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PUBLIC SERVICE  
COMMISSION


COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL )  
ELECTRIC COOPERATIVE CORPORATION TO )  
PASS-THROUGH AN INCREASE OF ITS ) CASE NO. 2006-00488  
WHOLESALE POWER SUPPLIER PURSUANT TO )  
KRS 278.455(2) )

RESPONSE TO FIRST DATA REQUEST

Comes South Kentucky Rural Electric Cooperative Corporation and attaches hereto an original and five (5) copies of its responses to the Commission Staff's First Data Request dated March 12, 2007.



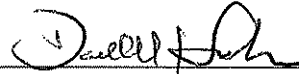
DARRELL L. SAUNDERS, P.S.C.  
ATTORNEY AT LAW  
700 MASTER STREET  
P.O. BOX 1324  
CORBIN, KENTUCKY 40702  
TELEPHONE: (606) 523-1370  
FAX NUMBER: (606) 523-1372

ATTORNEY FOR SOUTH KENTUCKY RURAL  
ELECTRIC COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing was this 21<sup>st</sup> day of March, 2007 deposited in the regular United States mail, all postage prepaid and addressed for delivery to Ms. Anita Mitchell, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, KY 40602-0615.

Original to: Ms. Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, KY 40602-0615.



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ATTORNEY FOR SOUTH KENTUCKY RURAL  
ELECTRIC COOPERATIVE CORPORATION

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

**In the Matter of:**

<b>APPLICATION OF SOUTH KENTUCKY RURAL</b>	)	
<b>ELECTRIC COOPERATIVE CORPORATION TO</b>	)	
<b>PASS-THROUGH AN INCREASE OF ITS</b>	)	<b>CASE NO.</b>
<b>WHOLESALE POWER SUPPLIER PURSUANT</b>	)	<b>2006-00488</b>
<b>TO KRS 278.455(2)</b>	)	

**RESPONSES TO COMMISSION STAFF'S FIRST DATA REQUEST TO**  
**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**  
**DATED MARCH 12, 2007**

**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2006-00488**

**COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07**

South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") hereby submits responses to the Commission Staff's First Data Request dated March 12, 2007. Each response with its associated supportive reference materials is individually tabbed.



**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2006-00488**

**FIRST DATA REQUEST RESPONSE**

**COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07**

**REQUEST 1**

**RESPONSIBLE PERSON: William A. Bosta**

**COMPANY: South Kentucky Rural Electric Cooperative Corporation**

**Request 1.** Refer to the Application, Exhibits II and III.

**Request 1a.** Provide all workpapers, calculations, assumptions, and other documentation used to determine the proposed rates and the billing analysis.

**Response 1a.** Attached is information from EKPC's Exhibit I, Pages 3-5, which shows the present and proposed rates and revenues by wholesale customer class for service to South Kentucky.

As indicated in Mr. Bosta's testimony, the demand charges for retail industrial rates mirror EKPC's proposed rates for Schedules B and C, as applicable.

The increase applicable to all other classes was based on taking the total increase to the member system, subtracting the retail industrial class increase and then dividing that amount by the kWh for all other classes. This resulted in a per unit (cents/kWh) energy cost increase that was applied to all other classes. The only exceptions are Electric Thermal Storage (ETS) Rate Schedule A/Rate 6 and Rate Schedule B/Rate 7, which were designed based on a charge of 60 percent of the energy rate of the related rate class.

See the response to Request 1b for the calculations to determine the proposed rates.

**Request 1b.** Provide in electronic format the Excel spreadsheets used to determine the proposed rates and billing analysis, with all formulas intact.

**Response 1b.** Based on discussion with the Commission Staff on March 19, 2007, attached are two (2) copies of the requested information on CD-ROM.

### Billing Units -- Base Rate Revenue

Rate E	Demand Energy!	Rate E	COOP	R_GROUP	KWN-1	KWN-2	BILL-KW	BILL-KWH	COOP	R_GROUP	KWN-1	KWN-2	BILL-KW	BILL-KWH	Rate E
		1.90	1 21	E	470,392,552	440,516,577	1,866,699	910,508,129	1 21	E	470,392,552	440,516,577	1,866,699	910,508,129	0.00378
		6.82	2 23	E	222,403,420	208,180,496	984,462	430,563,916	2 23	E	222,403,420	208,180,496	984,462	430,563,916	0.00378
		5.22	3 27	E	210,787,748	199,290,364	980,758	410,078,112	3 27	E	210,787,748	199,290,364	980,758	410,078,112	0.0314
		0.0314	4 3	E	452,866,477	443,652,958	2,065,271	896,519,375	4 3	E	452,866,477	443,652,958	2,065,271	896,519,375	0.030898
			5 30	E	146,154,687	139,307,277	647,941	285,461,964	5 30	E	146,154,687	139,307,277	647,941	285,461,964	
			6 34	E	230,603,822	223,099,895	852,587	453,703,717	6 34	E	230,603,822	223,099,895	852,587	453,703,717	
			7 37	E	500,365,807	465,225,238	2,081,830	965,591,045	7 37	E	500,365,807	465,225,238	2,081,830	965,591,045	
			8 49	E	223,901,650	217,477,189	1,001,814	441,378,889	8 49	E	223,901,650	217,477,189	1,001,814	441,378,889	
			9 51	E	286,221,018	278,013,994	1,266,875	574,235,012	9 51	E	286,221,018	278,013,994	1,266,875	574,235,012	
			10 52	E	222,824,915	219,464,946	972,806	442,269,261	10 52	E	222,824,915	219,464,946	972,806	442,269,261	
			11 54	E	526,719,951	521,118,813	2,481,582	1,050,834,764	11 54	E	526,719,951	521,118,813	2,481,582	1,050,834,764	
			12 58	E	136,856,869	135,512,640	619,532	274,369,328	12 58	E	136,856,869	135,512,640	619,532	274,369,328	
			13 57	E	263,407,107	258,258,468	1,148,221	521,665,815	13 57	E	263,407,107	258,258,468	1,148,221	521,665,815	
			14 58	E	194,650,874	192,562,550	807,493	367,213,424	14 58	E	194,650,874	192,562,550	807,493	367,213,424	
			15 59	E	3,706,880	4,230,920	13,638	7,937,910	15 59	E	3,706,880	4,230,920	13,638	7,937,910	
			16 61	E	128,984,703	124,373,132	576,431	253,357,635	16 61	E	128,984,703	124,373,132	576,431	253,357,635	
			17 64	E	506,696,894	477,390,984	2,314,298	984,087,878	17 64	E	506,696,894	477,390,984	2,314,298	984,087,878	
					4,682,541,283	4,487,866,391	20,708,501	8,170,197,874			4,682,541,283	4,487,866,391	20,708,501	8,170,197,874	

### Rate E - Inter

Firm	Demand	Rate E	COOP	R_GROUP	CMTR-KW	KW-1	BILL-KW	KW-2	BILL-KWH	XS-KW	Rate E
Interr 60	Demand	5.22	1 30	B	0	1,118,286	5,407	1,181,355	5,407	1,810	16.02
	Demand	2.07	2 51	B	0	364,269	1,073	482,465	1,073	846	15.94
	Eng-Off	0.038464	3 64	B	120	3,673,073	9,592	4,618,565	9,592	15,334	
	Eng-Off	0.030898									

### Rate B

Demand	Rate B	COOP	R_GROUP	CMTR-KW	BILL-KW	KW-1	BILL-KWH	KW-2	BILL-KWH	XS-KW	Rate B
Excess D	7.29	1 21	B	72,600	74,610	44,659,650	1,610	44,659,650	1,610	181	16.02
Energy	0.027325	2 23	B	8,400	10,286	5,705,824	846	5,705,824	846	846	15.94
		3 27	B	46,500	54,885	30,048,598	8,480	30,048,598	8,480	8,480	15.94
		4 3	B	51,500	55,156	28,548,388	3,656	28,548,388	3,656	3,656	15.94
		5 30	B	239,725	269,250	170,264,980	23,527	170,264,980	23,527	23,527	15.94
		6 37	B	192,700	208,034	119,181,435	15,334	119,181,435	15,334	15,334	15.94
		7 51	B	81,800	81,800	49,962,903	25,658	49,962,903	25,658	25,658	15.94
		8 54	B	64,200	90,058	49,502,974		49,502,974			15.94
		9 56	B								15.94
		57	B								15.94
		58	B								15.94
		59	B								15.94
		61	B								15.94
		64	B								15.94
			Total B	1,103,549	398,625	232,092,348	13,825	232,092,348	13,825	13,825	15.94

### Rate B - inter

Firm	Demand	Rate B	COOP	R_GROUP	CMTR-KW	BILL-KW	KW-1	BILL-KWH	KW-2	BILL-KWH	XS-KW	Rate B
Interr 60	Demand	7.29	1 21	B	69,000	69,045	364,1597	45	364,1597	45	86,668	16.02
	Demand	3.69	2 37	B	3,600	80288	657,6588	86,668	657,6588	86,668	86,668	15.94
	Eng-Off	0.027325										15.94
	Eng-Off	0.038464										15.94

Proposed Total Revenue	Present Total Revenue	Revenue Adjustment
41,670,429	38,527,193	3,143,237
20,177,360	18,549,828	1,627,532
16,437,170	17,897,075	-1,459,905
42,012,158	38,623,314	3,388,843
13,308,262	12,229,216	1,079,046
20,735,790	19,020,790	1,715,000
44,354,295	40,704,360	3,649,934
20,561,234	18,892,822	1,668,412
26,597,009	24,428,401	2,170,608
20,428,813	18,757,957	1,670,856
49,482,581	45,510,426	3,972,155
11,694,634	11,594,634	0
22,133,177	22,133,177	0
14,406,242	11,436,176	2,970,067
344,503	314,468	30,035
11,813,118	10,855,426	957,693
48,320,652	42,890,759	5,429,893
426,827,439	392,164,092	34,663,347

Demand Revenue	Energy-On Revenue	Energy-Off Revenue	Total Revenue
11,182	43,013	36,502	90,707
2,221	14,011	14,807	31,140
20,213	141,281	142,717	304,210
33,626	198,305	194,125	426,056

Proposed Total Revenue	Present Total Revenue	Revenue Adjustment
1,756,172	1,624,413	141,759
232,807	213,301	19,505
1,242,262	1,137,868	104,424
1,181,002	1,088,205	104,796
6,639,259	6,129,124	500,175
4,610,462	4,415,198	395,265
1,961,558	1,808,198	153,360
2,072,016	1,900,905	171,110
8,988,679	8,307,462	681,198
28,894,296	26,620,634	2,273,662

Firm Demand Revenue	Interr Excess Dem Revenue	Energy Revenue	Total Revenue
503,010	166	1,077,026	1,680,222
28,244	319,603	1,797,345	2,145,394
529,254	319,991	2,874,370	3,723,616



EXHIBIT I  
Page 4 of 7

Rate C

#	COOP	R_GROUP	BILL-KW	BILL-KWH	Demand		Energy		Present Total Revenue	Revenue Adjustment
					7.29	0.027325	Demand Revenue	Energy Revenue		
21	C		31,800	20,897,840	231,822	573,483	805,315	744,895	80,420	
22	C		36,328	19,811,349	264,831	536,880	600,711	731,688	69,073	
3	C		85,224	42,895,301	621,283	1,163,043	1,784,326	1,623,001	181,928	
30	C				785,893	1,751,325	2,537,318	0	0	
37	C		107,818	53,360,482	43,740	73,483	117,223	105,823	11,400	
549	C		6,000	2,889,215	0	0	0	0	0	
6	C		321,396	181,235,537	2,343,977	4,852,261	7,295,238	6,684,585	610,652	
7	C		165,155	83,822,026	1,203,980	2,290,437	3,494,417	3,180,622	313,795	
58	C				0	0	0	0	0	
57	C				0	0	0	0	0	
59	C				0	0	0	0	0	
64	C		28,873	16,407,017	211,213	446,322	659,535	604,456	55,049	
Total C			782,684	430,698,767	5,705,839	11,768,844	17,474,683	15,987,564	1,487,119	

Inland Container

#	COOP	NAME	R/C	Demand		Energy		Present Total Revenue	Revenue Adjustment	
				6.52	0.02556	Demand Revenue	Energy Revenue			Total Revenue
1	52	Inland Contn CM	C	BILL-KW	BILL-KWH	325,738	220,465,205	2,254,107	5,635,627	7,889,734
Total AGC						1,563,934	3,741,649	5,305,563	4,959,800	345,783

AGC

#	COOP	NAME	R/C	Demand		Energy		Present Total Revenue	Revenue Adjustment	
				6.52	0.02556	Demand Revenue	Energy Revenue			Total Revenue
1	51	AGC Autnmk BD	B	BILL-KW	BILL-KWH	64,252	44,113,866	444,824	1,127,945	1,572,769
2	51	AGC Autnmk CM	C	BILL-KW	BILL-KWH	161,750	102,273,245	1,149,810	2,615,104	3,735,414
Total AGC						226,002	146,386,911	1,593,634	3,741,649	5,305,563

Gallatin

#	COOP	R_GROUP	KWH-1	KWH-2	Inter Chg	Demand		Energy-ON		Energy-OFF		Present Total Revenue	Revenue Adjustment
						319,667,204	714,688,148	Revenue	Revenue	Revenue	Revenue		
1	57	G	Firm			7,388,687	8,638,808	17,617,063	33,942,557	30,870,772	2,971,785	30,870,772	2,971,785
			10 min Interr			180,000							
			90 min Interr			1,440,000							
						322,943							
						1,942,943							
Total						10,154,633	8,638,808	17,617,063	33,942,557	30,870,772	2,971,785	30,870,772	2,971,785

IGP

#	COOP	R_GROUP	KWH-1	KWH-2	TOT\$	Demand		Energy-ON		Energy-OFF		Present Total Revenue	Revenue Adjustment
						Sum of FACS	BILL-KWH	Revenue	Revenue	Revenue	Revenue		
1	23	H	30733734	36421688	150875	281,531	3,779,534	4,061,065	4,061,065	0	0	4,061,065	0
2	52	H	40551542	47739328	300000	525,000	5,077,592	5,077,592	5,077,592	0	0	5,077,592	0
			71565276	84160956	462875	806,531	8,857,116	9,663,647	9,663,647	0	0	9,663,647	0
					155726272								
Total						806,531	8,857,116	9,663,647	9,663,647	0	0	9,663,647	0

Inland Steam

equiv	Demand	Energy	5.00073923
equiv	Demand	Energy	0.02450658

Demand 0.857689  
 Efficiency 0.857689  
 Heat Rate 3615.9  
 Mbu Demand 3615.9  
 Mbu Energy 3615.9  
 Mbu Demand 4394.11  
 Mbu Energy 2392681.7  
 BILL-KWH 271,030,329  
 BILL-KW 503,649  
 Mbu-Demand 4394.11  
 Mbu-Energy 2392681.7

Load Center - Normalized

Meter #	LC #	2373	2655	4605	Revenue	Total LC Revenue	Present Total Revenue	Revenue Adjustment
21	944	2373	2655	4605	888,662	888,662	888,662	0
23	12	48	228	24	439,596	439,596	439,596	0
27	12	108	108	24	447,336	447,336	447,336	0
31	36	240	240	48	991,668	991,668	991,668	0
30	12	96	24	24	413,076	413,076	413,076	0
34	12	120	120	12	426,336	426,336	426,336	0
37	12	180	180	96	955,980	955,980	955,980	0
49	12	144	144	12	613,860	613,860	613,860	0
51	24	164	164	48	689,112	689,112	689,112	0
52	36	108	108	36	474,120	474,120	474,120	0
54	36	312	312	48	1,197,228	1,197,228	1,197,228	0
56	84	84	84	12	325,248	325,248	325,248	0
57	132	132	132	12	517,548	517,548	517,548	0
58	12	84	84	0	268,296	268,296	268,296	0
59	72	84	84	0	410,676	410,676	410,676	0
61	48	228	228	84	1,162,952	1,162,952	1,162,952	0
64	36	540	2364	468	10,219,764	10,219,764	10,219,764	0
					426,000	426,000	426,000	0
					7,500	7,500	7,500	0
					510,669,030	510,669,030	510,669,030	43,364,220

