

DORSEY, KING, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)  
FRANK N. KING, JR.  
STEPHEN D. GRAY  
WILLIAM B. NORMENT, JR.  
J. CHRISTOPHER HOPGOOD  
S. MADISON GRAY

TELEPHONE  
(270) 826-3965  
TELEFAX  
(270) 826-6672  
www.dkgnlaw.com

August 31, 2006

VIA FEDERAL EXPRESS

RECEIVED

Ms. Elizabeth O'Donnell  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

SEP 01 2006

PUBLIC SERVICE  
COMMISSION

Re: PSC Case 2006-00369

Dear Ms. O'Donnell:

Kenergy Corp. is forwarding to the Commission herewith the original and 10 copies of the Application and accompanying exhibits for filing in the above case.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By

  
Frank N. King, Jr.

FNKJr/cds

Encls.

COPY/w/encls.: Hon. Elizabeth E. Blackford  
Hon. Lawrence W. Cook  
Office of Rate Intervention

Hon. Michael L. Kurtz

Hon. David C. Brown

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 01 2006

PUBLIC SERVICE  
COMMISSION

In the Matter of: )  
)  
THE APPLICATION OF KENERGY CORP.) CASE No. 2006-00369  
FOR AN ADJUSTMENT IN EXISTING )  
RATES )

APPLICATION

The application of **KENERGY CORP.** (“Kenergy”) respectfully shows:

(a) Kenergy is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member customers in the Kentucky counties of Daviess, Hancock, Henderson, Hopkins, McLean, Muhlenberg, Ohio, Webster, Breckinridge, Union, Crittenden, Caldwell, Lyon, and Livingston.

(b) The post office address of Kenergy is Post Office Box 18, Henderson, Kentucky 42419-018. The street address of Kenergy is 6402 Old Corydon Road, Henderson, Kentucky 42420.

(c) Kenergy requests an adjustment in existing rates that will result in additional annual revenues in the approximate amount of \$3.9 million. This will be a 1.4% increase in total annual revenues and will result in a TIER of approximately 1.75. Kenergy needs this additional revenue to offset increased

costs it is incurring, principally because of rising interest rates and an extensive vegetation program that has been implemented. Further, Kenergy's depreciation study filed herewith increases the composite depreciation rate from 3.2% to 3.6%, or \$731,398.00 on an annualized basis, and Kenergy's compliance with the decision of Rural Utilities Service to move to immediate expense recognition certain cost items that were being capitalized and subsequently depreciated has an annual impact of approximately \$800,000.00. See 807 KAR 5:001, Section 10(1)(b)1.

(d) The annual reports of Kenergy are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1). See 807 KAR 5:001, Section 10(1)(b)2.

(e) Kenergy is the consolidation successor of Green River Electric Corporation and Henderson Union Electric Cooperative Corp. A copy of the articles of consolidation is filed in Case No. 99-136. See 807 KAR 5:001, Section 10(1)(b)3.

(f) A certificate of good standing (Certificate of Existence) is attached as "Exhibit 1." See 807 KAR 5:001, Section 10(1)(b)5.

(g) A certificate of assumed name for Kenergy Corp., adopting the name Kenergy, has been filed in the Office of the Kentucky Secretary of State, the county clerk's offices of all counties in Kenergy's service territory,

and the office of Franklin County Clerk. A copy is attached as “Exhibit 2.” See 807 KAR 5:001, Section 10(1)(b)6.

(h) Kenergy proposes to adjust rates in Schedules 1, 2, 4 and 146. The proposed tariff in a form that complies with 807 KAR 5:011 is attached as “Exhibit 3A.” See 807 KAR 5:001, Section 10(1)(b)7.

(i) The proposed tariff as compared to the existing tariff is shown in attached “Exhibit 3B.” See 807 KAR 5:001, Section 10(1)(b)8.

(j) All affected customers will be notified of the filing of this application by publishing a notice as required under 807 KAR 5:001, Section 10(4)(c)3. The notice includes the information required under 807 KAR 5:001, Section 10(3) and the subparts thereof, and a copy of the notice is attached as “Exhibit 4.” Affidavits from the publishers verifying that the notice was published will be filed with the Commission no later than 45 days of the file date hereof.

(k) Attached as “Exhibit 5” is Adjusted Income Statement with Proposed Adjustments for the 12 months ending December 31, 2005. This statement provides 12 month historical test period information and includes pro forma adjustments for known and measurable changes. See 807 KAR 5:001, Section 10(6)(a).

(l) The prepared testimonies of Mark A. Bailey, Kenergy’s President and CEO, Steve Thompson, Kenergy’s Vice President of Finance and Accounting, Jack D. Gaines, rate analyst with JDG Consulting LLC, and Robert

N. Welsh, depreciation and accounting consultant with Welsh Group, LLC, are attached as “Exhibit 6,” “Exhibit 7,” “Exhibit 8” and “Exhibit 9,” respectively. See 807 KAR 5:001, Section 10(6)(b).

(m) The impact on Kenergy’s overall revenues is explained in the prepared testimony of Steve Thompson in “Exhibit 7.” See 807 KAR 5:001, Section 10(6)(d).

(n) The impact on the average customer bill is explained in the prepared testimony of Steve Thompson in “Exhibit 7” and in attached “Exhibit 4.” See 807 KAR 5:001, Section 10(6)(e).

(o) An analysis of customers’ bills as required by 807 KAR 5:001, Section 10(6)(g) is attached as “Exhibit 10.”

(p) Kenergy utilized interest coverage to determine its revenue requirements. See prepared testimony of Steve Thompson attached hereto as “Exhibit 7” and attached “Exhibit 5,” page 1, line 42. See 807 KAR 5:001, Section 10(6)(h).

(q) The information required to be submitted pursuant to 807 KAR 5:001, Section 10(6)(i) is not applicable because Kenergy utilized interest coverage to determine its revenue requirements, and a deviation therefrom is requested.

(r) A current chart of accounts is attached as “Exhibit 11.” See 807 KAR 5:001, Section 10(6)(j).

(s) An independent auditor's annual opinion report is attached as "Exhibit 12." See 807 KAR 5:001, Section 10(6)(k).

(t) Kenergy is not regulated by the Federal Energy Regulatory Commission or Federal Communication Commission and therefore has no audit reports from these agencies. See 807 KAR 5:001, Section 10(6)(l) and (m).

(u) Kenergy's depreciation study prepared by Welsh Group, LLC is filed herewith in a separate binder as "Exhibit 13." The depreciation rate Narrative summarizes this study. See 807 KAR 5:001, Section 10(6)(n).

(v) Following is 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 this filing:

Commercial software Microsoft Word and Microsoft Excel were used in the preparation of the Application, exhibits and depreciation and cost of service studies.

Welsh Group LLC used the following additional software to prepare the depreciation study:

- CADLAS (Computer Assisted Depreciation and Life Analysis System) which is a complete depreciation system designed by the Surface Transportation Board. This system is comprised of 12 separate programs that run under Microsoft operating systems (DOS). For this study only the SPR (Simulated Plant Record) module was used.
- UltraEdit-32 which is a text editor from IDM Computer Solutions that was used to re-format the SPR output into a more user-friendly format. UltraEdit-32 runs under Microsoft operating systems.
- DMS (Depreciation Management System) which is a complete depreciation system designed by Capital Software, Inc. The system

provides a means to analyze service lives and salvage values and to calculate depreciation rates. For this study only the chart plotting portion was used. DMS runs under the Microsoft operating systems and requires a copy of Microsoft SQL Server to run.

JDG Consulting LLC developed in-house Unbundled Cost of Service Model for use in preparing the cost of service study.

See 807 KAR 5:001, Section 10 (6)(o).

(w) Annual reports to members for the two (2) most recent years are attached as “Exhibit 14.” See 807 KAR 5:001, Section 10(6)(q).

(x) Monthly managerial reports providing financial results of operations of Kenergy for the 12 months in the test period are attached as “Exhibit 15A.” Operating Budgets for the 12 month test period and 2006 are attached as “Exhibit 15B.” See 807 KAR 5:001, Sections 10(6)(r) and 10(7)(d).

(y) Kenergy has not had any amounts charged or allocated to it by an affiliate or general or home office or paid any monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years. See 807 KAR 5:001, Section 10(6)(t).

(z) Cost of service study of JDG Consulting, LLC is filed herewith in a separate binder as “Exhibit 16” to this Application. See 807 KAR 5:001 Section 10(6)(u).

(aa) With respect to the requirements of 807 KAR 5:001, Section 10(7) applicant states: The detailed income statement required under subpart (a) is included in “Exhibit 5” (no adjustments are proposed for the balance

sheet); subparts (b) and (c) do not apply as there are no adjustments for plant additions; the operating budget required under subpart (d) is included in "Exhibit 15B;" and the information concerning number of customers required under subpart (e) is included in "Exhibit 5" and "Exhibit 10."

(bb) Pursuant to the requirements of KRS 278.2209 attached as "Exhibit 17A" is Cost Allocation Manual and attached as "Exhibit 17B" is Annual Summary of Allocated Costs.

**WHEREFORE**, applicant asks that the Public Service Commission of the Commonwealth of Kentucky make its order as follows:

1. Approving the requested adjustments in existing rates.
2. Granting to Kenergy all proper relief.

**DORSEY, KING, GRAY, NORMENT & HOPGOOD**  
318 Second Street  
Henderson, Kentucky 42420  
(270) 826-3965 Telephone  
(270) 826-6672 Telefax  
Attorneys for Applicant

By Frank N. King, Jr.  
FRANK N. KING, JR.

I hereby certify that the foregoing has been served upon the Attorney General of Kentucky, Office of Rate Intervention, Office of Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601, by mailing a true and correct copy of same on this 31<sup>st</sup> day of August, 2006.

Frank N. King, Jr.  
Frank N. King, Jr.





**KENERGY CORP.**

**CASE NO. 2006-00369**

**THE APPLICATION OF KENERGY CORP.  
FOR AN ADJUSTMENT IN EXISTING RATES**

Index of Exhibits to Application

Exhibit 1	Certificate of Existence
Exhibit 2	Certificate of Assumed Name
Exhibit 3	A. Proposed Tariff B. Proposed Tariff Changes
Exhibit 4	Required Customer Notice
Exhibit 5	Adjusted Income Statement
Exhibit 6	Testimony of Mark A. Bailey
Exhibit 7	Testimony of Steve Thompson
Exhibit 8	Testimony of Jack D. Gaines
Exhibit 9	Testimony of Robert N. Welsh
Exhibit 10	Consumption Analysis; Present, Normalized and Proposed Revenue by Class of Customer
Exhibit 11	Current Chart of Accounts
Exhibit 12	Independent Auditor's Report
Exhibit 13	Depreciation Study (Separate Binder)
Exhibit 14	Annual Report to Members for 2005 and 2004
Exhibit 15	A. Monthly Managerial Reports Providing Financial Results for Twelve Months in Test Period B. Operating Budget for Twelve Months in Test Period & 2006
Exhibit 16	Cost of Service Study (Separate Binder)
Exhibit 17	A. Cost Allocation Manual B. Annual Summary of Allocated Costs



**Commonwealth of Kentucky**  
**Trey Grayson**  
**Secretary of State**

**Certificate of Existence**

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

KENERGY CORP.

is a nonprofit corporation duly incorporated and existing under KRS Chapter 273, whose date of incorporation is June 22, 1999 and whose period of duration is perpetual.

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

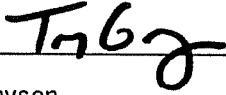
IN WITNESS THEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 15th day of August, 2006.

Certificate Number: 35331

Jurisdiction: Kenergy Corp.

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



  
\_\_\_\_\_  
Trey Grayson  
Secretary of State  
Commonwealth of Kentucky  
35331/0471117





JOHN Y. BROWN III
SECRETARY OF STATE
CERTIFICATE OF ASSUMED NAME

RECEIVED & FILED
BY JOHN Y. BROWN III
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
JUL 7 10 48 AM '99

This certifies that the assumed name of KENERGY
(Name under which the business will be conducted)
has been adopted by KENERGY CORP.

[Real name - KRS 365 015(1)]

which is the "real name" of [YOU MUST CHECK ONE]

- a Domestic General Partnership
a Foreign General Partnership
a Domestic Limited Partnership
a Foreign Limited Partnership
a Domestic Business Trust
a Foreign Business Trust
X a Domestic Corporation
a Foreign Corporation
a Joint Venture

organized and existing in the state of KENTUCKY, and whose address is
6402 Old Corydon Road, Henderson, Kentucky 42420
(Street address, if any) (City) (State) (Zip Code)

This Certificate of Assumed Name is executed by:

Signature: Dean Stanley
DEAN STANLEY, PRESIDENT and CEO
Print or type name and title

ACKNOWLEDGMENT

State of KENTUCKY
County of HENDERSON

The foregoing instrument was acknowledged before me this 1st day of July, 19 99
by DEAN STANLEY
on behalf of KENERGY CORP.

Notary Public Signature: Charles A. Smithhart
State of Kentucky at Large
My Commission expires: September 29, 2001









Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Third Revised SHEET NO. 1

CANCELLING PSC NO. \_\_\_\_\_

Second Revised SHEET NO. 1

**CLASSIFICATION OF SERVICE**  
**Schedule 1 – Residential Service (Single Phase & Three-Phase)**

APPLICABLE

To entire territory served.

AVAILABLE

To all residential (single and three-phase) service.

TYPE OF SERVICE – Single or three-phase with secondary voltages available in the vicinity or agreed to by Kenergy.

MONTHLY RATE

- (I) Residential Customer Charge per delivery point... \$12.00
- (I) Energy Charge per KWH... .058417

TAXES AND FEES

School Taxes added if applicable.  
Kentucky Sales Taxes to be added to bill if applicable.

DATE OF ISSUE September 1, 2006 DATE EFFECTIVE October 1, 2006

ISSUED BY Mark A. Bailey TITLE President and CEO  
SIGNATURE OF OFFICER



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Third Revised SHEET NO. 2

CANCELLING PSC NO. \_\_\_\_\_

Second Revised SHEET NO. 2

<b>CLASSIFICATION OF SERVICE</b>
<b>Schedule 2 – Three-Phase Demand</b>
<b>Commercial, Large Power &amp; Public Buildings 0 – 1,000 KW</b>

APPLICABLE

To entire territory served.

AVAILABLE

For all three-phase customers with a metered demand 0 – 1,000 KW for all uses, excluding small farm service (0-50 KVA).

TYPE OF SERVICE

The electric service furnished under this schedule will be three-phase, 60 cycle, alternating current at available nominal voltage.

AGREEMENT

An "Agreement for Purchase of Power" may be required by the customer for service under this schedule. The minimum monthly charge shall be in accordance with investment to serve and as mutually agreed to by both parties.

(T) MONTHLY RATE

Customer Charge ..... \$25.00

Plus Demand Charge of:

Per KW of billing demand..... \$ 3.50

Plus Energy Charges of:

First 200 KWH per KW, per KWH..... .05320

Next 200 KWH per KW, per KWH..... .038

All Over 400 KWH per KW, per KWH..... .033

TAXES AND FEES

School Taxes added if applicable.

DATE OF ISSUE September 1, 2006 DATE EFFECTIVE October 1, 2006

ISSUED BY Mark A. T. Bailey TITLE President and CEO

SIGNATURE OF OFFICER



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

First Revised SHEET NO. 4

CANCELLING PSC NO.

Original SHEET NO. 4

<b>CLASSIFICATION OF SERVICE</b>
<b>Schedule 4 – All Non-Residential Single Phase and Small Farm Service (0 – 50 KVA)</b>

APPLICABLE

To entire territory served.

TYPE OF SERVICE – Single phase and three-phase with secondary voltages available in the vicinity or agreed by Kenergy.

MONTHLY RATE

(I) Customer Charge per delivery point.....\$15.61

(I) Energy Charge per KWH.....0.058417

TAXES AND FEES

School Taxes added if applicable.  
Kentucky Sales Taxes to be added to bill if applicable.

FRANCHISE CHARGE

The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the rules and regulations of this tariff.

TERMS OF PAYMENT

The above rates are net, the gross rate being five percent (5%) greater. In the event the current monthly bill is not paid within twenty (20) days from the date of the bill, the gross rate shall apply.

The gross rate charge will be forgiven on one bill each calendar year on all customers in this class of service.

DATE OF ISSUE September 1, 2006 DATE EFFECTIVE October 1, 2006

ISSUED BY Mark A. T. Bailey TITLE President and CEO

SIGNATURE OF OFFICER



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Second Revised SHEET NO. 146

CANCELLING PSC NO.

First Revised SHEET NO. 146

**RULES AND REGULATIONS**  
**Schedule 146 – Cable Television Attachment Tariff**

APPLICABLE

To entire territory served by Kenergy and on poles owned and used by Kenergy for its electric plant.

AVAILABLE

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

RENTAL CHARGE

The annual rental charges shall be as follows:

- (I) Two-Party Pole Attachment .....\$ 5.00
- (I) Three-Party Pole Attachment .....\$ 3.98
  
- (I) Two-Party Anchor Attachment.....\$ 8.99
- (I) Three-Party Anchor Attachment.....\$ 5.99

BILLING

Rental charges shall be billed annually, in succeeding year, based on the total number of pole attachments and anchors in place as of end of the preceding calendar year, and shall be due and payable on or before the date specified thereon. The rental charges are net, the gross being five percent (5%) greater. Failure to pay when due shall require the issuance of a notice of intent to discontinue service. Failure of the CATV operator to receive a bill or a correctly calculated bill shall not relieve the CATV operator of its obligation to pay for the service it has received.

SPECIFICATIONS

- A. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, current edition, and subsequent revisions thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.
  
- B. The strength of poles covered by this agreement shall meet the design requirements specified by the National Electrical Safety Code.

DATE OF ISSUE September 1, 2006 DATE EFFECTIVE October 1, 2006

ISSUED BY Mark A. T. Feiby TITLE President and CEO

SIGNATURE OF OFFICER



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Second Revised SHEET NO. 146(Exh. C) (Page 1 of 3)

CANCELLING PSC NO.

First Revised SHEET NO. 146(Exh. C)

RULES AND REGULATIONS

Schedule 146 – Cable Television Attachment Tariff

CALCULATION OF ANNUAL POLE ATTACHMENT CHARGE

1. Annual Attachment Charge -- Two-Party Pole

Annual Charge = [weighted avg. cost x .85 - n/a] x annual carrying charge x .1224

Annual Charge = \$331.40 x .85 x 14.51% x .1224

Annual Charge = \$5.00

2. Annual Attachment Charge – Three-Party Pole

Annual Charge = [weighted avg. cost x .85 - n/a] x annual carrying charge x .0759

Annual Fixed = \$425.04 x .85 x 14.51% x .0759

Annual Charge = \$3.98

/1 Weighted Average Cost for Poles Determined as follows:

35'-40' Poles = installed plant cost at 12/31/05 of \$23,534,993 ÷ 71,017 poles; or an average cost of \$331.40 per pole

40'-45' Poles = installed plant cost at 12/31/05 of \$20,708,159 ÷ 48,720 poles; or an average cost of \$425.04 per pole.

/2 Reduction factor for lesser appurtenances included in pole accounts per Page 8 of PSC Order in Case No. 251.

/3 Ground wire cost is not included in pole cost records, therefore, subject reduction is not applicable.

/4 See Sheet 14, Exhibit C.

/5 Usable space factor per Page 13 of PSC Order in Case No. 251.

DATE OF ISSUE September 1, 2006 DATE EFFECTIVE October 1, 2006

ISSUED BY Mark A. T. Bailey TITLE President and CEO SIGNATURE OF OFFICER



Henderson, Kentucky

FOR ALL TERRITORY SERVED

Community, Town or City

PSC NO. 1

Second Revised SHEET NO. 146(Exh. C) (Page 2 of 3)

CANCELLING PSC NO.

First Revised SHEET NO. 146(Exh. C)

**RULES AND REGULATIONS**  
**Schedule 146 – Cable Television Attachment Tariff**

CALCULATION OF ANNUAL ANCHOR ATTACHMENT CHARGE

1. Annual Attachment Charge – Two-Party Anchor

$$\text{Annual Charge} = \frac{\text{weighted average cost} \times \text{annual carrying charge}}{2}$$

$$\text{Annual Charge} = \frac{\$123.93 \times 14.51\%}{2}$$

$$\text{Annual Charge} = \$8.99$$

2. Annual Attachment Charge – Three-Party Anchor

$$\text{Annual Charge} = \frac{\text{weighted average cost} \times \text{annual carrying charge}}{3}$$

$$\text{Annual Charge} = \frac{\$123.93 \times 14.51\%}{3}$$

$$\text{Annual Charge} = \$5.99$$

/1 Weighted Average Cost for Anchors Determined as follows:

Installed plant cost of all anchors \$12,262,451 ÷ 98,946 anchors; or an average cost of \$123.93 per anchor as of 12/31/05.

/2 See Exhibit C.

DATE OF ISSUE September 1, 2006 DATE EFFECTIVE October 1, 2006

ISSUED BY Mark A. Bailey TITLE President and CEO  
SIGNATURE OF OFFICER



Henderson, Kentucky

FOR ALL TERRITORY SERVED
Community, Town or City
PSC NO. 1
Second Revised SHEET NO. 146(Exh. C)
CANCELLING PSC NO.
First Revised SHEET NO. 146(Exh. C)

RULES AND REGULATIONS
Schedule 146 - Cable Television Attachment Tariff

PSC ADMINISTRATIVE CASE NO. 251

Table with 4 columns: Item, Percent, Proforma Margins, Proforma Interest. Row 1: Cost of Money, ROI as per last proforma income statement (5.34%), Times Net-to-Gross Ratio (.78\*), Adjusted Rate of Return (4.16%).

2. Operations and Maintenance Expense Per Proforma Income Statement:

Exhibit 5, page 1, lines 19 & 20, column f \$12,163,476 x 100 = 5.82%
\$209,103,179

3. Depreciation Expense:

Exhibit 5, page 1, line 25, column f \$6,797,895 x 100 = 3.25%
\$209,103,179

4. General Administrative Expense:

Exhibit 5, page 1, line 24, column f \$2,675,557 x 100 = 1.28%
\$209,103,179

Annual Carrying Charges 14.51%

\* Net Plant Investment \$163,774,689 = 78%
Gross Plant Investment \$209,103,179 (December 31, 2005)

DATE OF ISSUE September 1, 2006 DATE EFFECTIVE October 1, 2006
ISSUED BY Mark A T Bailey TITLE President and CEO
SIGNATURE OF OFFICER





**KENERGY CORP.  
CASE. NO. 2006-00369  
PROPOSED TARIFF CHANGES**

(a)		(b)
1	<b><u>Present Monthly Rate Schedule</u></b>	<b><u>Proposed Monthly Rate Schedule</u></b>
2	<b>Schedule 1 - Residential Service</b>	<b>Schedule 1 - Residential Service</b>
3	<b>(Single &amp; Three-Phase)</b>	<b>(Single &amp; Three-Phase)</b>
4		
5	Customer Charge	\$ 7.91
6	Energy Charge Per KWH	\$ 0.056769
7		
8		
9		
10		
11	<b>Schedule 4 - All Non-Residential Single Phase</b>	
12	<b>&amp; Small Farm Service (0-50 KVA)</b>	
13		
14		
15	Customer Charge	\$ 12.00
16	Energy Charge Per KWH	\$ 0.056769
17		
18		
19		
20		
21	<b>Schedule 2 - Three-Phase Demand Commercial,</b>	<b>Schedule 2 - Three-Phase Demand Commercial,</b>
22	<b>Large Power &amp; Public Buildings 0 - 1,000 KW</b>	<b>Large Power &amp; Public Buildings 0 - 1,000 KW</b>
23		
24		
25	<b><u>Grandfathered</u></b>	<b><u>Grandfathered</u></b>
26	<b><u>Customer (1)</u></b>	<b><u>Customer (1)</u></b>
27	Customer Charge	\$ 25.00
28	All KW	\$ 3.50
29	First 200 KWH/KW	\$ 0.0502
30	Next 200 KWH/KW	\$ 0.0350
31	Over 400 KWH/KW	\$ 0.03
32	Primary Discount Per KW	\$ (0.50)
33	<b>(1) Only the rates for one grandfathered customer are changing in this class. The remaining customers are already</b>	
34	<b>on the proposed rates shown.</b>	
35		
36		
37		
38	<b>Schedule 146 - Cable Television Attachment Tariff</b>	<b>Schedule 146 - Cable Television Attachment Tariff</b>
39		
40	Two-Party Pole Attachment	\$ 4.26
41	Three-Party Pole Attachment	\$ 3.43
42	Two-Party Anchor Attachment	\$ 7.32
43	Three-Party Anchor Attachment	\$ 4.88
44		
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**KENERGY CORP.  
PUBLIC NOTICE  
PSC CASE NO. 2006-00369**

**THE APPLICATION OF KENERGY CORP.  
FOR AN ADJUSTMENT IN EXISTING RATES**

Kenergy Corp., 6402 Old Corydon Road, Henderson, KY 42420, filed an application for an adjustment in existing rates with the Kentucky Public Service Commission in Case No. 2006-00369. The rates contained in this notice, which are the rates contained in the application, are rates proposed by Kenergy Corp.; however, the Kentucky Public Service Commission may order rates to be charged that differ from the rates contained therein.

The present and proposed rates are as follows:

**Present Monthly Rate Schedule**

**Schedule 1 -- Residential  
(Single & Three-Phase)**

Customer Charge	\$7.91
Energy Charge Per KWH	\$ 0.056769

**Schedule 4 -- All Other Single Phase**

Customer Charge	\$12.00
Energy Charge Per KWH	\$ 0.056769

**Schedule 2--Three-Phase Demand Commercial,  
Large Power & Public Buildings 0-1,000 KW**

	<b><u>Grandfathered Customer (1)</u></b>
Customer Charge	\$ 25.00
All KW	\$ 3.50
First 200 KWH/KW	\$ 0.0502
Next 200 KWH/KW	\$ 0.0350
Over 400 KWH/KW	\$ 0.03
Primary Discount Per KW	\$ (0.50)

**Proposed Monthly Rate Schedule**

**Schedule 1 -- Residential Service  
(Single & Three-Phase)**

\$12.00
\$ 0.058417

**Schedule 4 -- All Other Single Phase**

\$15.61
\$ 0.058417

**Schedule 2 -- Three-Phase Demand Commercial,  
Large Power & Public Buildings 0-1,000 KW**

	<b><u>Grandfathered Customer (1)</u></b>
Customer Charge	\$ 25.00
All KW	\$ 3.50
First 200 KWH/KW	\$ 0.05320
Next 200 KWH/KW	\$ 0.03800
Over 400 KWH/KW	\$ 0.03300
Primary Discount Per KW	\$ (0.50)

**(1) Only the rates for one grandfathered customer are changing in this class. The remaining customers are already on the proposed rates shown.**

**Schedule 146 -- Cable Television Attachment Tariff**

Two-Party Pole Attachment	\$ 4.26
Three-Party Pole Attachment	\$ 3.43
Two-Party Anchor Attachment	\$ 7.32
Three-Party Anchor Attachment	\$ 4.88

**Schedule 146 -- Cable Television Attachment Tariff**

\$ 5.00
\$ 3.98
\$ 8.99
\$ 5.99

The amount and percent of change by rate class are as follows:

<u>Rate Class</u>	<u>Dollars</u>	<u>Percent of Change</u>
Residential	\$3,355,601	7.6%
All Other Single-Phase	\$ 548,499	7.6%
Three-Phase (less than 1,000 KW)	\$ 7,361	.07%
Three-Phase (1,000 – 4,999 KW)	\$ -0-	--
Unmetered Lighting	\$ -0-	--
Cable Television Attachment	\$ 8,142	17.2%
Total Non-Direct Served	\$3,919,603	5.8%

<u>Rate Class</u>	<u>Dollars</u>	<u>Percent of Change</u>
Direct Served Customers Class A	\$ -0-	--
Direct Served Customers Class B	\$ -0-	--
Direct Served Customers Class C	\$ -0-	--
Total All	\$3,919,603	1.4%

The effect of the proposed rates on the average monthly bill by rate class is as follows:

<u>Rate Class</u>	<u>Normalized</u>	<u>Proposed</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Residential	\$ 83.31	\$ 89.64	\$ 6.33	7.6%
All Other Single-Phase	\$ 70.99	\$ 76.35	\$ 5.36	7.6%
Three-Phase (less than 1,000 KW)	\$ 1,088.63	\$ 1,089.37	\$ .75	.07%
Three-Phase (1,000 – 4,999 KW)	\$ 27,262.83	\$ 27,262.83	\$ -0-	--
Unmetered Lighting	NA	NA	\$ -0-	--
Direct Served Customers Class A	\$ 7,889,504.33	\$ 7,889,504.33	\$ -0-	--
Direct Served Customers Class B	\$ 608,086.86	\$ 608,086.86	\$ -0-	--
Direct Served Customers Class C	\$ 55,646.76	\$ 55,646.76	\$ -0-	--
Cable Television Attachment	\$ 789.35	\$ 925.07	\$ 135.72	17.2%

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication of this notice request to intervene in the proceeding. That written request must be submitted to the Kentucky Public Service Commission, Post Office Box 615, 211 Sower Boulevard, Frankfort, KY 40601, and should set forth the grounds for the request, including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown. Intervenors may obtain copies of the application by contacting Kenergy Corp., 6402 Old Corydon Road, Henderson, KY 42420, or by calling (270) 826-3991.

A copy of the application and any other filing is available for public inspection at Kenergy's office at the above stated address or at one of its branch offices at 315 Hawes Blvd., Hawesville, KY 42348; 1441 U. S. Highway 231 North, Hartford, KY 42347; 2620 Brown Badgett Loop, Hanson, KY 42413; 703 South Main Street, Marion, KY 42064; or 3111 Fairview Drive, Owensboro, KY 42303.

By: Mark A. Bailey, President and CEO



**Kenergy Corp.**  
**Adjusted Income Statement**  
**Case No. 2006-00369**

Line No.	(a) Item	(b) Test Year ending 12/31/2005	(c) Normalize Revenues & Power Costs	(d) Adjusted	(e) Proforma Revenues & Expenses	(f) Adjusted
1	Operating Revenue:					
2	Non-Direct Served - Base Rate - Billed	68,298,118	806,026 (1)	69,104,144	3,911,462 (1)	73,015,606
3		0	0	0		0
4	Non-Direct Served - Wholesale Discount Adj.	(959,414)	(429,031) (1)	(1,388,445)		(1,388,445)
5	Non-Direct Served - Unbilled Revenue Impact	546,547	(145,000) (2)	401,547		401,547
6	Direct Served - Base Rate	221,074,169	(200,774) (1)	220,873,395		220,873,395
7	Direct Served - Wholesale Discount Adj.	(953,270)		(953,270)		(953,270)
8	Other Revenue	1,258,708	(12,311) (1)	1,246,397	16,862 (1)	1,263,259
9	Total Operating Revenue	<u>289,264,858</u>	<u>18,910</u>	<u>289,283,768</u>	<u>3,928,324</u>	<u>293,212,092</u>
10	Operating Expenses:					
11	Purchased Power:					
12	Non-Direct Served - Base Rate	42,949,626	312,909 (3)	43,262,535		43,262,535
13	Non-Direct Served - Wholesale Discount Adj.	(1,389,874)	0	(1,389,874)		(1,389,874)
14	Direct Served - Base Rate	219,475,646	0	219,475,646		219,475,646
15	Direct Served - Wholesale Discount Adj.	(953,270)		(953,270)		(953,270)
16	Subtotal	<u>260,082,128</u>	<u>312,909</u>	<u>260,395,037</u>	<u>0</u>	<u>260,395,037</u>
17	Less Office Use	(95,638)		(95,638)		(95,638)
18	Total Purchased Power	<u>259,986,490</u>	<u>312,909</u>	<u>260,299,399</u>	<u>0</u>	<u>260,299,399</u>
19	Distribution - Operation	4,249,548		4,249,548	(112,629) (4)	4,136,919
20	Distribution - Maintenance	8,113,669		8,113,669	(87,112) (4)	8,026,557
21	Consumer Accounts	2,776,613		2,776,613	(80,310) (4)	2,696,303
22	Customer Service and Informational	185,728		185,728	(5,860) (4)	179,868
23	Sales	113,896		113,896	(2,086) (4)	111,810
24	Administrative and General	3,036,362		3,036,362	(360,805) (4)	2,675,557
25	Depreciation	5,752,782		5,752,782	1,045,113 (4)	6,797,895
26	Tax Expense - Other	269,762	4,621 (4)	274,383	6,560 (4)	280,943
27	Interest on Long Term Debt	4,198,637		4,198,637	913,359 (4)	5,111,996
28	Interest Charged to Construction-Credit	(60,091)		(60,091)	0	(60,091)
29	Interest - Other	143,991		143,991	0	143,991
30	Other Deductions	63,561		63,561	(63,561) (4)	0
31	Total O & M and Fixed	<u>28,844,458</u>	<u>4,621</u>	<u>28,849,079</u>	<u>1,252,669</u>	<u>30,101,748</u>
32						
33	Total Cost of Electric Service	<u>288,830,948</u>	<u>317,530</u>	<u>289,148,478</u>	<u>1,252,669</u>	<u>290,401,147</u>
34						
35	Operating Margins	433,910	(298,620)	135,290	2,675,655	2,810,945
36	Non-Operating Margins - Interest	893,305		893,305	(1,824) (4)	891,481
37	Non-Operating Margins - Other	(31,286)		(31,286)	31,286 (4)	0
38	Non-Cash Capital Credits	194,579		194,579	(55,549) (4)	139,030
39						
40	Total Margins	<u>1,490,508</u>	<u>(298,620)</u>	<u>1,191,888</u>	<u>2,649,568</u>	<u>3,841,456</u>
41						
42	Times Interest Eamed Ratio(TIER)	1.35				1.75
43	Debt Service Coverage Ratio(DSC)	1.49				1.81
44	Operating TIER	1.10				1.55
45	Operating DSC	1.36				1.70
46						
47	Rural Utilities Service Mortgage Minimums (average best two out of last three years)					
48	Times Interest Eamed Ratio(TIER)	1.25				1.25
49	Debt Service Coverage Ratio(DSC)	1.25				1.25
50	Operating TIER	1.10				1.10
51	Operating DSC	1.10				1.10
52						

53 (1) See Exhibit 10, pages 1-13 for the schedules explaining the revenue normalization.

54 (2) See Exhibit 5 page 5.

55 (3) See Exhibit 5 page 6.

56 (4) See Exhibit 5 pages 2-4 and pages 7-21 for explanations.

**KENERGY CORP.  
CASE NO. 2006-00369  
ADJUSTMENT RECAP**

Line No.	(a) Description	(b) Reference to Page Of Exhibit 5	(c) Non-Direct Revenue Base Rates	(d)	(e) Non-Direct Revenue WDAR	(f) Unbilled Impact	(g) Non-Direct Power Cost Base Rates	(h) Non-Direct Power Cost WDAR	(i) Miscellaneous Revenue	(j) Direct Served Revenue Base Rates	(k) Direct Served Power Cost
1	Normalize Revenues - Non Dedicated Customers		806,026								
2	Remove One-Time Unbilled Revenue	5				(145,000)					
3	Normalize Wholesale Discount Adjustment				(429,031)						
4	Normalize Direct Served Revenues									(200,774)	
5	Miscellaneous Revenues Adjustment							4,551			
6	Normalize Power Cost for Year-End Level of Customers	6					312,909				
7	Labor Adjustment	7									
8	Labor Overhead Adjustment	8									
9	Remove Deferred Compensation Entry	9									
10	Remove PSC Disallowed Expenses	10									
11	Remove Post Retirement Health Ins. Adjustments	11									
12	Remove One-Time Pension Settlement Costs	12									
13	Normalize Outside Vendor Storm Expense	13									
14	Depreciation - Distribution Plant Adjustment	14									
15	Depreciation - Distribution Plant Adjustment - New Rates	(1)									
16	Property Tax Adjustment	15									
17	Interest Adjustment	16									
18	PSC Assessment	17									
19	Adjust Test Year Rate Case Expense	18									
20	Non-Operating Margins - Interest Adjustment	19									
21	Non-Operating Margins - Other Adjustment	20									
22	Non-Cash Capital Credit Adjustment	21									
23											
24	TOTAL		806,026	0	(429,031)	(145,000)	312,909	0	4,551	(200,774)	0
25											
26	Reference to appropriate line on Exhibit 5, Page 1, Column C OR E		2	3	4	5	12	13	8	6	14
27			\$806,026		\$0				\$0	-\$200,774	
28	(1) see exhibit 13								See exhibit 10	See exhibit 10	
29			See exhibit 10		-\$429,031				\$ (12,311)		
30					See exhibit 10		See exhibit 10		\$ 16,862		
31											
32					-\$429,031				\$ 4,551		
33											

Exhibit 5, Page 2

**KENERGY CORP.  
CASE NO. 2006-00369  
ADJUSTMENT RECAP**

Line No.	(a) Description	(b) Reference to Page Of Exhibit 5	(l) Distribution Operations	(m) Distribution Maintenance	(n) Consumer Accounts	(o) Customer Service	(p) Sales	(q) Administrative & General	(r) Depreciation
1	Normalize Revenues - Non Dedicated Customers								
2	Remove One-Time Unbilled Revenue	5							
3	Normalize Wholesale Discount Adjustment								
4	Normalize Direct Served Revenues								
5	Miscellaneous Revenues Adjustment								
6	Normalize Power Cost for Year-End Level of Customers	6							
7	Labor Adjustment	7	15,673	24,125	14,408	1,012	608	12,502	
8	Labor Overhead Adjustment	8	(54,130)	(83,321)	(49,760)	(3,494)	(2,100)	(43,178)	
9	Remove Deferred Compensation Entry	9						(74,699)	
10	Remove PSC Disallowed Expenses	10						(213,098)	
11	Remove Post Retirement Health Ins. Adjustments	11	4,851	5,408	4,947	(450)	(26)	(2,410)	
12	Remove One-Time Pension Settlement Costs	12	(97,757)	(100,380)	(49,905)	(2,928)	(568)	(39,591)	
13	Normalize Outside Vendor Storm Expense	13		67,056					
14	Depreciation - Distribution Plant Adjustment	14							313,715
15	Depreciation - Distribution Plant Adjustment - New Rates	(1)							731,398
16	Property Tax Adjustment	15	18,734						
17	Interest Adjustment	16							
18	PSC Assessment	17							
19	Adjust Test Year Rate Case Expense	18						(331)	
20	Non-Operating Margins - Interest Adjustment	19							
21	Non-Operating Margins - Other Adjustment	20							
22	Non-Cash Capital Credit Adjustment	21							
23									
24	TOTAL		(112,629)	(87,112)	(80,310)	(5,860)	(2,086)	(360,805)	1,045,113
25									
26	Reference to appropriate line on Exhibit 5, Page 1, Column C OR E		19	20	21	22	23	24	25
27									
28	(1) see exhibit 13								
29									
30									
31									

Exhibit 5, Page 3



**KENERGY CORP.  
CASE NO. 2006-00369  
ADJUSTMENT RECAP**

Line No.	(a) Description	(b) Reference to Page Of Exhibit 5	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)
			Tax Expense Other	Interest Long Term Debt	Interest Construction	Interest Other	Other Deductions	Non-Op Interest	Non-Op Other	Non-Cash Capital Credits	Margin Impact
1	Normalize Revenues - Non Dedicated Customers										806,026
2	Remove One-Time Unbilled Revenue	5									(145,000)
3	Normalize Wholesale Discount Adjustment										(429,031)
4	Normalize Direct Served Revenues										(200,774)
5	Miscellaneous Revenues Adjustment										4,551
6	Normalize Power Cost for Year-End Level of Customers	6									(312,909)
7	Labor Adjustment	7							(797)		(69,125)
8	Labor Overhead Adjustment	8							3,126		239,109
9	Remove Deferred Compensation Entry	9						(74,699)			0
10	Remove PSC Disallowed Expenses	10					(63,561)		1,692		278,351
11	Remove Post Retirement Health Ins. Adjustments	11									(12,320)
12	Remove One-Time Pension Settlement Costs	12								131	291,260
13	Normalize Outside Vendor Storm Expense	13									(67,056)
14	Depreciation - Distribution Plant Adjustment	14									(313,715)
15	Depreciation - Distribution Plant Adjustment - New Rates	(1)									(731,398)
16	Property Tax Adjustment	15									(18,734)
17	Interest Adjustment	16		913,359							(913,359)
18	PSC Assessment	17	11,181								(11,181)
19	Adjust Test Year Rate Case Expense	18									331
20	Non-Operating Margins - Interest Adjustment	19						72,875			72,875
21	Non-Operating Margins - Other Adjustment	20							27,134		27,134
22	Non-Cash Capital Credit Adjustment	21								(55,549)	(55,549)
23											(1,560,514)
24	TOTAL		11,181	913,359	0	0	(63,561)	(1,824)	31,286	(55,549)	
25											
26	Reference to appropriate line on Exhibit 5, Page 1, Column C OR E		26	27	28	29	30	36	37	38	
27											
28	(1) see exhibit 13		4621						31286		
29			6560						-4152		
30											
31			<u>\$ 11,181</u>						<u>\$ 27,134</u>		

**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**ADJUSTMENT TO REMOVE ONE-TIME**  
**UNBILLED REVENUE ADJUSTMENT**

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Kenergy has an unbooked asset at 12/31/05 representing unbilled revenue of approximately \$1,200,000 originating with the consolidation on July 1, 1999. Kenergy is recording a portion of this each year, with \$145,000 booked during the test year. Once the asset reaches this level, this adjustment will not be required and therefore, is non-recurring revenue that should be removed from the test period.

**KENERGY CORP.**  
**ADJUSTMENT TO NORMALIZE NON-DIRECT SERVE POWER COST**  
**CASE NO. 2006-00369**

1	Increase in Sales	8,218,931	(Exhibit 10, Page 1, Line 67, Col. F- col. C)
2	Divide by Loss Factor	<u>0.9532</u>	
3	Increase in KWH Purchased	8,622,462	
4	Base Rate Power Cost Per KWH <b>(1)</b>	<u>0.03629</u>	
5	Adjustment to Power Cost	312,909	
6			
7	<b>(1)</b> Excludes MDA and Valley Grain		

**KENERGY CORP.  
CASE NO. 2006-00369  
LABOR ADJUSTMENT**

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Regular Wages:					January 1, 2006		
2		159 Full-Time Employees @		2,080	hrs. @	Avg. Hourly Rate	\$26.92	\$8,902,982
3		(employees at December 31, 2005)						
4	Overtime Wages:					January 1, 2006		
5								
6		Test Year Overtime Hours		33,980	hrs. @	Avg. Hourly Rate	\$ 38.69	\$1,314,686
7		(excluding part-time)						
8	Part-Time Wages:							
9								
10		Test Year						<u>\$104,457</u>
11								
12		Proforma Labor						<u>\$10,322,125</u>
13								
14						(line 12h * col. d)		(col. f - col. e)
15				Test Year Labor		Proforma Labor		Adjustment
16		Capitalized		27.76% \$	2,837,794	\$2,865,422		\$27,628
17		Accounts Receivable		4.28% \$	437,609	\$441,787		\$4,178
18		Non-Regulated		0.63% \$	64,232	\$65,029		\$797
19		Electric-Expensed		67.33% \$	6,881,560	\$6,949,887		\$68,327
20				<u>100.00% \$</u>	<u>10,221,195</u>	<u>\$ 10,322,125</u>		<u>\$100,930</u>
21								
22								
23	Explanation:							
24	The adjustment reflects board approved increases to the pay grades of 3% on January 1, 2006 and 2005.							
25	Individual pay adjustments were based on the employees performance rating							
26	and their current hourly rate relative to the established mid-point or market rate for their grade level.							
27	Including the merit and step adjustments increases the overall adjustment to approximately 4%.							
28	Offsetting the wage increases is a net reduction of seven employees from the level at the beginning of the							
29	test year.							

**Kenergy Corp.**  
**Case No. 2006-00369**  
**Labor Overheads Adjustment**

(a) Line No	(b) Item	(c)	(d)	(e) Test Year	(f) Proforma	(g) Change	(h) Percent
1	Health, Dental, Life, & Disability Premiums			\$2,261,905	\$ 1,872,236	-\$389,669	-17.23%
2	Pension Costs			\$1,200,175	\$ 1,261,153	\$60,978	5.08%
3	Payroll Taxes			\$763,573	\$ 775,019	\$11,446	1.50%
4	Worker's Compensation			\$336,094	\$ 290,297	-\$45,797	-13.63%
5	Property Loss Insurance			\$101,754	\$ 103,968	\$2,214	2.18%
6	Excess Liability Insurance			\$39,533	\$ 42,561	\$3,028	7.66%
7				<u>\$4,703,034</u>	<u>\$4,345,234</u>	<u>-\$357,800</u>	<u>-7.61%</u>

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	Test Year	Proforma	(col e % * line 7 col f)	(col g - col f)
Capitalized	30.99%	\$ 1,457,561	\$ 1,346,672	-\$110,889
Accounts Receivable	2.18%	\$ 102,551	\$ 94,749	-\$7,802
Non-Regulated	0.87%	\$ 41,088	\$ 37,962	-\$3,126
Electric-Expensed	65.95%	\$ 3,101,835	\$ 2,865,852	-\$235,983
	<u>100.0000%</u>	<u>\$ 4,703,034</u>	<u>\$ 4,345,234</u>	<u>-\$357,800</u>

Explanation: This adjustment reflects premium rates at January 1, 2006. Kenergy changed health insurance providers on January 1, 2006 reflecting a substantial decrease in premium rates

**Kenergy Corp.**  
**Case No. 2006-00369**  
**Adjustment - Remove Deferred Compensation Writeup to Market Value**

Writeup to Market Value

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Entry made during test year:

	<u>Debit</u>	<u>Credit</u>
Electric Expensed - A&G	\$74,699	
Non-Operating Margins		\$74,699

This entry is reversed on the adjustment recap to remove its' impact from the test year.

Included in other investments and other noncurrent liabilities is \$1,547,870 and \$1,722,189 at December 31, 2005 and 2004, respectively, relating to deferred compensation agreements. The deferred compensation plan was frozen in 1999. Benefits are being paid out and the obligation is being relieved over a period of ten years through approximately 2012.

**Kenergy Corp.**  
**Case No. 2006-00369**  
**Schedule of Disallowed Expense Items From Case No. 2003-00165**  
**During Test Year Ending December 31, 2005**

(a)	(b)	(c)	(d)	(e)	(f)
Item	Total Cost	Capitalized	Accounts Receivable	Non-Regulated	Expensed
1 <b>Board of Directors Costs:</b>					
2 Monthly Board Retainer	\$ 51,150				
3 Extra Per Diem for Chairperson	\$ 1,200				
4 Expenses for Non-Designated Delegate &					
5 Alternate to Attend State & National Meetings	\$ 4,672				
6 Directors Emeritus	\$ 3,600				
7 Per Diem for Other Meetings	\$ 20,500				
8 Life Insurance	\$ 1,062				
9					
10 <b>Total Board Costs</b>	<u>\$ 82,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 863</u>	<u>\$ 81,321</u>
11					
12					
13					
14 <b>Miscellaneous Costs:</b>					
15 Donations	\$ 57,447				
16					
17 Institutional Advertising (Touchstone)	\$ 23,419				
18					
19 Scholarships, Youth Tour & Gifts	\$ 12,112				
20					
21 Public Relations Expenses & Christmas Gifts	\$ 20,718				
22					
23					
24 <b>Total Miscellaneous</b>	<u>\$ 113,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,696</u>
25					
26					
27 <b>Non-Recurring Professional Services Expense:</b>					
28 Health Insurance - Attorney	\$ 11,635				
29 Internal Auditing	21,109				
30 Employee Estate Planning	2,274				
31 Wage & Hour Law Study	2,100				
32					
33 <b>Total Non-Recurring Professional Services Expenses</b>	<u>\$ 37,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408</u>	<u>\$ 36,710</u>
34					
35					
36 <b>Employee Costs:</b>					
37 Life Insurance Over \$50,000 - Premiums	\$ 62,817	\$ 17,438	\$ 2,689	\$ 396	\$ 42,294
38					
39 FICA/Medicare on Life Insurance Over \$50,000	\$ 3,919	\$ 1,088	\$ 168	\$ 25	\$ 2,638
40					
41 <b>Total Employee Costs</b>	<u>\$ 66,736</u>	<u>\$ 18,526</u>	<u>\$ 2,857</u>	<u>\$ 421</u>	<u>\$ 44,932</u>
42					
43 <b>Total All Categories</b>	<u>\$ 299,734</u>	<u>\$ 18,526</u>	<u>\$ 2,857</u>	<u>\$ 1,692</u>	<u>\$ 276,659</u>
44					
45					
46 <b>NOTE:</b> The various schedules filed in response to Information Request No. 1 will provide the support for the amounts shown above.					
47					
48					

**Kenergy Corp.**  
**Case No. 2006-00369**  
**Removal of All Post Retirement Health Insurance**  
**Adjustments During Test Year**

1 Net impact of various adjustments to reduce liabilities for post retirement health insurance:

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Capitalized	\$17,067
Operations	4,851
Maintenance	5,408
Consumer Accounts	4,947
Customer Service	(450)
Sales	(26)
A&G	<u>(2,410)</u>
	<u><u>\$29,387</u></u>

The liability accounts and various capital and expense accounts were reduced during the test year. Therefore, these amounts are added to test year expense totals to remove their impact. The allocation factors were derived from the original entries made setting up the original liabilities based on the account distribution of the retired employees. Kenergy does not offer any post retirement benefits on active employees.



**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**REMOVE ONE-TIME PENSION SETTLEMENT COST**

1 The one-time settlement costs were recorded as follows:

2

3	Capitalized	\$	130,882
4	Stores	\$	12,979
5	Shop	\$	1,879
6	Non-Regulated	\$	131
7	Operations	\$	97,757
8	Maintenance	\$	100,380
9	Customer Accounts	\$	49,905
10	Customer Service	\$	2,928
11	Sales	\$	568
12	Adm. & General	\$	39,591
13		<u>\$</u>	<u>437,000</u>

14

15 Explanation from actuary report:

16 There was an actuarial loss in excess of \$900,000 as of December 31, 2004.

17 Current Accounting guidelines do allow for a smooth amortization of these losses  
18 over the *expected future working lifetime of the participating employees, which has*  
19 *been reflected each year in the net periodic pension cost.* Accounting guidelines  
20 also dictate that in the case of a special event (defined in FASB #88) the recognition  
21 of the losses must be accelerated. Due to the large lump sum benefit paid in July, 2005  
22 that represented such a large percentage of the assets and liabilities of the Plan,  
23 a settlement under FASB #88 was triggered and a prorated portion of this unamortized  
24 loss was subject to immediate recognition.

**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**OUTSIDE VENDOR STORM REPAIR EXPENSE**

Payments made to outside vendors net of FEMA reimbursements:						
1		<u>Original Amount</u>		<u>Inflation Adjustment</u>		<u>Adjusted Amount</u>
2						
3	1996	455,863	x	1.1827	=	\$539,149
4	1997	-		N/A		
5	1998	-		N/A		
6	1999	-		N/A		
7	2000	-		N/A		
8	2001	-		N/A		
9	2002	44,162	x	1.0892	=	48,101
10	2003	-		N/A		
11	2004	79,458	x	1.0485	=	83,312
12	2005	-		N/A		
13						
14						\$670,562 /10 yrs. = <u><u>\$67,056</u></u>
15						
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**Kenergy Corp.**  
**Case No. 2006-00369**  
**Depreciation Adjustment**

Line No.	(a) Description	(b) Account Number	(c) Balance 12/31/2005	(d) Depreciation Rate	(e) Proforma Depreciation
1	Land and Land Rights	360.000		n/a	0
2	Station	362.000	\$17,972,713	0.0310	\$557,154
3	Supervisory Control	362.100	\$1,907,174	0.0675	\$128,734
4	Microwave Equipment	362.200	\$2,057,341	0.0500	\$102,867
5	Microwave Towers	362.223	\$1,354,846	0.0310	\$42,000
6	Owensboro Fiber Loop	362.400	\$915,009	0.0675	\$61,763
7	Poles, Tower's, and Fixtures	364.000	\$55,689,068	0.0310	\$1,726,361
8	Overhead Conductor's and Devices	365.000	\$43,909,211	0.0310	\$1,361,186
9	Underground Conduit	366.000	\$14,166	0.0310	\$439
10	Underground Conductor and Devices	367.000	\$9,815,435	0.0310	\$304,278
11	Line Transformer's	368.000	\$26,290,025	0.0310	\$814,991
12	Services	369.000	\$15,752,111	0.0310	\$488,315
13	Meters	370.000	\$4,651,074	0.0310	\$144,183
14	Installation on Customer's Premises	371.000	\$2,796,078	0.0310	\$86,678
15	Street Lighting	373.000	\$550,896	0.0310	\$17,078
16					
17	Total - Distribution Plant		<u>\$183,675,148</u>		\$5,836,027
18					
19			Test year		<u>\$5,522,852</u>
20					
21			Adjustment		<u>\$313,175</u>
22					

**Proposed Depreciation Rates per Depreciation Study:**

24 The depreciation study contained in Exhibit 13 of the application proposes new depreciation  
25 rates that would result in an annual increase in depreciation expense of \$731,398. The  
26 proposed rates require the approval of the Rural Utilities Service (RUS), which was  
27 requested on July 11, 2006. The approval process generally takes 2 to 3 months. Any  
28 change to the proposed rates by RUS will be added to this rate application.

29  
30

**Kenergy Corp.**  
**Case No. 2006-00369**  
**Property Tax Adjustment**

1	Test Year Dollars			\$1,512,687
2				
3	Proforma Assessment:			
4	State:			
5		Rate	Proforma Assessment (1)	Proforma Dollars
6				
7	Real Estate	\$0.0013	\$6,019,435	\$7,885
8	Tangible Property	\$0.0045	\$115,088,102	\$517,896
9	Manufacturing Machinery	\$0.0015	\$32,983,301	\$49,475
10	Intangibles	\$0.0025	\$2,872,726	\$7,182
11			<u>\$156,963,564</u>	<u>\$582,438</u>
12				
13	Counties		times	<u>1.6293 (2)</u>
14				\$948,983
15				
16	Total Proforma Dollars			<u>\$1,531,421</u>
17				
18	Adjustment			<u><u>\$18,734</u></u>
19				
20		Capitalized		3.69%      \$692
21		Accounts Receivable		0.05%      \$10
22		Non-Regulated		<u>0.02%      \$4</u>
23		Electric-Expensed		<u>96.24%      \$18,029</u>
24				<u><u>100.00%      \$18,734</u></u>
25				
26				
27	Explanation:			
28	(1) The proforma assessment dollars were based on 12/31/05 asset book values.			
29				
30	(2) Calculation of County/State Percentage:			
31	2005 Property taxes - County		\$937,374.00	
32	Divided by State assessment @ 12/31/04		\$575,313.00	
33			1.6293%	
34				

**Kenergy Corp.**  
**Case No. 2006-00369**  
**Interest Expense Adjustment**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
	Principal	Lender	Current Rates	Proforma Rates	Interest Renewal Date Starting At 8/02/04	Principal Maturity	Proforma Interest	Test Yr. Interest	Adjustment
	63,482	RUS	2%	2%	N/A Fixed to Maturity	2003 - 2007	\$1,270		
2	\$ 18,796,897	RUS	5%	5%	N/A Fixed to Maturity	2009 - 2039	\$939,845		
3	\$ 2,410,412	RUS	5.125%	5.125%	N/A Fixed to Maturity	2033	\$123,534		
4	\$ 6,043,730	RUS	3.750%	3.750%	7 yr fixed 1/31/2012	2036	\$226,640		
5	\$ 17,815,863	RUS	2.500%	2.500%	3 yr fixed 3/31/2008	2036	\$445,397		
6	\$ 9,414,236	RUS	2.625%	2.625%	4 yr fixed 3/31/2009	2036	\$247,124		
7	\$ 11,396,831	RUS	3.000%	3.000%	5 yr fixed 4/30/2010	2036	\$341,905		
8	\$ 7,919,552	RUS	3.250%	3.250%	7 yr fixed 7/31/2012	2036	\$257,385		
9	\$ 1,388,588	RUS	3.125%	3.125%	6 yr fixed 5/31/2011	2029	\$43,393		
10	\$ 1,787,925	RUS	3.500%	3.500%	8 yr fixed 12/31/2013	2032	\$62,577		
11	\$ 1,782,601	RUS	4.50%	4.50%	Fixed until 12/31/2007	2032	\$80,217		
12	\$ 1,460,260	RUS	4.00%	4.00%	Fixed until 03/31/2007	2032	\$58,410		
13	\$ (11,860,815)	RUS	5% (Earn)		N/A (Prepaid Debt Service)				
14	<b>\$ 68,419,562</b>	<b>Total RUS</b>					<b>\$2,827,697</b>		
15	<b>\$ 1,583,305</b>	<b>RUS Ec. Devel.</b>	0%		Ec. Development Loans				
16	<b>\$ 21,180,174</b>	FFB	4.740%	4.855%	90 day fixed until 06/30/06	2037	<b>\$1,028,297</b>		
17	\$ 1,311,232	CoBank	3.84%	3.84%	(1) N/A Fixed to Maturity	2015	\$50,351		
18	\$ 1,011,744	CoBank	4.09%	4.09%	(1) N/A Fixed to Maturity	2017	\$41,380		
19	\$ 1,786,828	CoBank	4.17%	4.17%	(1) N/A Fixed to Maturity	2018	\$74,511		
20	\$ 1,532,802	CoBank	3.97%	3.97%	(1) N/A Fixed to Maturity	2016	\$60,852		
21	\$ 5,001,795	CoBank	4.14%	4.14%	(1) N/A Fixed to Maturity	2014	\$207,074		
22	\$ 2,363,948	CoBank	5.39%	5.39%	(1) 3 Yr. Fixed until 2/16/2009	2022	\$127,417		
23	\$ 2,356,895	CoBank	5.40%	5.40%	(1) 4 Yr. Fixed until 2/16/2010	2028	\$127,272		
24	\$ 2,708,049	CoBank	5.41%	5.41%	(1) 5 Yr. Fixed until 2/16/2011	2025	\$146,505		
25	\$ 3,029,961	CoBank	5.44%	5.44%	(1) 6 Yr. Fixed until 2/16/2012	2029	\$164,830		
26	\$ 91,028	CoBank	5.37%	5.37%	(1) 2 Yr. Fixed until 2/16/2012	2010	\$4,888		
27	\$ 5,131,327	CoBank	4.89%	4.89%	(1) 3 Yr. Fixed until 10/13/2008	2032	\$250,922		
28	<b>\$ 26,325,609</b>	<b>Total Supplemental</b>					<b>\$1,256,002</b>		
29	\$ (4,024,383)	RUS & CoBank principal due one year - (Line 45, Form 7)							
30									
31									
32									
33	<b>\$ 113,484,267</b>	<b>Total Long-Term Debt (Line 41 - Form 7)</b>				<b>TOTALS</b>	<b>\$5,111,996</b>	<b>\$4,198,637</b>	<b>\$913,359</b>
34									
35									
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38									

(1) Including .80% reduction for cash capital credit refunds. The Cobank capital plan provides for a 100 basis point total capital credit allocation on average loans outstanding, with a 80 basis point cash payment and a 20 basis point non-cash allocation.

**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**ADJUSTMENT - PSC ASSESSMENT TAX**

(a)	(b)
1 Normalized Revenues - Exhibit 5, Page 1, Line 9, Column d	\$289,283,769
2	
3 Normalized Power Costs - Exhibit 5, Page 1, Line 16, Column d	\$260,395,037
4	
5 Less One-Half	<u>(\$130,197,519)</u>
6	
7	<u>\$130,197,518</u>
8	
9 Normalized Accessable Revenues (Line 1 less 4)	\$159,086,251
10	
11 Times 2005 Tax Rate	<u>0.00167 (1)</u>
12 Normalized PSC Assessment Tax	\$265,674
13 Test Year PSC Assessment Tax	<u>\$261,053</u>
14	
15 Adjustment	<u><u>\$4,621</u></u>
16	
17 Proforma PSC Tax Adjustment:	
18 Proposed Revenue Increase	\$3,928,324
19 times 2005 Tax Rate	<u>0.00167 (1)</u>
20	<u><u>\$6,560</u></u>
21	
22	
23	
24	
25 (1) Tax paid July 2005 - <u>\$257,836.90</u> = .001670	
26 Assessable Revenue \$154,393,356	
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**Kenergy Cop.**  
**Case No. 2006-00369**  
**Adjustment for Rate Case Expense - Outside Vendors**

1	Rate Case Cost of Outside Vendors Expensed During Test Year	\$ 18,815
2		
3	Total Rate Case Cost of Outside Vendors - Case No. 2004-00446/3	<u>\$ 18,484</u>
4		
5	Reduction to Test Year A&G Expense	<u><u>\$ 331</u></u>
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**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**ADJUSTMENT TO NON-OPERATING MARGINS - INTEREST**

1	RUS Cushion of Credit Balance @ 12/31/05		\$11,860,815	
2		times 5%	<u>0.05</u>	
3	Proforma Interest		\$593,041	
4				
5	Test-Year Interest		\$574,832	
6				
7		Adjustment	<u>\$18,209</u>	<u>\$18,209</u>
8				
9	Test Year Interest Income on Investment of Funds on a Short-Term Basis		\$147,746	
10				
11	Percentage Increase in Short-Term Rates:			
12	Average Rate During Test Year	=.0311		
13	Proforma Rate	=.0425		
14	Percentage Increase	=.0425/.0311 - 1	= <u>37%</u>	
15				
16		Adjustment	<u>\$54,666</u>	<u>\$54,666</u>
17				
18		Total Adjustment		<u><u>\$72,875</u></u>
19				
20				
21				
22	Breakdown of Interest Income - Adjusted Income Statement			<u><u>\$ 893,303</u></u>
23				
24	RUS Cushion of Credit	\$ 574,832		
25	Deferred Compensation Earnings	\$ 74,699		
26	CFC CTC's	\$ 95,144		
27	ERC Interest	\$ 882		
28	Interest on Overnight and 30 Day Investments	\$ 147,746		
29		<u>\$ 893,303</u>		
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**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**ADJUSTMENT TO NON-OPERATING MARGINS - OTHER**

1	Test Year Non-Operating Loss (Exhibit 5, page 1, line 37, column b)	<u>\$31,286</u>
2		
3	Remove Test Year Non-Regulated Activity Margin	(\$3,089)
4		
5	Remove Test Year Loss on Retirement of Hanson Office Building	\$37,779
6		
7	Remove Other Miscellaneous Items	<u>(\$3,404)</u>
8		
9	TOTAL ADJUSTMENT	<u>\$31,286</u>
10		
11		
12		
13	Remove Impact of Proforma Adjustment on Non-Regulated Activity	
14		
15	Labor Adjustment	\$ 797
16	Labor Overheads Adjustment	(3,126)
17	PSC Disallowed Expenses Adjustment	(1,692)
18	One-Time Pension Settlement Costs	<u>(131)</u>
19		<u>\$ (4,152)</u>

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**Kenergy Corp.**  
**Case No. 2006-00369**  
**Non-Cash Capital Credit Allocations**

1	CoBank Principal Balance at 12/31/05	\$26,325,609
2		times <u>0.01</u>
3	Proforma Total Allocation	\$263,256
4		
5		times <u>20%</u>
6		
7	Proforma Non-Cash Allocation	<u>\$52,651</u>
8		
9		
10	Test Year Non-Cash Allocation Booked	<u>\$108,200</u>
11		
12	Adjustment Non-Cash Capital Credit Allocations	<u><u>(\$55,549)</u></u>
13		
14		

15 Explanation:

16 This adjustment reflects CoBank's capital plan, which provides for a patronage distribution of 1%  
 17 of the average loans outstanding, with 80% cash and 20% non-cash. The cash portion has been  
 18 reflected in the interest rates shown for CoBank on the interest expense adjustment.

19

20	Breakdown of Non-Cash Capital Credits - Test Year	<u>\$ 194,579</u>
21		
22	Federated Electric Insurance	\$ 63,527
23	KAEC	\$ 8,453
24	United Utility	\$ 14,330
25	CFC	\$ 69
26	CoBank	<u>\$ 108,200</u>
27		<u><u>\$ 194,579</u></u>
28		
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1  
2  
3 **COMMONWEALTH OF KENTUCKY**  
4 **BEFORE THE PUBLIC SERVICE COMMISSION**

5  
6 **In the Matter of**

7  
8 **THE APPLICATION OF KENERGY CORP. ) CASE NO. 2006-00369**  
9 **FOR AN ADJUSTMENT OF EXISTING )**  
10 **RATES )**

11  
12 **TESTIMONY OF MARK A. BAILEY**

13  
14 Q1. Please state your name, business address and position with Kenergy.

15  
16 A. Mark A. Bailey, 6402 Old Corydon Road, Henderson, Kentucky 42420. I  
17 am President and CEO of Kenergy.

18  
19 Q2. What is your educational background?

20  
21 A. I received a Bachelor of Science Degree in Electrical Engineering from  
22 Ohio Northern University in 1974 and a Master of Science Degree in  
23 Management from the Massachusetts Institute of Technology in 1988. I  
24 am a Registered Professional Engineer in the State of Ohio.

25  
26 Q3. What is your experience in the electric industry?

27  
28 A. Before coming to Kenergy in 2004 I worked for American Electric Power  
29 (“AEP”) where I began my career in 1974 as an Electrical Engineer. I held  
30 positions as Vice President of subsidiaries Ohio Power Company and  
31 Indiana Michigan Power Company until AEP’s re-organization in 1996  
32 when I became Director-Regions with American Electric Power Service  
33 Corporation (“AEPSC”), also a subsidiary. I was Vice President of  
34 Transmission Asset Management for AEPSC from June 2000 until my  
35 move to Kenergy.

36  
37 Q4. Have you previously submitted testimony before the Kentucky Public  
38 Service Commission?  
39

1 A. Yes. I presented testimony in Kenergy's last rate case, Case No. 2004-  
2 00446.

3  
4 Q5. Have you previously submitted testimony before other regulatory agencies?

5  
6 A. Yes. I submitted testimony with the Arkansas Public Service Commission,  
7 the Louisiana Public Service Commission, the Oklahoma Corporation  
8 Commission, and the Public Utility Commission of Texas.

9  
10 Q6. What is Kenergy requesting in this case?

11  
12 A. Kenergy is requesting an adjustment in existing rates that will result in  
13 additional annual revenues of approximately \$3.9 million, or a 1.4%  
14 increase in total annual revenues.

15  
16 Q7. Why is Kenergy seeking this increase in revenues?

17  
18 A. Kenergy needs this additional revenue to offset increased costs it has  
19 incurred since its last rate proceeding in Case No. 2004-00446 to maintain a  
20 TIER sufficient to satisfy mortgage covenant requirements.

21  
22 The largest cost increase is interest expense due to the Federal Reserve  
23 Board raising the federal funds rate from 1% to 5.25%, beginning June  
24 2004. This has correspondingly increased the short-term rates Kenergy is  
25 paying on its long-term debt as summarized in Exhibit 16, page 16. The  
26 annual interest expense for 2004 was \$3,118,978, with the proforma interest  
27 expense proposed in this application at \$5,111,996, an increase of  
28 \$1,993,018.

29  
30 Another large cost increase has occurred in the area of vegetation  
31 management. The 2005 test year expense of \$3,651,823 is \$1,130,423  
32 higher than experienced in 2004. Kenergy has expanded its investment in  
33 this area with the intent to cover the system on a six-year cycle to address  
34 outages caused by tree growth and help maintain the safety of our members  
35 and the general public.

36  
37 Q8. Are there other expense increases on which you would like to comment?

38  
39

1 A. Yes, there are two additional areas I would like to mention. The first is the  
2 depreciation study mandated by the Public Service Commission in Case  
3 No. 2004-00446. The study contained in Exhibit 13 of the application,  
4 proposed an increase in the composite depreciation rate from 3.2% to 3.6%,  
5 or a \$731,398 annual increase in depreciation expense. Please refer to  
6 Exhibit 13, Tab 3, page 2. The study was filed with the Rural Utilities  
7 Service on July 12, 2006. Kenergy will inform the Commission of RUS'  
8 decision, which is expected in September 2006.

9  
10 The second item is the Rural Utilities Service decision not to lend funds for  
11 certain cost items that were being capitalized and subsequently depreciated  
12 under Kenergy's cost allocation manual (CAM). Please see pages 14 – 18 of  
13 Exhibit 17A. As a result, Kenergy modified its CAM to expense, rather than  
14 capitalize, these cost items. Kenergy filed its amended CAM which is  
15 shown in Exhibit 17A with the Commission on December 27, 2005. The  
16 annual expense impact was approximately \$800,000.

17  
18 Q9. The depreciation study has extensive references to the copper replacement  
19 program due to the removal cost dollars involved. Please comment on that  
20 program.

21  
22 A. On the basis of Long Range System Planning Guides, prepared under the  
23 direction of the Rural Utilities Service, Kenergy's predecessors, Henderson  
24 Union Electric Cooperative and Green River Electric Corporation, had  
25 established criteria for replacing deteriorated copperweld copper conductor  
26 several years prior to the 1999 consolidation that formed Kenergy.  
27 Construction Work Plans (CWP's) for both organizations reflect systematic  
28 approaches to evaluate and schedule for replacement any primary  
29 distribution line segments in excess of 40 years in age that had a large  
30 number of splices or repairs.

31  
32 A large ice storm in March 1996 accentuated the need for the program and,  
33 in the case of both cooperatives, resulted in Board direction to accelerate  
34 the activity. This approach has been used, as reviewed and approved by the  
35 Commission in subsequent CWP's. In 1994 and 1995 approximately 60  
36 miles per year were scheduled for replacement. From 1996 until 2003,  
37 activity ranged from 75 to 230 miles per year. The 2004-2007 CWP calls  
38 for a total of 150 miles to be replaced during the 3 year period. It is  
39 estimated there will be less than 500 miles remaining after 2007 from a

1 total of approximately 2,000 miles, which existed 15 years ago. We  
2 anticipate the balance will be replaced at a similar rate using the same  
3 criteria in the years following 2007 until all is replaced.  
4

5 Q10. What specific adjustments in rates are being proposed by Kenergy?  
6

7 A. In keeping with the Commission's Order in Case No. 2003-00165, "..... to  
8 address the disparity between customer classes and cost of service",  
9 Kenergy is proposing that only rate classes that are paying less than their  
10 cost of service be affected. The method/approach used to determine the  
11 revenue increase is explained in the testimony of Steve Thompson which  
12 can be found in Exhibit 7.  
13

14 Kenergy proposes to increase the rates of residential customers 7.6%,  
15 which would increase an average Kenergy residential customer's (who uses  
16 1,358 kwh per month) monthly bill \$6.33.  
17

18 Kenergy also proposes to increase the rates of all other single-phase  
19 customers by 7.6%, which would increase those customers' average  
20 monthly bills \$5.36.  
21

22 Kenergy also proposes to increase the rates for one three-phase customer  
23 previously grandfathered, by \$7,361.00 annually, which is a 5.7% increase  
24 for this customer and a 0.07% increase for the entire class.  
25

26 Cable television attachment rates are proposed to be increased 17.2%,  
27 which would be an increase of \$135.72 on the average monthly bill.  
28

29 Q11. If Kenergy's proposals are accepted by the Commission, will Kenergy have  
30 rates that are fair, just, reasonable and nondiscriminatory?  
31

32 A. Yes, I believe that if Kenergy's proposals are approved by the Commission,  
33 this criteria will be satisfied.  
34

35 Q12. Does this conclude your testimony?  
36

37 A. Yes  
38  
39







1 A. Yes. I am familiar with the contents of the application of Kenergy and all  
2 exhibits to it. To the best of my knowledge and belief, all facts stated in the  
3 exhibits and in the notice are true and correct.  
4

5 Q6. How were the members of Kenergy notified of the rate changes proposed by  
6 Kenergy in its notice and application before this Commission?  
7

8 A. A copy of the notice utilized is shown in Exhibit 4. We will publish  
9 appropriate notice of the hearing in this matter in accordance with  
10 Commission regulations and the statutes of Kentucky.  
11

12 Q7. What method or approach did Kenergy utilize to determine its revenue  
13 requirement?  
14

15 A. Kenergy has balanced three (3) factors in determining the amount of the  
16 revenue increase being requested. We knew the general range of the  
17 additional revenue needed, and we realized that in continuing to move  
18 toward rate parity only the rates for non-direct serve customers should be  
19 increased. Kenergy wanted to hold that increase in the 5% to 6% range.  
20 Also, Kenergy's TIER needed to be sufficient to satisfy mortgage covenant  
21 requirements, both presently and in the future until there is another rate  
22 filing.  
23

24 In balancing these three (3) factors – the range of the additional revenue  
25 needed, the impact of the increase on the affected customers, and having an  
26 adequate TIER – Kenergy decided to request an increase in annual revenues  
27 in the approximate amount of \$3.9 million, which holds the increase in rates  
28 of non-direct serve customers to 5.8% and results in a TIER of approximately  
29 1.75.  
30

31 The Commission customarily allows electric distribution cooperatives to have  
32 a TIER of 2.00, and Kenergy believes that a TIER in this range is fully  
33 supportable in this filing. However, considering these relevant factors,  
34 Kenergy concludes that it is appropriate to request an adjustment in existing  
35 rates that will result in an increase in annual revenues in an approximate  
36 amount of \$3.9 million.  
37

38 Q8. What period of time did you use as a test year for the purpose of  
39 determining the result of the proposed rate changes upon the operations of  
40 Kenergy?  
41

42 A. We used the twelve-month period ending December 31, 2005. This test  
43 period was used because it was the most recent calendar year period  
+4 available to Kenergy.  
45

1 Q9. Do you want to address any items that occurred during the test year at this  
2 time?

3  
4 A. Yes, I would like to address in more detail the required Rural Utilities Service  
5 (RUS) accounting change mentioned in the testimony of Mark Bailey in  
6 Exhibit 6, page 3, lines 11-18. A full explanation of this change in  
7 accounting principle is found in Exhibit 12, page 8, footnote 3 containing the  
8 independent auditor's report. Kenergy also footnoted this change on the  
9 December 2005 Form 7, Part d, found in Exhibit 15A, page 24.

10  
11 The annual impact of this change is an increase of approximately \$800,000  
12 and is reflected in the test year amounts found in Exhibit 5, page 1, column  
13 b of the adjusted income statement.

14  
15 Q10. Will you please explain the effect that rate design changes proposed by  
16 Kenergy will have upon the revenues of Kenergy, the total additional amount  
17 of money resulting from the proposed increase, the percentage of change  
18 and the effect upon the average customer's bill?

19  
20 A. Based upon the normalized test year ending December 31, 2005, the  
21 proposed changes in Kenergy's rates will increase Kenergy's total annual  
22 normalized revenues by \$3,919,603, representing a 1.4% increase in total  
23 annual revenues. Excluding direct served customers and other revenues,  
24 Kenergy will realize an increase of \$3,911,462 from its non-direct served  
25 customers, increasing total annual revenues from those customers to  
26 \$71,627,161. Looking only at the non-direct served classes, this represents  
27 a 5.8% increase in total annual revenue. The percentage of change and the  
28 effect upon the average bill by class is shown in Exhibit 4, page 2.

29  
30 Q11. What proforma adjustments have been made to the test year that you are  
31 sponsoring?

32  
33 A. The adjustments made are shown and explained in Exhibit 5, on pages 5, 7-  
34 21. I am also sponsoring the adjustments to other revenues found in Exhibit  
35 10, page 12 and the adjustment to unbilled revenues on Exhibit 5, page 5.

36  
37 Q12. What effect will these adjustments have upon the operations of Kenergy?

38  
39  
40 A. These proposed adjustments reduce test year margins by \$1,423,826.

41  
42 Q13. Does this conclude your testimony?

43  
44 A. Yes.

45



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**Before the Kentucky Public Service Commission  
Case No. 2006-00369**

**DIRECT TESTIMONY OF JACK D. GAINES  
On Behalf of Kenergy Corp.**

9 **I. Introduction**

10 1. Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

11 A. My name is Jack D. Gaines. My business address is P.O. Box 88039,  
12 Dunwoody, Georgia 30356.

13 2. Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

14 A. I am employed by and am president of JDG Consulting, LLC (“JDG”).

15 3. Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL  
16 BACKGROUND.

17 A. I graduated from the Georgia Institute of Technology receiving a Bachelor  
18 of Science Degree in Industrial Management. I was previously employed  
19 by Southern Engineering for approximately 25 years as a utility rate and  
20 cost of service specialist. From August 1, 2000 until February 1, 2004, I  
21 was employed by Clough Harbour & Associates, LLP in the same  
22 capacity. I have prepared or assisted in the preparation of electric rate and  
23 cost of service studies for either cooperative or municipal utility systems in  
24 thirteen different states, including Kentucky.

25 4. Q. HAVE YOU PREVIOUSLY TESTIFIED AS AN EXPERT WITNESS  
26 BEFORE REGULATORY AUTHORITIES?

27 A. I have submitted testimony and exhibits before the Indiana Utility

1 Regulatory Commission, the Kentucky Public Service Commission, the  
2 Vermont Public Service Board, the Virginia State Corporation  
3 Commission, the Georgia Public Service Commission, the Illinois  
4 Commerce Commission, the New York Public Service Commission, the  
5 West Virginia Public Service Commission, the Public Service  
6 Commission of Maryland, the Delaware Public Service Commission and  
7 the Federal Energy Regulatory Commission.

8 5. Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
9 PROCEEDING?

10 A. The purpose of my testimony is to identify and describe the exhibits and  
11 schedules that I am sponsoring including those prepared by me or by  
12 Kenergy Corp. under my direction.

13 6. Q. PLEASE IDENTIFY THE EXHIBITS THAT YOU ARE SPONSORING.

14 A. I am sponsoring the Exhibits that are included with the Application:

15 Exhibit 3A - Proposed Tariffs

16 Exhibit 5, page 6 – Adjustment to Normalize Power Cost

17 Exhibit 10 – Summary of Revenue & Consumption Analysis

18 Exhibit 16 - Cost of Service Study

19 **II. Supporting Exhibits**

20 7. Q. PLEASE DESCRIBE AND EXPLAIN THE SUPPORTING EXHIBITS.

21 A. Page 6 of Exhibit 5 shows how adjusted Regular Tariff power cost is  
22 determined based on increased purchases as a result of customer  
23 growth. The Summary of Revenue, page 1 of Exhibit 10, provides a  
24 breakdown of customers, kWh sales and revenues by tariff, both per

1 books and adjusted. The Consumption Analyses on pages 2 through  
2 11 of Exhibit 10 provide for each tariff a breakdown of annual  
3 billing determinants in accordance with the tariff structure. Page 13  
4 of Exhibit 10 is the Schedule of the Adjustment for Year End Level  
5 of Customers that shows how kWh sales for the Residential and  
6 Non-Residential classes are annualized to reflect the number of  
7 customers as of the end of the test year, December 31, 2005. Page 14  
8 of Exhibit 10 shows how the year end customer growth adjustment  
9 is calculated for the Three Phase 0-1,000 kW class. Exhibit 16  
10 contains the cost of service study (“COSS”).

11 8. Q. PLEASE DESCRIBE THE ADJUSTMENTS TO REVENUES  
12 AND POWER COSTS THAT ARE REFLECTED IN COLUMN (c)  
13 of PAGE 1 of EXHIBIT 5.

14 A. Revenues are adjusted for customer growth and for the new tariffs  
15 approved by the PSC and placed into effect in 2005. Power cost is also  
16 adjusted for increased sales due to customer growth.

17 9. Q. PLEASE EXPLAIN HOW KENERGY HAS CALCULATED ITS  
18 ADJUSTMENTS TO BILLING DETERMINANTS FOR CUSTOMER  
19 GROWTH.

20 A. Customer growth adjustments have been made for Residential, Non-  
21 Residential, Three Phase 0-1,000 kW and Three Phase 1,001 kW – 4,999  
22 kW classes. The adjusted billing determinants for Residential and Non-  
23 Residential are show on page 13 of Exhibit 10. Due to a significant re-  
24 classification of customers from the Residential Rate to the Non-  
25 Residential Rate that became effective June 14, 2005, the most accurate  
26 way to calculate the effects of customer growth was to normalize sales by

1 month based on the customers in each class and the average consumption  
2 by month after reclassification. For the Three Phase 0-1,000 kWh class,  
3 each account was analyzed. Those that discontinued service were removed  
4 and those that were added were annualized. The results are summarized on  
5 page 14 of Exhibit 10. The sales in the Three Phase 1,001 kW – 4,999 kW  
6 class were increased to annualize a new Wal-Mart store that began service  
7 midyear.

8 To calculate adjusted revenues for all of the classes, the adjusted  
9 consumption was applied to the rates through the consumption analyses  
10 for the respective classes.

### 11 **III. Allocated Cost of Service Study**

12 10. Q. PLEASE EXPLAIN THE ALLOCATED COST-OF-SERVICE STUDY.

13 A. The allocated cost of service study has been accomplished in two steps. In  
14 step 1 which is presented on page 1 of Exhibit 16, the costs and revenues  
15 assigned and allocated to the Class A, Class B and Class C Direct Serve  
16 Customers is separated from the rural system cost and revenues. In step 2,  
17 beginning with page 2 of Exhibit 16, traditional cost allocation procedures  
18 are used to allocate costs to each of Kenergy's Regular Tariff classes.

19 11. Q. PLEASE EXPLAIN HOW COSTS ARE ASSIGNED TO THE DIRECT  
20 SERVE CLASSES.

21 A. Beginning January 2002, Kenergy has been using an activity based  
22 accounting system to track costs by certain activities. Included in the  
23 accounting system are expense sub-accounts dedicated solely to the Class



1 A, Class B, and Class C Direct Serve industrial customers. Kenergy uses  
2 those accounts primarily as a means of tracking actual direct labor (DL)  
3 and associated overheads.

4 12. Q. PLEASE DESCRIBE THE RURAL SYSTEM COST OF SERVICE  
5 STUDY IN EXHIBIT 16.

6 A. The methodology employed in the allocated cost of service study is  
7 principally based on the general concepts and guidelines stated in the  
8 *Electric Utility Cost Allocation Manual* as prepared by the National  
9 Association of Regulatory Commissioners (NARUC). The methodology  
10 is also consistent with the methodology approved by the Commission in  
11 previous cooperative rate cases, including Case No. 90-152, filed by Green  
12 River EC in 1991, Case No. 97-220 filed by Henderson Union EC in 1997,  
13 Case 2000-395 filed by Kenergy and Case No. 2003-00165 filed by  
14 Kenergy. The allocated cost of service study has been prepared using a  
15 spreadsheet model developed by JDG primarily for use by electric  
16 cooperatives. It is designed to produce both class revenue requirements  
17 and unbundled cost and rate components by class. The model is set up to  
18 functionalize a cooperative's plant investment, expenses and margin  
19 requirements into the production, transmission and distribution functions.  
20 In addition to functionalizing, the model is designed so that the  
21 distribution costs can be sub functionalized into: 1) sub transmission; 2)  
22 substation; 3) three phase and single phase primary distribution; 4)  
23 transformers; 5) secondary distribution; 6) meters; 7) metering; 8) billing;

1 9) three categories of consumer services; 10) security lights and 11) street  
2 lights. Sub functionalized costs are then classified as energy related,  
3 demand related, consumer related, revenue related or direct assignment.  
4 The remainder of the model is devoted to the allocation of the  
5 functionalized and sub functionalized components of cost and to the  
6 determination of unit costs by class for each component and sub functional  
7 level of revenue requirement.

8 13. Q. DESCRIBE THE FUNCTIONALIZATION AND  
9 SUBFUNCTIONALIZATION PROCESS OF THE COST OF SERVICE  
10 STUDY.

11 A. The first step performed in the cost of service study is to functionalize  
12 utility plant, labor, and other utility expenses into production, transmission  
13 and distribution functions. Kenergy does not directly own generation  
14 facilities or transmission facilities. Therefore, all of Kenergy's investment  
15 in utility plant has been assigned to the distribution function. With the  
16 exception of purchased power expense, all labor expense and other utility  
17 expenses are assigned to the distribution category. After functionalizing,  
18 distribution-related investment, labor and expenses are sub functionalized.  
19 Only the utility plant, labor and utility expenses that are functionalized as  
20 distribution are sub functionalized. The sub functional categories are as  
21 follows:

- 22 • Subtransmission
- 23 • Substation

- 1                   • Primary 3-Phase
- 2                   • Primary 1-Phase
- 3                   • Transformation
- 4                   • Secondary and Services
- 5                   ➤ Meters, 3-Phase
- 6                   ➤ Meters, Single Phase
- 7                   ➤ Metering
- 8                   ➤ Billing
- 9                   ➤ Consumer Services 1, 2, and 3
- 10                  ➤ Security Lights
- 11                  ➤ Street Lights

12                   Sub functionalization follows the same general approach as that of  
 13                   functionalization in that the first step is to sub functionalize plant, which  
 14                   creates sub functional ratios. Then, labor is sub functionalized primarily  
 15                   on the basis of the plant ratios. Finally, utility expenses are sub  
 16                   functionalized using both plant and labor ratios.

17   14.   Q.   PLEASE DESCRIBE THE CLASSIFICATION PROCESS.

18           A.   Sub transmission and substation plant (accounts 350 through 358 and  
 19           accounts 360 through 362) are classified as demand related. Account 370,  
 20           meters, is directly classified as consumer related. All other plant accounts,  
 21           364-368, are classified as both demand and consumer. The amounts  
 22           classified as either demand or consumer related are determined by using  
 23           the minimum intercept methodology described in the NARUC cost  
 24           allocation manual. Generally, expenses are then classified using ratios  
 25           calculated from comparable plant investments. For example, operation  
 26           and maintenance expenses for overhead conductors are assumed to be  
 27           directly related to plant investment in overhead conductors. Both labor  
 28           and utility expenses booked in Accounts 583 and 593 are classified into  
 29           demand and customer components on the basis of the demand and  
 30           consumer ratios derived from the classification of the plant investment in

1 Account 365. Direct labor is functionalized and classified primarily on the  
2 basis of functionalized and classified utility plant. This classification of  
3 labor is then used to create a labor ratio, which is used to classify labor-  
4 related expenses such as fringe benefits, and payroll taxes booked in the  
5 administrative and general expenses.

6 15. Q. PLEASE DESCRIBE THE ALLOCATION PROCESS OF THE COST  
7 OF SERVICE STUDY.

8 A. The allocation process is accomplished on pages 79 through 133 of the  
9 COSS. Allocation of the cost by customer class is handled by using direct  
10 assignments and various types of demand, energy, consumer or revenue  
11 allocators developed using consumer usage and load characteristics from  
12 the test year.

13 16. Q. PLEASE DESCRIBE THE DEMAND ALLOCATION  
14 METHODOLOGY USED FOR THE RURAL SYSTEM WHOLESAL  
15 DEMAND COSTS.

16 A. Rural System wholesale demand costs, including transmission costs are  
17 purchased from Big Rivers based on Kenergy's rural system peak demand  
18 in each month. Estimates were made of each class's contribution to the  
19 system's 12-month average peak billing demand. These class demand  
20 contributions form the basis for allocating demand costs.

21 17. Q. PLEASE EXPLAIN THE METHODOLOGY USED TO DETERMINE  
22 CLASS DEMAND ALLOCATORS FOR THE DEMAND RELATED  
23 DISTRIBUTION SYSTEM PLANT AND EXPENSES.

24 A. For sub transmission, substation and the primary distribution system class  
25 demand responsibility, demand allocators based on the average and excess  
26 methodology has been used. For transformation and secondary  
27 distribution related investment and expenses, calculated maximum  
28 demands by class has been used.

29 18. Q. PLEASE DESCRIBE THE CONSUMER ALLOCATORS.

30 A. A weighting factor of one (1) has been used to develop the consumer

1 allocator for most of the consumer-related costs. Customer Accounting  
 2 expenses were allocated based upon consumers. Meter reading expense  
 3 and Billing expense were allocated using meter reading and billing  
 4 allocators.

5 19. Q. PLEASE DESCRIBE THE PLANT, RATE BASE AND EXPENSE  
 6 ALLOCATIONS.

7 A. The allocation process is handled in sequence starting with Production  
 8 followed by sub transmission, then substation, then 3-phase primary  
 9 distribution, then 1-phase primary distribution, then transformers and  
 10 secondary distribution, then the investment in 3-phase and 1-phase meters,  
 11 then metering, billing, consumer services and lights.

12 20. Q. PLEASE PROVIDE A SUMMARY THE RESULTS OF THE COSS.

13 A. The results are summarized for present rates on The Allocated Income  
 14 Statement on page 2 of Exhibit 16. The Cost of Service Summary found  
 15 on page 3 shows the rates of return under proposed rates. As shown on  
 16 page 2, each class's rate of return and relative rate of return under present  
 17 rates are as follows:

18

<u>Class</u>	<u>Rates of Return</u>	<u>Relative Rates of Return</u>
Security Lighting	8.65%	4.65
Residential & Single Phase	(.38)%	(.20)
Non-residential Single Phase	1.15%	.62
Three Phase – 0-1,000 kW	21.40%	11.50
Three Phase -Sec. > 1,000 kW	8.02%	4.31
Three Phase – Pri. > 1,000 kW	7.41%	3.98
Tot. Regular Tariff System Average	1.86%	1.00

19

20 **IV. Proposed Revenues, Rate Design and Class Revenue Distribution**

21 21. Q. IN ITS PREVIOUS ORDERS, THE COMMISSION HAS DIRECTED  
 22 KENERGY TO ADDRESS CLASS PARITY ISSUES IN THIS AND  
 23 FUTURE RATE CASES. PLEASE DESCRIBE GENERALLY HOW

1 KENERGY HAS COMPLIED WITH THE COMMISSION'S  
2 DIRECTIVES.

3 A. Kenergy has determined that an overall revenue increase of \$3,928,324  
4 will produce a test year TIER of approximately 1.75. Of the total, \$8,721  
5 is produced by changes in miscellaneous revenues, leaving \$3,919,603.  
6 The \$3,919,603 includes \$3,911,462 from sales and \$8,141 from increases  
7 in cablevision attachment fees. To address parity, Kenergy is proposing to  
8 allocate the rate increase almost entirely to the two classes with below  
9 average rates of return. Those two classes are Residential and Non-  
10 Residential Single Phase, served on Schedules 1 and 2, respectively.  
11 Kenergy is proposing to increase revenues by \$3,355,601 from the  
12 Residential class and by \$548,499 from the Non-Residential Single Phase  
13 class. A balance of \$7,361 is produced by the one "grandfathered "  
14 customer served on an transitional rate of Schedule 3 that was approved in  
15 Case No. 2004-00446 with the understanding that the transitional rate  
16 would be fully phased into Schedule 3 in this rate case. Otherwise, there  
17 are no changes proposed for rates applicable to any class that is producing  
18 a rate return above the system average. The rates of return under proposed

1 rates as shown on page 3 are as follows:

<u>Class</u>	<u>Rates of Return</u>	<u>Relative Rates of Return</u>
Security Lighting	8.65%	2.06
Residential & Single Phase	2.29%	.55
Non-residential Single Phase	3.83%	.91
Three Phase – 0-1,000 kW	21.46%	5.11
Three Phase -Sec. > 1,000 kW	8.02%	1.91
Three Phase – Pri. > 1,000 kW	7.41%	1.76
Tot. Regular Tariff System Average	4.20%	1.00

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As measured by comparing the relative rates of return under present and proposed rates, the classes have each moved much closer to the system average. This is accomplished in part because the overall return has increased having a significant effect on the ratio of the class return to the total. To illustrate, the Three Phase > 1,000 kW class rate of return is 8.02% under present and proposed rates. Nevertheless, the relative rate of return has improved from 4.31 times the system average to 1.91 times the system average.

11

22. Q. IN DOLLAR TERMS, HOW MUCH CORRECTION TO THE RESIDENTIAL AND COMMERCIAL SUBSIDY DO THE PROPOSED RATES PROVIDE.

12

13

14

A. Of the \$3,355,601 increase in residential revenues, \$409,044 serves to reduce the subsidy. From column (d) of page 3 of Exhibit 16, the present rate subsidy is \$2,820,129 and the subsidy under proposed rates is \$2,411,085. It is the difference between line 28 and line 16 of page 1 of Exhibit 16. For the Non-Residential class, the subsidy declines from \$145,587 to \$77,253 such that \$68,335 of the \$548,499 increase serves to reduce the subsidy.

15

16

17

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19

20

21

23. Q. PLEASE SUMMARIZE THE PROPOSED TARIFF CHANGES

1 A. Kenergy is proposing to generate 65% of the proposed increase through  
2 the Facilities Charges of Schedule 1 and Schedule 4. The remaining 35%  
3 is produced by increasing the energy charge of the rates. The Schedule 1  
4 Facilities Charge is proposed to increase from \$7.91 to \$12.00. The  
5 Schedule 4 Facilities Charge is proposed to increase from \$12.00 to  
6 \$15.61. By comparison, as shown on page 5 of Exhibit 16, the cost of  
7 service produces a consumer related cost \$18.83 per month including  
8 margins at a level 1.18% of rate base. Margins produced by regular tariff  
9 customers under proposed rates are 1.18% the rate base of regular tariff  
10 customers.

11 24. Q. PLEASE EXPLAIN PAGE 1 of EXHIBIT 10.

12 A. The revenue changes by class are summarized on page 1 of Exhibit 10, the  
13 Summary of Revenue. This exhibit summarizes the changes in test year  
14 revenues by class. Column (d) shows tariff revenues annualized for the test  
15 year at current levels. Column (e) shows the proposed revenues while  
16 column (f) shows the proposed change. Column (g) provides the net  
17 proposed percentage change compared to present rates.

18 25. Q. HAVE YOU REVIEWED KENERGY'S PROPOSED RATE LEVEL  
19 FROM AN OVERALL REVENUE REQUIREMENTS PERSPECTIVE?

20 A. Yes, I have.

21 26. Q. IS IT YOUR OPINION THAT KENERGY NEEDS ALL OF THE  
22 REVENUE REQUESTED IN THIS CASE TO MAINTAIN FINANCIAL  
23 INTEGRITY?

24 A. Yes. Kenergy could support a TIER as high as 2.00 but needs at least a  
25 1.75 TIER. Kenergy has decided to seek a TIER at the low end of a  
26 reasonable range out of concern for customer impact. Kenergy is prepared  
27 to seek relief as necessary should the rates requested in this case not  
28 adequately preserve Kenergy's equity and safeguard its loan covenants.

29 27. Q. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

30 A. Yes, it does.





**Before the Kentucky Public Service Commission  
Case No. 2006-00369**

**Direct Testimony of Robert N. Welsh  
On Behalf of Kenergy Corp.**

1

2 **Q. PLEASE STATE YOUR NAME AND ADDRESS**

3 A. My name is Robert N. Welsh. My business address is Suite 300, 1171 Taji Court,  
4 Herndon, Virginia 20170.

5 **Q. ARE YOU ASSOCIATED WITH ANY FIRM?**

6 A. Yes. I am the President and Founder of Welsh Group, LLC.

7 **Q. DESCRIBE WELSH GROUP, LLC.**

8 A. Welsh Group, LLC is a consulting firm I founded in late 2003. The Company  
9 specializes in depreciation and accounting issues for long lived assets.

10 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

11 A. I have a Bachelor of Science in Organizational Analysis from Pennsylvania State  
12 University and a Master of Business Administration from Michigan State  
13 University and a Master of Information Systems from George Washington  
14 University.

15 **Q. DO YOU BELONG TO ANY PROFESSIONAL SOCIETIES?**

16 A. Yes. I am a senior member and current President of the Society of Depreciation  
17 Professionals and a member of the Institute of Management Accounting.

18 **Q. DO YOU HOLD ANY SPECIAL CERTIFICATIONS?**

19 A. Yes, I am a Certified Depreciation Professional and a Certified Management  
20 Accountant.

1 **Q. PLEASE DESCRIBE YOUR EXPERIENCE IN THE FIELD OF**  
2 **DEPRECIATION.**

3 A. My first exposure to depreciation issues was in 1980 when as a Service Cost  
4 analyst I worked closely with the depreciation group in Bell of Pennsylvania.  
5 This led to an assignment as a depreciation analyst the following year in the  
6 depreciation group. While in this group I prepared depreciation studies for the  
7 Central Office accounts in Bell of Pennsylvania and Diamond State Telephone  
8 Companies. In these studies I implemented some of the first Remaining Live and  
9 ELG depreciation rates in the Bell System. In recognition of my work effort, at  
10 the completion and approval of the studies, I was promoted.

11 After some other financial and operation career broadening jobs, I  
12 returned to the depreciation area in 1991 when I became the Manager for  
13 Depreciation for the states of Pennsylvania and West Virginia in Bell Atlantic. In  
14 1993 the Delaware and Washington DC companies were added to my  
15 responsibilities and in 1995 the remaining Bell Atlantic companies of New Jersey,  
16 Maryland and Virginia were added. When Bell Atlantic merged with NYNEX in  
17 1997 I assumed the depreciation responsibilities for all domestic telephone and  
18 service companies in the New Bell Atlantic. In this job, I was responsible for all  
19 depreciation related issues for 15 companies from Maine to Virginia. In addition  
20 to preparing depreciation studies and setting both financial and regulatory  
21 depreciation rates, my responsibilities ranged from managing the corporate  
22 depreciation budget to working with the FCC and state commissions on  
23 depreciation issues to issues such as implementing SOP 98-1 and SFAS 143.

1           When Bell Atlantic merged with GTE in 2001 to form Verizon, I became  
2 responsible for the combined depreciation operation. When I retired from  
3 Verizon in 2003 I was responsible for \$143 billion in investment in 40 operating  
4 companies that ranged in size from \$200 million to \$25 billion with an annual  
5 depreciation expense of \$9 billion. Over the years I filed over 30 depreciation  
6 studies with the FCC and various state commissions.

7           Since founding Welsh Group, LLC, I have prepared depreciation studies  
8 for Puerto Rico Telephone, Iowa Telecom, Kenergy and provided depreciation  
9 assistance to Hawaiian Telcom.

10 **Q. DO YOU HAVE ANY OTHER PERTINENT CREDENTIALS AND**  
11 **TRAINING IN DEPRECIATION?**

12 A. Yes, the Society of Depreciation Professionals provides some of the most  
13 comprehensive training in the country on depreciation. I am currently one of the  
14 instructors for this training. At our annual meeting in 2005 I taught Depreciation  
15 Methods and Models in our Basic Depreciation course and Life Analysis in our  
16 advanced course. I will also be an instructor at our 2006 annual meeting.

17           Over the years I have attended six five-day seminars on Capital Recovery  
18 and Depreciation and numerous one to three day seminars on Depreciation,  
19 Valuation and Fixed Asset issues. In fulfilling the continuing education  
20 requirements for my CDP and CMA I keep current on depreciation and related  
21 issues.

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

1 A. The purpose of my testimony is to support and explain the depreciation study I  
2 prepared for Kenergy Corp.

3 **Q. PLEASE SUMMARIZE BRIEFLY THE CONCLUSIONS OF YOUR**  
4 **DEPRECIATION STUDY THAT WAS CONDUCTED FOR KENERGY.**

5 A. The depreciation study proposed new account specific depreciation rates for the  
6 main distribution accounts based on a life and salvage analysis of each individual  
7 account. Prior to this study, Kenergy used a common depreciation rate for all  
8 accounts except for a few sub accounts in account 362. The recommended  
9 depreciation rates would increase the composite distribution depreciation rate  
10 from 3.2% to 3.6%.

11 **Q. PLEASE DESCRIBE THE PROCESS USED TO PREPARE THE**  
12 **DEPRECIATION STUDY.**

13 A. The company's historical plant and reserve activity was gathered and analyzed  
14 along with other Company information to determine appropriate life and salvage  
15 estimates. The life analysis was based on a simulated plant record (SPR) analysis  
16 and the salvage analysis was based on historical experience. The results of the  
17 life, salvage and reserve analysis along with the current and expected operating  
18 environment and expert judgment were combined to determine the recommended  
19 life and salvage estimates.

20 **Q. PLEASE DEFINE THE CONCEPT OF DEPRECIATION.**

21 A. Depreciation is defined in the 1996 NARUC "Public Utility Depreciation  
22 Practices" publication as follows: "Depreciation, as applied to depreciable utility  
23 plant, means the loss in service value not restored by current maintenance,

1 incurred in connection with the consumption or prospective retirement of utility  
2 plant in the course of service from causes which are known to be in current  
3 operation and against which the utility is not protected by insurance. Among the  
4 causes to be given consideration are wear and tear, decay, action of the elements,  
5 inadequacy, obsolescence, changes in the art, changes in demand, and  
6 requirements of public authorities.”

7 **Q. WHY IS DEPRECIATION IMPORTANT?**

8 A. Depreciation is important because it enables a company to recover the capital  
9 costs related to its plant in service over the period of time the assets benefit the  
10 company’s customers. Appropriate depreciation rates recover a company’s  
11 investments in depreciable assets over a life that provides for full recovery of the  
12 investments, less net salvage. Without the appropriate recovery of depreciation  
13 costs, the Company ultimately will not be able to meet its financial obligations  
14 related to the continued provision of service to customers. Furthermore, the  
15 appropriate level of depreciation recovery serves to ensure that the revenue  
16 requirements for both current and future customers only reflect the appropriate  
17 cost and no one is unfairly burdened.

18 **Q. PLEASE DESCRIBE THE RELATIONSHIP OF DEPRECIATION**  
19 **METHODS, PROCEDURES, AND TECHNIQUES IN THE CONTEXT OF**  
20 **A DEPRECIATION STUDY.**

21 A. Every depreciation study must be based on a method, a procedure, and a  
22 technique. Methods refer to the pattern of depreciation in relation to the  
23 accounting periods. Procedures refer to the grouping of assets in the analysis.

1 Techniques refer to the portion of average life used in the calculation of  
2 depreciation. The most widely used method within the utility industry is the  
3 Straight Line method. The Straight Line method applies the same depreciation  
4 rate to the plant balance in each accounting period. Other methods available are  
5 accelerated and deferral approaches such as the Sum of the Years Digits Method  
6 or Sinking Fund method.

7 There are several procedures that can be used to group property by sub-  
8 groups of vintages to develop applicable service lives. The two most common in  
9 the utility industry are Broad Group and Equal Life Group. Except for  
10 telecommunication companies that tend to prefer Equal Life Group, most utilities  
11 tend to prefer the Broad Group. The difference between the two procedures is in  
12 the manner in which cost is recovered. In Broad Group, the useful life and  
13 resulting depreciation rate is based upon the overall average of the group, while in  
14 Equal Life Group, the useful life and resulting depreciation rate is based upon  
15 recovering the investment in each equal life group within the property category  
16 over the actual life of the property in that group.

17 Finally, the depreciable investment needs to be recovered over a defined  
18 period of time through the use of a technique, such as the Whole Life or Average  
19 Remaining Life. The distinction between the Whole Life and Average Remaining  
20 Life Techniques is that in the Whole Life technique, the depreciation rate is based  
21 on the recovery of the investment and average net salvage over the average  
22 service life of the property group. In comparison, in the Average Remaining Life  
23 technique, the resulting annual depreciation rate incorporates the recovery of the

1 investment and future net salvage less any recovery experienced to date  
2 (accumulated depreciation) over the average remaining life of the property group.

3 The depreciation methods, procedures, and techniques can be used  
4 interchangeably. For example, one could use the Straight Line Method with the  
5 Broad Group Procedure and the Whole Life Technique, or the Straight Line  
6 Method with the Equal Life Group Procedure and Average Remaining Life  
7 Technique, or any other combination.

8 **Q. PLEASE IDENTIFY THE METHOD, PROCEDURE, AND TECHNIQUE**  
9 **YOU UTILIZED TO DEVELOP THE PROPOSED DEPRECIATION**  
10 **RATES FOR KENERGY.**

11 A. The depreciation rates in my depreciation study report were developed utilizing  
12 the Straight Line Method, the Broad Group Procedure, and the Whole Life  
13 Technique.

14 **Q. WHY DID YOU USE THE INDICATED DEPRECIATION METHOD,**  
15 **PROCEDURE AND TECHNIQUE?**

16 A. Currently, Kenergy uses the Straight Line method and there is no compelling  
17 reason to change since the Straight Line method is widely understood, recognized,  
18 and utilized almost exclusively for depreciating utility property. The Broad  
19 Group procedure recovers the Company's investments over the average period of  
20 time in which the property is providing service to the Company's customers.  
21 While many believe the Equal Life Group procedure more closely mirrors the  
22 actual consumption pattern of the property over its life, I selected the Broad  
23 Group procedure because Kenergy's data is unaged and using Equal Life Group



1 would create additional complexity but not additional accuracy. Finally, I elected  
2 to retain the Whole Life technique Kenergy is using because I believe there  
3 should be more individual account experience before adopting the Average  
4 Remaining Life Technique.

5 **Q. WHAT ARE THE FACTORS THAT UNDERLIE THE DEPRECIATION**  
6 **RATES PROPOSED IN YOUR STUDY?**

7 A. The factors that underlie the proposed whole life depreciation rates are the  
8 average service life and the net salvage estimate. The depreciation reserve which  
9 is important in determining the appropriate depreciation rates is not part of the  
10 rate calculation.

11 **Q. PLEASE EXPLAIN THE FACTORS THAT IMPACT THE AVERAGE**  
12 **SERVICE LIFE.**

13 A. The Average Service Life is the average of the lives of all the units or dollars in a  
14 group from age zero to maximum life. The factors that impact the average service  
15 life can grouped as (1) physical, (2) functional, and (3) contingent causalities.

16 The physical factor includes such things as deterioration, wear and tear  
17 and the action of the natural elements. The functional factor includes inadequacy,  
18 obsolescence and requirements of governmental authorities. Obsolescence occurs  
19 when it is *no longer economically feasible to use the property to provide service*  
20 *to customers or when technological advances have provided a substitute with*  
21 *superior performance.* The remaining factor, contingent casualties, includes  
22 retirements caused by accidental damage or construction activity of one type or  
23 another.

1           Service lives are affected by many different factors, some of which can be  
2           determined from studying past experience, others of which must rely heavily on  
3           future expectations. When physical characteristics are the controlling factor in  
4           determining the service life of property, historical experience is a useful tool in  
5           selecting service lives. In cases where there are changes in technology, regulatory  
6           requirements, Company policy or the development of a less costly alternative,  
7           historical experience is of lesser or little value. For example, the Company  
8           initiated copper wire replacement program had a significant impact on the Poles  
9           (364) and Overhead (365) accounts.

10           In performing the life analysis for any property being studied, both past  
11           experience and future expectations must be considered in order to fully evaluate  
12           the circumstances that may have a bearing on the remaining life of the property.  
13           This ensures the selection of an average service life which best represents the  
14           expected life of each property group

15   **Q. PLEASE EXPLAIN NET SALVAGE.**

16   A. Net Salvage is the difference between gross salvage, or the proceeds received  
17           when an asset is disposed of, and the cost of removing the asset from service. Net  
18           salvage is positive if gross salvage exceeds the cost of removal and negative if  
19           cost of removal exceeds gross salvage. The net salvage percentage is determined  
20           by comparing the total net positive or negative salvage to the book cost of the  
21           property investment retired.

22           Net salvage experience is studied for a period of years to determine the  
23           trends which have occurred in the past. These trends are considered, together with

1 any changes that are anticipated in the future, to determine the future net salvage.  
2 In the Whole Life technique average net salvage is used to calculate the  
3 depreciation rate. Average net salvage is a weighted average of the net salvage  
4 actually experienced with past retirements and the net salvage expected to be  
5 experienced in future retirements. Often the future is expected to be like the past  
6 and the past and future net salvage is assumed to be equal. In Kenergy's case, the  
7 completion of the copper wire replacement project should make the future net  
8 salvage significantly less than the past net salvage. In the depreciation study, the  
9 salvage adjustment factor essentially converts the past net salvage into an average  
10 net salvage by assuming the future net salvage will be less than the past net  
11 salvage.

12 **Q. PLEASE DESCRIBE YOUR DEPRECIATION STUDY.**

13 A. The Kenergy depreciation study is a comprehensive look at the variables related  
14 to depreciation. The study (Exhibit 13) consists of a Narrative, a Life Analysis, a  
15 Net Salvage Analysis, and a Depreciation Reserve Analysis. Exhibit RW-1,  
16 Analysis of Depreciation Rates, summarizes the results of the study.

17 **Q. PLEASE BRIEFLY DESCRIBE THE NARRATIVE.**

18 A. The Narrative reviews the depreciation study procedures and methods. It  
19 discusses in detail the life analysis, the net salvage analysis, the depreciation  
20 reserve analysis and the five year forecast. The Narrative also explains the  
21 proposed life and net salvage selections. For the lay person, the Narrative ties  
22 together the various study analyses and exhibits.

23 **Q. PLEASE BRIEFLY DESCRIBE THE LIFE ANALYSIS.**

1 A. The life analysis is the heart of a depreciation study. It combines the historical  
2 experience with information on current and prospective factors to determine the  
3 appropriate future lives over which the Company's depreciable investment will be  
4 recovered.

5 The first step in the life analysis was to develop a historical database.  
6 Kenergy provided the plant activity data back to 1940. For the years prior to 1999  
7 the plant activity for Henderson Union Electric Cooperative Corporation and  
8 Green River Electric Corporation were combined. This provided a record of  
9 annual additions and retirements back to 1940.

10 The next step in the life analysis was to determine the method to be used  
11 in analyzing the historical information. When only unaged data is available,  
12 which is the case with Kenergy, the most appropriate life analysis method is the  
13 Simulated Plant Record (SPR) method. The SPR method uses generalized  
14 survivor curves to simulate the plant balances. The generalized survivor curves  
15 used in the SPR analysis were the Iowa curves. The Iowa curve selected in the  
16 analysis was based on closeness of match between the actual and simulated  
17 annual amounts. The closeness of fit is measured by the Conformance Index (CI)  
18 or its reciprocal, the Index of Variation (IV). In our analysis, we used the Index  
19 of Variation in conjunction with the Retirement Experience Index (REI) to  
20 determine the "best fit" survivor curve. The REI is a measure of reliability that  
21 helps quantify the uniqueness of the survivor curve in the simulated retirement  
22 pattern.

1           The SPR analysis (Exhibit 13, Tabs 7, 8 and 9) was performed for all  
2 distribution plant accounts that had enough plant activity to make the results  
3 meaningful. For each account various bands of historical experience were used to  
4 test the strength of the survivor curve.

5           The final step in the life analysis process was to combine the results of the  
6 SPR analysis with other information gathered in the study process to select the  
7 most appropriate future lives. Other information gathered ranged from my on-site  
8 visit and discussions with Company personnel to my external analysis of the  
9 industry and Kenergy in particular. During my on-site visit I visited  
10 representative company facilities and discussed company operations with key  
11 personnel. These discussions focused on a review of past operations and policies  
12 to put the accounting data in context and then gain an understanding of future  
13 operations and the expectations for each property group.

14 **Q. PLEASE BRIEFLY DESCRIBE THE NET SALVAGE ANALYSIS.**

15 A. The Net Salvage analysis began with a review of the historical retirements, gross  
16 salvage and cost of removal. Since Kenergy started to maintain the salvage  
17 information by individual distribution account in 2002, the review was done in  
18 two parts. First, the salvage data was reviewed at a total distribution level. Then  
19 the individual account salvage was reviewed. The total salvage analysis (Exhibit  
20 13, Tab 5) showed a trend from high positive salvage in the 1940's to high  
21 negative salvage in recent years. The flip from positive salvage to negative  
22 salvage occurred in 1971. There was also a significant increase in negative  
23 salvage when the copper wire replacement project was started in 1997.

1           The second part of the Net Salvage analysis (Exhibit 13, Tab 11) was a  
2 review of the individual distribution account net salvage data which began in  
3 2002. Typically, an average of the past five years is used as the net salvage  
4 estimate if the salvage has been fairly consistent and if the future is expected to be  
5 like the past. However, the Company's distribution accounts only had four years  
6 of data and in some cases the net salvage has not been consistent. In addition, the  
7 completion of the copper wire replacement project means the past salvage is not a  
8 good indicator of the future. As a result, the net salvage estimates for all accounts  
9 needed to be adjusted to develop a reasonable estimate of the net salvage  
10 anticipated in the future. An adjustment factor was used to adjust an estimate of  
11 the copper wire replacement project impact out of the four year average net  
12 salvage. In addition, the rate transition was selected to offset the variability in  
13 some accounts and to address the concern that the adjustment factor may be too  
14 conservative and overstate the negative net salvage in the future.

15 **Q. PLEASE BRIEFLY DESCRIBE THE DEPRECIATION RESERVE**  
16 **ANALYSIS.**

17 A. In group accounting the depreciation reserve or accumulated depreciation is a  
18 good indicator of the appropriateness of the depreciation rates the company has  
19 been using. Depreciation rates higher or lower than they should be can create a  
20 reserve imbalance. Determining if there is an imbalance is especially important  
21 when using whole life depreciation rates since the rates do not have any  
22 mechanism to correct the imbalance.

1           The traditional way to check for an imbalance is to compare the actual  
2 depreciation reserve to the theoretical reserve. The theoretical reserve is defined  
3 as an estimate of the balance which should be in the depreciation reserve today,  
4 considering the distribution by ages of existing property, and assuming the  
5 correctness of the current service life parameters and net salvage percentages.

6           Using the proposed service life parameters and net salvage percentages the  
7 theoretical reserve was calculated for each account. The analysis (Exhibit 13, Tab  
8 4 using results shown in Tab 12) indicated that the actual depreciation reserve was  
9 19% and that the theoretical reserve was 23% indicating that the Company has a  
10 reserve deficiency.

11 **Q. HOW DO THE PROPOSED DEPRECIATION RATES FIT WITH THE**  
12 **RESULTS OF YOUR LIFE, NET SALVAGE AND DEPRECIATION**  
13 **RESERVE ANALYSES?**

14 A. The proposed depreciation rates are whole life rates. That is, the depreciation rate  
15 is based on the average service life and allocates the gross investment less an  
16 adjustment for net salvage over the total life of the investment. Since the average  
17 service life is an estimate, it can not be reasonably expected that the depreciation  
18 accruals will exactly recover the investment. However, in a group accounting  
19 environment the over-accrual or under-accrual may over time be offset by new  
20 investment or differences in the net salvage estimates. Never-the-less it is prudent  
21 to periodically review the average service life and net salvage estimates to ensure  
22 they are reasonable and no significant reserve imbalance is developing.

1                   This was Kenergy's first depreciation study. The current whole life  
2 depreciation rates were set in the early 1970's. The depreciation study life  
3 analysis developed average service lives that when whole life depreciation rates  
4 (with no net salvage adjustment) are calculated, and then combined into a  
5 distribution plant composite rate, the resulting rate is close to the current  
6 composite rate. This suggests that the current depreciation rates have no or little  
7 net salvage embedded in them. The net salvage analysis supports this conclusion  
8 since net salvage prior to the early 1970's was positive. This also suggests that  
9 the life estimates are reasonable and have not changed significantly over the  
10 years. The SPR analysis supported this conclusion.

11                   However, the net salvage analysis also confirms that net salvage since the  
12 early 1970's is negative and growing slightly when the copper wire replacement  
13 project is adjusted out. This would suggest that the depreciation reserve should  
14 have been slowly eroding over the past thirty years since the depreciation rates  
15 did not contain a significant component for the negative net salvage. The erosion  
16 would have been difficult to detect over the years because the increases in  
17 investment would have tended to offset the erosion. But, the depreciation reserve  
18 analysis should have shown that the actual depreciation reserve was not  
19 increasing as it should have. This is precisely the case because the theoretical  
20 reserve is greater than the actual reserve.

21                   In summary, the life analysis, the net salvage analysis and the reserve  
22 analysis are all consistent with each other and support an increase in the  
23 composite depreciation rate.



1 **Q. WHAT IS YOUR PROFESSIONAL OPINION ON THE RESULTS OF**  
2 **THE DEPRECIATION STUDY THAT YOU PERFORMED?**

3 A. The proposed depreciation rates resulting from the completed comprehensive  
4 depreciation study are reasonable and appropriate. They reflect a reasonable  
5 approach to the service life and net salvage parameters currently anticipated for  
6 the investment in each account studied.

7 **Q. PLEASE EXPLAIN WHAT YOU MEAN BY REASONABLE APPROACH.**

8 A. The proposed depreciation rates reflect an estimate of the service life and the net  
9 salvage anticipated in the future. For each account, the service life estimate  
10 underlying the proposed depreciation rate was based a detailed analysis of the  
11 account and is reflected in the proposed depreciation rate. The net salvage  
12 estimate embedded in the proposed depreciation rate for each account is also  
13 based on a detailed analysis and reflects a transition to the net salvage that is most  
14 likely to occur in the future. The depreciation rates resulting from this net  
15 salvage transition result in a significant increase in depreciation expense and  
16 provide a reasonable step to depreciation rates that reflect the net salvage  
17 expected long term.

18 **Q. WHY ARE YOU PROPOSING DEPRECIATION RATES THAT DO NOT**  
19 **REFLECT THE NET SALVAGE EXPECTED IN THE FUTURE?**

20 A. Normally, the most appropriate net salvage values would be the values most  
21 likely to be experienced in the future. However, to determine these values  
22 requires an estimate of future events which is unknown. Depreciation experts  
23 usually get around this by assuming the future will be like the past and then

1 adjusting the historical experience for known future events. This process usually  
2 results in reasonable estimates of the future and since most companies  
3 periodically review their depreciation rates, any significant variances in the net  
4 salvage estimates can be adjusted before any serious problem develops.

5 Kenergy started to maintain individual account net salvage information in  
6 2002. As a result, there are only four years of historical data on which to base  
7 individual account future estimates. In some accounts there were wide variances  
8 in the annual salvage which creates questions as to what is normal. In addition,  
9 the Company is completing a multi-year copper wire replacement project that has  
10 significantly increased the negative net salvage experienced by the company.  
11 Together this makes any individual account net salvage estimates highly  
12 subjective. For this reason, it was decided that a conservative approach would be  
13 best.

