KAR 5:001 Sec. 16(4)(b)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$5,000,000, the written testimony of each witness the utility proposes to use to support its application.

Response:

In support of its Application, Big Sandy provides written testimony from three (3) witnesses:

- Mr. Bobby Sexton, Big Sandy's President and Chief Executive Officer, whose testimony is included at Exhibit 8;
- Mr. Billy O'Brian (Brian) Frasure, Big Sandy's Accounting and Finance Manager, whose testimony is included at Exhibit 9; and
- Mr. John Wolfram, expert consultant with Catalyst Consulting LLC, whose testimony is included with this Exhibit 10.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A GENERAL) Case No. 2017-00374
ADJUSTMENT OF EXISTING RATES)

DIRECT TESTIMONY OF
JOHN WOLFRAM
PRINCIPAL, CATALYST CONSULTING LLC
ON BEHALF OF BIG SANDY R.E.C.C.

Filed: October 30, 2017

**DIRECT TESTIMONY
OF
JOHN WOLFRAM**

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**DIRECT TESTIMONY
OF
JOHN WOLFRAM**

5
I. INTRODUCTION

6 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

7 A. My name is John Wolfram. I am the Principal of Catalyst Consulting LLC. My
8 business address is 3308 Haddon Road, Louisville, Kentucky, 40241.

9 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

10 A. I am testifying on behalf of Big Sandy R.E.C.C. ("Big Sandy").

11 **Q. BRIEFLY DESCRIBE YOUR EDUCATION AND WORK EXPERIENCE.**

12 A. I received a Bachelor of Science degree in Electrical Engineering from the
13 University of Notre Dame in 1990 and a Master of Science degree in Electrical
14 Engineering from Drexel University in 1997. I founded Catalyst Consulting LLC
15 in June 2012. I have developed cost of service studies and rates for numerous
16 electric and gas utilities, including electric distribution cooperatives, generation
17 and transmission cooperatives, municipal utilities and investor-owned utilities. I
18 have performed economic analyses, rate mechanism reviews, special rate designs,
19 and wholesale formula rate reviews. From March 2010 through May 2012, I was
20 a Senior Consultant with The Prime Group, LLC. I have also been employed by
21 the parent companies of Louisville Gas and Electric Company ("LG&E") and
22 Kentucky Utilities Company ("KU"), by the PJM Interconnection, and by the
23 Cincinnati Gas & Electric Company. A more detailed description of my
24 qualifications is included in Exhibit JW-1.

1 **Q. HAVE YOU EVER TESTIFIED BEFORE THE KENTUCKY PUBLIC**
2 **SERVICE COMMISSION (“COMMISSION”)?**

3 A. Yes. I have testified in numerous regulatory proceedings before this Commission.
4 A listing of my testimony in other proceedings is included in Exhibit JW-1.

5 **II. PURPOSE OF TESTIMONY**

6 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

7 A. The purpose of my testimony is to: (i) describe Big Sandy’s rate classes, (ii)
8 describe the calculation of Big Sandy’s revenue requirement; (iii) explain the pro
9 forma adjustments to the test period results; (iv) describe the Cost of Service
10 Study (“COSS”) process and results; (v) present the proposed allocation of the
11 revenue increase to the rate classes; (vi) describe the rate design, proposed rates,
12 and estimated billing impact by rate class, and (viii) support certain filing
13 requirements from 807 KAR 5:001.

14 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

15 A. Yes. I have prepared the following exhibits to support my testimony:

16 Exhibit JW-1 – Qualifications of John Wolfram

17 Exhibit JW-2 – Revenue Requirements & Pro Forma Adjustments

18 Exhibit JW-3 – COSS: Summary of Results

19 Exhibit JW-4 – COSS: Functional Assignment & Classification

20 Exhibit JW-5 – COSS: Allocation to Rate Classes & Returns

21 Exhibit JW-6 – COSS: Billing Determinants

22 Exhibit JW-7 – COSS: Purchased Power, Meters, & Services

23 Exhibit JW-8 – COSS: Zero Intercept Analysis

Exhibit JW-9 – Present & Proposed Rates

III. CLASSES OF SERVICE

Q. PLEASE DESCRIBE THE CUSTOMER CLASSES SERVED BY BIG SANDY.

A. Big Sandy currently has members taking service pursuant to six major rate classifications. These include A1 - Farm and Home, A2 – Commercial & Small Power, LP – Large Power (for customers whose power requirements do not exceed 750 kVA of transformer capacity), LPR – Large Power (for customers whose power requirements exceed 750 kVA of transformer capacity), IND 1-B – Industrial, and YL – Yard Security Lighting. Two other industrial rate classes exist under which no members are taking service at this time. Big Sandy’s residential members on the Farm & Home rate comprise 72% of test year energy usage and 74% of test year revenues from energy sales. See Table 1. Big Sandy has very few large power customers and only one customer on the industrial IND 1-B rate.

Table 1. Rate Class Data

Rate Class	Members	kWh	%	Revenue	%
A1 -Farm & Home	11,910	156,340,059	72%	\$ 17,049,135	74%
A2 - Commercial & Small Power	931	10,498,917	5%	\$ 1,461,220	6%
LP - Large Power	154	28,183,005	13%	\$ 2,594,264	11%
LPR - Large Power	7	8,480,093	4%	\$ 686,779	3%
IND 1-B Industrial	1	6,219,300	3%	\$ 403,468	2%
YL - Lighting		5,966,774	3%	\$ 892,392	4%
Total	13,003	215,688,148	100%	\$ 23,087,258	100%

1 Because Big Sandy's membership is dominated by residential consumers, it is
2 especially important to take steps to implement appropriate residential rate design
3 in this proceeding, as I describe later in my testimony.

4 **IV. REVENUE REQUIREMENT**

5 **Q. PLEASE DESCRIBE HOW BIG SANDY'S PROPOSED REVENUE**
6 **INCREASE WAS DETERMINED.**

7 A. Big Sandy is proposing a general adjustment in rates using a historical test period.
8 The proposed revenue increase was determined by analyzing the revenue
9 deficiency based on financial results for the test period after the application of
10 certain pro forma adjustments described herein. The revenue deficiency was
11 determined as the difference between (i) Big Sandy's net margins for the adjusted
12 test period without reflecting a general adjustment in rates, and (ii) Big Sandy's
13 net margin requirement necessary to provide a Times Interest Earned Ratio
14 ("TIER") of 2.00 for the test period. Based on the adjusted test year, the revenue
15 deficiency is \$928,645.

16 **Q. WHAT IS THE HISTORICAL TEST PERIOD FOR THE RATE CASE**
17 **APPLICATION?**

18 A. The historical test period for the filing is the 12 months ended July 31, 2016.

19 **Q. HAVE YOU PREPARED AN EXHIBIT THAT SHOWS HOW BIG**
20 **SANDY'S REVENUE DEFICIENCY IS CALCULATED?**

21 A. Yes. Exhibit JW-2 shows the calculation of Big Sandy's revenue deficiency.

22 **Q. PLEASE EXPLAIN THE REVENUE DEFICIENCY CALCULATION IN**
23 **EXHIBIT JW-2 IN DETAIL.**

1 A. The purpose of Exhibit JW-2 is to calculate the difference between Big Sandy's net
2 margin for the adjusted test year and the margin necessary for Big Sandy to achieve
3 a 2.00 TIER. Page 1 of the exhibit presents revenues and expenses for Big Sandy for
4 the actual test year, the actual test year at present rates, the pro forma adjustments,
5 the adjusted test year at present rates, and the adjusted test year at proposed rates.
6 The revenues include total sales of electric energy and other electric revenue. The
7 present rates differ from the actual test year rates because the Commission approved
8 a base rate change for Big Sandy on August 7, 2017 – after the end of the test period
9 – in Case No. 2017-00007, as a result of a decrease in the East Kentucky Power
10 Cooperative (“EKPC”) base energy rates approved in Case No. 2017-00002.

11 Expenses are tabulated next. The Total Cost of Electric Service is shown on
12 line 22. Total Cost of Electric Service includes operation expenses, maintenance
13 expenses, depreciation and amortization expenses, taxes, interest expenses on long-
14 term debt, other interest expenses, and other deductions. Utility Operating Margins
15 are calculated by subtracting Total Cost of Electric Service from Total Operating
16 Revenue. Non-operating margins and capital credits are added to Utility Operating
17 Margins to determine Big Sandy's Net Margins.

18 The TIER, OTIER, Margins at Target TIER, and Revenue Deficiency
19 amounts are calculated at the bottom of page 1 of Exhibit JW-2.

20 **Q. WHAT IS THE TIER FOR BIG SANDY FOR THE ADJUSTED TEST**
21 **YEAR?**

22 A. Exhibit JW-2 shows that the TIER for the adjusted test year is 0.68, which is well
23 below the target TIER of 2.00.

1 **Q. WHAT IS THE REVENUE DEFICIENCY CALCULATED IN EXHIBIT**
2 **JW-2?**

3 A. Based on a TIER of 2.00, Big Sandy has a net margin requirement of \$701,164.
4 This is after the removal of the G&T capital credits from EKPC, consistent with
5 Commission practice; these capital credits are only a book entry at this time
6 because EKPC has not actually paid any of its capital credits. Because the
7 adjusted net margin before applying the TIER is (\$227,481) and the margin
8 requirement is \$701,164, Big Sandy's total revenue deficiency is \$928,645. This
9 amount is used in the COSS and in the design of new rates that I describe later in
10 my testimony.

11 **V. PRO FORMA ADJUSTMENTS**

12 **Q. PLEASE BROADLY DESCRIBE THE NATURE OF THE PRO FORMA**
13 **ADJUSTMENTS MADE TO BIG SANDY'S ELECTRIC OPERATIONS**
14 **FOR THE TEST YEAR SHOWN IN EXHIBIT JW-2.**

15 A. Big Sandy has made adjustments which remove revenues and expenses that are
16 addressed in other rate mechanisms, are ordinarily excluded from rates, or are
17 non-recurring on a prospective basis, consistent with standard Commission
18 practices. The pro forma adjustments are listed in Exhibit JW-2 on page 2 and are
19 detailed on pages 5 through 38. The pro forma adjustments are summarized
20 below for convenience.

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Table 2. Pro Forma Adjustments

Reference Schedule	Pro Forma Adjustment Item
1.01	Wages & Salaries
1.02	Payroll Taxes
1.03	Depreciation
1.04	Property Taxes
1.05	Interest on Long Term Debt
1.06	Retirement Plan & 401(k)
1.07	Donations, Promotional Advertising & Dues
1.08	Professional Services
1.09	Directors Fees
1.10	Miscellaneous Expenses
1.11	Rate Case Expenses
1.12	FEMA
1.13	GTCC
1.14	Misc Service Charges
1.15	Fuel Adjustment Clause
1.16	Environmental Surcharge
1.17	Year-End Customers
1.18	Employee Healthcare

2

3 **Q. DID YOU PREPARE A DETAILED INCOME STATEMENT AND**
4 **BALANCE SHEET RELECTING THE IMPACT OF ALL PROPOSED**
5 **ADJUSTMENTS?**

6 A. Yes. These are included in Exhibit JW-2 pages 3 and 4.

7 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
8 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.01.**

9 A. This adjustment normalizes Big Sandy's employee wages and salaries to account
10 for changes due to wage increases, promotions, retirements, terminations, or new
11 hires for a standard year of 2,080 hours. Note that the test period included
12 amounts for the former President and General Manager; those amounts are

1 removed, and amounts for the current President and Chief Executive Officer
2 (which are lower by just over \$15,000) have been included.

3 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
4 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.02.**

5 A. This adjustment normalizes test year payroll taxes for FICA, Medicare, federal
6 unemployment tax and state unemployment tax based on most recent effective
7 rates.

8 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
9 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.03.**

10 A. This adjustment normalizes depreciation expenses by replacing test year actual
11 expenses with test year-end balances (less any fully depreciated items) at
12 approved depreciation rates. The Commission approved Big Sandy's depreciation
13 rates in Case No. 2008-00401.

14 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
15 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.04.**

16 A. This adjustment normalizes property taxes from test year to current amounts.

17 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
18 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.05.**

19 A. This adjustment normalizes the interest on Long-Term Debt. Because the
20 Commission recently approved the refinance of a portion of Big Sandy's RUS
21 debt in Case No. 2017-00191, this is a two-step process. First, the test year cost of
22 debt is normalized to an annualized cost rate by multiplying the test year end debt
23 amounts by the interest rate in effect at the end of the test year for each loan. The

1 adjustment also removes two loans in effect during the test year but paid off or
2 anticipated to be paid off before mid-2018 when Big Sandy expects the rates in
3 this proceeding to become effective. Second, the refinance of RUS debt
4 instruments approved in Case No. 2017-00191 is incorporated by replacing the
5 normalized debt for the refinanced RUS loans and recalculating the interest at the
6 final CFC-refinanced effective interest rate (including capital credits over the life
7 of the loan) of 3.78%.

8 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
9 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.06.**

10 A. This adjustment normalizes test year utility contributions to NRECA Retirement
11 & Security Program and NRECA Savings Plan 401(k) based on most recent
12 contribution rates.

13 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
14 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.07.**

15 A. This adjustment eliminates donations, promotional advertising, and dues expenses
16 pursuant to 807 KAR 5:016, consistent with Commission practice.

17 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
18 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.08.**

19 A. This adjustment has been made to remove certain expenses associated with
20 outside professional services, consistent with standard Commission practice.

21 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
22 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.09.**

1 A. This adjustment removes certain Director expenses, including directors' per
2 diems, Christmas gifts, attending the Legislative conference, and directors
3 attending EKPC / KAEC / NRECA annual meeting(s) when the director is not the
4 Big Sandy representative for the respective organization. Expenses that are not
5 removed for rate-making purposes include costs of attending NRECA director
6 training/education seminars (especially for new directors). These seminars help
7 directors to meet their fiduciary duties to the membership by educating them on
8 industry issues. Also included is Liability Insurance that protects the directors for
9 decisions they make on a routine basis.

10 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
11 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.10.**

12 A. This adjustment removes costs related to Annual Meeting giveaways and prizes,
13 consistent with Commission practice.

14 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
15 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.11.**

16 A. This adjustment estimates the rate case costs amortized over a 3-year period,
17 consistent with standard Commission practice. Big Sandy expects to provide
18 updates to the actual rate case costs incurred as this case progresses, consistent
19 with standard Commission practice.

20 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
21 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.12.**

22 A. This adjustment has been made to remove certain Federal Emergency
23 Management Agency ("FEMA") reimbursements from the revenue requirement.

1 During July 2015, Big Sandy experienced a severe flood that ultimately was
2 determined to be eligible for FEMA disaster relief. All expenses associated with
3 the flood were recorded before the test period in July 2015, but the FEMA
4 reimbursements were recorded during the test period in three separate months.
5 These reimbursements are non-recurring. This adjustment removes the
6 reimbursements from the test year.

7 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
8 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.13.**

9 A. This adjustment removes the G&T Capital Credits from the test period because
10 they are only a book entry, as previously noted.

11 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
12 **OR EXPENSES SHOWN IN REFERENCE SCHEDULE 1.14.**

13 A. This adjustment removes the incremental revenue associated with proposed
14 revisions to miscellaneous service charges.

15 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
16 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.15.**

17 A. This adjustment has been made to account for the fuel cost expenses and revenues
18 included in the Fuel Adjustment Clause ("FAC") for the test period. Consistent
19 with Commission practice, FAC expenses and revenues included in the test year
20 have been eliminated.

21 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
22 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.16.**

1 A. This adjustment has been made to remove Environmental Surcharge ("ES")
2 revenues and expenses because these are addressed by a separate rate mechanism.
3 This is consistent with the Commission's practice of eliminating the revenues and
4 expenses associated with full-recovery cost trackers.

5 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
6 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.17.**

7 A. This adjustment adjusts the test year expenses and revenues to reflect the number
8 of customers at the end of the test year. The numbers of customers served at the
9 end of the test period for some rate classes differed from the average number of
10 customers for the test year. The change in revenue is calculated by applying the
11 average revenue per kWh for each rate class to the difference between average
12 customer count and test-year-end customer count (at average kWh/customer) for
13 each class. The change in operating expenses was calculated by applying an
14 operating ratio to the revenue adjustment, consistent with the approach accepted
15 by the Commission for other utilities in rate proceedings (*e.g.* Case Nos. 2012-
16 00221 & 2012-00222.)

17 **Q. PLEASE EXPLAIN THE ADJUSTMENT TO OPERATING REVENUES**
18 **AND EXPENSES SHOWN IN REFERENCE SCHEDULE 1.18.**

19 A. This adjustment normalizes the test year healthcare costs to year-end costs for
20 mid-year changes to employee coverage type and for employee departures, and
21 then removes amounts for employee contribution consistent with recent
22 Commission orders. Big Sandy is proposing to remove 21% of the costs for single

1 coverage and 32% of the costs for multiple/family coverage, consistent with
2 Commission Orders in Case Nos. 2016-00174, 2016-00365, and 2016-0367.

3 **VI. COST OF SERVICE STUDY**

4 **Q. DID YOU PREPARE A COSS FOR BIG SANDY BASED ON FINANCIAL
5 AND OPERATING RESULTS FOR THE TEST YEAR?**

6 A. Yes. I prepared a fully allocated, embedded COSS based on pro forma operating
7 results for the test year. The objective in performing the COSS is to assess Big
8 Sandy's overall rate of return on rate base and to determine the relative rates of
9 return that Big Sandy is earning from each rate class. Additionally, the COSS
10 provides an indication of whether each class is contributing its appropriate share
11 towards Big Sandy's cost of providing service.

12 **Q. WHAT PROCEDURE WAS USED IN PERFORMING THE COSS?**

13 A. The three traditional steps of an embedded COSS – functional assignment,
14 classification, and allocation – were utilized. The COSS was prepared using the
15 following procedure: (1) costs were functionally assigned to the major functional
16 groups; (2) costs were classified as energy-related, demand-related, or customer-
17 related; and then (3) costs were allocated to the rate classes.

18 **Q. IS THIS A STANDARD APPROACH USED IN THE ELECTRIC UTILITY
19 INDUSTRY?**

20 A. Yes.

21 **Q. HAS THIS APPROACH BEEN USED IN PREVIOUS CASES BEFORE
22 THIS COMMISSION?**

1 A. Yes. The same approach has been employed and accepted in several cases filed by
2 other utilities in Kentucky, including rate cases noted in Exhibit JW-1.

3 **Q. IN THE COST OF SERVICE MODEL, HOW ARE COSTS**
4 **FUNCTIONALLY ASSIGNED AND CLASSIFIED?**

5 A. Big Sandy's test-year costs are functionally assigned and classified according to
6 the practices specified in *The Electric Utility Cost Allocation Manual* published
7 by the National Association of Regulatory Utility Commissioners ("NARUC")
8 dated January, 1992. Costs are functionally assigned to the categories of power
9 supply, transmission, station equipment, primary and secondary distribution plant,
10 customer services, meters, lighting, meter reading and billing, and load
11 management.

12 **Q. IS THE COSS UNBUNDLED?**

13 A. Yes. This unbundling distinguishes between the functionally-classified costs
14 components, i.e. purchased power demand, purchased power energy, distribution
15 demand, and distribution customer – which allows the development of rates based
16 on these separate cost components.

17 **Q. HOW WERE COSTS CLASSIFIED AS ENERGY-RELATED, DEMAND-**
18 **RELATED OR CUSTOMER-RELATED?**

19 A. Costs are classified in connection with how they vary. Costs classified as *energy-*
20 *related* vary with the amount of kilowatt-hours consumed. Costs classified as
21 *demand-related* vary with the capacity needs of customers, such as the amount of
22 transmission or distribution equipment necessary to meet a customer's needs, or
23 other elements that are related to facility size. Transmission lines and distribution

1 substation transformers are examples of costs typically classified as demand costs.
2 Costs classified as *customer-related* include costs incurred to serve customers
3 regardless of the quantity of electric energy purchased or the peak requirements of
4 the customers and vary with the number of customers. These include the cost of
5 the minimum system necessary to provide a customer with access to the electric
6 grid. Costs related to Distribution Poles, Lines and Line Transformers were split
7 between demand-related and customer-related using the “zero-intercept” method
8 or “minimum system” method, which I explain further below. Customer Services,
9 Meters, Lighting, Meter Reading, Billing, Customer Account Service, and Load
10 Management costs were classified as customer-related.

11 **Q. WHAT METHODS ARE COMMONLY USED TO CLASSIFY**
12 **DISTRIBUTION PLANT?**

13 A. Two commonly used methods for determining demand/customer splits of
14 distribution plant are the “minimum system” method and the “zero-intercept”
15 method. In the minimum system approach, “minimum” standard poles, conductor,
16 and line transformers are selected and the minimum system is obtained by pricing
17 all of the applicable distribution facilities at the unit cost of the minimum size
18 plant. The minimum system determined in this manner is then classified as
19 customer-related and allocated on the basis of the number of customers in each
20 rate class. All costs in excess of the minimum system are classified as demand-
21 related. The theory here is that in order for a utility to serve even the smallest
22 customer, it would have to install a minimum size system. Therefore, the costs
23 associated with the minimum system are related to the number of customers that

1 are served, instead of the demand imposed by the customers on the system.

2 In preparing this study, the “zero-intercept” method was used to determine
3 the customer components of overhead conductor, underground conductor, and
4 line transformers. Because the zero-intercept method uses linear regression and is
5 less subjective than the minimum system approach, the zero-intercept method is
6 preferred over the minimum system method when the necessary data are
7 available. With the zero-intercept method, one is not forced to choose a minimum
8 size pole, conductor or line transformer to determine the customer component. In
9 the zero-intercept method, a zero-size conductor or line transformer is the
10 absolute minimum system.

11 **Q. IS THE ZERO-INTERCEPT METHOD A STANDARD APPROACH**
12 **GENERALLY ACCEPTED WITHIN THE ELECTRIC UTILITY**
13 **INDUSTRY?**

14 A. Yes. The NARUC *Electric Utility Cost Allocation Manual* identifies the zero-
15 intercept (or “minimum intercept”) as one of two standard methodologies for
16 classifying distribution fixed costs. The manual states on page 92 that the zero-
17 intercept method “requires considerably more data and calculation than the
18 minimum-size method. In most instances, it is more accurate, although the
19 differences may be relatively small.”

20 **Q. HAVE YOU PREPARED EXHIBITS SHOWING THE RESULTS OF THE**
21 **ZERO-INTERCEPT ANALYSIS?**

22 A. Yes. The zero-intercept analysis for poles, overhead conductor, underground
23 conductor, and line transformers are included in Exhibit JW-8.

1 **Q. DID THE ZERO INTERCEPT PROVIDE REASONABLE RESULTS?**

2 A. The zero-intercept method provided reasonable results for overhead conductor,
3 underground conductor, and line transformers. The zero intercept analysis did not
4 provide reasonable results for poles, so for this category, the minimum system
5 method was applied. See Exhibit JW-8.

6 **Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE RESULTS OF**
7 **THE FUNCTIONAL ASSIGNMENT AND CLASSIFICATION STEPS OF**
8 **THE COSS?**

9 A. Yes. Exhibit JW-4 shows the results of the first two steps of the COSS –
10 functional assignment and classification.

11 **Q. IN THE COST OF SERVICE MODEL, ONCE COSTS ARE**
12 **FUNCTIONALLY ASSIGNED AND CLASSIFIED, HOW ARE THESE**
13 **COSTS ALLOCATED TO THE CUSTOMER CLASSES?**

14 A. Once costs for all of the major accounts are functionally assigned and classified,
15 the resultant cost matrix for the major groupings (e.g., Plant in Service, Rate Base,
16 Operation and Maintenance Expenses) is then transposed and allocated to the
17 customer classes using allocation vectors. The results of the class allocation step
18 of the COSS are included in Exhibit JW-5.

19 **Q. HOW ARE ENERGY-RELATED, CUSTOMER-RELATED AND**
20 **DEMAND-RELATED COSTS ALLOCATED TO THE RATE CLASSES IN**
21 **THE COSS?**

22 A. Power supply energy-related costs are allocated on the basis of total test year kWh
23 sales to each customer class. Power supply and transmission demand-related costs

1 are allocated using a 12CP methodology, to mirror the basis of cost allocation
2 used in the applicable EKPC wholesale tariff. With the 12CP methodology, these
3 demand-related costs are allocated on the basis of the demand for each rate class
4 at the time of EKPC's system peak (also known as "Coincident Peak" or "CP")
5 for each of the twelve months. Customer-related costs are allocated on the basis of
6 the average number of customers served in each rate class during the test year.
7 Distribution demand-related costs are allocated on the basis of the relative
8 demand levels of each rate class. Specifically, the demand cost component is
9 allocated by the maximum class demands for primary and secondary voltage and
10 by the sum of individual customer demands for secondary voltage. The customer
11 cost component of customer services is allocated on the basis of the average
12 number of customers for the test year. Meter costs were specifically assigned by
13 relating the costs associated with various types of meters to the class of customers
14 for whom these meters were installed. The demand analysis is provided in
15 Exhibit JW-6. The purchased power, meter, and service analyses are provided in
16 Exhibit JW-7.

17 **Q. HOW IS THE TARGET MARGIN INCORPORATED INTO THE COSS?**

18 A. The COSS first determines results on an actual or unadjusted basis. The COSS
19 then takes into account the pro forma adjustments and a target margin. The target
20 margin is based on the rate of return on rate base that will yield the target revenue
21 requirement. In this case a rate of return on rate base of 3.90% yields a total
22 revenue requirement of \$22,841,476, which is consistent with the target revenue
23 requirement noted on Page 1, Line 4, Column 6 of Exhibit JW-2.

1 **Q. PLEASE SUMMARIZE THE RESULTS OF THE COSS.**

2 A. The results of the COSS are provided in Exhibit JW-3 on page 1. The following
3 table summarizes the rates of return for each customer class in the study. The Pro
4 Forma Rate of Return on Rate Base was calculated by dividing the net utility
5 operating margin (including the pro forma adjustments) by the net cost rate base
6 for each customer class. The Unitized Pro Forma Return on Rate Base is the
7 previous column normalized to a total return on rate base equal to one (1.00).

8 **Table 3. COSS Results: Rates of Return**

#	Rate	Pro Forma Return on Rate Base	Unitized Pro Forma Return on Rate Base
1	A1 - Farm & Home	-0.75%	(0.54)
2	A2 - Commercial & Small Power	17.24%	12.42
3	LP - Large Power	11.30%	8.14
4	LPR - Large Power	-3.96%	(2.85)
5	IND 1-B - Industrial	-28.50%	(20.54)
6	Lighting	10.33%	7.44
7	TOTAL	1.39%	1.00

9

10 The negative values for pro forma rate of return on rate base indicate that
11 expenses exceed revenues. Also, any rate class for which the rate of return is
12 greater than the total system rate of return is providing a subsidy to the other rate
13 classes; any class with a rate of return that is less than the total system rate of
14 return is receiving a subsidy.

1 **Q. DOES THE COSS PROVIDE INFORMATION CONCERNING THE UNIT**
2 **COSTS INCURRED BY BIG SANDY TO PROVIDE SERVICE UNDER**
3 **EACH RATE SCHEDULE?**

4 A. Yes. Customer-related, demand-related and energy-related costs for each rate
5 class are shown in Exhibit JW-3 page 2 and on the last page of Exhibit JW-5.
6 Customer-related costs are stated as a cost per member per month. Energy-related
7 costs are stated as a cost per kWh. For rate classes with a demand charge,
8 demand-related costs are stated as a cost per kW per month. (For rate classes
9 without a demand charge, the demand-related costs are incorporated into the per
10 kWh charge.)

11 **Q. BASED ON THE COSS, DO BIG SANDY'S EXISTING RATES**
12 **APPROPRIATELY REFLECT THE COST OF PROVIDING SERVICE**
13 **TO EACH RATE CLASS?**

14 A. No. The wide range of rates of return for the rate classes indicates that existing
15 rates foster a relatively high degree of subsidization between the rate classes. The
16 unbundled costs within each rate class indicate an imbalance within the current
17 rate structure between the recovery of fixed costs and variable costs, particularly
18 within the residential class A1 – Farm & Home.

19 **Q. WHAT GUIDANCE DOES THE COSS PROVIDE FOR RATE DESIGN?**

20 A. First, the COSS indicates that rates for the residential class A1 – Farm & Home
21 are insufficient and should be increased. The need to increase residential returns
22 far exceeds that of any other rate class. (The rate of return for the industrial class

1 is very low, but this class is comprised of a single customer, and both the
2 revenues and the margins are relatively small values.)

3 Second, the COSS supports a fixed monthly charge of \$36.60 for the
4 residential class. This is shown on Exhibit JW-3, page 2. Since the current charge
5 is \$15.00 per month, the fixed customer charge should be increased. This is a
6 significant issue for Big Sandy because the membership is dominated by the
7 residential class served under Rate Schedule A-1, Farm & Home, with all of the
8 remaining classes only comprising approximately 25% of utility revenues (and
9 kWh). This means that the current rate structure places too little recovery of fixed
10 costs in the fixed charge, which results in significant under-recovery of fixed
11 costs, particularly when members embrace conservation or energy efficiency or
12 otherwise reduce overall consumption. At bottom, this is the fundamental
13 challenge facing Big Sandy from a cost recovery standpoint, and it is essential for
14 Big Sandy's financial well-being to address this issue.

15 **VII. ALLOCATION OF THE PROPOSED INCREASE**

16 **Q. PLEASE SUMMARIZE HOW BIG SANDY PROPOSES TO ALLOCATE**
17 **THE REVENUE INCREASE TO THE CLASSES OF SERVICE.**

18 A. Big Sandy relied on the results of the COSS as a guide to determine the allocation
19 of the proposed revenue increase to the classes of service. Generally, Big Sandy is
20 proposing to allocate the revenue increase in greater proportion to the rate classes
21 whose returns are more negative and in less proportion to those classes whose
22 return are less negative.

23 **Q. What is the proposed base rate revenue increase for each rate class?**

1 A. Big Sandy is proposing the base rate revenue increases in the following table.

2

Table 4. Proposed Base Rate Increases

Rate Class	Increase	
	Dollars	Percent
Schedule A-1 Farm & Home	\$910,052	5.5%
Schedule A-2 Commercial & Small Power	\$810	0.1%
Schedule LP Large Power Service	\$1,973	0.1%
Schedule LPR Large Power Service	\$9,618	1.4%
Industrial - IND 1-B	\$5,189	1.3%
Schedule YL-1 Yard Security Light Service	\$0	0.0%
Total	\$927,642	4.1%

3

4

VIII. PROPOSED RATES

5 **Q. HAVE YOU PREPARED AN EXHIBIT SHOWING THE**
6 **RECONSTRUCTION OF BIG SANDY'S TEST-YEAR BILLING**
7 **DETERMINANTS?**

8 A. Yes. The reconstruction of Big Sandy's billing determinants is shown on Exhibit
9 JW-9, beginning on page 2.

10 **Q. WHAT ARE THE PROPOSED CHARGES FOR BIG SANDY'S**
11 **RESIDENTIAL RATE CLASS?**

12 A. Big Sandy is proposing to increase the customer charge from \$15.00 to \$21.25 per
13 month, along with a very slight increase in the energy charge per kWh.

14 **Q. HOW WERE THE PROPOSED RATES CALCULATED?**

15 A. The rates were calculated such that two constraints were met. The first constraint
16 was that the total incremental revenue resulting from the proposed rates must
17 equal the revenue deficiency (as close as possible with rounding). The second was
18 that the combination of revisions to the customer charge and the energy charge for

1 each rate class must achieve a reasonable overall revenue increase for the class,
2 consistent with the guidance from the COSS and with the principle of gradualism.

3 **Q. DO THE PROPOSED RATES GENERATE THE EXACT REVENUE**
4 **DEFICIENCY OF \$928,645?**

5 A. No, but it is extremely close. Due to rate rounding, the proposed rates generate
6 \$927,642 or \$1,004 less (or 0.1% less) than the exact revenue deficiency for the
7 test period, based on test year consumption.

8 **Q. WHAT IS THE PROPOSED AVERAGE BILLING INCREASE FOR**
9 **EACH RATE CLASS?**

10 A. Big Sandy is proposing the average billing increases in the following table.

11 **Table 5. Proposed Average Billing Increases**

Rate Class	Average Usage (kWh)	Increase	
		Dollars	Percent
Schedule A-1 Farm & Home	1,088	\$6.37	5.5%
Schedule A-2 Commercial & Small Power	936	\$0.07	0.1%
Schedule LP Large Power Service	15,209	\$1.06	0.1%
Schedule LPR Large Power Service	98,606	\$111.84	1.4%
Industrial - IND 1-B	518,275	\$432.45	1.3%
Schedule YL-1 Yard Security Light Service	71	\$0.00	0.0%

12

13 **Q. WILL THE RATES PROPOSED BY BIG SANDY IN THIS PROCEEDING**
14 **ELIMINATE ALL INTER-CLASS SUBSIDIZATION?**

15 A. No. The proposed rates move Big Sandy's rate structures in the direction of cost-
16 based rates without fully adopting those rates. This is consistent with the
17 ratemaking principle of gradualism and will allow the avoidance of rate shock
18 while still making some movement to improve the price signal to members
19 consistent with how Big Sandy actually incurs costs.

1 **Q. IS BIG SANDY PROPOSING CHANGES TO THE MISCELLANEOUS**
2 **SERVICE CHARGES?**

3 A. Yes. Big Sandy is proposing to adjust the charges for the Second Service Connect
4 Fee, the Temporary Disconnect/Reconnect Fee, the Meter Test Fee, the Returned
5 Check Fee, the Collection Fee, the Reconnection Fee for Regular Hours, and the
6 Reconnection Fee for After Hours. These changes reflect the increased costs to
7 provide these miscellaneous services as demonstrated in Reference Schedule 1.14.

8 **Q. IS BIG SANDY PROPOSING CHANGES TO THE LIGHTING**
9 **SCHEDULE?**

10 A. Because the COSS shows that the lighting class has a strong rate of return, Big
11 Sandy is not proposing to revise the charges listed in Schedule YL-1 Yard
12 Security Light Service. However, Big Sandy is proposing revisions to the
13 language in the rate schedule to allow the cooperative a greater degree of
14 flexibility to manage the rapidly-changing technology in the lighting arena. The
15 proposed revisions address the continuing reductions in wattage for devices that
16 produce equivalent lumens (or amount of lamp brightness) as the devices listed in
17 the tariff. The proposed revisions are specified in Schedule YL-1 Yard Light
18 Security Light Service in Exhibits 3 and 4 to this Application.

19 **IX. FILING REQUIREMENTS**

20 **Q. HAVE YOU REVIEWED THE ANSWERS PROVIDED IN EXHIBITS 1-**
21 **31, WHICH ADDRESS BIG SANDY'S COMPLIANCE WITH THE**
22 **HISTORICAL PERIOD FILING REQUIREMENTS UNDER 807 KAR**
23 **5:001 AND ITS VARIOUS SUBSECTIONS?**

1 A. Yes. I hereby incorporate and adopt those portions of Exhibits 1-32 for which I
2 am identified as the sponsoring witness as part of this Direct Testimony.

3 **X. CONCLUSION**

4 **Q. DO YOU HAVE ANY CLOSING COMMENTS?**

5 A. Yes. Big Sandy's rates of return in the COSS clearly demonstrate that the
6 proposed increase in base rates is necessary for Big Sandy's financial health. Big
7 Sandy's revenue deficiency, based on a target TIER of 2.00, is \$928,645. This
8 increase is necessary to meet the financial obligations described in the Direct
9 Testimony of Mr. Frasure. The proposed rates are designed to produce revenues
10 that achieve the revenue requirement. In particular, the increase in customer
11 charges is needed to begin moving the rate structure towards cost-based rates, in
12 order to reduce the revenue erosion that results from having too great a portion of
13 utility fixed cost recovery embedded in the variable charge. The Commission has
14 recognized in recent orders that for an electric cooperative that is strictly a
15 distribution utility, there is a need for a means to guard against the revenue
16 erosion that often occurs due to the decrease in sales volumes that accompanies
17 poor regional economics, changes in weather patterns, and the implementation or
18 expansion of demand-side management and energy-efficiency programs. For Big
19 Sandy at this juncture, this is certainly the case. The proposed rates are just and
20 reasonable and should be approved as filed.

21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22 A. Yes, it does.

Exhibit JW-1

Qualifications of John Wolfram

JOHN WOLFRAM

Summary of Qualifications

Provides consulting services to electric cooperatives, investor-owned utilities and municipal utilities regarding utility rate and regulatory filings, cost of service studies, wholesale and retail rate designs, special contracts, formula rates, and other analyses.

Employment

CATALYST CONSULTING LLC
Principal

June 2012 – Present

Provide consulting services in the areas of tariff development, regulatory analysis, economic development, revenue requirements, cost of service, rate design, and other utility regulatory areas.

Provide utility clients assistance regarding regulatory policy and strategy; project management support for utilities involved in complex regulatory proceedings; process audits; state and federal regulatory filing development; cost of service development and support; the development of special rates, including economic development rates, to achieve strategic objectives; the development of rate alternatives for use with customers; and energy efficiency program development.

Prepare retail and wholesale rate schedules and/or filings submitted to the Federal Energy Regulatory Commission ("FERC"), state regulators, and/or Boards of Directors for electric and gas utilities.

THE PRIME GROUP, LLC
Senior Consultant

March 2010 – May 2012

E.ON U.S., LLC, Louisville, KY

1997 - 2010

(Louisville Gas & Electric Company and Kentucky Utilities Company)
Director, Customer Service & Marketing (2006 - 2010)
Manager, Regulatory Affairs (2001 - 2006)
Lead Planning Engineer, Generation Planning (1998 - 2001)
Power Trader, LG&E Energy Marketing (1997 - 1998)

PJM INTERCONNECTION, LLC, Norristown, PA

1990 - 1993; 1994 - 1997

Project Lead – PJM OASIS Project
Chair, Data Management Working Group

CINCINNATI GAS & ELECTRIC COMPANY, Cincinnati, OH
Electrical Engineer - Energy Management System

1993 - 1994

Education

Bachelor of Science Degree in Electrical Engineering, University of Notre Dame, 1990
Master of Science Degree in Electrical Engineering, Drexel University, 1997
Leadership Louisville, 2006

Associations

Member, Institute of Electrical and Electronics Engineers (IEEE)
Member, IEEE Power Engineering Society

Expert Witness Testimony & Proceedings

- FERC:
- Submitted direct testimony for Midwest Power Transmission Arkansas, LLC in FERC Docket No. ER15-2236 regarding a proposed Transmission Formula Rate.
 - Submitted direct testimony for Kanstar Transmission, LLC in FERC Docket No. ER15-2237 regarding a proposed Transmission Formula Rate.
 - Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket Nos. FA15-9-000 and FA15-15-000 regarding an Audit of Compliance with Rates, Terms and Conditions of Westar's Open Access Transmission Tariff and Formula Rates, Accounting Requirements of the Uniform System of Accounts, and Reporting Requirements of the FERC Form No. 1.
 - Submitted direct testimony for Westar Energy in FERC Docket Nos. ER14-804 and ER14-805 regarding proposed revisions to a Generation Formula Rate.
 - Supported Kansas Gas & Electric Company in FERC Docket No. FA14-3-000 regarding an Audit of Compliance with Nuclear Plant Decommissioning Trust Fund Regulations and Accounting Practices.
 - Supported LG&E Energy LLC in FERC Docket No. PA05-9-000 regarding an Audit of Code of Conduct, Standards of Conduct, Market-Based Rate Tariff, and MISO's Open Access Transmission Tariff at LG&E Energy LLC.
 - Submitted remarks and served on expert panel in FERC Docket No. RM01-10-000 on May 21, 2002 in Standards of Conduct for Transmission Providers staff conference, regarding proposed rulemaking on the functional separation of wholesale transmission and bundled sales functions for electric and gas utilities.
- Kansas:
- Submitted report for Westar Energy, Inc. in Docket No. 18-WCNE-107-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.
 - Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 15-WSEE-115-RTS regarding rate designs for large customer classes, establishment of a balancing account related to new rate options, establishment of a tracking mechanism for costs related to compliance with mandated cyber and physical security standards, other rate design issues, and revenue allocation.
- Kentucky:
- Submitted direct testimony on behalf of Progress Metal Reclamation Company in Kentucky Power Company Case No. 2017-00179 regarding the potential implementation of a Load Retention Rate or revisions to an Economic Development Rate.

Submitted direct testimony on behalf of Kenergy Corp. and Big Rivers Electric Corporation in Case No. 2016-00117 regarding a marginal cost of service study in support of an economic development rate for a special contracts customer.

Submitted rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2014-00134 regarding ratemaking treatment of revenues associated with proposed wholesale market-based-rate purchased power agreements with entities in Nebraska.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2013-00199 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00535 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00063 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct, rebuttal, and rehearing direct testimony on behalf of Big Rivers Electric Corporation in Case No. 2011-00036 regarding revenue requirements and pro forma adjustments in a base rate case.

Submitted direct testimony for Louisville Gas & Electric Company in Case No. 2009-00549 and for Kentucky Utilities Company in Case No. 2009-00548 for adjustment of electric and gas base rates, in support of a new service offering for Low Emission Vehicles, revised special charges, and company offerings aimed at assisting customers.

Submitted discovery responses for Kentucky Utilities and/or Louisville Gas & Electric Company in various customer inquiry matters, including Case Nos. 2009-00421, 2009-00312, and 2009-00364.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2008-00148 regarding the 2008 Joint Integrated Resource Plan.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Administrative Case No. 2007-00477 regarding an investigation of the energy and regulatory issues in Kentucky's 2007 Energy Act.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00319 for the review, modification, and continuation of Energy Efficiency Programs and DSM Cost Recovery Mechanisms.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00067 for approval of a proposed Green Energy program and associated tariff riders.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00467 and 2005-00472 regarding a Certificate of Public Convenience and Necessity for the construction of transmission facilities.

Submitted discovery responses for Kentucky Utilities in Case No. 2005-00405 regarding the transfer of a utility hydroelectric power plant to a private developer.
Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00162 for the 2005 Joint Integrated Resource Plan.

Presented company position for Louisville Gas & Electric Company and Kentucky Utilities Company at public meetings held in Case Nos. 2005-00142 and 2005-00154 regarding routes for proposed transmission lines.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in an Investigation into their Membership in the Midwest Independent Transmission System Operator, Inc. ("MISO") in Case No. 2003-00266.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of Fuel Procurement practices by Liberty Consulting in 2004.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of its Earning Sharing Mechanism by Barrington-Wellesley Group in 2002-2003.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00381 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00029 regarding a Certificate of Public Convenience and Necessity for the acquisition of two combustion turbines.

Virginia: Submitted direct testimony for Kentucky Utilities Company d/b/a Old Dominion Power in Case No. PUE-2002-00570 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

Presentations

"Benefits of Cost of Service Studies" presented to Tri-State Electric Cooperatives Accountants' Association Spring Meeting, April 2017.

"Proper Design of Utility Rate Incentives" presented to APPA/Area Development's Public Power Consultants Forum, March 2017.

"Utility Hot Topics and Economic Development" presented to APPA/Area Development's Public Power Consultants Forum, March 2017.

"Emerging Rate Designs" presented to CFC Independent Borrowers Executive Summit, November 2016.

"Optimizing Economic Development" presented to Grand River Dam Authority Municipal Customer Annual Meeting, September 2016.

"Tomorrow's Electric Rate Designs, Today" presented to CFC Forum, June 2016.

"Reviewing Rate Class Composition to Support Sound Rate Design" presented to EEI Rate and Regulatory Analysts Group Meeting, May 2016.

"Taking Public Power Economic Development to the Next Level" presented to APPA/Area Development's Public Power Consultants Forum, March 2016.

"Ratemaking for Environmental Compliance Plans" presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2015.

"Top Utility Strategies for Successful Attraction, Retention & Expansion" presented to APPA/Area Development's Public Power Consultants Forum, March 2015.

"Economic Development and Load Retention Rates" presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2013.

"The Case for Economic Development Rates: Theory and Regulatory Considerations" presented to 2011 Electric Cooperative Rate Conference, October 2011.

"Rates for Distributed Generation" presented to 2010 Electric Cooperative Rate Conference, October 2010.

"What Utilities Can Do to Advance Energy Efficiency in Kentucky" panel session of Second Annual Kentucky Energy Efficiency Conference, October 2007.

Articles

"Economic Development Rates: Public Service or Piracy?" *IAEE Energy Forum*, International Association for Energy Economics, 2016 Q1 (January 2016), 17-20.