Grand Total Revenue by Member System

COOP	E	B	Σ	Inland Containment	Inland Steam	Gallatin	ISP	AGC	Load Center	Metering Only	Metering Only	Proposed Total	Present	Rate Adj	
21	41,970,429	3,348,394	0	0	0	0	0	0	888,662	38,000	38,000	48,202,515	43,526,334	3,716,181	
23	20,177,350	232,807	805,315	0	0	0	0	0	439,596	19,500	19,500	25,735,642	24,028,185	1,707,457	
27	19,437,170	1,242,292	800,711	0	0	0	4,061,065	0	447,336	18,000	18,000	20,224,967	20,224,967	0	
31	42,012,158	1,191,002	1,784,828	0	0	0	0	0	991,668	49,500	49,500	48,020,253	42,364,668	5,655,585	
30	13,398,969	8,629,259	0	0	0	0	0	0	413,076	19,500	19,500	20,459,244	19,871,430	1,587,814	
34	20,735,790	0	2,517,316	0	0	0	0	0	426,336	19,000	19,000	23,697,444	21,777,690	1,919,754	
37	44,354,295	6,953,856	0	0	0	0	0	0	955,980	34,500	34,500	66,141,167	78,932,694	7,188,493	
49	20,561,234	1,961,559	117,223	0	0	0	0	0	613,860	30,000	30,000	21,323,517	19,646,505	1,679,812	
51	26,628,149	0	0	0	0	0	0	0	689,112	27,000	27,000	34,611,402	31,936,390	2,675,012	
52	20,429,813	7,295,239	0	0	0	0	5,602,662	5,305,563	474,120	18,000	18,000	51,043,371	47,484,269	3,559,111	
54	49,462,581	2,072,016	3,494,417	0	0	0	0	0	1,197,228	49,500	49,500	56,237,242	51,840,182	4,457,060	
56	12,731,759	0	0	0	0	0	0	0	325,248	15,000	15,000	13,071,999	12,034,682	1,037,316	
57	24,105,073	0	0	0	0	0	0	0	517,548	22,500	22,500	24,645,121	22,673,225	1,971,896	
58	12,446,242	0	0	0	0	0	0	0	268,296	12,000	12,000	12,726,538	11,776,472	1,010,067	
59	34,405,333	0	0	0	0	0	0	0	410,676	19,500	19,500	34,450,003	31,448,888	3,001,115	
61	11,813,118	8,988,673	0	0	0	0	0	0	1,162,952	46,500	46,500	12,902,629	11,890,098	1,012,531	
64	48,524,562	32,617,502	17,474,665	7,889,794	9,332,384	33,842,557	8,663,647	5,305,563	10,219,764	426,000	426,000	554,033,251	510,669,030	43,364,220	
													554,033,251	554,033,251	

South Kentucky RECC  
Billing Analysis  
for the 12 months ended September 30, 2006

	Total	Total	\$ Increase	% Increase
#REF!	62,332,726	65,221,771	2,889,045	4.63%
#REF!	568,476	595,182	26,706	4.70%
#REF!	6,146,496	6,391,199	244,703	3.98%
#REF!	1,211	1,263	51	4.23%
#REF!	10,774,238	11,344,566	570,329	5.29%
#REF!	2,381,887	2,505,662	123,775	5.20%
#REF!	2,592,616	2,767,876	175,260	6.76%
#REF!	3,041,632	3,279,612	237,980	7.82%
#REF!	45,464	46,535	1,071	2.36%
#REF!	1,571,840	1,637,512	65,673	4.18%
#REF!	774,667	818,243	43,576	5.63%
#REF!	67,906	70,746	2,841	4.18%
#REF!	26,771	27,437	666	2.49%
#REF!	2,514,635	2,590,021	75,386	3.00%
	92,840,564	97,297,625	# 4,457,061	4.80%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2008

Schedule A  
Residential, Farm and Non-Farm Service  
Rate 1; 3; 18

	Existing			Proposed			\$ Increase	% Increase	Dmd \$	Energy \$
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues				
Customer Charge	675,814	\$8.00	\$5,406,512	675,814	\$8.00	\$5,406,512	-	-		
Energy charge per kWh	726,842,280	726,842,280	\$0.06445	46,844,985	726,842,280	\$0.06842	49,734,030	2,889,045	6.17%	2,889,045
Total from base rates			52,251,497			55,140,542	2,889,045	5.53%		
Fuel adjustment			6,063,317			6,063,317	-	0.00%		
Environmental surcharge			4,017,912			4,017,912	-	0.00%		
Total revenues			\$62,332,726			\$65,221,771	\$ 2,889,045	4.63%		
Average Bill			\$92.23			\$96.51	\$4.27	4.63%		

Schedule A  
Residential, Farm and Non-Farm Service (ETS)  
Rate 6

	Existing			Proposed			\$ Increase	% Increase	Dmd \$	Energy \$
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues				
Customer Charge	20,868	\$8.00	\$0	20,868	\$8.00	\$0	-	#DIV/0!		
Energy charge per ETS kWh	11,198,063	11,198,063	\$0.03867	433,029	11,198,063	\$0.04105	459,735	26,705.97	6.17%	26,706
Fuel adjustment			101,097			101,097	-	0.00%		
Environmental surcharge			34,350			34,350	-	0.00%		
Total revenues			\$568,476			\$595,182	26,706	4.70%		
Average Bill			\$ 27.24			28.52127975	1.28	4.70%		

Note - these are the same customers on Schedule A

Schedule B  
Small Commercial Rate  
Rate 2

	Existing			Proposed			\$ Increase	% Increase	Dmd \$	Energy \$
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues				
Customer Charge	44,557	\$15.00	\$668,355	44,557	\$15.00	\$668,355	-	-		
Energy charge per kWh	61,563,781	61,563,781	\$0.07474	4,601,277	61,563,781	\$0.07871	4,845,980	244,703		244,703
Total from base rates			5,269,632			5,514,335	244,703			
Fuel adjustment			504,412			504,412	-	-		
Environmental surcharge			372,452			372,452	-	-		
Total revenues			\$6,146,496			\$6,391,199	244,703	3.98%		
Average Bill			\$ 137.95			\$ 143.44	\$ 5.49	3.98%		

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule B ETS  
Small Commercial Rate  
Rate 7

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	36	\$15.00	\$0	36	\$15.00	\$0	\$0	#DIV/0!
Energy charge per ETS kWh	21,440	21,440	\$0.04484	21,440	\$0.04723	1,013	\$51	5.33%
Total from base rates			961			1,013	\$51	5.33%
Fuel adjustment			183			183	\$0	0.00%
Environmental surcharge			67			67	\$0	0.00%
Total revenues			\$ 1,211			\$ 1,263	\$ 51.22	4.23%
Average Bill			\$ 33.65			\$ 35.07	\$ 1.42	4.23%

Schedule LP - Excess of 50 kVA  
Large Power Rate  
Rate 4; 16

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	2,844	\$30.00	\$85,320	2,844	\$30.00	\$85,320	\$0	0.00%
Demand Charge	461,335	\$6.00	\$2,768,010	461,335	\$6.00	\$2,768,010	\$0	0.00%
Energy charge per kWh	144,302,253	144,302,253	\$0.04156	144,302,253	\$0.04551	6,567,530	\$570,329	9.51%
Total from base rates			8,850,532			9,420,860	\$570,329	0
Fuel adjustment			1,190,726			1,190,726	-	0.00%
Environmental surcharge			732,980			732,980	-	0.00%
Total revenues			\$10,774,238			\$11,344,566	\$570,329	5.29%
Average Bill			\$ 3,768			\$ 3,989	200.54	5.29%

Schedule LP-1  
Large Power Rate (500 KW to 4,999 KW)  
Rate 9

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Metering Charge	24	\$125.00	\$3,000	24	\$125.00	\$3,000	-	0.00%
Substation Charge	12	\$944.00	11,328	12	\$944.00	11,328	-	0.00%
Substation Charge	12	\$2,373.00	28,476	12	\$2,373.00	28,476	-	0.00%
Demand Charge	65,145	\$5.39	351,129	65,145	\$7.29	474,904	123,775	35.25%
Energy charge per kWh	40,207,165	\$0.03713	1,492,892	40,207,165	\$0.03713	1,492,892	-	0.00%
Total from base rates			1,866,625			2,010,600	123,775	6.56%
Fuel adjustment			329,448			329,448	-	0.00%
Environmental surcharge			165,814			165,814	-	0.00%
Total revenues			\$2,381,887			\$2,505,662	123,775	5.20%
Average Bill			\$ 99,245			\$ 104,403	5,157.27	5.20%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule LP-2  
Large Power Rate (5,000 KW to 9,999 KW)  
Rate 10

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Metering Charge	14	\$125.00	\$1,750	14	\$125.00	\$1,750	-	0.00%
Substation Charge	9	\$2,373.00	21,357	9	\$2,373.00	21,357	-	0.00%
Substation Charge	5	\$2,855.00	14,275	5	\$2,855.00	14,275	-	0.00%
Demand Charge	92,242	\$5.39	497,184	92,242	\$7.29	672,444	175,260	35.25%
First 400 kwh per KW (to 5,000 kwh): Energy charge per kWh	24,000,000	\$0.03713	891,120	24,000,000	\$0.03713	891,120	-	0.00%
All remaining kwh: Energy charge per kWh	20,034,777	\$0.03112	623,482	20,034,777	\$0.03112	623,482	-	0.00%
Total kwh	44,034,777			44,034,777				
Total from base rates			2,049,168			2,224,428	175,260	8.55%
Fuel adjustment			360,725			360,725	-	0.00%
Environmental surcharge			182,723			182,723	-	0.00%
Total revenues			\$2,592,616			\$2,767,876	175,260	6.76%
Average Bill			\$ 165,187			\$ 197,705	12,518.55	6.76%

Schedule LP-3  
Large Power Rate (500 KW to 2,999 KW)  
Rate 12; 15

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Metering Charge	56	\$125.00	\$7,000	56	\$125.00	\$7,000	-	0.00%
Substation Charge	23	\$315.00	7,245	23	\$315.00	7,245	-	0.00%
Substation Charge	34	\$944.00	32,096	34	\$944.00	32,096	-	0.00%
Demand Charge:								
Contract demand	90,074	\$5.39	485,497	90,074	\$7.29	656,837	171,140	35.25%
Excess demand	35,179	\$7.82	275,068	35,179	\$9.72	341,938	66,840	24.30%
Energy charge per kWh+A265	48,075,843	\$0.03451	1,659,097	48,075,843	\$0.03451	1,659,097	-	0.00%
Total from base rates			2,466,033			2,704,013	237,980	9.65%
Fuel adjustment			388,405			388,405	-	0.00%
Environmental surcharge			187,194			187,194	-	0.00%
Total revenues			\$3,041,632			\$3,279,612	\$237,980	7.82%
Average Bill			\$ 54,315			\$ 58,564	4,249.63	7.82%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Special Contract  
Casey Stone Company  
Rate 11

	Existing			Proposed			\$ Increase	% Increase		
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized				
		Rate	Revenues		Rate	Revenues				
Consumer Charge	7	\$11.20	78	7	\$11.20	\$78	-	0.00%		
Monthly minimum bill	5	\$600.00	\$3,000	5	\$600.00	\$3,000	-	0.00%		
Demand Charge	2,236	\$11.49	\$25,695	2,236	\$11.49	\$25,695	-	0.00%		
First 3,500 kwh per month	35,700	35,700	\$0.04503	1,608	35,700	\$0.04896	1,749	141	8.78%	141
Next 6,500 kwh per month	32,200	32,200	\$0.04397	1,416	32,200	\$0.04792	1,543	127	8.99%	127
Next 140,000 kwh per month	203,100	203,100	\$0.04289	8,711	203,100	\$0.04684	9,514	803	9.22%	803
Next 150,000 kwh per month	0	0	\$0.04236	0	0	\$0.04631	0	-		
Over 300,000 kwh per month	0	0	\$0.04182	0	0	\$0.04577	0	-		
Over 300,000 kwh per month										
<b>Total kwh</b>	<b>271,000</b>			<b>271,000</b>						
<b>Total from base rates</b>			<b>40,508</b>			<b>41,579</b>	<b>1,071</b>	<b>2.64%</b>		
Fuel adjustment			2,267			2,267	-	0.00%		
Environmental surcharge			2,689			2,689	-	0.00%		
<b>Total revenues</b>			<b>\$45,464</b>			<b>\$46,535</b>	<b>\$1,071</b>	<b>2.36%</b>		
<b>Average Bill</b>			<b>\$ 6,495</b>			<b>\$ 6,648</b>	<b>153.01</b>	<b>2.36%</b>		

Schedule OPS  
Optional Power Service  
Rate 5

	Existing			Proposed			\$ Increase	% Increase		
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized				
		Rate	Revenues		Rate	Revenues				
Customer Charge	1,872	\$30.00	\$56,160	1,872	\$30.00	\$56,160	\$0	0.00%		
Energy charge per kWh	16,616,206	16,616,206	\$0.07680	1,276,125	16,616,206	\$0.08075	1,341,797	\$65,673	5.15%	65,673
<b>Total from base rates</b>			<b>1,397,285</b>			<b>1,397,957</b>	<b>\$65,673</b>	<b>4.93%</b>		
adjustment			136,669			136,669	\$0	0.00%		
onmental surcharge			102,886			102,886	\$0	0.00%		
<b>Total revenues</b>			<b>\$1,571,840</b>			<b>\$1,637,512</b>	<b>\$65,673</b>	<b>4.18%</b>		
<b>Average Bill</b>			<b>\$ 840</b>			<b>\$ 875</b>	<b>\$35.08</b>	<b>4.18%</b>		

Schedule AES  
All Electric Schools  
Rate 17

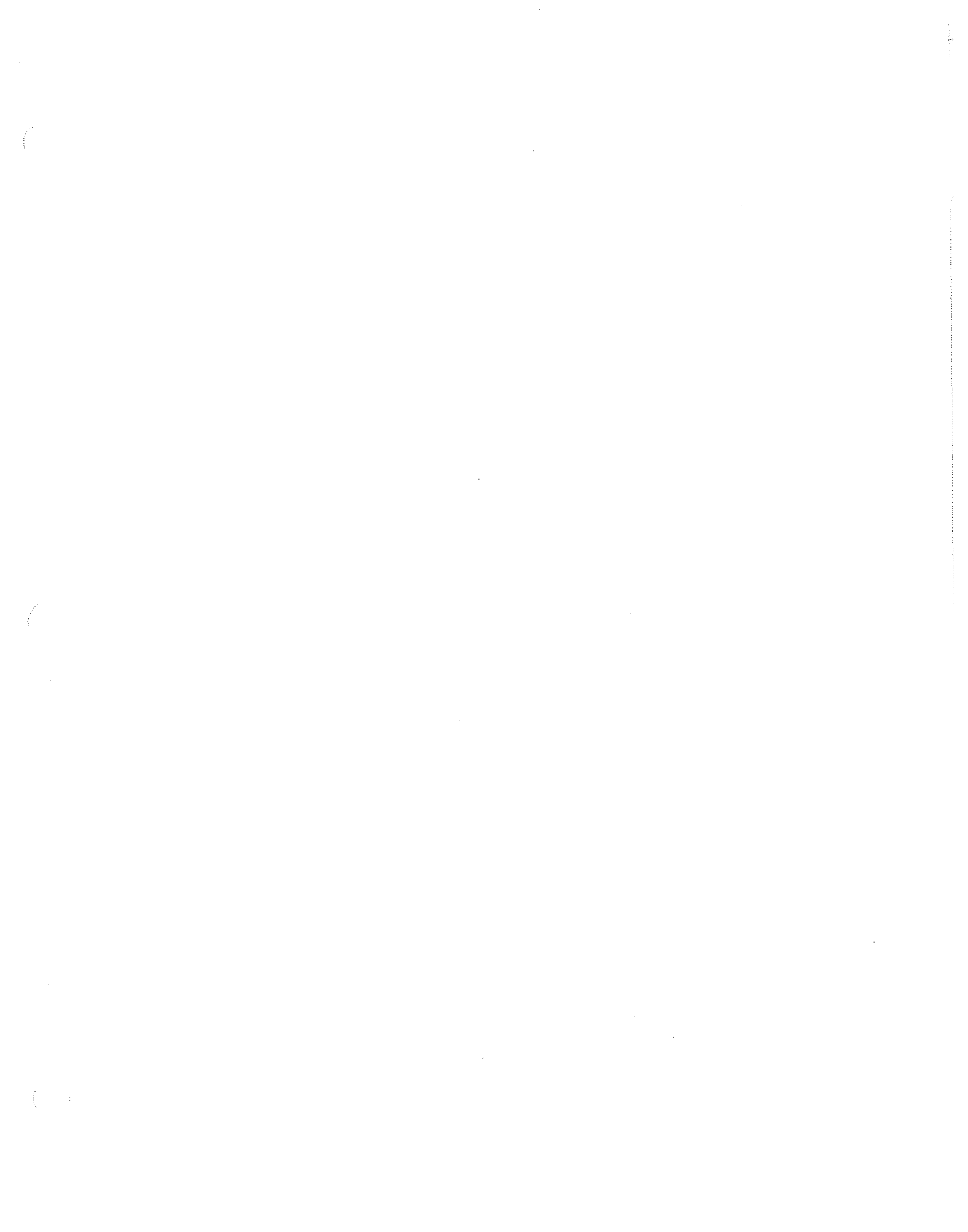
	Existing			Proposed			\$ Increase	% Increase		
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized				
		Rate	Revenues		Rate	Revenues				
Customer Charge	129	\$69.38	\$8,950	129	\$69.38	\$8,950	-	0.00		
Energy charge per kWh	11,025,480	11,025,480	\$0.05646	622,499	11,025,480	\$0.06041	668,075	43,576	0.07	43,576
<b>Total from base rates</b>			<b>631,449</b>			<b>675,025</b>	<b>43,576</b>	<b>0.07</b>		
Fuel adjustment			90,516			90,516	-	0.00		
Environmental surcharge			52,702			52,702	-	0.00		
<b>Total revenues</b>			<b>\$774,667</b>			<b>\$818,243</b>	<b>43,576</b>	<b>0.06</b>		
<b>Average Bill</b>			<b>\$ 6,005</b>			<b>\$ 6,343</b>	<b>337.80</b>	<b>5.63%</b>		