14 **Q. DOES THIS CONSERVATIVE APPROACH MEAN THAT THE**  
15 **PROPOSED DEPRECIATION RATES ARE LOWER THAN THEY**  
16 **SHOULD BE?**

17 A. No, a conservative approach does not mean the proposed depreciation rates are  
18 too low. At this point in time, the proposed depreciation rates are reasonable and  
19 appropriate. They fully reflect the expected service life and include a reasonable  
20 estimate of net salvage. The net salvage estimates in the proposed depreciation  
21 rates significantly increase depreciation expense. In fact, the current depreciation  
22 rates will not generate enough accruals in 2006 to fully recover the expected  
23 negative net salvage. However, the proposed depreciation rates will cover the

1 expected negative net salvage. The conservative approach simply limits the net  
2 salvage until more account specific salvage information is known and the  
3 completion of a replacement program returns net salvage to normal levels.

4 **Q. IF THE PROPOSED DEPRECIATION RATES ARE REASONABLE FOR**  
5 **NOW, WHEN DO THEY NEED TO BE REVISED?**

6 A. Depreciation rates should be reviewed periodically because the company's  
7 operating environment is constantly changing and as the company responds to  
8 events, plant activity may differ from the expectations that underlie the  
9 depreciation rates. Normally, a depreciation study every five years is sufficient to  
10 keep the depreciation rates current and minimize the impact of any issues.  
11 However, in this case I would recommend a depreciation rate review in 3 years to  
12 determine if a depreciation study is necessary or can be deferred for another two  
13 years. The three years would allow net salvage to settle down and provide more  
14 the individual account net salvage data.

15 **Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION?**

16 The proposed depreciation rates set forth in Exhibit 13, which was derived from  
17 in my depreciation study, should be uniformly and prospectively adopted by the  
18 Commission for regulatory purposes as well as by the Company for accounting  
19 purposes.

20 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

21 A. Yes, it does.

22

23



**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**SUMMARY OF REVENUE**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	REFERENCE
RATE	AVG. NO. CUSTOMERS	KWH BILLED	REVENUE PER BOOKS	NORMALIZED AVG. NO. CUSTOMERS	NORMALIZED KWH BILLED	ADJ. TEST YEAR REV. NORMALIZED (h) + (j)	REVENUE PROPOSED	REVENUE CHANGE (i) - (k)	PERCENT CHANGE (m)/(k)	TO EXHIBIT 10
1 Residential - Single & Three Phase										
2 Base Rate	44,812	719,968,977	\$ 44,841,245	44,205	720,600,499	\$ 45,083,157	\$ 48,438,758	\$ 3,355,601	7.44%	
3 WDA			\$ (611,940)		(1)	\$ (889,386)	\$ (889,386)	\$ -	0.00%	
4			\$ -			\$ -	\$ -	\$ -	NA	
5 Subtotal			\$ 44,229,305			\$ 44,193,771	\$ 47,549,372	\$ 3,355,601	7.59%	Page 2
6										
7 All Non-Residential Single Phase and small farm service										
8 Base Rate	7,146	101,014,945	\$ 6,565,981	8,534	108,968,735	\$ 7,404,492	\$ 7,952,991	\$ 548,499	7.41%	
9 WDA			\$ (89,343)		(1)	\$ (134,364)	\$ (134,364)	\$ -	0.00%	
10			\$ -			\$ -	\$ -	\$ -	NA	
11 Subtotal			\$ 6,476,638			\$ 7,270,128	\$ 7,818,627	\$ 548,499	7.54%	Page 3
12										
13 Former HUEC (0-50 KVA)-grandfathered										
14 Base Rate	173	3,468,115	\$ 231,776	-		\$ -	\$ -	\$ -	NA	
15 WDA			\$ (2,285)			\$ -	\$ -	\$ -	NA	
16			\$ -			\$ -	\$ -	\$ -	NA	
17 Subtotal			\$ 229,491			\$ -	\$ -	\$ -	NA	
18										
19 Commercial & Public Bldgs - Three Phase < 1,000 kW										
20 Base Rate	816	179,823,109	\$ 10,986,409	821	184,377,631	\$ 10,952,336	\$ 10,959,697	\$ 7,361	0.07%	
21 WDA	1	2,453,760	\$ (157,204)		(1)	\$ (227,130)	\$ (227,130)	\$ -	0.00%	
22			\$ -			\$ -	\$ -	\$ -	NA	
23 Subtotal			\$ 10,829,205			\$ 10,725,206	\$ 10,732,567	\$ 7,361	0.07%	Pages 4-5
24										
25 Commercial - Three-Phase 1,000 - 4,999 kW										
26 Base Rate	11	90,573,341	\$ 4,103,467	13	98,371,113	\$ 4,374,469	\$ 4,374,469	\$ -	0.00%	
27 WDA			\$ (83,095)		(2)	\$ (121,468)	\$ (121,468)	\$ -	0.00%	
28			\$ -			\$ -	\$ -	\$ -	NA	
29 Subtotal			\$ 4,020,372			\$ 4,253,001	\$ 4,253,001	\$ -	0.00%	Page 6
30										
43 Commercial - Three Phase (Over 2,000 kW)										
44 Base Rate	1	6,796,800	\$ 282,389	-		\$ -	\$ -	\$ -	NA	
45 WDA			\$ (4,581)			\$ -	\$ -	\$ -	NA	
46			\$ -			\$ -	\$ -	\$ -	NA	
47 Subtotal			\$ 277,808			\$ -	\$ -	\$ -	NA	
48										
61 Other Unmetered Lighting										
62 Base Rate		13,035,442	\$ 1,286,851		13,035,442	\$ 1,289,691	\$ 1,289,691	\$ -	0.00%	
63 WDA			\$ (10,966)			\$ (16,096)	\$ (16,096)	\$ -	0.00%	
64			\$ -			\$ -	\$ -	\$ -	NA	
65 Subtotal			\$ 1,275,885			\$ 1,273,595	\$ 1,273,595	\$ -	0.00%	Page 7
66										
67 Total Non direct served										
68 Base Rate	52,959	1,117,134,489	\$ 68,298,118	53,573	1,125,353,420	\$ 69,104,144	\$ 73,015,606	\$ 3,911,462	5.66%	
69 WDA			\$ (959,414)			\$ (1,388,445)	\$ (1,388,445)	\$ -	0.00%	
70			\$ -			\$ -	\$ -	\$ -	NA	
71 Subtotal			\$ 67,338,704			\$ 67,715,700	\$ 71,627,161	\$ 3,911,462	5.78%	
72										
73 Direct served (Class A)	2	7,285,475,217	\$ 189,396,763	2	7,285,475,217	\$ 189,348,104	\$ 189,348,104	\$ -	0.00%	Page 8
74										
75 Direct served (Class B)	3	713,649,609	\$ 21,906,700	3	713,649,609	\$ 21,891,127	\$ 21,891,127	\$ -	0.00%	Page 9
76										
77 Former Grec (Class C) -grandfathered	2	43,044,270	\$ 1,534,527					\$ -	NA	
78										
79 All other class C	11	179,073,077	\$ 7,282,909	13	222,117,347	\$ 8,680,894	\$ 8,680,894	\$ -	0.00%	Page 10-11
80										
81 Total direct serves	18	8,221,242,173	\$ 220,120,899	18	8,221,242,173	\$ 219,920,125	\$ 219,920,125	\$ -	0.00%	
82										
83 Subtotal - all	52,977	9,338,376,662	\$ 287,459,603	53,591	9,346,595,593	\$ 287,635,825	\$ 291,547,287	\$ 3,911,462	1.36%	
84										
85 Unbilled Impact		9,663,157	\$ 546,547			\$ 401,547	\$ 401,547	\$ -	0.00%	
86										
87 Misc. Revenues			\$ 1,258,708			\$ 1,246,397	\$ 1,263,259	\$ 16,862	1.35%	Page 12
88										
89 Total All	52,977	9,348,039,819	\$ 289,264,858	53,591	9,346,595,593	\$ 289,283,769	\$ 293,212,093	\$ 3,928,324	1.36%	

(1) See Exhibit 10, pages 13-14

(2) Refer to Exhibit 8, page 4, lines 5-7

KENERGY CORP.  
CASE NO. 2006-00369  
RESIDENTIAL  
CONSUMPTION ANALYSIS

	(a)	(b)	<u>Present</u> (c)		<u>Present</u> (d)		<u>Normalized</u> (e)		<u>Normalized</u> (f)		<u>Normalized</u> (g)		<u>Proposed</u> (h)		<u>Proposed</u> (i)
1	Number of Bills	540,193													
2	Less YDL Only	<u>(2,446)</u>													
3	Customer Charge	537,747					530,460								
4	Three Phase Farm	<u>-</u>	\$7.91	= \$	-		<u>0</u>	x	\$7.91	= \$	-			= \$	-
5	Customer Charge	537,747	x	\$7.91	= \$	<u>4,253,579</u>		530,460	x	\$7.91	= \$	<u>4,195,939</u>	\$12.00	= \$	<u>6,365,520</u>
6						\$ 4,253,579						\$ 4,195,939			\$ 6,365,520
7															
8															
9	KWH Charge	349,192,489	x \$	0.056073		19,580,270									
10	KWH Charge	57,053,942	x \$	0.056400 (1)		3,217,842									
11	KWH Charge	<u>313,722,546</u>	x \$	0.056769	=	<u>17,809,715</u>		720,600,499	x \$	0.056769	=	<u>40,907,770</u>	\$ 0.058417	=	<u>42,095,319</u>
12															
13		719,968,977				\$ 40,607,828						\$ 45,103,708			\$ 48,460,839
14															
15	Wholesale Discount Adjustment:														
16															
17		719,968,977	x \$	(0.000850)	= \$	<u>(611,940)</u>		720,600,499	x \$	(0.001235)	= \$	<u>(889,792)</u>	\$ (0.001235)	= \$	<u>(889,792)</u>
18						\$ 44,249,467						\$ 44,213,917			\$ 47,571,048
19						<u>(0.00045565)</u>						<u>(0.00045565)</u>			<u>(0.00045565)</u>
20	Times Correction Factor					<u>(20,162)</u>						<u>(20,146)</u>			<u>(21,676)</u>
21															
22															
23	Per Books					<u>\$ 44,229,305</u>						<u>\$ 44,193,771</u>			<u>\$ 47,549,372</u>
24															
25															
26															
27															
28															
29															
30															
31															
32															
33															
34															
35															
36															

(1) New rate effective 6/14/05. Cycle billings were billed at a prorated rate, based on number of days usage at old rate and new rate.

KENERGY CORP.  
CASE NO. 2006-00369  
ALL NON-RESIDENTIAL SINGLE PHASE AND SMALL FARM SERVICE  
CONSUMPTION ANALYSIS

	(a)	(b)		Present (c)	=	Present (d)		Normalized (e)	x	Normalized (f)	=	Normalized (g)		Proposed (h)	=	Proposed (i)
1	Number of Bills	35,480														
2	Less YDL Only	<u>(97)</u>														
3	Customer Charge	35,383	x	\$ 7.91	=	\$ 279,880		102,408	x	\$ 12.00	=	\$ 1,228,896		\$15.61	=	\$ 1,598,589
4																
5	Number of Bills	7,809														
6	Less YDL Only	<u>(26)</u>														
7	Customer Charge	7,783		\$ 9.83 (1)	=	\$ 76,507										
8																
9	Number of Bills	42,554														
10	Less YDL Only	<u>(151)</u>														
11	Customer Charge	42,403		\$ 12.00	=	\$ 508,836										
12																
13	Total Customer Charge	85,569				\$ 865,222										
14																
15																
16	KWH Charge	40,000,549	x	\$ 0.056073	=	2,242,950.78										
17	KWH Charge	9,138,381	x	\$ 0.056400 (1)	=	515,404.69										
18	KWH Charge	<u>51,859,475</u>	x	\$ 0.056769	=	<u>2,944,010.54</u>		108,968,735	x	\$ 0.056769	=	<u>6,186,046</u>		\$ 0.058417	=	<u>6,365,627</u>
19																
20		100,998,405				\$ 5,702,366						\$ 7,414,942				\$ 7,964,215
21	Metered Lighting Customer	<u>16,540</u>														
22		101,014,945														
23																
24	Wholesale Discount Adjustment:															
25																
26		100,998,405	x	\$ (0.000884)	=	<u>\$(89,326)</u>		108,968,735	x	\$ (0.001235)	=	<u>\$(134,554)</u>		\$ (0.001235)	=	<u>\$(134,554)</u>
27																
28						\$ 6,478,262						\$ 7,280,388				\$ 7,829,662
29	Times Correction Factor					<u>-0.00140939</u>						<u>-0.00140939</u>				<u>-0.00140939</u>
30						<u>(9,130)</u>						<u>(10,261)</u>				<u>(11,035)</u>
31																
32	Per Books					\$ 6,469,132						<u>\$ 7,270,128</u>				<u>\$ 7,818,627</u>
33						<u>7,506</u>		Metered Lighting Customer								
34						<u>\$ 6,476,638</u>										
35																
36																
37																
38																
39																
40																

(1) New rate effective 6/14/05. Cycle billings were billed at a prorated rate, based on number of days usage at old rate and new rate.

KENERGY CORP.  
CASE NO. 2006-00369  
COMMERCIAL (UNDER 1,000 KW) THREE-PHASE  
CONSUMPTION ANALYSIS

		<u>Present</u>		<u>Present</u>		<u>Normalized</u>		<u>Normalized</u>		<u>Normalized</u>		<u>Proposed</u>		<u>Proposed</u>
(a)	(b)	(c)		(d)		(e)		(f)		(g)		(h)		(i)
1	Number of Bills	9,795 x \$	25.00	=	\$ 244,875	9,834 x \$	25.00	=	\$ 245,850	\$ 25.00	=	\$ 245,850		
2														
3	Demand =	590,224 x \$	3.50	=	\$ 2,065,784	598,717 x \$	3.50	=	2,095,509	\$ 3.50	=	2,095,509		
4														
5	Power Factor Penalties				\$ 28,002				\$ 28,002			\$ 28,002		\$ 28,002
6	Minimum Bill Differential				\$ 28,324				\$ 28,324			\$ 28,324		\$ 28,324
7														
8	1st 200 KWH per KV	49,278,655 x \$	0.052920	=	\$ 2,607,826	106,777,528 x \$	0.05320	=	\$ 5,680,564	\$ 0.05320	=	\$ 5,680,564		
9	Next 200 KWH per K	25,268,061 x \$	0.042320	=	\$ 1,069,344									
10	Over 400 KWH	8,005,942 x \$	0.039200	=	\$ 313,833									
11	1st 200 KWH per KV	8,676,236 x \$	0.053052 (1)	=	\$ 460,290									
12	Next 200 KWH per K	5,119,086 x \$	0.040289 (1)	=	\$ 206,244	57,721,248 x \$	0.03800	=	\$ 2,193,407	\$ 0.03800	=	\$ 2,193,407		
13	Over 400 KWH	1,278,292 x \$	0.036286 (1)	=	\$ 46,384									
14	1st 200 KWH per KV	47,614,884 x \$	0.053200	=	\$ 2,533,112									
15	Next 200 KWH per K	26,681,220 x \$	0.038000	=	\$ 1,013,886									
16	Over 400 KWH	7,943,767 x \$	0.033000	=	\$ 262,144	17,425,095 x \$	0.03300	=	\$ 575,028	\$ 0.03300	=	\$ 575,028		
17														
18		179,866,143			\$ 8,513,064	181,923,871			\$ 8,449,000			\$ 8,449,000		
19														
20	Unlocated	(43,034)												
21		179,823,109	Subtotal		\$ 10,880,049	181,923,871			\$ 10,846,685			\$ 10,846,685		
22														
23	Wholesale Discount Adjustment:													
24		179,823,109 x \$	(0.000863)	=	(155,113)	181,923,871	\$ (0.001235)		(224,638)	\$ (0.001235)		(224,638)		
25														
26					\$ 10,724,936				\$ 10,622,047			\$ 10,622,047		
27	Times Correction Factor				(0.002393)				(0.002393)			(0.002393)		
28					(25,667)				(25,419)			(25,419)		
29														
30	Per Books				\$ 10,699,269				\$ 10,596,629			\$ 10,596,629		
31														
32														\$ -
33														
34														
35	(1)	New rate effective 6/14/05. Cycle billings were billed at a prorated												
36		rate, based on number of days usage at old rate and new rate.												



KENERGY CORP.  
CASE NO. 2006-00369  
FORMER HUEC 0-1,000 KW  
CONSUMPTION ANALYSIS

	(a)	(b)		<u>Present</u>	=	<u>Present</u>		<u>Normalized</u>	=	<u>Normalized</u>		<u>Normalized</u>	=	<u>Proposed</u>	=	<u>Proposed</u>
				(c)		(d)		(e)		(f)		(g)		(h)		(i)
1	Customer Charge	7	x	\$ 100.00	=	\$ 700		12	x	\$ 25.00	=	\$ 300		\$ 25.00	=	\$ 300
2		5	x	\$ 25.00	=	\$ 125										
3		<u>12</u>				<u>\$ 825</u>										
4																
5	Demand Charge:															
6		3,500	x	\$ 8.75	=	\$ 30,625										
7		550	x	\$ 7.80	=	\$ 4,290										
8		2,747	x	\$ 3.50	=	\$ 9,613		6,797	x	\$ 3.50	=	\$ 23,788		\$ 3.50	=	\$ 23,788
9																
10	Power Factor Penalty					<u>1,237</u>						<u>1,237</u>				<u>1,237</u>
11						<u>\$ 45,765</u>						<u>\$ 25,025</u>				<u>\$ 25,025</u>
12																
13																
14	Energy Charge:															
15	Jan-July															
16	1st 200 KWH per KW	810,000	x	\$ 0.031000	=	\$ 25,110										
17																
18	Next 200 KWH per KW	545,856	x	\$ 0.025500	=	\$ 13,919										
19																
20	Over 400 KWH	15,984	x	\$ 0.023000	=	\$ 368										
21																
22	Aug-Dec															
23	1st 200 KWH per KW	549312	x	\$ 0.050200	=	\$ 27,575		1,359,312	x	\$ 0.050200	=	\$ 68,237		\$ 0.053200	=	\$ 72,315
24																
25	Next 200 KWH per KW	496320	x	\$ 0.035000	=	\$ 17,371		1,042,176	x	\$ 0.035000	=	\$ 36,476		\$ 0.038000	=	\$ 39,603
26																
27	Over 400 KWH	<u>36288</u>	x	\$ 0.030000	=	<u>\$ 1,089</u>		52,272	x	\$ 0.030000	=	\$ 1,568		\$ 0.033000	=	\$ 1,725
28																
29		<u>2,453,760</u>				<u>\$ 85,432</u>		<u>2,453,760</u>				<u>\$ 106,282</u>				<u>\$ 113,643</u>
30																
31						<u>132,022</u>						131,607				138,968
32																
33																
34																
35	Wholesale Discount Adjustment:															
36		2,453,760	x	\$ (0.000852)	=	<u>(2,091)</u>		2,453,760	x	\$ (0.001235)	=	<u>(3,030)</u>		\$ (0.001235)	=	<u>(3,030)</u>
37																
38						129,931						128,577				135,938
39	Times Correction Factor					<u>0.0000346</u>						<u>0</u>				<u>0.0000000</u>
40						4.50						-				-
41																
42						<u>\$ 129,936</u>						<u>\$ 128,577</u>				<u>\$ 135,938</u>
43																
44																

KENERGY CORP.  
CASE NO. 2006-00369  
COMMERCIAL (1,001 KW - 4,999 KW) THREE PHASE  
CONSUMPTION ANALYSIS

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Present	Present	Normalized	Normalized	Normalized	Proposed	Proposed
		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 Customer Charge	67 x \$	100.00	= \$					
2	7 x \$	303.79 (1)	= \$					
3	65 x \$	575.00	= \$					
4								
5	139		\$	46,202	156 x \$	575.00 = \$	89,700	\$
6								
7								
8	33,869 x \$	8.75	= \$	296,356				
9	57,680 x \$	7.80	= \$	449,901				
10	3,000 x \$	8.40 (1)	= \$	25,200				
11	5,333 x \$	7.93 (1)	= \$	42,284				
12	88,453 x \$	8.00	= \$	707,621	207,271.76 x \$	8.00 = \$	1,658,174	\$
13								
14	186,335		\$	1,521,373	207,271.76		\$	1,658,174
15								
16	18,309,785 x \$	0.03100	= \$	567,603				
17	17,172,193 x \$	0.02550	= \$	437,891				
18	1,668,681 x \$	0.02909 (1)	= \$	48,544				
19	1,668,681 x \$	0.02523 (1)	= \$	42,097				
20	17,689,208 x \$	0.02750	= \$	486,453	41,454.353 x \$	0.02750 = \$	1,139,995	\$
21	17,080,896 x \$	0.02500	= \$	427,272	39,632.424 x \$	0.02500 = \$	990,811	\$
22	13,812,149 x \$	0.02300	= \$	317,679	14,841,138 x \$	0.02300 = \$	341,346	\$
23	87,411,593		\$	2,327,540	95,927,913		\$	2,472,151
24								
25								
26	6,006 x \$	4.57	= \$	27,447				
27	1,001 x \$	4.52 (1)	= \$	4,525				
28	5,056 x \$	4.30	= \$	21,743	12,063.40 x \$	4.30 = \$	51,873	\$
29	12,063		\$	53,714				
30								
31	900,900 x \$	0.04190	= \$	37,748				
32	243,900 x \$	0.03850	= \$	9,390				
33	150,150 x \$	0.04153 (1)	= \$	6,236				
34	4,650 x \$	0.03802 (1)	= \$	177				
35	758,460 x \$	0.04000	= \$	30,338	1,809,510 x \$	0.04000 = \$	72,380	\$
36	385,140 x \$	0.03600	= \$	13,865	633,690 x \$	0.03600 = \$	22,813	\$
37	2,443,200		\$	97,754	2,443,200		\$	95,193
38	89,854,793		\$	4,046,593				
39	718,548		\$	31,113				
40	90,573,341		\$	4,046,593	98,371,113			
41								
42	86,387		\$	(43,193)				
43								
44								
45	3,606.00		\$	19,505	103,041.2		\$	(51,521)
46								
47								
48								
49								
50	89,854,793 x \$	(0.000925)	= \$	(83,095)	Subtotal		\$	4,367,091
51								
52								
53								
54								
55								
56								
57								
58								
59								
60								
61								
62								
63								

\*Excludes Power Factor Penalty  
no formula inputted actual amount  
(1) New rate effective 6/14/05. Cycle billings were billed at a prorated rate, based on number of days usage at old rate and new rate.

KENERGY CORP.  
CASE NO. 2006-00369  
UNMETERED LIGHTING - CONSUMPTION ANALYSIS

(a)	(b)	(c)	(d)	(f)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
DESCRIPTION	ANNUAL QTY	RATES	ANNUAL DOLLARS	FACILITY CHARGE DOLLARS	Assigned KWH	NORMALIZED RATES	NORMALIZED DOLLARS	FACILITY CHARGE DOLLARS	PROPOSED RATES	PROPOSED DOLLARS	FACILITY CHARGE DOLLARS
All except former Huec:											
7000 LUMEN-175W-ME	139,232	\$ 6.95	\$ 967,662	\$ -	10,442,541	\$ 6.95	\$ 967,662	\$ -	\$ 6.95	\$ 967,662	\$ -
20000 LUMEN-400W-M	6,725	\$ 9.69	\$ 65,165	\$ -	504,375	\$ 9.69	\$ 65,165	\$ -	\$ 9.69	\$ 65,165	\$ -
20000 LUM-400W-M-STR	1,820	\$ 8.35	\$ 15,197	\$ -	136,500	\$ 8.10	\$ 14,742	\$ -	\$ 8.10	\$ 14,742	\$ -
12000 LUMEN-250W-M	2,193	\$ 8.20	\$ 17,983	\$ 13	164,623	\$ 8.20	\$ 17,983	\$ -	\$ 8.20	\$ 17,983	\$ -
9500 LUMEN-100W-HP	8,227	\$ 6.95	\$ 57,178	\$ -	417,225	\$ 6.95	\$ 57,178	\$ -	\$ 6.95	\$ 57,178	\$ -
20000 LUMEN-200W-H	59	\$ 9.69	\$ 572	\$ -	4,425	\$ 9.69	\$ 572	\$ -	\$ 9.69	\$ 572	\$ -
27000 LUMEN-250W-H	1,352	\$ 9.48	\$ 12,817	\$ -	105,900	\$ 9.69	\$ 13,101	\$ -	\$ 9.69	\$ 13,101	\$ -
27000 LUM-250W-H-STR	600	\$ 8.16	\$ 4,896	\$ -	59,400	\$ 8.10	\$ 4,860	\$ -	\$ 8.10	\$ 4,860	\$ -
OH FAC-STREET	132	\$ 1.85	\$ -	\$ 244	0	\$ 1.85	\$ -	\$ 244	\$ 1.85	\$ -	\$ 244
UG NON-STD POLE-	5,208	\$ 4.45	\$ -	\$ 23,176	0	\$ 4.45	\$ -	\$ 23,176	\$ 4.45	\$ -	\$ 23,176
6300 LUMEN-DECOR-7	3,963	\$ 9.54	\$ 37,807	\$ -	277,410	\$ 9.54	\$ 37,807	\$ -	\$ 9.54	\$ 37,807	\$ -
6300 LUM DECOR-70W	992	\$ 9.54	\$ 9,464	\$ -	69,440	\$ 9.54	\$ 9,464	\$ -	\$ 9.54	\$ 9,464	\$ -
12600 LUM HPS-70W	364	\$ 16.85	\$ 6,133	\$ -	50,960	\$ 16.85	\$ 6,133	\$ -	\$ 16.85	\$ 6,133	\$ -
32000 LUMENS-400W	337	\$ 12.14	\$ 4,091	\$ -	52,572	\$ 12.14	\$ 4,091	\$ -	\$ 12.14	\$ 4,091	\$ -
107000 LUMENS-100W	462	\$ 24.82	\$ 11,467	\$ -	172,328	\$ 24.82	\$ 11,467	\$ -	\$ 24.82	\$ 11,467	\$ -
16600 LUM-175W-MH	255	\$ 11.06	\$ 2,820	\$ -	19,125	\$ 11.40	\$ 2,907	\$ -	\$ 11.40	\$ 2,907	\$ -
STEEL 25 FT PEDEST	297	\$ 5.52	\$ -	\$ 1,639	0	\$ 5.52	\$ -	\$ 1,639	\$ 5.52	\$ -	\$ 1,639
STEEL 30 FT PEDEST	317	\$ 6.22	\$ -	\$ 1,973	0	\$ 6.22	\$ -	\$ 1,972	\$ 6.22	\$ -	\$ 1,972
STEEL 39 FT PEDEST	245	\$ 10.37	\$ -	\$ 2,541	0	\$ 10.45	\$ -	\$ 2,560	\$ 10.45	\$ -	\$ 2,560
WOOD 30 FT DIRECT	288	\$ 6.55	\$ -	\$ 1,887	0	\$ 6.55	\$ -	\$ 1,886	\$ 6.55	\$ -	\$ 1,886
ALUMINUM 28 FT DIR	60	\$ 7.10	\$ -	\$ 426	0	\$ 7.11	\$ -	\$ 427	\$ 7.11	\$ -	\$ 427
FLUTED FIBERGLASS	255	\$ 7.60	\$ -	\$ 1,938	0	\$ 7.60	\$ -	\$ 1,938	\$ 7.60	\$ -	\$ 1,938
28000 LUMEN HPS-25	578	\$ 8.73	\$ 5,046	\$ -	58,862	\$ 8.73	\$ 5,046	\$ -	\$ 8.73	\$ 5,046	\$ -
61000 LUMEN-400W-H	496	\$ 11.08	\$ 5,496	\$ -	77,830	\$ 11.06	\$ 5,486	\$ -	\$ 11.06	\$ 5,486	\$ -
19500 LUMEN-250W-M	156	\$ 8.36	\$ 1,304	\$ -	15,288	\$ 8.36	\$ 1,304	\$ -	\$ 8.36	\$ 1,304	\$ -
32000 LUMEN-400W-M	975	\$ 11.03	\$ 10,754	\$ -	145,782	\$ 11.03	\$ 10,754	\$ -	\$ 11.03	\$ 10,754	\$ -
107000 LUM-1000W-M	289	\$ 22.97	\$ 6,638	\$ -	107,797	\$ 22.97	\$ 6,638	\$ -	\$ 22.97	\$ 6,638	\$ -
28000 LUMEN-250W-H	38	\$ 9.97	\$ 379	\$ -	3,914	\$ 9.97	\$ 379	\$ -	\$ 9.97	\$ 379	\$ -
Subtotal	175,915		\$ 1,242,869	\$ 33,837	12,886,295		\$ 1,242,739	\$ 33,842		\$ 1,242,739	\$ 33,842
Former HUEC:											
7000 LUMEN-175W-MV	564	\$ 4.30	\$ 2,425	\$ -	42,300	\$ 6.95	\$ 7,840	\$ -	\$ 6.95	\$ 7,840	\$ -
7000 LUMEN-175W-MV	94	\$ 4.31	\$ 405	\$ -	7,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7000 LUMEN-175W-MV	94	\$ 6.49	\$ 610	\$ -	7,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7000 LUMEN-175W-MV	376	\$ 6.95	\$ 2,613	\$ -	28,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BASKETT STREET LIG	449	\$ 1.50	\$ 674	\$ -	12572	\$ 2.41	\$ 2,162	\$ -	\$ 2.41	\$ 2,162	\$ -
BASKETT STREET LIG	75	\$ 1.53	\$ 115	\$ -	2,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BASKETT STREET LIG	373	\$ 2.41	\$ 899	\$ -	12,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEADOW HILL STREET	210	\$ 1.35	\$ 284	\$ -	5250	\$ 2.18	\$ 785	\$ -	\$ 2.18	\$ 785	\$ -
MEADOW HILL STREET	30	\$ 2.01	\$ 60	\$ -	750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MEADOW HILL STREET	120	\$ 2.18	\$ 262	\$ -	3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SPOTTSVILLE STREET	432	\$ 1.70	\$ 734	\$ -	14,256	\$ 2.75	\$ 2,357	\$ -	\$ 2.75	\$ 2,357	\$ -
SPOTTSVILLE STREET	71	\$ 1.74	\$ 124	\$ -	2,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SPOTTSVILLE STREET	354	\$ 2.75	\$ 974	\$ -	11682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	3,242		10,178		149,147		13,143			13,143	
<b>Total - all Unmetered lighting</b>	<b>179,157</b>		<b>\$ 1,253,047</b>	<b>\$ 33,837</b>	<b>13,035,442</b>		<b>\$ 1,255,882</b>	<b>\$ 33,842</b>		<b>\$ 1,255,882</b>	<b>\$ 33,842</b>
			<b>\$ 33,837</b>				<b>\$ 33,842</b>			<b>\$ 33,842</b>	
			<b>\$ 1,286,884</b>				<b>\$ 1,289,724</b>			<b>\$ 1,289,724</b>	
Wholesale discount adjustment:											
	13,035,442 kwh @	\$ (0.000841)	\$ (10,966)			\$ (0.001235)	\$ (16,096)		\$ (0.001235)	\$ (16,096)	
			\$ 1,275,918				\$ 1,273,628			\$ 1,273,628	
	correction factor		-0.000025864				-0.000025864			-0.000025864	
			\$ (33)				\$ (33)			\$ (33)	
	Revenue per books		\$ 1,275,885				\$ 1,273,595			\$ 1,273,595	

**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**DIRECT SERVED CUSTOMERS (2)**  
**CLASS A**  
**CONSUMPTION ANALYSIS**

1	Billings from Wholesale Power Suppliers to Kenergy for Resale to Smelters				<u>\$188,988,890</u>
2					
3	Kenergy Customer Charges:				
4	January - May 2005	10	x \$2,650	=	\$26,500
5	June 2005:	2	x \$2,629.6 (1)	=	\$5,259
6	July - December 2005	12	x \$2,614	=	<u>\$31,368</u>
8					
9					<u>\$63,127</u>
10	Kenergy Charges				
11					
12	January - May 2005	3,023,095,117	x .000050		\$151,155
13	June 2005:	594,672,300	x .000048 (1)		\$28,544
14	July - December 2005	<u>3,667,707,800</u>	x .000045		<u>\$165,047</u>
15					
16		<u>7,285,475,217</u>		=	<u>\$344,746</u>
17					
18					
19	<b>TOTAL REVENUE</b>				<u><b>\$189,396,763</b></u>
20					
21					
22					\$ (63,127)
23					
24					\$ 31,368
25					
26					\$ (344,746)
27					
28					\$ 327,846.38
29					
30					<u><b>\$ 189,348,104</b></u>
31					
32					
33					
34					
35					
36					<u><b>\$ 189,348,104</b></u>
37					
38					

(1) New rate effective 6/14/05. Cycle billings were billed at a prorated rate, based on number of days usage at old rate and new rate.

**KENERGY CORP.**  
**CASE NO. 2006 - 00369**  
**DIRECT SERVED CUSTOMERS (3) - CLASS B - CONSUMPTION ANALYSIS**

1	Billings from Wholesale Power Suppliers to Kenergy for Resale				<u>\$ 21,670,389</u>
2					
3	Kenergy Customer Charges:				
4	January - May 2005	15	x \$1,050	=	\$ 15,750
5	June 2005	3	x \$1,037.53	=	\$ 3,113
6	July - December 2005	18	x \$1,028	=	<u>\$ 18,504</u>
8					
9					<u>\$ 37,367</u>
10					
11	Kenergy Charges				
12	Energy Resold	290,952,100	x .000200	=	\$ 58,190
13		58,443,316	x .000181 (1)	=	\$ 10,563
14		354,452,193	x .000166	=	\$ 58,839
15	Backup Energy	<u>9,802,000</u>			
16		713,649,609			
17					
18	Energy Consumed At Site	165,758,560	x .000200	=	\$ 33,152
19		30,650,244	x .000181 (1)		\$ 5,540
20		<u>196,787,647</u>	x .000166		\$ 32,667
21		393,196,451			
22					
23	Energy Curtailed	(37,000)	x .000166	=	<u>\$ (6)</u>
24					
25					<u>\$ 198,944</u>
26					
27	<b>TOTAL REVENUE</b>				<u><b>\$ 21,906,700</b></u>
28					
29					
30	Less Customer Charge				\$ (37,367)
31	Normalized Customer Charge				
32	36 X \$1,028				\$ 37,008
33					
34	Less Energy Charge				\$ (198,944)
35	Normalized Energy charge				
36	1,106,809,060 X .000166				\$ 183,730.30
37					
38	<b>NORMALIZED REVENUE</b>				<u><b>\$ 21,891,127</b></u>
39					
40					
41					
42	<b>PROPOSED REVENUE</b>				<u><b>\$ 21,891,127</b></u>
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					

(1) New rate effective 6/14/05. Cycle billings were billed at a prorated rate, based on number of days usage at old rate and new rate.

**KENERGY CORP.**  
**CASE NO. 2006 - 00369**  
**DIRECT SERVED ALL OTHER CLASS C CUSTOMERS (11)**  
**CONSUMPTION ANALYSIS**

		<u>CURRENT</u>		<u>NORMALIZED</u>	<u>PROPOSED</u>
1	Billings from Wholesale Power Supplier to Kenergy for Resale to Customer	<u>\$6,459,283</u>		<u>\$ 6,459,283</u>	<u>\$ 6,459,283</u>
2					
3	Kenergy Customer Charges:				
4	132 x \$100	= \$ 13,200		<u>\$ 13,200</u>	<u>\$ 13,200</u>
5					
6					
7					
8	Kenergy Facility Charges @1.35% PER \$ Investment:				
9	4 months x \$13,811.52	= \$ 55,246			
	5 months x \$14,006.11	= \$ 70,031			
10	3 months x \$11,320.38	= \$ 33,961			
11		<u>\$ 159,238</u>		<u>\$ 135,845</u>	<u>\$ 135,845</u>
12	Kenergy Charges per KWH:				
13	71,643,862           \$0.004560	= \$ 326,695			
14	1,212,540           \$0.003060 (1)	= \$ 3,709			
15	12,714,053         \$0.003676 (1)	= \$ 46,737			
16	980,680            \$0.003026 (1)	= \$ 2,968			
17	<u>92,522,142</u> \$0.003000	= \$ 277,566			
18					
19	<u>179,073,277</u>	<u>\$ 657,675</u>	\$ 0.00300 =	<u>\$ 537,220</u>	<u>\$ 537,220</u>
20					
21	Billing adjustments (Allied Resources & Accuride)	<u>\$ (6,487)</u>			
22					
23	<b>TOTAL REVENUE</b>	<u><b>\$7,282,909</b></u>		<u><b>\$ 7,145,547</b></u>	<u><b>\$ 7,145,547</b></u>
24					
25					
26					
27					
28					
29	(1) New rate effective 6/14/05. Cycle billings were billed at a prorated				
30	rate, based on number of days usage at old rate and new rate.				

**KENERGY CORP.**  
**CASE NO. 2006 - 00369**  
**DIRECT SERVED CLASS C CUSTOMERS (2) - FORMER GREC SPECIAL CONTRACT**  
**CONSUMPTION ANALYSIS**

Alcoa & Roll Coater

				<b>CURRENT</b>			<b>NORMALIZED</b>		<b>PROPOSED</b>
1	Billings from Wholesale Power Suppliers to Kenergy for Resale			<u>\$1,403,814</u>			<u>\$1,403,814</u>		<u>\$1,403,814</u>
2									
3	Kenergy Customer Charges:	10	\$0.00	= \$0	\$ 100.00		<u>2,400</u>		<u>2,400</u>
4		2	\$56.67 (1)	= \$113					
5		12	\$100.00	= \$1,200					
6				<u>\$1,313</u>					
7									
8	Kenergy Charges								
9		33,806	x .25	= \$8,452					
10		7,269	x .108332 (1)	= \$787	\$ -	=	<u>\$0</u>		
11				<u>\$9,239</u>					
12									
13	Kenergy Charges								
14		17,037,680	x.002500	= \$42,594					
15		3,468,960	x.002783 (1)	= \$9,654					
16		22,537,630	x.003000	= \$67,613					
17		<u>43,044,270</u>		<u>\$119,861</u>	\$0.00300	=	<u>\$129,133</u>		<u>\$ 129,133</u>
18									
19	Billing error from July - Dec 2005			<u>\$300</u>					
20									
21				<u><u>\$1,534,527</u></u>			<u><u>\$1,535,347</u></u>		<u><u>\$1,535,347</u></u>
22									
23									
24									
25									
26	(1) New rate effective 6/14/05. Cycle billings were billed at a prorated								
27	rate, based on number of days usage at old rate and new rate.								

(1) New rate effective 6/14/05. Cycle billings were billed at a prorated rate, based on number of days usage at old rate and new rate.

**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**MISCELLANEOUS REVENUES ADJUSTMENT**

Account No.	(a) Description	(b) Test Year No.	(c) Normalized No.	(d) Proforma No.	(f) Charges			(g) Revenue			(h) Adjustment		
					(e) Test Year	(f) Normalized	(g) Proforma	(h) Test Year	(g) Normalized	(g) Proforma	(h) Amount	(i) Percent	
1	450.000	Forfeited Discounts			5%	5%	5%	\$426,449	\$426,449	\$426,449	\$0	0.00%	
2	450.240	Forfeited Discounts - Class C			5%	5%	5%	\$887	\$887	\$887	\$0	0.04%	
3		Subtotal - Forfeited Discounts						\$427,336	\$427,336	\$427,336	\$0	0.00%	
4		Special Charges:											
5	451.000	Turn on Service Charge thru June 14	35			\$25.00		\$875					
6	451.000	Turn on Service Charge after June 14	53	88	88	\$30.00	\$30.00	\$30.00	\$1,590	\$2,640	\$2,640	\$0	
7	451.000	Temporary Service Charges	24	24	24	\$5.00	\$5.00	\$5.00	\$120	\$120	\$120	\$0	
8	451.100	Reconnect Charge - Regular thru June 14	570			\$25.00			\$14,250				
9	451.100	Reconnect Charge - Regular after June 14	507	1,077	1,077	\$30.00	\$30.00	\$30.00	\$15,210	\$32,310	\$32,310	\$0	
10	451.100	Reconnect Charge - After hours thru June 14	52			\$70.00			\$3,640				
11	451.100	Reconnect Charge - After hours after June 14	53	105	105	\$80.00	\$80.00	\$80.00	\$4,240	\$8,400	\$8,400	\$0	
12	451.200	Terminate Service Charge thru June 14	1,988			\$25.00			\$49,700				
13	451.200	Terminate Service Charge after June 14	1,955	3,943	3,943	\$30.00	\$30.00	\$30.00	\$58,650	\$118,290	\$118,290	\$0	
14	451.300	Meter Reading Charge thru June 14	2,704			\$25.00			\$67,600				
15	451.300	Meter Reading Charge after June 14	2,301	5,005	5,005	\$30.00	\$30.00	\$30.00	\$69,030	\$150,150	\$150,150	\$0	
16	451.400	Meter Test Charge thru June 14	4			\$40.00			\$160				
17	451.400	Meter Test Charge thru June 14	1	5	5	\$45.00	\$45.00	\$45.00	\$45	\$225	\$225	\$0	
18	451.400	Correction - Adjustment							(\$30)				
19	451.500	Returned Check Charge	1,357	1,357	1,357	\$10.00	\$10.00	\$10.00	\$13,570	\$13,570	\$13,570	\$0	
20	451.600	Unnecessary Trip - Serviceman - Regular	4			\$40.00			\$160				
21	451.600	Unnecessary Trip - Serviceman - Regular	0	4	4	\$45.00	\$45.00	\$45.00	\$0	\$180	\$180	\$0	
22	451.600	Unnecessary Trip - Serviceman - After Hours	1			\$70.00			\$70				
23	451.600	Unnecessary Trip - Serviceman - After Hours	3	4	4	\$80.00	\$80.00	\$80.00	\$240	\$320	\$320	\$0	
25	451.600	Unnecessary Trip - Serviceman - Other Adj.							\$35	\$0	\$0	\$0	
26		Subtotal - Special Charges							\$299,155	\$326,205	\$326,205	\$0	0.00%
27		Telephone Attachment Fees:											
28													
29	454.000	Revenue from Bellsouth							\$388,660	\$352,013	\$352,013	\$0	0.00%
30	454.110	Revenue from Others:							\$9,413	\$9,413	\$14,789	\$5,376	57.11%
31		Subtotal - Telephone Attachment Fees							\$398,073	\$361,426	\$366,802	\$5,376	1.49%
32		Revenue Tower Leases:											
33	454.100	Revenue from Various Companies							\$62,100	\$62,100	\$65,400	\$3,300	5.31%
34		Subtotal - Tower Leases							\$62,100	\$62,100	\$65,400	\$3,300	5.31%
35		Cablevision Attachment Fees:											
36	454.110	Cable Attachment Fees - 2 Party Pole	7,765	7,765	7,779	\$4.74	\$4.26	\$5.00	\$36,806	\$33,079	\$38,895	\$5,816	
37	454.110	Cable Attachment Fees - 3 Party Pole	4,164	4,164	4,173	\$3.85	\$3.43	\$3.98	\$16,031	\$14,283	\$16,609	\$2,326	
38		Subtotal - Cable Attachment Fees							\$52,838	\$47,361	\$55,504	\$8,142	17.19%
39		Fiber Optic Attachment Fees:											
40	454.110	Revenue from Owensboro Municipal Utilities							\$1,415	\$1,415	\$1,459	\$44	3.11%
41		Subtotal - Fiber Optic Attachment Fees							\$1,415	\$1,415	\$1,459	\$44	3.11%
42													
43	454.200	Hanson Lease	6 Mo	12 Mo	12 Mo				\$2,782	\$5,524	\$5,524	\$0	0.00%
44	456.000	Sales Tax Compensation Fees							\$15,030	\$15,030	\$15,030	\$0	0.00%
45													
46													
47		TOTAL							\$1,258,708	\$1,246,397	\$1,263,280	\$16,882	1.35%
48													
49													
50													



**KENERGY CORP.  
CASE NO. 2006-00369  
YEAR-END LEVEL OF CUSTOMERS**

Kenergy Corp.  
Normalize Residential and Commercial Consumers and kWh Sales

	December-04	January-05	February-05	March-05	April-05	May-05	June-05	July-05	August-05	September-05	October-05	November-05	December-05	
<b>Consumers</b>														
1 Single Phase Rate + Former HUEC	52,104	52,173	52,326	52,308	52,320	52,301	52,305	52,371	52,419	52,501	52,565	52,670	52,738	628,997
2 Commercial (Jan-Jul from Consumption Analysis)		8,409	8,434	8,451	8,467	8,465	8,376	8,385	8,590	8,591	8,601	8,556	8,533	101,848
3 Residential (line 1 - line 2)		43,764	43,892	43,857	43,853	43,846	43,929	43,986	43,829	43,910	43,964	44,114	44,205	527,149
4														
<b>kWh</b>														
6 Single Phase Rate + Former HUEC		70,844,559	78,157,742	73,788,371	63,924,799	53,640,716	51,886,863	66,620,248	82,430,471	87,124,229	75,841,167	60,438,593	59,754,279	824,452,037
7 Commercial (Jan-Jul from Consumption Analysis)		8,127,550	8,780,437	8,200,015	7,520,392	7,315,643	7,619,730	9,051,155	10,621,388	11,054,737	10,837,685	10,898,498	8,453,885	108,481,115
8 Residential (line 6 - line 7)		62,717,009	69,377,305	65,588,356	56,404,407	46,325,073	44,267,133	57,569,093	71,809,083	76,069,492	65,003,482	49,540,095	51,300,394	715,970,922
9														
<b>Average kWh per Month per Consumer</b>														
11 Single Phase Rate + Former HUEC		1,357.88	1,493.67	1,410.65	1,221.80	1,025.62	992.01	1,272.08	1,572.53	1,659.48	1,442.81	1,147.50	1,133.04	
12 Commercial		966.53	1,041.08	970.30	888.20	865.24	909.71	1,079.45	1,236.48	1,286.78	1,260.05	1,273.78	990.73	
13 Residential		1,433.07	1,580.64	1,495.50	1,286.22	1,056.54	1,007.70	1,308.80	1,638.39	1,732.40	1,478.56	1,123.00	1,160.51	
14														
<b>December 31 Customers</b>														
16 Single Phase Rate + Former HUEC (In. 1 Dec.)		52,738	52,738	52,738	52,738	52,738	52,738	52,738	52,738	52,738	52,738	52,738	52,738	632,856
17 Commercial (line 2 Dec.)		8,533	8,533	8,533	8,533	8,533	8,533	8,533	8,533	8,533	8,533	8,533	8,533	102,396
18 Residential (line 3 Dec.)		44,205	44,205	44,205	44,205	44,205	44,205	44,205	44,205	44,205	44,205	44,205	44,205	530,460
19														
<b>Normalized kWh Sales</b>														
21 Single Phase Rate + Former HUEC (In. 11 x In. 16)		71,611,760	78,773,134	74,394,951	64,435,513	54,088,910	52,316,402	67,087,102	82,932,108	87,517,525	76,090,773	60,516,623	59,754,279	829,519,080
22 Commercial (line 12 x line 17)		8,247,400	8,883,504	8,279,580	7,579,013	7,383,132	7,762,554	9,210,913	10,550,908	10,980,104	10,752,002	10,869,201	8,453,885	108,952,195
23 Residential (line 13 x line 18)		63,348,994	69,872,044	66,108,792	56,857,155	46,704,371	44,545,257	57,855,721	72,425,118	76,580,549	65,359,815	49,642,288	51,300,394	720,600,499
24														
<b>Adjustment</b>														
26 Single Phase Rate + Former HUEC		767,201	615,392	606,580	510,714	448,194	429,539	466,854	501,637	393,296	249,606	78,030	-	5,067,043
27 Commercial		119,850	103,067	79,565	58,621	67,489	142,824	159,758	(70,480)	(74,633)	(85,683)	(29,297)	-	471,080
28 Residential		631,985	494,739	520,436	452,748	379,298	278,124	286,628	616,035	511,057	356,333	102,193	-	4,629,577
29														
30														
31														
32														
											Add Metered Outdoor Light Accounts to Commercial			16,540
											Adjusted Commercial on Summary of Revenue			108,968,735

**KENERGY CORP.**  
**CASE NO. 2006-00369**  
**YEAR-END CUSTOMER GROWTH ADJUSTMENT FOR THREE-PHASE 0 KW - 1,000 KW**

<b>NUMBER</b>	<b>DESCRIPTION</b>	<b>ACTUAL KW</b>	<b>BILLED KW</b>	<b>KWH USAGE</b>
1	186 Actual Usage New Connects	8,043.01	8,055.62	1,986,668
2	Average per Month (186 Billing Months)	43.24	43.31	10,681.01
3	408 34 Accounts x 12 Months	408	408	408
4	Normalized Usage	17,642.74	17,670.39	4,357,852
5	180 Less: Actual Usage Disconnects	1,131.80	1,131.80	270,422
6	42 Adjustment	8,467.92	8,482.97	2,100,762
7				
8				
9				
10				



KENERGY CORP.  
CASE NO. 2006-00369  
TRIAL BALANCE  
DECEMBER 31, 2005

102000	ELECTRIC PLANT PURCHASED OR SOLD	\$	-
107100	CONSTRUCTION W.I.P.-CONTRACTORS	\$	1,930,439.67
107200	CONSTRUCTION W.I.P. - KENERGY	\$	1,004,079.79
107202	DEFERRED LABOR-CONSTRUCTION	\$	-
107211	SHOP CONST-DIST & GEN PLT EQUIPMT	\$	-
107212	COMPUTER SYSTEMS-SET UP LABOR	\$	-
107225	HANSON OFFICE BUILDING	\$	-
107230	O'BORO ADMINISTRATIVE BLDG-PAVEMENT	\$	-
107240	KENERGY/BREC JOINT BUILDING PROJECT	\$	-
107245	BIG RIVERS/KENERGY COMMUNICATIONS	\$	93,453.39
107250	PSC CASE FOR JOINT USE BUILDING	\$	-
107260	O'BORO SHOP AREA-PAVEMENT	\$	-
107265	OMU/KENERGY WIRELESS PROJECT	\$	-
107270	O'BORO SHOP AREA-DRAINAGE	\$	-
107275	MCLEAN CO BROADBAND GRANT PROJECT	\$	-
107285	HANSON FIBER OPTIC	\$	-
107290	ROUTING OF FIBER OPTIC-OWENSBORO	\$	-
107300	CONST W.I.P. SPECIAL EQUIPMENT	\$	935.00
107310	CONST W.I.P. CONSUMER CONTRIBUTIONS	\$	(210,821.56)
107500	LABOR AND OHS-INCLEMMENT WEATHER	\$	91,453.82
107800	CATHODIC PROTECTION OF UG CABLE	\$	31.34
107900	OVERHEADS - CONTRACTOR WORK ORDERS	\$	-
108620	ACCUM PROVI DEPRECIATION-SUBSTATION	\$	(7,441,109.44)
108621	ACCUM PROVI DEPRECIATION-SCADA	\$	(1,460,588.95)
108622	ACCUM PROVI DEPRECIATION-MICROWAVE	\$	(2,047,852.43)
108623	ACCUM PROVI DEPRECIATION-TOWERS	\$	(886,415.41)
108624	ACCUM PROVI DEPR-OWENSBORO FIBER	\$	(166,584.89)
108664	ACCUM PROVI DEPRECIATION-POLES	\$	(7,750,912.90)
108665	ACCUM PROVI DEPRECIATION-OH CONDUCT	\$	(6,873,552.13)
108666	ACCUM PROVI DEPRECIATION-UG CONDUIT	\$	(3,342.27)
108667	ACCUM PROVI DEPRECIATION-UG CONDUCT	\$	(1,670,337.23)
108668	ACCUM PROVI DEPRECIATION-TRANSFORME	\$	(4,003,948.59)
108669	ACCUM PROVI DEPRECIATION-SERVICES	\$	(1,544,529.31)
108670	ACCUM PROVI DEPRECIATION-METERS	\$	(597,549.56)
108671	ACCUM PROV DEPR-INSTALL ON PREMISES	\$	(355,879.20)
108673	ACCUM PROVI DEPRECIATION-STR LIGHTS	\$	(66,386.02)
108700	ACC PROVISION DEPR-BUILDINGS	\$	(2,365,958.92)
108710	ACC PROVISION DEPR-OFFICE EQUIPMENT	\$	(1,149,967.59)
108720	ACC PROVISION DEPR-TRANSPORTATION	\$	(3,993,590.16)
108730	ACC PROVISION DEPR STORES EQUIPMENT	\$	(134,657.26)
108740	ACC PROV DEPR-SHOP & GARAGE EQUIP	\$	(201,493.03)
108741	ACC PROVISION DEPR-TOOLS-WORK EQUIP	\$	(307,358.32)
108750	ACC PROVISION DEPR-LABORATORY EQUIP	\$	(402,510.17)

108760	ACC PROV DEPR-POWER OPERATED EQUIP	\$	(474,105.99)
108761	ACC PROVISION DEPR-ROW EQUIPMENT	\$	(337,220.07)
108770	ACC PROVISION DEPR-COMM EQUIPMENT	\$	(818,181.43)
108780	ACC PROVISION DEPR-MISC EQUIPMENT	\$	(310,923.94)
108800	KENERGY RETIREMENT WORK ORDERS	\$	48,845.73
108810	CONTRACTOR RETIREMENT WORK ORDERS	\$	3,159.41
111000	ACCUMULATED AMORT ELEC UTILITY PLT	\$	(15,540.12)
121000	NONUTILITY PROPERTY	\$	26,080.53
121100	HOME SECURITY CPU	\$	2,847.32
121200	LIFEGARD UNITS	\$	3,617.30
121300	POINT-TO-POINT FIBER SERVICE ASSETS	\$	8,962.33
121400	ALL ASSETS RELATED TO WIRELESS ISP	\$	49,973.20
122000	ACCUM PROVISION FOR NONUTILITY PRTY	\$	(24,091.62)
122100	DEPR RESERVE FOR HOME SECURITY	\$	(2,189.30)
122200	DEPR RESERVE FOR LIFEGARD UNITS	\$	(3,617.30)
122300	DEPRECIATION-POINT-TO-POINT FIBER	\$	(2,255.94)
122400	DEPRECIATION ON ASSETS RELATED-ISP	\$	(24,465.08)
123100	INV ASS ORG BIG RIVERS CAP CREDITS	\$	-
123101	CONTRA-ACCOUNT TO 123.100	\$	-
123110	INV ASS ORG OTHERS CAP CREDITS	\$	704,414.08
123220	INVESTMENT-CAP TERM CERTIFICATE CFC	\$	1,333,063.00
123221	INVESTMENT-CTC'S-CFC	\$	961,864.70
123222	CTC'S CFC 3% LOAN	\$	233,950.00
123223	CTC CFC NON-INTEREST BEARING	\$	-
123230	OTHER INVEST'S ASSOC ORGANIZATIONS	\$	1,025.00
123233	INVESTMENT PCB CERTIFICATE	\$	5,000.00
123234	RECIPROCAL CONTRIBUTION-FEDERATED	\$	134,278.00
124100	INVESTMENT-COBANK	\$	1,460,083.61
124210	INVEST-ECONOMIC DEV-RDK HOSPITALITY	\$	200,018.40
124230	ECONOMIC DEV-LIBERTY PLAZA	\$	208,286.55
124240	ECO DEV LOAN-LITTLE KY SMOKEHOUSE	\$	404,166.63
124250	ECONOMIC DEV - DAPCO	\$	100,000.10
124270	ECONOMIC DEV LOAN-SCOTT FOAM TECH	\$	270,833.19
124280	ECO LOAN-WEST KY REG IND DEV AUTHOR	\$	399,999.96
124400	INVEST-OHIO CO INDUSTRIAL DEVELOP	\$	1,500.00
124500	INV-DAVISS CO INDUSTRIAL FOUNDATIO	\$	5,000.00
124510	INV-HANCOCK CO INDUSTRIAL FOUNDATIO	\$	100.00
124600	ERC LOAN RECEIVABLE	\$	27,584.59
128000	OTHER SPECIAL FUNDS (DEF. COMP.)	\$	1,547,869.99
131110	CASH-GENERAL FUND-US BANK	\$	814,989.73
131111	CASH-PAYROLL ACCOUNT-US BANK	\$	8,414.51
131112	CASH-CAPITAL CREDIT ACCOUNT-US BANK	\$	3,181.96
131113	CASH-SECTION 125 MED ACCT-US BANK	\$	72,047.86
131114	CASH-CONSTRUCTION FUND-US BANK	\$	-
131115	CASH-MARION BANK AND TRUST	\$	18,905.90
131116	CASH-US BANK CALHOUN BROADBAND GRAN	\$	-
131125	CASH-OHIO VALLEY NATIONAL BANK	\$	31,649.04
131135	CASH-MORGANFIELD NATIONAL BANK	\$	3,187.30
131145	CASH-DIXON BANK	\$	3,001.05
131150	CASH CAPITAL CREDITS-AREA BANK	\$	351.51
131155	CASH-OLD NATIONAL BANK-MMKT	\$	3,148.17

131165	OLD NATIONAL BANK-PAYROLL ACCOUNT	\$	-
131175	CASH-FIFTH THIRD BANK-HENDERSON	\$	2,399.22
131180	CASH GEN FUND COMMONWEALTH COMM BK	\$	28,753.69
131185	CASH-OLD NATIONAL BANK	\$	(150.24)
131190	CASH-OLD NATIONIAL BANK-CAPITAL CR	\$	-
131400	CASH TRANSFERS	\$	-
135000	WORKING FUNDS-PETTY CASH-ETC	\$	7,700.00
136000	TEMPORARY CASH INVESTMENTS	\$	381,258.80
142100	CUSTOMER ACCTS REC-ELECT-HEADQTRS	\$	-
142101	ACCTS REC-CYCLE 1 (BILLED ON 1ST)	\$	22,347.28
142103	ACCTS REC-CYCLE 3 (BILLED ON 3RD)	\$	45,423.37
142106	ACCTS REC-CYCLE 6 (BILLED ON 6TH)	\$	40,948.26
142108	ACCTS REC-CYCLE 8 (BILLED ON 8TH)	\$	71,347.08
142110	ACCTS REC-CYCLE 10(BILLED ON 10TH)	\$	65,569.52
142113	ACCTS REC-CYCLE 13 (BILLED ON 13TH)	\$	160,286.39
142115	ACCTS REC-CYCLE 15(BILLED ON 15TH)	\$	177,732.46
142117	ACCTS REC-CYCLE 17(BILLED ON 17TH)	\$	221,243.28
142120	ACCTS REC-CYCLE 20(BILLED ON 20TH)	\$	276,080.80
142121	ACCTS REC-CYCLE 21 (BILLED ON 21ST)	\$	238,091.53
142124	ACCTS REC-CYCLE 24 (BILLED ON 24TH)	\$	514,584.15
142127	ACCTS REC-CYCLE 27 (BILLED 27TH)	\$	462,755.82
142145	CONSUMER A/R-LANDFILL FEES	\$	-
142150	CONSUMER A/R ELECTRIC DISCONNECT	\$	288,467.09
142160	ACC-REC COMMONWEALTH ALUMINUM	\$	435,910.68
142165	ACCTS REC-HOPKINS CO COAL	\$	8,107.85
142170	ACC-REC WEYERHAEUSER	\$	582,030.01
142171	ACCTS REC-DYSON CREEK MINE	\$	20,411.21
142175	ACCOUNTS REC-ALCAN	\$	7,690,225.52
142180	ACC-REC CENTURY	\$	7,512,071.39
142181	ACCT REC-ACCURIDE	\$	104,457.03
142184	ACCTS REC-ALLIED RESOURCES	\$	79,097.05
142186	ACCT REC-DOTIKI	\$	16,591.55
142187	ACCT REC-TYSON	\$	190,261.78
142188	ACCT REC-KBI ALLOYS	\$	31,658.49
142189	ACCT REC-LODESTAR	\$	-
142190	ACC-REC ALCOA AUTO CASTINGS	\$	76,267.13
142191	ACCT REC-KMMC L L C	\$	66,376.31
142192	ACCT REC-PATRIOT COAL	\$	84,631.84
142193	ACCT REC-CARDINAL RIVER RESOURCES	\$	8,871.03
142194	ACC-REC ROLL COATER	\$	58,975.77
142195	ACC-REC KIMBERLY CLARK	\$	707,312.39
142196	ACC-REC OHIO COUNTY COAL	\$	43,341.02
142197	ACCT REC-SMITH COAL	\$	-
142198	ACCT REC-VALLEY GRAIN	\$	35,702.64
142200	CUSTOMER ACCOUNTS RECEIVABLE	\$	710,890.18
142210	CONSUMER A/R RETURNED CHECKS	\$	(707.83)
142220	A/R - INSURANCE	\$	-
142240	ACCTS REC-HOME SECURITY MONITORING	\$	-
142250	A/R-SURGE PROTECTION PROGRAM	\$	490.00
142270	ACCTS REC-POINT-TO-POINT FIBER SERV	\$	-
142280	CUSTOMER ACCTS REC-KELLY & WILLMORE	\$	-

142290	ACCTS REC-WIRELESS ISP	\$	445.54
143000	ACCOUNTS RECEIVABLE - EMPLOYEES	\$	2,081.34
143100	ACCOUNTS RECEIVABLE - OTHER	\$	305,601.90
143300	ACCOUNTS RECEIVABLE-OMU	\$	-
143400	OTHER A/R-EMPLOYEE CONTRIBUTIONS	\$	(1,119.44)
143500	ACCTS REC-LABOR-TOWER ATTACHMENTS	\$	-
143600	ACCTS REC-CUSTOMER BILLINGS	\$	169,207.93
143700	ACCTS REC-CONSUMER OWNED FACILITIES	\$	-
144100	ACC PROV-UNCOLL ACCTS-BANKRUPTCY	\$	(1,421,054.62)
144101	UNCLAIMED CONSUMER DEPOSITS	\$	(5,126.18)
144102	UNCLAIMED CONSUMER ADVANCE PAYMENTS	\$	(30,250.39)
144110	ACC PROVISION UNCOLL CONS ACCTS	\$	1,247,946.09
144111	ACC. PROV. FOR UNCOLL.-COLLECT FEES	\$	50,048.64
146000	A/R BIG RIVERS ELECTRIC CORP	\$	50,007.40
154000	MATERIAL-SUPPLIES-ELECTRIC	\$	1,213,012.89
154010	INVENTORY-COPPER WIRE	\$	10,869.61
154100	SPARE SUBSTATION EQUIPMENT	\$	441,727.78
154200	GARAGE INVENTORY ACCOUNT	\$	-
155000	MATERIALS FOR GT SYSTEMS	\$	40,074.76
155200	INVENTORY-SURGE PROTECTORS	\$	1,249.35
156000	OTHER MATERIALS AND SUPPLIES	\$	-
163000	STORES EXPENSE - UNDISTRIBUTED	\$	-
163100	STORES CLEARING - SPREAD ITEMS	\$	40,203.30
165100	PREPAYMENTS - INSURANCE	\$	103,055.56
165120	PREPAID INSURANCE-WORKERS COMP	\$	(5,028.67)
165200	PREPAYMENTS - OTHER	\$	135,135.49
165210	PREPAYMENTS - PENSION TRUST FUND	\$	-
165220	PREPAYMENTS - EMPLOYEE INSURANCE	\$	-
171000	INTEREST DIVIDENDS RECEIVABLE	\$	23,971.42
171100	ERC INTEREST RECEIVABLE	\$	18.27
173000	ACCRUED UTILITY REVENUES	\$	7,759,985.78
182300	OTHER REGULATORY ASSETS	\$	-
183100	LONG RANGE PLAN	\$	-
183200	WORK PLAN 2004-2006	\$	31,477.15
183500	WORK PLAN 2003-2004	\$	-
184100	TRANSPORTATION EXPENSE CLEARING	\$	-
184403	GEN PLANT DEPRECIATION-CLEARING ACC	\$	-
184407	PROPERTY TAXES CLEARING ACCT	\$	-
184408	PAYROLL TAXES-CLEARING ACCOUNT	\$	-
184409	PSC TAXES-CLEARING ACCOUNT	\$	-
184588	DISPATCH CENTER, MAIL PICKUP-CLEARING	\$	-
184903	BILLING-CLEARING ACCOUNT	\$	-
184910	ADVERTISING-GENERAL CLEARING ACCT	\$	-
184912	C&I PROGRAM-CLEARING ACCT	\$	-
184920	GENERAL MANAGEMENT/SUPERV-CLEARING	\$	-
184921	NON-DIRECT OFFICE EQUIP/SUPPLIES-CL	\$	-
184922	PRINTING-CLEARING ACCOUNT	\$	-
184923	OUTSIDE SERVICES-CLEARING ACCT	\$	-
184924	BUSINESS LIABILITY INS-CLEARING ACC	\$	-
184925	GENERAL ACCOUNTING-CLEARING ACCT	\$	-
184926	HEALTH, LIFE DISAB INS-CLEARING ACC	\$	-

184927	PENSION PLANS-CLEARING ACCT	\$	-
184929	HUMAN RESOURCES-CLEARING ACCT	\$	-
184930	PUBLIC RELATIONS-CLEARING ACCT	\$	-
184931	BOARD OF DIRECTORS-CLEARING ACCT	\$	-
184932	ECONOMIC DEVELOPMENT-CLEARING ACCT	\$	-
184935	BUILDING/GROUNDS CLEARING ACCT	\$	-
184940	OTHER A & G CLEARING ACCT	\$	-
186000	DEFERRED DEBIT-EMERG TRANSF PROGRAM	\$	-
186110	POWER COST PREPMT/ENGY DEFERRED PMT	\$	-
186200	PAST SERVICE PENSION COSTS-NRECA	\$	-
186210	PENSION-DEFINED BEN(FORMER GR & HU)	\$	20,320.00
186300	RATE CASE 2004	\$	-
200100	MEMBERSHIPS ISSUED (\$5.00)	\$	(81,750.00)
200110	MEMBERSHIPS ISSUED (\$25.00)	\$	(63,100.00)
200120	MEMBERSHIP SERVICE	\$	-
200200	MEMBERSHIP-SUBSCRIBED-BUT UNISSUED	\$	(130,630.00)
201100	PATRONS CAPITAL CREDITS- (MEMBERS)	\$	(52,151,890.83)
201110	PATRONS CAPITAL CREDITS (NON-MEMBER	\$	(158,601.86)
201120	MEMBER-OTHER SERVICES	\$	49,733.01
201200	PATRONAGE CAPITAL ASSIGNABLE	\$	-
201201	PATRONAGE CAPITAL - PRIOR YEARS	\$	-
208000	DONATED CAPITAL-OWENSBORO	\$	(16,750.16)
208100	DONATED CAPITAL-HENDERSON	\$	(15,181.47)
217000	RETIRED CAPITAL CREDITS-GAIN-OBORO	\$	(3,064,195.96)
217100	RETIRED CAPITAL CREDITS GAIN-HENDER	\$	-
217200	DECEASED MEMBERS RETAINED CAPITAL	\$	(232,398.76)
219100	OPERATING MARGINS	\$	(78,650.91)
219200	NON-OPERATING MARGINS	\$	(338.50)
219400	OTHER MARG & EQUITIES-PRIOR PERIODS	\$	2,516,566.18
219500	OTHER COMPREHENSIVE INCOME	\$	-
224120	OTHER LONG TERM DEBT-CFC	\$	-
224130	CFC NOTES EXECUTED	\$	-
224140	OTHER L T DEBT - MISCELLANEOUS	\$	(24,826,178.97)
224150	NOTES EXECUTED-OTHER DEBT	\$	-
224160	RUS ECONOMIC DEV LOAN-WEST KY POULT	\$	-
224165	ECO DEV LOAN-LITTLE KY SMOKEHOUSE	\$	(404,166.63)
224170	RUS-ECONOMIC DEV LOAN-RDK HOSPITALI	\$	(200,018.40)
224175	RUS-ECONOMIC DEV LOAN-SCOTT FOAM TE	\$	(270,833.19)
224180	RUS ECONOMIC DEV LOAN-LIBERTY PLAZA	\$	(208,286.55)
224185	ECO DEV LOAN-WEST KY REG IND DEV	\$	(399,999.96)
224190	RUS ECONOMIC DEV LOAN-DAPCO	\$	(100,000.10)
224300	L T DEBT RUS NOTES EXECUTED 2%	\$	0.85
224310	L T DEBT RUS NOTES EXECUTED 5%	\$	-
224320	L T DEBT RUS NOTES 5% (POST 6-83)	\$	-
224330	LT DEBT-RUS NOTES EXEC VARIOUS RATE	\$	(60,126,349.69)
224340	RUS NOTES EXECUTED-2% (WEST)	\$	-
224350	RUS NOTES EXECUTED-5% (WEST)	\$	(18,215,236.65)
224360	RUS NOTES EXECUTED-VARIABLE (WEST)	\$	-
224370	FEDERAL FINANCING BANK-NOTES EXECUT	\$	(48,191,233.96)
224400	RUS NOTES EXECUTED-CONST DEBT	\$	-
224470	L T DEBT-FEDERAL FINANCING BANK	\$	27,325,000.00



224500	INTEREST ACCRUED DEFERRED RUS NOTES	\$	-
224600	RUS ADVANCED PAYMENTS UNAPPLIED	\$	11,860,814.80
228100	ACCRUED LEAVE-K WEST EMPLOYEES	\$	(611,908.49)
228200	POST RETIREMENT HEALTH INS-HEADQTRS	\$	(4,592.76)
228250	POST RET HEALTH BENEFITS-DIRECTORS	\$	(28,743.98)
228300	POST RETIREMENT HEALTH INS-OBORO	\$	(45,600.00)
228310	HEALTH INSURANCE-2001 RETIREES	\$	(25,645.89)
228320	HEALTH INSURANCE-LTD EMPLOYEES	\$	(12,974.52)
228330	ADDITIONAL MINIMUM LIABILITY-PENSIO	\$	-
228400	ACCUM MISC OPERATING PROVISIONS	\$	(1,547,869.99)
231000	NOTES PAYABLE - SHORT TERM	\$	(1,500,000.00)
231100	NOTES PAYBALE-RUS/COBANK	\$	(3,752,161.00)
232100	ACCOUNTS PAYABLE GENERAL	\$	(23,197,693.17)
232110	ACCTS PAYABLE-KELLY & WILLMORE ISP	\$	-
232200	ACCTS PAYABLE CUSTOMERS OVERPAYMENT	\$	-
235000	CONSUMERS DEPOSITS-OWENSBORO	\$	(1,201,395.00)
235100	CONSUMER DEPOSIT-COMMONWEALTH	\$	(1,000,000.00)
235200	CONSUMER DEPOSIT-AMERICAN ENGINEERI	\$	-
235300	CONSUMER DEPOSIT-ACMI	\$	(15,000.00)
235400	CONSUMER DEPOSIT-STEAMPORT	\$	-
235500	CONSUMER DEPOSITS-HENDERSON	\$	(186,449.00)
235600	CONSUMER DEPOSIT-HOPKINS CO COAL	\$	(2,700.00)
235700	CONSUMER DEPOSIT-CARDINAL RIVER	\$	(3,200.00)
235800	CONSUMER DEPOSIT-CENTURY ALUMINUM	\$	-
236100	ACCRUED PROPERTY TAXES	\$	(59,348.00)
236200	ACCRUED FED UNEMP TAXES	\$	-
236300	ACCRUED SOCIAL SECURITY TAXES-FICA	\$	(57,101.82)
236400	KY UNEMPLOYMENT INSURANCE TAX	\$	-
237100	INTEREST ACCRUED-REA CONSTRUCTION	\$	(404.23)
237110	INTEREST ACCRUED-CFC	\$	-
237200	INTEREST ACCRUED-COBANK	\$	(121,411.95)
237210	INTEREST ACCRUED-FEDERAL FINANACING	\$	(197,797.24)
237300	INTEREST ACCR.-LINE OF CREDIT NOTES	\$	(1,253.42)
237400	ACC INT EXP-CONSUMER DEPOSITS-OBORO	\$	(29,594.44)
237410	ACCRUED INTEREST-CONS DEPOSITS-HQ	\$	(5,947.30)
237420	ACCRUED INTEREST-COMMONWEALTH DEPOS	\$	(60,161.54)
237430	ACCRUED INTEREST-AMERICAN ENGINEERI	\$	-
237440	ACCRUED INTEREST-ACMI (ALCOA)	\$	(828.43)
237450	ACCRUED INTEREST-CARDINAL RIVER	\$	(129.42)
237460	ACCRUED INTEREST EXP-HOPKINS CO COA	\$	(174.78)
238100	PATRONAGE CAPITAL PAYABLE	\$	26.07
241000	TAXES PAYABLE-SALES TAX	\$	(123,512.02)
241100	TAXES PAYABLE-U S INCOME TAX W/HELD	\$	-
241200	TAXES PAYABLE-KY INCOME TAX W/HELD	\$	(18,652.90)
241250	TAXES PAYABLE-INDIANA TAX W/HELD	\$	-
241300	TAXES PAYABLE-HANCOCK CO OCC TAX	\$	(916.85)
241310	OHIO CO OCCUPATIONAL TAX	\$	(550.98)
241320	CALDWELL COUNTY OCCUPATIONAL TAX	\$	(173.93)
241330	MARION OCCUPATIONAL TAX	\$	(518.05)
241340	MCLEAN COUNTY OCCUPATIONAL TAX	\$	(436.44)
241350	ACCRUED GROSS REVENUE TAX-CRITTENDE	\$	(4,748.27)

241360	ACCRUED GROSS REV TAX-UNION COUNTY	\$	-
241370	DAVISS CO OCCUPATIONAL TAX	\$	(6,610.93)
241380	UNION CO OCCUPATIONAL TAX	\$	(222.12)
241390	CITY OF OWENSBORO OCCUPATIONAL TAX	\$	(26.31)
241395	CITY OF HENDERSON-OCCUPATIONAL TAX	\$	-
241400	TAXES PAYABLE-OHIO CO UTILITY	\$	(10,691.33)
241450	ACCRUED GROSS REVENUE TAX-CALDWELL	\$	(2,829.35)
241500	TAXES PAYABLE-HANCOCK CO UTILITY	\$	(13,282.49)
241550	ACCRUED GROSS REVENUE TAX-UNION CO	\$	(6,200.48)
241600	TAXES PAYABLE-DAVISS CO UTILITY	\$	(55,629.21)
241650	ACCRUED GROSS REV TAX-LIVINGSTON	\$	(12.46)
241700	TAXES PAYABLE-MCLEAN CO UTILITY	\$	(9,838.43)
241750	ACCRUED GROSS REV TAX-PROVIDENCE	\$	(6.49)
241800	TAXES PAYABLE-HENDERSON CO UTILITY	\$	(27,054.23)
241850	ACCRUED GROSS REVENUE TAX-LYON CO	\$	(3,042.49)
241870	TAXES PAYABLE-BRECKENRIDGE CO	\$	(8.12)
241900	TAXES PAYABLE-WEBSTER CO UTILITY	\$	(15,535.15)
241950	TAXES PAYABLE - HOPKINS CO. UTILITY	\$	(4.09)
241970	TAXES PAYABLE-OWENSBORO FRANCHISE	\$	(16,350.33)
241990	TAXES PAYABLE-DAVISS CO. LANDFILL	\$	-
242200	ACCRUED PAYROLL	\$	(134,826.15)
242210	PAYROLL DEDUCTION-UNITED FUND	\$	(165.00)
242220	PAYROLL DEDUCTION-CREDIT UNION	.	
242230	PAYROLL DED-SURE CONTRUBUTION	\$	(1,260.30)
242240	PAYROLL DED-CANCER & LIFE INS	\$	(398.32)
242250	PAYABLE-DEFINED CONTR PENSION PLAN	\$	(8,491.21)
242260	401K LOAN REPAYMENT	\$	(1,088.43)
242270	SECTION 125 PREMIUM	\$	(89.98)
242280	SECTION 125 MEDICAL SAVINGS	\$	1,255.74
242300	ACCRUED VACATION	\$	(665,747.53)
242320	ACCRUED LEAVE	\$	-
242410	WINTERCARE PAYABLE	\$	(480.83)
242500	OTHER CURRENT/ACCRUED LIABILITIES	\$	-
242700	ACCRUED NRECA DUES	\$	-
252000	CONSUMER ADV FOR CONST-MOBILE HOMES	\$	(146,422.12)
252100	CONSUMER ADV FOR CONST-TEMP SERVICE	\$	(437,494.04)
252200	CUSTOMER CONTRIBUTIONS-NEW LINE	\$	(99,098.00)
253000	ADVANCE JOINT-USE RENTAL	\$	-
253100	CONSUMER ACCOUNT CR BALANCES-REFUND	\$	-
253120	UNREDEEMED GIFT CERTIFICATES	\$	(958.56)
253150	CONSUMER CLEARING ACCOUNT-OTHER	\$	-
253200	OTHER DEFERRED CREDITS-BREC ECO DEV	\$	-
253250	DEFERRED CREDIT-BREC HANSON LEASE	\$	(218,164.21)
253300	OTHER DEFERRED CREDITS-SPECIAL EQP	\$	(44,609.53)
253400	CUSTOMERS CONST PAYMENT-NEW LINE	\$	-
302000	FRANCHISES AND CONSENTS	\$	19,355.24
360000	DIST PLANT-LAND AND LAND RIGHTS	\$	44,267.64
360100	DIST PLANT-LAND AND LAND RIGHTS	\$	769,432.82
362000	DIST PLANT-STATION EQUIPMENT	\$	17,972,712.69
362100	DIST PLANT-SUPERVISORY CONTROL EQP	\$	1,907,174.20
362200	MICROWAVE SYSTEM-EQUIPMENT	\$	2,057,340.65

362223	MICROWAVE SYSTEM TOWERS	\$	1,354,846.47
362400	DIST PLANT-OWENSBORO FIBER	\$	915,008.80
364000	DIST PLANT-POLES-TOWERS-FIXTURES	\$	55,689,067.79
365000	DIST PLANT-OVERHEAD CONDUCTORS	\$	43,909,211.22
366000	UNDERGROUND CONDUIT	\$	14,166.24
367000	DIST PLANT-UNDERGROUND CONDUCTORS	\$	9,815,435.23
368000	DIST PLANT-LINE TRANSFORMERS	\$	26,290,024.92
369000	DIST PLANT-SERVICES	\$	15,752,110.81
370000	DIST PLANT-METERS	\$	4,651,074.03
371000	DIST PLANT-INSTALLED ON CONSUMER	\$	2,796,078.25
373000	DIST PLANT-STREET&SIGNAL SYSTEMS	\$	550,896.29
389000	GEN PLANT-LAND & LAND RIGHTS	\$	469,363.28
390000	GEN PLANT-STRUCTURES & IMPROVEMENTS	\$	6,798,825.31
390100	STRUCTURES & IMPROVEMENTS-MARION	\$	184,868.88
390200	STRUCTURES & IMPROVEMENTS-STRUGIS	\$	39,350.59
391000	GEN PLANT-OFFICE FURN & FIXTURES	\$	782,708.87
391100	COMPUTER AND RELATED EQUIPMENT	\$	638,574.98
391110	COMPUTER SOFTWARE	\$	22,533.05
391150	FIBER OPTIC EQUIPMENT	\$	37,163.56
392000	GEN PLANT-TRANSPORTATION EQUIPMENT	\$	7,314,581.92
392100	GEN PLANT-R.O.W. TRANS EQUIPMENT	\$	270,587.94
393000	GEN PLANT-STORES EQUIPMENT	\$	198,124.96
394000	GEN PLANT-SHOP & GARAGE EQUIPMENT	\$	407,304.03
394100	GEN PLANT-TOOLS & WORKING EQUIPMENT	\$	512,362.43
394200	GEN PLT - ROW TOOLS & WORKING EQUIP	\$	127,203.26
395000	GEN PLANT-LABORATORY EQUIPMENT	\$	640,502.23
395100	LABORTORY EQUIPMENT-MICROWAVE SYS	\$	44,940.55
395200	FIBER OPTIC TEST EQUIPMENT	\$	21,953.11
396000	GEN PLANT-POWER OPERATED EQUIPMENT	\$	165,910.91
396100	GEN PLANT-RIGHT-OF-WAY EQUIPMENT	\$	516,876.73
396200	GEN PLANT-POWER OPERATED EQUIPMENT	\$	181,794.87
396300	GEN PLANT-TRACK VEHICLES	\$	138,902.09
397000	GEN PLANT-COMMUNICATION EQUIPMENT	\$	1,110,364.83
397100	GEN PLT-COMM EQUIP UNDER CAP LEASE	\$	1,006.89
397200	GENERAL PLANT-FIBER OPTIC SONET	\$	465,863.82
398000	GEN PLANT-MISCELLANEOUS EQUIPMENT	\$	218,253.36
398100	GEN PLANT-GIS EQUIPMENT	\$	375,482.02
403220	GENERAL PLANT DEPRECIATION-CLASS A	\$	98.38
403230	GENERAL PLANT DEPRECIATION-CLASS B	\$	12.62
403240	GENERAL PLANT DEPRECIATION-CLASS C	\$	163.80
403250	DEPRE-DIST PLANT-CLASS C	\$	34,206.30
403600	DEPRECIATION EXP-DISTRIBUTION PLANT	\$	5,488,646.02
403700	DEPRECIATION EXP-GENERAL PLANT	\$	229,656.69
403710	DEPRECIATION-GENERAL PLT-BUILDINGS	\$	-
404000	AMORTIZATION LIMITED TERM ELEC PLT	\$	-
408120	PROPERTY TAXES-CLASS A	\$	359.45
408130	PROPERTY TAXES-CLASS B	\$	202.96
408140	PROPERTY TAXES-CLASS C	\$	808.98
408700	TAXES-OTHER	\$	-
408710	REGULATORY ASSESSMENT TAX	\$	72,927.08
408720	REGULATORY ASSESSMENT TAX-CLASS A	\$	158,050.52

408730	REGULATORY ASSESSMENT TAX-CLASS B	\$	20,372.41
408740	REGULATORY ASSESSMENT TAX-CLASS C	\$	9,702.81
409100	INCOME TAX EXPENSE	\$	7,336.20
415000	REVENUES FROM GEOTHERMAL	\$	(156,932.87)
415200	REVENUE-ELECTRIC GRILLS	\$	-
415500	REVENUES FROM WATER HEATER PROGRAM	\$	-
415510	BREC REBATES - WATER HEATERS	\$	-
415600	REVENUES-SURGE PROTECTOR SALES	\$	-
415601	REVENUE-SURGE PROTECTORS LEASED	\$	(13,885.00)
415700	REVENUES-AMUSEMENT PARK TICKET	\$	(92,498.03)
416000	COSTS & EXPENSES-GEOTHERMAL	\$	153,001.68
416100	GENERAL MERCHANDISING ACTIVITIES	\$	80.26
416200	COST & EXPENSES-ELECTRIC GRILLS	\$	-
416500	COST AND EXPENSES - WATER HEATERS	\$	335.91
416600	COST & EXPENSES - SURGE PROTECTORS	\$	8,014.80
416700	COST & EXPENSES-AMUSEMENT PK TICKET	\$	94,345.81
416900	COST & EXPENSES-HOME SECURITY SYS	\$	-
417000	REVENUES-NON UTILITY OPS	\$	-
417002	REVENUE-INTERNET-LOCAL/LONG DISTANC	\$	(77,141.27)
417003	REVENUE-HOME SECURITY MONITORING	\$	(29.95)
417004	REVENUE-HOME SECURITY MAINTENANCE	\$	-
417006	POINT-TO-POINT FIBER SERVICE-REVENU	\$	(32,861.70)
417007	REVENUE-WIRELESS ISP	\$	(18,986.02)
417100	EXPENSES-NON UTILITY OPS	\$	(25.32)
417102	EXPENSES-INTERNET-LOCAL/LONG DISTAN	\$	62,414.76
417103	EXPENSES-HOME SECURITY MONITORING	\$	-
417105	EXPENSES-HOME SECURITY	\$	284.64
417106	EXPENSES-POINT TO POINT FIBER SERV	\$	27,352.94
417107	EXPESES-WIRELESS ISP	\$	43,440.05
418100	EQUITY IN EARNINGS OF SUBSIDIARY	\$	-
419000	INTEREST-DIVIDEND INCOME	\$	(857,978.26)
419100	INTEREST-COMMONWEALTH DEPOSIT	\$	(34,443.14)
419300	ERC INTEREST INCOME	\$	(882.41)
419400	INTEREST-HOME SECURITY SYS LOANS	\$	-
421000	MISC NON-OPERATING INC-DEDUCTIONS	\$	(17,896.76)
421100	GAIN ON DISPOSITION OF PROPERTY	\$	(479.13)
421200	LOSS ON DISPOSITION OF PROPERTY	\$	52,751.05
421220	NON-OPERATING INCOME CLASS A	\$	-
421230	NON-OPERATING INCOME CLASS B	\$	-
421240	NON-OPERATING INCOME CLASS C	\$	-
423000	G AND T COOP CAPITAL CREDITS	\$	-
423100	CONTRA-ACCOUNT G & T CAPITAL CR	\$	-
424000	OTHER CAPITAL CR ALLOCATIONS	\$	(194,580.10)
426100	OTHER INCOME DEDUCTIONS-DONATIONS	\$	52,091.19
426400	MISC INC DED-EXP FOR CIVIC POL ACT	\$	10,040.00
426500	MISC INC DED-OTHER DEDUCTIONS	\$	1,430.55
427100	INTEREST ON REA CONSTRUCTION LOAN	\$	2,454,675.60
427125	INTEREST RUS-CLASS C	\$	55,171.50
427200	INTEREST -LONG TERM DEBT-CFC	\$	(158.97)
427210	INTEREST ON COBANK LOANS	\$	1,087,636.34
427220	INTEREST-FEDERAL FINANCING BANK	\$	601,312.48

427300	INTEREST ON CWIP	\$	(60,091.61)
431000	INTEREST EXP - CONSUMER DEPOSITS	\$	78,292.35
431100	INTEREST EXPENSE-SHORT TERM LOANS	\$	4,507.18
431200	INTEREST EXPENSE-COMMONWEALTH DEPOS	\$	59,999.33
431300	INTEREST EXP-AMERICAN ENG DEPOSIT	\$	-
431400	INTEREST EXPENSE-ACMI (ALCOA)	\$	900.98
431500	INTEREST EXPENSE-CARDINAL RIVER	\$	129.42
431600	INTEREST EXPENSE-HOPKINS CO COAL	\$	161.02
434000	EXTRAORDINARY INCOME	\$	-
435000	EXTRAORDINARY DEDUCTIONS	\$	-
435100	CUMULATIVE EFFECT ON PRIOR YEARS	\$	-
440000	CONSOLIDATION CREDIT	\$	-
440100	REVENUE-RESIDENTIAL(EXCLUD SEASONAL	\$	(45,306,011.33)
440200	REVENUE-RESIDENTIAL-SEASONAL	\$	(17,120.86)
442100	REVENUE-COMMERCIAL-SINGLE PHASE	\$	(5,989,735.87)
442101	REV-COMMERCIAL-3PHASE-UNDER 1000KW	\$	(8,867,038.27)
442102	REVENUE-FORMER HUEC 3PHASE 0-50KVA	\$	(238,901.69)
442103	REVENUE-FORMER HUEC-PIONEER PLASTIC	\$	(131,057.90)
442200	REV-COMMERCIAL-3PHASE(OVER 1000KW)3	\$	(3,644,986.40)
442201	REV-COMMERCIAL 3PH(OVER 2000KW)R-31	\$	(289,543.25)
442210	REVENUE-COMM-COMMONWEALTH ALUMINUM	\$	(5,681,907.95)
442219	REVENUE-ALCAN	\$	(85,938,148.82)
442220	REVENUE-INDUSTRIAL-WEYERHAEUSER	\$	(7,663,374.35)
442229	REVENUE-GRAIN DRYING SERVICE (HQ)	\$	-
442230	REVENUE-COMM-INDUSTRIAL-CENTURY	\$	(103,458,614.30)
442240	REVENUE-INDUSTRIAL ALCOA AUTO CAST	\$	(754,039.28)
442280	REVENUE-COMM- ROLL COATER	\$	(780,487.31)
442290	REVENUE-INDUSTRIAL-KIMBERLY CLARK	\$	(8,561,417.45)
442291	REVENUE-INDUSTRIAL-OHIO COUNTY COAL	\$	(429,384.84)
442801	REVENUE-ACCURIDE	\$	(1,267,157.80)
442802	REVENUE-AMERICAN ENGINEER & CONST	\$	-
442803	REVENUE-BRECKENRIDGE	\$	-
442804	REVENUE-ALLIED RESOURCES	\$	(391,767.52)
442805	REVENUE-HOPKINS CO COAL	\$	(48,057.67)
442806	REVENUE-DOTIKI #3	\$	(183,572.37)
442807	REVENUE-TYSON	\$	(2,500,357.28)
442808	REVENUE-KBI ALLOYS	\$	(384,754.13)
442809	REVENUE-LODESTAR ENERGY	\$	-
442810	REVENUE-KMMC L L C	\$	(697,512.62)
442811	REVENUE-PATRIOT COAL	\$	(991,068.57)
442812	REVENUE-CARDINAL RIVER RESOURCES	\$	(65,355.36)
442813	REVENUE-SMITH COAL	\$	-
442814	REVENUE-VALLEY GRAIN	\$	(439,627.61)
442815	REVENUE-STEAMPORT	\$	-
442817	REVENUE-DYSON CREEK MINE	\$	(323,921.77)
442819	REV-LARGE POWER 3 CLASS O (HQ)	\$	-
444000	REVENUE-PUBLIC STREET&HWY LIGHTS 5	\$	(204,262.26)
445000	REVENUE-PUBLIC AUTHORITIES-SINGLE P	\$	(694,378.58)
445100	REVENUE-PUBLIC AUTHORITIES-3PHASE	\$	(2,062,588.45)
450000	REVENUE-FORFEITED DISCOUNTS	\$	(426,448.58)
450220	FORFEITED DISCOUNTS-CLASS A	\$	-

450230	FORFEITED DISCOUNTS-CLASS B	\$	-
450240	FORFEITED DISCOUNTS-CLASS C	\$	(887.39)
451000	REVENUE-TURN-ON CHARGE	\$	(2,585.00)
451100	REVENUE-RECONNECT CHARGE	\$	(37,340.00)
451200	REVENUE-TERMINATION OR FIELD CONNEC	\$	(108,350.00)
451220	MISC SERVICE REVENUES-CLASS A	\$	-
451230	MISC SERVICE REVENUE-CLASS B	\$	-
451240	MISC SERVICE REVENUE-CLASS C	\$	-
451300	REVENUE-SPECIAL METER READING CHARG	\$	(136,630.00)
451400	REVENUE-METER TEST CHARGE	\$	(175.00)
451500	REVENUE-RETURNED CHECK CHARGE	\$	(13,570.00)
451600	REVENUE-UNNECESSARY TRIP BY S/MAN	\$	(505.00)
454000	REVENUE-RENT FROM BELL SOUTH ATTACH	\$	(388,660.02)
454100	REVENUE-RENTAL FROM TOWER LEASES	\$	(62,100.00)
454110	REVENUE-RENT FROM CABLE CO ATTACHME	\$	(63,665.38)
454200	REVENUE-RENTAL PERSONAL PROPERTY	\$	(2,761.57)
456000	KY SALES TAX RETURN COMPENSATION	\$	(15,029.75)
555000	PURCHASED POWER RURAL	\$	41,096,437.35
555101	PURCHASED POWER-ACCURIDE	\$	1,126,330.15
555102	PURCHASED POWER-AMERICAN ENGINEERIN	\$	-
555103	PURCHASED POWER-BRECKENRIDGE	\$	-
555104	PURCHASED POWER-ALLIED RESOURCES	\$	366,208.86
555105	PURCHASED POWER-HOPKINS CO COAL	\$	42,785.65
555106	PURCHASED POWER-DOTIKI #3	\$	160,792.31
555107	PURCHASED POWER-TYSON	\$	2,118,338.67
555108	PURCHASED POWER-KBI ALLOYS	\$	354,304.31
555109	PURCHASED POWER-LODESTAR ENERGY	\$	-
555110	PURCHASED POWER-KMMC L L C	\$	644,173.63
555111	PURCHASED POWER-PATRIOT COAL	\$	904,739.35
555112	PURCHASED POWER-CARDINAL RIVER RES	\$	60,762.30
555113	PURCHASED POWER-SMITH COAL	\$	-
555114	PURCHASED POWER-VALLEY GRAIN	\$	367,677.90
555115	PURCHASED POWER-STEAMPORT	\$	-
555117	PURCHASED POWER-DYSON CREEK MINE	\$	287,688.90
555200	PURCHASED POWER-COMMONWEALTH ALUM	\$	5,636,973.79
555300	PURCHASED POWER-WEYERHAEUSER	\$	7,539,136.27
555400	PURCHASED POWER-LEM-CENTURY	\$	81,128,022.05
555401	PURCHASED POWER-BREC-CENTURY	\$	20,497,298.26
555402	PURCHASED POWER-SIGECO-CENTURY	\$	1,605,115.50
555403	PURCHASED POWER-MORGAN STANLEY(CENT	\$	-
555500	PURCHASED POWER---ALCOA AUTO CASTIN	\$	686,216.70
555600	PURCHASED POWER-LEM-ALCAN	\$	54,157,577.02
555601	PURCHASED POWER-CINERGY-ALCAN	\$	-
555602	PURCHASED POWER-SIGECO-ALCAN	\$	5,822,434.67
555603	PURCHASED POWER-BREC-ALCAN	\$	23,971,946.03
555604	PURCHASED POWER-HENDERSON MUNICIPAL	\$	1,806,496.50
555900	PURCHASED POWER- ROLL COATER	\$	717,597.22
555950	PURCHASED POWER-KIMBERLY CLARK	\$	8,494,279.15
555960	PURCHASED POWER-OHIO COUNTY COAL	\$	393,158.48
580000	DISTRIBUTION-EXP-OPS-SUPERVISION	\$	-
581000	LOAD DISPATCHING & VOLTAGE CONTROL	\$	-

582000	DISTRIBUTION-EXP-OPS STATION EXP	\$	248,645.69
582200	DIST EXP OPR - MICROWAVE SYSTEM	\$	29,030.30
583000	DISTRIBUTION-EXP-OPS OVERHEAD LINE	\$	1,251,431.23
583100	OPERATION OVERHEAD LINES-MAJOR STOR	\$	-
583200	OVERHEAD LINE EXP-SPECIAL EQUIPMENT	\$	-
583300	OVERHEAD LINE EXP-PCB INSPECTIONS	\$	(312.18)
583400	PSC LINE PATROL	\$	-
583500	OSMOSE POLE INSPECTION-COOP LABOR	\$	-
584000	DISTRIBUTION-EXP-OPS-UNDERGROUND	\$	76,261.08
584200	UNDERGROUND LINE EXP-SPECIAL EQUIP	\$	-
584400	PSC LINE PATROL-UNDERGROUND	\$	-
586000	DISTRIBUTION-EXP-OPS METERS	\$	716,857.50
586100	DISTRIBUTION EXP-OPS SPECIAL TEST	\$	-
587000	DIST EXP-OPS CONSUMER INSTALLATION	\$	22,376.98
588000	DIST EXP-OPS MISCELLANEOUS DIST	\$	1,905,257.87
588100	DIST EXP-OPS STORM DAMAGE-DISPATCH	\$	-
588200	DIST EXP-OPS STORM DAMAGE-PHONES	\$	-
590000	DIST EXP-MAIN-SUPERVISION-ENG	\$	-
592000	DIST EXP-MAIN-STATION EQUIPMENT	\$	355,748.83
592100	DIST EXP-MAIN-SUPERVISORY CONTROL	\$	84,110.05
592200	DIST EXP MAIN-MICROWAVE SYSTEM	\$	89,641.37
592250	DIST EXPENSE-STATION EQUIP-CLASS C	\$	33,103.01
593000	DIST EXP-MAIN-OVERHEAD LINES	\$	2,766,752.61
593200	DIST EXP-MAIN-STORM DAMAGE	\$	-
593250	DIST EXPENSE-OVERHEAD LINE-CLASS C	\$	33,103.01
593300	MAINTENANCE OF OVERHEAD LINES-ROW	\$	3,651,823.06
593400	REPAIRS/PSC LINE PATROL	\$	-
593500	DIST EXP-MAIN-OVERHD LINES CREW 50	\$	-
593600	DIST EXP-MAIN-OVERHD LINES CREW 55	\$	-
593700	DIST EXP-MAIN-OH LINES TEMP CREWS	\$	-
594000	DIST EXP-MAIN-UNDERGROUND LINES	\$	545,519.59
595000	DIST EXP-MAIN-LINE TRANSFORMERS	\$	87,907.75
596000	DIST EXP-MAIN-ST LIGHTS-SIGNALS	\$	145,354.70
597000	DIST EXP-MAIN-METERS	\$	115,814.30
598000	DIST EXP-MISC DISTRIBUTION PLT	\$	204,791.75
901000	CONSUMER ACC EXP-OPS SUPERVISION	\$	264.44
902000	CONS ACC EXP-OPS ANN METER READING	\$	38,210.51
902100	CONSUMER ACC EXP-OPS METER READING	\$	(3,552.37)
902220	METER READING-CLASS A	\$	-
902230	METER READING-CLASS B	\$	-
902240	METER READING- CLASS C	\$	-
903000	CONSUMER ACC EXP-OPS RECORD-COLLECT	\$	2,741,836.73
903100	CONSUMER ACC EXP-OPS RECORD COLLECT	\$	(1,103.99)
903200	DATA PROCESSING EXPENSE	\$	-
903220	BILLING-CLASS A	\$	111.26
903230	BILLING-CLASS B	\$	137.24
903240	BILLING-CLASS C	\$	709.52
904000	CONSUMER ACC EXP-OPS UNCOLLECT-ACCT	\$	-
904220	BAD DEBT-CLASS A	\$	-
904230	BAD DEBT-CLASS B	\$	-
904240	BAD DEBT-CLASS C	\$	-

907000	ADM/CONSUMER SVC AND INFOR. EXP.	\$	-
907300	WATER HEATER EXPENSE	\$	-
908000	CUSTOMER ASSISTANCE EXPENSE	\$	185,276.33
908100	CUSTOMER ASSIST EXP-RCS AUDIT	\$	-
908200	CUSTOMER ASST EXP-CACS AUDIT	\$	-
908220	CUSTOMER ASSISTANCE-CLASS A	\$	-
908240	CUSTOMER ASSISTANCE-CLASS C	\$	-
908300	GREC REBATES - WATER HEATERS	\$	-
908400	CUSTOMER ASSISTANCE-KEY ACCOUNTS	\$	-
909000	INFORMATIONAL ADVERTISING	\$	-
909100	INFORMATION & ADVER EXP-RCS PROGRAM	\$	-
909200	INFORMATION & ADV EXP-CACS PROGRAM	\$	-
909300	INFORMATION & ADV - WATER HEATER	\$	-
910000	MISC CUSTOMER SERVICE & INFO EXP	\$	450.35
910100	MISC CUSTOMER SERV EXPENSE-RCS PROG	\$	-
910200	MISC CUSTOMER SERV EXP-CACS PROGRAM	\$	-
910300	COST AND EXPENSES - WATER HEATERS	\$	-
912000	DEMONSTRATING AND SELLING EXPENSE	\$	73,309.26
913000	MEMBER AND PUBLIC RELATION EXPENSES	\$	40,345.87
913220	C & I PROGRAM-CLASS A	\$	29.47
913230	C & I PROGRAM-CLASS B	\$	34.20
913240	C & I PROGRAM-CLASS C	\$	178.27
920000	ADM-GEN EXP-OPS-	\$	1,002,805.05
920100	ADM-GEN EXPENSE-OPS-	\$	-
920200	ADM-GEN EXPENSE-OPS-GEN OFF SALARY	\$	141,646.96
920220	DIRECT MANAGEMENT LABOR-CLASS A	\$	29,282.10
920221	ALLOCATED GEN MANAGEMENT-CLASS A	\$	3,729.63
920222	EMPLOYEE TRAINING & OTHER CLASS A	\$	316.14
920230	DIRECT MANAGEMENT LABOR-CLASS B	\$	2,662.86
920231	ALLOCATED GEN MANAGEMENT-CLASS B	\$	1,537.07
920232	EMPLOYEE TRAINING & OTHER CLASS B	\$	42.27
920240	DIRECT MANAGEMENT LABOR-CLASS C	\$	13,703.73
920241	ALLOCATED GEN MANAGEMENT-CLASS C	\$	7,133.05
920242	EMPLOYEE TRAINING & OTHER-CLASS C	\$	552.20
920300	ADM-GEN EXPENSE-OPS-OFFICE SALARIES	\$	-
921000	ADM-GEN EXPENSE	\$	275,468.28
921220	OFFICE EQUIP/SUPPLIES CLASS A	\$	3,615.90
921221	PRINTING CLASS A	\$	550.57
921230	OFFICE EQUIP/SUPPLIES CLASS B	\$	2,094.17
921231	PRINTING CLASS B	\$	330.53
921240	OFFICE EQUIP/SUPPLIES CLASS C	\$	9,068.01
921241	PRINTING CLASS C	\$	1,468.96
923000	OUTSIDE SERVICES - GENERAL	\$	100,763.42
923100	OUTSIDE SVCS-DISPOSAL SITE CLEANUP	\$	-
923200	OUTSIDE SVCS-HAWESVILLE MUNICIPAL	\$	-
923220	DIRECT OUTSIDE SERVICES CLASS A	\$	6,067.12
923230	DIRECT OUTSIDE SERVICES CLASS B	\$	778.49
923240	DIRECT OUTSIDE SERVICES CLASS C	\$	3,437.75
923300	OUTSIDE SVCS-BREC BANKRUPTCY	\$	-
924000	PROPERTY INSURANCE	\$	-
925000	INJURIES AND DAMAGES	\$	-



926000	EMPLOYEE PENSIONS AND BENEFITS	\$	16,911.39
927000	FRANCHISES-ANNUAL	\$	12,000.00
928000	REGULATORY COMM. EXPENSE	\$	53,637.03
928100	EXPENSES-2004 RATE CASE	\$	-
928220	PSC EXPENSE-CLASS A	\$	850.01
928230	PSC EXPENSE-CLASS B	\$	511.56
928240	PSC EXPENSES-CLASS C	\$	2,253.80
930100	GENERAL ADVERTISING EXPENSES	\$	28,984.27
930200	MISC. GENERAL EXPENSES	\$	679,614.74
930201	DUES ASSOC. & COMMUNITY AGENCY	\$	82,395.22
930203	GENERAL EXPENSE-ANNUAL MTG & CAP CR	\$	-
930204	GENERAL EXPENSE-OTHER	\$	-
930210	DIRECTORS FEES & EXPENSES	\$	228,039.43
930220	ADVERTISING GENERAL-CLASS A	\$	16.71
930221	OTHER A & G CLASS A	\$	9,958.94
930230	ADVERTISING GENERAL-CLASS B	\$	13.67
930231	OTHER A & G CLASS B	\$	5,411.43
930240	ADVERTISING GENERAL-CLASS C	\$	19,856.75
930241	OTHER A & G CLASS C	\$	23,934.04
935000	MAINT OF GENERAL PLANT	\$	263,287.31
935100	MAINT OF MOBILE RADIO SYSTEM	\$	-
935220	BUILDINGS/GROUNDS CLASS A	\$	767.35
935230	BUILDINGS/GROUNDS CLASS B	\$	76.64
935240	BUILDING/GROUNDS CLASS C	\$	787.07



***KENTUCKY 65 HENDERSON  
KENERGY CORP.  
HENDERSON, KENTUCKY***

***FINANCIAL STATEMENTS***

***Years Ended December 31, 2005 and 2004***

***(With Independent Auditors' Report Thereon)***

## CONTENTS

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	<u>Pages</u>
Independent Auditors' Report	1
Financial Statements:	
Balance Sheets	2
Statements of Revenue and Expenses	3
Statements of Changes in Members' Equities	4
Statements of Cash Flows	5
Notes to Financial Statements	6-19
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20



Riney, Hancock & Co., PSC  
Certified Public Accountants & Financial Advisors

2900 Veach Road, Suite 2  
Owensboro, Kentucky 42303  
270-926-4540  
Fax: 270-926-1494

313 Southeast First Street  
Evansville, Indiana 47713  
812-423-0300  
Fax: 812-423-6282

www.rineyhancock.com  
E-mail: info@rineyhancock.com

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Kenergy Corp.  
Henderson, Kentucky

We have audited the accompanying balance sheets of Kenergy Corp. (Kenergy) as of December 31, 2005 and 2004, and the related statements of revenue and expenses, changes in members' equities and cash flows for the years then ended. These financial statements are the responsibility of Kenergy's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kenergy as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2006, on our consideration of Kenergy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Riney, Hancock + Co., PSC*

Owensboro, Kentucky  
February 22, 2006

**KENERGY CORP.****BALANCE SHEETS**

December 31, 2005 and 2004

<b>ASSETS</b>	<u>2005</u>	<u>2004</u> As Adjusted
Utility plant, net	\$ <u>163,774,689</u>	\$ <u>158,276,966</u>
Investments	<u>8,033,899</u>	<u>8,334,802</u>
Current assets:		
Cash and cash equivalents	1,378,839	848,890
Accounts receivable, less allowance for doubtful accounts: 2005, \$158,436; 2004, \$261,059		
Billed	21,415,638	19,621,371
Unbilled	7,783,976	7,236,156
Materials and supplies	1,747,138	1,758,483
Other current assets	<u>233,162</u>	<u>687,363</u>
Total current assets	<u>32,558,753</u>	<u>30,152,263</u>
Other assets	<u>51,797</u>	<u>359,959</u>
<b>Total assets</b>	<b>\$ <u><u>204,419,138</u></u></b>	<b>\$ <u><u>197,123,990</u></u></b>
<b>MEMBERS' EQUITIES AND LIABILITIES</b>		
Members' equities:		
Memberships	\$ 275,480	\$ 275,470
Patronage capital	51,234,702	52,310,166
Other	<u>3,407,515</u>	<u>2,858,224</u>
	<u>54,917,697</u>	<u>55,443,860</u>
Long-term debt	<u>113,756,489</u>	<u>107,902,571</u>
Current liabilities:		
Note payable	1,500,000	1,000,000
Accounts payable	23,197,693	21,623,443
Consumer deposits	2,408,744	2,272,175
Current maturities of long-term debt	3,752,161	3,757,222
Other current and accrued liabilities	<u>1,662,272</u>	<u>1,381,938</u>
Total current liabilities	<u>32,520,870</u>	<u>30,034,778</u>
Other noncurrent liabilities	<u>2,277,336</u>	<u>2,946,383</u>
Deferred credits	<u>946,746</u>	<u>796,398</u>
<b>Total members' equities and liabilities</b>	<b>\$ <u><u>204,419,138</u></u></b>	<b>\$ <u><u>197,123,990</u></u></b>

See Notes to Financial Statements

**KENERGY CORP.****STATEMENTS OF REVENUE AND EXPENSES**

Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u> As Adjusted
<b>Operating revenue</b>	\$ <u>289,264,858</u>	\$ <u>281,710,528</u>
<b>Operating expenses:</b>		
Cost of power	259,986,490	254,634,344
Distribution operation	4,249,548	3,630,461
Distribution maintenance	8,113,669	7,867,433
Customer accounts	2,776,613	2,671,722
Consumer service and information	185,728	162,956
Sales	113,896	154,315
Administrative and general	3,036,362	2,712,862
Depreciation	5,752,782	5,528,019
Taxes	269,762	275,720
Other deductions	63,561	78,148
	<u>284,548,411</u>	<u>277,715,980</u>
<b>Operating margin before interest expense</b>	4,716,447	3,994,548
Interest on long-term debt	4,198,637	3,118,978
Interest charged to construction	(60,091)	(55,479)
Other interest expense	143,991	118,202
	<u>433,910</u>	<u>812,847</u>
<b>Operating margin</b>	433,910	812,847
Nonoperating margin:		
Investment income	893,305	836,782
Other income (expense)	(31,286)	(21,223)
	<u>1,295,929</u>	<u>1,628,406</u>
<b>Net margin before operating margin assigned</b>	1,295,929	1,628,406
Operating margin assigned by associated organizations	194,579	131,689
	<u>194,579</u>	<u>131,689</u>
<b>Net margin</b>	\$ <u><u>1,490,508</u></u>	\$ <u><u>1,760,095</u></u>

See Notes to Financial Statements

**KENERGY CORP.**

STATEMENTS OF CHANGES IN MEMBERS' EQUITIES

Years Ended December 31, 2005 and 2004

	<u>Member-</u> <u>ships</u>	<u>Patronage</u> <u>Capital</u>	<u>Other</u>	<u>Total</u>
<b>Balance, December 31, 2003, as originally reported</b>	\$ 291,875	\$ 54,017,459	\$ 2,409,075	\$ 56,718,409
Adjustment for change in accounting principle	<u>-</u>	<u>(1,717,707)</u>	<u>-</u>	<u>(1,717,707)</u>
<b>Balance, December 31, 2003, as adjusted</b>	291,875	52,299,752	2,409,075	55,000,702
Net refund of membership fees	(16,405)	-	-	(16,405)
Net margin, as adjusted	-	1,760,095	-	1,760,095
Accumulated other comprehensive income: Decrease in additional minimum pension liability	-	-	163,136	163,136
Patronage capital retired	-	(1,749,681)	-	(1,749,681)
Retired capital credits - gain	-	-	285,500	285,500
Other changes	<u>-</u>	<u>-</u>	<u>513</u>	<u>513</u>
<b>Balance, December 31, 2004, as adjusted</b>	275,470	52,310,166	2,858,224	55,443,860
Net refund of membership fees	10	-	-	10
Net margin	-	1,490,508	-	1,490,508
Accumulated other comprehensive income: Decrease in additional minimum pension liability	-	-	294,929	294,929
Patronage capital retired	-	(2,565,972)	-	(2,565,972)
Retired capital credits - gain	-	-	218,290	218,290
Other changes	<u>-</u>	<u>-</u>	<u>36,072</u>	<u>36,072</u>
<b>Balance, December 31, 2005</b>	<u>\$ 275,480</u>	<u>\$ 51,234,702</u>	<u>\$ 3,407,515</u>	<u>\$ 54,917,697</u>

See Notes to Financial Statements



**KENERGY CORP.**

**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u> As Adjusted
<b>Cash flows from operating activities:</b>		
Net margin	\$ 1,490,508	\$ 1,760,095
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation charged to operations	6,380,704	6,166,852
Noncash assigned capital credits	(132,844)	(139,630)
Decrease (increase) in accounts receivable	(1,794,267)	944,552
Decrease (increase) in materials and supplies	11,345	(50,967)
Decrease (increase) in other current assets	183,066	(1,470,929)
Increase (decrease) in accounts payable	1,574,250	(1,115,269)
Increase in other current and accrued liabilities	54,335	133,782
Other, net	-	(181,289)
	<u>7,767,097</u>	<u>6,047,197</u>
<b>Cash flows from investing activities:</b>		
Capital expenditures, net	(11,659,501)	(10,987,449)
Decrease (increase) in other investments, excluding assigned capital credits	248,525	(752,276)
	<u>(11,410,976)</u>	<u>(11,739,725)</u>
<b>Cash flows from financing activities:</b>		
Additional memberships, net of refunds	136,581	(84,234)
Net borrowings on note payable	500,000	1,000,000
Additional long-term debt	10,355,000	5,900,000
Reduction of long-term debt	(4,506,143)	(4,344,135)
Patronage capital retired	(2,311,610)	(1,463,667)
	<u>4,173,828</u>	<u>1,007,964</u>
Net increase (decrease) in cash and cash equivalents	529,949	(4,684,564)
Cash and cash equivalents, beginning of year	848,890	5,533,454
Cash and cash equivalents, end of year	<u>\$ 1,378,839</u>	<u>\$ 848,890</u>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid, net of amounts capitalized	<u>\$ 4,117,509</u>	<u>\$ 3,149,133</u>

See Notes to Financial Statements

# KENERGY CORP.

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

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### 1. Organization and Summary of Significant Accounting Policies

#### Nature of Business

Kenergy is a nonprofit electric distribution cooperative association which provides electric power to approximately 53,600 residential, commercial and industrial customers located in fourteen western Kentucky counties.

#### Basis of Accounting

The accounting policies of Kenergy reflect those prescribed by the United States Department of Agriculture Rural Utilities Service (RUS) and the Kentucky Public Service Commission (KPSC), which conform with accounting principles generally accepted in the United States of America in all material respects.

#### Revenues

Revenues are accrued when services are rendered based on rates authorized by the KPSC.

#### Utility Plant

Utility plant is stated at original cost, net of contributions, which is the cost when first dedicated to public service. Kenergy capitalizes supervisory and overhead costs applicable to construction projects.

Maintenance and repairs of property units and renewals of minor items of property are charged to maintenance expense accounts. The costs of replacing complete property units are charged to utility plant accounts and the original cost of distribution plant property units retired and cost of removal, net of salvage value, are charged to accumulated depreciation.

#### Depreciation

Depreciation is provided on the basis of the estimated useful lives of assets at straight-line rates, which for 2005 and 2004, were as follows:

Distribution plant	3.10% to 6.75%
General plant	2.00% to 15.60%

# KENERGY CORP.

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

### 1. Organization and Summary of Significant Accounting Policies, Continued

#### Depreciation, Continued

Kenergy uses the composite method of depreciation for distribution plant and the unit method of depreciation for general plant.

#### Investments

As more fully described in Note 4, Kenergy's investment in a generation and transmission corporation is recorded at zero. All other investments of Kenergy are stated at cost, which approximates fair value.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, money market funds, and investments with an original maturity of three months or less. The carrying amount reported in the balance sheet for cash and cash equivalents approximates fair value.

#### Materials and Supplies

Materials and supplies inventory are stated at the lower of cost or market using the average cost method.

#### Use of Estimates

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

### 2. Utility Plant

Utility plant at December 31 consists of the following:

	<u>2005</u>	<u>2004</u> <u>As Adjusted</u>
Distribution plant	\$ 184,508,203	\$ 176,506,038
General plant	<u>21,685,405</u>	<u>19,944,776</u>
	206,193,608	196,450,814

## KENERGY CORP.

### NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

#### 2. Utility Plant, Continued

	<u>2005</u>	<u>2004</u> <u>As Adjusted</u>
Less accumulated depreciation	45,328,490	41,311,548
	160,865,118	155,139,266
Construction in progress	2,909,571	3,137,700
	\$ 163,774,689	\$ 158,276,966

Depreciation expense for the years ended December 31, 2005 and 2004, was \$6,630,391 and \$6,166,852, respectively.

Interest capitalized during 2005 and 2004 related to construction of utility plant was \$60,091 and \$55,479, respectively.

#### 3. Change in Accounting Principle

Kenergy revised its cost allocation manual effective January 1, 2005, in a manner acceptable to RUS. These revisions were pursuant to a RUS loan audit for the period April 2001 through August 2005 that disallowed the capitalization of certain costs. As a result, Kenergy reduced margin and utility plant \$798,859 for 2004, \$877,914 for 2003, and \$839,793 for 2002. The financial statements for the year ended December 31, 2004, have been adjusted to apply the new method retrospectively as follows:

	<u>As Originally</u> <u>Reported</u>	<u>As</u> <u>Adjusted</u>	<u>Effect of</u> <u>Change</u>
Balance sheet:			
Utility plant, net	\$ 160,793,532	\$ 158,276,966	\$ (2,516,566)
Patronage capital	\$ 54,826,732	\$ 52,310,166	\$ (2,516,566)
Statement of revenue and expenses:			
Distribution operation	\$ 3,301,838	\$ 3,630,461	\$ 328,623
Distribution maintenance	\$ 7,680,715	\$ 7,867,433	\$ 186,718
Customer accounts	\$ 2,559,692	\$ 2,671,722	\$ 112,030
Sales	\$ 146,846	\$ 154,315	\$ 7,469
Administrative and general	\$ 2,487,686	\$ 2,712,862	\$ 225,176
Depreciation	\$ 5,589,176	\$ 5,528,019	\$ (61,157)
Net margin	\$ 2,558,954	\$ 1,760,095	\$ (798,859)

**KENERGY CORP.**

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

**3. Change in Accounting Principle, Continued**

	<u>As Originally Reported</u>	<u>As Adjusted</u>	<u>Effect of Change</u>
Statement of cash flows:			
Net margin	\$ 2,558,954	\$ 1,760,095	\$ (798,859)
Depreciation charged to operations	\$ 6,228,009	\$ 6,166,852	\$ (61,157)
Capital expenditures, net	\$ (11,847,465)	\$ (10,987,449)	\$ 860,016

The change in accounting principle resulted in a shift in costs of approximately \$776,930 from utility plant to operating expenses for the year ended December 31, 2005.

**4. Investments**

Generation and Transmission Corporation

As discussed in Note 8, Kenergy purchases electric power from Big Rivers, a generation and transmission cooperative association. The membership of Big Rivers is comprised of Kenergy and two other distribution cooperatives.

The following is an audited summary at December 31 of financial information pertaining to Big Rivers:

	<u>2005</u>	<u>2004</u>
	(In Thousands)	
Balance Sheet Data:		
Current assets	\$ 84,372	\$ 71,403
Noncurrent assets	1,141,608	1,149,237
Total assets	<u>1,225,980</u>	<u>1,220,640</u>
Current liabilities	34,053	22,537
Noncurrent liabilities	1,443,840	1,476,359
Total liabilities	<u>1,477,893</u>	<u>1,498,896</u>
Equities (deficit)	<u>\$ (251,913)</u>	<u>\$ (278,256)</u>
Income Statement Data:		
Revenues	\$ 248,955	\$ 232,530
Operating margin	\$ 11,887	\$ 9,622
Net margin	\$ 26,343	\$ 22,025

# KENERGY CORP.

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

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### 4. Investments, Continued

The above summary was obtained from Big Rivers audited financial statements as of and for the years ended December 31, 2005 and 2004. Big Rivers experienced significant operating losses in prior years and has a net equities deficiency of approximately \$252 million at December 31, 2005. Because the equity of Big Rivers is a deficit at December 31, 2005 and 2004, Kenergy's investment in Big Rivers is carried at zero in accordance with accounting principles generally accepted in the United States of America.

#### Other Investments

The more significant other investments are as follows:

Capital Term Certificates (CTC's) of the National Rural Utilities Cooperative Finance Corporation are carried at cost, which approximates market. The investment at December 31, 2005 and 2004, totaled \$2,528,878 and \$2,549,782, respectively. The CTC's mature in varying amounts from 2020 through 2080 and bear interest at 0%, 3% and 5% per annum.