Exhibit JW-2

Revenue Requirements
& Pro Forma Adjustments

BIG SANDY RECC
Statement of Operations & Revenue Requirement
For the 12 Months Ended July 31, 2016

Line #	Description (1)	Actual Rates Actual Test Yr (2)	Present Rates Unadj Test Yr (3)	Pro Forma Adjustment (4)	Present Rates Pro Forma Test Yr (5)	Proposed Rates Pro Forma Test Yr (6)
1	<u>Operating Revenues</u>					
2	Total Sales of Electric Energy	23,087,258	22,470,741	(1,336,864)	21,133,877	22,062,523
3	Other Electric Revenue	778,953	778,953		778,953	778,953
4	Total Operating Revenue	23,866,212	23,249,695	(1,336,864)	21,912,831	22,841,476
5						
6	<u>Operating Expenses:</u>					
7	Purchased Power	16,010,784	16,010,784	(1,355,065)	14,655,719	14,655,719
8	Distribution Operations	1,094,553	1,094,553	5,955	1,100,508	1,100,508
9	Distribution Maintenance	1,516,304	1,516,304	(144,361)	1,371,944	1,371,944
10	Customer Accounts	887,246	887,246	2,659	889,904	889,904
11	Customer Service	29,781	29,781	2,322	32,103	32,103
12	Sales Expense	5,403	5,403	-	5,403	5,403
13	A&G	1,364,315	1,364,315	(138,731)	1,225,584	1,225,584
14	Total O&M Expense	20,908,387	20,908,387	(1,627,222)	19,281,165	19,281,165
15						
16	Depreciation	2,272,704	2,272,704	776	2,273,481	2,273,481
17	Taxes - Other	33,861	33,861	2,521	36,382	36,382
18	Interest on LTD	701,164	701,164	-	701,164	701,164
19	Interest - Other	62,878	62,878	-	62,878	62,878
20	Other Deductions	19,500	19,500	-	19,500	19,500
21						
22	Total Cost of Electric Service	23,998,494	23,998,494	(1,623,924)	22,374,570	22,374,570
23						
24	Utility Operating Margins	(132,283)	(748,800)	287,060	(461,739)	466,906
25						
26	Non-Operating Margins - Interest	173,911	173,911	-	173,911	173,911
27	Non-Operating Margins - Other	13,496	13,496	-	13,496	13,496
28	G&T Capital Credits	1,400,000	1,400,000	(1,400,000)	-	-
29	Other Capital Credits	46,851	46,851	-	46,851	46,851
30						
31	Net Margins	1,501,975	885,458	(1,112,940)	(227,481)	701,164
32						
33	Cash Receipts from Lenders	12,575	12,575		12,575	12,575
34	OTIER	0.83	(0.05)		0.36	1.68
35	TIER	3.14	2.26		0.68	2.00
36	TIER excluding GTCC	1.15	0.27		0.68	2.00
37						
38	Target TIER	2.00	2.00		2.00	2.00
39	Margins at Target TIER	701,164	701,164		701,164	701,164
40	Revenue Requirement	24,699,658	24,699,658		23,075,734	23,075,734
41	Revenue Deficiency	(800,811)	(184,294)		928,645	-

BIG SANDY RECC
Summary of Pro Forma Adjustments

Reference Schedule #	Item (1)	Revenue (2)	Expense (3)	Non- Operating Income (4)	Net Margin (5)
1.01	Wages & Salaries	-	(22,900)		22,900
1.02	Payroll Taxes	-	(1,624)		1,624
1.03	Depreciation	-	27,206		(27,206)
1.04	Property Taxes	-	2,521		(2,521)
1.05	Interest on Long Term Debt	-	(78,803)		78,803
1.06	Retirement Plan & 401(k)	-	23,479		(23,479)
1.07	Donations, Promotional Advertising & Dues	-	(25,867)		25,867
1.08	Professional Services	-	(3,920)		3,920
1.09	Directors Fees	-	(16,601)		16,601
1.10	Miscellaneous Expenses	-	(1,307)		1,307
1.11	Rate Case Expenses	-	61,912		(61,912)
1.12	FEMA	-	(155,175)		155,175
1.13	GTCC	-	-	(1,400,000)	(1,400,000)
1.14	Misc Service Charges	5,370	-		5,370
1.15	Fuel Adjustment Clause	1,006,816	1,030,652		(23,836)
1.16	Environmental Surcharge	(2,263,819)	(2,331,039)		67,220
1.17	Year-End Customers	(85,231)	(54,678)		(30,553)
1.18	Employee Healthcare	-	(156,584)		156,584
	Total	(1,336,864)	(1,702,727)	(1,400,000)	(1,034,137)

BIG SANDY RECC
Summary of Adjustments to Test Year Balance Sheet

Line #	Description (1)	Actual Test Yr (2)	Pro Forma Adjs (3)	Pro Forma Test Yr (4)
1	Assets and Other Debits			
2	Total Utility Plant in Service	52,952,636	-	52,952,636
3	Construction Work in Progress	(73,568)	-	(73,568)
4	Total Utility Plant	52,879,068	-	52,879,068
5	Accum Provision for Depr and Amort	(19,823,387)	-	(19,823,387)
6	Net Utility Plant	33,055,681	-	33,055,681
7				
8	Investment in Assoc Org - Patr Capital	15,757,520	-	15,757,520
9	Investment in Assoc Org - Other Gen Fnd	2,205	-	2,205
10	Investment in Assoc Org - Non Gen Fnd	472,200	-	472,200
11	Other Investment	500	-	500
12	Total Other Prop & Investments	16,232,426	-	16,232,426
13				
14	Cash - General Funds	498,011	-	498,011
15	Cash - Construction Fund Trust	407	-	407
16	Special Deposits	120	-	120
17	Temporary Investments	(937,802)	-	(937,802)
18	Accts Receivable - Sales Energy (Net)	2,701,731	-	2,701,731
19	Accts Receivable - Other (Net)	970,165	-	970,165
20	Renewable Energy Credits	-	-	-
21	Material & Supplies - Elec & Other	293,066	-	293,066
22	Prepayments	56,697	-	56,697
23	Other Current & Accr Assets	5,326	-	5,326
24	Total Current & Accr Assets	3,587,720	-	3,587,720
25				
26	Other Regulatory Assets	-	-	-
27	Other Deferred Debits	9,900	-	9,900
28				
29	Total Assets & Other Debits	52,885,727	-	52,885,727
30				
31	Liabilities & Other Credits			
32	Memberships	(226,565)	-	(226,565)
33	Patronage Capital	(24,654,092)	-	(24,654,092)
34	Operating Margins - Current Year	(1,314,567)	-	(1,314,567)
35	Non-Operating Margins	(187,407)	-	(187,407)
36	Other Margins & Equities	1,711,537	-	1,711,537
37	Total Margins & Equities	(24,671,095)	-	(24,671,095)
38				
39	Long Term Debt - RUS (Net)	(5,007,074)	-	(5,007,074)
40	Long Term Debt - FFB - RUS GUAR	-	-	-
41	Long Term Debt - Other - RUS GUAR	-	-	-
42	Long Term Debt - Other (Net)	(16,116,770)	-	(16,116,770)
43	Long Term Debt - RUS -Econ Dev - Net	-	-	-
44	Total Long Term Debt	(21,123,844)	-	(21,123,844)
45				
46	Accum Operating Provisions	(3,698,066)	-	(3,698,066)
47				
48	Notes Payable	(650,000)	-	(650,000)
49	Accounts Payable	(1,886,264)	-	(1,886,264)
50	Consumer Deposits	(604,538)	-	(604,538)
51	Other Current & Accr Liabilities	(239,209)	-	(239,209)
52	Total Current & Accr Liabilities	(3,380,010)	-	(3,380,010)
53				
54	Regulatory Liabilities	-	-	-
55	Other Deferred Credits	(12,712)	-	(12,712)
56	Total Liabilities & Other Credits	(52,885,727)	-	(52,885,727)
57				
58	Estimated Contrib in Aid of Construction			
59	Balance Beginning of Year	-	-	-
60	Amount Received This Year (Net)	217,177	-	217,177
61	Total Contributions in Aid of Construction	217,177	-	217,177

BIG SANDY RECC
Summary of Adjustments to Test Year Statement of Operations

Reference Schedule	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.17	1.18	TOTAL	
Item	Wages & Salaries	Payroll Taxes	Depreciation	Property Taxes	Interest on Long Term Debt	Retirement Plan & 401(k)	Donations, Promotional Advertising & Dues	Professional Services	Directors Fees	Miscellaneous Expenses	Rate Case Expenses	FEMA	GTCC	Misc Service Charges	Fuel Adjustment Clause	Environmental Surcharge	Year-End Customers	Employee Healthcare	TOTAL	
1 <u>Operating Revenues:</u>																				
2 Base Rates																				0
3 FAC & ES															1,006,816	(2,263,819)			(1,257,003)	
4 Other Electric Revenue														5,370			(85,231)		(79,861)	
5 <u>Total Revenues</u>	0	0	0	0	0	0	0	0	0	0	0	0	0	5,370	1,006,816	(2,263,819)	(85,231)		(1,336,864)	
6																				
7 <u>Operating Expenses:</u>																				
8 Purchased Power																				0
9 Base Rates																	(54,678)		(54,678)	
10 FAC & ES															1,030,652	(2,331,039)			(1,300,387)	
11 Distribution - Operations	(4,871)	(345)	6,177			4,995													5,955	
12 Distribution - Maintenance	(5,024)	(356)	11,044			5,151													(144,361)	
13 Consumer Accounts	(3,928)	(279)	2,838			4,028						(155,175)							2,659	
14 Customer Service	(483)	(34)	2,344			495													2,322	
15 Sales		0	0			0													0	
16 Administrative and General	(8,593)	(609)	4,028			8,811	(25,867)	(3,920)	(16,601)	(1,307)	61,912								(156,584)	
17 <u>Total Operating Expenses</u>	(22,900)	(1,624)	26,430	0	0	23,479	(25,867)	(3,920)	(16,601)	(1,307)	61,912	(155,175)	0	0	1,030,652	(2,331,039)	(54,678)	(156,584)	(1,627,222)	
18																				
19 Depreciation			776																	776
20 Taxes - Other				2,521																2,521
21 Interest on Long Term Debt					(78,803)															(78,803)
22 Interest Expense - Other																				0
23 Other Deductions																				0
24 <u>Total Cost of Electric Service</u>	(22,900)	(1,624)	27,206	2,521	(78,803)	23,479	(25,867)	(3,920)	(16,601)	(1,307)	61,912	(155,175)	0	0	1,030,652	(2,331,039)	(54,678)	(156,584)	(1,702,727)	
25																				
26 Utility Operating Margins	22,900	1,624	(27,206)	(2,521)	78,803	(23,479)	25,867	3,920	16,601	1,307	(61,912)	155,175	0	5,370	(23,836)	67,220	(30,553)	156,584	365,863	
27																				
28 Non-Operating Margins - Interest																				0
29 Non-Operating Margins - Other																				0
30 G&T Capital Credits													(1,400,000)							(1,400,000)
31 Other Capital Credits																				0
32 <u>Total Non-Operating Margins</u>	0	0	0	0	0	0	0	0	0	0	0	0	(1,400,000)	0	0	0	0	0	0	(1,400,000)
33																				
34 <u>Net Margins</u>	22,900	1,624	(27,206)	(2,521)	78,803	(23,479)	25,867	3,920	16,601	1,307	(61,912)	155,175	(1,400,000)	5,370	(23,836)	67,220	(30,553)	156,584	(1,034,137)	
35																				

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Wages & Salaries

Line #	Employee			Hours Worked			Actual Test Year Wages					2018 Wage Rate (12)	Pro Forma Wages at 2,080 Hours					Pro Forma Adjustment (18)
	Count (1)	ID (2)	Note (3)	Regular (4)	Overtime (5)	Vac P.Out (6)	Regular (7)	Overtime (8)	Vac P.Out (9)	Other (10)	Total (11)		Regular (13)	Overtime (14)	Vac P.Out (15)	Other (16)	Total (17)	
1	Salary Employees																	
2	1	S01		2,080.00		31.04	74,142		1,102	650	75,894	36.65	76,232		1,138	77,370	\$ 1,476	
3	1	S02		2,080.00		39.96	81,048		1,551	700	83,299	39.97	83,138		1,597	84,735	\$ 1,436	
4	1	S03	A	2,080.00		39.96	123,148		2,374		125,522	0.00	0		0	0	\$ (125,522)	
5	1	S04		2,080.00			72,031			900	72,931	35.74	74,339			74,339	\$ 1,408	
6	1	S05		2,080.00			54,684			900	55,584	29.82	62,026			62,026	\$ 6,442	
7		S06	B	-							-	52.89	110,011			110,011	\$ 110,011	
8	1	S07		2,080.00			54,851			850	55,701	27.48	57,158			57,158	\$ 1,457	
9	1	S08		2,080.00			47,956			850	48,806	24.77	51,522	0		51,522	\$ 2,716	
10	1	S09		2,080.00			49,401			850	50,251	26.57	55,266			55,266	\$ 5,015	
11	1	S10		1,833.00			40,894			550	41,444	23.15	48,152	0		48,152	\$ 6,708	
12	9	Subtotal		18,473.00	-	110.96	598,155	-	5,027	6,250	609,432		617,843	0	2,735	0	620,578	\$ 11,146
13																		
14	Hourly Employees																	
15	1	H01		1,995.96	77.50		61,502	3,601			65,103	29.84	62,067	3,469		65,536	\$ 433	
16	1	H02		2,080.00	46.00	34.96	64,834	2,165	1,080		68,079	32.28	67,142	2,227	1,129	70,498	\$ 2,419	
17	1	H03		2,064.00	1,121.00	40.00	58,967	48,090	1,131		108,188	29.68	61,734	49,907	1,187	112,829	\$ 4,641	
18	1	H04		2,064.00	698.00	39.96	58,966	29,964	1,130		90,060	29.68	61,734	31,075	1,186	93,995	\$ 3,935	
19	1	H05		2,080.00	52.50		56,223	2,120			58,343	28.14	58,531	2,216		60,747	\$ 2,404	
20	1	H06		2,080.00	86.00	36.04	64,066	3,991	1,100		69,157	31.91	66,373	4,116	1,150	71,639	\$ 2,482	
21	1	H07		2,080.00	23.50		57,762	986			58,748	28.88	60,070	1,018		61,088	\$ 2,340	
22	1	H08		2,080.00	26.00	38.88	71,397	1,193	1,346		73,936	36.52	75,962	1,424	1,420	78,806	\$ 4,870	
23	1	H09		2,080.00	496.00		59,892	21,382			81,274	31.91	66,373	23,741		90,114	\$ 8,840	
24	1	H10		2,080.00	61.50		59,185	2,630			61,815	29.43	61,214	2,715		63,929	\$ 2,114	
25	1	H11		2,080.00	220.50		59,759	9,547			69,306	30.78	64,022	10,180		74,203	\$ 4,897	
26	1	H12		1,150.29	4.50		33,078	196			33,274	30.78	64,022	208		64,230	\$ 30,956	
27	1	H13		2,075.96	139.50		58,964	5,978			64,942	29.68	61,734	6,211		67,945	\$ 3,003	
28	1	H14		1,905.00	39.50		54,002	1,688			55,690	29.43	61,214	1,744		62,958	\$ 7,268	
29	1	H15		2,064.00	89.50		58,490	3,824			62,314	29.43	61,214	3,951		65,165	\$ 2,851	
30	1	H16		2,080.00	3.00		53,644	117		500	54,261	26.90	55,952	121		56,073	\$ 1,812	
31	1	H17		2,080.00	11.00		47,114	377		500	47,991	23.76	49,421	392		49,813	\$ 1,822	
32	1	H18		2,080.00	21.00		39,915	608		500	41,023	20.30	42,224	639		42,863	\$ 1,840	
33	1	H19		2,082.00	10.50		33,916	255		500	34,671	17.40	36,192	274		36,466	\$ 1,795	
34	1	H20		2,080.00	23.50		38,044	652			38,696	19.40	40,352	684		41,036	\$ 2,340	
35	1	H21		1,894.00	6.00		26,262	123		500	26,885	15.40	32,032	139		32,171	\$ 5,286	
36	1	H22		1,796.49	4.00		21,340	72		500	21,912	11.40	23,712	68		23,780	\$ 1,868	

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Wages & Salaries

Line #	Employee			Hours Worked			Actual Test Year Wages					2018 Wage Rate (12)	Pro Forma Wages at 2.080 Hours					Pro Forma Adjustment (18)
	Count (1)	ID (2)	Note (3)	Regular (4)	Overtime (5)	Vac P.Out (6)	Regular (7)	Overtime (8)	Vac P.Out (9)	Other (10)	Total (11)		Regular (13)	Overtime (14)	Vac P.Out (15)	Other (16)	Total (17)	
37	1	H23		2,080.00	10.00		23,702	171		500	24,373	13.90	28,912	209		29,121	\$ 4,748	
38	1	H24		2,080.00	62.00		41,963	1,995			43,958	23.65	49,192	2,199		51,391	\$ 7,433	
39	1	H25	A	2,080.00	58.00		51,017	2,171			53,188	0.00	0	0		0	\$ (53,188)	
40	1	H26		2,064.00	137.00		48,071	4,817			52,888	25.94	53,955	5,331		59,286	\$ 6,398	
41	1	H27	A	2,076.00			52,712				52,712	0.00	0	0		0	\$ (52,712)	
42	1	H28		2,080.00	38.00		46,884	1,297			48,181	24.15	50,232	1,377		51,609	\$ 3,428	
43	1	H29		1,952.00	7.50		21,992	128		500	22,620	12.15	25,272	137		25,409	\$ 2,789	
44	1	H30		1,540.50	123.50		42,553	5,133			47,686	29.43	61,214	5,452		66,666	\$ 18,980	
45	1	H31	B	-			-				-	24.08	50,086			50,086	\$ 50,086	
46	32	Subtotal		60,004	3,697	190	1,466,216	155,271	5,787	4,000	1,631,274		1,552,158	161,223	6,072	-	1,719,454	88,180
47																		
48																		
49	1	P01	A	70.00			508				508	0.00	0	0		0	\$ (508)	
50	1	P02	A	276.00			2,760				2,760	0.00	0	0		0	\$ (2,760)	
51	1	P03	A	1,045.50			7,933				7,933	0.00	0	0		0	\$ (7,933)	
52	3	Subtotal		1,391.50	-	-	11,201	-	-	-	11,201		0	0	0	0	0	\$ (11,201)
53																		
54																		
55	1	R01	A	860.77			25,290				25,290	0.00	0			0	\$ (25,290)	
56	1	R02	A	1,469.12	3.00		37,393	114			37,507	0.00	0			0	\$ (37,507)	
57	1	R03	A	2,080.00	24.50		59,426	1,058			60,484	0.00	0			0	\$ (60,484)	
58	3	Subtotal		4,409.89	27.50	-	122,109	1,172	-	-	123,281		0	0	0	0	0	\$ (123,281)
59																		
60	41	TOTAL		84,278.59	3,724.00	300.80	2,197,681	156,443	10,814	10,250	2,375,188		2,170,002	161,223	8,806	0	2,340,032	\$ (35,157)
61																		
62																		
		Adjustment																\$ (35,157)

NOTES:

A No longer employed

B Hired 2017

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Wages & Salaries

This adjustment normalizes wages and salaries to account for changes due to wage increases, promotions, retirements, terminations, or new hires for standard year of 2,080 hours.

<u>Labor Expense Summary</u>		<u>Labor \$</u>	<u>Alloc</u>	<u>Adjustment</u>
63	580-589 Operations	\$ 330,622	13.9%	\$ (4,871)
64	590-598 Maintenance	\$ 341,006	14.3%	\$ (5,024)
65	901-905 Consumer Accounts	\$ 266,627	11.2%	\$ (3,928)
66	907-910 Customer Service	\$ 32,772	1.4%	\$ (483)
67	920-935 Administrative & General	\$ 583,237	24.4%	\$ (8,593)
68	Subtotal	\$ 1,554,265	65.1%	\$ (22,900)
69	101-120 Utility Plant	\$ 577,449	24.2%	\$ (8,508)
70	131-174 Current & Accrued Assets	\$ 48,089	2.0%	\$ (709)
71	181-190 Deferred Debits	\$ 45,453	1.9%	\$ (670)
72	231-283 Current & Accrued Liabilities	\$ 160,903	6.7%	\$ (2,371)
73	Subtotal	\$ 831,894	34.9%	\$ (12,257)
74	Total	\$ 2,386,159	100.0%	\$ (35,157)

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Payroll Taxes

Line #	Employee			Social Security		Medicare		Federal Unemployment		State Unemployment		Total (6)+(8)+ (10)+(12) (13)	
	Count	ID	Note	Normalized Wages	Up To	At	All	At	Up To	At	Up To		At
					\$118,500	6.20%	Wages	1.45%	\$7,000	0.60%	\$10,200		1.20%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
1	Salary Employees												
2	1	S01		77,370	77,370	4,797	77,370	1,122	7,000	42	10,200	122	6,083
3	1	S02		84,735	84,735	5,254	84,735	1,229	7,000	42	10,200	122	6,647
4	1	S03	A	-	-	-	-	-	-	-	-	-	-
5	1	S04		74,339	74,339	4,609	74,339	1,078	7,000	42	10,200	122	5,851
6	1	S05		62,026	62,026	3,846	62,026	899	7,000	42	10,200	122	4,909
7	1	S06	B	110,011	110,011	6,821	110,011	1,595	7,000	42	10,200	122	8,580
8	1	S07		57,158	57,158	3,544	57,158	829	7,000	42	10,200	122	4,537
9	1	S08		51,522	51,522	3,194	51,522	747	7,000	42	10,200	122	4,106
10	1	S09		55,266	55,266	3,426	55,266	801	7,000	42	10,200	122	4,392
11	1	S10		48,152	48,152	2,985	48,152	698	7,000	42	10,200	122	3,848
12	9	Subtotal		620,578	620,578	38,476	620,578	8,998	63,000	378	91,800	1,102	48,954
13													
14	Hourly Employees												
15	1	H01		65,536	65,536	4,063	65,536	950	7,000	42	10,200	122	5,178
16	1	H02		70,498	70,498	4,371	70,498	1,022	7,000	42	10,200	122	5,558
17	1	H03		112,829	112,829	6,995	112,829	1,636	7,000	42	10,200	122	8,796
18	1	H04		93,995	93,995	5,828	93,995	1,363	7,000	42	10,200	122	7,355
19	1	H05		60,747	60,747	3,766	60,747	881	7,000	42	10,200	122	4,812
20	1	H06		71,639	71,639	4,442	71,639	1,039	7,000	42	10,200	122	5,645
21	1	H07		61,088	61,088	3,787	61,088	886	7,000	42	10,200	122	4,838
22	1	H08		78,806	78,806	4,886	78,806	1,143	7,000	42	10,200	122	6,193
23	1	H09		90,114	90,114	5,587	90,114	1,307	7,000	42	10,200	122	7,058
24	1	H10		63,929	63,929	3,964	63,929	927	7,000	42	10,200	122	5,055
25	1	H11		74,203	74,203	4,601	74,203	1,076	7,000	42	10,200	122	5,841
26	1	H12		64,230	64,230	3,982	64,230	931	7,000	42	10,200	122	5,078
27	1	H13		67,945	67,945	4,213	67,945	985	7,000	42	10,200	122	5,362
28	1	H14		62,958	62,958	3,903	62,958	913	7,000	42	10,200	122	4,981
29	1	H15		65,165	65,165	4,040	65,165	945	7,000	42	10,200	122	5,150
30	1	H16		56,073	56,073	3,477	56,073	813	7,000	42	10,200	122	4,454
31	1	H17		49,813	49,813	3,088	49,813	722	7,000	42	10,200	122	3,975
32	1	H18		42,863	42,863	2,658	42,863	622	7,000	42	10,200	122	3,443
33	1	H19		36,466	36,466	2,261	36,466	529	7,000	42	10,200	122	2,954
34	1	H20		41,036	41,036	2,544	41,036	595	7,000	42	10,200	122	3,304
35	1	H21		32,171	32,171	1,995	32,171	466	7,000	42	10,200	122	2,625
36	1	H22		23,780	23,780	1,474	23,780	345	7,000	42	10,200	122	1,984
37	1	H23		29,121	29,121	1,805	29,121	422	7,000	42	10,200	122	2,392
38	1	H24		51,391	51,391	3,186	51,391	745	7,000	42	10,200	122	4,096
39	1	H25	A	-	-	-	-	-	-	-	-	-	-
40	1	H26		59,286	59,286	3,676	59,286	860	7,000	42	10,200	122	4,700
41	1	H27	A	-	-	-	-	-	-	-	-	-	-
42	1	H28		51,609	51,609	3,200	51,609	748	7,000	42	10,200	122	4,112
43	1	H29		25,409	25,409	1,575	25,409	368	7,000	42	10,200	122	2,108
44	1	H30		66,666	66,666	4,133	66,666	967	7,000	42	10,200	122	5,264
45	1	H31	B	50,086	50,086	3,105	50,086	726	7,000	42	10,200	122	3,996
46	31	Subtotal		1,719,454	1,719,454	106,606	1,719,454	24,932	203,000	1,218	295,800	3,550	136,306
47													
48	40	TOTAL		2,340,032	2,340,032	145,082	2,340,032	33,930	266,000	1,596	387,600	4,651	185,260
49													
50		Test Year Amount				179,935	<---(6) + (8)			2,318		5,500	187,753
51													
52		Pro Forma Amount				179,012	<--- (6) + (8)			1,596		4,651	185,260
53													
54		Adjustment				(922)				(722)		(849)	(2,493)

NOTES:

A - No longer employed

B- Hired 2017

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Payroll Taxes

This adjustment normalizes test year payroll taxes for FICA, Medicare, FUTA and SUTA based on most recent effective rates.

Allocation to Accounts	<u>Alloc</u>	<u>Adjustment</u>
580-589 Operations	13.86%	(345)
590-598 Maintenance	14.29%	(356)
901-905 Consumer Accounts	11.17%	(279)
907-910 Customer Service	1.37%	(34)
920-935 Administrative & General	24.44%	(609)
Subtotal	65.14%	(1,624)
101-120 Utility Plant	24.20%	(603)
131-174 Current & Accrued Assets	2.02%	(50)
181-190 Deferred Debits	1.90%	(47)
231-283 Current & Accrued Liabilities	6.74%	(168)
Subtotal	34.86%	(869)
Total	100.00%	(2,493)

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Depreciation

Line #	Acct # (1)	Description (2)	Test Yr Ending Bal (3)	Fully Depr Items (4)	Rate (5)	Normalized Expense (6)	Test Year Expense (7)	Pro Forma Adj (8)
1		<u>Distribution Plant</u>						
2	362	Station equipment	400,205	-	2.86%	11,446	11,446	\$ (0)
3	364	Poles, towers & fixtures	14,209,217	-	4.99%	709,040	701,943	\$ 7,097
4	365	Overhead conductors & devices	13,008,337	-	4.84%	629,604	628,290	\$ 1,314
5	366	Underground conduit	606,272	-	4.84%	29,344	28,448	\$ 896
6	367	Underground conductor & devices	400,641	-	3.13%	12,540	11,667	\$ 873
7	368	Line transformers	6,417,073	-	3.46%	222,031	221,026	\$ 1,005
8	369	Services	5,081,015	-	4.02%	204,257	202,261	\$ 1,996
9	370	Meters	3,482,975	-	6.67%	232,314	233,762	\$ (1,448)
10	371	Installations on customer premises	2,471,803	-	4.09%	101,097	98,180	\$ 2,917
11		Subtotal	46,077,538	-		2,151,672	2,137,023	14,649
12								
13		<u>General Plant</u>						
14	389	Land	292,419					
15	390	Structures and improvements	2,991,477	492,577	2.50%	62,473	74,667	\$ (12,195)
16	391	Office furn and eqt	702,484		6.00%	42,149	44,327	\$ (2,178)
17	393	Stores	-		5.00%	-	-	\$ -
18	394	Tools, shop and garage	124,891		5.00%	6,245	6,078	\$ 167
19	395	Laboratory	154,634		5.00%	7,732	7,738	\$ (6)
20	396	Power operated	11,903	11,903	14.00%	-	-	\$ -
21	397	Communications	50,173	18,530	7.00%	2,215	2,075	\$ 140
22	398	Miscellaneous	30,873	10,953	5.00%	996	796	\$ 200
23		Subtotal	4,358,854	533,963		121,809	135,681	(13,872)
		Distribution & General Subtotal	50,436,392	533,963		2,273,480	2,272,704	776
24								
25		<u>Transportation Charged to Clearing</u>						
26	392	Transportation	1,783,882	801,195	19.20%	188,676	147,630	\$ 41,046
27								
28		TOTAL	52,220,274	1,335,158		2,462,156	2,420,334	41,822

This adjustment normalizes depreciation expenses by replacing test year actual expenses with test year end balances (less any fully depreciated items) at approved depreciation rates.

<u>Allocation of Clearing to O&M</u>	<u>Alloc</u>	<u>Depr \$</u>
Operations	15.0%	\$ 6,177
Maintenance	26.9%	\$ 11,044
Consumer Accounts	6.9%	\$ 2,838
Customer Service	5.7%	\$ 2,344
Administrative & General	9.8%	\$ 4,028
Subtotal	64.4%	\$ 26,430
CWIP & RWIP	34.4%	\$ 14,132
Other	1.2%	\$ 484
Subtotal	35.6%	\$ 14,616
Total	100.0%	\$ 41,046

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Property Taxes

Line #	Payments (1)	2014 (2)	2016 (3)	Adjustment (4)
1	KY State Treas	\$ 10	\$ 10	\$ -
2	KY State Treas, Public Service Co	\$ 105,116	\$ 102,349	\$ (2,767)
3	Floyd County	\$ 65,643	\$ 64,563	\$ (1,079)
4	Johnson County	\$ 100,594	\$ 103,359	\$ 2,765
5	Martin County	\$ 11,569	\$ 13,987	\$ 2,418
6	Lawrence Couty	\$ 10,028	\$ 9,053	\$ (976)
7	Knott County	\$ 7,967	\$ 8,812	\$ 844
8	Morgan County	\$ 667	\$ 703	\$ 36
9	Breathitt Coutny	\$ 204	\$ 238	\$ 34
10	Magoffin County	\$ 45	\$ 62	\$ 17
11	Paintsville City	\$ 5,992	\$ 7,221	\$ 1,228
12				
13				
14	<u>Adjustment</u>	<u>\$ 307,836</u>	<u>\$ 310,357</u>	<u>\$ 2,521</u>

This adjustment normalizes property taxes from test year to current amounts.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Interest on Long Term Debt

Line #	Type of Debt Issued (1)	Date of Issue (2)	Date of Maturity (3)	Outstanding Amount (4)	Cost Rate to Maturity (5)	Pro Forma Interest Cost (6)	Test Year Interest Cost (7)	Pro Forma Adj (8)	
1	<u>RUS Loans</u>								
2	RET-6-1	Jan-96	Jan-31	\$ 237,540	3.375%	\$ 8,017	\$ 7,960	\$ 57	
3	RET-6-2	Jan-96	Jan-31	\$ 115,634	0.250%	\$ 289	\$ 289	\$ 0	
4	RET-6-3	Jan-96	Jan-31	\$ 285,567	3.875%	\$ 11,066	\$ 10,987	\$ 79	
5	RET-6-4	Jan-96	Jan-31	\$ 137,050	3.750%	\$ 5,139	\$ 5,124	\$ 15	
6	RET-6-5	Jan-96	Jan-31	\$ 274,592	0.875%	\$ 2,403	\$ 2,397	\$ 6	
7	RET-6-6	Jan-96	Jan-31	\$ 510,430	4.250%	\$ 21,693	\$ 21,548	\$ 145	
8	* RET-7-1	Nov-04	Oct-39	\$ 1,122,502	2.200%	\$ 24,695	\$ 24,468	\$ 227	
9	* RET-7-2	Nov-04	Oct-39	\$ 1,682,837	4.630%	\$ 77,915	\$ 76,777	\$ 1,138	
10	* RET-7-3	Nov-04	Oct-39	\$ 1,280,562	4.930%	\$ 63,132	\$ 62,176	\$ 956	
11	* RET-7-4	Nov-04	Oct-39	\$ 1,286,997	4.580%	\$ 58,944	\$ 58,009	\$ 935	
12	* RET-7-5	Nov-04	Oct-39	\$ 1,191,653	4.570%	\$ 54,459	\$ 53,640	\$ 819	
13	Advance Payment unapplied				\$ (3,024,500)				
14					\$ 5,100,864	\$ 327,752	\$ 323,375	\$ 4,377	
15	<u>FFB Loans</u>								
16	H0010	Jan-99	Dec-33	\$ 5,169,701	4.597%	\$ 237,651	\$ 240,698	\$ (3,047)	
17	H0035	Sep-09	Sep-44	\$ 9,232,642	0.390%	\$ 36,007	\$ 27,026	\$ 8,981	
18					\$ 14,402,343	\$ 273,658	\$ 267,724	\$ 5,934	
19	<u>CFC Loans</u>								
20	9014	Mar-82	Feb-17	\$ 21,956	6.300%	\$ 1,383	\$ 1,401	\$ (18)	
21	9018002	Sep-84	Aug-19	\$ 203,737	6.300%	\$ 12,835	\$ 12,996	\$ (161)	
22	9018003	Sep-89	Aug-24	\$ 135,825	6.350%	\$ 8,625	\$ 8,733	\$ (108)	
23	9021012	Jun-03	May-16	\$ -	6.460%	\$ -	\$ 14,904	\$ (14,904)	
24	9021013	Jun-03	May-17	\$ 344,755	5.650%	\$ -	\$ 19,479	\$ (19,479)	
25	9021014	Jun-03	May-18	\$ 344,755	5.700%	\$ -	\$ 19,651	\$ (19,651)	
26					\$ 1,051,028	\$ 22,844	\$ 77,164	\$ (54,320)	
27	<u>CoBank Loans</u>								
28	204343	Dec-11	Nov-19	\$ 379,744	3.260%	\$ 12,380	\$ 14,979	\$ (2,599)	
29	224152	Dec-12	Nov-22	\$ 545,026	3.070%	\$ 16,732	\$ 17,922	\$ (1,190)	
30					\$ 924,770	\$ 29,112	\$ 32,901	\$ (3,789)	
31									
32	Sub-Total				\$ 21,479,005	\$ 653,366	\$ 701,164	\$ (47,798)	
33									
34	Annualized Cost Rate					3.042%	3.264%		
35									
36	<u>Refinancing per Case No. 2017-00190</u>								
37									
38	* RUS 7-1 through 7-5 refinanced w/CFC				\$ 6,564,551	3.780%	\$ 279,145	\$ 248,140	\$ (31,005)
39									
40	Total Adjustment							\$ (78,803)	

This adjustment normalizes the interest on Long-Term Debt. Test year cost of debt is normalized to annualized cost rate (by multiplying the test year end debt amounts by the interest rate in effect at the end of the test year for each loan). The adjustment removes two loans in effect during the test year but paid off before mid-2018. The refinance approved in Case No. 2017-00191 is incorporated by replacing the normalized debt for the refinanced RUS loans and recalculating the interest at the final CFC-refinanced effective interest rate (including capital credits over the life of the loan) of 3.78%.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Retirement Plan & 401(k)

R&S Rate: 34.95%
 401(k) Match: 10.00%

Line #	Employee			Retirement Cost		
	Count (1)	ID (2)	Note (3)	Normalized Wages (4)	Retirement Cost Rate (5)	Retirement Cost Accrual (6)
1	<u>Salary Employees</u>					
2	1	S01		77,370	34.95%	27,041
3	1	S02		84,735	34.95%	29,615
4	1	S03	A	-	34.95%	-
5	1	S04		74,339	34.95%	25,982
6	1	S05		62,026	34.95%	21,678
7		S06	B	110,011	10.00%	11,001
8	1	S07		57,158	34.95%	19,977
9	1	S08		51,522	34.95%	18,007
10	1	S09		55,266	34.95%	19,315
11	1	S10		48,152	34.95%	16,829
12	9	Subtotal		620,578		189,444
13						
14	<u>Hourly Employees</u>					
15	1	H01		65,536	10.00%	6,554
16	1	H02		70,498	34.95%	24,639
17	1	H03		112,829	10.00%	11,283
18	1	H04		93,995	10.00%	9,400
19	1	H05		60,747	10.00%	6,075
20	1	H06		71,639	10.00%	7,164
21	1	H07		61,088	10.00%	6,109
22	1	H08		78,806	34.95%	27,543
23	1	H09		90,114	10.00%	9,011
24	1	H10		63,929	10.00%	6,393
25	1	H11		74,203	10.00%	7,420
26	1	H12		64,230	10.00%	6,423
27	1	H13		67,945	10.00%	6,794
28	1	H14		62,958	10.00%	6,296
29	1	H15		65,165	10.00%	6,517
30	1	H16		56,073	34.95%	19,598
31	1	H17		49,813	34.95%	17,410
32	1	H18		42,863	34.95%	14,981
33	1	H19		36,466	10.00%	3,647
34	1	H20		41,036	34.95%	14,342
35	1	H21		32,171	10.00%	3,217
36	1	H22		23,780	10.00%	2,378
37	1	H23		29,121	10.00%	2,912
38	1	H24		51,391	10.00%	5,139
39	1	H25	A	-	10.00%	-
40	1	H26		59,286	10.00%	5,929
41	1	H27	A	-	10.00%	-
42	1	H28		51,609	10.00%	5,161

**BIG SANDY RECC
For the 12 Months Ended July 31, 2016**

Retirement Plan & 401(k)

R&S Rate: 34.95%
401(k) Match: 10.00%

Line #	Employee			Retirement Cost		
	Count (1)	ID (2)	Note (3)	Normalized Wages (4)	Retirement Cost Rate (5)	Retirement Cost Accrual (6)
43	1	H29		25,409	10.00%	2,541
44	1	H30		66,666	10.00%	6,667
45	1	H31	B	50,086	10.00%	5,009
46	31	Subtotal		1,719,454		256,548
47						
48	40	TOTAL		2,340,032		445,992
49						
50		Test Year Amount				409,946
51						
52		Pro Forma Amount				445,992
53						
54		Adjustment				36,046

NOTES: A - No longer employed B- Hired 2017

This adjustment normalizes test year utility contributions to NRECA Retirement & Security Program and NRECA Savings Plan 401(k) based on most recent contribution rates.

55	Allocation to Accounts		<u>Alloc</u>	<u>Adjustment</u>
56				
57	580-589	Operations	13.86%	4,995
58	590-598	Maintenance	14.29%	5,151
59	901-905	Consumer Accounts	11.17%	4,028
60	907-910	Customer Service	1.37%	495
61	920-935	Administrative & General	24.44%	8,811
62		Subtotal	65.14%	23,479
63				
64	101-120	Utility Plant	24.20%	8,723
65	131-174	Current & Accrued Assets	2.02%	726
66	181-190	Deferred Debits	1.90%	687
67	231-283	Current & Accrued Liabilities	6.74%	2,431
68		Subtotal	34.86%	12,567
69				
70		Total	100.00%	36,046

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Donations, Promotional Advertising, & Dues

Line #	Item (1)	Account (2)	Expense (4)
1	Donations	426.10 \$	19,238
2	Advertising Expense	913.00 \$	5,403
3	General Advertising Expense	930.10 \$	866
4	Dues - Paintsville Kiwanis	908.00 \$	360
5	Test Year Amount	\$	25,867
6			
7	Pro Forma Year Amount	\$	-
8			
9	Adjustment	\$	(25,867)

This adjustment removes charitable donations, promotional advertising expenses, and dues from the revenue requirement consistent with standard Commission practices.

10	Acct:	426.10		
11				
12	DATE	CHECK	VENDOR NAME	DEBIT DESCRIPTION
13	08/06/15	53891	FLOYD CO EMERGENCY & RESCUE	100.00 DONATION FLOYD CO RESCUE
14	08/10/15	53892	PAUL B HALL SCHOLARSHIP FUND	200.00 PBH HOLE SPONSORSHIP GOLF TOURN
15	08/18/15	53907	HIGHLANDS FOUNDATION	750.00 HIGHLANDS GOLF CLASSIC SPONORSHI
16	08/27/15	53975	RICEVILLE NEW BETHEL FREEWIL	100.00 RUN FOR THE SON 5K-DONATION
17	09/10/15	54044	THE FAST BREAK CLUB	200.00 JCHS BOYS BASKET BALL SPOT ON B
18	09/21/15	54076	FLOYD CO HOMELESS	150.00 5K WALK-SPONSORSHIP HOMELESS SHE
19	11/13/15	54395	MID-SOUTH DIVISION INC	50.00 2014 ANNUAL FUND PAINTSVILLE DRI
20	11/16/15	54398	MAYTOWN VOLUNTEER FIRE DEPT	100.00 MAYTOWN FIRE-SANTA RUN DONATION
21	11/18/15	54537	RURAL COOPERATIVES CREDIT UN	100.00 GIFT CARD CARL PERKINS-DONATION
22	11/18/15	54537	RURAL COOPERATIVES CREDIT UN	279.20 CANDY & BIKE MEADE SCHOOL
23	11/18/15	54537	RURAL COOPERATIVES CREDIT UN	182.12 SOUL FOOD-DONATION BOB GOUND
24	12/15/15	54548	FIRST CHURCH OF GOD	300.00 DONATION-FOOD BANK EKPC SHARED
25	12/15/15	54549	HEAVEN'S HARVEST FOOD PANTRY	300.00 DONATION-FOOD BANK EKPC SHARED
26	12/15/15	54550	APPALACHIA REACH OUT	300.00 DONATION-FOOD BANK EKPC SHARED
27	02/11/16	54871	JOHNSON CENTRAL HIGH SCHOOL	100.00 SWAP MEET SPONSORSHIP JCHS FISH
28	02/11/16	54873	SPECIAL OLYMPICS KENTUCKY	290.00 DONATION-SPECIAL OLYMPICS
29	02/12/16	54876	JOHNSON CENTRAL HOMERUN	400.00 JCHS BASEBALL-HOMEROOM BOOST DE
30	02/22/16	54952	KENTUCKY ASSN ELECTRIC COOP	196.53 2016 KY CHAMBER COMMERCE DUES
31	02/23/16	54900	MID-SOUTH DIVISION INC	50.00 2016 ANNUAL FUND PAINTSVILLE DRI
32	02/29/16	54953	KENTUCKY COUNCIL OF COOP	200.00 2016 MSHIP DUES
33	03/04/16	54989	AMS DANCE CATS	100.00 AMS-DANCE TEAM-DONATION
34	03/08/16	55007	MELVIN GOINS	100.00 HONOR TROOPS & VETERANS NW
35	03/15/16	55044	JOHNSON CENTRAL HIGH SCHOOL	750.00 JCHS-DONATION SOFTBALL
36	03/30/16	55106	KIWANIS CLUB OF PAINTSVILLE	80.00 PLACEMAT AD NW
37	03/30/16	55069	ALLEN CENTRAL HIGH SCHOOL	500.00 SPONSORSHIP-ARCHERY TOURN/ ACHS
38	04/05/16	55156	PAINTSVILLE LITTLE LEAGUE	250.00 P-VILLE LIL LEAGUE SPONSOR (AD)
39	04/06/16	55170	ALLEN CENTRAL HIGH SCHOOL	150.00 DONATION-JRTOC/ ACHS
40	04/13/16	55190	THE JORDAN LIGHT FOUNDATION	200.00 DONATION-2016 JLF GOLF /AD
41	04/14/16	55194	KRISTEN SERGENT	500.00 PORTER ELEM CMPS-DONATION/DE
42	04/19/16	55227	JCHS PROJECT PROM	100.00 PROJECT PROM DONATION-AD
43	04/19/16	55229	JCHS LADY EAGLES SOCCER	100.00 JCHS GIRLS SOCCER-SPONSORSHIP
44	04/25/16	55241	JOHNSON COUNTY MIDDLE SCHOOL	500.00 DONATION-JCMS ACADEMIC TEAM
45	04/28/16	55252	BIG SANDY SHRINE CLUB	100.00 DONATIONS-KIDS OPEN BASS TOURNEY
46	05/17/16	55378	CHASE SOLER	1,000.00 C SOLER 2016 SCHOLARSHIP-ACHS
47	05/17/16	55379	AMANDA WRIGHT	1,000.00 A WRIGHT-2016 SCHOLARSHIP JCHS
48	05/17/16	55380	CHELSEY NOEL COUCH	1,000.00 C COUCH-2016 SCHOLARSHIP-KCC
49	05/17/16	55381	JOHN TATE HALL	1,000.00 J HALL 2016 SCHOLARSHIP-LCHS
50	05/17/16	55373	EMILY WILLIAMS	1,000.00 E WILLIAMS-2016 SCHOLARSHIP-PHS
51	05/17/16	55374	DYLAN SLONE	1,000.00 D SLONE-2016 SCHOLARSHIP-PHS
52	05/17/16	55375	HALEY LEMASTER	1,000.00 H LEMASTER-2016 SCHOLARSHIP-SCHS
53	05/17/16	55376	SANTANA SPRADLIN	1,000.00 S SPRADLIN-2016 SCHOLARSHIP-PIAR

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Donations, Promotional Advertising, & Dues

54	05/17/16	55377	SHELBY CANTRELL	1,000.00	S CANTRELL-2016 SCHOLARSHIP-JCHS
55	06/01/16	55581	PAUL B HALL SCHOLARSHIP FUND	300.00	PAUL B HALL SPONSORSHIP GOLF TOU
56	06/21/16	55571	JOHNSON CO CAL RIPKEN YOUTH	300.00	CAL-RIPKEN TEAM SPONSOR/BANNER
57	06/28/16	55580	FLOYD CO EMERGENCY & RESCUE	100.00	FLOYD CO EMERGENCY & RESCUE-DONA
58	07/12/16	55707	VAN LEAR HISTORICAL SOCIETY	200.00	AD DONATION
59	07/12/16	55702	KENTUCKY STATE POLICE	260.00	TROOPER ISLAND GOLF TOUR. (4) PL
60	07/13/16	55708	EAST KENTUCKY GEARHEADS	250.00	DONATION-DE
61	07/19/16	55737	FOOTPRINT MINISTRY OF	200.00	4 MAN GOLF SCRAMBLE-DONATION HOL
62	07/19/16	55871	RURAL COOPERATIVES CREDIT UN	750.00	HRMC GOLF CLASSIC-DONATION
63	07/28/16	55842	HIGHLANDS CANCER CENTER	100.00	HRMC-12TH ANNUAL SURVIVORS-DONAT
64			TOTAL	19,237.85	

65

66

67 **Acct:****913.00**

68

<u>DATE</u>	<u>CHECK</u>	<u>VENDOR NAME</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
69				
70	08/25/15	54054	AROUND TOWN INC	150.00 AD VIDEO/PRINT AD JCHS/PHS GRADU
71	09/21/15	54173	RIGHT PLACE MEDIA	1,007.85 SIMPLE SAVER ADVT-FB/GOOGLE/T-MO
72	09/30/15	54163	PORTER ELEMENTARY PTO	100.00 DONATION- PORTER PEE WEE BASKETB
73	09/30/15	54185	WSIP BROADCASTING CO	360.00 SEPTEMBER GAMES JCHS
74	01/31/16	54877	WYMT	83.25 WYMT-DSM ADVT 75/25 EKPC-RECC
75	01/31/16	54877	WYMT	171.25 WYMT-DSM ADVT 75/25 EKPC-RECC
76	02/18/16	54956	PAINTSVILLE HERALD	35.00 1YR SUBSCRIPTION
77	02/28/16	55011	WYMT	83.25 WYMT-DSM ADVT 75/25 EKPC-RECC
78	02/29/16	55011	WYMT	317.50 WYMT-DSM ADVT 75/25 EKPC-RECC
79	03/16/16	55046	WYMT	2,594.75 WYMT-DSM ADVT 75/25 EKPC-RECC
80	03/31/16	55141	WSIP BROADCASTING CO	250.00 BATTLE BY THE CRK/ADVT
81	05/31/16	55522	AROUND TOWN INC	150.00 ADVT GRADUATION
82	07/31/16	55844	EKB-TV	100.00 ADVT-ANNUAL SHOW JOHNSON CO FLOO
83			TOTAL	5,402.85

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Donations, Promotional Advertising, & Dues

84						
85	Acct:	930.10 & 930.20				
86						
87	<u>DATE</u>	<u>CHECK</u>	<u>VENDOR NAME</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>REMOVE:</u>
88	08/20/15	53992	KENTUCKY ASSN ELECTRIC COOP	5,214.48	KY LIVING/INSERTS/POSTAGE	
89	08/31/15			1,795.38	EXPENSE KAEC DUES 66%	
90	08/31/15			1,450.16	EXPENS NRECA DUES	
91	08/31/15			2,750.00	ACCRUE ANNUAL MEETING EXP	
92	08/31/15			5,500.58	ACCRUED PROPERTY TAX	
93	08/31/15			1,154.63	PROPERTY DAMAGES INS.	
94	08/31/15			94.25	CRIME/DISHONESTY INS	
95	09/17/15	54142	KENTUCKY ASSN ELECTRIC COOP	5,176.91	KY LIVING/INSERTS/POSTAGE	
96	09/28/15			222.61	5% 2015 CFC INTEGRITY FUND	
97	09/30/15	54120	OUR LADY OF MOUNTAINS SCHOOL	30.00	WILLIE TURTLE TROT RACE	30.00
98	09/30/15			1,798.41	EXPENSE KAEC DUES 66%	
99	09/30/15			1,450.17	EXPENS NRECA DUES	
100	09/30/15			2,750.00	ACCRUE ANNUAL MEETING EXP	
101	09/30/15			5,500.58	ACCRUED PROPERTY TAX	
102	09/30/15			1,154.61	PROPERTY DAMAGES INS.	
103	09/30/15			94.25	CRIME/DISHONESTY INS	
104	10/21/15	54304	KENTUCKY ASSN ELECTRIC COOP	5,149.89	KY LIVING/INSERTS/POSTAGE	
105	10/31/15			1,792.31	EXPENSE KAEC DUES 66%	
106	10/31/15			1,499.75	EXPENS NRECA DUES	
107	10/31/15			7,337.83	ACCRUE ANNUAL MEETING EXP	
108	10/31/15			5,500.58	ACCRUED PROPERTY TAX	
109	10/31/15			1,155.29	PROPERTY DAMAGES INS.	
110	10/31/15			94.25	CRIME/DISHONESTY INS	
111	11/18/15	54480	KENTUCKY ASSN ELECTRIC COOP	5,144.66	KY LIVING/INSERTS/POSTAGE	
112	11/18/15	54537	RURAL COOPERATIVES CREDIT UN	23.69	KAEC MTG	23.69
113	11/30/15			3,553.58	ADJ PROPERTY TX ACCRU 2015	
114	11/30/15			1,792.31	EXPENSE KAEC DUES 66%	
115	11/30/15			1,499.75	EXPENS NRECA DUES	
116	11/30/15			7,337.83	ACCRUE ANNUAL MEETING EXP	
117	11/30/15			5,500.58	ACCRUED PROPERTY TAX	
118	11/30/15			1,155.29	PROPERTY DAMAGES INS.	
119	11/30/15			94.25	CRIME/DISHONESTY INS	
120	12/16/15	54639	KENTUCKY ASSN ELECTRIC COOP	5,130.59	KY LIVING/INSERTS/POSTAGE	
121	12/31/15			3,553.58	ADJ PROPERTY TAX ACCR 2015	
122	12/31/15			1,792.31	EXPENSE KAEC DUES 66%	
123	12/31/15			1,499.75	EXPENS NRECA DUES	
124	12/31/15			7,337.82	ACCRUE ANNUAL MEETING EXP	
125	12/31/15			5,500.58	ACCRUED PROPERTY TAX	
126	12/31/15			1,155.29	PROPERTY DAMAGES INS.	
127	12/31/15			94.25	CRIME/DISHONESTY INS	
128	01/21/16	54811	KENTUCKY ASSN ELECTRIC COOP	5,125.87	KY LIVING/INSERTS/POSTAGE	
129	01/31/16			1,785.17	EXPENSE KAEC DUES 66%	
130	01/31/16			1,499.75	EXPENS NRECA DUES	
131	01/31/16			2,750.00	ACCRUE ANNUAL MEETING EXP	
132	01/31/16			5,678.83	ACCRUED PROPERTY TAX	
133	01/31/16			1,187.86	PROPERTY DAMAGES INS.	
134	01/31/16			94.59	CRIME/DISHONESTY INS	
135	01/31/16			420.38	CYBER LIABILITY	

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Donations, Promotional Advertising, & Dues

	<u>DATE</u>	<u>CHECK</u>	<u>VENDOR NAME</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>REMOVE:</u>
136						
137						
138	02/15/16	54952	KENTUCKY ASSN ELECTRIC COOP	5,122.22	KY LIVING/INSERTS/POSTAGE	
139	02/29/16			1,785.17	EXPENSE KAEC DUES 66%	
140	02/29/16			1,499.75	EXPENS NRECA DUES	
141	02/29/16			2,750.00	ACCRUE ANNUAL MEETING EXP	
142	02/29/16			5,678.83	ACCRUED PROPERTY TAX	
143	02/29/16			1,187.86	PROPERTY DAMAGES INS.	
144	02/29/16			94.59	CRIME/DISHONESTY INS	
145	02/29/16			420.38	CYBER LIABILITY	
146	03/08/16	55131	KENTUCKY ASSN ELECTRIC COOP	5,125.87	KY LIVING/INSERTS/POSTAGE	
147	03/30/16	55101	MOUNTAIN CITIZENS	27.00	MTN CITIZENS 1YR SUBSCRIPTION	
148	03/31/16			1,785.17	EXPENSE KAEC DUES 66%	
149	03/31/16			1,499.75	EXPENS NRECA DUES	
150	03/31/16			2,750.00	ACCRUE ANNUAL MEETING EXP	
151	03/31/16			5,678.83	ACCRUED PROPERTY TAX	
152	03/31/16			1,187.86	PROPERTY DAMAGES INS.	
153	03/31/16			94.59	CRIME/DISHONESTY INS	
154	03/31/16			420.38	CYBER LIABILITY	
155	04/21/16	55293	KENTUCKY ASSN ELECTRIC COOP	5,118.04	KY LIVING/INSERTS/POSTAGE	
156	04/30/16			1,785.17	EXPENSE KAEC DUES 66%	
157	04/30/16			1,499.75	EXPENS NRECA DUES	
158	04/30/16			2,750.00	ACCRUE ANNUAL MEETING EXP	
159	04/30/16			5,678.83	ACCRUED PROPERTY TAX	
160	04/30/16			1,187.86	PROPERTY DAMAGES INS.	
161	04/30/16			94.59	CRIME/DISHONESTY INS	
162	04/30/16			420.38	CYBER LIABILITY	
163	05/18/16	55478	KENTUCKY ASSN ELECTRIC COOP	5,112.80	KY LIVING/INSERTS/POSTAGE	
164	05/26/16	55511	PINNACLE PUBLISHING	812.40	FOOTHILLS PHONE DIR ADVT	812.40
165	05/31/16			1,785.17	EXPENSE KAEC DUES 66%	
166	05/31/16			1,499.75	EXPENS NRECA DUES	
167	05/31/16			2,750.00	ACCRUE ANNUAL MEETING EXP	
168	05/31/16			5,678.83	ACCRUED PROPERTY TAX	
169	05/31/16			1,187.86	PROPERTY DAMAGES INS.	
170	05/31/16			94.59	CRIME/DISHONESTY INS	
171	05/31/16			420.38	CYBER LIABILITY	
172	06/15/16	55644	KENTUCKY ASSN ELECTRIC COOP	5,105.52	KY LIVING/INSERTS/POSTAGE	
173	06/30/16			1,785.17	EXPENSE KAEC DUES 66%	
174	06/30/16			1,499.75	EXPENS NRECA DUES	
175	06/30/16			2,750.00	ACCRUE ANNUAL MEETING EXP	
176	06/30/16			5,678.83	ACCRUED PROPERTY TAX	
177	06/30/16			1,187.86	PROPERTY DAMAGES INS.	
178	06/30/16			94.59	CRIME/DISHONESTY INS	
179	06/30/16			420.38	CYBER LIABILITY	
180	07/20/16	55810	KENTUCKY ASSN ELECTRIC COOP	5,210.99	KY LIVING/INSERTS/POSTAGE	
181	07/31/16			1,785.17	EXPENSE KAEC DUES 66%	
182	07/31/16			1,499.75	EXPENS NRECA DUES	
183	07/31/16			2,750.00	ACCRUE ANNUAL MEETING EXP	
184	07/31/16			5,678.83	ACCRUED PROPERTY TAX	
185	07/31/16			1,187.86	PROPERTY DAMAGES INS.	
186	07/31/16			94.59	CRIME/DISHONESTY INS	
187	07/31/16			420.38	CYBER LIABILITY	
188			TOTAL	241,509.80		866.09