South Kentucky Lighting Rates Analysis

	Billing				Test Yr Revenue	Per kWh	Proposed Rate / kWh	Proposed Rate/ Mo	Proposed Revenue							
	Total kWh	Units for Test Year	kWh Lamp	Existing Rate/ Mo						Rate / kWh	Rate/ Mo	Revenue				
Mercury Vapor - 7000 - 10000 Lumens	257,520	3,480	74	6.30	21,924.00		0.09811	6.57	22,963.60							
Sodium - 7000 - 10000 Lumens	230,454	3,658	63	6.30	23,045.40		0.09811	6.57	24,033.06	487,974.00	44,969.40	0.09	0.10	46,898.03	6.57	
Mercury Vapor - 15,000 - 28,000 Lumens	93,636	578	162	9.95	5,751.10	0.08142	0.07622	10.49	6,963.22							
Sodium - 15,000 - 28,000 Lumens	139,330	1,114	135	9.95	11,084.30	0.07955	0.07622	10.49	11,685.86	232,966.00	16,835.40	0.07	0.08	17,756.16	10.49	
	<u>720,940</u>	<u>8,830</u>			<u>61,804.80</u>				<u>64,645.74</u>							
FAC					6,008.24				6,008.24							
ES					92.52				92.52							
Total STL					<u>67,905.56</u>				<u>70,746.50</u>	2,840.94				0.04		
Per Customer					7.69				8.01	0.32				0.04		
<b>DSTL</b>																
<b>Cobra Head Light Existing Pole</b>																
7000 - 10000 Lumens 39 kWh - Unmetered	-		39	9.92	-	0.25436	0.25831	10.07	-							
7000 - 10000 Lumens 39 kWh - Metered	-		39	8.45	-			8.45	-							
15000 - 28000 Lumens 100 kWh - Unmetered	54,000	540	100	12.87	6,949.80	0.12870	0.13265	13.27	7,163.23							
15000 - 28000 Lumens 100 kWh - Metered	-		100	9.11	-			9.11	-							
<b>Cobra Head Light Installed on 30' Aluminum Pole &amp; Arm</b>																
7000 - 10000 Lumens 39 kWh - Unmetered	-		39	16.12	-	0.41333	0.41729	16.27	-							
7000 - 10000 Lumens 39 kWh - Metered	-		39	14.64	-			14.64	-							
15000 - 28000 Lumens 100 kWh - Unmetered	49,500	495	100	18.40	9,108.00	0.18400	0.18795	18.80	9,303.64							
15000 - 28000 Lumens 100 kWh - Metered	-		100	14.64	-			14.64	-							
<b>Lexington Light Installed on 16' Aluminum Pole</b>																
Sodium 7000 - 10000 Lumens 39 kWh - Unmetered	-		39	10.53	-	0.27000	0.27395	10.68	-							
Sodium 7000 - 10000 Lumens 39 kWh - Metered	-		39	9.05	-			9.05	-							
<b>Acorn Light Installed on 16' Fluted Pole</b>																
Sodium 7000 - 10000 Lumens 39 kWh - Unmetered	1,872	48	39	21.78	1,045.44	0.55846	0.56241	21.93	1,052.84							
Sodium 7000 - 10000 Lumens 39 kWh - Metered	-		39	20.31	-			20.31	-							
<b>Metal Halide Lamp</b>																
100 Watt Metal Halide - Acorn @ 44 kWh Mo. - Unmetered	13,992	318	44	8.75	2,782.50	0.19886	0.20282	8.92	2,837.80							
100 Watt Metal Halide - Acorn @ 44 kWh Mo. - Metered	-		44	7.01	-			7.01	-							
100 Watt Metal Halide - Lexington @ 44 kWh Mo. - Unmetered	5,808	132	44	6.85	904.20	0.15568	0.15963	7.02	927.16							
100 Watt Metal Halide - Lexington @ 44 kWh Mo. - Metered	-		44	5.12	-			5.12	-							
400 Watt Metal Halide Galleria @ 167 kWh Mo - Unmetered	24,048	144	167	17.61	2,535.84	0.10545	0.10940	18.27	2,630.89							
400 Watt Metal Halide Galleria @ 167 kWh Mo - Metered	-		167	11.03	-			11.03	-							
1000 Watt Metal Halide Galleria @ 395 kWh Mo - Unmetered	14,220	36	395	28.49	1,025.84	0.07213	0.07608	30.05	1,081.84							
1000 Watt Metal Halide Galleria @ 395 kWh Mo - Metered	-		395	12.89	-			12.89	-							
250 Watt Cobra Head w/ 30' Aluminum Pole - Unmetered	5,088	48	106	20.35	976.80	0.19198	0.19593	20.77	996.91							
400 Watt Cobra Head Mercury Vapor With 8' Arm - Unmetered	-		162	14.56	-	0.08988	0.09383	15.20	-							
400 Watt Cobra Head Mercury Vapor With 8' Arm - Metered	-		162	7.99	-			7.99	-							
400 Watt Cobra Head Mercury Vapor With 12' Arm - Unmetered	-		162	17.30	-	0.10679	0.11074	17.84	-							
400 Watt Cobra Head Mercury Vapor With 12' Arm - Metered	-		162	10.73	-			10.73	-							
400 Watt Cobra Head Mercury Vapor With 18' Arm - Unmetered	-		162	18.15	-	0.11204	0.11599	18.79	-							
400 Watt Cobra Head Mercury Vapor With 18' Arm - Metered	-		162	11.57	-			11.57	-							
400 Watt Cobra Head Mercury Vapor With 18' Arm - Metered	-		162	23.56	-			23.56	-							
Total STL	<u>168,528</u>	<u>1,761</u>			<u>25,328.22</u>				<u>25,994.30</u>	666.08						
FAC					1,404.50				1,404.50							
ES					37.91				37.91							
Total DSTL					<u>26,770.63</u>				<u>27,436.71</u>	666.08				0.02		
					15.20				15.56	0.38				0.02		
<b>OL</b>																
Mercury Vapor - 7000 - 10000 Lumens - Unmetered	14,938,659	205,209	74	8.29	1,701,928.71		0.12790	8.55	1,755,306.45	17,294,358.00	2,143,611.62	0.12	0.13	2,211,964.48	8.55	
Sodium - 7000 - 10000 Lumens - Unmetered	2,355,699	53,279	45	8.29	441,682.91	0.12395	0.12790	8.55	455,535.45							
Mercury Vapor - 7000 - 10000 Lumens - Metered	-		74	6.48	-			6.48	-							
Sodium - 7000 - 10000 Lumens - Metered	-		45	6.48	-			6.48	-	119.00	12.96	0.11	0.11	13.43	6.72	
Directional Flood - 250 Watt Sodium - Unmetered	1,230,403	11,681	106	13.15	153,605.15	0.12484	0.12879	13.85	159,470.50							
Directional Flood - 250 Watt Sodium - Metered	-		106	8.23	-			8.23	-							
Directional Flood - 250 Watt Metal Halide - Unmetered	69,536	696	106	14.34	9,407.04	0.13528	0.13924	14.76	9,681.87							
Directional Flood - 250 Watt Metal Halide - Metered	-		106	9.17	-			9.17	-							
Directional Flood - 400 Watt Metal Halide - Unmetered	223,112	1,336	167	17.54	23,433.44	0.10503	0.10898	18.20	24,315.25							
Directional Flood - 400 Watt Metal Halide - Metered	-		167	9.17	-			9.17	-							
Directional Flood - 1000 Watt Metal Halide - Unmetered	286,770	726	395	30.09	21,845.34	0.07618	0.08013	31.65	22,978.75							
Directional Flood - 1000 Watt Metal Halide - Metered	-		395	10.23	-			10.23	-							
Total OL	<u>19,104,179</u>	<u>272,977</u>			<u>2,351,902.59</u>				<u>2,427,288.27</u>	75,385.68						
FAC					159,212.27				159,212.27							
ES					3,520.57				3,520.57							
					<u>2,514,635.43</u>				<u>2,590,021.10</u>	75,385.68				0.03		
					9.21				9.49	0.28				0.03		
Total Lighting	19,993,647	283,566			2,439,035.61				2,517,928.30	76,051.75						
Total FAC					166,625.00				166,625.00							
Total ES					3,651.00				3,651.00							
Total \$					<u>2,609,311.61</u>				<u>2,688,204.30</u>							
					9.20				9.48	0.28				0.03		



**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2006-00488**

**FIRST DATA REQUEST RESPONSE**

**COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07**

**REQUEST 2**

**RESPONSIBLE PERSON:** William A. Bosta

**COMPANY:** South Kentucky Rural Electric Cooperative Corporation

**Request 2.** KRS 278.455(2) provides that a distribution cooperative may change its rates to reflect a change in the rate of its wholesale supplier if the effects of an increase or decrease are allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. 807 KAR 5:007, Section 2(2), provides that the distribution cooperative shall file an analysis demonstrating that the rate change does not change the rate design currently in effect and the revenue change has been allocated to each class and within each tariff on a proportional basis. In the cover letter to its Application, South Kentucky states:

In each instance, the retail rates for a particular class have been developed in a manner that is consistent with the method proposed by EKPC. The proposed rate design structure at retail does not change the rate design currently in effect and is consistent with the rate design methodology used at wholesale.

**Request 2a.** For each retail Rate Schedule listed in Exhibit II of the Application, identify the corresponding wholesale Rate Schedule of East Kentucky Power Cooperative, Inc.

**Response 2a.** Please see the attached information.

**Request 2b.** Would South Kentucky agree that KRS 278.455(2) and 807 KAR 5:007, Section 2(2), require that increases or decreases in rates from the wholesale supplier must be allocated to each retail class and within each retail tariff on a proportional basis? Explain the response.

**Response 2b.** Yes. EKPC and each Member System understands these requirements and have developed proposed rates that meet the intent of KRS 278.455(2) and 807 KAR5:007. As explained in Mr. Bosta's testimony, EKPC began the rate design process at wholesale by allocating the proposed rate increase to each rate class on a proportional basis. The proportional increase to each rate class was then applied to the most appropriate rate mechanism for each rate class.

The proposed increase at retail is strictly a pass-through of EKPC's increased wholesale costs and each Member System must recover the dollar increase from new wholesale rates. As a result, EKPC and each Member System recognized that it was important to implement retail rates that mirror the change at wholesale, while meeting the proportionality and rate design requirements.

EKPC and its Member Systems understand that a "pure" proportional increase at retail, as discussed in Item 3 herein, would result in increases at retail to customer, demand and energy charges. However, EKPC and its Member Systems came to the conclusion that, for example, an increase in the customer charge at retail made no sense because the wholesale increase had no relationship to customer cost. EKPC has not proposed an increase in its substation charges or metering point charges in this proceeding. Consequently, EKPC and its Member Systems could not justify increasing the retail customer charge when the wholesale increase has no relationship to that cost.

Therefore, EKPC believes that its proposed wholesale increase using a proportional basis, coupled with the use of the wholesale rate design methodology at retail, is a reasonable approach to meeting the intent of the requirements.

**Request 2c.** Would South Kentucky agree that KRS 278.455(2) and 807 KAR 5:007, Section 2(2), require that the retail rate change does not change the retail rate design currently in effect? Explain the response.

**Response 2c.** Yes. EKPC and its Member Systems understand the requirements set forth in KRS 278.455(2) and 807 KAR 5:007 and believe that the proposed rates do not alter the existing rate design structure at retail.

As indicated in the response to Item 2b, the rate design used for the pass-through increase at retail was intended to meet these requirements, while also maintaining the existing wholesale/retail rate design relationship and recognizing cost causation principles.

Industrial customers at retail, for example, will pay the same demand charge as the Member System pays to EKPC. This maintains the rate design relationship from wholesale to retail that has existed for a number of years. Likewise, the proposed increase in the "E" wholesale rate, which is only applied to the energy charge, is being passed through only to the energy charge at retail. This process allows the rate design relationship from wholesale to retail to remain in place.

Fundamentally, for every retail rate class, there has been no change in the rate design structure. The demand, energy, and customer components for industrial rates remains intact and the residential and commercial rate design structure remains as is through a continuation of the customer and energy charge structure. This adherence to the rate

design structure, coupled with a retention of the wholesale to retail rate design relationship, is a reasonable approach and meets the legal requirements.

The present and proposed rates structures of South Kentucky RECC are listed below:

	<u>Rate Class</u>	<u>EKPC</u> <u>Sch</u>	<u>Present</u>	<u>Proposed</u>
<b>A</b>	<b>Residential, Farm &amp; Non-Farm Service</b>	<b>E2</b>		
	Customer Charge / Mo		\$8.00	\$8.00
	Energy Charge / kWh		\$0.06445	\$0.06842
<b>A</b>	<b>Residential, Farm &amp; Non-Farm Service ETS Mkt Rate</b>	<b>E2</b>		
	ETS Usage		\$0.03867	\$0.04105
<b>B</b>	<b>Small Commercial Rate</b>	<b>E2</b>		
	Customer Charge / Mo		\$15.00	\$15.00
	Energy Charge / kWh		\$0.07474	\$0.07871
<b>B</b>	<b>Small Commercial Rate – ETS Marketing Rate</b>	<b>E2</b>		
	ETS Usage / kWh		\$0.04484	\$0.04723
<b>LP</b>	<b>Large Power Rate</b>	<b>E2</b>		
	Customer Charge / Mo		\$30.00	\$30.00
	Demand Charge / kW		\$6.00	\$6.00
	Energy Charge / kWh		\$0.04156	\$0.04551
<b>LP-1</b>	<b>Large Power Rate – 500 - 4999 kW</b>	<b>C</b>		
	Metering Charge		\$125.00	\$125.00
	Substation Charge Based on Contract kW			
	a. 500-999 kW		\$315.00	\$315.00
	b. 1,000 – 2,999		\$944.00	\$944.00
	c. 3,000 – 7,499		\$2,373.00	\$2,373.00
	Demand Charge / kW		\$5.39	\$7.29
	Energy Charge / kWh		\$0.03713	\$0.03713
<b>LP-2</b>	<b>Large Power Rate – 5000 - 9999 kW</b>	<b>C</b>		
	Metering Charge		\$125.00	\$125.00
	Substation Charge Based on Contract kW			
	a. 3,000 – 7,499		\$2,373.00	\$2,373.00
	b. 7,500 – 14,799		\$2,855.00	\$2,855.00
	Demand Charge		\$5.39	\$7.29
	Energy Charge – First 400 kWh		\$0.03713	\$0.03713
	Energy Charge – For Remaining kWh		\$0.03112	\$0.03112
<b>LP-3</b>	<b>Large Power Rate – 500 – 2999 kW</b>	<b>B</b>		
	Metering Charge		\$125.00	\$125.00
	Substation Charge Based on Contract kW			
	a. 500 – 999 kW		\$315.00	\$315.00
	b. 1,000 – 2,999 kW		\$944.00	\$944.00
	Contract Demand		\$5.39	\$7.29
	Excess Demand Over Contract		\$7.82	\$9.72
	Energy Charge / kWh		\$0.03451	\$0.03451
<b>SP</b>	<b>Special Contract – Casey Stone Company</b>	<b>E2</b>		
	Customer Charge / Mo.		\$11.20	\$11.20
	Demand Charge / kW		\$11.49	\$11.49
	Energy Charge First 3,500 kWh		\$0.04503	\$0.04898
	Energy Charge Next 6,500 kWh		\$0.04397	\$0.04792
	Energy Charge Next 140,000 kWh		\$0.04289	\$0.04684
	Energy Charge Next 150,000 kWh		\$0.04236	\$0.04631
	Energy Charge Next 300,000 kWh		\$0.04182	\$0.04577