Investment in CoBank, an international cooperative bank, is a restricted investment which is carried at cost and totaled \$1,465,084 and \$1,356,882 at December 31, 2005 and 2004, respectively. Under the terms of this Loan Base Capital Plan, Kenergy's investment in CoBank (stock and notified allocated surplus from CoBank) is required to be 10% of Kenergy's average loan balance due to CoBank for the past five years accumulated through equity issued as patronage return.

Kenergy's Retirement Trust totaling \$1,547,870 and \$1,722,189 at December 31, 2005 and 2004, respectively, represents amounts set aside to fund Kenergy's deferred compensation agreements (Note 12) and are stated at fair value.

Economic development loans represent interest free loans made to qualifying applicants to promote rural economic development. Kenergy borrows monies from RUS (Note 5) pursuant to the Rural Electrification Act of 1936 and in turn loans these monies to qualifying applicants. The loans are secured by letters of credit, thereby eliminating Kenergy's exposure to loss. Amounts outstanding at December 31, 2005 and 2004, were \$1,583,305 and \$1,851,357, respectively.

**KENERGY CORP.**

NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

**5. Long-Term Debt**

Long-term debt at December 31 consists of:

	<u>2005</u>	<u>2004</u>
First mortgage notes payable to: RUS in quarterly and monthly installments of varying amounts through 2038:		
Interest rate term fixed to principle maturity:		
2% notes	\$ 63,482	\$ 144,844
5% notes	18,796,897	19,350,270
5.125% notes	2,410,412	2,450,094
Laddered interest rate terms of 1-7 years at an average rate of 2.8% at December 31, 2005	59,009,586	60,379,628
Unapplied note prepayments – 5%	<u>(11,860,815)</u>	<u>(11,285,982)</u>
	<u>68,419,562</u>	<u>71,038,854</u>
CoBank in quarterly and monthly installments of varying amounts through 2033:		
Interest rate term fixed to principle maturity:		
4.6% average rate at December 31, 2005	10,644,415	11,687,994
Interest rate term fixed to October 2008: 5.4% at December 31, 2005	5,131,327	-
Seven day variable interest rate term: 5.5% at December 31, 2005	<u>10,549,867</u>	<u>16,081,588</u>
	<u>26,325,609</u>	<u>27,769,582</u>
Rural Economic Development Zero-Interest Loan payable to RUS in monthly installments of varying amounts through May 2011	<u>1,583,305</u>	<u>1,851,357</u>

# KENERGY CORP.

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

### 5. Long-Term Debt, Continued

	<u>2005</u>	<u>2004</u>
Federal Financing Bank in quarterly installments of varying amounts beginning March 2004 through December 2037, with a 90 day fixed interest term of 4.2%	<u>21,180,174</u>	<u>11,000,000</u>
Total long-term debt	117,508,650	111,659,793
Less current maturities	<u>3,752,161</u>	<u>3,757,222</u>
	<u>\$ 113,756,489</u>	<u>\$ 107,902,571</u>

Aggregate annual maturities of long-term debt at December 31, 2005, are:

2006	\$ 3,752,161
2007	3,854,925
2008	3,979,075
2009	4,092,138
2010	4,198,128
Thereafter	<u>97,632,223</u>
	<u>\$ 117,508,650</u>

All assets of Kenergy are pledged as collateral on the long-term debt as previously described. Kenergy has available \$27,325,000 in unadvanced loan funds from the Treasury Department at December 31, 2005.

### 6. Short-Term Borrowings

Kenergy has unsecured line of credit agreements with financial institutions permitting short-term borrowings for general corporate purposes totaling \$35,000,000. Rates for such borrowings are variable. There was \$1,500,000 and \$1,000,000 outstanding under these agreements at December 31, 2005 and 2004, respectively. The rate at December 31, 2005 was 6.10%.

### 7. Major Customers

Operating revenue for 2005 and 2004 includes approximately \$189.4 million and \$186.5 million, respectively, attributable to sales of power to two aluminum smelting customers.



# KENERGY CORP.

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

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### 7. Major Customers, Continued

Accounts receivable from these customers totaled \$15.2 million and \$14.0 million at December 31, 2005 and 2004, respectively.

Operating revenue also includes sales of power to six other large industrial customers totaling approximately 9.14% and 9.52% of the Company's operating revenue for 2005 and 2004, respectively.

### 8. Cost of Power

Kenergy presently purchases all of its power and energy requirements from Big Rivers Electric Corporation (Big Rivers) under wholesale power contracts which expire in 2023 with the exception of the power and energy requirements of its two major customers, which is supplied by LG&E Energy Marketing, Inc. and other suppliers under power purchase agreements expiring annually through December 31, 2011. Accounts payable under such contracts were \$8.9 million and \$12.6 million, respectively, at December 31, 2005, and \$8.2 million and \$12.1 million, respectively, at December 31, 2004.

### 9. Pension Plans

Kenergy has various pension plans covering its employees.

#### Noncontributory Defined Benefit Plan

Kenergy has a noncontributory defined benefit pension plan covering former Green River Electric Corporation (GREC) employees who were members of the plan on January 1, 1987. Employees with an original date of hire on or after January 1, 1987, are not eligible to join the defined benefit plan. The benefits are based on years of service and the employee's highest average monthly compensation for three consecutive years of service.

Kenergy amended the defined benefit plan effective January 1, 1987, to offset benefits accruing after January 1, 1987, by the benefits provided by the defined contribution plan discussed below. Kenergy has adopted the provisions of Statement of Financial Accounting Standards No. 87, "Employer's Accounting for Pensions," as amended by Statement of Financial Accounting Standards No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits."

**KENERGY CORP.**

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

**9. Pension Plans, Continued**Noncontributory Defined Benefit Plan, Continued

Net pension cost (income) for 2005 and 2004 included the following components:

	<u>2005</u>	<u>2004</u>
Service cost	\$ 52,000	\$ 51,837
Interest cost on projected benefit obligation	143,000	150,430
Expected return on plan assets	(139,000)	(160,353)
Net amortization and deferral	92,000	43,889
Settlement	<u>437,000</u>	<u>-</u>
Pension expense (income)	\$ <u>585,000</u>	\$ <u>85,803</u>

The following table sets forth the plan's funded status and the amount recognized in Kenergy's balance sheet at December 31:

	<u>2005</u>	<u>2004</u>
Accumulated benefit obligation:		
Vested	\$ <u>1,344,000</u>	\$ <u>2,179,297</u>
Projected benefit obligation	\$ 2,023,000	\$ 2,757,641
Plan assets at fair value	<u>1,307,000</u>	<u>2,048,827</u>
Deficiency of plan assets over projected benefit obligation	(716,000)	(708,814)
Unrecognized net loss	705,000	971,998
Unrecognized prior service cost	<u>16,000</u>	<u>33,821</u>
Net amount recognized	\$ <u>5,000</u>	\$ <u>297,005</u>
Amounts recognized consist of:		
Prepaid benefit cost	\$ 5,000	\$ -
Accrued pension liability	(42,000)	(130,470)
Intangible asset	16,000	33,821
Accumulated other comprehensive income	<u>26,000</u>	<u>393,654</u>
Net amount recognized	\$ <u>5,000</u>	\$ <u>297,005</u>

# KENERGY CORP.

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

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### 9. Pension Plans, Continued

#### Noncontributory Defined Benefit Plan, Continued

In determining the actuarial present value of the projected benefit obligation, the weighted average discount rate used was 5.50% and 6.00% for the periods ended December 31, 2005 and 2004, respectively, and the rate of increase in future compensation levels was 4.00% for 2005 and 2004. The expected long-term rate of return on assets was 7.50% and 8.00% for the periods ended December 31, 2005 and 2004, respectively. Plan assets consist of investments in a guaranteed investment contract and pooled separate accounts. Employer contributions totaled \$293,000 for the year ended December 31, 2005, while there were no employee contributions. There were no employer or employee contributions for the year ended December 31, 2004. Kenergy expects to contribute \$150,000 to this pension plan for the year ending December 31, 2006. Benefits paid totaled \$47,000 and \$13,736 for the years ended December 31, 2005 and 2004, respectively. Settlements totaled \$1,038,000 for the year ended December 31, 2005. There were no settlements for the year ended December 31, 2004.

The expected long-term rate of return on plan assets for determining net periodic pension cost for each fiscal year is chosen by Kenergy from a best estimate range determined by applying anticipated long-term returns and long-term volatility for various asset categories to the target asset allocation of the plans, as well as taking into account historical returns.

The general investment objectives are to invest in a diversified portfolio, comprised of both equity and fixed income investments, which are further diversified among various asset classes. The diversification is designed to minimize the risk of large losses while maximizing total return within reasonable and prudent levels of risk. The investment objectives specify a targeted investment allocation for the pension plans of up to 40% equities. The remaining 60% may be allocated among fixed income or cash equivalent investments. Objectives do not target a specific return by asset class. These investment objectives are long-term in nature. As of December 31, 2005, the investment allocation was approximately 50% equities and 50% fixed income. Applying the year-end 2005 since inception rate of returns for each investment category to the balances in each category produced an expected rate of return of 7.85%, which was lowered to 7.50% to reflect the strategy of moving to the 60% fixed income position.

Expected retiree pension benefit payments projected to be required during the years following 2005 are as follows:

# KENERGY CORP.

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

### 9. Pension Plans, Continued

#### Noncontributory Defined Benefit Plan, Continued

2006	\$	225,000
2007	\$	116,000
2008	\$	572,000
2009	\$	2,000
2010	\$	100,000
Years 2011 - 2015	\$	1,142,000

#### Savings and Retirement Plan

Effective January 1, 1987, Kenergy adopted a defined contribution savings and retirement plan. This plan is available to all former GREC employees and all newly hired employees of Kenergy on or after July 1, 1999, excluding temporary employees, with six months of service, who work at least 1,000 hours during each twelve-month period following their date of employment. Under this plan, Kenergy contributes 6% of each employee's annual compensation. In addition, Kenergy will provide matching contributions equal to 50% of each employee's contribution; however, Kenergy's matching contribution will not exceed 5% of each employee's compensation. Employer contributions under this plan totaled \$551,668 and \$521,636 for the years ended December 31, 2005 and 2004, respectively.

#### NRECA Retirement and Security Program

All eligible employees of the former Henderson Union Cooperative Corporation (HUEC) participate in the NRECA Retirement and Security Program (Program), a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. Kenergy makes annual contributions to the Program equal to the amounts accrued for pension expense. Non-SERP contributions were \$416,590 and \$389,562 for 2005 and 2004, respectively. In this multi-employer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer.

#### Retirement Savings Plan

The Retirement Savings Plan is available for all eligible former HUEC employees. The plan allows participants to make contributions by salary reduction, pursuant to Section 401(k) of the Internal Revenue Code. Kenergy will match the contributions of each participant, up to 3% of the participant's base compensation. Kenergy contributed \$90,375 and \$89,311 for 2005 and 2004, respectively. Participants vest immediately in their contributions and the contributions of Kenergy.

# KENERGY CORP.

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

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### 10. Postretirement Benefits

In conjunction with a Special Early Retirement Program, Kenergy is obligated to pay postretirement benefits. Six individuals (out of 22) are remaining who elected early retirement December 31, 1999, are provided medical benefits for the lesser of five years or until age 65, with Kenergy paying for 100% of health care premiums up to a maximum of \$600 per month per retiree. Four individuals (out of 7) are remaining who retired December 31, 2002, in conjunction with a change in policy whereby payment of health insurance for disabled employees would be discontinued, will be provided medical benefits for the lesser of five years or until age 65. The funding policy is to pay the related premiums as they become due. Accrued postretirement benefit costs at December 31, 2005 and 2004, were approximately \$104,583 and \$230,356, respectively, and are included in other current and accrued liabilities.

No other postretirement benefits are provided to Kenergy employees or directors with the exception of allowing retirees (non-SERP) to participate in the Kenergy health care program while paying 100% of their own premiums.

### 11. Financial Instruments

Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," requires Kenergy to disclose estimated fair values of its financial instruments. Fair value estimates, methods, and assumptions are set forth below for Kenergy's financial instruments:

The carrying amounts of cash and cash equivalents, accounts receivable, other current assets, accounts payable, and other current liabilities approximate fair value because of the short-term maturity of those instruments.

In management's opinion, the carrying value of long-term debt also approximates fair value.

Kenergy's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and trade accounts receivable. Kenergy had cash deposits in a financial institution in excess of the amount insured by the Federal Depository Insurance Corporation (FDIC) at December 31, 2005 and 2004. The risk is managed by maintaining all deposits in high quality institutions. Kenergy routinely assesses the financial strength of its customers and, as a consequence, believes that its trade accounts receivable credit risk exposure is limited.

## KENERGY CORP.

### NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

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#### **12. Deferred Compensation**

Included in other investments and other noncurrent liabilities is \$1,547,870 and \$1,722,189 at December 31, 2005 and 2004, respectively, relating to deferred compensation agreements. The deferred compensation plan was frozen in 1999. Benefits are being paid out and the obligation is being relieved over a period of ten years through approximately 2012.

#### **13. Related Party Transactions**

Big Rivers (Note 4) provides billing, safety training, and other services to its three distribution cooperative members for which it is not reimbursed. Big Rivers reimburses its members for economic development costs. Kenergy is also reimbursed for marketing personnel who provide services for all three of Big Rivers' members. Such services requested for reimbursement from Big Rivers during the years ended December 31, 2005 and 2004, totaled \$231,815 and \$605,748, respectively, of which \$50,007 and \$51,242, respectively, was included in accounts receivable. These amounts do not include the cost of computer programming, safety training and postage provided but not quantified.

In October 2005, Kenergy received a lump sum payment of \$221,000 from Big Rivers for the lease of office space in a building owned by Kenergy. The advanced lump sum payment of rent was deferred and is being recognized as revenue over the forty year life of the agreement.

#### **14. Income Tax Status**

Kenergy is exempt from federal and state income taxes under Section 501(c)(12) of the Internal Revenue Code and, accordingly, the accompanying financial statements include no provision for such taxes.

#### **15. Limitation on Distributions**

Without the prior written approval of RUS, Kenergy shall not in any calendar year make any Distributions (exclusive of any Distributions to the estates of deceased natural patrons) to its members, stockholders or consumers except as follows:

If, after giving effect to any such Distribution, the Equity of the Borrower shall be greater than or equal to 30% of its Total Assets; or

If, after giving effect to any such Distribution, the Equity of the Borrower shall be greater than or equal to 20% of its Total Assets and the aggregate of all Distributions made during

# KENERGY CORP.

## NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2005 and 2004

---

### **15. Limitation on Distributions, Continued**

the calendar year when added to such Distribution shall be less than or equal to 25% of the prior year's margins.

Provided however, that in no event shall Kenergy make any Distributions if there is unpaid, when due, any installment of principal of (premium, if any) or interest on any of its payment obligations secured by the Mortgage, if the Borrower is otherwise in default hereunder or if, after giving effect to any such Distribution, the Borrower's current and accrued assets would be less than its current and accrued liabilities.

### **16. Risk Management**

Kenergy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Kenergy carries commercial insurance for all risks of loss, including workers' compensation, general liability and property loss insurance. As is customary in the utility industry, Utility Plant is not insured with the exception of substations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in 2005 or 2004.



**Riney, Hancock & Co., PSC**  
 Certified Public Accountants & Financial Advisors

2900 Veach Road, Suite 2  
 Owensboro, Kentucky 42303  
 270-926-4540  
 Fax: 270-926-1494

313 Southeast First Street  
 Evansville, Indiana 47713  
 812-423-0300  
 Fax: 812-423-6282

www.rineyhancock.com  
 E-mail: info@rineyhancock.com

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**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**

Board of Directors  
 Kenergy Corp.  
 Henderson, Kentucky

We have audited the financial statements of Kenergy Corp. (Kenergy) as of and for the year ended December 31, 2005, and have issued our report thereon dated February 22, 2006. We conducted our audit 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.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kenergy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to the management of Kenergy in a separate letter dated February 22, 2006.

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

*Riney, Hancock + Co., PSC*

Owensboro, Kentucky  
 February 22, 2006



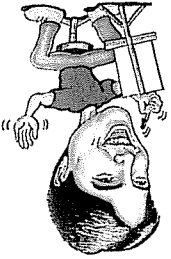


**Depreciation Study  
prepared by  
Welsh Group LLC  
is filed in a separate binder as  
Exhibit 13**



# 2004-2005 Annual Report Edition

Door Prizes  
Entertainment  
Complimentary Gift



Cartoonist  
by Denny Walker

Registration 4:30 p.m.  
Free Meal 4:45 p.m. to 6:15 p.m.  
Business Session 6:30 p.m.



Charlene Blay  
and  
the 2nd Edition

Tuesday, June 7  
Henderson Fine Arts Center

## 2005 Annual Membership Meeting



# Putting it Together

... to our member

former and current member-owners who were customers of the cooperative between 1975 and 1979 and in 1996 and 1997. Since Kenergy was formed in 1999, the cooperative has refunded approximately \$13 million in capital credits or roughly \$2.6 million per year.

Member input, the dedication and expertise of your member-elected board of directors, and the involvement of 150-plus volunteers on the separate Member Resource, Commercial Resource, an

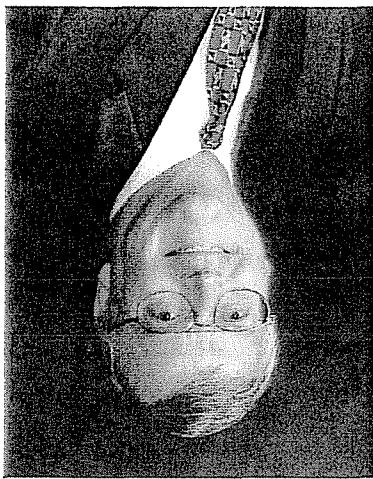
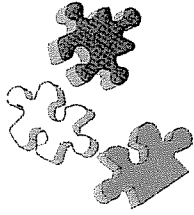
Member Resource, Commercial Resource, an Industrial Resource committees are important to the success of the cooperative.

## employees

Operating a cooperative requires fitting together many pieces. Without a doubt, the most important piece encompasses the skills, experience, and hard work of Kenergy's 166 employees, who work from the cooperative's facilities in Henderson, Owensboro, Marion, Hanson, Harford, Hawesville, and Sturgis.

Last year, 735 homes and businesses were connected to Kenergy's power lines, compared to 572 the previous year. Construction crews built an additional 58 miles of line in 2004, while customer service representatives responded to 87,192 calls.

During major power outages, an automated system can be used to answer calls and expedite restoration



Mark A. Bailey  
President and CEO

s I report on Kenergy's 2004 performance, we already are well into the new year, and as a result, this state-of-the-cooperative message also will include highlights of 2005 activities.

During the 5th anniversary year of Kenergy, I was named to succeed Dean Stanley as President and Chief Executive Officer. Without reservation, I considered it a privilege to assume, in July 2004, the leadership of your well managed and progressive cooperative. Earlier, I spent 30 years with American Electric Power (AEP), where I last served as Vice President of Transmission Asset Management.

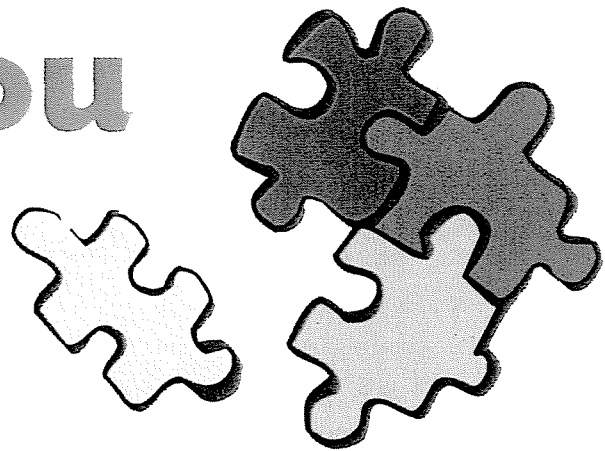
## MEMBER-OWNERS

As an electric cooperative, Kenergy exists to serve its members. Members not only receive electricity and other services from the cooperative, but also own part of the business. As a member-owner, you are our No. 1 priority.

As an owner of a not-for-profit cooperative, you are credited with a share of the utility's margins.

When financial conditions permit, the money is refunded to you. In May of 2004 and 2005, Kenergy returned \$1.5 million and \$2.1 million respectively to

# ... For You



...owners

efforts. Despite ice storms in January and almost continuous wind and thunderstorms in May, June, and July last year, Kenergy's outage hours per consumer remained low.

This is important because you have told us through customer surveys that reasonable rates and reliable service are your top priorities. In a 2004 survey, you responded that you were pleased with how promptly Kenergy employees handled situations and requests and gave us higher scores than in previous years for providing reliable service and fair electric rates. Kenergy's American Customer Service Index (ACSI) score is 85,

which is 3.4 points higher than the national average for other Touchstone Energy-affiliated electric cooperatives. The ACSI measures customers' overall satisfaction and expectations and reveals how close the cooperative is to meeting customers' perceptions of the ideal utility. The national average for all electric utilities is 72.

Providing excellent service not only means friendly, knowledgeable employees serving you, but also easy-to-do-business-with service centers. Service centers in Hartford and Hanson were replaced with new facilities in 2004 and early 2005 respectively.

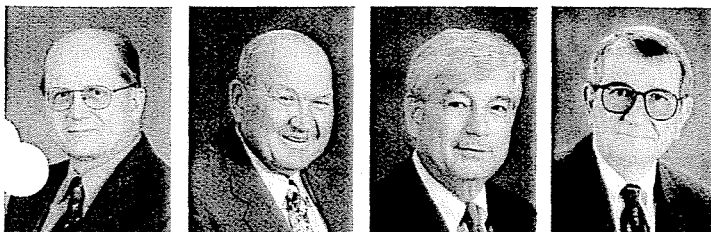
*(Continued on page 4A.)*



Chair Sandra Wood of McLean County — District 10  
Vice Chair William Reid of Daviess County — District 8  
Secretary-Treasurer Chris Mitchell of Webster County — District 3



Glenn Cox of Caldwell County — District 1  
William Denton of Henderson County — District 5  
Larry Elder of Daviess County — District 6  
James Grant of Hancock County — District 9



Mike Maloney of Daviess County — Industrial Director  
Randolph Powell of Henderson County — District 4  
Dr. H.M. Smith of Union County — District 2  
George Warren of Daviess County — District 7

# Putting It Together... (Continued from page 3A)

## rules

Kentucky has the lowest electric rates in the nation and Kenergy has among the lowest average rates in the state.

This still will be the case if Kenergy's rate proposal before the Kentucky Public Service Commission is approved within coming weeks. In December 2004, the cooperative requested a \$527,000 annual reduction in revenues and an adjustment of certain existing rates.

## growth

We're big — not in total customers served, but in kilowatt-hours sold. In 2004, Kenergy's customers used 9.4 billion kilowatt-hours of electricity — 24.3 million more than in 2003. For more than 20 years, the cooperative has ranked No. 1 in energy sales among the nation's 900-plus distribution cooperatives.

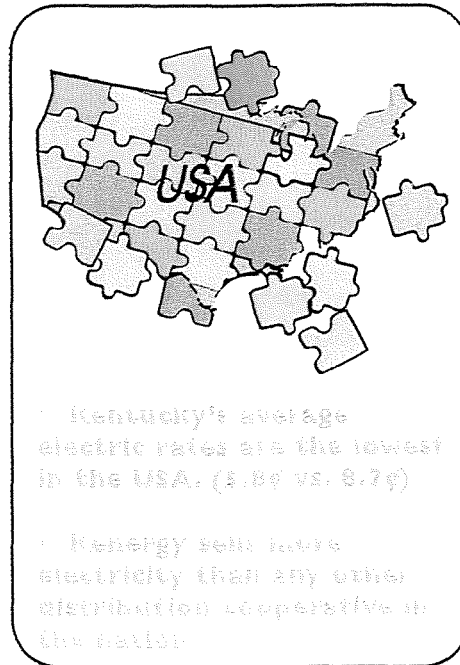
The third largest cooperative in Kentucky in terms of customers served, Kenergy is nearing 53,000 active members in its 14-county service area.

To provide adequate and dependable service, Kenergy, in 2004, invested \$8.55 million in its distribution system. Projections are that an additional \$30 million will be needed in new construction and system improvement projects to serve an estimated 55,000 customers by the end of 2007.

## technology

Kenergy uses the latest technology to provide reliable electric service to its member-owners. Through the

integration of all computer databases and the installation of a state-of-the-art Geographic Information System, which incorporates an outage management system, employees — whether at their desks or in their vehicles — can quickly access critical information needed to install and maintain the cooperative's distribution system facilities.



No matter the time of night or day, members can access information about the cooperative, its products and services, and their individual accounts, as well as electronically report their monthly meter reading via the Internet at [www.kenergycorp.com](http://www.kenergycorp.com). Later this year, you will be able to pay your bill online. (See details on page 7A.)

## programs

Through the new *Co-op Connections*<sup>SM</sup> program, member-owners recently were mailed cards

for use in receiving special discounts from participating retailers locally and throughout the nation.

Cash incentives are available to member-owners building new energy-efficient homes, or replacing a gas water heater with electric equipment and/or installing a dual-fuel heating system in their existing homes.

Low-cost long-distance phone services from three providers is available through Kenergy, as well as Internet service.

Value-added services for commercial and industrial customers include a lease program for exterior lighting along with surge protection, energy audits, power factor correction, power quality improvement, and infrared thermography services. *Questline* — an e

## STATEMENT OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<b>2004</b>	<b>2003</b>
Electric Revenue	\$280,499,481	\$278,403,846
Miscellaneous	1,211,047	1,270,936
<b>TOTAL OPERATING REVENUE</b>	<b>\$281,710,528</b>	<b>\$279,674,782</b>
Cost of Purchased Power	\$254,634,344	\$253,749,545
Distribution Plant Expense	10,982,553	8,980,376
Customer Accounting & Collecting Expense	2,559,692	2,472,214
Customer Service & Information Expense	309,802	297,540
General Office, Administrative & General Expense	2,487,686	2,417,134
<b>TOTAL OPERATING EXPENSE</b>	<b>\$270,974,077</b>	<b>\$267,916,809</b>
Depreciation Expense	\$5,589,176	\$5,274,279
Interest on Long-Term Debt	3,118,978	3,364,565
Other Deductions	416,591	395,878
<b>TOTAL COST OF ELECTRIC SERVICE</b>	<b>\$280,098,822</b>	<b>\$276,951,531</b>
Operating Margins	\$1,611,706	\$2,723,251
Non-Operating Margins	947,248	903,376
<b>TOTAL MARGINS</b>	<b>\$2,558,954</b>	<b>\$3,626,627</b>

## BALANCE SHEET

DECEMBER 31, 2004 AND 2003

### ASSETS

Total Utility Plant	\$201,980,287	\$193,429,620
Less Accumulated Provision for Depreciation	<41,186,755>	<38,310,950>
<b>NET UTILITY PLANT</b>	<b>\$160,793,532</b>	<b>\$155,118,670</b>
Investments	\$8,334,802	\$7,516,929
Cash & Cash Equivalents	848,890	5,533,454
Accounts Receivable	19,621,371	20,565,923
Other Assets	10,041,961	8,582,131
<b>TOTAL ASSETS</b>	<b>\$199,640,556</b>	<b>\$197,317,107</b>

### MEMBERS' EQUITIES

Memberships	\$275,470	\$291,875
Patronage Capital	54,826,732	54,017,459
Other	2,858,224	2,409,075
<b>TOTAL MEMBERS' EQUITIES</b>	<b>\$57,960,426</b>	<b>\$56,718,409</b>

### LIABILITIES

Long-Term Debt	\$107,902,571	\$106,177,762
Current Liabilities	30,034,778	30,253,037
Other	3,742,781	4,167,899
<b>TOTAL LIABILITIES</b>	<b>\$141,680,130</b>	<b>\$140,598,698</b>
<b>TOTAL MEMBERS' EQUITIES &amp; LIABILITIES</b>	<b>\$199,640,556</b>	<b>\$197,317,107</b>



# Putting It Together... (Continued from page 4A)

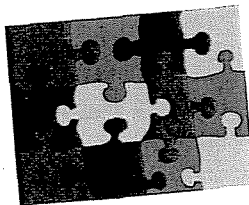
mailed newsletter containing helpful information on topics of interest to those involved in business, manufacturing, and agriculture — also is offered. *Questline* additionally provides an online resource library and allows customers to ask specific questions, which are researched and answered within 48 hours.

Kenergy also understands the value of economic and industrial development involvement and provides a variety of services and loan programs to assist new and expanding businesses, as well as financial and technical support to county governments, schools, and economic development organizations.

## vegetation management

Your cooperative is currently involved in an extensive vegetation management program to ensure that we continue to provide you with safe, reliable electricity in a cost-effective manner. The goal is the removal of all trees directly under power lines and clearing of other vegetation to eliminate power outages caused by falling branches and/or undergrowth blocking paths needed to perform line maintenance and repair work.

In closing, I express deep appreciation to you — our member-owners — for your continued support of the cooperative. We are committed to acting with the highest level of integrity in everything we do. Thank you for your interest in Kenergy.

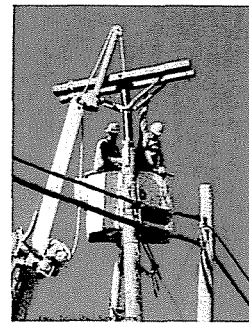


Sincerely,

*Mark A. Bailey*

Mark A. Bailey  
President and CEO

*“No operating condition or urgency of service can ever justify endangering the health and well-being of anyone.”*



## **Safety Is No. 1**

Safety is a core value for Kenergy in providing service. Significant efforts are made to educate the public about electrical safety and to train employees to safely perform their jobs.

Our commitments are:

- That no member of the public will be harmed by any action or inaction of a Kenergy employee.
- That employees will return home following the work day in as good or better condition than when they arrived for work that day.

Safety first . . . and always!

**Kenergy**  
Your Touchstone Energy® Cooperative

## Annual Report Edition

JUNE 2006

Annual Membership Meeting  
Registration starting at 4:30 p.m.  
Meal 5 to 6:15 p.m.  
Entertainment 6:30-7:00 p.m.  
Business Meeting 7:00 p.m.  
Owensboro Sportscenter

June 6, 2006

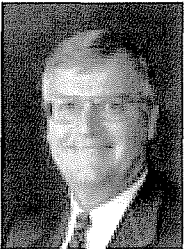
Featuring  
**BOB FARMER**  
and the  
**Farmers' Almanac**  
**6:30 p.m.**

*Door Prizes*  
*Complimentary Gifts*



# Win a Scholarship

# Kenergy—quality, se



**Mark A. Bailey**  
President and CEO

In 2005, Kenergy's management team engaged in a major effort to develop a strategic plan designed to guide your cooperative through the end of 2006 and position us well for the years ahead. The process included input from all our employees, which resulted in the development of a clear vision for the company, and implementation plans to reach it.

*Kenergy will be the preferred electric provider committed to public safety and an accident-free workplace.*

The strategy for your cooperative is to focus our attention on five key areas: Safety, Customer Service, Employees, Community Involvement, and Finances.

## **Safety**

Safety is our number-one priority not only for employees, but for our members and the general public as well. In fact, the nature of our business demands it. In 2005, we took major steps to communicate a new safety philosophy to all employees

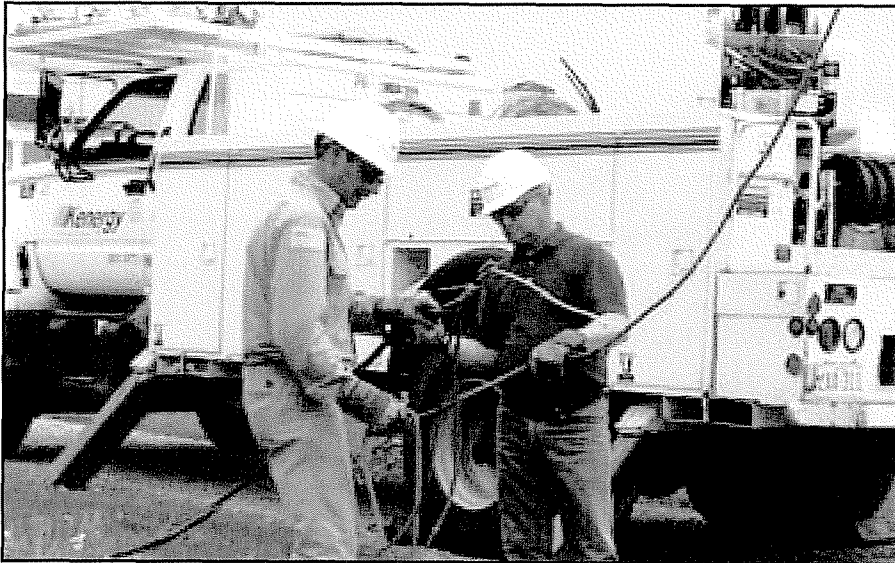


that aims for zero injuries. Company-wide safety milestones were established supported by monthly safety meetings and safety training held throughout the year to create greater levels of safety awareness for all Kenergy employees. Management is committed to continually evaluating programs that will assist us in achieving our safety goals and in the process become

an industry leader.

Our 2005 safety performance deserves recognition as our employees stepped up to the challenge. For the first time in our history, Kenergy completed an entire year without a lost-time accident. As a result, we received a safety award for this outstanding safety achievement by the Kentucky Association of Electric Cooperatives.

# Service, and value



Along with our internal initiatives, our employees delivered safety programs to more than 800 students throughout our 14-county service territory in 2005. The programs are designed to educate youngsters about the value of electricity and how to avoid hazardous situations. In addition, numerous public safety messages were included in various publications such as newspaper ads, bill inserts, and *Kentucky Living* magazine.

## Customer Service and Employees

As an electric cooperative, owned by the customers we serve, Kenergy focuses on our members' needs and providing superior customer service. This is accomplished through a dedication to safely providing low-cost, reliable power to

members. In 2005, Kenergy implemented an extensive vegetation management program strategically focused on a number of areas across the system to assist in eliminating power outages. The goal is to remove all trees located directly under power lines and eliminate vegetation growth that may block power line access necessary to perform routine maintenance.

Improved efficiencies and the innovative use of resources have allowed the cooperative to control cost while continuing to implement value-added services.

Recent additions include the use of laptop computers in service vehicles and the utilization of a global positioning system (GPS) to enable servicemen to

more efficiently and quickly respond to service calls. In addition, Kenergy customers now have the option to pay their electric bills via the cooperative's Web site. The ongoing research and development of Internet-based member information exchange will be regularly evaluated in an effort to make continuous improvements.

As your electric provider, it's important for us to listen to our members' needs. Through a scientific customer survey conducted in 2005, you responded very favorably to the quality of service provided and gave your cooperative higher scores than previous years. Kenergy earned an American Customer Service Index (ACSI) score of 87, which is the highest score achieved since Kenergy began participating in the survey. The ACSI measures how satisfied members are with your cooperative, how well we meet your expectations, and how close we are to being the ideal utility. The national average for all electric utilities is 72. Kenergy's score placed us in the top 15% of the nation's electric utilities that participate in this survey.

At the heart of your cooperative is our team of 158 employees. Our strategic plan includes a learning plan that is designed to help our employees achieve our vision. In 2005, employees participated in nearly 11,000 hours of training.

*Continued on page 4A*

Capital credits are an added benefit of cooperative membership. In May and June, \$746,000 in capital credits will be refunded. For the first time, capital credits are being refunded via a credit to your electric account, also a result of feedback from customer surveys. Since Kenergy was formed in 1999, the cooperative has refunded approximately \$14.3 million in capital credits.

### Community Involvement

Cooperatives have always placed an emphasis on being an integral part of the community. Both at work and on their own time, Kenergy employees participate in a wide variety of community events. Whether it's serving as volunteer coaches, employees' generous contributions to local charities such as United Way, or assisting with county fairs and festivals, Kenergy will continue to look for ways to enhance the lives of our friends and neighbors in the communities in which we live and work. In addition, Kenergy's economic development professionals are actively involved with local economic development agencies to attract and retain businesses in western Kentucky.

Never was the cooperative spirit more evident than after Hurricanes Rita and Katrina devastated Florida and Alabama. Kenergy linemen graciously volunteered their help, and we sent utility vehicles and supplies to assist in the restoration of the severely damaged electrical system.

### Finances

Net margin for the year ended December 31, 2005, was \$1.5 million. In 2005, your cooperative sold more than 9.3 billion



kilowatt-hours of electricity to our members. For more than 20 years, Kenergy and its predecessors have ranked No. 1 in energy sales among the nation's 900-plus distribution cooperatives. Kenergy employees extended services to more than 1,142 new homes and businesses in 2005.

As a Kenergy member you are paying one of the lowest electric rates in the nation. According to the latest data from the Department of Energy, 97% of U.S. residential customers pay more for their electricity than Kenergy's members, 99.67% of industrial customers pay more than our industrial customers, and 86% of commercial customers pay more than our commercial customers.

### Wholesale Power

After more than two years of intense work, Big Rivers Electric Corp., Kenergy's wholesale power provider, announced they had signed a Letter of Intent with E.ON U.S. to resume operational control

of Big Rivers' western Kentucky generating facilities in early 2007. In 1998, Big Rivers leased the operations of its generation assets and its rights to the HMP&L Station Two facility to LG&E in an arrangement that assisted Big Rivers in emerging from bankruptcy. This effort includes Big Rivers Electric Corp., Kenergy's senior management, and board of directors.

In addition to the Letter of Intent, a Memorandum of Understanding was signed by Big Rivers, Kenergy, Century Aluminum, and Alcan to set the terms of a long-term power supply arrangement through Kenergy for their respective aluminum smelting operations in Hawesville and Sebree.

In summary, we believe that building on these focus areas and the execution of our strategic plan will assure a bright future for your cooperative. We appreciate your support and look forward to serving you in the future.

## STATEMENT OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004 <i>as adjusted</i> <sup>1</sup>
Electric Revenue	\$288,006,150	\$280,499,481
Miscellaneous	1,258,708	1,211,047
TOTAL OPERATING REVENUE	\$289,264,858	\$281,710,528
Cost of Purchased Power	\$259,986,490	\$254,634,344
Distribution Plant Expense	12,363,217	11,497,894
Customer Accounting & Collecting Expense	2,776,613	2,671,722
Customer Service & Information Expense	299,624	317,271
General Office, Administrative & General Expense	3,036,362	2,712,862
TOTAL OPERATING EXPENSE	\$278,462,306	\$271,834,093
Depreciation Expense	\$5,752,782	\$5,528,019
Interest on Long-Term Debt	4,198,637	3,118,978
Other Deductions	417,223	416,591
TOTAL COST OF ELECTRIC SERVICE	\$288,830,948	\$280,897,681
Operating Margins	\$433,910	\$812,847
Non-Operating Margins	1,056,598	947,248
TOTAL MARGINS	\$1,490,508	\$1,760,095

## BALANCE SHEET

DECEMBER 31, 2005 AND 2004

### ASSETS

Total Utility Plant	\$209,103,179	\$199,588,514
Less Accumulated Provision for Depreciation	(45,328,490)	(41,311,548)
NET UTILITY PLANT	\$163,774,689	\$158,276,966
Investments	\$8,033,899	\$8,334,802
Cash & Cash Equivalents	1,378,839	848,890
Accounts Receivable	21,415,638	19,621,371
Other Assets	9,816,073	10,041,961
TOTAL ASSETS	\$204,419,138	\$197,123,990

### MEMBERS' EQUITIES

Memberships	\$275,480	\$275,470
Patronage Capital	51,234,702	52,310,166
Other	3,407,515	2,858,224
TOTAL MEMBERS' EQUITIES	\$54,917,697	\$55,443,860

### LIABILITIES

Long-Term Debt	\$113,756,489	\$107,902,571
Current Liabilities	32,520,870	30,034,778
Other	3,224,082	3,742,781
TOTAL LIABILITIES	\$149,501,441	\$141,680,130

TOTAL MEMBERS' EQUITIES & LIABILITIES	\$204,419,138	\$197,123,990
---------------------------------------	---------------	---------------

<sup>1</sup>**Change in Accounting Principle:** Kenergy revised its cost allocation manual effective January 1, 2005, in a manner acceptable to the Rural Utilities Service (RUS). These revisions were pursuant to an RUS loan audit for the period April 2001 through August 2005 that disallowed the capitalization of certain costs. As a result, Kenergy reduced margins and utility plant \$798,859 for 2004, \$877,914 for 2003, and \$839,793 for 2002.

**Access information about the co-op  
and your account on the Internet**

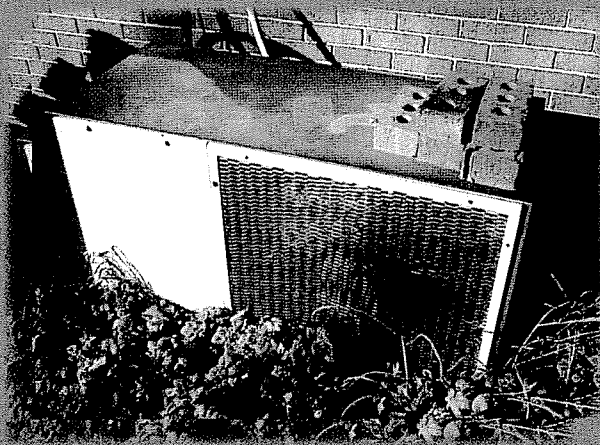
**www.kenergycorp.com**

Use Kenergy's Web site to access information about the cooperative and its products and services or to report your meter reading online.

The Web site offers easy navigation and an abundance of information. The "Access Your Account" button quickly links you to specific information about your individual Kenergy account.

Soon, you'll be able to pay your bill online.

**About time to replace your old A/C unit?**



**You should consider a new Dual-Fuel heat pump.**

A Dual-Fuel system cools your home in the summer  
and works with your existing furnace to heat  
your home more efficiently in the winter.

Call today for more information on our cash incentives.

(270) 926-4141 [www.kenergycorp.com](http://www.kenergycorp.com)

**Kenergy**  
The Kentucky Energy Cooperative

**Kenergy reports  
on non-regulated  
business activities**

During 2004, Kenergy participated in the following non-regulated activities:

**Geothermal System Sales** — As a distributor for geothermal systems, Kenergy sells equipment directly to area HVAC contractors for installation in homes.

**Long-Distance Telephone Service** — Kenergy serves as a sales agent for three long-distance phone companies.

**Internet Service** — Kenergy serves as a sales agent for two companies providing dial-up Internet service. Additionally, the cooperative delivers high-speed Internet to some residential and commercial customers in Daviess and McLean counties through pilot testing programs.

**Discount Amusement Park Tickets** — Kenergy sells discount admission tickets to five amusement parks in the region.

**Meter Base Surge Protection Service** — Kenergy leases to members a device that is attached to the meter and protects large appliances from surges.

In total, during 2004, these programs produced a net profit to Kenergy of \$10,139. In 2005, Kenergy intends to fully evaluate these programs to determine if they continue to meet the needs of customers and the business needs of the company.

# FOCUS

**AUGUST 2006**

## Kenergy reports on nonregulated business activities

During 2005, Kenergy participated in the following nonregulated activities:

### **Geothermal System Sales**

As a distributor for geothermal systems, Kenergy sold equipment directly to area HVAC contractors for installation in homes.

### **Long-Distance Telephone Service**

Kenergy served as a sales agent for three long-distance phone companies.

### **Internet Service**

Kenergy served as a sales agent for two companies providing dial-up Internet service.

### **Amusement Park Tickets**

Kenergy sold discount admission tickets to five amusement parks in the region.

### **Meter Base Surge Protection**

Kenergy leased to members a device that is attached to the meter and protects large appliances from surges.

In total, during 2005 these programs produced a net profit to Kenergy of \$3,089.

In 2006, Kenergy intends to fully evaluate these programs to determine if they continue to meet the needs of customers and the company.

## Enroll in EZPay for a chance to win \$250

Any customer who currently is or will be enrolled in Kenergy's EZPay Bank Draft Plan by Dec. 1, 2006, is eligible for a \$250 cash drawing.

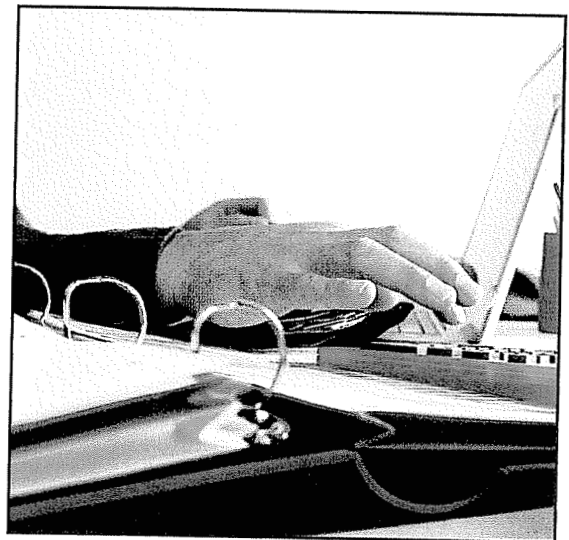
With the EZPay Plan, you authorize Kenergy to withdraw the amount of your monthly bill from your checking or savings account. Your payment to Kenergy is made

automatically on the bill's due date and a record of the payment is included on your bank statement. You continue to receive a monthly bill before the bank drafts the payment. A notation on the bill indicates that payment is by bank draft (B/D).

To be eligible for the \$250 cash drawing, you must agree to remain on the EZPay Bank Draft Plan for a minimum of 12 months from the date of enrollment.

To enroll in the EZPay Plan, pick up an application form at any Kenergy office in Henderson, Owensboro, Marion, Hanson, Hartford, or Hawesville.

The drawing for \$250 will be held in December. Sign up today. And good luck winning the \$250.







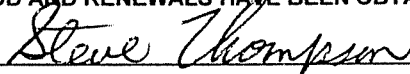


<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED JANUARY 31, 2005	RUS USE ONLY

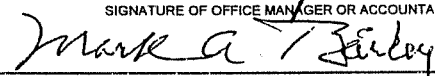
**CERTIFICATION**

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

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

  
 \_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT
 

 2/24/05  
 \_\_\_\_\_  
 DATE

  
 \_\_\_\_\_  
 SIGNATURE OF MANAGER
 

 2/24/05  
 \_\_\_\_\_  
 DATE

ITEM	PART A. STATEMENT OF OPERATIONS			
	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital.....	24,706,720	24,480,944	24,711,606	24,480,944
2. Power Production Expense.....				
3. Cost of Purchased Power.....	22,096,176	21,807,406	21,919,207	21,807,406
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	262,694	249,349	260,940	249,349
6. Distribution Expense - Maintenance.....	767,148	490,602	523,354	490,602
7. Consumer Accounts Expense.....	189,976	169,284	201,477	169,284
8. Customer Service and Informational Expense.....	9,572	16,681	10,848	16,681
9. Sales Expense.....	7,416	4,183	16,821	4,183
10. Administrative and General Expense.....	134,913	157,228	165,585	157,228
11. Total Operation & Maintenance Expense (2 thru 10).....	23,467,895	22,894,733	23,098,232	22,894,733
12. Depreciation and Amortization Expense.....	454,658	476,910	486,115	476,910
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	23,856	22,077	21,978	22,077
15. Interest on Long-Term Debt.....	278,759	282,763	287,680	282,763
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	11,855	14,241	10,417	14,241
18. Other Deductions.....	4,068	3,315	10,754	3,315
19. Total Cost of Electric Service (11 thru 18).....	24,241,091	23,694,039	23,915,176	23,694,039
20. Patronage Capital & Operating Margins (1 minus 19).....	465,629	786,905	796,430	786,905
21. Non-Operating Margins - Interest.....	59,094	60,045	64,083	60,045
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	699	(5,250)	296	(5,250)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	7,083	9,804	12,500	9,804
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	532,505	851,504	873,309	851,504

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	104	84	5. Miles Transmission		
2. Services Retired	18	15	6. Miles Distribution-Overhead	6,173	6,194
3. Total Services in Place	58,108	55,250	7. Miles Distribution-Underground	634	669
4. Idle Services (Exclude Seasonal)	5,780	2,238	8. Total Miles Energized (5+6+7)	6,807	6,863

<b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b>	
	<b>KENERGY</b>	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	<b>JANUARY 31, 2005</b>	

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	199,662,316	30. Memberships.....	275,800
2. Construction Work in Progress.....	2,327,224	31. Patronage Capital.....	54,822,932
3. Total Utility Plant (1+2).....	201,989,540	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	41,607,120	33. Operating Margins - Current Years.....	796,708
5. Net Utility Plant (3-4).....	160,382,420	34. Non-Operating Margins.....	55,134
6. Non-Utility Property (Net).....	45,657	35. Other Margins and Equities.....	2,780,168
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	58,809,393
8. Invest. In Assoc.Org -Patronage Capital.....	696,370	37. Long-Term Debt - RUS (Net).....	68,759,183
9. Invest. In Assoc.Org-Other-General Funds.....	75,751	(Payments-Unapplied \$11,333,910)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	3,912,492	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,837,006
11. Investments in Economic Development Projects....	1,832,839	39. Long-Term Debt Other - REA Guaranteed	17,000,000
12. Other Investments.....	39,660	40. Long-Term Debt - Other (Net).....	26,007,741
13. Special Funds.....	1,722,189	41. Total Long-Term Debt (37 thru 40).....	113,603,930
14. Total Other Property and Investments (6 thru 13)...	8,324,958	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	332,714	43. Accumulated Operating Provisions.....	2,944,584
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilites (42 + 43)....	2,944,584
17. Special Deposits.....		45. Notes Payable.....	3,757,222
18. Temporary Investments.....	4,945,589	46. Accounts Payable.....	20,999,517
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,278,697
20. Accounts Receivable - Sales of Energy (Net).....	19,154,268	48. Other Current and Accrued Liabilities.....	1,604,038
21. Accounts Receivable - Other (Net).....	924,546	49. Total Current & Accrued Liabilities (45 thru 48)	28,639,474
22. Materials and Supplies - Electric and Other.....	1,692,808	50. Deferred Credits.....	731,594
23. Prepayments.....	722,213	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	7,777,738	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	35,549,876	(36 + 41 + 44 + 49 thru 51).....	204,728,975
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	471,721	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	204,728,975	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

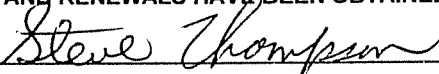
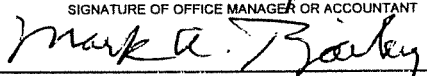
<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED FEBRUARY 28, 2005	RUS USE ONLY
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**CERTIFICATION**

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

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

 _____ <small>SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</small>	3/16/05 _____ <small>DATE</small>
 _____ <small>SIGNATURE OF MANAGER</small>	3/16/05 _____ <small>DATE</small>

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital.....	47,362,826	46,505,524	46,761,151	22,024,580
2. Power Production Expense.....				
3. Cost of Purchased Power.....	42,373,873	41,534,403	41,740,454	19,726,997
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	510,598	558,026	549,424	308,677
6. Distribution Expense - Maintenance.....	1,297,882	922,222	1,102,732	431,620
7. Consumer Accounts Expense.....	405,225	379,505	431,632	210,221
8. Customer Service and Informational Expense.....	22,153	33,096	23,467	16,415
9. Sales Expense.....	21,735	12,619	32,843	8,436
10. Administrative and General Expense.....	327,091	389,945	339,578	232,717
11. Total Operation & Maintenance Expense (2 thru 10).....	44,958,557	43,829,816	44,220,130	20,935,083
12. Depreciation and Amortization Expense.....	911,096	955,991	974,127	479,081
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	47,712	44,154	43,956	22,077
15. Interest on Long-Term Debt.....	509,296	543,956	551,431	261,193
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	(1,488)	25,241	20,834	11,000
18. Other Deductions.....	8,658	5,754	13,008	2,439
19. Total Cost of Electric Service (11 thru 18).....	46,433,831	45,404,912	45,823,486	21,710,873
20. Patronage Capital & Operating Margins (1 minus 19).....	928,995	1,100,612	937,665	313,707
21. Non-Operating Margins - Interest.....	110,953	124,512	128,166	64,467
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(4,971)	(4,626)	592	624
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	14,166	19,608	25,000	9,804
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,049,143	1,240,106	1,091,423	388,602

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

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	183	127	5. Miles Transmission		
2. Services Retired	37	37	6. Miles Distribution-Overhead	6,175	6,193
3. Total Services in Place	58,168	55,271	7. Miles Distribution-Underground	636	671
4. Idle Services (Exclude Seasonal)	5,727	2,111	8. Total Miles Energized (5+6+7)	6,811	6,864

<b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b>	
	<b>KENERGY</b>	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	<b>FEBRUARY 28, 2005</b>	

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	200,415,662	30. Memberships.....	276,075
2. Construction Work in Progress.....	2,524,703	31. Patronage Capital.....	54,818,620
3. Total Utility Plant (1+2).....	202,940,365	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	41,973,705	33. Operating Margins - Current Years.....	1,120,220
5. Net Utility Plant (3-4).....	160,966,660	34. Non-Operating Margins.....	120,224
6. Non-Utility Property (Net).....	45,550	35. Other Margins and Equities.....	2,751,949
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	59,165,739
8. Invest. In Assoc.Org.-Patronage Capital.....	696,370	37. Long-Term Debt - RUS (Net).....	68,502,398
9. Invest. In Assoc.Org.-Other-General Funds.....	75,751	(Payments-Unapplied \$11,377,382)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	3,922,296	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,812,006
11. Investments in Economic Development Projects.....	1,814,321	39. Long-Term Debt Other - REA Guaranteed	17,000,000
12. Other Investments.....	38,188	40. Long-Term Debt - Other (Net).....	25,796,603
13. Special Funds.....	1,473,171	41. Total Long-Term Debt (37 thru 40).....	113,111,007
14. Total Other Property and Investments (6 thru 13).....	8,065,647	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	827,442	43. Accumulated Operating Provisions.....	2,671,838
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43).....	2,671,838
17. Special Deposits.....		45. Notes Payable.....	3,757,222
18. Temporary Investments.....	3,687,009	46. Accounts Payable.....	19,565,488
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,286,973
20. Accounts Receivable - Sales of Energy (Net).....	18,815,894	48. Other Current and Accrued Liabilities.....	1,659,155
21. Accounts Receivable - Other (Net).....	892,931	49. Total Current & Accrued Liabilities (45 thru 48)	27,268,838
22. Materials and Supplies - Electric and Other.....	1,615,893	50. Deferred Credits.....	677,055
23. Prepayments.....	637,407	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	6,965,644	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	33,442,220	(36 + 41 + 44 + 49 thru 51).....	202,894,477
26. Regulatory Assets.....		<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
27. Other Deferred Debits.....	419,950	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	202,894,477	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

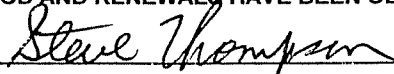
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(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED MARCH 31, 2005	RUS USE ONLY

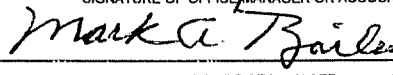
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**ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES**

  
 \_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

4/19/05  
 \_\_\_\_\_  
 DATE

  
 \_\_\_\_\_  
 SIGNATURE OF MANAGER

4/25/05  
 \_\_\_\_\_  
 DATE

<b>PART A. STATEMENT OF OPERATIONS</b>				
ITEM	YEAR-TO-DATE			
	LAST YEAR	THIS YEAR	BUDGET	THIS MONTH
	(a)	(b)	(c)	(d)
1. Operating Revenue and Patronage Capital.....	70,561,756	70,416,470	70,510,507	23,910,946
2. Power Production Expense.....				
3. Cost of Purchased Power.....	63,530,281	62,980,340	63,143,898	21,445,937
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	798,560	840,492	860,267	282,466
6. Distribution Expense - Maintenance.....	1,882,228	1,417,077	1,791,825	494,855
7. Consumer Accounts Expense.....	634,064	587,642	680,240	208,137
8. Customer Service and Informational Expense.....	36,213	49,148	40,458	16,052
9. Sales Expense.....	36,074	20,590	50,864	7,971
10. Administrative and General Expense.....	541,422	626,922	529,766	236,977
11. Total Operation & Maintenance Expense (2 thru 10).....	67,458,842	66,522,211	67,097,318	22,692,395
12. Depreciation and Amortization Expense.....	1,368,694	1,391,118	1,463,213	435,127
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	71,568	66,231	65,934	22,077
15. Interest on Long-Term Debt.....	761,370	781,277	843,427	237,321
16. Interest Charged to Construction - Credit.....				
17. Interest Expense - Other.....	11,334	36,801	31,251	11,560
18. Other Deductions.....	21,606	20,024	24,887	14,270
19. Total Cost of Electric Service (11 thru 18).....	69,693,414	68,817,662	69,526,030	23,412,750
20. Patronage Capital & Operating Margins (1 minus 19).....	868,342	1,598,808	984,477	498,196
21. Non-Operating Margins - Interest.....	168,448	193,628	192,249	69,116
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(9,544)	(6,924)	888	(2,298)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	31,668	63,776	37,500	44,168
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,058,914	1,849,288	1,215,114	609,182

<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	248	183	5. Miles Transmission		
2. Services Retired	48	51	6. Miles Distribution-Overhead	6,176	6,195
3. Total Services in Place	58,222	55,313	7. Miles Distribution-Underground	638	673
4. Idle Services (Exclude Seasonal)	5,732	2,170	8. Total Miles Energized (5+6+7)	6,814	6,868

<b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b>	
	<b>KENERGY</b>	
	PERIOD ENDED	<b>RUS USE ONLY</b>
INSTRUCTIONS - See RUS Bulletin 1717B-2	<b>MARCH 31, 2005</b>	

**PART C. BALANCE SHEET**

<b>ASSETS AND OTHER DEBITS</b>		<b>LIABILITIES AND OTHER CREDITS</b>	
1. Total Utility Plant in Service.....	201,189,690	30. Memberships.....	275,975
2. Construction Work in Progress.....	2,376,354	31. Patronage Capital.....	54,766,086
3. Total Utility Plant (1+2).....	203,566,044	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	41,996,299	33. Operating Margins - Current Years.....	1,662,585
5. Net Utility Plant (3-4).....	161,569,745	34. Non-Operating Margins.....	187,042
6. Non-Utility Property (Net).....	45,443	35. Other Margins and Equities.....	2,768,598
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	59,738,937
8. Invest. In Assoc.Org.-Patronage Capital.....	696,369	37. Long-Term Debt - RUS (Net).....	68,278,990
9. Invest. In Assoc.Org.-Other-General Funds.....	107,278	(Payments-Unapplied \$11,424,813)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	3,914,034	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,795,803
11. Investments in Economic Development Projects....	1,795,803	39. Long-Term Debt Other - REA Guaranteed	17,000,000
12. Other Investments.....	37,180	40. Long-Term Debt - Other (Net).....	25,713,004
13. Special Funds.....	1,473,171	41. Total Long-Term Debt (37 thru 40).....	112,787,797
14. Total Other Property and Investments (6 thru 13)...	8,069,278	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	588,370	43. Accumulated Operating Provisions.....	2,643,914
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	2,643,914
17. Special Deposits.....		45. Notes Payable.....	3,757,222
18. Temporary Investments.....	4,882,325	46. Accounts Payable.....	20,535,118
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,299,427
20. Accounts Receivable - Sales of Energy (Net).....	19,164,825	48. Other Current and Accrued Liabilities.....	1,770,805
21. Accounts Receivable - Other (Net).....	869,353	49. Total Current & Accrued Liabilities (45 thru 48)	28,362,572
22. Materials and Supplies - Electric and Other.....	1,655,600	50. Deferred Credits.....	705,903
23. Prepayments.....	439,749	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	6,571,540	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	34,171,762	(36 + 41 + 44 + 49 thru 51).....	204,239,123
26. Regulatory Assets.....		<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
27. Other Deferred Debits.....	428,338	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	204,239,123	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)



<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED APRIL 30, 2005	RUS USE ONLY

**CERTIFICATION**

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

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

Steve Thompson  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

May 17, 2005  
DATE

Mark A. Bailey  
SIGNATURE OF MANAGER

5/17/05  
DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital.....	92,557,678	92,793,960	92,857,424	22,377,490
2. Power Production Expense.....				
3. Cost of Purchased Power.....	83,738,661	83,235,614	83,432,493	20,255,274
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,045,202	1,138,412	1,193,972	297,920
6. Distribution Expense - Maintenance.....	2,426,797	2,032,056	2,536,822	614,979
7. Consumer Accounts Expense.....	879,640	811,978	945,510	224,336
8. Customer Service and Informational Expense.....	49,244	64,210	55,835	15,062
9. Sales Expense.....	47,589	26,999	68,794	6,409
10. Administrative and General Expense.....	730,340	810,755	725,565	183,833
11. Total Operation & Maintenance Expense (2 thru 10).....	88,917,473	88,120,024	88,958,991	21,597,813
12. Depreciation and Amortization Expense.....	1,828,423	1,799,660	1,954,408	408,542
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	95,424	88,308	87,912	22,077
15. Interest on Long-Term Debt.....	1,017,686	1,069,929	1,160,636	288,652
16. Interest Charged to Construction - Credit.....	(17,529)	(10,444)		(10,444)
17. Interest Expense - Other.....	23,516	48,238	41,668	11,437
18. Other Deductions.....	26,809	22,268	28,141	2,244
19. Total Cost of Electric Service (11 thru 18).....	91,891,802	91,137,983	92,231,756	22,320,321
20. Patronage Capital & Operating Margins (1 minus 19).....	665,876	1,655,977	625,668	57,169
21. Non-Operating Margins - Interest.....	224,831	262,661	256,332	69,033
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(9,599)	(5,966)	1,184	958
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	38,751	72,215	50,000	8,439
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	919,859	1,984,887	933,184	135,599

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

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	317	249	5. Miles Transmission		
2. Services Retired	83	85	6. Miles Distribution-Overhead	6,177	6,197
3. Total Services in Place	58,256	55,345	7. Miles Distribution-Underground	641	675
4. Idle Services (Exclude Seasonal)	5,723	2,188	8. Total Miles Energized (5+6+7)	6,818	6,872

<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	APRIL 30, 2005	

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	201,918,134	30. Memberships.....	276,025
2. Construction Work in Progress.....	2,557,075	31. Patronage Capital.....	54,760,884
3. Total Utility Plant (1+2).....	204,475,209	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	42,325,752	33. Operating Margins - Current Years.....	1,728,193
5. Net Utility Plant (3-4).....	162,149,457	34. Non-Operating Margins.....	257,032
6. Non-Utility Property (Net).....	42,705	35. Other Margins and Equities.....	2,756,357
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	59,857,142
8. Invest. In Assoc.Org.-Patronage Capital.....	696,369	37. Long-Term Debt - RUS (Net).....	68,063,428
9. Invest. In Assoc.Org.-Other-General Funds.....	107,278	(Payments-Unapplied \$11,471,390)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	3,922,473	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,777,284
11. Investments in Economic Development Projects.....	1,777,284	39. Long-Term Debt Other - REA Guaranteed	17,000,000
12. Other Investments.....	35,642	40. Long-Term Debt - Other (Net).....	25,652,894
13. Special Funds.....	1,473,171	41. Total Long-Term Debt (37 thru 40).....	112,493,606
14. Total Other Property and Investments (6 thru 13).....	8,054,922	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	25,368	43. Accumulated Operating Provisions.....	2,626,693
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43).....	2,626,693
17. Special Deposits.....		45. Notes Payable.....	3,757,222
18. Temporary Investments.....	4,599,447	46. Accounts Payable.....	19,416,553
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,306,012
20. Accounts Receivable - Sales of Energy (Net).....	18,709,671	48. Other Current and Accrued Liabilities.....	1,924,435
21. Accounts Receivable - Other (Net).....	804,970	49. Total Current & Accrued Liabilities (45 thru 48)	27,404,222
22. Materials and Supplies - Electric and Other.....	1,789,214	50. Deferred Credits.....	716,308
23. Prepayments.....	794,321	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	5,712,715	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	32,435,706	(36 + 41 + 44 + 49 thru 51).....	203,097,971
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	457,886	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	203,097,971	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

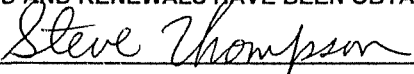
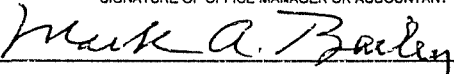
<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED MAY 31, 2005	RUS USE ONLY
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**CERTIFICATION**

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

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

 _____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	6-17-05 _____ DATE
 _____ SIGNATURE OF MANAGER	6/20/05 _____ DATE

<b>PART A STATEMENT OF OPERATIONS</b>				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	116,268,273	116,089,312	116,231,137	23,295,352
2. Power Production Expense.....				
3. Cost of Purchased Power.....	105,420,002	104,607,278	104,657,813	21,371,664
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,343,711	1,436,366	1,515,163	297,954
6. Distribution Expense - Maintenance.....	3,238,659	2,711,171	3,308,480	679,115
7. Consumer Accounts Expense.....	1,222,089	1,110,555	1,232,131	298,577
8. Customer Service and Informational Expense.....	63,706	82,508	70,608	18,298
9. Sales Expense.....	61,906	42,564	88,338	15,565
10. Administrative and General Expense.....	948,494	1,059,149	947,336	248,394
11. Total Operation & Maintenance Expense (2 thru 10).....	112,298,567	111,049,591	111,819,869	22,929,567
12. Depreciation and Amortization Expense.....	2,288,113	2,274,133	2,445,495	474,473
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	119,280	110,384	109,890	22,076
15. Interest on Long-Term Debt.....	1,260,859	1,471,783	1,489,784	401,854
16. Interest Charged to Construction - Credit.....	(17,529)	(10,444)		
17. Interest Expense - Other.....	33,717	59,905	52,085	11,667
18. Other Deductions.....	27,425	25,407	30,895	3,139
19. Total Cost of Electric Service (11 thru 18).....	116,010,432	114,980,759	115,948,018	23,842,776
20. Patronage Capital & Operating Margins (1 minus 19).....	257,841	1,108,553	283,119	(547,424)
21. Non-Operating Margins - Interest.....	286,030	330,450	320,415	67,789
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(1,899)	(54,442)	1,480	(48,476)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	48,190	80,654	62,500	8,439
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	590,162	1,465,215	667,514	(519,672)

<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	460	324	5. Miles Transmission		
2. Services Retired	124	106	6. Miles Distribution-Overhead	6,179	6,197
3. Total Services in Place	58,358	55,399	7. Miles Distribution-Underground	645	679
4. Idle Services (Exclude Seasonal)	5,824	2,255	8. Total Miles Energized (5+6+7)	6,824	6,876

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
	PERIOD ENDED	RUS USE ONLY
INSTRUCTIONS - See RUS Bulletin 1717B-2	MAY 31, 2005	

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	202,837,981	30. Memberships.....	275,905
2. Construction Work in Progress.....	2,632,930	31. Patronage Capital.....	52,375,702
3. Total Utility Plant (1+2).....	205,470,911	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	42,657,066	33. Operating Margins - Current Years.....	1,177,168
5. Net Utility Plant (3-4).....	162,813,845	34. Non-Operating Margins.....	276,346
6. Non-Utility Property (Net).....	42,591	35. Other Margins and Equities.....	2,959,361
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	57,143,133
8. Invest. In Assoc.Org.-Patronage Capital.....	696,369	37. Long-Term Debt - RUS (Net).....	67,838,820
9. Invest. In Assoc.Org.-Other-General Funds.....	107,278	(Payments-Unapplied \$11,519,520)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	3,930,912	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,758,766
11. Investments in Economic Development Projects....	1,758,766	39. Long-Term Debt Other - REA Guaranteed	21,355,000
12. Other Investments.....	34,878	40. Long-Term Debt - Other (Net).....	25,439,002
13. Special Funds.....	1,473,171	41. Total Long-Term Debt (37 thru 40).....	116,391,588
14. Total Other Property and Investments (6 thru 13) .	8,043,965	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	958,875	43. Accumulated Operating Provisions.....	2,611,975
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilites (42 + 43)....	2,611,975
17. Special Deposits.....		45. Notes Payable.....	3,757,222
18. Temporary Investments.....	5,872,425	46. Accounts Payable.....	20,414,193
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,303,481
20. Accounts Receivable - Sales of Energy (Net).....	18,842,535	48. Other Current and Accrued Liabilities.....	1,750,805
21. Accounts Receivable - Other (Net).....	769,444	49. Total Current & Accrued Liabilities (45 thru 48)	28,225,701
22. Materials and Supplies - Electric and Other.....	1,583,280	50. Deferred Credits.....	1,122,601
23. Prepayments.....	686,694	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	5,582,208	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	34,295,461	(36 + 41 + 44 + 49 thru 51).....	205,494,998
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	341,727	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	205,494,998	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

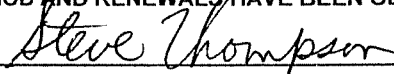
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(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED June 30, 2005	RUS USE ONLY

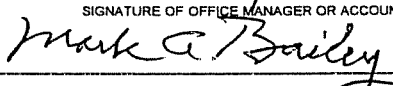
**CERTIFICATION**

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

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

  
 \_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT
 

 7-22-05  
 \_\_\_\_\_  
 DATE

  
 \_\_\_\_\_  
 SIGNATURE OF MANAGER
 

 7/25/05  
 \_\_\_\_\_  
 DATE

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	139,691,317	140,580,569	140,179,321	24,491,257
2. Power Production Expense.....				
3. Cost of Purchased Power.....	126,685,781	126,733,327	126,060,247	22,126,049
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,599,353	1,695,729	1,833,591	259,363
6. Distribution Expense - Maintenance.....	3,686,415	3,607,345	4,087,887	896,174
7. Consumer Accounts Expense.....	1,392,630	1,349,998	1,498,075	239,443
8. Customer Service and Informational Expense.....	76,075	97,948	87,132	15,440
9. Sales Expense.....	70,667	48,131	107,001	5,567
10. Administrative and General Expense.....	1,128,033	1,256,421	1,176,635	197,272
11. Total Operation & Maintenance Expense (2 thru 10).....	134,638,954	134,788,899	134,850,568	23,739,308
12. Depreciation and Amortization Expense.....	2,752,522	2,749,789	2,941,308	475,656
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	143,136	132,461	131,868	22,077
15. Interest on Long-Term Debt.....	1,520,472	1,837,946	1,818,664	366,163
16. Interest Charged to Construction - Credit.....	(17,529)	(10,444)		
17. Interest Expense - Other.....	45,619	71,358	62,502	11,453
18. Other Deductions.....	38,081	31,782	47,424	6,375
19. Total Cost of Electric Service (11 thru 18).....	139,121,255	139,601,791	139,852,334	24,621,032
20. Patronage Capital & Operating Margins (1 minus 19).....	570,062	978,778	326,987	(129,775)
21. Non-Operating Margins - Interest.....	343,910	406,221	384,498	75,771
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	305	(51,859)	1,776	2,583
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	57,629	89,093	75,000	8,439
27. Extraordinary Items...(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	971,906	1,422,233	788,261	(42,982)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	551	464	5. Miles Transmission		
2. Services Retired	143	136	6. Miles Distribution-Overhead	6,181	6,200
3. Total Services in Place	58,430	55,509	7. Miles Distribution-Underground	647	682
4. Idle Services (Exclude Seasonal)	5,890	2,358	8. Total Miles Energized (5+6+7)	6,828	6,882

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
INSTRUCTIONS - See RUS Bulletin 1717B-2	PERIOD ENDED	RUS USE ONLY
	JUNE 30, 2005	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service.....	203,977,292	30. Memberships.....	275,660
2. Construction Work in Progress.....	2,311,145	31. Patronage Capital.....	52,320,421
3. Total Utility Plant (1+2).....	206,288,437	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	43,070,664	33. Operating Margins - Current Years.....	1,067,872
5. Net Utility Plant (3-4).....	163,217,773	34. Non-Operating Margins.....	354,699
6. Non-Utility Property (Net).....	42,476	35. Other Margins and Equities.....	2,967,449
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	57,064,752
8. Invest. In Assoc.Org.-Patronage Capital.....	696,369	37. Long-Term Debt - RUS (Net).....	67,629,490
9. Invest. In Assoc.Org.-Other-General Funds.....	107,278	(Payments-Unapplied \$11,566,861)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	3,939,351	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,725,433
11. Investments in Economic Development Projects.....	1,721,266	39. Long-Term Debt Other - REA Guaranteed	21,355,000
12. Other Investments.....	33,712	40. Long-Term Debt - Other (Net).....	25,354,437
13. Special Funds.....	1,473,171	41. Total Long-Term Debt (37 thru 40).....	116,064,360
14. Total Other Property and Investments (6 thru 13)...	8,013,623	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	1,322,873	43. Accumulated Operating Provisions.....	2,599,457
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	2,599,457
17. Special Deposits.....		45. Notes Payable.....	3,757,222
18. Temporary Investments.....	5,298,119	46. Accounts Payable.....	22,157,438
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,311,546
20. Accounts Receivable - Sales of Energy (Net).....	18,528,753	48. Other Current and Accrued Liabilities.....	1,898,371
21. Accounts Receivable - Other (Net).....	822,693	49. Total Current & Accrued Liabilities (45 thru 48)	30,124,577
22. Materials and Supplies - Electric and Other.....	1,626,131	50. Deferred Credits.....	1,057,491
23. Prepayments.....	857,754	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	6,900,075	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	35,356,398	(36 + 41 + 44 + 49 thru 51).....	206,910,637
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	322,843	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	206,910,637	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

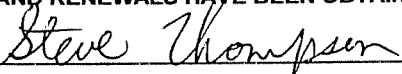
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED July 31, 2005	RUS USE ONLY

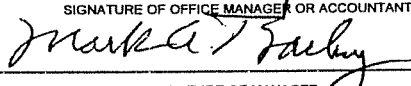
**CERTIFICATION**

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

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

  
 \_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT
 

 8-19-05  
 \_\_\_\_\_  
 DATE

  
 \_\_\_\_\_  
 SIGNATURE OF MANAGER
 

 8/22/05  
 \_\_\_\_\_  
 DATE

**PART A. STATEMENT OF OPERATIONS**

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital.....	164,013,941	166,349,175	165,316,973	25,768,606
2. Power Production Expense.....				
3. Cost of Purchased Power.....	148,753,396	149,780,707	148,390,989	23,047,380
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	1,848,940	2,040,457	2,136,384	344,728
6. Distribution Expense - Maintenance.....	4,662,897	4,359,966	4,839,236	752,621
7. Consumer Accounts Expense.....	1,574,667	1,561,118	1,739,034	211,120
8. Customer Service and Informational Expense.....	89,545	112,395	101,189	14,447
9. Sales Expense.....	78,761	57,812	123,229	9,681
10. Administrative and General Expense.....	1,300,631	1,491,312	1,358,816	234,891
11. Total Operation & Maintenance Expense (2 thru 10).....	158,308,837	159,403,767	158,688,877	24,614,868
12. Depreciation and Amortization Expense.....	3,217,999	3,242,626	3,438,191	492,837
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	165,225	154,538	154,368	22,077
15. Interest on Long-Term Debt.....	1,788,937	2,215,993	2,147,807	378,047
16. Interest Charged to Construction - Credit.....	(33,152)	(25,015)		(14,571)
17. Interest Expense - Other.....	57,692	83,019	72,919	11,661
18. Other Deductions.....	48,770	32,738	51,678	956
19. Total Cost of Electric Service (11 thru 18).....	163,554,308	165,107,666	164,553,840	25,505,875
20. Patronage Capital & Operating Margins (1 minus 19).....	459,633	1,241,509	763,133	262,731
21. Non-Operating Margins - Interest.....	405,429	481,037	448,581	74,816
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(5,106)	(51,563)	2,072	296
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	67,068	97,532	87,500	8,439
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	927,024	1,768,515	1,301,286	346,282

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	593	554	5. Miles Transmission		
2. Services Retired	163	165	6. Miles Distribution-Overhead	6,180	6,200
3. Total Services in Place	58,452	55,570	7. Miles Distribution-Underground	650	686
4. Idle Services (Exclude Seasonal)	5,919	2,352	8. Total Miles Energized (5+6+7)	6,830	6,886

<b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b>	
	<b>KENERGY</b>	
	PERIOD ENDED	<b>RUS USE ONLY</b>
INSTRUCTIONS - See RUS Bulletin 1717B-2	<b>July 31, 2005</b>	

<b>PART C. BALANCE SHEET</b>			
<b>ASSETS AND OTHER DEBITS</b>		<b>LIABILITIES AND OTHER CREDITS</b>	
1. Total Utility Plant in Service.....	204,557,692	30. Memberships.....	275,640
2. Construction Work in Progress.....	2,468,210	31. Patronage Capital.....	52,315,000
3. Total Utility Plant (1+2).....	207,025,902	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	43,455,647	33. Operating Margins - Current Years.....	1,339,042
5. Net Utility Plant (3-4).....	163,570,255	34. Non-Operating Margins.....	429,811
6. Non-Utility Property (Net).....	42,361	35. Other Margins and Equities.....	2,968,117
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	57,406,261
8. Invest. In Assoc.Org.-Patronage Capital.....	696,369	37. Long-Term Debt - RUS (Net).....	67,425,381
9. Invest. In Assoc.Org.-Other-General Funds.....	107,278	(Payments-Unapplied \$11,615,780)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	3,947,790	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,696,729
11. Investments in Economic Development Projects.....	1,696,729	39. Long-Term Debt Other - REA Guaranteed	21,355,000
12. Other Investments.....	32,771	40. Long-Term Debt - Other (Net).....	25,293,316
13. Special Funds.....	1,473,171	41. Total Long-Term Debt (37 thru 40).....	115,770,426
14. Total Other Property and Investments (6 thru 13).....	7,996,469	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	349,578	43. Accumulated Operating Provisions.....	2,586,993
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilites (42 + 43).....	2,586,993
17. Special Deposits.....		45. Notes Payable.....	3,757,222
18. Temporary Investments.....	3,499,779	46. Accounts Payable.....	22,186,879
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,331,361
20. Accounts Receivable - Sales of Energy (Net).....	19,710,060	48. Other Current and Accrued Liabilities.....	2,131,931
21. Accounts Receivable - Other (Net).....	884,745	49. Total Current & Accrued Liabilities (45 thru 48)	30,407,393
22. Materials and Supplies - Electric and Other.....	1,637,372	50. Deferred Credits.....	1,009,463
23. Prepayments.....	817,752	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	8,122,640	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	35,021,926	(36 + 41 + 44 + 49 thru 51).....	207,180,536
26. Regulatory Assets.....		<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
27. Other Deferred Debits.....	591,886	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	207,180,536	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

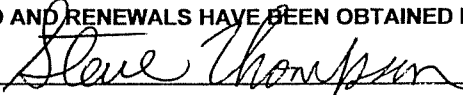
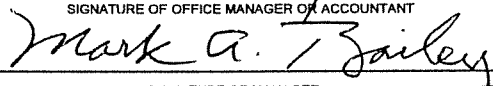


<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED August 31, 2005	RUS USE ONLY

**CERTIFICATION**

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

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

 _____ <small>SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</small>	9-23-05 _____ <small>DATE</small>
 _____ <small>SIGNATURE OF MANAGER</small>	9-27-05 _____ <small>DATE</small>

<b>PART A. STATEMENT OF OPERATIONS</b>				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	188,097,100	192,879,610	190,615,029	26,530,435
2. Power Production Expense.....				
3. Cost of Purchased Power.....	170,651,320	173,307,735	170,771,141	23,527,028
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,112,315	2,404,087	2,446,401	363,630
6. Distribution Expense - Maintenance.....	5,271,287	5,139,628	5,595,792	779,662
7. Consumer Accounts Expense.....	1,771,682	1,795,301	1,981,466	234,183
8. Customer Service and Informational Expense.....	103,797	127,698	115,829	15,303
9. Sales Expense.....	99,515	70,238	148,947	12,426
10. Administrative and General Expense.....	1,480,198	1,729,438	1,536,009	238,126
11. Total Operation & Maintenance Expense (2 thru 10).....	181,490,114	184,574,125	182,595,585	25,170,358
12. Depreciation and Amortization Expense.....	3,689,514	3,738,823	3,941,078	496,197
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	187,314	176,079	176,868	21,541
15. Interest on Long-Term Debt.....	2,041,872	2,606,271	2,498,746	390,278
16. Interest Charged to Construction - Credit.....	(33,152)	(25,015)		
17. Interest Expense - Other.....	69,912	94,776	83,336	11,757
18. Other Deductions.....	55,807	34,264	53,932	1,526
19. Total Cost of Electric Service (11 thru 18).....	187,501,381	191,199,323	189,349,545	26,091,657
20. Patronage Capital & Operating Margins (1 minus 19).....	595,719	1,680,287	1,265,484	438,778
21. Non-Operating Margins - Interest.....	464,088	553,703	512,664	72,666
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(2,439)	(47,461)	2,368	4,102
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	76,507	105,971	100,000	8,439
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,133,875	2,292,500	1,880,516	523,985

<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	676	625	5. Miles Transmission		
2. Services Retired	185	187	6. Miles Distribution-Overhead	6,181	6,202
3. Total Services in Place	58,513	55,619	7. Miles Distribution-Underground	652	690
4. Idle Services (Exclude Seasonal)	5,930	2,353	8. Total Miles Energized (5+6+7)	6,833	6,892

<b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b>	
	<b>KENERGY</b>	
<b>INSTRUCTIONS - See RUS Bulletin 1717B-2</b>	<b>PERIOD ENDED</b>	<b>RUS USE ONLY</b>
	<b>August 31, 2005</b>	

<b>PART C. BALANCE SHEET</b>			
<b>ASSETS AND OTHER DEBITS</b>	<b>LIABILITIES AND OTHER CREDITS</b>		
1. Total Utility Plant in Service.....	205,037,826	30. Memberships.....	275,405
2. Construction Work in Progress.....	2,601,865	31. Patronage Capital.....	52,298,771
3. Total Utility Plant (1+2).....	207,639,691	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	43,931,901	33. Operating Margins - Current Years.....	1,786,259
5. Net Utility Plant (3-4).....	163,707,789	34. Non-Operating Margins.....	506,579
6. Non-Utility Property (Net).....	42,246	35. Other Margins and Equities.....	2,971,357
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	57,917,022
8. Invest. In Assoc.Org.-Patronage Capital.....	696,369	37. Long-Term Debt - RUS (Net).....	67,203,909
9. Invest. In Assoc.Org.-Other-General Funds.....	107,278	(Payments-Unapplied \$11,664,698)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds.....	3,956,230	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,674,045
11. Investments in Economic Development Projects.....	1,682,378	39. Long-Term Debt Other - REA Guaranteed	21,355,000
12. Other Investments.....	38,442	40. Long-Term Debt - Other (Net)	25,076,636
13. Special Funds.....	1,473,171	41. Total Long-Term Debt (37 thru 40).....	115,309,590
14. Total Other Property and Investments (6 thru 13)...	7,996,114	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	481,943	43. Accumulated Operating Provisions.....	2,575,373
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilites (42 + 43)....	2,575,373
17. Special Deposits.....		45. Notes Payable.....	3,757,222
18. Temporary Investments.....	2,307,749	46. Accounts Payable.....	22,505,790
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,353,950
20. Accounts Receivable - Sales of Energy (Net).....	20,243,505	48. Other Current and Accrued Liabilities.....	1,869,660
21. Accounts Receivable - Other (Net).....	923,296	49. Total Current & Accrued Liabilities (45 thru 48)	30,486,622
22. Materials and Supplies - Electric and Other.....	1,582,907	50. Deferred Credits.....	930,483
23. Prepayments.....	723,173	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	8,678,169	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	34,940,742	(36 + 41 + 44 + 49 thru 51).....	207,219,090
26. Regulatory Assets.....		<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>	
27. Other Deferred Debits.....	574,445	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	207,219,090	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED September 30, 2005	RUS USE ONLY

**CERTIFICATION**

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

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

<p style="text-align: center;"><i>Steve Thompson</i> _____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT</p> <p style="text-align: center;"><i>Mark A. Bailey</i> _____ SIGNATURE OF MANAGER</p>	<p style="text-align: center;"><i>10/25/05</i> _____ DATE</p> <p style="text-align: center;"><i>10/25/05</i> _____ DATE</p>
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<b>PART A. STATEMENT OF OPERATIONS</b>				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital.....	211,449,468	216,553,009	214,088,747	23,673,399
2. Power Production Expense.....				
3. Cost of Purchased Power.....	191,757,732	194,679,573	192,045,366	21,371,838
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,359,328	2,797,573	2,759,565	393,486
6. Distribution Expense - Maintenance.....	5,862,166	5,956,327	6,376,102	816,699
7. Consumer Accounts Expense.....	1,987,121	2,025,830	2,223,919	230,529
8. Customer Service and Informational Expense.....	118,607	141,012	131,271	13,314
9. Sales Expense.....	110,429	82,679	165,929	12,441
10. Administrative and General Expense.....	1,687,750	1,988,885	1,713,105	259,447
11. Total Operation & Maintenance Expense (2 thru 10).....	203,883,133	207,671,879	205,415,257	23,097,754
12. Depreciation and Amortization Expense.....	4,161,841	4,258,780	4,444,802	519,957
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	209,403	197,619	199,368	21,540
15. Interest on Long-Term Debt.....	2,303,732	2,985,263	2,843,156	378,992
16. Interest Charged to Construction - Credit.....	(33,152)	(25,015)		
17. Interest Expense - Other.....	82,579	106,473	93,753	11,697
18. Other Deductions.....	62,406	40,785	62,461	6,521
19. Total Cost of Electric Service (11 thru 18).....	210,669,942	215,235,784	213,058,797	24,036,461
20. Patronage Capital & Operating Margins (1 minus 19).....	779,526	1,317,225	1,029,951	(363,062)
21. Non-Operating Margins - Interest.....	520,092	621,121	576,747	67,418
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(29,078)	(43,432)	2,664	4,029
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	112,112	137,262	112,500	31,291
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,382,652	2,032,176	1,721,862	(260,324)

<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	782	750	5. Miles Transmission		
2. Services Retired	208	210	6. Miles Distribution-Overhead	6,183	6,203
3. Total Services in Place	58,596	55,721	7. Miles Distribution-Underground	655	694
4. Idle Services (Exclude Seasonal)	5,969	2,362	8. Total Miles Energized (5+6+7)	6,838	6,897

<b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER DESIGNATION</b>	
	<b>KENERGY</b>	
	PERIOD ENDED	RUS USE ONLY
<b>INSTRUCTIONS - See RUS Bulletin 1717B-2</b>	<b>September 30, 2005</b>	

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1. Total Utility Plant in Service..... 205,977,640	30. Memberships..... 275,400
2. Construction Work in Progress..... 2,331,381	31. Patronage Capital..... 52,281,901
3. Total Utility Plant (1+2)..... 208,309,021	32. Operating Margins - Prior Years..... 78,651
4. Accum. Provision for Depreciation and Amort..... 44,329,196	33. Operating Margins - Current Years..... 1,454,488
5. Net Utility Plant (3-4)..... 163,979,825	34. Non-Operating Margins..... 578,026
6. Non-Utility Property (Net)..... 42,222	35. Other Margins and Equities..... 2,867,054
7. Investments in Subsidiary Companies.....	36. Total Margins & Equities (30 thru 35)..... 57,535,520
8. Invest. In Assoc.Org.-Patronage Capital..... 704,414	37. Long-Term Debt - RUS (Net)..... 66,996,730
9. Invest. In Assoc.Org.-Other-General Funds..... 107,278	(Payments-Unapplied \$11,712,584)
10. Invest. In Assoc.Org.-Other-Nongeneral Funds..... 3,964,669	38. Long-Term Debt - RUS - Econ. Devel. (Net)..... 1,657,378
11. Investments in Economic Development Projects..... 1,653,212	39. Long-Term Debt Other - REA Guaranteed..... 21,260,878
12. Other Investments..... 37,657	40. Long-Term Debt - Other (Net)..... 24,911,091
13. Special Funds..... 1,473,171	41. Total Long-Term Debt (37 thru 40)..... 114,826,077
14. Total Other Property and Investments (6 thru 13)..... 7,982,623	42. Obligations Under Capital Leases.....
15. Cash - General Funds..... 464,559	43. Accumulated Operating Provisions..... 2,711,050
16. Cash - Construction Funds - Trustee.....	44. Total Other Noncurrent Liabilities (42 + 43)..... 2,711,050
17. Special Deposits.....	45. Notes Payable..... 3,757,222
18. Temporary Investments..... 1,323,724	46. Accounts Payable..... 20,394,217
19. Notes Receivable (Net).....	47. Consumer Deposits..... 2,357,475
20. Accounts Receivable - Sales of Energy (Net)..... 19,257,610	48. Other Current and Accrued Liabilities..... 1,983,730
21. Accounts Receivable - Other (Net)..... 1,148,150	49. Total Current & Accrued Liabilities (45 thru 48)..... 28,492,644
22. Materials and Supplies - Electric and Other..... 1,670,877	50. Deferred Credits..... 857,774
23. Prepayments..... 614,357	51. Accumulated Deferred Income Taxes.....
24. Other Current and Accrued Assets..... 7,548,675	52. Total Liabilities and Other Credits.....
25. Total Current and Accrued Assets (15 thru 24)..... 32,027,952	(36 + 41 + 44 + 49 thru 51)..... 204,423,065
26. Regulatory Assets.....	<b>ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION</b>
27. Other Deferred Debits..... 512,665	53. Balance Beginning of Year.....
28. Accumulated Deferred Income Taxes.....	54. Amount Received This Year(Net).....
29. Total Assets and Other Debits (5+14+25 thru 28)..... 204,503,065	55. Total Contributions in Aid of Construction.....

**PART D. NOTES TO FINANCIAL STATEMENTS**

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
 (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

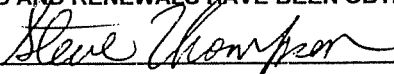
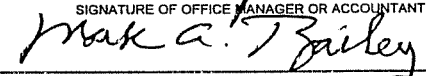
<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED October 31, 2005	RUS USE ONLY
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**CERTIFICATION**

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

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

 _____ SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	11/18/05 _____ DATE
 _____ SIGNATURE OF MANAGER	11/28/05 _____ DATE

<b>PART A. STATEMENT OF OPERATIONS</b>				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	234,214,322	240,035,732	237,269,768	23,482,723
2. Power Production Expense.....				
3. Cost of Purchased Power.....	212,371,707	216,171,291	213,075,799	21,491,718
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,653,266	3,202,776	3,055,334	405,203
6. Distribution Expense - Maintenance.....	6,373,804	6,689,885	7,078,193	733,558
7. Consumer Accounts Expense.....	2,264,617	2,292,508	2,486,932	266,678
8. Customer Service and Informational Expense.....	132,524	154,804	147,987	13,792
9. Sales Expense.....	122,999	92,138	182,463	9,459
10. Administrative and General Expense.....	1,912,402	2,334,041	1,896,925	345,156
11. Total Operation & Maintenance Expense (2 thru 10).....	225,831,319	230,937,443	227,923,633	23,265,564
12. Depreciation and Amortization Expense.....	4,635,689	4,777,564	4,950,036	518,784
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	231,492	219,160	221,868	21,541
15. Interest on Long-Term Debt.....	2,573,665	3,388,501	3,199,041	403,238
16. Interest Charged to Construction - Credit.....	(33,152)	(41,159)		(16,144)
17. Interest Expense - Other.....	94,612	118,357	104,170	11,884
18. Other Deductions.....	63,089	43,600	64,715	2,815
19. Total Cost of Electric Service (11 thru 18).....	233,396,714	239,443,466	236,463,463	24,207,682
20. Patronage Capital & Operating Margins (1 minus 19).....	817,608	592,266	806,306	(724,959)
21. Non-Operating Margins - Interest.....	578,833	688,194	640,830	67,073
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(8,294)	(40,403)	2,960	3,029
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	121,551	145,701	125,000	8,439
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,509,698	1,385,758	1,575,096	(646,418)

<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	893	865	5. Miles Transmission		
2. Services Retired	226	237	6. Miles Distribution-Overhead	6,180	6,204
3. Total Services in Place	58,689	55,809	7. Miles Distribution-Underground	650	696
4. Idle Services (Exclude Seasonal)	5,953	2,383	8. Total Miles Energized (5+6+7)	6,830	6,900

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
INSTRUCTIONS - See RUS Bulletin 1717B-2	PERIOD ENDED	RUS USE ONLY
	October 31, 2005	

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	206,952,102	30. Memberships.....	275,335
2. Construction Work in Progress.....	2,431,817	31. Patronage Capital.....	52,269,480
3. Total Utility Plant (1+2).....	209,383,919	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	44,673,928	33. Operating Margins - Current Years.....	737,968
5. Net Utility Plant (3-4).....	164,709,991	34. Non-Operating Margins.....	648,128
6. Non-Utility Property (Net).....	42,107	35. Other Margins and Equities.....	3,016,500
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	57,026,062
8. Invest. In Assoc.Org -Patronage Capital.....	704,414	37. Long-Term Debt - RUS (Net).....	66,794,791
9. Invest. In Assoc.Org-Other-General Funds.....	107,278	(Payments-Unapplied \$11,762,322)	
10. Invest. In Assoc.Org-Other-Nongeneral Funds.....	3,973,108	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,632,378
11. Investments in Economic Development Projects.....	1,632,378	39. Long-Term Debt Other - REA Guaranteed	21,260,879
12. Other Investments.....	36,393	40. Long-Term Debt - Other (Net).....	24,928,936
13. Special Funds.....	1,473,171	41. Total Long-Term Debt (37 thru 40).....	114,616,984
14. Total Other Property and Investments (6 thru 13).....	7,968,849	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	964,961	43. Accumulated Operating Provisions.....	2,551,544
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43).....	2,551,544
17. Special Deposits.....		45. Notes Payable.....	3,757,222
18. Temporary Investments.....	1,619,063	46. Accounts Payable.....	22,269,895
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,379,220
20. Accounts Receivable - Sales of Energy (Net).....	20,062,470	48. Other Current and Accrued Liabilities.....	1,576,779
21. Accounts Receivable - Other (Net).....	1,239,206	49. Total Current & Accrued Liabilities (45 thru 48).....	29,983,116
22. Materials and Supplies - Electric and Other.....	1,636,604	50. Deferred Credits.....	1,033,176
23. Prepayments.....	489,160	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	6,113,513	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	32,124,977	(36 + 41 + 44 + 49 thru 51).....	205,210,882
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	407,065	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28).....	205,210,882	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

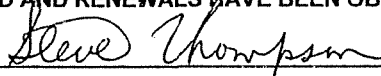
THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
(IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

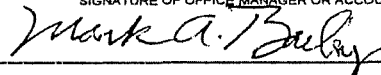
<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	
INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED November 30, 2005	RUS USE ONLY

**CERTIFICATION**

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

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

  
 \_\_\_\_\_  
 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

  
 \_\_\_\_\_  
 SIGNATURE OF MANAGER

12/21/05  
 \_\_\_\_\_  
 DATE

12/22/05  
 \_\_\_\_\_  
 DATE

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR	THIS YEAR	BUDGET	
	(a)	(b)	(c)	
1. Operating Revenue and Patronage Capital.....	256,746,398	262,800,568	260,218,451	22,764,836
2. Power Production Expense.....				
3. Cost of Purchased Power.....	232,660,672	236,736,548	233,750,037	20,565,257
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	2,941,806	3,696,159	3,352,817	493,383
6. Distribution Expense - Maintenance.....	6,880,967	7,389,642	7,665,197	699,757
7. Consumer Accounts Expense.....	2,474,778	2,531,730	2,724,312	239,222
8. Customer Service and Informational Expense.....	148,250	169,548	161,472	14,744
9. Sales Expense.....	134,645	105,147	199,203	13,009
10. Administrative and General Expense.....	2,100,621	2,625,988	2,061,272	291,947
11. Total Operation & Maintenance Expense (2 thru 10).....	247,341,739	253,254,762	249,914,310	22,317,319
12. Depreciation and Amortization Expense.....	5,111,267	5,298,133	5,456,999	520,569
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	253,590	240,789	244,368	21,629
15. Interest on Long-Term Debt.....	2,826,411	3,779,979	3,548,237	391,478
16. Interest Charged to Construction - Credit.....	(33,152)	(41,159)		
17. Interest Expense - Other.....	106,190	130,198	114,587	11,841
18. Other Deductions.....	67,327	54,286	66,968	10,686
19. Total Cost of Electric Service (11 thru 18).....	255,673,372	262,716,988	259,345,469	23,273,522
20. Patronage Capital & Operating Margins (1 minus 19).....	1,073,026	83,580	872,983	(508,686)
21. Non-Operating Margins - Interest.....	636,236	754,260	704,913	66,066
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(8,180)	(41,782)	3,256	(1,379)
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	130,990	154,140	137,500	8,439
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,832,072	950,198	1,718,652	(435,560)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	1,012	1,028	5. Miles Transmission		
2. Services Retired	238	257	6. Miles Distribution-Overhead	6,181	6,206
3. Total Services in Place	58,796	55,952	7. Miles Distribution-Underground	652	702
4. Idle Services (Exclude Seasonal)	5,997	2,420	8. Total Miles Energized (5+6+7)	6,833	6,908

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
INSTRUCTIONS - See RUS Bulletin 1717B-2	PERIOD ENDED	RUS USE ONLY
	November 30, 2005	

**PART C. BALANCE SHEET**

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	207,689,328	30. Memberships.....	275,530
2. Construction Work in Progress.....	2,456,522	31. Patronage Capital.....	52,265,664
3. Total Utility Plant (1+2).....	210,145,850	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	45,092,542	33. Operating Margins - Current Years.....	237,721
5. Net Utility Plant (3-4).....	165,053,308	34. Non-Operating Margins.....	712,815
6. Non-Utility Property (Net).....	41,993	35. Other Margins and Equities.....	3,163,989
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	56,734,370
8. Invest. In Assoc.Org.-Patronage Capital.....	704,414	37. Long-Term Debt - RUS (Net).....	66,568,351
9. Invest. In Assoc.Org.-Other-General Funds.....	107,278	(Payments-Unapplied \$11,810,660)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	3,981,547	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,605,990
11. Investments in Economic Development Projects....	1,605,990	39. Long-Term Debt Other - REA Guaranteed	21,260,879
12. Other Investments.....	35,320	40. Long-Term Debt - Other (Net).....	24,708,069
13. Special Funds.....	1,473,171	41. Total Long-Term Debt (37 thru 40).....	114,143,289
14. Total Other Property and Investments (6 thru 13)...	7,949,713	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	824,454	43. Accumulated Operating Provisions.....	2,391,845
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilites (42 + 43)...	2,391,845
17. Special Deposits.....		45. Notes Payable.....	4,507,222
18. Temporary Investments.....	903,742	46. Accounts Payable.....	20,792,349
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,392,053
20. Accounts Receivable - Sales of Energy (Net).....	19,260,470	48. Other Current and Accrued Liabilities.....	1,330,930
21. Accounts Receivable - Other (Net).....	1,085,329	49. Total Current & Accrued Liabilities (45 thru 48)	29,022,554
22. Materials and Supplies - Electric and Other.....	1,655,208	50. Deferred Credits.....	985,103
23. Prepayments.....	373,003	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	5,934,306	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	30,036,512	(36 + 41 + 44 + 49 thru 51).....	203,277,161
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	237,628	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	203,277,161	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.  
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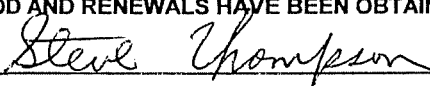
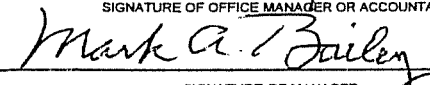
<b>FINANCIAL AND STATISTICAL REPORT</b>	BORROWER DESIGNATION KENTUCKY 65	
	BORROWER NAME AND ADDRESS KENERGY P.O. BOX 18 HENDERSON, KY 42420	

INSTRUCTIONS - Submit an original and two copies to RUS. Round all amounts to nearest dollar. For detailed instructions, see RUS Bulletin 1717B-2.	PERIOD ENDED December 31, 2005	RUS USE ONLY
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 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	<u>1/31/06</u> DATE
 SIGNATURE OF MANAGER	<u>2/1/06</u> DATE

<b>PART A. STATEMENT OF OPERATIONS</b>				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital.....	281,710,528	289,264,858	285,301,069	26,464,290
2. Power Production Expense.....				
3. Cost of Purchased Power.....	254,634,344	259,986,490	255,691,929	23,249,942
4. Transmission Expense.....				
5. Distribution Expense - Operation.....	3,630,461	4,249,548	3,699,103	553,389
6. Distribution Expense - Maintenance.....	7,867,433	8,113,669	8,346,323	724,027
7. Consumer Accounts Expense.....	2,671,722	2,776,613	3,009,207	244,883
8. Customer Service and Informational Expense.....	162,956	185,728	180,243	16,180
9. Sales Expense.....	154,315	113,896	219,764	8,749
10. Administrative and General Expense.....	2,712,862	3,036,362	2,261,103	410,374
11. Total Operation & Maintenance Expense (2 thru 10).....	271,834,093	278,462,306	273,407,672	25,207,544
12. Depreciation and Amortization Expense.....	5,528,019	5,752,782	5,966,207	454,649
13. Tax Expense - Property & Gross Receipts.....				
14. Tax Expense - Other.....	275,720	269,762	271,596	28,973
15. Interest on Long-Term Debt.....	3,118,978	4,198,637	3,909,107	418,658
16. Interest Charged to Construction - Credit.....	(55,479)	(60,091)		(18,932)
17. Interest Expense - Other.....	118,202	143,991	125,000	13,793
18. Other Deductions.....	78,148	63,561	75,000	9,275
19. Total Cost of Electric Service (11 thru 18).....	280,897,681	288,830,948	283,754,582	26,113,960
20. Patronage Capital & Operating Margins (1 minus 19).....	812,847	433,910	1,546,488	350,330
21. Non-Operating Margins - Interest.....	836,782	893,305	769,000	139,045
22. Allowance for Funds Used During Construction.....				
23. Income (Loss) from Equity Investments.....				
24. Non-Operating Margins - Other.....	(21,223)	(31,286)	3,554	10,496
25. Generation and Transmission Capital Credits.....				
26. Other Capital Credits & Patronage Dividends.....	131,689	194,579	150,000	40,439
27. Extraordinary Items....(See Page 2, Part D).....				
28. Patronage Capital or Margins (20 thru 26).....	1,760,095	1,490,508	2,469,042	540,310

<b>PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT</b>					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	1,120	1,142	5. Miles Transmission		
2. Services Retired	3,961	268	6. Miles Distribution-Overhead	6,192	6,208
3. Total Services in Place	55,181	56,055	7. Miles Distribution-Underground	667	707
4. Idle Services (Exclude Seasonal)	2,241	2,451	8. Total Miles Energized (5+6+7)	6,859	6,915

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION	
	KENERGY	
INSTRUCTIONS - See RUS Bulletin 1717B-2	PERIOD ENDED	RUS USE ONLY
	December 31, 2005	

PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service.....	206,193,608	30. Memberships.....	275,480
2. Construction Work in Progress.....	2,909,571	31. Patronage Capital.....	52,260,760
3. Total Utility Plant (1+2).....	209,103,179	32. Operating Margins - Prior Years.....	78,651
4. Accum. Provision for Depreciation and Amort.....	45,328,490	33. Operating Margins - Current Years.....	628,490
5. Net Utility Plant (3-4).....	163,774,689	34. Non-Operating Margins.....	-1,654,210
6. Non-Utility Property (Net).....	34,861	35. Other Margins and Equities.....	3,328,526
7. Investments in Subsidiary Companies.....		36. Total Margins & Equities (30 thru 35).....	54,917,697
8. Invest. In Assoc.Org.-Patronage Capital.....	704,414	37. Long-Term Debt - RUS (Net).....	66,480,771
9. Invest. In Assoc.Org.-Other-General Funds.....	139,278	(Payments-Unapplied \$11,860,815)	
10. Invest. In Assoc.Org.-Other-Nongeneral Funds....	3,989,986	38. Long-Term Debt - RUS - Econ. Devel. (Net)	1,583,305
11. Investments in Economic Development Projects.....	1,583,305	39. Long-Term Debt Other - REA Guaranteed	20,866,234
12. Other Investments.....	34,185	40. Long-Term Debt - Other (Net).....	24,826,179
13. Special Funds.....	1,547,870	41. Total Long-Term Debt (37 thru 40).....	113,756,489
14. Total Other Property and Investments (6 thru 13)...	8,033,899	42. Obligations Under Capital Leases.....	
15. Cash - General Funds.....	997,580	43. Accumulated Operating Provisions.....	2,277,336
16. Cash - Construction Funds - Trustee.....		44. Total Other Noncurrent Liabilities (42 + 43)....	2,277,336
17. Special Deposits.....		45. Notes Payable.....	5,252,161
18. Temporary Investments.....	381,259	46. Accounts Payable.....	23,197,693
19. Notes Receivable (Net).....		47. Consumer Deposits.....	2,408,744
20. Accounts Receivable - Sales of Energy (Net).....	20,178,741	48. Other Current and Accrued Liabilities.....	1,662,272
21. Accounts Receivable - Other (Net).....	1,236,897	49. Total Current & Accrued Liabilities (45 thru 48)	32,520,870
22. Materials and Supplies - Electric and Other.....	1,747,138	50. Deferred Credits.....	946,746
23. Prepayments.....	233,162	51. Accumulated Deferred Income Taxes.....	
24. Other Current and Accrued Assets.....	7,783,976	52. Total Liabilities and Other Credits	
25. Total Current and Accrued Assets (15 thru 24).....	32,558,753	(36 + 41 + 44 + 49 thru 51).....	204,419,138
26. Regulatory Assets.....		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
27. Other Deferred Debits.....	51,797	53. Balance Beginning of Year.....	
28. Accumulated Deferred Income Taxes.....		54. Amount Received This Year(Net).....	
29. Total Assets and Other Debits (5+14+25 thru 28)	204,419,138	55. Total Contributions in Aid of Construction.....	

**PART D. NOTES TO FINANCIAL STATEMENTS**

THIS SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT. (IF ADDITIONAL SPACE IS NEEDED, USE SEPARATE SHEET.)

**Retrospective Application of a Change in the Method of Applying an Accounting Principle**

The following footnote was included in Part D – Notes to the Financial Statements on the January 2002 – October 2003 Form 7's:

**“Part A – Statement of Operations**

Kenergy implemented new cost allocation procedures on January 1, 2002. These changes were designed to comply with KRS 278.2205, a new Kentucky law requiring all utilities providing non-regulated activities to keep separate accounts and allocate costs to avoid subsidization, and a KY Public Service Commission order directing Kenergy to modify its accounting system to track costs of serving its customers served direct from transmission voltage. Additionally, Kenergy has implemented the first phase of an activity based costing system.

These changes have impacted the amounts being allocated to the various activities and the comparison to last year amounts. Further modification to these procedures may be made subsequent to the review of the cost allocation methodologies by outside auditors and regulatory agencies. Any material modifications may be applied retroactive to January 1, 2002.”

A similar footnote was included in the audited financial statements for December 31, 2002 and 2003.

Kenergy removed the Form 7 footnote disclosure subsequent to the May 2003 Rural Utilities Service (RUS) approval of loan B8. The July 20, 2005 RUS C44 loan approval letter advised that advances on the loan can be made only after Kenergy adopts cost allocation procedures acceptable to RUS. Kenergy has revised its cost allocation manual effective January 1, 2005 in a manner acceptable to RUS. The RUS has completed a loan fund audit for the period April 2001 through August 2005 and found that margins and utility plant should be reduced \$839,793 (2002), \$877,914 (2003), and \$798,859 (2004). Therefore, lines 1 and 34 of the 12/31/05 Part C Balance Sheet reflect a reduction of \$2,516,566. Also, Column (a) of Part A, Statement of Operations, has been adjusted to reflect the 2004 \$798,859 amount.







P010	Interest on Term Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P011	Other	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$837	\$10,000
	TOTAL	\$1,084,308	\$1,064,818	\$1,101,796	\$1,083,215	\$1,107,725	\$1,100,283	\$1,118,489	\$1,117,989	\$1,105,024	\$1,129,480	\$1,125,023	\$1,140,091	\$13,276,215
	TOTAL COST (EXCLUDING POWER COST)	\$2,284,065	\$2,202,213	\$2,514,092	\$2,419,108	\$2,634,015	\$2,665,250	\$2,668,439	\$2,715,357	\$2,543,025	\$2,623,121	\$2,321,809	\$2,295,920	\$28,888,208
	Operating Margins	\$512,990	\$69,528	-\$200,393	-\$384,554	-\$584,151	-\$78,907	\$198,491	\$156,611	-\$383,378	-\$531,056	-\$24,308	\$796,683	(\$414,437)
R001	Nonoperating Electric Margins	\$64,851	\$64,851	\$64,851	\$64,851	\$64,851	\$64,851	\$64,851	\$64,851	\$64,851	\$64,851	\$64,851	\$64,845	\$778,206
R002	Non-Electric Margins	\$2,966	\$2,966	\$2,966	\$2,966	\$2,966	\$2,966	\$2,966	\$2,966	\$2,966	\$2,966	\$2,966	\$2,966	\$35,592
	TOTAL	\$580,807	\$137,345	-\$132,576	-\$296,737	-\$498,334	-\$11,090	\$264,308	\$224,428	-\$315,661	-\$463,239	\$43,509	\$884,484	\$399,361
S001	G & T Capital Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
S002	Other Capital Credits	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$14,583	\$175,000
S003	One time acct adj.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTAL MARGINS	\$595,391	\$151,928	-\$117,992	-\$282,153	-\$481,750	\$3,494	\$278,892	\$239,012	-\$300,977	-\$448,655	\$58,093	\$879,078	\$574,361

Table with columns for months (JANUARY to TOTAL) and rows for various categories including Residential, Commercial Large, Commercial Small, Non-Dedicated, DEDICATED, MISCELLANEOUS, PURCHASED POWER, ADMINISTRATIVE FUNCTIONS, and other expenses. Includes a note: 'note: some sections will need rounding adjustment!'.

ENERGY CORP 2005 OPERATING BUDGET-MONTHLY

note: some sections will need rounding adjustment!





P007	Interes. . . . .	\$81,322	\$73,452	\$81,322	\$78,699	\$81,322	\$78,699	\$81,322	\$81,322	\$78,699	\$81,322	\$78,699	\$81,322	\$957,505
P008	Other Deductions . . . . .	\$9,921	\$1,421	\$11,046	\$2,421	\$1,921	\$15,696	\$3,421	\$1,421	\$7,698	\$1,421	\$1,420	\$7,195	\$65,000
P009	Interest Consumer Deposits . . . . .	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,413	\$125,000
P010	Interest-Short Term Loans . . . . .	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
P011	Other . . . . .	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$833	\$837	\$10,000
	TOTAL . . . . .	\$926,977	\$895,444	\$934,389	\$953,086	\$964,418	\$982,650	\$972,230	\$998,030	\$988,613	\$1,005,323	\$1,000,362	\$1,024,785	\$11,655,307
	TOTAL COST (EXCLUDING POWER COS	\$1,995,969	\$2,087,062	\$2,299,100	\$2,417,131	\$2,490,943	\$2,601,882	\$2,370,764	\$2,416,553	\$2,435,028	\$2,374,233	\$2,207,768	\$2,487,221	\$28,082,652
	Operating Margins . . . . .	\$796,430	\$141,238	\$46,812	-\$358,809	-\$342,550	\$43,868	\$436,148	\$502,351	-\$235,533	-\$223,645	\$68,677	\$448,505	\$1,321,488
R001	Nonoperating Electric Margins . . . . .	\$64,083	\$64,083	\$64,083	\$64,083	\$64,083	\$64,083	\$64,083	\$64,083	\$64,083	\$64,083	\$64,083	\$64,087	\$769,000
R002	Non-Electric Margins . . . . .	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$296	\$298	\$3,554
	TOTAL . . . . .	\$860,809	\$205,615	\$111,191	-\$284,430	-\$278,171	\$108,247	\$500,625	\$566,730	-\$171,154	-\$159,266	\$131,056	\$512,890	\$2,084,042
S001	G & T Capital Credits . . . . .	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
S002	Other Capital Credits . . . . .	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$150,000
S003	One time acct adj. . . . .	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$225,000	\$225,000
	TOTAL MARGINS . . . . .	\$873,309	\$218,115	\$123,691	-\$281,930	-\$265,671	\$120,747	\$513,025	\$579,230	-\$158,654	-\$146,766	\$143,556	\$750,390	\$2,469,042



**Cost of Service Study  
prepared by  
JDG Consulting LLC  
is filed in a separate binder as  
Exhibit 16**







**KENERGY CORP.**

**COST ALLOCATION MANUAL (CAM)**

**DATE SUBMITTED: DECEMBER 2005**

**NOTE: These changes have been applied for the entire calendar year 2005.**

## TABLE OF CONTENTS

<b>INTRODUCTION.....</b>	<b>1</b>
<b>DEFINITIONS .....</b>	<b>2-4</b>
<b>REGULATED &amp; NONREGULATED DIVISIONS &amp; AFFILIATES &amp; RELATED SERVICES AND PRODUCTS .....</b>	<b>5-6</b>
<b>NATURE OF TRANSACTIONS .....</b>	<b>7</b>
<b>COST ALLOCATION METHODOLOGIES &amp; ACCOUNT NUMBERS .....</b>	<b>8-10</b>
<b>ADOPTION STATEMENT .....</b>	<b>11</b>

### **APPENDIX:**

- **NON-REGULATED BUSINESS GUIDELINES FOR COOPERATIVES – SEPTEMBER 1, 2004 (Includes Resolution of Kenergy’s Board of Directors Adopting Non-Regulated Business Guidelines for Cooperatives).....**12-13
- **RURAL UTILITIES SERVICE (RUS) SPECIFIC REQUIREMENTS FOR CAPITALIZATION OF CERTAIN COSTS (Includes 8/15/05 Letter from RUS and Additional Clarification to Letter).....**14-18



## INTRODUCTION

The Commonwealth of Kentucky General Assembly enacted KRS 278.2205 during the 2000 regular session. The Kentucky Public Service Commission requires that all utilities providing nonregulated activities, either directly or through an affiliate to keep separate accounts and allocate costs to ensure that regulated ratepayers do not subsidize the nonregulated activities. This law requires utilities that meet certain revenue levels to file a cost allocation manual to identify the method for segregating costs between regulated and nonregulated activities.

The Kentucky Public Service Commission also directed Kenergy to modify its accounting system to track the costs of serving its customers served direct from transmission lines.

The Uniform System of Accounts – Electric (RUS Bulletin 1767B-1) requires utilities to allocate certain costs to construction and retirement of electric plant activities.

This manual is an indexed compilation and explanation of Kenergy's cost allocation policies and procedures.

## DEFINITIONS

**Affiliate** – A person that controls or is controlled by, or is under common control with a utility.

**Arm's Length** – The standard of conduct under which unrelated parties, each party acting in its own best interest, would negotiate and carry out a particular transaction.

**Control** – The power to direct the management or policies of a person through ownership, by contract, or otherwise.

**Cost Allocation Manual (CAM)** – Indexed compilation and documentation of a company's cost allocation policies and related procedures.

**Cost Allocations** – The methods or ratios used to apportion costs. A cost allocator can be based on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature; or one or more overall factors (also known as general allocators).

**Common Costs** – Costs associated with services or products that are of joint benefit between regulated and non-regulated business units.

**Cost Driver** – A measurable event or quantity which influences the level of costs incurred and which can be directly traced to the origin of the costs themselves.

**Direct Costs** – Costs that be specifically identified with a particular service or product.

**Distribution Cooperative** – A utility formed under KRS Chapter 279 that provides retail electric service.

**Electric-Consuming Facilities** – Everything that utilizes electric energy from a central station source.

**Facility** -- Includes all property, means, and instrumentalities owned, operated, leased, licensed, used, furnished, or supplied for, by, or in connection with the business or any utility.

**Fully Distributed Costs** – The sum of the direct costs plus an appropriate share of indirect costs.

**Generation & Transmission Cooperative (G&T)** – A utility formed under KRS 279 that provides electric generation and transmission service.

**Global Costs** – Costs that do not have a specific identifiable causal relationship with a particular activity, but apply to all activities.

**Incidental Treatment** – A utility may report an incidental nonregulated activity as a regulated activity if (a) the revenue from the aggregate of the total of the utility’s nonregulated incidental activities does not exceed the lesser of two percent (2%) of the utility’s total revenue or one million dollars (\$1,000,000) annually; and (b) the nonregulated activity is reasonably related to the utility’s regulated activity.

**Indirect Costs** – Costs that cannot be identified with a particular service or product. This includes, but not limited to overhead costs, administrative and general, and taxes.

**Kentucky Public Service Commission (PSC) (Commission)** – State regulatory body governing the rates and practices of utilities.

**Net Book Value** – The book cost, as defined by the uniform system accounts, reduced by related provisions for accumulated depreciation, depletion, or amortization and adjusted for an unamortized plant acquisition adjustment related to the asset.

**Nonregulated Activity** – The provision of competitive retail gas or electric services or other products or services over which the Commission exerts no regulatory authority.

**Person** – Includes natural persons, partnerships, corporations, and two (2) or more persons having a joint or common interest.

**Prevailing Market Pricing** – A generally accepted market value that can be substantiated by clearly comparable transactions, auction or appraisal.

**Rate** – Means any individual or joint fare, toll, charge, rental, or other compensation for service rendered by any utility, and any rule, regulation, practice, act, requirement, or privilege in any way relating to such fare, toll, charge, rental, or other compensation, and any schedule or tariff or part of a schedule or tariff thereof.

**Regulated Activity** – A service provided by a utility, the rates and charges of which are regulated by the Commission.

**Retail Electric Service** – Electric service furnished to a consumer for ultimate consumption.

**Service** – Any practice or requirement in any way relating to the service of any utility, including the voltage of electricity, the heat units and pressure of gas, the purity, pressure, and quantity of water, and in general the quality, quantity, and pressure of any commodity or product used for or in connection with the business of any utility.

**Shared Services** -- Those centrally-managed services that benefit both the utility and its affiliates/divisions.

**Solicit** -- To engage in or offer for sale a good or service, either directly or indirectly and irrespective of place or audience.

**Subsidize** -- The recovery of costs or the transfer of value from one class of customer, activity, or business unit that is attributable to another.

**USoA – Uniform System of Accounts** – A system of accounts for public utilities established by the Rural Utilities Service (RUS) of the United States Department of Agriculture and adopted by the Commission.