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Professional Services

Line #	Date (1)	Check (2)	Item (3)	Amount (4)	Description (5)	To Be Removed (6)
1	08/01/15	53816	HEALTHSMART BENEFIT	300.00	CONSULTING FEES	300.00
2	08/31/15		LANCE DANIELS	500.00	RETAINER FEE	
3	09/30/15		LANCE DANIELS	500.00	RETAINER FEE	
4	10/01/15	54204	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
5	10/31/15		LANCE DANIELS	500.00	RETAINER FEE	
6	11/01/15	54277	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
7	11/17/15		LANCE DANIELS	500.00	KAEC ANNUAL MTG PER DIEM	500.00
8	11/18/15	54537	VISA	233.33	ATTORNEY- CHRISTMAS GIFT	233.33
9	11/18/15	54537	VISA	167.53	KAEC MTG LODGING	167.53
10	11/18/15	54537	VISA	113.49	ATTORNEY-CLOTHING	113.49
11	11/24/15	54416	LANCE DANIELS	500.00	SPECIAL MEETING PER DIEM	
12	11/30/15		LANCE DANIELS	500.00	RETAINER FEE	
13	12/01/15	54449	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
14	12/01/15	54473	K-VA-T FOOD STORIES, INC	71.24	ATTNY FOOD CITY GIFT CARD	71.24
15	12/02/15	54639	KENTUCKY ASSN ELECTRIC COOP	121.00	KAEC ATTORNEY MEETING	121.00
16	12/07/15	54639	KENTUCKY ASSN ELECTRIC COOP	37.00	KAEC ANNUAL MTG MEAL	37.00
17	12/20/15	54688	VISA	205.44	CHRISTMAS GIFT CARD	205.44
18	12/21/15	54572	FEDERATED RURAL ELECT.INS.	2,106.00	LAWSUIT TRISH B	2,106.00
19	12/31/15		LANCE DANIELS	500.00	RETAINER FEE	
20	01/01/16	54641	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
21	01/31/16		LANCE DANIELS	500.00	RETAINER FEE	
22	02/01/16	54772	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
23	02/29/16		LANCE DANIELS	500.00	RETAINER FEE	
24	03/01/16	54926	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
25	03/31/16		LANCE DANIELS	500.00	RETAINER FEE	
26	04/01/16	55094	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
27	04/30/16		LANCE DANIELS	500.00	RETAINER FEE	
28	42016		ALAN ZUMSTEIN, CPA	9,427.70	ANNUAL AUDIT	
29	05/01/16	55269	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
30	05/31/16		LANCE DANIELS	500.00	RETAINER FEE	
31	06/01/16	55452	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
32	06/19/16	55686	RURAL COOPERATIVES CREDIT UN	65.36	LANCE-BASEBALL BAT	65.36
33	06/21/16		LANCE DANIELS	500.00	RETAINER FEE	
34	07/01/16	55618	NATIONAL RURAL ELECTRIC COOP	1.35	ATTNY. ACCDT. INS PD	
35						
36			Test Year Amount	19,361.59		3,920.39
37						
38			Pro Forma Amount	15,441.20		
39						
40			Adjustment	\$ (3,920)		

This adjustment removes certain outside professional services costs from the test period, consistent with Commission practice.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Directors Fees

Line #	Date (1)	Check Number (2)	Vendor Name (3)	Description (4)	Meeting Fees					Other		Total	Remove		
					Regular (5)	Special (6)	Per Diem (7)	Mileage (8)	Regis Fees (9)	Hotel	Meals			Allow	Disallow
1	08/25/15		DANNY WALLEN		400			14						414	
2	09/22/15		DANNY WALLEN		400			14						414	
3	10/20/15		DANNY WALLEN		400			14						414	
4	11/17/15		DANNY WALLEN		400			14						414	
5	11/17/15		DANNY WALLEN	KAEC ANNUAL MEETING			1,000							1,000	1,000
6	11/17/15	54400	DANNY WALLEN	KAEC ANNUAL MEETING				228		670				898	898
7	12/02/15	54639	KAEC	KAEC TRAINING COORD					187					187	
8	12/7/15	54639	KAEC	KAEC ANNUAL MEETING							148			148	148
9	12/14/15	54547	DANNY WALLEN	ANNUAL BID OPENINGS		250								250	
10	12/15/15		DANNY WALLEN		400			14						414	
11	01/12/16	54707	DANNY WALLEN	CFC FINANCIAL FORUM			500							500	500
12	1/19/16	54870	VISA	KAEC ANNUAL MEETING						146	56			203	203
13	01/26/16		DANNY WALLEN		400			13						413	
14	02/23/16		DANNY WALLEN		400			13						413	
15	03/14/16	55034	DANNY WALLEN	KAEC BOARD MEETING			500							500	500
16	03/22/16		DANNY WALLEN		400			13						413	
17	03/29/16	55171	AMERICAN EXPRESS	KAEC BOARD MEETING						146				146	146
18	04/26/16		DANNY WALLEN		400			13						413	
19	05/17/16	55363	DANNY WALLEN	ANNUAL MEETING		400		13						413	
20	05/24/16		DANNY WALLEN		400			13						413	
21	06/21/16		DANNY WALLEN		400			13						413	
22	06/21/16		DANNY WALLEN	STRATEGIC PLANNING MTG		250								250	
23	06/28/16	55674	AMERICAN EXPRESS	STRATEGIC PLANNING MTG						139	64			203	
24	07/26/16		DANNY WALLEN		500			13						513	
25			TOTAL DANNY WALLEN		4,900	900	2,000	400	187	1,102	268	-	-	9,757	3,395
26															
27	08/25/15		GREG DAVIS		400			37						437	
28	09/22/15		GREG DAVIS		400			37						437	
29	10/20/15		GREG DAVIS		400			37						437	
30	11/17/15		GREG DAVIS		400			37						437	
31	12/15/15		GREG DAVIS		400			37						437	
32	01/26/16		GREG DAVIS		400			35						435	
33	02/23/16		GREG DAVIS		400			35						435	
34	03/22/16		GREG DAVIS		400			35						435	
35	04/26/16		GREG DAVIS		400			35						435	
36	05/17/16	55361	GREG DAVIS	ANNUAL MEETING		400		35						435	
37	05/24/16		GREG DAVIS		400			35						435	
38	06/21/16		GREG DAVIS		400			35						435	
39	06/21/16		GREG DAVIS	STRATEGIC PLANNING MTG		250								250	
40	06/28/16	55674	AMERICAN EXPRESS	STRATEGIC PLANNING MTG						139	64			203	
41	07/26/16		GREG DAVIS		500			35						535	
42			TOTAL GREG DAVIS		4,900	650	-	460	-	139	64	-	-	6,213	-

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Directors Fees

Line #	Date (1)	Check Number (2)	Vendor Name (3)	Description (4)	Meeting Fees				Other				Total	Remove	
					Regular (5)	Special (6)	Per Diem (7)	Mileage (8)	Regis Fees (9)	Hotel	Meals	Allow			Disallow
43															
44	08/19/15	54002	VISA	BACKGROUND CHECK									111		111
45	08/25/15		KELLY SHEPHERD		400			9							409
46	09/22/15		KELLY SHEPHERD		400			9							409
47	10/20/15		KELLY SHEPHERD		400			9							409
48	11/15/15	54479	KELLY SHEPHERD	KAEC ANNUAL MEETING							135				135
49	11/17/15		KELLY SHEPHERD		400			9							409
50	11/17/15		KELLY SHEPHERD	KAEC ANNUAL MEETING			750								750
51	11/28/15	54530	AMERICAN EXPRESS	KAEC ANNUAL MEETING							311				311
52	12/07/15	54639	KAEC	KAEC ANNUAL MEETING								148			148
53	12/15/15		KELLY SHEPHERD		400			9							409
54	01/26/16		KELLY SHEPHERD		400			9							409
55	02/23/16		KELLY SHEPHERD		400			9							409
56	03/22/16		KELLY SHEPHERD		400			9							409
57	04/26/16		KELLY SHEPHERD		400			9							409
58	05/17/16	55356	KELLY SHEPHERD	ANNUAL MEETING		400		9							409
59	05/24/16		KELLY SHEPHERD		400			9							409
60	06/01/16	55582	GEN INFO SERVICES	BACKGROUND CHECK									48		48
61	06/21/16		KELLY SHEPHERD		400			9							409
62	07/26/16		KELLY SHEPHERD		500			9							509
63				TOTAL KELLY SHEPHERD	4,900	400	750	115	-	446	148	159	-	6,918	1,344
64															
65	08/25/15		ROBERT N MOORE		400			18							418
66	09/22/15		ROBERT N MOORE		400			18							418
67	10/20/15		ROBERT N MOORE		400			18							418
68	11/17/15		ROBERT N MOORE	KAEC ANNUAL MTG			750								750
69	11/17/15		ROBERT N MOORE		400			18							418
70	11/28/15	54530	AMERICAN EXPRESS	KAEC ANNUAL MTG							334				334
71	12/07/15	54639	KAEC	KAEC ANNUAL MTG								148			148
72	12/15/15		ROBERT N MOORE		400			18							418
73	01/26/16		ROBERT N MOORE		400			17							417
74	02/23/16		ROBERT N MOORE		400			17							417
75	03/22/16		ROBERT N MOORE		400			17							417
76	04/18/16	55304	VISA	NRECA DIR CONFERENCE							1,291	243			1,533
77	04/26/16		ROBERT N MOORE		400			17							417
78	05/17/16	55362	ROBERT N MOORE	ANNUAL MEETING		400		17							417
79	05/24/16		ROBERT N MOORE		400			17							417
80	06/14/16		ROBERT N MOORE	EKPC ANNUAL MTG			250								250
81	06/21/16		ROBERT N MOORE		400			17							417
82	06/21/16		ROBERT N MOORE	STRATEGIC PLANNING MTG		250									250
83	06/27/16	55579	SANDRA SHEPHERD	NRECA DIR CONFERENCE							35				35
84	06/28/16	55674	AMERICAN EXPRESS	STRATEGIC PLANNING MTG							139	64			203
85	07/26/16		ROBERT N MOORE		500			17							517
86				TOTAL ROBERT MOORE	4,900	650	1,000	223	-	1,799	454	-	-	9,026	3,016
87															
88	08/25/15		VELMA MAY		400			10							410
89	09/22/15		VELMA MAY		400			10							410
90	10/19/15	54318	VISA	NRECA WINTER SCHOOL						2,005	220				2,225
91	10/20/15		VELMA MAY		400			10							410
92	11/17/15		VELMA MAY		400			10							410

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Directors Fees

Line #	Date	Check Number	Vendor Name	Description	Meeting Fees				Other				Total	Remove	
					Regular	Special	Per Diem	Mileage	Regis Fees	Hotel	Meals	Allow			Disallow
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	9						
93	12/10/15	54578	VELMA MAY	NRECA WINTER SCHOOL				394			504	91			989
94	12/15/15	54589	VELMA MAY	NRECA WINTER SCHOOL			1,250								1,250
95	12/15/15		VELMA MAY		400			10							410
96	12/20/15	54688	VISA	NRECA WINTER SCHOOL							549				549
97	01/12/16	54708	VELMA MAY	CFC FINANCIAL FORUM			500	185							685
98	01/19/16	54870	VISA	KAEC ANNUAL MTG							146	113			259
99	01/19/16	54870	VISA	NRECA WINTER SCHOOL							42				42
100	01/26/16		VELMA MAY		400			10							410
101	02/23/16		VELMA MAY		400			10							410
102	03/22/16		VELMA MAY		400			10							410
103	04/18/16	55304	VISA	NRECA DIR CONFERENCE							1,251	225			1,476
104	04/26/16		VELMA MAY		400			10							410
105	05/17/16	55371	VELMA MAY	ANNUAL MEETING		400		10							410
106	05/19/16	55515	NRECA	NRECA SUMMER SCHOOL					3,528						3,528
107	05/24/16		VELMA MAY		400			10							410
108	06/14/16		VELMA MAY	EKPC ANNUAL MTG			250								250
109	06/21/16		VELMA MAY		400			10							410
110	06/21/16		VELMA MAY	STRATEGIC PLANNING MTG		250									250
111	06/28/16	55674	AMERICAN EXPRESS	STRATEGIC PLANNING MTG							139	64			203
112	07/26/16		VELMA MAY		500			10							510
113	07/27/16	55751	VELMA MAY	NRECA SUMMER SCHOOL				538	2,400	1,471	125				4,534
114				TOTAL VELMA MAY	4,900	650	2,000	1,246	7,933	4,322	618	-	-	21,669	2,462
115															
116	08/25/15		WILLIAM A MAXEY		400			14							414
117	09/20/15		WILLIAM A MAXEY	KAEC BOARD MTG			250								250
118	09/22/15		WILLIAM A MAXEY		400			14							414
119	09/28/15	54195	AMERICAN EXPRESS	KAEC BOARD MTG						145	42				187
120	10/20/15		WILLIAM A MAXEY		400			14							414
121	10/20/15		WILLIAM A MAXEY	KAEC BOARD MTG			250								250
122	11/17/15		WILLIAM A MAXEY	KAEC ANNUAL MTG			750								750
123	11/17/15		WILLIAM A MAXEY		400			14							414
124	11/18/15	54537	VISA	KAEC BOARD MTG						145	38				184
125	11/28/15	54530	AMERICAN EXPRESS	KAEC ANNUAL MTG						311					311
126	12/07/15	54639	KAEC	KAEC ANNUAL MTG								148			148
127	12/14/15		WILLIAM A MAXEY	KAEC BOARD MTG			250								250
128	12/15/15		WILLIAM A MAXEY		400			14							414
129	12/20/15	54688	VISA	KAEC BOARD MTG								23			23
130	12/28/15	54675	AMERICAN EXPRESS	KAEC BOARD MTG						145					145
131	01/26/16		WILLIAM A MAXEY		400			13							413
132	02/02/16	54791	WILLIAM A MAXEY	LEGISLATIVE SEMINAR			250								250
133	02/17/16	55000	VISA	KAEC BOARD MTG								6			6
134	02/23/16		WILLIAM A MAXEY		400			13							413
135	03/14/16	55032	WILLIAM A MAXEY	KAEC BOARD MTG			250								250
136	03/22/16		WILLIAM A MAXEY		400			13							413
137	03/29/16	55171	AMERICAN EXPRESS	KAEC BOARD MTG						146					146
138	04/26/16		WILLIAM A MAXEY		400			13							413
139	05/16/16	55358	WILLIAM A MAXEY	KAEC BOARD MTG			250								250
140	05/17/16	55358	WILLIAM A MAXEY	ANNUAL MEETING		400		13							413
141	05/19/16	55515	VISA	KAEC BOARD MTG						146	58				204
142	05/24/16		WILLIAM A MAXEY		400			13							413

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Directors Fees

Line #	Date	Check Number	Vendor Name	Description	Meeting Fees					Other			Total	Remove	
					Regular	Special	Per Diem	Mileage	Regis Fees	Hotel	Meals	Allow			Disallow
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	9						
143	06/14/16		WILLIAM A MAXEY	EKPC ANNUAL MTG			250							250	250
144	06/20/16		WILLIAM A MAXEY	KAEC ANNUAL MTG			250							250	250
145	06/21/16		WILLIAM A MAXEY		400			13						413	
146	06/21/16		WILLIAM A MAXEY	STRATEGIC PLANNING MTG		250								250	
147	06/28/16	55674	AMERICAN EXPRESS	KAEC BOARD MTG						146	59			205	
148	06/28/16	55674	AMERICAN EXPRESS	STRATEGIC PLANNING MTG						139	64			203	
149	07/26/16		WILLIAM A MAXEY		500			13						513	
150				TOTAL WILLIAM MAXEY	4,900	650	2,750	173	-	1,324	437	-	-	10,234	2,750
151				General Expenses:											
152		VAR	NRECA	DIR ACCIDENT INSURANCE								117		117	
153	08/19/15	54002	VISA	BOARD MEAL							86			86	
154	08/19/15	54002	VISA	BOARD MEAL							70			70	
155	08/20/15	54034	NRECA	RURAL MAGAZINE SUBSCR								258		258	
156	09/18/15	54197	VISA	BOARD MEAL							154			154	
157	09/18/15	54197	VISA	BOARD MEAL							13			13	
158	09/18/15	54197	VISA	BOARD MEAL							9			9	
159	09/30/15	54126	FLOYD COUNTY	CHRISTMAS GIFTS									255	255	255
160	10/19/15	54318	VISA	BOARD MEAL							77			77	
161	10/19/15	54318	VISA	BOARD MEAL							17			17	
162	10/19/15	54318	VISA	BOARD MEAL							51			51	
163	11/18/15	54537	VISA	BOARD MEAL							176			176	
164	11/18/15	54537	VISA	CHRISTMAS GIFTS									1,350	1,350	1,350
165	12/01/15	54473	K-VA-T FOOD STORIES	GIFT CARDS									427	427	427
166	12/20/15	54688	VISA	BOARD MEAL							20			20	
167	12/20/15	54688	VISA	BOARD MEAL							142			142	
168	12/20/15	54688	VISA	CHRISTMAS GIFT CARD									1,211	1,211	1,211
169	02/17/16	55000	VISA	BOARD MEAL							191			191	
170	03/20/16	55173	VISA	BOARD MEAL							123			123	

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Directors Fees

Line #	Date (1)	Check Number (2)	Vendor Name (3)	Description (4)	Meeting Fees					Other			Total	Remove		
					Regular (5)	Special (6)	Per Diem (7)	Mileage (8)	Regis Fees (9)	Hotel	Meals	Allow			Disallow	
171	03/20/16	55173	VISA	BOARD MEAL								62			62	
172	04/18/16	55304	VISA	BOARD MEAL								123			123	
173	05/19/16	55515	VISA	BOARD MEAL								160			160	
174	05/19/16	55515	VISA	BOARD MEAL								19			19	
175	06/19/16	55686	VISA	BOARD MEAL								158			158	
176	06/19/16	55686	VISA	DIRECTOR GIFTS										392	392	392
177	07/19/16	55871	VISA	BOARD MEAL STRAT PLN MT								34			34	
178	VAR	VAR		DOM LIABILITY INSURANCE									5,610		5,610	
179				TOTAL GENRL EXPENSES	-	-	-	-	-	-	-	1,686	5,985	3,635	11,306	3,635
180																
181				GRAND TOTAL	29,400	3,900	8,500	2,618	8,120	9,132		3,674	6,144	3,635	75,123	16,601
182																
183				Test Year Amount											75,123	
184																
185				Pro Forma Amount											58,522	
186																
187				Adjustment											(16,601)	

This adjustment removes certain Director expenses, including directors' per diems, Christmas gifts, attending the Legislative conference, directors attending EKPC / KAEC / NRECA annual meeting(s) when the director is not the Big Sandy representative for the respective organization. Expenses that are not removed for rate-making purposes include costs of attending NRECA director training/education seminars (esp for new directors). These seminars help directors to meet their fiduciary duties to the membership by educating them on industry issues. Also included is Liability Insurance that protects the directors for decisions they make on a routine basis.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Miscellaneous Expenses

Line #	Item (1)	Amount (2)
1	Check 55366 Door Prize	100
2	Check 55515 VISA - Gift Card	100
3	Check 55515 VISA - Giveaways	400
4	Check 55515 VISA - Giveaways	707
5	TOTAL	1,307
6		
7	<u>Adjustment</u>	<u>(1,307)</u>

This adjustment removes costs related to Annual Meeting prizes, consistent with Commission practice.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Rate Case Expenses

Line #	Item (1)	Expense (2)
1	Legal - Goss Samford PLLC	\$ 75,000
2	Consulting - Catalyst Consulting LLC	\$ 70,000
3	Consulting - A. Zumstein, CPA	\$ 21,860
4	Consulting - J. Adkins	\$ 9,875
5	Advertising	\$ 7,000
6	Supplies / Misc	\$ 2,000
7	Subtotal	\$ 185,735
8		
9	Total Amount	\$ 185,735
10	Amortization Period (Years)	\$ 3
11	Annual Amortization Amount	\$ 61,912
12		
13	Test Year Amount	\$ -
14		
15	Pro Forma Year Amount	\$ 61,912
16		
17	Adjustment	\$ 61,912

This adjustment estimates the rate case costs amortized over a 3 year period, consistent with standard Commission practice.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

FEMA Reimbursement

Line #	Year (1)	Month (2)	Revenue (3)
1	2015	Sep	\$ 17,689
2	2015	Dec	\$ 51,445
3	2016	May	\$ 86,041
13	TOTAL		\$ 155,175
14			
15	Test Year Amount		\$ 155,175
16			
17	Pro Forma Year Amount		\$ -
18			
19	<u>Adjustment</u>		<u>\$ (155,175)</u>

During July 2015 Big Sandy experienced a severe flood that ultimately was determined to be eligible for FEMA disaster relief. All expenses associated with the flood were recorded before the test period in July 2015, however, the FEMA reimbursements were recorded during the test period in three separate months. These reimbursements are non-recurring. This adjustment is to remove the reimbursements from the test year.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

G&T Capital Credits

Line #	Item (1)	Account (2)	Expense (3)
1	East Kentucky Power Cooperative	424.00	\$ 1,400,000
2			
3	Test Year Amount		\$ 1,446,850
4			
5	Pro Forma Year Amount		\$ 46,850
6			
7	<u>Adjustment</u>		<u>\$ (1,400,000)</u>

This adjustment removes the G&T Capital Credits from the test period, consistent with Commission practice.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Miscellaneous Service Charges

Line #	Item (1)	Count	Charges		Revenue (\$)		
			Current (2)	Proposed (3)	Current (4)	Proposed (5)	Adjustment (\$) (6)
1	Second Service Connect Fee	11	\$30.00	\$40.00	330	440	110
2	Temporary Disconnect/Reconnect	6	\$30.00	\$35.00	180	210	30
3	Meter Test Fee	19	\$30.00	\$40.00	570	760	190
4	Returned Check Fee	304	\$20.00	\$25.00	6,080	7,600	1,520
5	Collection Fee	624	\$30.00	\$35.00	18,720	21,840	3,120
6	Reconnection Fee - Reg Hrs	545	\$35.00	\$35.00	19,075	19,075	-
7	Reconnection Fee - After Hrs	32	\$52.50	\$65.00	1,680	2,080	400
8					46,635	52,005	5,370
9							
10	Test Year Amount				46,635		
11							
12	Pro Forma Year Amount					52,005	
13							
14	Adjustment						5,370

This adjustment removes the incremental revenue associated with proposed revisions to miscellaneous service charges.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Miscellaneous Service Charges

Line #	Item (1)	Per Hour (2)	Miles (3)	Miscellaneous Service Charge						
				Second Service Connect (4)	Temporary Disconnect Reconnect (5)	Meter Test (6)	Returned Check (7)	Collection (8)	Reconnect - Reg Hrs (9)	Reconnect- After Hrs (10)
1	<u>Field Personnel</u>									
2	Minutes			35	30	30	25	30	30	60
3	Direct Labor charge - Acct	\$23.76					\$9.90			
4	Direct Labor charge - FSR	\$29.68			\$17.31	\$14.84		\$14.84	\$14.84	\$29.68
5	Direct Labor charge - Meter Tech	\$30.78					\$15.39			
6	Other Labor Cost	36.40%			\$6.30	\$5.40	\$5.60	\$3.60	\$5.40	\$10.80
7	Other Direct Cost	\$7.35			\$4.29	\$3.68	\$3.68	\$3.06	\$3.68	\$7.35
8	Mileage	\$0.535	10	\$5.35	\$5.35	\$5.35		\$5.35	\$5.35	
9	Mileage	\$0.535	20							\$10.70
10	Subtotal			\$33.25	\$29.27	\$30.02	\$16.56	\$29.27	\$29.27	\$58.53
11										
12	<u>Office / Clerical Personnel</u>									
13	Minutes			15	15	25	20	15	15	20
14	Direct Labor charge - CSR	\$17.40			\$4.35	\$4.35	\$7.25	\$5.80	\$4.35	\$5.80
15	Other Labor Cost	36.40%			\$1.58	\$1.58	\$2.64	\$2.11	\$1.58	\$2.11
16	Other Direct Cost	\$7.35			\$1.84	\$1.84	\$3.06	\$2.45	\$1.84	\$2.45
17	Subtotal			\$7.77	\$7.77	\$12.95	\$10.36	\$7.77	\$7.77	\$10.36
18										
19	Total			\$41.02	\$37.04	\$42.97	\$26.92	\$37.04	\$37.04	\$68.89
20										
21	Proposed Charge			\$40.00	\$35.00	\$40.00	\$25.00	\$35.00	\$35.00	\$65.00
22	Variance			(\$1.02)	(\$2.04)	(\$2.97)	(\$1.92)	(\$2.04)	(\$2.04)	(\$3.89)
23										
24	Current Charge			\$30.00	\$30.00	\$30.00	\$20.00	\$30.00	\$35.00	\$52.50
25	Change			\$10.00	\$5.00	\$10.00	\$5.00	\$5.00	\$0.00	\$12.50

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Miscellaneous Service Charges

#	(1)	(2)	(3)	(4)	(5)	(6)
1	<u>Direct Wage Expense</u>			<u>Other Costs Based on Labor</u>		
2		Empl ID	Wage		Total Charges	% of Labor
3	Accounting	H17	\$23.76	Regular	\$2,340,032	
4	Customer Service Rep (CSR)	H19	\$17.40	R&S Pension	\$265,918	11.36%
5	Field Service Rep (FSR)	H03	\$29.68	401(k)	\$144,028	6.15%
6	After Hrs FSR	H03	\$29.68	Life, Disability, Dental	\$39,251	1.68%
7	Meter Tech	H11	\$30.78	Payroll Taxes	\$187,753	8.02%
8				Vacation, Holidays, Sick Days	\$148,532	6.35%
9				Workers Comp Insurance	\$66,260	2.83%
10	<u>Other Direct Costs</u>			Subtotal		36.40%
11						
12	Health Insurance Premiums	\$506,676				
13	Post Retirement Benefits	\$120,244				
14	Subtotal	\$626,920				
15	Number of Employees	41				
16	Annual Cost / Employee	\$15,291				
17	Regular Hours Worked	2,080				
18	Hourly Cost	\$7.35				

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Fuel Adjustment Clause

Line #	Year (1)	Month (2)	Revenue (3)	Expense (4)
1	2015	Aug	\$ (48,922)	\$ (67,359)
2	2015	Sep	\$ (59,702)	\$ (57,754)
3	2015	Oct	\$ (65,101)	\$ (68,771)
4	2015	Nov	\$ (80,120)	\$ (64,364)
5	2015	Dec	\$ (63,833)	\$ (59,973)
6	2016	Jan	\$ (78,757)	\$ (138,105)
7	2016	Feb	\$ (84,555)	\$ (72,300)
8	2016	Mar	\$ (77,890)	\$ (97,774)
9	2016	Apr	\$ (101,705)	\$ (105,464)
10	2016	May	\$ (121,287)	\$ (94,798)
11	2016	Jun	\$ (115,237)	\$ (114,061)
12	2016	Jul	\$ (109,706)	\$ (89,929)
13		TOTAL	\$ (1,006,816)	\$ (1,030,652)
14				
15		Test Year Amount	\$ (1,006,816)	\$ (1,030,652)
16				
17		Pro Forma Year Amount	\$ -	\$ -
18				
19		<u>Adjustment</u>	<u>\$ 1,006,816</u>	<u>\$ 1,030,652</u>

This adjustment removes the FAC revenues and expenses from the test period.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Environmental Surcharge

Line #	Year (1)	Month (2)	Revenue (3)	Expense (4)
1	2015	Aug	\$ 186,927	\$ 182,089
2	2015	Sep	\$ 152,153	\$ 163,121
3	2015	Oct	\$ 154,838	\$ 160,833
4	2015	Nov	\$ 187,293	\$ 210,084
5	2015	Dec	\$ 218,308	\$ 229,407
6	2016	Jan	\$ 304,736	\$ 321,393
7	2016	Feb	\$ 206,438	\$ 223,442
8	2016	Mar	\$ 120,006	\$ 113,431
9	2016	Apr	\$ 132,583	\$ 125,568
10	2016	May	\$ 160,247	\$ 157,915
11	2016	Jun	\$ 202,554	\$ 202,042
12	2016	Jul	\$ 237,736	\$ 241,714
13		TOTAL	\$ 2,263,819	\$ 2,331,039
14				
15		Test Year Amount	\$ 2,263,819	\$ 2,331,039
16				
17		Pro Forma Year Amount	\$ -	\$ -
18				
19		Adjustment	\$ (2,263,819)	\$ (2,331,039)

This adjustment removes the Environmental Surcharge revenues and expenses from the test period.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Year-End Customers

Line #	Year (1)	Month (2)	Sched A-1 (3)	Sched A-2 (4)	Sched LP (5)	Sched LPR (6)	Sched IND 1-B (7)	Total (8)
1	2015	Aug	11,950	928	154	8	1	
2	2015	Sep	11,904	924	155	8	1	
3	2015	Oct	11,910	927	155	7	1	
4	2015	Nov	11,916	935	154	7	1	
5	2015	Dec	11,891	937	154	7	1	
6	2016	Jan	11,858	938	153	7	1	
7	2016	Feb	11,932	923	157	7	1	
8	2016	Mar	11,900	922	154	7	1	
9	2016	Apr	11,857	933	154	7	1	
10	2016	May	11,855	939	155	7	1	
11	2016	Jun	12,102	941	154	7	1	
12	2016	Jul	11,850	928	154	7	1	
13	Average		11,910	931	154	7	1	
14								
15	End of Period Increase over Avg		(60)	(3)	-	-	-	
16								
17	Total kWh		161,398,270	10,939,701	28,601,653	8,524,412	6,224,112	
18	Average kWh		13,551	11,750	185,725	1,217,773	6,224,112	
19	Year-End kWh Adjustment		(813,090)	(35,251)	-	-	-	(848,341)
20								

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Year-End Customers

Line #	Year (1)	Month (2)	Sched A-1 (3)	Sched A-2 (4)	Sched LP (5)	Sched LPR (6)	Sched IND 1-B (7)	Total (8)
21	Revenue Adjustment							
22			\$ 16,045,555	\$ 1,364,551	\$ 2,472,207	\$ 660,074	\$ 394,422	
23			\$ 0.09942	\$ 0.12473	\$ 0.08644	\$ 0.07743	\$ 0.06337	
24			\$ (80,834)	\$ (4,397)	\$ -	\$ -	\$ -	(85,231)
25								
26	Expense Adjustment							
27			0.06445	0.06445	0.06445	0.06445	0.06445	
28			\$ (52,406)	\$ (2,272)	\$ -	\$ -	\$ -	(54,678)
29								
30								
31			Revenue		Expense		Net Rev	
32	Test Year Amount		\$ -	\$ -			\$ -	
33								
34	Pro Forma Year Amount		\$ (85,231)	\$ (54,678)			\$ (30,553)	
35								
36	<u>Adjustment</u>		<u>\$ (85,231)</u>	<u>\$ (54,678)</u>			<u>\$ (30,553)</u>	
37								
38								
39	<u>For Expense Adjustment:</u>		<u>Test Period Total</u>					
40	Total Purchased Power Expense		\$	16,010,784				
41	Less Fuel Adjustment Clause		\$	1,030,652				
42	Less Environmental Surcharge		\$	(2,331,039)				
43	Less DLC & Green Power Charges		\$	20,331				
44	Adjusted Purchased Power Expense		\$	14,730,728				
45	Total Purchased Power kWh			228,551,642				

This adjustment adjusts the test year expenses and revenues to reflect the number of customers at the end of the test year.

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Employee Healthcare

Line #	Empl ID (1)	Aug-15 (2)	Sep-15 (3)	Oct-15 (4)	Nov-15 (5)	Dec-15 (6)	Jan-16 (7)	Feb-16 (8)	Mar-16 (9)	Apr-16 (10)	May-16 (11)	Jun-16 (12)	Jul-16 (13)	Total (14)	Coverage Type (15)	Test Year \$ (16)	Pro Forma \$ (17)	Incr(Decr)\$ (18)	Note (19)
1	R01	475	475	475	475	475	526	526	526	526	526	526	526	6,055	Employee Single	6,055	-	(6,055)	A
2	H01	1,652	1,652	1,652	1,652	1,652	1,858	1,858	1,858	1,858	1,858	1,858	1,858	21,264	Employee & Family	21,264	22,292	1,028	
3	H02	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	16,279	725	
4	H03	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	16,279	725	
5	H04	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	16,279	725	
6	H05	1,047	1,047	1,047	1,047	1,047	1,176	1,176	1,176	1,176	1,176	1,176	1,176	13,466	Children	13,466	14,113	648	
7	S01	475	475	475	475	475	1,357	1,357	1,357	1,357	1,357	1,357	1,357	11,871	Spouse	11,871	16,279	4,409	B
8	H06	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	16,279	725	
9	S02	1,047	1,047	1,047	1,047	1,047	1,176	1,176	1,176	1,176	1,176	1,176	1,176	13,466	Children	13,466	14,113	648	
10	R02	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	-	(15,554)	A
11	R03	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	-	(15,554)	A
12	H07	475	475	475	475	475	526	526	526	526	526	526	526	6,055	Employee Single	6,055	6,310	255	
13	H08	1,047	1,047	1,047	1,047	1,047	1,858	1,858	1,858	1,858	1,858	1,858	1,858	18,236	Family	18,236	22,292	4,055	C
14	H09	475	475	475	475	475	526	526	526	526	526	1,357	1,357	7,717	Spouse	7,717	16,279	8,562	D
15	H10	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	16,279	725	
16	H11	1,652	1,652	1,652	1,652	1,652	1,858	1,858	1,858	1,858	1,858	1,858	1,858	21,264	Employee & Family	21,264	22,292	1,028	
17	H12	1,047	1,047	1,047	1,047	1,047	1,176	1,176	1,176	1,176	1,176	1,176	1,176	13,466	Children	13,466	14,113	648	
18	H13	1,652	1,652	1,652	1,652	1,652	1,858	1,858	1,858	1,858	1,858	1,858	1,858	21,264	Employee & Family	21,264	22,292	1,028	
19	H14	1,652	1,652	1,652	1,652	1,652	1,858	1,858	1,858	1,858	1,858	1,858	1,858	21,264	Employee & Family	21,264	22,292	1,028	
20	H15	1,047	1,047	1,047	1,047	1,047	1,176	1,176	1,176	1,176	1,176	1,176	1,176	13,466	Children	13,466	14,113	648	
21	S03	1,047	1,047	1,047	1,047	1,047	1,176	1,176	1,176	1,176	1,176	1,176	1,176	13,466	Children	13,466	-	(13,466)	A
22	S04	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	16,279	725	
23	H16	475	475	475	475	475	526	526	526	526	526	526	526	6,055	Employee Single	6,055	6,310	255	
24	H17	1,047	1,047	1,047	1,047	1,047	1,176	1,176	1,176	1,176	1,176	1,176	1,176	13,466	Children	13,466	14,113	648	
25	H18	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	16,279	725	
26	S05	1,652	1,652	1,652	1,652	1,652	1,858	1,858	1,858	1,858	1,858	1,858	1,858	21,264	Employee & Family	21,264	22,292	1,028	
27	S07	1,652	1,652	1,652	1,652	1,652	1,858	1,858	1,858	1,858	1,858	1,858	1,858	21,264	Employee & Family	21,264	22,292	1,028	
28	S08	1,212	1,212	1,212	1,212	1,212	1,357	1,357	1,357	1,357	1,357	1,357	1,357	15,554	Spouse	15,554	16,279	725	

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Employee Healthcare

Line #	Empl ID (1)	Aug-15 (2)	Sep-15 (3)	Oct-15 (4)	Nov-15 (5)	Dec-15 (6)	Jan-16 (7)	Feb-16 (8)	Mar-16 (9)	Apr-16 (10)	May-16 (11)	Jun-16 (12)	Jul-16 (13)	Total (14)	Coverage Type (15)	Test Year \$ (16)	Pro Forma \$ (17)	Incr(Decr)\$ (18)	Note (19)
29	H20	475	475	475	475	475	526	526	526	526	526	526	526	6,055	Employee Single	6,055	6,310	255	
30	H21	475	475	475	475	475	-	-	-	-	-	-	-	2,374	Employee Single	2,374	-	(2,374)	A
31	S09	1,652	1,652	1,652	1,652	1,652	1,858	1,858	1,858	1,858	1,858	1,858	1,858	21,264	Employee & Family	21,264	22,292	1,028	
32	H22	475	475	475	475	475	526	526	526	526	526	-	-	5,004	Employee Single	5,004	6,310	1,306	F
33	H23	475	475	475	475	475	526	526	526	526	526	526	526	6,055	Employee Single	6,055	6,310	255	
34	H24	475	475	1,047	1,047	1,047	1,176	1,176	1,176	1,176	1,176	1,176	1,176	12,322	Children	12,322	14,113	1,791	E
35	H25	1,047	1,047	1,047	1,047	1,047	1,176	1,176	1,176	1,176	1,176	1,176	1,176	13,466	Children	13,466	-	(13,466)	A
36	H26	475	475	475	475	475	526	526	526	526	526	526	526	6,055	Employee Single	6,055	6,310	255	
37	H27	475	475	475	475	475	526	526	526	526	526	526	526	6,055	Employee Single	6,055	-	(6,055)	A
38	H28	-	-	-	1,047	1,047	1,176	1,176	1,176	1,176	1,176	1,176	1,176	10,326	Children	10,326	14,113	3,787	
39	H29	-	-	-	475	475	526	526	526	526	526	526	526	4,631	Employee Single	4,631	6,310	1,679	
40	H30	-	-	-	-	-	-	-	1,357	1,357	1,357	1,357	1,357	6,783	Spouse	6,783	16,279	9,496	
41	H31	-	-	-	-	-	-	-	-	-	-	-	-	-	Employee Single	-	6,310	6,310	G
42	TOTAL	79,970	80,002	80,605	82,158	82,189	88,004	88,036	89,422	89,454	89,485	89,822	89,853	520,309		520,311	506,693	(13,618)	

Notes

46	A	No longer employed or retired, or opted out of coverage
47	B	Employee Single (during 2015) Spouse (During 2016)
48	C	Employee Single (during 2015) Family (During 2016)
49	D	Employee Single (Aug 2015-May 2016) Spouse (June 2016- July 2016)
50	E	Employee Single (Aug 2015-Sept 2015) Children (Oct 2015- July 2016)
51	F	Employee left in test year then returned post test year
52	G	Employee began employment post test year

Coverage Type	Test Year \$	Pro Forma \$	Incr(Decr)
Employee Single	54,394	50,479	(3,916)
Spouse	181,910	179,070	(2,840)
Children	116,908	98,794	(18,114)
Employee & Family	148,846	156,042	7,196
Spouse Only	-	-	-
Children Only	-	-	-
Family	18,236	22,292	4,055
Total	520,295	506,676	(13,619)

BIG SANDY RECC
For the 12 Months Ended July 31, 2016

Employee Healthcare

54						
55	Option	Total Cost \$	Employee %	Employee \$	Utility %	
56	(1)	(2)	(3)	(4)	(5)	
57					Utility \$	
58	<u>Normalized Test Year</u>					
59	Employee	50,479	0%	-	100%	50,479
60	Employee & Spouse	179,070	0%	-	100%	179,070
61	Employee & Child(ren)	98,794	0%	-	100%	98,794
62	Employee & Family	156,042	0%	-	100%	156,042
63	Spouse Only	-	0%	-	100%	-
64	Child(ren) Only	-	0%	-	100%	-
65	Spouse & Child(ren)	22,292	0%	-	100%	22,292
66	Total	506,676		-		506,676
67						
68						
69	<u>Pro Forma Year</u>					
70	Employee	50,479	21%	10,601	79%	39,878
71	Employee & Spouse	179,070	32%	57,302	68%	121,768
72	Employee & Child(ren)	98,794	32%	31,614	68%	67,180
73	Employee & Family	156,042	32%	49,933	68%	106,108
74	Spouse Only	-	21%	-	79%	-
75	Child(ren) Only	-	32%	-	68%	-
76	Spouse & Child(ren)	22,292	32%	7,133	68%	15,158
77	Total	506,676		156,584		350,092
78						
79						
80	Adjustment					(156,584)

Targets for Employee Contribution

Single:	21%
Multiple:	32%

This adjustment normalizes the test year healthcare costs to year-end costs for mid-year changes to employee coverage type and for employee departures, then removes amounts for employee contribution consistent with recent Commission orders.

Exhibit JW-3

COSS: Summary of Results

BIG SANDY RECC
Summary of Rates of Return by Class

#	Rate	Code	Pro Forma Operating Revenue	Pro Forma Operating Expenses	Margin	Rate Base	Pro Forma Rate of Return on Rate Base	Unitized Rate of Return on Rate Base
1	A1 - Farm & Home	A1	\$ 16,284,237	\$ 16,487,808	\$ (203,571)	\$ 27,314,361	-0.75%	(0.54)
2	A2 - Commercial & Small Power	A2	\$ 1,390,295	\$ 1,085,173	\$ 305,122	\$ 1,769,619	17.24%	12.42
3	LP - Large Power	LP	\$ 2,412,854	\$ 2,208,406	\$ 204,448	\$ 1,809,910	11.30%	8.14
4	LPR - Large Power	LPR	\$ 644,358	\$ 667,663	\$ (23,304)	\$ 588,152	-3.96%	(2.85)
5	IND 1-B - Industrial	IND-1B	\$ 378,811	\$ 433,742	\$ (54,930)	\$ 192,708	-28.50%	(20.54)
6	Lighting	YL	\$ 874,214	\$ 629,434	\$ 244,780	\$ 2,369,267	10.33%	7.44
7	Total		\$ 21,984,769	\$ 21,512,225	\$ 472,544	\$ 34,044,017	1.39%	1.00

BIG SANDY RECC
Summary of Cost-Based Rates

#	Rate	Two-Part Rates		Three-Part Rates		
		Customer \$/Month	Energy \$/KWH	Customer \$/Month	Energy \$/KWH	Demand \$/KW
1	A1 - Farm & Home	36.60	0.078826			
2	A2 - Commercial & Small Power	36.70	0.070889			
3	LP - Large Power			51.83	0.053174	6.94
4	LPR - Large Power			123.61	0.054391	7.15
5	IND 1-B - Industrial			48.31	0.056135	8.30

Exhibit JW-4

COSS: Functional Assignment
& Classification

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission Demand	Station Equipment Demand
				Demand	Energy		
Plant in Service							
Intangible Plant							
301.00 ORGANIZATION	P301	PT&D	\$ -	-	-	-	-
302.00 FRANCHISES	P302	PT&D	-	-	-	-	-
303.00 MISC. INTANGIBLE	P303	PT&D	-	-	-	-	-
Total Intangible Plant	PINT		\$ -	\$ -	\$ -	\$ -	\$ -
Steam Production							
310.00 LAND AND LAND RIGHTS	P310	F016	\$ -	-	-	-	-
311.00 STRUCTURES AND IMPROVEMENTS	P311	F016	-	-	-	-	-
312.00 BOILER PLANT EQUIPMENT	P312	F016	-	-	-	-	-
313.00 ENGINES AND ENGINE DRIVEN GENERATORS	P313	F016	-	-	-	-	-
314.00 TURBOGENERATOR UNITS	P314	F016	-	-	-	-	-
315.00 ACCESSORY ELEC EQUIP	P315	F016	-	-	-	-	-
316.00 MISC POWER PLANT EQUIPMENT	P316	F016	-	-	-	-	-
317.00 ASSET RETIREMENT COST FOR STEAM PROD	P317	F016	-	-	-	-	-
Total Steam Production Plant	PPROD		\$ -	\$ -	\$ -	\$ -	\$ -
Transmission							
350.00 LAND AND LAND RIGHTS	P350	F011	\$ -	-	-	-	-
352.00 STRUCTURES AND IMPROVEMENTS	P352	F011	-	-	-	-	-
353.00 STATION EQUIPMENT	P353	F011	-	-	-	-	-
354.00 TOWERS AND FIXTURES	P354	F011	-	-	-	-	-
355.00 POLES AND FIXTURES	P355	F011	-	-	-	-	-
356.00 CONDUCTORS AND DEVICES	P356	F011	-	-	-	-	-
359.00 ROADS AND TRAILS	P359	F011	-	-	-	-	-
Total Transmission Plant	PTRAN		\$ -	\$ -	\$ -	\$ -	\$ -

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Plant in Service										
Intangible Plant										
301.00 ORGANIZATION	P301	PT&D	-	-	-	-	-	-	-	-
302.00 FRANCHISES	P302	PT&D	-	-	-	-	-	-	-	-
303.00 MISC. INTANGIBLE	P303	PT&D	-	-	-	-	-	-	-	-
Total Intangible Plant	PINT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Production										
310.00 LAND AND LAND RIGHTS	P310	F016	-	-	-	-	-	-	-	-
311.00 STRUCTURES AND IMPROVEMENTS	P311	F016	-	-	-	-	-	-	-	-
312.00 BOILER PLANT EQUIPMENT	P312	F016	-	-	-	-	-	-	-	-
313.00 ENGINES AND ENGINE DRIVEN GENERATORS	P313	F016	-	-	-	-	-	-	-	-
314.00 TURBOGENERATOR UNITS	P314	F016	-	-	-	-	-	-	-	-
315.00 ACCESSORY ELEC EQUIP	P315	F016	-	-	-	-	-	-	-	-
316.00 MISC POWER PLANT EQUIPMENT	P316	F016	-	-	-	-	-	-	-	-
317.00 ASSET RETIREMENT COST FOR STEAM PROD	P317	F016	-	-	-	-	-	-	-	-
Total Steam Production Plant	PPROD		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
350.00 LAND AND LAND RIGHTS	P350	F011	-	-	-	-	-	-	-	-
352.00 STRUCTURES AND IMPROVEMENTS	P352	F011	-	-	-	-	-	-	-	-
353.00 STATION EQUIPMENT	P353	F011	-	-	-	-	-	-	-	-
354.00 TOWERS AND FIXTURES	P354	F011	-	-	-	-	-	-	-	-
355.00 POLES AND FIXTURES	P355	F011	-	-	-	-	-	-	-	-
356.00 CONDUCTORS AND DEVICES	P356	F011	-	-	-	-	-	-	-	-
359.00 ROADS AND TRAILS	P359	F011	-	-	-	-	-	-	-	-
Total Transmission Plant	PTRAN		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Plant in Service (Continued)							
Distribution							
360.00 LAND AND LAND RIGHTS	P360	F001	\$ -	-	-	-	-
361.00 STRUCTURES AND IMPROVEMENTS	P361	F001	-	-	-	-	-
362.00 STATION EQUIPMENT	P362	F001	400,205	-	-	-	400,205
364.00 POLES, TOWERS AND FIXTURES	P364	F002	14,329,227	-	-	-	-
365.00 OVERHEAD CONDUCTORS AND DEVICE	P365	F003	13,132,307	-	-	-	-
366.00 UNDERGROUND CONDUIT	P366	F004	624,440	-	-	-	-
367.00 UNDERGROUND CONDUCTORS AND DEV	P367	F004	406,384	-	-	-	-
368.00 LINE TRANSFORMERS	P368	F005	6,446,833	-	-	-	-
369.00 SERVICES	P369	F006	5,146,901	-	-	-	-
370.00 METERS	P370	F007	3,575,070	-	-	-	-
371.00 INSTALLATIONS ON CONSUMERS PRE	P371	F013	2,532,664	-	-	-	-
372.00 LEASED PROP. ON CONSUMERS PREMISES	P372	F013	-	-	-	-	-
373.00 STREET LIGHTING AND SIGNAL SYS	P373	F008	-	-	-	-	-
Total Distribution Plant	PDIST		\$ 46,594,031	\$ -	\$ -	# \$ -	400,205
Total Transmission and Distribution Plant	PT&D		\$ 46,594,031	\$ -	\$ -	# \$ -	400,205
Total Production, Transmission & Distribution Plant	PPT&D		\$ 46,594,031	\$ -	\$ -	# \$ -	400,205 ##

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Plant in Service (Continued)										
Distribution										
360.00 LAND AND LAND RIGHTS	P360	F001	-	-	-	-	-	-	-	-
361.00 STRUCTURES AND IMPROVEMENTS	P361	F001	-	-	-	-	-	-	-	-
362.00 STATION EQUIPMENT	P362	F001	-	-	-	-	-	-	-	-
364.00 POLES, TOWERS AND FIXTURES	P364	F002	5,195,086	9,134,141	-	-	-	-	-	-
365.00 OVERHEAD CONDUCTORS AND DEVICE	P365	F003	8,326,931	4,805,376	-	-	-	-	-	-
366.00 UNDERGROUND CONDUIT	P366	F004	20,304	604,137	-	-	-	-	-	-
367.00 UNDERGROUND CONDUCTORS AND DEV	P367	F004	13,214	393,171	-	-	-	-	-	-
368.00 LINE TRANSFORMERS	P368	F005	3,457,405	2,989,428	-	-	-	-	-	-
369.00 SERVICES	P369	F006	-	-	-	5,146,901	-	-	-	-
370.00 METERS	P370	F007	-	-	-	-	3,575,070	-	-	-
371.00 INSTALLATIONS ON CONSUMERS PRE	P371	F013	-	-	-	-	-	2,532,664	-	-
372.00 LEASED PROP. ON CONSUMERS PREMISES	P372	F013	-	-	-	-	-	-	-	-
373.00 STREET LIGHTING AND SIGNAL SYS	P373	F008	-	-	-	-	-	-	-	-
Total Distribution Plant	PDIST		\$ 17,012,939	\$ 17,926,253	\$ -	\$ 5,146,901	\$ 3,575,070	\$ 2,532,664	\$ -	\$ -
Total Transmission and Distribution Plant	PT&D		\$ 17,012,939	\$ 17,926,253	\$ -	\$ 5,146,901	\$ 3,575,070	\$ 2,532,664	\$ -	\$ -
Total Production, Transmission & Distribution Plant	PPT&D		\$ 17,012,939	\$ 17,926,253	\$ -	\$ 5,146,901	\$ 3,575,070	\$ 2,532,664	\$ -	\$ -

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Plant in Service (Continued)							
General Plant							
389.00 LAND AND LAND RIGHTS	P389	PT&D	\$ 292,419	-	-	-	2,512
390.00 STRUCTURES AND IMPROVEMENTS	P390	PT&D	2,991,477	-	-	-	25,694
391.00 OFFICE FURNITURE AND EQUIPMENT	P391	PT&D	700,344	-	-	-	6,015
392.00 TRANSPORTATION EQUIPMENT	P392	PT&D	2,000,391	-	-	-	17,182
393.00 STORES EQUIPMENT	P393	PT&D	-	-	-	-	-
394.00 TOOLS, SHOP & GARAGE EQUIPMENT	P394	PT&D	126,391	-	-	-	1,086
395.00 LABORATORY EQUIPMENT	P395	PT&D	154,634	-	-	-	1,328
396.00 POWER OPERATED EQUIPMENT	P396	PT&D	11,903	-	-	-	102
397.00 COMMUNICATION EQUIPMENT	P397	PT&D	50,173	-	-	-	431
398.00 MISCELLANEOUS EQUIPMENT	P398	PT&D	30,873	-	-	-	265
399.00 OTHER TANGIBLE PROPERTY	P399	PT&D	-	-	-	-	-
Total General Plant	PGP		\$ 6,358,606	\$ -	\$ -	\$ -	\$ 54,615
Total Plant in Service	TPIS		\$ 52,952,636	\$ -	\$ -	\$ -	\$ 454,820
Construction Work in Progress (CWIP)							
CWIP Production	CWIP1	PPROD	\$ -	-	-	-	-
CWIP Transmission	CWIP2	PTRAN	-	-	-	-	-
CWIP Distribution	CWIP3	PDIST	(83,367)	-	-	-	(716)
CWIP General Plant	CWIP4	PGP	-	-	-	-	-
CWIP Other	CWIP5	PDIST	9,799	-	-	-	84
Total Construction Work in Progress	TCWIP		\$ (73,568)	\$ -	\$ -	\$ -	\$ (632)
Total Utility Plant			\$ 52,879,068	\$ -	\$ -	\$ -	\$ 454,188