<b>OPS</b>	<b>Optional Power Service (50 – 300 KVA)</b>	<b>E2</b>		
	Customer Charge / Mo		\$30.00	\$30.00
	Energy Charge / kWh		\$0.07680	\$0.08075
<b>AES</b>	<b>All Electric School</b>	<b>E2</b>		
	Customer Charge / Mo		\$69.38	\$69.38
	Energy Charge / kWh		\$0.05646	\$0.06041
<b>STL</b>	<b>Street Lighting Service</b>	<b>E2</b>		
	Mercury Vapor or Sodium 7,000 – 10,000 Lumens		\$6.30	\$6.57
	Mercury Vapor or Sodium 15,000 – 28,000 Lumens		\$9.95	\$10.49
<b>DSTL</b>	<b>Decorative Street Lighting</b>	<b>E2</b>		
	Cobra Head Light Installed on Existing Pole			
	7,000 – 10,000 Lumens @39 kWh Mo - Unmetered		\$9.92	\$10.07
	7,000 – 10,000 Lumens @39 kWh Mo - Metered		\$8.45	\$8.45
	15,000 – 28,000 Lumens @ 100 kWh Mo – Unmetered		\$12.87	\$13.27
	15,000 – 28,000 Lumens @ 100 kWh Mo – Metered		\$9.11	\$9.11
	Cobra Head Light Installed on 30' Aluminum Pole & Arm			
	7,000 – 10,000 Lumens @39 kWh Mo - Unmetered		\$16.12	\$16.27
	7,000 – 10,000 Lumens @39 kWh Mo - Metered		\$14.64	\$14.64
	15,000 – 28,000 Lumens @ 100 kWh Mo – Unmetered		\$18.40	\$18.80
	15,000 – 28,000 Lumens @ 100 kWh Mo – Metered		\$14.64	\$14.64
	Lexington Light Installed on 16' Aluminum Pole			
	Sodium 7,000 – 10,000 Lumens @ 39 kWh Mo – Unmetered		\$10.53	\$10.68
	Sodium 7,000 – 10,000 Lumens @ 39 kWh Mo – Metered		\$9.05	\$9.05
	Acorn Light Installed on 16' Fixed Pole			
	Sodium 7,000 – 10,000 Lumens @ 39 kWh Mo – Unmetered		\$21.78	\$21.93
	Sodium 7,000 – 10,000 Lumens @ 39 kWh Mo – Metered		\$20.31	\$20.31
	Metal Halide Lamp			
	100 Watt Metal Halide – Acorn @ 44 kWh Mo – Unmetered		\$8.75	\$8.92
	100 Watt Metal Halide – Acorn @ 44 kWh Mo – Metered		\$7.01	\$7.01
	100 Watt Metal Halide – Lexington @ 44 kWh Mo – Unmetered		\$6.85	\$7.02
	100 Watt Metal Halide – Lexington @ 44 kWh Mo – Metered		\$5.12	\$5.12
	400 Watt Metal Halide – Galleria @ 167 kWh Mo - Unmetered		\$17.61	\$18.27
	400 Watt Metal Halide – Galleria @ 167 kWh Mo - Metered		\$11.03	\$11.03
	1000 Watt Metal Halide – Galleria @ 395 kWh Mo – Unmetered		\$28.49	\$30.05
	1000 Watt Metal Halide – Galleria @ 395 kWh Mo - Metered		\$12.89	\$12.89
	250 Watt Cobra Head w/ 30' Aluminum Pole - Unmetered		\$20.35	\$20.77
	400 Wall Cobra Head Mercury Vapor With:			
	8' Arm - Unmetered		\$14.56	\$15.20
	8' Arm – Metered		\$7.99	\$7.99
	12' Arm - Unmetered		\$17.30	\$17.94
	12' Arm - Metered		\$10.73	\$10.73
	16' Arm - Unmetered		\$18.15	\$18.79
	16' Arm - Metered		\$11.57	\$11.57
	30' Pole		\$23.56	\$23.56



<b>OL</b>	<b>Outdoor Lighting Service</b>	<b>E2</b>		
	Mercury Vapor or Sodium – 7,000-10,000 Lumens - Unmetered		\$8.29	\$8.55
	Mercury Vapor or Sodium – 7,000-10,000 Lumens - Metered		\$6.48	\$6.48
	Directional Flood Light, With Bracket			
	250 Watt Sodium @ 106 kWh - Unmetered		\$13.15	\$13.65
	250 Watt Sodium @ 106 kWh – Metered		\$8.23	\$8.23
	250 Watt Metal Halide @ 106 kWh - Unmetered		\$14.34	\$14.76
	250 Watt Metal Halide @ 106 kWh – Metered		\$9.17	\$9.17
	400 Watt Metal Halide @ 167 kWh – Unmetered		\$17.54	\$18.20
	400 Watt Metal Halide @ 167 kWh – Metered		\$9.17	\$9.17
	1000 Watt Metal Halide @ 395 kWh – Unmetered		\$30.09	\$31.65
	1000 Watt Metal Halide @ 395 kWh – Metered		\$10.23	\$10.23
<b>TVB</b>	<b>Unmetered Commercial Service (Cable TV Amplifiers)</b>	<b>E2</b>		
	Cable TV Amplifiers – 75 kWh		\$7.62	\$7.92

The present and proposed rates structures of South Kentucky RECC are listed below:

	<u>Rate Class</u>	<u>Present</u>	<u>Original Proposal</u>	<u>Interim Proposal</u>
<b>A</b>	<b>Residential, Farm &amp; Non-Farm Service</b>			
	Customer Charge / Mo	\$8.00	\$8.00	\$8.00
	Energy Charge / kWh	\$0.06445	\$0.06842	\$0.06619
<b>A</b>	<b>Residential, Farm &amp; Non-Farm Service ETS Mkt Rate</b>			
	ETS Usage	\$0.03867	\$0.04105	\$0.03971
<b>B</b>	<b>Small Commercial Rate</b>			
	Customer Charge / Mo	\$15.00	\$15.00	\$15.00
	Energy Charge / kWh	\$0.07474	\$0.07871	\$0.07648
<b>B</b>	<b>Small Commercial Rate – ETS Marketing Rate</b>			
	ETS Usage / kWh	\$0.04484	\$0.04723	\$0.04589
<b>LP</b>	<b>Large Power Rate</b>			
	Customer Charge / Mo	\$30.00	\$30.00	\$30.00
	Demand Charge / kW	\$6.00	\$6.00	\$6.00
	Energy Charge / kWh	\$0.04156	\$0.04551	\$0.04329
<b>LP-1</b>	<b>Large Power Rate – 500 - 4999 kW</b>			
	Metering Charge	\$125.00	\$125.00	\$125.00
	Substation Charge Based on Contract kW			
	a. 500-999 kW	\$315.00	\$315.00	\$315.00
	b. 1,000 – 2,999	\$944.00	\$944.00	\$944.00
	c. 3,000 – 7,499	\$2,373.00	\$2,373.00	\$2,373.00
	Demand Charge / kW	\$5.39	\$7.29	\$6.22
	Energy Charge / kWh	\$0.03713	\$0.03713	\$0.03713
<b>LP-2</b>	<b>Large Power Rate – 5000 - 9999 kW</b>			
	Metering Charge	\$125.00	\$125.00	\$125.00
	Substation Charge Based on Contract kW			
	a. 3,000 – 7,499	\$2,373.00	\$2,373.00	\$2,373.00
	b. 7,500 – 14,799	\$2,855.00	\$2,855.00	\$2,855.00
	Demand Charge	\$5.39	\$7.29	\$6.22
	Energy Charge – First 400 kWh	\$0.03713	\$0.03713	\$0.03713
	Energy Charge – For Remaining kWh	\$0.03112	\$0.03112	\$0.03112
<b>LP-3</b>	<b>Large Power Rate – 500 – 2999 kW</b>			
	Metering Charge	\$125.00	\$125.00	\$125.00
	Substation Charge Based on Contract kW			
	a. 500 – 999 kW	\$315.00	\$315.00	\$315.00
	b. 1,000 – 2,999 kW	\$944.00	\$944.00	\$944.00
	Contract Demand	\$5.39	\$7.29	\$6.22
	Excess Demand Over Contract	\$7.82	\$9.72	\$8.65
	Energy Charge / kWh	\$0.03451	\$0.03451	\$0.03451
<b>SP</b>	<b>Special Contract – Casey Stone Company</b>			
	Customer Charge / Mo.	\$11.20	\$11.20	\$11.20
	Demand Charge / kW	\$11.49	\$11.49	\$11.49
	Energy Charge First 3,500 kWh	\$0.04503	\$0.04898	\$0.04676
	Energy Charge Next 6,500 kWh	\$0.04397	\$0.04792	\$0.04570
	Energy Charge Next 140,000 kWh	\$0.04289	\$0.04684	\$0.04462
	Energy Charge Next 150,000 kWh	\$0.04236	\$0.04631	\$0.04409
	Energy Charge Next 300,000 kWh	\$0.04182	\$0.04182	\$0.04355

<b>OPS</b>	<b>Optional Power Service (50 – 300 KVA)</b>			
	Customer Charge / Mo	\$30.00	\$30.00	\$30.00
	Energy Charge / kWh	\$0.07680	\$0.08075	\$0.07853
<b>AES</b>	<b>All Electric School</b>			
	Customer Charge / Mo	\$69.38	\$69.38	\$69.38
	Energy Charge / kWh	\$0.05646	\$0.06041	\$0.05819
<b>STL</b>	<b>Street Lighting Service</b>			
	Mercury Vapor or Sodium 7,000 – 10,000 Lumens	\$6.30	\$6.57	\$6.42
	Mercury Vapor or Sodium 15,000 – 28,000 Lumens	\$9.95	\$10.49	\$10.19
<b>DSTL</b>	<b>Decorative Street Lighting</b>			
	Cobra Head Light Installed on Existing Pole 7,000 – 10,000 Lumens @39 kWh Mo - Unmetered	\$9.92	\$10.07	\$9.99
	7,000 – 10,000 Lumens @39 kWh Mo - Metered	\$8.45	\$8.45	\$8.45
	15,000 – 28,000 Lumens @ 100 kWh Mo – Unmetered	\$12.87	\$13.27	\$13.04
	15,000 – 28,000 Lumens @ 100 kWh Mo – Metered	\$9.11	\$9.11	\$9.11
	Cobra Head Light Installed on 30' Aluminum Pole & Arm			
	7,000 – 10,000 Lumens @39 kWh Mo - Unmetered	\$16.12	\$16.27	\$16.19
	7,000 – 10,000 Lumens @39 kWh Mo - Metered	\$14.64	\$14.64	\$14.64
	15,000 – 28,000 Lumens @ 100 kWh Mo – Unmetered	\$18.40	\$18.80	\$18.57
	15,000 – 28,000 Lumens @ 100 kWh Mo – Metered	\$14.64	\$14.64	\$14.64
	Lexington Light Installed on 16' Aluminum Pole			
	Sodium 7,000 – 10,000 Lumens @ 39 kWh Mo – Unmetered	\$10.53	\$10.68	\$10.60
	Sodium 7,000 – 10,000 Lumens @ 39 kWh Mo – Metered	\$9.05	\$9.05	\$9.05
	Acorn Light Installed on 16' Fixed Pole			
	Sodium 7,000 – 10,000 Lumens @ 39 kWh Mo – Unmetered	\$21.78	\$21.93	\$21.85
	Sodium 7,000 – 10,000 Lumens @ 39 kWh Mo – Metered	\$20.31	\$20.31	\$20.31
	Metal Halide Lamp			
	100 Watt Metal Halide – Acorn @ 44 kWh Mo – Unmetered	\$8.75	\$8.92	\$8.83
	100 Watt Metal Halide – Acorn @ 44 kWh Mo – Metered	\$7.01	\$7.01	\$7.01
	100 Watt Metal Halide – Lexington @ 44 kWh Mo – Unmetered	\$6.85	\$7.02	\$6.93
	100 Watt Metal Halide – Lexington @ 44 kWh Mo – Metered	\$5.12	\$5.12	\$5.12
	400 Watt Metal Halide – Galleria @ 167 kWh Mo - Unmetered	\$17.61	\$18.27	\$17.90
	400 Watt Metal Halide – Galleria @ 167 kWh Mo - Metered	\$11.03	\$11.03	\$11.03

	Mo - Metered			
	1000 Watt Metal Halide – Galleria @ 395 kWh Mo – Unmetered	\$28.49	\$30.05	\$29.17
	1000 Watt Metal Halide – Galleria @ 395 kWh Mo - Metered	\$12.89	\$12.89	\$12.89
	250 Watt Cobra Head w/ 30' Aluminum Pole - Unmetered	\$20.35	\$20.77	\$20.53
	400 Wall Cobra Head Mercury Vapor With:			
	8' Arm - Unmetered	\$14.56	\$15.20	\$14.84
	8' Arm – Metered	\$7.99	\$7.99	\$7.99
	12' Arm - Unmetered	\$17.30	\$17.94	\$17.58
	12' Arm - Metered	\$10.73	\$10.73	\$10.73
	16' Arm - Unmetered	\$18.15	\$18.79	\$18.43
	16' Arm - Metered	\$11.57	\$11.57	\$11.57
	30' Pole	\$23.56	\$23.56	\$23.56
<b>OL</b>	<b>Outdoor Lighting Service</b>			
	Mercury Vapor or Sodium – 7,000-10,000 Lumens - Unmetered	\$8.29	\$8.55	\$8.41
	Mercury Vapor or Sodium – 7,000-10,000 Lumens - Metered	\$6.48	\$6.48	\$6.48
	Directional Flood Light, With Bracket			
	250 Watt Sodium @ 106 kWh - Unmetered	\$13.15	\$13.65	\$13.42
	250 Watt Sodium @ 106 kWh – Metered	\$8.23	\$8.23	\$8.23
	250 Watt Metal Halide @ 106 kWh - Unmetered	\$14.34	\$14.76	\$14.52
	250 Watt Metal Halide @ 106 kWh – Metered	\$9.17	\$9.17	\$9.17
	400 Watt Metal Halide @ 167 kWh – Unmetered	\$17.54	\$18.20	\$17.83
	400 Watt Metal Halide @ 167 kWh – Metered	\$9.17	\$9.17	\$9.17
	1000 Watt Metal Halide @ 395 kWh – Unmetered	\$30.09	\$31.65	\$30.77
	1000 Watt Metal Halide @ 395 kWh – Metered	\$10.23	\$10.23	\$10.23
<b>TVB</b>	<b>Unmetered Commercial Service (Cable TV Amplifiers)</b>			
	Cable TV Amplifiers – 75 kWh	\$7.62	\$7.92	\$7.75

South Kentucky RECC  
 Billing Analysis  
 for the 12 months ended September 30, 2006

	Total	Total	\$ Increase	% Increase
Residential, Farm and Non-Farm Service	62,332,726	63,596,495	1,263,770	2.03%
Residential, Farm and Non-Farm Service (ETS)	568,476	580,158	11,682	2.05%
Small Commercial Rate Sch B	6,146,496	6,253,538	107,042	1.74%
Small Commercial Rate Sch B ETS	1,211	1,234	22	1.85%
Large Power Rate Sch LP	10,774,238	11,024,105	249,868	2.32%
Large Power Rate Sch LP 1	2,381,887	2,435,957	54,070	2.27%
Large Power Rate Sch LP 2	2,592,616	2,669,177	76,561	2.95%
Large Power Rate Sch LP 3	3,041,632	3,145,592	103,959	3.42%
Special Contract - Casey Stone Co	45,464	45,933	469	1.03%
Optional Power Service Sch OPS	1,571,840	1,600,612	28,772	1.83%
All Elec Schools Sch AES	774,667	793,758	19,091	2.46%
STL - Street Lighting	67,906	69,168	1,263	1.86%
DSTL - Decorative Street Lighting	26,771	27,062	292	1.09%
OL - Outdoor Lighting	2,514,635	2,549,784	35,148	1.40%
	92,840,564	94,792,573	1,952,009	2.10%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule A  
Residential, Farm and Non-Farm Service  
Rate 1; 3; 18

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	675,814	\$8.00	\$5,406,512	675,814	\$8.00	\$5,406,512	-	-
Energy charge per kWh	726,842,280	\$0.06445	46,844,985	726,842,280	\$0.06619	48,108,754	1,263,770	2.70%
Total from base rates			<u>52,251,497</u>			<u>53,515,266</u>	1,263,770	2.42%
Fuel adjustment			6,063,317			6,063,317	-	0.00%
Environmental surcharge			<u>4,017,912</u>			<u>4,017,912</u>	-	0.00%
Total revenues			<u>\$62,332,726</u>			<u>\$63,596,495</u>	\$ 1,263,770	2.03%
Average Bill			\$92.23			\$94.10	\$1.87	2.03%