**Utility** – A natural person, partnership, or corporation (except a city) who owns, controls, operates or manages a facility in connection with the generation, production, transmission, or distribution of electricity to or for the public, for compensation, for lights, heat, power, or other uses.

**Utility Revenue** – Operating electric revenue as reported on RUS Form 7, Page 1, Line 1.

**Wholesale Electric Service** – Electric service generated or purchased and furnished to a retail electric company or another wholesale electric company for further distribution.

## **REGULATED PRODUCTS AND SERVICES**

Distribution of electricity to approximately 53,000 customers served from distribution voltages

Distribution of electricity to 19 customers served from transmission voltages

## **NON-REGULATED PRODUCTS AND SERVICES**

### **Geothermal System Sales**

Kenergy is a wholesale distributor of geothermal systems for Climate Master, selling directly to contractors. Additionally, Kenergy purchases the associated pipe for these installations from GSC, Inc. Installation of geothermal systems is one demand side management technique used on the system.

### **Long Distance/Dial-Up Internet**

Kenergy is a commissioned agent for three long distance telephone companies: TouchTone Communications, PowerNet Global Communications and Cinery Communications. Additionally, Kenergy is a commissioned agent for the sale of dial-up Internet service for PowerNet Global Communications and Cinery Communications. As such, Kenergy is responsible for marketing and selling these services.

Kenergy uses its fiber optic system for company communications between locations. This includes telephone, SCADA, computer networks and the AS400. Additionally, Kenergy utilizes existing fiber assets to provide high-speed Internet services to customers.

### **Surge Protection**

Kenergy leases meter base surge protection devices designed to protect major appliances.

## **NATURE OF TRANSACTIONS**

### **From the Utility to the Affiliate/Division**

Goods, services and use of assets provided by the regulated utility to the nonregulated affiliate/division shall be at the tariffed rate. Non-tariffed items shall be priced at the fully distributed cost or prevailing market price, if available, whichever is greater.

The transfer or sale of assets by the utility to the nonregulated affiliate shall be priced at the greater of the utility's net book value or prevailing market price, if available.

Goods or services provided by a regulated utility to an affiliated regulated utility shall be priced at fully distributed cost.

### **From the Affiliate/Division to the Utility**

Goods, services and use of assets provided to the regulated utility by the nonregulated affiliate/division shall be priced at the lower of the affiliate's fully distributed cost or prevailing market price, if available.

The transfer or sale of assets between regulated affiliates shall be at net book value.

## **Cost Allocation Methodologies**

The cost allocation guidelines provided in this document are designed to allocate costs between construction/retirement, non-regulated and regulated customers served from distribution voltages, and regulated customers served direct from transmission voltage. After they are placed into effect, these allocation procedures will provide a reasonable, but not exact, allocation of costs to the various activities.

It is the intent of this manual to minimize the amount of costs to be allocated and to provide reasonable and simple allocation procedures when certain costs are to be allocated. Therefore, costs will be directly assigned to the activities at all times possible. Labor activity codes will be the primary means for determining what activity is involved and time reporting procedures will be maintained in one-half hour increments. Common costs or costs which cannot be directly assigned will be allocated to the activities on the basis of a rational methodology consistent with commonly used measures of cost causation, except for the items specified by the Rural Utilities Service that are not to be allocated to construction and retirement activities. These allocation methods to be applied to common costs are the following ones:

### **Number of Accounts**

Costs allocated under this method will be allocated proportional to the number of accounts that are served.

### **Direct Labor Dollars**

Costs will be allocated proportionally to the number of direct labor dollars recorded for each activity.

### **Direct Material Dollars**

Cost will be allocated proportionally to the amount of direct material dollars recorded for each activity.

### **Direct Labor Hours**

Costs will be allocated proportionally to the number of hours worked on each activity.

### **Net Plant**

Costs will be allocated proportionally on the basis of net plant.

### **Global Allocator on Direct Expenses**

Costs are allocated proportionally based on net revenue or total dollars involved.



**Work Space Size**

Costs will be allocated proportionally based on the size of the workspace devoted to a particular activity.

**Number of Miles Driven**

Costs will be allocated based proportionally on miles driven.

**Numbers of Hours Used**

Costs will be allocated proportionally on hours logged for each piece of machinery.

**Number of Equipment Units**

Costs will be allocated based on number of equipment units devoted to a particular activity.

**Revenue Dollars**

Costs will be allocated based on the Revenue Dollars produced by each activity.

**Income Dollars**

Costs will be allocated based on income recorded for each activity.

**Amount of Investment**

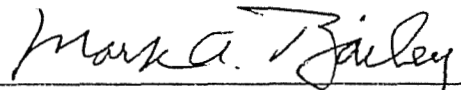
Costs will be allocated based on dollars invested in a particular activity.

## ACCOUNT NUMBERS

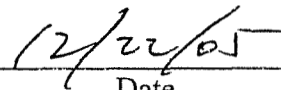
DESCRIPTION	ACCOUNT	BASIS FOR ALLOCATION
<b>Allocated to All Applicable Activities:</b>		
Stores	163.000	Direct Material Dollars
Transportation	184.100	Miles Driven or Std. Account Allocation
Payroll Taxes	184.408	Direct Labor Dollars
Property Taxes	184.407	Net Book Value of Plant
PSC Taxes	184.409	Revenue Less 1/2 of Power Cost
Health, Life, Disability Insurance	184.926	Direct Labor Dollars
Pension Plans	184.927	Direct Labor Dollars
<b>Not Allocated to Construction/Retirement:</b>		
Billing	903.000	Number of Total Active Accounts Billed
Advertising - General	930.100	Number of Total Active Accounts Billed
C&I Program	912.000	Number of Commercial Active Accounts Billed
Office Supplies/General Expenses	921.000	Global Allocator (Revenue \$)
Outside Services	923.000	Global Allocator (Revenue \$)
Public Relations	913.000	Number of Total Active Accounts Billed
Board of Directors	930.210	Global Allocator (Revenue \$)
Misc. General Expenses	930.200	Number of Total Active Accounts Billed
Building/Grounds (including building depreciation)	935.000	Direct Labor Hours
Administrative & General Salaries	920.000	Direct Labor Hours
Regulatory Commission Expenses	928.000	Global Allocator (Revenue \$)

## ADOPTION STATEMENT

Kenergy Corp. certifies that a Cost Allocation Manual ("CAM") has been developed, pursuant to KRS 278.2205 as required in House Bill 897. The "CAM" was approved by management and placed in effect on January 1, 2002 and includes amendments through December 2005.



Mark A. Bailey, President & CEO



Date



P.O. Box 1389 • 3111 Fairview Drive  
Owensboro, Kentucky 42302-1389  
(270) 926-4141 • FAX (270) 685-2279  
(800) 844-4732

EXCERPT FROM THE MINUTES OF A MEETING OF  
THE BOARD OF DIRECTORS OF KENERGY CORP.  
ON NOVEMBER 9, 2004

WITNESSETH: THAT WHEREAS the Kentucky Public Service Commission has expressed an interest in developing guidelines for electric cooperatives under its jurisdiction to follow with respect to non-regulated businesses, and

WHEREAS, the electric cooperatives in Kentucky, in the spirit of cooperative, have met through a representative committee with members of the staff of said Commission in an effort to reach an agreement relative to the development of voluntary guidelines thus eliminating the necessity for the initiation of an administrative case, and

WHEREAS, the Commission and the representative committee of the jurisdictional electric cooperatives in Kentucky have reached agreement relative to said guidelines, and

WHEREAS, formal action is required by the board of directors of each of the jurisdictional electric cooperatives with respect to the adoption of these voluntary guidelines.

NOW, THEREFORE, BE IT RESOLVED, the board of directors of Kenergy Corp. voluntarily adopts those agreed upon guidelines hereinafter set forth below:

NON-REGULATED BUSINESS GUIDELINES FOR COOPERATIVES  
September 1, 2004

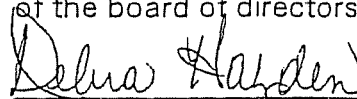
Electric cooperatives are unique in many ways. Unlike investor-owned utilities, co-ops are not-for-profit and owned by the people they serve. They are strongly committed to improving their member's quality of life and contributing to the prosperity of Kentucky communities.

Cooperatives are governed by a representative Board of Directors, elected and held accountable by the membership under Kentucky law, Chapter 279. Those directors have a responsibility to conduct the co-ops' business in a prudent, efficient and effective manner.

In some cases, co-ops under the jurisdiction of the Kentucky Public Service Commission may choose to start businesses that fall outside of the regulated arena. In those instances, co-ops recognize their responsibility to their member-owners, and voluntarily agree to the following guidelines.

1. Every cooperative board of directors shall be aware of, and comply with Kentucky statutes and regulations applying to non-regulated business activities. This includes the financing of non-regulated businesses, and the issuance of securities.
2. Before entering into a non-regulated business, cooperatives shall sufficiently determine member need, support or interest in that activity.
3. Cooperatives shall develop a detailed business plan before entering into any non-regulated activities. As a minimum requirement, the business plan shall include a strategic plan, financial expectations, and potential exit strategy. Clear measures for success, goals and objectives, and market research data should also be included but are not required.
4. Cooperatives shall annually report to its member-owners, the nature of the non-regulated business, its financial status and future expectations, as well as any other information deemed appropriate by the Board of Directors. The RECC must file with the Commission a balance sheet and income statement for each non-regulated business if the cooperative has established a separate subsidiary for its non-regulated activities. If the RECC's non-regulated activities are conducted within the cooperative, then filing with the Commission of a statement of revenues and expenses for each non-regulated business would be required. The information to be filed with the Commission shall be filed simultaneously with the PSC annual report. The cooperative may request confidentiality for any information it deems proprietary or competitive.

I, Debra Hayden, Assistant Secretary, hereby certify that the foregoing is a true and correct excerpt excerpt from the minutes of a meeting of the board of directors on November 9, 2004.



Assistant Secretary



United States Department of Agriculture  
Rural Development

Rural Business-Cooperative Service • Rural Housing Service • Rural Utilities Service  
Washington, DC 20250

c: Steve  
8-18-05  
DH

AUG 15 2005

Mr. Mark A. Bailey  
President and CEO  
Kenergy Corporation  
P. O. Box 18  
Henderson, Kentucky 42419-0018

Dear Mr. Bailey:

Kenergy developed and adopted a cost allocation manual (CAM) in 2002. The adoption of this CAM had a major impact on the types and amounts of costs capitalized to the construction work in progress account. RUS knowledge of Kenergy's CAM comes from the 2002 audited financial statements and a visit to Kenergy on March 30, 2005 by field accountant Anthony S. Bunch. RUS makes the following recommendations to Kenergy in regards to its capitalizing of costs:

1. Stores expenses are capitalized through account 163. The allocation procedures using the CAM are the same as before the CAM was implemented. Therefore, RUS takes no exception to the current method used in allocating stores expenses.
2. Transportation expenses are capitalized through account 184. The allocation procedures using the CAM are the same as before the CAM was implemented. Therefore, RUS takes no exception to the current method used in allocating transportation expenses.
3. General plant depreciation is charged to account 184.403 and is then allocated based on direct labor hours resulting in approximately 37 percent of the total general plant depreciation being capitalized in 2004. Although RUS accounting interpretation # 132 allows for general plant depreciation to be capitalized, a more appropriate allocation method, which more properly correlates the relationship between the general plant items and construction, should be implemented. There must be a direct relationship between the general plant item and construction. Specific identification of the general plant items used by the construction department would be one such method.

Rural Development is an Equal Opportunity Lender  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, DC 20250

4. Property taxes are charged to account 184.407 and are allocated based on asset value. For 2004, less than 2 percent of property taxes were capitalized. Any property taxes capitalized must have a clear and demonstrable relationship to construction work in progress. Generally construction of distribution plant takes place over such a short time-span that is not taxed by the local taxing authority until it is placed in service.
5. Miscellaneous operating costs are accumulated in account 184.588 and are allocated based on direct labor hours. These costs relate to communications and include an amount for labor and benefits of certain Kenergy employees and telephone related costs. For any Kenergy employee who charges labor to construction, a daily time sheet should be maintained or the labor should be charged based on a time study. For allocating telephone related expenses, direct labor hours are not an appropriate allocation basis. A direct relationship must be demonstrated.
6. General management and supervisory costs are charged to account 184.920 and allocated based on direct labor hours. These costs are primarily labor and benefits of certain Kenergy employees including the CEO. For any employee who charges labor to construction on an indirect basis, a valid time study, which supports the charges, should be in place. Generally only the first line supervisor's time is allocated to the construction project.
7. Office equipment and supplies are accumulated in account 184.921 and allocated based on revenue dollars resulting in approximately 23 percent of these costs being capitalized during 2004. While the RUS Work Order Procedure, Bulletin 1767B-2, paragraph 7.1.7 allows office expenses to be capitalized, these costs must be directly related to the construction project.
8. Printing costs are accumulated in account 184.922 and allocated based on revenue dollars. These costs are primarily the labor and benefits of a Kenergy employee in the printing department. For these costs to be capitalized a direct relationship between the employee's work duties and the construction process must be established and daily time sheets prepared accordingly. Generally these costs are not capitalized.
9. Outside service expenses are accumulated in account 184.923 and allocated based on revenue dollars. Some of the charges to this account are recruiting services, attorney insurance, consulting, internal audit fees, and auditing fees. None of these costs have any relationship to construction; therefore none of the costs allocated from 184.923 should be capitalized.
10. Business insurance expenses are accumulated in account 184.924 and are allocated based on direct labor dollars. Primary charges to this account are the labor of administrative personnel. A relationship between this cost and the construction process does not appear to exist; therefore none of these costs should be capitalized.
11. General accounting charges are accumulated in account 184.925 and allocated based on revenue dollars. The charges consist primarily of accounting department personnel labor and benefits. While portions of certain accounting costs such as the work order clerk are acceptable for being capitalized, either daily time sheets or a valid time study should be maintained.

12. Human resource charges are accumulated in account 184.929 and allocated based on direct labor hours. During 2004, approximately 37 percent of this account was capitalized. These charges consisted of administrative personnel labor and benefits and miscellaneous benefits of employees, including uniforms, towels, and break room supplies. There does not appear to be a relationship between most of these charges and the construction process. Therefore, a more appropriate allocation basis that more properly results in capitalizing directly related costs should be developed. Generally these are period costs.
13. Board of directors expenses are accumulated in account 184.931 and are allocated based on revenue dollars. This resulted in approximately 22 percent of these costs being capitalized during 2004. Clearly, there is no relationship between the construction process and the board expenses. Therefore, none of these costs should be capitalized.
14. Building and grounds expenses are accumulated in account 184.935 and are allocated based on direct labor hours, which resulted in 37 percent of these costs being capitalized during 2004. The charges consisted of maintenance personnel labor and benefits, depreciation of structures and improvements, insurance, electricity, property taxes, and other miscellaneous types of building maintenance. While some of the expenses related to the materials warehouse may be charged to account 163 and subsequently capitalized, most of these charges are simply maintenance charges and should not be capitalized.
15. Other administrative and general expenses are accumulated in account 184.940 and are allocated based on revenue dollars. These charges include member service personnel labor and benefits, annual meeting expenses, and capital credit retirement expenses. Clearly there is no relationship between these items and the construction process. Thus, none of the costs should be capitalized.

Because of the conditions attached to your most recent loan approval, advances cannot be approved until these items are resolved. We understand that Kenergy has taken the necessary steps to correct the cost allocations. In order to verify the resolution of these items we would like to schedule a visit from our field accountant during September. Mr. Bunch will be in touch with you to make the appropriate arrangements for his return visit.

If you have any questions or if we can be of any further assistance, please contact the Program Accounting Services Division at 202-720-5227.

Sincerely,



JAMES F. ELLIOTT  
Acting Director  
Northern Regional Division



**KENERGY CORP.**

**Additional Clarification to the August 15, 2005 RUS letter provided by the RUS auditor during the September 2005 field visit.**

**General Plant Depreciation** – Trenchers, backhoes and other equipment used exclusively for construction activities may be charged to 107.200 and capitalized. Vehicles are to be charged to 184.100. Depreciation on all other items, including buildings, office equipment, furniture, and computer equipment are to be expensed.

**Property Taxes** – Current Kenergy procedure is acceptable.

**Miscellaneous Distribution Expense (Communication)** – Capitalization of items charged here is not allowed and all items are to be expensed. This includes telephone bills, cell phones, mobile radios, dispatcher and communication charges, and internet and intranet operations charges.

**Administrative/General Expense** – Capitalization of office equipment and supplies is not allowed; therefore all items should be expensed.

**Printing** – Capitalization is not allowed; therefore all items should be expensed.

**Outside Services** – Capitalization is not allowed unless specific to construction, such as workplans, etc. All other items should be expensed.

**Business Liability Insurance** – Current Kenergy procedure is acceptable.

**Human Resources** – The only items permitted to be capitalized are those that have a direct link to field construction activity. Items qualifying for capitalization are uniforms and safety equipment purchased for construction employees to use in the field and the labor and overheads of human resource staff when dealing with construction employees. All other items charged here must be expensed. Time spend by construction employees attending regular safety meetings can be capitalized.

**Board of Directors** – Capitalization is not allowed; therefore all items should be expensed.

**Buildings & Grounds** – Utilities, cleaning, repairs and maintenance may be charged to stores (163.000) and transportation (184.1). All other items must be expensed.

**Other Administrative & General** – Capitalization is not allowed; therefore all items should be expensed.

**Support expenses of employees who charge more than 50% of time to Construction** – Expenses for office space, furniture, office supplies, copier usage, coffee, cell phones, telephone usage, personal computers and related supplies, training must be expensed.



United States Department of Agriculture  
Rural Development

MAR 24 2006

Mr. Mark A. Bailey  
President and CEO  
Kenergy Corp.  
P. O. Box 18  
Henderson, Kentucky 42419-0018

Dear Mr. Bailey:

In response to your letter dated February 15, 2006, we have reviewed the information submitted regarding Kenergy Corp.'s additional clarification of cost allocation procedures pertaining to global/common costs and its determination as to whether such costs are to be expensed in the period incurred or capitalized to the construction in progress at the time. The Rural Development Utilities Programs takes no exception with this additional clarification as it pertains to our August 15, 2005, letter addressing the same.

Additionally, we would concur that if senior management time is documented based on actual time spent on capital projects, this portion of management salaries can be capitalized.

Your letter also seeks clarification on the criteria for capitalizing Allowance for Funds Used During Construction. Please refer to Bulletin 1767 B-1, Uniform System of Accounts— Electric (USoA), Section 1767.16, Electric Plant Instructions, paragraph (c) (17), which indicates that Allowance for Funds Used During Construction (AFUDC) is properly includable in the cost of construction. While interest during construction (IDC) can be eligible for financing, it is generally not financed on distribution projects because of the short construction period.

Please contact the Program Accounting Services Division at 202-720-5227 if you have any questions or if we can be of any further assistance.

Sincerely,

A handwritten signature in black ink that reads "Brian D. Jenkins".

BRIAN D. JENKINS  
Acting Director  
Northern Regional Division  
Electric Programs

1400 Independence Ave, SW · Washington, DC 20250-0700  
Web: <http://www.rurdev.usda.gov>

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).



2005

KENERGY COST ACCUMULATION & COLLECTION SYSTEM  
JANUARY-DECEMBER

STEP 1:

**ALL KENERGY COSTS**  
**\$302,409,995**

D I R E C T   T O   A C C O U N T   N U M B E R S

<p>11,198,606</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: auto;">Construction &amp; Retirement</div>	<p>41,096,438 22,521,508</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: auto;">Electric Non-Direct Served</div>	<p>218,890,053 286,166</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: auto;">Electric Direct Served</div>	<p>7,588,511</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: auto;">Common to All Areas</div>	<p>363,545</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: auto;">Non-Electric</div>	<p>465,168</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: auto;">Billed to Outside Parties</div>	<p>Power Cost=     \$     259,986,491 Other=             \$     42,423,504</p>		
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <li>Stores</li> <li>Transportation</li> <li>Gen. Plant - Depr.</li> <li>Property Taxes</li> <li>PSC Taxes</li> <li>Communications</li> <li>Billing</li> <li>Advertising - Gen.</li> <li>C&amp;I Program</li> <li>Gen. Supervision</li> <li>Office Eq./Supplies</li> <li>Printing</li> <li>Outside Services</li> <li>Business Insurance</li> <li>General Acct.</li> <li>Human Resources</li> <li>Public Relations</li> <li>Board of Directors</li> <li>Economic Dev.</li> <li>Buildings</li> <li>Regulatory Comm Exp</li> <li>Other A&amp;G</li> </ul> </td> <td style="width: 50%; vertical-align: top; text-align: right;"> <ul style="list-style-type: none"> <li>557,144</li> <li>1,903,921</li> <li>87,619</li> <li>1,447,079</li> <li>261,056</li> <li>177,463</li> <li>1,335,412</li> <li>13,705</li> <li>40,483</li> <li>217,154</li> <li>149,503</li> <li>46,080</li> <li>54,088</li> <li>(1,871)</li> <li>198,389</li> <li>222,246</li> <li>403,103</li> <li>154,462</li> <li>(25,779)</li> <li>273,857</li> <li>271</li> <li>73,126</li> </ul> </td> </tr> </table>							<ul style="list-style-type: none"> <li>Stores</li> <li>Transportation</li> <li>Gen. Plant - Depr.</li> <li>Property Taxes</li> <li>PSC Taxes</li> <li>Communications</li> <li>Billing</li> <li>Advertising - Gen.</li> <li>C&amp;I Program</li> <li>Gen. Supervision</li> <li>Office Eq./Supplies</li> <li>Printing</li> <li>Outside Services</li> <li>Business Insurance</li> <li>General Acct.</li> <li>Human Resources</li> <li>Public Relations</li> <li>Board of Directors</li> <li>Economic Dev.</li> <li>Buildings</li> <li>Regulatory Comm Exp</li> <li>Other A&amp;G</li> </ul>	<ul style="list-style-type: none"> <li>557,144</li> <li>1,903,921</li> <li>87,619</li> <li>1,447,079</li> <li>261,056</li> <li>177,463</li> <li>1,335,412</li> <li>13,705</li> <li>40,483</li> <li>217,154</li> <li>149,503</li> <li>46,080</li> <li>54,088</li> <li>(1,871)</li> <li>198,389</li> <li>222,246</li> <li>403,103</li> <li>154,462</li> <li>(25,779)</li> <li>273,857</li> <li>271</li> <li>73,126</li> </ul>
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2005

**KENERGY COST ACCUMULATION & COLLECTION SYSTEM  
JANUARY-DECEMBER**

**STEP 2:**

**A L L O C A T E   C O M M O N   C O S T S**

Cost Driver	Stores Direct Material \$	Transportation Miles Driven	Labor Fringes Labor \$	Gen. Plant Depr. Dir. Labor Hrs.	Property Taxes Asset \$	PSC Taxes Revenues (Less 1/2 Power Costs)	Communications Dir. Labor Hrs.	Billing Accounts Billed	Gen. Advertising Accounts Billed	C&I Program Accounts Billed	Gen. Supervision Dir. Labor Hrs.
	Office Eq./Supplies Global	Printing Global	Outside Services Global	Business Insurance Direct Labor Hrs.	Gen. Acct. Global	Human Resources Dir. Labor Hrs.	Public Relations Accounts Billed	Bd. Of Directors Global	Buildings/Grounds Dir. Labor Hrs.	Other A & G Global	

	\$ 1,439,809 18.97%	\$ 5,764,391 75.96%	\$ 272,391 3.59%	\$ 30,171 0.40%	\$ 81,748 1.08%	
	Construction & Retirement	Electric Non-Direct Served	Electric Direct Served	Non-Electric	Billed to Outside Parties	TOTAL

	Construction & Retirement	Electric Non-Direct Served	Electric Direct Served	Non-Electric	Billed to Outside Parties	TOTAL
Stores	548,821	8,323	-	-	-	557,144
Transportation	730,698	1,112,718	1,631	212	58,662	1,903,921
Gen. Plant - Depr.	(3,518)	86,678	470	651	3,338	87,619
Property Taxes	26,929	1,417,853	1,373	304	620	1,447,079
PSC Taxes	-	72,930	188,126	-	-	261,056
Communications	(7,891)	179,318	1,249	1,659	3,128	177,463
Billing	-	1,330,838	945	3,629	-	1,335,412
Advertising - Gen.	-	13,657	10	38	-	13,705
C&I Program	-	40,241	242	-	-	40,483
Gen. Supervision	82,242	119,426	3,171	8,733	3,582	217,154
Office Eq./Supplies	2,321	130,476	14,777	1,600	329	149,503
Printing	800	42,600	2,349	227	104	46,080
Outside Services	1,096	46,712	5,559	610	111	54,088
Business Insurance	(823)	(1,046)	(52)	(10)	60	(1,871)
General Acct.	45,289	141,599	10,085	971	445	198,389
Human Resources	22,828	192,699	1,693	2,068	2,958	222,246
Public Relations	-	402,849	137	117	-	403,103
Board of Directors	2,663	134,963	14,894	1,625	317	154,462
Economic Dev.	-	(25,770)	(9)	-	-	(25,779)
Buildings	(12,148)	270,559	2,558	4,927	7,961	273,857
Regulatory Comm Exp	-	-	243	28	-	271
Other A&G	503	46,768	22,940	2,782	133	73,126
	1,439,809	5,764,391	272,391	30,171	81,748	7,588,510

286,166 (From Exhibit 17, page 1)  
\$ 558,557 (Agrees to Exhibit 16, page 1, line 15, column d)

NOTE: Common costs of \$388,465.09, originally allocated to capital accounts for the period of January - June 2005, were required to be reversed as a result of a RUS loan fund audit. It was determined that the cost of reversing this amount by reversing every entry for each month far outweighed the benefit of such a method. The decision was made therefore, to reverse the entries based on a percentage method. While applying this method achieved the goal of reversing the costs in question, it did result in some accounts receiving more reversal dollars than had been originally allocated, causing credits in some cases.

Exhibit 17B, Page 2

IN THE MATTER OF: )

THE APPLICATION OF **RECEIVED** ) CASE NO.  
CORP. FOR AN ADJUSTMENT ) 2006-00369  
IN EXISTING RATES SEP 0 1 2006 )

Exhibit 13 - ~~Commission~~ Study  
PUBLIC SERVICE

4

RECEIVED

SEP 03 2006

PUBLIC SERVICE  
COMMISSION

4

4

1	Table of Contents
2	Narrative
3	Rates and Expense Change
4	Reserve Adjustments
5	Depreciation Reserve
6	Five Year Forecast
7	SPR Analysis
8	Comparison of Balances
9	Survivor Curves
10	Account Investment Summary
11	Net Salvage
12	Theoretical Reserve





**Robert N. Welsh, CMA, CDP**

President

**Welsh Group LLC**

**Depreciation & Accounting Services**

1171 Taji Court, Suite 300

Herndon, VA 20170

Telephone: 703-450-0845

E-Mail: [rnwelsh@welshgroup.com](mailto:rnwelsh@welshgroup.com)

May 10, 2006

Mr. Steve Thompson  
Vice President, Finance  
Kenergy Corporation  
P.O. Box 1389  
Owensboro, KY 42302

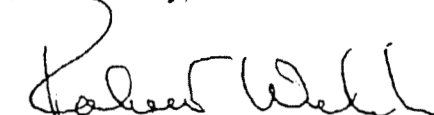
Dear Mr. Thompson,

Attached are two copies the Depreciation Study for Kenergy. The study was prepared using traditional depreciation study methodologies and actual December 31, 2005 plant and reserve balances. The study includes the exhibits required by the Rural Utilities Service and outlined in the September 2, 2005 engagement letter. Key points of the study were:

- The depreciation rates were computed on a straight line whole life basis and will increase the composite depreciation rate from 3.2 % to 3.6 % or \$731,398 (on an annualized basis).
- The study developed individual account depreciation rates for all Distribution plant categories. The individual account depreciation rates are based on the most appropriate average service life and net salvage estimates.
- The life analysis used the Simulated Plant Record model to develop the survivor curve and an estimate of the average service life for each account.
- The theoretical reserve was calculated for each account based on the proposed service life, survivor curve and net salvage. Adjustments to the depreciation reserve for each account were recommended based on the theoretical reserve.

Welsh Group believes the average service lives and net salvage estimates proposed are reasonable and reflect the operating environment of Kenergy. We appreciated the opportunity to work with you and prepare this study for Kenergy. I look forward to working with you in the future.

Sincerely,



Robert N Welsh

**Kenergy**  
**2006 Depreciation Rate Study**  
**Table of Contents**

Tab		Number of Pages
1	Table of Contents	1
2	General Narrative	14
	Total Company Exhibits:	
3	Analysis of Depreciation Rates	1
3	Analysis of Expense Change	1
4	Theoretical Reserve and Reserve Adjustments	1
5	Depreciation Reserve Summary	2
6	Five Year Forecast	3
	Distribution Account Exhibits:	
7	Summary of the SPR Analysis	25
8	Chart of the Simulated Balances to the Book Balances	9
9	Chart of the Survivor Curve	10
10	Account Investment Summary	19
11	Net Salvage Table	10
12	Calculation of the Theoretical Reserve	19



**KENERGY CORPORATION**  
**DEPRECIATION RATE NARRATIVE**  
**2006**

<b><u>SEC.</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>PAGE</u></b>
<b>I.</b>	<b>OVERVIEW</b>	<b>2</b>
<b>II.</b>	<b>COMPANY</b>	<b>2</b>
<b>III.</b>	<b>DEPRECIATION STUDY PROCEDURES AND METHODS</b>	<b>3</b>
	<b>A. Definitions</b>	
	<b>B. Depreciation Rate Methods</b>	
	<b>C. Life Analysis</b>	
	<b>D. Net Salvage</b>	
	<b>E. Depreciation Reserve</b>	
	<b>F. Five Year Forecast</b>	
<b>IV.</b>	<b>STUDY PROPOSAL</b>	<b>8</b>
	<b>A. Proposed Depreciation Parameters</b>	
	<b>B. Proposed Depreciation Rates</b>	
	<b>C. Depreciation Expense Impact</b>	
	<b>D. RUS Ranges</b>	
	<b>E. Theoretical Reserve</b>	
	<b>F. Study Exhibits</b>	



**Welsh Group, LLC**

**Depreciation, Regulatory and Asset Accounting**

# KENERGY

## DEPRECIATION RATE STUDY NARRATIVE

### I. OVERVIEW

This depreciation rate study was prepared by the Welsh Group, LLC ("WG") for Kenergy Corporation ("Kenergy" or "the Company"). The depreciation study was prepared using traditional depreciation study methodologies discussed in Section III and based on actual December 31, 2005 plant and reserve balances. The new rates would increase the composite depreciation rate from 3.2 % to 3.6% or \$731,400 (on an annualized basis).

This study is the first depreciation study for Kenergy. Kenergy has been requested by the Kentucky Public Service Commission ("PSC" or "Commission" to prepare a depreciation study. Currently, the Company has been depreciating all distribution plant (except for a few Account 362 sub accounts) at a common depreciation rate since the early 1970s. The primary objective of this study is to determine the estimated survivor curves, average service lives and net salvage applicable to each property group in order to develop individual depreciation rates for each distribution account. The study does not review the depreciation rates for the general support accounts.

The company is also governed by the Rural Utilities Service (RUS). Since some accounts have proposed depreciation rates that exceed the RUS recommended ranges in Bulletin 183-1, the depreciation study will require RUS approval.

The primary purpose of reviewing depreciation rates is to ensure the proper match between the recovery of the original cost of plant with the useful economic service life of that plant. A service life that is too short puts the company at a competitive disadvantage and burdens current customers since depreciation expense is higher than necessary. A service life that is too long increases the risk that a company may not be able to recover its investment and creates an unnecessary burden on future customers and a potential impairment issue.

### II. COMPANY

Kenergy is an electric distribution cooperative established in July 1999 through the consolidation of Henderson Union Electric Cooperative Corp. (organized in 1936) and Green River Electric Corporation (organized in 1937). It is the largest electric distribution cooperative in the nation based on energy sales. The Company serves an excess of 53,800 households, commercial enterprises and industries along more than 6,700 miles of line in all or portions of 14 western Kentucky counties. As a distribution cooperative, Kenergy is a customer-owned, not-for-profit electric company which

purchases electric power at wholesale and distributes it to customers within its service territory. Its profits are either reinvested or returned to the customer-owners. The Company's objective is to provide high quality service at the lowest possible price.

### III. DEPRECIATION STUDY PROCEDURES AND METHODS

Study methodologies are the procedures used to prepare the study and estimate the depreciation parameters (service life, survivor curve, and net salvage) for each account. The study methodologies used in this study were all selected based on their current usage in the electric industry and are briefly described below:

#### A. Definitions

The Rural Utilities Service (RUS) in its Uniform System of Accounts (USOA) defines depreciation as applied to depreciable electric plant as "the loss in service value, not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities." Service value is defined as "the difference between original cost and net salvage value of electric plant" and net salvage value is defined as "the salvage value of property retired less the cost of removal".

Bulletin 183-1 states the objective of depreciation accounting is "to charge to expense the capital investment in certain fixed assets, less salvage at time of retirement, over their useful lives. The useful life of such assets is dependent upon such factors as use, misuse, maintenance and obsolescence". The bulletin also states that "depreciation accounting provides for the systematic, periodic write-down or allocation of the cost of a limited-life asset or asset group. The established rate of depreciation should recognize useful life and recovery values. Depreciation is not intended to provide funds for replacement, nor is it to be legitimately considered as a means to make a desirable showing on the revenue and expense statement."

#### B. Depreciation Rate Methods

The depreciation rate for each account was calculated on a straight line basis using the whole life method. The whole life depreciation rate is calculated as follows:

$$\text{Whole Life Rate} = \frac{100\% - \text{Net Salvage \%}}{\text{Service Life}}$$

The service life values are taken from the study life analysis and based on actual December 31, 2005 plant balances. The Net Salvage values are discussed in the salvage section.

The study considered the Average Remaining Life method. However, this method was not chosen because Kenergy is currently using a whole life rate and has only maintained individual account reserve information since 2002. It is felt that more experience by account would be beneficial before considering remaining life rates.

### **C. Life Analysis**

Although the study was requested by the Kentucky PUC, the study was prepared following RUS guidelines since the PUC does not have formal study requirements. Being the first depreciation study for Kenergy, there is no previous life and survivor curve information to compare against the study results. For this reason, the results of the study were benchmarked with other cooperatives and electric distribution companies. To prepare the study, Kenergy provided WG with the plant and reserve accounting data for all distribution accounts from 1939 to 2005. For the years prior to 1999, the accounting data for Henderson Union Electric Cooperative Corporation and Green River Electric Corporation were combined. Since Kenergy maintains its plant and depreciation records in accordance with the RUS USOA the records are maintained on a mass property, average historical cost basis in the continuing property records.

Since the RUS USOA does not require vintage property records, Kenergy does not maintain this level of detail for mass plant accounts. Therefore the study used the Simulated Plant Record (SPR) method to analyze the plant data. The SPR model uses generalized survivor curves to determine the best retirement pattern that represents the life characteristics of the assets being studied. The model assumes that all vintage additions retire in accordance with the same retirement dispersion pattern and average life. SPR determines the best retirement pattern by retiring the vintage additions over time according to the retirement characteristics of successive Iowa curves and noting the simulated survivors. The curves are ranked according to their ability to simulate annual survivors for the account that are close to the actual survivors for selected test years. The closeness of the match between annual amounts is measured by the Conformance Index (CI) and its reciprocal, the Index of Variation (IV). These measures are based upon the sum of squared differences between simulated and actual annual amounts.

The study first developed the most likely retirement patterns and average service lives using the SPR process. The information was then analyzed for appropriateness to determine the best survivor curve and service life for each account. These parameters were adjusted as appropriate based on other factors relevant to the Kenergy's distribution plant operations. For example, the Company is completing a multi-year aggressive copper replacement program which distorts the SPR results in a few accounts. This process and use of survivor curves, which reflect experience and expected dispersion of

service lives, are a systematic and rational means for estimating the appropriate average service lives to be used to calculate depreciation.

Iowa curves were used in the SPR model to depict the estimated survivor curves. A survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve the average life of the group can be derived by calculating the area under the survivor between age zero and maximum life and dividing this area by the ordinate at age zero, which is 100 percent. Iowa curves are a series of generalized survivor curves that reflect the range of survivor characteristics usually experienced by utility and industrial properties. There are four families of Iowa curves based on the location of the modes in relationship to the average life and the relative height of the modes. The left modal curves are those with the greatest frequency of retirement occurs to the left or before the average service life. The symmetrical modal curves are those with the frequency of retirement occurs at the average service life. The right modal curves are those with the greatest frequency of retirement occurs to the right or after the average service life. The origin modal curves are those with the greatest frequency of retirement occurs at the origin or immediately after age zero. The letter designation of each family of curve (L, S, R, and O) represents the location of the mode in respect to the average service life. The numeric subscript represents the relative height of the mode or dispersion around the average service life with the higher the number being the higher the mode or less dispersion.

Account 366, Underground Conduit, is very small and does not have enough plant activity for a simulated plant analysis. The 45 year was selected based on judgment. In Account 362, Station Equipment, there are four specialized sub accounts related to the Company's fiber communication network. The relative newness of the investment and limited retirement activity would not have generated acceptable simulated plants results for these sub accounts. As a result, the life estimates were based on expert opinion. The regular station equipment in Account 362 was studied using the SPR model.

Account 364, Poles, Towers and Fixtures, and Account 365, Overhead Conductors and Devices, were significantly impacted by the copper replacement project. The impact was twofold. First the project generated a lot of retirements that tended to shorten the account life. Second, the project generated a lot of additions that should lengthen the account life since the average age of the plant is now lower. Given the lower average unit cost of the retirements (because of age) one would assume the account life would be getting longer. This is supported by a SPR analysis that showed a gradual lengthening of the life when different time periods were used. We believe the SPR analysis, as is, generates a life estimate that is shorter than what will probably be experienced by the assets in these two accounts because of the significant impact of the copper replacement project. For this reason the SPR life estimate was increased to reflect a more reasonable estimate.



#### D. Net Salvage

This study also utilized estimates of net salvage in calculating the depreciation rate for each account. Net salvage is the result of combining the salvage received for plant removed from service and the cost of removal. Prior to 2002 the Company did not maintain the salvage information by the individual distribution accounts. As a result, there are only four years of account salvage information. In some accounts the retirements and salvage have shown wide swings which undermine the four year average as a good estimate of the expected future salvage. In addition, the Company is completing an aggressive multi-year copper cable project which significantly increased removal costs. In Table 1 below the Net Salvage Percent (Net Salvage divided by Retirements) is shown for selected periods of time. From 1940 to 1978 the Company

Table 1  
Net Salvage for Selected Periods

<u>Band</u>	<u>Years</u>	<u>Net Salvage %</u>
1940 – 1961	22	134.9
1962 – 1978	17	10.7
1979 – 1996	18	-37.2
1997 – 2004	8	-70.1
2004 – 2005	2	-38.6
2002 – 2005	4	-60.3

experienced positive net salvage. This is the period in which the current depreciation rates were set. Then the net salvage turned negative as cost of removal exceeded the gross salvage. During the copper replacement project (1997 to 2004) the negative net salvage increased significantly.

Normally in distribution plant, the historical salvage is assumed to be a good indicator of the salvage expected in the future. For this reason, the average net salvage for the prior five years is used in the depreciation rate calculation. However, in Kenergy's case, there are only four years of individual account experience and the distortion of the copper replacement project. The four year average is reasonable starting point in some accounts because the retirements and salvage have been fairly consistent. In other accounts the four year average is suspect because of the wide variance in either retirements or cost of removal charges. In addition, the copper replacement project has distorted the normal pattern of retirements in several accounts and created a significant increase in cost of removal.

The copper replacement project work orders were analyzed to determine the portion of the net salvage attributable to the project. However, the results of the analysis

were not usable since the assets retired as part of the project tended to have low average unit costs (because of age) which, in turn, understated the cost of removal. Restating all the historical average cost retirements in current dollars would have corrected this problem. However, the large work effort this would have required far exceeds the value of the analysis. Instead, the impact of the project was adjusted out of the net salvage by using an adjustment factor at the total distribution plant level.

The Net Salvage Adjustment Factor was determined by comparing the net salvage experienced prior to the project to the most recent four year experience. The prior period was 1979 to 1996 which represents the previous 18 years in which the Company experienced negative net salvage. This average net salvage was then compared to the most recent four year period (2002 to 2005) in which there is individual account detail. The resulting ratio was then used to adjust the four year average net salvage in all accounts to reflect the impact of the copper replacement project.

## **E Depreciation Reserve**

Since the early 1970s, the Company has been depreciating all distribution plant (except for a few Account 362 sub accounts) at a common depreciation rate. The selection process for this rate is unknown, however the depreciation rate was near the middle of the RUS recommended range. In 2002 Kenergy disaggregated the distribution depreciation reserve and started to maintain the depreciation reserve information by individual accounts. The distribution reserve was allocated to the individual accounts by investment. Going forward the gross salvage and cost of removal were charged to the individual account reserve based on the retirements in the work orders.

When utilizing the whole life method of accounting for depreciation, it is necessary to determine the adequacy of the depreciation reserve for each account. However, Kenergy individual account reserves only reflect four years of account specific activity. Thus, each account's reserve reflects more the allocation of the total distribution plant reserve in 2002 than the account specific activity. In 2002 the total distribution reserve was allocated to the individual accounts based on investment. On the surface, this is a very reasonable method of allocation since the company has used a common depreciation rate for all accounts for decades. However, it does not consider the impact of net salvage. With this study there is an opportunity to reallocate the current reserves based on the theoretical reserve.

The theoretical reserve is an estimate of the balance which should be in the depreciation reserve today, considering the distribution by ages of existing plant and assuming the correctness of the current service life parameters and net salvage. The theoretical reserve is calculated by deducting from the original cost the estimated future accruals at current rates and the estimated future net salvage credits or charges. The theoretical reserve may be either higher or lower than the current book reserve. In this study the theoretical reserve was calculated using depreciation rates that reflect the proposed service life, survivor curve and net salvage percent. The theoretical reserve

percentages for each account were then used to develop reserve adjustments that would adjust as many accounts as possible to the theoretical reserve.

## **F Five Year Forecast**

One of the RUS depreciation study requirements is a five year forecast of the investment and associated reserves. The study includes a forecast for the distribution plant that is consistent with the current Board approved or "official" forecast. However, some of the underlying assumptions were modified to maintain appropriate plant and reserve relationships. The official forecast used an average of the past three year's actuals as a starting point. The average additions and average retirements were then increased 3 percent a year for inflation. The current composite depreciation rate was used to calculate depreciation expense.

The study forecast started with the same three year averages as the starting points. Additions were increased using a 3 percent inflation rate as in the official forecast. However, the retirements calculation was changed from a constant percent increase to a retirement rate. This maintains the correct relationship between total investment and retirements. The annual depreciation expense was calculated by individual account using the study proposed depreciation rates. The depreciation reserve was also adjusted in each period for net salvage based on the study net salvage factors.

The forecast shows the distribution investment gradually increasing, but at a rate slower than the 3 percent inflation factor because the retirement rate increases the future retirements more than the constant rate approach does. The depreciation reserve also increases over the period since the new proposed depreciation rates stop the negative net salvage erosion.

## **IV. STUDY PROPOSAL**

The primary purpose of a depreciation study is to determine new depreciation rates that will ensure that the assets of a company are recovered over the useful life of those assets. The depreciation rates require an estimate of the future life of the assets and the net salvage expected from the assets when they retire. Both of these factors are estimates of the future based on certain assumptions. Foremost in these assumptions is the expectation that the past will be a good indicator of the future. For most electric distribution companies, this is a good assumption as long as it is tempered with informed judgment. Informed judgment ensures that out of the ordinary events, such as the copper replacement project, do not adversely affect the study results. Another key assumption is that utility assets tend to have common life expectancy patterns that can be identified. These patterns are usually defined by generalized life survivor curves like the Iowa curves. This study used these assumptions and standard industry methods and procedures to determine the most appropriate life, survivor curve and net salvage values for Kenergy.

## A Proposed Depreciation Parameters

In the Study Procedures and Methods discussion the approach used by Welsh Group to determine appropriate life and net salvage values for Kenergy was discussed. Table 2 lists the recommended depreciation parameters.

Table 2  
Summary of Depreciation Parameters

	Account	Survivor Curve	Life	Net Salvage
	362 Station Equipment	R1	41	10
	362.1 Supervisory Control Equipment		15	0
	362.2 Microwave Equipment		15	0
	362.223 Microwave Towers		30	10
	362.4 Owenboro Fiber		25	0
	364 Poles, Towers & Fixtures	R1	30	-53
	365 Overhead Conds & Devices	L3	36	-47
	366 Underground Conduit	S0	45	0
	367 Underground Conds & Devices	S0	35	-19
	368 Line Transformers	L0	40	-34
	369 Services	R1	28	-15
	370 Meters	O1	41	-68
	371 Instal on Cons Premises	O1	29	-53
	373 St Ltg & Signal Systems	R1	29	-19

## B Proposed Depreciation Rates

Kenergy uses whole life depreciation rates. Whole life rates require an estimate of the service life and the expected net salvage. The service estimates are based on the SPR model as discussed in the Life Analysis section. The net salvage estimates are based on historical experience as discussed in the Net Salvage section. Kenergy is currently using a composite depreciation rate for all distribution assets. This study developed whole life depreciation rates for each distribution account. Below in Table 3 is a summary of four different sets of whole life depreciation rates. The column marked "Current Rates" lists the depreciation rates currently being used by the company. The remaining three columns are all rates developed in this study. The rates in the column marked "Life Only Rates" were developed using the proposed service lives in Table 2. The column marked "Life and Net Salvage Rates" were developed using the proposed

service lives and net salvage estimates in Table 2. The rates in the column marked “Proposed Rates” are the recommended rates and are based on the Life Only Rates and the Life and Net Salvage Rates. Since there are no previous account specific rates to compare the proposed rates to, we believe these other rates help put the proposed rates in context.

**Table 3**  
**Summary of Depreciation Rates**

	<b>Account</b>	<b>Current Rates</b>	<b>Life Only Rate</b>	<b>Life and Salvage Rate</b>	<b>Proposed Rates</b>
362	Station Equipment	3.1%	2.4%	2.2%	<b>2.2%</b>
	Supervisory Control				
362.1	Equipment	6.8%	6.7%	6.7%	<b>6.7%</b>
362.2	Microwave Equipment	5.0%	6.7%	6.7%	<b>6.7%</b>
362.223	Microwave Towers	3.1%	3.3%	3.0%	<b>3.0%</b>
362.4	Owenboro Fiber	6.8%	4.0%	4.0%	<b>4.0%</b>
364	Poles, Towers & Fixtures	3.1%	3.3%	5.1%	<b>4.2%</b>
365	Ohead Conds & Devices	3.1%	2.8%	4.1%	<b>3.4%</b>
366	Underground Conduit	3.1%	2.2%	2.2%	<b>2.2%</b>
	Underground Conds &				
367	Devices	3.1%	2.9%	3.4%	<b>3.1%</b>
368	Line Transformers	3.1%	2.5%	3.4%	<b>2.9%</b>
369	Services	3.1%	3.6%	4.1%	<b>3.8%</b>
370	Meters	3.1%	2.4%	4.1%	<b>3.3%</b>
371	Instal on Cons Premises	3.1%	3.4%	5.3%	<b>4.4%</b>
373	St Ltg & Signal Systems	3.1%	3.4%	4.1%	<b>3.8%</b>
	<b>Composite Rate</b>	<b>3.2%</b>	<b>3.0%</b>	<b>4.1%</b>	<b>3.6%</b>

The current composite depreciation rate of 3.2 percent is slightly higher than the 3.1 percent rate because of the Station Equipment sub accounts. When compared to the life only composite depreciation rate the current rate is only slightly higher. This suggests two things. First, the portion of the current rate allocated to net salvage is very small. This makes sense since when the 3.1 percent depreciation rate was set in the early 1970’s the net salvage experience was positive. Second, the lives underlying the life only rates are slightly longer than the lives that the 3.1 percent rate would have supported. This observation is supported by the SPR analysis since in almost all accounts successive time periods show small increases in the life.

If net salvage was still positive, then the life only depreciation rates would be reasonable. However, since 1971 the company has experience negative net salvage (cost

of removal has exceeded gross salvage). Prior to the copper replacement project, the company experienced, on the average, a net salvage ratio of -37 percent. That is, each investment dollar retired required 37 cents of expense to remove it. Incorporating this negative net salvage into the account life only depreciation rates increases the composite rate to 4.1 percent. This is a significant increase and reflects depreciation rates that would fully recover the investment in the current assets and the costs expected to be incurred when the assets are removed from service.

In 1971 the depreciation reserve was 26.8 percent. At the end of 2005 it was 19 percent. This decline occurred for several reasons, but a large part of it can be attributed to the negative net salvage experienced over the years that is not adequately covered in the current depreciation rate. Thus, there is a need to increase the depreciation rates to cover both the investment recovery and the negative net salvage recovery. The higher depreciation rate proposed will start the process of bring the depreciation reserve closer to the theoretical reserve level of 23 percent. However, since the net salvage issue is the result of a small under accruing for over twenty years and considering the long life of the company's assets, there is no need to fix the entire issue at once. For this reason Welsh Group is recommending the proposed rates which move the depreciation rates half way between the life only and life with salvage rates. The proposed rates do two things. First, they will fully recover the investment in distribution plant over its useful life. Second, the proposed rates stop the reserve erosion since they cover the current period negative net salvage. The five year forecast using these rates shows an increasing reserve and moves the Company back into the RUS guideline range in a reasonable period of time. In roughly five years another depreciation study could revise the depreciation rates and take the final step to fully accrue for the expected future negative net salvage.

Normally, Welsh Group would not recommend a transition to rates that fully reflect the expected life and negative net salvage. However, a transition is a reasonable approach in this case because it fixes the issue before there is a problem and limits the rate change impact. We are also concerned that a moving to the life and salvage depreciation rates may be an over reaction. The copper replacement program resulted in a significant increase in expenditures and negative net salvage. Although we made a best effort to isolate the impact of the project, there may still be some residual net salvage impact in our estimates. Therefore, it would be prudent to implement depreciation rates that properly recover the original cost of the assets over their useful life and recover the negative net salvage expected between now and the next study. Then in the next study, after the company has returned to a more normal plant and retirement pattern, there will be a better account salvage history to set depreciation rates that fully recover the expected future negative net salvage. .

### **C. Depreciation Expense Impact**

The depreciation expense impact of the proposed depreciation rates is shown in Table 4. The annual depreciation expense would increase \$731,400 based on beginning of the year plant balances. This is slightly below the 2006 negative net salvage estimated

in the Five Year Forecast. However, since the current depreciation rates include a small increment for net salvage, the proposed rates will generate enough additional expense to completely offset the current period negative net salvage.

**Table 4**  
**Summary of Depreciation Expense Change**

Account	Jan 1, 2006 Investment	Current Rates	Proposed Rates	Change
362 Station Equipment	17,972,713	557,154	395,400	<b>(161,754)</b>
362.1 Supervisory Control Equipment	1,907,174	128,734	127,145	<b>(1,589)</b>
362.2 Microwave Equipment	2,057,341	102,867	137,156	<b>34,289</b>
362.223 Microwave Towers	1,354,846	42,000	40,645	<b>(1,355)</b>
362.4 Owenboro Fiber	915,009	61,763	36,600	<b>(25,163)</b>
Total Station & Equipment	24,207,083	892,519	736,946	<b>(155,572)</b>
364 Poles, Towers & Fixtures	55,689,068	1,726,361	2,348,222	<b>621,861</b>
365 Overhead Conds & Devices	43,909,211	1,361,186	1,506,329	<b>145,144</b>
366 Underground Conduit	14,166	439	314	<b>(124)</b>
367 Underground Conds & Devices	9,815,435	304,278	307,082	<b>2,804</b>
368 Line Transformers	26,290,025	814,991	768,983	<b>(46,008)</b>
369 Services	15,752,111	488,315	604,768	<b>116,453</b>
370 Meters	4,651,074	144,183	152,010	<b>7,827</b>
371 Instal on Cons Premises	2,796,078	86,678	121,966	<b>35,288</b>
373 St Ltg & Signal Systems	550,896	17,078	20,801	<b>3,723</b>
Total	183,675,148	5,836,029	6,567,427	<b>731,398</b>
Composite Depreciation Rate		3.2%	3.6%	

#### **D RUS Ranges**

In Bulletin 183-1 RUS provides a range of depreciation rates for distribution plant. Some of the proposed depreciation rates are outside the recommended range as shown in Table 5. The composite depreciation rate for the proposed depreciation rates of 3.6 percent is slightly above the 3.4 percent composite depreciation rate calculated using the high end of the RUS ranges for each account. The reason some of the proposed rates are outside the RUS ranges is the negative net salvage since the composite life only depreciation rate is 3.0 percent. As a result, the Company will need to seek RUS approval of the new depreciation rates.

**Table 5**  
**Comparison with RUS Ranges**

Accounts	Proposed Rates	RUS Rate Range	Range
362 Station Equipment	2.2%	2.7 - 3.2%	Below
364 Poles, Towers & Fixtures	4.2%	3.0 - 4.0%	Above
365 Overhead Conds & Devices	3.4%	2.3 - 2.8%	Above
366 Underground Conduit	2.2%	1.8 - 2.3%	
367 Underground Conds & Devices	3.1%	2.4 - 2.9%	Above
368 Line Transformers	2.9%	2.6 - 3.1%	
369 Services	3.8%	3.1 - 3.6%	Above
370 Meters	3.3%	2.9 - 3.4%	
371 Instal on Cons Premises	4.4%	3.9 - 4.4%	
373 St Ltg & Signal Systems	3.8%	3.8 - 4.3%	
Composite Depreciation Rate	3.6%	3.4%	

**E Theoretical Reserve**

When utilizing the whole life method of accounting for depreciation, it is necessary to determine the adequacy of the depreciation reserve for each account. Normally, the test for adequacy is a comparison with the theoretical reserve. The theoretical reserve is discussed in detail in the Depreciation Reserve section of this study. Table 6 shows that at the end of 2005 depreciation reserve of all distribution plant was 19 percent (Reserve divided by Investment) and the theoretical reserve is 23 percent based on the proposed depreciation parameters.

The table also shows an adjusted reserve percent. This is the results of reallocating the individual account reserve based on the theoretical reserve analysis. The reserve for Account 362 is over its theoretical reserve level. Reallocating some of this surplus to the other accounts results in all but two accounts (364 and 365) being at the theoretical reserve level.



**Table 6**  
**Theoretical Reserve**

Accounts	EOY 2005 Reserve	Theoretical Reserve	Adjusted Reserve
362 Station Equipment	50%	17%	24%
364 Poles, Towers & Fixtures	14%	24%	14%
365 Overhead Conds & Devices	16%	25%	16%
366 Underground Conduit	24%	68%	68%
367 Underground Conds & Devices	17%	19%	19%
368 Line Transformers	15%	26%	26%
369 Services	10%	28%	28%
370 Meters	13%	17%	17%
371 Instal on Cons Premises	13%	16%	16%
373 St Ltg & Signal Systems	12%	22%	22%
Composite Depreciation Rate	19%	23%	19%

**F Study Exhibits**

The following exhibits are included in the study to support the study findings.

On a Total Company Basis:

- Analysis of Depreciation Rates
- Analysis of Expense Change
- Theoretical Reserve and Reserve Adjustments
- Depreciation Reserve Summary
- Five Year Forecast

For each distribution account:

- Summary of the SPR Analysis
- Chart of the Simulated Balances to the Book Balances
- Chart of the Survivor Curve
- Account Investment Summary
- Net Salvage Table
- Calculation of the Theoretical Reserve



KENERGY  
ANALYSIS OF DEPRECIATION RATES

	Current <u>Deprec Rate</u>	Survivor <u>Curve</u>	<u>Life</u>	Net <u>Salvage</u>	<u>No Salvage</u>	Depreciation Rates		RUS <u>Rate Range</u>
						<u>Salvage</u>	<u>Recommended</u>	
	a	b	c	d	e=1/c	f=(100-d)/c	g=(e+f)/2	h
362 Station Equipment	3.1%	R1	41	10	2.4%	2.2%	<b>2.2% *</b>	
362.1 Supervisory Control Equipment	6.8%		15	0	6.7%	6.7%	<b>6.7%</b>	
362.2 Microwave Equipment	5.0%		15	0	6.7%	6.7%	<b>6.7%</b>	
362.223 Microwave Towers	3.1%		30	10	3.3%	3.0%	<b>3.0% *</b>	
362.4 Owenboro Fiber	6.8%		25	0	4.0%	4.0%	<b>4.0%</b>	
Total Station & Equipment								2.7 - 3.2%
364 Poles, Towers & Fixtures	3.1%	R1	30	-53	3.3%	5.1%	<b>4.2%</b>	3.0 - 4.0%
365 Ohead Conds & Devices	3.1%	L3	36	-47	2.8%	4.1%	<b>3.4%</b>	2.3 - 2.8%
366 Underground Conduit	3.1%	S0	45	0	2.2%	2.2%	<b>2.2%</b>	1.8 - 2.3%
367 Underground Conds & Devices	3.1%	S0	35	-19	2.9%	3.4%	<b>3.1%</b>	2.4 - 2.9%
368 Line Transformers	3.1%	L0	40	-34	2.5%	3.4%	<b>2.9%</b>	2.6 - 3.1%
369 Services	3.1%	R1	28	-15	3.6%	4.1%	<b>3.8%</b>	3.1 - 3.6%
370 Meters	3.1%	O1	41	-68	2.4%	4.1%	<b>3.3%</b>	2.9 - 3.4%
371 Instal on Cons Premises	3.1%	O1	29	-53	3.4%	5.3%	<b>4.4%</b>	3.9 - 4.4%
373 St Ltg & Signal Systems	3.1%	R1	29	-19	3.4%	4.1%	<b>3.8%</b>	3.8 - 4.3%
Composite Depreciation Rate	3.2%				3.0%	4.1%	3.6%	3.4%

Note: Since the Net Salvage is positive the recommended rate is the Depreciation Rate in column f.

KENERGY  
ANALYSIS OF EXPENSE CHANGE

		Jan 1 2006		Depreciation Expense			
		<u>Investment</u>	<u>Current Rates</u>	<u>No Salvage</u>	<u>Salvage</u>	<u>Recommended</u>	<u>Change</u>
		i	j=a*i	k=e*i	l=f*i	m=g*i	n=m-j
362	Station Equipment	\$ 17,972,713	557,154	438,359	394,523	395,400	(161,754)
362.1	Supervisory Control Equipment	\$ 1,907,174	128,734	127,145	127,145	127,145	(1,589)
362.2	Microwave Equipment	\$ 2,057,341	102,867	137,156	137,156	137,156	34,289
362.223	Microwave Towers	\$ 1,354,846	42,000	45,162	40,645	40,645	(1,355)
362.4	Owenboro Fiber	\$ 915,009	61,763	36,600	36,600	36,600	(25,163)
	Total Station & Equipment	24,207,083	892,519	784,422	736,070	736,946	(155,572)
364	Poles, Towers & Fixtures	\$ 55,689,068	1,726,361	1,856,302	2,840,142	2,348,222	621,861
365	Ohead Conds & Devices	\$ 43,909,211	1,361,186	1,219,700	1,792,959	1,506,330	145,144
366	Underground Conduit	\$ 14,166	439	315	315	315	(124)
367	Underground Conds & Devices	\$ 9,815,435	304,278	280,441	333,725	307,083	2,804
368	Line Transformers	\$ 26,290,025	814,991	657,251	880,716	768,983	(46,008)
369	Services	\$ 15,752,111	488,315	562,575	646,962	604,769	116,453
370	Meters	\$ 4,651,074	144,183	113,441	190,581	152,011	7,827
371	Instal on Cons Premises	\$ 2,796,078	86,678	96,416	147,517	121,967	35,288
373	St Ltg & Signal Systems	\$ 550,896	17,078	18,996	22,606	20,801	3,723
	<b>Total Distribution</b>	\$ 183,675,148	\$ 5,836,029	\$ 5,589,860	\$ 7,591,592	\$ 6,567,427	\$ 731,398
					\$ 1,755,564		



KENERGY  
THEORETICAL RESERVE ANALYSIS

	2005 End of Year Investment	Reserve	Reserve Percent	Theoretical Reserve %	Theoretical Reserve \$	Difference	Proposed Adjustment	Adjusted Reserve	Reserve Percent
362 Station Equipment	17,972,713	7,441,089	41%						
362.1 Supervisory Control Equipmen	1,907,174	1,460,589	77%						
362.2 Microwave Equipment	2,057,341	2,047,852	100%						
362.223 Microwave Towers	1,354,846	886,415	65%						
362.4 Owenboro Fiber	915,009	166,585	18%						
Total Station & Equipment	24,207,083	12,002,531	50%	17%	4,115,204	7,887,327	(6,223,034)	5,779,497	24%
364 Poles, Towers & Fixtures	55,689,068	7,767,010	14%	24%	13,365,376	(5,598,367)		7,767,010	14%
365 Overhead Conds & Devices	43,909,211	6,881,148	16%	25%	10,977,303	(4,096,155)		6,881,148	16%
366 Underground Conduit	14,166	3,342	24%	68%	9,633	(6,291)	6,291	9,633	68%
367 Underground Conds & Devices	9,815,435	1,675,018	17%	19%	1,864,933	(189,915)	189,915	1,864,933	19%
368 Line Transformers	26,290,025	4,004,936	15%	26%	6,835,406	(2,830,470)	2,830,470	6,835,406	26%
369 Services	15,752,111	1,552,567	10%	28%	4,410,591	(2,858,024)	2,858,024	4,410,591	28%
370 Meters	4,651,074	597,561	13%	17%	790,683	(193,121)	193,121	790,683	17%
371 Instal on Cons Premises	2,796,078	356,703	13%	16%	447,373	(90,670)	90,670	447,373	16%
373 St Ltg & Signal Systems	550,896	66,654	12%	22%	121,197	(54,543)	54,543	121,197	22%
	<b>183,675,148</b>	<b>34,907,470</b>	<b>19%</b>	<b>23%</b>	<b>42,937,699</b>	<b>(8,030,229)</b>	<b>(0)</b>	<b>34,907,470</b>	<b>19%</b>



**KENERGY**  
**DEPRECIATION RESERVES -- DISTRIBUTION PLANT**

	<u>Balance</u> <u>Beg of Year</u>	<u>Depreciation</u> <u>Expense</u>	<u>Retirements</u>	<u>Reserve</u> <u>Adjustments</u>	<u>Gross</u> <u>Salvage *</u>	<u>Cost of</u> <u>Removal</u>	<u>Balance</u> <u>End of Year</u>	<u>Net</u> <u>Salvage</u>	<u>Salvage</u> <u>Percent</u>
1940	-	9,333	27,293		39,076		21,116	39,076	143.2%
1941	21,116	20,328	111,833		109,585		39,195	109,585	98.0%
1942	39,195	26,991	63,453		56,294		59,027	56,294	88.7%
1943	59,027	20,282		24,891	(30,216)		73,984	(30,216)	
1944	73,984	36,507	15,247		44,334		139,577	44,334	290.8%
1945	139,577	39,772	203		561		179,707	561	276.0%
1946	179,707	44,643	6,148		66,771		284,973	66,771	1086.0%
1947	284,973	45,835	1,114		4,816		334,510	4,816	432.4%
1948	334,510	91,526	23,390		21,388		424,035	21,388	91.4%
1949	424,035	142,060	96,164	7,121	33,995		511,048	33,995	35.4%
1950	511,047	185,282	71,795		14,290		638,824	14,290	19.9%
1951	638,824	208,047	59,166		26,242		813,947	26,242	44.4%
1952	813,947	236,520	97,148		46,957		1,000,276	46,957	48.3%
1953	1,000,276	260,804	134,290		79,220		1,206,010	79,220	59.0%
1954	1,206,010	279,301	139,363		63,823		1,409,770	63,823	45.8%
1955	1,409,770	278,401	207,902		104,792		1,585,061	104,792	50.4%
1956	1,585,061	297,143	150,222		79,693	33,122	1,778,553	46,571	31.0%
1957	1,778,553	363,286	162,760		51,239	23,271	2,007,047	27,969	17.2%
1958	2,007,047	366,917	222,329		119,948	54,942	2,216,642	65,007	29.2%
1959	2,216,642	389,964	160,450		90,131	39,042	2,497,246	51,089	31.8%
1960	2,497,246	409,282	177,241		87,151	33,430	2,783,008	53,721	30.3%
1961	2,783,008	406,935	117,186		48,443	26,762	3,094,437	21,681	18.5%
1962	3,094,437	431,033	179,610		65,960	28,543	3,383,277	37,417	20.8%
1963	3,383,277	436,518	261,231	5,101	103,819	38,427	3,629,058	65,393	25.0%
1964	3,629,058	484,414	142,028		81,344	27,338	4,025,450	54,006	38.0%
1965	4,025,450	501,897	339,286		161,652	61,559	4,288,154	100,092	29.5%
1966	4,288,154	495,482	341,575		155,305	74,550	4,522,816	80,755	23.6%
1967	4,522,816	525,117	326,802		266,631	98,459	4,889,303	168,172	51.5%
1968	4,889,303	553,290	518,581		227,684	103,170	5,048,525	124,514	24.0%
1969	5,048,525	592,400	435,941		234,869	130,517	5,309,336	104,352	23.9%
1970	5,309,336	628,751	422,995		173,137	137,705	5,550,523	35,432	8.4%
1971	5,550,523	660,146	381,071		141,069	153,101	5,817,567	(12,032)	-3.2%
1972	5,817,567	689,957	339,235		56,542	123,352	6,101,479	(66,810)	-19.7%
1973	6,101,479	726,107	279,374		60,237	132,302	6,476,147	(72,065)	-25.8%
1974	6,476,147	773,582	306,157		85,093	167,692	6,860,972	(82,599)	-27.0%
1975	6,860,972	817,343	436,461		181,855	157,959	7,265,749	23,895	5.5%
1976	7,265,749	871,179	377,202		145,465	193,475	7,711,716	(48,010)	-12.7%
1977	7,711,716	938,515	476,165		306,827	243,908	8,236,986	62,920	13.2%
1978	8,236,986	1,024,663	752,420		404,682	360,251	8,553,660	44,431	5.9%
1979	8,553,660	1,133,144	810,304		314,606	407,824	8,783,282	(93,218)	-11.5%
1980	8,783,282	1,190,783	1,043,330		333,149	627,044	8,636,840	(293,894)	-28.2%
1981	8,629,872	1,367,117	1,179,381		314,224	703,181	8,428,652	(388,957)	-33.0%
1982	8,428,652	1,512,063	797,750		177,314	543,157	8,777,122	(365,844)	-45.9%
1983	8,777,121	1,601,273	777,106	19,685	183,280	506,274	9,297,980	(322,994)	-41.6%
1984	9,297,980	1,703,630	837,466	45,296	296,351	606,790	9,899,000	(310,439)	-37.1%
1985	9,899,000	1,812,900	1,008,692	(23,687)	260,870	689,701	10,250,689	(428,831)	-42.5%
1986	10,250,689	1,980,535	1,145,633	25,619	237,413	685,568	10,663,054	(448,155)	-39.1%
1987	10,663,054	2,094,543	1,224,858	18,514	245,948	630,783	11,166,418	(384,835)	-31.4%
1988	11,166,418	2,185,683	1,003,311	(27,864)	211,721	643,175	11,889,472	(431,454)	-43.0%
1989	11,889,472	2,309,296	1,076,303	2,209	183,289	583,766	12,724,196	(400,477)	-37.2%
1990	12,724,196	2,444,724	1,205,939	(57,134)	235,753	745,751	13,395,849	(509,998)	-42.3%



**KENERGY  
DEPRECIATION RESERVES -- DISTRIBUTION PLANT**

	<u>Balance Beg of Year</u>	<u>Depreciation Expense</u>	<u>Retirements</u>	<u>Reserve Adjustments</u>	<u>Gross Salvage *</u>	<u>Cost of Removal</u>	<u>Balance End of Year</u>	<u>Net Salvage</u>	<u>Salvage Percent</u>
1992	13,894,007	2,685,283	1,640,704	12,213	304,714	845,083	14,410,430	(540,369)	-32.9%
1993	14,410,430	2,798,770	1,489,394	9,188	254,148	794,956	15,188,187	(540,807)	-36.3%
1994	15,188,187	2,907,202	1,237,234	23,137	85,927	715,819	16,251,400	(629,892)	-50.9%
1995	16,251,399	3,027,632	1,462,972	6,714	214,207	755,970	17,281,010	(541,763)	-37.0%
1996	17,281,010	3,158,462	1,388,410	5,681	225,707	765,308	18,517,142	(539,601)	-38.9%
1997	18,517,142	3,405,725	1,246,089	44,247	234,568	1,018,184	19,937,409	(783,616)	-62.9%
1998	19,937,409	3,606,861	1,970,280	(6,983)	352,293	1,270,255	20,649,046	(917,962)	-46.6%
1999	20,649,046	3,862,975	2,060,251	(2,552)	359,934	1,709,772	21,099,380	(1,349,838)	-65.5%
2000	21,099,380	4,118,615	1,665,807		219,319	1,464,094	22,307,413	(1,244,775)	-74.7%
2001	22,474,576	4,502,867	1,477,246		91,343	1,194,204	24,397,335	(1,102,861)	-74.7%
2002	24,397,335	4,861,400	1,599,626	(31,448)	211,097	1,248,919	26,589,839	(1,037,822)	-64.9%
2003	26,589,839	5,144,434	1,461,566	(1)	206,738	1,158,044	29,321,400	(951,306)	-65.1%
2004	29,321,400	5,476,066	2,302,717	-	187,277	1,025,584	31,656,441	(838,307)	-36.4%
2005	31,656,441	5,415,678	1,538,379		194,341	820,611	34,907,470	(626,270)	-40.7%

\* 1940 to 1955 Gross Salvage includes Cost of Removal

	<u>Band</u>	<u>Yrs</u>	<u>NSP</u>
	1940 1961	22	134.9%
Calculation of Adjustment Factor	1962 1978	17	10.7%
	1979 1996	18	-37.2%
-37.2% Expected Salvage (1979-1996 band)	1997 2004	7	-70.1%
-60.3% 4 Yr Band			
62% Adjustment Factor		2	-38.6%
		4	-60.3%
		10	-56.7%
		20	-50.0%



**KENERGY**

**FIVE YEAR FORECAST INVESTMENT**

	3 yr Ave	2005 End of Year Investment	Additions	2006 Retirements	End of Year	Additions	2007 Retirements	End of Year
<b>350-359 Total Transmission Plant</b>								
360 Land & Land Rights	-	813,700	-		813,700	-		813,700
362 Station & Equipment	770,033	17,972,713	793,134	215,673	18,550,174	816,928	222,602	19,144,499
362.100 Supervisory Control Equipment	115,604	1,907,174	119,072	22,886	2,003,360	122,644	24,040	2,101,964
362.200 Microwave System-Equipment	18,008	2,057,341	18,548	24,688	2,051,201	19,105	24,614	2,045,691
362.223 Microwave System-Towers	4,207	1,354,846	4,334	16,258	1,342,922	4,464	16,115	1,331,270
362.40 Owensboro Fiber	64,839	915,009	66,784	10,980	970,813	68,788	11,650	1,027,951
Total Station	972,691	24,207,083	1,001,872	290,485	24,918,470	1,031,928	299,022	25,651,377
364 Poles, Towers & Fixtures	3,079,376	55,689,068	3,171,758	668,269	58,192,557	3,266,910	698,311	60,761,156
365 Ohead Conds & Devices	2,218,609	43,909,211	2,285,168	526,911	45,667,468	2,353,723	548,010	47,473,182
366 Underground Conduit	-	14,166	-	170	13,996	-	168	13,828
367 Underground Conds & Devices	815,003	9,815,435	839,453	117,785	10,537,103	864,636	126,445	11,275,294
368 Line Transformers	933,452	26,290,025	961,456	315,480	26,936,000	990,299	323,232	27,603,068
369 Services	1,410,816	15,752,111	1,453,140	189,025	17,016,226	1,496,734	204,195	18,308,765
370 Meters	210,986	4,651,074	217,316	55,813	4,812,577	223,835	57,751	4,978,661
371 Instal on Cons Premises	124,345	2,796,078	128,075	33,553	2,890,600	131,917	34,687	2,987,830
373 St Ltg & Signal Systems	-	550,896	-	6,611	544,286	-	6,531	537,754
<b>Total Distribution</b>	<b>9,765,279</b>	<b>184,488,848</b>	<b>10,058,237</b>	<b>2,204,102</b>	<b>192,342,983</b>	<b>10,359,984</b>	<b>2,298,351</b>	<b>200,404,616</b>
<b>Assumptions</b>	<b>Additions Growth Rate</b>		<b>3.0%</b>			<b>3.0%</b>		
	<b>Additions Adjustment Factor</b>		<b>100.0%</b>			<b>100.0%</b>		
	<b>Retirement Rate</b>			<b>1.2%</b>			<b>1.2%</b>	

**FIVE YEAR FORECAST RESERVE**

	Depreciation Rate	FNS	Reserve	Accruals	2006 Net Salvage	End of Year	Accruals	2007 Net Salvage	End of Year
<b>350-359 Total Transmission Plant</b>									
360 Land & Land Rights									
362 Station & Equipment	2.2	11	7,441,089	401,752	23,724	7,650,893	414,641	24,486	7,867,418
362.100 Supervisory Control Equipment	6.7	-	1,460,589	130,351	-	1,568,054	136,844	-	1,680,858
362.200 Microwave System-Equipment	6.7	-	2,047,852	136,951	-	2,160,116	136,563	-	2,272,064
362.223 Microwave System-Towers	3.0	10	886,415	40,467	1,626	912,250	40,113	1,612	937,859
362.40 Owensboro Fiber	4.0	-	166,585	37,716	-	193,321	39,975	-	221,647
Total Station	-	-	12,002,531	747,237	25,350	12,484,633	768,137	26,098	12,979,846
364 Poles, Towers & Fixtures	4.2	(54)	7,767,010	2,401,004	(360,865)	9,138,880	2,507,941	(377,088)	10,571,422
365 Ohead Conds & Devices	3.4	(48)	6,881,148	1,536,489	(252,917)	7,637,809	1,597,621	(263,045)	8,424,376
366 Underground Conduit	2.2	-	3,342	313	-	3,485	309	-	3,626
367 Underground Conds & Devices	3.1	(20)	1,675,018	318,372	(23,557)	1,852,047	341,208	(25,289)	2,041,521
368 Line Transformers	2.9	(35)	4,004,936	778,431	(110,418)	4,357,468	797,634	(113,131)	4,718,739
369 Services	3.8	(15)	1,552,567	629,035	(28,354)	1,964,223	678,114	(30,629)	2,407,513
370 Meters	3.3	(69)	597,561	154,650	(38,511)	657,888	160,003	(39,848)	720,292
371 Instal on Cons Premises	4.4	(54)	356,703	124,028	(18,119)	429,060	128,211	(18,731)	503,852
373 St Ltg & Signal Systems	3.8	(19)	66,654	20,676	(1,256)	79,464	20,428	(1,241)	92,119
<b>Total Distribution</b>			<b>34,907,470</b>	<b>6,710,235</b>	<b>(808,647)</b>	<b>38,604,957</b>	<b>6,999,605</b>	<b>(842,904)</b>	<b>42,463,306</b>

**KENERGY**

**FIVE YEAR FORECAST INVESTMENT**

	2008			2009			2010		
	Additions	Retirements	End of Year	Additions	Retirements	End of Year	Additions	Retirements	End of Year
<b>350-359 Total Transmission Plant</b>			813,700	-		813,700	-		813,700
360 Land & Land Rights	-			-			-		
362 Station & Equipment	841,436	229,734	19,756,201	866,679	237,074	20,385,805	892,679	244,630	21,033,854
362.100 Supervisory Control Equipment	126,323	25,224	2,203,064	130,113	26,437	2,306,740	134,017	27,681	2,413,076
362.200 Microwave System-Equipment	19,678	24,548	2,040,821	20,268	24,490	2,036,600	20,876	24,439	2,033,037
362.223 Microwave System-Towers	4,597	15,975	1,319,892	4,735	15,839	1,308,789	4,877	15,705	1,297,961
362.40 Owensboro Fiber	70,852	12,335	1,086,468	72,977	13,038	1,146,407	75,167	13,757	1,207,817
Total Station	1,062,886	307,817	26,406,446	1,094,773	316,877	27,184,341	1,127,616	326,212	27,985,745
364 Poles, Towers & Fixtures	3,364,918	729,134	63,396,940	3,465,865	760,763	66,102,042	3,569,841	793,225	68,878,659
365 Ohead Conds & Devices	2,424,334	569,678	49,327,838	2,497,065	591,934	51,232,968	2,571,976	614,796	53,190,149
366 Underground Conduit	-	166	13,662	-	164	13,498	-	162	13,336
367 Underground Conds & Devices	890,575	135,304	12,030,566	917,293	144,367	12,803,492	944,811	153,642	13,594,661
368 Line Transformers	1,020,008	331,237	28,291,839	1,050,609	339,502	29,002,946	1,082,127	348,035	29,737,037
369 Services	1,541,636	219,705	19,630,696	1,587,885	235,568	20,983,014	1,635,522	251,796	22,366,739
370 Meters	230,550	59,744	5,149,468	237,467	61,794	5,325,141	244,591	63,902	5,505,831
371 Instal on Cons Premises	135,875	35,854	3,087,851	139,951	37,054	3,190,748	144,149	38,289	3,296,608
373 St Ltg & Signal Systems	-	6,453	531,301	-	6,376	524,925	-	6,299	518,626
<b>Total Distribution</b>	<b>10,670,784</b>	<b>2,395,091</b>	<b>208,680,309</b>	<b>10,990,907</b>	<b>2,494,399</b>	<b>217,176,816</b>	<b>11,320,634</b>	<b>2,596,357</b>	<b>225,901,093</b>
Assumptions	3.0%			3.0%			3.0%		
	100.0%			100.0%			100.0%		
		1.2%			1.2%			1.2%	

**FIVE YEAR FORECAST RESERVE**

	2008			2009			2010		
	Accruals	Net Salvage	End of Year	Accruals	Net Salvage	End of Year	Accruals	Net Salvage	End of Year
<b>350-359 Total Transmission Plant</b>									
360 Land & Land Rights									
362 Station & Equipment	427,908	25,271	8,090,863	441,562	26,078	8,321,428	455,616	26,909	8,559,324
362.100 Supervisory Control Equipment	143,501	-	1,799,135	150,327	-	1,923,025	157,327	-	2,052,672
362.200 Microwave System-Equipment	136,217	-	2,383,733	135,914	-	2,495,157	135,655	-	2,606,373
362.223 Microwave System-Towers	39,767	1,598	963,249	39,430	1,584	988,424	39,101	1,571	1,013,390
362.40 Owensboro Fiber	42,288	-	251,600	44,657	-	283,220	47,084	-	316,547
Total Station	789,682	26,868	13,488,579	811,891	27,662	14,011,255	834,784	28,480	14,548,306
364 Poles, Towers & Fixtures	2,617,667	(393,732)	12,066,223	2,730,270	(410,812)	13,624,917	2,845,843	(428,341)	15,249,195
365 Ohead Conds & Devices	1,660,406	(273,446)	9,241,658	1,724,897	(284,128)	10,090,493	1,791,147	(295,102)	10,971,742
366 Underground Conduit	305	-	3,766	302	-	3,904	298	-	4,040
367 Underground Conds & Devices	364,570	(27,061)	2,243,727	388,476	(28,873)	2,458,963	412,943	(30,728)	2,687,535
368 Line Transformers	817,463	(115,933)	5,089,032	837,936	(118,826)	5,468,641	859,072	(121,812)	5,857,865
369 Services	728,302	(32,956)	2,883,154	779,638	(35,335)	3,391,888	832,160	(37,769)	3,934,483
370 Meters	165,508	(41,223)	784,833	171,170	(42,638)	851,572	176,994	(44,092)	920,572
371 Instal on Cons Premises	132,513	(19,361)	581,150	136,938	(20,009)	661,025	141,491	(20,676)	743,551
373 St Ltg & Signal Systems	20,183	(1,226)	104,623	19,941	(1,211)	116,977	19,702	(1,197)	129,183
<b>Total Distribution</b>	<b>7,296,600</b>	<b>(878,069)</b>	<b>46,486,745</b>	<b>7,601,459</b>	<b>(914,171)</b>	<b>50,679,634</b>	<b>7,914,434</b>	<b>(951,239)</b>	<b>55,046,472</b>

**KENERGY**

**FIVE YEAR FORECAST INVESTMENT**

		2011		
		<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
<b>350-359</b>	<b>Total Transmission Plant</b>			
360	Land & Land Rights	-		813,700
362	Station & Equipment	919,459	252,406	21,700,908
362.100	Supervisory Control Equipment	138,037	28,957	2,522,156
362.200	Microwave System-Equipment	21,503	24,396	2,030,143
362.223	Microwave System-Towers	5,024	15,576	1,287,409
362.40	Owensboro Fiber	77,422	14,494	1,270,745
	<b>Total Station</b>	<b>1,161,444</b>	<b>335,829</b>	<b>28,811,361</b>
364	Poles, Towers & Fixtures	3,676,936	826,544	71,729,052
365	Overhead Conds & Devices	2,649,136	638,282	55,201,003
366	Underground Conduit	-	160	13,176
367	Underground Conds & Devices	973,156	163,136	14,404,681
368	Line Transformers	1,114,591	356,844	30,494,783
369	Services	1,684,588	268,401	23,782,926
370	Meters	251,929	66,070	5,691,689
371	Instal on Cons Premises	148,474	39,559	3,405,523
373	St Lig & Signal Systems	-	6,224	512,403
	<b>Total Distribution</b>	<b>11,660,253</b>	<b>2,701,049</b>	<b>234,860,298</b>
	Assumptions	3.0%		
		100.0%		
			1.2%	

**FIVE YEAR FORECAST RESERVE**

		2011		
		<u>Accruals</u>	<u>Net Salvage</u>	<u>End of Year</u>
<b>350-359</b>	<b>Total Transmission Plant</b>			
360	Land & Land Rights			
362	Station & Equipment	470,082	27,765	8,804,765
362.100	Supervisory Control Equipment	164,508	-	2,188,222
362.200	Microwave System-Equipment	135,439	-	2,717,416
362.223	Microwave System-Towers	38,781	1,558	1,038,153
362.40	Owensboro Fiber	49,571	-	351,625
	<b>Total Station</b>	<b>858,381</b>	<b>29,322</b>	<b>15,100,181</b>
364	Poles, Towers & Fixtures	2,964,479	(446,334)	16,940,796
365	Overhead Conds & Devices	1,859,209	(306,375)	11,886,295
366	Underground Conduit	295	-	4,174
367	Underground Conds & Devices	437,990	(32,627)	2,929,762
368	Line Transformers	880,890	(124,896)	6,257,016
369	Services	885,909	(40,260)	4,511,731
370	Meters	182,984	(45,588)	991,898
371	Instal on Cons Premises	146,176	(21,362)	828,805
373	St Lig & Signal Systems	19,465	(1,182)	141,242
	<b>Total Distribution</b>	<b>8,235,778</b>	<b>(989,302)</b>	<b>59,591,899</b>



SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 1

COMPANY 100 KENERGY  
ACCOUNT 362 STATION AND EQUIPMENT

ACCOUNT CONTROL INFORMATION

EARLIEST ADDITION = 1930      LATEST ADDITION = 2005  
EARLIEST BALANCE = 1941      LATEST BALANCE = 2005  
EARLIEST RETIREMENT = 1941      LATEST RETIREMENT = 2005      INPUT = ADD & RET

PLANT ADDITIONS

YEAR	ADD	YEAR	ADD	YEAR	ADD	YEAR	ADD
1930	105	1949	58,703	1968	149,050	1987	207,487
1931	0	1950	32,617	1969	121,544	1988	94,240
1932	0	1951	0	1970	183,521	1989	1,395,595
1933	0	1952	207,531	1971	64,915	1990	107,049
1934	0	1953	79,183	1972	161,305	1991	363,811
1935	0	1954	82,813	1973	130,987	1992	193,671
1936	0	1955	73,628	1974	160,587	1993	84,071
1937	0	1956	45,939	1975	301,781	1994	111,078
1938	0	1957	275,632	1976	335,729	1995	23,617
1939	3,223	1958	60,412	1977	304,577	1996	1,667,996
1940	4,924	1959	38,087	1978	808,818	1997	47,569
1941	246	1960	37,439	1979	644,689	1998	1,492,598
1942	188	1961	129,630	1980	102,537	1999	680,036
1943	0	1962	63,290	1981	614,965	2000	1,920,326
1944	8,717	1963	240,279	1982	1,163,386	2001	3,392,238
1945	0	1964	539	1983	546,388	2002	3,030,882
1946	5,116	1965	25,918	1984	472,615	2003	970,936
1947	959	1966	112,620	1985	337,823	2004	1,486,176
1948	9,864	1967	107,905	1986	1,961,250	2005	460,961
TOTAL ADDITIONS =							28,002,311

PLANT RETIREMENTS

YEAR	RET	YEAR	RET	YEAR	RET	YEAR	RET
1940	0	1957	0	1974	0	1991	2,945
1941	76	1958	12,090	1975	149,877	1992	144,702
1942	0	1959	0	1976	35,826	1993	52,261
1943	0	1960	0	1977	70,646	1994	47,068
1944	0	1961	15,108	1978	158,367	1995	14,818
1945	0	1962	1,004	1979	2,120	1996	305,971
1946	1,582	1963	83,778	1980	0	1997	43,777
1947	0	1964	0	1981	52,060	1998	357,006
1948	2,836	1965	43,942	1982	45,542	1999	43,268

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 2

COMPANY 100 KENERGY  
ACCOUNT 362 STATION AND EQUIPMENT

1949	1,775	1966	84,602	1983	27,842	2000	0
1950	7,517	1967	22,846	1984	66,348	2001	41,883
1951	7,817	1968	83,946	1985	146,121	2002	176,705
1952	12,046	1969	4,514	1986	1,869	2003	336,146
1953	13,022	1970	57,893	1987	82,455	2004	279,778
1954	0	1971	19,747	1988	8,102	2005	464,440
1955	10,524	1972	45,890	1989	74,315	0	0
1956	0	1973	2,489	1990	27,926	0	0

TOTAL RETIREMENTS = 3,795,228

PLANT BALANCES

YEAR	BAL	YEAR	BAL	YEAR	BAL	YEAR	BAL
1940	8,252	1957	832,193	1974	2,142,372	1991	10,952,751
1941	8,422	1958	880,515	1975	2,294,276	1992	11,001,720
1942	8,610	1959	918,602	1976	2,594,179	1993	11,033,530
1943	8,610	1960	956,041	1977	2,828,110	1994	11,097,540
1944	17,327	1961	1,070,563	1978	3,478,561	1995	11,106,339
1945	17,327	1962	1,132,849	1979	4,121,130	1996	12,468,364
1946	20,861	1963	1,289,350	1980	4,223,667	1997	12,472,156
1947	21,820	1964	1,289,889	1981	4,786,572	1998	13,607,748
1948	28,848	1965	1,271,865	1982	5,904,416	1999	14,244,516
1949	85,776	1966	1,299,883	1983	6,422,962	2000	16,164,842
1950	110,876	1967	1,384,942	1984	6,829,229	2001	19,515,197
1951	103,059	1968	1,450,046	1985	7,020,931	2002	22,369,374
1952	298,544	1969	1,567,076	1986	8,980,312	2003	23,004,164
1953	364,705	1970	1,692,704	1987	9,105,344	2004	24,210,562
1954	447,518	1971	1,737,872	1988	9,191,482	2005	24,207,083
1955	510,622	1972	1,853,287	1989	10,512,762	0	0
1956	556,561	1973	1,981,785	1990	10,591,885	0	0

ANALYSIS BAND - 1985 TO 2005

DISP	MEAN	SSD	IV	REI
R1	40.8 YRS.	0.1384E+13	18	98.68



SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 3

COMPANY 100 KENERGY  
ACCOUNT 362 STATION AND EQUIPMENT

SIMULATED BALANCES

YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES
2005	24191592.	1999	14299846.	1993	11132591.	1987	9547897.
2004	24000360.	1998	13784856.	1992	11169791.	1986	9430414.
2003	22771091.	1997	12446570.	1991	11093483.	1985	7549949.
2002	22042991.	1996	12544854.	1990	10842320.	0	0.
2001	19236330.	1995	11013847.	1989	10843529.	0	0.
2000	16042795.	1994	11118715.	1988	9548671.	0	0.

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 1

COMPANY 100 KENERGY  
ACCOUNT 364 POLES, TOWERS AND FIXTURES

ACCOUNT CONTROL INFORMATION

EARLIEST ADDITION = 1930      LATEST ADDITION = 2005  
EARLIEST BALANCE = 1940      LATEST BALANCE = 2005  
EARLIEST RETIREMENT = 1940      LATEST RETIREMENT = 2005      INPUT = ADD & RET

PLANT ADDITIONS

YEAR	ADD	YEAR	ADD	YEAR	ADD	YEAR	ADD
1930	28	1949	1,007,036	1968	373,134	1987	1,517,818
1931	0	1950	517,589	1969	426,294	1988	1,560,450
1932	0	1951	100,469	1970	406,025	1989	1,593,450
1933	0	1952	369,252	1971	484,326	1990	1,782,792
1934	0	1953	228,959	1972	431,135	1991	1,971,744
1935	0	1954	195,657	1973	450,291	1992	2,143,342
1936	0	1955	252,487	1974	536,148	1993	2,037,784
1937	0	1956	211,899	1975	694,673	1994	1,953,267
1938	0	1957	236,709	1976	437,128	1995	2,042,770
1939	296,920	1958	315,534	1977	800,935	1996	2,160,340
1940	106,119	1959	216,988	1978	1,166,085	1997	2,480,591
1941	60,204	1960	237,850	1979	1,370,818	1998	2,823,887
1942	2,198	1961	229,969	1980	1,987,901	1999	3,798,297
1943	2,589	1962	171,336	1981	2,041,761	2000	4,098,084
1944	50,949	1963	317,420	1982	1,151,497	2001	3,373,974
1945	52,209	1964	196,459	1983	1,357,986	2002	3,196,079
1946	40,456	1965	239,846	1984	1,410,603	2003	3,096,498
1947	38,867	1966	269,937	1985	1,534,451	2004	2,689,745
1948	71,060	1967	436,830	1986	1,558,102	2005	3,451,887
TOTAL ADDITIONS =							72,865,917

PLANT RETIREMENTS

YEAR	RET	YEAR	RET	YEAR	RET	YEAR	RET
1939	0	1956	62,768	1973	101,535	1990	601,432
1940	1,048	1957	59,062	1974	107,254	1991	689,237
1941	203,942	1958	97,742	1975	94,131	1992	804,147
1942	0	1959	73,715	1976	125,554	1993	710,876
1943	25,695	1960	76,261	1977	122,879	1994	572,874
1944	10,634	1961	45,287	1978	193,606	1995	555,022
1945	0	1962	56,465	1979	235,309	1996	481,795
1946	2,989	1963	74,753	1980	511,021	1997	595,702
1947	686	1964	55,171	1981	587,083	1998	693,503

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 2

COMPANY 100 KENERGY  
ACCOUNT 364 POLES, TOWERS AND FIXTURES

1948	6,287	1965	85,257	1982	339,188	1999	779,629
1949	26,122	1966	90,637	1983	321,420	2000	709,103
1950	25,213	1967	120,851	1984	355,069	2001	571,020
1951	11,901	1968	130,495	1985	422,698	2002	518,002
1952	31,699	1969	103,710	1986	529,507	2003	466,149
1953	24,962	1970	98,503	1987	570,529	2004	375,698
1954	47,681	1971	136,328	1988	467,928	2005	500,536
1955	82,788	1972	104,090	1989	494,671	0	0

TOTAL RETIREMENTS = 17,176,849

PLANT BALANCES

YEAR	BAL	YEAR	BAL	YEAR	BAL	YEAR	BAL
1939	296,948	1956	3,040,532	1973	6,970,753	1990	23,394,072
1940	402,019	1957	3,218,179	1974	7,399,647	1991	24,676,579
1941	258,281	1958	3,435,971	1975	8,000,189	1992	26,015,774
1942	260,479	1959	3,579,244	1976	8,311,763	1993	27,342,682
1943	237,373	1960	3,740,833	1977	8,989,819	1994	28,723,075
1944	277,688	1961	3,925,515	1978	9,962,298	1995	30,210,823
1945	329,897	1962	4,040,386	1979	11,097,807	1996	31,889,368
1946	367,364	1963	4,283,053	1980	12,574,687	1997	33,774,257
1947	405,545	1964	4,424,341	1981	14,029,365	1998	35,904,641
1948	470,318	1965	4,578,930	1982	14,841,674	1999	38,923,309
1949	1,451,232	1966	4,758,230	1983	15,878,240	2000	42,312,290
1950	1,943,608	1967	5,074,209	1984	16,933,774	2001	45,115,244
1951	2,032,176	1968	5,316,848	1985	18,045,527	2002	47,793,321
1952	2,369,729	1969	5,639,432	1986	19,074,122	2003	50,423,670
1953	2,573,726	1970	5,946,954	1987	20,021,411	2004	52,737,717
1954	2,721,702	1971	6,294,952	1988	21,113,933	2005	55,689,068
1955	2,891,401	1972	6,621,997	1989	22,212,712	0	0

ANALYSIS BAND - 1985 TO 2005

DISP	MEAN	SSD	IV	REI
R1	26.4 YRS.	0.2193E+14	30	100.00

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 3

COMPANY 100 KENERGY  
ACCOUNT 364 POLES, TOWERS AND FIXTURES

SIMULATED BALANCES

YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES
2005	53158639.	1999	39500949.	1993	28603148.	1987	20645801.
2004	50894253.	1998	36538791.	1992	27164070.	1986	19555450.
2003	49331888.	1997	34499414.	1991	25586290.	1985	18400537.
2002	47305482.	1996	32759774.	1990	24148364.	0	0.
2001	45121650.	1995	31301327.	1989	22870071.	0	0.
2000	42703125.	1994	29924516.	1988	21754151.	0	0.

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 1

COMPANY 100 KENERGY  
ACCOUNT 365 OVERHEAD CONDS AND DEVICES

ACCOUNT CONTROL INFORMATION

EARLIEST ADDITION = 1930      LATEST ADDITION = 2005  
EARLIEST BALANCE = 1938      LATEST BALANCE = 2005  
EARLIEST RETIREMENT = 1938      LATEST RETIREMENT = 2005      INPUT = ADD & RET

PLANT ADDITIONS

YEAR	ADD	YEAR	ADD	YEAR	ADD	YEAR	ADD
1930	85,602	1949	1,146,644	1968	332,705	1987	817,876
1931	0	1950	553,652	1969	373,763	1988	1,018,530
1932	0	1951	89,224	1970	245,854	1989	942,940
1933	0	1952	398,479	1971	286,429	1990	1,277,279
1934	0	1953	252,394	1972	168,352	1991	1,449,767
1935	20,526	1954	250,179	1973	186,331	1992	1,193,537
1936	20,476	1955	198,732	1974	247,579	1993	1,088,197
1937	20,455	1956	151,774	1975	391,888	1994	970,392
1938	20,449	1957	189,224	1976	276,623	1995	1,294,191
1939	60,905	1958	286,648	1977	379,988	1996	1,494,461
1940	24,656	1959	189,637	1978	566,923	1997	2,130,611
1941	153,982	1960	185,121	1979	802,221	1998	2,435,459
1942	493	1961	155,179	1980	1,550,250	1999	3,470,548
1943	5,888	1962	115,063	1981	1,032,116	2000	3,467,283
1944	68,060	1963	302,420	1982	591,933	2001	3,437,752
1945	21,550	1964	157,501	1983	821,837	2002	3,066,335
1946	21,073	1965	221,348	1984	798,630	2003	2,833,269
1947	25,507	1966	234,454	1985	854,731	2004	2,165,781
1948	61,709	1967	363,611	1986	795,124	2005	1,656,779
TOTAL ADDITIONS =							52,966,879

PLANT RETIREMENTS

YEAR	RET	YEAR	RET	YEAR	RET	YEAR	RET
1937	0	1955	67,701	1973	46,765	1991	268,972
1938	3,710	1956	44,830	1974	66,514	1992	292,950
1939	0	1957	49,503	1975	44,378	1993	261,131
1940	0	1958	77,298	1976	54,697	1994	197,723
1941	232	1959	56,285	1977	63,114	1995	272,017
1942	66,879	1960	55,088	1978	101,537	1996	217,132
1943	10,248	1961	28,373	1979	177,119	1997	345,236
1944	6,066	1962	38,370	1980	478,310	1998	423,634
1945	0	1963	49,509	1981	208,037	1999	598,463

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 2

COMPANY 100 KENERGY  
ACCOUNT 365 OVERHEAD CONDS AND DEVICES

1946	1,037	1964	43,027	1982	129,277	2000	428,487
1947	351	1965	58,935	1983	157,802	2001	338,525
1948	8,039	1966	66,762	1984	159,760	2002	334,663
1949	39,107	1967	96,378	1985	158,288	2003	286,773
1950	24,535	1968	57,968	1986	205,771	2004	247,719
1951	11,308	1969	112,087	1987	199,179	2005	278,876
1952	32,693	1970	43,316	1988	187,062	0	0
1953	33,228	1971	71,131	1989	206,278	0	0
1954	47,852	1972	51,532	1990	268,101	0	0

TOTAL RETIREMENTS = 9,057,668

PLANT BALANCES

YEAR	BAL	YEAR	BAL	YEAR	BAL	YEAR	BAL
1937	147,059	1955	3,147,649	1973	6,245,906	1991	17,727,945
1938	163,798	1956	3,254,593	1974	6,426,971	1992	18,628,532
1939	224,703	1957	3,394,314	1975	6,774,481	1993	19,455,598
1940	249,359	1958	3,603,664	1976	6,996,407	1994	20,228,267
1941	403,109	1959	3,737,016	1977	7,313,281	1995	21,250,441
1942	336,723	1960	3,867,049	1978	7,778,667	1996	22,527,770
1943	332,363	1961	3,993,855	1979	8,403,769	1997	24,313,145
1944	394,357	1962	4,070,548	1980	9,475,709	1998	26,324,970
1945	415,907	1963	4,323,459	1981	10,299,788	1999	29,197,055
1946	435,943	1964	4,437,933	1982	10,762,444	2000	32,235,851
1947	461,099	1965	4,600,346	1983	11,426,479	2001	35,335,078
1948	514,769	1966	4,768,038	1984	12,065,349	2002	38,066,750
1949	1,622,306	1967	5,035,271	1985	12,761,792	2003	40,613,246
1950	2,151,423	1968	5,310,008	1986	13,351,145	2004	42,531,308
1951	2,229,339	1969	5,571,684	1987	13,969,842	2005	43,909,211
1952	2,595,125	1970	5,774,222	1988	14,801,310	0	0
1953	2,814,291	1971	5,989,520	1989	15,537,972	0	0
1954	3,016,618	1972	6,106,340	1990	16,547,150	0	0

ANALYSIS BAND - 1985 TO 2005

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 3

COMPANY 100 KENERGY  
ACCOUNT 365 OVERHEAD CONDS AND DEVICES

DISP            MEAN            SSD            IV            REI  
L3            31.5 YRS.        0.6631E+12        7            100.00

SIMULATED BALANCES

YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES
2005	43447863.	1999	29508790.	1993	19555367.	1987	14009554.
2004	42317813.	1998	26390138.	1992	18725964.	1986	13404906.
2003	40644929.	1997	24285422.	1991	17781539.	1985	12818348.
2002	38272352.	1996	22466952.	1990	16572089.	0	0.
2001	35636307.	1995	21268445.	1989	15527148.	0	0.
2000	32600428.	1994	20256146.	1988	14809341.	0	0.

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 1

COMPANY 100 KENERGY  
ACCOUNT 367 UNDERGROUND CONDS AND DEVICES

ACCOUNT CONTROL INFORMATION

EARLIEST ADDITION = 1960      LATEST ADDITION = 2005  
EARLIEST BALANCE = 1968      LATEST BALANCE = 2005  
EARLIEST RETIREMENT = 1968      LATEST RETIREMENT = 2005      INPUT = ADD & RET

PLANT ADDITIONS

YEAR	ADD	YEAR	ADD	YEAR	ADD	YEAR	ADD
1960	24	1972	38,807	1984	193,728	1996	401,514
1961	0	1973	62,090	1985	250,031	1997	491,260
1962	0	1974	19,315	1986	160,139	1998	612,046
1963	0	1975	78,031	1987	100,074	1999	0
1964	10,673	1976	71,636	1988	293,324	2000	565,613
1965	6,778	1977	226,838	1989	414,712	2001	588,176
1966	26,503	1978	166,580	1990	445,391	2002	454,898
1967	43,602	1979	171,779	1991	436,757	2003	720,478
1968	25,869	1980	128,843	1992	379,747	2004	795,572
1969	18,773	1981	95,093	1993	263,949	2005	928,958
1970	38,859	1982	66,713	1994	335,449	0	0
1971	44,864	1983	139,257	1995	467,270	0	0
TOTAL ADDITIONS =							10,780,013

PLANT RETIREMENTS

YEAR	RET	YEAR	RET	YEAR	RET	YEAR	RET
1967	0	1977	3,220	1987	14,734	1997	32,511
1968	1,152	1978	13,036	1988	6,722	1998	40,596
1969	1,434	1979	13,316	1989	98,647	1999	134,914
1970	1,275	1980	23,884	1990	54,213	2000	36,775
1971	4,813	1981	3,992	1991	51,133	2001	33,469
1972	1,037	1982	2,212	1992	30,241	2002	7,603
1973	9	1983	2,577	1993	16,802	2003	16,260
1974	614	1984	5,068	1994	31,095	2004	32,904
1975	1,148	1985	8,793	1995	160,776	2005	33,541
1976	256	1986	6,726	1996	37,081	0	0
TOTAL RETIREMENTS =							964,579



SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 2

COMPANY 100 KENERGY  
ACCOUNT 367 UNDERGROUND CONDS AND DEVICES

PLANT BALANCES

YEAR	BAL	YEAR	BAL	YEAR	BAL	YEAR	BAL
1967	87,580	1977	697,704	1987	2,075,603	1997	5,485,755
1968	112,297	1978	851,248	1988	2,362,205	1998	6,057,205
1969	129,636	1979	1,009,711	1989	2,678,270	1999	5,922,291
1970	167,220	1980	1,114,670	1990	3,069,448	2000	6,451,129
1971	207,271	1981	1,205,771	1991	3,455,072	2001	7,005,836
1972	245,041	1982	1,270,272	1992	3,804,578	2002	7,453,131
1973	307,122	1983	1,406,952	1993	4,051,725	2003	8,157,349
1974	325,823	1984	1,595,612	1994	4,356,079	2004	8,920,017
1975	402,706	1985	1,836,850	1995	4,662,573	2005	9,815,434
1976	474,086	1986	1,990,263	1996	5,027,006	0	0

ANALYSIS BAND = 1985 THRU 2005

INCREMENT = 1

DISP	MEAN	SSD	IV	REI
S0	34.9 YRS.	0.2371E+12	21	70.64

SIMULATED BALANCES

YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES
2005	9576166.	1999	6083209.	1993	4113260.	1987	2056446.
2004	8759913.	1998	6153550.	1992	3888393.	1986	1975528.
2003	8068437.	1997	5605724.	1991	3543448.	1985	1832398.
2002	7444240.	1996	5172894.	1990	3137444.	0	0.
2001	7078526.	1995	4824476.	1989	2719161.	0	0.
2000	6572743.	1994	4405268.	1988	2328412.	0	0.

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 1

COMPANY 100 KENERGY  
ACCOUNT 368 LINE TRANSFORMERS

ACCOUNT CONTROL INFORMATION

EARLIEST ADDITION = 1930      LATEST ADDITION = 2005  
EARLIEST BALANCE = 1938      LATEST BALANCE = 2005  
EARLIEST RETIREMENT = 1938      LATEST RETIREMENT = 2005      INPUT = ADD & RET

PLANT ADDITIONS

YEAR	ADD	YEAR	ADD	YEAR	ADD	YEAR	ADD
1930	36,648	1949	351,985	1968	317,314	1987	724,304
1931	0	1950	255,381	1969	345,167	1988	676,223
1932	0	1951	142,622	1970	363,931	1989	863,412
1933	0	1952	189,099	1971	326,269	1990	636,277
1934	0	1953	172,252	1972	380,052	1991	606,680
1935	877	1954	173,717	1973	443,133	1992	761,797
1936	865	1955	190,440	1974	375,426	1993	731,034
1937	856	1956	268,791	1975	416,624	1994	763,894
1938	851	1957	267,808	1976	521,007	1995	944,899
1939	37,558	1958	270,182	1977	801,783	1996	1,320,392
1940	21,417	1959	263,970	1978	1,020,577	1997	1,047,560
1941	22,540	1960	173,818	1979	695,935	1998	1,555,753
1942	28,815	1961	212,504	1980	640,019	1999	1,700,676
1943	7,690	1962	236,562	1981	741,341	2000	1,626,343
1944	20,610	1963	204,407	1982	470,255	2001	815,511
1945	14,371	1964	192,383	1983	558,158	2002	1,136,903
1946	28,416	1965	197,612	1984	657,000	2003	773,587
1947	191,587	1966	239,901	1985	806,429	2004	1,072,303
1948	133,851	1967	277,470	1986	706,783	2005	991,614

TOTAL ADDITIONS = 34,164,221

PLANT RETIREMENTS

YEAR	RET	YEAR	RET	YEAR	RET	YEAR	RET
1937	0	1955	35,019	1973	85,273	1991	250,031
1938	4,923	1956	32,879	1974	99,283	1992	204,078
1939	0	1957	38,427	1975	84,152	1993	243,218
1940	64	1958	24,719	1976	89,035	1994	178,002
1941	772	1959	19,578	1977	142,188	1995	209,725
1942	0	1960	25,555	1978	160,370	1996	163,281
1943	325	1961	12,051	1979	125,356	1997	121,883
1944	1,006	1962	66,900	1980	209,486	1998	240,946
1945	99	1963	28,386	1981	164,487	1999	387,686

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 2

COMPANY 100 KENERGY  
ACCOUNT 368 LINE TRANSFORMERS

1946	1,078	1964	30,300	1982	154,722	2000	331,125
1947	217	1965	115,389	1983	173,109	2001	310,732
1948	3,870	1966	54,558	1984	133,663	2002	393,496
1949	4,266	1967	57,558	1985	169,274	2003	218,144
1950	12,426	1968	173,500	1986	214,309	2004	252,150
1951	22,827	1969	162,306	1987	183,985	2005	214,478
1952	19,010	1970	104,517	1988	229,540	0	0
1953	48,869	1971	96,079	1989	180,900	0	0
1954	35,167	1972	116,486	1990	206,963	0	0

TOTAL RETIREMENTS = 7,874,196

PLANT BALANCES

YEAR	BAL	YEAR	BAL	YEAR	BAL	YEAR	BAL
1937	39,246	1955	1,832,510	1973	5,569,323	1991	14,516,703
1938	35,174	1956	2,068,422	1974	5,845,466	1992	15,074,422
1939	72,732	1957	2,297,803	1975	6,177,938	1993	15,562,238
1940	94,085	1958	2,543,266	1976	6,609,910	1994	16,148,130
1941	115,853	1959	2,787,658	1977	7,269,505	1995	16,883,304
1942	144,668	1960	2,935,921	1978	8,129,712	1996	18,040,415
1943	152,033	1961	3,136,374	1979	8,700,291	1997	18,966,092
1944	171,637	1962	3,306,036	1980	9,130,824	1998	20,280,899
1945	185,909	1963	3,482,057	1981	9,707,678	1999	21,593,889
1946	213,247	1964	3,644,140	1982	10,023,211	2000	22,889,107
1947	404,617	1965	3,726,363	1983	10,408,260	2001	23,393,886
1948	534,598	1966	3,911,706	1984	10,931,597	2002	24,137,293
1949	882,317	1967	4,131,618	1985	11,568,752	2003	24,692,736
1950	1,125,272	1968	4,275,432	1986	12,061,226	2004	25,512,889
1951	1,245,067	1969	4,458,293	1987	12,601,545	2005	26,290,025
1952	1,415,156	1970	4,717,707	1988	13,048,228	0	0
1953	1,538,539	1971	4,947,897	1989	13,730,740	0	0
1954	1,677,089	1972	5,211,463	1990	14,160,054	0	0

ANALYSIS BAND - 1965 TO 2005

DISP	MEAN	SSD	IV	REI
L0	39.7 YRS.	0.6490E+13	31	90.32

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 3

COMPANY 100 KENERGY  
ACCOUNT 368 LINE TRANSFORMERS

SIMULATED BALANCES

YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES
2005	25360280.	1994	16415026.	1983	10944261.	1972	5596782.
2004	24811817.	1993	15926499.	1982	10550893.	1971	5298126.
2003	24185420.	1992	15460432.	1981	10236948.	1970	5048648.
2002	23845148.	1991	14953104.	1980	9641905.	1969	4756786.
2001	23123533.	1990	14591217.	1979	9139037.	1968	4479275.
2000	22688390.	1989	14189553.	1978	8570804.	1967	4225521.
1999	21422529.	1988	13549474.	1977	7667402.	1966	4007858.
1998	20063569.	1987	13086615.	1976	6974633.	1965	3824285.
1997	18832887.	1986	12565384.	1975	6556444.	0	0.
1996	18097092.	1985	12051592.	1974	6237066.	0	0.
1995	17074051.	1984	11427802.	1973	5953556.	0	0.

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 1

COMPANY 100 KENERGY  
ACCOUNT 369 SERVICES

ACCOUNT CONTROL INFORMATION

EARLIEST ADDITION = 1930      LATEST ADDITION = 2005  
EARLIEST BALANCE = 1938      LATEST BALANCE = 2005  
EARLIEST RETIREMENT = 1938      LATEST RETIREMENT = 2005      INPUT = ADD & RET

PLANT ADDITIONS

YEAR	ADD	YEAR	ADD	YEAR	ADD	YEAR	ADD
1930	11,759	1949	151,660	1968	69,548	1987	272,659
1931	0	1950	99,693	1969	88,451	1988	351,876
1932	0	1951	31,659	1970	93,962	1989	424,274
1933	0	1952	70,520	1971	100,910	1990	417,061
1934	0	1953	57,287	1972	93,651	1991	511,615
1935	2,788	1954	37,682	1973	103,164	1992	419,194
1936	2,783	1955	60,882	1974	114,385	1993	425,441
1937	2,779	1956	54,082	1975	160,029	1994	498,363
1938	2,777	1957	53,642	1976	132,198	1995	553,137
1939	22,970	1958	46,214	1977	240,786	1996	610,173
1940	8,611	1959	50,864	1978	294,520	1997	647,919
1941	12,123	1960	49,805	1979	356,353	1998	695,639
1942	7,753	1961	55,083	1980	299,466	1999	1,466,842
1943	1,454	1962	43,892	1981	279,195	2000	873,554
1944	9,927	1963	67,845	1982	252,397	2001	944,720
1945	3,389	1964	65,289	1983	354,035	2002	1,050,171
1946	2,730	1965	79,228	1984	360,182	2003	1,312,481
1947	2,206	1966	75,530	1985	346,861	2004	1,299,232
1948	13,085	1967	74,190	1986	317,776	2005	1,620,734
TOTAL ADDITIONS =							19,785,135

PLANT RETIREMENTS

YEAR	RET	YEAR	RET	YEAR	RET	YEAR	RET
1937	0	1955	16,609	1973	38,626	1991	103,153
1938	487	1956	14,091	1974	34,329	1992	110,329
1939	0	1957	15,778	1975	35,323	1993	92,629
1940	224	1958	16,420	1976	39,833	1994	79,132
1941	10,959	1959	16,559	1977	41,937	1995	124,676
1942	0	1960	18,420	1978	55,824	1996	86,872
1943	2,127	1961	16,855	1979	71,555	1997	100,778
1944	1,361	1962	16,065	1980	79,209	1998	104,494
1945	0	1963	17,831	1981	71,900	1999	120,136

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 2

COMPANY 100 KENERGY  
ACCOUNT 369 SERVICES

1946	189	1964	15,268	1982	62,899	2000	109,178
1947	50	1965	24,474	1983	64,127	2001	89,066
1948	1,163	1966	28,422	1984	71,195	2002	78,305
1949	2,988	1967	28,723	1985	84,751	2003	63,940
1950	4,325	1968	31,784	1986	98,878	2004	1,042,818
1951	3,633	1969	28,632	1987	93,420	2005	51,920
1952	3,951	1970	29,960	1988	98,890	0	0
1953	6,887	1971	34,353	1989	89,573	0	0
1954	8,408	1972	33,787	1990	92,546	0	0

TOTAL RETIREMENTS = 4,033,024

PLANT BALANCES

YEAR	BAL	YEAR	BAL	YEAR	BAL	YEAR	BAL
1937	20,109	1955	553,156	1973	1,392,458	1991	5,588,784
1938	22,399	1956	593,147	1974	1,472,514	1992	5,897,649
1939	45,369	1957	631,011	1975	1,597,220	1993	6,230,461
1940	53,756	1958	660,805	1976	1,689,585	1994	6,649,692
1941	54,920	1959	695,110	1977	1,888,434	1995	7,078,153
1942	62,673	1960	726,495	1978	2,127,130	1996	7,601,454
1943	62,000	1961	764,723	1979	2,411,928	1997	8,148,595
1944	70,566	1962	792,550	1980	2,632,185	1998	8,739,740
1945	73,955	1963	842,564	1981	2,839,480	1999	10,086,446
1946	76,496	1964	892,585	1982	3,028,978	2000	10,850,822
1947	78,652	1965	947,339	1983	3,318,886	2001	11,706,476
1948	90,574	1966	994,447	1984	3,607,873	2002	12,678,342
1949	239,246	1967	1,039,914	1985	3,869,983	2003	13,926,883
1950	334,614	1968	1,077,678	1986	4,088,881	2004	14,183,297
1951	362,640	1969	1,137,497	1987	4,268,120	2005	15,752,111
1952	429,209	1970	1,201,499	1988	4,521,106	0	0
1953	479,609	1971	1,268,056	1989	4,855,807	0	0
1954	508,883	1972	1,327,920	1990	5,180,322	0	0

ANALYSIS BAND - 1985 TO 2005

DISP	MEAN	SSD	IV	REI
R1	28.2 YRS.	0.1410E+13	31	100.00

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 3

COMPANY 100 KENERGY  
ACCOUNT 369 SERVICES

SIMULATED BALANCES

YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES
2005	15708498.	1999	10017636.	1993	6463827.	1987	4549667.
2004	14367682.	1998	8731305.	1992	6161138.	1986	4361750.
2003	13327955.	1997	8202065.	1991	5857903.	1985	4123841.
2002	12256483.	1996	7710465.	1990	5455211.	0	0.
2001	11430480.	1995	7247168.	1989	5140218.	0	0.
2000	10695220.	1994	6832139.	1988	4811691.	0	0.

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-101-06  
PAGE 1

COMPANT 100 KENERGY  
ACCOUNT 370 METERS

ACCOUNT CONTROL INFORMATION

EARLIEST ADDITION = 1930      LATEST ADDITION = 2005  
EARLIEST BALANCE = 1938      LATEST BALANCE = 2005  
EARLIEST RETIREMENT = 1938      LATEST RETIREMENT = 2005      INPUT = ADD & RET

PLANT ADDITIONS

YEAR	ADD	YEAR	ADD	YEAR	ADD	YEAR	ADD
1930	7,407	1949	55,366	1968	52,349	1987	115,269
1931	0	1950	45,776	1969	49,414	1988	152,766
1932	0	1951	20,782	1970	47,078	1989	117,999
1933	0	1952	44,603	1971	59,382	1990	142,059
1934	0	1953	33,089	1972	61,150	1991	152,928
1935	154	1954	28,355	1973	73,807	1992	178,899
1936	151	1955	34,178	1974	76,733	1993	142,888
1937	150	1956	28,661	1975	73,699	1994	138,338
1938	149	1957	26,866	1976	93,879	1995	155,356
1939	10,183	1958	41,026	1977	119,766	1996	198,913
1940	7,707	1959	30,586	1978	137,902	1997	195,058
1941	12,004	1960	31,911	1979	103,283	1998	208,263
1942	3,469	1961	28,633	1980	75,143	1999	245,696
1943	2,980	1962	40,358	1981	128,130	2000	84,246
1944	10,434	1963	40,772	1982	133,312	2001	265,587
1945	6,765	1964	47,568	1983	179,830	2002	156,183
1946	10,350	1965	37,575	1984	143,008	2003	205,073
1947	25,210	1966	56,297	1985	119,381	2004	198,165
1948	34,689	1967	58,563	1986	122,309	2005	230,154
TOTAL ADDITIONS =							5,996,162

PLANT RETIREMENTS

YEAR	RET	YEAR	RET	YEAR	RET	YEAR	RET
1937	0	1955	4,360	1973	4,876	1991	50,928
1938	964	1956	2,219	1974	10,626	1992	49,875
1939	0	1957	2,831	1975	7,799	1993	52,294
1940	0	1958	5,265	1976	7,438	1994	51,772
1941	10	1959	3,709	1977	8,197	1995	63,887
1942	32	1960	10,629	1978	41,614	1996	42,540
1943	0	1961	57	1979	40,520	1997	44,630
1944	0	1962	3,485	1980	17,081	1998	63,348
1945	0	1963	1,945	1981	34,548	1999	11,391



SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-101-06  
PAGE 2

COMPANT 100 KENERGY  
ACCOUNT 370 METERS

1946	123	1964	1,863	1982	17,814	2000	4,070
1947	15	1965	8,871	1983	34,267	2001	57,213
1948	373	1966	14,016	1984	6,736	2002	54,758
1949	0	1967	9,918	1985	29,564	2003	44,642
1950	59	1968	35,493	1986	26,503	2004	32,293
1951	1,466	1969	21,639	1987	23,613	2005	55,978
1952	612	1970	70,200	1988	27,538	0	0
1953	8,483	1971	5,923	1989	37,825	0	0
1954	6,557	1972	9,983	1990	57,810	0	0

TOTAL RETIREMENTS = 1,345,088

PLANT BALANCES

YEAR	BAL	YEAR	BAL	YEAR	BAL	YEAR	BAL
1937	7,862	1955	370,897	1973	969,971	1991	2,676,946
1938	7,047	1956	397,339	1974	1,036,078	1992	2,805,970
1939	17,230	1957	421,374	1975	1,101,978	1993	2,896,564
1940	24,937	1958	457,135	1976	1,188,419	1994	2,983,130
1941	36,931	1959	484,012	1977	1,299,988	1995	3,074,599
1942	40,368	1960	505,294	1978	1,396,276	1996	3,230,972
1943	43,348	1961	533,870	1979	1,459,039	1997	3,381,400
1944	53,782	1962	570,743	1980	1,517,101	1998	3,526,315
1945	60,547	1963	609,570	1981	1,610,683	1999	3,760,620
1946	70,774	1964	655,275	1982	1,726,181	2000	3,840,796
1947	95,969	1965	683,979	1983	1,871,744	2001	4,049,170
1948	130,285	1966	726,260	1984	2,008,016	2002	4,150,595
1949	185,651	1967	774,905	1985	2,097,833	2003	4,311,026
1950	231,368	1968	791,761	1986	2,193,639	2004	4,476,898
1951	250,684	1969	819,536	1987	2,285,295	2005	4,651,074
1952	294,675	1970	796,414	1988	2,410,523	0	0
1953	319,281	1971	849,873	1989	2,490,697	0	0
1954	341,079	1972	901,040	1990	2,574,946	0	0

ANALYSIS BAND - 1985 TO 2005

DISP	MEAN	SSD	IV	REI
01	41.0 YRS.	0.6800E+11	17	92.04

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-101-06  
PAGE 3

COMPANT 100 KENERGY  
ACCOUNT 370 METERS

SIMULATED BALANCES

YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES
2005	4528837.	1999	3783406.	1993	2950862.	1987	2301558.
2004	4370371.	1998	3595379.	1992	2852368.	1986	2220033.
2003	4241495.	1997	3442024.	1991	2715894.	1985	2130018.
2002	4103269.	1996	3299416.	1990	2603372.	0	0.
2001	4011722.	1995	3150552.	1989	2499923.	0	0.
2000	3807945.	1994	3043092.	1988	2418953.	0	0.