BIG SANDY RECC
Cost of Service Study
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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Plant in Service (Continued)										
General Plant										
389.00 LAND AND LAND RIGHTS	P389	PT&D	106,771	112,503	-	32,301	22,437	15,895	-	-
390.00 STRUCTURES AND IMPROVEMENTS	P390	PT&D	1,092,282	1,150,919	-	330,446	229,530	162,605	-	-
391.00 OFFICE FURNITURE AND EQUIPMENT	P391	PT&D	255,718	269,445	-	77,362	53,736	38,068	-	-
392.00 TRANSPORTATION EQUIPMENT	P392	PT&D	730,405	769,616	-	220,969	153,486	108,733	-	-
393.00 STORES EQUIPMENT	P393	PT&D	-	-	-	-	-	-	-	-
394.00 TOOLS, SHOP & GARAGE EQUIPMENT	P394	PT&D	46,149	48,627	-	13,961	9,698	6,870	-	-
395.00 LABORATORY EQUIPMENT	P395	PT&D	56,462	59,493	-	17,081	11,865	8,405	-	-
396.00 POWER OPERATED EQUIPMENT	P396	PT&D	4,346	4,579	-	1,315	913	647	-	-
397.00 COMMUNICATION EQUIPMENT	P397	PT&D	18,320	19,303	-	5,542	3,850	2,727	-	-
398.00 MISCELLANEOUS EQUIPMENT	P398	PT&D	11,273	11,878	-	3,410	2,369	1,678	-	-
399.00 OTHER TANGIBLE PROPERTY	P399	PT&D	-	-	-	-	-	-	-	-
Total General Plant	PGP		\$ 2,321,726	\$ 2,446,364	\$ -	\$ 702,389	\$ 487,884	\$ 345,628	\$ -	\$ -
Total Plant in Service	TPIS		\$ 19,334,665	\$ 20,372,617	\$ -	\$ 5,849,289	\$ 4,062,954	\$ 2,878,292	\$ -	\$ -
Construction Work in Progress (CWIP)										
CWIP Production	CWIP1	PPROD	-	-	-	-	-	-	-	-
CWIP Transmission	CWIP2	PTRAN	-	-	-	-	-	-	-	-
CWIP Distribution	CWIP3	PDIST	(30,440)	(32,074)	-	(9,209)	(6,397)	(4,532)	-	-
CWIP General Plant	CWIP4	PGP	-	-	-	-	-	-	-	-
CWIP Other	CWIP5	PDIST	3,578	3,770	-	1,082	752	533	-	-
Total Construction Work in Progress	TCWIP		\$ (26,862)	\$ (28,304)	\$ -	\$ (8,126)	\$ (5,645)	\$ (3,999)	\$ -	\$ -
Total Utility Plant			\$ 19,307,803	\$ 20,344,313	\$ -	\$ 5,841,163	\$ 4,057,309	\$ 2,874,293	\$ -	\$ -

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment	
				Demand	Energy	Demand	Demand	
Rate Base								
Utility Plant								
Plant in Service			\$ 52,952,636	\$ -	\$ -	\$ -	\$ -	454,820
Construction Work in Progress (CWIP)			(73,568)	-	-	-	-	(631,89)
Total Utility Plant	TUP		\$ 52,879,068	\$ -	\$ -	\$ -	\$ -	454,188
Less: Accumulated Provision for Depreciation								
Electric Plant Amortization	ADEPREPA	TUP		-	-	-	-	-
Retirement Work in Progress	RWIP	PDIST	1,013	-	-	-	-	9
Steam Production	ADEPRPP	PPROD	-	-	-	-	-	-
Transmission	ADEPRTP	PTRAN	-	-	-	-	-	-
Dist	ADEPRD12	PDIST	(8,518,048)	-	-	-	-	(73,163)
Dist-Structures	ADEPRD1	P361	-	-	-	-	-	-
Dist-Station	ADEPRD2	P362	131,150	-	-	-	-	131,150
Dist-Poles and Fixtures	ADEPRD3	P364	8,370,199	-	-	-	-	-
Dist-OH Conductor	ADEPRD4	P365	7,325,894	-	-	-	-	-
Dist-UG Conduit	ADEPRD5	P366	232,514	-	-	-	-	-
Dist-UG Conductor	ADEPRD6	P367	126,085	-	-	-	-	-
Dist-Line Transformers	ADEPRD7	P368	3,264,845	-	-	-	-	-
Dist-Services	ADEPRD8	P369	2,538,934	-	-	-	-	-
Dist-Meters	ADEPRD9	P370	2,339,562	-	-	-	-	-
Dist-Installations on Customer Premises	ADEPRD10	P371	1,237,461	-	-	-	-	-
Dist-Lighting & Signal Systems	ADEPRD11	P373	-	-	-	-	-	-
Accum Amtz - Electric Plant Acquisition		PGP	-	-	-	-	-	-
Accum Amtz - Electric Plant in Service		PGP	-	-	-	-	-	-
General Plant		PGP	2,773,780	-	-	-	-	23,825
Total Accumulated Depreciation & Amort	TADEPR		\$ 19,823,387	\$ -	\$ -	\$ -	\$ -	81,820
Net Utility Plant	NTPLANT		\$ 33,055,681	\$ -	\$ -	\$ -	\$ -	372,368
Working Capital								
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	\$ 612,200	\$ -	\$ -	\$ -	\$ -	973
Materials and Supplies (13-Month Avg)	M&S	TPIS	298,301	-	-	-	-	2,562
Prepayments (13-Month Average)	PREPAY	TPIS	77,834	-	-	-	-	669
Total Working Capital	TWC		\$ 988,336	\$ -	\$ -	\$ -	\$ -	4,204
Less: Customer Deposits	CSTDEP	TPIS	\$ -	-	-	-	-	-
Net Rate Base	RB		\$ 34,044,017	\$ -	\$ -	\$ -	\$ -	376,572

BIG SANDY RECC
Cost of Service Study
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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust	Load
			Demand	Customer	Demand	Customer	Customer	Customer	Acct Service Customer	Management Customer
Rate Base										
Utility Plant										
Plant in Service			\$ 19,334,665	\$ 20,372,617	\$ -	\$ 5,849,289	\$ 4,062,954	\$ 2,878,292	\$ -	\$ -
Construction Work in Progress (CWIP)			(26,861.91)	(28,303.95)	-	(8,126.50)	(5,644.72)	(3,998.85)	-	-
Total Utility Plant	TUP		\$ 19,307,803	\$ 20,344,313	\$ -	\$ 5,841,163	\$ 4,057,309	\$ 2,874,293	\$ -	\$ -
Less: Accumulated Provision for Depreciation										
Electric Plant Amortization	ADEPREPA	TUP	-	-	-	-	-	-	-	-
Retirement Work in Progress	RWIP	PDIST	370	390	-	112	78	55	-	-
Steam Production	ADEPRPP	PPROD	-	-	-	-	-	-	-	-
Transmission	ADEPRTP	PTRAN	-	-	-	-	-	-	-	-
Dist	ADEPRD12	PDIST	(3,110,206)	(3,277,173)	-	(940,926)	(653,573)	(463,007)	-	-
Dist-Structures	ADEPRD1	P361	-	-	-	-	-	-	-	-
Dist-Station	ADEPRD2	P362	-	-	-	-	-	-	-	-
Dist-Poles and Fixtures	ADEPRD3	P364	3,034,630	5,335,669	-	-	-	-	-	-
Dist-OH Conductor	ADEPRD4	P365	4,645,201	2,680,692	-	-	-	-	-	-
Dist-UG Conduit	ADEPRD5	P366	7,560	224,954	-	-	-	-	-	-
Dist-UG Conductor	ADEPRD6	P367	4,100	121,985	-	-	-	-	-	-
Dist-Line Transformers	ADEPRD7	P368	1,750,920	1,513,925	-	-	-	-	-	-
Dist-Services	ADEPRD8	P369	-	-	-	2,538,934	-	-	-	-
Dist-Meters	ADEPRD9	P370	-	-	-	-	2,339,562	-	-	-
Dist-Installations on Customer Premises	ADEPRD10	P371	-	-	-	-	-	1,237,461	-	-
Dist-Lighting & Signal Systems	ADEPRD11	P373	-	-	-	-	-	-	-	-
Accum Amtz - Electric Plant Acquisition	PGP		-	-	-	-	-	-	-	-
Accum Amtz - Electric Plant in Service	PGP		-	-	-	-	-	-	-	-
General Plant	PGP		1,012,794	1,067,164	-	306,399	212,827	150,771	-	-
Total Accumulated Depreciation & Amort	TADEPR		\$ 7,345,369	\$ 7,667,506	\$ -	\$ 1,904,519	\$ 1,898,893	\$ 925,281	\$ -	\$ -
Net Utility Plant	NTPLANT		\$ 11,962,433	\$ 12,676,808	\$ -	\$ 3,936,644	\$ 2,158,416	\$ 1,949,012	\$ -	\$ -
Working Capital										
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	\$ 110,329	\$ 206,261	\$ -	\$ 14,249	\$ 116,370	\$ 6,007	\$ 157,139	\$ 871
Materials and Supplies (13-Month Avg)	M&S	TPIS	108,919	114,766	-	32,951	22,888	16,214	-	-
Prepayments (13-Month Average)	PREPAY	TPIS	28,420	29,945	-	8,598	5,972	4,231	-	-
Total Working Capital	TWC		\$ 247,668	\$ 350,972	\$ -	\$ 55,798	\$ 145,230	\$ 26,452	\$ 157,139	\$ 871
Less: Customer Deposits	CSTDEP	TPIS	-	-	-	-	-	-	-	-
Net Rate Base	RB		\$ 12,210,101	\$ 13,027,780	\$ -	\$ 3,992,442	\$ 2,303,646	\$ 1,975,465	\$ 157,139	\$ 871

BIG SANDY RECC
Cost of Service Study
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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Operation and Maintenance Expenses							
Steam Power Production Operations Expense							
500 OPERATION SUPV AND ENGINEERING	OM500	PPROD	\$ -	-	-	-	-
501 FUEL	OM501	F017	-	-	-	-	-
502 STEAM EXPENSES	OM502	F016	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	OM503	F016	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	OM504	F016	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	F016	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	OM506	F016	-	-	-	-	-
507 RENTS	OM507	F016	-	-	-	-	-
509 ALLOWANCES	OM509	F017	-	-	-	-	-
Total Steam Production Operation Expense	OMPO		\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Production Maintenance Expense							
510 MAINTENANCE SUPV AND ENGINEERING	OM510	F017	\$ -	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	F016	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	F017	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	F017	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	F016	-	-	-	-	-
Total Steam Production Maintenance Expense	OMPM		\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	OMP		-	-	-	-	-

BIG SANDY RECC
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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust	Load
			Demand	Customer	Demand	Customer	Customer	Customer	Acct Service Customer	Management Customer
Operation and Maintenance Expenses										
Steam Power Production Operations Expense										
500 OPERATION SUPV AND ENGINEERING	OM500	PPROD	-	-	-	-	-	-	-	-
501 FUEL	OM501	F017	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	OM502	F016	-	-	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	OM503	F016	-	-	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	OM504	F016	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	F016	-	-	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	OM506	F016	-	-	-	-	-	-	-	-
507 RENTS	OM507	F016	-	-	-	-	-	-	-	-
509 ALLOWANCES	OM509	F017	-	-	-	-	-	-	-	-
Total Steam Production Operation Expense	OMPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Production Maintenance Expense										
510 MAINTENANCE SUPV AND ENGINEERING	OM510	F017	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	F016	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	F017	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	F017	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	F016	-	-	-	-	-	-	-	-
Total Steam Production Maintenance Expense	OMPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	OMP		-	-	-	-	-	-	-	-

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment	
				Demand	Energy	Demand	Demand	Demand
Operation and Maintenance Expenses (Continued)								
Purchased Power								
555 PURCHASED POWER	OM555	OMPP	\$ 16,010,784	\$ 3,573,693	\$ 12,437,091	-	-	-
556 SYSTEM CONTROL & LOAD DISPATCHING	OM556	OMPP	-	-	-	-	-	-
557 OTHER EXPENSES	OM557	OMPP	-	-	-	-	-	-
559 RENEWABLE ENERGY CR EXP	OM559	OMPP	-	-	-	-	-	-
Total Purchased Power	TPP		\$ 16,010,784	\$ 3,573,693	\$ 12,437,091	\$ -	\$ -	\$ -
Transmission Expenses								
560 OPERATION SUPERVISION AND ENG	OM560	PTRAN	\$ -	-	-	-	-	-
561 LOAD DISPATCHING	OM561	PTRAN	-	-	-	-	-	-
562 STATION EXPENSES	OM562	PTRAN	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	PTRAN	-	-	-	-	-	-
564 UNDERGROUND LINE EXPENSES	OM564	PTRAN	-	-	-	-	-	-
565 TRANSMISSION OF ELEC BY OTHERS	OM565	PTRAN	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-	-
568 MAINTENANCE SUPERVISION AND ENG	OM568	PTRAN	-	-	-	-	-	-
569 MAINTENANCE OF STRUCTURES	OM569	PTRAN	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	PTRAN	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	PTRAN	-	-	-	-	-	-
572 MAINT OF UNDERGROUND LINES	OM572	PTRAN	-	-	-	-	-	-
573 MAINT MISC	OM573	PTRAN	-	-	-	-	-	-
574 MAINT OF TRANS PLANT	OM574	PTRAN	-	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Expense								
580 OPERATION SUPERVISION AND ENGI	OM580	PDIST	\$ 130,351	-	-	-	-	1,120
581 LOAD DISPATCHING	OM581	P362	-	-	-	-	-	-
582 STATION EXPENSES	OM582	P362	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	OM583	P365	114,615	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P371	-	-	-	-	-	-
586 METER EXPENSES	OM586	P370	631,582	-	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	P369	12,526	-	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	205,479	-	-	-	-	1,765
588 MISC DISTR EXP -- MAPPING	OM588x	F015	-	-	-	-	-	-
589 RENTS	OM589	PDIST	-	-	-	-	-	-
Total Distribution Operation Expense	OMDO		\$ 1,094,553	\$ -	\$ -	\$ -	\$ -	2,885

BIG SANDY RECC
Cost of Service Study
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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Operation and Maintenance Expenses (Continued)										
Purchased Power										
555 PURCHASED POWER	OM555	OMPP	-	-	-	-	-	-	-	-
556 SYSTEM CONTROL & LOAD DISPATCHING	OM556	OMPP	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	OM557	OMPP	-	-	-	-	-	-	-	-
559 RENEWABLE ENERGY CR EXP	OM559	OMPP	-	-	-	-	-	-	-	-
Total Purchased Power	TPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Expenses										
560 OPERATION SUPERVISION AND ENG	OM560	PTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	OM561	PTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	OM562	PTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	PTRAN	-	-	-	-	-	-	-	-
564 UNDERGROUND LINE EXPENSES	OM564	PTRAN	-	-	-	-	-	-	-	-
565 TRANSMISSION OF ELEC BY OTHERS	OM565	PTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-	-	-	-
568 MAINTENANCE SUPERVISION AND ENG	OM568	PTRAN	-	-	-	-	-	-	-	-
569 MAINTENANCE OF STRUCTURES	OM569	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	PTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	PTRAN	-	-	-	-	-	-	-	-
572 MAINT OF UNDERGROUND LINES	OM572	PTRAN	-	-	-	-	-	-	-	-
573 MAINT MISC	OM573	PTRAN	-	-	-	-	-	-	-	-
574 MAINT OF TRANS PLANT	OM574	PTRAN	-	-	-	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Expense										
580 OPERATION SUPERVISION AND ENGI	OM580	PDIST	47,595	50,150	-	14,399	10,002	7,085	-	-
581 LOAD DISPATCHING	OM581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	OM582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	OM583	P365	72,675	41,940	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	-	-	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P371	-	-	-	-	-	-	-	-
586 METER EXPENSES	OM586	P370	-	-	-	631,582	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	P369	-	-	-	12,526	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	75,027	79,055	-	22,698	15,766	11,169	-	-
588 MISC DISTR EXP -- MAPPING	OM588x	F015	-	-	-	-	-	-	-	-
589 RENTS	OM589	PDIST	-	-	-	-	-	-	-	-
Total Distribution Operation Expense	OMDO		\$ 195,297	\$ 171,145	\$ -	\$ 49,623	\$ 657,349	\$ 18,254	\$ -	\$ -

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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Operation and Maintenance Expenses (Continued)							
Distribution Maintenance Expense							
590 MAINTENANCE SUPERVISION AND EN	OM590	PDIST	\$ 218,816	-	-	-	1,879
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	443,326	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	800,570	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	41,223	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	-	-	-	-	-
597 MAINTENANCE OF METERS	OM597	P370	518	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	OM598	PDIST	11,852	-	-	-	102
Total Distribution Maintenance Expense	OMDM		\$ 1,516,304	\$ -	\$ -	\$ -	\$ 1,981
Total Distribution Operation and Maintenance Expenses			2,610,858	-	-	-	4,866
Transmission and Distribution Expenses			2,610,858	-	-	-	4,866
Steam Production, Transmission and Distribution Expenses			2,610,858	-	-	-	4,866
Production, Purchased Power, Trans and Distr Expenses	OMSUB		\$ 18,621,642	\$ 3,573,693	\$ 12,437,091	\$ -	\$ 4,866
Customer Accounts Expense							
901 SUPERVISION/CUSTOMER ACCTS	OM901	F009	\$ -	-	-	-	-
902 METER READING EXPENSES	OM902	F009	120,359	-	-	-	-
903 RECORDS AND COLLECTION	OM903	F009	712,718	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F009	54,169	-	-	-	-
905 MISC CUST ACCOUNTS	OM903	F009	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ 887,246	\$ -	\$ -	\$ -	\$ -
Customer Service Expense							
907 SUPERVISION	OM907	F010	\$ -	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F010	29,781	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	OM908x	F012	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F010	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F012	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F010	-	-	-	-	-
911 SUPERVISION	OM911	F010	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F012	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F012	5,403	-	-	-	-
914 SALES	OM914	F012	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F012	-	-	-	-	-
917 MISC SALES EXPENSE	OM917	F012	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ 35,184	\$ -	\$ -	\$ -	\$ -
Sub-Total Transmission, Distribution, Cust Acct and Cust Service	OMSUB2		3,533,287	-	-	-	4,866

BIG SANDY RECC
Cost of Service Study
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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Operation and Maintenance Expenses (Continued)										
Distribution Maintenance Expense										
590 MAINTENANCE SUPERVISION AND EN	OM590	PDIST	79,897	84,186	-	24,171	16,789	11,894	-	-
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	281,104	162,222	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	26,030	774,539	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	22,108	19,115	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	-	-	-	-	-	-	-	-
597 MAINTENANCE OF METERS	OM597	P370	-	-	-	-	518	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	OM598	PDIST	4,327	4,560	-	1,309	909	644	-	-
Total Distribution Maintenance Expense	OMDM		\$ 413,466	\$ 1,044,622	\$ -	\$ 25,480	\$ 18,217	\$ 12,538	\$ -	\$ -
Total Distribution Operation and Maintenance Expenses			608,764	1,215,767	-	75,103	675,566	30,793	-	-
Transmission and Distribution Expenses			608,764	1,215,767	-	75,103	675,566	30,793	-	-
Steam Production, Transmission and Distribution Expenses			608,764	1,215,767	-	75,103	675,566	30,793	-	-
Production, Purchased Power, Trans and Distr Expenses	OMSUB		\$ 608,764	\$ 1,215,767	\$ -	\$ 75,103	\$ 675,566	\$ 30,793	\$ -	\$ -
Customer Accounts Expense										
901 SUPERVISION/CUSTOMER ACCTS	OM901	F009	-	-	-	-	-	-	-	-
902 METER READING EXPENSES	OM902	F009	-	-	-	-	-	-	120,359	-
903 RECORDS AND COLLECTION	OM903	F009	-	-	-	-	-	-	712,718	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F009	-	-	-	-	-	-	54,169	-
905 MISC CUST ACCOUNTS	OM903	F009	-	-	-	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 887,246	\$ -
Customer Service Expense										
907 SUPERVISION	OM907	F010	-	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F010	-	-	-	-	-	-	29,781	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	OM908x	F012	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F010	-	-	-	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F012	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F010	-	-	-	-	-	-	-	-
911 SUPERVISION	OM911	F010	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F012	-	-	-	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F012	-	-	-	-	-	-	-	5,403
914 SALES	OM914	F012	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F012	-	-	-	-	-	-	-	-
917 MISC SALES EXPENSE	OM917	F012	-	-	-	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,781	\$ 5,403
Sub-Total Transmission, Distribution, Cust Acct and Cust Service	OMSUB2		608,764	1,215,767	-	75,103	675,566	30,793	917,027	5,403

BIG SANDY RECC
Cost of Service Study
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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Operation and Maintenance Expenses (Continued)							
Administrative and General Expense							
920 ADMIN. & GEN. SALARIES-	OM920	OMSUB2	\$ 683,186	-	-	-	941
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB2	180,182	-	-	-	295
923 OUTSIDE SERVICES EMPLOYED	OM923	OMSUB2	19,362	-	-	-	27
924 PROPERTY INSURANCE	OM924	NTPLANT	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB2	58,704	-	-	-	96
926 EMPLOYEE BENEFITS	OM926	LBSUB2	1,531	-	-	-	3
928 ASSOCIATED DUES	OM928	OMSUB2	-	-	-	-	-
929 DUPLICATE CHARGES - CREDIT	OM929	OMSUB2	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	OM930	OMSUB2	322,191	-	-	-	444
931 RENTS AND LEASES	OM931	NTPLANT	8,361	-	-	-	94
932 MAINTENANCE OF GENERAL PLANT	OM932	PGP	-	-	-	-	-
933 TRANSPORTATION EXPENSES	OM933	PGP	-	-	-	-	-
935 MAINT OF GENERAL PLANT	OM935	NTPLANT	90,799	-	-	-	1,023
Total Administrative and General Expense	OMAG		\$ 1,364,315	\$ -	\$ -	\$ -	\$ 2,921
Total Operation and Maintenance Expenses	TOM		\$ 20,908,387	\$ 3,573,693	\$ 12,437,091	\$ -	\$ 7,787
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 4,897,603	\$ -	\$ -	\$ -	\$ 7,787

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Operation and Maintenance Expenses (Continued)										
Administrative and General Expense										
920 ADMIN. & GEN. SALARIES-	OM920	OMSUB2	117,709	235,077	-	14,522	130,625	5,954	177,314	1,045
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB2	46,039	32,743	-	3,974	39,712	1,865	55,556	-
923 OUTSIDE SERVICES EMPLOYED	OM923	OMSUB2	3,336	6,662	-	412	3,702	169	5,025	30
924 PROPERTY INSURANCE	OM924	NTPLANT	-	-	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB2	15,000	10,668	-	1,295	12,938	607	18,100	-
926 EMPLOYEE BENEFITS	OM926	LBSUB2	391	278	-	34	337	16	472	-
928 ASSOCIATED DUES	OM928	OMSUB2	-	-	-	-	-	-	-	-
929 DUPLICATE CHARGES - CREDIT	OM929	OMSUB2	-	-	-	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	OM930	OMSUB2	55,512	110,863	-	6,848	61,603	2,808	83,621	493
931 RENTS AND LEASES	OM931	NTPLANT	3,026	3,206	-	996	546	493	-	-
932 MAINTENANCE OF GENERAL PLANT	OM932	PGP	-	-	-	-	-	-	-	-
933 TRANSPORTATION EXPENSES	OM933	PGP	-	-	-	-	-	-	-	-
935 MAINT OF GENERAL PLANT	OM935	NTPLANT	32,859	34,821	-	10,813	5,929	5,354	-	-
Total Administrative and General Expense	OMAG		\$ 273,870	\$ 434,318	\$ -	\$ 38,893	\$ 255,393	\$ 17,265	\$ 340,088	\$ 1,567
Total Operation and Maintenance Expenses	TOM		\$ 882,634	\$ 1,650,086	\$ -	\$ 113,995	\$ 930,958	\$ 48,058	\$ 1,257,115	\$ 6,970
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 882,634	\$ 1,650,086	\$ -	\$ 113,995	\$ 930,958	\$ 48,058	\$ 1,257,115	\$ 6,970

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Other Expenses							
Depreciation Expenses							
Steam Prod Plant	DEPRPP	PPROD	-	-	-	-	-
Transmission	DEPRTP	PTRAN	-	-	-	-	-
Dist-Structures	DEPRDP1	P361	-	-	-	-	-
Dist-Station	DEPRDP2	P362	-	-	-	-	-
Dist-Poles and Fixtures	DEPRDP3	P364	-	-	-	-	-
Dist-OH Conductor	DEPRDP4	P365	-	-	-	-	-
Dist-UG Conduit	DEPRDP5	P366	-	-	-	-	-
Dist-UG Conductor	DEPRDP6	P367	-	-	-	-	-
Dist-Line Transformers	DEPRDP7	P368	-	-	-	-	-
Dist-Services	DEPRDP8	P369	-	-	-	-	-
Dist-Meters	DEPRDP9	P370	-	-	-	-	-
Dist-Installations on Customer Premises	DEPRDP10	P371	-	-	-	-	-
Dist-Lighting & Signal Systems	DEPRDP11	P373	-	-	-	-	-
Distribution Plant	DEPRDP12	PDIST	2,137,023	-	-	-	18,355
General Plant	DEPRGP	PGP	135,681	-	-	-	1,165
Asset Retirement Costs	DEPRGP	PGP	-	-	-	-	-
AMORT LIMITED-TERM ELECT PLANT	DEPRLTEP	PT&D	-	-	-	-	-
AMORT ELECT PLANT ACQUISIT ADJ	DEPRADJ	PDIST	-	-	-	-	-
Total Depreciation Expense	TDEPR		\$ 2,272,704	-	-	-	19,521
Property Taxes	PTAX	NTPLANT	\$ -	-	-	-	-
Other Taxes	OT	NTPLANT	\$ 33,861	-	-	-	381
Interest -- LTD	INTLTD	NTPLANT	\$ 701,164	-	-	-	7,899
Interest -- Other	INTOTH	NTPLANT	\$ 62,878	-	-	-	708
Donations	DONAT	NTPLANT	\$ 19,500	-	-	-	220
Regulatory Liabilities	REGLIAB	NTPLANT	\$ -	-	-	-	-
Other Deductions	DEDUCT	NTPLANT	\$ -	-	-	-	-
Total Other Expenses	TOE		\$ 3,090,107	\$ -	\$ -	\$ -	\$ 28,729
Total Cost of Service (O&M + Other Expenses)			\$ 23,998,494	\$ 3,573,693	\$ 12,437,091	\$ -	\$ 36,516

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Other Expenses										
Depreciation Expenses										
Steam Prod Plant	DEPRPP	PPROD	-	-	-	-	-	-	-	-
Transmission	DEPRTP	PTRAN	-	-	-	-	-	-	-	-
Dist-Structures	DEPRDP1	P361	-	-	-	-	-	-	-	-
Dist-Station	DEPRDP2	P362	-	-	-	-	-	-	-	-
Dist-Poles and Fixtures	DEPRDP3	P364	-	-	-	-	-	-	-	-
Dist-OH Conductor	DEPRDP4	P365	-	-	-	-	-	-	-	-
Dist-UG Conduit	DEPRDP5	P366	-	-	-	-	-	-	-	-
Dist-UG Conductor	DEPRDP6	P367	-	-	-	-	-	-	-	-
Dist-Line Transformers	DEPRDP7	P368	-	-	-	-	-	-	-	-
Dist-Services	DEPRDP8	P369	-	-	-	-	-	-	-	-
Dist-Meters	DEPRDP9	P370	-	-	-	-	-	-	-	-
Dist-Installations on Customer Premises	DEPRDP10	P371	-	-	-	-	-	-	-	-
Dist-Lighting & Signal Systems	DEPRDP11	P373	-	-	-	-	-	-	-	-
Distribution Plant	DEPRDP12	PDIST	780,294	822,183	-	236,061	163,970	116,160	-	-
General Plant	DEPRGP	PGP	49,541	52,201	-	14,988	10,411	7,375	-	-
Asset Retirement Costs	DEPRGP	PGP	-	-	-	-	-	-	-	-
AMORT LIMITED-TERM ELECT PLANT	DEPRLTEP	PT&D	-	-	-	-	-	-	-	-
AMORT ELECT PLANT ACQUISIT ADJ	DEPRAADJ	PDIST	-	-	-	-	-	-	-	-
Total Depreciation Expense	TDEPR		829,836	874,384	-	251,049	174,380	123,535	-	-
Property Taxes	PTAX	NTPLANT	-	-	-	-	-	-	-	-
Other Taxes	OT	NTPLANT	12,254	12,986	-	4,033	2,211	1,996	-	-
Interest – LTD	INTLTD	NTPLANT	253,742	268,895	-	83,503	45,783	41,342	-	-
Interest – Other	INTOTH	NTPLANT	22,755	24,114	-	7,488	4,106	3,707	-	-
Donations	DONAT	NTPLANT	7,057	7,478	-	2,322	1,273	1,150	-	-
Regulatory Liabilities	REGLIAB	NTPLANT	-	-	-	-	-	-	-	-
Other Deductions	DEDUCT	NTPLANT	-	-	-	-	-	-	-	-
Total Other Expenses	TOE		\$ 1,125,643	\$ 1,187,857	\$ -	\$ 348,395	\$ 227,754	\$ 171,730	\$ -	\$ -
Total Cost of Service (O&M + Other Expenses)			\$ 2,008,277	\$ 2,837,942	\$ -	\$ 462,390	\$ 1,158,712	\$ 219,788	\$ 1,257,115	\$ 6,970

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Labor Expenses							
Steam Power Production Operations Expense							
500 OPERATION SUPV AND ENGINEERING	LB500	PPROD	\$ -	-	-	-	-
501 FUEL	LB501	F017	-	-	-	-	-
502 STEAM EXPENSES	LB502	F016	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	LB503	F016	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	LB504	F016	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	F016	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	LB506	F016	-	-	-	-	-
507 RENTS	LB507	F016	-	-	-	-	-
509 ALLOWANCES	LB509	F017	-	-	-	-	-
Total Steam Production Operation Expense	LBPO		\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Production Maintenance Expense							
510 MAINTENANCE SUPV AND ENGINEERING	LB510	F017	\$ -	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	F016	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	F017	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	F017	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	F016	-	-	-	-	-
Total Steam Production Maintenance Expense	LBPM		\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	LBP		-	-	-	-	-

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Cost of Service Study
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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Labor Expenses										
Steam Power Production Operations Expense										
500 OPERATION SUPV AND ENGINEERING	LB500	PPROD	-	-	-	-	-	-	-	-
501 FUEL	LB501	F017	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	LB502	F016	-	-	-	-	-	-	-	-
503 STEAM FROM OTHER SOURCES	LB503	F016	-	-	-	-	-	-	-	-
504 STEAM TRANSFERRED - CREDIT	LB504	F016	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	F016	-	-	-	-	-	-	-	-
506 MISC STEAM POWER EXPENSES	LB506	F016	-	-	-	-	-	-	-	-
507 RENTS	LB507	F016	-	-	-	-	-	-	-	-
509 ALLOWANCES	LB509	F017	-	-	-	-	-	-	-	-
Total Steam Production Operation Expense	LBPO		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Production Maintenance Expense										
510 MAINTENANCE SUPV AND ENGINEERING	LB510	F017	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	F016	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	F017	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	F017	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	F016	-	-	-	-	-	-	-	-
Total Steam Production Maintenance Expense	LBPM		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Production Operation and Maintenance Expenses	LBP		-	-	-	-	-	-	-	-

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Labor Expenses (Continued)							
Purchased Power							
555 PURCHASED POWER	LB555	OMPP	\$ -	-	-	-	-
557 OTHER EXPENSES	LB557	OMPP	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Labor Expenses							
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	\$ -	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-
568 MAINTENACE SUPERVISION AND ENG	LB568	PTRAN	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-
Total Transmission Labor Expenses			\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Labor Expense							
580 OPERATION SUPERVISION AND ENGI	LB580	PDIST	\$ 42,904	-	-	-	369
581 LOAD DISPATCHING	LB581	P362	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	LB583	P365	29,779	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	-	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P371	-	-	-	-	-
586 METER EXPENSES	LB586	P370	199,626	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P369	994	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	57,319	-	-	-	492
589 RENTS	LB589	PDIST	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 330,622	\$ -	\$ -	\$ -	\$ 861

BIG SANDY RECC
Cost of Service Study
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12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Labor Expenses (Continued)										
Purchased Power										
555 PURCHASED POWER	LB555	OMPP	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	LB557	OMPP	-	-	-	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Labor Expenses										
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-	-	-	-
568 MAINTENACE SUPERVISION AND ENG	LB568	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-	-	-	-
Total Transmission Labor Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Labor Expense										
580 OPERATION SUPERVISION AND ENGI	LB580	PDIST	15,666	16,507	-	4,739	3,292	2,332	-	-
581 LOAD DISPATCHING	LB581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	LB583	P365	18,882	10,897	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	-	-	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P371	-	-	-	-	-	-	-	-
586 METER EXPENSES	LB586	P370	-	-	-	-	199,626	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P369	-	-	-	994	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	20,929	22,053	-	6,332	4,398	3,116	-	-
589 RENTS	LB589	PDIST	-	-	-	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 55,477	\$ 49,456	\$ -	\$ 12,065	\$ 207,315	\$ 5,448	\$ -	\$ -

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Labor Expenses (Continued)							
Distribution Maintenance Labor Expense							
590 MAINTENANCE SUPERVISION AND EN	LB590	PDIST	\$ 81,178	-	-	-	697
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	248,991	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	7,176	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	-	-	-	-	-
597 MAINTENANCE OF METERS	LB597	P370	203	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	3,458	-	-	-	30
Total Distribution Maintenance Labor Expense	LBDM		\$ 341,006	\$ -	\$ -	\$ -	\$ 727
Total Distribution Operation and Maintenance Labor Expenses			671,629	-	-	-	1,588
Transmission and Distribution Labor Expenses			671,629	-	-	-	1,588
Purchased Power, Transmission and Distribution Labor Expenses	LBSUB		\$ 671,629	\$ -	\$ -	\$ -	\$ 1,588
Customer Accounts Expense							
901 SUPERVISION/CUSTOMER ACCTS	LB901	F009	\$ -	-	-	-	-
902 METER READING EXPENSES	LB902	F009	49,154	-	-	-	-
903 RECORDS AND COLLECTION	LB903	F009	217,473	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F009	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F009	-	-	-	-	-
Total Customer Accounts Labor Expense	LBCA		\$ 266,627	\$ -	\$ -	\$ -	\$ -
Customer Service Expense							
907 SUPERVISION	LB907	F010	\$ -	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F010	32,772	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F012	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F010	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F012	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F010	-	-	-	-	-
911 SUPERVISION	LB911	F010	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F012	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F012	-	-	-	-	-
915 MDSE-JOBING-CONTRACT	LB915	F012	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F012	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ 32,772	\$ -	\$ -	\$ -	\$ -
Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp	LBSUB2		971,028	-	-	-	1,588

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust	Load
			Demand	Customer	Demand	Customer	Customer	Customer	Acct Service Customer	Management Customer
Labor Expenses (Continued)										
Distribution Maintenance Labor Expense										
590 MAINTENANCE SUPERVISION AND EN	LB590	PDIST	29,641	31,232	-	8,967	6,229	4,413	-	-
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	157,880	91,111	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	-	-	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	3,849	3,328	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	-	-	-	-	-	-	-	-
597 MAINTENANCE OF METERS	LB597	P370	-	-	-	-	203	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	1,263	1,330	-	382	265	188	-	-
Total Distribution Maintenance Labor Expense	LBDM		\$ 192,632	\$ 127,001	\$ -	\$ 9,349	\$ 6,697	\$ 4,600	\$ -	\$ -
Total Distribution Operation and Maintenance Labor Expenses			248,109	176,457	-	21,414	214,012	10,048	-	-
Transmission and Distribution Labor Expenses			248,109	176,457	-	21,414	214,012	10,048	-	-
Purchased Power, Transmission and Distribution Labor Expenses	LBSUB		\$ 248,109	\$ 176,457	\$ -	\$ 21,414	\$ 214,012	\$ 10,048	\$ -	\$ -
Customer Accounts Expense										
901 SUPERVISION/CUSTOMER ACCTS	LB901	F009	-	-	-	-	-	-	-	-
902 METER READING EXPENSES	LB902	F009	-	-	-	-	-	-	49,154	-
903 RECORDS AND COLLECTION	LB903	F009	-	-	-	-	-	-	217,473	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F009	-	-	-	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F009	-	-	-	-	-	-	-	-
Total Customer Accounts Labor Expense	LBCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,627	\$ -
Customer Service Expense										
907 SUPERVISION	LB907	F010	-	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F010	-	-	-	-	-	-	32,772	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F012	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F010	-	-	-	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F012	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F010	-	-	-	-	-	-	-	-
911 SUPERVISION	LB911	F010	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F012	-	-	-	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F012	-	-	-	-	-	-	-	-
915 MDSE-JOBING-CONTRACT	LB915	F012	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F012	-	-	-	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,772	\$ -
Sub-Total Trans, Distr, Cust Acct and Cust Service Labor Exp	LBSUB2		248,109	176,457	-	21,414	214,012	10,048	299,399	-

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Labor Expenses (Continued)							
Administrative and General Expense							
920 ADMIN. & GEN. SALARIES-	LB920	OMSUB2	\$ 318,764	-	-	-	439
921 OFFICE SUPPLIES AND EXPENSES	LB921	LBSUB2	-	-	-	-	-
923 OUTSIDE SERVICES EMPLOYED	LB923	OMSUB2	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	NTPLANT	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB2	-	-	-	-	-
926 EMPLOYEE BENEFITS	LB926	LBSUB2	249,500	-	-	-	408
928 REGULATORY COMMISSION EXPENSES	LB928	OMSUB2	-	-	-	-	-
929 DUPLICATE CHARGES-CR	LB929	OMSUB2	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	OMSUB2	-	-	-	-	-
931 RENTS AND LEASES	LB931	NTPLANT	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB935	PGP	14,973	-	-	-	129
950 PAYROLL GENERAL LEDGER DEFAULT	LB950	PGP	-	-	-	-	-
Total Administrative and General Expense	LBAG		\$ 583,237	\$ -	\$ -	\$ -	\$ 976
Total Operation and Maintenance Expenses	TLB		\$ 1,554,265	\$ -	\$ -	\$ -	\$ 2,563
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 1,554,265	\$ -	\$ -	\$ -	\$ 2,563

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Labor Expenses (Continued)										
Administrative and General Expense										
920 ADMIN. & GEN. SALARIES-	LB920	OMSUB2	54,921	109,683	-	6,776	60,948	2,778	82,732	487
921 OFFICE SUPPLIES AND EXPENSES	LB921	LBSUB2	-	-	-	-	-	-	-	-
923 OUTSIDE SERVICES EMPLOYED	LB923	OMSUB2	-	-	-	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	NTPLANT	-	-	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB2	-	-	-	-	-	-	-	-
926 EMPLOYEE BENEFITS	LB926	LBSUB2	63,750	45,340	-	5,502	54,989	2,582	76,929	-
928 REGULATORY COMMISSION EXPENSES	LB928	OMSUB2	-	-	-	-	-	-	-	-
929 DUPLICATE CHARGES-CR	LB929	OMSUB2	-	-	-	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	OMSUB2	-	-	-	-	-	-	-	-
931 RENTS AND LEASES	LB931	NTPLANT	-	-	-	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB935	PGP	5,467	5,761	-	1,654	1,149	814	-	-
950 PAYROLL GENERAL LEDGER DEFAULT	LB950	PGP	-	-	-	-	-	-	-	-
Total Administrative and General Expense	LBAG		\$ 124,139	\$ 160,784	\$ -	\$ 13,932	\$ 117,086	\$ 6,174	\$ 159,661	\$ 487
Total Operation and Maintenance Expenses	TLB		\$ 372,248	\$ 337,241	\$ -	\$ 35,346	\$ 331,098	\$ 16,222	\$ 459,059	\$ 487
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 372,248	\$ 337,241	\$ -	\$ 35,346	\$ 331,098	\$ 16,222	\$ 459,059	\$ 487

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	Power Supply		Transmission	Station Equipment
				Demand	Energy	Demand	Demand
Functional Vectors							
Station Equipment	F001		1.000000	0.000000	0.000000	0.000000	1.000000
Poles, Towers and Fixtures	F002		1.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		1.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		1.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		1.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		1.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		1.000000	0.000000	0.000000	0.000000	0.000000
Street Lighting	F008		1.000000	0.000000	0.000000	0.000000	0.000000
Meter Reading	F009		1.000000	0.000000	0.000000	0.000000	0.000000
Billing	F010		1.000000	0.000000	0.000000	0.000000	0.000000
Transmission	F011		1.000000	0.000000	0.000000	1.000000	0.000000
Load Management	F012		1.000000	0.000000	0.000000	0.000000	0.000000
Purchased Power Expenses	OMPP		1	0.22	0.78	-	-
Installations on Customer Premises - Plant in Service	F013		1.00000	-	-	-	-
Installations on Customer Premises - Accum Depr	F014		1.00000	-	-	-	-
Mapping	F015		1.000000	0.000000	0.000000	0.000000	0.000000
Production - Demand	F016		1.000000	1.000000	0.000000	0.000000	0.000000
Production - Energy	F017		1.000000	0.000000	1.000000	0.000000	0.000000

BIG SANDY RECC
Cost of Service Study
Functional Assignment and Classification

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Pri & Sec. Distr Plant		Customer Services		Meters	Lighting	Meter Reading Billing and Cust Acct Service	Load Management
			Demand	Customer	Demand	Customer	Customer	Customer	Customer	Customer
Functional Vectors										
Station Equipment	F001		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Poles, Towers and Fixtures	F002		0.362552	0.637448	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		0.634080	0.365920	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		0.032515	0.967485	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		0.536295	0.463705	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
Street Lighting	F008		0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
Meter Reading	F009		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Billing	F010		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Transmission	F011		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Load Management	F012		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
Purchased Power Expenses	OMPP		-	-	-	-	-	-	-	-
Installations on Customer Premises - Plant in Service	F013		-	-	-	-	-	1.00000	-	-
Installations on Customer Premises - Accum Depr	F014		-	-	-	-	-	1.00000	-	-
Mapping	F015		0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production - Demand	F016		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production - Energy	F017		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Exhibit JW-5

COSS: Allocation to Rate Classes
& Returns

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Plant in Service									
Production & Purchase Power									
Demand	PLPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	PLPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	PLPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission									
Demand	PLTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment									
Demand	PLSED	SA1	\$ 454,820	\$ 346,357	\$ 22,090	\$ 55,183	\$ 16,576	\$ 7,561	\$ 7,052
Primary & Secondary Distribution Plant									
Demand	PLDPD	DA1	\$ 19,334,665	\$ 14,982,024	\$ 598,851	\$ 2,272,089	\$ 812,051	\$ 292,765	\$ 376,884
Customer	PLDPC	C01	\$ 20,372,617	\$ 18,448,338	\$ 1,442,099	\$ 238,543	\$ 10,843	\$ 1,549	\$ 231,245
Total Primary Distribution Plant	PLD		\$ 39,707,282	\$ 33,430,362	\$ 2,040,950	\$ 2,510,632	\$ 822,894	\$ 294,314	\$ 608,130
Customer Services									
Demand	PLCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PLCSC	SERV	\$ 5,849,289	\$ 5,215,618	\$ 407,703	\$ 151,739	\$ 74,229	\$ -	\$ -
Total Customer Services			\$ 5,849,289	\$ 5,215,618	\$ 407,703	\$ 151,739	\$ 74,229	\$ -	\$ -
Meters									
Customer	PLMC	C03	\$ 4,062,954	\$ 3,644,237	\$ 284,869	\$ 125,941	\$ 6,919	\$ 988	\$ -
Lighting Systems									
Customer	PLLSC	C04	\$ 2,878,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,878,292
Meter Reading, Billing and Customer Service									
Customer	PLMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management									
Customer	PLCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	PLT		\$ 52,952,636	\$ 42,636,573	\$ 2,755,612	\$ 2,843,496	\$ 920,619	\$ 302,863	\$ 3,493,473

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Net Utility Plant									
Production & Purchase Power									
Demand	NPPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	NPPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	NPPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission									
Demand	NPTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment									
Demand	NPSED	SA1	\$ 372,368	\$ 283,567	\$ 18,086	\$ 45,179	\$ 13,571	\$ 6,190	\$ 5,774
Primary Distribution Plant									
Demand	NPPDP	DA1	\$ 11,962,433	\$ 9,269,437	\$ 370,512	\$ 1,405,751	\$ 502,419	\$ 181,135	\$ 233,180
Customer	NPDPC	C01	\$ 12,676,808	\$ 11,479,430	\$ 897,343	\$ 148,433	\$ 6,747	\$ 964	\$ 143,892
Total Primary Distribution Plant			\$ 24,639,241	\$ 20,748,867	\$ 1,267,854	\$ 1,554,183	\$ 509,166	\$ 182,098	\$ 377,072
Customer Services									
Demand	NPCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	NPCSC	SERV	\$ 3,936,644	\$ 3,510,175	\$ 274,389	\$ 102,122	\$ 49,957	\$ -	\$ -
Total Customer Services			\$ 3,936,644	\$ 3,510,175	\$ 274,389	\$ 102,122	\$ 49,957	\$ -	\$ -
Meters									
Customer	NPMC	C03	\$ 2,158,416	\$ 1,935,976	\$ 151,334	\$ 66,905	\$ 3,676	\$ 525	\$ -
Lighting Systems									
Customer	NPLSC	C04	\$ 1,949,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,949,012
Meter Reading, Billing and Customer Service									
Customer	NPMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management									
Customer	NPCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	NPT		\$ 33,055,681	\$ 26,478,586 0.80	\$ 1,711,663	\$ 1,768,390	\$ 576,371	\$ 188,814	\$ 2,331,857

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Net Cost Rate Base									
Production & Purchase Power									
Demand	RBPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	RBPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	RBPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission									
Demand	RBTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment									
Demand	RBSED	SA1	\$ 376,572	\$ 286,769	\$ 18,290	\$ 45,690	\$ 13,725	\$ 6,260	\$ 5,839
Primary Distribution Plant									
Demand	RBDPD	DA1	\$ 12,210,101	\$ 9,461,350	\$ 378,183	\$ 1,434,855	\$ 512,821	\$ 184,885	\$ 238,008
Customer	RBDPC	C01	\$ 13,027,780	\$ 11,797,251	\$ 922,186	\$ 152,542	\$ 6,934	\$ 991	\$ 147,876
Total Primary Distribution Plant			\$ 25,237,881	\$ 21,258,601	\$ 1,300,369	\$ 1,587,397	\$ 519,755	\$ 185,875	\$ 385,883
Customer Services									
Demand	RBCSD	CSA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	RBCSC	SERV	\$ 3,992,442	\$ 3,559,929	\$ 278,278	\$ 103,570	\$ 50,665	\$ -	\$ -
Total Customer Services			\$ 3,992,442	\$ 3,559,929	\$ 278,278	\$ 103,570	\$ 50,665	\$ -	\$ -
Meters									
Customer	RBMC	C03	\$ 2,303,646	\$ 2,066,239	\$ 161,517	\$ 71,407	\$ 3,923	\$ 560	\$ -
Lighting Systems									
Customer	RBLSC	C04	\$ 1,975,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,975,465
Meter Reading, Billing and Customer Service									
Customer	RBMRC	C05	\$ 157,139	\$ 142,297	\$ 11,123	\$ 1,840	\$ 84	\$ 12	\$ 1,784
Load Management									
Customer	RBCSC	C06	\$ 871	\$ 526	\$ 41	\$ 7	\$ 0	\$ 0	\$ 297
Total	RBT		\$ 34,044,017	\$ 27,314,361	\$ 1,769,619	\$ 1,809,910	\$ 588,152	\$ 192,708	\$ 2,369,267

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Operation and Maintenance Expenses									
Production & Purchase Power									
Demand	OMPPD	PPDA	\$ 3,573,693	\$ 2,721,456	\$ 173,573	\$ 433,597	\$ 130,248	\$ 59,410	\$ 55,410
Energy	OMPPE	PPEA	\$ 12,437,091	\$ 9,014,939	\$ 605,392	\$ 1,625,099	\$ 488,982	\$ 358,620	\$ 344,058
Total Purchase Power	OMPPT		\$ 16,010,784	\$ 11,736,395	\$ 778,965	\$ 2,058,696	\$ 619,230	\$ 418,030	\$ 399,468
Transmission									
Demand	OMTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment									
Demand	OMSED	SOMA	\$ 7,787	\$ 5,930	\$ 378	\$ 945	\$ 284	\$ 129	\$ 121
Primary Distribution Plant									
Demand	OMDPD	DOM	\$ 882,634	\$ 683,934	\$ 27,338	\$ 103,722	\$ 37,070	\$ 13,365	\$ 17,205
Customer	OMDPC	C01	\$ 1,650,086	\$ 1,494,228	\$ 116,803	\$ 19,321	\$ 878	\$ 125	\$ 18,730
Total Primary Distribution Plant			\$ 2,532,719	\$ 2,178,162	\$ 144,141	\$ 123,042	\$ 37,949	\$ 13,490	\$ 35,935
Customer Services									
Demand	OMCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	OMCSC	SERV	\$ 113,995	\$ 101,646	\$ 7,946	\$ 2,957	\$ 1,447	\$ -	\$ -
Total Customer Services			\$ 113,995	\$ 101,646	\$ 7,946	\$ 2,957	\$ 1,447	\$ -	\$ -
Meters									
Customer	OMMC	C03	\$ 930,958	\$ 835,016	\$ 65,273	\$ 28,857	\$ 1,585	\$ 226	\$ -
Lighting Systems									
Customer	OMLSC	C04	\$ 48,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,058
Meter Reading, Billing and Customer Service									
Customer	OMMRBC	C05	\$ 1,257,115	\$ 1,138,375	\$ 88,986	\$ 14,720	\$ 669	\$ 96	\$ 14,269
Load Management									
Customer	OMCSC	C06	\$ 6,970	\$ 4,209	\$ 329	\$ 54	\$ 2	\$ 0	\$ 2,374
Total	OMT		\$ 20,908,387	\$ 15,999,735	\$ 1,086,018	\$ 2,229,271	\$ 661,166	\$ 431,972	\$ 500,224