Schedule A  
Residential, Farm and Non-Farm Service (ETS)  
Rate 6

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	20,868	\$8.00	\$0	20,868	\$8.00	\$0	-	#DIV/0!
Energy charge per ETS kWh	11,198,063	\$0.03867	433,029	11,198,063	\$0.03971	444,711	11,682.13	2.70%
Fuel adjustment			101,097			101,097	-	0.00%
Environmental surcharge			<u>34,350</u>			<u>34,350</u>	-	0.00%
Total revenues			<u>\$568,476</u>			<u>\$580,158</u>	<u>11,682</u>	2.05%
Average Bill			\$ 27.24			27.8013332	0.56	2.05%

Note - these are the same customers on Schedule A

Schedule B  
Small Commercial Rate  
Rate 2

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	44,557	\$15.00	\$668,355	44,557	\$15.00	\$668,355	-	-
Energy charge per kWh	61,563,781	\$0.07474	4,601,277	61,563,781	\$0.07648	4,708,319	107,042	
Total from base rates			<u>5,269,632</u>			<u>5,376,674</u>	<u>107,042</u>	
Fuel adjustment			504,412			504,412	-	-
Environmental surcharge			<u>372,452</u>			<u>372,452</u>	-	-
Total revenues			<u>\$6,146,496</u>			<u>\$6,253,538</u>	<u>107,042</u>	1.74%
Average Bill			\$ 137.95			\$ 140.35	\$ 2.40	1.74%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule B ETS  
Small Commercial Rate  
Rate 7

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	36	\$15.00	\$0	36	\$15.00	\$0	\$0	#DIV/0!
Energy charge per ETS kWh	21,440	\$0.04484	961	21,440	\$0.04589	984	\$22	2.34%
Total from base rates			<u>961</u>			<u>984</u>	<u>\$22</u>	<u>2.34%</u>
Fuel adjustment			183			183	\$0	0.00%
Environmental surcharge			67			67	\$0	0.00%
Total revenues			<u>\$ 1,211</u>			<u>\$ 1,234</u>	<u>\$ 22.45</u>	<u>1.85%</u>
Average Bill			\$ 33.65			\$ 34.27	\$ 0.62	1.85%

Schedule LP - Excess of 50 KVA  
Large Power Rate  
Rate 4; 16

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	2,844	\$30.00	\$85,320	2,844	\$30.00	\$85,320	\$0	0.00%
Demand Charge	461,335	\$6.00	\$2,768,010	461,335	\$6.00	\$2,768,010	\$0	0.00%
Energy charge per kWh	144,302,253	\$0.04156	5,997,202	144,302,253	\$0.04329	6,247,069	\$249,868	4.17%
Total from base rates			<u>8,850,532</u>			<u>9,100,399</u>	<u>249,868</u>	<u>0</u>
Fuel adjustment			1,190,726			1,190,726	-	0.00%
Environmental surcharge			732,980			732,980	-	0.00%
Total revenues			<u>\$10,774,238</u>			<u>\$11,024,105</u>	<u>\$249,868</u>	<u>2.32%</u>
Average Bill			\$ 3,788			\$ 3,876	87.86	2.32%

Schedule LP-1  
Large Power Rate (500 KW to 4,999 KW)  
Rate 9

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Metering Charge	24	\$125.00	\$3,000	24	\$125.00	\$3,000	-	0.00%
Substation Charge	12	\$944.00	11,328	12	\$944.00	11,328	-	0.00%
Substation Charge	12	\$2,373.00	28,476	12	\$2,373.00	28,476	-	0.00%
Demand Charge	65,145	\$5.39	351,129	65,145	\$6.22	405,199	54,070	15.40%
Energy charge per kWh	40,207,165	\$0.03713	1,492,892	40,207,165	\$0.03713	1,492,892	-	0.00%
Total from base rates			<u>1,886,825</u>			<u>1,940,895</u>	<u>54,070</u>	<u>2.87%</u>
Fuel adjustment			329,448			329,448	-	0.00%
Environmental surcharge			165,614			165,614	-	0.00%
Total revenues			<u>\$2,381,887</u>			<u>\$2,435,957</u>	<u>54,070</u>	<u>2.27%</u>
Average Bill			\$ 99,245			\$ 101,498	2,252.91	2.27%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule LP-2  
Large Power Rate (5,000 KW to 9,999 KW)  
Rate 10

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Metering Charge	14	\$125.00	\$1,750	14	\$125.00	\$1,750	-	0.00%
Substation Charge	9	\$2,373.00	21,357	9	\$2,373.00	21,357	-	0.00%
Substation Charge	5	\$2,855.00	14,275	5	\$2,855.00	14,275	-	0.00%
Demand Charge	92,242	\$5.39	497,184	92,242	\$6.22	573,745	76,561	15.40%
First 400 kwh per KW (to 5,000 kwh): Energy charge per kWh	24,000,000	\$0.03713	891,120	24,000,000	\$0.03713	891,120	-	0.00%
All remaining kwh: Energy charge per kWh	20,034,777	\$0.03112	623,482	20,034,777	\$0.03112	623,482	-	0.00%
Total kwh	44,034,777			44,034,777				
Total from base rates			2,049,168			2,125,729	76,561	3.74%
Fuel adjustment			360,725			360,725	-	0.00%
Environmental surcharge			182,723			182,723	-	0.00%
Total revenues			\$2,592,616			\$2,669,177	76,561	2.95%
Average Bill			\$ 185,187			\$ 190,656	5,468.63	2.95%

Schedule LP-3  
Large Power Rate (500 KW to 2,999 KW)  
Rate 12; 15

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Metering Charge	56	\$125.00	\$7,000	56	\$125.00	\$7,000	-	0.00%
Substation Charge	23	\$315.00	7,245	23	\$315.00	7,245	-	0.00%
Substation Charge	34	\$944.00	32,096	34	\$944.00	32,096	-	0.00%
Demand Charge:								
Contract demand	90,074	\$5.39	485,497	90,074	\$6.22	560,258	74,761	15.40%
Excess demand	35,179	\$7.82	275,098	35,179	\$8.65	304,297	29,198	10.61%
Energy charge per kWh+A265	48,075,843	\$0.03451	1,659,097	48,075,843	\$0.03451	1,659,097	-	0.00%
Total from base rates			2,466,033			2,569,993	103,959	4.22%
Fuel adjustment			388,405			388,405	-	0.00%
Environmental surcharge			187,194			187,194	-	0.00%
Total revenues			\$3,041,632			\$3,145,592	\$103,959	3.42%
Average Bill			\$ 54,315			\$ 56,171	1,856.42	3.42%



South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Special Contract  
Casey Stone Company  
Rate 11

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Consumer Charge	7	\$11.20	78	7	\$11.20	\$78	-	0.00%
Monthly minimum bill	5	\$600.00	\$3,000	5	\$600.00	\$3,000	-	0.00%
Demand Charge	2,236	\$11.49	\$25,695	2,236	\$11.49	\$25,695	-	0.00%
First 3,500 kwh per month	35,700	\$0.04503	1,608	35,700	\$0.04676	1,669	62	3.85%
Next 6,500 kwh per month	32,200	\$0.04397	1,416	32,200	\$0.04570	1,472	56	3.94%
Next 140,000 kwh per month	203,100	\$0.04289	8,711	203,100	\$0.04462	9,063	352	4.04%
Next 150,000 kwh per month	0	\$0.04236	0	0	\$0.04409	0	-	
Over 300,000 kwh per month	0	\$0.04182	0	0	\$0.04355	0	-	
Over 300,000 kwh per month								
Total kwh	<u>271,000</u>			<u>271,000</u>				
Total from base rates			<u>40,508</u>			<u>40,977</u>	<u>469</u>	<u>1.16%</u>
Fuel adjustment			2,267			2,267	-	0.00%
Environmental surcharge			2,689			2,689	-	0.00%
Total revenues			<u>\$45,464</u>			<u>\$45,933</u>	<u>\$469</u>	<u>1.03%</u>
Average Bill			\$ 6,495			\$ 6,562	67.04	1.03%

Schedule OPS  
Optional Power Service  
Rate 5

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	1,872	\$30.00	\$56,160	1,872	\$30.00	\$56,160	\$0	0.00%
Energy charge per kWh	16,616,206	\$0.07680	1,276,125	16,616,206	\$0.07853	1,304,897	\$28,772	2.25%
Total from base rates			<u>1,332,285</u>			<u>1,361,057</u>	<u>\$28,772</u>	<u>2.16%</u>
Fuel adjustment			136,669			136,669	\$0	0.00%
Environmental surcharge			102,886			102,886	\$0	0.00%
Total revenues			<u>\$1,571,840</u>			<u>\$1,600,612</u>	<u>\$28,772</u>	<u>1.83%</u>
Average Bill			\$ 840			\$ 855	\$15.37	1.83%

Schedule AES  
All Electric Schools  
Rate 17

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current	Annualized	Billing Determinants	Rate	Annualized		
		Rate	Revenues		Rate	Revenues		
Customer Charge	129	\$69.38	\$8,950	129	\$69.38	\$8,950	-	0.00
Energy charge per kWh	11,025,480	\$0.05646	622,499	11,025,480	\$0.05819	641,590	19,091	0.03
Total from base rates			<u>631,449</u>			<u>650,540</u>	<u>19,091</u>	<u>0.03</u>
Fuel adjustment			90,516			90,516	-	0.00
Environmental surcharge			52,702			52,702	-	0.00
Total revenues			<u>\$774,667</u>			<u>\$793,758</u>	<u>19,091</u>	<u>0.02</u>
Average Bill			\$ 6,005			\$ 6,153	147.99	2.46%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule STL, DSTL & OL  
Security, Street and Outdoor Lighting Service  
Rate 8

	Existing		Proposed		\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants		
Lighting kWh	283,568			19,993,647		
Total from base rates			2,439,036		36,703	1 50%
Fuel adjustment			166,625			
Environmental Surcharge			<u>3,651</u>			
Total revenues			<u>\$ 2,609,312</u>			
Avg Customers			9.20		0.13	1.41%
Total Sch E kWh				9.33		

South Kentucky Lighting Rates Analysis

	Billing		kWh	Existing Rate/ Mo	Test Yr Revenue	Per kWh	Proposed Rate / kWh	Proposed Rate/ Mo	Proposed Revenue
	Total kWh	Units for Test Year							
<b>STL</b>									
Mercury Vapor - 7000 - 10000 Lumens	257,520	3,480	74	6.30	21,924.00		0.09389	6.42	22,341.60
Sodium - 7000 - 10000 Lumens	230,454	3,658	63	6.30	23,045.40		0.09389	6.42	23,484.36
Mercury Vapor - 15,000 - 28,000 Lumens	93,636	578	162	9.95	5,751.10	0.06142	0.07400	10.19	5,889.82
Sodium - 15,000 - 28,000 Lumens	139,330	1,114	135	9.95	11,084.30	0.07955	0.07400	10.19	11,351.66
	<u>720,940</u>	<u>8,830</u>			<u>61,804.80</u>				<u>63,067.44</u>
FAC					6,008.24				6,008.24
ES					<u>92.52</u>				<u>92.52</u>
Total STL					<u>67,905.56</u>				<u>69,168.20</u>
Per Customer					7.69				7.83
<b>DSTL</b>									
Cobra Head Light Existing Pole									
7000 - 10000 Lumens 39 kWh - Unmetered	-		39	9.92	-	0.25436	0.25609	9.99	-
7000 - 10000 Lumens 39 kWh - Metered	-		39	8.45	-			8.45	-
15000 - 28000 Lumens 100 kWh - Unmetered	54,000	540	100	12.87	6,949.80	0.12870	0.13043	13.04	7,043.30
15000 - 28000 Lumens 100 kWh - Metered	-		100	9.11	-			9.11	-
Cobra Head Light Installed on 30' Aluminum Pole & Arm									
7000 - 10000 Lumens 39 kWh - Unmetered	-		39	16.12	-	0.41333	0.41506	16.19	-
7000 - 10000 Lumens 39 kWh - Metered	-		39	14.64	-			14.64	-
15000 - 28000 Lumens 100 kWh - Unmetered	49,500	495	100	18.40	9,108.00	0.18400	0.18573	18.57	9,193.71
15000 - 28000 Lumens 100 kWh - Metered	-		100	14.64	-			14.64	-
Lexington Light Installed on 16' Aluminum Pole									
Sodium 7000 - 10000 Lumens 39 kWh - Unmetered	-		39	10.53	-	0.27000	0.27173	10.60	-
Sodium 7000 - 10000 Lumens 39 kWh - Metered	-		39	9.05	-			9.05	-
Acorn Light Installed on 16' Fluted Pole									
Sodium 7000 - 10000 Lumens 39 kWh - Unmetered	1,872	48	39	21.78	1,045.44	0.55846	0.56019	21.85	1,048.68
Sodium 7000 - 10000 Lumens 39 kWh - Metered	-		39	20.31	-			20.31	-
Metal Halide Lamp									
100 Watt Metal Halide - Acorn @ 44 kWh Mo. - Unmetered	13,992	318	44	8.75	2,782.50	0.19886	0.20060	8.83	2,806.73
100 Watt Metal Halide - Acorn @ 44 kWh Mo. - Metered	-		44	7.01	-			7.01	-
100 Watt Metal Halide - Lexington @ 44 kWh Mo. - Unmetered	5,808	132	44	6.85	904.20	0.15568	0.15741	6.93	914.26
100 Watt Metal Halide - Lexington @ 44 kWh Mo. - Metered	-		44	5.12	-			5.12	-
400 Watt Metal Halide Galleria @ 167 kWh Mo - Unmetered	24,048	144	167	17.61	2,535.84	0.10545	0.10718	17.90	2,577.48
400 Watt Metal Halide Galleria @ 167 kWh Mo - Metered	-		167	11.03	-			11.03	-
1000 Watt Metal Halide Galleria @ 395 kWh Mo - Unmetered	14,220	36	395	28.49	1,025.64	0.07213	0.07386	29.17	1,050.26
1000 Watt Metal Halide Galleria @ 395 kWh Mo - Metered	-		395	12.89	-			12.89	-
250 Watt Cobra Head w/ 30' Aluminum Pole - Unmetered	5,088	48	106	20.35	976.80	0.19198	0.19371	20.53	985.61
400 Watt Cobra Head Mercury Vapor With 8' Arm - Unmetered	-		162	14.56	-	0.08988	0.09161	14.84	-
400 Watt Cobra Head Mercury Vapor With 8' Arm - Metered	-		162	7.99	-			7.99	-
400 Watt Cobra Head Mercury Vapor With 12' Arm - Unmetered	-		162	17.30	-	0.10679	0.10852	17.58	-
400 Watt Cobra Head Mercury Vapor With 12' Arm - Metered	-		162	10.73	-			10.73	-
400 Watt Cobra Head Mercury Vapor With 16' Arm - Unmetered	-		162	18.15	-	0.11204	0.11377	18.43	-
400 Watt Cobra Head Mercury Vapor With 16' Arm - Metered	-		162	11.57	-			11.57	-
30' Al Pole	-		162	23.56	-			23.56	-
Total DSTL	<u>168,528</u>	<u>1,761</u>			<u>25,328.22</u>				<u>25,620.04</u>
FAC					1,404.50				1,404.50
ES					<u>37.91</u>				<u>37.91</u>
Total DSTL					<u>26,770.63</u>				<u>27,062.45</u>
					15.20				15.37
<b>OL</b>									
Mercury Vapor - 7000 - 10000 Lumens - Unmetered	14,938,659	205,299	74	8.29	1,701,928.71			8.41	1,726,564.59
Sodium - 7000 - 10000 Lumens - Unmetered	2,355,699	53,279	45	8.29	441,682.91	0.12395	0.12568	8.41	448,076.39
Mercury Vapor - 7000 - 10000 Lumens - Metered	-		74	6.48	-			6.48	-
Sodium - 7000 - 10000 Lumens - Metered	-		45	6.48	-			6.48	-
Directional Flood - 250 Watt Sodium - Unmetered	1,230,403	11,681	106	13.15	153,605.15	0.12484	0.12657	13.42	156,720.78
Directional Flood - 250 Watt Sodium - Metered	-		106	8.23	-			8.23	-
Directional Flood - 250 Watt Metal Halide - Unmetered	69,536	656	106	14.34	9,407.04	0.13528	0.13701	14.52	9,527.45
Directional Flood - 250 Watt Metal Halide - Metered	-		106	9.17	-			9.17	-
Directional Flood - 400 Watt Metal Halide - Unmetered	223,112	1,336	167	17.54	23,433.44	0.10503	0.10676	17.83	23,819.77
Directional Flood - 400 Watt Metal Halide - Metered	-		167	9.17	-			9.17	-
Directional Flood - 1000 Watt Metal Halide - Unmetered	286,770	726	395	30.09	21,845.34	0.07618	0.07791	30.77	22,341.90
Directional Flood - 1000 Watt Metal Halide - Metered	-		395	10.23	-			10.23	-
Total OL	<u>19,104,179</u>	<u>272,977</u>			<u>2,351,902.59</u>				<u>2,387,050.88</u>
FAC					159,212.27				159,212.27
ES					<u>3,520.57</u>				<u>3,520.57</u>
Total DSTL					<u>2,514,635.43</u>				<u>2,549,783.71</u>
					9.21				9.34