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 1

COMPANY 100 KENERGY  
ACCOUNT 371 INSTAL ON CUSTOMER PREMEISES

ACCOUNT CONTROL INFORMATION

EARLIEST ADDITION = 1961      LATEST ADDITION = 2005  
EARLIEST BALANCE = 1961      LATEST BALANCE = 2005  
EARLIEST RETIREMENT = 1961      LATEST RETIREMENT = 2005      INPUT = ADD & RET

PLANT ADDITIONS

YEAR	ADD	YEAR	ADD	YEAR	ADD	YEAR	ADD
1961	19,794	1973	95,117	1985	57,888	1997	126,453
1962	109,848	1974	74,582	1986	90,160	1998	151,011
1963	62,676	1975	93,390	1987	64,977	1999	153,539
1964	52,052	1976	56,882	1988	88,153	2000	98,931
1965	48,701	1977	89,809	1989	78,015	2001	102,064
1966	43,896	1978	83,959	1990	80,934	2002	153,952
1967	56,693	1979	81,352	1991	79,143	2003	115,069
1968	64,126	1980	70,190	1992	121,426	2004	112,091
1969	32,469	1981	59,308	1993	127,287	2005	145,873
1970	69,740	1982	56,760	1994	124,438	0	0
1971	89,638	1983	54,856	1995	128,980	0	0
1972	92,261	1984	70,398	1996	131,616	0	0

TOTAL ADDITIONS = 3,960,497

PLANT RETIREMENTS

YEAR	RET	YEAR	RET	YEAR	RET	YEAR	RET
0	0	1972	11,895	1984	27,816	1996	43,553
1961	1,213	1973	9,777	1985	28,663	1997	43,613
1962	1,005	1974	8,148	1986	41,868	1998	43,291
1963	5,703	1975	11,008	1987	36,209	1999	38,435
1964	4,388	1976	13,433	1988	40,459	2000	36,284
1965	7,047	1977	12,400	1989	39,392	2001	29,166
1966	4,830	1978	17,556	1990	40,277	2002	32,235
1967	6,617	1979	18,170	1991	37,470	2003	26,220
1968	5,075	1980	30,125	1992	65,589	2004	30,123
1969	2,190	1981	71,208	1993	56,571	2005	35,376
1970	6,903	1982	0	1994	49,525	0	0
1971	8,422	1983	28,314	1995	56,857	0	0

TOTAL RETIREMENTS = 1,164,419

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 2

COMPANY 100 KENERGY  
ACCOUNT 371 INSTAL ON CUSTOMER PREMEISES

PLANT BALANCES

YEAR	BAL	YEAR	BAL	YEAR	BAL	YEAR	BAL
0	0	1972	676,606	1984	1,315,254	1996	1,951,838
1961	18,581	1973	761,946	1985	1,344,479	1997	2,034,678
1962	127,424	1974	828,380	1986	1,392,771	1998	2,142,398
1963	184,397	1975	910,762	1987	1,421,539	1999	2,257,502
1964	232,061	1976	954,211	1988	1,469,233	2000	2,320,149
1965	273,715	1977	1,031,620	1989	1,507,856	2001	2,393,047
1966	312,781	1978	1,098,023	1990	1,548,513	2002	2,514,764
1967	362,857	1979	1,161,205	1991	1,590,186	2003	2,603,613
1968	421,908	1980	1,201,270	1992	1,646,023	2004	2,685,581
1969	452,187	1981	1,189,370	1993	1,716,739	2005	2,796,078
1970	515,024	1982	1,246,130	1994	1,791,652	0	0
1971	596,240	1983	1,272,672	1995	1,863,775	0	0

ANALYSIS BAND = 1985 - 2005

DISP	MEAN	SSD	IV	REI
01	28.8 YRS.	0.7387E+11	30	77.19

SIMULATED BALANCES

YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES
2005	2662078.	1999	2306429.	1993	1782548.	1987	1426345.
2004	2583635.	1998	2207626.	1992	1696071.	1986	1392746.
2003	2536737.	1997	2108711.	1991	1613298.	1985	1332618.
2002	2484891.	1996	2031947.	1990	1571069.	0	0.
2001	2391828.	1995	1947782.	1989	1525660.	0	0.
2000	2348433.	1994	1863993.	1988	1481792.	0	0.

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 1

COMPANY 100 KENERGY  
ACCOUNT 373 ST LTG AND SIGNAL SYSTEMS

ACCOUNT CONTROL INFORMATION

EARLIEST ADDITION = 1938      LATEST ADDITION = 2005  
EARLIEST BALANCE = 1949      LATEST BALANCE = 2005  
EARLIEST RETIREMENT = 1949      LATEST RETIREMENT = 2005      INPUT = ADD & RET

PLANT ADDITIONS

YEAR	ADD	YEAR	ADD	YEAR	ADD	YEAR	ADD
1938	35	1955	70	1972	2,749	1989	7,778
1939	0	1956	0	1973	8,083	1990	2,874
1940	0	1957	5,705	1974	3,393	1991	2,970
1941	0	1958	2,609	1975	670	1992	5,667
1942	55	1959	85	1976	4,784	1993	8,973
1943	0	1960	396	1977	5,307	1994	19,665
1944	3,592	1961	19,839	1978	7,474	1995	28,471
1945	0	1962	0	1979	8,712	1996	40,053
1946	0	1963	1,128	1980	18,225	1997	5,171
1947	36	1964	278	1981	7,186	1998	23,935
1948	0	1965	569	1982	3,206	1999	14,442
1949	625	1966	1,369	1983	6,781	2000	89,397
1950	4,151	1967	655	1984	571	2001	31,573
1951	302	1968	1,240	1985	10,121	2002	45,298
1952	0	1969	419	1986	5,160	2003	74,516
1953	0	1970	1,338	1987	20,277	2004	47,924
1954	28	1971	337	1988	1,726	2005	53,586
TOTAL ADDITIONS =							661,579

PLANT RETIREMENTS

YEAR	RET	YEAR	RET	YEAR	RET	YEAR	RET
1948	0	1963	3,643	1978	434	1993	2,398
1949	2,254	1964	0	1979	0	1994	8,990
1950	396	1965	1,478	1980	2,007	1995	3,623
1951	0	1966	0	1981	0	1996	21,941
1952	0	1967	380	1982	0	1997	774
1953	0	1968	0	1983	0	1998	2,766
1954	0	1969	0	1984	0	1999	7,334
1955	0	1970	0	1985	794	2000	4,143
1956	0	1971	0	1986	164	2001	5,464
1957	3,316	1972	210	1987	605	2002	2,901
1958	579	1973	71	1988	2,671	2003	2,741

SIMULATED PLANT RECORD ANALYSIS  
SIMULATED BALANCE METHOD

WELSH GROUP, LLC  
MAY-10-06  
PAGE 2

COMPANY 100 KENERGY  
ACCOUNT 373 ST LTG AND SIGNAL SYSTEMS

1959	0	1974	0	1989	778	2004	8,620
1960	23	1975	223	1990	972	2005	7,074
1961	1,382	1976	4,439	1991	1,167	0	0
1962	113	1977	2,973	1992	842	0	0

TOTAL RETIREMENTS = 110,683

PLANT BALANCES

YEAR	BAL	YEAR	BAL	YEAR	BAL	YEAR	BAL
1948	3,718	1963	26,950	1978	55,407	1993	153,236
1949	2,089	1964	27,228	1979	64,119	1994	163,911
1950	5,844	1965	26,319	1980	80,337	1995	188,759
1951	6,146	1966	27,688	1981	87,523	1996	206,871
1952	6,146	1967	27,963	1982	90,729	1997	211,268
1953	6,146	1968	29,203	1983	97,510	1998	232,437
1954	6,174	1969	29,622	1984	98,081	1999	239,545
1955	6,244	1970	30,960	1985	107,408	2000	324,799
1956	6,244	1971	31,297	1986	112,404	2001	350,908
1957	8,633	1972	33,836	1987	132,076	2002	393,305
1958	10,663	1973	41,848	1988	131,131	2003	465,080
1959	10,748	1974	45,241	1989	138,131	2004	504,384
1960	11,121	1975	45,688	1990	140,033	2005	550,896
1961	29,578	1976	46,033	1991	141,836	0	0
1962	29,465	1977	48,367	1992	146,661	0	0

ANALYSIS BAND = 1985 TO 2005

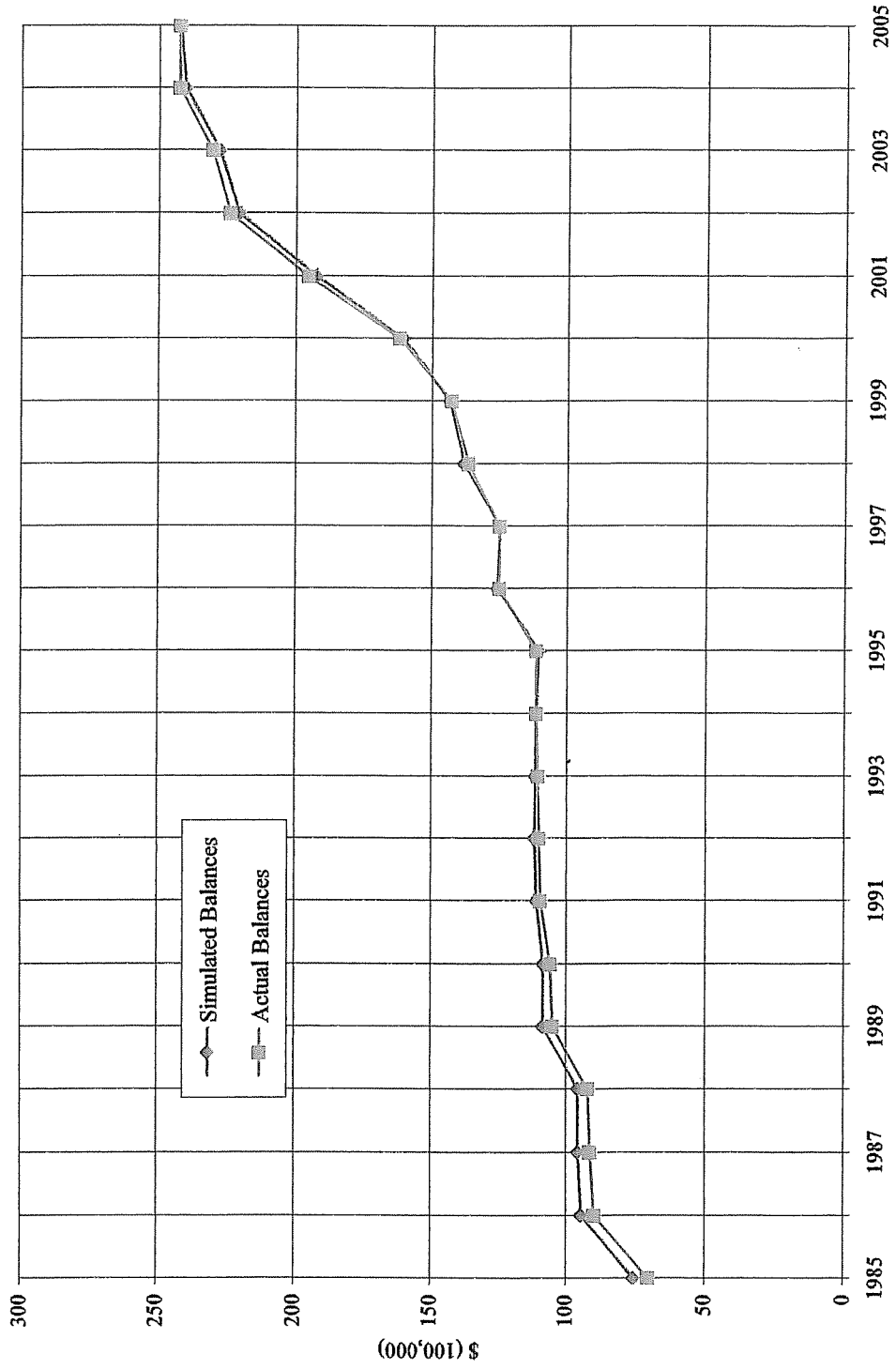
DISP	MEAN	SSD	IV	REI
R1	28.5 YRS.	0.1072E+10	29	100.00

SIMULATED BALANCES

YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES	YEAR	BALANCES
2005	548940.	1999	248514.	1993	140903.	1987	127416.
2004	504055.	1998	238820.	1992	134966.	1986	109452.
2003	464147.	1997	219349.	1991	132201.	1985	106429.
2002	396888.	1996	218406.	1990	132027.	0	0.
2001	358125.	1995	182276.	1989	131856.	0	0.
2000	332577.	1994	157333.	1988	126664.	0	0.

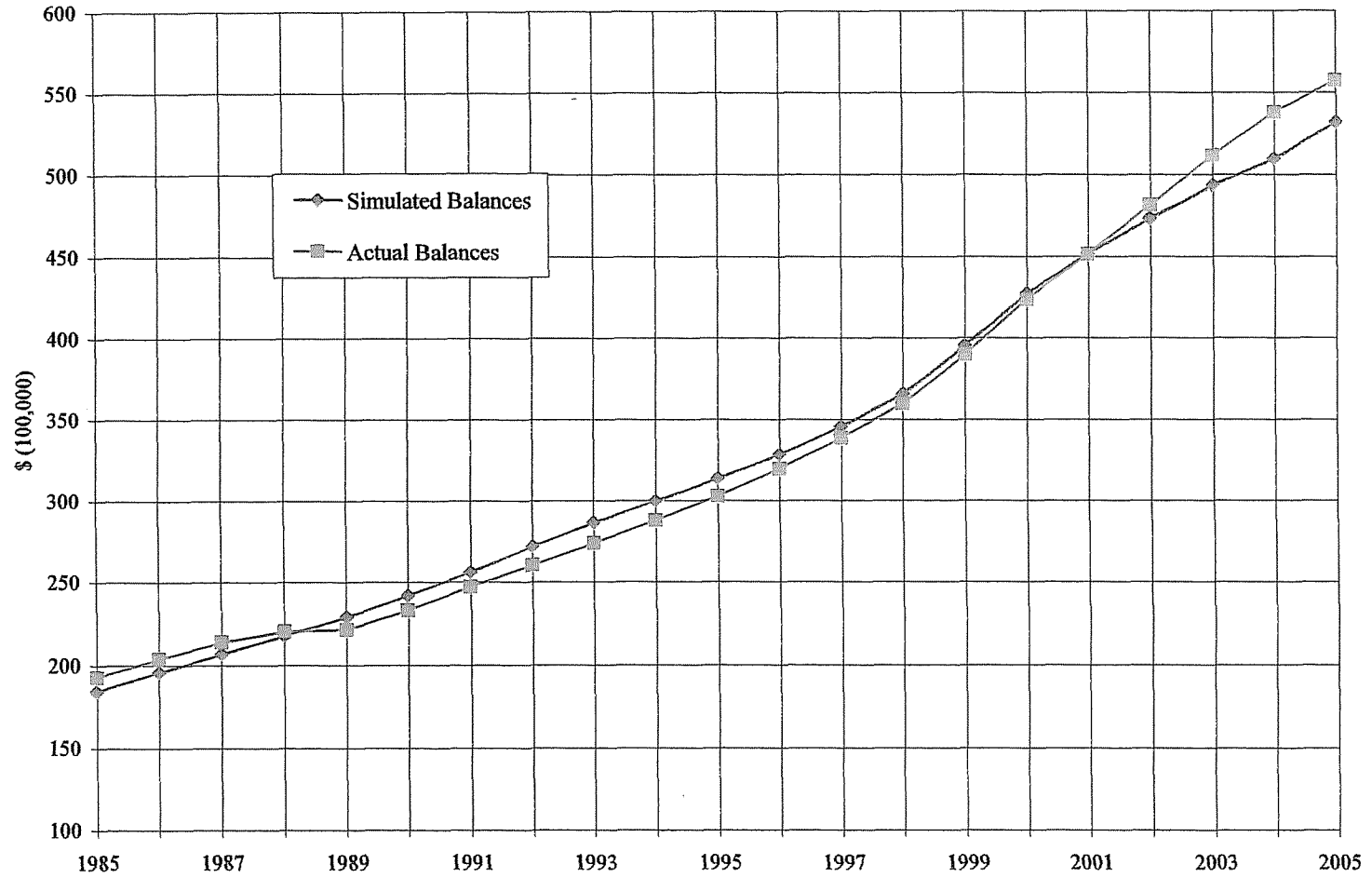


KENERGY  
 COMPARISON OF BOOK BALANCES AND SIMULATED BALANCES  
 ACCOUNT 362

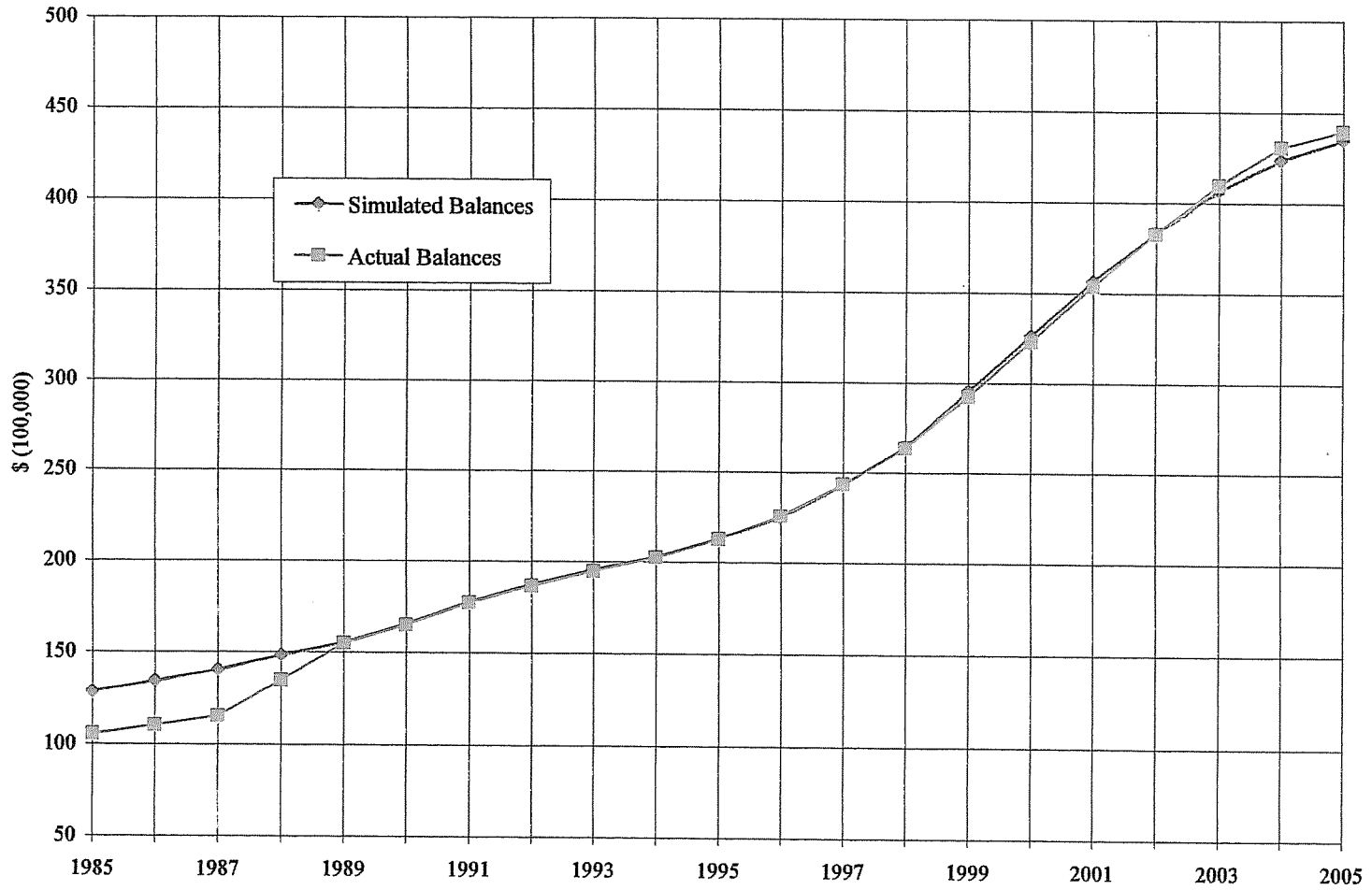




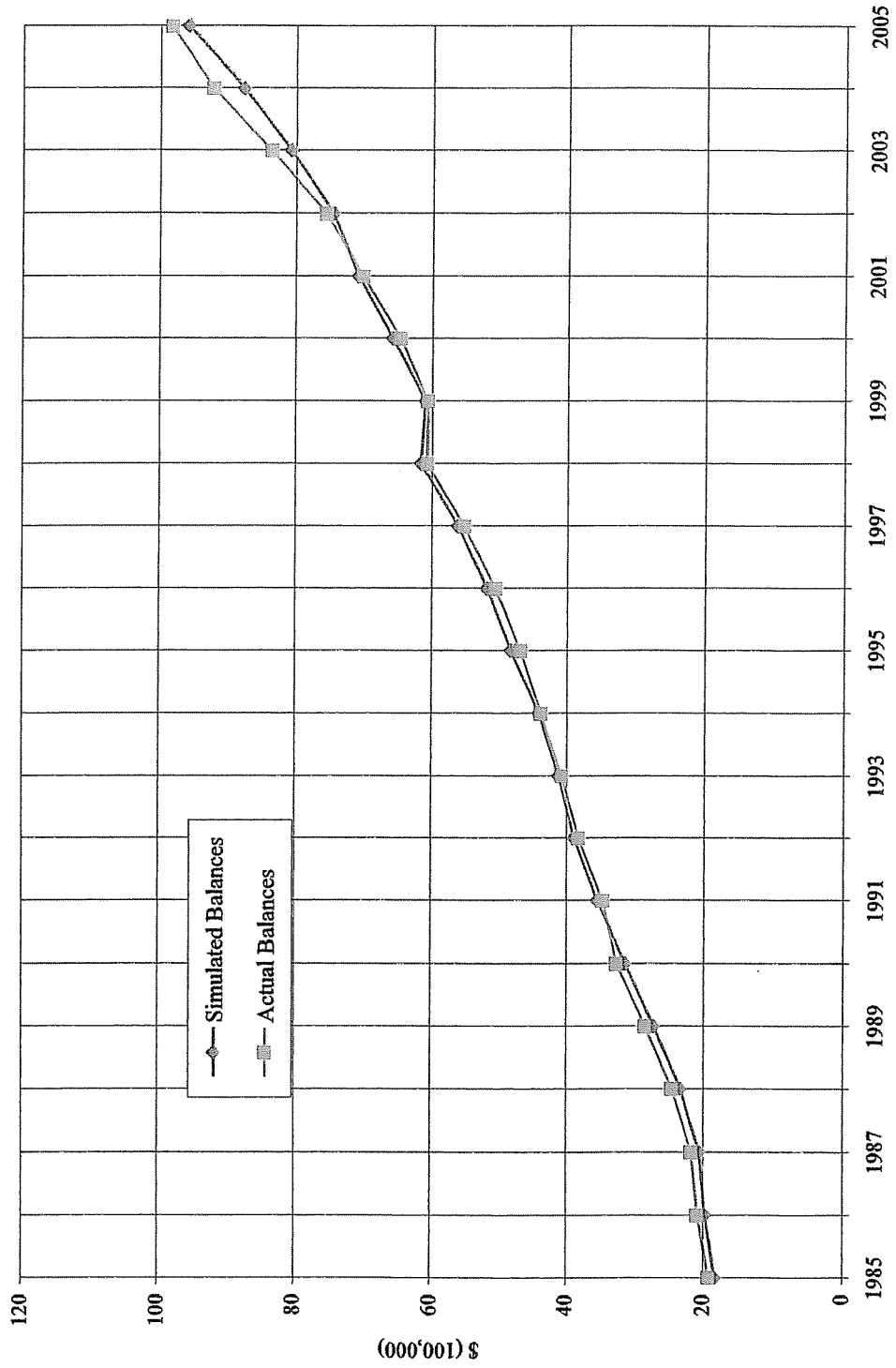
KENERGY  
COMPARISON OF BOOK BALANCES AND SIMULATED BALANCES  
ACCOUNT 364



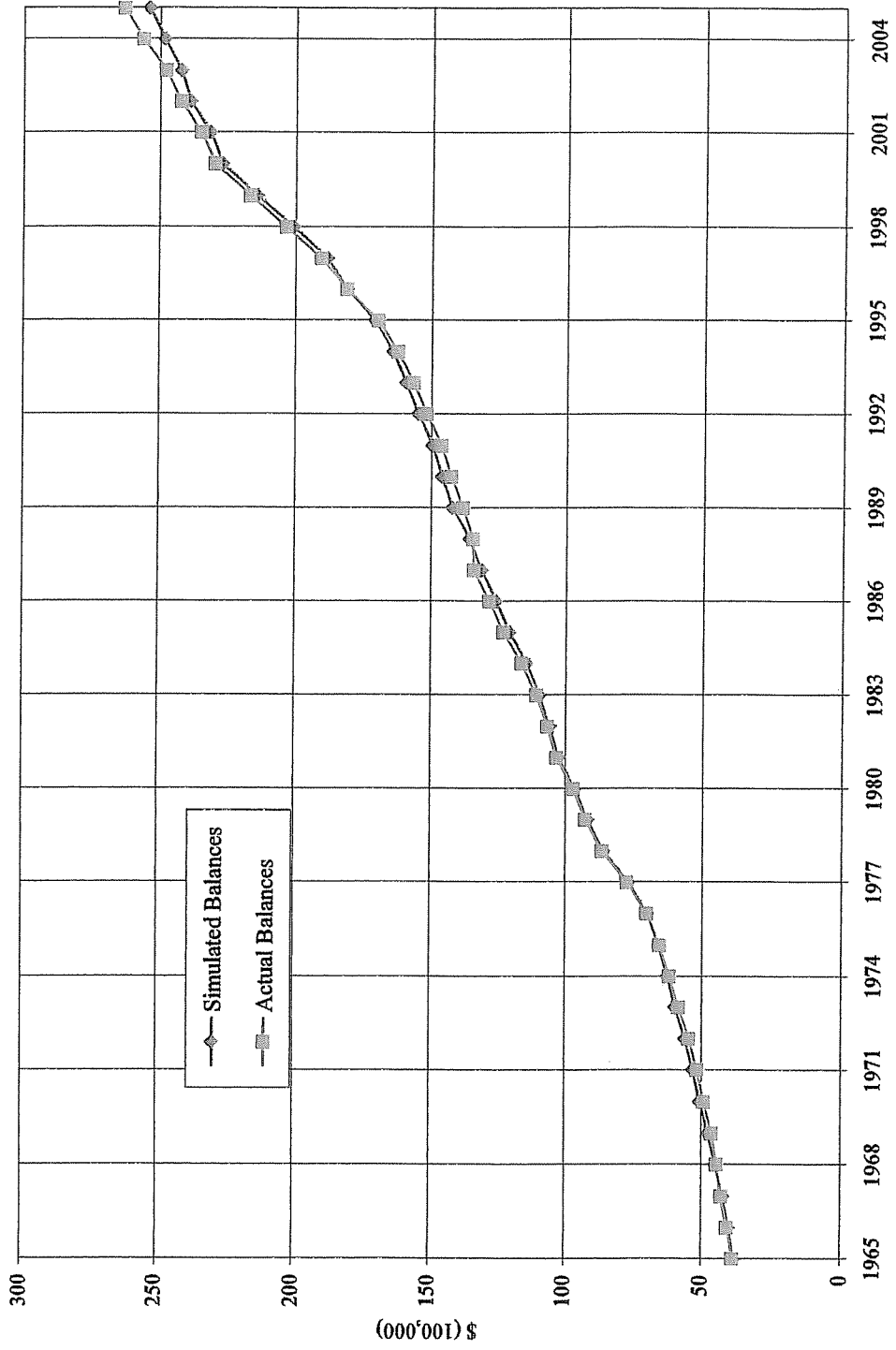
KENERGY  
COMPARISON OF BOOK BALANCES AND SIMULATED BALANCES  
ACCOUNT 365



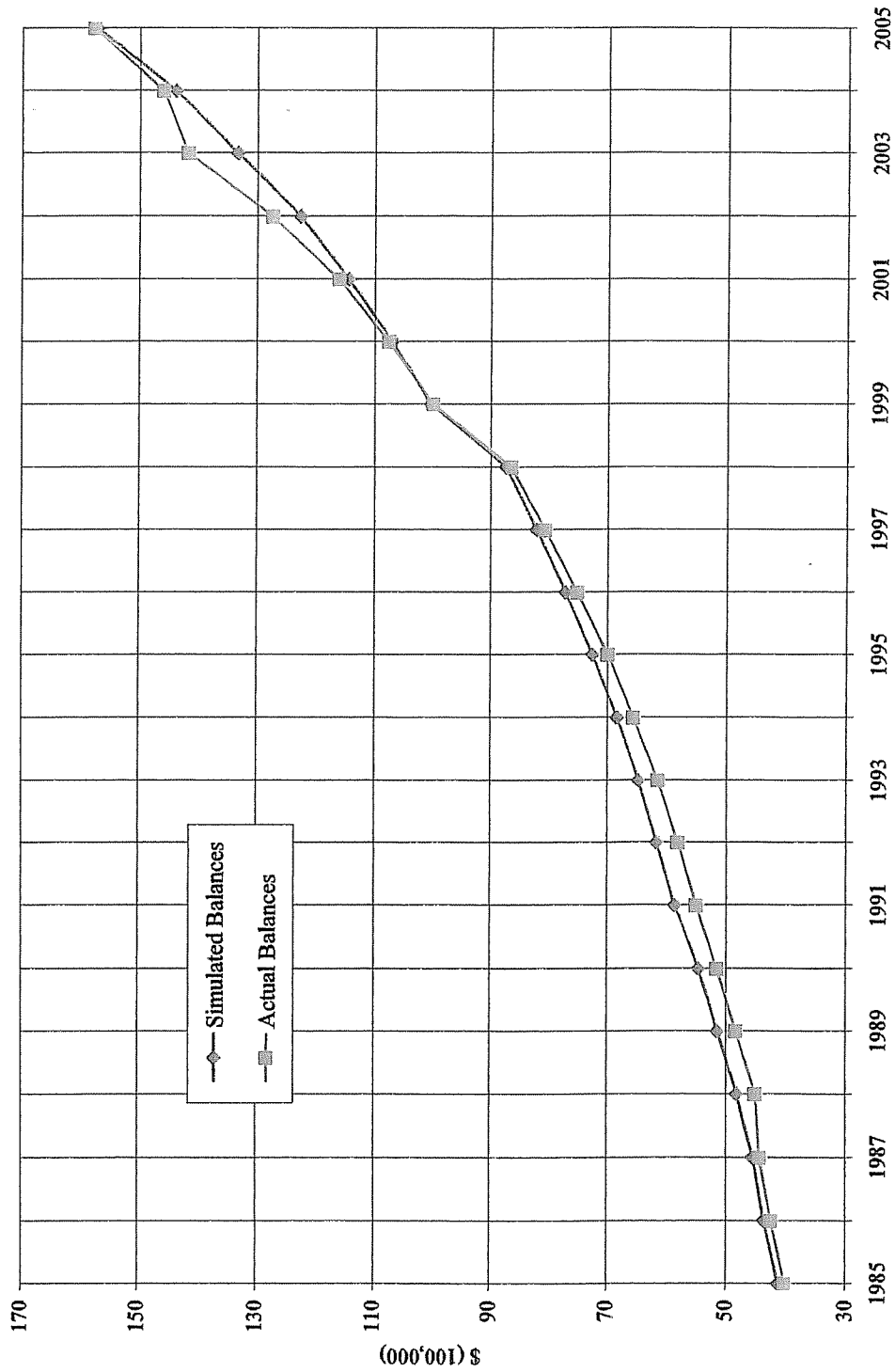
KENERGY  
 COMPARISON OF BOOK BALANCES AND SIMULATED BALANCES  
 ACCOUNT 367



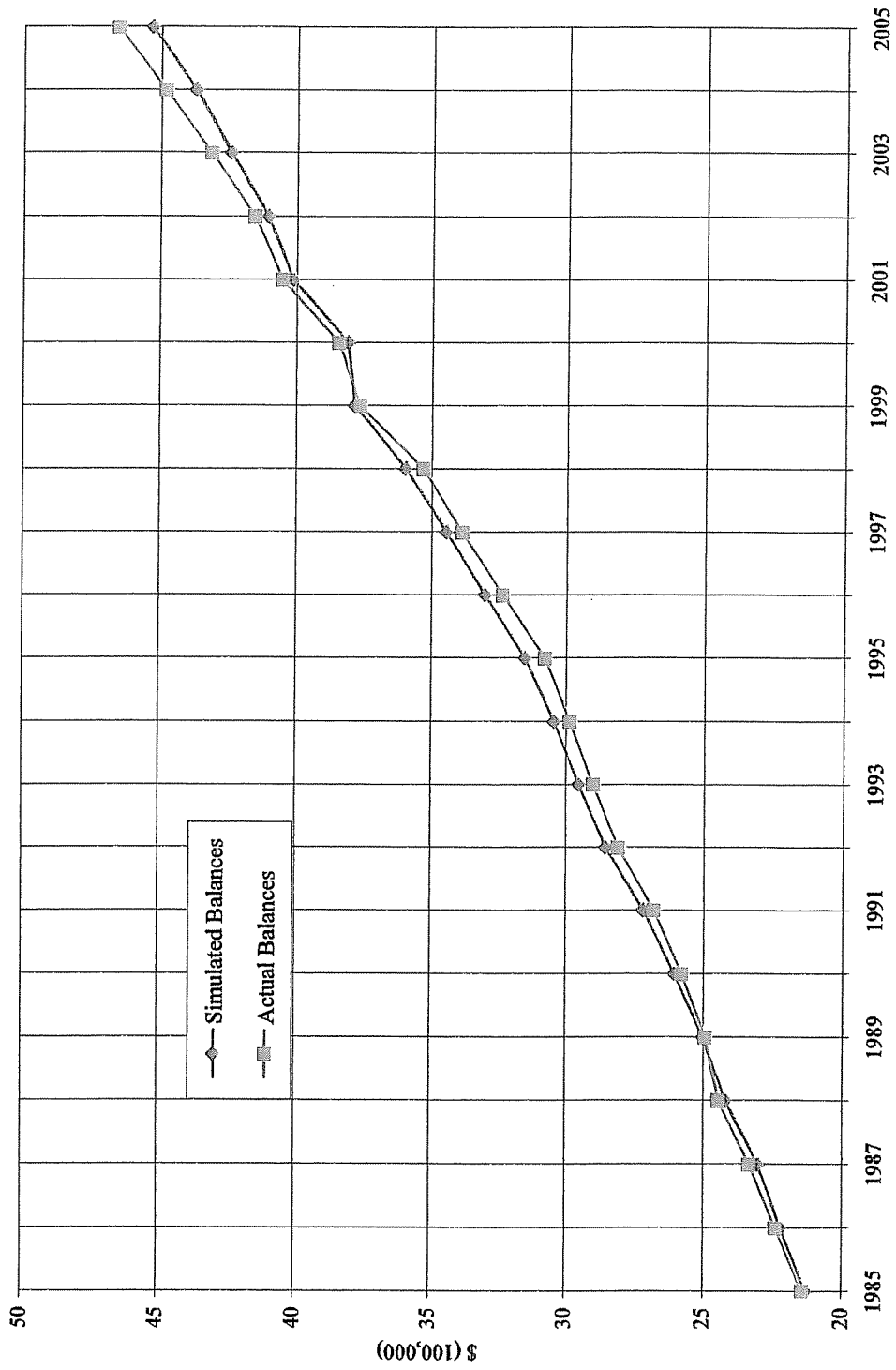
KENERGY  
 COMPARISON OF BOOK BALANCES AND SIMULATED BALANCES  
 ACCOUNT 368



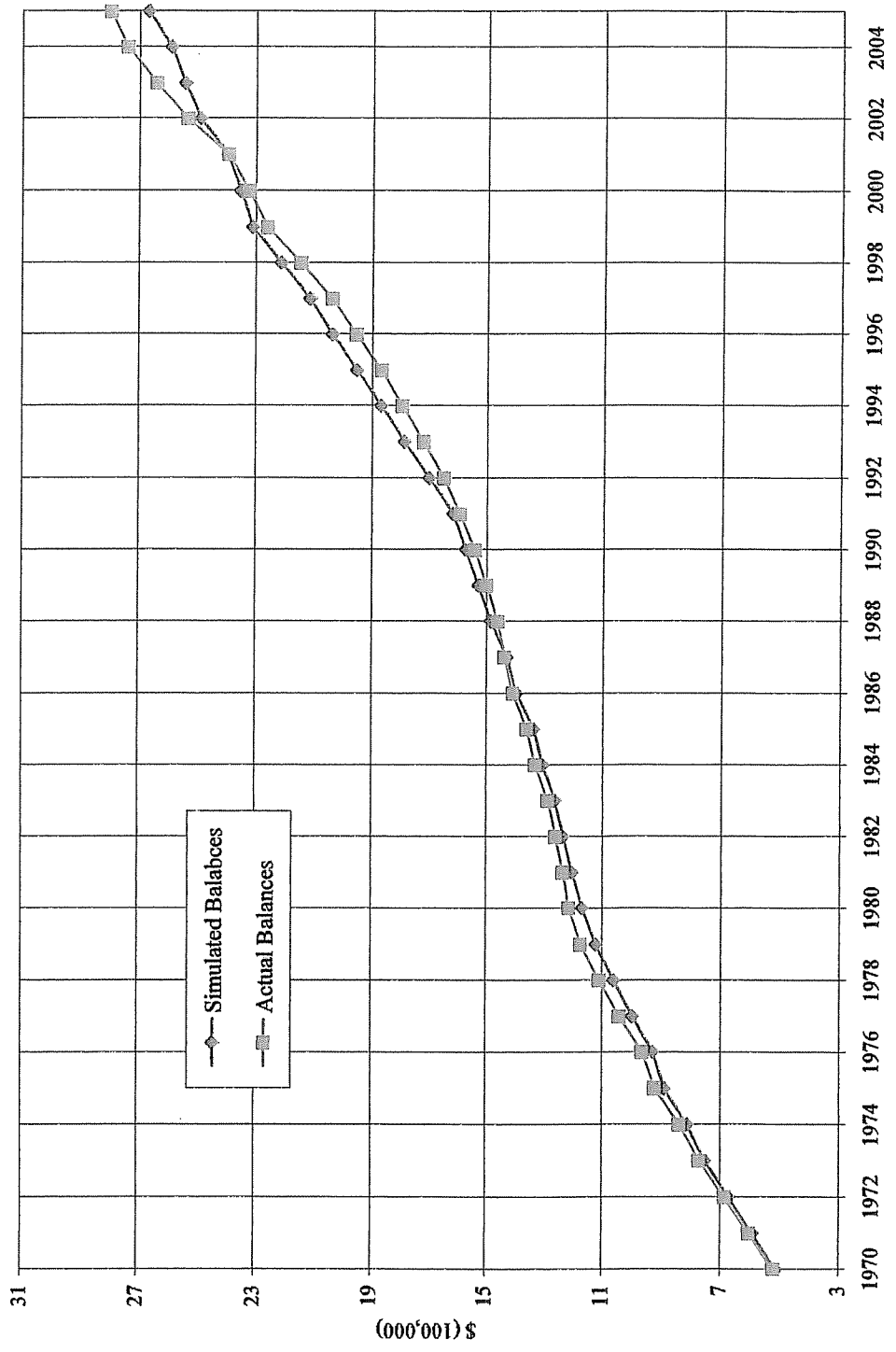
KENERGY  
 COMPARISON OF BOOK BALANCES AND SIMULATED BALANCES  
 ACCOUNT 369



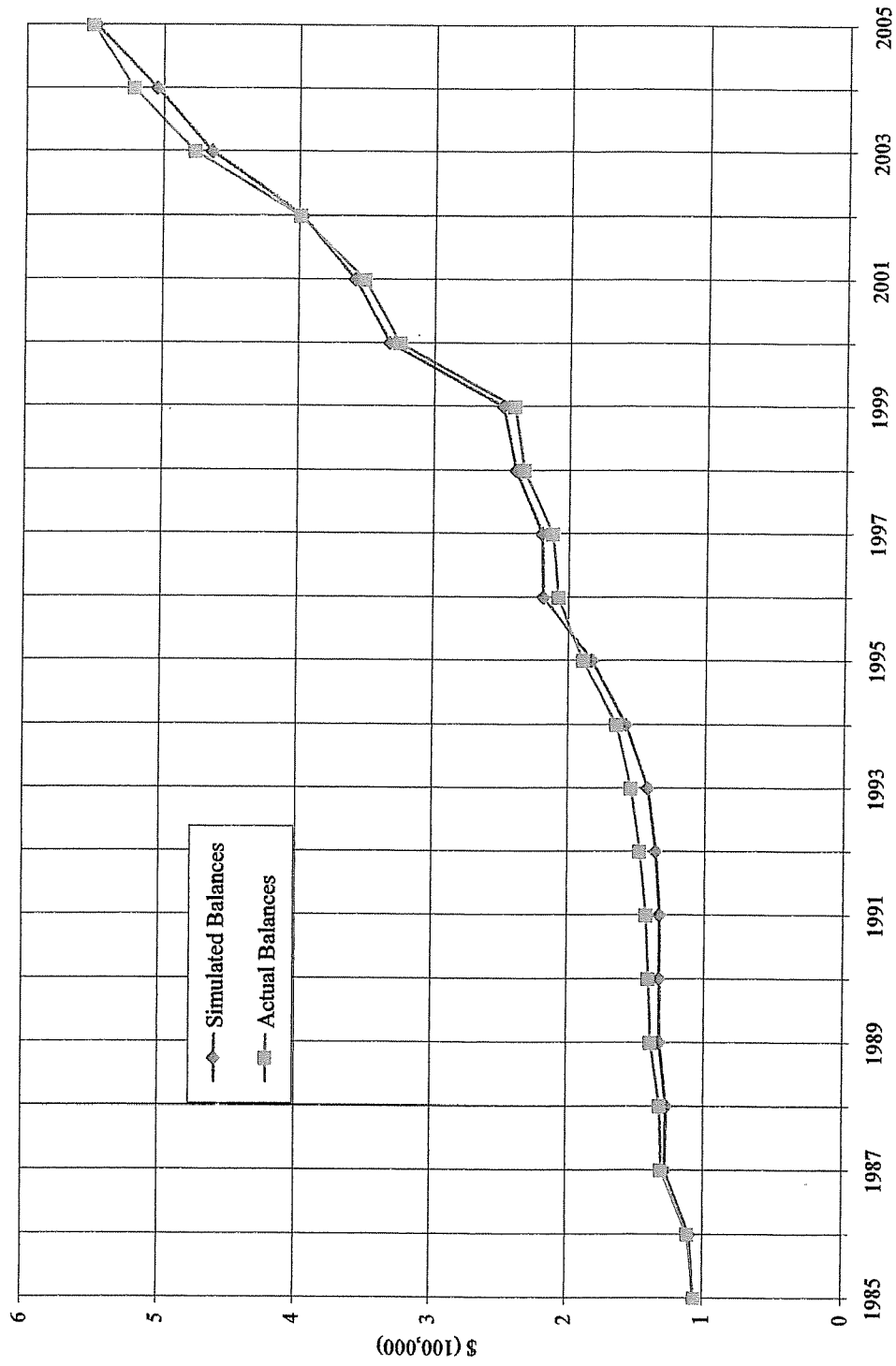
ENERGY  
COMPARISON OF BOOK BALANCES AND SIMULATED BALANCES  
ACCOUNT 370



KENERGY  
 COMPARISON OF BOOK BALANCES AND SIMULATED BALANCES  
 ACCOUNT 371



KENERGY  
 COMPARISON OF BOOK BALANCES AND SIMULATED BALANCES  
 ACCOUNT 373

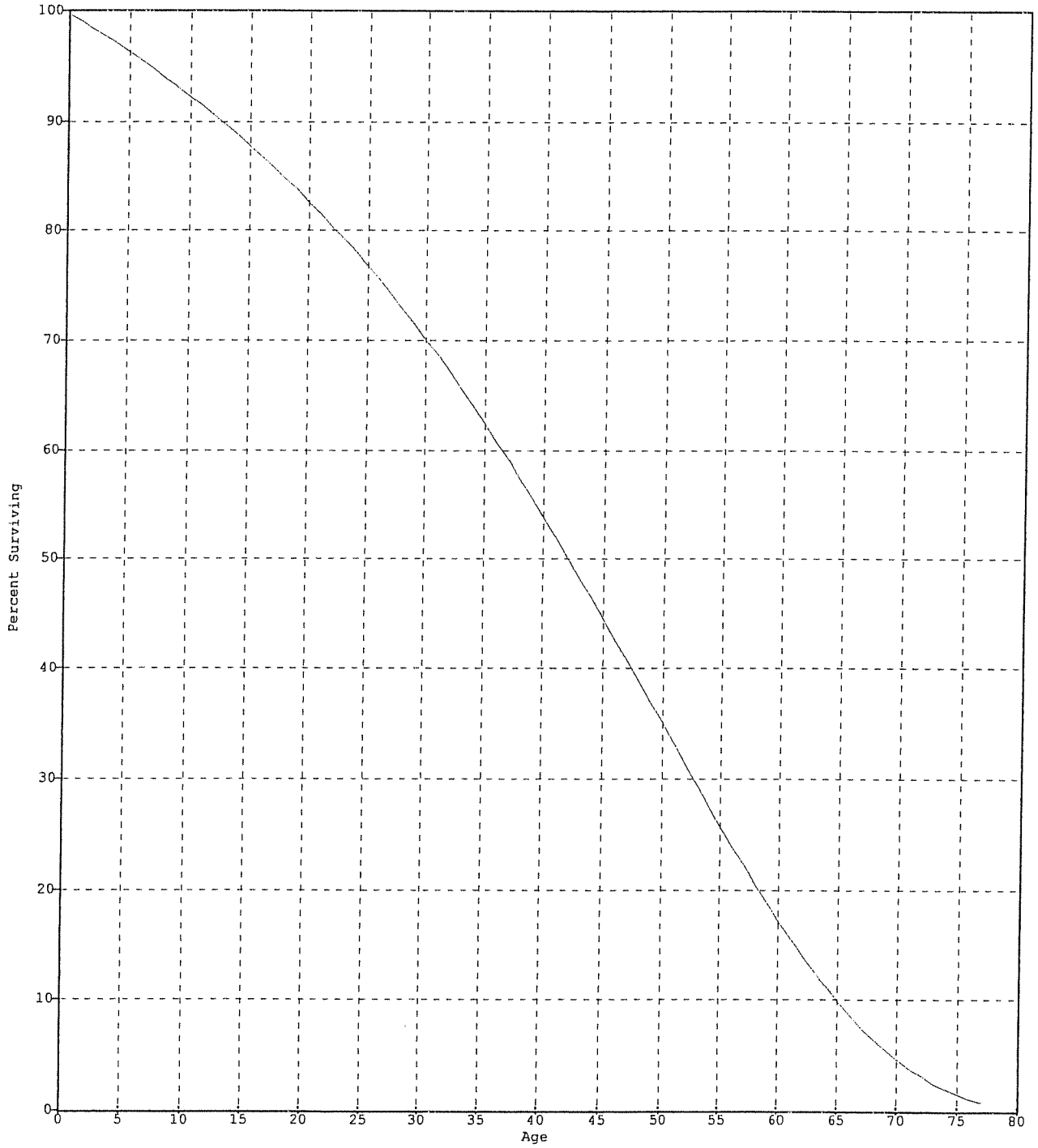






COMPANY: KENERGY  
ACCOUNT: 362

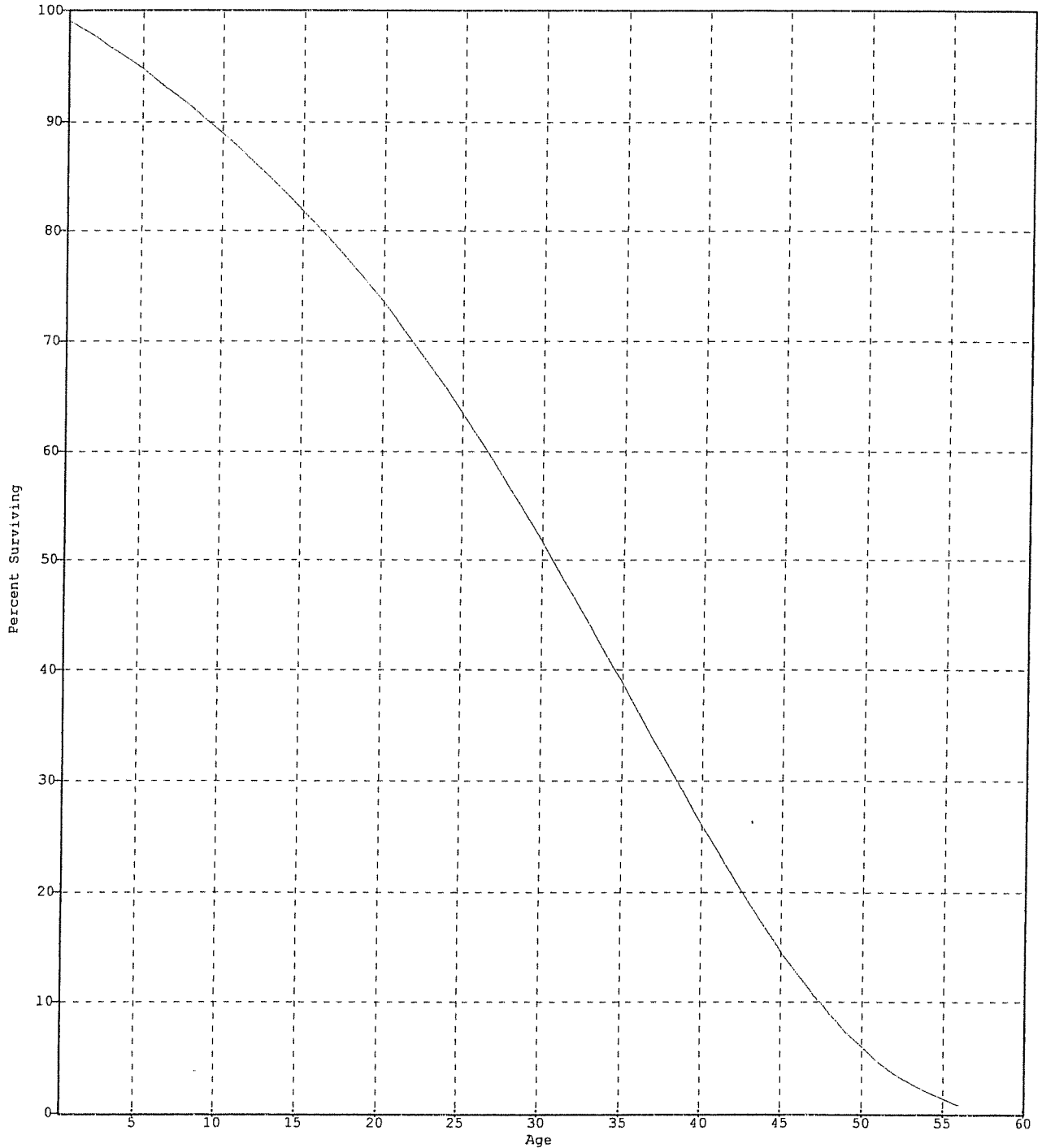
CURVE SHAPE  
IOWA CURVE = R1.0  
SERVICE LIFE = 41.0



CURVE SCALED TO THE SERVICE LIFE OF 41.0

COMPANY: KENERGY  
ACCOUNT: 364

CURVE SHAPE  
IOWA CURVE = R1.0  
SERVICE LIFE = 30.0

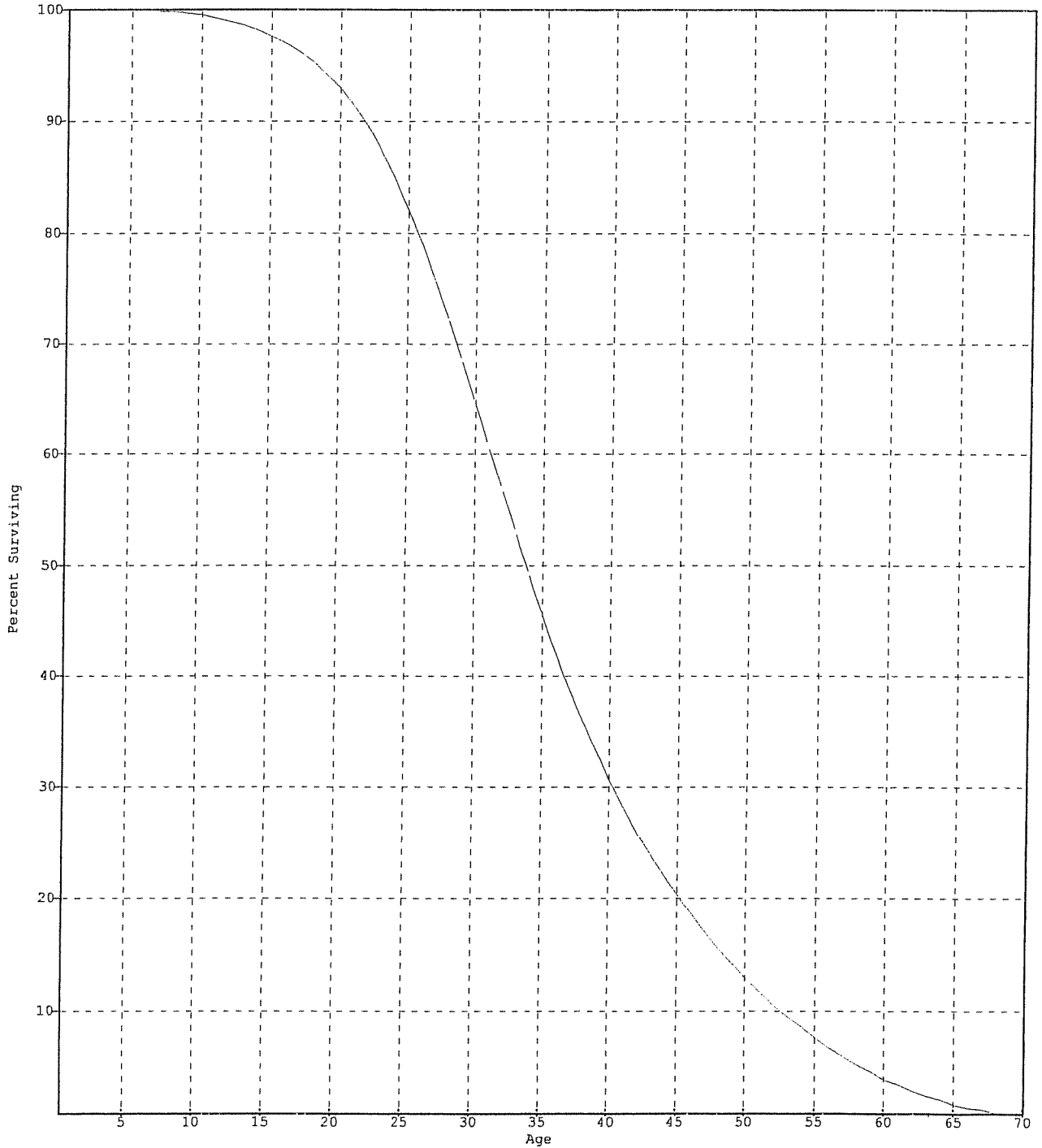


CURVE SCALED TO THE SERVICE LIFE OF 30.0

COMPANY: KENERGY  
ACCOUNT: 365

CURVE SHAPE

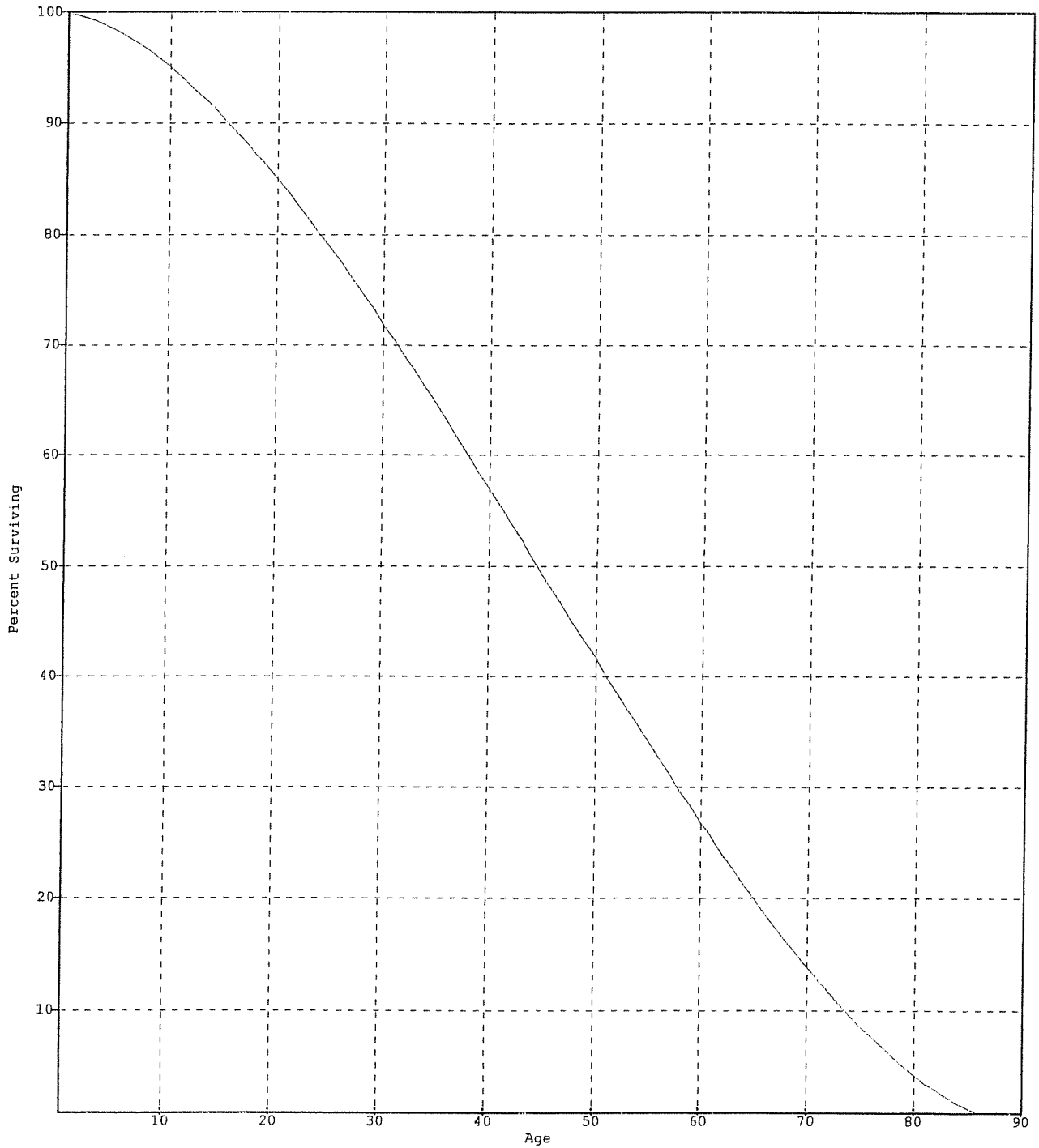
IOWA CURVE = 13.0  
SERVICE LIFE = 36.0



CURVE SCALED TO THE SERVICE LIFE OF 36.0

COMPANY: KENERGY  
ACCOUNT: 366

CURVE SHAPE  
IOWA CURVE = 80.0  
SERVICE LIFE = 45.0

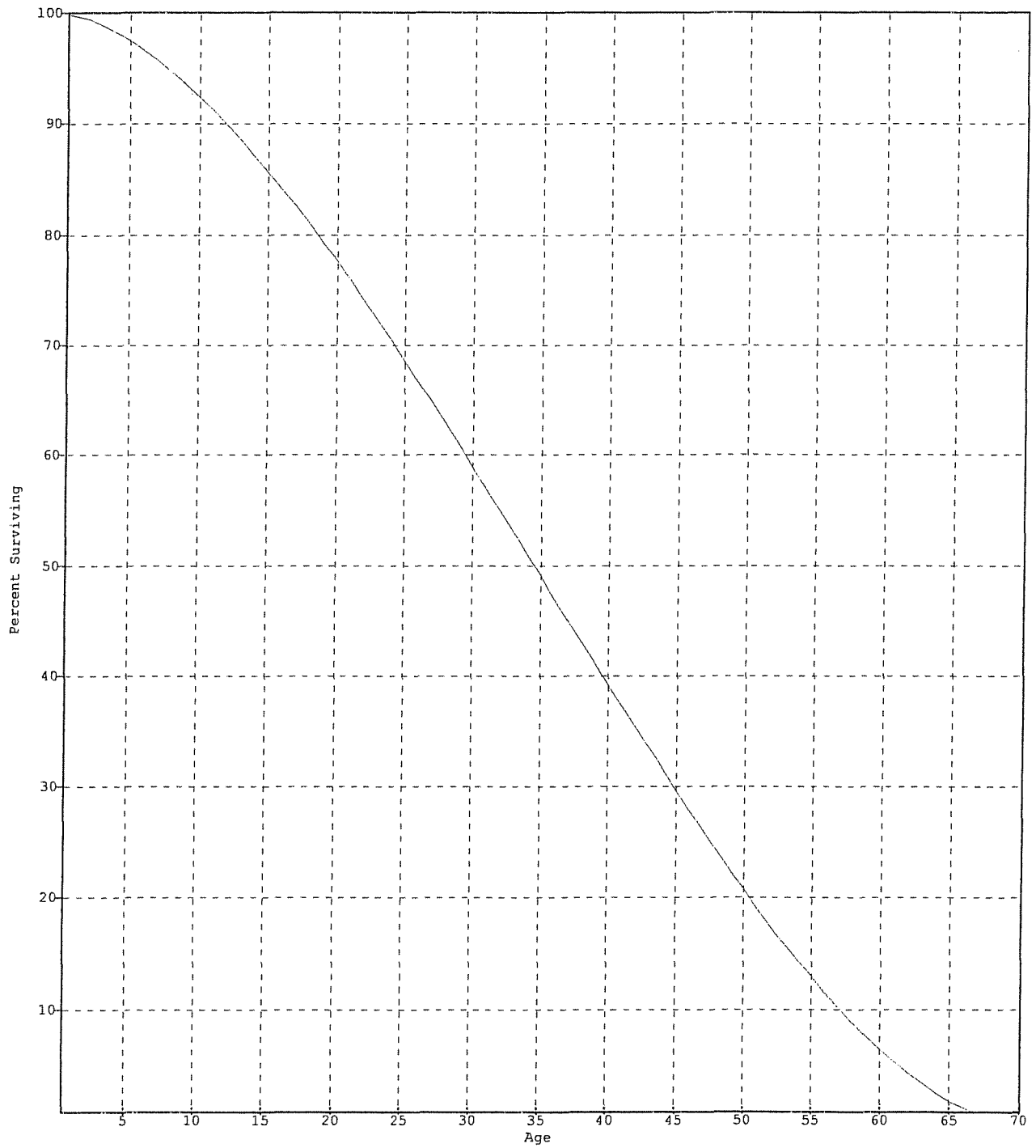


CURVE SCALED TO THE SERVICE LIFE OF 45.0

COMPANY: KENERGY  
ACCOUNT: 367

CURVE SHAPE

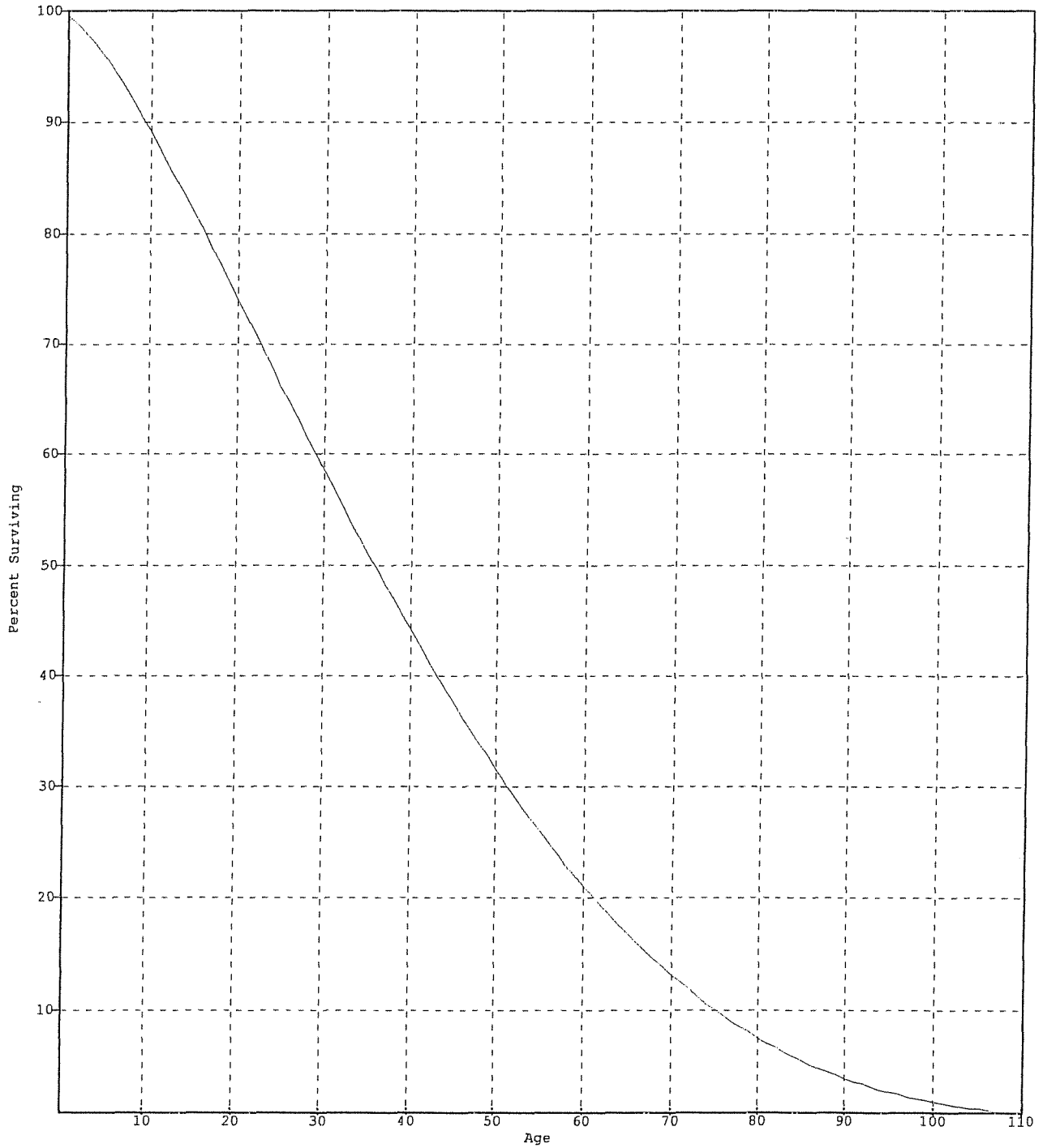
IOWA CURVE = 80.0  
SERVICE LIFE = 35.0



CURVE SCALED TO THE SERVICE LIFE OF 35.0

COMPANY: IKENERGY  
ACCOUNT: 368

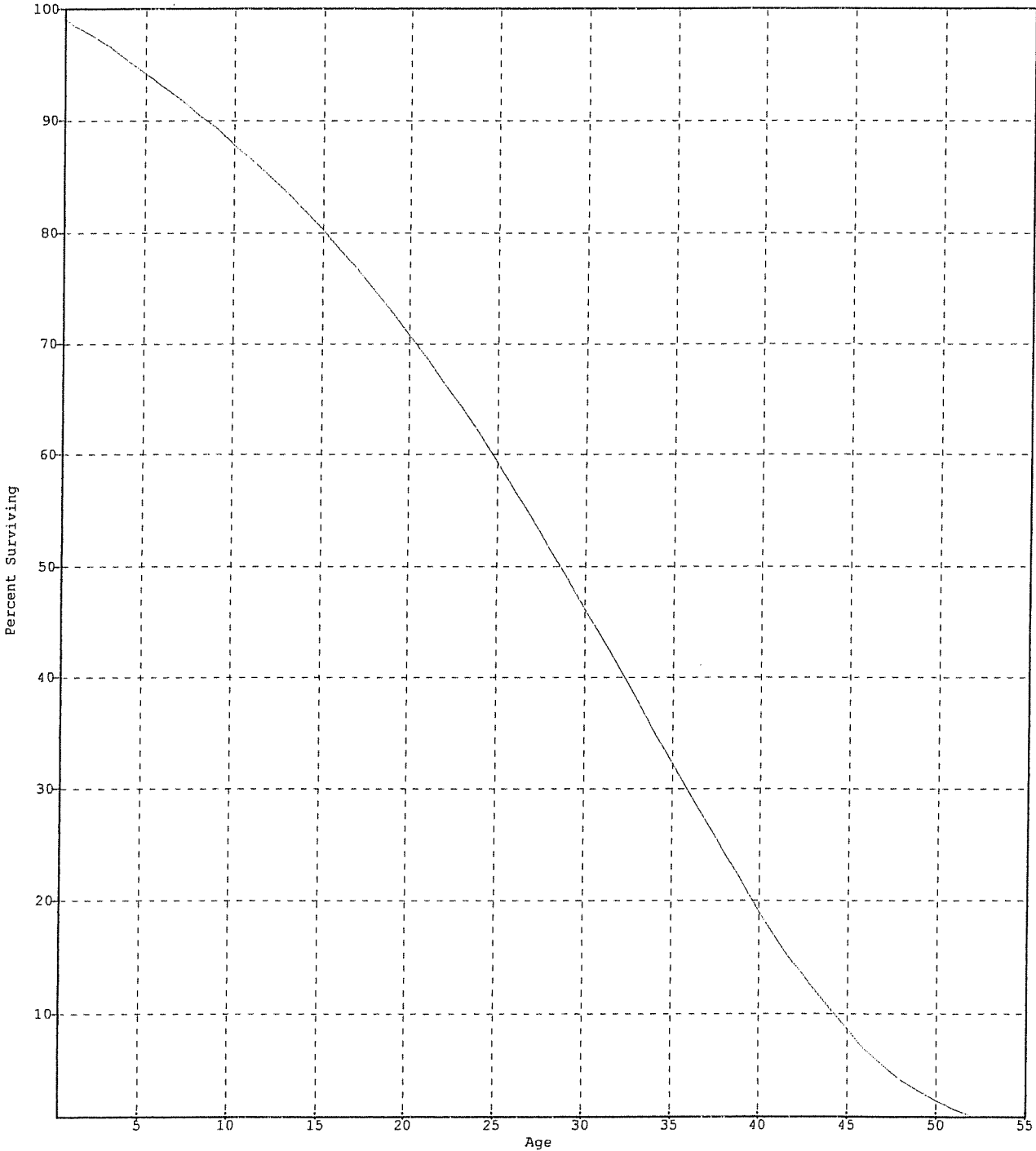
CURVE SHAPE  
IOWA CURVE = 10.0  
SERVICE LIFE = 40.0



CURVE SCALED TO THE SERVICE LIFE OF 40.0

COMPANY: KENERGY  
ACCOUNT: 369

CURVE SHAPE  
IOWA CURVE = R1.0  
SERVICE LIFE = 28.0

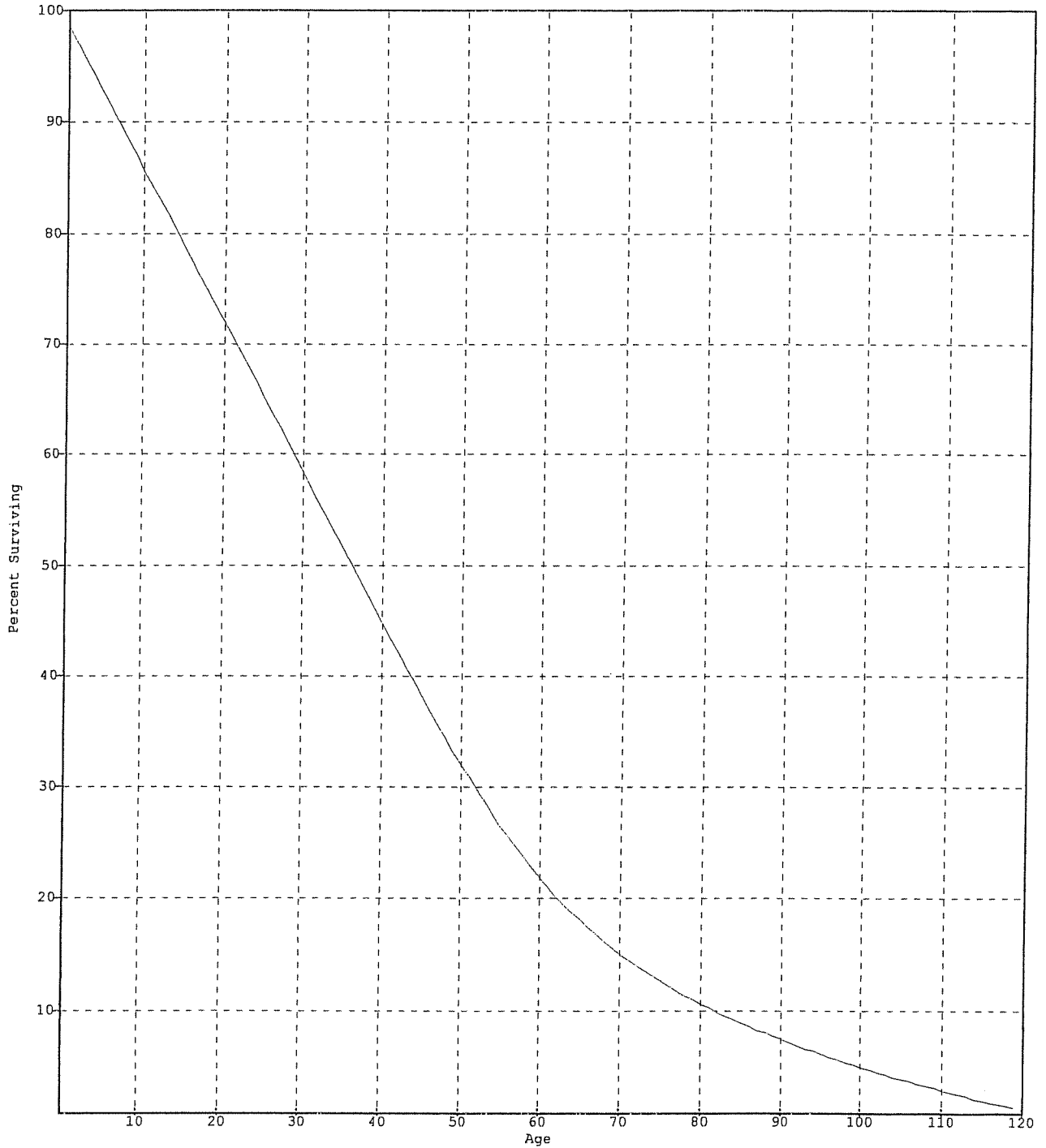


CURVE SCALED TO THE SERVICE LIFE OF 28.0



COMPANY: KENERGY  
ACCOUNT: 370

CURVE SHAPE  
IOWA CURVE = 01.0  
SERVICE LIFE = 41.0

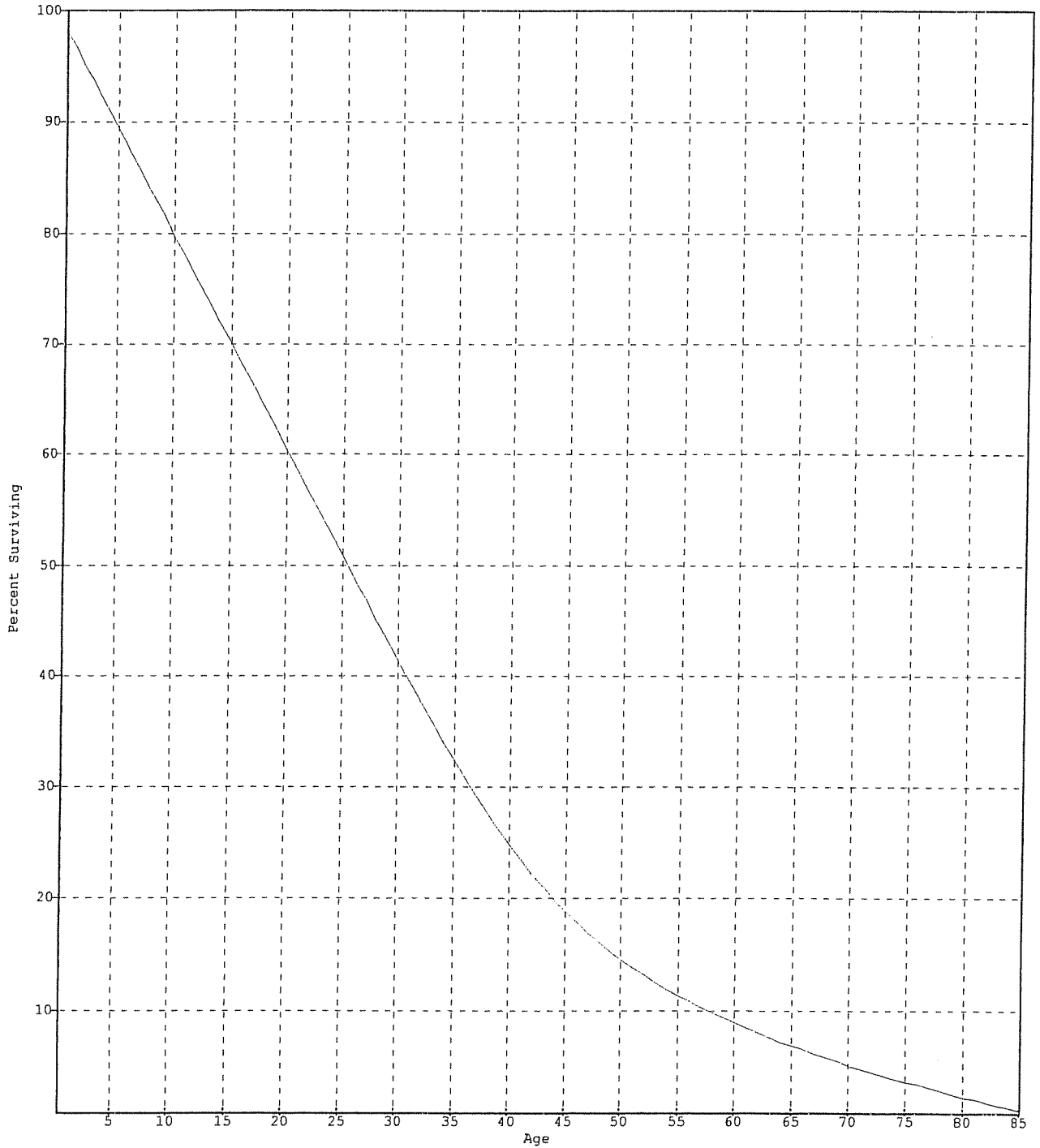


CURVE SCALED TO THE SERVICE LIFE OF 41.0

COMPANY: KENERGY  
ACCOUNT: 371

CURVE SHAPE

IOWA CURVE = 01.0  
SERVICE LIFE = 29.0

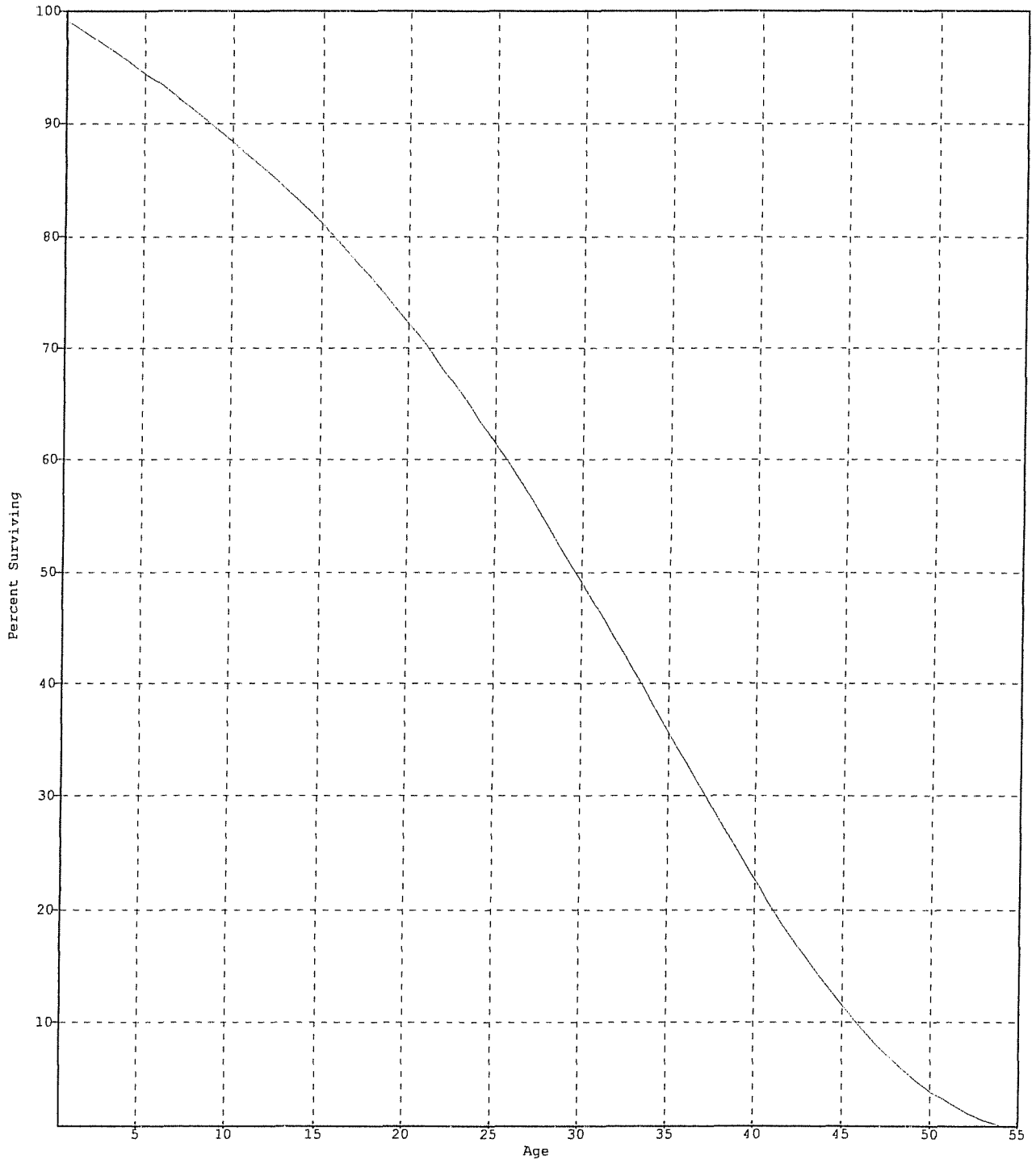


CURVE SCALED TO THE SERVICE LIFE OF 29.0

COMPANY: KENERGY  
ACCOUNT: 373

CURVE SHAPE

IOWA CURVE = R1.0  
SERVICE LIFE = 29.0



CURVE SCALED TO THE SERVICE LIFE OF 29.0



KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 362

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
2005	24,210,561	460,961	464,440			24,207,083
2004	23,004,162	1,486,176	279,778			24,210,561
2003	22,369,372	970,936	336,146			23,004,162
2002	19,515,194	3,030,882	176,705			22,369,372
2001	16,164,840	3,392,238	41,883			19,515,194
2000	14,244,514	1,920,326				16,164,840
1999	13,607,746	680,036	43,268			14,244,514
1998	12,472,154	1,492,598	357,006			13,607,746
1997	12,468,362	47,569	43,777			12,472,154
1996	11,106,337	1,667,996	305,971			12,468,362
1995	11,097,537	23,617	14,818			11,106,337
1994	11,033,527	111,078	47,068			11,097,537
1993	10,989,714	84,071	52,261	12,003		11,033,527
1992	10,940,799	193,460	144,545			10,989,714
1991	10,580,326	363,415	2,942			10,940,799
1990	10,501,289	106,933	27,896			10,580,326
1989	9,181,450	1,394,073	74,234			10,501,289
1988	9,095,406	94,138	8,094			9,181,450
1987	8,970,511	207,261	82,366			9,095,406
1986	7,013,267	1,959,111	1,867			8,970,511
1985	6,821,774	337,455	145,962			7,013,267
1984	6,415,950	472,100	66,276			6,821,774
1983	5,897,969	545,792	27,812			6,415,950
1982	4,822,882	1,162,117	45,493		41,537	5,897,969
1981	4,255,707	619,632	52,456			4,822,882
1980	4,152,391	103,316				4,255,707
1979	3,504,948	649,581	2,137		0	4,152,391
1978	2,863,189	814,955	159,570		13,626	3,504,948
1977	2,635,460	308,357	71,524		9,104	2,863,189
1976	2,345,772	341,074	36,397		14,989	2,635,460
1975	2,198,456	308,558	153,244		7,997	2,345,772
1974	2,033,662	164,794				2,198,456
1973	1,916,788	134,419	2,557		14,989	2,033,662
1972	1,812,771	166,837	47,467		15,352	1,916,788
1971	1,781,526	67,718	20,603		15,870	1,812,771
1970	1,671,489	193,158	60,936		22,185	1,781,526
1969	1,546,661	129,648	4,819			1,671,489
1968	1,477,217	158,988	89,545			1,546,661

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 362

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
1967	1,386,493	115,100	24,375			1,477,217
1966	1,359,268	120,129	90,244		2,660	1,386,493
1965	1,378,621	27,703	46,970	1,652	1,738	1,359,268
1964	1,379,301	583			1,263	1,378,621
1963	1,211,499	257,050	89,632	384		1,379,301
1962	1,144,886	67,693	1,080			1,211,499
1961	1,022,412	138,637	16,164			1,144,886
1960	982,366	40,047				1,022,412
1959	940,826	40,741		799		982,366
1958	905,343	64,562	12,927	552	16,704	940,826
1957	607,645	299,881			2,184	905,343
1956	557,476	50,170				607,645
1955	488,575	80,403	11,503			557,476
1954	398,145	90,431				488,575
1953	313,011	86,467	14,230	26,578	13,681	398,145
1952	108,016	217,637	12,642			313,011
1951	112,575		8,208	3,649		108,016
1950	94,258	33,140	7,649	250	7,423	112,575
1949	33,033	64,550	1,963		1,363	94,258
1948	24,974	11,324	3,265			33,033
1947	23,860	1,114				24,974
1946	19,803	5,882	1,825			23,860
1945	19,803					19,803
1944	9,792	10,011				19,803
1943	9,792					9,792
1942	9,567	225				9,792
1941	9,370	297	100			9,567
1940	3,711	5,659				9,370
1939		3,711				3,711

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 364

	<u>Balance</u> <u>Beg of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassifications</u>		<u>Balance</u> <u>End of Year</u>
				<u>Debit</u>	<u>Credit</u>	
2005	53,737,667	3,451,887	500,536		999,949	55,689,068
2004	51,094,757	3,018,608	375,698			53,737,667
2003	48,115,409	3,445,497	466,149			51,094,757
2002	45,115,246	3,518,166	518,002			48,115,409
2001	42,312,292	3,373,974	571,020			45,115,246
2000	38,923,312	4,098,084	709,103			42,312,292
1999	35,906,377	3,798,297	779,629		1,733	38,923,312
1998	33,777,483	2,824,024	693,537		1,592	35,906,377
1997	31,892,415	2,480,828	595,760			33,777,483
1996	30,213,710	2,160,547	481,842			31,892,415
1995	28,725,820	2,042,966	555,076			30,213,710
1994	27,345,295	1,953,455	572,931			28,725,820
1993	26,018,260	2,037,980	710,945			27,345,295
1992	24,678,936	2,143,548	804,224			26,018,260
1991	23,285,999	1,971,933	689,304	110,307		24,678,936
1990	22,110,097	1,774,558	598,656			23,285,999
1989	22,016,408	1,586,090	492,387		1,000,014	22,110,097
1988	21,378,132	1,627,151	487,931		500,944	22,016,408
1987	20,366,648	1,620,674	609,191			21,378,132
1986	19,268,351	1,663,688	565,391			20,366,648
1985	18,082,841	1,638,433	451,344		1,579	19,268,351
1984	16,955,683	1,506,325	379,167			18,082,841
1983	15,900,564	1,450,138	343,234			17,007,468
1982	15,030,299	1,233,656	363,390			15,900,564
1981	13,474,096	2,188,406	629,251	3,713		15,036,965
1980	11,891,583	2,130,091	547,578			13,474,096
1979	10,676,637	1,468,872	252,144		1,781	11,891,583
1978	9,634,428	1,249,703	207,494			10,676,637
1977	8,907,751	858,370	131,693			9,634,428
1976	8,573,470	468,477	134,561	364		8,907,751
1975	7,929,894	744,458	100,882			8,573,470
1974	7,478,014	574,571	114,948		7,743	7,929,894
1973	7,103,879	483,065	108,931			7,478,014
1972	6,753,036	462,515	111,672			7,103,879
1971	6,380,138	519,576	146,254		425	6,753,036
1970	6,050,215	435,607	105,684			6,380,138
1969	5,167,211	457,353	111,271	536,922		6,050,215
1968	4,931,402	362,639	126,830			5,167,211

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 364

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
1967	4,624,314	424,543	117,456			<b>4,931,402</b>
1966	4,450,200	262,348	88,093		141	<b>4,624,314</b>
1965	4,301,003	233,111	82,868		1,045	<b>4,450,200</b>
1964	4,164,821	190,991	53,640		1,169	<b>4,301,003</b>
1963	3,927,157	308,665	72,697	1,696		<b>4,164,821</b>
1962	1,973,080	166,544	54,892		12,674	<b>2,072,058</b>
1961	3,653,440	244,278	44,175		5,365	<b>3,848,178</b>
1960	3,495,067	232,304	74,490	558		<b>3,653,440</b>
1959	3,355,174	211,897	71,994	1	11	<b>3,495,067</b>
1958	3,142,535	308,124	95,455			<b>3,355,204</b>
1957	2,965,600	231,157	57,684	3,462		<b>3,142,535</b>
1956	2,822,852	206,687	61,234	6,206	8,911	<b>2,965,600</b>
1955	2,657,442	246,514	80,837		267	<b>2,822,852</b>
1954	2,532,669	191,051	46,568	102	19,812	<b>2,657,442</b>
1953	2,334,099	225,320	24,578	564	12,735	<b>2,522,669</b>
1952	2,010,196	365,274	31,372			<b>2,344,099</b>
1951	1,915,546	99,398	11,790	7,553	511	<b>2,010,196</b>
1950	1,430,278	510,132	24,864	2,383	2,383	<b>1,915,546</b>
1949	473,420	992,512	25,763		9,891	<b>1,430,278</b>
1948	197,568	71,546	6,347			<b>262,767</b>
1947	178,971	18,942	345			<b>197,568</b>
1946	160,719	19,718	1,466			<b>178,971</b>
1945	135,287	25,422	10			<b>160,699</b>
1944	115,647	24,829	5,189			<b>135,287</b>
1943	126,902	1,271	12,526			<b>115,647</b>
1942	125,819	1,082				<b>126,902</b>
1941	195,843	29,337	99,362			<b>125,819</b>
1940	144,658	51,706	521			<b>195,843</b>
1939		144,658				<b>144,658</b>



KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 365

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
2005	43,003,165	1,656,779	278,876		471,856	43,909,211
2004	40,929,918	2,320,965	247,719			43,003,165
2003	38,218,737	2,997,954	286,773			40,929,918
2002	35,335,078	3,218,322	334,663			38,218,737
2001	32,235,851	3,437,752	338,525			35,335,078
2000	29,197,055	3,467,283	428,487			32,235,851
1999	26,326,009	3,470,548	598,463		1,039	29,197,055
1998	24,314,531	2,435,556	423,651		428	26,326,009
1997	22,529,054	2,130,735	345,257			24,314,531
1996	21,251,652	1,494,547	217,145			22,529,054
1995	20,229,418	1,294,266	272,033			21,251,652
1994	19,456,704	970,449	197,735			20,229,418
1993	18,629,591	1,088,260	261,147			19,456,704
1992	17,728,954	1,193,606	292,968			18,629,591
1991	16,503,984	1,449,851	268,988	44,106		17,728,954
1990	15,497,438	1,273,949	267,403			16,503,984
1989	13,434,527	940,482	205,742	1,328,171		15,497,438
1988	11,509,541	924,478	169,790	1,170,298		13,434,527
1987	10,999,806	673,837	164,102			11,509,541
1986	10,514,248	655,092	169,534			10,999,806
1985	9,941,450	704,201	130,413			10,515,238
1984	9,415,094	657,981	131,626			9,941,450
1983	8,816,222	677,100	130,013			9,363,309
1982	8,403,019	484,839	105,890	34,254		8,816,222
1981	7,732,329	841,947	169,708	1,168	381	8,405,356
1980	6,857,988	1,264,486	390,145			7,732,329
1979	6,348,505	654,346	144,473		390	6,857,988
1978	5,965,214	462,451	82,831	3,672		6,348,505
1977	5,706,895	309,776	51,458			5,965,214
1976	5,526,767	225,511	44,595		789	5,706,895
1975	5,241,783	319,522	36,188	1,650		5,526,767
1974	5,154,629	201,800	54,218		60,428	5,241,783
1973	5,039,520	153,684	38,575			5,154,629
1972	4,943,176	138,853	42,509			5,039,521
1971	4,766,943	236,239	58,671		1,334	4,943,176
1970	4,595,128	202,830	35,742	4,728		4,766,943
1969	4,435,501	308,036	92,381		56,028	4,595,128
1968	4,206,186	277,708	48,393			4,435,501

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 365

	<u>Balance</u> <u>Beg of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassifications</u>		<u>Balance</u> <u>End of Year</u>
				<u>Debit</u>	<u>Credit</u>	
1967	3,983,133	303,507	80,454			<b>4,206,186</b>
1966	3,843,073	195,704	55,731	87		<b>3,983,133</b>
1965	3,708,012	184,758	49,197		500	<b>3,843,073</b>
1964	3,609,640	131,487	35,926	2,811		<b>3,708,012</b>
1963	3,409,618	252,266	41,306		10,939	<b>3,609,640</b>
1962	3,628,141	96,297	32,119	2,425		<b>3,694,744</b>
1961	3,236,040	129,773	23,736	1,149	211	<b>3,343,015</b>
1960	3,127,201	154,767	46,064	307	172	<b>3,236,040</b>
1959	3,019,046	158,535	47,063	11	3,328	<b>3,127,201</b>
1958	2,847,332	239,894	64,701		3,540	<b>3,018,985</b>
1957	2,730,104	158,561	41,489	156		<b>2,847,332</b>
1956	2,640,822	127,178	37,575	944	1,266	<b>2,730,104</b>
1955	2,534,852	166,541	56,743		3,827	<b>2,640,822</b>
1954	2,373,686	209,971	40,173		8,632	<b>2,534,852</b>
1953	2,196,062	212,603	28,004		6,975	<b>2,373,686</b>
1952	1,886,987	336,717	27,642			<b>2,196,062</b>
1951	1,815,507	75,409	9,573	6,059	415	<b>1,886,987</b>
1950	1,373,540	466,382	20,681	2,737	6,472	<b>1,815,507</b>
1949	445,730	968,525	33,050		7,664	<b>1,373,540</b>
1948	310,251	53,063	6,930			<b>356,383</b>
1947	588,628	21,944	322			<b>610,251</b>
1946	569,651	19,985	1,008			<b>588,628</b>
1945	549,214	20,438				<b>569,651</b>
1944	314,880	64,500	5,770			<b>373,611</b>
1943	319,005	5,606	9,731			<b>314,880</b>
1942	381,897	491	63,383			<b>319,005</b>
1941	236,232	145,908	243			<b>381,897</b>
1940	212,852	23,379				<b>236,232</b>
1939	155,127	57,726				<b>212,852</b>

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 366

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
2005	14,166		-			14,166
2004	14,166					14,166
2003	14,166					14,166
2002	14,166					14,166
2001	14,166					14,166
2000	14,166					14,166
1999	14,166					14,166
1998	14,166					14,166
1997	14,166					14,166
1996	14,166					14,166
1995	14,166					14,166
1994	14,166					14,166
1993	14,166					14,166
1992	14,166					14,166
1991	14,166					14,166
1990	14,166					14,166
1989	74,894	4,941			65,669	14,166
1988	60,217	10,266		4,410		74,894
1987	56,449	3,767				60,217
1986	53,395	3,055				56,449
1985	49,133	4,261			2,477	50,917
1984	44,493	4,640				49,133
1983	42,773	1,721				44,493
1982	41,236	1,537				42,773
1981	39,110	2,126				41,236
1980	36,512	3,555	958			39,110
1979	35,749	2,946			2,182	36,512
1978	31,787	3,962				35,749
1977	18,515	13,272				31,787
1976	12,785	5,692		38		18,515
1975	9,007	3,778				12,785
1974	8,886	121				9,007
1973	8,450	436				8,886

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 367

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
2005	9,210,782	928,958	33,541		290,764	9,815,435
2004	8,352,487	891,199	32,904			9,210,782
2003	7,546,787	821,960	16,260			8,352,487
2002	7,005,836	548,554	7,603			7,546,787
2001	6,451,130	588,176	33,469			7,005,836
2000	5,922,292	565,613	36,775			6,451,130
1999	6,057,206	61,941	72,973			6,046,174
1998	5,504,434	612,046	40,596		18,678	6,057,206
1997	5,044,124	492,933	32,622			5,504,434
1996	4,678,450	402,882	37,208			5,044,124
1995	4,370,913	468,861	161,324			4,678,450
1994	4,065,521	336,592	31,201			4,370,913
1993	3,817,534	264,848	16,860			4,065,521
1992	3,466,838	381,040	30,344			3,817,534
1991	3,267,337	438,245	51,308		187,436	3,466,838
1990	2,850,940	474,106	57,709			3,267,337
1989	2,452,276	441,450	105,007	62,221		2,850,940
1988	2,172,160	304,510	6,979		17,415	2,452,276
1987	2,082,850	104,731	15,421			2,172,160
1986	1,922,299	167,591	7,040			2,082,850
1985	1,672,315	261,665	9,204		573	1,924,204
1984	1,474,585	203,044	5,314			1,672,315
1983	1,331,336	145,954	2,704			1,474,585
1982	1,263,735	69,922	2,321			1,331,336
1981	1,168,255	99,666	4,186			1,263,735
1980	1,058,249	135,040	25,035			1,168,255
1979	894,660	180,039	13,959		2,491	1,058,249
1978	733,286	175,079	13,705			894,660
1977	498,264	238,410	3,388			733,286
1976	424,202	75,293	272		958	498,264
1975	343,213	82,200	1,212			424,202
1974	330,391	20,350	650		6,878	343,213
1973	264,014	66,798	16		405	330,391
1972	232,059	41,817	1,122		290	272,464
1971	187,218	50,235	5,394			232,059
1970	145,137	43,513	1,432			187,218
1969	72,047	21,023	1,612	50,900		142,357

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 367

	<u>Balance</u> <u>Beg of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassifications</u>		<u>Balance</u> <u>End of Year</u>
				<u>Debit</u>	<u>Credit</u>	
1968	55,576	17,241	770			72,047
1967	26,520	29,056				55,576
1966	7,282	17,663				24,945
1965	850	2,828		3,605		7,282
1964		850				850

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 368

	<u>Balance</u> <u>Beg of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassifications</u>		<u>Balance</u> <u>End of Year</u>
				<u>Debit</u>	<u>Credit</u>	
2005	25,574,237	991,614	214,478		61,347	26,290,025
2004	24,752,112	1,074,882	252,757			25,574,237
2003	24,195,333	775,448	218,669			24,752,112
2002	23,450,138	1,139,637	394,443			24,195,333
2001	22,944,147	817,472	311,480			23,450,138
2000	21,645,815	1,630,254	331,922			22,944,147
1999	20,333,673	1,704,766	388,619		4,005	21,645,815
1998	19,044,621	1,559,802	241,574		29,176	20,333,673
1997	18,115,113	1,051,898	122,390			19,044,621
1996	16,953,212	1,325,860	163,959			18,115,113
1995	16,214,994	948,813	210,595			16,953,212
1994	15,626,677	767,058	178,741			16,214,994
1993	15,148,845	734,062	244,227		12,003	15,626,677
1992	14,588,373	765,559	205,087			15,148,845
1991	14,222,305	609,677	251,268	7,659		14,588,373
1990	13,791,105	639,075	207,875			14,222,305
1989	13,398,713	867,211	181,698		293,121	13,791,105
1988	13,373,921	694,391	235,708		433,891	13,398,713
1987	12,800,485	768,703	195,267			13,373,921
1986	12,277,827	750,107	227,449			12,800,485
1985	11,602,191	855,862	179,653			12,278,400
1984	11,046,751	697,307	141,867			11,602,191
1983	10,638,082	592,403	183,733			11,046,751
1982	10,295,956	499,106	164,219	7,239		10,638,082
1981	9,684,573	786,271	174,460			10,296,383
1980	9,230,212	678,778	222,176		2,241	9,684,573
1979	8,622,433	738,262	132,985			9,227,711
1978	7,699,643	1,082,332	170,078	10,546		8,622,443
1977	6,992,456	849,138	150,591	8,641		7,699,643
1976	6,520,132	551,099	94,181	15,406		6,992,457
1975	6,166,329	439,651	88,811	6,347	3,384	6,520,131
1974	5,826,730	395,986	104,728	48,341		6,166,329
1973	5,437,615	463,554	89,210	14,989	217	5,826,730
1972	5,147,892	396,493	121,532	15,352	590	5,437,615
1971	4,896,063	339,410	99,957	15,870	3,494	5,147,892
1970	4,613,245	377,635	108,461	17,457	3,812	4,896,063
1969	4,425,607	357,108	167,929	317	1,858	4,613,245
1968	4,276,771	328,411	179,574			4,425,607

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 368

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
1967	4,049,180	287,174	59,583			4,276,771
1966	3,854,702	248,293	56,476	1,574		4,048,094
1965	3,770,922	204,388	119,350		1,258	3,854,702
1964	3,621,172	199,046	31,361		17,936	3,770,922
1963	3,438,662	212,539	29,528		502	3,621,172
1962	3,259,959	246,006	69,583	4,323	2,043	3,438,662
1961	3,052,845	220,839	12,540	1,445	2,631	3,259,959
1960	2,908,353	180,709	26,583	608	10,240	3,052,845
1959	2,673,932	275,336	20,438	780	21,258	2,908,353
1958	2,413,607	283,996	26,002	5,090	2,753	2,673,938
1957	2,177,464	281,227	40,375		4,709	2,413,607
1956	1,930,166	282,872	34,620		954	2,177,464
1955	1,768,827	200,523	36,889		2,296	1,930,166
1954	1,623,683	183,154	37,101		909	1,768,827
1953	1,512,765	181,713	51,567		19,229	1,623,683
1952	1,332,239	202,049	20,335	1,892	3,081	1,512,765
1951	1,253,501	152,533	24,432	30,310	79,674	1,332,239
1950	1,000,132	284,314	13,863	5,514	22,596	1,253,501
1949	716,507	398,668	4,857	2,550	112,735	1,000,132
1948	542,507	179,214	5,213			716,507
1947	286,334	256,502	329			542,507
1946	249,737	38,074	1,478			286,334
1945	230,634	19,273	170			249,737
1944	204,387	27,629	1,381			230,634
1943	194,528	10,328	470			204,387
1942	155,916	38,612				194,528
1941	126,777	30,208	1,068			155,916
1940	98,195	28,707	124			126,778
1939	47,027	21,168				68,195

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 369

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg. of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
2005	14,578,763	1,620,734	(51,920)		499,306	15,752,111
2004	14,158,137	1,463,444	1,042,818			14,578,763
2003	12,735,330	1,486,747	63,940			14,158,137
2002	11,602,636	1,210,999	78,305			12,735,330
2001	10,746,982	944,720	89,066			11,602,636
2000	9,982,605	873,554	109,178			10,746,982
1999	8,636,163	1,466,842	120,136		264	9,982,605
1998	8,049,316	695,661	104,498		4,316	8,636,163
1997	7,501,868	648,283	100,836			8,049,316
1996	6,978,274	610,516	86,922			7,501,868
1995	6,549,574	553,447	124,747			6,978,274
1994	6,130,108	498,643	79,177			6,549,574
1993	5,797,110	425,680	92,682			6,130,108
1992	5,488,072	419,430	110,392			5,797,110
1991	5,152,978	422,902	103,212	15,404		5,488,072
1990	4,829,247	416,055	92,324			5,152,978
1989	4,495,354	423,251	89,358			4,829,247
1988		351,028	98,652		184,999	4,495,354
1987	4,241,401	283,822	97,246			4,427,977
1986	4,013,541	330,786	102,926			4,241,401
1985	3,740,712	361,060	88,221			4,013,551
1984	3,439,897	374,928	74,113			3,740,712
1983	3,138,122	368,529	66,754			3,439,897
1982	2,940,867	262,731	65,476			3,138,122
1981	2,725,241	290,625	74,847		151	2,940,868
1980	2,495,955	311,745	82,459			2,725,241
1979	2,199,901	370,963	74,492		418	2,495,955
1978	1,951,966	306,653	58,126		591	2,199,902
1977	1,745,341	250,783	43,683		475	1,951,966
1976	1,649,116	137,726	41,503	1		1,745,341
1975	1,519,200	166,720	36,804			1,649,116
1974	1,425,172	119,169	35,768	10,852	226	1,519,200
1973	1,358,431	106,693	39,952			1,425,172
1972	1,296,231	96,856	34,946	290		1,358,431
1971	1,227,417	104,339	35,525			1,296,231
1970	1,161,243	97,155	30,981			1,227,417
1969	1,097,849	91,456	29,609	1,680	134	1,161,243
1968	1,058,856	71,814	32,822			1,097,848



KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 369

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
1967	1,011,912	76,609	29,664			<b>1,058,857</b>
1966	964,846	77,993	29,352	2,660		<b>1,016,147</b>
1965	912,225	81,454	25,166		3,667	<b>964,846</b>
1964	856,760	67,396	15,766	3,836		<b>912,225</b>
1963	805,352	69,726	18,331	13		<b>856,760</b>
1962	778,589	45,111	16,517		1,831	<b>805,352</b>
1961	739,620	56,743	17,369		404	<b>778,589</b>
1960	707,326	51,335	18,993	56	104	<b>739,620</b>
1959	674,738	52,429	17,076		2,765	<b>707,326</b>
1958	643,956	47,831	17,003			<b>674,784</b>
1957	598,966	55,523	16,339	5,833	26	<b>643,956</b>
1956	558,378	55,450	14,456	964	1,371	<b>598,966</b>
1955	512,888	62,466	17,052	76		<b>558,378</b>
1954	482,963	38,662	8,639	409	507	<b>512,888</b>
1953	412,459	58,785	7,082	18,801		<b>482,963</b>
1952	347,088	69,269	3,898			<b>412,459</b>
1951	317,213	31,103	3,585	2,424	67	<b>347,088</b>
1950	224,331	97,217	4,235	260	359	<b>317,213</b>
1949	80,623	147,945	2,933		1,304	<b>224,331</b>
1948	68,823	12,969	1,169			<b>80,623</b>
1947	66,689	2,205	72			<b>68,823</b>
1946	64,178	2,721	209			<b>66,689</b>
1945	60,805	3,373				<b>64,178</b>
1944	52,329	9,842	1,366			<b>60,805</b>
1943	52,995	1,460	2,126			<b>52,329</b>
1942	45,308	7,692	4			<b>52,995</b>
1941	44,159	12,016	10,868			<b>45,308</b>
1940	35,658	8,542	42			<b>44,158</b>
1939	12,904	22,754				<b>35,658</b>

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 370

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
2005	4,477,636	230,154	55,978		738	4,651,074
2004	4,311,738	198,198	32,299			4,477,636
2003	4,151,280	205,107	44,650			4,311,738
2002	4,049,840	156,209	54,768			4,151,280
2001	3,841,432	265,631	57,223			4,049,840
2000	3,761,243	84,260	4,071			3,841,432
1999	3,526,899	245,737	11,393			3,761,243
1998	3,381,961	208,298	63,359			3,526,899
1997	3,231,509	195,091	44,638			3,381,961
1996	3,075,110	198,946	42,548			3,231,509
1995	2,983,626	155,382	63,898			3,075,110
1994	2,897,046	138,361	51,781			2,983,626
1993	2,806,437	142,912	52,303			2,897,046
1992	2,677,391	178,929	49,884			2,806,437
1991	2,575,374	152,954	50,937			2,677,391
1990	2,491,111	142,083	57,820			2,575,374
1989	2,442,512	118,019	37,832		31,588	2,491,111
1988	2,331,508	154,794	27,904		15,886	2,442,512
1987	2,237,998	117,602	24,092			2,331,508
1986	2,140,256	124,784	27,041			2,237,998
1985	2,048,647	121,796	30,163		135	2,140,145
1984	1,909,918	145,904	6,875			2,048,947
1983	1,763,336	183,500	34,969		1,949	1,909,919
1982	1,645,352	136,184	18,200			1,763,336
1981	1,549,756	130,891	35,295			1,645,352
1980	1,488,203	76,763	17,451	2,241		1,549,756
1979	1,424,282	105,352	41,333		98	1,488,203
1978	1,326,428	140,672	42,452		367	1,424,282
1977	1,212,969	122,207	8,369		379	1,326,428
1976	1,125,535	95,824	7,598		792	1,212,969
1975	1,058,576	75,279	7,973		347	1,125,535
1974	1,005,159	78,405	10,863		14,125	1,058,576
1973	933,932	76,492	5,059		206	1,005,159
1972	880,897	63,390	10,355			933,932
1971	825,510	61,555	6,145		23	880,897
1970	857,281	48,805	72,773		7,804	825,510
1969	821,910	51,697	22,644	6,319		857,281
1968	804,413	54,350	36,854			821,910

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 370

	Balance	<u>Additions</u>	<u>Retirements</u>	Reclassifications		Balance
	<u>Beg of Year</u>			<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
1967	753,914	60,803	10,304			<b>804,413</b>
1966	710,026	58,447	14,559		1,574	<b>752,340</b>
1965	680,758	39,016	9,219	184	714	<b>710,026</b>
1964	633,495	49,426	1,948			<b>680,973</b>
1963	593,138	42,383	2,034	40	33	<b>633,495</b>
1962	555,758	41,952	3,634		938	<b>593,138</b>
1961	525,975	29,820	76	214	175	<b>555,758</b>
1960	504,146	33,230	11,077		324	<b>525,975</b>
1959	475,067	31,869	3,879	2,770	1,681	<b>504,146</b>
1958	440,493	42,648	5,484	889	3,480	<b>475,067</b>
1957	415,469	28,101	2,975		101	<b>440,493</b>
1956	388,014	29,984	2,338		192	<b>415,469</b>
1955	356,872	35,767	4,579	133	180	<b>388,014</b>
1954	331,628	29,685	6,881	2,483	45	<b>356,870</b>
1953	312,335	34,387	8,828		6,266	<b>331,628</b>
1952	266,094	47,293	675		378	<b>312,335</b>
1951	246,791	22,076	1,579	158	1,353	<b>266,094</b>
1950	200,053	48,842	90	25	2,039	<b>246,791</b>
1949	141,785	59,674	18	1,140	2,528	<b>200,053</b>
1948	104,434	37,766	415			<b>141,785</b>
1947	77,025	27,455	47			<b>104,434</b>
1946	65,905	11,283	162			<b>77,025</b>
1945	58,543	7,385	23			<b>65,905</b>
1944	47,172	11,373	1			<b>58,543</b>
1943	43,933	3,267	28			<b>47,172</b>
1942	40,201	3,798	66			<b>43,933</b>
1941	27,157	13,087	42			<b>40,201</b>
1940	18,749	8,408				<b>27,157</b>
1939	7,644	11,105				<b>18,749</b>

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 371

	<u>Balance</u> <u>Beg of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassifications</u>		<u>Balance</u> <u>End of Year</u>
				<u>Debit</u>	<u>Credit</u>	
2005	2,736,746	145,873	35,376		51,165	2,796,078
2004	2,637,951	128,918	30,123			2,736,746
2003	2,531,244	132,927	26,220			2,637,951
2002	2,393,046	170,433	32,235			2,531,244
2001	2,320,148	102,064	29,166			2,393,046
2000	2,257,501	98,931	36,284			2,320,148
1999	2,142,398	153,539	38,435			2,257,501
1998	2,034,678	151,011	43,291			2,142,398
1997	1,951,838	126,453	43,613			2,034,678
1996	1,863,775	131,616	43,553			1,951,838
1995	1,791,653	128,980	56,857			1,863,775
1994	1,716,740	124,438	49,525			1,791,653
1993	1,646,024	127,287	56,571			1,716,740
1992	1,590,187	121,426	65,589			1,646,024
1991	1,538,554	79,143	37,469	9,960		1,590,187
1990	1,498,157	80,414	40,018			1,538,554
1989	1,459,782	77,514	39,139			1,498,157
1988	1,435,914	87,587	40,199		23,520	1,459,782
1987	1,406,855	65,636	36,577			1,435,914
1986	1,358,074	91,073	42,292			1,406,855
1985	1,328,689	58,474	28,954			1,358,209
1984	1,285,672	71,119	28,102			1,328,689
1983	1,258,859	55,418	28,604			1,285,672
1982	1,234,277	57,341	32,760			1,258,859
1981	1,213,539	59,916	39,177			1,234,277
1980	1,173,065	70,909	30,435			1,213,539
1979	1,109,237	82,185	18,357			1,173,065
1978	1,042,155	84,818	17,737			1,109,237
1977	963,956	90,728	12,529			1,042,155
1976	920,255	57,465	13,572			964,148
1975	837,848	94,366	11,126		832	920,255
1974	770,837	75,436	8,243		181	837,848
1973	684,502	96,230	9,895			770,837
1972	603,198	93,340	12,036			684,502
1971	521,033	90,688	8,523			603,198
1970	457,463	70,557	6,986			521,033
1969	148,101	32,851	2,219		2,121	176,612

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 371

	Balance			Reclassifications		Balance
	<u>Beg of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
1968	127,232	22,664	1,795			<b>148,101</b>
1967	109,534	20,037	2,340			<b>127,232</b>
1966	95,727	15,515	1,708			<b>109,534</b>
1965	81,007	17,212	2,492			<b>95,727</b>
1964	72,004	18,397	1,552		8,057	<b>80,792</b>
1963	28,999	24,476	2,230	20,759		<b>72,004</b>
1962	7,779	25,001	231		3,550	<b>28,999</b>
1961		8,292	513			<b>7,779</b>