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Labor Expenses									
Production & Purchase Power									
Demand	LBPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	LBPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	LBPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission									
Demand	LBTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment									
Demand	LBSED	SOMA	\$ 2,563	\$ 1,952	\$ 125	\$ 311	\$ 93	\$ 43	\$ 40
Primary Distribution Plant									
Demand	LBDPD	DOM	\$ 372,248	\$ 288,447	\$ 11,530	\$ 43,744	\$ 15,634	\$ 5,637	\$ 7,256
Customer	LBDPC	C01	\$ 337,241	\$ 305,387	\$ 23,872	\$ 3,949	\$ 179	\$ 26	\$ 3,828
Total Primary Distribution Plant			\$ 709,489	\$ 593,834	\$ 35,402	\$ 47,693	\$ 15,814	\$ 5,662	\$ 11,084
Customer Services									
Demand	LBCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	LBCSC	SERV	\$ 35,346	\$ 31,517	\$ 2,464	\$ 917	\$ 449	\$ -	\$ -
Total Customer Services			\$ 35,346	\$ 31,517	\$ 2,464	\$ 917	\$ 449	\$ -	\$ -
Meters									
Customer	LBMC	C03	\$ 331,098	\$ 296,976	\$ 23,214	\$ 10,263	\$ 564	\$ 81	\$ -
Lighting Systems									
Customer	LBLSC	C04	\$ 16,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,222
Meter Reading, Billing and Customer Service									
Customer	LBMRBC	C05	\$ 459,059	\$ 415,699	\$ 32,495	\$ 5,375	\$ 244	\$ 35	\$ 5,211
Load Management									
Customer	LBCSC	C06	\$ 487	\$ 294	\$ 23	\$ 4	\$ 0	\$ 0	\$ 166
Total	LBT		\$ 1,554,265	\$ 1,340,273	\$ 93,722	\$ 64,563	\$ 17,164	\$ 5,820	\$ 32,723

BIG SANDY RECC
Cost of Service Study
Class Allocation
12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A2 - Commercial & Small Power			LP - Large Power		IND 1-B - Industrial IND-1B	Lighting YL
				A1 - Farm & Home A1	A2	LP	LPR - Large Power LPR			
Depreciation Expenses										
Production & Purchase Power										
Demand	DPPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	DPPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	DPPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
Demand	DPTD	TA1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	DPSED	SA1	\$ 19,521	\$ 14,865	\$ 948	\$ 2,368	\$ 711	\$ 325	\$ 303	
Primary Distribution Plant										
Demand	DPDPD	DA1	\$ 829,836	\$ 643,022	\$ 25,702	\$ 97,517	\$ 34,853	\$ 12,565	\$ 16,176	
Customer	DPDPC	C01	\$ 874,384	\$ 791,795	\$ 61,894	\$ 10,238	\$ 465	\$ 66	\$ 9,925	
Total Primary Distribution Plant			\$ 1,704,220	\$ 1,434,817	\$ 87,597	\$ 107,755	\$ 35,318	\$ 12,632	\$ 26,101	
Customer Services										
Demand	DPCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	DPCSC	SERV	\$ 251,049	\$ 223,852	\$ 17,498	\$ 6,513	\$ 3,186	\$ -	\$ -	\$ -
Total Customer Services			\$ 251,049	\$ 223,852	\$ 17,498	\$ 6,513	\$ 3,186	\$ -	\$ -	\$ -
Meters										
Customer	DPMC	C03	\$ 174,380	\$ 156,409	\$ 12,226	\$ 5,405	\$ 297	\$ 42	\$ -	\$ -
Lighting Systems										
Customer	DPLSC	C04	\$ 123,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,535
Meter Reading, Billing and Customer Service										
Customer	DPMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management										
Customer	DPCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	DPT		\$ 2,272,704	\$ 1,829,943	\$ 118,270	\$ 122,042	\$ 39,513	\$ 12,999	\$ 149,938	

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A2 - Commercial &			IND 1-B - Industrial IND-1B	Lighting YL
				A1 - Farm & Home A1	Small Power A2	LP - Large Power LP		
Property Taxes								
Production & Purchase Power								
Demand	PTPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	PTPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	PTPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission								
Demand	PTTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment								
Demand	PTSED	SOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Distribution Plant								
Demand	PTDPD	DOM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PTDPC	C01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Distribution Plant			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Services								
Demand	PTCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	PTCSC	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Customer Services			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meters								
Customer	PTMC	C03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting Systems								
Customer	PTLSC	C04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meter Reading, Billing and Customer Service								
Customer	PTMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management								
Customer	PTCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	PTT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A2 - Commercial & Small Power			LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
				A1 - Farm & Home A1	A2					
Other Taxes										
Production & Purchase Power										
Demand	OTPPD	PPDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	OTPPE	PPEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Purchase Power	OTPPT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission										
Demand	OTTD	TOMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Station Equipment										
Demand	OTSED	SOMA	\$ 381	\$ 290	\$ 19	\$ 46	\$ 14	\$ 6	\$ 6	\$ 6
Primary Distribution Plant										
Demand	OTDPD	DOM	\$ 12,254	\$ 9,495	\$ 380	\$ 1,440	\$ 515	\$ 186	\$ 239	\$ 239
Customer	OTDPC	C01	\$ 12,986	\$ 11,759	\$ 919	\$ 152	\$ 7	\$ 1	\$ 147	\$ 147
Total Primary Distribution Plant			\$ 25,239	\$ 21,254	\$ 1,299	\$ 1,592	\$ 522	\$ 187	\$ 386	\$ 386
Customer Services										
Demand	OTCSD	SERV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer	OTCSC	SERV	\$ 4,033	\$ 3,596	\$ 281	\$ 105	\$ 51	\$ -	\$ -	\$ -
Total Customer Services			\$ 4,033	\$ 3,596	\$ 281	\$ 105	\$ 51	\$ -	\$ -	\$ -
Meters										
Customer	OTMC	C03	\$ 2,211	\$ 1,983	\$ 155	\$ 69	\$ 4	\$ 1	\$ -	\$ -
Lighting Systems										
Customer	OTLSC	C04	\$ 1,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,996
Meter Reading, Billing and Customer Service										
Customer	OTMRBC	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management										
Customer	OTCSC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	OTT		\$ 33,861	\$ 27,124	\$ 1,753	\$ 1,811	\$ 590	\$ 193	\$ 2,389	\$ 2,389

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Cost of Service Summary -- Unadjusted Results									
Operating Revenues									
Total Sales of Electric Energy	REVUC	R01	\$ 23,087,258	\$ 17,049,135	\$ 1,461,220	\$ 2,594,264	\$ 686,779	\$ 403,468	\$ 892,392
Forfeited Discounts		RCRev	\$ 327,271	\$ 301,436	\$ 25,835	\$ -	\$ -	\$ -	\$ -
Misc Service Revenues		MISCSERV	\$ 50,840	\$ 45,332	\$ 3,544	\$ 1,319	\$ 645	\$ -	\$ -
Rent from Electric Property		MISCSERV	\$ 381,983	\$ 340,601	\$ 26,625	\$ 9,909	\$ 4,847	\$ -	\$ -
Other Electric Revenues		MISCSERV	\$ 720	\$ 642	\$ 50	\$ 19	\$ 9	\$ -	\$ -
Prepaid Meter Program Fee			\$ 18,140	\$ 18,140	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues	TOR		\$ 23,866,212	\$ 17,755,287	\$ 1,517,274	\$ 2,605,510	\$ 692,281	\$ 403,468	\$ 892,392
Operating Expenses									
Operation and Maintenance Expenses			\$ 20,908,387	\$ 15,999,735	\$ 1,086,018	\$ 2,229,271	\$ 661,166	\$ 431,972	\$ 500,224
Depreciation and Amortization Expenses			2,272,704	1,829,943	118,270	122,042	39,513	12,999	149,938
Property Taxes		NPT	-	-	-	-	-	-	-
Other Taxes			33,861	27,124	1,753	1,811	590	193	2,389
Total Operating Expenses	TOE		\$ 23,214,952	\$ 17,856,802	\$ 1,206,041	\$ 2,353,125	\$ 701,269	\$ 445,164	\$ 652,552
Utility Operating Margin	TOM		\$ 651,260	\$ (101,515)	\$ 311,232	\$ 252,386	\$ (8,988)	\$ (41,696)	\$ 239,840
Net Cost Rate Base			\$ 34,044,017	\$ 27,314,361	\$ 1,769,619	\$ 1,809,910	\$ 588,152	\$ 192,708	\$ 2,369,267
Rate of Return			1.91%	-0.37%	17.59%	13.94%	-1.53%	-21.64%	10.12%
Unitized Rate of Return			1.00	(0.19)	9.19	7.29	(0.80)	(11.31)	5.29

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Cost of Service Summary -- Adjusted Results									
Operating Revenues									
Total Operating Revenue -- Actual			\$ 23,866,212	\$ 17,755,287	\$ 1,517,274	\$ 2,605,510	\$ 692,281	\$ 403,468	\$ 892,392
Pro-Forma Adjustments:									
1 To Remove Fuel Adjustment Clause Revenue	FAC		\$ 1,006,816	\$ 746,181	\$ 52,132	\$ 137,250	\$ 40,754	\$ 30,500	\$ -
2 To Remove Environmental Surcharge Revenue	ES		\$ (2,263,819)	\$ (1,748,771)	\$ (148,735)	\$ (259,307)	\$ (67,459)	\$ (39,546)	\$ -
3 To Remove Non-Recurring Charges		MISCSERV	\$ 5,370	\$ 4,788	\$ 374	\$ 139	\$ 68	\$ -	\$ -
4 To Normalize Year-End Customers		YEC	\$ (85,231)	\$ (80,834)	\$ (4,397)	\$ -	\$ -	\$ -	\$ -
5 To Reflect 9/1/17 Base Rate Change Case No. 2017-00007			\$ (544,578)	\$ (392,414)	\$ (26,352)	\$ (70,739)	\$ (21,285)	\$ (15,610)	\$ (18,178)
6		R01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7		R01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8		R01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Pro Forma Adjustments			\$ (1,881,442)	\$ (1,471,050)	\$ (126,978)	\$ (192,657)	\$ (47,923)	\$ (24,657)	\$ (18,178)
Total Pro-Forma Operating Revenue			\$ 21,984,769	\$ 16,284,237	\$ 1,390,295	\$ 2,412,854	\$ 644,358	\$ 378,811	\$ 874,214
Operating Expenses									
Total Operating Expenses -- Actual		TOE	\$ 23,214,952	\$ 17,856,802	\$ 1,206,041	\$ 2,353,125	\$ 701,269	\$ 445,164	\$ 652,552
Pro-Forma Adjustments:									
1 To Remove Fuel Expense Recoverable through the FAC	FAC		\$ 1,030,652	\$ 763,846	\$ 53,366	\$ 140,500	\$ 41,718	\$ 31,222	\$ -
2 To Remove Expenses Recoverable through the ES	ES		\$ (2,331,039)	\$ (1,800,698)	\$ (153,152)	\$ (267,006)	\$ (69,462)	\$ (40,721)	\$ -
3 To Normalize Year-End Customers	YEC		\$ (54,678)	\$ (51,857)	\$ (2,821)	\$ -	\$ -	\$ -	\$ -
4 Salaries & Wages	LBT		\$ (22,900)	\$ (19,747)	\$ (1,381)	\$ (951)	\$ (253)	\$ (86)	\$ (482)
5 Payroll Taxes	RBT		\$ (1,624)	\$ (1,303)	\$ (84)	\$ (86)	\$ (28)	\$ (9)	\$ (113)
6 Depreciation	DPT		\$ 27,206	\$ 21,906	\$ 1,416	\$ 1,461	\$ 473	\$ 156	\$ 1,795
7 Property Taxes	RBT		\$ 2,521	\$ 2,023	\$ 131	\$ 134	\$ 44	\$ 14	\$ 175
8 Interest on Long Term Debt	RBT		\$ (78,803)	\$ (63,226)	\$ (4,096)	\$ (4,189)	\$ (1,361)	\$ (446)	\$ (5,484)
9 Pension Costs	RBT		\$ 23,479	\$ 18,838	\$ 1,220	\$ 1,248	\$ 406	\$ 133	\$ 1,634
10 Donations & Promotional Advertising	RBT		\$ (25,867)	\$ (20,754)	\$ (1,345)	\$ (1,375)	\$ (447)	\$ (146)	\$ (1,800)
11 Professional Services	RBT		\$ (3,920)	\$ (3,145)	\$ (204)	\$ (208)	\$ (68)	\$ (22)	\$ (273)
12 Director Fees & Expenses	DPT		\$ (16,601)	\$ (13,367)	\$ (864)	\$ (891)	\$ (289)	\$ (95)	\$ (1,095)
13 Miscellaneous & Annual Meeting Costs	DPT		\$ (1,307)	\$ (1,052)	\$ (68)	\$ (70)	\$ (23)	\$ (7)	\$ (86)
14 Rate Case Expenses	RBT		\$ 61,912	\$ 49,673	\$ 3,218	\$ 3,291	\$ 1,070	\$ 350	\$ 4,309
15 FEMA Reimbursements	RBT		\$ (155,175)	\$ (124,501)	\$ (8,066)	\$ (8,250)	\$ (2,681)	\$ (878)	\$ (10,799)
16 Employee Healthcare	RBT		\$ (156,584)	\$ (125,631)	\$ (8,139)	\$ (8,325)	\$ (2,705)	\$ (886)	\$ (10,897)
17	RBT		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Pro Forma Adjustments			\$ (1,702,727)	\$ (1,368,994)	\$ (120,868)	\$ (144,719)	\$ (33,606)	\$ (11,422)	\$ (23,117)
Total Pro-forma Operating Expenses			\$ 21,512,225	\$ 16,487,808	\$ 1,085,173	\$ 2,208,406	\$ 667,663	\$ 433,742	\$ 629,434
Utility Operating Margin -- Pro-Forma			\$ 472,544	\$ (203,571)	\$ 305,122	\$ 204,448	\$ (23,304)	\$ (54,930)	\$ 244,780
Net Cost Rate Base			\$ 34,044,017	\$ 27,314,361	\$ 1,769,619	\$ 1,809,910	\$ 588,152	\$ 192,708	\$ 2,369,267
Pro-forma Rate Base Adjustments									
Item 1		RBT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pro-forma Rate Base			\$ 34,044,017	\$ 27,314,361	\$ 1,769,619	\$ 1,809,910	\$ 588,152	\$ 192,708	\$ 2,369,267
Rate of Return			1.39%	-0.75%	17.24%	11.30%	-3.96%	-28.50%	10.33%
Utilized Rate of Return			1.00	(0.54)	12.42	8.14	(2.85)	(20.54)	7.44

**BIG SANDY RECC
Cost of Service Study
Class Allocation**

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Allocation Factors									
Energy Allocation Factors									
Energy Usage by Class	E01	Energy	1.000000	0.730088	0.049029	0.128236	0.038586	0.027591	0.026471
Demand Allocation Factors									
Purchase Power -- Average 12 CP	D01	12CP	1.000000	0.761525	0.048570	0.121330	0.036446	0.016624	0.015505
Station Equipment -- Maximum Class Demand	D02	NCP	1.000000	0.799445	0.038535	0.095301	0.033023	0.013855	0.019842
Primary Distribution Plant -- Maximum Class Demand	D03	NCP	1.000000	0.799445	0.038535	0.095301	0.033023	0.013855	0.019842
Services	SERV		1.000000	0.891667	0.069701	0.025941	0.012690	-	-
Misc. Service Revenue	MISCSERV		1.000000	0.891667	0.069701	0.025941	0.012690	-	-
Residential & Commercial Rev	RCRev		18,510,355	17,049,135	1,461,220				
Customer Allocation Factors									
Primary Distribution Plant -- Average Number of Customers	C01	Cust03	1.000000	0.905546	0.070786	0.011709	0.000532	0.000076	0.011351
Customer Services -- Average Number of Customers	C02	Cust05	1.000000	0.896205	0.070056	0.021235	0.001111	0.000159	0.011234
Meter Costs -- Weighted Cost of Meters	C03		1.000000	0.896943	0.070114	0.030997	0.001703	0.000243	-
Lighting Systems -- Lighting Customers	C04	Cust04	1.000000	-	-	-	-	-	1.000000
Meter Reading and Billing -- Weighted Cost	C05	Cust03	1.000000	0.905546	0.070786	0.011709	0.000532	0.000076	0.011351
Load Management	C06	Cust06	1.000000	0.603925	0.047209	0.007809	0.000355	0.000051	0.340652
Other Allocation Factors									
Rev	R01		23,087,258	17,049,135	1,461,220	2,594,264	686,779	403,468	892,392
Energy	E01		215,688,148	156,340,059	10,498,917	28,183,005	8,480,093	6,219,300	5,966,774
Loss Factor				0.050	0.050	0.025	0.025	-	-
Energy Including Losses	Energy		225,409,226	164,568,483	11,051,492	28,905,646	8,697,531	6,219,300	5,966,774
Customers (Monthly Bills)			236,652	142,920	11,172	1,848	84	12	80,616
Average Customers (Bills/12)	Cust01		19,721	11,910	931	154	7	1	6,718
Average Customers (Lighting = Lights)	Cust02		19,721	11,910	931	154	7	1	6,718
Average Customers (Lighting =45 Lights per Cust)	Cust03		13,152	11,910	931	154	7	1	149
Lighting	Cust04		1	-	-	-	-	-	1
Average Customers	Cust05		13,289	11,910	931	282	15	2	149
Load Management	Cust06		19,721	11,910	931	154	7	1	6,718
Winter CP Demands	WCP		374,798	282,269	19,477	48,454	13,811	6,679	4,108
Summer CP Demands	SCP		156,329	122,198	6,320	15,988	5,546	2,150	4,127
12 Month Sum of Coincident Demands	12CP		531,127	404,466	25,797	64,442	19,358	8,830	8,235
Class Maximum Demands	NCP		74,055	59,203	2,854	7,057	2,445	1,026	1,469
Sum of the Individual Customer Demands	SICD		1,396,024	1,191,751	47,636	98,627	30,614	11,037	16,360

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A2 - Commercial & Small Power			LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
				A1 - Farm & Home A1	A2	A2				
Allocation Factors (continued)										
Transmission Residual Demand Allocator	TRDA		531,127	404,466	25,797	64,442	19,358	8,830	8,235	
Transmission Plant In Service			\$ -							
Customer Specific Assignment										
Transmission Residual	TRDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Total	TA1		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Plant Allocator	T01	TA1	-	-	-	-	-	-	-	-
Transmission Residual Demand Allocator	TOMDA		531,127	404,466	25,797	64,442	19,358	8,830	8,235	
Transmission Plant In Service			\$ -							
Customer Specific Assignment			\$ -	0	0	0	0	0	0	0
Transmission Residual	TOMDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Total	TOMA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission O&M Allocator	T02	TOMA	-	-	-	-	-	-	-	-
Distribution Residual Demand Allocator	DDA		1,537,983	1,191,751	47,636	180,734	64,595	23,288	29,979	
Distribution Plant In Service			\$ 17,012,939							
Customer Specific Assignment										
Distribution Residual	DOMDA		\$ 17,012,939	\$ 13,182,967.3	\$ 526,941	\$ 1,999,255	\$ 714,539	\$ 257,609	\$ 331,628	
Distribution Total	DT1		\$ 17,012,939	\$ 13,182,967.3	\$ 526,941	\$ 1,999,255	\$ 714,539	\$ 257,609	\$ 331,628	
Distribution Plant Allocator	DA1	DT1	1.000000	0.77488	0.03097	0.11751	0.04200	0.01514	0.01949	
Distribution Residual Demand Allocator	DOMDA		1,537,983	1,191,750.61	47,636	180,734	64,595	23,288	29,979	
Distribution Plant In Service			\$ 17,012,939							
Customer Specific Assignment										
Distribution Residual	DOMDA		\$ 17,012,939	\$ 13,182,967.3	\$ 526,941	\$ 1,999,255	\$ 714,539	\$ 257,609	\$ 331,628	
Distribution Total	DOMA		\$ 17,012,939	\$ 13,182,967.3	\$ 526,941	\$ 1,999,255	\$ 714,539	\$ 257,609	\$ 331,628	
Distribution O&M Allocator	DOM	DOMA	1.000000	0.77488	0.03097	0.11751	0.04200	0.01514	0.01949	
Substation Residual Demand Allocator	SDA		531,127	404,466	25,797	64,442	19,358	8,830	8,235	
Substation Plant In Service			\$ 400,205							
Customer Specific Assignment										
Substation Residual	SDA		\$ 400,205	\$ 304,766	\$ 19,438	\$ 48,557	\$ 14,586	\$ 6,653	\$ 6,205	
Substation Total	ST1		\$ 400,205	\$ 304,766	\$ 19,438	\$ 48,557	\$ 14,586	\$ 6,653	\$ 6,205	
Substation Plant Allocator	SA1	ST1	1.000000	0.76152	0.04857	0.12133	0.03645	0.01662	0.01550	
Substation Residual Demand Allocator	SOMDA		531,127	404,466	25,797	64,442	19,358	8,830	8,235	
Substation Plant In Service			\$ 400,205							
Customer Specific Assignment										
Substation Residual	SOMDA		\$ 400,205	\$ 304,766	\$ 19,438	\$ 48,557	\$ 14,586	\$ 6,653	\$ 6,205	
Substation Total	STOM		\$ 400,205	\$ 304,766	\$ 19,438	\$ 48,557	\$ 14,586	\$ 6,653	\$ 6,205	
Substation O&M Allocator	SOMA	STOM	1.000000	0.76152	0.04857	0.12133	0.03645	0.01662	0.01550	

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Allocation Factors (continued)									
Customer Services Demand	CSD		1,537,883	1,191,751	47,636	180,734	64,595	23,288	29,979
Customer Services Allocator	CSA	CSD	1.000000	0.77488	0.03097	0.11751	0.04200	0.01514	0.01949
Purchased Power Residual Demand Allocator	PPDRA		531,127	404,466	25,797	64,442	19,358	8,830	8,235
Purchased Power Demand Costs			\$ 3,573,693						
Customer Specific Assignment			\$ -		0	-	-	-	-
Purchased Power Demand Residual	PPDRA	PPDRA	\$ 3,573,693	\$ 2,721,456	\$ 173,573	\$ 433,597	\$ 130,248	\$ 59,410	\$ 55,410
Purchased Power Demand Total	PPDT	PPDT	\$ 3,573,693	\$ 2,721,456	\$ 173,573	\$ 433,597	\$ 130,248	\$ 59,410	\$ 55,410
Purchased Power Demand Allocator	PPDA	PPDT	1.000000	0.76152	0.04857	0.12133	0.03645	0.01662	0.01550
Purchased Power Residual Energy Allocator	PPERA		215,688,148	156,340,059	10,498,917	28,183,005	8,480,093	6,219,300	5,966,774
Purchased Power Energy Costs			\$ 12,437,091						
Customer Specific Assignment			\$ -						
Purchased Power Energy Residual	PPERA	PPERA	\$ 12,437,091	\$ 9,014,939	\$ 605,392	\$ 1,625,099	\$ 488,982	\$ 358,620	\$ 344,058
Purchased Power Energy Total	PPET	PPERA	\$ 12,437,091	\$ 9,014,939	\$ 605,392	\$ 1,625,099	\$ 488,982	\$ 358,620	\$ 344,058
Purchased Power Energy Allocator	PPEA	PPET	1.000000	0.72484	0.04868	0.13067	0.03932	0.02883	0.02766

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Operating Expenses									
Purchased Power Demand			\$ 3,573,693	\$ 2,721,456	\$ 173,573	\$ 433,597	\$ 130,248	\$ 59,410	\$ 55,410
Purchased Power Energy			\$ 12,437,091	\$ 9,014,939	\$ 605,392	\$ 1,625,099	\$ 488,982	\$ 358,620	\$ 344,058
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 1,752,412	\$ 1,357,538	\$ 54,765	\$ 206,038	\$ 73,447	\$ 26,576	\$ 34,049
Distribution Customer			\$ 5,451,756	\$ 4,762,869	\$ 372,312	\$ 88,391	\$ 8,592	\$ 558	\$ 219,035
Total			\$ 23,214,952	\$ 17,856,802	\$ 1,206,041	\$ 2,353,125	\$ 701,269	\$ 445,164	\$ 652,552
Pro-Forma Operating Expenses									
Purchased Power Demand			\$ 3,573,693	\$ 2,721,456	\$ 173,573	\$ 433,597	\$ 130,248	\$ 59,410	\$ 55,410
Purchased Power Energy			\$ 11,082,026	\$ 7,926,231	\$ 502,786	\$ 1,498,592	\$ 461,238	\$ 349,121	\$ 344,058
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 1,664,915	\$ 1,295,369	\$ 52,423	\$ 193,294	\$ 68,199	\$ 24,692	\$ 30,939
Distribution Customer			\$ 5,191,591	\$ 4,544,752	\$ 356,392	\$ 82,923	\$ 7,978	\$ 519	\$ 199,028
Total			\$ 21,512,225	\$ 16,487,808	\$ 1,085,173	\$ 2,208,406	\$ 667,663	\$ 433,742	\$ 629,434
Rate Base									
Production & Purchased Power Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Production & Purchased Power Energy			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 12,586,673	\$ 9,748,119	\$ 396,473	\$ 1,480,545	\$ 526,546	\$ 191,145	\$ 243,846
Distribution Customer			\$ 21,457,344	\$ 17,566,242	\$ 1,373,146	\$ 329,366	\$ 61,606	\$ 1,563	\$ 2,125,421
Total			\$ 34,044,017	\$ 27,314,361	\$ 1,769,619	\$ 1,809,910	\$ 588,152	\$ 192,708	\$ 2,369,267
Revenue Requirement Calculated at a Rate of Return of 3.90%									
Production & Purchased Power Demand			\$ 3,573,693	\$ 2,721,456	\$ 173,573	\$ 433,597	\$ 130,248	\$ 59,410	\$ 55,410
Production & Purchased Power Energy			\$ 11,082,026	\$ 7,926,231	\$ 502,786	\$ 1,498,592	\$ 461,238	\$ 349,121	\$ 344,058
Transmission Demand			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Demand			\$ 2,156,362	\$ 1,675,985	\$ 67,903	\$ 251,102	\$ 88,758	\$ 32,155	\$ 40,460
Distribution Customer			\$ 6,029,395	\$ 5,230,627	\$ 410,006	\$ 95,783	\$ 10,383	\$ 580	\$ 282,015
Total			\$ 22,841,476	\$ 17,554,299	\$ 1,154,268	\$ 2,279,074	\$ 690,627	\$ 441,266	\$ 721,942
Target			\$ 22,841,476						
Variance			\$ -						

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Operating Expenses-Unit Costs									
Production & Purchased Power Demand (per KWH or KW)				0.01741	0.01653	4.40	4.25	5.38	3.39
Purchased Power Energy (per KWH)				0.05070	0.04789	0.05317	0.05439	0.05614	0.05766
Transmission Demand (per KWH or KW)				-	-	-	-	-	-
Distribution Demand (per KWH or KW)				0.00829	0.00499	1.96	2.23	2.24	1.89
Distribution Customer (per Customer)				31.80	31.90	44.87	94.97	43.23	2.47
Rate Base-Unit Costs									
Production & Purchased Power Demand (per KWH or KW)				-	-	-	-	-	-
Purchased Power Energy (per KWH)				-	-	-	-	-	-
Transmission Demand (per KWH or KW)				-	-	-	-	-	-
Distribution Demand (per KWH or KW)				0.06235	0.03776	15.01	17.20	17.32	14.91
Distribution Customer (per Customer)				122.91	122.91	178.23	733.41	130.24	26.36

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Unit Revenue Requirement @ Current Class Revenues	Various			-0.75%	17.24%	11.30%	-3.96%	-28.50%	10.33%
Production & Purchased Power									
Production & Purchased Power Demand (Per KWH or KW)				0.017407	0.016532	4.40	4.25	5.38	3.39
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Production & Purchased Power Energy (Per KWH)				0.050699	0.047889	0.053174	0.054391	0.056135	0.057662
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-	-	-
Transmission Demand									
Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
Transmission Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Total Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
Distribution Demand									
Distribution Demand (Per KWH or KW)				0.008286	0.004993	1.96	2.23	2.24	1.89
Distribution Demand Margin (Per KWH or KW)				(0.000465)	0.006511	1.70	(0.68)	(4.94)	1.54
Total Distribution Demand (Per KWH or KW)				0.007821	0.011504	3.66	1.55	(2.70)	3.43
Distribution Customer									
Distribution Customer (Per Customer Per Month)				31.80	31.90	44.87	94.97	43.23	2.47
Distribution Customer Margin (Per Customer Per Month)				(0.92)	21.19	20.13	(29.06)	(37.13)	2.72
Total Distribution Customer (Per Customer Per Month)				30.88	53.09	65.00	65.91	6.10	5.19

**BIG SANDY RECC
Cost of Service Study
Class Allocation**

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Unit Revenue Requirement @ Total System Rate of Return			1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%
Production & Purchased Power									
Production & Purchased Power Demand (Per KWH or KW)				0.017407	0.016532	4.40	4.25	5.38	3.39
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Production & Purchased Power Energy (Per KWH)				0.050699	0.047889	0.053174	0.054391	0.056135	0.057662
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-	-	-
Transmission Demand									
Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
Transmission Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Total Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
Distribution Demand									
Distribution Demand (Per KWH or KW)				0.008286	0.004993	1.96	2.23	2.24	1.89
Distribution Demand Margin (Per KWH or KW)				0.000865	0.000524	0.21	0.24	0.24	0.21
Total Distribution Demand (Per KWH or KW)				0.009151	0.005517	2.17	2.47	2.48	2.10
Distribution Customer									
Distribution Customer (Per Customer Per Month)				31.80	31.90	44.87	94.97	43.23	2.47
Distribution Customer Margin (Per Customer Per Month)				1.71	1.71	2.47	10.18	1.81	0.37
Total Distribution Customer (Per Customer Per Month)				33.51	33.61	47.35	105.15	45.03	2.83

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Unit Revenue Requirement @ Specified Rate of Return	3.90%			3.90%	3.90%	3.90%	3.90%	3.90%	3.90%
Production & Purchased Power									
Production & Purchased Power Demand (Per KWH or KW)				0.017407	0.016532	4.40	4.25	5.38	3.39
Production & Purchased Power Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Production & Purchased Power Energy (Per KWH)				0.050699	0.047889	0.053174	0.054391	0.056135	0.057662
Production & Purchased Power Energy Margin (Per KWH)				-	-	-	-	-	-
Transmission Demand									
Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
Transmission Demand Margin (Per KWH or KW)				-	-	-	-	-	-
Total Transmission Demand (Per KWH or KW)				-	-	-	-	-	-
Distribution Demand									
Distribution Demand (Per KWH or KW)				0.008286	0.00499	1.96	2.23	2.24	1.89
Distribution Demand Margin (Per KWH or KW)				0.002435	0.00147	0.59	0.67	0.68	0.58
Total Distribution Demand (Per KWH or KW)				0.010720	0.00647	2.55	2.90	2.91	2.47
Distribution Customer									
Distribution Customer (Per Customer Per Month)				31.80	31.90	44.87	94.97	43.23	2.47
Distribution Customer Margin (Per Customer Per Month)				4.80	4.80	6.96	28.64	5.09	1.03
Total Distribution Customer (Per Customer Per Month)				36.60	36.70	51.83	123.61	48.31	3.50

BIG SANDY RECC
Cost of Service Study
Class Allocation

12 Months Ended July 31, 2016

Description	Name	Allocation Vector	Total System	A1 - Farm & Home A1	A2 - Commercial & Small Power A2	LP - Large Power LP	LPR - Large Power LPR	IND 1-B - Industrial IND-1B	Lighting YL
Summary of Cost-Based Charges									
At Current Class Rate of Return			1.91%	-0.75%	17.24%	11.30%	-3.96%	-28.50%	10.33%
Customer Charge (\$/month)				30.88	53.09	65.00	65.91	6.10	
Energy Charge (\$/kWh)				0.075927	0.075926	0.053174	0.054391	0.056135	
Demand Charge (\$/kW)				-	-	8.05	5.80	2.68	
At Current Total System Rate of Return			1.39%	1.39%	1.39%	1.39%	1.39%	1.39%	1.39%
Customer Charge (\$/month)				33.51	33.61	47.35	105.15	45.03	
Energy Charge (\$/kWh)				0.077257	0.069939	0.053174	0.054391	0.056135	
Demand Charge (\$/kW)				-	-	6.56	6.72	7.86	
At Specified Total System Rate of Return			3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%
Customer Charge (\$/month)				36.60	36.70	51.83	123.61	48.31	
Energy Charge (\$/kWh)				0.078826	0.070889	0.053174	0.054391	0.056135	
Demand Charge (\$/kW)				-	-	6.94	7.15	8.30	

Exhibit JW-6

COSS: Billing Determinants

BIG SANDY RECC
 Summary of Billing Determinants and Demand Analysis

Rate Class	Code	Average Customers	kWh	Revenue	12 - Month Individual Customer Demand	Sum of Individual Customer Max Demand	Class Demand During Peak Month	Sum of Coincident Demands	Summer Coincident Demands	Winter Coincident Demands
A1 - Farm & Home	A1	11,910	156,340,059	\$ 17,049,135	1,191,751	171,482	59,203	404,466	122,198	282,269
A2 - Commercial & Small Power	A2	931	10,498,917	\$ 1,461,220	47,636	4,615	2,854	25,797	6,320	19,477
LP - Large Power	LP	154	28,183,005	\$ 2,594,264	98,627	8,627	7,057	64,442	15,988	48,454
LPR - Large Power	LPR	7	8,480,093	\$ 686,779	30,614	3,125	2,445	19,358	5,546	13,811
IND 1-B - Industrial	IND-1B	1	6,219,300	\$ 403,468	11,037	1,026	1,026	8,830	2,150	6,679
Lighting	YL	6,718	5,966,774	\$ 892,392	16,360	1,469	1,469	8,235	4,127	4,108
Total		19,721	215,688,148	\$ 23,087,258	1,396,024	190,344	74,055	531,127	156,329	374,798
Total Excluding Lighting		13,003								

BIG SANDY RECC
 Summary of Billing Determinants and Demand Analysis

<u>Rate Class</u>	<u>Code</u>	<u>Rate Class</u>	<u>Average Customers</u>	<u>kWh</u>	<u>Revenue</u>	<u>% KWH</u>	<u>% Revenue</u>
A1 - Farm & Home	A1	A1 - Farm & Home	11,910	156,340,059	\$ 17,049,135	72.48%	73.85%
A2 - Commercial & Small Power	A2	A2 - Commercial & S	931	10,498,917	\$ 1,461,220	4.87%	6.33%
LP - Large Power	LP	LP - Large Power	154	28,183,005	\$ 2,594,264	13.07%	11.24%
LPR - Large Power	LPR	LPR - Large Power	7	8,480,093	\$ 686,779	3.93%	2.97%
IND 1-B - Industrial	IND-1B	IND 1-B - Industrial	1	6,219,300	\$ 403,468	2.88%	1.75%
Lighting	YL	Lighting	6,718	5,966,774	\$ 892,392	2.77%	3.87%
Total		Total	19,721	215,688,148	\$ 23,087,258	100.00%	100.00%

Total Excluding Lighting

BIG SANDY RECC
 Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>Aug 2015</u>	<u>Sep 2015</u>	<u>Oct 2015</u>	<u>Nov 2015</u>	<u>Dec 2015</u>	<u>Jan 2016</u>	<u>Feb 2016</u>	<u>Mar 2016</u>	<u>Apr 2016</u>
A1 - Farm & Home	A1	11,950	11,904	11,910	11,916	11,891	11,858	11,932	11,900	11,857
Kwh's		12,312,821	10,051,122	9,695,694	11,807,886	14,279,360	22,964,909	16,752,265	12,491,693	9,958,331
Average Demand		16,549	13,959.89	13,032	16,400	19,193	30,866.81	24,928.97	16,790	13,831
Diversified Load Factor		50.53%	43.28%	40.19%	38.16%	48.52%	52.14%	56.56%	51.67%	50.25%
Non-Coincident Demand		32,750	32,252	32,427	42,981	39,557	59,203	44,079	32,494	27,522
Coincidence Factor		95.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Coincident Demand		31,113	29,026	29,185	38,683	35,601	53,282	39,671	29,244	24,770
Individual Customer Load Factor		18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
Sum of Individual Customer Demands		91,942	77,555	72,399	91,110	106,626	171,482	138,494	93,277	76,839
A2 - Commercial & Small Power	A2	928	924	927	935	937	938	923	922	933
Kwh's		942,707	858,794	799,424	774,030	904,841	1,106,963	894,296	856,498	797,225
Average Demand		1,267	1,192.77	1,074	1,075	1,216	1,487.85	1,330.80	1,151	1,107
Diversified Load Factor		50.53%	43.28%	40.19%	38.16%	48.52%	52.14%	56.56%	51.67%	50.25%
Non-Coincident Demand		2,507	2,756	2,674	2,817	2,507	2,854	2,353	2,228	2,203
Coincidence Factor		85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Coincident Demand		2,131	2,342	2,273	2,395	2,131	2,426	2,000	1,894	1,873
Individual Customer Load Factor		23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Sum of Individual Customer Demands		3,560	3,592	4,071	4,182	4,114	4,615	4,315	4,035	3,944
LP - Large Power	LP	154	155	155	154	154	153	157	154	154
Kwh's		2,606,838	2,420,555	2,288,394	2,081,663	2,352,329	2,641,354	2,334,369	2,262,870	2,028,001
Average Demand		3,504	3,361.88	3,076	2,891	3,162	3,550.21	3,473.76	3,041	2,817
Diversified Load Factor		50.61%	47.64%	46.20%	43.98%	46.95%	53.80%	51.64%	45.67%	43.62%
Non-Coincident Demand		6,923	7,057	6,657	6,574	6,735	6,598	6,727	6,659	6,457
Coincidence Factor		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Coincident Demand		5,538	5,646	5,326	5,259	5,388	5,279	5,382	5,327	5,165
Individual Customer Load Factor		41.91%	38.97%	37.39%	35.15%	38.17%	45.29%	42.90%	36.85%	34.87%
Sum of Individual Customer Demands		8,360	8,627	8,227	8,225	8,284	7,839	8,098	8,254	8,078

BIG SANDY RECC
 Summary of Billing Determinants and Demand Analysis

<u>Rate Schedule</u>	<u>Code</u>	<u>May 2016</u>	<u>Jun 2016</u>	<u>Jul 2016</u>	<u>Total</u>	<u>SIC</u> <u>Max Demand</u>	<u>Class Demand</u> <u>During</u> <u>Peak Month</u>	<u>Sum of</u> <u>Coin Demand</u>	<u>Summer</u> <u>Coin Demand</u>	<u>Winter</u> <u>Coin Demand</u>
A1 - Farm & Home	A1	11,855	12,102	11,850	11,910					
Kwh's		9,655,934	12,111,570	14,258,474	156,340,059					
Average Demand		12,978	16,822	19,165	17,847					
Diversified Load Factor		43.74%	46.66%	49.65%						
Non-Coincident Demand		29,675	36,052	38,596	447,588		59,203			
Coincidence Factor		90.00%	90.00%	90.00%						
Coincident Demand		26,707	32,447	34,736	404,466			404,466	122,198	282,269
Individual Customer Load Factor		18.00%	18.00%	18.00%						
Sum of Individual Customer Demands		72,102	93,453	106,470	1,191,751	171,482				
A2 - Commercial & Small Power	A2	939	941	928	931					
Kwh's		752,203	865,885	946,051	10,498,917					
Average Demand		1,011	1,203	1,272	1,199					
Diversified Load Factor		43.74%	46.66%	49.65%						
Non-Coincident Demand		2,312	2,577	2,561	30,349		2,854			
Coincidence Factor		85.00%	85.00%	85.00%						
Coincident Demand		1,965	2,191	2,177	25,797			25,797	6,320	19,477
Individual Customer Load Factor		23.00%	23.00%	23.00%						
Sum of Individual Customer Demands		3,890	3,650	3,668	47,636	4,615				
LP - Large Power	LP	155	154	154	154					
Kwh's		2,170,809	2,387,963	2,607,860	28,183,005					
Average Demand		2,918	3,317	3,505	3,217					
Diversified Load Factor		45.15%	49.32%	50.24%						
Non-Coincident Demand		6,462	6,725	6,977	80,552		7,057			
Coincidence Factor		80.00%	80.00%	80.00%						
Coincident Demand		5,170	5,380	5,582	64,442			64,442	15,988	48,454
Individual Customer Load Factor		36.41%	40.59%	41.49%						
Sum of Individual Customer Demands		8,013	8,171	8,449	98,627	8,627				

BIG SANDY RECC
 Summary of Billing Determinants and Demand Analysis

Rate Schedule	Code	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016
LPR - Large Power	LPR	8	8	7	7	7	7	7	7	7
Kwh's		757,774	691,342	659,558	657,806	708,100	862,558	756,104	737,258	685,864
Average Demand		1,019	960.20	887	914	952	1,159.35	1,125.15	991	953
Diversified Load Factor		50.52%	61.87%	48.00%	44.83%	47.09%	49.28%	46.01%	46.42%	45.07%
Non-Coincident Demand		2,016	1,552	1,847	2,038	2,021	2,352	2,445	2,135	2,114
Coincidence Factor		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Coincident Demand		1,613	1,242	1,477	1,630	1,617	1,882	1,956	1,708	1,691
Individual Customer Load Factor		40.52%	51.87%	38.00%	34.83%	37.09%	39.28%	36.01%	36.42%	35.07%
Sum of Individual Customer Demands		2,514	1,851	2,333	2,623	2,566	2,951	3,125	2,721	2,716
IND 1-B - Industrial	IND-1B	1	1	1	1	1	1	1	1	1
Kwh's		593,400	580,500	544,200	444,900	481,200	440,400	480,600	493,800	489,900
Average Demand		798	806.25	731	618	647	592	715	664	680
Diversified Load Factor		86.66%	78.64%	82.43%	68.04%	71.21%	62.70%	84.01%	74.55%	71.38%
Non-Coincident Demand		921	1,026	888	909	909	945	852	891	954
Coincidence Factor		80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Coincident Demand		737	821	710	727	727	756	682	713	763
Individual Customer Load Factor		86.66%	78.64%	82.43%	68.04%	71.21%	62.70%	84.01%	74.55%	71.38%
Sum of Individual Customer Demands		921	1,026	888	909	909	945	852	891	954
Lighting	YL	6,723	6,703	6,714	6,717	6,709	6,721	6,688	6,696	6,695
Kwh's		519,752	514,295	512,912	507,036	502,977	498,582	493,710	490,222	484,945
Average Demand		699	714.30	689	704	676	670.14	734.69	659	674
Diversified Load Factor		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Non-Coincident Demand		1,397	1,429	1,379	1,408	1,352	1,340	1,469	1,318	1,347
Coincidence Factor		0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Coincident Demand		-	-	-	1,408	1,352	1,340	1,469	1,318	1,347
Individual Customer Load Factor		50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Sum of Individual Customer Demands		1,397	1,429	1,379	1,408	1,352	1,340	1,469	1,318	1,347
Sales		17,733,292	15,116,608	14,500,182	16,273,321	19,228,807	28,514,766	21,711,344	17,332,341	14,444,266
Metered CP		41,132	39,077	38,971	50,103	46,816	64,965	51,160	40,204	35,609
Calculated CP		41,132	39,077	38,971	50,103	46,816	64,965	51,160	40,204	35,609
Difference		0	0	0	0	0	0	0	0	0

BIG SANDY RECC
 Summary of Billing Determinants and Demand Analysis

Rate Schedule	Code	May 2016	Jun 2016	Jul 2016	Total	SIC Max Demand	Class Demand During Peak Month	Sum of Coin Demand	Summer Coin Demand	Winter Coin Demand
LPR - Large Power	LPR	7	7	7	7					
Kwh's		667,960	643,760	652,009	8,480,093					
Average Demand		898	894	876	968					
Diversified Load Factor		46.55%	49.28%	45.32%						
Non-Coincident Demand		1,929	1,814	1,934	24,197		2,445			
Coincidence Factor		80.00%	80.00%	80.00%						
Coincident Demand		1,543	1,452	1,547	19,358			19,358	5,546	13,811
Individual Customer Load Factor		36.55%	39.28%	35.32%						
Sum of Individual Customer Demands		2,457	2,276	2,481	30,614	3,125				
IND 1-B - Industrial	IND-1B	1	1	1	1					
Kwh's		532,800	551,700	585,900	6,219,300					
Average Demand		716	766	788	710					
Diversified Load Factor		76.57%	84.92%	87.27%						
Non-Coincident Demand		936	903	903	11,037		1,026			
Coincidence Factor		80.00%	80.00%	80.00%						
Coincident Demand		749	722	722	8,830			8,830	2,150	6,679
Individual Customer Load Factor		76.57%	84.92%	87.27%						
Sum of Individual Customer Demands		936	903	903	11,037	1,026				
Lighting	YL	6,707	6,813	6,734	6,718					
Kwh's		483,411	479,449	479,483	5,966,774					
Average Demand		650	666	644	681					
Diversified Load Factor		50.00%	50.00%	50.00%						
Non-Coincident Demand		1,299	1,332	1,289	16,360		1,469			
Coincidence Factor		0.00%	0.00%	0.00%						
Coincident Demand		-	-	-	8,235			8,235	4,127	4,108
Individual Customer Load Factor		50.00%	50.00%	50.00%						
Sum of Individual Customer Demands		1,299	1,332	1,289	16,360	1,469				
Sales		14,263,117	17,040,327	19,529,777	215,688,148					
Metered CP		36,134	42,192	44,764	531,127					
Calculated CP		36,134	42,192	44,764	531,127	100%				
Difference		0	0	0	0					

Exhibit JW-7

COSS: Purchased Power, Meters,
& Services

**BIG SANDY RECC
Purchased Power**

#	Item	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	TOTAL
1														
2	Billing Demand (kW)	41,132	39,077	38,971	50,103	46,816	64,965	51,160	40,204	35,609	36,134	42,192	44,764	531,127
3	Energy (kWh)	18,763,366	16,042,902	15,419,582	17,928,815	19,991,023	30,286,526	23,398,479	17,874,633	15,284,619	15,095,397	17,934,275	20,532,025	228,551,642
4	Demand Charge	248,591	236,363	235,583	302,600	282,810	392,070	308,962	243,006	215,344	218,505	254,974	270,457	3,209,265
5	Energy Charge	932,895	794,841	745,014	866,372	966,388	1,462,376	1,129,480	863,140	737,855	743,679	892,658	1,022,337	11,157,035
6	Metering Point	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	15,552
7	Sub/Wheeling Charge	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	29,073	348,876
8	Fuel Adjustment Clause	(67,359)	(57,754)	(68,771)	(64,364)	(59,973)	(138,105)	(72,300)	(97,774)	(105,464)	(94,798)	(114,061)	(89,929)	(1,030,652)
9	Environmental Surcharge	182,089	163,121	160,833	210,084	229,407	321,393	223,442	113,431	125,568	157,915	202,042	241,714	2,331,039
10	SUBTOTAL	1,326,585	1,166,940	1,103,028	1,345,061	1,449,001	2,068,103	1,619,953	1,152,172	1,003,672	1,055,670	1,265,982	1,474,948	16,031,115
11	Direct Load Control	(1,588)	(1,563)	(1,566)	(1,566)	(1,576)	(1,576)	(1,567)	(1,567)	(1,566)	(1,566)	(1,566)	(1,566)	(18,833)
12	Direct Load Surcharge	(253)	(254)	(267)	(290)	(296)	(290)	(251)	(171)	(224)	(275)	(297)	(307)	(3,175)
13	Direct Load Total Charge	(1,841)	(1,817)	(1,833)	(1,856)	(1,872)	(1,866)	(1,818)	(1,738)	(1,790)	(1,841)	(1,863)	(1,873)	(22,008)
14	Green Power KWH	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	5,800	69,600
15	Green Power Charge	138	138	138	138	138	138	138	138	138	145	145	145	1,677
16	Generator Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
17	TOTAL	1,324,882	1,165,261	1,101,333	1,343,343	1,447,267	2,066,375	1,618,273	1,150,572	1,002,020	1,053,974	1,264,264	1,473,220	16,010,784
18														
19														
20	Total Demand \$	\$ 278,960	\$ 266,732	\$ 265,952	\$ 332,969	\$ 313,179	\$ 422,439	\$ 339,331	\$ 273,375	\$ 245,713	\$ 248,874	\$ 285,343	\$ 300,826	\$ 3,573,693
21	Total Energy \$	\$ 1,045,922	\$ 898,529	\$ 835,381	\$ 1,010,374	\$ 1,134,088	\$ 1,643,936	\$ 1,278,942	\$ 877,197	\$ 756,307	\$ 805,100	\$ 978,921	\$ 1,172,394	\$ 12,437,091
22	Total \$	\$ 1,324,882	\$ 1,165,261	\$ 1,101,333	\$ 1,343,343	\$ 1,447,267	\$ 2,066,375	\$ 1,618,273	\$ 1,150,572	\$ 1,002,020	\$ 1,053,974	\$ 1,264,264	\$ 1,473,220	\$ 16,010,784
23	Variance \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Total Demand %	0.21	0.23	0.24	0.25	0.22	0.20	0.21	0.24	0.25	0.24	0.23	0.20	0.22
25	Total Energy %	0.79	0.77	0.76	0.75	0.78	0.80	0.79	0.76	0.75	0.76	0.77	0.80	0.78

Total 16,010,784
Acct 555 16,010,784
Difference -

**BIG SANDY RECC
Meter Costs**

#	Rate	Rate Code	Installed Meters	Avg Meter Cost	Total Cost	Allocation Factor
1	A1 - Farm & Home	A1	11,910	\$ 317	\$ 3,775,470	89.69%
2	A2 - Commercial & Small Power	A2	931	\$ 317	\$ 295,127	7.01%
3	LP - Large Power	LP	154	\$ 847	\$ 130,477	3.10%
4	LPR - Large Power	LPR	7	\$ 1,024	\$ 7,168	0.17%
5	IND 1-B - Industrial	IND-1B	1	\$ 1,024	\$ 1,024	0.02%
6	Lighting	YL	6,718	\$ -	\$ -	0.00%
7						
8	Total		19,721	\$ 213.44	\$ 4,209,266	100.00%