The present and proposed rates structures of Taylor County RECC are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Original Proposal</u>	<u>Interim Proposal</u>
<b>A Farm &amp; Home Service</b>			
Customer Charge / Mo	\$6.92	\$6.92	\$6.92
Energy Charge / kWh	\$0.06139	\$0.06535	\$0.06312
<b>GP-1 General Purpose Service – Less than 50 KVA</b>			
Customer Charge / Mo	\$7.11	\$7.11	\$7.11
Energy Charge / kWh	\$0.06150	\$0.06546	\$0.06323
<b>GP-2 General Purpose Service – 50 KVA and Above</b>			
Customer Charge / Mo	\$43.42	\$43.42	\$43.42
Demand Charge / kW	\$4.64	\$4.64	\$4.64
Energy Charge / kWh	\$0.04368	\$0.04764	\$0.04541
<b>R-1 Residential Marketing Rate</b>			
Energy Charge / kWh	\$0.03683	\$0.03921	\$0.03856
<b>SL Street Lighting Service</b>			
Mercury Vapor 175 Watts Fixture Charge	\$2.84	\$2.84	\$2.84
Mercury Vapor 175 Watts Energy Charge	\$4.31	\$4.58	\$4.42
Mercury Vapor 250 Watts Fixture Charge	\$3.41	\$3.41	\$3.41
Mercury Vapor 250 Watts Energy Charge	\$6.15	\$6.55	\$6.32
Mercury Vapor 400 Watts Fixture Charge	\$4.52	\$4.52	\$4.52
Mercury Vapor 400 Watts Energy Charge	\$9.84	\$10.47	\$10.12
High Pressure Sodium 100 Watts Fixture Charge	\$3.25	\$3.25	\$3.25
High Pressure Sodium 100 Watts Energy Charge	\$2.52	\$2.68	\$2.59
High Pressure Sodium 250 Watts Fixture Charge	\$5.00	\$5.00	\$5.00
High Pressure Sodium 250 Watts Energy Charge	\$6.52	\$6.94	\$6.70
<b>C1 Large Industrial Rate 500-4,999 kW</b>			
Customer Charge / Mo	\$1,069.00	\$1,069.00	\$1,069.00
Demand Charge / kW	\$5.39	\$7.29	\$6.22
Energy Charge / kWh	\$0.036	\$0.036	\$0.036
<b>C2 Large Industrial Rate 5,000-9,999 kW</b>			
Customer Charge / Mo	\$2,498.00	\$2,498.00	\$2,498.00
Demand Charge / kW	\$5.39	\$7.29	\$6.22
Energy Charge / kWh	\$0.031	\$0.031	\$0.031
<b>C3 Large Industrial Rate 10,000 kW and Over</b>			
Customer Charge / Mo	\$2,980.00	\$2,980.00	\$2,980.00
Demand Charge / kW	\$5.39	\$7.29	\$6.22
Energy Charge / kWh	\$0.03	\$0.03	\$0.03
<b>B1 Large Industrial Rate 500-4,999 kW</b>			
Customer Charge / Mo	\$1,069.00/ Mo	\$1,069.00	\$1,069.00
Contract Demand Charge	\$5.39	\$7.29	\$6.22
Demand Charge in Excess of Contract	\$7.82	\$9.72	\$8.65
Energy Charge / kWh	\$0.036	\$0.036	\$0.036
<b>B2 Large Industrial Rate 5,000-9,999 kW</b>			
Customer Charge / Mo	\$2,498.00	\$2,498.00	\$2,498.00
Contract Demand Charge	\$5.39	\$7.29	\$6.22
Demand Charge in Excess of Contract	\$7.82	\$9.72	\$8.65
Energy Charge / kWh	\$0.031	0.031	0.031
<b>B3 Large Industrial Rate 10,000 kW and Over</b>			
Customer Charge / Mo	\$2,980.00	\$2,980.00	\$2,980.00
Contract Demand Charge	\$5.39	\$7.29	\$6.22
Demand Charge in Excess of Contract	\$7.82	\$9.72	\$8.65
Energy Charge / kWh	\$0.03	\$0.03	\$0.03

Taylor County RECC  
Billing Analysis  
for the 12 months ended September 30, 2006

	Total	Total	\$ Increase	% Increase
Schedule A Farm & Home	23,819,022	24,326,587	507,564	2.13%
Schedule GP-1 General Purpose Service - Less than 50 kVA	2,922,845	2,985,340	62,495	2.14%
Schedule GP-2 General Purpose Service - 50 kVA and Above	6,107,945	6,246,797	138,852	2.27%
R-1 Residential Marketing Rate	-	-	-	-
SL Street Lighting Service	66,361	67,325	964	1.45%
C1 - Large Industrial Rate	1,216,826	1,246,384	29,557	2.43%
C2 - Large Industrial Rate	-	-	-	-
C3 - Large Industrial Rate	-	-	-	-
B1 - Large Industrial Rate	347,806	356,302	8,496	2.44%
B2 - Large Industrial Rate	-	-	-	-
B3 - Large Industrial Rate	-	-	-	-
Interruptible Service	-	-	-	-
<b>TGP Special Contract</b>	<b>34,480,806</b>	<b>35,228,735</b>	<b>747,928</b>	<b>2.17%</b>
	<b>4,420,394</b>	<b>4,420,394</b>	<b>-</b>	<b>0.00%</b>
<b>Total - All Rate Classes</b>	<b>38,901,200</b>	<b>39,649,129</b>	<b>747,928</b>	<b>1.92%</b>

Taylor County RECC  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule A  
Farm and Home Service

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	260,269	\$6.92	\$1,801,061	260,269	\$6.92	\$1,801,061	-	0.00%
Energy charge per kWh	292,893,075	\$0.06139	17,980,706	292,893,075	\$0.06312	18,488,270	507,564	2.82%
Total from base rates			19,781,767			20,289,332	507,564	
Fuel adjustment			2,436,017			2,436,017	-	0.00%
Environmental surcharge			1,601,238			1,601,238	-	0.00%
Total revenues			\$23,819,022			\$24,326,587	\$507,564	2.13%
Average Bill			\$ 91.52			\$ 93.47	\$ 1.95	2.13%

Schedule GP1  
Small Commercial  
Part 1 For Demands Less Than 50 KVA

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	29,200	\$7.11	\$207,612	29,200	\$7.11	\$207,612	-	
Energy charge per kWh	36,063,144	\$0.06150	2,217,883	36,063,144	\$0.06323	2,280,378	62,495	
Total from base rates			2,425,495			2,487,990	62,495	
Fuel adjustment			298,667			298,667	-	
Environmental surcharge			198,683			198,683	-	
Total revenues			\$2,922,845			\$2,985,340	62,495	2.14%
Average Bill			\$ 100.10			\$ 102.24	\$ 2.14	2.14%

Schedule GP2  
General Purpose Service  
Part 2 For Loads Requiring 50 KVA and Above Installed Transformer Capacity

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	2,967	\$43.42	\$128,827	2,967	\$43.42	\$128,827	-	
Demand Charge	303,920	\$4.64	1,410,190	303,920	\$4.64	1,410,190	-	
Energy Charge	80,125,631	\$0.04368	3,499,888	80,125,631	\$0.04541	3,638,740	138,852.46	
Total Baseload Charges			\$ 5,038,905			\$ 5,177,758	138,852.46	
Fuel adjustment			651,588			651,588	-	
Environmental surcharge			417,452			417,452	-	
Total revenues			\$ 6,107,944			\$ 6,246,797	\$ 138,852	2.27%
Average Bill			\$ 2,058.63			\$ 2,105.43	\$ 46.80	2.27%

Taylor County RECC  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule B-1  
Large Industrial Rate

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	12	\$1,069.00	\$12,828	12	\$1,069.00	\$12,828	-	0.00%
kW Demand	8,919	\$5.39	\$48,071.79	8,919	\$6.22	\$55,474.31	7,402.52	15.40%
kW Excess Demand	1,317	\$7.82	\$10,298.16	1,317	\$8.65	\$11,391.19	1,093.03	10.61%
Energy charge per kWh	5,757,109	\$0.03600	207,256	5,757,109	\$0.03600	207,256	-	0.00%
Total from base rates			<u>278,454</u>			<u>286,949</u>	<u>8,496</u>	
Fuel adjustment			45,615			45,615	-	
Environmental surcharge			<u>23,738</u>			<u>23,738</u>	-	
Total revenues			<u>\$ 347,806</u>			<u>\$ 356,302</u>	<u>\$ 8,496</u>	2.44%
Average Bill			\$ 28,984			\$ 29,692	\$ 708	2.44%

Schedule C-1  
Large Industrial Rate

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
Customer Charge	12	\$1,069.00	\$12,828	12	\$1,069.00	\$12,828	-	0.00%
Demand Charge	35,611	\$5.39	\$191,944	35,611	\$6.22	\$221,502	29,557.31	15.40%
Energy charge per kWh	21,104,884	\$0.03600	759,776	21,104,884	\$0.03600	759,776	-	0.00%
Total from base rates			<u>964,548</u>			<u>994,106</u>	<u>29,557</u>	3.06%
Fuel adjustment			170,018			170,018	-	0.00%
Environmental surcharge			<u>82,260</u>			<u>82,260</u>	-	0.00%
Total revenues			<u>\$ 1,216,826</u>			<u>\$ 1,246,384</u>	<u>\$ 29,557</u>	2.43%
Average Bill			\$ 101,402			\$ 103,865	\$ 2,463	2.43%

Special Contract  
Tennessee Gas

	Existing			Proposed			\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	Billing Determinants	Rate	Annualized Revenues		
	12	\$2/MWH	\$134,311	12	\$2/MWH	\$134,311	-	0.00%
	160,875	\$1.75	\$281,531	160,875	1.75	\$281,531	-	0.00%
	67,155,402	\$0.05628	3,779,534	67,155,402	\$0.05628	3,779,534	-	0.00%
			<u>4,195,376</u>			<u>4,195,376</u>	-	0.00%
			-			-	-	
			<u>225,018</u>			<u>225,018</u>	-	0.00%
			<u>\$ 4,420,394</u>			<u>\$ 4,420,394</u>	<u>\$ -</u>	0.00%
			\$ 368,366			\$ 368,366	\$ -	0.00%

Taylor County RECC  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule STL  
Street Lights

Billing Determinants	kWh	Unit Rates	Cust Chg	Unit kWh	kWh	Energy Rate	kWh Chg	Total \$	Avg Per Cust/Mo
4,390		2.84	12,467.60	70.00	307,300	0.06139	18,865	31,332.75	7.14
-		3.41	-	100.00	-	0.06139	-	-	-
499		4.52	2,255.48	160.00	79,840	0.06139	4,901	7,156.86	14.34
167		3.25	542.75	41.00	6,847	0.06139	420	963.09	5.77
1,532		5.00	7,660.00	106.00	162,392	0.06139	9,969	17,629.24	11.51
6,588		\$	22,925.83		556,379	\$	34,156.11	\$ 57,081.94	

Fuel Adjustment 4.753  
Environmental Surcharge 4.526

Total \$ 66,361  
Average per customer 10.07

Taylor County RECC  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule SL  
Street Lighting Service

Billing Determinants	kWh	Unit Rates	Cust Chg	Unit kWh	kWh	Energy Rate	kWh Chg	Avg per cust	\$ Increase	% Increase	New Rate
4,390		2.84	12,467.60	70.00	307,300	0.06312	19,398	7.26	0.12	1.70%	4.42
-		3.41	-	100.00	-	0.06312	-	-	-	-	-
499		4.52	2,255.48	160.00	79,840	0.06312	5,040	14.62	0.28	1.93%	10.10
167		3.25	542.75	41.00	6,847	0.06312	432	5.84	0.07	1.23%	2.59
1,532		5.00	7,660.00	106.00	162,392	0.06312	10,251	11.69	0.18	1.60%	6.69
6,588		\$	22,925.83		556,379	\$	35,120	58,046			

Fuel Adjustment 4.753  
Environmental Surcharge 4.526

Total 67,325  
Average per customer 10.22  
1.45%





**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2006-00472**

**INFORMATION REQUEST RESPONSE**

**COMMISSION STAFF'S DATA REQUEST AT HEARING ON MARCH 22, 2007  
REQUEST 3**

**RESPONSIBLE PERSON: Ann F. Wood**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 3.** In reference to the response to Staff Request No. 2(a) dated February 20, 2007, provide missing explanations for filled positions indicated on pages 3, 4, and 8.

**Response 3.** Please see the attached information

Question 2

Position Title	Position Description	Dept/Division/Office	Reason why position must be filled	Filled as of 2/21/07?	Internal or External Fill
Hired					
Dale Lab Tech	Ensures the safe and proper collection, analysis and/or treatment of water and fuel associated with the generation of electricity.	Production/Power Production/Dale	Replacement - to ensure the efficient operations of the plant.	Yes	Internal

Projected Additions by 12/31/06					
Lan Support Specialist	Provides a wide variety of network & PC Support Activities to all areas of EKPC.	Information Technology/HR & Support Services/HQs	Replacement - To support the EKPC Computer Network and associated systems.	No	
Lan Support Specialist	Provides a wide variety of network & PC Support Activities to all areas of EKPC.	Information Technology/HR & Support Services/HQs	Replacement - To support the EKPC Computer Network and associated systems.	No	
Environmental Attorney	Directs all corporate environmental and regulatory activities associated with East Kentucky Power Cooperative's generation and transmission facilities. Oversees the environmental compliance associated with the construction and operation of generation and transmission facilities in accordance with license and regulatory agency requirements. Assures all environmental and regulatory activities meet the highest standards of compliance and integrity consistent with the values of EKPC and the Member Systems. Provides effective leadership, vision and direction and maintains overall authority and accountability for assigned business unit.	Legal/Legal/HQs	New - Needed to oversee environmental compliance for EKPC.	Yes	External
Sr. Engineer-Production	To provide and perform engineering services to the Power Production Division in order to achieve and maintain a high degree of availability, reliability, and efficiency for existing and planned East Kentucky Power Cooperative generating facilities.	Engineering/Power Production/HQs	Replacement - to provide engineering services for the Power Production Business Unit	No	

Position Title	Position Description	Dept/Division/Office	Reason why position must be filled	Filled as of 2/21/07?	Internal or External Fill
Operations Engineer--PD	To study real-time and scheduled transmission system outage conditions to ensure reliable operation of the EKPC transmission system. To enable the Transmission Control Area Operations Team to better manage transmission congestion, develop processes and procedures to ensure NERC compliance and support all transmission activities to ensure the operation of a safe and reliable power system required to maintain the continuity of transmission service to the Member Cooperatives.	Operations/Power Delivery/HQs	Replacement as a result of an internal transfer.	Yes	Internal
Const. Tech--PD	To provide assistance in a variety of duties related to the construction of substations and other EKPC facilities and equipment.	Expansion/Power Delivery/HQs	Replacement due to an internal transfer.	Yes	External
Landfill Operator	Maintain and repair landfill gas to electric plant related equipment, facility and grounds.	Laurel Ridge/Power Production/Laurel Ridge	Replacement due to a termination.	Yes	External
Plant Safety Coord.	To set up, develop, administer and coordinate Safety & Fire Protection Programs, EKPC's policies and procedures, insurance carriers requirements in accordance with state and federal regulations and other related agencies in order to ensure a safe work environment at Dale Power Station. To properly administer Dale Power Station's Skilled Based Pay System Training Program.	Production/Power Production/Dale	Replacement due to a retirement.	Yes	Internal
Maint Mat Specialist	To ensure that all incoming material or shipments are recorded, coded, labeled, and stored in a manner as to expedite inventorying, identification, and the issuing of all materials. To ensure that all material issued or returned is charged to the proper maintenance account, contract, or work order number and to ensure that correct quantities of said materials which are in stock are deducted from proper coded accounts, thus ensuring a timely and accurate perpetual inventory. Provide support in the staging of materials.	Production/Power Production/Spurlock	Replacement due to a retirement.	Yes	External

Question 2

Position Title	Position Description	Dept/Division/Office	Reason why position must be filled	Filled as of 2/21/07?	Internal or External Fill
Maint Superintendent	To manage the Maintenance section so as to ensure the effective coordination and direction of mechanical, electrical, and instrument maintenance, and engineering in a cost efficient manner while maintaining a high degree of equipment availability and reliability of the plant.	Production/Power Production/Cooper	To manage the maintenance activities at Cooper.	No	
Whse Safety Coor	To set up, develop, administer and to coordinate Safety & Fire Protection Programs, EKPC's policies and procedures, insurance carriers requirements in accordance with state and federal regulations and other related agencies in order to ensure a safe work environment, and to oversee and coordinate all procurement and storage activities at Smith Station.	Production/Power Production/JK Smith	New - Needed to set up and coordinate warehouse activities at JK Smith.	Yes	Internal
Landfill Gas Oper	Maintain and repair landfill gas to electric plant related equipment, facility and grounds.	Production/Power Production/Projected New Site	To operate & maintain plant.	No	



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2006-00472**

**INFORMATION REQUEST RESPONSE**

**COMMISSION STAFF'S DATA REQUEST AT HEARING ON MARCH 22, 2007  
REQUEST 4**

**RESPONSIBLE PERSON: Ann F. Wood**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 4.** In reference to the response to Staff Request No. 2(b) dated February 20, 2007, provide missing explanations for employee reclassifications indicated on pages 9-11.