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 373

	<u>Beg of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
2005	521,032.99	53,585.62	7,074.25		16,648.07	<b>550,896.29</b>
2004	476,253.88	53,399.48	8,620.37			<b>521,032.99</b>
2003	398,688.27	80,326.81	2,741.20			<b>476,273.88</b>
2002	350,909.66	50,660.06	2,901.45			<b>398,668.27</b>
2001	324,800.47	31,573.14	5,463.95			<b>350,909.66</b>
2000	239,546.90	89,396.78	4,143.21			<b>324,800.47</b>
1999	232,439.21	14,442.10	7,334.41			<b>239,546.90</b>
1998	211,270.42	23,935.14	2,766.35			<b>232,439.21</b>
1997	206,874.03	5,170.58	774.19			<b>211,270.42</b>
1996	188,762.07	40,052.92	21,940.96			<b>206,874.03</b>
1995	163,913.99	28,471.33	3,623.25			<b>188,762.07</b>
1994	153,239.59	19,664.69	8,990.29			<b>163,913.99</b>
1993	146,664.51	8,972.63	2,397.55			<b>153,239.59</b>
1992	141,840.16	5,666.55	842.20			<b>146,664.51</b>
1991	140,036.55	2,970.12	1,166.51			<b>141,840.16</b>
1990	138,134.69	2,873.94	972.08			<b>140,036.55</b>
1989	131,134.55	7,777.81	777.67			<b>138,134.69</b>
1988	130,131.51	1,726.29	2,670.72	1,947.47		<b>131,134.55</b>
1987	110,748.97	19,979.20	596.66			<b>130,131.51</b>
1986	105,827.05	5,083.85	161.93			<b>110,748.97</b>
1985	96,638.64	9,971.55	783.14			<b>105,827.05</b>
1984	96,075.70	562.94				<b>96,638.64</b>
1983	89,393.58	6,682.12				<b>96,075.70</b>
1982	86,234.93	3,158.65				<b>89,393.58</b>
1981	79,154.06	7,080.87				<b>86,234.93</b>
1980	63,174.99	17,957.23	1,978.16			<b>79,154.06</b>
1979	54,590.85	8,584.14				<b>63,174.99</b>
1978	47,654.84	7,363.60	427.59			<b>54,590.85</b>
1977	45,355.21	5,229.26	2,929.63			<b>47,654.84</b>
1976	44,823.03	4,714.35	1,374.26	192.09		<b>48,355.21</b>
1975	43,552.13	658.81	220.35	832.44		<b>44,823.03</b>
1974	40,285.37	3,266.76				<b>43,552.13</b>
1973	32,570.67	7,783.36	68.66			<b>40,285.37</b>
1972	30,127.11	2,647.95	204.39			<b>32,570.67</b>
1971	29,800.76	326.35				<b>30,127.11</b>
1970	28,510.22	1,290.54				<b>29,800.76</b>
1969	25,983.90	405.56		2,120.66		<b>28,510.22</b>
1968	24,883.26	177.76	922.88			<b>24,138.14</b>

KENERGY  
ACCOUNT INVESTMENT SUMMARY

Account 373

	<u>Beg of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>Debit</u>	<u>Credit</u>	<u>End of Year</u>
1967	24,637.77	585.12	339.63			24,883.26
1966	23,417.76	1,220.01				24,637.77
1965	24,226.55	508.00	1,316.79			23,417.76
1964	16,136.10	248.55		7,841.80		24,226.45
1963	38,272.66	676.86	2,182.83		20,630.59	16,136.10
1962	38,514.55		149.59		92.30	38,272.66
1961	14,475.84	25,844.42	1,805.71			38,514.55
1960	13,998.08	522.24	34.48			14,485.84
1959	13,872.66	115.42				13,988.08
1958	10,116.35	3,404.42	757.98	1,109.87		13,872.66
1957	7,312.73	6,701.54	3,897.92			10,116.35
1956	7,312.73					7,312.73
1955	7,226.80	85.93				7,312.73
1954	7,189.64	37.16				7,226.80
1953	6,331.61			858.03		7,189.64
1952	6,331.59					6,331.59
1951	6,016.26	315.35				6,331.61
1950	2,135.38	4,294.88	414.00			6,016.26
1949	3,817.69	651.33	2,333.64			2,135.38
1948	3,817.69					3,817.69
1947	3,776.48	41.21				3,817.69
1946	3,776.48					3,776.48
1945	3,776.48					3,776.48
1944	59.80	3,716.68				3,776.48
1943	59.80					59.80
1942		59.80				59.80
1941	(823.23)	823.23				-
1940					823.23	(823.23)





KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 362

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	24,207,083	464,440	1.9%	55,387	14,705	40,681	8.8%
2004	24,210,561	279,778	1.2%	74,803	25,418	49,385	17.7%
2003	23,004,162	336,166	1.5%	58,752	12,122	46,629	13.9%
2002	22,369,372	176,704	0.8%	86,394	13,041	73,353	41.5%
Total	93,791,178	1,257,087	1.3%	275,335	65,286	210,049	16.7%
						Adjustment Factor	62%
						Adjusted FNS Percent	10%

KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 364

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	55,689,068	500,536	0.9%	71,560	358,756	(287,197)	-57.4%
2004	52,737,717	375,698	0.7%	49,830	405,802	(355,972)	-94.7%
2003	50,423,671	466,149	0.9%	67,744	533,470	(465,726)	-99.9%
2002	47,793,322	518,002	1.1%	58,565	532,996	(474,431)	-91.6%
Sub total	206,643,778	1,860,386	0.9%	247,698	1,831,024	(1,583,326)	-85.1%
						Adjustment Factor	62%
						Adjusted FNS Percent	-53%

KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 365

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	43,909,211	278,876	0.6%	47,636	187,120	(139,484)	-50.0%
2004	42,531,309	247,719	0.6%	52,387	262,545	(210,158)	-84.8%
2003	40,613,246	286,773	0.7%	51,210	295,621	(244,411)	-85.2%
2002	38,066,750	334,663	0.9%	32,041	313,440	(281,400)	-84.1%
Total	165,120,516	1,148,031	0.7%	183,274	1,058,726	(875,452)	-76.3%
						Adjustment Factor	62%
						Adjusted FNS Percent	-47%

KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 366

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	14,666		0.0%			-	
2004	14,666		0.0%			-	
2003	14,666		0.0%			-	
2002	14,666		0.0%			-	
Total	58,664	-	0.0%	-	-	-	
						Adjustment Factor	62%
						Adjusted FNS Percent	0%

KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 367

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	9,815,435	33,541	0.3%	(3,177)	650	(3,827)	-11.4%
2004	8,920,019	32,904	0.4%	(2,033)	6,446	(8,479)	-25.8%
2003	8,157,350	16,260	0.2%	(3,368)	6,060	(9,428)	-58.0%
2002	7,453,132	7,603	0.1%	(1,574)	4,726	(6,300)	-82.9%
Total	34,345,936	90,307	0.3%	(10,151)	17,882	(28,033)	-31.0%
						Adjustment Factor	62%
						Adjusted FNS Percent	-19%

KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 368

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	26,290,025	214,478	0.8%	6,363	115,691	(109,328)	-51.0%
2004	25,512,889	252,757	1.0%	(4,122)	157,064	(161,186)	-63.8%
2003	24,710,940	218,669	0.9%	13,660	136,092	(122,432)	-56.0%
2002	24,175,573	394,443	1.6%	17,224	222,083	(204,859)	-51.9%
Total	100,689,427	1,080,347	1.1%	33,125	630,930	(597,805)	-55.3%
						Adjustment Factor	62%
						Adjusted FNS Percent	-34%

KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 369

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	15,752,111	(51,920)	-0.3%	12,035	47,435	(35,400)	68.2%
2004	14,079,457	1,042,818	7.4%	12,735	94,882	(82,147)	-7.9%
2003	13,823,043	63,940	0.5%	14,844	94,743	(79,899)	-125.0%
2002	12,574,502	78,305	0.6%	13,746	85,301	(71,555)	-91.4%
Total	56,229,113	1,133,143	2.0%	53,360	322,361	(269,001)	-23.7%
						Adjustment Factor	62%
						Adjusted FNS Percent	-15%

KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 370

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	4,651,074	55,978	1.2%	10	68,230	(68,220)	-121.9%
2004	4,476,898	32,299	0.7%	(59)	37,708	(37,767)	-116.9%
2003	4,311,242	44,650	1.0%	2,272	47,634	(45,362)	-101.6%
2002	4,151,043	54,768	1.3%	918	56,590	(55,672)	-101.7%
Total	17,590,257	187,695	1.1%	3,140	210,162	(207,021)	-110.3%
						Adjustment Factor	62%
						Adjusted FNS Percent	-68%



KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 371

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	2,796,078	35,376	1.3%	4,481	27,100	(22,619)	-63.9%
2004	2,685,581	30,123	1.1%	2,615	31,193	(28,578)	-94.9%
2003	2,603,613	26,220	1.0%	2,487	31,362	(28,875)	-110.1%
2002	2,514,763	32,235	1.3%	3,665	29,782	(26,117)	-81.0%
Total	10,600,035	123,954	1.2%	13,249	119,437	(106,188)	-85.7%
						Adjustment Factor	62%
						Adjusted FNS Percent	-53%

KENERGY  
ANNUAL RETIREMENTS AND NET SALVAGE

Account 373

	<u>Plant in Service</u>	<u>Retirements</u>	<u>Retirement Ratio</u>	<u>Gross Salvage</u>	<u>Cost of Removal</u>	<u>Net Salvage</u>	<u>Net Salvage Percent</u>
2005	550,896	7,074	1.3%	46	924	(878)	-12.4%
2004	504,385	8,620	1.7%	1,121	4,528	(3,407)	-39.5%
2003	465,081	2,741	0.6%	(862)	939	(1,801)	-65.7%
2002	393,306	2,901	0.7%	118	412	(294)	-10.1%
Total	1,913,668	21,337	1.1%	423	6,803	(6,380)	-29.9%
						Adjustment Factor	62%
						Adjusted FNS Percent	-19%



## Kenergy Theoretical Reserve Analysis

Account 362

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005	460,961	0.5	1.2	1.00000	460,961	1.000	0.50	41.557	42.06	2.2	426,503
2004	1,486,176	1.5	4.8	0.99215	1,474,510	1.992	1.50	40.557	41.38	2.2	1,342,254
2003	970,936	2.5	7.1	0.98397	955,372	2.976	2.48	39.564	40.71	2.2	855,630
2002	3,030,882	3.5	9.5	0.97833	2,965,203	3.954	3.47	38.581	39.94	2.2	2,605,143
2001	3,392,238	4.5	11.9	0.97255	3,299,121	4.927	4.44	37.602	39.16	2.2	2,842,512
2000	1,920,326	5.5	14.3	0.96361	1,850,445	5.891	5.41	36.630	38.51	2.2	1,567,853
1999	680,036	6.5	16.7	0.95747	651,114	6.848	6.37	35.666	37.75	2.2	540,754
1998	1,492,598	7.5	19.0	0.94799	1,414,968	7.796	7.32	34.709	37.11	2.2	1,155,295
1997	47,569	8.5	21.4	0.94150	44,786	8.738	8.27	33.761	36.36	2.2	35,823
1996	1,667,996	9.5	23.8	0.93486	1,559,343	9.672	9.21	32.819	35.61	2.2	1,221,478
1995	23,617	10.5	26.2	0.92464	21,838	10.597	10.13	31.884	34.98	2.2	16,807
1994	111,078	11.5	28.6	0.91766	101,932	11.515	11.06	30.960	34.24	2.2	76,778
1993	84,071	12.5	31.0	0.91054	76,550	12.425	11.97	30.042	33.49	2.2	56,407
1992	193,460	13.5	33.3	0.89960	174,037	13.325	12.88	29.131	32.88	2.2	125,901
1991	363,415	14.5	35.7	0.89213	324,214	14.217	13.77	28.232	32.15	2.2	229,283
1990	106,933	15.5	38.1	0.88066	94,172	15.098	14.66	27.340	31.54	2.2	65,353
1989	1,394,073	16.5	40.5	0.87283	1,216,789	15.970	15.53	26.459	30.81	2.2	824,871
1988	94,138	17.5	42.9	0.86483	81,413	16.835	16.40	25.586	30.09	2.2	53,885
1987	207,261	18.5	45.2	0.85252	176,694	17.688	17.26	24.721	29.50	2.2	114,667
1986	1,959,111	19.5	47.6	0.84408	1,653,646	18.532	18.11	23.869	28.78	2.2	1,046,946
1985	337,455	20.5	50.0	0.83108	280,452	19.363	18.95	23.025	28.20	2.2	174,021
1984	472,100	21.5	52.4	0.82217	388,147	20.185	19.77	22.194	27.49	2.2	234,777
1983	545,792	22.5	54.8	0.81304	443,751	20.998	20.59	21.371	26.79	2.2	261,497
1982	1,162,117	23.5	57.1	0.79895	928,474	21.797	21.40	20.558	26.23	2.2	535,822
1981	619,632	24.5	59.5	0.78927	489,057	22.586	22.19	19.759	25.54	2.2	274,739
1980	103,316	25.5	61.9	0.77937	80,521	23.366	22.98	18.970	24.84	2.2	44,004
1979	649,581	26.5	64.3	0.76405	496,312	24.130	23.75	18.191	24.31	2.2	265,421
1978	814,955	27.5	66.7	0.75354	614,101	24.883	24.51	17.427	23.63	2.2	319,200
1977	308,357	28.5	69.0	0.73729	227,348	25.621	25.25	16.673	23.11	2.2	115,610
1976	341,074	29.5	71.4	0.72614	247,667	26.347	25.98	15.936	22.45	2.2	122,302
1975	308,558	30.5	73.8	0.71474	220,538	27.062	26.70	15.210	21.78	2.2	105,674
1974	164,794	31.5	76.2	0.69714	114,884	27.759	27.41	14.495	21.29	2.2	53,815
1973	134,419	32.5	78.6	0.68508	92,088	28.444	28.10	13.798	20.64	2.2	41,817
1972	166,837	33.5	81.0	0.67277	112,243	29.117	28.78	13.113	19.99	2.2	49,364
1971	67,718	34.5	83.3	0.65381	44,274	29.770	29.44	12.440	19.53	2.2	19,020
1970	193,158	35.5	85.7	0.64086	123,787	30.411	30.09	11.786	18.89	2.2	51,447
1969	129,648	36.5	88.1	0.62096	80,506	31.032	30.72	11.145	18.45	2.2	32,675

## Kenergy Theoretical Reserve Analysis

Account 362

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
1968	158,988	37.5	90.5	0.60740	96,569	31.640	31.34	10.524	17.83	2.2	37,874
1967	115,100	38.5	92.9	0.59361	68,324	32.233	31.94	9.917	17.21	2.2	25,864
1966	120,129	39.5	95.2	0.57250	68,774	32.806	32.52	9.323	16.79	2.2	25,397
1965	27,703	40.5	97.6	0.55817	15,463	33.364	33.08	8.751	16.18	2.2	5,504
1964	583	41.5	100.0	0.53630	313	33.900	33.63	8.193	15.78	2.2	109
1963	257,050	42.5	102.4	0.52150	134,051	34.422	34.16	7.656	15.18	2.2	44,773
1962	67,693	43.5	104.8	0.50653	34,289	34.928	34.67	7.135	14.59	2.2	11,003
1961	138,637	44.5	107.1	0.48380	67,073	35.412	35.17	6.628	14.20	2.2	20,955
1960	40,047	45.5	109.5	0.46848	18,761	35.880	35.65	6.145	13.62	2.2	5,620
1959	40,741	46.5	111.9	0.45306	18,458	36.334	36.11	5.676	13.03	2.2	5,291
1958	64,562	47.5	114.3	0.42976	27,746	36.763	36.55	5.223	12.65	2.2	7,724
1957	299,881	48.5	116.7	0.41414	124,193	37.177	36.97	4.793	12.07	2.2	32,990
1956	50,170	49.5	119.0	0.39065	19,599	37.568	37.37	4.379	11.71	2.2	5,049
1955	80,403	50.5	121.4	0.37497	30,149	37.943	37.76	3.989	11.14	2.2	7,387
1954	90,431	51.5	123.8	0.35931	32,493	38.302	38.12	3.614	10.56	2.2	7,547
1953	86,467	52.5	126.2	0.33590	29,044	38.638	38.47	3.254	10.19	2.2	6,510
1952	217,637	53.5	128.6	0.32038	69,727	38.959	38.80	2.918	9.61	2.2	14,740
1951		54.5	131.0	0.30495	-	39.264	39.11	2.598	9.02	2.2	-
1950	33,140	55.5	133.3	0.28206	9,347	39.546	39.40	2.293	8.63	2.2	1,775
1949	64,550	56.5	135.7	0.26700	17,235	39.813	39.68	2.011	8.03	2.2	3,045
1948	11,324	57.5	138.1	0.24476	2,772	40.057	39.94	1.744	7.63	2.2	465
1947	1,114	58.5	140.5	0.23022	256	40.288	40.17	1.499	7.01	2.2	40
1946	5,882	59.5	142.9	0.21594	1,270	40.504	40.40	1.269	6.38	2.2	178
1945		60.5	145.2	0.19505	-	40.699	40.60	1.053	5.90	2.2	-
1944	10,011	61.5	147.6	0.18153	1,817	40.880	40.79	0.858	5.23	2.2	209
1943		62.5	150.0	0.16190	-	41.042	40.96	0.676	4.68	2.2	-
1942	225	63.5	152.4	0.14929	34	41.191	41.12	0.515	3.95	2.2	3
1941	297	64.5	154.8	0.13709	41	41.328	41.26	0.365	3.16	2.2	3
1940	5,659	65.5	157.1	0.11963	677	41.448	41.39	0.228	2.41	2.2	36
1939	3,711	66.5	159.5	0.10857	403	41.557	41.50	0.109	1.50	2.2	13
Total					24,470,137						18,175,446
		Service Life	42.0			11% Net Salvage Adjustment					
					21,778,422					Theoretical Reserve	3,602,976
										Reserve Percent	17%

## Kenergy Theoretical Reserve Analysis

Account 364

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005	3,451,887	0.5	1.7	1.00000	3,451,887	1.000	0.50	29.905	30.41	5.1	5,352,711
2004	3,018,608	1.5	6.7	0.98673	2,978,551	1.987	1.49	28.905	29.79	5.1	4,525,872
2003	3,445,497	2.5	10.0	0.97546	3,360,944	2.962	2.47	27.918	29.12	5.1	4,991,538
2002	3,518,166	3.5	13.3	0.96663	3,400,764	3.929	3.45	26.943	28.37	5.1	4,920,998
2001	3,373,974	4.5	16.7	0.95747	3,230,479	4.886	4.41	25.976	27.63	5.1	4,552,194
2000	4,098,084	5.5	20.0	0.94476	3,871,705	5.831	5.36	25.019	26.98	5.1	5,327,726
1999	3,798,297	6.5	23.3	0.93486	3,550,876	6.766	6.30	24.074	26.25	5.1	4,754,016
1998	2,824,024	7.5	26.7	0.92464	2,611,205	7.691	7.23	23.139	25.53	5.1	3,399,219
1997	2,480,828	8.5	30.0	0.91054	2,258,893	8.601	8.15	22.215	24.90	5.1	2,868,242
1996	2,160,547	9.5	33.3	0.89960	1,943,628	9.501	9.05	21.304	24.18	5.1	2,397,012
1995	2,042,966	10.5	36.7	0.88835	1,814,869	10.389	9.94	20.404	23.47	5.1	2,172,245
1994	1,953,455	11.5	40.0	0.87283	1,705,034	11.262	10.83	19.516	22.86	5.1	1,987,794
1993	2,037,980	12.5	43.3	0.86077	1,754,232	12.123	11.69	18.643	22.16	5.1	1,982,459
1992	2,143,548	13.5	46.7	0.84832	1,818,415	12.971	12.55	17.783	21.46	5.1	1,990,370
1991	1,971,933	14.5	50.0	0.83108	1,638,834	13.802	13.39	16.934	20.88	5.1	1,744,838
1990	1,774,558	15.5	53.3	0.81763	1,450,932	14.620	14.21	16.103	20.19	5.1	1,494,370
1989	1,586,090	16.5	56.7	0.80370	1,274,740	15.423	15.02	15.285	19.52	5.1	1,268,957
1988	1,627,151	17.5	60.0	0.78435	1,276,256	16.208	15.82	14.482	18.96	5.1	1,234,311
1987	1,620,674	18.5	63.3	0.76922	1,246,655	16.977	16.59	13.697	18.31	5.1	1,163,942
1986	1,663,688	19.5	66.7	0.75354	1,253,656	17.730	17.35	12.928	17.66	5.1	1,128,902
1985	1,638,433	20.5	70.0	0.73175	1,198,924	18.462	18.10	12.175	17.14	5.1	1,047,889
1984	1,506,325	21.5	73.3	0.71474	1,076,631	19.177	18.82	11.443	16.51	5.1	906,528
1983	1,450,138	22.5	76.7	0.69714	1,010,949	19.874	19.53	10.728	15.89	5.1	819,204
1982	1,233,656	23.5	80.0	0.67277	829,966	20.547	20.21	10.031	15.41	5.1	652,281
1981	2,188,406	24.5	83.3	0.65381	1,430,802	21.201	20.87	9.358	14.81	5.1	1,080,949
1980	2,130,091	25.5	86.7	0.63429	1,351,096	21.835	21.52	8.704	14.22	5.1	980,059
1979	1,468,872	26.5	90.0	0.60740	892,193	22.442	22.14	8.070	13.79	5.1	627,307
1978	1,249,703	27.5	93.3	0.58663	733,113	23.029	22.74	7.463	13.22	5.1	494,333
1977	858,370	28.5	96.7	0.56536	485,288	23.594	23.31	6.876	12.66	5.1	313,391
1976	468,477	29.5	100.0	0.53630	251,244	24.131	23.86	6.311	12.27	5.1	157,186
1975	744,458	30.5	103.3	0.51403	382,674	24.645	24.39	5.774	11.73	5.1	229,000
1974	574,571	31.5	106.7	0.49141	282,350	25.136	24.89	5.260	11.20	5.1	161,347
1973	483,065	32.5	110.0	0.46078	222,587	25.597	25.37	4.769	10.85	5.1	123,167
1972	462,515	33.5	113.3	0.43754	202,369	26.034	25.82	4.308	10.35	5.1	106,785
1971	519,576	34.5	116.7	0.41414	215,177	26.449	26.24	3.871	9.85	5.1	108,055
1970	435,607	35.5	120.0	0.38281	166,755	26.831	26.64	3.457	9.53	5.1	81,043
1969	457,353	36.5	123.3	0.35931	164,332	27.191	27.01	3.074	9.05	5.1	75,886

## Kenergy Theoretical Reserve Analysis

Account 364

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
1968	362,639	37.5	126.7	0.33590	121,811	27.527	27.36	2.714	8.58	5.1	53,309
1967	424,543	38.5	130.0	0.30495	129,464	27.832	27.68	2.379	8.30	5.1	54,801
1966	262,348	39.5	133.3	0.28206	73,998	28.114	27.97	2.074	7.85	5.1	29,631
1965	233,111	40.5	136.7	0.25953	60,499	28.373	28.24	1.792	7.40	5.1	22,842
1964	190,991	41.5	140.0	0.23022	43,970	28.603	28.49	1.532	7.15	5.1	16,044
1963	308,665	42.5	143.3	0.20890	64,480	28.812	28.71	1.302	6.73	5.1	22,137
1962	166,544	43.5	146.7	0.18825	31,352	29.001	28.91	1.093	6.31	5.1	10,082
1961	244,278	44.5	150.0	0.16190	39,549	29.162	29.08	0.905	6.09	5.1	12,279
1960	232,304	45.5	153.3	0.14314	33,252	29.306	29.23	0.743	5.69	5.1	9,648
1959	211,897	46.5	156.7	0.12534	26,559	29.431	29.37	0.600	5.28	5.1	7,157
1958	308,124	47.5	160.0	0.10322	31,805	29.534	29.48	0.474	5.09	5.1	8,264
1957	231,157	48.5	163.3	0.08795	20,329	29.622	29.58	0.371	4.72	5.1	4,893
1956	206,687	49.5	166.7	0.07386	15,266	29.696	29.66	0.283	4.33	5.1	3,373
1955	246,514	50.5	170.0	0.05704	14,060	29.753	29.72	0.209	4.17	5.1	2,989
1954	191,051	51.5	173.3	0.04593	8,775	29.799	29.78	0.152	3.81	5.1	1,707
1953	225,320	52.5	176.7	0.03615	8,144	29.835	29.82	0.106	3.44	5.1	1,429
1952	365,274	53.5	180.0	0.02516	9,191	29.860	29.85	0.070	3.29	5.1	1,541
1951	99,398	54.5	183.3	0.01844	1,833	29.879	29.87	0.045	2.94	5.1	275
1950	510,132	55.5	186.7	0.01295	6,606	29.892	29.89	0.027	2.55	5.1	859
1949	992,512	56.5	190.0	0.00732	7,262	29.899	29.90	0.014	2.36	5.1	872
1948	71,546	57.5	193.3	0.00414	296	29.903	29.90	0.006	2.01	5.1	30
1947	18,942	58.5	196.7	0.00186	35	29.905	29.90	0.002	1.64	5.1	3
1946	19,718	59.5	200.0	0.00026	5	29.905	29.91	0.000	1.50	5.1	0
1945	25,422	60.5	203.3	-	-	29.905	29.91	-	-	5.1	-
1944	24,829	61.5	206.7	-	-	29.905	29.91	-	-	5.1	-
1943	1,271	62.5	210.0	-	-	29.905	29.91	-	-	5.1	-
1942	1,082	63.5	213.3	-	-	29.905	29.91	-	-	5.1	-
1941	29,337	64.5	216.7	-	-	29.905	29.91	-	-	5.1	-
1940	51,706	65.5	220.0	-	-	29.905	29.91	-	-	5.1	-
Total					57,537,549						67,486,292
		Service Life (in Yrs)	30.0		-54% Net Salvage Adjustment						
					88,607,826				Theoretical Reserve		21,121,534
									Reserve Percent		24%

## Kenergy Theoretical Reserve Analysis

Account 365

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005	1,656,779	0.5	1.4	1.00000	1,656,779	1.000	0.50	35.973	36.47	4.1	2,477,518
2004	2,320,965	1.5	5.6	1.00000	2,320,965	2.000	1.50	34.973	35.47	4.1	3,375,572
2003	2,997,954	2.5	8.3	1.00000	2,997,954	3.000	2.50	33.973	34.47	4.1	4,237,257
2002	3,218,322	3.5	11.1	1.00000	3,218,322	4.000	3.50	32.973	33.47	4.1	4,416,769
2001	3,437,752	4.5	13.9	0.99998	3,437,683	5.000	4.50	31.973	32.47	4.1	4,576,962
2000	3,467,283	5.5	16.7	0.99986	3,466,798	6.000	5.50	30.973	31.48	4.1	4,474,115
1999	3,470,548	6.5	19.4	0.99956	3,469,021	6.999	6.50	29.973	30.49	4.1	4,336,035
1998	2,435,556	7.5	22.2	0.99897	2,433,048	7.998	7.50	28.973	29.50	4.1	2,943,093
1997	2,130,735	8.5	25.0	0.99800	2,126,473	8.996	8.50	27.974	28.53	4.1	2,487,438
1996	1,494,547	9.5	27.8	0.99708	1,490,183	9.993	9.49	26.976	27.56	4.1	1,683,565
1995	1,294,266	10.5	30.6	0.99524	1,288,106	10.989	10.49	25.979	26.60	4.1	1,404,996
1994	970,449	11.5	33.3	0.99275	963,413	11.981	11.49	24.984	25.67	4.1	1,013,826
1993	1,088,260	12.5	36.1	0.98954	1,076,876	12.971	12.48	23.991	24.74	4.1	1,092,536
1992	1,193,606	13.5	38.9	0.98695	1,178,029	13.958	13.46	23.002	23.81	4.1	1,149,806
1991	1,449,851	14.5	41.7	0.98232	1,424,218	14.940	14.45	22.015	22.91	4.1	1,337,843
1990	1,273,949	15.5	44.4	0.97667	1,244,228	15.917	15.43	21.033	22.03	4.1	1,124,075
1989	940,482	16.5	47.2	0.96981	912,089	16.887	16.40	20.056	21.18	4.1	792,046
1988	924,478	17.5	50.0	0.96147	888,858	17.848	17.37	19.086	20.35	4.1	741,650
1987	673,837	18.5	52.8	0.95493	643,468	18.803	18.33	18.125	19.48	4.1	513,924
1986	655,092	19.5	55.6	0.94333	617,967	19.746	19.27	17.170	18.70	4.1	473,823
1985	704,201	20.5	58.3	0.92921	654,351	20.676	20.21	16.226	17.96	4.1	481,904
1984	657,981	21.5	61.1	0.91211	600,151	21.588	21.13	15.297	17.27	4.1	424,976
1983	677,100	22.5	63.9	0.89887	608,625	22.487	22.04	14.385	16.50	4.1	411,819
1982	484,839	23.5	66.7	0.87601	424,723	23.363	22.92	13.486	15.89	4.1	276,789
1981	841,947	24.5	69.4	0.84944	715,183	24.212	23.79	12.610	15.35	4.1	449,959
1980	1,264,486	25.5	72.2	0.81916	1,035,816	25.031	24.62	11.761	14.86	4.1	630,952
1979	654,346	26.5	75.0	0.78540	513,923	25.817	25.42	10.941	14.43	4.1	304,076
1978	462,451	27.5	77.8	0.76116	351,999	26.578	26.20	10.156	13.84	4.1	199,781
1977	309,776	28.5	80.6	0.72263	223,854	27.300	26.94	9.395	13.50	4.1	123,912
1976	225,511	29.5	83.3	0.68209	153,819	27.983	27.64	8.672	13.21	4.1	83,337
1975	319,522	30.5	86.1	0.64031	204,593	28.623	28.30	7.990	12.98	4.1	108,869
1974	201,800	31.5	88.9	0.61215	123,532	29.235	28.93	7.350	12.51	4.1	63,344
1973	153,684	32.5	91.7	0.57003	87,605	29.805	29.52	6.738	12.32	4.1	44,251
1972	138,853	33.5	94.4	0.52865	73,405	30.334	30.07	6.168	12.17	4.1	36,617
1971	236,239	34.5	97.2	0.48863	115,433	30.822	30.58	5.639	12.04	4.1	56,985
1970	202,830	35.5	100.0	0.45041	91,357	31.273	31.05	5.150	11.94	4.1	44,704
1969	308,036	36.5	102.8	0.42610	131,254	31.699	31.49	4.700	11.53	4.1	62,050



## Kenergy Theoretical Reserve Analysis

Account 365

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
1968	277,708	37.5	105.6	0.39156	108,739	32.090	31.89	4.274	11.42	4.1	50,892
1967	303,507	38.5	108.3	0.35940	109,080	32.450	32.27	3.882	11.30	4.1	50,548
1966	195,704	39.5	111.1	0.32962	64,508	32.779	32.61	3.523	11.19	4.1	29,590
1965	184,758	40.5	113.9	0.31105	57,469	33.090	32.93	3.193	10.77	4.1	25,368
1964	131,487	41.5	116.7	0.28503	37,478	33.375	33.23	2.882	10.61	4.1	16,307
1963	252,266	42.5	119.4	0.26105	65,854	33.637	33.51	2.597	10.45	4.1	28,213
1962	96,297	43.5	122.2	0.23892	23,007	33.875	33.76	2.336	10.28	4.1	9,695
1961	129,773	44.5	125.0	0.21845	28,349	34.094	33.98	2.097	10.10	4.1	11,740
1960	154,767	45.5	127.8	0.20565	31,828	34.300	34.20	1.879	9.64	4.1	12,575
1959	158,535	46.5	130.6	0.18756	29,735	34.487	34.39	1.673	9.42	4.1	11,485
1958	239,894	47.5	133.3	0.17071	40,952	34.658	34.57	1.486	9.20	4.1	15,452
1957	158,561	48.5	136.1	0.15498	24,574	34.813	34.74	1.315	8.98	4.1	9,052
1956	127,178	49.5	138.9	0.14506	18,448	34.958	34.89	1.160	8.50	4.1	6,427
1955	166,541	50.5	141.7	0.13098	21,814	35.089	35.02	1.015	8.25	4.1	7,377
1954	209,971	51.5	144.4	0.11782	24,739	35.207	35.15	0.884	8.00	4.1	8,117
1953	212,603	52.5	147.2	0.10552	22,434	35.312	35.26	0.766	7.76	4.1	7,138
1952	336,717	53.5	150.0	0.09406	31,672	35.406	35.36	0.661	7.52	4.1	9,769
1951	75,409	54.5	152.8	0.08687	6,551	35.493	35.45	0.567	7.02	4.1	1,886
1950	466,382	55.5	155.6	0.07675	35,793	35.570	35.53	0.480	6.75	4.1	9,905
1949	968,525	56.5	158.3	0.06740	65,280	35.637	35.60	0.403	6.48	4.1	17,337
1948	53,063	57.5	161.1	0.05882	3,121	35.696	35.67	0.335	6.20	4.1	794
1947	21,944	58.5	163.9	0.05350	1,174	35.750	35.72	0.277	5.67	4.1	273
1946	19,985	59.5	166.7	0.04614	922	35.796	35.77	0.223	5.34	4.1	202
1945	20,438	60.5	169.4	0.03947	807	35.835	35.82	0.177	4.98	4.1	165
1944	64,500	61.5	172.2	0.03349	2,160	35.869	35.85	0.138	4.61	4.1	408
1943	5,606	62.5	175.0	0.02815	158	35.897	35.88	0.104	4.20	4.1	27
1942	491	63.5	177.8	0.02493	12	35.922	35.91	0.076	3.55	4.1	2
1941	145,908	64.5	180.6	0.02060	3,006	35.942	35.93	0.051	2.98	4.1	367
1940	23,379	65.5	183.3	0.01683	393	35.959	35.95	0.030	2.31	4.1	37
1939	57,726	66.5	186.1	0.01357	783	35.973	35.97	0.014	1.50	4.1	48
Total					43,824,942						48,798,371
		Service Life	36.0			-48% Net Salvage Adjustment					
					64,860,914				Theoretical Reserve		16,062,543
									Reserve Percent		25%

## Kenergy Theoretical Reserve Analysis

Account 366

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005		0.5	1.1	1.00000	-	1.000	0.50	43.554	44.05	2.2	-
2004		1.5	4.4	0.99856	-	1.999	1.50	42.554	43.12	2.2	-
2003		2.5	6.7	0.99650	-	2.995	2.50	41.556	42.20	2.2	-
2002		3.5	8.9	0.99372	-	3.989	3.49	40.559	41.32	2.2	-
2001		4.5	11.1	0.98837	-	4.977	4.48	39.566	40.53	2.2	-
2000		5.5	13.3	0.98408	-	5.961	5.47	38.577	39.70	2.2	-
1999		6.5	15.6	0.97926	-	6.940	6.45	37.593	38.89	2.2	-
1998		7.5	17.8	0.97393	-	7.914	7.43	36.614	38.09	2.2	-
1997		8.5	20.0	0.96506	-	8.879	8.40	35.640	37.43	2.2	-
1996		9.5	22.2	0.95859	-	9.838	9.36	34.675	36.67	2.2	-
1995		10.5	24.4	0.95170	-	10.790	10.31	33.716	35.93	2.2	-
1994		11.5	26.7	0.94440	-	11.734	11.26	32.765	35.19	2.2	-
1993		12.5	28.9	0.93673	-	12.671	12.20	31.820	34.47	2.2	-
1992		13.5	31.1	0.92452	-	13.595	13.13	30.883	33.90	2.2	-
1991		14.5	33.3	0.91596	-	14.511	14.05	29.959	33.21	2.2	-
1990		15.5	35.6	0.90706	-	15.418	14.96	29.043	32.52	2.2	-
1989	4,941	16.5	37.8	0.89784	4,436	16.316	15.87	28.136	31.84	2.2	3,107
1988	10,266	17.5	40.0	0.88344	9,070	17.200	16.76	27.238	31.33	2.2	6,252
1987	3,767	18.5	42.2	0.87349	3,291	18.073	17.64	26.355	30.67	2.2	2,221
1986	3,055	19.5	44.4	0.86326	2,637	18.936	18.50	25.481	30.02	2.2	1,741
1985	4,261	20.5	46.7	0.85277	3,634	19.789	19.36	24.618	29.37	2.2	2,348
1984	4,640	21.5	48.9	0.84203	3,907	20.631	20.21	23.765	28.72	2.2	2,469
1983	1,721	22.5	51.1	0.82547	1,420	21.457	21.04	22.923	28.27	2.2	883
1982	1,537	23.5	53.3	0.81415	1,251	22.271	21.86	22.098	27.64	2.2	761
1981	2,126	24.5	55.6	0.80262	1,706	23.074	22.67	21.283	27.02	2.2	1,014
1980	3,555	25.5	57.8	0.79088	2,812	23.864	23.47	20.481	26.40	2.2	1,633
1979	2,946	26.5	60.0	0.77292	2,277	24.637	24.25	19.690	25.97	2.2	1,301
1978	3,962	27.5	62.2	0.76071	3,014	25.398	25.02	18.917	25.37	2.2	1,682
1977	13,272	28.5	64.4	0.74834	9,932	26.146	25.77	18.156	24.76	2.2	5,411
1976	5,692	29.5	66.7	0.73581	4,188	26.882	26.51	17.408	24.16	2.2	2,226
1975	3,778	30.5	68.9	0.72313	2,732	27.605	27.24	16.672	23.56	2.2	1,416
1974	121	31.5	71.1	0.70384	85	28.309	27.96	15.949	23.16	2.2	44
1973	436	32.5	73.3	0.69082	301	29.000	28.65	15.245	22.57	2.2	150
1972	-	33.5	75.6	0.67769	-	29.678	29.34	14.554	21.98	2.2	-
1971	-	34.5	77.8	0.66444	-	30.342	30.01	13.877	21.38	2.2	-
1970	-	35.5	80.0	0.64438	-	30.986	30.66	13.212	21.00	2.2	-
1969	-	36.5	82.2	0.63089	-	31.617	31.30	12.568	20.42	2.2	-

## Kenergy Theoretical Reserve Analysis

Account 366

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
1968		37.5	84.4	0.61733	-	32.235	31.93	11.937	19.84	2.2	-
1967		38.5	86.7	0.60369	-	32.838	32.54	11.320	19.25	2.2	-
1966	2,780	39.5	88.9	0.58999	1,640	33.428	33.13	10.716	18.66	2.2	673
1965	-	40.5	91.1	0.56935		33.998	33.71	10.126	18.29	2.2	-
1964	-	41.5	93.3	0.55553		34.553	34.28	9.557	17.70	2.2	-
1963		42.5	95.6	0.54167	-	35.095	34.82	9.001	17.12	2.2	-
1962		43.5	97.8	0.52780	-	35.623	35.36	8.459	16.53	2.2	-
1961	138,637	44.5	100.0	0.50695	70,282	36.130	35.88	7.932	16.15	2.2	24,965
1960	40,047	45.5	102.2	0.49305	19,745	36.623	36.38	7.425	15.56	2.2	6,759
1959	40,741	46.5	104.4	0.47915	19,521	37.102	36.86	6.932	14.97	2.2	6,428
1958	64,562	47.5	106.7	0.46526	30,038	37.567	37.33	6.453	14.37	2.2	9,495
1957	299,881	48.5	108.9	0.45140	135,366	38.019	37.79	5.987	13.76	2.2	40,989
1956	50,170	49.5	111.1	0.43065	21,606	38.449	38.23	5.536	13.35	2.2	6,348
1955	80,403	50.5	113.3	0.41688	33,519	38.866	38.66	5.105	12.75	2.2	9,399
1954	90,431	51.5	115.6	0.40315	36,457	39.269	39.07	4.688	12.13	2.2	9,728
1953	86,467	52.5	117.8	0.38948	33,677	39.659	39.46	4.285	11.50	2.2	8,522
1952	217,637	53.5	120.0	0.36911	80,332	40.028	39.84	3.896	11.05	2.2	19,536
1951		54.5	122.2	0.35562	-	40.383	40.21	3.527	10.42	2.2	-
1950	33,140	55.5	124.4	0.34222	11,341	40.726	40.55	3.171	9.77	2.2	2,437
1949	64,550	56.5	126.7	0.32892	21,232	41.055	40.89	2.829	9.10	2.2	4,251
1948	11,324	57.5	128.9	0.31573	3,575	41.370	41.21	2.500	8.42	2.2	662
1947	1,114	58.5	131.1	0.29616	330	41.666	41.52	2.184	7.87	2.2	57
1946	5,882	59.5	133.3	0.28327	1,666	41.950	41.81	1.888	7.16	2.2	263
1945		60.5	135.6	0.27051	-	42.220	42.08	1.605	6.43	2.2	-
1944	10,011	61.5	137.8	0.25790	2,582	42.478	42.35	1.334	5.67	2.2	322
1943		62.5	140.0	0.23929	-	42.717	42.60	1.076	5.00	2.2	-
1942	225	63.5	142.2	0.22708	51	42.945	42.83	0.837	4.19	2.2	5
1941	297	64.5	144.4	0.21506	64	43.160	43.05	0.610	3.34	2.2	5
1940	5,659	65.5	146.7	0.20323	1,150	43.363	43.26	0.395	2.44	2.2	62
1939	3,711	66.5	148.9	0.19159	711	43.554	43.46	0.192	1.50	2.2	23
Total					581,580						185,586
		Service Life	45.0			0% Net Salvage Adjustment					
					581,580				Theoretical Reserve		395,993
									Reserve Percent		68%

## Kenergy Theoretical Reserve Analysis

Account 367

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005	928,958	0.5	1.4	1.00000	928,958	1.000	0.50	34.991	35.49	3.4	1,120,978
2004	891,199	1.5	5.7	0.99762	889,078	1.998	1.50	33.991	34.57	3.4	1,045,078
2003	821,960	2.5	8.6	0.99372	816,798	2.991	2.49	32.994	33.70	3.4	935,949
2002	548,554	3.5	11.4	0.98837	542,174	3.980	3.49	32.000	32.88	3.4	606,044
2001	588,176	4.5	14.3	0.98173	577,430	4.961	4.47	31.012	32.09	3.4	629,986
2000	565,613	5.5	17.1	0.97393	550,868	5.935	5.45	30.030	31.33	3.4	586,865
1999	61,941	6.5	20.0	0.96506	59,777	6.900	6.42	29.056	30.61	3.4	62,208
1998	612,046	7.5	22.9	0.95859	586,701	7.859	7.38	28.091	29.80	3.4	594,533
1997	492,933	8.5	25.7	0.94810	467,349	8.807	8.33	27.132	29.12	3.4	462,675
1996	402,882	9.5	28.6	0.93673	377,391	9.744	9.28	26.184	28.45	3.4	365,086
1995	468,861	10.5	31.4	0.92452	433,472	10.668	10.21	25.247	27.81	3.4	409,847
1994	336,592	11.5	34.3	0.91155	306,821	11.580	11.12	24.323	27.18	3.4	283,572
1993	264,848	12.5	37.1	0.89784	237,791	12.478	12.03	23.411	26.58	3.4	214,858
1992	381,040	13.5	40.0	0.88344	336,626	13.361	12.92	22.514	25.98	3.4	297,394
1991	438,245	14.5	42.9	0.87349	382,803	14.235	13.80	21.630	25.26	3.4	328,804
1990	474,106	15.5	45.7	0.85805	406,807	15.093	14.66	20.757	24.69	3.4	341,505
1989	441,450	16.5	48.6	0.84203	371,714	15.935	15.51	19.899	24.13	3.4	304,983
1988	304,510	17.5	51.4	0.82547	251,364	16.760	16.35	19.057	23.59	3.4	201,572
1987	104,731	18.5	54.3	0.80841	84,665	17.569	17.16	18.231	23.05	3.4	66,358
1986	167,591	19.5	57.1	0.79088	132,545	18.360	17.96	17.423	22.53	3.4	101,530
1985	261,665	20.5	60.0	0.77292	202,246	19.132	18.75	16.632	22.02	3.4	151,405
1984	203,044	21.5	62.9	0.76071	154,458	19.893	19.51	15.859	21.35	3.4	112,108
1983	145,954	22.5	65.7	0.74210	108,312	20.635	20.26	15.098	20.85	3.4	76,765
1982	69,922	23.5	68.6	0.72313	50,562	21.358	21.00	14.356	20.35	3.4	34,989
1981	99,666	24.5	71.4	0.70384	70,149	22.062	21.71	13.633	19.87	3.4	47,390
1980	135,040	25.5	74.3	0.68427	92,404	22.747	22.40	12.929	19.39	3.4	60,933
1979	180,039	26.5	77.1	0.66444	119,625	23.411	23.08	12.245	18.93	3.4	76,988
1978	175,079	27.5	80.0	0.64438	112,817	24.055	23.73	11.580	18.47	3.4	70,852
1977	238,410	28.5	82.9	0.63089	150,411	24.686	24.37	10.936	17.83	3.4	91,204
1976	75,293	29.5	85.7	0.61052	45,968	25.297	24.99	10.305	17.38	3.4	27,162
1975	82,200	30.5	88.6	0.58999	48,497	25.887	25.59	9.695	16.93	3.4	27,919
1974	20,350	31.5	91.4	0.56935	11,586	26.456	26.17	9.105	16.49	3.4	6,496
1973	66,798	32.5	94.3	0.54860	36,645	27.005	26.73	8.535	16.06	3.4	20,008
1972	41,817	33.5	97.1	0.52780	22,071	27.532	27.27	7.987	15.63	3.4	11,730
1971	50,235	34.5	100.0	0.50695	25,467	28.039	27.79	7.459	15.21	3.4	13,173

## Kenergy Theoretical Reserve Analysis

Account 367	Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
	1970	43,513	35.5	102.9	0.49305	21,454	28,532	28.29	6,952	14.60	3.4	10,650
	1969	21,023	36.5	105.7	0.47220	9,927	29,005	28.77	6,459	14.18	3.4	4,785
	1968	17,241	37.5	108.6	0.45140	7,783	29,456	29.23	5,987	13.76	3.4	3,642
	1967	29,056	38.5	111.4	0.43065	12,513	29,887	29.67	5,535	13.35	3.4	5,681
	1966	17,663	39.5	114.3	0.41001	7,242	30,297	30.09	5,105	12.95	3.4	3,189
	1965	2,828	40.5	117.1	0.38948	1,101	30,686	30.49	4,695	12.55	3.4	470
	1964	850	41.5	120.0	0.36911	314	31,055	30.87	4,305	12.16	3.4	130
	Total					10,052,682						9,817,493
			Service Life	35.0								
						-20% Net Salvage Adjustment						
						12,063,219				Theoretical Reserve		2,245,726
										Reserve Percent		19%

## Kenergy Theoretical Reserve Analysis

Account 368

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005	991,614	0.5	1.3	1.00000	991,614	1.000	0.50	37.490	37.99	3.4	1,280,837
2004	1,074,882	1.5	5.0	0.99187	1,066,143	1.992	1.50	36.490	37.29	3.4	1,351,698
2003	775,448	2.5	7.5	0.98576	764,405	2.978	2.48	35.498	36.51	3.4	948,919
2002	1,139,637	3.5	10.0	0.97499	1,111,135	3.953	3.47	34.513	35.90	3.4	1,356,174
2001	817,472	4.5	12.5	0.96695	790,455	4.920	4.44	33.538	35.18	3.4	945,585
2000	1,630,254	5.5	15.0	0.95384	1,555,001	5.873	5.40	32.571	34.65	3.4	1,831,785
1999	1,704,766	6.5	17.5	0.94449	1,610,135	6.818	6.35	31.617	33.98	3.4	1,859,952
1998	1,559,802	7.5	20.0	0.92969	1,450,133	7.748	7.28	30.672	33.49	3.4	1,651,310
1997	1,051,898	8.5	22.5	0.91938	967,094	8.667	8.21	29.743	32.85	3.4	1,080,175
1996	1,325,860	9.5	25.0	0.90332	1,197,676	9.570	9.12	28.823	32.41	3.4	1,319,694
1995	948,813	10.5	27.5	0.89228	846,607	10.463	10.02	27.920	31.79	3.4	915,081
1994	767,058	11.5	30.0	0.87526	671,375	11.338	10.90	27.028	31.38	3.4	716,295
1993	734,062	12.5	32.5	0.86366	633,980	12.201	11.77	26.152	30.78	3.4	663,493
1992	765,559	13.5	35.0	0.84593	647,609	13.047	12.62	25.289	30.39	3.4	669,252
1991	609,677	14.5	37.5	0.83392	508,422	13.881	13.46	24.443	29.81	3.4	515,320
1990	639,075	15.5	40.0	0.81568	521,281	14.697	14.29	23.609	29.44	3.4	521,850
1989	867,211	16.5	42.5	0.80339	696,708	15.500	15.10	22.793	28.87	3.4	683,907
1988	694,391	17.5	45.0	0.78483	544,979	16.285	15.89	21.990	28.52	3.4	528,430
1987	768,703	18.5	47.5	0.77238	593,731	17.058	16.67	21.205	27.95	3.4	564,307
1986	750,107	19.5	50.0	0.75367	565,333	17.811	17.43	20.433	27.61	3.4	530,718
1985	855,862	20.5	52.5	0.74119	634,356	18.552	18.18	19.679	27.05	3.4	583,429
1984	697,307	21.5	55.0	0.72247	503,783	19.275	18.91	18.938	26.71	3.4	457,550
1983	592,403	22.5	57.5	0.71000	420,606	19.985	19.63	18.215	26.16	3.4	374,038
1982	499,106	23.5	60.0	0.69134	345,052	20.676	20.33	17.505	25.82	3.4	302,925
1981	786,271	24.5	62.5	0.67892	533,815	21.355	21.02	16.814	25.27	3.4	458,567
1980	678,778	25.5	65.0	0.66035	448,231	22.016	21.69	16.135	24.93	3.4	379,993
1979	738,262	26.5	67.5	0.64801	478,401	22.664	22.34	15.475	24.38	3.4	396,563
1978	1,082,332	27.5	70.0	0.62959	681,425	23.293	22.98	14.827	24.05	3.4	557,197
1977	849,138	28.5	72.5	0.61736	524,224	23.911	23.60	14.197	23.50	3.4	418,793
1976	551,099	29.5	75.0	0.59912	330,174	24.510	24.21	13.580	23.17	3.4	260,062
1975	439,651	30.5	77.5	0.58704	258,092	25.097	24.80	12.981	22.61	3.4	198,424
1974	395,986	31.5	80.0	0.56903	225,328	25.666	25.38	12.394	22.28	3.4	170,692
1973	463,554	32.5	82.5	0.55711	258,250	26.223	25.94	11.825	21.72	3.4	190,755
1972	396,493	33.5	85.0	0.53937	213,856	26.762	26.49	11.267	21.39	3.4	155,530
1971	339,410	34.5	87.5	0.52765	179,090	27.290	27.03	10.728	20.83	3.4	126,846
1970	377,635	35.5	90.0	0.51022	192,677	27.800	27.54	10.200	20.49	3.4	134,245
1969	357,108	36.5	92.5	0.49872	178,097	28.299	28.05	9.690	19.9	3.4	120,683

## Kenergy Theoretical Reserve Analysis

Account 368

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
1968	328,411	37.5	95.0	0.48165	158,179	28,780	28.54	9,192	19.58	3.4	105,321
1967	287,174	38.5	97.5	0.47039	135,084	29,251	29.02	8,710	19.02	3.4	87,339
1966	248,293	39.5	100.0	0.45370	112,651	29,705	29.48	8,239	18.66	3.4	71,472
1965	204,388	40.5	102.5	0.44271	90,484	30,147	29.93	7,786	18.09	3.4	55,643
1964	199,046	41.5	105.0	0.42644	84,881	30,574	30.36	7,343	17.72	3.4	51,138
1963	212,539	42.5	107.5	0.41574	88,361	30,989	30.78	6,917	17.14	3.4	51,484
1962	246,006	43.5	110.0	0.39992	98,383	31,389	31.19	6,501	16.76	3.4	56,047
1961	220,839	44.5	112.5	0.38953	86,024	31,779	31.58	6,101	16.16	3.4	47,272
1960	180,709	45.5	115.0	0.37927	68,537	32,158	31.97	5,711	15.56	3.4	36,257
1959	275,336	46.5	117.5	0.36413	100,258	32,522	32.34	5,332	15.14	3.4	51,621
1958	283,996	47.5	120.0	0.34929	99,197	32,872	32.70	4,968	14.72	3.4	49,657
1957	281,227	48.5	122.5	0.33957	95,496	33,211	33.04	4,619	14.10	3.4	45,786
1956	282,872	49.5	125.0	0.32525	92,004	33,536	33.37	4,279	13.66	3.4	42,720
1955	200,523	50.5	127.5	0.31589	63,343	33,852	33.69	3,954	13.02	3.4	28,034
1954	183,154	51.5	130.0	0.30212	55,334	34,154	34.00	3,638	12.54	3.4	23,596
1953	181,713	52.5	132.5	0.29313	53,266	34,448	34.30	3,336	11.88	3.4	21,516
1952	202,049	53.5	135.0	0.27992	56,558	34,727	34.59	3,043	11.37	3.4	21,864
1951	152,533	54.5	137.5	0.27131	41,384	34,999	34.86	2,763	10.68	3.4	15,032
1950	284,314	55.5	140.0	0.25867	73,544	35,257	35.13	2,492	10.13	3.4	25,335
1949	398,668	56.5	142.5	0.25044	99,842	35,508	35.38	2,233	9.42	3.4	31,963
1948	179,214	57.5	145.0	0.23839	42,723	35,746	35.63	1,982	8.82	3.4	12,806
1947	256,502	58.5	147.5	0.23055	59,137	35,977	35.86	1,744	8.06	3.4	16,215
1946	38,074	59.5	150.0	0.21909	8,342	36,196	36.09	1,514	7.41	3.4	2,101
1945	19,273	60.5	152.5	0.21165	4,079	36,408	36.30	1,294	6.62	3.4	918
1944	27,629	61.5	155.0	0.20078	5,547	36,608	36.51	1,083	5.89	3.4	1,111
1943	10,328	62.5	157.5	0.19373	2,001	36,802	36.71	0,882	5.05	3.4	344
1942	38,612	63.5	160.0	0.18346	7,084	36,986	36.89	0,688	4.25	3.4	1,024
1941	30,208	64.5	162.5	0.17681	5,341	37,162	37.07	0,505	3.35	3.4	609
1940	28,707	65.5	165.0	0.16712	4,798	37,329	37.25	0,328	2.46	3.4	402
1939	21,168	66.5	167.5	0.16086	3,405	37,490	37.41	0,161	1.50	3.4	174
Total					26,034,539						26,175,874
		Service Life	40.0								
						-35% Net Salvage Adjustment					
					35,146,628					Theoretical Reserve	8,970,753
										Reserve Percent	26%

## Kenergy Theoretical Reserve Analysis

Account 369

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005	230,154	0.5	1.8	1.00000	230,154	1.000	0.50	27.905	28.41	4.1	268,041
2004	198,198	1.5	7.1	0.98397	195,021	1.984	1.49	26.905	27.84	4.1	222,634
2003	205,107	2.5	10.7	0.97546	200,074	2.959	2.47	25.921	27.07	4.1	222,084
2002	156,209	3.5	14.3	0.96361	150,525	3.923	3.44	24.946	26.39	4.1	162,853
2001	265,631	4.5	17.9	0.95435	253,505	4.877	4.40	23.982	25.63	4.1	266,384
2000	84,260	5.5	21.4	0.94150	79,331	5.819	5.35	23.028	24.96	4.1	81,180
1999	245,737	6.5	25.0	0.92808	228,064	6.747	6.28	22.086	24.30	4.1	227,201
1998	208,298	7.5	28.6	0.91766	191,146	7.665	7.21	21.158	23.56	4.1	184,615
1997	195,091	8.5	32.1	0.90328	176,222	8.568	8.12	20.241	22.91	4.1	165,512
1996	198,946	9.5	35.7	0.89213	177,486	9.460	9.01	19.337	22.18	4.1	161,370
1995	155,382	10.5	39.3	0.87676	136,233	10.337	9.90	18.445	21.54	4.1	120,301
1994	138,361	11.5	42.9	0.86483	119,659	11.202	10.77	17.568	20.81	4.1	102,115
1993	142,912	12.5	46.4	0.84832	121,235	12.050	11.63	16.704	20.19	4.1	100,359
1992	178,929	13.5	50.0	0.83108	148,704	12.881	12.47	15.855	19.58	4.1	119,365
1991	152,954	14.5	53.6	0.81763	125,060	13.699	13.29	15.024	18.88	4.1	96,782
1990	142,083	15.5	57.1	0.79895	113,518	14.498	14.10	14.207	18.28	4.1	85,087
1989	118,019	16.5	60.7	0.78435	92,568	15.282	14.89	13.408	17.59	4.1	66,774
1988	154,794	17.5	64.3	0.76405	118,271	16.046	15.66	12.623	17.02	4.1	82,539
1987	117,602	18.5	67.9	0.74819	87,988	16.794	16.42	11.859	16.35	4.1	58,985
1986	124,784	19.5	71.4	0.72614	90,610	17.520	17.16	11.111	15.80	4.1	58,703
1985	121,796	20.5	75.0	0.70307	85,631	18.223	17.87	10.385	15.27	4.1	53,614
1984	145,904	21.5	78.6	0.68508	99,956	18.908	18.57	9.682	14.63	4.1	59,967
1983	183,500	22.5	82.1	0.66019	121,145	19.569	19.24	8.997	14.13	4.1	70,171
1982	136,184	23.5	85.7	0.64086	87,275	20.210	19.89	8.337	13.51	4.1	48,337
1981	130,891	24.5	89.3	0.61421	80,395	20.824	20.52	7.696	13.03	4.1	42,948
1980	76,763	25.5	92.9	0.59361	45,567	21.417	21.12	7.082	12.43	4.1	23,222
1979	105,352	26.5	96.4	0.56536	59,562	21.983	21.70	6.488	11.98	4.1	29,245
1978	140,672	27.5	100.0	0.53630	75,443	22.519	22.25	5.923	11.54	4.1	35,705
1977	122,207	28.5	103.6	0.51403	62,818	23.033	22.78	5.386	10.98	4.1	28,276
1976	95,824	29.5	107.1	0.48380	46,359	23.517	23.27	4.872	10.57	4.1	20,092
1975	75,279	30.5	110.7	0.46078	34,687	23.978	23.75	4.388	10.02	4.1	14,256
1974	78,405	31.5	114.3	0.42976	33,695	24.407	24.19	3.928	9.64	4.1	13,317
1973	76,492	32.5	117.9	0.40632	31,080	24.814	24.61	3.498	9.11	4.1	11,607
1972	63,390	33.5	121.4	0.37497	23,769	25.189	25.00	3.092	8.74	4.1	8,522
1971	61,555	34.5	125.0	0.34369	21,156	25.532	25.36	2.717	8.40	4.1	7,290
1970	48,805	35.5	128.6	0.32038	15,636	25.853	25.69	2.373	7.91	4.1	5,069
1969	51,697	36.5	132.1	0.28966	14,974	26.142	26.00	2.053	7.59	4.1	4,657



## Kenergy Theoretical Reserve Analysis

Account 369

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
1968	54,350	37.5	135.7	0.26700	14,511	26.409	26.28	1.763	7.10	4.1	4,226
1967	60,803	38.5	139.3	0.23746	14,438	26.647	26.53	1.496	6.80	4.1	4,025
1966	58,447	39.5	142.9	0.21594	12,621	26.863	26.75	1.258	6.33	4.1	3,274
1965	39,016	40.5	146.4	0.18825	7,345	27.051	26.96	1.042	6.04	4.1	1,818
1964	49,426	41.5	150.0	0.16190	8,002	27.213	27.13	0.854	5.78	4.1	1,895
1963	42,383	42.5	153.6	0.14314	6,067	27.356	27.28	0.692	5.34	4.1	1,327
1962	41,952	43.5	157.1	0.11963	5,019	27.476	27.42	0.549	5.09	4.1	1,048
1961	29,820	44.5	160.7	0.10322	3,078	27.579	27.53	0.430	4.66	4.1	588
1960	33,230	45.5	164.3	0.08312	2,762	27.662	27.62	0.326	4.43	4.1	501
1959	31,869	46.5	167.9	0.06944	2,213	27.732	27.70	0.243	4.00	4.1	363
1958	42,648	47.5	171.4	0.05319	2,268	27.785	27.76	0.174	3.77	4.1	350
1957	28,101	48.5	175.0	0.03926	1,103	27.824	27.80	0.121	3.57	4.1	162
1956	29,984	49.5	178.6	0.03036	910	27.854	27.84	0.081	3.18	4.1	119
1955	35,767	50.5	182.1	0.02054	735	27.875	27.86	0.051	2.98	4.1	90
1954	29,685	51.5	185.7	0.01465	435	27.890	27.88	0.030	2.58	4.1	46
1953	34,387	52.5	189.3	0.00857	295	27.898	27.89	0.016	2.34	4.1	28
1952	47,293	53.5	192.9	0.00510	241	27.903	27.90	0.007	1.91	4.1	19
1951	22,076	54.5	196.4	0.00186	41	27.905	27.90	0.002	1.64	4.1	3
1950	48,842	55.5	200.0	0.00026	13	27.905	27.91	0.000	1.50	4.1	1
1949	59,674	56.5	203.6	-	-	27.905	27.91	-	-	4.1	-
1948	37,766	57.5	207.1	-	-	27.905	27.91	-	-	4.1	-
1947	27,455	58.5	210.7	-	-	27.905	27.91	-	-	4.1	-
1946	11,283	59.5	214.3	-	-	27.905	27.91	-	-	4.1	-
1945	7,385	60.5	217.9	-	-	27.905	27.91	-	-	4.1	-
1944	11,373	61.5	221.4	-	-	27.905	27.91	-	-	4.1	-
1943	3,267	62.5	225.0	-	-	27.905	27.91	-	-	4.1	-
1942	3,798	63.5	228.6	-	-	27.905	27.91	-	-	4.1	-
1941	13,087	64.5	232.1	-	-	27.905	27.91	-	-	4.1	-
1940	8,408	65.5	235.7	-	-	27.905	27.91	-	-	4.1	-
1939	11,105	66.5	239.3	-	-	27.905	27.91	-	-	4.1	-
Total					4,056,618						3,349,063
		Service Life	28.0			-15% Net Salvage Adjustment					
					4,665,110				Theoretical Reserve		1,316,047
									Reserve Percent		28%

## Kenergy Theoretical Reserve Analysis

Account 370

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005	460,961	0.5	1.2	1.00000	460,961	1.000	0.50	39.725	40.23	4.1	760,229
2004	1,486,176	1.5	4.9	0.98500	1,463,884	1.985	1.49	38.725	39.81	4.1	2,389,649
2003	970,936	2.5	7.3	0.97000	941,808	2.955	2.47	37.740	39.41	4.1	1,521,675
2002	3,030,882	3.5	9.8	0.96000	2,909,647	3.915	3.44	36.770	38.80	4.1	4,628,915
2001	3,392,238	4.5	12.2	0.94500	3,205,665	4.860	4.39	35.810	38.39	4.1	5,046,234
2000	1,920,326	5.5	14.6	0.93500	1,795,505	5.795	5.33	34.865	37.79	4.1	2,781,847
1999	680,036	6.5	17.1	0.92000	625,633	6.715	6.26	33.930	37.38	4.1	958,844
1998	1,492,598	7.5	19.5	0.91000	1,358,265	7.625	7.17	33.010	36.77	4.1	2,047,942
1997	47,569	8.5	22.0	0.90000	42,812	8.525	8.08	32.100	36.17	4.1	63,483
1996	1,667,996	9.5	24.4	0.88500	1,476,176	9.410	8.97	31.200	35.75	4.1	2,163,962
1995	23,617	10.5	26.8	0.87500	20,665	10.285	9.85	30.315	35.15	4.1	29,778
1994	111,078	11.5	29.3	0.86000	95,527	11.145	10.72	29.440	34.73	4.1	136,034
1993	84,071	12.5	31.7	0.85000	71,461	11.995	11.57	28.580	34.12	4.1	99,978
1992	193,460	13.5	34.1	0.83500	161,539	12.830	12.41	27.730	33.71	4.1	223,262
1991	363,415	14.5	36.6	0.82500	299,817	13.655	13.24	26.895	33.10	4.1	406,882
1990	106,933	15.5	39.0	0.81000	86,616	14.465	14.06	26.070	32.69	4.1	116,074
1989	1,394,073	16.5	41.5	0.80000	1,115,258	15.265	14.87	25.260	32.08	4.1	1,466,648
1988	94,138	17.5	43.9	0.79000	74,369	16.055	15.66	24.460	31.46	4.1	95,932
1987	207,261	18.5	46.3	0.77500	160,627	16.830	16.44	23.670	31.04	4.1	204,434
1986	1,959,111	19.5	48.8	0.76500	1,498,720	17.595	17.21	22.895	30.43	4.1	1,869,732
1985	337,455	20.5	51.2	0.75000	253,091	18.345	17.97	22.130	30.01	4.1	311,371
1984	472,100	21.5	53.7	0.74000	349,354	19.085	18.72	21.380	29.39	4.1	420,996
1983	545,792	22.5	56.1	0.72500	395,699	19.810	19.45	20.640	28.97	4.1	469,983
1982	1,162,117	23.5	58.5	0.71500	830,914	20.525	20.17	19.915	28.35	4.1	965,920
1981	619,632	24.5	61.0	0.70500	436,840	21.230	20.88	19.200	27.73	4.1	496,729
1980	103,316	25.5	63.4	0.69000	71,288	21.920	21.58	18.495	27.30	4.1	79,805
1979	649,581	26.5	65.9	0.68000	441,715	22.600	22.26	17.805	26.68	4.1	483,252
1978	814,955	27.5	68.3	0.66500	541,945	23.265	22.93	17.125	26.25	4.1	583,310
1977	308,357	28.5	70.7	0.65500	201,974	23.920	23.59	16.460	25.63	4.1	212,238
1976	341,074	29.5	73.2	0.64000	218,287	24.560	24.24	15.805	25.20	4.1	225,492
1975	308,558	30.5	75.6	0.63000	194,391	25.190	24.88	15.165	24.57	4.1	195,835
1974	164,794	31.5	78.0	0.61500	101,348	25.805	25.50	14.535	24.13	4.1	100,284
1973	134,419	32.5	80.5	0.60500	81,324	26.410	26.11	13.920	23.51	4.1	78,383
1972	166,837	33.5	82.9	0.59500	99,268	27.005	26.71	13.315	22.88	4.1	93,114
1971	67,718	34.5	85.4	0.58000	39,276	27.585	27.30	12.720	22.43	4.1	36,121
1970	193,158	35.5	87.8	0.57000	110,100	28.155	27.87	12.140	21.80	4.1	98,399
1969	129,648	36.5	90.2	0.55500	71,955	28.710	28.43	11.570	21.35	4.1	62,976

## Kenergy Theoretical Reserve Analysis

Account 370

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
1968	158,988	37.5	92.7	0.54500	86,649	29.255	28.98	11.015	20.71	4.1	73,578
1967	115,100	38.5	95.1	0.53000	61,003	29.785	29.52	10.470	20.25	4.1	50,660
1966	120,129	39.5	97.6	0.52000	62,467	30.305	30.05	9.940	19.62	4.1	50,238
1965	27,703	40.5	100.0	0.50500	13,990	30.810	30.56	9.420	19.15	4.1	10,986
1964	583	41.5	102.4	0.49500	289	31.305	31.06	8.915	18.51	4.1	219
1963	257,050	42.5	104.9	0.48500	124,669	31.790	31.55	8.420	17.86	4.1	91,294
1962	67,693	43.5	107.3	0.47000	31,816	32.260	32.03	7.935	17.38	4.1	22,675
1961	138,637	44.5	109.8	0.46000	63,773	32.720	32.49	7.465	16.73	4.1	43,739
1960	40,047	45.5	112.2	0.44500	17,821	33.165	32.94	7.005	16.24	4.1	11,867
1959	40,741	46.5	114.6	0.43500	17,722	33.600	33.38	6.560	15.58	4.1	11,321
1958	64,562	47.5	117.1	0.42000	27,116	34.020	33.81	6.125	15.08	4.1	16,769
1957	299,881	48.5	119.5	0.41000	122,951	34.430	34.23	5.705	14.41	4.1	72,664
1956	50,170	49.5	122.0	0.40000	20,068	34.830	34.63	5.295	13.74	4.1	11,303
1955	80,403	50.5	124.4	0.38500	30,955	35.215	35.02	4.895	13.21	4.1	16,771
1954	90,431	51.5	126.8	0.37500	33,911	35.590	35.40	4.510	12.53	4.1	17,417
1953	86,467	52.5	129.3	0.36000	31,128	35.950	35.77	4.135	11.99	4.1	15,297
1952	217,637	53.5	131.7	0.35000	76,173	36.300	36.13	3.775	11.29	4.1	35,246
1951		54.5	134.1	0.33500	-	36.635	36.47	3.425	10.72	4.1	-
1950	33,140	55.5	136.6	0.32500	10,770	36.960	36.80	3.090	10.01	4.1	4,419
1949	64,550	56.5	139.0	0.31000	20,011	37.270	37.12	2.765	9.42	4.1	7,728
1948	11,324	57.5	141.5	0.30000	3,397	37.570	37.42	2.455	8.68	4.1	1,209
1947	1,114	58.5	143.9	0.29000	323	37.860	37.72	2.155	7.93	4.1	105
1946	5,882	59.5	146.3	0.27500	1,617	38.135	38.00	1.865	7.28	4.1	483
1945		60.5	148.8	0.26500	-	38.400	38.27	1.590	6.50	4.1	-
1944	10,011	61.5	151.2	0.25000	2,503	38.650	38.53	1.325	5.80	4.1	595
1943		62.5	153.7	0.24000	-	38.890	38.77	1.075	4.98	4.1	-
1942	225	63.5	156.1	0.22500	51	39.115	39.00	0.835	4.21	4.1	9
1941	297	64.5	158.5	0.21500	64	39.330	39.22	0.610	3.34	4.1	9
1940	5,659	65.5	161.0	0.20500	1,160	39.535	39.43	0.395	2.43	4.1	115
1939	3,711	66.5	163.4	0.19000	705	39.725	39.63	0.190	1.50	4.1	43
Total					23,166,828						32,492,504
		Service Life	41.0			-69% Net Salvage Adjustment					
					39,151,940				Theoretical Reserve		6,659,436
									Reserve Percent		17%

## Kenergy Theoretical Reserve Analysis

Account 371

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005	460,961	0.5	1.7	1.00000	460,961	1.000	0.50	28.940	29.44	5.3	719,247
2004	1,486,176	1.5	6.9	0.97500	1,449,022	1.975	1.49	27.940	29.16	5.3	2,239,159
2003	970,936	2.5	10.3	0.95500	927,244	2.930	2.45	26.965	28.74	5.3	1,412,180
2002	3,030,882	3.5	13.8	0.94000	2,849,029	3.870	3.40	26.010	28.17	5.3	4,253,661
2001	3,392,238	4.5	17.2	0.92000	3,120,859	4.790	4.33	25.070	27.75	5.3	4,590,003
2000	1,920,326	5.5	20.7	0.90500	1,737,895	5.695	5.24	24.150	27.19	5.3	2,503,976
1999	680,036	6.5	24.1	0.88500	601,832	6.580	6.14	23.245	26.77	5.3	853,743
1998	1,492,598	7.5	27.6	0.87000	1,298,561	7.450	7.02	22.360	26.20	5.3	1,803,260
1997	47,569	8.5	31.0	0.85000	40,433	8.300	7.88	21.490	25.78	5.3	55,251
1996	1,667,996	9.5	34.5	0.83500	1,392,777	9.135	8.72	20.640	25.22	5.3	1,861,563
1995	23,617	10.5	37.9	0.82000	19,366	9.955	9.55	19.805	24.65	5.3	25,304
1994	111,078	11.5	41.4	0.80000	88,862	10.755	10.36	18.985	24.23	5.3	114,122
1993	84,071	12.5	44.8	0.78500	65,996	11.540	11.15	18.185	23.67	5.3	82,777
1992	193,460	13.5	48.3	0.76500	147,997	12.305	11.92	17.400	23.25	5.3	182,331
1991	363,415	14.5	51.7	0.75000	272,561	13.055	12.68	16.635	22.68	5.3	327,630
1990	106,933	15.5	55.2	0.73000	78,061	13.785	13.42	15.885	22.26	5.3	92,096
1989	1,394,073	16.5	58.6	0.71500	996,762	14.500	14.14	15.155	21.70	5.3	1,146,154
1988	94,138	17.5	62.1	0.69500	65,426	15.195	14.85	14.440	21.28	5.3	73,779
1987	207,261	18.5	65.5	0.68000	140,938	15.875	15.54	13.745	20.71	5.3	154,721
1986	1,959,111	19.5	69.0	0.66500	1,302,809	16.540	16.21	13.065	20.15	5.3	1,391,101
1985	337,455	20.5	72.4	0.64500	217,658	17.185	16.86	12.400	19.72	5.3	227,543
1984	472,100	21.5	75.9	0.63000	297,423	17.815	17.50	11.755	19.16	5.3	302,007
1983	545,792	22.5	79.3	0.61000	332,933	18.425	18.12	11.125	18.74	5.3	330,635
1982	1,162,117	23.5	82.8	0.59500	691,460	19.020	18.72	10.515	18.17	5.3	665,966
1981	619,632	24.5	86.2	0.57500	356,288	19.595	19.31	9.920	17.75	5.3	335,219
1980	103,316	25.5	89.7	0.56000	57,857	20.155	19.88	9.345	17.19	5.3	52,704
1979	649,581	26.5	93.1	0.54000	350,774	20.695	20.43	8.785	16.77	5.3	311,744
1978	814,955	27.5	96.6	0.52500	427,851	21.220	20.96	8.245	16.20	5.3	367,461
1977	308,357	28.5	100.0	0.50500	155,720	21.725	21.47	7.720	15.79	5.3	130,294
1976	341,074	29.5	103.4	0.49000	167,126	22.215	21.97	7.215	15.22	5.3	134,854
1975	308,558	30.5	106.9	0.47500	146,565	22.690	22.45	6.725	14.66	5.3	113,862
1974	164,794	31.5	110.3	0.45500	74,981	23.145	22.92	6.250	14.24	5.3	56,575
1973	134,419	32.5	113.8	0.44000	59,145	23.585	23.37	5.795	13.67	5.3	42,852
1972	166,837	33.5	117.2	0.42000	70,071	24.005	23.80	5.355	13.25	5.3	49,208
1971	67,718	34.5	120.7	0.40500	27,426	24.410	24.21	4.935	12.69	5.3	18,439

## Kenergy Theoretical Reserve Analysis

Account 371

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
1970	193,158	35.5	124.1	0.38500	74,366	24.795	24.60	4.530	12.27	5.3	48,346
1969	129,648	36.5	127.6	0.37000	47,970	25.165	24.98	4.145	11.70	5.3	29,753
1968	158,988	37.5	131.0	0.35000	55,646	25.515	25.34	3.775	11.29	5.3	33,284
1967	115,100	38.5	134.5	0.33500	38,558	25.850	25.68	3.425	10.72	5.3	21,915
1966	120,129	39.5	137.9	0.32000	38,441	26.170	26.01	3.090	10.16	5.3	20,692
1965	27,703	40.5	141.4	0.30000	8,311	26.470	26.32	2.770	9.73	5.3	4,287
1964	583	41.5	144.8	0.28500	166	26.755	26.61	2.470	9.17	5.3	81
1963	257,050	42.5	148.3	0.26500	68,118	27.020	26.89	2.185	8.75	5.3	31,573
1962	67,693	43.5	151.7	0.25000	16,923	27.270	27.15	1.920	8.18	5.3	7,337
1961	138,637	44.5	155.2	0.23000	31,887	27.500	27.39	1.670	7.76	5.3	13,116
1960	40,047	45.5	158.6	0.21500	8,610	27.715	27.61	1.440	7.20	5.3	3,285
1959	40,741	46.5	162.1	0.19500	7,945	27.910	27.81	1.225	6.78	5.3	2,856
1958	64,562	47.5	165.5	0.18000	11,621	28.090	28.00	1.030	6.22	5.3	3,832
1957	299,881	48.5	169.0	0.16500	49,480	28.255	28.17	0.850	5.65	5.3	14,821
1956	50,170	49.5	172.4	0.14500	7,275	28.400	28.33	0.685	5.22	5.3	2,014
1955	80,403	50.5	175.9	0.13000	10,452	28.530	28.47	0.540	4.65	5.3	2,578
1954	90,431	51.5	179.3	0.11000	9,947	28.640	28.59	0.410	4.23	5.3	2,229
1953	86,467	52.5	182.8	0.09500	8,214	28.735	28.69	0.300	3.66	5.3	1,593
1952	217,637	53.5	186.2	0.07500	16,323	28.810	28.77	0.205	3.23	5.3	2,797
1951		54.5	189.7	0.06000	-	28.870	28.84	0.130	2.67	5.3	-
1950	33,140	55.5	193.1	0.04000	1,326	28.910	28.89	0.070	2.25	5.3	158
1949	64,550	56.5	196.6	0.02500	1,614	28.935	28.92	0.030	1.70	5.3	145
1948	11,324	57.5	200.0	0.00500	57	28.940	28.94	0.005	1.50	5.3	5
Total					21,003,920						27,268,118
		Service Life	29.0								
						-54% Net Salvage Adjustment					
					32,346,037				Theoretical Reserve		5,077,919
									Reserve Percent		16%

## Kenergy Theoretical Reserve Analysis

Account 373

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
2005	460,961	0.5	1.7	1.00000	460,961	1.000	0.50	28.936	29.44	4.1	556,326
2004	1,486,176	1.5	6.9	0.98673	1,466,455	1.987	1.49	27.936	28.81	4.1	1,732,301
2003	970,936	2.5	10.3	0.97546	947,109	2.962	2.47	26.949	28.13	4.1	1,092,227
2002	3,030,882	3.5	13.8	0.96663	2,929,742	3.929	3.45	25.974	27.37	4.1	3,287,741
2001	3,392,238	4.5	17.2	0.95435	3,237,382	4.883	4.41	25.007	26.70	4.1	3,544,426
2000	1,920,326	5.5	20.7	0.94476	1,814,247	5.828	5.36	24.053	25.96	4.1	1,930,962
1999	680,036	6.5	24.1	0.93149	633,447	6.759	6.29	23.108	25.31	4.1	657,276
1998	1,492,598	7.5	27.6	0.92117	1,374,937	7.681	7.22	22.177	24.57	4.1	1,385,324
1997	47,569	8.5	31.0	0.90693	43,141	8.588	8.13	21.256	23.94	4.1	42,339
1996	1,667,996	9.5	34.5	0.89588	1,494,324	9.483	9.04	20.349	23.21	4.1	1,422,230
1995	23,617	10.5	37.9	0.88452	20,890	10.368	9.93	19.453	22.49	4.1	19,265
1994	111,078	11.5	41.4	0.86885	96,510	11.237	10.80	18.568	21.87	4.1	86,542
1993	84,071	12.5	44.8	0.85666	72,021	12.093	11.67	17.699	21.16	4.1	62,485
1992	193,460	13.5	48.3	0.83980	162,468	12.933	12.51	16.843	20.56	4.1	136,925
1991	363,415	14.5	51.7	0.82665	300,417	13.760	13.35	16.003	19.86	4.1	244,602
1990	106,933	15.5	55.2	0.80840	86,445	14.568	14.16	15.176	19.27	4.1	68,309
1989	1,394,073	16.5	58.6	0.79414	1,107,089	15.362	14.97	14.368	18.59	4.1	843,918
1988	94,138	17.5	62.1	0.77432	72,893	16.137	15.75	13.574	18.03	4.1	53,884
1987	207,261	18.5	65.5	0.75883	157,276	16.896	16.52	12.799	17.37	4.1	111,990
1986	1,959,111	19.5	69.0	0.74277	1,455,169	17.638	17.27	12.041	16.71	4.1	996,971
1985	337,455	20.5	72.4	0.72047	243,126	18.359	18.00	11.298	16.18	4.1	161,296
1984	472,100	21.5	75.9	0.70307	331,920	19.062	18.71	10.577	15.54	4.1	211,540
1983	545,792	22.5	79.3	0.67896	370,571	19.741	19.40	9.874	15.04	4.1	228,557
1982	1,162,117	23.5	82.8	0.66019	767,218	20.401	20.07	9.195	14.43	4.1	453,854
1981	619,632	24.5	86.2	0.63429	393,026	21.035	20.72	8.535	13.96	4.1	224,890
1980	103,316	25.5	89.7	0.61421	63,457	21.650	21.34	7.901	13.36	4.1	34,768
1979	649,581	26.5	93.1	0.58663	381,064	22.236	21.94	7.287	12.92	4.1	201,874
1978	814,955	27.5	96.6	0.56536	460,743	22.802	22.52	6.700	12.35	4.1	233,312
1977	308,357	28.5	100.0	0.53630	165,372	23.338	23.07	6.135	11.94	4.1	80,948
1976	341,074	29.5	103.4	0.51403	175,322	23.852	23.59	5.598	11.39	4.1	81,881
1975	308,558	30.5	106.9	0.49141	151,628	24.343	24.10	5.084	10.85	4.1	67,429
1974	164,794	31.5	110.3	0.46078	75,934	24.804	24.57	4.593	10.47	4.1	32,589
1973	134,419	32.5	113.8	0.43754	58,814	25.242	25.02	4.132	9.94	4.1	23,978
1972	166,837	33.5	117.2	0.40632	67,789	25.648	25.44	3.695	9.59	4.1	26,661
1971	67,718	34.5	120.7	0.38281	25,923	26.031	25.84	3.288	9.09	4.1	9,661

## Kenergy Theoretical Reserve Analysis

Account 373

Year	Additions	Age	Age / Life	Proportion in Service	Simulated Balance	Realized Area	Realized Life	Unrealized Area	Remaining Life	Proposed Rate	Future Accruals
1970	193,158	35.5	124.1	0.35150	67,895	26.382	26.21	2.905	8.77	4.1	24,401
1969	129,648	36.5	127.6	0.32813	42,541	26.710	26.55	2.554	8.28	4.1	14,448
1968	158,988	37.5	131.0	0.29729	47,266	27.008	26.86	2.226	7.99	4.1	15,478
1967	115,100	38.5	134.5	0.27451	31,596	27.282	27.14	1.928	7.53	4.1	9,748
1966	120,129	39.5	137.9	0.25212	30,287	27.534	27.41	1.654	7.06	4.1	8,767
1965	27,703	40.5	141.4	0.22305	6,179	27.757	27.65	1.402	6.78	4.1	1,719
1964	583	41.5	144.8	0.20194	118	27.959	27.86	1.179	6.34	4.1	31
1963	257,050	42.5	148.3	0.17489	44,955	28.134	28.05	0.977	6.09	4.1	11,217
1962	67,693	43.5	151.7	0.15554	10,529	28.290	28.21	0.802	5.66	4.1	2,442
1961	138,637	44.5	155.2	0.13116	18,184	28.421	28.36	0.646	5.43	4.1	4,047
1960	40,047	45.5	158.6	0.11404	4,567	28.535	28.48	0.515	5.02	4.1	940
1959	40,741	46.5	162.1	0.09291	3,785	28.628	28.58	0.401	4.82	4.1	748
1958	64,562	47.5	165.5	0.07842	5,063	28.706	28.67	0.308	4.43	4.1	920
1957	299,881	48.5	169.0	0.06517	19,542	28.771	28.74	0.230	4.03	4.1	3,227
1956	50,170	49.5	172.4	0.04948	2,483	28.821	28.80	0.165	3.83	4.1	390
1955	80,403	50.5	175.9	0.03926	3,156	28.860	28.84	0.115	3.44	4.1	445
1954	90,431	51.5	179.3	0.02769	2,504	28.888	28.87	0.076	3.25	4.1	333
1953	86,467	52.5	182.8	0.02054	1,776	28.908	28.90	0.048	2.85	4.1	208
1952	217,637	53.5	186.2	0.01295	2,818	28.921	28.91	0.028	2.64	4.1	306
1951		54.5	189.7	0.00857	-	28.930	28.93	0.015	2.23	4.1	-
1950	33,140	55.5	193.1	0.00414	137	28.934	28.93	0.006	2.01	4.1	11
1949	64,550	56.5	196.6	0.00186	120	28.936	28.93	0.002	1.64	4.1	8
1948	11,324	57.5	200.0	0.00026	3	28.936	28.94	0.000	1.50	4.1	0
Total					22,010,335						20,449,114
		Service Life	29.0								
					-19% Net Salvage Adjustment						
					26,192,299				Theoretical Reserve		5,743,185
									Reserve Percent		22%





KENERGY CORP.  
ANALYSIS OF DEPRECIATION RATES

Exhibit RW-1

	Current <u>Deprec Rate</u>	Survivor <u>Curve</u>	<u>Life</u>	Net <u>Salvage</u>	<u>No Salvage</u> e=1/c	Depreciation Rates		RUS <u>Rate Range</u>
						<u>Salvage</u> f=(100-d)/c	<u>Recommended</u> g=(e+f)/2	
	a	b	c	d				h
362 Station Equipment	3.1%	R1	41	10	2.4%	2.2%	<b>2.2% *</b>	
362.1 Supervisory Control Equipment	6.8%		15	0	6.7%	6.7%	<b>6.7%</b>	
362.2 Microwave Equipment	5.0%		15	0	6.7%	6.7%	<b>6.7%</b>	
362.223 Microwave Towers	3.1%		30	10	3.3%	3.0%	<b>3.0% *</b>	
362.4 Owenboro Fiber	6.8%		25	0	4.0%	4.0%	<b>4.0%</b>	
Total Station & Equipment								2.7 - 3.2%
364 Poles, Towers & Fixtures	3.1%	R1	30	-53	3.3%	5.1%	<b>4.2%</b>	3.0 - 4.0%
365 Overhead Conds & Devices	3.1%	L3	36	-47	2.8%	4.1%	<b>3.4%</b>	2.3 - 2.8%
366 Underground Conduit	3.1%	S0	45	0	2.2%	2.2%	<b>2.2%</b>	1.8 - 2.3%
367 Underground Conds & Devices	3.1%	S0	35	-19	2.9%	3.4%	<b>3.1%</b>	2.4 - 2.9%
368 Line Transformers	3.1%	L0	40	-34	2.5%	3.4%	<b>2.9%</b>	2.6 - 3.1%
369 Services	3.1%	R1	28	-15	3.6%	4.1%	<b>3.8%</b>	3.1 - 3.6%
370 Meters	3.1%	O1	41	-68	2.4%	4.1%	<b>3.3%</b>	2.9 - 3.4%
371 Instal on Cons Premises	3.1%	O1	29	-53	3.4%	5.3%	<b>4.4%</b>	3.9 - 4.4%
373 St Ltg & Signal Systems	3.1%	R1	29	-19	3.4%	4.1%	<b>3.8%</b>	3.8 - 4.3%
Composite Depreciation Rate	3.2%				3.0%	4.1%	3.6%	3.4%

Note: Since the Net Salvage is positive the recommended rate is the Depreciation Rate in column f.

IN THE MATTER OF: )

THE APPLICATION OF KENERGY )  
CORP. FOR AN ADJUSTMENT ) CASE NO. 2006-00369  
IN EXISTING RATES ) SEP 0 2006

Exhibit 16 – Cost of Service Study  
PUBLIC SERVICE  
COMMISSION

# Cost Of Service Study Kenergy Corp

RECEIVED

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PUBLIC SERVICE  
COMMISSION

## TABLE OF CONTENTS

	<b>PAGE(S)</b>
Separation of Direct Served Customers .....	1
Calculation Of Actual Allocated Return And Rate Of Return By Regular Tariff Rate Class - Present Rates .....	2
Calculation Of Actual Allocated Return And Rate Of Return By Regular Tariff Rate Class - Proposed Rates .....	3
Unit Charges - Present Rates .....	4
Calculation Of Unbundled Revenue Charges (Consumer Related) .....	5
Calculation Of Unbundled Revenue Charges (Demand Related) .....	6
Revenues By Class .....	7
Total System Plant and Rate Base .....	8
Blank Page .....	9
Total System Labor Breakdown .....	10-11
Total System Expense Breakdown .....	11-12
Not Used .....	13-14
Functionalization, Subfunctionalization and Classification Of Utility Plant Investment .....	15-21
Functionalization, Subfunctionalization and Classification Of Labor .....	22-37
Functionalization, Subfunctionalization and Classification Of Expenses .....	38-67
Functionalization And Subfunctionalization Ratios .....	68-70
Classification Ratios .....	71-78
Summary Of Allocation Factors .....	79
Determination Of Class Demand Contributions for Allocation Of Production-Related Investment And Expenses .....	80
Determination Of Class Demand Contributions for Allocation Of Distribution Related Investment And Expenses .....	81
Determination Consumer Allocators .....	82-83
Allocation Of Utility Plant and Rate Base .....	84-106
Allocation Of Expenses .....	107-133



KENE CORP  
 Allocated Income Statement - Present Revenue

Line No.	Item	TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non-Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenue	\$ 68,117,248	\$ 1,273,595	\$ 44,479,127	\$ 7,316,995	\$ 10,794,529	\$ 2,203,810	\$ 2,049,191
2	Other Revenue	\$ 1,246,396	\$ -	\$ 1,028,465	\$ 198,550	\$ 19,101	\$ 163	\$ 116
3	Total Revenue	\$ 69,363,644	\$ 1,273,595	\$ 45,507,592	\$ 7,515,546	\$ 10,813,631	\$ 2,203,973	\$ 2,049,307
Operating Expenses								
4	Purchased Power:	\$ 41,777,024	\$ 417,118	\$ 27,183,390	\$ 4,110,783	\$ 6,551,281	\$ 1,748,136	\$ 1,766,316
5	Transmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Subtransmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Distribution-Operation	\$ 4,136,920	\$ 50,339	\$ 3,092,287	\$ 515,196	\$ 397,989	\$ 51,770	\$ 29,340
8	Distribution-Maintenance	\$ 7,961,064	\$ 213,188	\$ 6,145,302	\$ 1,006,077	\$ 446,475	\$ 86,547	\$ 63,475
9	Customer Accounts	\$ 2,695,374	\$ -	\$ 2,186,406	\$ 422,097	\$ 85,619	\$ 730	\$ 521
10	Customer Service & Info.	\$ 179,866	\$ -	\$ 148,417	\$ 28,653	\$ 2,756	\$ 24	\$ 17
11	Sales	\$ 111,573	\$ -	\$ 92,065	\$ 17,774	\$ 1,710	\$ 15	\$ 10
12	Administrative & General	\$ 2,542,666	\$ 46,644	\$ 1,986,534	\$ 341,902	\$ 132,163	\$ 21,869	\$ 13,554
13	Subtotal	\$ 59,404,487	\$ 727,289	\$ 40,834,401	\$ 6,442,482	\$ 7,617,993	\$ 1,909,090	\$ 1,873,233
14	Depreciation	\$ 6,739,081	\$ 175,325	\$ 5,065,236	\$ 822,372	\$ 513,302	\$ 99,994	\$ 62,852
15	Taxes	\$ 84,884	\$ 1,557	\$ 66,318	\$ 11,414	\$ 4,412	\$ 730	\$ 452
16	Interest-LTD	\$ 5,051,905	\$ 129,975	\$ 3,802,746	\$ 618,845	\$ 380,203	\$ 73,776	\$ 46,358
17	Other Deductions	\$ 27,629	\$ 711	\$ 20,797	\$ 3,384	\$ 2,079	\$ 403	\$ 254
18								
19	Subtotal	\$ 11,903,499	\$ 307,568	\$ 8,955,098	\$ 1,456,016	\$ 899,997	\$ 174,904	\$ 109,916
20	Total Expenses	\$ 71,307,987	\$ 1,034,857	\$ 49,789,499	\$ 7,898,498	\$ 8,517,990	\$ 2,083,993	\$ 1,983,150
21	Operating Margins	\$ (1,944,343)	\$ 238,738	\$ (4,281,907)	\$ (382,953)	\$ 2,295,640	\$ 119,980	\$ 66,158
22	Return (Ln. 21 + Ln. 16)	\$ 3,107,562	\$ 368,714	\$ (479,160)	\$ 235,893	\$ 2,675,844	\$ 193,756	\$ 112,516
23	Net Rate Base	\$ 167,013,365	\$ 4,260,593	\$ 125,813,448	\$ 20,502,304	\$ 12,503,723	\$ 2,414,583	\$ 1,518,714
24	Rate of Return	1.86%	8.65%	-0.38%	1.15%	21.40%	8.02%	7.41%
25	Relative Rate of Return	1.00	4.65	-0.20	0.62	11.50	4.31	3.98

Kenergy Corp.  
Cost of Service Summary

Line No.	Item (a)	TOTAL SYSTEM (b)	Lighting Schedule (c)	Residential & Single Phase (d)	Commercial Single Phase (e)	Three Phase 0-1000 kW (f)	Three Phase Over 1000 kW (g)	Primary Over 1000 kW (h)
1	Operating Revenue	\$ 68,117,248	\$ 1,273,595	\$ 44,479,127	\$ 7,316,995	\$ 10,794,529	\$ 2,203,810	\$ 2,049,191
2	Other Revenue	\$ 1,246,396	\$ -	\$ 1,028,465	\$ 198,550	\$ 19,101	\$ 163	\$ 116
3	Total Revenue	\$ 69,363,644	\$ 1,273,595	\$ 45,507,592	\$ 7,515,546	\$ 10,813,631	\$ 2,203,973	\$ 2,049,307
4								
5	Total Expenses	\$ 71,307,967	\$ 1,034,856	\$ 49,789,483	\$ 7,898,495	\$ 8,517,989	\$ 2,083,993	\$ 1,983,149
6								
7	Operating Margins	\$ (1,944,323)	\$ 238,739	\$ (4,281,891)	\$ (382,950)	\$ 2,295,642	\$ 119,980	\$ 66,158
8	Interest-LTD	\$ 5,051,905	\$ 129,975	\$ 3,802,746	\$ 618,845	\$ 380,203	\$ 73,776	\$ 46,358
9								
10	Return (Ln. 7 + Ln. 8)	\$ 3,107,582	\$ 368,714	\$ (479,145)	\$ 235,895	\$ 2,675,845	\$ 193,756	\$ 112,516
11								
12	Net Rate Base	\$ 167,013,365	\$ 4,260,593	\$ 125,813,448	\$ 20,502,304	\$ 12,503,723	\$ 2,414,583	\$ 1,518,714
13								
14	Rate of Return	1.86%	8.65%	-0.38%	1.15%	21.40%	8.02%	7.41%
15								
16	(Subsidy)/Excess	\$ 0	\$ (289,438)	\$ 2,820,129	\$ 145,587	\$ (2,443,191)	\$ (148,828)	\$ (84,258)
17								
18	To Equalize ROR	0.0%	-22.7%	6.2%	1.9%	-22.6%	-6.8%	-4.1%
19								
20	Rate Base (Subsidies Only)	\$ 146,315,752	\$ -	\$ 125,813,448	\$ 20,502,304	\$ -	\$ -	\$ -
21								
22	Subsidies Ratio	100.00%	0.00%	85.99%	14.01%	0.00%	0.00%	0.00%
23								
24	Rate Change	\$ 3,911,462	\$ -	\$ 3,362,962	\$ 548,499	\$ -	\$ -	\$ -
25								
26	Pioneer Increase	\$ -	\$ -	\$ (7,361)	\$ -	\$ 7,361	\$ -	\$ -
27								
20	Rate Change	\$ 3,911,462	\$ -	\$ 3,355,601	\$ 548,499	\$ 7,361	\$ -	\$ -
21								
22	% Revenue Change	5.74%	0.00%	7.54%	7.50%	0.07%	0.00%	0.00%
23								
24	Adjusted Return	\$ 7,019,044	\$ 368,714	\$ 2,876,456	\$ 784,394	\$ 2,683,206	\$ 193,756	\$ 112,516
25								
26	Proposed Rate of Return	4.20%	8.65%	2.29%	3.83%	21.46%	8.02%	7.41%
27								
28	Remaining (Subsidy)/Excess	\$ -	\$ (189,655)	\$ 2,411,085	\$ 77,253	\$ (2,157,714)	\$ (92,279)	\$ (48,690)
29								
30	Additional To Equalize ROR	0.00%	-14.89%	5.30%	1.03%	-19.95%	-4.19%	-2.38%

KENERGY CO, INC  
Unit Charges ( Mills/kWh)  
Present Rates

A	B	C	D	E	F	G	H	I
Line		TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
	Revenue							
1	Base Rate	60.53	97.70	61.73	67.15	58.55	44.79	41.68
2	Other	1.11	-	1.43	1.82	0.10	0.00	0.00
3	Total	61.64	97.70	63.15	68.97	58.65	44.79	41.68
	Production							
4	Generation	37.12	32.00	37.72	37.72	35.53	35.53	35.92
5	Not Applicable	-	-	-	-	-	-	-
6	Transmission	-	-	-	-	-	-	-
7	Total Production	37.12	32.00	37.72	37.72	35.53	35.53	35.92
8	Subtransmission	-	-	-	-	-	-	-
9	Substation	2.45	1.70	2.54	2.54	2.22	2.22	2.25
10	Primary	15.28	11.74	19.26	20.66	3.57	2.68	2.48
11	Transformers	2.42	1.87	2.69	2.79	2.10	1.44	-
12	Secondary and Services	2.89	1.31	3.43	3.93	1.58	1.01	-
13	3 Phase Meters	0.23	-	-	-	1.36	0.04	0.03
14	1 Phase Meters	0.81	-	1.06	1.36	-	-	-
15	Metering	0.03	-	0.03	0.04	0.03	0.00	0.00
16	Billing	3.14	-	3.99	5.09	0.58	0.02	0.01
17	Consumer Ser 1	0.35	-	0.45	0.57	0.03	0.00	0.00
18	Consumer Ser 2	-	-	-	-	-	-	-
19	Consumer Ser 3	-	-	-	-	-	-	-
20	Security Lights	0.40	34.62	-	-	-	-	-
21	Street Lights	-	-	-	-	-	-	-
22	Total Distribution	27.99	51.25	33.43	36.98	11.47	7.40	4.77
23	Total Expenses	65.12	83.24	71.15	74.70	47.00	42.93	40.70
24	Margins	(3.48)	14.46	(8.00)	(5.73)	11.65	1.86	0.98

**KENERGY CORP**

Calculation of Unbundled Revenue Charges (Consumer Related)

\$ per Consumer per month

A	B	C	D	E	F	G	H	I
Line		TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Transmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Subtransmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Substation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Primary	\$ 7.95	\$ -	\$ 8.00	\$ 8.00	\$ 4.93	\$ 4.93	\$ 4.93
6	Transformers	\$ 0.74	\$ -	\$ 0.72	\$ 0.72	\$ 2.17	\$ 2.17	\$ -
7	Secondary and Services	\$ 2.61	\$ -	\$ 2.60	\$ 2.60	\$ 3.47	\$ 3.47	\$ -
8	3 Phase Meters	\$ 0.40	\$ -	\$ -	\$ -	\$ 25.45	\$ 25.45	\$ 25.45
9	1 Phase Meters	\$ 1.42	\$ -	\$ 1.44	\$ 1.44	\$ -	\$ -	\$ -
10	Metering	\$ 0.05	\$ -	\$ 0.04	\$ 0.04	\$ 0.54	\$ 0.54	\$ 0.54
11	Billing	\$ 5.50	\$ -	\$ 5.42	\$ 5.42	\$ 10.83	\$ 10.83	\$ 10.83
12	Consumer Ser 1	\$ 0.61	\$ -	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61
13	Consumer Ser 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Consumer Ser 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Total Distribution	\$ 19.29	\$ -	\$ 18.83	\$ 18.83	\$ 48.00	\$ 48.00	\$ 42.36
16	Total	\$ 19.29	\$ -	\$ 18.83	\$ 18.83	\$ 48.00	\$ 48.00	\$ 42.36



**KENERGY CORP**

Calculation of Unbundled Revenue Charges (Demand Related) ( Mills per kWh )

A	B	C	D	E	F	G	H	I
Line	Account	TOTAL	Lighting	Residential &	Non-Residential	Three Phase	Three Phase	Primary
No.		SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Generation	\$ 17.01	\$ 11.71	\$ 17.44	\$ 17.44	\$ 15.24	\$ 15.24	\$ 19.69
2	Transmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Not Applicable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Not Applicable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Total Production	\$ 17.01	\$ 11.71	\$ 17.44	\$ 17.44	\$ 15.24	\$ 15.24	\$ 19.69
6	Subtransmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Substation	\$ 2.45	\$ 1.70	\$ 2.54	\$ 2.54	\$ 2.22	\$ 2.22	\$ 2.25
8	Primary	\$ 10.74	\$ 11.74	\$ 13.37	\$ 13.15	\$ 3.31	\$ 2.67	\$ 2.47
9	Transformers	\$ 1.99	\$ 1.87	\$ 2.15	\$ 2.12	\$ 1.99	\$ 1.43	\$ -
10	Secondary and Services	\$ 1.40	\$ 1.31	\$ 1.51	\$ 1.48	\$ 1.39	\$ 1.00	\$ -
11	3 Phase Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	1 Phase Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Metering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Billing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Consumer Ser 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Consumer Ser 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Consumer Ser 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Security Lights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Street Lights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Total Distribution	\$ 16.57	\$ 16.63	\$ 19.57	\$ 19.28	\$ 8.90	\$ 7.32	\$ 4.72
21	Total	\$ 33.59	\$ 28.34	\$ 37.00	\$ 36.72	\$ 24.14	\$ 22.56	\$ 24.41

KENERGY CORP  
Revenue Input

Line No.	Item	TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non-Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Operating Revenue							
1	Base Rate Revenue	\$ 69,104,145	\$ 1,289,691	\$ 45,083,157	\$ 7,404,492	\$ 10,952,336	\$ 2,264,566	\$ 2,109,903
2	WDA Revenue	\$ (1,377,410)	\$ (16,096)	\$ (889,386)	\$ (134,364)	\$ (227,130)	\$ (60,756)	\$ (49,678)
3	WDA Valley Grain	\$ (11,036)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,034)
4	Unbilled Revenue	\$ 401,547	\$ -	\$ 285,356	\$ 46,867	\$ 69,323	\$ -	\$ -
5	User Defined	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Subtotal Sales Revenue	\$ 68,117,246	\$ 1,273,595	\$ 44,479,127	\$ 7,316,995	\$ 10,794,529	\$ 2,203,810	\$ 2,049,191
8	Other Revenue - 1 - Forfeited Discounts	\$ 427,336	\$ -	\$ 352,617	\$ 68,074	\$ 6,549	\$ 56	\$ 40
9	Other Revenue - 2 - Connection Fees	\$ 2,585	\$ -	\$ 2,133	\$ 412	\$ 40	\$ 0	\$ 0
10	Other Revenue - 3 - Rent	\$ 477,825	\$ -	\$ 394,278	\$ 76,117	\$ 7,323	\$ 62	\$ 45
11	Other Revenue - 4 - Reconnect & Field Con.	\$ 172,740	\$ -	\$ 142,537	\$ 27,517	\$ 2,647	\$ 23	\$ 16
12	Other Revenue - 5 - Returned Checks	\$ 13,570	\$ -	\$ 11,197	\$ 2,162	\$ 208	\$ 2	\$ 1
13	Other Revenue - 6 - Miscellaneous	\$ 15,030	\$ -	\$ 12,402	\$ 2,394	\$ 230	\$ 2	\$ 1
14	Other Revenue - 7 - Service Trip	\$ 505	\$ -	\$ 417	\$ 80	\$ 8	\$ 0	\$ 0
15	Other Revenue - 8 - Special Meter Reading	\$ 136,805	\$ -	\$ 112,885	\$ 21,793	\$ 2,097	\$ 18	\$ 13
16	Other Revenue - 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Subtotal Other Revenue	\$ 1,246,396	\$ -	\$ 1,028,465	\$ 198,550	\$ 19,101	\$ 163	\$ 116
18	Total Revenue	\$ 69,363,642	\$ 1,273,595	\$ 45,507,592	\$ 7,515,546	\$ 10,813,631	\$ 2,203,973	\$ 2,049,307

## KENERGY CORP

## Plant Assignment

A	B	C	D	E	F	G	H
Line No.	Account	Basis	2005 TOTAL COMPANY	Special Contract	Regular Tariff	Test Year Adjustments	Adjusted Total
<b>Production Plant</b>							
1	310-316 Steam Generation	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
2	320-325 Nuclear Generation	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
3	330-336 Hydraulic Generation	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Production		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Plant</b>							
9	350 Land and Land Rights	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
10	352-353 Station & Structures	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
11	354-358 Transmission	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
12	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
13	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
14	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
15	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
17	Total Transmission		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Plant</b>							
18	350 Land and Land Rights	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
19	352-353 Station & Structures	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
20	354-358 Transmission	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
24	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
25	Total Sub-Transmission		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Plant</b>							
26	360 Land and Land Rights	DIRECT	\$ 813,700	\$ -	\$ 813,700	\$ -	\$ 813,700
27	361 Structures	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
28	362 Station Equipment	DIRECT	\$ 24,207,083	\$ 700,723	\$ 23,506,360	\$ -	\$ 23,506,360
29	364 Poles, Towers, & Fixtures	DIRECT	\$ 55,689,068	\$ -	\$ 55,689,068	\$ -	\$ 55,689,068
30	365 Overhead Conductors	DIRECT	\$ 43,909,211	\$ -	\$ 43,909,211	\$ -	\$ 43,909,211
31	366 Underground Conduit	DIRECT	\$ 14,166	\$ -	\$ 14,166	\$ -	\$ 14,166
32	367 Underground Conductors	DIRECT	\$ 9,815,435	\$ -	\$ 9,815,435	\$ -	\$ 9,815,435
33	368 Line Transformers	DIRECT	\$ 26,290,025	\$ -	\$ 26,290,025	\$ -	\$ 26,290,025
34	369 Services	DIRECT	\$ 15,752,111	\$ -	\$ 15,752,111	\$ -	\$ 15,752,111
35	370 Meters	DIRECT	\$ 4,651,074	\$ -	\$ 4,651,074	\$ -	\$ 4,651,074
36	371 Security Lights	DIRECT	\$ 2,796,078	\$ -	\$ 2,796,078	\$ -	\$ 2,796,078
37	372 Leased Property	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
38	373 Street Lights	DIRECT	\$ 550,896	\$ -	\$ 550,896	\$ -	\$ 550,896
39	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
40	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
41	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
43	Total Distribution		\$ 184,486,847	\$ 700,723	\$ 183,786,124	\$ -	\$ 183,786,124
44	Total Trans. & Distr.		\$ 184,486,847	\$ 700,723	\$ 183,786,124	\$ -	\$ 183,786,124
<b>General Plant</b>							
45	389 Land and Land Rights	LABOR	\$ 469,363	\$ -	\$ 469,363	\$ -	\$ 469,363
46	390 Structures and Improve.	LABOR	\$ 7,023,045	\$ -	\$ 7,023,045	\$ -	\$ 7,023,045
47	391 Office Furniture & Equipment	LABOR	\$ 1,480,980	\$ -	\$ 1,480,980	\$ -	\$ 1,480,980
48	392 Transportation Equipment	LABOR	\$ 7,585,170	\$ -	\$ 7,585,170	\$ -	\$ 7,585,170
49	393 Stores Equipment	LABOR	\$ 198,125	\$ -	\$ 198,125	\$ -	\$ 198,125
50	394 Tools, Shop & Garage Equip.	LABOR	\$ 1,046,870	\$ -	\$ 1,046,870	\$ -	\$ 1,046,870
51	395 Laboratory Equipment	LABOR	\$ 707,396	\$ -	\$ 707,396	\$ -	\$ 707,396
52	396 Power - Operated Equip.	LABOR	\$ 1,003,485	\$ -	\$ 1,003,485	\$ -	\$ 1,003,485
53	397 Communication Equipment	LABOR	\$ 1,577,236	\$ -	\$ 1,577,236	\$ -	\$ 1,577,236
54	398 Miscellaneous Equipment	LABOR	\$ 593,735	\$ -	\$ 593,735	\$ -	\$ 593,735
55	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -
57	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -
58	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -
59	General Plant		\$ 21,685,405	\$ -	\$ 21,685,405	\$ -	\$ 21,685,405
60	Total Plant In Service		\$ 206,174,252	\$ 700,723	\$ 205,473,529	\$ -	\$ 205,473,529
61	CWIP	PLANT IN SERVICE	\$ 2,928,926	\$ -	\$ 2,928,926	\$ -	\$ 2,928,926
62	Total Utility Plant		\$ 209,103,178	\$ 700,723	\$ 208,402,455	\$ -	\$ 208,402,455
<b>Accumulated Depreciation</b>							
63	Production	TUP	\$ -	\$ -	\$ -	\$ -	\$ -
64	Transmission	TUP	\$ -	\$ -	\$ -	\$ -	\$ -
65	Subtransmission	TUP	\$ -	\$ -	\$ -	\$ -	\$ -
66	Distribution	TUP	\$ 34,816,983	\$ 132,241	\$ 34,684,742	\$ -	\$ 34,684,742
67	General	TUP	\$ 10,511,507	\$ -	\$ 10,511,507	\$ -	\$ 10,511,507
68	User Defined	TUP	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined	TUP	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	TUP	\$ -	\$ -	\$ -	\$ -	\$ -
71	User Defined	TUP	\$ -	\$ -	\$ -	\$ -	\$ -
72	Subtotal		\$ 45,328,490	\$ 132,241	\$ 45,196,249	\$ -	\$ 45,196,249
73	Net Utility Plant		\$ 163,774,688	\$ 568,482	\$ 163,206,206	\$ -	\$ 163,206,206
74	Allowance for Working Capital	NUP	\$ 4,596,217	\$ (27,277)	\$ 4,568,940	\$ (78,767)	\$ 4,490,173
75	Customer Advances for Construction	CONS	\$ (683,014)	\$ -	\$ (683,014)	\$ -	\$ (683,014)
76	Net Rate Base		\$ 167,687,891	\$ 541,205	\$ 167,092,132	\$ (78,767)	\$ 167,013,365

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**KENERGY CORP**

**Labor Assignment by Corporate Function**

A	B	C	D	E	F	G	H
Line No.	Account	Basis	2005 TOTAL COMPANY	Special Contract	Regular Tariff	Test Year Adjustments	Adjusted Total
<b>Generation:</b>							
1	Fixed Costs	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
2	Variable Costs (Excl. Fuel)	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
3	Fuel	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
4	Direct G&T Labor	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
8	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
9	<b>Total Generation Costs</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Operations:</b>							
10	560 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
11	561 - Load Dispatching	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
12	562 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
13	563 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
14	564 - Underground Line Exp.	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
15	565 - Transmission By Others	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
16	566 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
17	567 - Rents	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
22	<b>Subtotal - Transmission Operations</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Maintenance:</b>							
23	568 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
24	569 - Structures	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
25	570 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
26	571 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
27	572 - Underground Line Exp.	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
28	573 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
29	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
30	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
31	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
32	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -
33	<b>Subtotal - Transmission Maintenance</b>		\$ -	\$ -	\$ -	\$ -	\$ -
34	<b>Subtotal - Transmission</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Operations:</b>							
35	560 - Operations Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
36	561 - Load Dispatching	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
37	562 - Station Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
38	563 - Overhead Line Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
39	564 - Underground Line Exp.	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
40	565 - Transmission By Others	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
41	566 - Miscellaneous	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
42	567 - Rents	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
46	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
47	<b>Subtotal - Subtransmission Operations</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Maintenance:</b>							
48	568 - Operations Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
49	569 - Structures	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
50	570 - Station Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
51	571 - Overhead Line Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
52	572 - Underground Line Exp.	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
53	573 - Miscellaneous	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
54	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
55	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
57	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
58	<b>Subtotal - Subtransmission Maintenance</b>		\$ -	\$ -	\$ -	\$ -	\$ -
59	<b>Subtotal - Subtransmission O&amp;M</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operations:</b>							
60	580 - Operations Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
61	581 - Load Dispatching	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
62	582 - Station Expense	ELECT	\$ 26,007	\$ -	\$ 26,007	\$ -	\$ 26,007

## KENERGY CORP

## Labor Assignment by Corporate Function

A	B	C	D	E	F	G	H
Line No.	Account	Basis	2005 TOTAL COMPANY	Special Contract	Regular Tariff	Test Year Adjustments	Adjusted Total
63	583 - Overhead Line Expense	ELECT	\$ 229,449	\$ -	\$ 229,449	\$ -	\$ 229,449
64	584 - Underground Line Exp.	ELECT	\$ 436,825	\$ -	\$ 436,825	\$ -	\$ 436,825
65	585 - Street Lighting	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
66	586 - Meter Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
67	587 - Customer Installations	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
68	588 - Miscellaneous Operations	ELECT	\$ 886,213	\$ -	\$ 886,213	\$ -	\$ 886,213
69	589 - Rents	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
71	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
72	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
73	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
74	Subtotal		\$ 1,578,494	\$ -	\$ 1,578,494	\$ -	\$ 1,578,494
	<b>Distribution Maintenance:</b>						
75	590 - Maintenance Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
76	591 - Load Management	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
77	592 - Station Equipment	ELECT	\$ 187,570	\$ -	\$ 187,570	\$ -	\$ 187,570
78	593 - Overhead Lines	ELECT	\$ 1,904,430	\$ -	\$ 1,904,430	\$ -	\$ 1,904,430
79	594 - Underground Lines	ELECT	\$ 145,553	\$ -	\$ 145,553	\$ -	\$ 145,553
80	595 - Line Transformers	ELECT	\$ 46,124	\$ -	\$ 46,124	\$ -	\$ 46,124
81	596 - Street Lights	ELECT	\$ 69,502	\$ -	\$ 69,502	\$ -	\$ 69,502
82	597 - Meters	ELECT	\$ 34,684	\$ -	\$ 34,684	\$ -	\$ 34,684
83	598 - Misc. Maintenance	ELECT	\$ 41,889	\$ -	\$ 41,889	\$ -	\$ 41,889
84	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
85	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
86	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
87	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
88	Subtotal		\$ 2,429,752	\$ -	\$ 2,429,752	\$ -	\$ 2,429,752
89	Subtotal - Distribution O&M		\$ 4,008,246	\$ -	\$ 4,008,246	\$ -	\$ 4,008,246
	<b>Customer Accounts:</b>						
90	901 - Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
91	902 - Meter Reading	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
92	903 - Customer Records	ELECT	\$ 1,451,055	\$ -	\$ 1,451,055	\$ -	\$ 1,451,055
93	904 - Uncollectible Accounts	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
94	905 - Miscellaneous	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
95	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
96	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
97	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
98	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
99	Subtotal - Customer Accounts		\$ 1,451,055	\$ -	\$ 1,451,055	\$ -	\$ 1,451,055
	<b>Customer Service:</b>						
101	907 - Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
102	908 - Customer Assistance	ELECT	\$ 101,891	\$ 504	\$ 101,387	\$ -	\$ 101,387
103	909 - Advertising	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
104	910 - Miscellaneous	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
105	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
106	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ 101,891	\$ 504	\$ 101,387	\$ -	\$ 101,387
	<b>Sales:</b>						
110	911 - Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demonstrating	ELECT	\$ 37,918	\$ -	\$ 37,918	\$ -	\$ 37,918
112	913 - Advertising	ELECT	\$ 23,313	\$ 132	\$ 23,181	\$ -	\$ 23,181
113	914 - Key Accounts	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ 61,231	\$ 132	\$ 61,099	\$ -	\$ 61,099
121	Distribution O & M Before A & G		\$ 5,622,423	\$ 636	\$ 5,621,787	\$ -	\$ 5,621,787
122	A&G Labor		\$ 1,259,139	\$ 66,135	\$ 1,193,004	\$ -	\$ 1,193,004
123	Total Labor		\$ 6,881,562	\$ 66,771	\$ 6,814,791	\$ -	\$ 6,814,791
124	Corporate Labor Ratio		1.00	0.01	0.99	-	0.99

**KENERGY CORP**

Expense Assignment by Corporate Function

A	B	C	D	E	F	G	H
Line No.	Account	Basis	2005 TOTAL COMPANY	Special Contract	Regular Tariff	Test Year Adjustments	Adjusted Total
<b>Generation:</b>							
1	Fixed Costs	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
2	Variable Costs (Excl. Fuel)	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
3	Fuel	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
8	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -
9	<b>Total Generation Costs</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Power Supply Expenses:</b>							
10	Regular Tariff Demand	ELECT	\$ 18,639,990	\$ -	\$ 18,639,990	\$ 137,010	\$ 18,777,000
11	Regular Tariff Energy	ELECT	\$ 23,930,627	\$ -	\$ 23,930,627	\$ 175,899	\$ 24,106,526
12	Regular Tariff WDA	ELECT	\$ (1,378,543)	\$ -	\$ (1,378,543)	\$ -	\$ (1,378,543)
13	Schedule 3 - Valley Grain	ELECT	\$ 367,678	\$ -	\$ 367,678	\$ -	\$ 367,678
14	Classes A, B, and C	ELECT	\$ 218,522,376	\$ 218,522,376	\$ -	\$ -	\$ -
15	Own Use	ELECT	\$ (95,637)	\$ -	\$ (95,637)	\$ -	\$ (95,637)
16	Direct Served	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
21	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
22	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
23	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
24	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
25	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
26	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
27	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
28	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
29	Not Applicable	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
30	556 - System Control & Load Disp.	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
31	557 - Other Power Supply Expenses	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
32	<b>Total Purchased Power Costs</b>		\$ 259,986,491	\$ 218,522,376	\$ 41,464,115	\$ 312,909	\$ 41,777,024
33	<b>Total Production Costs</b>		\$ 259,986,491	\$ 218,522,376	\$ 41,464,115	\$ 312,909	\$ 41,777,024
<b>Transmission Operations:</b>							
34	560 - Operations Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
35	561 - Load Dispatching	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
36	562 - Station Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
37	563 - Overhead Line Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
38	564 - Underground Line Exp.	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
39	565 - Transmission By Others	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
40	566 - Miscellaneous	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
41	567 - Rents	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
46	<b>Subtotal - Transmission Operations</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Maintenance:</b>							
47	568 - Operations Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
48	569 - Structures	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
49	570 - Station Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
50	571 - Overhead Line Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
51	564 - Underground Line Exp.	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
52	566 - Miscellaneous	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
53	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
54	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
55	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
57	<b>Subtotal - Transmission Maintenance</b>		\$ -	\$ -	\$ -	\$ -	\$ -
58	<b>Subtotal - Transmission O&amp;M</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Operations:</b>							
59	560 - Operations Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
60	561 - Load Dispatching	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
61	562 - Station Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
62	563 - Overhead Line Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
63	564 - Underground Line Exp.	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
64	565 - Transmission By Others	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
65	566 - Miscellaneous	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
66	567 - Rents	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
67	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
68	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
71	<b>Subtotal - Subtransmission Operations</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Maintenance:</b>							
72	568 - Operations Supervision	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
73	569 - Structures	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
74	570 - Station Expense	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Expense Assignment by Corporate Function