**BIG SANDY RECC
Service Costs**

#	Rate	Rate Code	Average Number of Services	Average Service Cost	Total Cost	Allocation Factor
1	A1 - Farm & Home	A1	11,910	\$ 3,200	\$ 38,112,000	89.17%
2	A2 - Commercial & Small Power	A2	931	\$ 3,200	\$ 2,979,200	6.97%
3	LP - Large Power	LP	154	\$ 7,200	\$ 1,108,800	2.59%
4	LPR - Large Power	LPR	7	\$ 77,488	\$ 542,416	1.27%
5	IND 1-B - Industrial	IND-1B	1	\$ -	\$ -	0.00%
6	Lighting	YL	6,718	\$ -	\$ -	0.00%
7						
8	Total		19,721	\$ 2,167.36	\$ 42,742,416	100.00%

Exhibit JW-8

COSS: Zero Intercept Analysis

BIG SANDY RECC
Zero Intercept & Minimum System Analyses

Account 364 - Poles, Towers & Fixtures

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs		
				Unit Cost (\$ per Unit)	y*n^0.5	n^0.5	xn^0.5
POLES 20 & 25'	20	2,091,553.18	8,636	242.19	22,506.74	92.93	1,858.60
POLES 30	30	\$ 784,611.57	3,010	260.67	14,301.17	54.86	1,645.90
POLES 35'	35	1,357,512.40	4,735	286.70	19,728.03	68.81	2,408.40
POLES 40'	40	3,524,267.01	6,598	534.14	43,387.30	81.23	3,249.12
POLES 45'	45	1,969,908.87	3,610	545.68	32,786.31	60.08	2,703.75
POLES 50'	50	686,746.68	1,149	597.69	20,259.87	33.90	1,694.85
POLES 55'	55	212,605.21	362	587.31	11,174.28	19.03	1,046.45
POLES 60'	60	79,507.89	116	685.41	7,382.12	10.77	646.22
POLES 65'	65	23,194.38	30	773.15	4,234.70	5.48	356.02
POLES 70'	70	4,290.67	7	612.95	1,621.72	2.65	185.20
POLES 75' & UP	75	535.61	1	535.61	535.61	1.00	75.00
TOTAL		\$ 10,734,733.47	28,254				

Zero Intercept Linear Regression Results

Size Coefficient (\$ per MCM)	12.50849
Zero Intercept (\$ per Unit)	(37.07917)
R-Square	0.9735

LINEST Array

12.50849	(37.07917)
2.14763	74.91848
0.97351	3,706.95676

Plant Classification

Total Number of Units	28,254
Zero Intercept (\$/Unit)	\$ (37.08)
Minimum System (\$/Unit)	\$ 242.19
Use Min System (M) or Zero Intercept (Z)?	M
Zero Intercept or Min System Cost (\$)	\$ 6,842,837
Total Cost of Sample	\$ 10,734,733
Percentage of Total	0.6374
Percentage Classified as Customer-Related	63.74%
Percentage Classified as Demand-Related	36.26%

BIG SANDY RECC
Zero Intercept & Minimum System Analyses

Account 365 - Overhead Conductors and Devices

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs		
				Unit Cost (\$ per Unit)	y*n^0.5	n^0.5	xn^0.5
#2 - 3 STRAND COP	199.11	\$ 5,202.83	12,839	0.41	45.92	113.31	22,561.02
#4 ACWC	41.74	2,975.16	27,738	0.11	17.86	166.55	6,951.68
#6 ACWC	26.25	294,648.69	2,310,524	0.13	193.84	1,520.04	39,901.07
#8 ACWC	16.51	161,854.86	784,279	0.21	182.76	885.60	14,620.29
#6 HD COPPER	26.25	472.56	9,737	0.05	4.79	98.68	2,590.25
#6 STEEL	26.25	187.74	6,100	0.03	2.40	78.10	2,050.19
#2 ACSR	66.37	3,187,798.09	3,471,910	0.92	1,710.83	1,863.31	123,667.63
#4 ACSR	41.74	706,989.45	2,111,660	0.33	486.52	1,453.16	60,654.70
#1/0 ACSR	105.53	2,141,714.87	2,705,770	0.79	1,302.02	1,644.92	173,588.67
#3/0 ACSR	167.80	983,150.14	1,969,662	0.50	700.53	1,403.45	235,498.32
#4/0 ACSR	41.74	66,340.95	286,558	0.23	123.93	535.31	22,343.89
#3/0 SPACER CABLE	167.80	228.95	174	1.32	17.36	13.19	2,213.43
336.4 ACSR	336.40	1,891,830.67	914,156	2.07	1,978.66	956.12	321,637.10
250+MCM	250.00	35,720.64	73,864	0.48	131.43	271.78	67,944.83
397 ACSR	397.00	14,264.92	31,443	0.45	80.45	177.32	70,396.73
#2 ACSR 15KV TW	66.37	31,245.26	7,842	3.98	352.83	88.56	5,877.40
1/0 AAC 15 KV H CABLE	105.53	2,684.67	1,344	2.00	73.23	36.66	3,868.79
TOTAL		\$ 9,527,310.45	14,725,600				

Zero Intercept Linear Regression Results

Size Coefficient (\$ per MCM)	0.00443
Zero Intercept (\$ per Unit)	0.23675
R-Square	0.8430

LINEST Array

0.00443	0.23675
0.00103	0.12573
0.84299	315.46694

Plant Classification

Total Number of Units	14,725,600
Zero Intercept (\$/Unit)	\$ 0.24
Minimum System (\$/Unit)	\$ 0.03
Use Min System (M) or Zero Intercept (Z)?	Z
Zero Intercept or Min System Cost (\$)	\$ 3,486,235
Total Cost of Sample	\$ 9,527,310
Percentage of Total	0.3659
Percentage Classified as Customer-Related	36.59%
Percentage Classified as Demand-Related	63.41%

BIG SANDY RECC
Zero Intercept & Minimum System Analyses

Account 367 - Underground Conductors and Devices

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs		
				Unit Cost (\$ per Unit)	$y \cdot n^{0.5}$	$n^{0.5}$	$xn^{0.5}$
#2 COPPER	66.37	\$ 1,101.01	585	1.88	45.52	24.19	1,605.28
#4/0 URD PRIMARY	41.74	\$ 9,633.34	2,123	4.54	209.07	46.08	1,923.21
#2 UF 15KV	66.37	87,080.16	16,546	5.26	676.98	128.63	8,537.26
1/0 UF AL 15KV	105.53	282,344.22	55,259	5.11	1,201.10	235.07	24,807.18
TOTAL		\$ 380,158.73	74,513				

Zero Intercept Linear Regression Results

Size Coefficient (\$ per MCM)	0.00175
Zero Intercept (\$ per Unit)	4.93602
R-Square	0.9964

LINEST Array

0.00175	4.93602
0.01164	1.12358
0.99636	59.55120

Plant Classification

Total Number of Units	74,513
Zero Intercept (\$/Unit)	\$ 4.94
Minimum System (\$/Unit)	\$ 1.88
Use Min System (M) or Zero Intercept (Z)?	Z
Zero Intercept or Min System Cost (\$)	\$ 367,798
Total Cost of Sample	\$ 380,159
Percentage of Total	0.9675
Percentage Classified as Customer-Related	96.75%
Percentage Classified as Demand-Related	3.25%

BIG SANDY RECC
Zero Intercept & Minimum System Analyses

Account 368 - Line Transformers

Description	Size	Cost	Quantity	Actual	Linear Regression Inputs			NARUC CAM	
				Unit Cost (\$ per Unit)	y*n^0.5	n^0.5	xn^0.5	Incl?	Qty
5 KVA CONV	5.00	38,143.40	159	239.90	3,024.97	12.61	63.05	1	159
10 KVA CONV	10.00	66,450.25	169	393.20	5,111.56	13.00	130.00	1	169
15 KVA CONV	15.00	85,002.45	178	477.54	6,371.20	13.34	200.12	1	178
25 KVA CONV	25.00	138,032.40	226	610.76	9,181.78	15.03	375.83	1	226
37.5 KVA CONV	37.50	221,718.55	240	923.83	14,311.87	15.49	580.95	1	240
50 KVA CONV	50.00	429,227.25	500	858.45	19,195.63	22.36	1,118.03	1	500
50 KVA/TWACS	50.00	26,990.44	35	771.16	4,562.22	5.92	295.80	1	35
1.5 KV CSP	1.50	8,195.52	114	71.89	767.58	10.68	16.02	1	114
3 KVA CSP	3.00	9,032.26	134	67.40	780.27	11.58	34.73	1	134
5 KVA CSP	5.00	37,619.07	275	136.80	2,268.52	16.58	82.92	1	275
7.5 KVA CSP	7.50	341.19	3	113.73	196.99	1.73	12.99	1	3
10 KVA CSP	10.00	895,353.54	3,139	285.24	15,980.81	56.03	560.27	1	3,139
15 KVA CSP	15.00	1,538,230.13	2,970	517.92	28,225.59	54.50	817.47	1	2,970
25 KVA CSP	25.00	1,441,138.35	2,091	689.21	31,515.82	45.73	1,143.19	1	2,091
PADMOUNT SINGLE PH 25 KVA	25.00	28,460.00	15	1,897.33	7,348.34	3.87	96.82	1	15
PADMOUNT SINGLE PH 50 KVA	50.00	13,734.00	6	2,289.00	5,606.88	2.45	122.47	1	6
75 KVA CONV	75.00	71,664.01	55	1,302.98	9,663.17	7.42	556.21	0	-
100 KVA CONV	100.00	97,177.47	59	1,647.08	12,651.43	7.68	768.11	0	-
167 KVA CONV	167.00	131,512.75	65	2,023.27	16,312.15	8.06	1,346.40	0	-
225 KVA CONV	225.00	3,572.00	1	3,572.00	3,572.00	1.00	225.00	0	-
225, 300, & 333	225.00	58,179.20	20	2,908.96	13,009.26	4.47	1,006.23	0	-
500 KVA CONV	500.00	108,876.85	21	5,184.61	23,758.88	4.58	2,291.29	0	-
833-1500 KVA	833.00	82,071.62	5	16,414.32	36,703.54	2.24	1,862.64	0	-
PADMOUNT SINGLE PH 100 KVA	100.00	5,653.00	2	2,826.50	3,997.27	1.41	141.42	0	-
PADMOUNT THREE PH 75 KVA	75.00	5,413.00	1	5,413.00	5,413.00	1.00	75.00	0	-
PADMOUNT THREE PH 300 KVA	300.00	\$ 8,514.97	1	8,514.97	8,514.97	1.00	300.00	0	-
PADMOUNT THREE PH 1500 KVA	1,500.00	17,991.00	1	17,991.00	17,991.00	1.00	1,500.00	0	-
PADMOUNT THREE PH 225 KVA	225.00	6,967.00	1	6,967.00	6,967.00	1.00	225.00	0	-
PADMOUNT 3 PH 150 KVA	150.00	6,313.40	1	6,313.40	6,313.40	1.00	150.00	0	-
TOTAL		\$ 5,581,575.07	10,487						10,254

Zero Intercept Linear Regression Results

Size Coefficient (\$ per MCM)	13.30451
Zero Intercept (\$ per Unit)	252.40920
R-Square	0.9577

LINEST Array

13.30451	252.40920
1.40781	38.88232
0.95775	2,826.74029

Plant Classification

Total Number of Units	*	10,254
Zero Intercept (\$/Unit)	\$	252.41
Minimum System (\$/Unit)	\$	67.40
Use Min System (M) or Zero Intercept (Z)?		Z
Zero Intercept or Min System Cost (\$)	\$	2,588,204
Total Cost of Sample	\$	5,581,575
Percentage of Total		0.4637
Percentage Classified as Customer-Related		46.37%
Percentage Classified as Demand-Related		53.63%

* Only single-phase up to 50 KVA should be included in the Customer-related component per NARUC CAM

BIG SANDY RECC
Zero Intercept & Minimum System Analyses

<u>Descriptor</u>	<u>Acct</u>	<u>Demand</u>	<u>Customer</u>
Poles, Towers and Fixtures	364	0.3626	0.6374
Overhead Conductors and Devices	365	0.6341	0.3659
Underground Conductors and Devices	367	0.0325	0.9675
Line Transformers	368	0.5363	0.4637

Exhibit JW-9

Present & Proposed Rates

BIG SANDY RECC
Present and Proposed Rates

Rate Class			Rates				Revenues					
Classification	Code	Billing Unit	Test Year Rate	Present Rate	Proposed Rate	Incr (Decr) Over Pres	Test Year Revenue	Present Revenue	Proposed Revenue	Increase \$	Increase %	Increase Avg Bill
Farm & Home	A1	Customer Charge (per month)	15.00	15.00	21.25	6.25	\$ 17,061,721	\$ 16,669,307	\$ 17,579,360	\$ 910,052	5.5%	\$6.37
		Energy Charge On-Pk (per kWh)	0.08900	0.08649	0.08705	0.00056						
		Energy Charge Off-Pk(per kWh)	0.05441	0.05190	0.05190	-						
Comm. & Small Power	A2	Customer Charge (per month)	24.64	24.64	30.00	5.36	\$ 1,461,333	\$ 1,434,981	\$ 1,435,790	\$ 810	0.1%	\$0.07
		Energy Charge (per kWh)	0.07880	0.07629	0.07090	(0.00539)						
		Demand Charge (per kW)	5.50	5.50	5.50	-						
Large Power Service	LP	Customer Charge (per month)	93.28	93.28	93.28	-	\$ 2,585,572	\$ 2,514,832	\$ 2,516,805	\$ 1,973	0.1%	\$1.06
		Energy Charge SEC (per kWh)	0.06119	0.05868	0.05868	-						
		Energy Charge PRI (per kWh)	0.05507	0.05256	0.05256	-						
		Demand Charge (per kW)	6.25	6.25	6.27	0.02						
Large Power Service	LPR	Customer Charge (per month)	107.68	107.68	107.68	-	\$ 687,516	\$ 666,231	\$ 675,850	\$ 9,618	1.4%	\$111.84
		Energy Charge SEC (per kWh)	0.06030	0.05779	0.05817	0.00038						
		Energy Charge PRI (per kWh)	0.05427	0.05176	0.05210	0.00034						
		Demand Charge (per kW)	6.25	6.25	6.47	0.22						
Industrial	IND 1-B	Customer Charge (per month)	173.33	173.33	173.33	-	\$ 403,468	\$ 387,858	\$ 393,047	\$ 5,189	1.3%	\$432.45
		Energy Charge SEC (per kWh)	0.05244	0.04993	0.05025	0.00032						
		Energy Charge PRI (per kWh)	0.05178	0.04927	0.04959	0.00032						
		Demand Charge Contract (per kW)	6.16	6.16	6.44	0.28						
		Demand Charge Excess (per kW)	8.93	8.93	9.34	0.41						
Lighting	YL-1	175 Watt	9.49	9.31	9.31	-	\$ 882,969	\$ 864,791	\$ 864,791	\$ -	0.0%	\$0.00
		400 Watt	14.27	13.89	13.89	-						
		500 Watt	16.82	16.29	16.29	-						
		1500 Watt	39.13	37.55	37.55	-						
		400 Watt Flood	19.28	18.90	18.90	-						
TOTAL							\$ 23,082,579	\$ 22,538,001	\$ 23,465,643	\$ 927,642	4.1%	

BIG SANDY RECC
 FARM AND HOME
 A1

	Test Year Rate			Present Rate		Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings
Customer Charge								
Test Year	<i>Customers</i> 142,925	<i>per Customer</i> \$ 15.00	\$ 2,143,875	<i>per Customer</i> \$ 15.00	\$ 2,143,875	<i>Customers</i> 142,925	<i>per Customer</i> \$ 21.25	\$ 3,037,156
Energy Charge								
On Peak	<i>kWh</i> 156,340,059	<i>Per kWh</i> \$0.08900	\$ 13,914,265	<i>Per kWh</i> \$0.08649	\$ 13,521,852	<i>kWh</i> 155,526,969	<i>Per kWh</i> \$0.08705	\$ 13,538,623
Off Peak	-	\$0.05441	\$ -	\$0.05190	\$ -	-	\$0.05190	\$ -
Total	156,340,059		\$ 13,914,265		\$ 13,521,852	155,526,969		\$ 13,538,623
Other								
FAC			\$ (746,181)		\$ (746,181)			\$ (746,181)
Yard Lights			\$ -		\$ -			\$ -
Envirowatts			\$ 990		\$ 990			\$ 990
ES			\$ 1,748,771		\$ 1,748,771			\$ 1,748,771
Total Rate Revenue			<u>\$ 17,061,721</u>		<u>\$ 16,669,307</u>			<u>\$ 17,579,360</u>
Revenue Per Books			\$ 17,049,135					\$ 910,052
Difference			\$ 12,585		\$ (392,414)			5%
Percent Difference			0.07%		-2.30%			Avg Incr/(Decr) Per Customer Per Month \$ 6.37

**BIG SANDY RECC
COMMERCIAL & SMALL POWER
A2**

	Test Year Rate			Present Rate		Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings
Customer Charge								
Test Year	<u>Customers</u> 11,175	<u>per Customer</u> \$ 24.64	\$ 275,352	<u>per Customer</u> \$ 24.64	\$ 275,352	<u>Customers</u> 11,175	<u>per Customer</u> \$ 30.00	\$ 335,250
Energy Charge								
Test Year	<u>kWh</u> 10,498,917	<u>Per kWh</u> \$0.07880	\$ 827,315	<u>Per kWh</u> \$0.07629	\$ 800,962	<u>kWh</u> 10,463,666	<u>Per kWh</u> \$0.07090	\$ 741,874
Demand Charge								
Test Year	<u>kW</u> 47,636	<u>Per kW</u> \$5.50	\$ 261,997	<u>Per kW</u> \$5.50	\$ 261,997	<u>kW</u> 47,636	<u>Per kW</u> \$5.50	\$ 261,997
Other								
FAC			\$ (52,132)		\$ (52,132)			\$ (52,132)
Yard Lights			\$ -		\$ -			\$ -
Envirowatts			\$ 66		\$ 66			\$ 66
ES			\$ 148,735		\$ 148,735			\$ 148,735
Total Rate Revenue			<u>\$ 1,461,333</u>		<u>\$ 1,434,981</u>			<u>\$ 1,435,790</u>
Revenue Per Books			\$ 1,461,220					\$ 810
Difference			\$ 113		\$ (26,352)			0%
Percent Difference			0.01%		-1.80%	Avg Incr/(Decr) Per Customer Per Month		\$ 0

**BIG SANDY RECC
LARGE POWER SERVICE
LP**

	Test Year Rate			Present Rate			Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings	
Customer Charge	<i>Customers per Customer</i>			<i>per Customer</i>		<i>Customers per Customer</i>			
Test Year	1,853	\$ 93.28	\$ 172,848	\$ 93.28	\$ 172,848	1,853	\$ 93.28	\$ 172,848	
Energy Charge	<i>kWh Per kWh</i>			<i>Per kWh</i>		<i>kWh Per kWh</i>			
Secondary	19,968,890	\$0.06119	\$ 1,221,896	\$0.05868	\$ 1,171,774	19,968,890	\$0.05868	\$ 1,171,774	
Primary	8,214,115	\$0.05507	\$ 452,351	\$0.05256	\$ 431,734	8,214,115	\$0.05256	\$ 431,734	
	<u>28,183,005</u>					<u>28,183,005</u>			
Demand Charge	<i>kW Per kW</i>			<i>Per kW</i>		<i>kW Per kW</i>			
Test Year	98,627	\$6.25	\$ 616,420	\$6.25	\$ 616,420	98,627	\$6.27	\$ 618,392	
Other									
FAC			\$ (137,250)		\$ (137,250)			\$ (137,250)	
Yard Lights			\$ -		\$ -			\$ -	
Envirowatts			\$ -		\$ -			\$ -	
ES			\$ 259,307		\$ 259,307			\$ 259,307	
Total Rate Revenue			<u>\$ 2,585,572</u>		<u>\$ 2,514,832</u>			<u>\$ 2,516,805</u>	
Revenue Per Books			\$ 2,594,264					\$ 1,973	
Difference			\$ (8,692)		\$ (70,739)			0%	
Percent Difference			-0.34%		-2.73%	Avg Incr/(Decr) Per Customer Per Month		\$ 1	

**BIG SANDY RECC
LARGE POWER SERVICE
LPR**

	Test Year Rate			Present Rate		Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings
Customer Charge	<i>Customers</i>	<i>per Customer</i>		<i>per Customer</i>		<i>Customers</i>	<i>per Customer</i>	
Test Year	86	\$ 107.68	\$ 9,260	\$ 107.68	\$ 9,260	86	\$ 107.68	\$ 9,260
Energy Charge	<i>kWh</i>	<i>Per kWh</i>		<i>Per kWh</i>		<i>kWh</i>	<i>Per kWh</i>	
Secondary	-	\$0.06030	\$ -	\$0.05779	\$ -	-	\$0.05817	\$ -
Primary	8,480,093	\$0.05427	\$ 460,215	\$0.05176	\$ 438,930	8,480,093	\$0.05210	\$ 441,813
	<u>8,480,093</u>					<u>8,480,093</u>		
Demand Charge	<i>kW</i>	<i>Per kW</i>		<i>Per kW</i>		<i>kW</i>	<i>Per kW</i>	
Test Year	30,614	\$6.25	\$ 191,336	\$6.25	\$ 191,336	30,614	\$6.47	\$ 198,071
Other								
FAC			\$ (40,754)	\$ (40,754)				\$ (40,754)
Yard Lights			\$ -	\$ -				\$ -
Envirowatts			\$ -	\$ -				\$ -
ES			\$ 67,459	\$ 67,459				\$ 67,459
Total Rate Revenue			<u>\$ 687,516</u>	<u>\$ 666,231</u>	Total Rate Revenue			<u>\$ 675,850</u>
Revenue Per Books			\$ 686,779		Difference from Present Rates			\$ 9,618
Difference			\$ 737	\$ (21,285)	Percent Change from Present Rates			1%
Percent Difference			0.11%	-3.10%	Avg Incr/(Decr) Per Customer Per Month			\$ 112

**BIG SANDY RECC
INDUSTRIAL
IND 1-B**

	Test Year Rate			Present Rate		Proposed Rates		
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings
Customer Charge								
Test Year	<i>Customers</i> 12	<i>per Customer</i> \$ 173.33	\$ 2,080	<i>per Customer</i> \$ 173.33	\$ 2,080	<i>Customers</i> 12	<i>per Customer</i> \$ 173.33	\$ 2,080
Energy Charge	<i>kWh</i>	<i>Per kWh</i>		<i>Per kWh</i>		<i>kWh</i>	<i>Per kWh</i>	
Secondary	-	\$0.05244	\$ -	\$0.04993	\$ -	-	\$0.05025	\$ -
Primary	6,219,300	\$0.05178	\$ 322,035	\$0.04927	\$ 306,425	6,219,300	\$0.04959	\$ 308,415
	<u>6,219,300</u>					<u>6,219,300</u>		
Demand Charge	<i>kW</i>	<i>Per kW</i>		<i>Per kW</i>		<i>kW</i>	<i>Per kW</i>	
Contract Demand	10,200	\$6.16	\$ 62,832	\$6.16	\$ 62,832	10,200	\$6.44	\$ 65,688
Excess Demand	837	\$8.93	\$ 7,474	\$8.93	\$ 7,474	837	\$9.34	\$ 7,818
	<u>11,037</u>					<u>11,037</u>		
Other								
FAC			\$ (30,500)		\$ (30,500)			\$ (30,500)
Yard Lights			\$ -		\$ -			\$ -
Envirowatts			\$ -		\$ -			\$ -
ES			\$ 39,546		\$ 39,546			\$ 39,546
Total Rate Revenue			<u>\$ 403,468</u>		<u>\$ 387,858</u>			<u>\$ 393,047</u>
Revenue Per Books			\$ 403,468					\$ 5,189
Difference			\$ 0		\$ (15,610)			1%
Percent Difference			0.00%		-3.87%			\$ 432
Total Rate Revenue								
Difference from Present Rates								
Percent Change from Present Rates								
Avg Incr/(Decr) Per Customer Per Month								

BIG SANDY RECC
Lighting
YL-1

Description	Test Year Rate					Present Rate		Proposed Rates			
	Billing Units	Rate	Calculated Billings	Rate	Calculated Billings	Billing Units	Rate	Calculated Billings			
Lights	<i>Watts</i>	<i>Estimated kWh</i>	<i>Monthly Lights</i>	<i>Annual Lights</i>	<i>Per Light</i>		<i>Per Light</i>		<i>Annual Lights</i>	<i>Per Light</i>	
<u>175 Watt</u>											
150W HPS	150	6,496	8	96	\$ 9.49	\$ 911	\$ 9.31	\$ 894	96	\$ 9.31	\$ 894
70W LED	70	388,434	1,025	12,300	\$ 9.49	\$ 116,727	\$ 9.31	\$ 114,513	12,300	\$ 9.31	\$ 114,513
60W LED	60	67,238	207	2,484	\$ 9.49	\$ 23,573	\$ 9.31	\$ 23,126	2,484	\$ 9.31	\$ 23,126
65W LED	65	269,900	767	9,204	\$ 9.49	\$ 87,346	\$ 9.31	\$ 85,689	9,204	\$ 9.31	\$ 85,689
80/85 IND	85	133,908	291	3,492	\$ 9.49	\$ 33,139	\$ 9.31	\$ 32,511	3,492	\$ 9.31	\$ 32,511
MH 100	100	172,697	319	3,828	\$ 9.49	\$ 36,328	\$ 9.31	\$ 35,639	3,828	\$ 9.31	\$ 35,639
MV 175	175	3,035,467	3,204	38,448	\$ 9.49	\$ 364,872	\$ 9.31	\$ 357,951	38,448	\$ 9.31	\$ 357,951
Subtotal		4,074,141	5,821	69,852		\$ 662,895		\$ 650,322	69,852		\$ 650,322
<u>400 Watt</u>											
145W LED	145	329,695	420	5,040	\$ 14.27	\$ 71,921	\$ 13.89	\$ 70,006	5,040	\$ 13.89	\$ 70,006
250W HPS	250	16,241	12	144	\$ 14.27	\$ 2,055	\$ 13.89	\$ 2,000	144	\$ 13.89	\$ 2,000
MH 250	250	175,946	130	1,560	\$ 14.27	\$ 22,261	\$ 13.89	\$ 21,668	1,560	\$ 13.89	\$ 21,668
MV 400	400	1,097,900	507	6,084	\$ 14.27	\$ 86,819	\$ 13.89	\$ 84,507	6,084	\$ 13.89	\$ 84,507
Subtotal		1,619,782	1,069	12,828		\$ 183,056		\$ 178,181	12,828		\$ 178,181
<u>500 Watt</u>	500	-	-	-	\$ 16.82	\$ -	\$ 16.29	\$ -	-	\$ 16.29	\$ -
<u>1500 Watt</u>	1,500	-	-	-	\$ 39.13	\$ -	\$ 37.55	\$ -	-	\$ 37.55	\$ -
<u>400 Watt Flood</u>						\$ -					\$ -
400W Flood	400	199,225	92	1,104	19.28	\$ 21,285	18.90	\$ 20,866	1,104	18.90	\$ 20,866
250W Flood	200	73,626	68	816	19.28	\$ 15,732	18.90	\$ 15,422	816	18.90	\$ 15,422
Subtotal		272,851	160	1,920		\$ 37,018		\$ 36,288	1,920		\$ 36,288
Total		5,966,774	7,050	84,600		\$ 882,969		\$ 864,791	84,600		\$ 864,791
Total Rate Revenue						\$ 882,969		\$ 864,791	Total Rate Revenue		\$ 864,791
Revenue Per Books						\$ 892,392			Difference from Present Rates		\$ -
Difference						\$ (9,423)		\$ (18,178)	Percent Change from Present Rates		0%
Percent Difference						-1.056%		-2.04%	Avg Incr/(Decr) Per Light Per Month		\$ -

BIG SANDY RECC

Reconciliation of Booked vs. Calculated Billings

Customer Class	Rate Code	kWh	Revenue Per Books	Test Year Rate Calculated Billings	Difference	Percentage Difference
FARM AND HOME	A1	156,340,059	\$ 17,049,135	\$ 17,061,721	\$ 12,585	0.07%
COMMERCIAL & SMALL POWER	A2	10,498,917	1,461,220	1,461,333	113	0.01%
LARGE POWER SERVICE	LP	28,183,005	2,594,264	2,585,572	(8,692)	-0.34%
LARGE POWER SERVICE	LPR	8,480,093	686,779	687,516	737	0.11%
INDUSTRIAL	IND 1-B	6,219,300	403,468	403,468	0	0.00%
LIGHTING	YL-1	5,966,774	892,392	882,969	(9,423)	-1.06%
		<u>215,688,148</u>	<u>\$ 23,087,258</u>	<u>23,082,579</u>	<u>\$ (4,679)</u>	<u>-0.02%</u>
	Billing Total	215,688,148	23,087,258			
	Reported Total	<u>215,688,148</u>	<u>23,087,258</u>			
	Difference	-	-			

BIG SANDY RECC

Revenue Change; Actual Test Year Rates to Present Rates
For Test Year Ended August 2011

<u>Customer Class</u>	<u>Test Year Revenue</u>	<u>Present Rate Revenue</u>	<u>Difference</u>
FARM AND HOME	\$ 17,061,721	\$ 16,669,307	\$ (392,414)
COMMERCIAL & SMALL POWER	\$ 1,461,333	\$ 1,434,981	\$ (26,352)
LARGE POWER SERVICE	\$ 2,585,572	\$ 2,514,832	\$ (70,739)
LARGE POWER SERVICE	\$ 687,516	\$ 666,231	\$ (21,285)
INDUSTRIAL	\$ 403,468	\$ 387,858	\$ (15,610)
LIGHTING	\$ 882,969	\$ 864,791	\$ (18,178)
	<u>\$ 23,082,579</u>	<u>\$ 22,538,001</u>	<u>\$ (544,578)</u>

Calculated revenues at Actual Test Year Rates and at Present Rates (effective 9/1/2017 per
Case No. 2017-00007)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION


In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A GENERAL) Case No. 2017-00374
ADJUSTMENT OF EXISTING RATES)

VERIFICATION OF JOHN WOLFRAM


COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

John Wolfram, being duly sworn, states that he has supervised the preparation of his direct testimony included with Big Sandy's Application in the above-styled matter, that he would respond in the same manner to the questions if so asked upon taking the stand, and that his testimony is true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry. Mr. Wolfram further states that any Exhibits to Big Sandy's Application for which he serves as a Sponsoring Witness are also true and correct to the best of his knowledge, information and belief.



John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 26th day of October, 2017, by John Wolfram.



NOTARY PUBLIC, Notary # 561233
Commission expiration: 07-20-2020



Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 11

807 KAR 5:001 Sec. 16(4)(d)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

A statement estimating the effect that each new rate will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease

Response:

Please see the table below. Please also see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-9 thereof.

Rate Class	Increase	
	Dollars	Percent
Schedule A-1 Farm & Home	\$910,052	5.5%
Schedule A-2 Commercial & Small Power	\$810	0.1%
Schedule LP Large Power Service	\$1,973	0.1%
Schedule LPR Large Power Service	\$9,618	1.4%
Industrial - IND 1-B	\$5,189	1.3%
Schedule YL-1 Yard Security Light Service	\$0	0.0%
Total	\$927,642	4.1%

Case No. 2017-00374
Application - Exhibit 11
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 12

807 KAR 5:001 Sec. 16(4)(e)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

If the utility provides electric, gas, water, or sewer service, the effect upon the average bill for each customer classification to which the proposed rate change will apply.

Response:

Please see the table below. Please also see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-9 thereof.

Rate Class	Average Usage (kWh)	Increase	
		Dollars	Percent
Schedule A-1 Farm & Home	1,088	\$6.37	5.5%
Schedule A-2 Commercial & Small Power	936	\$0.07	0.1%
Schedule LP Large Power Service	15,209	\$1.06	0.1%
Schedule LPR Large Power Service	98,606	\$111.84	1.4%
Industrial - IND 1-B	518,275	\$432.45	1.3%
Schedule YL-1 Yard Security Light Service	71	\$0.00	0.0%

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 13

807 KAR 5:001 Sec. 16(4)(g)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

A detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class.

Response:

Please see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-9 thereof.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 14

807 KAR 5:001 Sec. 16(4)(h)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

A summary of the utility'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.

Response:

The revenue requirement in this case is determined on the basis of achieving a Times Interest Earned Ratio ("TIER") of 2.00x. Please see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-2 thereof.

Case No. 2017-00374
Application - Exhibit 14
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 15

807 KAR 5:001 Sec. 16(4)(i)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

A reconciliation of the rate base and capital used to determine its revenue requirements.

Response:

Revenue requirements were determined on the basis of achieving a Times Interest Earned Ratio ("TIER") of 2.00x. Please see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-2 thereof. The rate base is calculated as part of the cost of service study ("COSS"); this is provided on pages 1 through 8 of Exhibit JW-4.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 16

807 KAR 5:001 Sec. 16(4)(j)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

A current chart of accounts if more detailed than the Uniform System of Accounts.

Response:

Please see attached.

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 PROJECT	2.00		2.00		107.31				
107.32	CWIP- IVR	2.00		2.00		107.32				
107.33	CWIP-FEMA GRANT GENERATOR	2.00		2.00		107.33				
107.34	CWIP-CURRENT WORK PLAN	2.00		2.00		107.34				
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				

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					
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				
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				
131.11	CORPORATION CONSTRUCTION ACCT.	15.00		15.00		131.11				
131.12	CASH GENERAL CITIZENS GEN CHECK	15.00		15.00		131.12				
131.13	CASH-GENERAL BSRECC FLEX-SPEND.	15.00		15.00		131.13				
131.14	CASH GENERAL HOWSMART	15.00		15.00		131.14				
131.20	CASH CONST.FUND TRUSTEE	16.00		16.00		131.20				
131.40	TRANSFER OF CASH	15.00		15.00		131.40				
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	15.00		15.00		135.13				
135.20	WORKING FUND-CHANGE	15.00		15.00		135.20				
135.30	CHANGE FUND-PAINTSVILLE OFFICE	15.00		15.00		135.30				
135.40	WORKING FUND-CHANGE	15.00		15.00		135.40				
135.50	WORKING FUND-CHANGE	15.00		15.00		135.50				

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					
135.60	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				
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				
142.30	CONS RECEIVABLE DEBT MNGMT	20.00		20.00		142.30				
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				
144.20	ACCUM.PROV.UNCOLLEC.HOW SMART LO	20.00		20.00		144.20				
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				

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					
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				
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				
165.60	PREPAY- IVR SYSTEM SUPPORT	24.00		23.00		165.60				
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				

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					
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				
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	40.00		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				
232.20	ACCTS PAYABLE OTHER	48.00		46.00		232.20				
232.25	ACCTS.PAYABLE LEASED VEH CO-BANK	48.00		46.00		232.25				
232.26	ACCTS. PAYABLE LEASED VEH ENTERP	48.00		46.00		232.26				
232.27	ACCTS PAYABLE-AUTO LOAN	48.00		46.00		232.27				
232.30	ACCTS PAYABLE POLE INSPECTION	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				

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					
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 PAY CHILD SUP/WAGE GARNISH	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				
236.20	ACCRD US SOC SECURITY UNEMPLYMEN	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				

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					
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.ACCRD.LIAB-ALLSTATE INS	53.00		51.00		242.12				
242.13	CUR.ACCRD.LIAB/COMMONWEALTH INS	53.00		51.00		242.13				
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				
242.21	EXPENSE DIRECTORS CONFERENCE	53.00		51.00		242.21				
242.22	R/W BIDWORK EXPENSE ACCRUAL	53.00		51.00		242.22				
242.23	ACCRUED R/W SPRAY EXPENSE	53.00		51.00		242.23				
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 INSURANCE	53.00		51.00		242.40				
242.41	ACCRD C/L- ACLARA AUDIT EXPENSE	53.00				242.41				
242.42	CURR. ACCRD. LIAB/NETWORK TESTIN	53.00				242.42				
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				

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					
242.90	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				
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				

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					
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 COMMSION.	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				
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				
431.40	INTEREST EXP ENTERPRISE LEASE	33.00	18.00	32.00	17.00	219.10				
431.50	INTEREST EXP - AUTO LOANS	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				

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					
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				
442.30	COMM & IND.SALES LARGE IND.1-B	33.00	1.00	32.00	10.00	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				
457.00	PREPAID METER PROGRAM FEE	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				
586.20	PREPAID METERING	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				
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				
593.11	BSRECC/ROW SUPPLIES	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				
593.21	BRUSH CONTROL R/W	33.00	7.00	32.00	6.00	219.10				

ACCOUNT	DESCRIPTION	----RUS----		----TVA----		MARGIN ACCT	INACTIVE	BANK TRANSIT		BANK NAME		ACCT LENGTH
		B/S LINE	INC LINE	B/S LINE	INC LINE			ABA	NR	BANK	ACCOUNT	
593.22	TICKET WORK R/W	33.00	7.00	32.00	6.00	219.10						
593.23	HOT SPOTS R/W	33.00	7.00	32.00	6.00	219.10						
593.24	MID-CYCLE R/W	33.00	7.00	32.00	6.00	219.10						
593.25	TGR/TREE GROWTH R/W	33.00	7.00	32.00	6.00	219.10						
593.26	AERIAL SPRAY R/W	33.00	7.00	32.00	6.00	219.10						
593.27	STORM WORK R/W	33.00	7.00	32.00	6.00	219.10						
593.28	MAINT.OVERHEAD MUTUAL AID WORK	33.00	7.00			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						
777.77	CAGA INTEGRATION					777.77						
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						

ACCOUNT	DESCRIPTION	----RUS----	----TVA----	MARGIN	INACTIVE	BANK TRANSIT	BANK NAME	ACCT LENGTH
		B/S INC	B/S INC	ACCT		ABA NBR	BANK ACCOUNT	
		LINE LINE	LINE LINE					
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				
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				
935.10	OPERATION CENTER EXPENSES	33.00 11.00	32.00 10.00	219.10				
999.99	ACCOUNT FOR FIXED JOURNAL ENTRIE			999.99				

TOTAL ACCOUNTS 300

INCOME 96
 BAL/SHEET 204

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 17

807 KAR 5:001 Sec. 16(4)(k)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

The independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls.

Response:

Please see attached.

Case No. 2017-00374
Application - Exhibit 17
Includes Attachment (18 pages)

Kentucky 58

Big Sandy Rural Electric
Cooperative Corporation

Paintsville, Kentucky

Audited Financial Statements
December 31, 2016 and 2015

Alan M. Zumstein
Certified Public Accountant
1032 Chetford Drive
Lexington, Kentucky 40509

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ALAN M. ZUMSTEIN
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MEMBER
• AMERICAN INSTITUTE OF CPA'S
• KENTUCKY SOCIETY OF CPA'S
• INDIANA SOCIETY OF CPA'S
• AICPA DIVISION FOR FIRMS

Independent Auditor's Report

To the Board of Directors
Big Sandy Rural Electric Cooperative
Paintsville, Kentucky

Report on the Financial Statements

I have audited the accompanying financial statements of Big Sandy Rural Electric Cooperative, which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of revenue and comprehensive income, changes in equities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

To the Board of Directors
Big Sandy Rural Electric Cooperative

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 as of December 31, 2016 and 2015, and the results of their operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated January 18, 2017, on my consideration of Big Sandy Rural Electric Cooperative'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* in considering internal control over financial reporting and compliance.

Alan Zumstein

Alan M. Zumstein, CPA
January 18, 2017

Big Sandy Rural Electric Cooperative Corporation
Balance Sheets, December 31, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Electric Plant, at original cost:		
In service	\$ 52,612,854	\$ 51,786,741
Under construction	9,702	(71,702)
	52,622,556	51,715,039
Less accumulated depreciation	19,412,457	18,821,124
	33,210,099	32,893,915
Investments in Associated Organizations	15,648,826	14,825,489
Current Assets:		
Cash and cash equivalents	451,012	513,115
Accounts receivable, less allowance for 2016 of \$107,394 and 2015 of \$115,065	3,088,439	2,726,685
Other receivables	612,371	887,046
Material and supplies, at average cost	275,659	274,598
Other current assets	40,431	47,571
	4,467,912	4,449,015
Total	\$ 53,326,837	\$ 52,168,419
<u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$ 227,285	\$ 227,660
Patronage capital	25,667,470	24,749,152
Other equities	728,440	492,628
Accumulated other comprehensive income	(2,253,569)	(2,401,385)
	24,369,626	23,068,055
Long Term Debt	20,624,330	21,003,927
Accumulated Postretirement Benefits	3,678,035	3,749,502
Current Liabilities:		
Accounts payable	2,349,375	2,052,808
Current portion of long term debt	1,375,000	1,350,000
Consumer deposits	618,198	640,413
Accrued expenses	300,679	283,788
	4,643,252	4,327,009
Consumer Advances	11,594	19,926
Total	\$ 53,326,837	\$ 52,168,419

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

Big Sandy Rural Electric Cooperative Corporation
 Statements of Revenue and Comprehensive Income
 for the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Sale of electricity	\$ 23,629,021	\$ 24,229,996
Other electric revenue	786,771	779,757
	<u>24,415,792</u>	<u>25,009,753</u>
Operating Expenses:		
Cost of power	16,239,864	17,190,536
Distribution - operations	996,251	1,081,338
Distribution - maintenance	1,686,356	1,563,328
Consumer accounts	885,558	871,842
Customer services	19,009	50,027
Sales	3,785	2,471
Administrative and general	1,343,115	1,324,858
Depreciation, excluding \$156,128 in 2016 and \$134,522 in 2015 charged to clearing account:	2,289,840	2,245,342
Taxes, other than income	32,952	34,619
Other interest charges	68,947	52,202
Interest on long-term debt	678,717	705,710
Other deductions	20,775	13,941
	<u>24,265,169</u>	<u>25,136,214</u>
Operating Margins	<u>150,623</u>	<u>(126,461)</u>
Nonoperating Margins and Capital Credits		
Interest income	173,286	174,792
Other non operating margins	13,873	19,521
G&T capital credits	800,000	1,573,030
Other Capital Credits	59,673	69,707
	<u>1,046,832</u>	<u>1,837,050</u>
Net Margins	1,197,455	1,710,589
Comprehensive income:		
Accumulated postretirement benefits	147,816	147,816
Net Comprehensive Income	<u>\$ 1,345,271</u>	<u>\$ 1,858,405</u>

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

Big Sandy Rural Electric Cooperative Corporation
Statement of Changes in Members' Equity
for the years ended December 31, 2015 and 2016

	<u>Memberships</u>	<u>Patronage Capital</u>				<u>Total</u>	<u>Other Equity</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Members' Equity</u>
		<u>Assigned</u>	<u>Assignable</u>	<u>Prior Deficits</u>	<u>Retirements</u>				
Balance-December 31, 2014	\$ 231,950	\$ 24,043,771	\$ 2,137,905	\$ (483,029)	\$ (2,593,743)	\$ 23,104,904	\$ 474,957	\$ (2,549,201)	\$ 21,262,610
Allocate margins		1,936,204	(2,137,905)	201,701		-			-
Comprehensive income:									
Net margins			1,710,589			1,710,589			1,710,589
Postretirement benefit obligation									
Amortization							147,816		
Adjustments							-		147,816
Total comprehensive income									1,858,405
Net change in memberships	(4,290)								(4,290)
Refunds to estates					(66,341)	(66,341)			(66,341)
Other equities							17,671		17,671
Balance-December 31, 2015	227,660	25,979,975	1,710,589	(281,328)	(2,660,084)	24,749,152	492,628	(2,401,385)	23,068,055
Allocate margins		1,672,738	(1,710,589)	37,851		-			-
Comprehensive income:									
Net margins			1,197,455			1,197,455			1,197,455
Postretirement benefit obligation									
Amortization							147,816		
Adjustments							-		147,816
Total comprehensive income									1,345,271
Net change in memberships	(375)								(375)
Refunds to estates					(63,421)	(63,421)			(63,421)
Other equities		(215,716)				(215,716)	235,812		20,096
Balance-December 31, 2016	\$ 227,285	\$ 27,436,997	\$ 1,197,455	\$ (243,477)	\$ (2,723,505)	\$ 25,667,470	\$ 728,440	\$ (2,253,569)	\$ 24,369,626

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

Big Sandy Rural Electric Cooperative Corporation
 Statements of Cash Flows
 for the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Net margins (deficit)	\$ 1,197,455	\$ 1,710,589
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation:		
Charged to expense	2,289,840	2,245,342
Charged to clearing accounts	156,128	134,522
Patronage capital credits assigned	(859,673)	(1,642,737)
Accumulated postretirement benefits	76,349	111,166
Change in assets and liabilities:		
Receivables	(87,079)	169,009
Material and supplies	(1,061)	15,760
Other assets	7,140	153
Payables	296,567	(172,515)
Consumer deposits and advances	(30,547)	(42,051)
Accrued expenses	16,891	(95,631)
	<u>3,062,010</u>	<u>2,433,607</u>
Cash Flows from Investing Activities:		
Plant additions	(2,373,867)	(2,172,038)
Plant removal costs	(466,353)	(344,882)
Salvage recovered from retired plant	78,068	60,472
Receipts from other investments, net	36,336	55,534
	<u>(2,725,816)</u>	<u>(2,400,914)</u>
Cash Flows from Financing Activities:		
Net increase in memberships	(375)	(4,290)
Refund of patronage capital to members	(63,421)	(66,341)
Increase in other equities	20,096	17,671
Payments on long term debt	(1,354,597)	(1,188,122)
Advances of long term debt	1,000,000	-
Advance payments	-	(149,985)
	<u>(398,297)</u>	<u>(1,391,067)</u>
Net increase in cash	(62,103)	(1,358,374)
Cash and cash equivalents, beginning of ye	513,115	1,871,489
Cash and cash equivalents, end of year	<u>\$ 451,012</u>	<u>\$ 513,115</u>
Supplemental cash flows information:		
Interest paid on long-term debt	\$ 680,749	\$ 707,698

The accompanying notes are an integral part of the financial state

Big Sandy Rural Electric Cooperative
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>2016</u>	<u>2015</u>
Distribution plant	\$46,580,201	\$45,673,125
General plant	<u>6,032,653</u>	<u>6,113,616</u>
Total	<u>\$52,612,854</u>	<u>\$51,786,741</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. Big Sandy maintains its cash balances, which may exceed the federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that credit risk related to the accounts is minimal.

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, 2016 or 2015. 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.

Big Sandy is required to collect, on behalf of the State of Kentucky, sales taxes based on 6 percent of gross sales from non-residential consumers, a 3 percent school tax from certain counties on most gross sales, and franchise fees in certain cities. Big Sandy’s policy is to exclude sales tax from revenue when collected and expenses when paid and instead, record collection and payment of sales taxes through a liability account.

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.

Advertising Big Sandy expenses advertising costs as incurred.

Big Sandy Rural Electric Cooperative
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies, continued

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.

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: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measure and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

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 cannot 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, invest idle funds in local banks and in National Rural Utilities Cooperative Finance Corporation ("CFC") commercial paper. The inputs used to measure idle funds are Level 1 measurements, as these funds are exchange traded funds in an active market.

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.

Comprehensive Income Comprehensive income includes both net margin and other comprehensive income. Other comprehensive income represents the change in funded status of the accumulated postretirement benefit obligation.

Big Sandy Rural Electric Cooperative
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies, continued

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.

Income Tax Status Big Sandy is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements for Big Sandy include no provision for income taxes. Big Sandy's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Management believes Big Sandy has no uncertain tax positions resulting in an accrual of tax expense or benefit. 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, 2016 and 2015. Big Sandy's income tax return is subject to possible examination by taxing authorities until the expiration of related statutes of limitations on the return, which is generally three years.

Subsequent Events Management has evaluated subsequent events through January 18, 2017, 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>2016</u>	<u>2015</u>
East Kentucky, patronage capital	\$14,507,417	\$13,707,417
CFC, CTC's	472,200	479,095
CFC, patronage capital	203,107	199,494
Other associated organizations	<u>466,102</u>	<u>439,483</u>
Total	<u>\$15,648,826</u>	<u>\$14,825,489</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, 2016 was 46% of total assets. Prior years' deficits will be offset with future years' non operating margins.

Big Sandy Rural Electric Cooperative
Notes to Financial Statements

Note 4. 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.

The long term debt is due in quarterly and monthly installments of varying amounts through 2039. The 3.35% 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 \$9,000,000. These funds will be used for future plant additions.

First mortgage notes consist of:

	<u>2016</u>	<u>2015</u>
RUS, 0.56% to 4.93%	\$7,999,248	\$8,264,518
Advance payments at 5%	<u>(3,012,250)</u>	<u>(3,012,250)</u>
	<u>4,986,998</u>	<u>5,252,268</u>
FFB, 0.274% and 4.472%	<u>15,144,531</u>	<u>14,662,638</u>
CoBank, 3.26%	<u>838,564</u>	<u>1,021,915</u>
CFC:		
3.35% to 6.46% notes	339,726	382,839
Refinance RUS loans 5.65% to 5.70%	<u>689,511</u>	<u>1,034,267</u>
	<u>1,029,237</u>	<u>1,417,106</u>
	21,999,330	22,353,927
Less current portion	<u>1,375,000</u>	<u>1,350,000</u>
Long term portion	<u><u>\$20,624,330</u></u>	<u><u>\$21,003,927</u></u>

As of December 31, 2016, the annual principal portion of long term debt outstanding for the next five years are as follows: 2017 - \$1,375,000; 2018 - \$1,385,000; 2019 - \$1,050,000; 2020 - \$1,075,000; 2021 - \$950,000.

Note 5. Short Term Borrowings

At December 31, 2016, Big Sandy had short term lines of credit of \$2,500,000 available from CFC and \$2,000,000 from CoBank. Big Sandy has repaid all advances during the audit period.

Note 6. Pension Plan

All eligible non-union employees of Big Sandy participate in the NRECA Retirement and Security Plan (“R&S Plan”), a defined benefit pension plan qualified under section 401 and tax exempt under section 501(a) of the Internal Revenue Code. It is considered a multiemployer plan under the accounting standards. The Plan sponsor’s identification number is 53-0116145 and the Plan Number is 333. A unique characteristic of a multiemployer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

Big Sandy Rural Electric Cooperative
Notes to Financial Statements

Note 6. Pension Plans, continued

Big Sandy's contributions to the R&S Plan in 2016 and 2015 represent less than 5 percent of the total contributions made to the plan by all participating employers. Big Sandy made contributions to the plan of \$270,668 in 2016 and \$235,673 in 2015. There have been no significant changes that affect the comparability of 2016 and 2015.

In the R&S Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act ("PPA") of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the R&S Plan was over 80 percent funded at January 1, 2016 and 2015 based on the PPA funding target and PPA actuarial value of assets on those dates. Because the provisions of the PPA do not apply to the R&S Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

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 \$97,947 in 2016 and \$95,202 in 2015.

Note 7. 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 2016, 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 4.50%.