**Response 4.** Please see the attached information.

PSC Case No. 2006-00472  
Question 2b: Changes in employees at EKPC between September 30, 2006 and February 15, 2007

Date of Change	Type of Change	Position/Description	Location	Why action was taken at this time
10/01/2006	Promotion	Telecommunications Technician Level 3	IT - Telecommunications	Normal Career Progression
10/01/2006	Promotion	Line Technician Level 3	Power Delivery - Burnside Service Center	Normal Career Progression
10/01/2006	Transfer	Senior Analyst	Finance & Risk Mgt.	Replace due to disability
10/01/2006	Promotion	Heavy Equipment Technician Level 3	Power Delivery - Heavy Equipment	Normal Career Progression
10/01/2006	Transfer	Plant Safety Coordinator	Production - Dale Plant	Replace due to retirement
10/06/2006	Resignation	Mid-Term Planning Supervisor	Coordinated Planning	Coop Student transferred to full-time
10/09/2006	Reclassification	Maintenance Mechanic	Production - Spurlock Plant	
10/14/2006	Retired	Maintenance Mechanic Level 3	Production - Spurlock Plant	
10/15/2006	Promotion	Maintenance Mechanic Level 1	Production - Spurlock Plant	
10/15/2006	Promotion	Operations Superintendent	Production - Dale Plant	
10/15/2006	Promotion	Measurement & Control Meter Tech Lv 2	Power Delivery - System Support	Normal Career Progression
10/15/2006	Promotion	Measurement & Control Meter Tech Lv 3	Power Delivery - System Support	Replace due to Oper. Super. Promoted to Smith project
10/15/2006	Promotion	Maintenance Mechanic Level 1	Production - Spurlock Plant	Normal Career Progression
10/15/2006	Transfer	Operations Superintendent	Production - Smith	Normal Career Progression
10/15/2006	Promotion	Electrician Level 3	Production - Cooper	Normal Career Progression
10/15/2006	Promotion	Substation Technician Level 2	Power Delivery - Burnside Service Center	Normal Career Progression
10/17/2006	Promotion	CT Technician Level 3	Production - Smith Plant	Normal Career Progression
10/17/2006	Promotion	Auxiliary Operator Level 2	Production - Spurlock Plant	Normal Career Progression
10/17/2006	Promotion	Auxiliary Operator Level 3	Production - Spurlock Plant	Normal Career Progression
10/17/2006	Promotion	Auxiliary Operator Level 2	Production - Spurlock Plant	Normal Career Progression
10/17/2006	Promotion	Auxiliary Operator Level 3	Production - Spurlock Plant	Normal Career Progression
10/20/2006	Retirement	Telecommunications Technician Level 2	IT - Telecommunications	Normal Career Progression
10/22/2006	Promotion	Lab Technician	Production - Dale Plant	Coop Student transferred to full-time
10/23/2006	Reclassification	Unit Operator Level 1	Production - Dale Plant	Normal Career Progression
10/24/2006	Promotion	Unit Operator Level 1	Production - Dale Plant	Normal Career Progression
10/24/2006	Promotion	Auxiliary Operator Level 3	Production - Dale Plant	Normal Career Progression
10/24/2006	Promotion	No. 1 Relief Operator	Production - Dale Plant	Normal Career Progression
10/24/2006	Promotion	Unit Operator Level 3	Production - Dale Plant	Normal Career Progression
10/24/2006	Promotion	Unit Operator Level 2	Production - Dale Plant	Normal Career Progression
10/26/2006	Promotion	Maintenance Mechanic Level 2	Production - Spurlock Plant	Normal Career Progression
10/26/2006	Resignation	Unit Operator Level 3	Production - Cooper Plant	Normal Career Progression
11/03/2006	Resignation	C&I Technician Level 1	Coordinated Planning	Mgt. Audit indicated Coordinated Planning understaffed
11/03/2006	Resignation	Senior Analyst	Coordinated Planning	Replace due to disability
11/06/2006	Transfer	Construction Project Coordinator	Power Delivery - Transmission Line	Mgt. Audit indicated Coordinated Planning understaffed
11/11/2006	Promotion	Senior Analyst	Coordinated Planning	Coop student transferred to full-time
11/13/2006	Transfer	Warehouseman	Production - Spurlock Plant	Replace due to retirement
11/27/2006	Reclassification	Payroll Specialist	Finance - Payroll	Replace due to resignation
11/27/2006	New Hire	Landfill Gen Plant Operator	Non-Traditional Power Production	
11/27/2006	New Hire	System Operator	Energy Control	
12/01/2006	Retirement	Construction Technician	Power Delivery - Team 1	Replace Contract Labor
12/11/2006	New Hire	Substation Technician Level 3	Power Delivery - Crittenden Service Center	
12/16/2006	Resignation	Maintenance Mechanic Level 2	Production - Cooper Plant	
12/18/2006	Disability			



12/18/2006	Resignation	Co-op Student - Operative	Production - Spurlock Plant	
12/22/2006	Retirement	Senior Payroll Specialist	Finance - Payroll	
12/24/2006	Retirement	Substation Technician Level 3	Power Delivery - Crittenden Service Center	
12/25/2006	Disability	Survey Technician Level 3	Power Delivery - Team 1	Replace due to transfer to Coordinated Planning
12/27/2006	New Hire	Senior Accountant	Finance - General Accounting	Replace due to Resignation
12/27/2006	New Hire	Substation Technician Level 1	Power Delivery - Bardstown Service Center	Board Decision
12/29/2006	New Hire	President & CEO	Headquarters - Executive	Board Decision
12/29/2006	Transfer	VP, External/Regulatory Affairs	Headquarters - Executive	
12/30/2006	Resignation	Telecommunications Technician Level 3	HR - IT- Telecommunications	
12/31/2006	Retirement	Special Projects Consultant - Temp.	Power Delivery - Maintenance	
01/01/2007	Disability	Auxiliary Operator Level 1	Production - Dale Plant	Replace due to Retirement
01/02/2007	New Hire	Environmental & Regulatory Affairs Dir.	Production - Environmental	
01/02/2007	Retirement	C & I Technician Level 3	Production - Spurlock	
01/03/2007	Retirement	Plant Manager	Production - Cooper Plant	Replace due to Retirement
01/04/2007	Promotion	Interim Plant Manager	Production - Cooper Plant	
01/05/2007	Resignation	Co-op Student Technician	Production - Spurlock Plant	
01/05/2007	Retirement	Manager, Environmental Affairs	Production - Environmental	Replace due to Retirement
01/07/2007	Promotion	Air Quality Supervisor	Production - Environmental	Student Coop Program
01/08/2007	New Hire	Co-op Student Craft Worker	Production - Spurlock Plant	
01/09/2007	Retirement	Worker's Comp Specialist	HR - Safety	
01/11/2007	Retirement	Sr. Lam/PC Support Specialist	HR - IT- Network & Computer Operations	
01/11/2007	Retirement	Air Quality Supervisor	Production - Environmental	
01/12/2007	Disability	Auxiliary Operator Level 3	Power Production - Spurlock	
01/13/2007	Resignation	HR Training & Dev. Program Specialist	HR - Training & Development	
01/18/2007	Disability	Construction Project Coordinator	Power Delivery - Transmission Line	
01/21/2007	Transfer	Senior Engineer	Power Delivery - Control Area and Trans. Opr.	New Position to meet NERC compliance
01/21/2007	Promotion	Auxiliary Operator Level 1	Production - Dale Plant	Normal Career Progression
01/21/2007	Promotion	Maintenance Mechanic Level 1	Production - Dale Plant	Normal Career Progression
01/21/2007	Transfer	Tech/Admin Support Supervisor	Power Delivery - Maintenance	Replace due to transfer
01/21/2007	Promotion	Auxiliary Operator Level 2	Production - Spurlock Plant	Normal Career Progression
01/21/2007	Promotion	Auxiliary Operator Level 1	Production - Dale Plant	Normal Career Progression
01/21/2007	Promotion	Auxiliary Operator Level 2	Production - Spurlock Plant	Normal Career Progression
01/21/2007	Promotion	Maintenance Mechanic Level 1	Production - Dale Plant	Normal Career Progression
01/22/2007	Disability	Senior Lab Technician	Production - Environmental	
01/23/2007	Retirement	C&I Technician Level 3	Production - Spurlock Plant	Temporary replacement due to retirement
01/23/2007	Rehire	System Operator	Production - Energy control	
01/26/2007	Termination	Coal Yard Operator Level 1	Production - Spurlock Plant	Coop student transferred to full-time
01/29/2007	Reclassification	Auxiliary Operator	Production - Spurlock Plant	Replace due to promotion
01/29/2007	New Hire	Auxiliary Operator	Production - Dale Plant	Replacement/New Unit
01/29/2007	New Hire	Auxiliary Operator	Production - Spurlock Plant	Replacement/New Unit
01/29/2007	New Hire	Auxiliary Operator	Production - Spurlock Plant	Replacement/New Unit
01/29/2007	New Hire	Auxiliary Operator	Production - Spurlock Plant	Replace due to resignation
01/29/2007	Transfer	Substation Technician Level 3	Power Delivery - Crittenden Service Center	Replace due to resignation
01/29/2007	New Hire	Auxiliary Operator	Production - Dale Plant	Replacement/New Unit
01/29/2007	New Hire	Auxiliary Operator	Production - Spurlock Plant	Replacement/New Unit
02/02/2007	Retirement	Maintenance Mechanic Level 2	Production - Spurlock Plant	
02/02/2007	Retirement	Auxiliary Operator Level 3	Production - Spurlock Plant	

02/03/2007	Retirement	Electrician Level 3	Production - Spurlock Plant	
02/04/2007	Retirement	General Counsel	Legal	Normal Career Progression
02/04/2007	Promotion	Electrician Level 1	Production - Cooper Plant	Replace due to retirement
02/04/2007	Promotion	General Counsel	Legal	Replace contract labor
02/05/2007	New Hire	Senior Biologist	Member Services - Environ. Communications	Normal Career Progression
02/05/2007	New Hire	Substation Technician Level 1	Power Delivery - Crittenden Service Center	Replacement/New Unit
02/05/2007	New Hire	Maintenance Materials Specialist	Production - Spurlock Plant	Normal Career Progression
02/05/2007	Transfer	Maintenance Mechanic Level 1	Production - Cooper Plant	Normal Career Progression
02/05/2007	New Hire	Senior Biologist	Member Services - Environ. Communications	Replace contract labor
02/06/2007	Promotion	Auxiliary Operator Level 2	Production - Cooper Plant	Normal Career Progression
02/06/2007	Promotion	Auxiliary Operator Level 2	Production - Cooper Plant	Normal Career Progression
02/06/2007	Promotion	Auxiliary Operator Level 2	Production - Cooper Plant	Normal Career Progression
02/11/2007	Promotion	Senior VP, Power Supply	Coordinated Planning	Reorganization by CEO-H39
02/11/2007	Promotion	Senior VP, G&T Operations	G&T Operations - Transmission	Reorganization by CEO



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2006-00472**

**INFORMATION REQUEST RESPONSE**

**COMMISSION STAFF'S DATA REQUEST AT HEARING ON MARCH 22, 2007  
REQUEST 5**

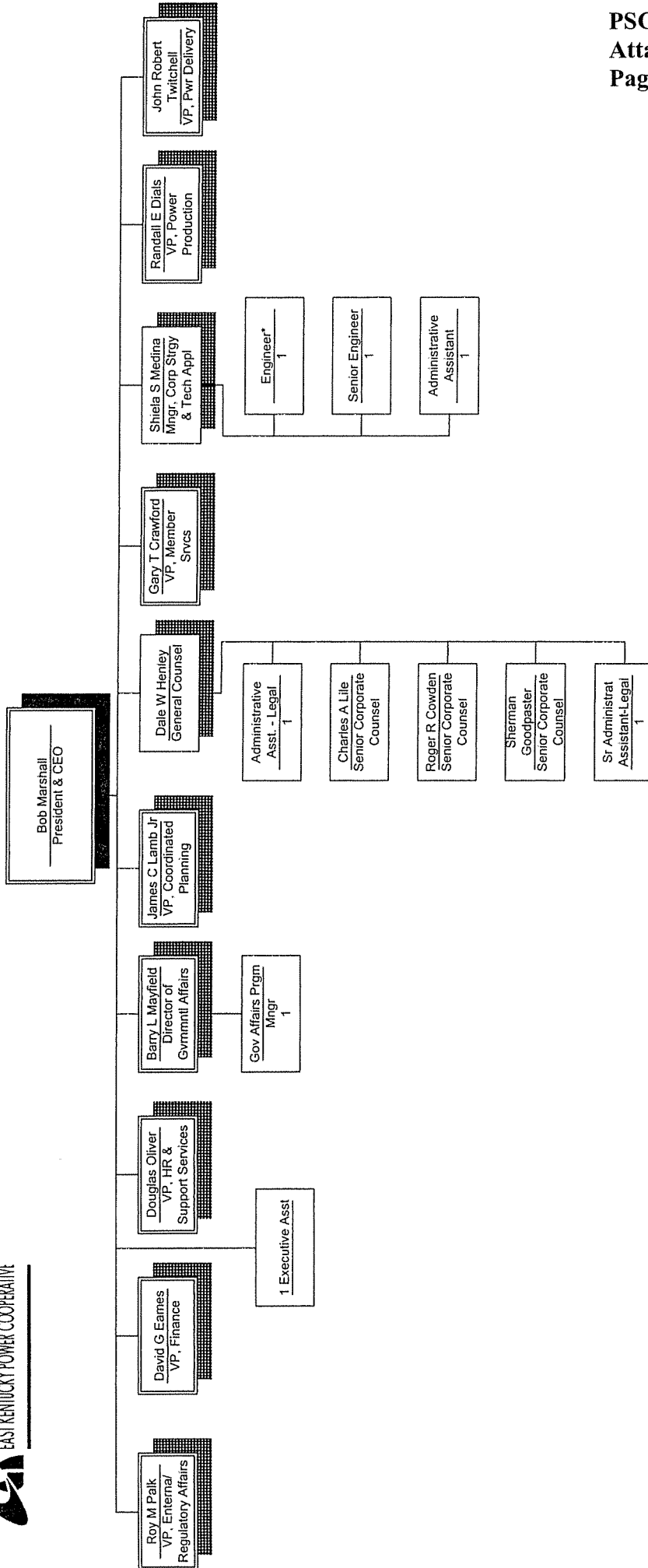
**RESPONSIBLE PERSON:** Ann F. Wood

**COMPANY:** East Kentucky Power Cooperative, Inc.

**Request 5.** In reference to the response to Staff Request No. 2 dated February 20, 2007, provide before and after organizational charts reflecting changes in responsibilities resulting from the "Reorganization by CEO" referenced on page 11.