A	B	C	D	E	F	G	H	
Line No.	Account	Basis	2005 TOTAL COMPANY	Special Contract	Regular Tariff	Test Year Adjustments	Adjusted Total	
75	571 - Overhead Line Expense	ELECT		\$ -	\$ -	\$ -	\$ -	
76	573 -	ELECT		\$ -	\$ -	\$ -	\$ -	
77	578 - Miscellaneous	ELECT		\$ -	\$ -	\$ -	\$ -	
78	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
79	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
80	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
81	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
82	Subtotal - Subtransmission Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	
83	Subtotal - Subtransmission O&M		\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Distribution Operations:</b>								
84	580 - Operations Supervision	ELECT		\$ -	\$ -	\$ -	\$ -	
85	581 - Direct O&M to Bear Island	ELECT		\$ -	\$ -	\$ -	\$ -	
86	582 - Station Expense	ELECT	\$ 277,676	\$ -	\$ 277,676	\$ (7,359)	\$ 270,317	
87	583 - Overhead Line Expense	ELECT	\$ 1,251,119	\$ -	\$ 1,251,119	\$ (33,159)	\$ 1,217,960	
88	584 - Underground Line Exp.	ELECT	\$ 76,261	\$ -	\$ 76,261	\$ (2,021)	\$ 74,240	
89	585 - Street Lighting	ELECT		\$ -	\$ -	\$ -	\$ -	
90	586 - Meter Expense	ELECT	\$ 716,858	\$ -	\$ 716,858	\$ (18,999)	\$ 697,859	
91	587 - Customer Installations	ELECT	\$ 22,377	\$ -	\$ 22,377	\$ (593)	\$ 21,784	
92	588 - Miscellaneous Operations	ELECT	\$ 1,905,258	\$ -	\$ 1,905,258	\$ (50,496)	\$ 1,854,762	
93	589 - Rents	ELECT		\$ -	\$ -	\$ -	\$ -	
94	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
95	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
96	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
97	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
98	Subtotal		\$ 4,249,549	\$ -	\$ 4,249,549	\$ (112,629)	\$ 4,136,920	
<b>Distribution Maintenance:</b>								
76	590 - Maintenance Supervision	ELECT		\$ -	\$ -	\$ -	\$ -	
77	591 - Structures	ELECT		\$ -	\$ -	\$ -	\$ -	
78	592 - Station Equipment	ELECT	\$ 562,603	\$ 33,103	\$ 529,500	\$ (5,685)	\$ 523,815	
79	593 - Overhead Lines	ELECT	\$ 6,451,679	\$ 33,103	\$ 6,418,576	\$ (68,913)	\$ 6,349,663	
80	594 - Underground Lines	ELECT	\$ 545,520	\$ -	\$ 545,520	\$ (5,857)	\$ 539,663	
81	595 - Line Transformers	ELECT	\$ 87,908	\$ -	\$ 87,908	\$ (944)	\$ 86,964	
82	596 - Street Lighting	ELECT	\$ 145,355	\$ -	\$ 145,355	\$ (1,561)	\$ 143,794	
83	597 - Meters	ELECT	\$ 115,814	\$ -	\$ 115,814	\$ (1,243)	\$ 114,571	
84	598 - Misc. Maintenance	ELECT	\$ 204,792	\$ -	\$ 204,792	\$ (2,199)	\$ 202,593	
85	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
86	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
87	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
88	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
89	Subtotal		\$ 8,113,671	\$ 66,206	\$ 8,047,465	\$ (86,401)	\$ 7,961,064	
90	Subtotal - Distribution O&M		\$ 8,113,671	\$ 12,363,220	\$ 66,206	\$ 12,297,014	\$ (199,030)	\$ 12,097,984
<b>Customer Accounts:</b>								
91	901 - Supervision	ELECT	\$ 264	\$ -	\$ 264	\$ (8)	\$ 256	
92	902 - Meter Reading	ELECT	\$ 34,659	\$ -	\$ 34,659	\$ (1,002)	\$ 33,657	
93	903 - Customer Records	ELECT	\$ 2,741,691	\$ 958	\$ 2,740,733	\$ (79,272)	\$ 2,661,461	
94	904 - Uncollectible Accounts	ELECT		\$ -	\$ -	\$ -	\$ -	
95	905 - Miscellaneous	ELECT		\$ -	\$ -	\$ -	\$ -	
96	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
97	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
98	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
99	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
100	Subtotal - Customer Accounts		\$ 2,776,614	\$ 958	\$ 2,775,656	\$ (80,282)	\$ 2,695,374	
<b>Customer Service:</b>								
101	907 - Supervision	ELECT		\$ -	\$ -	\$ -	\$ -	
102	908 - Customer Assistance	ELECT	\$ 185,276	\$ -	\$ 185,276	\$ (5,846)	\$ 179,430	
103	909 - Advertising	ELECT		\$ -	\$ -	\$ -	\$ -	
104	910 - Miscellaneous	ELECT	\$ 450	\$ -	\$ 450	\$ (14)	\$ 436	
105	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
106	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
107	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
108	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
109	Subtotal - Customer Service		\$ 185,726	\$ -	\$ 185,726	\$ (5,860)	\$ 179,866	
<b>Sales:</b>								
110	911 - Supervision	ELECT		\$ -	\$ -	\$ -	\$ -	
111	912 - Demonstrating	ELECT	\$ 73,309	\$ -	\$ 73,309	\$ (1,343)	\$ 71,966	
112	913 - Advertising	ELECT	\$ 40,587	\$ 241	\$ 40,346	\$ (739)	\$ 39,607	
113	914 - Key Accounts	ELECT		\$ -	\$ -	\$ -	\$ -	
114	915 - Costs	ELECT		\$ -	\$ -	\$ -	\$ -	
115	916 - Miscellaneous	ELECT		\$ -	\$ -	\$ -	\$ -	
116	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
117	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
118	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
119	User Defined	ELECT		\$ -	\$ -	\$ -	\$ -	
120	Subtotal - Sales		\$ 113,896	\$ 241	\$ 113,655	\$ (2,082)	\$ 111,573	
121	Distribution O & M Before A & G		\$ 15,439,456	\$ 67,405	\$ 15,372,051	\$ (287,254)	\$ 15,084,797	
122	Total Non-Fuel O & M Before A & G		\$ 15,439,456	\$ 67,405	\$ 15,372,051	\$ (287,254)	\$ 15,084,797	



**KENERGY CORP**

Expense Assignment by Corporate Function

A	B	C	D	E	F	G	H
Line No.	Account	Basis	2005 TOTAL COMPANY	Special Contract	Regular Tariff	Test Year Adjustments	Adjusted Total
<b>Administrative &amp; General:</b>							
123	920 - Salaries	DIRECT	\$ 1,203,411	\$ 58,959	\$ 1,144,452	\$ (135,993)	\$ 1,008,459
124	921 - Office Supplies	DIRECT	\$ 292,597	\$ 17,129	\$ 275,468	\$ (32,733)	\$ 242,735
125	922 -	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
126	923 - Outside Services	DIRECT	\$ 111,046	\$ 10,283	\$ 100,763	\$ (11,973)	\$ 88,790
127	924 - Property Insurance	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
128	925 - Injuries and Damages	DIRECT	\$ 16,911	\$ -	\$ 16,911	\$ (2,010)	\$ 14,901
129	926 - Pensions & Benefits	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
130	927 - Franchise Requirements	DIRECT	\$ 12,000	\$ -	\$ 12,000	\$ (1,426)	\$ 10,574
131	928 - Regulatory Commission	DIRECT	\$ 57,253	\$ 3,616	\$ 53,637	\$ (6,374)	\$ 47,263
132	929 - Electric - Own Supply	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
133	930 - Miscellaneous	DIRECT	\$ 1,078,225	\$ 59,192	\$ 1,019,033	\$ (121,090)	\$ 897,943
134	932 -	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
135	935 - Maintenance	DIRECT	\$ 264,918	\$ 1,631	\$ 263,287	\$ (31,286)	\$ 232,001
136	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
137	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
138	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
139	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
140	Subtotal - A&G		\$ 3,036,361	\$ 150,810	\$ 2,885,551	\$ (342,885)	\$ 2,542,666
<b>Depreciation &amp; Amortization:</b>							
141	403.1 - Production	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
142	403.5 - Subtransmission	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
143	403.6 - Distribution	DIRECT	\$ 5,522,852	\$ 34,206	\$ 5,488,646	\$ 1,020,778	\$ 6,509,424
144	403.7 - General	DIRECT	\$ 229,932	\$ 275	\$ 229,657	\$ -	\$ 229,657
145	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
146	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
147	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
148	User Defined	DIRECT	\$ -	\$ -	\$ -	\$ -	\$ -
149	Subtotal - Dep. & Amort.		\$ 5,752,784	\$ 34,481	\$ 5,718,303	\$ 1,020,778	\$ 6,739,081
<b>Property Tax:</b>							
150	408.1 - Property Tax	ELECT	\$ 1,371	\$ 1,371	\$ -	\$ -	\$ -
<b>Tax - Other:</b>							
151	408.2 - U.S. Unemployment	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
152	408.3 - F.I.C.A.	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
153	408.4 - State Social Security	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
154	408.5 - State Tax	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
155	408.7 - Other Tax	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
156	408.9 - PSC Assessment	ELECT	\$ 261,053	\$ 188,126	\$ 72,927	\$ 4,601	\$ 77,528
157	Income Tax - Cell Phones	ELECT	\$ 7,336	\$ -	\$ 7,336	\$ -	\$ 7,336
158	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
159	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
160	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
161	Subtotal - Other Tax		\$ 268,389	\$ 188,126	\$ 80,263	\$ 4,601	\$ 84,864
<b>Interest Expense:</b>							
162	427 - Interest (Long Term)	ELECT	\$ 4,138,546	\$ -	\$ 4,138,546	\$ 913,359	\$ 5,051,905
163	427.1 - Other LTD Interest	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
164	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
165	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
166	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
167	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
168	Subtotal - Debt Service		\$ 4,138,546	\$ -	\$ 4,138,546	\$ 913,359	\$ 5,051,905
<b>Other Expenses</b>							
169	426 - Realized Gain/(Loss)	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
170	431 - Interest on Customer Deposits	ELECT	\$ 143,991	\$ 116,362	\$ 27,629	\$ -	\$ 27,629
171	930.2 Donations	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
172	426 - Other	ELECT	\$ 63,561	\$ -	\$ 63,561	\$ (63,561)	\$ -
173	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	ELECT	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses	176837	\$ 207,552	\$ 116,362	\$ 91,190	\$ (63,561)	\$ 27,629
180	Power Production (Incl. Fuel)	Summary	\$ 259,986,491	\$ 218,522,376	\$ 41,464,115	\$ 312,909	\$ 41,777,024
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -
182	Distribution O&M	Summary	\$ 12,363,220	\$ 66,206	\$ 12,297,014	\$ (199,030)	\$ 12,097,984
183	Customer Accounts	Summary	\$ 2,776,614	\$ 958	\$ 2,775,656	\$ (80,282)	\$ 2,695,374
184	Customer Service	Summary	\$ 185,726	\$ -	\$ 185,726	\$ (5,860)	\$ 179,866
185	Sales	Summary	\$ 113,896	\$ 241	\$ 113,655	\$ (2,082)	\$ 111,573
186	Administrative & General	Summary	\$ 3,036,361	\$ 150,810	\$ 2,885,551	\$ (342,885)	\$ 2,542,666
187	Depreciation & Amortization	Summary	\$ 5,752,784	\$ 34,481	\$ 5,718,303	\$ 1,020,778	\$ 6,739,081
188	Property Tax	Summary	\$ 1,371	\$ 1,371	\$ -	\$ -	\$ -
189	Tax - Other	Summary	\$ 268,389	\$ 188,126	\$ 80,263	\$ 4,601	\$ 84,864
190	Debt Service	Summary	\$ 4,138,546	\$ -	\$ 4,138,546	\$ 913,359	\$ 5,051,905
191	Other Expenses	Summary	\$ 207,552	\$ 116,362	\$ 91,190	\$ (63,561)	\$ 27,629
192	Total Expenses		\$ 288,830,950	\$ 219,080,931	\$ 69,750,019	\$ 1,557,948	\$ 71,307,967



KENERGY CORP

Functionalization and Subfunctionalization of Utility Plant Investment (Total System)

A	B	C	D	O	P	Q	R	S	T	U	V
Line No	Plant Account	Basis	Balance	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
1	310-316 Steam Generation	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	320-325 Nuclear Generation	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	330-336 Hydraulic Generation	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Production		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Plant</b>											
9	350 Land and Land Rights	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	352-353 Station & Structures	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	354-358 Transmission	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Total Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Plant</b>											
18	350 Land and Land Rights	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	352-353 Station & Structures	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	354-358 Transmission	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Total SubTransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Plant</b>											
26	350 Land and Land Rights	SUB	\$ 813,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	351 Structures	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	352 Station Equipment	SUB	\$ 23,506,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	354 Poles, Towers, & Fixtures	354	\$ 55,689,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	355 Overhead Conductors	355	\$ 43,909,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	356 Underground Conduit	356	\$ 14,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	357 Underground Conductors	357	\$ 9,815,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	358 Line Transformers	TRS	\$ 26,290,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	359 Services	359	\$ 15,752,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	370 Meters	MTR	\$ 4,651,074	\$ 3,638,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	371 Security Lights	LTS	\$ 2,796,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,796,078	\$ -
37	372 Leased Property	CS-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	373 Street Lights	LTS	\$ 550,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550,886	\$ -
39	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Total Distribution		\$ 183,788,124	\$ 3,638,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,346,974	\$ -
44	Total SubTrans. & Distr.		\$ 183,788,124	\$ 3,638,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,346,974	\$ -
<b>General Plant</b>											
45	389 Land and Land Rights	LABOR	\$ 469,363	\$ 2,305	\$ -	\$ 121,149	\$ 13,566	\$ -	\$ -	\$ -	\$ 5,905
46	390 Structures and Improve	LABOR	\$ 7,023,045	\$ 34,487	\$ -	\$ 1,812,738	\$ 202,906	\$ -	\$ -	\$ 89,349	\$ -
47	391 Office Furniture & Equipment	LABOR	\$ 1,480,880	\$ 7,272	\$ -	\$ 302,280	\$ 42,605	\$ -	\$ -	\$ 18,631	\$ -
48	392 Transportation Equipment	LABOR	\$ 7,585,170	\$ 37,247	\$ -	\$ 1,857,829	\$ 219,233	\$ -	\$ -	\$ 95,420	\$ -
49	393 Stores Equipment	LABOR	\$ 198,125	\$ 973	\$ -	\$ 51,139	\$ 5,726	\$ -	\$ -	\$ 2,492	\$ -
50	394 Tools, Shop & Garage Equip.	LABOR	\$ 1,046,870	\$ 5,141	\$ -	\$ 270,211	\$ 30,258	\$ -	\$ -	\$ 13,169	\$ -
51	395 Laboratory Equipment	LABOR	\$ 707,396	\$ 3,474	\$ -	\$ 182,588	\$ 20,446	\$ -	\$ -	\$ 8,899	\$ -
52	396 Power - Operated Equip.	LABOR	\$ 1,003,485	\$ 4,928	\$ -	\$ 259,012	\$ 29,004	\$ -	\$ -	\$ 12,624	\$ -
53	397 Communication Equipment	LABOR	\$ 1,577,236	\$ 7,745	\$ -	\$ 407,105	\$ 45,587	\$ -	\$ -	\$ 19,641	\$ -
54	398 Miscellaneous Equipment	LABOR	\$ 593,735	\$ 2,916	\$ -	\$ 153,251	\$ 17,161	\$ -	\$ -	\$ 7,469	\$ -
55	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	User Defined	LM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
59	General Plant		\$ 21,685,405	\$ 108,486	\$ -	\$ 5,597,280	\$ 626,771	\$ -	\$ -	\$ 272,799	\$ -
60	Total Plant In Service		\$ 205,473,529	\$ 3,744,556	\$ -	\$ 5,597,280	\$ 626,771	\$ -	\$ -	\$ 3,619,773	\$ -
61	CWIP	PLTINS-2	\$ 2,928,926	\$ 53,377	\$ -	\$ 79,787	\$ 8,934	\$ -	\$ -	\$ 51,598	\$ -
62	Total Utility Plant		\$ 208,402,455	\$ 3,797,933	\$ -	\$ 5,677,066	\$ 635,706	\$ -	\$ -	\$ 3,671,371	\$ -
<b>Accumulated Depreciation</b>											
63	Production	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	Transmission	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65	Subtransmission	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	Distribution	DIST-2	\$ 34,684,742	\$ 686,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 631,645	\$ -
67	General	GP	\$ 10,511,507	\$ 51,617	\$ -	\$ 2,713,154	\$ 303,813	\$ -	\$ -	\$ 132,233	\$ -
68	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72	Subtotal		\$ 45,196,249	\$ 738,198	\$ -	\$ 2,713,154	\$ 303,813	\$ -	\$ -	\$ 763,879	\$ -
73	Net Utility Plant		\$ 163,206,206	\$ 3,059,735	\$ -	\$ 2,963,912	\$ 331,892	\$ -	\$ -	\$ 2,907,493	\$ -
74	Allowance for Working Capital	WORK CAP	\$ 4,490,173	\$ 165,641	\$ 8,573	\$ 845,184	\$ 92,957	\$ -	\$ -	\$ 51,827	\$ -
75	Customer Advances for Construction	PLTINS-2	\$ (683,014)	\$ (12,447)	\$ -	\$ (18,606)	\$ (2,083)	\$ -	\$ -	\$ (12,032)	\$ -
76	Net Rate Base		\$ 167,013,365	\$ 3,212,928	\$ 8,573	\$ 3,790,490	\$ 422,766	\$ -	\$ -	\$ 2,947,287	\$ -



**KENERGY CORP**

Classification  
of Utility Plant Investment (Demand Related)

A	B	C	D	O	P	Q	R	S	T	U	V
Line No.	Plant Account	Base	Balance	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Coop Owned Lights	Consumer Owned Lights
1	310-316 Steam Generation	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	320-325 Nuclear Generation	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	330-335 Hydraulic Generation	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Production		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Plant</b>											
9	350 Land and Land Rights	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	352-353 Station & Structures	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	354-358 Transmission	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Total Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Plant</b>											
18	350 Land and Land Rights	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	352-353 Station & Structures	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	354-358 Transmission	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined	Bear Island	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Total Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Plant</b>											
26	360 Land and Land Rights	SUB	\$ 813,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	361 Structures	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	362 Station Equipment	SUB	\$ 23,506,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	364 Poles, Towers, & Fixtures	364	\$ 34,148,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	365 Overhead Conductors	365	\$ 35,417,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	366 Underground Conduit	366	\$ 11,426	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	367 Underground Conductors	367	\$ 7,917,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	368 Line Transformers	TRS	\$ 21,668,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	369 Services	369	\$ 6,904,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	370 Meters	MTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	371 Security Lights	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	372 Leased Property	CS-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	373 Street Lights	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Total Distribution		\$ 130,386,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Total Trans. & Distr.		\$ 130,386,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>General Plant</b>											
45	389 Land and Land Rights	LABOR	\$ 227,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	390 Structures and Improve.	LABOR	\$ 3,403,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	391 Office Furniture & Equipment	LABOR	\$ 717,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	392 Transportation Equipment	LABOR	\$ 3,675,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	393 Stores Equipment	LABOR	\$ 66,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	394 Tools, Shop & Garage Equip.	LABOR	\$ 507,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	395 Laboratory Equipment	LABOR	\$ 342,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	396 Power - Operated Equip.	LABOR	\$ 486,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	397 Communication Equipment	LABOR	\$ 764,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	398 Miscellaneous Equipment	LABOR	\$ 287,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	User Defined	LM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
59	General Plant		\$ 10,508,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60	Total Plant In Service		\$ 140,895,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	CWIP	PLTINS-2	\$ 2,008,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	Total Utility Plant		\$ 142,903,745	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Accumulated Depreciation</b>											
63	Production	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	Transmission	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65	Subtransmission	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	Distribution	DIST-2	\$ 24,606,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67	General	GP	\$ 5,093,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72	Subtotal		\$ 29,700,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	Net Utility Plant		\$ 113,203,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
74	Allowance for Working Capital	WORK CAP	\$ 2,292,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75	Customer Advances for Construction	PLTINS-2	\$ (489,350)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76	Net Rate Base		\$ 115,027,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Classification of Utility Investment (Consumer Related)

Table with columns A-N (Lino No., Plant Account, Basis, Balance, Production, Transmission, Distribution, Sub-Transmission, Substation, Primary 3-Phase, Primary 1-Phase, Transformers, Secondary and Services, 3-Phase Meters) and rows 1-76 detailing various utility investments and their costs.







KENERGY CORP

Classification of Utility Plant Investment (Direct Assignments)

A	B	C	D	O	P	Q	R	S	T	U	V
Line No.	Plant Account	Basls	Balance	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Coop Owned Lights	Consumer Owned Lights
<b>Production Plant</b>											
1	310-316 Steam Generation	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	320-323 Nuclear Generation	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	330-336 Hydraulic Generation	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Total Production		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Plant</b>											
9	350 Land and Land Rights	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	352-353 Station & Structures	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	354-358 Transmission	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Total Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Plant</b>											
18	350 Land and Land Rights	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	352-353 Station & Structures	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	354-358 Transmission	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Total Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Plant</b>											
26	360 Land and Land Rights	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	361 Structures	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	362 Station Equipment	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	364 Poles, Towers, & Fixtures	364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	365 Overhead Conductors	365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	366 Underground Conductors	366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	367 Underground Conductors	367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	368 Line Transformers	TRF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	369 Services	369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	370 Meters	MTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	371 Security Lights	LTS	\$ 2,795,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,795,078	\$ -
37	372 Leased Property	CS-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	373 Street Lights	LTS	\$ 550,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550,896	\$ -
39	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Total Distribution		\$ 3,346,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,346,974	\$ -
44	Total Trans. & Distr.		\$ 3,346,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,346,974	\$ -
<b>General Plant</b>											
45	389 Land and Land Rights	LABOR	\$ 5,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,905	\$ -
46	390 Structures and Improve.	LABOR	\$ 86,349	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,349	\$ -
47	391 Office Furniture & Equipment	LABOR	\$ 18,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,631	\$ -
48	392 Transportation Equipment	LABOR	\$ 95,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,420	\$ -
49	393 Stores Equipment	LABOR	\$ 2,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,492	\$ -
50	394 Tools, Shop & Garage Equip	LABOR	\$ 13,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,169	\$ -
51	395 Laboratory Equipment	LABOR	\$ 8,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,899	\$ -
52	396 Power - Operated Equip.	LABOR	\$ 12,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,624	\$ -
53	397 Communication Equipment	LABOR	\$ 19,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,841	\$ -
54	398 Miscellaneous Equipment	LABOR	\$ 7,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,469	\$ -
55	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	User Defined	LM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	User Defined	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
59	General Plant		\$ 272,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 272,799	\$ -
60	Total Plant In Service		\$ 3,619,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,619,773	\$ -
61	CWIP	PLTINS-2	\$ 51,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,598	\$ -
62	Total Utility Plant		\$ 3,671,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,671,371	\$ -
<b>Accumulated Depreciation</b>											
63	Production	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	Transmission	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65	Subtransmission	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	Distribution	DIST-2	\$ 631,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 631,645	\$ -
67	General	GP	\$ 132,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,233	\$ -
68	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72	Subtotal		\$ 763,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 763,878	\$ -
73	Net Utility Plant		\$ 2,907,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,907,493	\$ -
74	Allowance for Working Capital	WORK CAP	\$ 51,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,827	\$ -
75	Consumer Deposits	PLTINS-2	\$ (12,032)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,032)	\$ -
76	Net Rate Base		\$ 2,947,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,947,287	\$ -





KENERGY CORP

Functionalization and Subfunctionalization of Labor (Total System)

A	B	C	D	E	F	G	H	I	J	K	L	M
Line No	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 1-Phase	Primary 1-Phase	Transformers	Secondary and Services
100	Customer Service											
101	907 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	908 - Customer Assistance	CS-1	\$ 101,387	\$ -	\$ -	\$ 101,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
103	909 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
104	910 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
105	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ 101,387	\$ -	\$ -	\$ 101,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Sales:											
110	911 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demonstrating	CS-1	\$ 37,918	\$ -	\$ -	\$ 37,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	913 - Advertising	CS-1	\$ 23,181	\$ -	\$ -	\$ 23,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	914 - Key Accounts	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ 61,099	\$ -	\$ -	\$ 61,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
121	Distribution O & M Before A & G		\$ 5,621,787	\$ -	\$ -	\$ 5,621,787	\$ -	\$ 250,160	\$ 875,466	\$ 1,803,750	\$ 328,912	\$ 543,904
122	A&G Labor	GP	\$ 1,193,004	\$ -	\$ -	\$ 1,193,004	\$ -	\$ 53,087	\$ 185,783	\$ 404,005	\$ 69,799	\$ 115,422
123	Total Labor		\$ 6,814,791	\$ -	\$ -	\$ 6,814,791	\$ -	\$ 303,247	\$ 1,061,249	\$ 2,307,755	\$ 398,711	\$ 659,327

KENERGY CORP

Functionalization and Subfunctionalization of Labor (Total System)

A	B	C	D	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
100	Customer Service:											
101	907 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	908 - Customer Assistance	CS-1	\$ 101,387	\$ -	\$ -	\$ -	\$ -	\$ 101,387	\$ -	\$ -	\$ -	\$ -
103	909 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
104	910 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
105	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ 101,387	\$ -	\$ -	\$ -	\$ -	\$ 101,387	\$ -	\$ -	\$ -	\$ -
	Sales:											
110	911 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demonstrating	CS-1	\$ 37,918	\$ -	\$ -	\$ -	\$ -	\$ 37,918	\$ -	\$ -	\$ -	\$ -
112	913 - Advertising	CS-1	\$ 23,181	\$ -	\$ -	\$ -	\$ -	\$ 23,181	\$ -	\$ -	\$ -	\$ -
113	914 - Key Accounts	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ 61,099	\$ -	\$ -	\$ -	\$ -	\$ 61,099	\$ -	\$ -	\$ -	\$ -
121	Distribution O & M Before A & G		\$ 5,621,787	\$ 7,687	\$ 27,606	\$ -	\$ 1,451,055	\$ 162,486	\$ -	\$ -	\$ 70,721	\$ -
122	A&G Labor	GP	\$ 1,193,004	\$ 1,631	\$ 5,858	\$ -	\$ 307,930	\$ 34,481	\$ -	\$ -	\$ 15,008	\$ -
123	Total Labor		\$ 6,814,791	\$ 9,318	\$ 33,464	\$ -	\$ 1,758,985	\$ 196,967	\$ -	\$ -	\$ 85,729	\$ -





KENERGY CORP

Determination of Labor Classification (Demand Related)

A	B	C	D	E	F	G	H	I	J	K	L	M					
Line No.	Cost Item	Base	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers	Secondary and Services					
106	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
107	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
108	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
109	Subtotal - Customer Service		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
Sales:																	
110	911 - Supervision	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
111	912 - Demonstrating	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
112	913 - Advertising	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
113	914 - Key Accounts	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
114	915 - Costs	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
115	916 - Miscellaneous	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
116	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
117	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
118	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
119	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
120	Subtotal - Sales		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$					
121	Distribution O & M Before A & G		\$	2,724,290	\$	\$	2,724,290	\$	250,160	\$	611,460	\$	1,329,727	\$	271,090	\$	261,033
122	A&G Labor	GP	\$	578,124	\$	\$	578,124	\$	53,087	\$	129,763	\$	282,182	\$	57,520	\$	55,564
123	Total Labor		\$	3,302,414	\$	\$	3,302,414	\$	303,247	\$	741,243	\$	1,611,909	\$	328,618	\$	317,397



KENERGY CORP

Determination of Labor Classification (Demand Related)

A	B	C	D	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
106	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales:												
110	911 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demonstrating	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	913 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	914 - Key Accounts	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
121	Distribution O & M Before A & G		\$ 2,724,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122	A&G Labor	GP	\$ 578,124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
123	Total Labor		\$ 3,302,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Determination of Labor Classification (Consumer Related)

Table with columns A through M (Line No., Cost Item, Basis, Balance, Production, Transmission, Distribution, Sub-Transmission, Substation, Primary 3-Phase, Primary 1-Phase, Transformers, Secondary and Services). Rows include various cost categories such as Fixed Costs, Variable Costs, Fuel, Labor, Operations Supervision, Transmission Maintenance, Distribution Operations, and Customer Accounts.

KENERGY CORP

Determination of Labor Classification (Consumer Related)

A	B	C	D	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
1	Fixed Costs	PROD	\$	\$								
2	Variable Costs (Excl. Fuel)	PROD	\$	\$								
3	Fuel	PROD	\$	\$								
4	Direct GAT Labor	PROD	\$	\$								
5	User Defined	PROD	\$	\$								
6	User Defined	PROD	\$	\$								
7	User Defined	PROD	\$	\$								
8	User Defined	PROD	\$	\$								
9	<b>Total Generation Costs</b>		\$	\$								
<b>Transmission Operations:</b>												
10	560 - Operations Supervision	TRANS	\$	\$								
11	561 - Load Dispatching	TRANS	\$	\$								
12	562 - Station Expense	TRANS	\$	\$								
13	563 - Overhead Line Expense	TRANS	\$	\$								
14	564 - Underground Line Exp.	TRANS	\$	\$								
15	565 - Transmission By Others	TRANS	\$	\$								
16	566 - Miscellaneous	TRANS	\$	\$								
17	567 - Rents	TRANS	\$	\$								
18	User Defined	TRANS	\$	\$								
19	User Defined	TRANS	\$	\$								
20	User Defined	TRANS	\$	\$								
21	User Defined	TRANS	\$	\$								
22	<b>Subtotal - Transmission Operations</b>		\$	\$								
<b>Transmission Maintenance:</b>												
23	568 - Operations Supervision	TRANS	\$	\$								
24	569 - Structures	TRANS	\$	\$								
25	570 - Station Expense	TRANS	\$	\$								
26	571 - Overhead Line Expense	TRANS	\$	\$								
27	572 - Underground Line Exp.	TRANS	\$	\$								
28	573 - Miscellaneous	TRANS	\$	\$								
29	User Defined	TRANS	\$	\$								
30	User Defined	TRANS	\$	\$								
31	User Defined	TRANS	\$	\$								
32	User Defined	TRANS	\$	\$								
33	<b>Subtotal - Transmission Maintenance</b>		\$	\$								
34	<b>Subtotal - Transmission</b>		\$	\$								
<b>Subtransmission Operations:</b>												
35	560 - Operations Supervision	SUBTRANS	\$	\$								
36	561 - Load Dispatching	SUBTRANS	\$	\$								
37	562 - Station Expense	SUBTRANS	\$	\$								
38	563 - Overhead Line Expense	SUBTRANS	\$	\$								
39	564 - Underground Line Exp.	SUBTRANS	\$	\$								
40	565 - Transmission By Others	SUBTRANS	\$	\$								
41	566 - Miscellaneous	SUBTRANS	\$	\$								
42	567 - Rents	SUBTRANS	\$	\$								
43	User Defined	SUBTRANS	\$	\$								
44	User Defined	SUBTRANS	\$	\$								
45	User Defined	SUBTRANS	\$	\$								
46	User Defined	SUBTRANS	\$	\$								
47	<b>Subtotal - Subtransmission Operations</b>		\$	\$								
<b>Subtransmission Maintenance:</b>												
48	568 - Operations Supervision	SUBTRANS	\$	\$								
49	569 - Structures	SUBTRANS	\$	\$								
50	570 - Station Expense	SUBTRANS	\$	\$								
51	571 - Overhead Line Expense	SUBTRANS	\$	\$								
52	572 - Underground Line Exp.	SUBTRANS	\$	\$								
53	573 - Miscellaneous	SUBTRANS	\$	\$								
54	User Defined	SUBTRANS	\$	\$								
55	User Defined	SUBTRANS	\$	\$								
56	User Defined	SUBTRANS	\$	\$								
57	User Defined	SUBTRANS	\$	\$								
58	<b>Subtotal - Subtransmission Maintenance</b>		\$	\$								
59	<b>Subtotal - Subtransmission O&amp;M</b>		\$	\$								
<b>Distribution Operations:</b>												
60	580 - Operations Supervision	DOL	\$	\$								
61	581 - Load Dispatching	SUB	\$	\$								
62	582 - Station Expense	SUB	\$	\$								
63	583 - Overhead Line Expense	DIST-OH2	\$	70,471								
64	584 - Underground Line Exp.	DIST-OH2	\$	134,163								
65	585 - Street Lighting	LTS	\$	\$								
66	586 - Meter Expense	MTR	\$	\$								
67	587 - Customer Installations	LTS	\$	\$								
68	588 - Miscellaneous Operations	DOL	\$	261,959								
69	589 - Rents	DIST-2	\$	\$								
70	User Defined	0	\$	\$								
71	User Defined	0	\$	\$								
72	User Defined	0	\$	\$								
73	User Defined	0	\$	\$								
74	<b>Subtotal</b>		\$	466,593								
<b>Distribution Maintenance:</b>												
75	590 - Maintenance Supervision	DML	\$	\$								
76	591 - Load Management	SUB	\$	\$								
77	592 - Station Equipment	SUB	\$	\$								
78	593 - Overhead Lines	DIST-OH1	\$	641,916								
79	594 - Underground Lines	DIST-OH1	\$	49,061								
80	595 - Line Transformers	TRS	\$	8,109								
81	596 - Street Lighting	LTS	\$	\$								
82	597 - Meters	MTR	\$	34,684		7,554						
83	598 - Misc. Maintenance	DML	\$	12,872		133						
84	User Defined	0	\$	\$								
85	User Defined	0	\$	\$								
86	User Defined	0	\$	\$								
87	User Defined	0	\$	\$								
88	<b>Subtotal</b>		\$	746,641		7,687						
89	<b>Subtotal - Distribution O&amp;M</b>		\$	1,213,235		7,687						
<b>Customer Accounts:</b>												
90	901 - Supervision	CAL	\$	\$								
91	902 - Meter Reading	MTRNG	\$	\$								
92	903 - Customer Records	BILL	\$	1,451,055								
93	904 - Uncollectible Accounts	0	\$	\$								
94	905 - Miscellaneous	CAL	\$	\$								
95	User Defined	0	\$	\$								
96	User Defined	0	\$	\$								
97	User Defined	0	\$	\$								
98	User Defined	0	\$	\$								
99	<b>Subtotal - Customer Accounts</b>		\$	1,451,055								
<b>Customer Services:</b>												
100	907 - Supervision	CS-1	\$	\$								
102	908 - Customer Assistance	CS-1	\$	101,387								
103	909 - Advertising	CS-1	\$	\$								
104	910 - Miscellaneous	CS-1	\$	\$								
105	User Defined	0	\$	\$								

KENERGY CORP

Determination of Labor Classification (Consumer Related)

A	B	C	D	E	F	G	H	I	J	K	L	M
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 4-Phase	Transformers	Secondary and Services
106	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ 101,387	\$ -	\$ -	\$ 101,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales:												
110	911 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demonstrating	CS-1	\$ 37,918	\$ -	\$ -	\$ 37,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	913 - Advertising	CS-1	\$ 23,181	\$ -	\$ -	\$ 23,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	914 - Key Accounts	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ 61,099	\$ -	\$ -	\$ 61,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
121	Distribution O & M Before A & G		\$ 2,826,776	\$ -	\$ -	\$ 2,826,776	\$ -	\$ -	\$ 263,885	\$ 574,063	\$ 57,623	\$ 282,071
122	A&G Labor	GP	\$ 599,872	\$ -	\$ -	\$ 599,872	\$ -	\$ -	\$ 56,021	\$ 121,822	\$ 12,271	\$ 59,859
123	Total Labor		\$ 3,426,648	\$ -	\$ -	\$ 3,426,648	\$ -	\$ -	\$ 320,006	\$ 695,886	\$ 70,093	\$ 341,930

KENERGY CORP

Determination of Labor Classification (Consumer Related)

A	B	C	D	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
106	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ 101,387	\$ -	\$ -	\$ -	\$ -	\$ 101,387	\$ -	\$ -	\$ -	\$ -
	Balance											
110	911 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demonstrating	CS-1	\$ 37,918	\$ -	\$ -	\$ -	\$ -	\$ 37,918	\$ -	\$ -	\$ -	\$ -
112	913 - Advertising	CS-1	\$ 23,181	\$ -	\$ -	\$ -	\$ -	\$ 23,181	\$ -	\$ -	\$ -	\$ -
113	914 - Key Accounts	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ 61,099	\$ -	\$ -	\$ -	\$ -	\$ 61,099	\$ -	\$ -	\$ -	\$ -
121	Distribution O & M Before A & G		\$ 2,826,776	\$ 7,687	\$ 27,606	\$ -	\$ 1,451,055	\$ 162,486	\$ -	\$ -	\$ -	\$ -
122	A&G Labor	GP	\$ 589,872	\$ 1,631	\$ 5,858	\$ -	\$ 307,830	\$ 34,481	\$ -	\$ -	\$ -	\$ -
123	Total Labor		\$ 3,426,648	\$ 9,318	\$ 33,464	\$ -	\$ 1,758,985	\$ 196,967	\$ -	\$ -	\$ -	\$ -





KENERGY CORP

Determination of Labor Classification (Direct Assignment)

A	B	C	D	E	F	G	H	I	J	K	L	M
Line No.	Cost Item	Base	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers	Secondary and Services
106	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
107	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
108	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
109	Subtotal - Customer Service		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Sales:</b>												
110	911 - Supervision	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
111	912 - Demonstrating	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
112	913 - Advertising	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
113	914 - Key Accounts	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
114	915 - Costs	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
115	916 - Miscellaneous	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
116	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
117	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
118	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
119	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
120	Subtotal - Sales		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
121	Distribution O & M Before A & G		\$	70,721	\$	\$	70,721	\$	\$	\$	\$	\$
122	A&G Labor	GP	\$	15,000	\$	\$	15,000	\$	\$	\$	\$	\$
123	Total Labor		\$	85,729	\$	\$	85,729	\$	\$	\$	\$	\$



KENERGY CORP

Determination of Labor Classification (Direct Assignment)

A	B	C	D	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Base	Balance	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
106	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
107	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
108	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
109	Subtotal - Customer Service		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales:												
110	911 - Supervision	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
111	912 - Demonstrating	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
112	913 - Advertising	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
113	914 - Key Accounts	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
114	915 - Costs	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
115	916 - Miscellaneous	CS-1	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
116	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
117	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
118	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
119	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
120	Subtotal - Sales		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
121	Distribution O & M Before A & G		\$	70,721	\$	\$	\$	\$	\$	\$	\$	70,721
122	A&G Labor	GP	\$	15,008	\$	\$	\$	\$	\$	\$	\$	15,008
123	Total Labor		\$	85,729	\$	\$	\$	\$	\$	\$	\$	85,729









KENERGY CORP

Functionalization and Subfunctionalization of Utility Expense (Total System)

A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers
172	426 Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ 27,629	\$ -	\$ -	\$ 27,629	\$ -	\$ 3,485	\$ 4,969	\$ 10,805	\$ 3,788
180	Power Production (Incl. Fuel)	Summary	\$ 41,777,024	\$ 41,777,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ 12,097,984	\$ -	\$ -	\$ 12,097,984	\$ -	\$ 879,724	\$ 2,520,907	\$ 5,482,146	\$ 682,055
184	Customer Accounts	Summary	\$ 2,695,374	\$ -	\$ -	\$ 2,695,374	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ 179,866	\$ -	\$ -	\$ 179,866	\$ -	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ 111,573	\$ -	\$ -	\$ 111,573	\$ -	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ 2,542,666	\$ -	\$ -	\$ 2,542,666	\$ -	\$ 113,144	\$ 395,962	\$ 861,061	\$ 148,763
188	Depreciation & Amortization	Summary	\$ 6,739,081	\$ -	\$ -	\$ 6,739,081	\$ -	\$ 871,589	\$ 1,218,283	\$ 2,649,282	\$ 944,579
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ 84,864	\$ -	\$ -	\$ 84,864	\$ -	\$ 3,776	\$ 13,216	\$ 28,739	\$ 4,965
191	Debt Service	Summary	\$ 5,051,905	\$ -	\$ -	\$ 5,051,905	\$ -	\$ 637,283	\$ 906,524	\$ 1,975,678	\$ 692,602
192	Other Expenses	Summary	\$ 27,629	\$ -	\$ -	\$ 27,629	\$ -	\$ 3,485	\$ 4,969	\$ 10,805	\$ 3,788
193	Total Expenses		\$ 71,307,967	\$ 41,777,024	\$ -	\$ 29,530,943	\$ -	\$ 2,509,002	\$ 5,061,940	\$ 11,007,712	\$ 2,456,752

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Total System)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	Secondary and Services	3-Phase Motors	1-Phase Motors	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
172	426- Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ 27,629	\$ 2,870	\$ 144	\$ 518	\$ -	\$ 502	\$ 56	\$ -	\$ -	\$ 492	\$ -
180	Power Production (Incl. Fuel)	Summary	\$ 41,777,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ 12,097,984	\$ 1,566,225	\$ 177,588	\$ 637,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,475	\$ -
184	Customer Accounts	Summary	\$ 2,695,374	\$ -	\$ -	\$ -	\$ 33,657	\$ 2,661,717	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ 179,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,866	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ 111,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,573	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ 2,542,666	\$ 246,001	\$ 3,477	\$ 12,486	\$ -	\$ 656,295	\$ 73,490	\$ -	\$ -	\$ 31,986	\$ -
188	Depreciation & Amortization	Summary	\$ 6,739,081	\$ 701,827	\$ 36,193	\$ 129,981	\$ -	\$ 59,277	\$ 6,638	\$ -	\$ -	\$ 121,432	\$ -
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ 84,864	\$ 8,211	\$ 116	\$ 417	\$ -	\$ 21,904	\$ 2,453	\$ -	\$ -	\$ 1,068	\$ -
191	Debt Service	Summary	\$ 5,051,805	\$ 524,717	\$ 26,372	\$ 94,711	\$ -	\$ 91,745	\$ 10,273	\$ -	\$ -	\$ 89,999	\$ -
192	Other Expenses	Summary	\$ 27,629	\$ 2,870	\$ 144	\$ 518	\$ -	\$ 502	\$ 56	\$ -	\$ -	\$ 492	\$ -
193	Total Expenses		\$ 71,307,967	\$ 3,049,850	\$ 243,869	\$ 875,897	\$ 33,657	\$ 3,491,441	\$ 364,350	\$ -	\$ -	\$ 416,453	\$ -

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Energy Related)

Table with columns A-L and rows 1-77. Columns include Line No., Cost Item, Basis, Balance, Production, Transmission, Distribution, Sub-Transmission, Substation, Primary 3-Phase, Primary 1-Phase, and Transformers. Rows are categorized by cost type (Fixed, Variable, Fuel, etc.) and operational area (Transmission, Subtransmission, Distribution, Maintenance).



KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Energy Related)

Line No.	Cost Item	Basis	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
1	Fixed Costs	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Variable Costs (Excl. Fuel)	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Fuel	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Total Generation Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Power Supply Expenses:</b>													
10	Regular Tariff Demand	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Regular Tariff Energy	PPE	\$ 24,106,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Regular Tariff WDA	PPE	\$ (1,378,543)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Schedule 3 - Valley Grain	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Classes A, B, and C	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Own Use	PPE	\$ (95,637)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Direct Served	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	556 - System Control & Load Disp	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	557 - Other Power Supply Expenses	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	Total Purchased Power Costs		\$ 27,632,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Total Production Costs		\$ 27,632,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Operations:</b>													
34	560 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	561 - Load Dispatching	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	562 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	563 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	564 - Underground Line Exp	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	565 - Transmission By Others	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	566 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	567 - Rents	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	Subtotal - Transmission Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Maintenance:</b>													
47	568 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	569 - Structures	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	570 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	571 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	564 - Underground Line Exp	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	566 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	Subtotal - Transmission Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	Subtotal - Transmission O&M		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Operations:</b>													
59	560 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60	561 - Load Dispatching	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	562 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	563 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63	564 - Underground Line Exp	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	565 - Transmission By Others	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65	566 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	567 - Rents	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71	Subtotal - Subtransmission Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Maintenance:</b>													
72	568 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	569 - Structures	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
74	570 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75	571 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76	573 -	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77	578 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82	Subtotal - Subtransmission Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83	Subtotal - Subtransmission O&M		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operations:</b>													
84	580 - Operations Supervision	DOL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85	581 - Direct O&M to Bear Island	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86	582 - Station Expense	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	583 - Overhead Line Expense	DIST-OH2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88	584 - Underground Line Exp	DIST-OH2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
89	585 - Street Lighting	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90	586 - Meter Expense	MTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91	587 - Customer Installations	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92	588 - Miscellaneous Operations	DOL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93	589 - Rents	DIST-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	Subtotal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Maintenance:</b>													
96	590 - Maintenance Supervision	DIAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97	591 - Structures	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Energy Related)

A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers
78	592 - Station Equipment	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	593 - Overhead Lines	DIST-OH1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	594 - Underground Lines	DIST-OH1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81	595 - Line Transformers	TDB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82	596 - Street Lighting	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83	597 - Meters	MTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
84	598 - Misc. Maintenance	DML	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
89	Subtotal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90	Subtotal - Distribution O&M		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Accounts:</b>											
91	901 - Supervision	CAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92	902 - Meter Reading	MTRNG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93	903 - Customer Records	BILL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94	904 - Uncollectible Accounts	UNCOLL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	905 - Miscellaneous	CAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
99	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	Subtotal - Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Service:</b>											
101	907 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	908 - Customer Assistance	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
103	909 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
104	910 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
105	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sales:</b>											
110	911 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demonstrating	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	913 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	914 - Key Accounts	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
121	Distribution O & M Before A & G		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122	Total Non-Fuel O & M Before A & G		\$ 27,632,346	\$ 27,632,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Administrative &amp; General:</b>											
123	920 - Salaries	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
124	921 - Office Supplies	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125	922 -	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126	923 - Outside Services	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
127	924 - Property Insurance	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128	925 - Injuries and Damages	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
129	926 - Pensions & Benefits	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
130	927 - Franchise Requirements	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
131	928 - Regulatory Commission	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
132	929 - Electric - Own Supply	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
133	930 - Miscellaneous	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
134	932 -	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
135	935 - Maintenance	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
136	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
137	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
138	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
139	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
140	Subtotal - A&G		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Depreciation &amp; Amortization:</b>											
141	403.1 - Production	PRGD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142	403.5 - Subtransmission	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
143	403.6 - Distribution	DIST-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
144	403.7 - General	GP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
145	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
146	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
147	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
148	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
149	Subtotal - Dep. & Amort		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Property Tax:</b>											
150	408.1 - Property Tax	PLTINS-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Tax - Payroll:</b>											
151	408.2 - U.S. Unemployment	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
152	408.3 - F.I.C.A.	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
153	408.4 - State Social Security	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
154	408.5 - State Tax	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
155	408.7 - Other Tax	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
156	408.9 - PSC Assessment	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
157	Income Tax - Cell Phones	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
158	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
159	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161	Subtotal - Payroll Tax		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Debt Service:</b>											
162	427 - Interest (Long Term)	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
163	427.1 - Other LTD Interest	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
165	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
166	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
167	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
168	Subtotal - Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Expenses:</b>											
169	426 - Realized Gain/(Loss)	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
170	431 - Interest on Customer Deposits	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171	930.2 - Donations	Labr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Energy Related)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
76	592 - Station Equipment	SUB	\$	-	\$	-	\$	-	\$	-	\$	-	\$
79	593 - Overhead Lines	DIST-OH1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
80	594 - Underground Lines	DIST-OH1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
81	595 - Line Transformers	TRS	\$	-	\$	-	\$	-	\$	-	\$	-	\$
82	596 - Street Lighting	LTS	\$	-	\$	-	\$	-	\$	-	\$	-	\$
83	597 - Meters	MTR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
84	598 - Misc. Maintenance	DMIL	\$	-	\$	-	\$	-	\$	-	\$	-	\$
85	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
86	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
87	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
88	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
89	Subtotal		\$	-	\$	-	\$	-	\$	-	\$	-	\$
90	Subtotal - Distribution O&M		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Customer Accounts:													
91	901 - Supervision	CAL	\$	-	\$	-	\$	-	\$	-	\$	-	\$
92	902 - Meter Reading	MTRNG	\$	-	\$	-	\$	-	\$	-	\$	-	\$
93	903 - Customer Records	BILL	\$	-	\$	-	\$	-	\$	-	\$	-	\$
94	904 - Uncollectible Accounts	UNCOLL	\$	-	\$	-	\$	-	\$	-	\$	-	\$
95	905 - Miscellaneous	CAL	\$	-	\$	-	\$	-	\$	-	\$	-	\$
96	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
97	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
98	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
99	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
100	Subtotal - Customer Accounts		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Customer Service:													
101	907 - Supervision	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
102	908 - Customer Assistance	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
103	909 - Advertising	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
104	910 - Miscellaneous	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
105	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
106	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
107	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
108	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
109	Subtotal - Customer Service		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Sales:													
110	911 - Supervision	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
111	912 - Demonstrating	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
112	913 - Advertising	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
113	914 - Key Accounts	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
114	915 - Costs	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
115	916 - Miscellaneous	CS-1	\$	-	\$	-	\$	-	\$	-	\$	-	\$
116	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
117	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
118	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
119	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
120	Subtotal - Sales		\$	-	\$	-	\$	-	\$	-	\$	-	\$
121	Distribution O & M Before A & G		\$	-	\$	-	\$	-	\$	-	\$	-	\$
122	Total Non-Fuel O & M Before A & G		\$	-	27,632,346	-	\$	-	\$	-	\$	-	\$
Administrative & General:													
123	920 - Salaries	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
124	921 - Office Supplies	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
125	922 -	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
126	923 - Outside Services	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
127	924 - Property Insurance	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
128	925 - Injuries and Damages	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
129	926 - Pensions & Benefits	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
130	927 - Franchise Requirements	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
131	928 - Regulatory Commission	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
132	929 - Electric - Own Supply	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
133	930 - Miscellaneous	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
134	932 -	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
135	935 - Maintenance	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
136	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
137	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
138	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
139	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
140	Subtotal - A&G		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Depreciation & Amortization:													
141	403.1 - Production	PROD	\$	-	\$	-	\$	-	\$	-	\$	-	\$
142	403.5 - Subtransmission	SUBTRANS	\$	-	\$	-	\$	-	\$	-	\$	-	\$
143	403.6 - Distribution	DIST-2	\$	-	\$	-	\$	-	\$	-	\$	-	\$
144	403.7 - General	GP	\$	-	\$	-	\$	-	\$	-	\$	-	\$
145	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
146	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
147	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
148	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
149	Subtotal - Dep & Amort		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Property Tax:													
150	408.1 - Property Tax	PLTINS-2	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Tax - Payroll:													
151	408.2 - U.S. Unemployment	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
152	408.3 - F.I.C.A.	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
153	408.4 - State Social Security	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
154	408.5 - State Tax	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
155	408.7 - Other Tax	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
156	408.9 - PSC Assessment	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
157	Income Tax - Cell Phones	LABOR	\$	-	\$	-	\$	-	\$	-	\$	-	\$
158	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
159	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
160	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
161	Subtotal - Payroll Tax		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Debt Service:													
162	427 - Interest (Long Term)	NUP-2	\$	-	\$	-	\$	-	\$	-	\$	-	\$
163	427.1 - Other LTD Interest	NUP-2	\$	-	\$	-	\$	-	\$	-	\$	-	\$
164	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
165	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
166	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
167	User Defined	0	\$	-	\$	-	\$	-	\$	-	\$	-	\$
168	Subtotal - Debt Service		\$	-	\$	-	\$	-	\$	-	\$	-	\$
Other Expenses													
169	426 - Realized Gain(Loss)	NUP-2	\$	-	\$	-	\$	-	\$	-	\$	-	\$
170	431 - Interest on Customer Deposits	NUP-2	\$	-	\$	-	\$	-	\$	-	\$	-	\$
171	930.2 Donations	Labor	\$	-	\$	-	\$	-	\$	-	\$	-	\$

KENERGY CORP

Functionalization and Subfunctionalization  
of Utility Expenses (Energy Related)

A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers
172	426. Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
180	Power Production (incl. Fuel)	Summary	\$ 22,632,346	\$ 22,632,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
184	Customer Accounts	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
188	Depreciation & Amortization	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
191	Debt Service	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
192	Other Expenses	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
193	Total Expenses		\$ 22,632,346	\$ 22,632,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization  
of Utility Expenses (Energy Related)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No	Cost Item	Basis	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
172	426 Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
180	Power Production (Incl. Fuel)	Summary	\$ 22,632,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
184	Customer Accounts	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
188	Depreciation & Amortization	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
191	Debt Service	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
192	Other Expenses	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
193	Total Expenses		\$ 22,632,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



## KENERGY CORP

Functionalization and Subfunctionalization  
of Utility Expenses (Demand Related)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basia	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
1	Fixed Costs	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Variable Costs (Excl. Fuel)	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Fuel	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	<b>Total Generation Costs</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Power Supply Expenses:</b>													
10	Regular Tariff Demand	PPD	\$ 18,777,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Regular Tariff Energy	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Regular Tariff WDA	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Schedule 3 - Valley Grain	PPD	\$ 367,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Classes A, B, and C	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Own Use	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Direct Served	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	556 - System Control & Load Disp.	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	557 - Other Power Supply Expenses	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	<b>Total Purchased Power Costs</b>		\$ 19,144,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	<b>Total Production Costs</b>		\$ 19,144,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Operations:</b>													
34	560 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	561 - Load Dispatching	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	562 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	563 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	564 - Underground Line Exp	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	565 - Transmission By Others	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	566 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	567 - Rents	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	<b>Subtotal - Transmission Operations</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Maintenance:</b>													
47	568 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	569 - Structures	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	570 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	571 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	564 - Underground Line Exp	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	566 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	<b>Subtotal - Transmission Maintenance</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	<b>Subtotal - Transmission O&amp;M</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Operations:</b>													
59	560 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60	561 - Load Dispatching	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	562 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	563 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63	564 - Underground Line Exp	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	565 - Transmission By Others	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65	566 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	567 - Rents	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71	<b>Subtotal - Subtransmission Operations</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Maintenance:</b>													
72	568 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	569 - Structures	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
74	570 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75	571 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76	573 -	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77	578 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82	<b>Subtotal - Subtransmission Maintenance</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83	<b>Subtotal - Subtransmission O&amp;M</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operations:</b>													
84	580 - Operations Supervision	DOL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85	581 - Direct O&M to Bear Island	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86	582 - Station Expense	SUB	\$ 270,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	583 - Overhead Line Expense	DIST-OH2	\$ 843,885	\$ 78,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88	584 - Underground Line Exp	DIST-OH2	\$ 51,438	\$ 4,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
89	585 - Street Lighting	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90	586 - Meter Expense	MTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91	587 - Customer Installations	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92	588 - Miscellaneous Operations	DOL	\$ 1,306,505	\$ 114,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93	589 - Rents	DIST-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	<b>Subtotal</b>		\$ 2,472,145	\$ 197,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Maintenance:</b>													
76	590 - Maintenance Supervision	DM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77	591 - Structures	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -





KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Demand Related)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Lno	Cost Item	Basis	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
78	592 - Station Equipment	SUB	\$ 523,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	593 - Overhead Lines	DIST-OH1	\$ 4,209,417	\$ 500,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	594 - Underground Lines	DIST-OH1	\$ 357,762	\$ 42,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81	595 - Line Transformers	TRS	\$ 71,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82	596 - Street Lighting	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83	597 - Meters	MTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
84	598 - Misc. Maintenance	DML	\$ 134,441	\$ 13,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
89	Subtotal		\$ 5,297,111	\$ 556,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90	Subtotal - Distribution O&M		\$ 7,769,256	\$ 753,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Accounts:</b>													
91	901 - Supervision	CAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92	902 - Meter Reading	MTRNG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93	903 - Customer Records	BILL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94	904 - Uncollectible Accounts	UNCOLL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	905 - Miscellaneous	CAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
99	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	Subtotal - Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Service:</b>													
101	907 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	908 - Customer Assistance	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
103	909 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
104	910 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
105	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sales:</b>													
110	911 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demeritizing	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	913 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	914 - Key Accounts	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
121	Distribution O & M Before A & G		\$ 7,769,256	\$ 753,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122	Total Non-Fuel O & M Before A & G		\$ 26,913,934	\$ 753,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Administrative &amp; General:</b>													
123	920 - Salaries	LABOR	\$ 489,694	\$ 46,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
124	921 - Office Supplies	LABOR	\$ 117,628	\$ 11,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125	922 -	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126	923 - Outside Services	LABOR	\$ 43,027	\$ 4,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
127	924 - Property Insurance	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128	925 - Injuries and Damages	LABOR	\$ 7,221	\$ 694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
129	926 - Pensions & Benefits	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
130	927 - Franchise Requirements	LABOR	\$ 5,124	\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
131	928 - Regulatory Commission	LABOR	\$ 22,904	\$ 2,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
132	929 - Electric - Own Supply	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
133	930 - Miscellaneous	LABOR	\$ 435,139	\$ 41,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
134	932 -	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
135	935 - Maintenance	LABOR	\$ 112,427	\$ 10,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
136	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
137	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
138	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
139	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
140	Subtotal - A&G		\$ 1,232,163	\$ 118,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Depreciation &amp; Amortization:</b>													
141	403.1 - Production	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142	403.5 - Subtransmission	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
143	403.6 - Distribution	DIST-2	\$ 4,618,048	\$ 330,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
144	403.7 - General	GP	\$ 111,291	\$ 10,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
145	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
146	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
147	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
148	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
149	Subtotal - Dep. & Amort.		\$ 4,729,339	\$ 341,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Property Tax:</b>													
150	408.1 - Property Tax	PLTINS-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Tax - Payroll:</b>													
151	408.2 - U.S. Unemployment	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
152	408.3 - F.J.C.A	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
153	408.4 - State Social Security	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
154	408.5 - State Tax	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
155	408.9 - Other Tax	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
156	408.9 - PSC Assessment	LABOR	\$ 37,570	\$ 3,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
157	Income Tax - Cell Phones	LABOR	\$ 3,555	\$ 342	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
158	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
159	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161	Subtotal - Payroll Tax		\$ 41,125	\$ 3,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Debt Service:</b>													
162	427 - Interest (Long Term)	NUP-2	\$ 3,504,105	\$ 256,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
163	427.1 - Other LTD Interest	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
165	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
166	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
167	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
168	Subtotal - Debt Service		\$ 3,504,105	\$ 256,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Expenses</b>													
169	426 - Realized Gain/(Loss)	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
170	431 - Interest on Customer Deposits	NUP-2	\$ 19,164	\$ 1,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171	930.2 Donations	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization  
of Utility Expenses (Demand Related)

A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers
172	426. Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ 19,164	\$ -	\$ -	\$ 19,164	\$ -	\$ 3,485	\$ 3,516	\$ 7,645	\$ 3,122
180	Power Production (Incl. Fuel)	Summary	\$ 19,144,678	\$ 19,144,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ 7,769,256	\$ -	\$ -	\$ 7,769,256	\$ -	\$ 879,724	\$ 1,760,816	\$ 3,829,076	\$ 545,666
184	Customer Accounts	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ 1,232,163	\$ -	\$ -	\$ 1,232,163	\$ -	\$ 113,144	\$ 276,565	\$ 601,419	\$ 122,611
188	Depreciation & Amortization	Summary	\$ 4,729,339	\$ -	\$ -	\$ 4,729,339	\$ -	\$ 871,589	\$ 862,412	\$ 1,875,404	\$ 778,522
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ 41,125	\$ -	\$ -	\$ 41,125	\$ -	\$ 3,776	\$ 9,231	\$ 20,073	\$ 4,092
191	Debt Service	Summary	\$ 3,504,105	\$ -	\$ -	\$ 3,504,105	\$ -	\$ 637,293	\$ 642,857	\$ 1,397,960	\$ 570,843
192	Other Expenses	Summary	\$ 19,164	\$ -	\$ -	\$ 19,164	\$ -	\$ 3,485	\$ 3,516	\$ 7,645	\$ 3,122
193	Total Expenses		\$ 36,439,830	\$ 19,144,878	\$ -	\$ 17,295,152	\$ -	\$ 2,569,002	\$ 3,555,397	\$ 7,731,578	\$ 2,024,855

KENERGY CORP

Functionalization and Subfunctionalization  
of Utility Expenses (Demand Related)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
172	426 Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ 19,164	\$ 1,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
180	Power Production (Incl. Fuel)	Summary	\$ 19,144,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ 7,769,256	\$ 753,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
184	Customer Accounts	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ 1,232,163	\$ 118,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
188	Depreciation & Amortization	Summary	\$ 4,729,339	\$ 341,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ 41,126	\$ 3,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
191	Debt Service	Summary	\$ 3,504,105	\$ 255,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
192	Other Expenses	Summary	\$ 19,164	\$ 1,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
193	Total Expenses		\$ 36,439,830	\$ 1,474,319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## KENERGY CORP

Functionalization and Subfunctionalization  
of Utility Expenses (Consumer Related)

A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers
1	Fixed Costs	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Variable Costs (Excl. Fuel)	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Fuel	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Total Generation Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Power Supply Expenses:</b>											
10	Regular Tariff Demand	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Regular Tariff Energy	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Regular Tariff WDA	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Schedule 3 - Valley Grain	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Classes A, B, and C	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Own Use	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Direct Served	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	556 - System Control & Load Disp	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	557 - Other Power Supply Expenses	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	Total Purchased Power Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Total Production Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Operations:</b>											
34	560 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	561 - Load Dispatching	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	562 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	563 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	564 - Underground Line Exp.	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	565 - Transmission By Others	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	566 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	567 - Rents	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	Subtotal - Transmission Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Maintenance:</b>											
47	568 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	569 - Structures	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	570 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	571 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	564 - Underground Line Exp	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	566 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	Subtotal - Transmission Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	Subtotal - Transmission O&M		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Operations:</b>											
59	560 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60	561 - Load Dispatching	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	562 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	563 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63	564 - Underground Line Exp	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	565 - Transmission By Others	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65	566 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	567 - Rents	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71	Subtotal - Subtransmission Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Maintenance:</b>											
72	568 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	569 - Structures	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
74	570 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75	571 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76	573 -	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77	578 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82	Subtotal - Subtransmission Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83	Subtotal - Subtransmission O&M		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operations:</b>											
84	580 - Operations Supervision	DDL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85	581 - Direct O&M to Bear Island	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86	582 - Station Expense	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	593 - Overhead Line Expense	DIST-OH2	\$ 374,075	\$ -	\$ -	\$ -	\$ 374,075	\$ -	\$ -	\$ -	\$ 39,743
88	584 - Underground Line Exp	DIST-OH2	\$ 22,801	\$ -	\$ -	\$ -	\$ 22,801	\$ -	\$ -	\$ -	\$ 2,422
89	595 - Street Lighting	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,803	\$ 10,444	\$ -
90	586 - Meter Expense	MTR	\$ 697,859	\$ -	\$ -	\$ -	\$ 697,859	\$ -	\$ -	\$ -	\$ -
91	597 - Customer Installations	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92	588 - Miscellaneous Operations	DDL	\$ 548,256	\$ -	\$ -	\$ -	\$ 548,256	\$ -	\$ 115,483	\$ 251,130	\$ 58,248
93	689 - Rents	DIST-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	Subtotal		\$ 1,642,891	\$ -	\$ -	\$ -	\$ 1,642,891	\$ -	\$ 189,080	\$ 432,920	\$ 100,413
<b>Distribution Maintenance:</b>											
76	590 - Maintenance Supervision	DML	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77	591 - Structures	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Consumer Related)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
1	Fixed Costs	PROD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	Variable Costs (Excl. Fuel)	PROD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
3	Fuel	PROD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4	User Defined	PROD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
5	User Defined	PROD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
6	User Defined	PROD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7	User Defined	PROD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
8	User Defined	PROD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
9	Total Generation Costs		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	<b>Other Power Supply Expenses:</b>												
10	Regular Tariff Demand	PPD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
11	Regular Tariff Energy	PPE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
12	Regular Tariff WDA	PPE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
13	Schedule 3 - Valley Grain	PPD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
14	Classes A, B, and C	PPE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
15	Own Use	PPE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16	Direct Served	PPD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
17	Not Applicable	PPD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
18	Not Applicable	PPD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
19	Not Applicable	PPD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
20	Not Applicable	PPD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
21	Not Applicable	PPD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
22	Not Applicable	PPD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
23	Not Applicable	PPE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
24	Not Applicable	PPE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
25	Not Applicable	NR	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
26	Not Applicable	NR	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
27	Not Applicable	PPE	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
28	Not Applicable	MAG	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
29	Not Applicable	MAG	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
30	556 - System Control & Load Disp.	PP	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
31	557 - Other Power Supply Expenses	PP	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
32	Total Purchased Power Costs		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
33	Total Production Costs		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	<b>Transmission Operations:</b>												
34	560 - Operations Supervision	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
35	561 - Load Dispatching	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
36	562 - Station Expense	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
37	563 - Overhead Line Expense	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
38	564 - Underground Line Exp	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
39	565 - Transmission By Others	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
40	566 - Miscellaneous	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
41	567 - Rents	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
42	User Defined	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
43	User Defined	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
44	User Defined	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
45	User Defined	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
46	Subtotal - Transmission Operations		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	<b>Transmission Maintenance:</b>												
47	568 - Operations Supervision	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
48	569 - Structures	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
49	570 - Station Expense	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
50	571 - Overhead Line Expense	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
51	564 - Underground Line Exp	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
52	566 - Miscellaneous	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
53	User Defined	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
54	User Defined	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
55	User Defined	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
56	User Defined	TRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
57	Subtotal - Transmission Maintenance		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
58	Subtotal - Transmission O&M		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	<b>Subtransmission Operations:</b>												
59	560 - Operations Supervision	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
60	561 - Load Dispatching	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
61	562 - Station Expense	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
62	563 - Overhead Line Expense	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
63	564 - Underground Line Exp	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
64	565 - Transmission By Others	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
65	566 - Miscellaneous	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
66	567 - Rents	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
67	User Defined	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
68	User Defined	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
69	User Defined	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
70	User Defined	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
71	Subtotal - Subtransmission Operations		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	<b>Subtransmission Maintenance:</b>												
72	568 - Operations Supervision	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
73	569 - Structures	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
74	570 - Station Expense	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
75	571 - Overhead Line Expense	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
76	573 -	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
77	578 - Miscellaneous	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
78	User Defined	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
79	User Defined	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
80	User Defined	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
81	User Defined	SUBTRANS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
82	Subtotal - Subtransmission Maintenance		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
83	Subtotal - Subtransmission O&M		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	<b>Distribution Operations:</b>												
84	580 - Operations Supervision	DOL	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
85	581 - Direct O&M to Bear Island	SUB	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
86	582 - Station Expense	SUB	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
87	583 - Overhead Line Expense	DIST-OH2	\$	374,075	\$	84,192	\$	\$	\$	\$	\$	\$	\$
88	584 - Underground Line Exp	DIST-OH2	\$	22,801	\$	5,132	\$	\$	\$	\$	\$	\$	\$
89	585 - Street Lighting	LTS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
90	586 - Meter Expense	MTR	\$	697,659	\$	151,994	\$	545,865	\$	\$	\$	\$	\$
91	587 - Customer Installations	LTS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
92	588 - Miscellaneous Operations	DOL	\$	548,256	\$	123,395	\$	\$	\$	\$	\$	\$	\$
93	589 - Rents	DIST-2	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
94	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
95	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
96	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
97	User Defined	0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
98	Subtotal		\$	1,642,991	\$	217,719	\$	151,994	\$	545,865	\$	\$	\$
	<b>Distribution Maintenance:</b>												
96	590 - Maintenance Supervision	DML	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
97	591 - Structures	SUB	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$





KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Consumer Related)

A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers
172	426 Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ 7,973	\$ -	\$ -	\$ 7,973	\$ -	\$ -	\$ 1,453	\$ 3,160	\$ 666
180	Power Production (incl. Fuel)	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ 4,157,253	\$ -	\$ -	\$ 4,157,253	\$ -	\$ -	\$ 760,171	\$ 1,653,070	\$ 116,389
184	Customer Accounts	Summary	\$ 2,695,374	\$ -	\$ -	\$ 2,695,374	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ 179,866	\$ -	\$ -	\$ 179,866	\$ -	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ 111,573	\$ -	\$ -	\$ 111,573	\$ -	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ 1,278,517	\$ -	\$ -	\$ 1,278,517	\$ -	\$ -	\$ 119,397	\$ 259,642	\$ 26,153
188	Depreciation & Amortization	Summary	\$ 1,888,310	\$ -	\$ -	\$ 1,888,310	\$ -	\$ -	\$ 355,871	\$ 773,878	\$ 166,057
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ 42,672	\$ -	\$ -	\$ 42,672	\$ -	\$ -	\$ 3,985	\$ 8,666	\$ 873
191	Debt Service	Summary	\$ 1,457,801	\$ -	\$ -	\$ 1,457,801	\$ -	\$ -	\$ 285,666	\$ 577,718	\$ 121,759
192	Other Expenses	Summary	\$ 7,973	\$ -	\$ -	\$ 7,973	\$ -	\$ -	\$ 1,453	\$ 3,160	\$ 666
193	Total Expenses		\$ 11,819,339	\$ -	\$ -	\$ 11,819,339	\$ -	\$ -	\$ 1,506,543	\$ 3,276,134	\$ 431,897



KENERGY CORP

Functionalization and Subfunctionalization  
of Utility Expenses (Consumer Related)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Motoring	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
172	426- Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ 7,973	\$ 1,474	\$ 144	\$ 518	\$ -	\$ 502	\$ 56	\$ -	\$ -	\$ -	\$ -
180	Power Production (Incl. Fuel)	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission D&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ 4,157,253	\$ 812,251	\$ 177,588	\$ 637,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
184	Customer Accounts	Summary	\$ 2,695,374	\$ -	\$ -	\$ -	\$ 33,657	\$ 2,661,717	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ 179,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 179,866	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ 111,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,573	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ 1,276,517	\$ 127,577	\$ 3,477	\$ 12,486	\$ -	\$ 656,295	\$ 73,490	\$ -	\$ -	\$ -	\$ -
188	Depreciation & Amortization	Summary	\$ 1,888,310	\$ 360,415	\$ 36,193	\$ 129,981	\$ -	\$ 59,277	\$ 6,638	\$ -	\$ -	\$ -	\$ -
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ 42,672	\$ 4,258	\$ 116	\$ 417	\$ -	\$ 21,904	\$ 2,453	\$ -	\$ -	\$ -	\$ -
191	Debt Service	Summary	\$ 1,457,801	\$ 269,555	\$ 26,372	\$ 94,711	\$ -	\$ 91,745	\$ 10,273	\$ -	\$ -	\$ -	\$ -
192	Other Expenses	Summary	\$ 7,973	\$ 1,474	\$ 144	\$ 518	\$ -	\$ 502	\$ 56	\$ -	\$ -	\$ -	\$ -
193	Total Expenses		\$ 11,619,339	\$ 1,975,530	\$ 243,689	\$ 875,697	\$ 33,657	\$ 3,451,441	\$ 384,350	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Direct Assignments)

A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers
1	Fixed Costs	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Variable Costs (Excl. Fuel)	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Fuel	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Total Generation Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Power Supply Expenses:</b>											
10	Regular Tariff Demand	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Regular Tariff Energy	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Regular Tariff WDA	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Schedule 3 - Valley Grain	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Classes A, B, and C	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Own Use	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Direct Served	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	\$56 - System Control & Load Disp.	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	\$57 - Other Power Supply Expenses	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	Total Purchased Power Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Total Production Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Operations:</b>											
34	\$60 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	\$61 - Load Dispatching	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	\$62 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	\$63 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	\$64 - Underground Line Exp.	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	\$65 - Transmission By Others	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	\$66 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	\$67 - Rents	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	Subtotal - Transmission Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Transmission Maintenance:</b>											
47	\$68 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	\$69 - Structures	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	\$70 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	\$71 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	\$64 - Underground Line Exp.	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	\$66 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	Subtotal - Transmission Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	Subtotal - Transmission O&M		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Operations:</b>											
59	\$60 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60	\$61 - Load Dispatching	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	\$62 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	\$63 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63	\$64 - Underground Line Exp.	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	\$65 - Transmission By Others	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65	\$66 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	\$67 - Rents	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71	Subtotal - Subtransmission Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtransmission Maintenance:</b>											
72	\$68 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	\$69 - Structures	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
74	\$70 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75	\$71 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76	\$73 -	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77	\$78 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82	Subtotal - Subtransmission Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83	Subtotal - Subtransmission O&M		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Distribution Operations:</b>											
84	\$80 - Operations Supervision	DCL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85	\$81 - Direct O&M to Bear Island	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86	\$82 - Station Expense	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	\$83 - Overhead Line Expense	DIST-OH2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88	\$84 - Underground Line Exp.	DIST-OH2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
89	\$85 - Street Lighting	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90	\$86 - Meter Expense	LITR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91	\$87 - Customer Installations	LTS	\$ 21,784	\$ -	\$ -	\$ -	\$ 21,784	\$ -	\$ -	\$ -	\$ -
92	\$88 - Miscellaneous Operations	DCL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93	\$89 - Rents	DIST-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	Subtotal		\$ 21,784	\$ -	\$ -	\$ -	\$ 21,784	\$ -	\$ -	\$ -	\$ -
<b>Distribution Maintenance:</b>											
99	\$80 - Maintenance Supervision	DM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	\$91 - Structures	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Direct Assignments)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
1	Fixed Costs	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Variable Costs (Excl. Fuel)	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Fuel	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	User Defined	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Total Generation Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Power Supply Expenses:													
10	Regular Tariff Demand	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Regular Tariff Energy	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Regular Tariff WDA	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Schedule 3 - Volley Grain	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Classes A, B, and C	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Own Use	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Direct Served	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Not Applicable	PPD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Not Applicable	NR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Not Applicable	PPE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Not Applicable	MAG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	556 - System Control & Load Disp	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	557 - Other Power Supply Expenses	PP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	Total Purchased Power Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Total Production Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Operations:													
34	560 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	561 - Load Dispatching	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	562 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	563 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	564 - Underground Line Exp	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	565 - Transmission By Others	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	566 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	567 - Rents	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	Subtotal - Transmission Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Maintenance:													
47	568 - Operations Supervision	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	569 - Structures	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	570 - Station Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	571 - Overhead Line Expense	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
51	564 - Underground Line Exp	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	566 - Miscellaneous	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	User Defined	TRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	Subtotal - Transmission Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	Subtotal - Transmission O&M		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtransmission Operations:													
59	560 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60	561 - Load Dispatching	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	562 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	563 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63	564 - Underground Line Exp	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64	565 - Transmission By Others	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65	566 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	567 - Rents	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71	Subtotal - Subtransmission Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtransmission Maintenance:													
72	568 - Operations Supervision	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73	569 - Structures	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
74	570 - Station Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75	571 - Overhead Line Expense	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76	573 -	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77	576 - Miscellaneous	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81	User Defined	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82	Subtotal - Subtransmission Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83	Subtotal - Subtransmission O&M		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operations:													
84	580 - Operations Supervision	DOL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85	581 - Direct O&M to Bear Island	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86	582 - Station Expense	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	583 - Overhead Line Expense	DIST-OH2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88	584 - Underground Line Exp	DIST-OH2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
89	585 - Street Lighting	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90	586 - Meter Expense	MTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91	587 - Customer Installations	LTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92	588 - Miscellaneous Operations	DOL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93	589 - Rents	DIST-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94	Subtotal		\$ 21,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,784
Distribution Maintenance:													
76	590 - Maintenance Supervision	DML	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77	591 - Structures	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Direct Assignments)

A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers
78	592 - Station Equipment	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	593 - Overhead Lines	DIST-OH1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	594 - Underground Lines	DIST-OH1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81	595 - Line Transformers	TRS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82	596 - Street Lighting	LTS	\$ 143,794	\$ -	\$ -	\$ 143,794	\$ -	\$ -	\$ -	\$ -	\$ -
83	597 - Meters	MTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
84	598 - Misc. Maintenance	DML	\$ 5,897	\$ -	\$ -	\$ 5,897	\$ -	\$ -	\$ -	\$ -	\$ -
85	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
89	Subtotal		\$ 149,691	\$ -	\$ -	\$ 149,691	\$ -	\$ -	\$ -	\$ -	\$ -
90	Subtotal - Distribution O&M		\$ 171,475	\$ -	\$ -	\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Accounts:</b>											
91	901 - Supervision	CAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92	902 - Meter Reading	MTRNG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93	903 - Customer Records	BILL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94	904 - Uncollectible Accounts	UNCOLL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	905 - Miscellaneous	CAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
99	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	Subtotal - Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Customer Service:</b>											
101	907 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	908 - Customer Assistance	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
103	909 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
104	910 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
105	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sales:</b>											
110	911 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demonstrating	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	913 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	914 - Key Accounts	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
121	Distribution O & M Before A & G		\$ 171,475	\$ -	\$ -	\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -
122	Total Non-Fuel O & M Before A & G		\$ 171,475	\$ -	\$ -	\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ 0	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Administrative &amp; General:</b>											
123	920 - Salaries	LABOR	\$ 12,686	\$ -	\$ -	\$ 12,686	\$ -	\$ -	\$ -	\$ -	\$ -
124	921 - Office Supplies	LABOR	\$ 3,054	\$ -	\$ -	\$ 3,054	\$ -	\$ -	\$ -	\$ -	\$ -
125	922 -	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126	923 - Outside Services	LABOR	\$ 1,117	\$ -	\$ -	\$ 1,117	\$ -	\$ -	\$ -	\$ -	\$ -
127	924 - Property Insurance	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128	925 - Injuries and Damages	LABOR	\$ 187	\$ -	\$ -	\$ 187	\$ -	\$ -	\$ -	\$ -	\$ -
129	926 - Pensions & Benefits	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
130	927 - Franchise Requirements	LABOR	\$ 133	\$ -	\$ -	\$ 133	\$ -	\$ -	\$ -	\$ -	\$ -
131	928 - Regulation Commission	LABOR	\$ 595	\$ -	\$ -	\$ 595	\$ -	\$ -	\$ -	\$ -	\$ -
132	929 - Electric - Own Supply	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
133	930 - Miscellaneous	LABOR	\$ 11,296	\$ -	\$ -	\$ 11,296	\$ -	\$ -	\$ -	\$ -	\$ -
134	932 -	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
135	935 - Maintenance	LABOR	\$ 2,919	\$ -	\$ -	\$ 2,919	\$ -	\$ -	\$ -	\$ -	\$ -
136	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
137	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
138	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
139	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
140	Subtotal - A&G		\$ 31,966	\$ -	\$ -	\$ 31,966	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Depreciation &amp; Amortization:</b>											
141	403.1 - Production	PROD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142	403.5 - Subtransmission	SURTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
143	403.6 - Distribution	DIST-2	\$ 118,543	\$ -	\$ -	\$ 118,543	\$ -	\$ -	\$ -	\$ -	\$ -
144	403.7 - General	GP	\$ 2,889	\$ -	\$ -	\$ 2,889	\$ -	\$ -	\$ -	\$ -	\$ -
145	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
146	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
147	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
148	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
149	Subtotal - Dep. & Amort		\$ 121,432	\$ -	\$ -	\$ 121,432	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Property Tax:</b>											
150	408.1 - Property Tax	PLTINS-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Tax - Payroll:</b>											
151	408.2 - U.S. Unemployment	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
152	408.3 - F.I.C.A.	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
153	408.4 - State Social Security	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
154	408.5 - State Tax	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
155	408.7 - Other Tax	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
156	408.9 - PSC Assessment	LABOR	\$ 975	\$ -	\$ -	\$ 975	\$ -	\$ -	\$ -	\$ -	\$ -
157	Income Tax - Cell Phones	LABOR	\$ 92	\$ -	\$ -	\$ 92	\$ -	\$ -	\$ -	\$ -	\$ -
158	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
159	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161	Subtotal - Payroll Tax		\$ 1,068	\$ -	\$ -	\$ 1,068	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Debt Service:</b>											
162	427 - Interest (Long Term)	NUP-2	\$ 89,999	\$ -	\$ -	\$ 89,999	\$ -	\$ -	\$ -	\$ -	\$ -
163	427.1 - Other LTD Interest	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
165	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
166	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
167	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
168	Subtotal - Debt Service		\$ 89,999	\$ -	\$ -	\$ 89,999	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Expenses</b>											
169	426 - Realized Gain/(Loss)	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
170	431 - Interest on Customer Deposits	NUP-2	\$ 492	\$ -	\$ -	\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -
171	930.2 Donations	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Direct Assignments)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	Secondary and Services	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
78	592 - Station Equipment	SUB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	593 - Overhead Lines	DIST-OH1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	594 - Underground Lines	DIST-OH1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81	595 - Line Transformers	TRS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
82	596 - Street Lighting	LTS	\$ 143,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,794	\$ -
83	597 - Meters	MTR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
84	598 - Misc. Maintenance	DML	\$ 5,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,897	\$ -
85	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
86	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
87	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
89	Subtotal		\$ 149,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,691	\$ -
90	Subtotal - Distribution O&M		\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,475	\$ -
91	Customer Accounts:												
91	901 - Supervision	CAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92	902 - Meter Reading	MTRNG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93	903 - Customer Records	BILL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94	904 - Uncollectible Accounts	UNCOLL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	905 - Miscellaneous	CAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
99	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	Subtotal - Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
101	Customer Service:												
101	907 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	908 - Customer Assistance	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
103	909 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
104	910 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
105	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
108	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Subtotal - Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
110	Sales:												
110	911 - Supervision	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
111	912 - Demonstrating	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	913 - Advertising	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	914 - Key Accounts	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	915 - Costs	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115	916 - Miscellaneous	CS-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
116	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
118	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
119	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Subtotal - Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
121	Distribution O & M Before A & G		\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,475	\$ -
122	Total Non-Fuel O & M Before A & G		\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,475	\$ -
123			\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ -
124	Administrative & General:												
124	920 - Salaries	LABOR	\$ 12,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,686	\$ -
124	921 - Office Supplies	LABOR	\$ 3,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,054	\$ -
125	922 - Labor	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126	923 - Outside Services	LABOR	\$ 1,117	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,117	\$ -
127	924 - Property Insurance	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128	925 - Inquiries and Damages	LABOR	\$ 167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167	\$ -
129	926 - Pensions & Benefits	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
130	927 - Franchise Requirements	LABOR	\$ 133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133	\$ -
131	928 - Regulatory Commission	LABOR	\$ 595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595	\$ -
132	929 - Electric - Own Supply	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
133	930 - Miscellaneous	LABOR	\$ 11,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,296	\$ -
134	932 - Labor	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
135	935 - Maintenance	LABOR	\$ 2,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,919	\$ -
136	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
137	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
138	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
139	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
140	Subtotal - A&G		\$ 31,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,986	\$ -
141	Depreciation & Amortization:												
141	403.1 - Production	PROCD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142	403.5 - Subtransmission	SUBTRANS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
143	403.6 - Distribution	DIST-2	\$ 118,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,543	\$ -
144	403.7 - General	GP	\$ 2,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,889	\$ -
145	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
146	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
147	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
148	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
149	Subtotal - Dep & Amort		\$ 121,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,432	\$ -
150	Property Tax:												
150	408.1 - Property Tax	PLTINS-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
151	Tax - Payroll:												
151	408.2 - U.S. Unemployment	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
152	408.3 - F.I.C.A.	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
153	408.4 - State Social Security	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
154	408.5 - State Tax	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
155	408.7 - Other Tax	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
156	408.9 - PSC Assessment	LABOR	\$ 975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 975	\$ -
157	Income Tax - Cell Phones	LABOR	\$ 92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92	\$ -
158	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
159	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161	Subtotal - Payroll Tax		\$ 1,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,068	\$ -
162	Debt Service:												
162	427 - Interest (Lenn Trms)	NUP-2	\$ 89,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,999	\$ -
163	427.1 - Other LTD Interest	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
165	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
166	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
167	User Defined	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
168	Subtotal - Debt Service		\$ 89,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,999	\$ -
169	Other Expense												
170	426 - Realized Gain/(Loss)	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171	431 - Interest on Customer Deposits	NUP-2	\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492	\$ -
171	930.2 Donations	LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization of Utility Expenses (Direct Assignments)

A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Cost Item	Basis	Balance	Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transformers
172	426. Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ 492	\$ -	\$ -	\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -
180	Power Production (incl. Fuel)	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ 171,475	\$ -	\$ -	\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -
184	Customer Accounts	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ 31,986	\$ -	\$ -	\$ 31,986	\$ -	\$ -	\$ -	\$ -	\$ -
188	Depreciation & Amortization	Summary	\$ 121,432	\$ -	\$ -	\$ 121,432	\$ -	\$ -	\$ -	\$ -	\$ -
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ 1,068	\$ -	\$ -	\$ 1,068	\$ -	\$ -	\$ -	\$ -	\$ -
191	Debt Service	Summary	\$ 89,999	\$ -	\$ -	\$ 89,999	\$ -	\$ -	\$ -	\$ -	\$ -
192	Other Expenses	Summary	\$ 492	\$ -	\$ -	\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -
193	Total Expenses		\$ 416,453	\$ -	\$ -	\$ 416,453	\$ -	\$ -	\$ -	\$ -	\$ -

KENERGY CORP

Functionalization and Subfunctionalization  
of Utility Expenses (Direct Assignments)

A	B	C	D	M	N	O	P	Q	R	S	T	U	V
Line No.	Cost Item	Basis	Balance	Secondary and Services	3-Phase Motors	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
172	426 Other	NUP-2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
175	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
177	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178	User Defined	SubT&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Subtotal - Other Expenses		\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492	\$ -
180	Power Production (Incl. Fuel)	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
181	Transmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
182	Subtransmission O&M	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
183	Distribution O&M	Summary	\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,475	\$ -
184	Customer Accounts	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
185	Customer Service	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
186	Sales	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
187	Administrative & General	Summary	\$ 31,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,986	\$ -
188	Depreciation & Amortization	Summary	\$ 121,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,432	\$ -
189	Property Tax	Summary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Tax - Other	Summary	\$ 1,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,068	\$ -
191	Debt Service	Summary	\$ 89,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,899	\$ -
192	Other Expenses	Summary	\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492	\$ -
193	Total Expenses		\$ 416,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 416,453	\$ -







Line No.	Plant Account	Basis	Balance	Metering	Billing	Consumer 1	Consumer 2	Consumer 3	Security	Street	
A	B	C	D	P	Q	R	S	T	U	V	
					Subfunctionalization - Distribution						
	Ratios										
1	Production Plant	PROD	1.00000								
2	Transmission Plant	TRANS	1.00000								
3	Subtransmission	SUBTRANS	1.00000								
4	Distribution Plant	DIST	1.00000						0.018211		
5	Dist. Plant - W/O Direct Assig.	DIST-2	1.00000						0.018211		
6	Metering	MTRNG	1.00000	1.000000							
7	Substation	SUB	1.00000								
8	364	364	1.00000								
9	365	365	1.00000								
10	366	366	1.00000								
11	367	367	1.00000								
12	Line Transformers (369)	TRS	1.00000								
13	Services (369)	369	1.00000								
14	Meters (370)	MTR	1.00000								
15	A.P. Hill	A.P. Hill	1.00000								
16	Bear Island	Bear Island	1.00000								
17	Load Management	LM	-								
18	R/C defined	R/C-1	1.00000								
19	364, 365 & 369	DIST-OH1	1.00000								
20	366, 367 & 369	DIST-UG1	1.00000								
21	364, 365, 368 & 369	DIST-OH2	1.00000								
22	366, 367, 368 & 369	DIST-UG2	1.00000								
23	Security Lights	LTS	1.00000								
24	Subtrans & Dist.	SUBTRD	1.00000						0.018211		
25	Plant in Service	PLTNS	1.00000		0.027241	0.003050					
26	Net Utility Plant	NUP	1.00000		0.018161	0.002034			0.017817		
27	Labo - Total O&M	LABOR	1.00000		0.258113	0.028903			0.012580		
28	Net Utility Plant w/o Direct	NUP-2	1.00000		0.018161	0.002034			0.017815		
29	General Plant	GP	1.00000		0.258113	0.028903			0.012580		
30	Plant in Service - w/o Direct	PLTNS-2	1.00000		0.027241	0.003050			0.017817		
31	Dist. Operations Labor	DOL	1.00000								
32	Purchased Power Demand	PPE	1.00000								
33	Purchased Power Energy	PPD	1.00000								
34	Billing	BILL	1.00000		1.000000						
35	Overhead/URD Line Exp.	OH/URD	1.00000								
36	Customer Accounts - Labor	CAL	1.00000		1.000000						
37	Consumer Services - 1	CS-1	1.00000			1.000000					
38	Dist. Maintenance Labor	DML	1.00000						0.029106		
39	Consumer Services - 2	CS-2	1.00000								
40	Consumer Services - 3	CS-3	1.00000					1.000000			
41	Consumer Deposits	CD	1.00000		0.001909	0.188230	0.020702		0.011542		
42	Allowance for Working Capital	WORK CAP	1.00000	0.001909	0.188230	0.020702			0.011542		
43	Uncollectible Accounts	UNCOLL	1.00000	0.001140	0.118230	0.013015			0.014102		
44	Purchased Power Direct	PP Direct	1.00000								

A	B	C	D	E	F	G	H	I	J	K	L	M
Line No.	Plant Account	Basis	Balance	Production	Functionalization	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transf.	Secondary and Services
1	Production Plant	PROD	-	-	-	-	-	-	-	-	-	-
2	Transmission Plant	TRANS	-	-	-	-	-	-	-	-	-	-
3	Subtransmission	SUBTRANS	-	-	-	-	-	-	-	-	-	-
4	Distribution Plant	DIST	-	-	-	-	-	-	-	-	-	-
	Dist. Plant - W/O Direct Assig.	DIST-2	-	-	-	-	-	-	-	-	-	-
5	Metering	MTRNG	-	-	-	-	-	-	-	-	-	-
6	Substation	SUB	-	-	-	-	-	-	-	-	-	-
7	364	364	-	-	-	-	-	-	-	-	-	-
8	365	365	-	-	-	-	-	-	-	-	-	-
9	366	366	-	-	-	-	-	-	-	-	-	-
10	367	367	-	-	-	-	-	-	-	-	-	-
11	Line Transformers (368)	TRS	-	-	-	-	-	-	-	-	-	-
12	Services (369)	369	-	-	-	-	-	-	-	-	-	-
13	Meters (370)	MTR	-	-	-	-	-	-	-	-	-	-
14	A. P. Hill	A. P. Hill	-	-	-	-	-	-	-	-	-	-
15	Bear Island	Bear Island	-	-	-	-	-	-	-	-	-	-
16	Load Management	LM	-	-	-	-	-	-	-	-	-	-
17	REC defined	REC-1	-	-	-	-	-	-	-	-	-	-
18	364,365 & 369	DIST-OH1	-	-	-	-	-	-	-	-	-	-
19	366,367 & 369	DIST-UG1	-	-	-	-	-	-	-	-	-	-
20	364,365,368 & 369	DIST-OH2	-	-	-	-	-	-	-	-	-	-
21	366,367,368 & 369	DIST-UG2	-	-	-	-	-	-	-	-	-	-
22	Security Lights	LTS	-	-	-	-	-	-	-	-	-	-
23	Subtrans & Distr.	SUBTR&D	-	-	-	-	-	-	-	-	-	-
24	Plant In Service	PLTINS	-	-	-	-	-	-	-	-	-	-
25	Net Utility Plant	NUP	-	-	-	-	-	-	-	-	-	-
26	Labor - Total O&M	LABOR	-	-	-	-	-	-	-	-	-	-
27	Net Utility Plant w/o Direct	NUP-2	-	-	-	-	-	-	-	-	-	-
28	General Plant	GP	-	-	-	-	-	-	-	-	-	-
29	Plant In Service - w/o Direct	PLTINS-2	-	-	-	-	-	-	-	-	-	-
30	Dist. Operations Labor	DOL	-	-	-	-	-	-	-	-	-	-
31	Purchased Power Energy	PPE	1,000,000	-	-	-	-	-	-	-	-	-
32	Purchased Power Demand	PPD	-	-	-	-	-	-	-	-	-	-
33	Billing	BILL	-	-	-	-	-	-	-	-	-	-
34	Overhead/URD Line Exp.	OH/URD	-	-	-	-	-	-	-	-	-	-
35	Customer Accounts - Labor	CAL	-	-	-	-	-	-	-	-	-	-
36	Consumer Services - 1	CS-1	-	-	-	-	-	-	-	-	-	-
37	Dist. Maintenance Labor	DML	-	-	-	-	-	-	-	-	-	-
38	Consumer Services - 2	CS-2	-	-	-	-	-	-	-	-	-	-
39	Consumer Services - 3	CS-3	-	-	-	-	-	-	-	-	-	-
40	Consumer Deposits	CD	0.5417414	-	-	-	-	-	-	-	-	-
41	Allowance for Working Capital	WORK CAP	-	-	-	-	-	-	-	-	-	-
42	Uncollectible Accounts	UNCOLL	0.5417414	-	-	-	-	-	-	-	-	-
43	Purchased Power Direct	PP Direct	-	-	-	-	-	-	-	-	-	-

**KENERGY CORP**

Classification Ratios (Energy Related)

A	B	C	D	N	O	P	Q	R	S	T	U	V
Line No.	Plant Account	Basis	Balance	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
Subfunctionalization - Distribution												
1	Production Plant	PROD		-	-	-	-	-	-	-	-	-
2	Transmission Plant	TRANS		-	-	-	-	-	-	-	-	-
3	Subtransmission	SUBTRANS		-	-	-	-	-	-	-	-	-
4	Distribution Plant	DIST		-	-	-	-	-	-	-	-	-
5	Dist. Plant - W/O Direct Assig.	DIST-2		-	-	-	-	-	-	-	-	-
6	Metering	MTRNG		-	-	-	-	-	-	-	-	-
7	Substation	SUB		-	-	-	-	-	-	-	-	-
8	364	364		-	-	-	-	-	-	-	-	-
9	365	365		-	-	-	-	-	-	-	-	-
10	366	366		-	-	-	-	-	-	-	-	-
11	367	367		-	-	-	-	-	-	-	-	-
12	Line Transformers (368)	TRS		-	-	-	-	-	-	-	-	-
13	Services (369)	369		-	-	-	-	-	-	-	-	-
14	Meters (370)	MTR		-	-	-	-	-	-	-	-	-
15	A.P. Hill	A. P. Hill		-	-	-	-	-	-	-	-	-
16	Bear Island	Bear Island		-	-	-	-	-	-	-	-	-
17	Load Management	LM		-	-	-	-	-	-	-	-	-
18	REC defined	REC-1		-	-	-	-	-	-	-	-	-
19	364,365 & 369	DIST-OH1		-	-	-	-	-	-	-	-	-
20	366,367 & 369	DIST-UG1		-	-	-	-	-	-	-	-	-
21	364,365,368 & 369	DIST-OH2		-	-	-	-	-	-	-	-	-
22	366,367,368 & 369	DIST-UG2		-	-	-	-	-	-	-	-	-
23	Security Lights	LTS		-	-	-	-	-	-	-	-	-
24	Subtrans & Distr.	Subt&D		-	-	-	-	-	-	-	-	-
25	Plant In. Service	PLTINS		-	-	-	-	-	-	-	-	-
26	Net Utility Plant	NUP		-	-	-	-	-	-	-	-	-
27	Labor - Total O&M	LABOR		-	-	-	-	-	-	-	-	-
28	Net Utility Plant w/o Direct	NUP-2		-	-	-	-	-	-	-	-	-
29	General Plant	GP		-	-	-	-	-	-	-	-	-
30	Plant in Service - w/o Direct	PLTINS-2		-	-	-	-	-	-	-	-	-
31	Dist. Operations Labor	DOL		-	-	-	-	-	-	-	-	-
32	Purchased Power Energy	PPE		-	-	-	-	-	-	-	-	-
33	Purchased Power Demand	PPD		-	-	-	-	-	-	-	-	-
34	Billing	BILL		-	-	-	-	-	-	-	-	-
35	Overhead/JURD Line Exp.	OH/JURD		-	-	-	-	-	-	-	-	-
36	Customer Accounts - Labor	CAL		-	-	-	-	-	-	-	-	-
37	Consumer Services - 1	CS-1		-	-	-	-	-	-	-	-	-
38	Dist. Maintenance Labor	DML		-	-	-	-	-	-	-	-	-
39	Consumer Services -2	CS-2		-	-	-	-	-	-	-	-	-
40	Consumer Services -3	CS-3		-	-	-	-	-	-	-	-	-
41	Consumer Deposits	CD		-	-	-	-	-	-	-	-	-
42	Allowance for Working Capital	WORK CAP		-	-	-	-	-	-	-	-	-
43	Uncollectible Accounts	UNCOLL		-	-	-	-	-	-	-	-	-
44	Purchased Power Direct	PP Direct		-	-	-	-	-	-	-	-	-

KENERGY CORP

Classification Ratios (Demand Related)

A	B	C	D	E	F	G	H	I	J	K	L	M
Line No.	Plant Account	Basis	Balance	Functionalization			Subfunctionalization - Distribution					
				Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transf.	Secondary and Services
1	Production Plant	PROD		-	-		-	-	-	-	-	-
2	Transmission Plant	TRANS		-	1.0000000		-	-	-	-	-	-
3	Subtransmission	SUBTRANS					1.0000000	1.0000000				
4	Distribution Plant	DIST		-	-		-	1.0000000	0.7081766	0.7081766	0.8242000	0.4866270
5	Dist. Plant - W/O Direct Assig.	DIST-2		-	-		-	1.0000000	0.7081766	0.7081766	0.8242000	0.4866270
6	Metering	MTRNG										
7	Substation	SUB					-	1.0000000				
8	364	364					-		0.6132000	0.6132000	0.6132000	0.6132000
9	365	365					-		0.8066000	0.8066000	0.8066000	0.8066000
10	366	366					-		0.8066000	0.8066000	0.8066000	0.8066000
11	367	367					-		0.8066000	0.8066000	0.8066000	0.8066000
12	Line Transformers (368)	TRS					-				0.8242000	0.8242000
13	Services (369)	369					-					0.4383000
14	Meters (370)	MTR					-					
15	A.P Hill	A. P. Hill		-	-		-					
16	Bear Island	Bear Island		-	-		-					
17	Load Management	LM		-	-		-					
18	REC defined	REC-1		-	-		-					
19	364,365 & 369	DIST-OH1					-		0.6984629	0.6984629		0.4813960
20	366,367 & 369	DIST-UG1					-		0.8066000	0.8066000		0.4453778
21	364,365,368 & 369	DIST-OH2					-		0.6984629	0.6984629	0.8242000	0.4813960
22	366,367,368 & 369	DIST-UG2					-		0.8066000	0.8066000	0.8242000	0.4453778
23	Security Lights	LTS										
24	Subtrans & Distr.	SubT&D					-	1.0000000	0.7081766	0.7081766	0.8242000	0.4866270
25	Plant In Service	PLTINS		1.0000000			-	1.0000000	0.7072840	0.7072840	0.8242000	0.4861110
26	Net Utility Plant	NUP					-	1.0000000	0.7075850	0.7075850	0.8242000	0.4862840
27	Labor - Total O&M	LABOR					-	1.0000000	0.6984629	0.6984629	0.8242000	0.4813960
28	Net Utility Plant w/o Direct	NUP-2					-	1.0000000	0.7075848	0.7075848	0.8242000	0.4862842
29	General Plant	GP					-	1.0000000	0.6984629	0.6984629	0.8242000	0.4813960
30	Plant in Service - w/o Direct	PLTINS-2					-	1.0000000	0.7072843	0.7072843	0.8242000	0.4861114
31	Dist. Operations Labor	DOL					-	1.0000000	0.6984629	0.6984629	0.8242000	0.4813960
32	Purchased Power Energy	PPE										
33	Purchased Power Demand	PPD		1.0000000								
34	Billing	BILL										
35	Overhead/URD Line Exp.	OH/URD		-	-				0.9030000			0.9030000
36	Customer Accounts - Labor	CAL										
37	Consumer Services - 1	CS-1										
38	Dist. Maintenance Labor	DML					-	1.0000000	0.6984629	0.6984629	0.8242000	0.4813960
39	Consumer Services -2	CS-2										
40	Consumer Services -3	CS-3										
41	Consumer Deposits	CD		0.4582586				1.0000000	0.7023783	0.7023783	0.8242000	0.4834072
42	Allowance for Working Capital	WORK CAP						1.0000000	0.6984629	0.6984629	0.8242000	0.4813960
43	Uncollectible Accounts	UNCOLL		0.4582586				1.0000000	0.7023783	0.7023783	0.8242000	0.4834072
44	Purchased Power Direct	PP Direct										

KENERGY CORP

Classification Ratios (Demand Related)

A	B	C	D	N	O	P	Q	R	S	T	U	V
Line No.	Plant Account	Basis	Balance	Subfunctionalization - Distribution								
				3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
1	Production Plant	PROD		-	-	-	-	-	-	-	-	-
2	Transmission Plant	TRANS		-	-	-	-	-	-	-	-	-
3	Subtransmission	SUBTRANS		-	-	-	-	-	-	-	-	-
4	Distribution Plant	DIST		-	-	-	-	-	-	-	-	-
5	Dist. Plant - W/O Direct Assig.	DIST-2		-	-	-	-	-	-	-	-	-
6	Metering	MTRNG		-	-	-	-	-	-	-	-	-
7	Substation	SUB		-	-	-	-	-	-	-	-	-
8	364	364		-	-	-	-	-	-	-	-	-
9	365	365		-	-	-	-	-	-	-	-	-
10	366	366		-	-	-	-	-	-	-	-	-
11	367	367		-	-	-	-	-	-	-	-	-
12	Line Transformers (368)	TRS		-	-	-	-	-	-	-	-	-
13	Services (369)	369		-	-	-	-	-	-	-	-	-
14	Meters (370)	MTR		-	-	-	-	-	-	-	-	-
15	A.P Hill	A. P Hill		-	-	-	-	-	-	-	-	-
16	Bear Island	Bear Island		-	-	-	-	-	-	-	-	-
17	Load Management	LM		-	-	-	-	-	-	-	-	-
18	REC defined	REC-1		-	-	-	-	-	-	-	-	-
19	364,365 & 369	DIST-OH1		-	-	-	-	-	-	-	-	-
20	366,367 & 369	DIST-UG1		-	-	-	-	-	-	-	-	-
21	364,365,368 & 369	DIST-OH2		-	-	-	-	-	-	-	-	-
22	366,367,368 & 369	DIST-UG2		-	-	-	-	-	-	-	-	-
23	Security Lights	LTS		-	-	-	-	-	-	-	-	-
24	Subtrans & Distr.	SubT&D		-	-	-	-	-	-	-	-	-
25	Plant In Service	PLTINS		-	-	-	-	-	-	-	-	-
26	Net Utility Plant	NUP		-	-	-	-	-	-	-	-	-
27	Labor - Total O&M	LABOR		-	-	-	-	-	-	-	-	-
28	Net Utility Plant w/o Direct	NUP-2		-	-	-	-	-	-	-	-	-
29	General Plant	GP		-	-	-	-	-	-	-	-	-
30	Plant in Service - w/o Direct	PLTINS-2		-	-	-	-	-	-	-	-	-
31	Dist. Operations Labor	DOL		-	-	-	-	-	-	-	-	-
32	Purchased Power Energy	PPE		-	-	-	-	-	-	-	-	-
33	Purchased Power Demand	PPD		-	-	-	-	-	-	-	-	-
34	Billing	BILL		-	-	-	-	-	-	-	-	-
35	Overhead/URD Line Exp.	OH/URD		-	-	-	-	-	-	-	1.0000000	-
36	Customer Accounts - Labor	CAL		-	-	-	-	-	-	-	-	-
37	Consumer Services - 1	CS-1		-	-	-	-	-	-	-	-	-
38	Dist. Maintenance Labor	DML		-	-	-	-	-	-	-	-	-
39	Consumer Services -2	CS-2		-	-	-	-	-	-	-	-	-
40	Consumer Services -3	CS-3		-	-	-	-	-	-	-	-	-
41	Consumer Deposits	CD		-	-	-	-	-	-	-	-	-
42	Allowance for Working Capital	WORK CAP		-	-	-	-	-	-	-	-	-
43	Uncollectible Accounts	UNCOLL		-	-	-	-	-	-	-	-	-
44	Purchased Power Direct	PP Direct		-	-	-	-	-	-	-	-	-

KENERGY CORP

Classification Ratios (Consumer Related)

A	B	C	D	E	F	G	H	I	J	K	L	M
Line No.	Plant Account	Basis	Balance	Functionalization			Subfunctionalization - Distribution					
				Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transf.	Secondary and Services
1	Production Plant	PROD		-	-		-	-	-	-	-	-
2	Transmission Plant	TRANS		-	-		-	-	-	-	-	-
3	Subtransmission	SUBTRANS		-	-		-	-	-	-	-	-
4	Distribution Plant	DIST		-	-		-	-	0.2918234	0.2918234	0.1758000	0.5133730
	Dist. Plant - W/O Direct Assig.	DIST-2		-	-		-	-	0.2918234	0.2918234	0.1758000	0.5133730
5	Metering	MTRNG		-	-		-	-	-	-	-	-
6	Substation	SUB		-	-		-	-	-	-	-	-
7	364	364		-	-		-	-	0.3868000	0.3868000	0.3868000	0.3868000
8	365	365		-	-		-	-	0.1934000	0.1934000	0.1934000	0.1934000
9	366	366		-	-		-	-	0.1934000	0.1934000	0.1934000	0.1934000
10	367	367		-	-		-	-	0.1934000	0.1934000	0.1934000	0.1934000
11	Line Transformers (368)	TRS		-	-		-	-	-	-	0.1758000	0.1758000
12	Services (369)	369		-	-		-	-	-	-	-	0.5617000
13	Meters (370)	MTR		-	-		-	-	-	-	-	-
14	A.P Hill	A. P. Hill		-	-		-	-	-	-	-	-
15	Bear Island	Bear Island		-	-		-	-	-	-	-	-
16	Load Management	LM		-	-		-	-	-	-	-	-
17	REC defined	REC-1		-	-		-	-	-	-	-	-
18	364,365 & 369	DIST-OH1		-	-		-	-	0.3015371	0.3015371	-	0.5186040
19	366,367 & 369	DIST-UG1		-	-		-	-	0.1934000	0.1934000	-	0.5546222
20	364,365,368 & 369	DIST-OH2		-	-		-	-	0.3015371	0.3015371	0.1758000	0.5186040
21	366,367,368 & 369	DIST-UG2		-	-		-	-	0.1934000	0.1934000	0.1758000	0.5546222
22	Security Lights	LTS		-	-		-	-	-	-	-	-
23	Subtrans & Distr.	SubT&D		-	-		-	-	0.2918234	0.2918234	0.1758000	0.5133730
24	Plant In Service	PLTINS		-	-		-	-	0.2927157	0.2927157	0.1758000	0.5138886
25	Net Utility Plant	NUP		-	-		-	-	0.2924152	0.2924152	0.1758000	0.5137158
26	Labor - Total O&M	LABOR		-	-		-	-	0.3015371	0.3015371	0.1758000	0.5186040
27	Net Utility Plant w/o Direct	NUP-2		-	-		-	-	0.2924152	0.2924152	0.1758000	0.5137158
28	General Plant	GP		-	-		-	-	0.3015371	0.3015371	0.1758000	0.5186040
29	Plant in Service - w/o Direct	PLTINS-2		-	-		-	-	0.2927157	0.2927157	0.1758000	0.5138886
30	Dist. Operations Labor	DOL		-	-		-	-	0.3015371	0.3015371	0.1758000	0.5186040
31	Purchased Power Energy	PPE		-	-		-	-	-	-	-	-
32	Purchased Power Demand	PPD		-	-		-	-	-	-	-	-
33	Billing	BILL		-	-		-	-	-	-	-	-
34	Overhead/URD Line Exp.	OH/URD		-	-		-	-	0.0970000	-	-	0.0970000
35	Customer Accounts - Labor	CAL		-	-		-	-	-	-	-	-
36	Consumer Services - 1	CS-1		-	-		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
37	Dist. Maintenance Labor	DML		-	-		-	-	0.3015371	0.3015371	0.1758000	0.5186040
38	Consumer Services -2	CS-2		-	-		-	-	-	-	-	-
39	Consumer Services -3	CS-3		-	-		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
40	Consumer Deposits	CD		-	-		-	-	0.2976217	0.2976217	0.1758000	0.5165928
41	Allowance for Working Capital	WORK CAP		-	-		-	-	0.3015371	0.3015371	0.1758000	0.5186040
42	Uncollectible Accounts	UNCOLL		-	-		-	-	0.2976217	0.2976217	0.1758000	0.5165928
43	Purchased Power Direct	PP Direct		-	-		-	-	-	-	-	-

KENERGY CORP

Classification Ratios (Consumer Related)

A	B	C	D	N	O	P	Q	R	S	T	U	V
Subfunctionalization - Distribution												
Line No.	Plant Account	Basis	Balance	3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
1	Production Plant	PROD		-	-	-	-	-	-	-	-	-
2	Transmission Plant	TRANS		-	-	-	-	-	-	-	-	-
3	Subtransmission	SUBTRANS		-	-	-	-	-	-	-	-	-
4	Distribution Plant	DIST		1.0000000	1.0000000	-	-	-	-	-	-	-
	Dist. Plant - W/O Direct Assig.	DIST-2		1.0000000	1.0000000	-	-	-	-	-	-	-
5	Metering	MTRNG		-	-	1.0000000	-	-	-	-	-	-
6	Substation	SUB		-	-	-	-	-	-	-	-	-
7	364	364		-	-	-	-	-	-	-	-	-
8	365	365		-	-	-	-	-	-	-	-	-
9	366	366		-	-	-	-	-	-	-	-	-
10	367	367		-	-	-	-	-	-	-	-	-
11	Line Transformers (368)	TRS		-	-	-	-	-	-	-	-	-
12	Services (369)	369		-	-	-	-	-	-	-	-	-
13	Meters (370)	MTR		1.0000000	1.0000000	-	-	-	-	-	-	-
14	A.P. Hill	A. P. Hill		-	-	-	-	-	-	-	-	-
15	Bear Island	Bear Island		-	-	-	-	-	-	-	-	-
16	Load Management	LM		-	-	-	-	-	-	-	-	-
17	REC defined	REC-1		-	-	-	-	-	-	-	-	-
18	364,365 & 369	DIST-OH1		-	-	-	-	-	-	-	-	-
19	366,367 & 369	DIST-UG1		-	-	-	-	-	-	-	-	-
20	364,365,368 & 369	DIST-OH2		-	-	-	-	-	-	-	-	-
21	366,367,368 & 369	DIST-UG2		-	-	-	-	-	-	-	-	-
22	Security Lights	LTS		-	-	-	-	-	-	-	-	-
23	Subtrans & Distr.	SubT&D		1.0000000	1.0000000	-	-	-	-	-	-	-
24	Plant In Service	PLTINS		1.0000000	1.0000000	-	1.0000000	1.0000000	-	-	-	-
25	Net Utility Plant	NUP		1.0000000	1.0000000	-	1.0000000	1.0000000	-	-	-	-
26	Labor - Total O&M	LABOR		1.0000000	1.0000000	-	1.0000000	1.0000000	-	-	-	-
27	Net Utility Plant w/o Direct	NUP-2		1.0000000	1.0000000	-	1.0000000	1.0000000	-	-	-	-
28	General Plant	GP		1.0000000	1.0000000	-	1.0000000	1.0000000	-	-	-	-
29	Plant in Service - w/o Direct	PLTINS-2		1.0000000	1.0000000	-	1.0000000	1.0000000	-	-	-	-
30	Dist. Operations Labor	DOL		-	-	-	-	-	-	-	-	-
31	Purchased Power Energy	PPE		-	-	-	-	-	-	-	-	-
32	Purchased Power Demand	PPD		-	-	-	-	-	-	-	-	-
33	Billing	BILL		-	-	-	1.0000000	-	-	-	-	-
34	Overhead/URD Line Exp.	OH/URD		-	-	-	-	-	-	-	-	-
35	Customer Accounts - Labor	CAL		-	-	-	1.0000000	-	-	-	-	-
36	Consumer Services - 1	CS-1		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
37	Dist. Maintenance Labor	DML		1.0000000	1.0000000	-	-	-	-	-	-	-
38	Consumer Services - 2	CS-2		-	-	-	-	-	1.0000000	-	-	-
39	Consumer Services - 3	CS-3		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
40	Consumer Deposits	CD		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	-	-	-	-
41	Allowance for Working Capital	WORK CAP		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	-	-	-	-
42	Uncollectible Accounts	UNCOLL		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	-	-	-	-
43	Purchased Power Direct	PP Direct		-	-	-	-	-	-	-	-	-



KENERGY CORP

Classification Ratios (Direct Assignments)

A	B	C	D	E	F	G	H	I	J	K	L	M
Line No.	Plant Account	Basis	Balance	Functionalization			Subfunctionalization - Distribution					
				Production	Transmission	Distribution	Sub-Transmission	Substation	Primary 3-Phase	Primary 1-Phase	Transf.	Secondary and Services
1	Production Plant	PROD		1.0000000	-		-	-	-	-	-	-
2	Transmission Plant	TRANS		-	-		-	-	-	-	-	-
3	Subtransmission	SUBTRANS					-	-	-	-	-	-
4	Distribution Plant	DIST		-	-		-	-	-	-	-	-
	Dist. Plant - W/O Direct Assig.	DIST-2		-	-		-	-	-	-	-	-
5	Metering	MTRNG					-	-	-	-	-	-
6	Substation	SUB					-	-	-	-	-	-
7	364	364					-	-	-	-	-	-
8	365	365					-	-	-	-	-	-
9	366	366					-	-	-	-	-	-
10	367	367					-	-	-	-	-	-
11	Line Transformers (368)	TRS					-	-	-	-	-	-
12	Services (369)	369					-	-	-	-	-	-
13	Meters (370)	MTR					-	-	-	-	-	-
14	A.P Hill	A. P Hill		1.0000000	1.0000000		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
15	Bear Island	Bear Island		1.0000000	1.0000000		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
16	Load Management	LM		1.0000000	1.0000000		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
17	REC defined	REC-1		1.0000000	1.0000000		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
18	364,365 & 369	DIST-OH1					-	-	-	-	-	-
19	366,367 & 369	DIST-UG1					-	-	-	-	-	-
20	364,365,368 & 369	DIST-OH2					-	-	-	-	-	-
21	366,367,368 & 369	DIST-UG2					-	-	-	-	-	-
22	Security Lights	LTS					-	-	-	-	-	-
23	Subtrans & Distr.	SubT&D					-	-	-	-	-	-
24	Plant In Service	PLTINS		-			-	-	-	-	-	-
25	Net Utility Plant	NUP		-			-	-	-	-	-	-
26	Labor - Total O&M	LABOR		-	-		-	-	-	-	-	-
27	Net Utility Plant w/o Direct	NUP-2		-	-		-	-	-	-	-	-
28	General Plant	GP		-			-	-	-	-	-	-
29	Plant in Service - w/o Direct	PLTINS-2		-	-		-	-	-	-	-	-
30	Dist. Operations Labor	DOL					-	-	-	-	-	-
31	Purchased Power Energy	PPE					-	-	-	-	-	-
32	Purchased Power Demand	PPD					-	-	-	-	-	-
33	Billing	BILL					-	-	-	-	-	-
34	Overhead/URD Line Exp.	OH/URD		1.0000000	-		-	-	-	-	-	-
35	Customer Accounts - Labor	CAL					-	-	-	-	-	-
36	Consumer Services - 1	CS-1					-	-	-	-	-	-
37	Dist. Maintenance Labor	DML					-	-	-	-	-	-
38	Consumer Services -2	CS-2		1.0000000			-	-	-	-	-	-
39	Consumer Services -3	CS-3		1.0000000			-	-	-	-	-	-
40	Consumer Deposits	CD		-	-		-	-	-	-	-	-
41	Allowance for Working Capital	WORK CAP		-	-		-	-	-	-	-	-
42	Uncollectible Accounts	UNCOLL		-	-		-	-	-	-	-	-
43	Purchased Power Direct	PP Direct		1.0000000			1.0000000	-	-	-	-	-

KENERGY CORP

Classification Ratios (Direct Assignments)

A	B	C	D	N	O	P	Q	R	S	T	U	V
Line No.	Plant Account	Basis	Balance	Subfunctionalization - Distribution								
				3-Phase Meters	1-Phase Meters	Metering	Billing	Consumer Services 1	Consumer Services 2	Consumer Services 3	Security Lights	Street Lights
1	Production Plant	PROD		-	-	-	-	-	-	-	-	-
2	Transmission Plant	TRANS		-	-	-	-	-	-	-	-	-
3	Subtransmission	SUBTRANS		-	-	-	-	-	-	-	-	-
4	Distribution Plant	DIST		-	-	-	-	-	-	-	1.0000000	-
	Dist. Plant - W/O Direct Assig.	DIST-2		-	-	-	-	-	-	-	1.0000000	-
5	Metering	MTRNG		-	-	-	-	-	-	-	-	-
6	Substation	SUB		-	-	-	-	-	-	-	-	-
7	364	364		-	-	-	-	-	-	-	-	-
8	365	365		-	-	-	-	-	-	-	-	-
9	366	366		-	-	-	-	-	-	-	-	-
10	367	367		-	-	-	-	-	-	-	-	-
11	Line Transformers (368)	TRS		-	-	-	-	-	-	-	-	-
12	Services (369)	369		-	-	-	-	-	-	-	-	-
13	Meters (370)	MTR		-	-	-	-	-	-	-	-	-
14	A.P Hill	A. P. Hill		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
15	Bear Island	Bear Island		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
16	Load Management	LM		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
17	REC defined	REC-1		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000
18	364,365 & 369	DIST-OH1		-	-	-	-	-	-	-	-	-
19	366,367 & 369	DIST-JG1		-	-	-	-	-	-	-	-	-
20	364,365,368 & 369	DIST-OH2		-	-	-	-	-	-	-	-	-
21	366,367,368 & 369	DIST-JG2		-	-	-	-	-	-	-	-	-
22	Security Lights	LTS		-	-	-	-	-	-	-	1.0000000	-
23	Subtrans & Distr.	SubT&D		-	-	-	-	-	-	-	1.0000000	-
24	Plant In Service	PLTINS		-	-	-	-	-	-	-	1.0000000	-
25	Net Utility Plant	NUP		-	-	-	-	-	-	-	1.0000000	-
26	Labor - Total O&M	LABOR		-	-	-	-	-	-	-	1.0000000	-
27	Net Utility Plant w/o Direct	NUP-2		-	-	-	-	-	-	-	1.0000000	-
28	General Plant	GP		-	-	-	-	-	-	-	1.0000000	-
29	Plant in Service - w/o Direct	PLTINS-2		-	-	-	-	-	-	-	1.0000000	-
30	Dist. Operations Labor	DOL		-	-	-	-	-	-	-	-	-
31	Purchased Power Energy	PPE		-	-	-	-	-	-	-	-	-
32	Purchased Power Demand	PPD		-	-	-	-	-	-	-	-	-
33	Billing	BILL		-	-	-	-	-	-	-	-	-
34	Overhead/URD Line Exp.	OH/URD		-	-	-	-	-	-	-	-	-
35	Customer Accounts - Labor	CAL		-	-	-	-	-	-	-	-	-
36	Consumer Services - 1	CS-1		-	-	-	-	-	-	-	-	-
37	Dist. Maintenance Labor	DML		-	-	-	-	-	-	-	1.0000000	-
38	Consumer Services -2	CS-2		-	-	-	-	-	-	-	-	-
39	Consumer Services -3	CS-3		-	-	-	-	-	-	-	-	-
40	Consumer Deposits	CD		-	-	-	-	-	-	-	1.0000000	-
41	Allowance for Working Capital	WORK CAP		-	-	-	-	-	-	-	1.0000000	-
42	Uncollectible Accounts	UNCOLL		-	-	-	-	-	-	-	1.0000000	-
43	Purchased Power Direct	PP Direct		-	-	-	-	-	-	-	1.0000000	-