The funded status of the plan is as follows:

	<u>2016</u>	<u>2015</u>
Projected benefit obligation	(\$3,678,035)	(\$3,749,502)
Plan assets at fair value	-	-
Funded status	<u>(\$3,678,035)</u>	<u>(\$3,749,502)</u>

The components of net periodic postretirement benefit costs are as follows:

	<u>2016</u>	<u>2015</u>
Benefit obligation - beginning of period	\$3,749,502	\$3,786,152
Net periodic benefit cost:		
Service cost	20,692	29,978
Interest cost	99,552	90,266
Net period cost	<u>120,244</u>	<u>120,244</u>
Adjust comprehensive income	-	-
Benefit payments to participants	<u>191,711</u>	<u>(156,894)</u>
Benefit obligation - end of period	<u>\$4,061,457</u>	<u>\$3,749,502</u>

Projected retiree benefit payments for the next five years are expected to be as follows: 2017 - \$173,000; 2018 - \$165,000; 2019 - \$167,000; 2020 - \$169,000; 2021 - \$161,000.

Big Sandy Rural Electric Cooperative
Notes to Financial Statements

Note 8. 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.

Note 9. Commitments

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 10. 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 11. 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 January 1, 2016 between Big Sandy and the International Brotherhood of Electric Workers ("IBEW").

Note 12. Contingencies

Big Sandy, on occasion, 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.

* * * * *

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE
LEXINGTON, KENTUCKY 40509
(859) 264-7147
zumstein@windstream.net

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

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Big Sandy Rural Electric Cooperative

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Big Sandy Rural Electric Cooperative, which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of revenue and comprehensive income, members' equities and cash flows for the years then ended, and related notes to the financial statements, and have issued my report thereon dated January 18, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Big Sandy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Big Sandy's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
Big Sandy Rural Electric Cooperative

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Big Sandy's financial statements are free of material misstatement, I performed test 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alan Zumstein

Alan M. Zumstein, CPA
January 18, 2017

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

1032 CHETFORD DRIVE
LEXINGTON, KENTUCKY 40509
(859) 264-7147
zumstein@windstream.net

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

Independent Auditor's Report on Compliance with Aspects of Contractual
Agreements and Regulatory Requirements for Electric Borrowers

Board of Directors
Big Sandy Rural Electric Cooperative

Independent Auditor's Report

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Big Sandy Rural Electric Cooperative ("the Cooperative"), which comprise the balance sheet as of December 31, 2016, and the related statements of revenue and comprehensive income, patronage capital, and changes in cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated January 18, 2017. In accordance with *Government Auditing Standards*, we have also issued my report dated January 18, 2017, on my consideration of the Cooperative's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above and my schedule of findings and recommendations related to my audit have been furnished to management.

In connection with my audit, nothing came to my attention that caused me to believe that the Cooperative failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2013, insofar as they relate to accounting matters as enumerated below. However, my audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had I performed additional procedures, other matters may have come to my attention regarding the Cooperative's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with my audit, I noted no matters regarding the Cooperative's accounting and records to indicate that the Cooperative did not:

- Maintain adequate and effective accounting procedures;
- Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;
- Reconcile continuing property records to the controlling general ledger plant accounts;
- Clear construction accounts and accrue depreciation on completed construction;

Board of Directors
Big Sandy Rural Electric Cooperative

- Record and properly price the retirement of plant;
- Seek approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;
- Maintain adequate control over material and supplies;
- Prepare accurate and timely Financial and Operating Reports;
- Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the electric system;
- Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;
- Record depreciation in accordance with RUS requirements ("See RUS Bulletin 183-1, Depreciation Rates and Procedures");
- Comply with the requirements for the detailed schedule of deferred debits and deferred credits; and
- Comply with the requirements for the detailed schedule of investments, of which there were none.

The deferred credits are as follows:

Consumer advances for construction	<u>\$11,594</u>
------------------------------------	-----------------

This report is intended solely for the information and use of the board of directors, management, RUS, and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distributions is not limited.

Alan Zumstein

Alan M. Zumstein, CPA
January 18, 2017

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 18

807 KAR 5:001 Sec. 16(4)(I)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

The most recent Federal Energy Regulatory Commission or Federal Communication Commission audit reports.

Response:

Big Sandy has not been audited by the Federal Energy Regulatory Commission or Federal Communication Commission, and thus no audit reports exist.

Case No. 2017-00374
Application - Exhibit 18
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 19

807 KAR 5:001 Sec. 16(4)(m)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

The most recent FERC Financial Report FERC Form No.1, FERC Financial Report FERC Form No. 2, or Public Service Commission Form T (telephone).

Response:

Due to the nature of its business, no such reports exist with respect to Big Sandy.

Case No. 2017-00374
Application - Exhibit No. 19
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 20

807 KAR 5:001 Sec. 16(4)(n)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

A summary of the utility's latest depreciation study with schedules by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and test period depreciation rates used by major plant accounts. If the required information has been filed in another commission case, a reference to that case's number shall be sufficient.

Response:

Big Sandy's last depreciation study was completed as of December 31, 2007, and its existing depreciation rates were approved by the Kentucky Public Service Commission in Case No. 2008-00401. Big Sandy does not propose to adjust its depreciation rates as part of this proceeding.

Case No. 2017-00374
Application - Exhibit 20
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 21

807 KAR 5:001 Sec. 16(4)(o)
Sponsoring Witnesses: Brian Frasure & John Wolfram

Description of Filing Requirement:

A list of all 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 the utility's application. This list shall include:

- 1. Each software, program, or model;*
- 2. What the software, program, or model was used for;*
- 3. The supplier of each software, program, or model;*
- 4. A brief description of the software, program, or model; and*
- 5. The specifications for the computer hardware and the operating system required to the program.*

Response:

Big Sandy used common, commercially-available computer software programs to develop the schedules and work papers associated with the filing of its Application herein, including Microsoft Word, Microsoft Excel, Nuance PDF Converter Professional 7.2, and Adobe Acrobat. In light of these programs' ubiquity, Big Sandy does not believe it is necessary to provide additional detail with regard to their use, description and specification (and, to the extent necessary, Big Sandy requests permission to deviate from filing requirements in this regard).

Case No. 2017-00374
Application - Exhibit 21
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 22

807 KAR 5:001 Sec. 16(4)(q)
Sponsoring Witness: Bobby Sexton

Description of Filing Requirement:

The annual report to shareholders or members and statistical supplements covering the two (2) most recent years from the utility's application filing date.

Response:

Please see attached.

OFFICIAL NOTICE

2017 ANNUAL MEETING

THURSDAY, MAY 18, 2017

Mountain Arts Center Prestonsburg, KY

Registration: 6 p.m. • Business Meeting: 7 p.m.



Caricaturist:
Denny Whalen



FREE Energy-saving
light bulbs for members
who attend!

- FREE Buckets
- FREE Hats
- Door Prizes
- Drawing for Bicycles
- Scholarship and Washington Youth Tour Winners Recognized



**Big Sandy Rural Electric
Cooperative Corporation**

A Touchstone Energy® Partner 

2016 Big Sandy RECC

ACTIVE ACCOUNTS

(as of December 31, 2016)

Floyd.....	5,763
Johnson	5,462
Martin.....	850
Lawrence.....	512
Morgan	22
Knott	319
Breathitt.....	13
Total.....	12,941

ACCOUNTS BILLED

2016	12,941
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AVERAGE KILOWATT-HOUR USE (Residential per month)

2016	1,178
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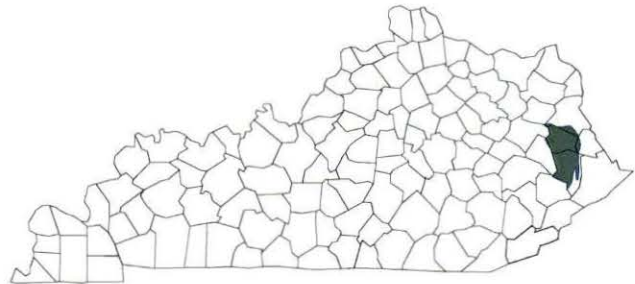
MILES OF LINE

2016	1,038
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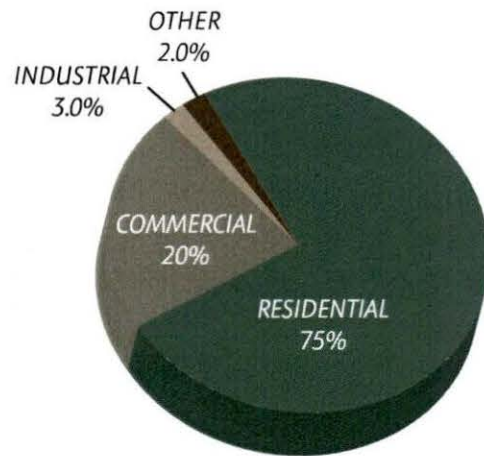
CONSUMERS PER MILE

2016	12
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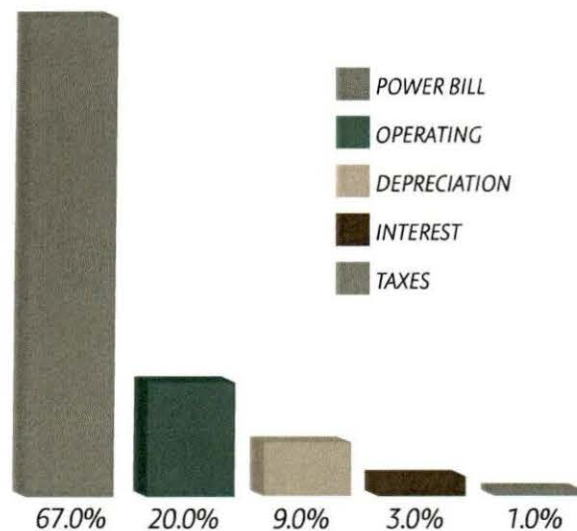
SERVICE AREA



REVENUE SOURCES



MAJOR COSTS



STATEMENT OF OPERATIONS

As of December 31, 2016

Operating Revenue.....	\$24,415,792
Operating Expense	
Purchased Power.....	\$16,239,864
Operating System.....	4,934,074
Depreciation.....	2,289,839
Taxes.....	32,952
Interest on Loans.....	747,664
Other Deductions.....	20,775
Total Cost of Electric Service.....	\$ 24,265,168
Operating Margins.....	\$150,624
Non-Operating Margins.....	187,158
Other Capital Credits.....	59,673
Patronage Capital and Margins.....	397,455

BALANCE SHEET

As of December 31, 2016

ASSETS

Total Utility Plant.....	\$52,622,556
Less Depreciation.....	-19,412,457
Net Utility Plant.....	\$33,210,099
Investment in Assoc. Organization.....	\$15,648,826
Cash.....	451,012
Notes Receivable	
Accounts Receivable.....	3,700,810
Inventory.....	275,659
Expenses Paid in Advance.....	26,424
Deferred Debits and Other Assets.....	14,007
Total Assets.....	\$53,326,837

LIABILITIES

Consumer Deposits.....	618,198
Membership and Other Equities.....	24,369,626
Long-Term Debt.....	25,789,800
Notes and Accounts Payable.....	2,236,940
Other Current Liabilities.....	312,273
Total Liabilities.....	\$53,326,837



Danny Wallen
Chairman



Greg Davis
Vice Chairman



Kelly Shepherd
Secretary / Treasurer



Robert N. Moore
Director



William Maxey
Director



Velma May
Director



Lance Daniels
Attorney



David Estep
President and
General Manager

OFFICIAL BUSINESS MEETING AGENDA
ANNUAL MEETING
OF MEMBERS

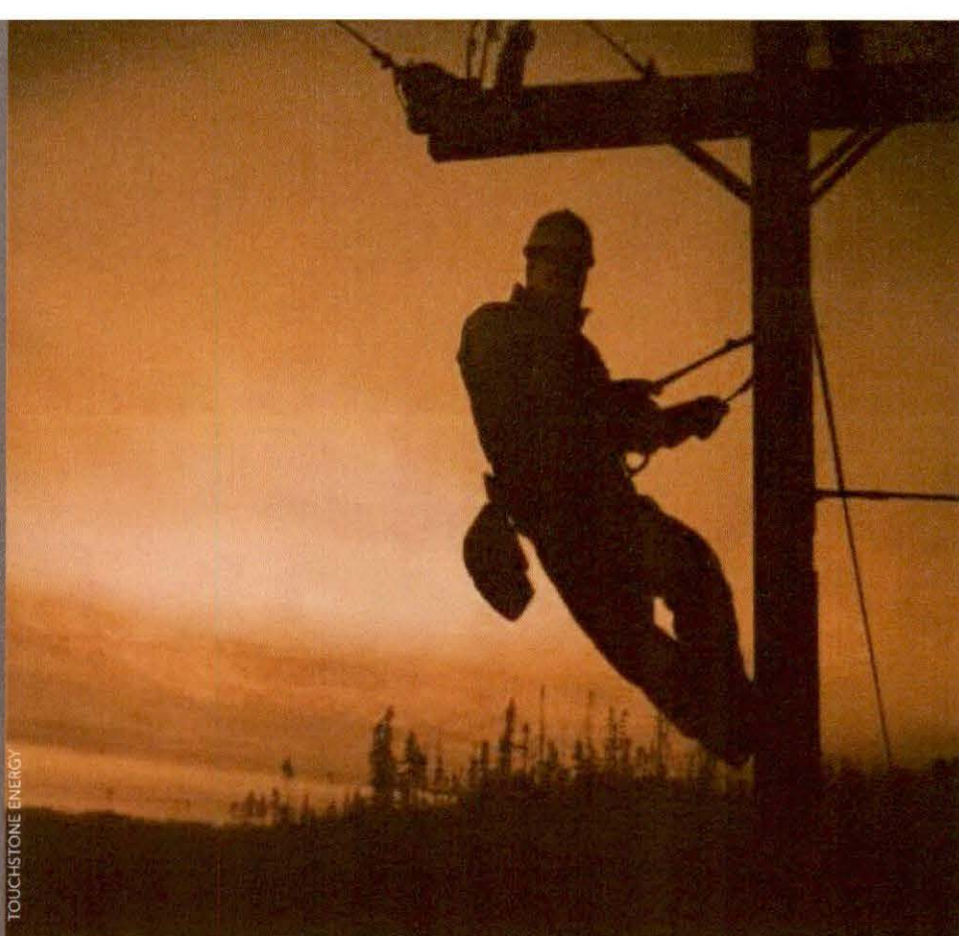
BIG SANDY RECC

Mountain Arts Center,
Prestonsburg, KY
Thursday, May 18, 2017
Registration: 6:00 p.m.
Business Meeting: 7:00 p.m.

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person in order to determine the existence of a quorum
2. 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 case may be
3. Reading of approved meeting of the members and the taking of necessary action thereon
4. Presentation and consideration of reports of officers, trustees, and committees
5. Report on the election of board members
6. Unfinished business
7. New business (or other business if properly raised)
8. Adjournment

TOUCHSTONE ENERGY



Statement of Non-Discrimination

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conduct-

ed or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, program information may be made available in languages other than English.



**Big Sandy Rural Electric
Cooperative Corporation**

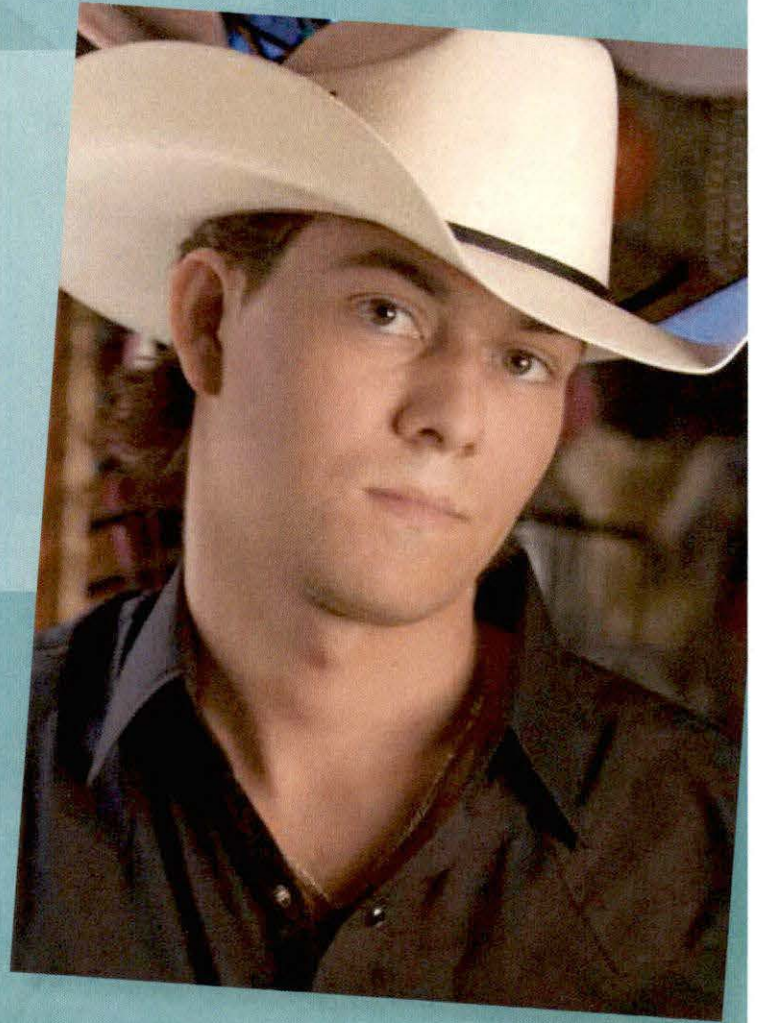
A Touchstone Energy® Partner



2016 ANNUAL MEETING

Thursday, May 19

Featuring
William Michael Morgan



Mountain Arts Center - Prestonsburg, KY
Registration: 6:00 p.m.
Business Meeting: 7:00 p.m.


- FREE Buckets
- FREE Hats
- Door Prizes
- Drawing for Bicycles
- Scholarship and Washington Youth Tour Winners Recognized



FREE Energy-saving light bulbs
for members who attend!



**Big Sandy Rural Electric
Cooperative Corporation**

A Touchstone Energy® Partner 

ACTIVE ACCOUNTS

(as of December 31, 2015)

Johnson	5487
Floyd	5813
Martin	851
Lawrence	506
Morgan	22
Magoffin	0
Knott	328
Breathitt	13
Total	13,020

Accounts Billed

2015	13,020
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Average Kilowatt-hour Use

(Residential per month)

2015	1,185
------------	-------

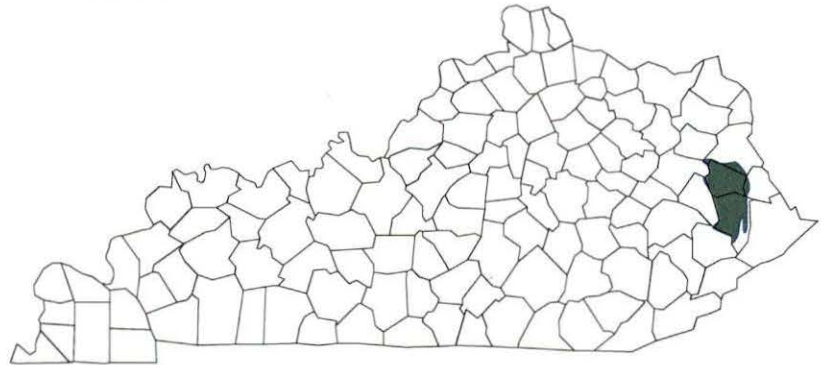
Miles of Line

2015	1,037
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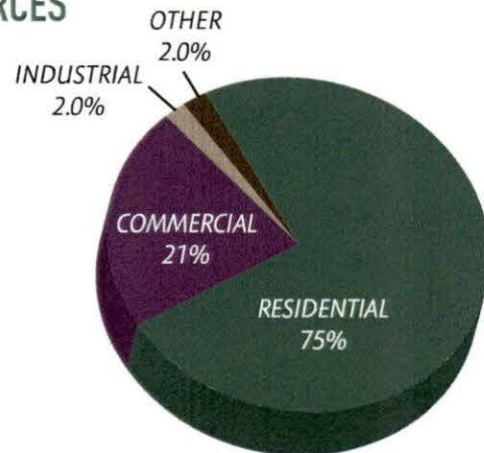
Consumers Per Mile

2015	12.5
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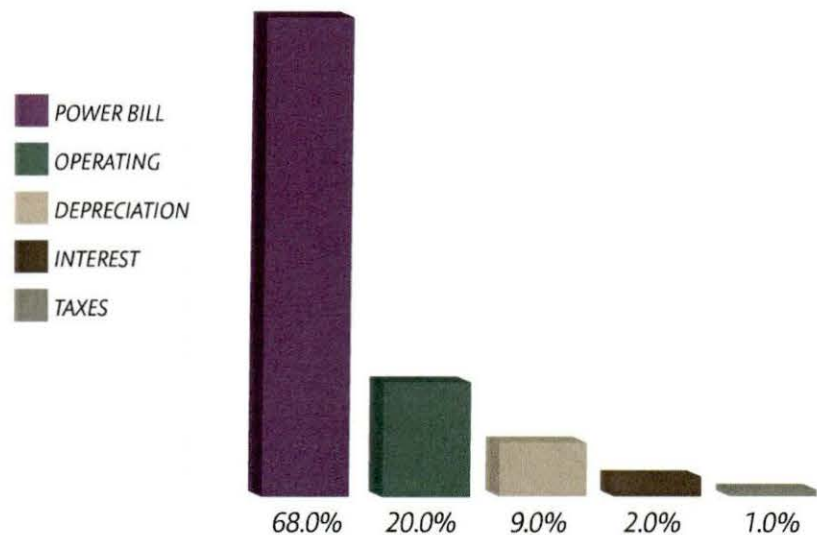
SERVICE AREA



REVENUE SOURCES



MAJOR COSTS



STATEMENT OF OPERATIONS

For the Year Ending December 31, 2015

Operating Revenue.....	\$25,009,753
Operating Expense	
Purchased Power	\$17,190,536
Operating System	\$4,893,864
Depreciation.....	\$2,245,342
Taxes.....	\$34,619
Interest on Loans.....	\$705,710
Other Deductions	\$66,143
Total Cost of Electric Service.....	\$25,136,214
Operating Margins.....	\$126,461
Non-Operating Margins.....	\$194,312
Other Capital Credits	\$69,708
Total Margins	\$137,559

BALANCE SHEET

For the Year Ending December 31, 2015

ASSETS	
Total Utility Plant	\$51,715,039
Less Depreciation	\$18,821,124
Net Utility Plant.....	\$32,893,915
Investment in Assoc.	
Organization.....	\$13,252,459
Cash.....	\$513,116
Accounts Receivable	\$3,613,731
Inventory.....	\$274,598
Expenses Paid in Advance	\$26,211
Deferred Debits and	
Other Assets	\$21,359
Total Assets	\$50,595,389
LIABILITIES	
Consumer Deposits.....	\$640,413
Membership and Other	
Equities	\$21,495,025
Long-Term Debt	\$26,217,024
Notes and Accounts Payable	\$1,939,213
Other Current and Accrued	
Liabilities	\$303,714
Total Liabilities.....	\$50,595,389

YOUR BOARD OF DIRECTORS



Danny Wallen
Chairman



Greg Davis
Vice Chairman



Kelly Shepherd
Secretary / Treasurer



Robert N. Moore
Director



William Maxey
Director



Velma May
Director



Albert Burchett
Attorney



David Estep
President and
General Manager

OFFICIAL BUSINESS MEETING AGENDA ANNUAL MEETING OF MEMBERS

BIG SANDY RECC

Where: Mountain Arts Center, Prestonsburg, KY

When: Thursday, May 19, 2016

Registration Time: 6:00 p.m.

Business Meeting Time: 7:00 p.m.

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person in order to determine the existence of a quorum
2. 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 case may be
3. Reading of approved meeting of the members and the taking of necessary action thereon
4. Presentation and consideration of reports of officers, trustees, and committees
5. Report on the election of board members
6. Unfinished business
7. New business (or other business if properly raised)
8. Adjournment



Lisa Arms, Operations Assistant

Front Row L to R: Ralph Leslie, Quality Control Supervisor, Judy McClure, Administrative Assistant, David Estepp, President/General Manager, Sandra Shepherd, Vice President of Financial Services, Natasha Wiley, Manager of Member Services.

Back Row L to R: Adam Ferguson, IT Manager, Jeff Prater, Vice President of Operations, Kirby Castle, Operations Superintendent, Bruce Aaron Davis, Vice President of Customer Service, Brian Frasure, Accounting and Finance Manager



Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 23

807 KAR 5:001 Sec. 16(4)(r)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

The monthly managerial reports providing financial results of operations for the twelve (12) months in the test period.

Response:

Please see attached.

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	18,780,382.98	17,630,255.99	16,653,712.92	1,985,960.30	5.9	6.1-
2.0	.00	.00	.00	.00	.0	.0
3.0	13,213,865.00-	12,133,332.00-	11,046,439.00-	1,324,882.00-	9.8	8.2-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	655,900.34-	716,050.46-	625,850.96-	99,827.29-	14.4	9.2
7.0	1,146,187.13-	1,158,145.03-	1,073,208.32-	128,188.54-	7.9	1.0
8.0	585,249.44-	582,910.55-	575,861.60-	72,512.60-	1.2	.4-
9.0	64,056.42-	40,838.55-	79,918.40-	8,319.13-	48.9-	36.2-
10.0	9,573.50-	1,003.50-	6,999.92-	150.00-	85.7-	89.5-
11.0	867,265.32-	860,932.85-	841,137.04-	104,605.31-	2.4	.7-
12.0	16,542,097.15-	15,493,212.94-	14,249,415.24-	1,738,484.87-	8.7	6.3-
13.0	1,440,338.29-	1,490,681.47-	1,512,200.64-	187,369.25-	1.4-	3.5
14.0	.00	.00	.00	.00	.0	.0
15.0	24,819.66-	23,271.88-	23,333.28-	2,836.89-	.3-	6.2-
16.0	504,297.31-	476,070.99-	495,999.92-	58,728.02-	4.0-	5.6-
17.0	.00	.00	.00	.00	.0	.0
18.0	37,432.75-	33,750.48-	33,684.56-	4,150.09-	.2	9.8-
19.0	16,028.29-	12,717.35-	12,440.00-	1,150.00-	2.2	20.7-
20.0	18,565,013.45-	17,529,705.11-	16,327,073.64-	1,992,719.12-	7.4	5.6-
21.0	215,369.53	100,550.88	326,639.28	6,758.82-	69.2-	53.3-
22.0	119,098.19	117,259.68	116,666.64	15,370.96	.5	1.5-
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	6,161.85	19,520.25	.00	.00	100.0	216.8
26.0	.00	.00	.00	.00	.0	.0
27.0	31,138.25	230,702.17	.00	.00	100.0	640.9
28.0	.00	.00	.00	.00	.0	.0
29.0	371,767.82	468,032.98	443,305.92	8,612.14	5.6	25.9
RATIOS						
TIER	1.737	1.983	1.894	1.147		
MARGINS TO REVENUE	.020	.027	.027	.004		
POWER COST TO REVENUE	.704	.688	.663	.667		
INTEREST EXPENSE TO REVENUE	.027	.027	.030	.030		
CURRENT ASSETS : CURRENT LIABILITIES	1.6683					
MARGINS & EQUITIES AS % OF ASSETS	.4231					
LONG TERM DEBT AS % OF PLANT	.4460					
GENERAL FUNDS TO TOTAL PLANT	2.8599					
QUICK ASSET RATIO	1.5778					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1.0	TOTAL UTILITY PLANT IN SERVICE 51,331,135.92	30.0	MEMBERSHIPS 228,290.00-
2.0	CONSTRUCTION WORK IN PROGRESS 5,305.31	31.0	PATRONAGE CAPITAL 23,335,162.62-
3.0	TOTAL UTILITY PLANT 51,336,441.23	32.0	OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 18,336,061.75-	33.0	OPERATING MARGINS-CURRENT YEAR 331,253.05-
5.0	NET UTILITY PLANT 33,000,379.48	34.0	NON-OPERATING MARGINS 136,779.93-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0	OTHER MARGINS & EQUITIES 2,243,392.53
7.0	INVEST IN SUBSIDIARY COMPANIES .00	36.0	TOTAL MARGINS & EQUITIES 21,788,093.07-
8.0	INV IN ASSOC ORG - PAT CAPITAL 12,938,472.14	37.0	LONG TERM DEBT - RUS (NET) 5,349,948.80-
9.0	INV IN ASSOC ORG OTHR GEN FND 3,205.00		(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 479,095.34	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) 17,544,603.05-
13.0	SPECIAL FUNDS .00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 13,426,272.48	42.0	PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 569,841.12	43.0	TOTAL LONG TERM DEBT 22,894,551.85-
16.0	CASH - CONSTRUCTION FUND TRUST 406.50	44.0	OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 120.00	45.0	ACCUM OPERATING PROVISIONS 3,761,831.23-
18.0	TEMPORARY INVESTMENTS 889,600.78	46.0	TOTAL OTHER NONCURR LIABILITY 3,761,831.23-
19.0	NOTES RECEIVABLE (NET) .00	47.0	NOTES PAYABLE .00
20.0	ACCTS RECV - SALES ENERGY (NET) 2,684,939.70	48.0	ACCOUNTS PAYABLE 1,848,148.82-
21.0	ACCTS RECV - OTHER (NET) 593,012.93	49.0	CONSUMER DEPOSITS 659,032.50-
22.0	RENEWABLE ENERGY CREDITS .00	50.0	CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 273,944.15	51.0	CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 30,784.33	52.0	CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 8,960.08	53.0	OTHER CURRENT & ACCRUED LIAB 520,799.98-
26.0	TOTAL CURRENT & ACCR ASSETS 5,051,609.59	54.0	TOTAL CURRENT & ACCRUED LIAB 3,027,981.30-
27.0	REGULATORY ASSETS .00	55.0	REGULATORY LIABILITIES .00
28.0	OTHER DEFERRED DEBITS 18,640.23	56.0	OTHER DEFERRED CREDITS 24,444.33-
29.0	TOTAL ASSETS & OTHER DEBITS 51,496,901.78	57.0	TOTAL LIABILITIES & OTH CREDIT 51,496,901.78-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0	BALANCE BEGINNING OF YEAR .00
59.0	AMOUNT RECEIVED THIS YEAR (NET) 122,533.69
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST 122,533.69

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.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

SIGNATURE OF MANAGER

DATE

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	20,589,850.95	19,341,837.81	18,317,991.91	1,711,581.82	5.6	6.1-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	14,446,484.00-	13,298,593.00-	12,117,992.00-	1,165,261.00-	9.7	7.9-
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.....	695,771.99-	806,244.53-	704,082.33-	90,194.07-	14.5	15.9
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,266,289.68-	1,229,625.62-	1,207,359.36-	71,480.59-	1.8	2.9-
8.0	CONSUMER ACCOUNTS EXPENSE.....	662,573.54-	646,900.61-	647,844.30-	63,990.06-	.1-	2.4-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	73,302.43-	50,155.84-	89,908.20-	9,317.29-	44.2-	31.6-
10.0	SALES EXPENSE.....	7,088.50-	2,471.35-	7,874.91-	1,467.85-	68.6-	65.1-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	957,473.00-	962,549.77-	946,279.17-	101,616.92-	1.7	.5
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	18,108,983.14-	16,996,540.72-	15,721,340.27-	1,503,327.78-	8.1	6.1-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,622,750.66-	1,678,801.03-	1,701,225.72-	188,119.56-	1.3-	3.5
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	27,752.67-	26,108.77-	26,249.94-	2,836.89-	.5-	5.9-
16.0	INTEREST ON LONG TERM DEBT.....	565,917.65-	533,347.46-	557,999.91-	57,276.47-	4.4-	5.8-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	38,208.39-	38,387.82-	37,895.13-	4,637.34-	1.3	.5
19.0	OTHER DEDUCTIONS.....	16,028.29-	13,067.35-	13,995.00-	350.00-	6.6-	18.5-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	20,379,640.80-	19,286,253.15-	18,058,705.97-	1,756,548.04-	6.8	5.4-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	210,210.15	55,584.66	259,285.94	44,966.22-	78.6-	73.6-
22.0	NON OPERATING MARGINS - INTEREST.....	133,473.85	131,519.20	131,249.97	14,259.52	.2	1.5-
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.....	9,663.84	19,520.25	.00	.00	100.0	102.0
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	46,738.82	242,737.33	.00	12,035.16	100.0	419.3
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	400,086.66	449,361.44	390,535.91	18,671.54-	15.1	12.3
RATIOS							
TIER		1.707	1.843	1.700	.674		
MARGINS TO REVENUE		.019	.023	.021	.011		
POWER COST TO REVENUE		.702	.688	.662	.681		
INTEREST EXPENSE TO REVENUE		.027	.028	.030	.033		
CURRENT ASSETS : CURRENT LIABILITIES		1.6117					
MARGINS & EQUITIES AS % OF ASSETS		.4243					
LONG TERM DEBT AS % OF PLANT		.4417					
GENERAL FUNDS TO TOTAL PLANT		2.5365					
QUICK ASSET RATIO		1.5150					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS			
1.0	TOTAL UTILITY PLANT IN SERVICE	51,496,433.87	30.0	MEMBERSHIPS	227,915.00-
2.0	CONSTRUCTION WORK IN PROGRESS	54,369.41-	31.0	PATRONAGE CAPITAL	23,329,679.93-
3.0	TOTAL UTILITY PLANT	51,442,064.46	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	18,472,764.26-	33.0	OPERATING MARGINS-CURRENT YEAR	298,321.99-
5.0	NET UTILITY PLANT	32,969,300.20	34.0	NON-OPERATING MARGINS	151,039.45-
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0	OTHER MARGINS & EQUITIES	2,229,904.98
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	36.0	TOTAL MARGINS & EQUITIES	21,777,051.39-
8.0	INV IN ASSOC ORG - PAT CAPITAL	12,945,429.31	37.0	LONG TERM DEBT - RUS (NET)	5,316,000.23-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	479,095.34	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)	17,406,778.17-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	13,433,229.65	42.0	PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	357,140.49	43.0	TOTAL LONG TERM DEBT	22,722,778.40-
16.0	CASH - CONSTRUCTION FUND TRUST	406.50	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	120.00	45.0	ACCUM OPERATING PROVISIONS	3,758,089.92-
18.0	TEMPORARY INVESTMENTS	938,998.84	46.0	TOTAL OTHER NONCURR LIABILITY	3,758,089.92-
19.0	NOTES RECEIVABLE (NET)	.00	47.0	NOTES PAYABLE	.00
20.0	ACCTS REC - SALES ENERGY (NET)	2,346,232.04	48.0	ACCOUNTS PAYABLE	1,849,410.81-
21.0	ACCTS REC - OTHER (NET)	897,356.00	49.0	CONSUMER DEPOSITS	646,357.50-
22.0	RENEWABLE ENERGY CREDITS	.00	50.0	CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	294,493.69	51.0	CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	60,861.73	52.0	CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	10,740.42	53.0	OTHER CURRENT & ACCRUED LIAB	548,368.04-
26.0	TOTAL CURRENT & ACCR ASSETS	4,906,349.71	54.0	TOTAL CURRENT & ACCRUED LIAB	3,044,136.35-
27.0	REGULATORY ASSETS	.00	55.0	REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	16,704.83	56.0	OTHER DEFERRED CREDITS	23,528.33-
29.0	TOTAL ASSETS & OTHER DEBITS	51,325,584.39	57.0	TOTAL LIABILITIES & OTH CREDIT	51,325,584.39-

=====

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	127,353.77
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	127,353.77

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			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B	BUDGET C			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	22,424,979.11	20,998,856.50	19,984,656.90	1,657,018.69	5.1	6.4-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	15,573,004.00-	14,399,926.00-	13,190,189.00-	1,101,333.00-	9.2	7.5-
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.....	786,434.66-	883,333.58-	782,313.70-	77,089.05-	12.9	12.3
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,433,766.09-	1,352,614.54-	1,341,510.40-	122,988.92-	.8	5.7-
8.0	CONSUMER ACCOUNTS EXPENSE.....	729,478.36-	714,488.60-	719,827.00-	67,587.99-	.7-	2.1-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	77,336.07-	52,098.08-	99,898.00-	1,942.24-	47.8-	32.6-
10.0	SALES EXPENSE.....	7,088.50-	2,471.35-	8,749.90-	.00	71.8-	65.1-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,063,418.58-	1,072,256.58-	1,051,421.30-	109,706.81-	2.0	.8
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	19,670,526.26-	18,477,188.73-	17,193,909.30-	1,480,648.01-	7.5	6.1-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,806,253.28-	1,867,300.72-	1,890,250.80-	188,499.69-	1.2-	3.4
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	30,685.68-	28,945.66-	29,166.60-	2,836.89-	.8-	5.7-
16.0	INTEREST ON LONG TERM DEBT.....	628,291.86-	591,578.88-	619,999.90-	58,231.42-	4.6-	5.8-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	42,446.30-	43,009.07-	42,105.70-	4,621.25-	2.1	1.3
19.0	OTHER DEDUCTIONS.....	16,207.77-	12,567.35-	15,550.00-	500.00	19.2-	22.5-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	22,194,411.15-	21,020,590.41-	19,790,982.30-	1,734,337.26-	6.2	5.3-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	230,567.96	21,733.91-	193,674.60	77,318.57-	111.2-	109.4-
22.0	NON OPERATING MARGINS - INTEREST.....	147,848.55	145,781.42	145,833.30	14,262.22	.0	1.4-
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.....	24,446.04	19,520.25	.00	.00	100.0	20.1-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	46,738.82	242,737.33	.00	.00	100.0	419.3
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	449,601.37	386,305.09	339,507.90	63,056.35-	13.8	14.1-
RATIOS							
	TIER	1.716	1.653	1.548	.083-		
	MARGINS TO REVENUE	.020	.018	.017	.038		
	POWER COST TO REVENUE	.694	.686	.660	.665		
	INTEREST EXPENSE TO REVENUE	.028	.028	.031	.035		
	CURRENT ASSETS : CURRENT LIABILITIES	1.6313					
	MARGINS & EQUITIES AS % OF ASSETS	.4257					
	LONG TERM DEBT AS % OF PLANT	.4400					
	GENERAL FUNDS TO TOTAL PLANT	2.2884					
	QUICK ASSET RATIO	1.5280					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
LINE NO				
1.0	TOTAL UTILITY PLANT IN SERVICE	51,597,693.68	30.0 MEMBERSHIPS	228,080.00-
2.0	CONSTRUCTION WORK IN PROGRESS	49,660.35-	31.0 PATRONAGE CAPITAL	23,327,151.84-
3.0	TOTAL UTILITY PLANT	51,548,033.33	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	18,607,402.75-	33.0 OPERATING MARGINS-CURRENT YEAR	221,003.42-
5.0	NET UTILITY PLANT	32,940,630.58	34.0 NON-OPERATING MARGINS	165,301.67-
			35.0 OTHER MARGINS & EQUITIES	2,216,870.96
6.0	NON-UTILITY PROPERTY (NET)	.00	36.0 TOTAL MARGINS & EQUITIES	21,724,665.97-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00		
8.0	INV IN ASSOC ORG - PAT CAPITAL	12,945,429.31	37.0 LONG TERM DEBT - RUS (NET)	5,282,851.99-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	479,095.34	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)	17,399,942.05-
13.0	SPECIAL FUNDS	.00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	13,433,229.65	42.0 PAYMENTS - UNAPPLIED	.00
			43.0 TOTAL LONG TERM DEBT	22,682,794.04-
15.0	CASH - GENERAL FUNDS	587,939.89		
16.0	CASH - CONSTRUCTION FUND TRUST	406.50	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	120.00	45.0 ACCUM OPERATING PROVISIONS	3,758,080.46-
18.0	TEMPORARY INVESTMENTS	582,961.81	46.0 TOTAL OTHER NONCURR LIABILITY	3,758,080.46-
19.0	NOTES RECEIVABLE (NET)	.00		
20.0	ACCTS RECV - SALES ENERGY (NET)	2,208,126.88	47.0 NOTES PAYABLE	.00
21.0	ACCTS RECV - OTHER (NET)	927,056.35	48.0 ACCOUNTS PAYABLE	1,791,332.94-
22.0	RENEWABLE ENERGY CREDITS	.00	49.0 CONSUMER DEPOSITS	647,232.50-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	294,120.51	50.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	44,154.74	51.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	1,829.01	52.0 CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	4,646,715.69	53.0 OTHER CURRENT & ACCRUED LIAB	409,939.37-
			54.0 TOTAL CURRENT & ACCRUED LIAB	2,848,504.81-
27.0	REGULATORY ASSETS	.00		
28.0	OTHER DEFERRED DEBITS	16,830.92	55.0 REGULATORY LIABILITIES	.00
			56.0 OTHER DEFERRED CREDITS	23,361.56-
29.0	TOTAL ASSETS & OTHER DEBITS	51,037,406.84	57.0 TOTAL LIABILITIES & OTH CREDIT	51,037,406.84-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	130,960.27
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	130,960.27

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				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	24,917,977.32	22,906,305.32	22,209,777.89	1,907,448.82	3.1	8.1-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	17,321,716.00-	15,743,269.00-	14,671,029.00-	1,343,343.00-	7.3	9.1-
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.....	873,361.35-	965,236.06-	860,545.07-	81,902.48-	12.2	10.5
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,561,480.32-	1,462,511.64-	1,475,661.44-	109,897.10-	.9-	6.3-
8.0	CONSUMER ACCOUNTS EXPENSE.....	799,580.91-	793,306.35-	791,809.70-	78,817.75-	.2	.8-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE..	86,874.09-	55,476.99-	109,887.80-	3,378.91-	49.5-	36.1-
10.0	SALES EXPENSE.....	7,088.50-	2,471.35-	9,624.89-	.00	74.3-	65.1-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,170,882.06-	1,204,432.88-	1,156,563.43-	132,176.30-	4.1	2.9
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	21,820,983.23-	20,226,704.27-	19,075,121.33-	1,749,515.54-	6.0	7.3-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,989,791.86-	2,056,191.07-	2,079,275.88-	188,890.35-	1.1-	3.3
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	33,618.69-	31,782.55-	32,083.26-	2,836.89-	.9-	5.5-
16.0	INTEREST ON LONG TERM DEBT.....	689,258.64-	648,549.60-	681,999.89-	56,970.72-	4.9-	5.9-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	46,710.27-	47,613.65-	46,316.27-	4,604.58-	2.8	1.9
19.0	OTHER DEDUCTIONS.....	16,307.77-	13,278.67-	17,105.00-	711.32-	22.4-	18.6-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	24,596,670.46-	23,024,119.81-	21,931,901.63-	2,003,529.40-	5.0	6.4-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	321,306.86	117,814.49-	277,876.26	96,080.58-	142.4-	136.7-
22.0	NON OPERATING MARGINS - INTEREST.....	162,854.00	160,621.78	160,416.63	14,840.36	.1	1.4-
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.....	24,446.04	19,520.25	.00	.00	100.0	20.1-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	46,738.82	242,737.33	.00	.00	100.0	419.3
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	555,345.72	305,064.87	438,292.89	81,240.22-	30.4-	45.1-
RATIOS							
TIER		1.806	1.470	1.643	.426-		
MARGINS TO REVENUE		.022	.013	.020	.043		
POWER COST TO REVENUE		.695	.687	.661	.704		
INTEREST EXPENSE TO REVENUE		.028	.028	.031	.030		
CURRENT ASSETS : CURRENT LIABILITIES		1.5680					
MARGINS & EQUITIES AS % OF ASSETS		.4246					
LONG TERM DEBT AS % OF PLANT		.4382					
GENERAL FUNDS TO TOTAL PLANT		1.7229					
QUICK ASSET RATIO		1.4707					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS			
1.0	TOTAL UTILITY PLANT IN SERVICE	51,717,310.96	30.0	MEMBERSHIPS	227,830.00-
2.0	CONSTRUCTION WORK IN PROGRESS	60,085.51-	31.0	PATRONAGE CAPITAL	23,321,569.09-
3.0	TOTAL UTILITY PLANT	51,657,225.45	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	18,702,109.41-	33.0	OPERATING MARGINS-CURRENT YEAR	124,922.84-
5.0	NET UTILITY PLANT	32,955,116.04	34.0	NON-OPERATING MARGINS	180,142.03-
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0	OTHER MARGINS & EQUITIES	2,203,072.59
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	36.0	TOTAL MARGINS & EQUITIES	21,651,391.37-
8.0	INV IN ASSOC ORG - PAT CAPITAL	12,945,429.31	37.0	LONG TERM DEBT - RUS (NET)	5,285,542.53-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	479,095.34	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)	17,352,861.55-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	13,433,229.65	42.0	PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	256,163.77	43.0	TOTAL LONG TERM DEBT	22,638,404.08-
16.0	CASH - CONSTRUCTION FUND TRUST	406.50	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	120.00	45.0	ACCUM OPERATING PROVISIONS	3,755,008.71-
18.0	TEMPORARY INVESTMENTS	625,109.87	46.0	TOTAL OTHER NONCURR LIABILITY	3,755,008.71-
19.0	NOTES RECEIVABLE (NET)	.00	47.0	NOTES PAYABLE	.00
20.0	ACCTS RECV - SALES ENERGY(NET)	2,478,782.26	48.0	ACCOUNTS PAYABLE	1,852,186.23-
21.0	ACCTS RECV - OTHER (NET)	894,165.21	49.0	CONSUMER DEPOSITS	643,062.50-
22.0	RENEWABLE ENERGY CREDITS	.00	50.0	CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	284,680.05	51.0	CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	42,541.67	52.0	CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	3,599.61	53.0	OTHER CURRENT & ACCRUED LIAB	429,182.18-
26.0	TOTAL CURRENT & ACCR ASSETS	4,585,568.94	54.0	TOTAL CURRENT & ACCRUED LIAB	2,924,430.91-
27.0	REGULATORY ASSETS	.00	55.0	REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	15,246.38	56.0	OTHER DEFERRED CREDITS	19,925.94-
29.0	TOTAL ASSETS & OTHER DEBITS	50,989,161.01	57.0	TOTAL LIABILITIES & OTH CREDIT	50,989,161.01-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	137,320.96
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	137,320.96

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....	27,463,380.43	25,009,752.58	24,618,083.00	2,103,447.26	1.6	8.9-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	19,111,224.00-	17,190,536.00-	16,254,848.00-	1,447,267.00-	5.8	10.1-
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.....	969,813.06-	1,081,338.21-	938,778.00-	116,102.15-	15.2	11.5
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,640,037.81-	1,563,327.65-	1,609,814.00-	100,816.01-	2.9-	4.7-
8.0	CONSUMER ACCOUNTS EXPENSE.....	873,672.00-	871,841.53-	863,793.00-	78,535.18-	.9	.2-
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	92,822.50-	50,027.09-	119,878.00-	5,449.90	58.3-	46.1-
10.0	SALES EXPENSE.....	7,238.50-	2,471.35-	10,500.00-	.00	76.5-	65.9-
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,281,386.07-	1,324,858.38-	1,261,707.00-	120,425.50-	5.0	3.4
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	23,976,193.94-	22,084,400.21-	21,059,318.00-	1,857,695.94-	4.9	7.9-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	2,173,975.33-	2,245,341.54-	2,268,301.00-	189,150.47-	1.0-	3.3
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	36,551.70-	34,619.44-	35,000.00-	2,836.89-	1.1-	5.3-
16.0	INTEREST ON LONG TERM DEBT.....	749,189.31-	705,709.50-	744,000.00-	57,159.90-	5.1-	5.8-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	54,473.71-	52,201.65-	50,527.00-	4,588.00-	3.3	4.2-
19.0	OTHER DEDUCTIONS.....	17,002.45-	13,941.18-	18,660.00-	662.51-	25.3-	18.0-
20.0	TOTAL COST OF ELECTRIC SERVICE.....	27,007,386.44-	25,136,213.52-	24,175,806.00-	2,112,093.71-	4.0	6.9-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	455,993.99	126,460.94-	442,277.00	8,646.45-	128.6-	127.7-
22.0	NON OPERATING MARGINS - INTEREST.....	177,254.77	174,791.81	175,000.00	14,170.03	.1-	1.4-
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.....	24,446.04	19,520.25	.00	.00	100.0	20.1-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	1,480,209.82	1,642,737.33	.00	1,400,000.00	100.0	11.0
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	2,137,904.62	1,710,588.45	617,277.00	1,405,523.58	177.1	20.0-
RATIOS							
	TIER	3.854	3.424	1.830	25.589		
	MARGINS TO REVENUE	.078	.068	.025	.668		
	POWER COST TO REVENUE	.696	.687	.660	.688		
	INTEREST EXPENSE TO REVENUE	.027	.028	.030	.027		
	CURRENT ASSETS : CURRENT LIABILITIES	1.5482					
	MARGINS & EQUITIES AS % OF ASSETS	.4422					
	LONG TERM DEBT AS % OF PLANT	.4344					
	GENERAL FUNDS TO TOTAL PLANT	1.0080					
	QUICK ASSET RATIO	1.4523					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	51,786,741.29	30.0 MEMBERSHIPS	227,660.00-
2.0	CONSTRUCTION WORK IN PROGRESS	71,702.38-	31.0 PATRONAGE CAPITAL	23,319,890.59-
3.0	TOTAL UTILITY PLANT	51,715,038.91	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	18,821,123.91-	33.0 OPERATING MARGINS-CURRENT YEAR	1,516,276.39-
5.0	NET UTILITY PLANT	32,893,915.00	34.0 NON-OPERATING MARGINS	194,312.06-
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0 OTHER MARGINS & EQUITIES	2,190,084.83
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	36.0 TOTAL MARGINS & EQUITIES	23,068,054.21-
8.0	INV IN ASSOC ORG - PAT CAPITAL	14,337,688.31	37.0 LONG TERM DEBT - RUS (NET)	5,252,268.24-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00	(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	479,095.34	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)	17,215,254.07-
13.0	SPECIAL FUNDS	.00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	14,825,488.65	42.0 PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	242,042.91	43.0 TOTAL LONG TERM DEBT	22,467,522.31-
16.0	CASH - CONSTRUCTION FUND TRUST	406.50	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	120.00	45.0 ACCUM OPERATING PROVISIONS	3,749,501.77-
18.0	TEMPORARY INVESTMENTS	270,546.14	46.0 TOTAL OTHER NONCURR LIABILITY	3,749,501.77-
19.0	NOTES RECEIVABLE (NET)	.00	47.0 NOTES PAYABLE	.00
20.0	ACCTS REC - SALES ENERGY(NET)	2,726,684.73	48.0 ACCOUNTS PAYABLE	1,939,213.41-
21.0	ACCTS REC - OTHER (NET)	887,045.80	49.0 CONSUMER DEPOSITS	640,412.50-
22.0	RENEWABLE ENERGY CREDITS	.00	50.0 CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	274,598.16	51.0 CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	26,211.38	52.0 CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	5,370.21	53.0 OTHER CURRENT & ACCRUED LIAB	283,788.14-
26.0	TOTAL CURRENT & ACCR ASSETS	4,433,025.83	54.0 TOTAL CURRENT & ACCRUED LIAB	2,863,414.05-
27.0	REGULATORY ASSETS	.00	55.0 REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	15,988.80	56.0 OTHER DEFERRED CREDITS	19,925.94-
29.0	TOTAL ASSETS & OTHER DEBITS	52,168,418.28	57.0 TOTAL LIABILITIES & OTH CREDIT	52,168,418.28-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	158,493.94
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	158,493.94