KENERGY CORP  
Summary of Allocation Factors

Line No.		Allocation Factor	TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non -Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW	Pioneer Plastics	Valley Grain
1	Energy -	1	1.00000	0.01168	0.64594	0.09768	0.16528	0.04411	0.03531	-	-
2	WDA	2	1.00000	0.01169	0.64569	0.09755	0.16490	0.04411	0.03607	-	-
3	Production -	3	1.00000	0.00813	0.66911	0.10118	0.14966	0.03994	0.03198	-	-
4	User Defined	4	-	-	-	-	-	-	-	-	-
5	User Defined	5	-	-	-	-	-	-	-	-	-
6	User Defined	6	-	-	-	-	-	-	-	-	-
7	SubTransmission & Substation All	7	1.00000	0.00806	0.66347	0.10033	0.14840	0.03960	0.04014	-	-
8	Substation W/O Direct	8	1.00000	0.00806	0.66347	0.10033	0.14840	0.03960	0.04014	-	-
9	Demand - Primary MP	9	1.00000	0.01088	0.66330	0.09903	0.16028	0.03453	0.03197	-	-
10	Demand - Primary SP	10	1.00000	0.01349	0.85894	0.12756	-	-	-	-	-
11	Consumers - Primary MP	11	1.00000	-	0.81252	0.15686	0.03018	0.00026	0.00018	-	-
12	Consumers - Primary SP	12	1.00000	-	0.83818	0.16182	-	-	-	-	-
13	Meters - Three Phase	13	-	-	-	-	0.98559	0.00840	0.00600	-	-
14	Demand - Secondary	14	1.00000	0.01087	0.69186	0.10275	0.16313	0.03139	-	-	-
15	Consumers - Secondary	15	1.00000	-	0.82100	0.15850	0.02033	0.00017	-	-	-
16	Consumer - Transformers	16	1.00000	-	0.80048	0.15454	0.04460	0.00038	-	-	-
17	Meters - Single Phase	17	1.00000	-	0.83818	0.16182	-	-	-	-	-
18	Metering	18	1.00000	-	0.70463	0.13603	0.15704	0.00134	0.00096	-	-
19	Billing	19	1.00000	-	0.81252	0.15686	0.03018	0.00026	0.00018	-	-
20	Consumer Services 1	20	1.00000	-	0.82515	0.15930	0.01533	0.00013	0.00009	-	-
21	CS 2 ( Load Mgt Switches)	21	-	-	-	-	-	-	-	-	-
22	CS 3 Fees	22	-	-	-	-	-	-	-	-	-
23	Security Lights Only	23	1.00000	1.00000	-	-	-	-	-	-	-
24	Valley Grain Power Cost	24	1.00000	-	-	-	-	-	1.00000	-	-
25	User Defined	25	1.00000	-	-	-	-	-	-	-	-
26	User Defined	26	1.00000	-	-	-	-	-	-	-	-
27	User Defined	27	-	-	-	-	-	-	-	-	-
28	User Defined	28	-	-	-	-	-	-	-	-	-
29	User Defined	29	-	-	-	-	-	-	-	-	-
30	User Defined	30	-	-	-	-	-	-	-	-	-
31	User Defined	31	-	-	-	-	-	-	-	-	-
32	User Defined	32	-	-	-	-	-	-	-	-	-
33	User Defined	33	-	-	-	-	-	-	-	-	-
34	User Defined	34	-	-	-	-	-	-	-	-	-
35	User Defined	35	-	-	-	-	-	-	-	-	-
36	User Defined	36	-	-	-	-	-	-	-	-	-
37	User Defined	37	-	-	-	-	-	-	-	-	-
38	User Defined	38	-	-	-	-	-	-	-	-	-
39	User Defined	39	-	-	-	-	-	-	-	-	-
40	User Defined	40	-	-	-	-	-	-	-	-	-
41	User Defined	41	-	-	-	-	-	-	-	-	-
42	User Defined	42	-	-	-	-	-	-	-	-	-
43	User Defined	43	-	-	-	-	-	-	-	-	-
44	User Defined	44	-	-	-	-	-	-	-	-	-
45	User Defined	45	-	-	-	-	-	-	-	-	-

Service Code Description  
 Level 1 Subtransmission Delivery Service  
 Level 2 Substation Service  
 Level 3 Primary Three Phase Service  
 Level 4 Secondary Three Phase Service  
 Level 5 Secondary Single Phase Service

**KENERGY CORP**

**Summary of Rate Class Billing Units**

A	B	C	D	E	F	G	H	I	J	K
Line No.		TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non-Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW	Pioneer Plastics	Valley Grain
1	Service Level Code		5	5	5	4	4	3	4	3
2	Number of Consumers	53,572		44,205	8,534	821	7	7	5	-
3	Number of Meters	53,572		44,205	8,534	821	7	7	5	-
4	Metered kWh Sold	1,125,353,420	13,035,442	720,600,499	108,968,735	184,377,631	49,203,163	49,167,950	-	0
5	Metered Demand	811,010				596,941	111,028	103,041		
6	Load Mgt. Switches									
7	Number of Secondary Consumers	53,567		44,205	8,534	821	7			
8	Consumers - Secondary Allocator	1,000,000		0.825228	0.159315	0.015327	0.000131			
9	Number of Single-Phase Sec. Consumers	52,739		44,205	8,534					
10	Single-Phase Consumer Allocator	1,000,000		0.838184	0.161816					
11	Primary System - Consumers	53,572		44,205	8,534	821	7	5		
12	Primary System Weighting Factor		1.00	1.00	1.00	2.00	2.00	10	2.00	2.00
13	Primary System Weighted Consumers	54,405		44,205	8,534	1,642	14	10		
14	Primary Three-Phase Consumer Allocator	1,000,000		0.812517	0.156861	0.030181	0.000257	0.000184		
15	Services - Act. 369 Weighting Factor		3.00	3.00	3.00	4.00	4.00	4.00		
16	Services - Act. 369 Weighted Consumers	161,549		132,615	25,602	3,284	28	20		
17	Account 369 Weighting Factor	1,000,000		0.820896	0.158478	0.020328	0.000173	0.000124		
18	Three Phase Customers	833				821	7	5		
19	Three Phase Customers Allocator	1,000,000				0.985594	0.008403	0.006002		

**KENERGY CORP**

**Determination of Class Demand Contributions for Allocation of**

**Purchased Power Cost**

12 Month Average Kenergy NCP

@ System Input Voltage

Line No.		TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non-Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW	Pioneer Plastics	Valley Grain
1	Metered kWh Delivered	1,116,417,270	13,035,442	720,600,499	108,968,735	184,377,631	49,203,163	40,231,800	-	-
2	Loss Factor	5.92%	5.59%	5.59%	5.59%	5.59%	5.59%	5.59%	5.59%	0.00%
3	kWh Delivered Adjusted to System Input	1,181,692,406	13,807,950	763,304,812	115,426,453	195,304,240	52,119,047	41,729,904	-	-
5	Average Demand	134,896	1,576	87,135	13,177	22,295	5,950	4,764	-	-
6	Concurrent Peak Demand	212,302	1,726	142,053	21,481	31,773	8,479	6,789	-	-
7	Less Direct Assigned Power Cost									
8	Modified CP Demand Before Load Mgt. <3>	212,302	1,726	142,053	21,481	31,773	8,479	6,789	-	-
9	System Allocator	1,000,000	0.00813	0.10118	0.14966	0.14966	0.03994	0.03198	-	-
10	kWh Delivered at System input - no D.A.	1,181,692,406	13,807,950	763,304,812	115,426,453	195,304,240	52,119,047	41,729,904	-	-
11	System Allocator	1,000,000	0.01168	0.64594	0.09768	0.16528	0.04411	0.03531	-	-

Determination of Class Demand Contributions for Allocation of  
 Sub-Transmission & Substation  
 12 Month Average Kenergy System Non-Coincident Peak  
 @ System Input Voltage  
 (Average And Excess Method)

Line No.		TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non -Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW	Pioneer Plastics	Valley Grain
1	kWh Sales	1,125,353,420	13,035,442	720,600,499	108,968,735	184,377,631	49,203,163	49,167,950	-	-
2	Loss Factor	5.48%	5.59%	5.59%	5.59%	5.59%	5.59%	2.96%	5.59%	0.00%
3	Total kWh Purch & Generated	1,190,628,556	13,807,950	763,304,812	115,426,453	195,304,240	52,119,047	50,666,054	0	0
4	Average Demand	135,917	1,576	87,135	13,177	22,295	5,950	5,784	-	-
5	Contribution to System Peak	214,107	1,726	142,053	21,481	31,773	8,479	8,594	-	-
6	Modified Demand Before Load Management	214,107	1,726	142,053	21,481	31,773	8,479	8,594	-	-
7	Less Direct Assigned Subtransmission	-	-	-	-	-	-	-	-	-
8	Subtransmission Demand	214,107	1,726	142,053	21,481	31,773	8,479	8,594	-	-
9	Sub-Transmission Demand Allocator	1.000000	0.008062	0.663468	0.100329	0.148400	0.039602	0.040139	-	-
10		-	-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-	-
12	Substation Demand - No Direct Assignment	214,107	1,726	142,053	21,481	31,773	8,479	8,594	-	-
13	Substation Demand Allocator	1.000000	0.008062	0.663468	0.100329	0.148400	0.039602	0.040139	-	-

Input Load Factor from Load Research                    91.32%            61.34%            61.34%            70.17%            70.17%            67.30%            70.17%            56.52%

Determination of Class Demand Contributions for Allocation of  
 Distribution-Related Investment and Expenses

@ System Input Voltage

Line No.		TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non -Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW	Pioneer Plastics	Valley Grain
1	kWh Sales	1,125,353,420	13,035,442	720,600,499	108,968,735	184,377,631	49,203,163	49,167,950	-	-
2	Loss Factor	5.48%	5.59%	5.59%	5.59%	5.59%	5.59%	2.96%	5.59%	0.00%
3	Total kWh Purch & Generated	1,190,628,556	13,807,950	763,304,812	115,426,453	195,304,240	52,119,047	50,666,054	-	-
4	Average Demand	135,917	1,576	87,135	13,177	22,295	5,950	5,784	-	-
5	Maximum Demand ( Class NCP)	303,044	3,204	203,921	30,284	48,081	9,253	8,302	-	-
6	Excess Demand	167,127	1,628	116,785	17,107	25,786	3,303	2,518	-	-
7	Allocated Excess Demand	85,066	828	59,443	8,708	13,125	1,681	1,282	-	-
8	Allocated System Demand A & E	220,983	2,405	146,578	21,884	35,420	7,631	7,065	-	-
9	Distribution Demand Allocator 1	1.000000	0.010882	0.663301	0.099031	0.160283	0.034532	0.031973	0.000000	0.000000
10	Allocated System Demand 2	303,044	3,204	203,921	30,284	48,081	9,253	8,302	-	-
11	Allocated System Demand Secondary	294,742	3,204	203,921	30,284	48,081	9,253	-	-	-
12	Distribution Demand Allocator 2 - Secondary	1.000000	0.010870	0.691861	0.102747	0.163128	0.031393	-	-	-
13	Allocated System Demand Primary SP	237,408	3,204	203,921	30,284	-	-	-	-	-
14	Distribution Demand Allocator 3 - Prim SP	0.805478	0.013495	0.858945	0.127561	-	-	-	-	-
15	Allocated System Demand Secondary SP	237,408	3,204	203,921	30,284	-	-	-	-	-
16	Distribution Demand Allocator 4 - Sec. SP	1.000000	0.013495	0.858945	0.127561	-	-	-	-	-
17	Allocated System Demand Three-Phase	220,983	2,405	146,578	21,884	35,420	7,631	7,065	-	-
18	Distribution Demand Allocator 5- Prim. TP	1.000000	0.010882	0.663301	0.099031	0.160283	0.034532	0.031973	-	-
19	Allocated System Demand Primary & Secondary	220,983	2,405	146,578	21,884	35,420	7,631	7,065	-	-
20	Distribution Demand Allocator 6- Prim. & Sec.	1.000000	0.010882	0.663301	0.099031	0.160283	0.034532	0.031973	-	-
21	Allocated System Demand - Lighting Only	3,204	3,204	-	-	-	-	-	-	-
22	Distribution Demand Allocator 7 - Lighting Only	1.000000	1.000000	-	-	-	-	-	-	-

Determination of Unweighted Consumer

Line No.		TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non -Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW	Pioneer Plastics	Valley Grain
1	Service Code		5	5	5	4	4	3	4	3
2	Number of Consumers	53,572	-	44,205	8,534	821	7	5	-	-
3	Unweighted Consumer Allocator	1,000000	-	0.825151	0.159300	0.015325	0.000131	0.000093	-	-
4	Consumers	53,567	-	44,205	8,534	821	7	-	-	-
5	Consumer Allocator	1,000000	-	0.825228	0.159315	0.015327	0.000131	-	-	-
6	Weighting Factor-Secondary and Services		3.00	3.00	3.00	4.00	4.00	-	4.00	-
7	Weighted Consumers-Secondary and Services	161,529	-	132,615	25,602	3,284	28	-	-	-
8	Consumer Allocator- Secondary Services	1,000000	-	0.820998	0.158498	0.020331	0.000173	-	-	-
9	Transformer Weighting Factor		1.00	1.00	1.00	3.00	3.00	-	3.00	-
10	Transformer Weighted Consumers	55,223	-	44,205	8,534	2,463	21	-	-	-
11	Transformer Allocator	1,000000	-	0.800482	0.154537	0.044601	0.000380	-	-	-
12	Consumers - Single Phase	52,739	-	44,205	8,534	-	-	-	-	-
13	Consumers - Single Phase Allocator	1,000000	-	0.838184	0.161816	-	-	-	-	-

Determination of Weighted Meter Reading and Billing Allocator

Line No.		TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non -Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW	Pioneer Plastics	Valley Grain
1	Service Level Code		5	5	5	4	4	3	4	3
2	Number of Meters	53,572	-	44,205	8,534	821	7	5	-	-
3	Meter Readings Weighting Factor		1.00	1.00	1.00	12.00	12.00	12.00	12.00	12.00
4	Weighted Number of Meters	62,735	-	44,205	8,534	9,852	84	60	-	-
5	Meter Readings Allocation Factor	1,000000	-	0.70463	0.13603	0.15704	0.00134	0.00096	-	-
6	Number of Consumers	53,572	-	44,205	8,534	821	7	5	-	-
7	Billing Weighting Factor		1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
8	Weighted Billings	54,405	-	44,205	8,534	1,642	14	10	-	-
9	Weighted Billing Allocation Factor	1,000000	-	0.81252	0.15686	0.03018	0.00026	0.00018	-	-
10	Single-Phase Meter Weighting Factor		1.00	1.00	1.00	-	-	-	-	-
11	Single-Phase Meters	52,739	-	44,205	8,534	-	-	-	-	-
12	Single-Phase Meters Allocation Factor	1,000000	-	0.83818	0.16182	-	-	-	-	-
14	Number of Three Phase Meters	833	-	-	-	821	7	5	-	-
15	Three Phase Meter Weighting Factors		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
16	Weighted Number of Three Phase	833	-	-	-	821	7	5	-	-
17	Three Phase Weighting Allocator	0,01531	-	-	-	0.98559	0.00840	0.00600	-	-

Determination of Consumer Services Allocators

Line No.		TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non-Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW	Pioneer Plastics	Valley Grain
1	Service Level Code		5	5	5	4	4	3	4	3
2	Number of Consumers	53,572	-	44,205	8,534	821	7	5	-	-
3	Customer Services Weighting Factor 1		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4	Weighted Number of Consumers	53,572	-	44,205	8,534	821	7	5	-	-
5	Customers Services Allocator 1	1.00000	-	0.82515	0.15930	0.01533	0.00013	0.00009	-	-
6	Not Applicable									
7	Number of LM Switches	-	-	-	-	-	-	-	-	-
8	Customers Services Allocator 2	-	-	-	-	-	-	-	-	-
9	Customer Services Weighting Factor 3		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10	Weighted Number of Consumers 3	53,572	-	44,205	8,534	821	7	5	-	-
11	Customers Services Allocator 3	1.00000	-	0.82515	0.15930	0.01533	0.00013	0.00009	-	-

**Allocation of Substation Utility Plant  
Demand**

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	7	\$ 24,320,060	\$ 196,062	\$ 16,135,591	\$ 2,440,013	\$ 3,609,096	\$ 963,126	\$ 976,172
3	General Plant	7	\$ 964,963	\$ 7,779	\$ 640,223	\$ 96,814	\$ 143,201	\$ 38,215	\$ 38,732
4	Plant In Service		\$ 25,285,023	\$ 203,842	\$ 16,775,813	\$ 2,536,827	\$ 3,752,296	\$ 1,001,341	\$ 1,014,904
5	CWIP	7	\$ 360,426	\$ 2,906	\$ 239,131	\$ 36,161	\$ 53,487	\$ 14,274	\$ 14,467
6	<b>Total Utility Plant</b>		\$ 25,645,449	\$ 206,747	\$ 17,014,944	\$ 2,572,989	\$ 3,805,784	\$ 1,015,614	\$ 1,029,371
	<b>Accumulated Depreciation</b>								
7	Distribution	7	\$ 4,589,714	\$ 37,001	\$ 3,045,130	\$ 460,483	\$ 681,113	\$ 181,762	\$ 184,224
8	General	7	\$ 467,744	\$ 3,771	\$ 310,333	\$ 46,928	\$ 69,413	\$ 18,524	\$ 18,775
9	Subtotal		\$ 5,057,459	\$ 40,772	\$ 3,355,464	\$ 507,411	\$ 750,527	\$ 200,286	\$ 202,999
10	<b>Net Utility Plant</b>		\$ 20,587,991	\$ 165,975	\$ 13,659,481	\$ 2,065,578	\$ 3,055,257	\$ 815,328	\$ 826,372
11	Allowance for Working Capital		\$ 252,909	\$ 2,039	\$ 167,797	\$ 25,374	\$ 37,532	\$ 10,016	\$ 10,151
12	Consumer Deposits		\$ (84,050)	\$ (678)	\$ (55,764)	\$ (8,433)	\$ (12,473)	\$ (3,329)	\$ (3,374)
13	<b>Net Rate Base</b>		\$ 20,756,850	\$ 167,337	\$ 13,771,513	\$ 2,082,519	\$ 3,080,316	\$ 822,016	\$ 833,150



Allocation of Primary 3-Phase Utility Plant  
Total

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant		\$ 33,387,431	\$ 257,286	\$ 23,599,754	\$ 3,869,828	\$ 4,083,814	\$ 818,993	\$ 757,756
3	General Plant		\$ 3,377,009	\$ 25,667	\$ 2,391,918	\$ 393,315	\$ 408,794	\$ 81,714	\$ 75,601
4	Plant In Service		\$ 36,764,440	\$ 282,952	\$ 25,991,672	\$ 4,263,143	\$ 4,492,608	\$ 900,707	\$ 833,358
5	CWIP		\$ 524,059	\$ 4,033	\$ 370,499	\$ 60,769	\$ 64,040	\$ 12,839	\$ 11,879
6	<b>Total Utility Plant</b>		<b>\$ 37,288,499</b>	<b>\$ 286,986</b>	<b>\$ 26,362,171</b>	<b>\$ 4,323,912</b>	<b>\$ 4,556,648</b>	<b>\$ 913,546</b>	<b>\$ 845,237</b>
	<b>Accumulated Depreciation</b>								
7	Distribution		\$ 6,300,921	\$ 48,555	\$ 4,453,777	\$ 730,319	\$ 770,703	\$ 154,561	\$ 143,005
8	General		\$ 1,636,928	\$ 12,441	\$ 1,159,428	\$ 190,651	\$ 198,154	\$ 39,609	\$ 36,646
9	Subtotal		\$ 7,937,849	\$ 60,997	\$ 5,613,205	\$ 920,970	\$ 968,856	\$ 194,170	\$ 179,651
10	<b>Net Utility Plant</b>		<b>\$ 29,350,650</b>	<b>\$ 225,989</b>	<b>\$ 20,748,966</b>	<b>\$ 3,402,942</b>	<b>\$ 3,587,791</b>	<b>\$ 719,375</b>	<b>\$ 665,586</b>
11	Allowance for Working Capital		\$ 743,023	\$ 5,647	\$ 526,279	\$ 86,539	\$ 89,944	\$ 17,979	\$ 16,634
12	Consumer Deposits		\$ (122,209)	\$ (941)	\$ (86,399)	\$ (14,171)	\$ (14,934)	\$ (2,994)	\$ (2,770)
13	<b>Net Rate Base</b>		<b>\$ 29,971,464</b>	<b>\$ 230,696</b>	<b>\$ 21,188,846</b>	<b>\$ 3,475,310</b>	<b>\$ 3,662,802</b>	<b>\$ 734,360</b>	<b>\$ 679,450</b>

Allocation of Primary 3-Phase Utility Plant  
Demand

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	9	\$ 23,644,197	\$ 257,286	\$ 15,683,208	\$ 2,341,499	\$ 3,789,753	\$ 816,486	\$ 755,966
3	General Plant	9	\$ 2,358,715	\$ 25,667	\$ 1,564,537	\$ 233,585	\$ 378,061	\$ 81,452	\$ 75,414
4	Plant In Service		\$ 26,002,912	\$ 282,952	\$ 17,247,746	\$ 2,575,084	\$ 4,167,814	\$ 897,937	\$ 831,380
5	CWIP	9	\$ 370,659	\$ 4,033	\$ 245,858	\$ 36,707	\$ 59,410	\$ 12,800	\$ 11,851
6	<b>Total Utility Plant</b>		\$ 26,373,571	\$ 286,986	\$ 17,493,604	\$ 2,611,790	\$ 4,227,224	\$ 910,737	\$ 843,231
	<b>Accumulated Depreciation</b>								
7	Distribution	9	\$ 4,462,165	\$ 48,555	\$ 2,959,756	\$ 441,891	\$ 715,207	\$ 154,088	\$ 142,667
8	General	9	\$ 1,143,334	\$ 12,441	\$ 758,374	\$ 113,225	\$ 183,256	\$ 39,482	\$ 36,555
9	Subtotal		\$ 5,605,498	\$ 60,997	\$ 3,718,130	\$ 555,116	\$ 898,464	\$ 193,570	\$ 179,222
10	<b>Net Utility Plant</b>		\$ 20,768,073	\$ 225,989	\$ 13,775,474	\$ 2,056,674	\$ 3,328,760	\$ 717,167	\$ 664,008
11	Allowance for Working Capital		\$ 518,974	\$ 5,647	\$ 344,236	\$ 51,394	\$ 83,182	\$ 17,921	\$ 16,593
12	Consumer Deposits		\$ (86,436)	\$ (941)	\$ (57,333)	\$ (8,560)	\$ (13,854)	\$ (2,985)	\$ (2,764)
13	<b>Net Rate Base</b>		\$ 21,200,611	\$ 230,696	\$ 14,062,376	\$ 2,099,509	\$ 3,398,088	\$ 732,103	\$ 677,838

Allocation of Primary 3-Phase Utility Plant  
Consumer

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	11	\$ 9,743,234	\$ -	\$ 7,916,546	\$ 1,528,329	\$ 294,061	\$ 2,507	\$ 1,791
3	General Plant	11	\$ 1,018,293	\$ -	\$ 827,381	\$ 159,730	\$ 30,733	\$ 262	\$ 187
4	Plant In Service		\$ 10,761,527	\$ -	\$ 8,743,927	\$ 1,688,059	\$ 324,794	\$ 2,769	\$ 1,978
5	CWIP	11	\$ 153,400	\$ -	\$ 124,640	\$ 24,062	\$ 4,630	\$ 39	\$ 28
6	<b>Total Utility Plant</b>		\$ 10,914,928	\$ -	\$ 8,868,567	\$ 1,712,122	\$ 329,424	\$ 2,809	\$ 2,006
	<b>Accumulated Depreciation</b>								
7	Distribution	11	\$ 1,838,756	\$ -	\$ 1,494,021	\$ 288,428	\$ 55,496	\$ 473	\$ 338
8	General	11	\$ 493,595	\$ -	\$ 401,054	\$ 77,426	\$ 14,897	\$ 127	\$ 91
9	Subtotal		\$ 2,332,351	\$ -	\$ 1,895,075	\$ 365,854	\$ 70,393	\$ 600	\$ 429
10	<b>Net Utility Plant</b>		\$ 8,582,577	\$ -	\$ 6,973,492	\$ 1,346,268	\$ 259,031	\$ 2,209	\$ 1,578
11	Allowance for Working Capital		\$ 224,049	\$ -	\$ 182,044	\$ 35,144	\$ 6,762	\$ 58	\$ 41
12	Consumer Deposits		\$ (35,772)	\$ -	\$ (29,066)	\$ (5,611)	\$ (1,080)	\$ (9)	\$ (7)
13	<b>Net Rate Base</b>		\$ 8,770,854	\$ -	\$ 7,126,470	\$ 1,375,801	\$ 264,714	\$ 2,257	\$ 1,612

Allocation Primary 1-Phase Utility Plant  
Total

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant		\$ 72,604,414	\$ 693,855	\$ 61,923,312	\$ 9,987,246	\$ -	\$ -	\$ -
3	General Plant		\$ 7,343,654	\$ 69,218	\$ 6,261,821	\$ 1,012,615	\$ -	\$ -	\$ -
4	Plant In Service		\$ 79,948,068	\$ 763,073	\$ 68,185,133	\$ 10,999,861	\$ -	\$ -	\$ -
5	CWIP		\$ 1,139,621	\$ 10,877	\$ 971,946	\$ 156,798	\$ -	\$ -	\$ -
6	<b>Total Utility Plant</b>		<b>\$ 81,087,689</b>	<b>\$ 773,950</b>	<b>\$ 69,157,080</b>	<b>\$ 11,156,659</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Accumulated Depreciation</b>								
7	Distribution		\$ 13,702,003	\$ 130,945	\$ 11,686,251	\$ 1,884,807	\$ -	\$ -	\$ -
8	General		\$ 3,559,669	\$ 33,552	\$ 3,035,275	\$ 490,842	\$ -	\$ -	\$ -
9	Subtotal		\$ 17,261,672	\$ 164,497	\$ 14,721,526	\$ 2,375,648	\$ -	\$ -	\$ -
10	<b>Net Utility Plant</b>		<b>\$ 63,826,017</b>	<b>\$ 609,453</b>	<b>\$ 54,435,553</b>	<b>\$ 8,781,010</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
11	Allowance for Working Capital		\$ 1,615,780	\$ 15,230	\$ 1,377,751	\$ 222,799	\$ -	\$ -	\$ -
12	Consumer Deposits		\$ (265,755)	\$ (2,537)	\$ (226,654)	\$ (36,565)	\$ -	\$ -	\$ -
13	<b>Net Rate Base</b>		<b>\$ 65,176,041</b>	<b>\$ 622,146</b>	<b>\$ 55,586,650</b>	<b>\$ 8,967,245</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Allocation v. Primary 1-Phase Utility Plant

Demand

A	B	C	D	E	F	G	H	I	J
Line	Allocation	TOTAL	Lighting	Residential & Non-Residential	Three Phase	Three Phase	Three Phase	Primary	
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	\$ 51,416,746	\$ 693,855	\$ 44,164,142	\$ 6,558,748	\$ -	\$ -	\$ -	\$ -
3	General Plant	\$ 5,129,270	\$ 69,218	\$ 4,405,759	\$ 654,293	\$ -	\$ -	\$ -	\$ -
4	Plant In Service	\$ 56,546,016	\$ 763,073	\$ 48,569,902	\$ 7,213,041	\$ -	\$ -	\$ -	\$ -
5	CWIP	\$ 806,036	\$ 10,877	\$ 692,341	\$ 102,818	\$ -	\$ -	\$ -	\$ -
6	Total Utility Plant	\$ 57,352,052	\$ 773,950	\$ 49,262,242	\$ 7,315,859	\$ -	\$ -	\$ -	\$ -
	Accumulated Depreciation								
7	Distribution	\$ 9,703,437	\$ 130,945	\$ 8,334,716	\$ 1,237,776	\$ -	\$ -	\$ -	\$ -
8	General	\$ 2,486,297	\$ 33,552	\$ 2,135,592	\$ 317,153	\$ -	\$ -	\$ -	\$ -
9	Subtotal	\$ 12,189,734	\$ 164,497	\$ 10,470,308	\$ 1,554,929	\$ -	\$ -	\$ -	\$ -
10	Net Utility Plant	\$ 45,162,317	\$ 609,453	\$ 38,791,934	\$ 5,760,930	\$ -	\$ -	\$ -	\$ -
11	Allowance for Working Capital	\$ 1,128,562	\$ 15,230	\$ 969,373	\$ 143,960	\$ -	\$ -	\$ -	\$ -
12	Consumer Deposits	\$ (187,964)	\$ (2,537)	\$ (161,451)	\$ (23,977)	\$ -	\$ -	\$ -	\$ -
13	Net Rate Base	\$ 46,102,915	\$ 622,146	\$ 39,599,856	\$ 5,880,913	\$ -	\$ -	\$ -	\$ -

Allocation of Primary 1-Phase Utility Plant

Consumer

Line	Allocation	TOTAL	Lighting	Residential &	Non-Residential	Three Phase	Three Phase	Primary
A	B	C	D	E	F	G	H	J
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW
1	Subtransmission Plant	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	12	\$ 21,187,668	\$ -	\$ 17,759,170	\$ 3,428,498	\$ -	\$ -
3	General Plant	12	\$ 2,214,384	\$ -	\$ 1,856,062	\$ 358,322	\$ -	\$ -
4	Plant In Service		\$ 23,402,052	\$ -	\$ 19,615,232	\$ 3,786,820	\$ -	\$ -
5	CWIP	12	\$ 333,585	\$ -	\$ 279,606	\$ 53,979	\$ -	\$ -
6	Total Utility Plant		\$ 23,735,637	\$ -	\$ 19,894,837	\$ 3,840,799	\$ -	\$ -
Accumulated Depreciation								
7	Distribution	12	\$ 3,998,565	\$ -	\$ 3,351,534	\$ 647,031	\$ -	\$ -
8	General	12	\$ 1,073,372	\$ -	\$ 899,684	\$ 173,689	\$ -	\$ -
9	Subtotal		\$ 5,071,937	\$ -	\$ 4,251,218	\$ 820,719	\$ -	\$ -
10	Net Utility Plant		\$ 18,663,699	\$ -	\$ 15,643,619	\$ 3,020,080	\$ -	\$ -
11	Allowance for Working Capital		\$ 487,217	\$ -	\$ 408,378	\$ 78,839	\$ -	\$ -
12	Consumer Deposits		\$ (77,791)	\$ -	\$ (65,203)	\$ (12,588)	\$ -	\$ -
13	Net Rate Base		\$ 19,073,126	\$ -	\$ 15,986,794	\$ 3,086,332	\$ -	\$ -

Allocation of Transformers Utility Plant  
Total

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Transformers Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant		\$ 26,290,025	\$ 235,528	\$ 18,691,075	\$ 2,940,590	\$ 3,740,834	\$ 681,999	\$ -
3	General Plant		\$ 1,268,742	\$ 11,366	\$ 902,021	\$ 141,911	\$ 180,531	\$ 32,913	\$ -
4	Plant In Service		\$ 27,558,767	\$ 246,894	\$ 19,593,096	\$ 3,082,501	\$ 3,921,364	\$ 714,912	\$ -
5	CWIP		\$ 392,837	\$ 3,519	\$ 279,290	\$ 43,940	\$ 55,897	\$ 10,191	\$ -
6	<b>Total Utility Plant</b>		<b>\$ 27,951,604</b>	<b>\$ 250,413</b>	<b>\$ 19,872,386</b>	<b>\$ 3,126,441</b>	<b>\$ 3,977,261</b>	<b>\$ 725,103</b>	<b>\$ -</b>
	<b>Accumulated Depreciation</b>								
7	Distribution		\$ 4,961,489	\$ 44,449	\$ 3,527,405	\$ 554,952	\$ 705,975	\$ 128,708	\$ -
8	General		\$ 614,994	\$ 5,510	\$ 437,234	\$ 68,788	\$ 87,508	\$ 15,954	\$ -
9	Subtotal		\$ 5,576,483	\$ 49,959	\$ 3,964,639	\$ 623,740	\$ 793,483	\$ 144,662	\$ -
10	<b>Net Utility Plant</b>		<b>\$ 22,375,121</b>	<b>\$ 200,455</b>	<b>\$ 15,907,747</b>	<b>\$ 2,502,700</b>	<b>\$ 3,183,778</b>	<b>\$ 580,441</b>	<b>\$ -</b>
11	Allowance for Working Capital		\$ 206,536	\$ 1,850	\$ 146,839	\$ 23,102	\$ 29,388	\$ 5,358	\$ -
12	Consumer Deposits		\$ (91,608)	\$ (821)	\$ (65,129)	\$ (10,247)	\$ (13,035)	\$ (2,376)	\$ -
13	<b>Net Rate Base</b>		<b>\$ 22,490,050</b>	<b>\$ 201,484</b>	<b>\$ 15,989,456</b>	<b>\$ 2,515,555</b>	<b>\$ 3,200,131</b>	<b>\$ 583,423</b>	<b>\$ -</b>

Allocation of Transformers Utility Plant Demand

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant	13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	14	\$ 21,668,239	\$ 235,528	\$ 14,991,420	\$ 2,226,352	\$ 3,534,697	\$ 680,242	\$ -
3	General Plant	14	\$ 1,045,697	\$ 11,366	\$ 723,478	\$ 107,443	\$ 170,583	\$ 32,828	\$ -
4	Plant In Service		\$ 22,713,936	\$ 246,894	\$ 15,714,897	\$ 2,333,795	\$ 3,705,280	\$ 713,070	\$ -
5	CWIP	14	\$ 323,776	\$ 3,519	\$ 224,008	\$ 33,267	\$ 52,817	\$ 10,164	\$ -
6	<b>Total Utility Plant</b>		\$ 23,037,712	\$ 250,413	\$ 15,938,906	\$ 2,367,062	\$ 3,758,097	\$ 723,234	\$ -
	<b>Accumulated Depreciation</b>								
7	Distribution	14	\$ 4,089,259	\$ 44,449	\$ 2,829,201	\$ 420,160	\$ 667,073	\$ 128,376	\$ -
8	General	14	\$ 506,878	\$ 5,510	\$ 350,689	\$ 52,080	\$ 82,686	\$ 15,913	\$ -
9	Subtotal		\$ 4,596,137	\$ 49,959	\$ 3,179,890	\$ 472,241	\$ 749,759	\$ 144,289	\$ -
10	<b>Net Utility Plant</b>		\$ 18,441,575	\$ 200,455	\$ 12,759,015	\$ 1,894,822	\$ 3,008,338	\$ 578,945	\$ -
11	Allowance for Working Capital		\$ 170,227	\$ 1,850	\$ 117,774	\$ 17,490	\$ 27,769	\$ 5,344	\$ -
12	Consumer Deposits		\$ (75,503)	\$ (821)	\$ (52,238)	\$ (7,758)	\$ (12,317)	\$ (2,370)	\$ -
13	<b>Net Rate Base</b>		\$ 18,536,299	\$ 201,484	\$ 12,824,551	\$ 1,904,554	\$ 3,023,790	\$ 581,919	\$ -



Allocation of Transformers Utility Plant  
Consumer

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	16	\$ 4,621,786	\$ -	\$ 3,699,655	\$ 714,237	\$ 206,136	\$ 1,758	\$ -
3	General Plant	16	\$ 223,045	\$ -	\$ 178,543	\$ 34,469	\$ 9,948	\$ 85	\$ -
4	Plant In Service		\$ 4,844,831	\$ -	\$ 3,878,199	\$ 748,706	\$ 216,084	\$ 1,842	\$ -
5	CWIP	16	\$ 69,061	\$ -	\$ 55,282	\$ 10,672	\$ 3,080	\$ 26	\$ -
6	<b>Total Utility Plant</b>		\$ 4,913,892	\$ -	\$ 3,933,481	\$ 759,378	\$ 219,164	\$ 1,869	\$ -
	<b>Accumulated Depreciation</b>								
7	Distribution	16	\$ 872,230	\$ -	\$ 698,204	\$ 134,792	\$ 38,902	\$ 332	\$ -
8	General	16	\$ 108,116	\$ -	\$ 86,545	\$ 16,708	\$ 4,822	\$ 41	\$ -
9	Subtotal		\$ 980,346	\$ -	\$ 784,749	\$ 151,500	\$ 43,724	\$ 373	\$ -
10	<b>Net Utility Plant</b>		\$ 3,933,546	\$ -	\$ 3,148,732	\$ 607,879	\$ 175,440	\$ 1,496	\$ -
11	Allowance for Working Capital		\$ 36,309	\$ -	\$ 29,065	\$ 5,611	\$ 1,619	\$ 14	\$ -
12	Consumer Deposits		\$ (16,105)	\$ -	\$ (12,892)	\$ (2,489)	\$ (718)	\$ (6)	\$ -
13	<b>Net Rate Base</b>		\$ 3,953,751	\$ -	\$ 3,164,905	\$ 611,001	\$ 176,341	\$ 1,504	\$ -

Allocation of Secondary and Services Utility Plant

Total

A	B	C	D	E	F	G	H	I	J
Line	Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary	
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant		\$ 19,188,146	\$ 101,496	\$ 14,547,622	\$ 2,520,711	\$ 1,723,474	\$ 294,843	\$ -
3	General Plant		\$ 2,098,050	\$ 10,978	\$ 1,592,068	\$ 276,229	\$ 186,879	\$ 31,896	\$ -
4	Plant In Service		\$ 21,286,196	\$ 112,474	\$ 16,139,690	\$ 2,796,939	\$ 1,910,354	\$ 326,739	\$ -
5	CWIP		\$ 303,424	\$ 1,603	\$ 230,063	\$ 39,869	\$ 27,231	\$ 4,658	\$ -
6	<b>Total Utility Plant</b>		<b>\$ 21,589,620</b>	<b>\$ 114,077</b>	<b>\$ 16,369,754</b>	<b>\$ 2,836,808</b>	<b>\$ 1,937,585</b>	<b>\$ 331,397</b>	<b>\$ -</b>
	<b>Accumulated Depreciation</b>								
7	Distribution		\$ 3,621,213	\$ 19,154	\$ 2,745,447	\$ 475,712	\$ 325,256	\$ 55,643	\$ -
8	General		\$ 1,016,982	\$ 5,321	\$ 771,719	\$ 133,896	\$ 90,585	\$ 15,461	\$ -
9	Subtotal		\$ 4,638,195	\$ 24,476	\$ 3,517,165	\$ 609,607	\$ 415,842	\$ 71,104	\$ -
10	<b>Net Utility Plant</b>		<b>\$ 16,951,426</b>	<b>\$ 89,601</b>	<b>\$ 12,852,588</b>	<b>\$ 2,227,201</b>	<b>\$ 1,521,743</b>	<b>\$ 260,293</b>	<b>\$ -</b>
11	Allowance for Working Capital		\$ 461,621	\$ 2,415	\$ 350,293	\$ 60,777	\$ 41,118	\$ 7,018	\$ -
12	Consumer Deposits		\$ (70,757)	\$ (374)	\$ (53,650)	\$ (9,297)	\$ (6,350)	\$ (1,086)	\$ -
13	<b>Net Rate Base</b>		<b>\$ 17,342,290</b>	<b>\$ 91,643</b>	<b>\$ 13,149,231</b>	<b>\$ 2,278,681</b>	<b>\$ 1,556,511</b>	<b>\$ 266,224</b>	<b>\$ -</b>

Allocation of Secondary and Services Utility Plant  
Demand

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	14	\$ 9,337,470	\$ 101,496	\$ 6,460,236	\$ 959,400	\$ 1,523,203	\$ 293,136	\$ -
3	General Plant	14	\$ 1,009,993	\$ 10,978	\$ 698,775	\$ 103,774	\$ 164,758	\$ 31,707	\$ -
4	Plant In Service		\$ 10,347,463	\$ 112,474	\$ 7,159,011	\$ 1,063,174	\$ 1,687,961	\$ 324,843	\$ -
5	CWIP	14	\$ 147,498	\$ 1,603	\$ 102,048	\$ 15,155	\$ 24,061	\$ 4,630	\$ -
6	<b>Total Utility Plant</b>		\$ 10,494,961	\$ 114,077	\$ 7,261,059	\$ 1,078,329	\$ 1,712,022	\$ 329,473	\$ -
	<b>Accumulated Depreciation</b>								
7	Distribution	14	\$ 1,762,180	\$ 19,154	\$ 1,219,184	\$ 181,059	\$ 287,461	\$ 55,321	\$ -
8	General	14	\$ 489,571	\$ 5,321	\$ 338,715	\$ 50,302	\$ 79,863	\$ 15,369	\$ -
9	Subtotal		\$ 2,251,751	\$ 24,476	\$ 1,557,900	\$ 231,361	\$ 367,324	\$ 70,690	\$ -
10	<b>Net Utility Plant</b>		\$ 8,243,210	\$ 89,601	\$ 5,703,159	\$ 846,967	\$ 1,344,699	\$ 258,783	\$ -
11	Allowance for Working Capital		\$ 222,223	\$ 2,415	\$ 153,747	\$ 22,833	\$ 36,251	\$ 6,976	\$ -
12	Consumer Deposits		\$ (34,396)	\$ (374)	\$ (23,797)	\$ (3,534)	\$ (5,611)	\$ (1,080)	\$ -
13	<b>Net Rate Base</b>		\$ 8,431,036	\$ 91,643	\$ 5,833,109	\$ 866,266	\$ 1,375,338	\$ 264,680	\$ -

Allocation of Secondary and Services Utility Plant  
Consumer

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	15	\$ 9,850,676	\$ -	\$ 8,087,386	\$ 1,561,311	\$ 200,271	\$ 1,708	\$ -
3	General Plant	15	\$ 1,088,057	\$ -	\$ 893,293	\$ 172,455	\$ 22,121	\$ 189	\$ -
4	Plant In Service		\$ 10,938,733	\$ -	\$ 8,980,679	\$ 1,733,766	\$ 222,392	\$ 1,896	\$ -
5	CWIP	15	\$ 155,926	\$ -	\$ 128,015	\$ 24,714	\$ 3,170	\$ 27	\$ -
6	<b>Total Utility Plant</b>		\$ 11,094,660	\$ -	\$ 9,108,694	\$ 1,758,480	\$ 225,562	\$ 1,923	\$ -
	<b>Accumulated Depreciation</b>								
7	Distribution	15	\$ 1,859,033	\$ -	\$ 1,526,262	\$ 294,653	\$ 37,795	\$ 322	\$ -
8	General	15	\$ 527,411	\$ -	\$ 433,003	\$ 83,593	\$ 10,723	\$ 91	\$ -
9	Subtotal		\$ 2,386,444	\$ -	\$ 1,959,266	\$ 378,246	\$ 48,518	\$ 414	\$ -
10	<b>Net Utility Plant</b>		\$ 8,708,216	\$ -	\$ 7,149,429	\$ 1,380,234	\$ 177,044	\$ 1,510	\$ -
11	Allowance for Working Capital		\$ 239,399	\$ -	\$ 196,546	\$ 37,944	\$ 4,867	\$ 41	\$ -
12	Consumer Deposits		\$ (36,361)	\$ -	\$ (29,853)	\$ (5,763)	\$ (739)	\$ (6)	\$ -
13	<b>Net Rate Base</b>		\$ 8,911,253	\$ -	\$ 7,316,122	\$ 1,412,415	\$ 181,172	\$ 1,545	\$ -

Allocation 3-Phase Meters Utility Plant  
Consumer

A	B	C	D	E	F	G	H	I	J
Line		Allocatio	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	13	\$ 1,013,004	\$ -	\$ -	\$ -	\$ 998,411	\$ 8,513	\$ 6,080
3	General Plant	13	\$ 29,651	\$ -	\$ -	\$ -	\$ 29,223	\$ 249	\$ 178
4	Plant In Service		\$ 1,042,654	\$ -	\$ -	\$ -	\$ 1,027,634	\$ 8,762	\$ 6,258
5	CWIP	13	\$ 14,863	\$ -	\$ -	\$ -	\$ 14,648	\$ 125	\$ 89
6	<b>Total Utility Plant</b>		\$ 1,057,517	\$ -	\$ -	\$ -	\$ 1,042,283	\$ 8,887	\$ 6,348
	<b>Accumulated Depreciation</b>								
7	Distribution	13	\$ 191,175	\$ -	\$ -	\$ -	\$ 188,421	\$ 1,607	\$ 1,148
8	General	13	\$ 14,372	\$ -	\$ -	\$ -	\$ 14,165	\$ 121	\$ 86
9	Subtotal		\$ 205,548	\$ -	\$ -	\$ -	\$ 202,587	\$ 1,727	\$ 1,234
10	<b>Net Utility Plant</b>		\$ 851,969	\$ -	\$ -	\$ -	\$ 839,696	\$ 7,159	\$ 5,114
11	Allowance for Working Capital		\$ 46,122	\$ -	\$ -	\$ -	\$ 45,457	\$ 388	\$ 277
12	Consumer Deposits		\$ (3,466)	\$ -	\$ -	\$ -	\$ (3,416)	\$ (29)	\$ (21)
13	<b>Net Rate Base</b>		\$ 894,625	\$ -	\$ -	\$ -	\$ 881,737	\$ 7,518	\$ 5,370

Allocation of 1-Phase Meters Utility Plant  
Consumer

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	17	\$ 3,638,070	\$ -	\$ 3,049,373	\$ 588,697	\$ -	\$ -	\$ -
3	General Plant	17	\$ 106,486	\$ -	\$ 89,255	\$ 17,231	\$ -	\$ -	\$ -
4	Plant In Service		\$ 3,744,556	\$ -	\$ 3,138,628	\$ 605,928	\$ -	\$ -	\$ -
5	CWIP	17	\$ 53,377	\$ -	\$ 44,740	\$ 8,637	\$ -	\$ -	\$ -
6	<b>Total Utility Plant</b>		\$ 3,797,933	\$ -	\$ 3,183,368	\$ 614,565	\$ -	\$ -	\$ -
	<b>Accumulated Depreciation</b>								
7	Distribution	17	\$ 686,581	\$ -	\$ 575,482	\$ 111,100	\$ -	\$ -	\$ -
8	General	17	\$ 51,617	\$ -	\$ 43,264	\$ 8,352	\$ -	\$ -	\$ -
9	Subtotal		\$ 738,198	\$ -	\$ 618,746	\$ 119,452	\$ -	\$ -	\$ -
10	<b>Net Utility Plant</b>		\$ 3,059,735	\$ -	\$ 2,564,622	\$ 495,113	\$ -	\$ -	\$ -
11	Allowance for Working Capital		\$ 165,641	\$ -	\$ 138,837	\$ 26,803	\$ -	\$ -	\$ -
12	Consumer Deposits		\$ (12,447)	\$ -	\$ (10,433)	\$ (2,014)	\$ -	\$ -	\$ -
13	<b>Net Rate Base</b>		\$ 3,212,928	\$ -	\$ 2,693,026	\$ 519,902	\$ -	\$ -	\$ -

Allocation Billing Utility Plant  
Consumer

Line	A	B	C	D	E	F	G	H	I	J
No.	Account		Factor	SYSTEM		Lighting		Residential & Non-Residential		Primary
								0-1000 kW	Over 1000 kW	Over 1000 kW
					Schedule	Single Phase	Single Phase	Three Phase	Three Phase	Primary
1		Subtransmission Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2		Distribution Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3		General Plant	\$ 5,597,280	\$ -	\$ 4,547,886	\$ 877,993	\$ 168,932	\$ 1,440	\$ 1,029	\$ -
4		Plant in Service	\$ 5,597,280	\$ -	\$ 4,547,886	\$ 877,993	\$ 168,932	\$ 1,440	\$ 1,029	\$ -
5		CWIP	\$ 79,787	\$ -	\$ 64,828	\$ 12,515	\$ 2,408	\$ 21	\$ 15	\$ -
6		Total Utility Plant	\$ 5,677,066	\$ -	\$ 4,612,714	\$ 890,508	\$ 171,340	\$ 1,461	\$ 1,043	\$ -
		Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7		Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8		General	\$ 2,713,154	\$ -	\$ 2,204,485	\$ 425,587	\$ 81,886	\$ 698	\$ 499	\$ -
9		Subtotal	\$ 2,713,154	\$ -	\$ 2,204,485	\$ 425,587	\$ 81,886	\$ 698	\$ 499	\$ -
10		Net Utility Plant	\$ 2,963,912	\$ -	\$ 2,408,230	\$ 464,921	\$ 89,454	\$ 763	\$ 545	\$ -
11		Allowance for Working Capital	\$ 845,184	\$ -	\$ 686,726	\$ 132,576	\$ 25,509	\$ 217	\$ 155	\$ -
12		Consumer Deposits	\$ (18,606)	\$ -	\$ (15,118)	\$ (2,919)	\$ (562)	\$ (5)	\$ (3)	\$ -
13		Net Rate Base	\$ 3,790,490	\$ -	\$ 3,079,839	\$ 594,578	\$ 114,401	\$ 975	\$ 697	\$ -

Allocation of Metering Utility Plant  
Consumer

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	General Plant	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Plant In Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	CWIP	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	<b>Total Utility Plant</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Accumulated Depreciation</b>									
7	Distribution	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	General	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	<b>Net Utility Plant</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Allowance for Working Capital		\$ 8,573	\$ -	\$ 6,041	\$ 1,166	\$ 1,346	\$ 11	\$ 8
12	Consumer Deposits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	<b>Net Rate Base</b>		\$ 8,573	\$ -	\$ 6,041	\$ 1,166	\$ 1,346	\$ 11	\$ 8



Allocation of Consumer Services 1 Utility Plant

Consumer

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	General Plant	20	\$ 626,771	\$ -	\$ 517,181	\$ 99,844	\$ 9,605	\$ 82	\$ 58
4	Plant In Service		\$ 626,771	\$ -	\$ 517,181	\$ 99,844	\$ 9,605	\$ 82	\$ 58
5	CWIP	20	\$ 8,934	\$ -	\$ 7,372	\$ 1,423	\$ 137	\$ 1	\$ 1
6	<b>Total Utility Plant</b>		\$ 635,706	\$ -	\$ 524,553	\$ 101,268	\$ 9,742	\$ 83	\$ 59
	<b>Accumulated Depreciation</b>								
7	Distribution		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	General	20	\$ 303,813	\$ -	\$ 250,692	\$ 48,397	\$ 4,656	\$ 40	\$ 28
9	Subtotal		\$ 303,813	\$ -	\$ 250,692	\$ 48,397	\$ 4,656	\$ 40	\$ 28
10	<b>Net Utility Plant</b>		\$ 331,892	\$ -	\$ 273,861	\$ 52,870	\$ 5,086	\$ 43	\$ 31
11	Allowance for Working Capital		\$ 92,957	\$ -	\$ 76,704	\$ 14,808	\$ 1,425	\$ 12	\$ 9
12	Consumer Deposits		\$ (2,083)	\$ -	\$ (1,719)	\$ (332)	\$ (32)	\$ (0)	\$ (0)
13	<b>Net Rate Base</b>		\$ 422,766	\$ -	\$ 348,846	\$ 67,346	\$ 6,479	\$ 55	\$ 39

Allocation of Security Lights Utility Plant  
Direct Assignments

A	B	C	D	E	F	G	H	I	J
Line		Allocatio	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission Plant	23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Plant	23	\$ 3,346,974	\$ 3,346,974	\$ -	\$ -	\$ -	\$ -	\$ -
3	General Plant	23	\$ 272,799	\$ 272,799	\$ -	\$ -	\$ -	\$ -	\$ -
4	Plant In Service		\$ 3,619,773	\$ 3,619,773	\$ -	\$ -	\$ -	\$ -	\$ -
5	CWIP	23	\$ 51,598	\$ 51,598	\$ -	\$ -	\$ -	\$ -	\$ -
6	<b>Total Utility Plant</b>		<b>\$ 3,671,371</b>	<b>\$ 3,671,371</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Accumulated Depreciation</b>								
7	Distribution	23	\$ 631,645	\$ 631,645	\$ -	\$ -	\$ -	\$ -	\$ -
8	General	23	\$ 132,233	\$ 132,233	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal		\$ 763,879	\$ 763,879	\$ -	\$ -	\$ -	\$ -	\$ -
10	<b>Net Utility Plant</b>		<b>\$ 2,907,493</b>	<b>\$ 2,907,493</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
11	Allowance for Working Capital	23	\$ 51,827	\$ 51,827	\$ -	\$ -	\$ -	\$ -	\$ -
12	Consumer Deposits	23	\$ (12,032)	\$ (12,032)	\$ -	\$ -	\$ -	\$ -	\$ -
13	<b>Net Rate Base</b>		<b>\$ 2,947,287</b>	<b>\$ 2,947,287</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Total Utility Plant  
Total System

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Production Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Transmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution Plant		\$ 183,788,124	\$ 4,831,200	\$ 137,946,727	\$ 22,347,085	\$ 14,155,628	\$ 2,767,474	\$ 1,740,009
5	General Plant		\$ 21,685,405	\$ 397,808	\$ 16,942,373	\$ 2,915,952	\$ 1,127,165	\$ 186,508	\$ 115,599
6	Plant In Service		\$ 205,473,529	\$ 5,229,008	\$ 154,889,100	\$ 25,263,037	\$ 15,282,793	\$ 2,953,983	\$ 1,855,607
7	CWIP		\$ 2,928,926	\$ 74,537	\$ 2,207,869	\$ 360,112	\$ 217,849	\$ 42,108	\$ 26,451
8	<b>Total Utility Plant</b>		<b>\$ 208,402,455</b>	<b>\$ 5,303,545</b>	<b>\$ 157,096,970</b>	<b>\$ 25,623,149</b>	<b>\$ 15,500,642</b>	<b>\$ 2,996,090</b>	<b>\$ 1,882,058</b>
	<b>Accumulated Depreciation</b>								
9	Distribution		\$ 34,684,742	\$ 911,751	\$ 26,033,492	\$ 4,217,372	\$ 2,671,469	\$ 522,281	\$ 328,377
10	General		\$ 10,511,507	\$ 192,828	\$ 8,212,430	\$ 1,413,441	\$ 546,368	\$ 90,406	\$ 56,034
11	Subtotal		\$ 45,196,249	\$ 1,104,579	\$ 34,245,922	\$ 5,630,813	\$ 3,217,837	\$ 612,687	\$ 384,411
12	<b>Net Utility Plant</b>		<b>\$ 163,206,206</b>	<b>\$ 4,198,966</b>	<b>\$ 122,851,048</b>	<b>\$ 19,992,336</b>	<b>\$ 12,282,805</b>	<b>\$ 2,383,403</b>	<b>\$ 1,497,648</b>
13	Allowance for Working Capital		\$ 4,490,173	\$ 79,009	\$ 3,477,267	\$ 593,944	\$ 271,719	\$ 40,999	\$ 27,235
14	Consumer Deposits		\$ (683,014)	\$ (17,382)	\$ (514,866)	\$ (83,977)	\$ (50,801)	\$ (9,819)	\$ (6,168)
15	<b>Net Rate Base</b>		<b>\$ 167,013,365</b>	<b>\$ 4,260,593</b>	<b>\$ 125,813,448</b>	<b>\$ 20,502,304</b>	<b>\$ 12,503,723</b>	<b>\$ 2,414,583</b>	<b>\$ 1,518,714</b>

Total Util. ant  
Demand

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Production Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Transmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution Plant		\$ 130,386,711	\$ 1,484,226	\$ 97,434,597	\$ 14,526,012	\$ 12,456,749	\$ 2,752,989	\$ 1,732,137
5	General Plant		\$ 10,508,639	\$ 125,009	\$ 8,032,772	\$ 1,195,908	\$ 856,602	\$ 184,201	\$ 114,146
6	Plant In Service		\$ 140,895,350	\$ 1,609,235	\$ 105,467,369	\$ 15,721,920	\$ 13,313,351	\$ 2,937,191	\$ 1,846,284
7	CWIP		\$ 2,008,395	\$ 22,939	\$ 1,503,386	\$ 224,108	\$ 189,775	\$ 41,868	\$ 26,318
8	<b>Total Utility Plant</b>		<b>\$ 142,903,745</b>	<b>\$ 1,632,174</b>	<b>\$ 106,970,755</b>	<b>\$ 15,946,029</b>	<b>\$ 13,503,127</b>	<b>\$ 2,979,059</b>	<b>\$ 1,872,601</b>
	<b>Accumulated Depreciation</b>								
9	Distribution		\$ 24,606,756	\$ 280,105	\$ 18,387,988	\$ 2,741,369	\$ 2,350,854	\$ 519,548	\$ 326,891
10	General		\$ 5,093,824	\$ 60,595	\$ 3,893,704	\$ 579,689	\$ 415,218	\$ 89,287	\$ 55,330
11	Subtotal		\$ 29,700,579	\$ 340,700	\$ 22,281,692	\$ 3,321,058	\$ 2,766,073	\$ 608,835	\$ 382,221
12	<b>Net Utility Plant</b>		<b>\$ 113,203,166</b>	<b>\$ 1,291,474</b>	<b>\$ 84,689,064</b>	<b>\$ 12,624,971</b>	<b>\$ 10,737,054</b>	<b>\$ 2,370,224</b>	<b>\$ 1,490,380</b>
13	Allowance for Working Capital		\$ 2,292,895	\$ 27,182	\$ 1,752,927	\$ 261,052	\$ 184,734	\$ 40,257	\$ 26,744
14	Consumer Deposits		\$ (468,350)	\$ (5,349)	\$ (350,584)	\$ (52,261)	\$ (44,255)	\$ (9,764)	\$ (6,137)
15	<b>Net Rate Base</b>		<b>\$ 115,027,711</b>	<b>\$ 1,313,306</b>	<b>\$ 86,091,406</b>	<b>\$ 12,833,761</b>	<b>\$ 10,877,533</b>	<b>\$ 2,400,718</b>	<b>\$ 1,510,987</b>

**Total Utility Plant  
Consumer**

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Production Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Transmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution Plant		\$ 50,054,439	\$ -	\$ 40,512,130	\$ 7,821,073	\$ 1,698,879	\$ 14,485	\$ 7,871
5	General Plant		\$ 10,903,967	\$ -	\$ 8,909,601	\$ 1,720,044	\$ 270,563	\$ 2,307	\$ 1,452
6	Plant In Service		\$ 60,958,406	\$ -	\$ 49,421,732	\$ 9,541,117	\$ 1,969,442	\$ 16,792	\$ 9,324
7	CWIP		\$ 868,933	\$ -	\$ 704,483	\$ 136,004	\$ 28,073	\$ 239	\$ 133
8	<b>Total Utility Plant</b>		<b>\$ 61,827,338</b>	<b>\$ -</b>	<b>\$ 50,126,214</b>	<b>\$ 9,677,121</b>	<b>\$ 1,997,516</b>	<b>\$ 17,031</b>	<b>\$ 9,457</b>
	<b>Accumulated Depreciation</b>								
9	Distribution		\$ 9,446,341	\$ -	\$ 7,645,504	\$ 1,476,003	\$ 320,615	\$ 2,734	\$ 1,485
10	General		\$ 5,285,450	\$ -	\$ 4,318,727	\$ 833,752	\$ 131,149	\$ 1,118	\$ 704
11	Subtotal		\$ 14,731,791	\$ -	\$ 11,964,230	\$ 2,309,755	\$ 451,764	\$ 3,852	\$ 2,190
12	<b>Net Utility Plant</b>		<b>\$ 47,095,547</b>	<b>\$ -</b>	<b>\$ 38,161,984</b>	<b>\$ 7,367,365</b>	<b>\$ 1,545,752</b>	<b>\$ 13,179</b>	<b>\$ 7,267</b>
13	Allowance for Working Capital		\$ 2,145,451	\$ -	\$ 1,724,341	\$ 332,893	\$ 86,985	\$ 742	\$ 490
14	Consumer Deposits		\$ (202,632)	\$ -	\$ (164,283)	\$ (31,716)	\$ (6,547)	\$ (56)	\$ (31)
15	<b>Net Rate Base</b>		<b>\$ 49,038,366</b>	<b>\$ -</b>	<b>\$ 39,722,042</b>	<b>\$ 7,668,542</b>	<b>\$ 1,626,190</b>	<b>\$ 13,865</b>	<b>\$ 7,726</b>

**Total Utility Plant**  
**Direct Assignments**

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Production Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Transmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Subtransmission Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Distribution Plant		\$ 3,346,974	\$ 3,346,974	\$ -	\$ -	\$ -	\$ -	\$ -
5	General Plant		\$ 272,799	\$ 272,799	\$ -	\$ -	\$ -	\$ -	\$ -
6	Plant In Service		\$ 3,619,773	\$ 3,619,773	\$ -	\$ -	\$ -	\$ -	\$ -
7	CWIP		\$ 51,598	\$ 51,598	\$ -	\$ -	\$ -	\$ -	\$ -
8	<b>Total Utility Plant</b>		<b>\$ 3,671,371</b>	<b>\$ 3,671,371</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Accumulated Depreciation</b>								
9	Distribution		\$ 631,645	\$ 631,645	\$ -	\$ -	\$ -	\$ -	\$ -
10	General		\$ 132,233	\$ 132,233	\$ -	\$ -	\$ -	\$ -	\$ -
11	Subtotal		\$ 763,879	\$ 763,879	\$ -	\$ -	\$ -	\$ -	\$ -
12	<b>Net Utility Plant</b>		<b>\$ 2,907,493</b>	<b>\$ 2,907,493</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
13	Allowance for Working Capital		\$ 51,827	\$ 51,827	\$ -	\$ -	\$ -	\$ -	\$ -
14	Consumer Deposits		\$ (12,032)	\$ (12,032)	\$ -	\$ -	\$ -	\$ -	\$ -
15	<b>Net Rate Base</b>		<b>\$ 2,947,287</b>	<b>\$ 2,947,287</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Allocation of Production Expenses  
Total System

A	B	C	D	E	F	G	H	I	J
Line	Account	Allocatio Factor	TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non -Residentia Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW
No.									
1	Regular Tariff Demand		\$ 18,777,000	\$ 152,662	\$ 12,563,865	\$ 1,899,899	\$ 2,810,197	\$ 749,932	\$ 600,444
2	Regular Tariff Energy		\$ 24,106,526	\$ 281,682	\$ 15,571,418	\$ 2,354,700	\$ 3,984,207	\$ 1,063,229	\$ 851,290
3	Regular Tariff WDA		\$ (1,378,543)	\$ (16,109)	\$ (890,118)	\$ (134,475)	\$ (227,317)	\$ (60,806)	\$ (49,719)
4	Schedule 3 - Valley Grain		\$ 367,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Classes A, B, and C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,678
6	Own Use		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Direct Served		\$ (95,637)	\$ (1,118)	\$ (61,776)	\$ (9,342)	\$ (15,806)	\$ (4,218)	\$ (3,377)
8	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	556 - System Control & Load Disp.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	557 - Other Power Supply Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Total Purchased Power Costs		\$ 41,777,024	\$ 417,118	\$ 27,183,390	\$ 4,110,783	\$ 6,551,281	\$ 1,748,136	\$ 1,766,316
24	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Distribution Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Distribution Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Distribution O&M Before A&G		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	Administrative & General		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Depreciation and Amortization</b>								
32	Distribution		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	General		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Subtotal - Dep. & Amort.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Taxes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	426 - Realized Gain/(Loss)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	431 - Interest on Customer Deposits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Subtotal - Other Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Total Expenses		\$ 41,777,024	\$ 417,118	\$ 27,183,390	\$ 4,110,783	\$ 6,551,281	\$ 1,748,136	\$ 1,766,316

Allocation of Production Expenses  
Energy Related

A	B	C	D	E	F	G	H	I	J
Line No.	Account	Allocatio Factor	TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non -Residentia Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW
1	Regular Tariff Demand		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Regular Tariff Energy	1	\$ 24,106,526	\$ 281,682	\$ 15,571,418	\$ 2,354,700	\$ 3,984,207	\$ 1,063,229	\$ 851,290
3	Regular Tariff WDA	2	\$ (1,378,543)	\$ (16,109)	\$ (890,118)	\$ (134,475)	\$ (227,317)	\$ (60,806)	\$ (49,719)
4	Schedule 3 - Valley Grain		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Classes A, B, and C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Own Use	1	\$ (95,637)	\$ (1,118)	\$ (61,776)	\$ (9,342)	\$ (15,806)	\$ (4,218)	\$ (3,377)
7	Direct Served		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	556 - System Control & Load Disp.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	557 - Other Power Supply Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Total Purchased Power Costs		\$ 22,632,346	\$ 264,455	\$ 14,619,525	\$ 2,210,883	\$ 3,741,083	\$ 998,204	\$ 798,194
24	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Distribution Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Distribution Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Customer Accounts	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Distribution O&M Before A&G		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	Administrative & General	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Depreciation and Amortization</b>								
32	Distribution	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	General	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Subtotal - Dep. & Amort.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Taxes	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	Debt Service	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	426 - Realized Gain/(Loss)	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	431 - Interest on Customer Deposits	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	930.2 Donations	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	426. Other	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	User Defined	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	User Defined	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Subtotal - Other Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Total Expenses		\$ 22,632,346	\$ 264,455	\$ 14,619,525	\$ 2,210,883	\$ 3,741,083	\$ 998,204	\$ 798,194



Allocation of Production Expenses  
Demand Related

A	B	C	D	E	F	G	H	I	J
Line		Allocatic	TOTAL	Lighting	Residential &	Non -Residentia	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Regular Tariff Demand	3	\$ 18,777,000	\$ 152,662	\$ 12,563,865	\$ 1,899,899	\$ 2,810,197	\$ 749,932	\$ 600,444
2	Regular Tariff Energy		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Regular Tariff WDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Schedule 3 - Valley Grain	24	\$ 367,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,678
5	Classes A, B, and C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Own Use		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Direct Served	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Not Applicable	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Not Applicable	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Not Applicable	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Not Applicable	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Not Applicable	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	556 - System Control & Load Disp.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	557 - Other Power Supply Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Total Purchased Power Costs		\$ 19,144,678	\$ 152,662	\$ 12,563,865	\$ 1,899,899	\$ 2,810,197	\$ 749,932	\$ 968,122
24	Subtransmission	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Distribution Operations	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Distribution Maintenance	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Customer Accounts	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Customer Service	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Sales	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Distribution O&M Before A&G		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	Administrative & General	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Depreciation and Amortization</b>								
32	Distribution	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	General	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Subtotal - Dep. & Amort.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Taxes	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	Debt Service	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	426 - Realized Gain/(Loss)	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	431 - Interest on Customer Deposits	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	930.2 Donations	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	426. Other	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	User Defined	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	User Defined	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Subtotal - Other Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Total Expenses		\$ 19,144,678	\$ 152,662	\$ 12,563,865	\$ 1,899,899	\$ 2,810,197	\$ 749,932	\$ 968,122

Allocation of Substation Expenses  
Demand Related

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	7	\$ 339,995	\$ 2,741	\$ 225,576	\$ 34,111	\$ 50,455	\$ 13,465	\$ 13,647
3	Distribution Maintenance	7	\$ 539,729	\$ 4,351	\$ 358,093	\$ 54,151	\$ 80,096	\$ 21,374	\$ 21,664
4	Customer Accounts	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 879,724	\$ 7,092	\$ 583,669	\$ 88,262	\$ 130,551	\$ 34,839	\$ 35,311
8	Administrative & General	7	\$ 113,144	\$ 912	\$ 75,068	\$ 11,352	\$ 16,791	\$ 4,481	\$ 4,541
	<b>Depreciation and Amortization</b>								
9	Distribution	7	\$ 861,370	\$ 6,944	\$ 571,492	\$ 86,421	\$ 127,827	\$ 34,112	\$ 34,574
10	General	7	\$ 10,219	\$ 82	\$ 6,780	\$ 1,025	\$ 1,517	\$ 405	\$ 410
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 871,589	\$ 7,027	\$ 578,272	\$ 87,446	\$ 129,344	\$ 34,517	\$ 34,984
12	Taxes	PLTINS	\$ 3,777	\$ 30	\$ 2,506	\$ 379	\$ 561	\$ 150	\$ 152
13	Debt Service	Rate Base	\$ 637,283	\$ 5,138	\$ 422,817	\$ 63,938	\$ 94,573	\$ 25,238	\$ 25,580
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	Rate Base	\$ 3,485	\$ 28	\$ 2,312	\$ 350	\$ 517	\$ 138	\$ 140
16	930.2 Donations	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 644,546	\$ 5,196	\$ 427,636	\$ 64,667	\$ 95,651	\$ 25,525	\$ 25,871
25	<b>Total Expenses</b>		\$ 2,509,003	\$ 20,227	\$ 1,664,644	\$ 251,726	\$ 372,336	\$ 99,362	\$ 100,708

Allocation of Primary 3-Phase Expenses  
Total System

Line	A	B	C	D	E	F	G	H	I	J
	Allocation	TOTAL	Lighting	Residential & Non-Residential	Three Phase	Three Phase	Three Phase	Over 1000 kW	Over 1000 kW	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	\$ 660,218	\$ 5,018	\$ 467,629	\$ 76,895	\$ 79,921	\$ 15,975	\$ 14,780	\$ -	\$ -
3	Distribution Maintenance	\$ 1,860,769	\$ 14,143	\$ 1,317,973	\$ 216,721	\$ 225,250	\$ 45,025	\$ 41,657	\$ -	\$ -
4	Customer Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Distribution O&M Before A&G	\$ 2,520,987	\$ 19,160	\$ 1,785,602	\$ 293,615	\$ 305,171	\$ 61,000	\$ 56,438	\$ -	\$ -
8	Administrative & General	\$ 395,962	\$ 3,009	\$ 280,458	\$ 46,117	\$ 47,932	\$ 9,581	\$ 8,864	\$ -	\$ -
<b>Depreciation and Amortization</b>										
9	Distribution	\$ 1,182,519	\$ 9,113	\$ 835,858	\$ 137,062	\$ 144,641	\$ 29,007	\$ 26,838	\$ -	\$ -
10	General	\$ 35,764	\$ 272	\$ 25,331	\$ 4,165	\$ 4,329	\$ 865	\$ 801	\$ -	\$ -
11	Subtotal - Dep. & Amort.	\$ 1,218,283	\$ 9,384	\$ 861,190	\$ 141,227	\$ 148,970	\$ 29,873	\$ 27,639	\$ -	\$ -
12	Taxes	\$ 13,219	\$ 100	\$ 9,363	\$ 1,540	\$ 1,600	\$ 320	\$ 296	\$ -	\$ -
13	Debt Service	\$ 908,524	\$ 6,995	\$ 642,266	\$ 105,335	\$ 111,057	\$ 22,268	\$ 20,603	\$ -	\$ -
14	426 - Realized Gain/(Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	\$ 4,969	\$ 38	\$ 3,513	\$ 576	\$ 607	\$ 122	\$ 113	\$ -	\$ -
16	930,2 Donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426, Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Subtotal - Other Expenses	\$ 926,711	\$ 7,134	\$ 655,141	\$ 107,451	\$ 113,264	\$ 22,709	\$ 21,011	\$ -	\$ -
25	Total Expenses	\$ 5,061,943	\$ 38,688	\$ 3,582,391	\$ 588,411	\$ 615,338	\$ 123,163	\$ 113,952	\$ -	\$ -

Allocation of Primary 3-Phase Expenses  
Demand Related

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	9	\$ 461,138	\$ 5,018	\$ 305,873	\$ 45,667	\$ 73,912	\$ 15,924	\$ 14,744
3	Distribution Maintenance	9	\$ 1,299,678	\$ 14,143	\$ 862,077	\$ 128,708	\$ 208,316	\$ 44,881	\$ 41,554
4	Customer Accounts	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 1,760,816	\$ 19,160	\$ 1,167,950	\$ 174,375	\$ 282,228	\$ 60,805	\$ 56,298
8	Administrative & General	9	\$ 276,565	\$ 3,009	\$ 183,446	\$ 27,388	\$ 44,329	\$ 9,550	\$ 8,842
	<b>Depreciation and Amortization</b>								
9	Distribution	9	\$ 837,432	\$ 9,113	\$ 555,469	\$ 82,931	\$ 134,226	\$ 28,918	\$ 26,775
10	General	9	\$ 24,980	\$ 272	\$ 16,569	\$ 2,474	\$ 4,004	\$ 863	\$ 799
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 862,412	\$ 9,384	\$ 572,038	\$ 85,405	\$ 138,230	\$ 29,781	\$ 27,574
12	Taxes	PLTINS	\$ 9,233	\$ 100	\$ 6,124	\$ 914	\$ 1,480	\$ 319	\$ 295
13	Debt Service	Rate Base	\$ 642,857	\$ 6,995	\$ 426,408	\$ 63,663	\$ 103,039	\$ 22,199	\$ 20,554
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	9	\$ 3,516	\$ 38	\$ 2,332	\$ 348	\$ 564	\$ 121	\$ 112
16	930.2 Donations	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 655,606	\$ 7,134	\$ 434,864	\$ 64,925	\$ 105,082	\$ 22,640	\$ 20,961
25	<b>Total Expenses</b>		\$ 3,555,399	\$ 38,688	\$ 2,358,298	\$ 352,093	\$ 569,869	\$ 122,776	\$ 113,675

Allocation of Primary 3-Phase Expenses  
Consumer Related

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	11	\$ 199,080	\$ -	\$ 161,756	\$ 31,228	\$ 6,008	\$ 51	\$ 37
3	Distribution Maintenance	11	\$ 561,091	\$ -	\$ 455,896	\$ 88,013	\$ 16,934	\$ 144	\$ 103
4	Customer Accounts	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 760,171	\$ -	\$ 617,652	\$ 119,241	\$ 22,943	\$ 196	\$ 140
8	Administrative & General	11	\$ 119,397	\$ -	\$ 97,012	\$ 18,729	\$ 3,604	\$ 31	\$ 22
	<b>Depreciation and Amortization</b>								
9	Distribution	11	\$ 345,087	\$ -	\$ 280,389	\$ 54,131	\$ 10,415	\$ 89	\$ 63
10	General	11	\$ 10,784	\$ -	\$ 8,762	\$ 1,692	\$ 325	\$ 3	\$ 2
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 355,871	\$ -	\$ 289,151	\$ 55,822	\$ 10,741	\$ 92	\$ 65
12	Taxes	PLTINS	\$ 3,986	\$ -	\$ 3,238.65	\$ 625.24	\$ 120.30	\$ 1.03	\$ 0.73
13	Debt Service	Rate Base	\$ 265,666	\$ -	\$ 215,858.32	\$ 41,672.55	\$ 8,018.08	\$ 68.36	\$ 48.83
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	Rate Base	\$ 1,453	\$ -	\$ 1,180.53	\$ 227.91	\$ 43.85	\$ 0.37	\$ 0.27
16	930.2 Donations	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 271,105	\$ -	\$ 220,278	\$ 42,526	\$ 8,182	\$ 70	\$ 50
25	<b>Total Expenses</b>		\$ 1,506,544	\$ -	\$ 1,224,093	\$ 236,317	\$ 45,469	\$ 388	\$ 277

Allocation - Primary 1-Phase Expenses  
Total System

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations		\$ 1,435,711	\$ 13,532	\$ 1,224,209	\$ 197,970	\$ -	\$ -	\$ -
3	Distribution Maintenance		\$ 4,046,435	\$ 38,140	\$ 3,450,333	\$ 557,962	\$ -	\$ -	\$ -
4	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 5,482,146	\$ 51,672	\$ 4,674,542	\$ 755,932	\$ -	\$ -	\$ -
8	Administrative & General		\$ 861,061	\$ 8,116	\$ 734,214	\$ 118,732	\$ -	\$ -	\$ -
	<b>Depreciation and Amortization</b>								
9	Distribution		\$ 2,571,510	\$ 24,575	\$ 2,193,205	\$ 353,729	\$ -	\$ -	\$ -
10	General		\$ 77,772	\$ 733	\$ 66,315	\$ 10,724	\$ -	\$ -	\$ -
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 2,649,282	\$ 25,308	\$ 2,259,521	\$ 364,453	\$ -	\$ -	\$ -
12	Taxes		\$ 28,746	\$ 271	\$ 24,511	\$ 3,964	\$ -	\$ -	\$ -
13	Debt Service		\$ 1,975,678	\$ 18,865	\$ 1,685,005	\$ 271,808	\$ -	\$ -	\$ -
14	426 - Realized Gain/(Loss)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits		\$ 10,805	\$ 103	\$ 9,215	\$ 1,487	\$ -	\$ -	\$ -
16	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 2,015,229	\$ 19,239	\$ 1,718,731	\$ 277,259	\$ -	\$ -	\$ -
25	<b>Total Expenses</b>		\$ 11,007,718	\$ 104,336	\$ 9,387,007	\$ 1,516,375	\$ -	\$ -	\$ -

Allocation of Primary 1-Phase Expenses Demand Related

Line	A	B	C	D	E	F	G	H	I	J
No.	Account	Allocation Factor	TOTAL SYSTEM	Lighting Schedule	Residential & Non-Residential	Single Phase	Single Phase	Three Phase	Three Phase	Primary
								0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	10	\$ 1,002,791	\$ 13,532	\$ 861,342	\$ 127,917	\$ -	\$ -	\$ -	\$ -
3	Distribution Maintenance	10	\$ 2,826,285	\$ 38,140	\$ 2,427,622	\$ 360,522	\$ -	\$ -	\$ -	\$ -
4	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Distribution O&M Before A&G		\$ 3,829,076	\$ 51,672	\$ 3,288,965	\$ 488,439	\$ -	\$ -	\$ -	\$ -
8	Administrative & General	10	\$ 601,419	\$ 8,116	\$ 516,586	\$ 76,717	\$ -	\$ -	\$ -	\$ -
Depreciation and Amortization										
9	Distribution	10	\$ 1,821,083	\$ 24,575	\$ 1,564,210	\$ 232,298	\$ -	\$ -	\$ -	\$ -
10	General	10	\$ 54,321	\$ 733	\$ 46,659	\$ 6,929	\$ -	\$ -	\$ -	\$ -
11	Subtotal - Dep. & Amort.		\$ 1,875,404	\$ 25,308	\$ 1,610,868	\$ 239,228	\$ -	\$ -	\$ -	\$ -
12	Taxes	PLTINS	\$ 20,078	\$ 271	\$ 17,246	\$ 2,561	\$ -	\$ -	\$ -	\$ -
13	Debt Service	Rate Base	\$ 1,397,960	\$ 18,865	\$ 1,200,770	\$ 178,325	\$ -	\$ -	\$ -	\$ -
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits		\$ 7,645	\$ 103	\$ 6,567	\$ 975	\$ -	\$ -	\$ -	\$ -
16	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426, Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Subtotal - Other Expenses		\$ 1,425,683	\$ 19,239	\$ 1,224,583	\$ 181,861	\$ -	\$ -	\$ -	\$ -
25	Total Expenses		\$ 7,731,582	\$ 104,336	\$ 6,641,002	\$ 986,245	\$ -	\$ -	\$ -	\$ -

Allocation or Primary 1-Phase Expenses  
Consumer Related

Line	Account	Factor	D	E	F	G	H	I	J
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
			TOTAL	Lighting	Residential & Non-Residential	Three Phase	Three Phase	Primary	
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	12	\$ 432,920	\$ -	\$ 362,867	\$ 70,053	\$ -	\$ -	\$ -
3	Distribution Maintenance	12	\$ 1,220,150	\$ -	\$ 1,022,711	\$ 197,439	\$ -	\$ -	\$ -
4	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Distribution O&M Before A&G		\$ 1,653,070	\$ -	\$ 1,385,577	\$ 267,493	\$ -	\$ -	\$ -
8	Administrative & General	12	\$ 259,642	\$ -	\$ 217,628	\$ 42,014	\$ -	\$ -	\$ -
Depreciation and Amortization									
9	Distribution	12	\$ 750,427	\$ -	\$ 628,996	\$ 121,431	\$ -	\$ -	\$ -
10	General	12	\$ 23,451	\$ -	\$ 19,656	\$ 3,795	\$ -	\$ -	\$ -
11	Subtotal - Dep. & Amort.		\$ 773,878	\$ -	\$ 648,652	\$ 125,226	\$ -	\$ -	\$ -
12	Taxes	PLTINS	\$ 8,668	\$ -	\$ 7,265.25	\$ 1,402.59	\$ -	\$ -	\$ -
13	Debt Service	Rate Base	\$ 577,718	\$ -	\$ 484,235	\$ 93,484	\$ -	\$ -	\$ -
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	12	\$ 3,160	\$ -	\$ 2,648.29	\$ 511.27	\$ -	\$ -	\$ -
16	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426, Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Subtotal - Other Expenses		\$ 589,546	\$ -	\$ 494,148	\$ 95,398	\$ -	\$ -	\$ -
25	Total Expenses		\$ 3,276,136	\$ -	\$ 2,746,006	\$ 530,130	\$ -	\$ -	\$ -



Allocation of Transformers Expenses  
Total System

Line No.	Account	C Allocation Factor	D TOTAL SYSTEM	E Lighting Schedule	F Residential & Single Phase		G Non-Residential Single Phase		H Three Phase		J Primary Over 1000 kW
					Single Phase	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW	
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations		\$ 571,178	\$ 5,117	\$ 406,083	\$ 63,887	\$ 81,273	\$ 14,817	\$ -	\$ -	\$ -
3	Distribution Maintenance		\$ 90,877	\$ 814	\$ 64,610	\$ 10,165	\$ 12,931	\$ 2,357	\$ -	\$ -	\$ -
4	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 662,055	\$ 5,931	\$ 470,693	\$ 74,052	\$ 94,204	\$ 17,175	\$ -	\$ -	\$ -
8	Administrative & General		\$ 148,763	\$ 1,333	\$ 105,764	\$ 16,639	\$ 21,168	\$ 3,859	\$ -	\$ -	\$ -
	<b>Depreciation and Amortization</b>										
9	Distribution		\$ 931,142	\$ 8,342	\$ 662,002	\$ 104,150	\$ 132,493	\$ 24,155	\$ -	\$ -	\$ -
10	General		\$ 13,436	\$ 120	\$ 9,553	\$ 1,503	\$ 1,912	\$ 349	\$ -	\$ -	\$ -
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 944,579	\$ 8,462	\$ 671,555	\$ 105,653	\$ 134,405	\$ 24,504	\$ -	\$ -	\$ -
12	Taxes		\$ 4,966	\$ 44	\$ 3,531	\$ 555	\$ 707	\$ 129	\$ -	\$ -	\$ -
13	Debt Service		\$ 692,602	\$ 6,205	\$ 492,410	\$ 77,469	\$ 98,551	\$ 17,967	\$ -	\$ -	\$ -
14	426 - Realized Gain/(Loss)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits		\$ 3,788	\$ 34	\$ 2,693	\$ 424	\$ 539	\$ 98	\$ -	\$ -	\$ -
16	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 701,356	\$ 6,283	\$ 498,634	\$ 78,448	\$ 99,797	\$ 18,194	\$ -	\$ -	\$ -
25	<b>Total Expenses</b>		\$ 2,456,754	\$ 22,010	\$ 1,746,646	\$ 274,793	\$ 349,574	\$ 63,732	\$ -	\$ -	\$ -

Allocation of Transformers Expenses  
Demand Related

A Line No.	B Account	C Allocation Factor	D TOTAL SYSTEM	E Lighting Schedule	F		G		H		I Three Phase Over 1000 kW	J Primary Over 1000 kW
					Residential & Single Phase	Residential & Single Phase	Non -Residential Single Phase	Three Phase 0-1000 kW	Three Phase 0-1000 kW			
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	14	\$ 470,765	\$ 5,117	\$ 325,704	\$ 48,370	\$ 76,795	\$ 14,779	\$ -	\$ -	\$ -	\$ -
3	Distribution Maintenance	14	\$ 74,901	\$ 814	\$ 51,821	\$ 7,696	\$ 12,218	\$ 2,351	\$ -	\$ -	\$ -	\$ -
4	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 545,666	\$ 5,931	\$ 377,525	\$ 56,066	\$ 89,013	\$ 17,130	\$ -	\$ -	\$ -	\$ -
8	Administrative & General	14	\$ 122,611	\$ 1,333	\$ 84,830	\$ 12,598	\$ 20,001	\$ 3,849	\$ -	\$ -	\$ -	\$ -
	<b>Depreciation and Amortization</b>											
9	Distribution	14	\$ 767,448	\$ 8,342	\$ 530,967	\$ 78,853	\$ 125,192	\$ 24,093	\$ -	\$ -	\$ -	\$ -
10	General	14	\$ 11,074	\$ 120	\$ 7,662	\$ 1,138	\$ 1,807	\$ 348	\$ -	\$ -	\$ -	\$ -
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 778,522	\$ 8,462	\$ 538,629	\$ 79,991	\$ 126,999	\$ 24,441	\$ -	\$ -	\$ -	\$ -
12	Taxes	PLTINS	\$ 4,093	\$ 44	\$ 2,832	\$ 421	\$ 668	\$ 129	\$ -	\$ -	\$ -	\$ -
13	Debt Service	Rate Base	\$ 570,843	\$ 6,205	\$ 394,944	\$ 58,653	\$ 93,120	\$ 17,921	\$ -	\$ -	\$ -	\$ -
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	Rate Base	\$ 3,122	\$ 34	\$ 2,160	\$ 321	\$ 509	\$ 98	\$ -	\$ -	\$ -	\$ -
16	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 578,058	\$ 6,283	\$ 399,936	\$ 59,394	\$ 94,297	\$ 18,147	\$ -	\$ -	\$ -	\$ -
25	<b>Total Expenses</b>		\$ 2,024,856	\$ 22,010	\$ 1,400,920	\$ 208,048	\$ 330,311	\$ 63,567	\$ -	\$ -	\$ -	\$ -

Allocation Transformers Expenses  
Consumer Related

A	B	C	D	E	F	G	H	I	J
Line	Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary	
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	16	\$ 100,413	\$ -	\$ 80,379	\$ 15,518	\$ 4,479	\$ 38	\$ -
3	Distribution Maintenance	16	\$ 15,976	\$ -	\$ 12,789	\$ 2,469	\$ 713	\$ 6	\$ -
4	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 116,389	\$ -	\$ 93,168	\$ 17,986	\$ 5,191	\$ 44	\$ -
8	Administrative & General	16	\$ 26,153	\$ -	\$ 20,935	\$ 4,042	\$ 1,166	\$ 10	\$ -
	<b>Depreciation and Amortization</b>								
9	Distribution	16	\$ 163,695	\$ -	\$ 131,035	\$ 25,297	\$ 7,301	\$ 62	\$ -
10	General	16	\$ 2,362	\$ -	\$ 1,891	\$ 365	\$ 105	\$ 1	\$ -
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 166,057	\$ -	\$ 132,926	\$ 25,662	\$ 7,406	\$ 63	\$ -
12	Taxes	PLTINS	\$ 873	\$ -	\$ 698.88	\$ 134.92	\$ 38.94	\$ 0.33	\$ -
13	Debt Service	Rate Base	\$ 121,759	\$ -	\$ 97,466.23	\$ 18,816.35	\$ 5,430.59	\$ 46.30	\$ -
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	16	\$ 666	\$ -	\$ 533.05	\$ 102.91	\$ 29.70	\$ 0.25	\$ -
16	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 123,298	\$ -	\$ 98,698	\$ 19,054	\$ 5,499	\$ 47	\$ -
25	<b>Total Expenses</b>		\$ 431,897	\$ -	\$ 345,726	\$ 66,744	\$ 19,263	\$ 164	\$ -

Allocation of Secondary and Services Expenses

Total System

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations		\$ 410,176	\$ 2,146	\$ 311,255	\$ 54,004	\$ 36,536	\$ 6,236	\$ -
3	Distribution Maintenance		\$ 1,156,049	\$ 6,049	\$ 877,247	\$ 152,205	\$ 102,972	\$ 17,575	\$ -
4	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 1,566,225	\$ 8,195	\$ 1,188,502	\$ 206,209	\$ 139,508	\$ 23,811	\$ -
8	Administrative & General		\$ 246,001	\$ 1,287	\$ 186,674	\$ 32,388	\$ 21,912	\$ 3,740	\$ -
	<b>Depreciation and Amortization</b>								
9	Distribution		\$ 679,608	\$ 3,595	\$ 515,249	\$ 89,279	\$ 61,042	\$ 10,443	\$ -
10	General		\$ 22,219	\$ 116	\$ 16,861	\$ 2,925	\$ 1,979	\$ 338	\$ -
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 701,827	\$ 3,711	\$ 532,110	\$ 92,204	\$ 63,021	\$ 10,781	\$ -
12	Taxes		\$ 8,212	\$ 43	\$ 6,232	\$ 1,081	\$ 732	\$ 125	\$ -
13	Debt Service		\$ 524,717	\$ 2,774	\$ 397,841	\$ 68,941	\$ 47,104	\$ 8,057	\$ -
14	426 - Realized Gain/(Loss)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits		\$ 2,870	\$ 15	\$ 2,176	\$ 377	\$ 258	\$ 44	\$ -
16	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 535,799	\$ 2,832	\$ 406,248	\$ 70,399	\$ 48,093	\$ 8,226	\$ -
25	<b>Total Expenses</b>		\$ 3,049,852	\$ 16,025	\$ 2,313,534	\$ 401,201	\$ 272,535	\$ 46,557	\$ -

Allocation Secondary and Services Expenses

Demand Related

Line	A	B	C	D	E	F	G	H	I	J
No.	Account		Factor	SYSTEM			Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
	Allocation	TOTAL	Lighting	Residential & Non-Residential	Three Phase	Three Phase	Three Phase	Primary		
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	\$ 197,457	\$ 2,146	\$ 136,613	\$ 20,288	\$ 32,211	\$ 6,199	\$ -	\$ -	\$ -	\$ -
3	\$ 556,517	\$ 6,049	\$ 385,033	\$ 57,181	\$ 90,784	\$ 17,471	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	\$ 753,974	\$ 8,195	\$ 521,646	\$ 77,469	\$ 122,994	\$ 23,670	\$ -	\$ -	\$ -	\$ -
8	\$ 118,424	\$ 1,287	\$ 81,933	\$ 12,168	\$ 19,318	\$ 3,718	\$ -	\$ -	\$ -	\$ -
Depreciation and Amortization										
9	\$ 330,715	\$ 3,595	\$ 228,809	\$ 33,980	\$ 53,949	\$ 10,382	\$ -	\$ -	\$ -	\$ -
10	\$ 10,696	\$ 116	\$ 7,400	\$ 1,099	\$ 1,745	\$ 336	\$ -	\$ -	\$ -	\$ -
11	\$ 341,412	\$ 3,711	\$ 236,210	\$ 35,079	\$ 55,694	\$ 10,718	\$ -	\$ -	\$ -	\$ -
Subtotal - Dep. & Amort.										
12	\$ 3,953	\$ 43	\$ 2,735	\$ 406	\$ 645	\$ 124	\$ -	\$ -	\$ -	\$ -
13	\$ 255,161	\$ 2,774	\$ 176,536	\$ 26,217	\$ 41,624	\$ 8,010	\$ -	\$ -	\$ -	\$ -
14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	\$ 1,395	\$ 15	\$ 965	\$ 143	\$ 228	\$ 44	\$ -	\$ -	\$ -	\$ -
16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	\$ 260,510	\$ 2,832	\$ 180,237	\$ 26,767	\$ 42,497	\$ 8,178	\$ -	\$ -	\$ -	\$ -
Subtotal - Other Expenses										
25	\$ 1,474,320	\$ 16,025	\$ 1,020,025	\$ 151,482	\$ 240,503	\$ 46,284	\$ -	\$ -	\$ -	\$ -
Total Expenses										

Allocation of Secondary and Services Expenses  
Consumer Related

A	B	C	D	E	F	G	H	I	J
Line	Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary	
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	15	\$ 212,719	\$ -	\$ 174,642	\$ 33,716	\$ 4,325	\$ 37	\$ -
3	Distribution Maintenance	15	\$ 599,532	\$ -	\$ 492,214	\$ 95,024	\$ 12,189	\$ 104	\$ -
4	Customer Accounts	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 812,251	\$ -	\$ 666,856	\$ 128,740	\$ 16,514	\$ 141	\$ -
8	Administrative & General	15	\$ 127,577	\$ -	\$ 104,741	\$ 20,221	\$ 2,594	\$ 22	\$ -
	<b>Depreciation and Amortization</b>								
9	Distribution	15	\$ 348,892	\$ -	\$ 286,440	\$ 55,299	\$ 7,093	\$ 60	\$ -
10	General	15	\$ 11,523	\$ -	\$ 9,460	\$ 1,826	\$ 234	\$ 2	\$ -
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 360,415	\$ -	\$ 295,900	\$ 57,125	\$ 7,327	\$ 62	\$ -
12	Taxes	PLTINS	\$ 4,259	\$ -	\$ 3,496.65	\$ 675.05	\$ 86.59	\$ 0.74	\$ -
13	Debt Service	Rate Bas	\$ 269,555	\$ -	\$ 221,304.29	\$ 42,723.92	\$ 5,480.25	\$ 46.73	\$ -
14	426 - Realized Gain/(Loss)	Rate Bas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	Rate Bas	\$ 1,474	\$ -	\$ 1,210.32	\$ 233.66	\$ 29.97	\$ 0.26	\$ -
16	930.2 Donations	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 275,288	\$ -	\$ 226,011	\$ 43,633	\$ 5,597	\$ 48	\$ -
25	<b>Total Expenses</b>		\$ 1,575,531	\$ -	\$ 1,293,508	\$ 249,718	\$ 32,032	\$ 273	\$ -

Allocation of Phase Meters Expenses  
Consumer Related

A	B	C	D	E	F	G	H	I	J
Line		Allocatio	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission	13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	13	\$ 151,994	\$ -	\$ -	\$ -	\$ 149,804	\$ 1,277	\$ 912
3	Distribution Maintenance	13	\$ 25,594	\$ -	\$ -	\$ -	\$ 25,226	\$ 215	\$ 154
4	Customer Accounts	13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service	13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales	13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 177,588	\$ -	\$ -	\$ -	\$ 175,030	\$ 1,492	\$ 1,066
8	Administrative & General	13	\$ 3,477	\$ -	\$ -	\$ -	\$ 3,427	\$ 29	\$ 21
	<b>Depreciation and Amortization</b>								
9	Distribution	13	\$ 35,879	\$ -	\$ -	\$ -	\$ 35,362	\$ 302	\$ 215
10	General	13	\$ 314	\$ -	\$ -	\$ -	\$ 309	\$ 3	\$ 2
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 36,193	\$ -	\$ -	\$ -	\$ 35,671	\$ 304	\$ 217
12	Taxes	PLTINS	\$ 116	\$ -	\$ -	\$ -	\$ 114.39	\$ 0.98	\$ 0.70
13	Debt Service	ate Bas	\$ 26,372	\$ -	\$ -	\$ -	\$ 25,992.05	\$ 221.61	\$ 158.30
14	426 - Realized Gain/(Loss)	ate Bas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	ate Bas	\$ 144	\$ -	\$ -	\$ -	\$ 142.15	\$ 1.21	\$ 0.87
16	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 26,632	\$ -	\$ -	\$ -	\$ 26,249	\$ 224	\$ 160
25	<b>Total Expenses</b>		\$ 243,890	\$ -	\$ -	\$ -	\$ 240,376	\$ 2,049	\$ 1,464

Allocation of 1-Phase Meters Expenses

Consumer Related

A	B	C	D	E	F	G	H	I	J
Line	Account	Allocation	TOTAL	Lighting	Residential &	Non-Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	17	\$ 545,865	\$ 457,535	\$ 88,330	\$ -	\$ -	\$ -	\$ -
3	Distribution Maintenance	17	\$ 91,919	\$ 77,045	\$ 14,874	\$ -	\$ -	\$ -	\$ -
4	Customer Accounts	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Distribution O&M Before A&G		\$ 637,784	\$ 534,580	\$ 103,203	\$ -	\$ -	\$ -	\$ -
8	Administrative & General	17	\$ 12,486	\$ 10,465	\$ 2,020	\$ -	\$ -	\$ -	\$ -
<b>Depreciation and Amortization</b>									
9	Distribution	17	\$ 128,853	\$ 108,003	\$ 20,851	\$ -	\$ -	\$ -	\$ -
10	General	17	\$ 1,128	\$ 945	\$ 182	\$ -	\$ -	\$ -	\$ -
11	Subtotal - Dep. & Amort.		\$ 129,981	\$ 108,948	\$ 21,033	\$ -	\$ -	\$ -	\$ -
12	Taxes		\$ 417	\$ 349,37	\$ 67,45	\$ -	\$ -	\$ -	\$ -
13	Debt Service		\$ 94,711	\$ 79,385.61	\$ 15,325.80	\$ -	\$ -	\$ -	\$ -
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	Rate Base	\$ 518	\$ 434.16	\$ 83.82	\$ -	\$ -	\$ -	\$ -
16	930.2 Donations	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Subtotal - Other Expenses		\$ 95,646	\$ 80,169	\$ 15,477	\$ -	\$ -	\$ -	\$ -
25	Total Expenses		\$ 875,897	\$ 734,163	\$ 141,734	\$ -	\$ -	\$ -	\$ -



Allocation of Metering Expenses  
Consumer Related

A Line No.	B Account	C Allocation Factor	D TOTAL SYSTEM	E Lighting Schedule		F Residential & Single Phase		G Non-Residential Single Phase		H Three Phase 0-1000 kW		I Three Phase Over 1000 kW		J Primary Over 1000 kW
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Distribution Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	Distribution Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4	Customer Accounts	18	\$ 33,657	\$ -	\$ 23,715	\$ 4,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 33,657	\$ -	\$ 23,715	\$ 4,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	32
8	Administrative & General	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>Depreciation and Amortization</b>													
9	Distribution	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10	General	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12	Taxes	PLTNS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
13	Debt Service	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
15	431 - Interest on Customer Deposits	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
16	930.2 Donations	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
17	426. Other	18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
24	<b>Subtotal - Other Expenses</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	<b>Total Expenses</b>		\$ 33,657	\$ -	\$ 23,715	\$ 4,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	32

Allocation of Billing Expenses  
Consumer Related

Line	A	B	C	D	E	F	G	H	I	J
No.	Account	Factor	SYSTEM	Schedule	Lighting	Residential & Non-Residential	Three Phase	Three Phase	Three Phase	Primary
						Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission		\$	-	\$	-	\$	-	\$	-
2	Distribution Operations		\$	-	\$	-	\$	-	\$	-
3	Distribution Maintenance		\$	-	\$	-	\$	-	\$	-
4	Customer Accounts	19	\$	2,661,717	\$	2,162,691	\$	417,519	\$	80,333
5	Customer Service		\$	-	\$	-	\$	-	\$	-
6	Sales		\$	-	\$	-	\$	-	\$	-
7	Distribution O&M Before A&G		\$	2,661,717	\$	2,162,691	\$	417,519	\$	80,333
8	Administrative & General	19	\$	656,295	\$	533,251	\$	102,947	\$	19,808
<b>Depreciation and Amortization</b>										
9	Distribution	19	\$	-	\$	-	\$	-	\$	-
10	General	19	\$	59,277	\$	48,164	\$	9,298	\$	1,789
11	Subtotal - Dep. & Amort.		\$	59,277	\$	48,164	\$	9,298	\$	1,789
12	Taxes	PLTINS	\$	21,910	\$	17,801.96	\$	3,436.76	\$	661.26
13	Debt Service	Rate Base	\$	91,745	\$	74,544.64	\$	14,391.22	\$	2,768.97
14	426 - Realized Gain/(Loss)	Rate Base	\$	-	\$	-	\$	-	\$	-
15	431 - Interest on Customer Deposits	19	\$	502	\$	407.69	\$	78.71	\$	15.14
16	930.2 Donations	19	\$	-	\$	-	\$	-	\$	-
17	426, Other	19	\$	-	\$	-	\$	-	\$	-
18	User Defined		\$	-	\$	-	\$	-	\$	-
19	User Defined		\$	-	\$	-	\$	-	\$	-
20	User Defined		\$	-	\$	-	\$	-	\$	-
21	User Defined		\$	-	\$	-	\$	-	\$	-
22	User Defined		\$	-	\$	-	\$	-	\$	-
23	User Defined		\$	-	\$	-	\$	-	\$	-
24	Subtotal - Other Expenses		\$	114,157	\$	92,754	\$	17,907	\$	3,445
25	Total Expenses		\$	3,491,446	\$	2,836,860	\$	547,670	\$	105,376
			\$		\$		\$		\$	898
			\$		\$		\$		\$	642

Allocatio Consumer Services 1 Expenses  
Consumer Related

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Distribution Maintenance	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Customer Accounts	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service	20	\$ 179,866	\$ -	\$ 148,417	\$ 28,653	\$ 2,756	\$ 24	\$ 17
6	Sales	20	\$ 111,573	\$ -	\$ 92,065	\$ 17,774	\$ 1,710	\$ 15	\$ 10
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 291,439	\$ -	\$ 240,482	\$ 46,426	\$ 4,466	\$ 38	\$ 27
8	Administrative & General	20	\$ 73,490	\$ -	\$ 60,641	\$ 11,707	\$ 1,126	\$ 10	\$ 7
	<b>Depreciation and Amortization</b>								
9	Distribution	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	General	20	\$ 6,638	\$ -	\$ 5,477	\$ 1,057	\$ 102	\$ 1	\$ 1
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 6,638	\$ -	\$ 5,477	\$ 1,057	\$ 102	\$ 1	\$ 1
12	Taxes	PLTINS	\$ 2,453	\$ -	\$ 2,024.42	\$ 390.82	\$ 37.60	\$ 0.32	\$ 0.23
13	Debt Service	Rate Base	\$ 10,273	\$ -	\$ 8,477.14	\$ 1,636.56	\$ 157.44	\$ 1.34	\$ 0.96
14	426 - Realized Gain/(Loss)	Rate Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits	20	\$ 56	\$ -	\$ 46.36	\$ 8.95	\$ 0.86	\$ 0.01	\$ 0.01
16	930.2 Donations	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 12,783	\$ -	\$ 10,548	\$ 2,036	\$ 196	\$ 2	\$ 1
25	<b>Total Expenses</b>		\$ 384,351	\$ -	\$ 317,147	\$ 61,227	\$ 5,890	\$ 50	\$ 36

Allocation Security Lights Expenses  
Direct Assignments

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Distribution Operations	23	\$ 21,784	\$ 21,784	\$ -	\$ -	\$ -	\$ -	\$ -
3	Distribution Maintenance	23	\$ 149,691	\$ 149,691	\$ -	\$ -	\$ -	\$ -	\$ -
4	Customer Accounts	23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 171,475	\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -
8	Administrative & General	23	\$ 31,986	\$ 31,986	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Depreciation and Amortization</b>								
9	Distribution	23	\$ 118,543	\$ 118,543	\$ -	\$ -	\$ -	\$ -	\$ -
10	General	23	\$ 2,889	\$ 2,889	\$ -	\$ -	\$ -	\$ -	\$ -
11	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 121,432	\$ 121,432	\$ -	\$ -	\$ -	\$ -	\$ -
12	Taxes	PLTINS	\$ 1,068	\$ 1,067.83	\$ -	\$ -	\$ -	\$ -	\$ -
13	Debt Service	Rate Bas	\$ 89,999	\$ 89,998.89	\$ -	\$ -	\$ -	\$ -	\$ -
14	426 - Realized Gain/(Loss)	Rate Bas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	431 - Interest on Customer Deposits		\$ 492	\$ 492.21	\$ -	\$ -	\$ -	\$ -	\$ -
16	930.2 Donations	23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	<b>Subtotal - Other Expenses</b>		\$ 91,559	\$ 91,559	\$ -	\$ -	\$ -	\$ -	\$ -
25	<b>Total Expenses</b>		\$ 416,453	\$ 416,453	\$ -	\$ -	\$ -	\$ -	\$ -

Total Expenses

Total System

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non-Residential	Three Phase	Three Phase	J
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Primary
									Over 1000 kW
1	Regular Tariff Demand		\$ 18,777,000	\$ 152,662	\$ 12,563,865	\$ 1,899,899	\$ 2,810,197	\$ 749,932	\$ 600,444
2	Regular Tariff Energy		\$ 24,106,526	\$ 281,682	\$ 15,571,418	\$ 2,354,700	\$ 3,984,207	\$ 1,063,229	\$ 851,290
3	Regular Tariff WDA		\$ (1,378,543)	\$ (16,109)	\$ (890,118)	\$ (134,475)	\$ (227,317)	\$ (60,806)	\$ (49,719)
4	Schedule 3 - Valley Grain		\$ 367,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,678
5	Classes A, B, and C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Own Use		\$ (95,637)	\$ (1,118)	\$ (61,776)	\$ (9,342)	\$ (15,806)	\$ (4,218)	\$ (3,377)
7	Direct Served		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	556 - System Control & Load Disp.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	557 - Other Power Supply Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Total Purchased Power Costs		\$ 41,777,024	\$ 417,118	\$ 27,183,390	\$ 4,110,783	\$ 6,551,281	\$ 1,748,136	\$ 1,766,316
24	Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Distribution Operations		\$ 4,136,920	\$ 50,339	\$ 3,092,287	\$ 515,196	\$ 397,989	\$ 51,770	\$ 29,340
27	Distribution Maintenance		\$ 7,961,064	\$ 213,188	\$ 6,145,302	\$ 1,006,077	\$ 446,475	\$ 86,547	\$ 63,475
28	Customer Accounts		\$ 2,695,374	\$ -	\$ 2,186,406	\$ 422,097	\$ 85,619	\$ 730	\$ 521
29	Customer Service		\$ 179,866	\$ -	\$ 148,417	\$ 28,653	\$ 2,756	\$ 24	\$ 17
30	Sales		\$ 111,573	\$ -	\$ 92,065	\$ 17,774	\$ 1,710	\$ 15	\$ 10
31	Distribution O&M Before A&G		\$ 15,084,797	\$ 263,527	\$ 11,664,476	\$ 1,989,797	\$ 934,549	\$ 139,085	\$ 93,363
32	Administrative & General		\$ 2,542,666	\$ 46,644	\$ 1,986,534	\$ 341,902	\$ 132,163	\$ 21,869	\$ 13,554
	Depreciation and Amortization								
33	Distribution		\$ 6,509,424	\$ 171,112	\$ 4,885,810	\$ 791,491	\$ 501,365	\$ 98,019	\$ 61,628
34	General		\$ 229,657	\$ 4,213	\$ 179,426	\$ 30,881	\$ 11,937	\$ 1,975	\$ 1,224
35	Subtotal - Dep. & Amort.		\$ 6,739,081	\$ 175,325	\$ 5,065,236	\$ 822,372	\$ 513,302	\$ 99,994	\$ 62,852
36	Taxes		\$ 84,884	\$ 1,557	\$ 66,318	\$ 11,414	\$ 4,412	\$ 730	\$ 452
37	Debt Service		\$ 5,051,905	\$ 129,975	\$ 3,802,746	\$ 618,845	\$ 380,203	\$ 73,776	\$ 46,358
38	426 - Realized Gain/(Loss)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	431 - Interest on Customer Deposits		\$ 27,629	\$ 711	\$ 20,797	\$ 3,384	\$ 2,079	\$ 403	\$ 254
40	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Subtotal - Other Expenses		\$ 5,164,418	\$ 132,243	\$ 3,889,862	\$ 633,644	\$ 386,695	\$ 74,910	\$ 47,064
49	Total Expenses		\$ 71,307,987	\$ 1,034,857	\$ 49,789,499	\$ 7,898,498	\$ 8,517,990	\$ 2,083,993	\$ 1,983,150

**Total Expenses  
Energy Related**

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Primary
									Over 1000 kW
1	Regular Tariff Demand		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Regular Tariff Energy		\$ 24,106,526	\$ 281,682	\$ 15,571,418	\$ 2,354,700	\$ 3,984,207	\$ 1,063,229	\$ 851,290
3	Regular Tariff WDA		\$ (1,378,543)	\$ (16,109)	\$ (890,118)	\$ (134,475)	\$ (227,317)	\$ (60,806)	\$ (49,719)
4	Schedule 3 - Valley Grain		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Classes A, B, and C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Own Use		\$ (95,637)	\$ (1,118)	\$ (61,776)	\$ (9,342)	\$ (15,806)	\$ (4,218)	\$ (3,377)
7	Direct Served		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	556 - System Control & Load Disp.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	557 - Other Power Supply Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	<b>Total Purchased Power Costs</b>		<b>\$ 22,632,346</b>	<b>\$ 264,455</b>	<b>\$ 14,619,525</b>	<b>\$ 2,210,883</b>	<b>\$ 3,741,083</b>	<b>\$ 998,204</b>	<b>\$ 798,194</b>
24	Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Distribution Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	Distribution Maintenance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	<b>Distribution O&amp;M Before A&amp;G</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
32	Administrative & General		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Depreciation and Amortization</b>								
33	Distribution		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	General		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	<b>Subtotal - Dep. &amp; Amort.</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
36	Taxes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Debt Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	426 - Realized Gain/(Loss)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	431 - Interest on Customer Deposits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	<b>Subtotal - Other Expenses</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
49	<b>Total Expenses</b>		<b>\$ 22,632,346</b>	<b>\$ 264,455</b>	<b>\$ 14,619,525</b>	<b>\$ 2,210,883</b>	<b>\$ 3,741,083</b>	<b>\$ 998,204</b>	<b>\$ 798,194</b>

**Total Expenses**  
**Demand Related**

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Regular Tariff Demand		\$ 18,777,000	\$ 152,662	\$ 12,563,865	\$ 1,899,899	\$ 2,810,197	\$ 749,932	\$ 600,444
2	Regular Tariff Energy		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Regular Tariff WDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Schedule 3 - Valley Grain		\$ 367,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,678
5	Classes A, B, and C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Own Use		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Direct Served		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	556 - System Control & Load Disp.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	557 - Other Power Supply Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	<b>Total Purchased Power Costs</b>		\$ 19,144,678	\$ 152,662	\$ 12,563,865	\$ 1,899,899	\$ 2,810,197	\$ 749,932	\$ 968,122
24	Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Distribution Operations		\$ 2,472,145	\$ 28,555	\$ 1,855,108	\$ 276,353	\$ 233,373	\$ 50,366	\$ 28,391
27	Distribution Maintenance		\$ 5,297,111	\$ 63,497	\$ 4,084,647	\$ 608,257	\$ 391,414	\$ 86,078	\$ 63,218
28	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 7,769,256	\$ 92,052	\$ 5,939,755	\$ 884,610	\$ 624,787	\$ 136,444	\$ 91,609
32	Administrative & General		\$ 1,232,163	\$ 14,658	\$ 941,862	\$ 140,223	\$ 100,439	\$ 21,598	\$ 13,384
	<b>Depreciation and Amortization</b>								
33	Distribution		\$ 4,618,048	\$ 52,568	\$ 3,450,947	\$ 514,484	\$ 441,194	\$ 97,506	\$ 61,349
34	General		\$ 111,291	\$ 1,324	\$ 85,070	\$ 12,665	\$ 9,072	\$ 1,951	\$ 1,209
35	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 4,729,339	\$ 53,892	\$ 3,536,018	\$ 527,149	\$ 450,266	\$ 99,456	\$ 62,558
36	Taxes		\$ 41,134	\$ 489	\$ 31,443	\$ 4,681	\$ 3,353	\$ 721	\$ 447
37	Debt Service		\$ 3,504,105	\$ 39,976	\$ 2,621,476	\$ 390,795	\$ 332,356	\$ 73,368	\$ 46,133
38	426 - Realized Gain/(Loss)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	431 - Interest on Customer Deposits		\$ 19,164	\$ 219	\$ 14,337	\$ 2,137	\$ 1,818	\$ 401	\$ 252
40	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	<b>Subtotal - Other Expenses</b>		\$ 3,564,403	\$ 40,684	\$ 2,667,256	\$ 397,613	\$ 337,527	\$ 74,490	\$ 46,833
49	<b>Total Expenses</b>		\$ 36,439,840	\$ 353,948	\$ 25,648,755	\$ 3,849,495	\$ 4,323,216	\$ 1,081,920	\$ 1,182,505

Total Expenses  
Consumer Related

A	B	C	D	E	F	G	H	I	J
Line		Allocation	TOTAL	Lighting	Residential &	Non -Residential	Three Phase	Three Phase	Primary
No.	Account	Factor	SYSTEM	Schedule	Single Phase	Single Phase	0-1000 kW	Over 1000 kW	Over 1000 kW
1	Regular Tariff Demand		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Regular Tariff Energy		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Regular Tariff WDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Schedule 3 - Valley Grain		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Classes A, B, and C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Own Use		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Direct Served		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	556 - System Control & Load Disp.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	557 - Other Power Supply Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Total Purchased Power Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Distribution Operations		\$ 1,642,991	\$ -	\$ 1,237,179	\$ 238,844	\$ 164,616	\$ 1,404	\$ 949
27	Distribution Maintenance		\$ 2,514,262	\$ -	\$ 2,060,655	\$ 397,820	\$ 55,061	\$ 469	\$ 257
28	Customer Accounts		\$ 2,695,374	\$ -	\$ 2,186,406	\$ 422,097	\$ 85,619	\$ 730	\$ 521
29	Customer Service		\$ 179,866	\$ -	\$ 148,417	\$ 28,653	\$ 2,756	\$ 24	\$ 17
30	Sales		\$ 111,573	\$ -	\$ 92,065	\$ 17,774	\$ 1,710	\$ 15	\$ 10
31	Distribution O&M Before A&G		\$ 7,144,066	\$ -	\$ 5,724,722	\$ 1,105,187	\$ 309,762	\$ 2,641	\$ 1,754
32	Administrative & General		\$ 1,278,517	\$ -	\$ 1,044,672	\$ 201,679	\$ 31,724	\$ 270	\$ 170
	Depreciation and Amortization								
33	Distribution		\$ 1,772,833	\$ -	\$ 1,434,862	\$ 277,007	\$ 60,171	\$ 513	\$ 279
34	General		\$ 115,477	\$ -	\$ 94,356	\$ 18,216	\$ 2,865	\$ 24	\$ 15
35	Subtotal - Dep. & Amort.		\$ 1,888,310	\$ -	\$ 1,529,218	\$ 295,223	\$ 63,036	\$ 537	\$ 294
36	Taxes		\$ 42,682	\$ -	\$ 34,875	\$ 6,733	\$ 1,059	\$ 9	\$ 6
37	Debt Service		\$ 1,457,801	\$ -	\$ 1,181,271	\$ 228,050	\$ 47,847	\$ 408	\$ 225
38	426 - Realized Gain/(Loss)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	431 - Interest on Customer Deposits		\$ 7,973	\$ -	\$ 6,460	\$ 1,247	\$ 262	\$ 2	\$ 1
40	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	Subtotal - Other Expenses		\$ 1,508,456	\$ -	\$ 1,222,606	\$ 236,030	\$ 49,168	\$ 419	\$ 232
49	Total Expenses		\$ 11,819,349	\$ -	\$ 9,521,219	\$ 1,838,120	\$ 453,691	\$ 3,868	\$ 2,451



Total Expenses  
Direct Assignments

A	B	C	D	E	F	G	H	I	J
Line No.	Account	Allocation Factor	TOTAL SYSTEM	Lighting Schedule	Residential & Single Phase	Non-Residential Single Phase	Three Phase 0-1000 kW	Three Phase Over 1000 kW	Primary Over 1000 kW
1	Regular Tariff Demand		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Regular Tariff Energy		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Regular Tariff WDA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Schedule 3 - Valley Grain		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Classes A, B, and C		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Own Use		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Direct Served		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Not Applicable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	556 - System Control & Load Disp.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	557 - Other Power Supply Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	<b>Total Purchased Power Costs</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Subtransmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Distribution Operations		\$ 21,784	\$ 21,784	\$ -	\$ -	\$ -	\$ -	\$ -
27	Distribution Maintenance		\$ 149,691	\$ 149,691	\$ -	\$ -	\$ -	\$ -	\$ -
28	Customer Accounts		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Customer Service		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	<b>Distribution O&amp;M Before A&amp;G</b>		\$ 171,475	\$ 171,475	\$ -	\$ -	\$ -	\$ -	\$ -
32	Administrative & General		\$ 31,986	\$ 31,986	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Depreciation and Amortization</b>								
33	Distribution		\$ 118,543	\$ 118,543	\$ -	\$ -	\$ -	\$ -	\$ -
34	General		\$ 2,889	\$ 2,889	\$ -	\$ -	\$ -	\$ -	\$ -
35	<b>Subtotal - Dep. &amp; Amort.</b>		\$ 121,432	\$ 121,432	\$ -	\$ -	\$ -	\$ -	\$ -
36	Taxes		\$ 1,068	\$ 1,068	\$ -	\$ -	\$ -	\$ -	\$ -
37	Debt Service		\$ 89,999	\$ 89,999	\$ -	\$ -	\$ -	\$ -	\$ -
38	426 - Realized Gain/(Loss)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	431 - Interest on Customer Deposits		\$ 492	\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -
40	930.2 Donations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	426. Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	User Defined		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	<b>Subtotal - Other Expenses</b>		\$ 91,559	\$ 91,559	\$ -	\$ -	\$ -	\$ -	\$ -
49	<b>Total Expenses</b>		\$ 415,961	\$ 415,961	\$ -	\$ -	\$ -	\$ -	\$ -