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	3,032,004.59	3,041,765.11	2,692,430.66	3,041,765.11	13.0	.3
2.0	.00	.00	.00	.00	.0	.0
3.0	2,069,151.00	2,066,375.00	1,838,080.00	2,066,375.00	12.4	.1-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	99,953.48	77,889.26	85,142.15	77,889.26	8.5-	22.1-
7.0	93,936.88	169,456.51	135,013.96	169,456.51	25.5	80.4
8.0	82,963.82	80,036.44	75,573.83	80,036.44	5.9	3.5-
9.0	9,769.75	3,583.84	6,102.30	3,583.84	41.3-	63.3-
10.0	285.00	254.50	374.98	254.50	32.1-	10.7-
11.0	118,724.24	120,577.08	108,886.10	120,577.08	10.7	1.6
12.0	2,474,784.17	2,518,172.63	2,249,173.32	2,518,172.63	12.0	1.8
13.0	185,504.30	189,554.03	195,613.24	189,554.03	3.1-	2.2
14.0	.00	.00	.00	.00	.0	.0
15.0	2,933.01	2,836.89	2,916.66	2,836.89	2.7-	3.3-
16.0	61,651.51	59,290.59	58,749.98	59,290.59	.9	3.8-
17.0	.00	.00	.00	.00	.0	.0
18.0	4,242.03	4,700.42	4,625.23	4,700.42	1.6	10.8
19.0	267.35	1,000.00	1,441.66	1,000.00	30.6-	274.0
20.0	2,729,382.37	2,775,554.56	2,512,520.09	2,775,554.56	10.5	1.7
21.0	302,622.22	266,210.55	179,910.57	266,210.55	48.0	12.0-
22.0	14,362.09	14,178.46	14,583.33	14,178.46	2.8-	1.3-
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	316,984.31	280,389.01	194,493.90	280,389.01	44.2	11.5-
RATIOS						
TIER	6.142	5.729	4.311	5.729		
MARGINS TO REVENUE	.105	.092	.072	.092		
POWER COST TO REVENUE	.682	.679	.683	.679		
INTEREST EXPENSE TO REVENUE	.020	.019	.022	.019		
CURRENT ASSETS : CURRENT LIABILITIES	1.4089					
MARGINS & EQUITIES AS % OF ASSETS	.4337					
LONG TERM DEBT AS % OF PLANT	.4321					
GENERAL FUNDS TO TOTAL PLANT	2.4771					
QUICK ASSET RATIO	1.3365					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	51,897,678.88	30.0	MEMBERSHIPS	228,050.00-
2.0	CONSTRUCTION WORK IN PROGRESS	8,053.73	31.0	PATRONAGE CAPITAL	24,962,627.92-
3.0	TOTAL UTILITY PLANT	51,905,732.61	32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	18,956,594.82-	33.0	OPERATING MARGINS-CURRENT YEAR	266,210.55-
5.0	NET UTILITY PLANT	32,949,137.79	34.0	NON-OPERATING MARGINS	14,178.46-
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0	OTHER MARGINS & EQUITIES	2,109,915.71
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	36.0	TOTAL MARGINS & EQUITIES	23,361,151.22-
8.0	INV IN ASSOC ORG - PAT CAPITAL	14,337,688.31	37.0	LONG TERM DEBT - RUS (NET)	5,220,567.27-
9.0	INV IN ASSOC ORG OTHR GEN FND	3,205.00		(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	479,095.34	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)	17,208,406.21-
13.0	SPECIAL FUNDS	.00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	14,825,488.65	42.0	PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	1,155,776.84	43.0	TOTAL LONG TERM DEBT	22,428,973.48-
16.0	CASH - CONSTRUCTION FUND TRUST	406.50	44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	120.00	45.0	ACCUM OPERATING PROVISIONS	3,743,465.34-
18.0	TEMPORARY INVESTMENTS	121,281.58	46.0	TOTAL OTHER NONCURR LIABILITY	3,743,465.34-
19.0	NOTES RECEIVABLE (NET)	.00	47.0	NOTES PAYABLE	650,000.00-
20.0	ACCTS REC - SALES ENERGY (NET)	3,773,926.21	48.0	ACCOUNTS PAYABLE	2,624,476.23-
21.0	ACCTS REC - OTHER (NET)	570,938.65	49.0	CONSUMER DEPOSITS	642,722.50-
22.0	RENEWABLE ENERGY CREDITS	.00	50.0	CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	312,049.03	51.0	CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	133,066.32	52.0	CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	7,140.81	53.0	OTHER CURRENT & ACCRUED LIAB	394,440.68-
26.0	TOTAL CURRENT & ACCR ASSETS	6,074,705.94	54.0	TOTAL CURRENT & ACCRUED LIAB	4,311,639.41-
27.0	REGULATORY ASSETS	.00	55.0	REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	15,750.87	56.0	OTHER DEFERRED CREDITS	19,853.80-
29.0	TOTAL ASSETS & OTHER DEBITS	53,865,083.25	57.0	TOTAL LIABILITIES & OTH CREDIT	53,865,083.25-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	13,077.92
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	13,077.92

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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	THIS YEAR	BUDGET	THIS MONTH			
	A	B	C	D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	6,067,558.67	5,441,711.18	5,279,981.32	2,399,946.07	3.1	10.3-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	4,295,693.00-	3,684,648.00-	3,594,080.00-	1,618,273.00-	2.5	14.2-
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.....	200,469.28-	178,662.10-	170,284.30-	100,772.84-	4.9	10.9-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	205,599.46-	303,866.05-	270,027.92-	134,409.54-	12.5	47.8
8.0	CONSUMER ACCOUNTS EXPENSE.....	155,440.60-	157,411.06-	151,147.66-	77,374.62-	4.1	1.3
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	18,093.07-	8,763.63-	12,204.60-	5,179.79-	28.2-	51.6-
10.0	SALES EXPENSE.....	513.50-	690.25-	749.96-	435.75-	8.0-	34.4
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	222,589.89-	228,890.23-	217,772.20-	108,313.15-	5.1	2.8
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	5,098,398.80-	4,562,931.32-	4,416,266.64-	2,044,758.69-	3.3	10.5-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	371,077.20-	378,624.06-	391,226.48-	189,070.03-	3.2-	2.0
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	5,866.02-	5,673.78-	5,833.32-	2,836.89-	2.7-	3.3-
16.0	INTEREST ON LONG TERM DEBT.....	120,060.70-	118,231.24-	117,499.96-	58,940.65-	.6	1.5-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	8,470.68-	10,313.88-	9,250.46-	5,613.46-	11.5	21.8
19.0	OTHER DEDUCTIONS.....	1,492.35-	2,236.53-	2,883.32-	1,236.53-	22.4-	49.9
20.0	TOTAL COST OF ELECTRIC SERVICE.....	5,605,365.75-	5,078,010.81-	4,942,960.18-	2,302,456.25-	2.7	9.4-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	462,192.92	363,700.37	337,021.14	97,489.82	7.9	21.3-
22.0	NON OPERATING MARGINS - INTEREST.....	41,216.43	28,993.93	29,166.66	14,815.47	.6-	29.7-
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.....	503,409.35	392,694.30	366,187.80	112,305.29	7.2	22.0-
RATIOS							
	TIER	5.193	4.321	4.116	2.905		
	MARGINS TO REVENUE	.083	.072	.069	.047		
	POWER COST TO REVENUE	.708	.677	.681	.674		
	INTEREST EXPENSE TO REVENUE	.020	.022	.022	.025		
	CURRENT ASSETS : CURRENT LIABILITIES	1.4616					
	MARGINS & EQUITIES AS % OF ASSETS	.4391					
	LONG TERM DEBT AS % OF PLANT	.4310					
	GENERAL FUNDS TO TOTAL PLANT	2.5625					
	QUICK ASSET RATIO	1.3824					

PART C. BALANCE SHEET

LINE NO		ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS	
1.0		TOTAL UTILITY PLANT IN SERVICE 51,931,811.73	30.0	MEMBERSHIPS 228,245.00-
2.0		CONSTRUCTION WORK IN PROGRESS 8,656.72	31.0	PATRONAGE CAPITAL 24,712,785.03-
3.0		TOTAL UTILITY PLANT 51,940,468.45	32.0	OPERATING MARGINS - PRIOR YEAR .00
4.0		ACCUM PROV FOR DEP & AMORT 18,933,581.24-	33.0	OPERATING MARGINS-CURRENT YEAR 363,700.37-
5.0		NET UTILITY PLANT 33,006,887.21	34.0	NON-OPERATING MARGINS 28,993.93-
6.0		NON-UTILITY PROPERTY (NET) .00	35.0	OTHER MARGINS & EQUITIES 1,853,131.39
7.0		INVEST IN SUBSIDIARY COMPANIES .00	36.0	TOTAL MARGINS & EQUITIES 23,480,592.94-
8.0		INV IN ASSOC ORG - PAT CAPITAL 14,337,688.31	37.0	LONG TERM DEBT - RUS (NET) 5,225,616.30-
9.0		INV IN ASSOC ORG OTHR GEN FND 3,205.00		(PAYMENTS-UNAPPLIED .00)
10.0		INV IN ASSOC ORG - NON GEN FND 479,095.34	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) 17,160,403.47-
13.0		SPECIAL FUNDS .00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0		TOT OTHER PROP & INVESTMENTS 14,825,488.65	42.0	PAYMENTS - UNAPPLIED .00
15.0		CASH - GENERAL FUNDS 1,130,191.64	43.0	TOTAL LONG TERM DEBT 22,386,019.77-
16.0		CASH - CONSTRUCTION FUND TRUST 406.50	44.0	OBLIGATION UNDER CAPITAL LEASE .00
17.0		SPECIAL DEPOSITS 120.00	45.0	ACCUM OPERATING PROVISIONS 3,738,784.89-
18.0		TEMPORARY INVESTMENTS 192,084.60	46.0	TOTAL OTHER NONCURR LIABILITY 3,738,784.89-
19.0		NOTES RECEIVABLE (NET) .00	47.0	NOTES PAYABLE 650,000.00-
20.0		ACCTS REC - SALES ENERGY(NET) 3,302,390.79	48.0	ACCOUNTS PAYABLE 2,167,560.82-
21.0		ACCTS REC - OTHER (NET) 566,263.82	49.0	CONSUMER DEPOSITS 633,057.50-
22.0		RENEWABLE ENERGY CREDITS .00	50.0	CURR MATURITIES LONG-TERM DEBT .00
23.0		MATERIAL & SUPPLIES-ELEC & OTH 305,230.59	51.0	CURR MATURIT LT DEBT ECON DEV .00
24.0		PREPAYMENTS 124,291.44	52.0	CURR MATURITIES CAPITAL LEASES .00
25.0		OTHER CURRENT & ACCR ASSETS 8,911.41	53.0	OTHER CURRENT & ACCRUED LIAB 401,210.03-
26.0		TOTAL CURRENT & ACCR ASSETS 5,629,890.79	54.0	TOTAL CURRENT & ACCRUED LIAB 3,851,828.35-
27.0		REGULATORY ASSETS .00	55.0	REGULATORY LIABILITIES .00
28.0		OTHER DEFERRED DEBITS 14,813.10	56.0	OTHER DEFERRED CREDITS 19,853.80-
29.0		TOTAL ASSETS & OTHER DEBITS 53,477,079.75	57.0	TOTAL LIABILITIES & OTH CREDIT 53,477,079.75-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0	BALANCE BEGINNING OF YEAR .00
59.0	AMOUNT RECEIVED THIS YEAR (NET) 42,349.24
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST 42,349.24

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.
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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				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	8,287,325.79	7,278,967.65	7,494,811.98	1,837,256.47	2.9-	12.2-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	5,856,592.00-	4,835,220.00-	5,079,094.00-	1,150,572.00-	4.8-	17.4-
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.....	299,792.46-	277,099.71-	255,426.45-	98,437.61-	8.5	7.6-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	332,477.85-	454,771.41-	405,041.88-	150,905.36-	12.3	36.8
8.0	CONSUMER ACCOUNTS EXPENSE.....	232,577.43-	238,290.82-	226,721.49-	80,879.76-	5.1	2.5
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	8,596.95-	9,966.65-	18,306.90-	1,203.02-	45.6-	15.9
10.0	SALES EXPENSE.....	703.50-	3,535.00-	1,124.94-	2,844.75-	214.2	402.5
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	327,787.80-	340,804.89-	326,658.30-	111,914.66-	4.3	4.0
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	7,058,527.99-	6,159,688.48-	6,312,373.96-	1,596,757.16-	2.4-	12.7-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	556,833.63-	568,812.12-	586,839.72-	190,188.06-	3.1-	2.2
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	8,799.03-	8,510.67-	8,749.98-	2,836.89-	2.7-	3.3-
16.0	INTEREST ON LONG TERM DEBT.....	179,232.68-	179,947.93-	176,249.94-	61,716.69-	2.1	.4
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	12,688.12-	16,185.31-	13,875.69-	5,871.43-	16.6	27.6
19.0	OTHER DEDUCTIONS.....	1,792.35-	4,766.53-	4,324.98-	2,530.00-	10.2	165.9
20.0	TOTAL COST OF ELECTRIC SERVICE.....	7,817,873.80-	6,937,911.04-	7,102,414.27-	1,859,900.23-	2.3-	11.3-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	469,451.99	341,056.61	392,397.71	22,643.76-	13.1-	27.4-
22.0	NON OPERATING MARGINS - INTEREST.....	49,483.99	43,244.19	43,749.99	14,250.26	1.2-	12.6-
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.....	15,673.21	11,350.00	.00	11,350.00	100.0	27.6-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	57,672.62	34,814.91	.00	34,814.91	100.0	39.6-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	592,281.81	430,465.71	436,147.70	37,771.41	1.3-	27.3-
RATIOS							
TIER	4.305	3.392	3.475	1.612			
MARGINS TO REVENUE	.071	.059	.058	.021			
POWER COST TO REVENUE	.707	.664	.678	.626			
INTEREST EXPENSE TO REVENUE	.022	.025	.024	.034			
CURRENT ASSETS : CURRENT LIABILITIES	1.4619						
MARGINS & EQUITIES AS % OF ASSETS	.4448						
LONG TERM DEBT AS % OF PLANT	.4266						
GENERAL FUNDS TO TOTAL PLANT	2.5680						
QUICK ASSET RATIO	1.3799						

PART C. BALANCE SHEET

LINE		ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
NO						
1.0	TOTAL UTILITY PLANT IN SERVICE	52,071,879.85		30.0	MEMBERSHIPS	228,890.00-
2.0	CONSTRUCTION WORK IN PROGRESS	4,400.67		31.0	PATRONAGE CAPITAL	24,707,754.93-
3.0	TOTAL UTILITY PLANT	52,076,280.52		32.0	OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	18,999,056.49-		33.0	OPERATING MARGINS-CURRENT YEAR	375,871.52-
5.0	NET UTILITY PLANT		33,077,224.03	34.0	NON-OPERATING MARGINS	54,594.19-
6.0	NON-UTILITY PROPERTY (NET)	.00		35.0	OTHER MARGINS & EQUITIES	1,838,901.34
7.0	INVEST IN SUBSIDIARY COMPANIES	.00		36.0	TOTAL MARGINS & EQUITIES	23,528,209.30-
8.0	INV IN ASSOC ORG - PAT CAPITAL	14,358,304.30		37.0	LONG TERM DEBT - RUS (NET)	5,193,505.71-
9.0	INV IN ASSOC ORG OTHR GEN FND	2,205.00			(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	479,095.34		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	500.00		40.0	LONG TERM DEBT - OTHER (NET)	17,023,722.88-
13.0	SPECIAL FUNDS	.00		41.0	LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS		14,840,104.64	42.0	PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	1,085,454.63		43.0	TOTAL LONG TERM DEBT	22,217,228.59-
16.0	CASH - CONSTRUCTION FUND TRUST	406.50		44.0	OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	120.00		45.0	ACCUM OPERATING PROVISIONS	3,735,446.84-
18.0	TEMPORARY INVESTMENTS	249,151.82		46.0	TOTAL OTHER NONCURR LIABILITY	3,735,446.84-
19.0	NOTES RECEIVABLE (NET)	.00		47.0	NOTES PAYABLE	650,000.00-
20.0	ACCTS REC - SALES ENERGY (NET)	2,666,553.59		48.0	ACCOUNTS PAYABLE	1,718,045.12-
21.0	ACCTS REC - OTHER (NET)	563,887.75		49.0	CONSUMER DEPOSITS	639,357.50-
22.0	RENEWABLE ENERGY CREDITS	.00		50.0	CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	278,490.52		51.0	CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	110,456.80		52.0	CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	10,682.01		53.0	OTHER CURRENT & ACCRUED LIAB	388,906.74-
26.0	TOTAL CURRENT & ACCR ASSETS		4,965,203.62	54.0	TOTAL CURRENT & ACCRUED LIAB	3,396,309.36-
27.0	REGULATORY ASSETS	.00		55.0	REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS		14,515.60	56.0	OTHER DEFERRED CREDITS	19,853.80-
29.0	TOTAL ASSETS & OTHER DEBITS		52,897,047.89	57.0	TOTAL LIABILITIES & OTH CREDIT	52,897,047.89-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	46,691.29
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	46,691.29

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	OPERATING REVENUE & PATRONAGE CAPITAL....	9,887,174.18	8,895,330.73	9,148,023.64	1,616,363.08	2.8-	10.0-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	6,876,029.00-	5,837,240.00-	6,152,525.00-	1,002,020.00-	5.1-	15.1-
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.....	371,010.94-	364,571.21-	340,568.60-	87,471.50-	7.0	1.7-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	468,632.98-	592,673.88-	540,055.84-	137,902.47-	9.7	26.5
8.0	CONSUMER ACCOUNTS EXPENSE.....	308,088.83-	311,206.44-	302,295.32-	72,915.62-	2.9	1.0
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	11,729.14-	13,377.48-	24,409.20-	3,410.83-	45.2-	14.1
10.0	SALES EXPENSE.....	703.50-	3,535.00-	1,499.92-	.00	135.7	402.5
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	440,652.11-	453,863.31-	435,544.40-	113,058.42-	4.2	3.0
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	8,476,846.50-	7,576,467.32-	7,796,898.28-	1,416,778.84-	2.8-	10.6-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	742,840.88-	759,410.21-	782,452.96-	190,598.09-	2.9-	2.2
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	11,732.04-	11,347.56-	11,666.64-	2,836.89-	2.7-	3.3-
16.0	INTEREST ON LONG TERM DEBT.....	239,215.18-	238,722.02-	234,999.92-	58,774.09-	1.6	.2-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	17,006.04-	22,257.03-	18,500.92-	6,071.72-	20.3	30.9
19.0	OTHER DEDUCTIONS.....	3,377.35-	6,716.53-	5,766.64-	1,950.00-	16.5	98.9
20.0	TOTAL COST OF ELECTRIC SERVICE.....	9,491,017.99-	8,614,920.67-	8,850,285.36-	1,677,009.63-	2.7-	9.2-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	396,156.19	280,410.06	297,738.28	60,646.55-	5.8-	29.2-
22.0	NON OPERATING MARGINS - INTEREST.....	57,790.90	57,463.67	58,333.32	14,219.48	1.5-	.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.....	19,520.25	10,687.92	.00	662.08-	100.0	45.2-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	230,702.17	34,814.91	.00	.00	100.0	84.9-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	704,169.51	383,376.56	356,071.60	47,089.15-	7.7	45.6-

RATIOS

TIER	3.944	2.606	2.515	.199
MARGINS TO REVENUE	.071	.043	.039	.029
POWER COST TO REVENUE	.695	.656	.673	.620
INTEREST EXPENSE TO REVENUE	.024	.027	.026	.036
CURRENT ASSETS : CURRENT LIABILITIES	1.4631			
MARGINS & EQUITIES AS % OF ASSETS	.4461			
LONG TERM DEBT AS % OF PLANT	.4251			
GENERAL FUNDS TO TOTAL PLANT	2.6971			
QUICK ASSET RATIO	1.3681			

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
LINE NO				
1.0	TOTAL UTILITY PLANT IN SERVICE	52,171,858.50	30.0 MEMBERSHIPS	228,025.00-
2.0	CONSTRUCTION WORK IN PROGRESS	5,296.26	31.0 PATRONAGE CAPITAL	24,702,281.00-
3.0	TOTAL UTILITY PLANT	52,177,154.76	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	19,114,281.54-	33.0 OPERATING MARGINS-CURRENT YEAR	315,224.97-
5.0	NET UTILITY PLANT	33,062,873.22	34.0 NON-OPERATING MARGINS	68,151.59-
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0 OTHER MARGINS & EQUITIES	1,824,717.56
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	36.0 TOTAL MARGINS & EQUITIES	23,488,965.00-
8.0	INV IN ASSOC ORG - PAT CAPITAL	14,358,304.30	37.0 LONG TERM DEBT - RUS (NET)	5,160,571.30-
9.0	INV IN ASSOC ORG OTHR GEN FND	2,205.00	(PAYMENTS-UNAPPLIED	.00 }
10.0	INV IN ASSOC ORG - NON GEN FND	479,095.34	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	500.00	40.0 LONG TERM DEBT - OTHER (NET)	17,017,668.91-
13.0	SPECIAL FUNDS	.00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	14,840,104.64	42.0 PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	1,108,387.30	43.0 TOTAL LONG TERM DEBT	22,178,240.21-
16.0	CASH - CONSTRUCTION FUND TRUST	406.50	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	120.00	45.0 ACCUM OPERATING PROVISIONS	3,729,410.41-
18.0	TEMPORARY INVESTMENTS	296,184.86	46.0 TOTAL OTHER NONCURR LIABILITY	3,729,410.41-
19.0	NOTES RECEIVABLE (NET)	.00	47.0 NOTES PAYABLE	650,000.00-
20.0	ACCTS RECV - SALES ENERGY(NET)	2,310,852.32	48.0 ACCOUNTS PAYABLE	1,501,695.94-
21.0	ACCTS RECV - OTHER (NET)	592,862.07	49.0 CONSUMER DEPOSITS	627,407.50-
22.0	RENEWABLE ENERGY CREDITS	.00	50.0 CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	307,571.81	51.0 CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	118,678.63	52.0 CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	1,794.88	53.0 OTHER CURRENT & ACCRUED LIAB	458,412.76-
26.0	TOTAL CURRENT & ACCR ASSETS	4,736,858.37	54.0 TOTAL CURRENT & ACCRUED LIAB	3,237,516.20-
27.0	REGULATORY ASSETS	.00	55.0 REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	13,952.24	56.0 OTHER DEFERRED CREDITS	19,656.65-
29.0	TOTAL ASSETS & OTHER DEBITS	52,653,788.47	57.0 TOTAL LIABILITIES & OTH CREDIT	52,653,788.47-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0 BALANCE BEGINNING OF YEAR	.00
59.0 AMOUNT RECEIVED THIS YEAR (NET)	51,778.14
60.0 TOTAL CONTRIBUTIONS IN AID OF CONST	51,778.14

C E R T I F I C A T I O N

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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....	11,599,883.64	10,485,836.24	10,876,105.30	1,590,505.51	3.6-	9.6-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	7,981,713.00-	6,891,214.00-	7,235,369.00-	1,053,974.00-	4.8-	13.7-
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.....	454,614.76-	442,527.15-	425,710.75-	77,955.94-	4.0	2.7-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	624,891.87-	659,501.97-	675,069.80-	66,828.09-	2.3-	5.5
8.0	CONSUMER ACCOUNTS EXPENSE.....	372,230.53-	386,084.56-	377,869.15-	74,878.12-	2.2	3.7
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	21,109.28-	7,716.93-	30,511.50-	5,660.55	74.7-	63.4-
10.0	SALES EXPENSE.....	853.50-	3,685.00-	1,874.90-	150.00-	96.5	331.8
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	546,330.00-	566,514.33-	544,430.50-	112,651.02-	4.1	3.7
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	10,001,742.94-	8,957,243.94-	9,290,835.60-	1,380,776.62-	3.6-	10.4-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	929,296.67-	950,463.66-	978,066.20-	191,053.45-	2.8-	2.3
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
15.0	TAX EXPENSE - OTHER.....	14,665.05-	14,184.45-	14,583.30-	2,836.89-	2.7-	3.3-
16.0	INTEREST ON LONG TERM DEBT.....	299,763.59-	299,022.56-	293,749.90-	60,300.54-	1.8	.2-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
18.0	INTEREST EXPENSE - OTHER.....	21,216.10-	28,261.73-	23,126.15-	6,004.70-	22.2	33.2
19.0	OTHER DEDUCTIONS.....	10,777.35-	15,716.53-	7,208.30-	9,000.00-	118.0	45.8
20.0	TOTAL COST OF ELECTRIC SERVICE.....	11,277,461.70-	10,264,892.87-	10,607,569.45-	1,649,972.20-	3.2-	9.0-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	322,421.94	220,943.37	268,535.85	59,466.69-	17.7-	31.5-
22.0	NON OPERATING MARGINS - INTEREST.....	73,237.02	72,648.07	72,916.65	15,184.40	.4-	.8-
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.....	19,520.25	13,495.92	.00	2,808.00	100.0	30.9-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	230,702.17	34,814.91	.00	.00	100.0	84.9-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	645,881.38	341,902.27	341,452.50	41,474.29-	.1	47.1-
RATIOS							
	TIER	3.155	2.143	2.162	.312		
	MARGINS TO REVENUE	.056	.033	.031	.026		
	POWER COST TO REVENUE	.688	.657	.665	.663		
	INTEREST EXPENSE TO REVENUE	.026	.029	.027	.038		
	CURRENT ASSETS : CURRENT LIABILITIES	1.3516					
	MARGINS & EQUITIES AS % OF ASSETS	.4488					
	LONG TERM DEBT AS % OF PLANT	.4174					
	GENERAL FUNDS TO TOTAL PLANT	1.8608					
	QUICK ASSET RATIO	1.2507					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	52,291,013.64	30.0 MEMBERSHIPS	227,920.00-
2.0	CONSTRUCTION WORK IN PROGRESS	76,217.10-	31.0 PATRONAGE CAPITAL	24,691,716.18-
3.0	TOTAL UTILITY PLANT	52,214,796.54	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	19,223,808.52-	33.0 OPERATING MARGINS-CURRENT YEAR	255,758.28-
5.0	NET UTILITY PLANT	32,990,988.02	34.0 NON-OPERATING MARGINS	86,143.99-
6.0	NON-UTILITY PROPERTY (NET)	.00	35.0 OTHER MARGINS & EQUITIES	1,808,879.84
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	36.0 TOTAL MARGINS & EQUITIES	23,452,658.61-
8.0	INV IN ASSOC ORG - PAT CAPITAL	14,358,304.30	37.0 LONG TERM DEBT - RUS (NET)	5,166,133.55-
9.0	INV IN ASSOC ORG OTHR GEN FND	2,205.00	(PAYMENTS-UNAPPLIED	.00)
10.0	INV IN ASSOC ORG - NON GEN FND	479,095.34	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	500.00	40.0 LONG TERM DEBT - OTHER (NET)	16,628,117.41-
13.0	SPECIAL FUNDS	.00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
14.0	TOT OTHER PROP & INVESTMENTS	14,840,104.64	42.0 PAYMENTS - UNAPPLIED	.00
15.0	CASH - GENERAL FUNDS	630,707.63	43.0 TOTAL LONG TERM DEBT	21,794,250.96-
16.0	CASH - CONSTRUCTION FUND TRUST	406.50	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	120.00	45.0 ACCUM OPERATING PROVISIONS	3,724,729.96-
18.0	TEMPORARY INVESTMENTS	338,205.20	46.0 TOTAL OTHER NONCURR LIABILITY	3,724,729.96-
19.0	NOTES RECEIVABLE (NET)	.00	47.0 NOTES PAYABLE	650,000.00-
20.0	ACCTS REC - SALES ENERGY (NET)	2,222,519.54	48.0 ACCOUNTS PAYABLE	1,510,911.99-
21.0	ACCTS REC - OTHER (NET)	787,998.35	49.0 CONSUMER DEPOSITS	619,927.50-
22.0	RENEWABLE ENERGY CREDITS	.00	50.0 CURR MATURITIES LONG-TERM DEBT	.00
23.0	MATERIAL & SUPPLIES-ELEC & OTH	328,944.26	51.0 CURR MATURIT LT DEBT ECON DEV	.00
24.0	PREPAYMENTS	95,918.46	52.0 CURR MATURITIES CAPITAL LEASES	.00
25.0	OTHER CURRENT & ACCR ASSETS	3,575.22	53.0 OTHER CURRENT & ACCRUED LIAB	480,884.06-
26.0	TOTAL CURRENT & ACCR ASSETS	4,408,395.16	54.0 TOTAL CURRENT & ACCRUED LIAB	3,261,723.55-
27.0	REGULATORY ASSETS	.00	55.0 REGULATORY LIABILITIES	.00
28.0	OTHER DEFERRED DEBITS	13,023.02	56.0 OTHER DEFERRED CREDITS	19,147.76-
29.0	TOTAL ASSETS & OTHER DEBITS	52,252,510.84	57.0 TOTAL LIABILITIES & OTH CREDIT	52,252,510.84-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

58.0	BALANCE BEGINNING OF YEAR	.00
59.0	AMOUNT RECEIVED THIS YEAR (NET)	53,754.02
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST	53,754.02

C E R T I F I C A T I O N

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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....	13,515,916.45	12,363,930.50	12,755,388.96	1,878,094.26	3.1- 8.5-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0 .0
3.0	COST OF PURCHASED POWER.....	9,352,426.00-	8,155,478.00-	8,472,593.00-	1,264,264.00-	3.7- 12.8-
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.....	520,137.78-	545,315.27-	510,852.90-	102,788.12-	6.7 4.8
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	782,230.66-	822,570.41-	810,083.76-	163,068.44-	1.5 5.2
8.0	CONSUMER ACCOUNTS EXPENSE.....	445,385.06-	459,627.03-	453,442.98-	73,542.47-	1.4 3.2
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	25,664.28-	5,744.43-	36,613.80-	1,972.50	84.3- 77.6-
10.0	SALES EXPENSE.....	853.50-	3,685.00-	2,249.88-	.00	63.8 331.8
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	653,582.17-	681,418.25-	653,316.60-	114,903.92-	4.3 4.3
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	11,780,279.45-	10,673,838.39-	10,939,152.92-	1,716,594.45-	2.4- 9.4-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,116,270.37-	1,140,502.71-	1,173,679.44-	190,039.05-	2.8- 2.2
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0 .0
15.0	TAX EXPENSE - OTHER.....	17,598.10-	17,021.33-	17,499.96-	2,836.88-	2.7- 3.3-
16.0	INTEREST ON LONG TERM DEBT.....	358,307.06-	355,133.19-	352,499.88-	56,110.63-	.7 .9-
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0 .0
18.0	INTEREST EXPENSE - OTHER.....	25,414.00-	34,297.47-	27,751.38-	6,035.74-	23.6 35.0
19.0	OTHER DEDUCTIONS.....	11,442.35-	16,416.53-	8,649.96-	700.00-	89.8 43.5
20.0	TOTAL COST OF ELECTRIC SERVICE.....	13,309,311.33-	12,237,209.62-	12,519,233.54-	1,972,316.75-	2.3- 8.1-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	206,605.12	126,720.88	236,155.42	94,222.49-	46.3- 38.7-
22.0	NON OPERATING MARGINS - INTEREST.....	87,580.69	86,827.70	87,499.98	14,179.63	.8- .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.....	19,520.25	13,495.92	.00	.00	100.0 30.9-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0 .0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	230,702.17	34,814.91	.00	.00	100.0 84.9-
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0 .0
29.0	PATRONAGE CAPITAL OR MARGINS.....	544,408.23	261,859.41	323,655.40	80,042.86-	19.1- 51.9-
RATIOS						
	TIER	2.519	1.737	1.918	.427-	
	MARGINS TO REVENUE	.040	.021	.025	.043	
	POWER COST TO REVENUE	.692	.660	.664	.673	
	INTEREST EXPENSE TO REVENUE	.027	.029	.028	.030	
	CURRENT ASSETS : CURRENT LIABILITIES	1.2586				
	MARGINS & EQUITIES AS % OF ASSETS	.4478				
	LONG TERM DEBT AS % OF PLANT	.4150				
	GENERAL FUNDS TO TOTAL PLANT	1.7411				
	QUICK ASSET RATIO	1.1659				

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 52,188,889.51	30.0 MEMBERSHIPS 227,895.00-
2.0	CONSTRUCTION WORK IN PROGRESS 88,584.41-	31.0 PATRONAGE CAPITAL 24,682,748.00-
3.0	TOTAL UTILITY PLANT 52,100,305.10	32.0 OPERATING MARGINS - PRIOR YEAR .00
4.0	ACCUM PROV FOR DEP & AMORT 19,100,406.19-	33.0 OPERATING MARGINS-CURRENT YEAR 161,535.79-
5.0	NET UTILITY PLANT 32,999,898.91	34.0 NON-OPERATING MARGINS 100,323.62-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 OTHER MARGINS & EQUITIES 1,794,066.15
7.0	INVEST IN SUBSIDIARY COMPANIES .00	36.0 TOTAL MARGINS & EQUITIES 23,378,436.26-
8.0	INV IN ASSOC ORG - PAT CAPITAL 14,358,304.30	37.0 LONG TERM DEBT - RUS (NET) 5,132,984.11-
9.0	INV IN ASSOC ORG OTHR GEN FND 2,205.00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 472,200.23	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 500.00	40.0 LONG TERM DEBT - OTHER (NET) 16,490,671.11-
13.0	SPECIAL FUNDS .00	41.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0	TOT OTHER PROP & INVESTMENTS 14,833,209.53	42.0 PAYMENTS - UNAPPLIED .00
15.0	CASH - GENERAL FUNDS 525,055.73	43.0 TOTAL LONG TERM DEBT 21,623,655.22-
16.0	CASH - CONSTRUCTION FUND TRUST 406.50	44.0 OBLIGATION UNDER CAPITAL LEASE .00
17.0	SPECIAL DEPOSITS 120.00	45.0 ACCUM OPERATING PROVISIONS 3,720,049.51-
18.0	TEMPORARY INVESTMENTS 379,332.74	46.0 TOTAL OTHER NONCURR LIABILITY 3,720,049.51-
19.0	NOTES RECEIVABLE (NET) .00	47.0 NOTES PAYABLE 650,000.00-
20.0	ACCTS RECV - SALES ENERGY (NET) 2,448,731.00	48.0 ACCOUNTS PAYABLE 1,688,133.87-
21.0	ACCTS RECV - OTHER (NET) 577,779.75	49.0 CONSUMER DEPOSITS 623,582.50-
22.0	RENEWABLE ENERGY CREDITS .00	50.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	MATERIAL & SUPPLIES-ELEC & OTH 321,238.15	51.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	PREPAYMENTS 101,399.96	52.0 CURR MATURITIES CAPITAL LEASES .00
25.0	OTHER CURRENT & ACCR ASSETS 5,355.56	53.0 OTHER CURRENT & ACCRUED LIAB 501,913.65-
26.0	TOTAL CURRENT & ACCR ASSETS 4,359,419.39	54.0 TOTAL CURRENT & ACCRUED LIAB 3,463,630.02-
27.0	REGULATORY ASSETS .00	55.0 REGULATORY LIABILITIES .00
28.0	OTHER DEFERRED DEBITS 12,373.40	56.0 OTHER DEFERRED CREDITS 19,130.22-
29.0	TOTAL ASSETS & OTHER DEBITS 52,204,901.23	57.0 TOTAL LIABILITIES & OTH CREDIT 52,204,901.23-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0	BALANCE BEGINNING OF YEAR .00
59.0	AMOUNT RECEIVED THIS YEAR (NET) 53,874.02
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST 53,874.02

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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			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET			
	A	B	C	D		
1.0	15,644,295.69	14,500,754.79	14,736,940.62	2,136,824.29	1.6-	7.3-
2.0	.00	.00	.00	.00	.0	.0
3.0	10,808,450.00-	9,628,698.00-	9,784,554.00-	1,473,220.00-	1.6-	10.9-
4.0	.00	.00	.00	.00	.0	.0
5.0	.00	.00	.00	.00	.0	.0
6.0	616,223.17-	629,438.27-	595,995.05-	84,123.00-	5.6	2.1
7.0	1,029,956.49-	982,933.27-	945,097.72-	160,362.86-	4.0	4.6-
8.0	510,397.95-	525,802.15-	529,016.81-	66,175.12-	.6-	3.0
9.0	32,519.42-	12,273.40-	42,716.10-	6,528.97-	71.3-	62.3-
10.0	853.50-	3,785.00-	2,624.86-	100.00-	44.2	343.5
11.0	756,327.54-	795,784.61-	762,202.70-	114,366.36-	4.4	5.2
12.0	13,754,728.07-	12,578,714.70-	12,662,207.24-	1,904,876.31-	.7-	8.5-
13.0	1,303,312.22-	1,330,675.16-	1,369,292.68-	190,172.45-	2.8-	2.1
14.0	.00	.00	.00	.00	.0	.0
15.0	20,434.99-	19,676.37-	20,416.62-	2,655.04-	3.6-	3.7-
16.0	417,342.97-	412,797.46-	411,249.86-	57,664.27-	.4	1.1-
17.0	.00	.00	.00	.00	.0	.0
18.0	29,600.39-	40,276.57-	32,376.61-	5,979.10-	24.4	36.1
19.0	11,567.35-	17,126.53-	10,091.62-	710.00-	69.7	48.1
20.0	15,536,985.99-	14,399,266.79-	14,505,634.63-	2,162,057.17-	.7-	7.3-
21.0	107,309.70	101,488.00	231,305.99	25,232.88-	56.1-	5.4-
22.0	101,888.72	101,008.11	102,083.31	14,180.41	1.1-	.9-
23.0	.00	.00	.00	.00	.0	.0
24.0	.00	.00	.00	.00	.0	.0
25.0	19,520.25	13,495.92	.00	.00	100.0	30.9-
26.0	.00	.00	.00	.00	.0	.0
27.0	230,702.17	34,814.91	.00	.00	100.0	84.9-
28.0	.00	.00	.00	.00	.0	.0
29.0	459,420.84	250,806.94	333,389.30	11,052.47-	24.8-	45.4-
RATIOS						
TIER	2.101	1.608	1.811	.808		
MARGINS TO REVENUE	.029	.017	.023	.005		
POWER COST TO REVENUE	.691	.664	.664	.689		
INTEREST EXPENSE TO REVENUE	.027	.028	.028	.027		
CURRENT ASSETS : CURRENT LIABILITIES	1.2403					
MARGINS & EQUITIES AS % OF ASSETS	.4475					
LONG TERM DEBT AS % OF PLANT	.4133					
GENERAL FUNDS TO TOTAL PLANT	1.2084					
QUICK ASSET RATIO	1.1526					

PART C. BALANCE SHEET

LINE NO		ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS	
1.0		TOTAL UTILITY PLANT IN SERVICE 52,220,272.82	30.0	MEMBERSHIPS 227,590.00-
2.0		CONSTRUCTION WORK IN PROGRESS 8,405.14	31.0	PATRONAGE CAPITAL 24,674,564.06-
3.0		TOTAL UTILITY PLANT 52,228,677.96	32.0	OPERATING MARGINS - PRIOR YEAR .00
4.0		ACCUM PROV FOR DEP & AMORT 19,234,040.29-	33.0	OPERATING MARGINS-CURRENT YEAR 136,302.91-
5.0		NET UTILITY PLANT 32,994,637.67	34.0	NON-OPERATING MARGINS 114,504.03-
6.0		NON-UTILITY PROPERTY (NET) .00	35.0	OTHER MARGINS & EQUITIES 1,778,829.24
7.0		INVEST IN SUBSIDIARY COMPANIES .00	36.0	TOTAL MARGINS & EQUITIES 23,374,131.76-
8.0		INV IN ASSOC ORG - PAT CAPITAL 14,358,304.30	37.0	LONG TERM DEBT - RUS (NET) 5,100,864.06-
9.0		INV IN ASSOC ORG OTHR GEN FND 2,205.00		(PAYMENTS-UNAPPLIED .00)
10.0		INV IN ASSOC ORG - NON GEN FND 472,200.23	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 500.00	40.0	LONG TERM DEBT - OTHER (NET) 16,483,716.85-
13.0		SPECIAL FUNDS .00	41.0	LNG-TERM DEBT-RUS-ECON DEV NET .00
14.0		TOT OTHER PROP & INVESTMENTS 14,833,209.53	42.0	PAYMENTS - UNAPPLIED .00
15.0		CASH - GENERAL FUNDS 500,627.47	43.0	TOTAL LONG TERM DEBT 21,584,580.91-
16.0		CASH - CONSTRUCTION FUND TRUST 406.50	44.0	OBLIGATION UNDER CAPITAL LEASE .00
17.0		SPECIAL DEPOSITS 120.00	45.0	ACCUM OPERATING PROVISIONS 3,714,136.85-
18.0		TEMPORARY INVESTMENTS 127,789.32	46.0	TOTAL OTHER NONCURR LIABILITY 3,714,136.85-
19.0		NOTES RECEIVABLE (NET) .00	47.0	NOTES PAYABLE 650,000.00-
20.0		ACCTS REC - SALES ENERGY (NET) 2,757,906.79	48.0	ACCOUNTS PAYABLE 1,849,362.47-
21.0		ACCTS REC - OTHER (NET) 610,686.62	49.0	CONSUMER DEPOSITS 623,357.50-
22.0		RENEWABLE ENERGY CREDITS .00	50.0	CURR MATURITIES LONG-TERM DEBT .00
23.0		MATERIAL & SUPPLIES-ELEC & OTH 310,509.30	51.0	CURR MATURIT LT DEBT ECON DEV .00
24.0		PREPAYMENTS 76,984.03	52.0	CURR MATURITIES CAPITAL LEASES .00
25.0		OTHER CURRENT & ACCR ASSETS 7,135.90	53.0	OTHER CURRENT & ACCRUED LIAB 418,392.88-
26.0		TOTAL CURRENT & ACCR ASSETS 4,392,165.93	54.0	TOTAL CURRENT & ACCRUED LIAB 3,541,112.85-
27.0		REGULATORY ASSETS .00	55.0	REGULATORY LIABILITIES .00
28.0		OTHER DEFERRED DEBITS 11,857.75	56.0	OTHER DEFERRED CREDITS 17,908.51-
29.0		TOTAL ASSETS & OTHER DEBITS 52,231,870.88	57.0	TOTAL LIABILITIES & OTH CREDIT 52,231,870.88-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
58.0	BALANCE BEGINNING OF YEAR .00
59.0	AMOUNT RECEIVED THIS YEAR (NET) 58,683.25
60.0	TOTAL CONTRIBUTIONS IN AID OF CONST 58,683.25

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 Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 24

807 KAR 5:001 Sec. 16(4)(s)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

A copy of the utility's annual report on Form 10-K as filed with the Securities and Exchange Commission for the most recent two (2) years, any Form 8-K issued during the past two (2) years, and any Form 10-Q issued during the past six (6) quarters updated as current information becomes available.

Response:

Big Sandy is not regulated by the Securities and Exchange Commission and thus no such forms exist.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 25

807 KAR 5:001 Sec. 16(4)(t)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

If the utility had amounts charged or allocated to it by an affiliate or general or home office or paid monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years, the utility shall file:

- 1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each charge allocation or payment;*
- 2. An explanation of how the allocator for the test period was determined; and*
- 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated, or paid during the test period was reasonable.*

Response:

Big Sandy had no amounts charged or allocated to it by an affiliate or general or home office, and Big Sandy did not pay monies to an affiliate or general or home office, during the test period or during the previous three (3) calendar years.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 26

807 KAR 5:001 Sec. 16(4)(u)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

If the utility provides gas, electric, water, or sewage utility service and has annual gross revenues greater than \$5,000,000, a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period.

Response:

Please see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibits JW-3 through JW-8 thereof.

Case No. 2017-00374
Application - Exhibit 26
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 27

807 KAR 5:001 Sec. 16(5)(a)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

A detailed income statement and balance sheet reflecting the impact of all proposed adjustments.

Response:

Please see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-2 (pages 1 through 4) thereof.

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 28

807 KAR 5:001 Sec. 16(5)(b)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions.

Response:

Big Sandy does not propose any pro forma adjustment for or reflecting plant additions.

Case No. 2017-00374
Application - Exhibit 28
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 29

807 KAR 5:001 Sec. 16(5)(c)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

For each proposed pro forma adjustment reflecting plant additions, the following information:

- 1. The starting date of the construction of each major component of plant;*
- 2. The proposed in-service date;*
- 3. The total estimated cost of construction at completion;*
- 4. The amount contained in construction work in progress at the end of the test period;*
- 5. A schedule containing a complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement;*
- 6. The original cost and the cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions;*
- 7. An explanation of differences, if applicable, in the amounts contained in the capital construction budget and the amounts of capital construction cost contained in the pro forma adjustment period; and*
- 8. The impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements*

Response:

Big Sandy does not propose any pro forma adjustment for or reflecting plant additions.

Case No. 2017-00374
Application - Exhibit 29
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 30

807 KAR 5:001 Sec. 16(5)(d)
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

The operating budget for each month of the period encompassing the pro forma adjustments.

Response:

Please see attached.

**BIG SANDY RECC
Operating Budget**

Line #	Description (1)	Aug-15 (2)	Sep-15 (3)	Oct-15 (4)	Nov-15 (5)	Dec-15 (6)	Jan-16 (7)	Feb-16 (8)	Mar-16 (9)	Apr-16 (10)	May-16 (11)	Jun-16 (12)	Jul-16 (13)	TOTAL (14)
1	Operating Revenues	1,972,892	1,664,279	1,666,665	2,225,121	2,408,305	2,692,431	2,587,551	2,214,831	1,653,212	1,728,082	1,879,284	1,981,552	24,674,205
2														
3	<u>Operating Expenses:</u>													
4	Purchased Power	1,284,275	1,071,553	1,072,197	1,480,840	1,583,819	1,838,080	1,756,000	1,485,014	1,073,431	1,082,844	1,237,224	1,311,961	16,277,238
5	Distribution Operations	78,231	78,231	78,231	78,231	78,233	85,142	85,142	85,142	85,142	85,142	85,142	85,142	987,151
6	Distribution Maintenance	134,151	134,151	134,151	134,151	134,153	135,014	135,014	135,014	135,014	135,014	135,014	135,014	1,615,855
7	Customer Accounts	71,983	71,983	71,983	71,983	71,983	75,574	75,573	75,573	75,574	75,573	75,574	75,573	888,929
8	Customer Service	9,990	9,990	9,990	9,990	9,990	6,102	6,102	6,102	6,102	6,102	6,102	6,102	92,664
9	Sales Expense	875	875	875	875	875	375	375	375	375	375	375	375	7,000
10	A&G	105,142	105,142	105,142	105,142	105,143	108,886	108,886	108,886	108,886	108,886	108,886	108,886	1,287,913
11	Total O&M Expense	1,684,647	1,471,925	1,472,569	1,881,212	1,984,196	2,249,173	2,167,092	1,896,106	1,484,524	1,493,936	1,648,317	1,723,053	21,156,750
12														
13	Depreciation	189,025	189,025	189,025	189,025	189,025	195,613	195,613	195,613	195,613	195,613	195,613	195,613	2,314,416
14	Taxes - Other	2,917	2,917	2,916	2,917	2,917	2,916	2,916	2,917	2,917	2,917	2,916	2,917	35,000
15	Interest on LTD	62,000	62,000	62,000	62,000	62,000	58,750	58,750	58,750	58,750	58,750	58,750	58,750	721,250
16	Interest - Other	4,211	4,211	4,210	4,211	4,210	4,625	4,625	4,625	4,625	4,625	4,625	4,625	53,428
17	Other Deductions	1,555	1,555	1,555	1,555	1,555	1,441	1,442	1,442	1,442	1,441	1,441	1,442	17,866
18														
19	Total Cost of Electric Service	1,944,355	1,731,633	1,732,275	2,140,920	2,243,903	2,512,518	2,430,438	2,159,453	1,747,871	1,757,282	1,911,662	-1,966,400	24,298,710
20														
21	Utility Operating Margins	28,537	(67,354)	(65,610)	84,201	164,402	179,913	157,113	55,378	(94,659)	(29,200)	(32,378)	(4,848)	375,495
22														
23	Non-Operating Margins - Interest	14,583	14,583	14,583	14,584	14,583	14,583	14,583	14,584	14,583	14,583	14,582	14,583	174,997
24	Non-Operating Margins - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
25	G&T Capital Credits	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Other Capital Credits	-	-	-	-	-	-	-	-	-	-	-	-	-
27														
28	Net Margins	43,120	(52,771)	(51,027)	98,785	178,985	194,496	171,696	69,962	(80,076)	(14,617)	(17,796)	9,735	550,492

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 31

807 KAR 5:001 Sec. 16(5)(e)
Sponsoring Witness: John Wolfram

Description of Filing Requirement:

The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.

Response:

Please also see the testimony of John Wolfram provided at Exhibit 10 and, in particular, Exhibit JW-2 (Reference Schedule 1.17) thereof.

Case No. 2017-00374
Application - Exhibit 31
No Attachment

Big Sandy Rural Electric Cooperative Corporation
Case No. 2017-00374
Historical Test Period Filing Requirements

Exhibit 32

Case No. 2008-00408
Order entered July 24, 2012
Sponsoring Witness: Brian Frasure

Description of Filing Requirement:

“Each electric utility shall integrate energy efficiency resources into its plans and shall adopt policies establishing cost-effective energy efficiency resources with equal priority as other resource options. In each integrated resource plan, certificate case, and rate case, the subject electric utility shall fully explain its consideration of cost-effective energy efficiency resources as defined in the Commission’s IRP regulation (807 KAR 5:058).”

Response:

Big Sandy regularly considers cost-effective energy efficiency resources in connection with its operations, and it maintains a robust demand-side management portfolio in conjunction with offerings from its wholesale power supplier, East Kentucky Power Cooperative, Inc. These programs include C&I Industrial Lighting, Appliance Recycling, Button Up-Level 1, CFL, Energy Audit, Energy Star Heat Pump, Energy Star Clothes Washer, Energy Star Dishwasher, Energy Star Freezer, Energy Star Refrigerator, Heat Pump Retrofit, How\$mart, LED Promotional, DLC AC, DLC WH, Touchstone Energy Home, LED, HVAC Duct Seal, CARES, and Energy Star Manufactured Home.

Case No. 2017-00374
Application - Exhibit 32
No Attachment