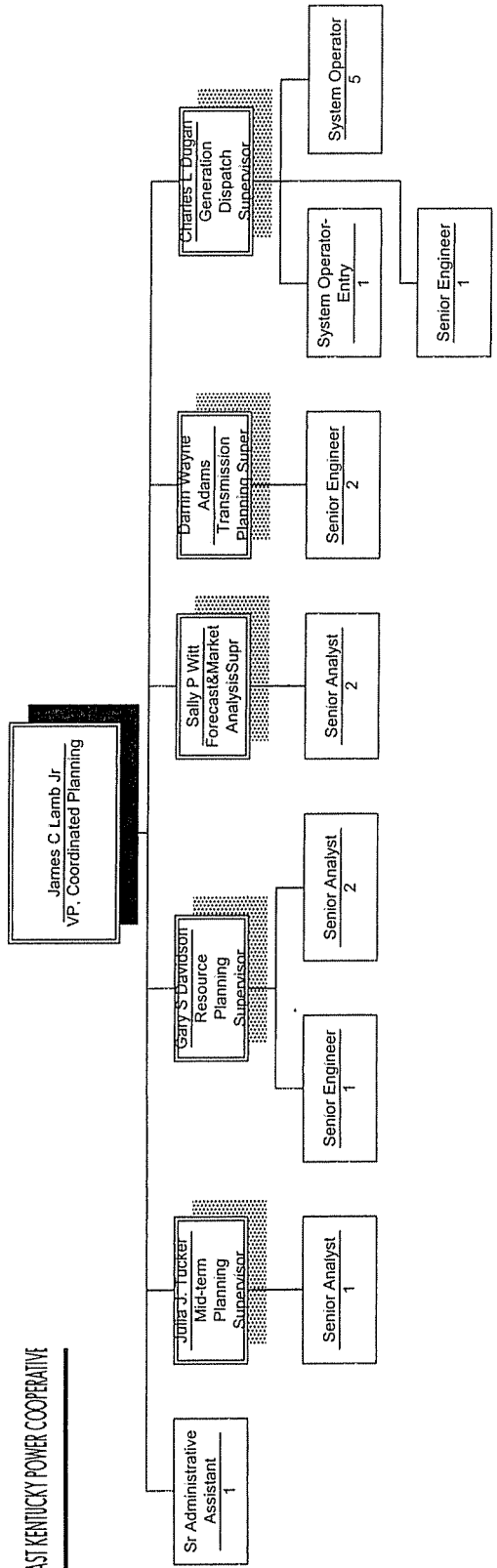
**Response 5.** Please see Attachments 1 and 2.

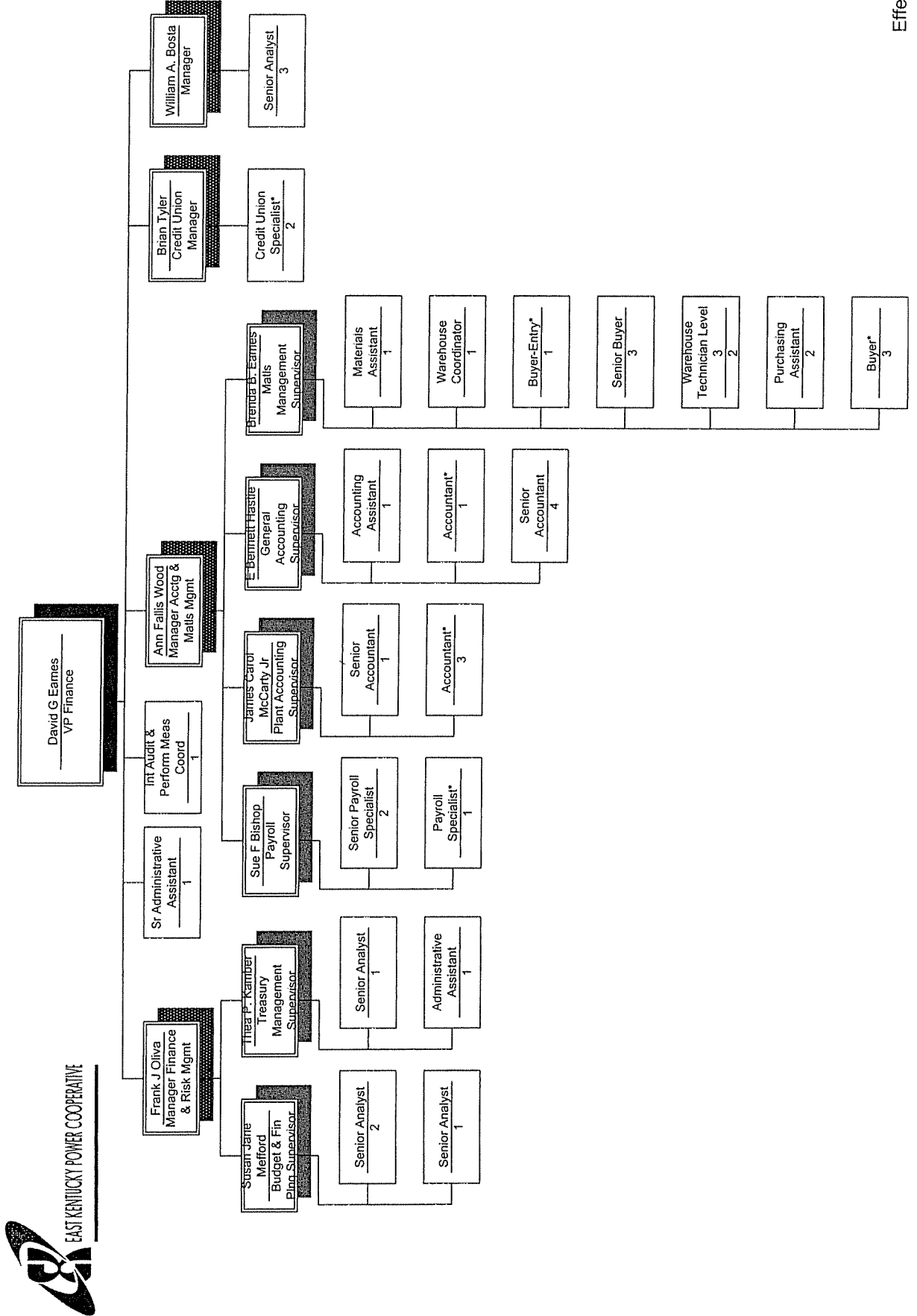
**EKPC ORGANIZATIONAL CHART  
BEFORE REORGANIZATION**





EAST KENTUCKY POWER COOPERATIVE

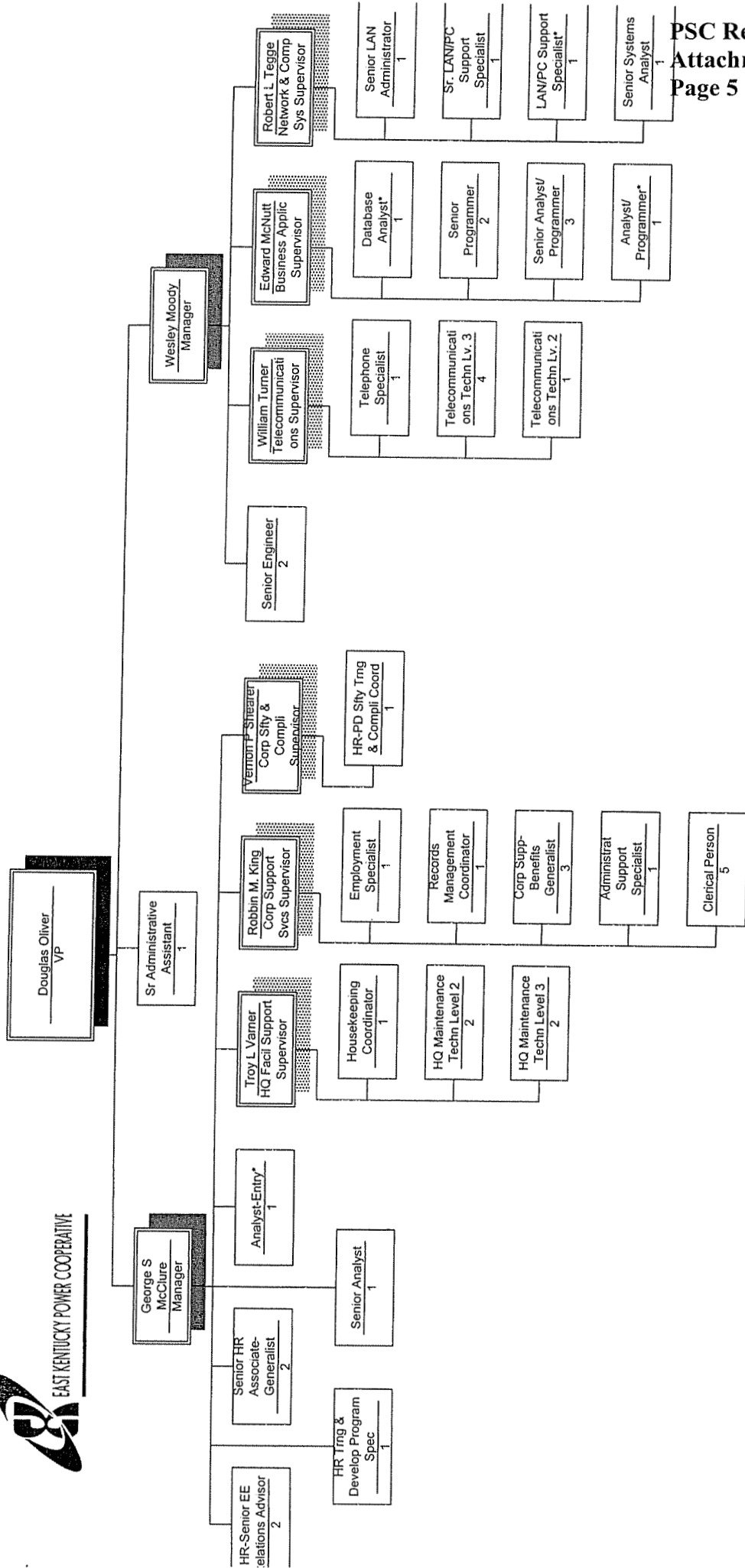


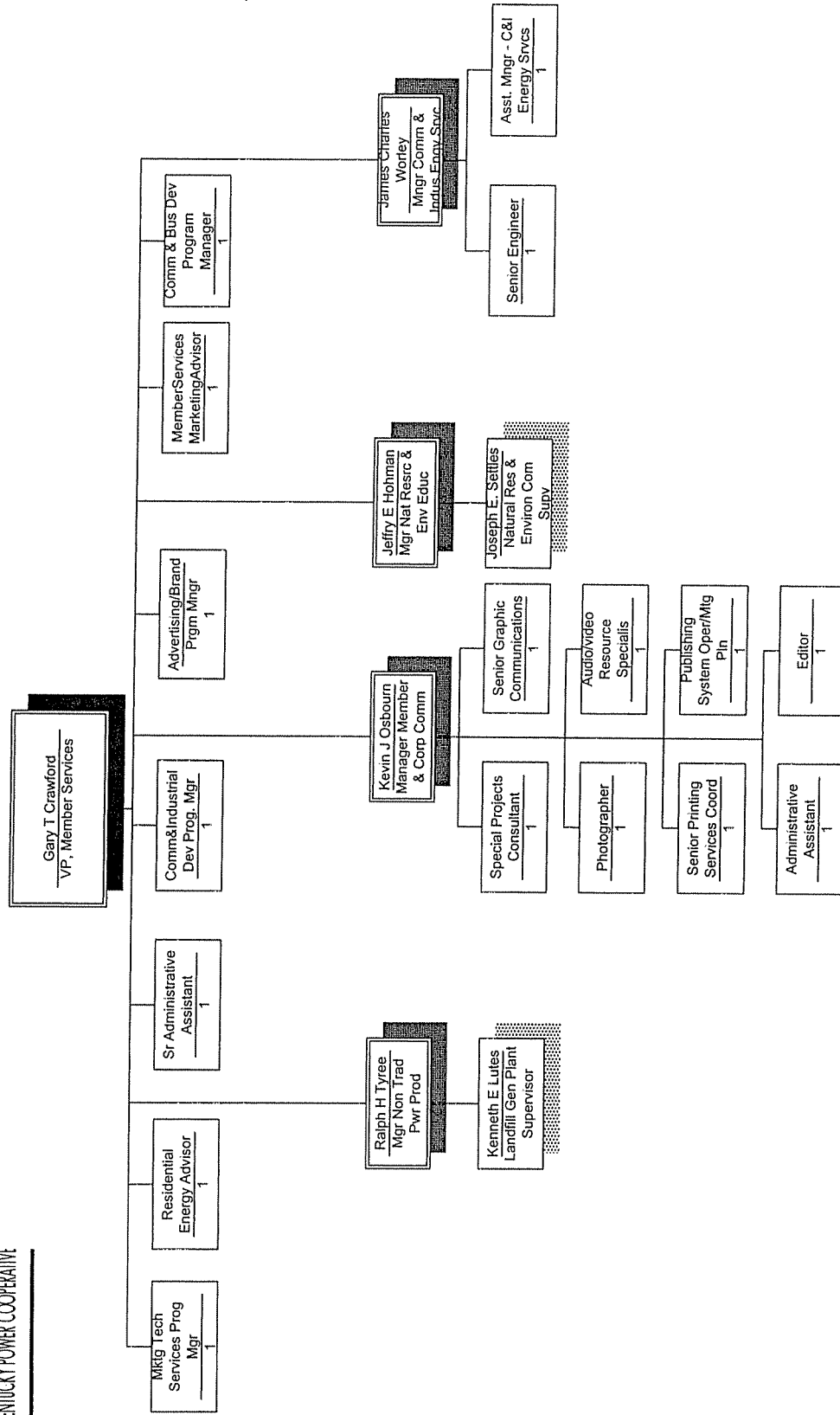






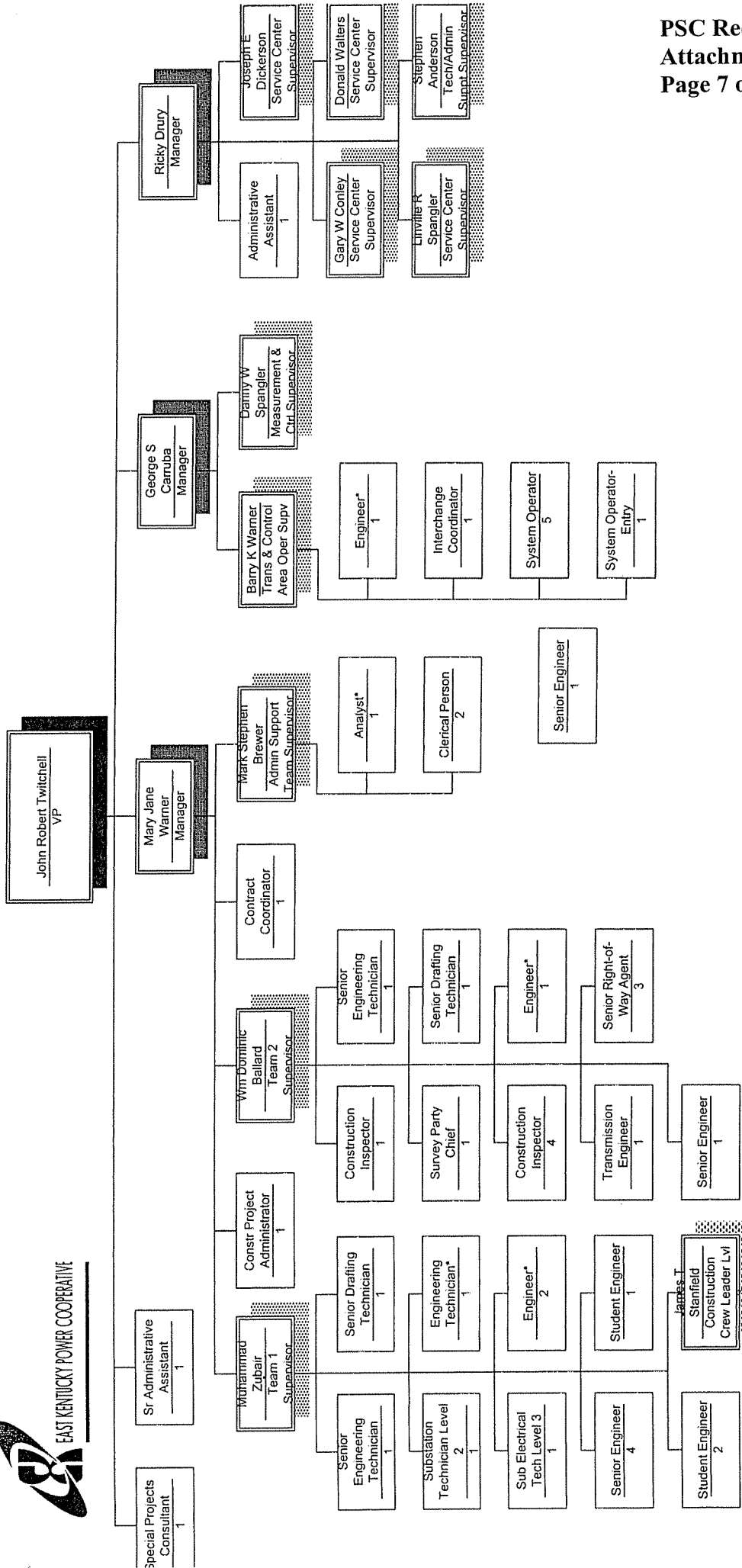
EAST KENTUCKY POWER COOPERATIVE





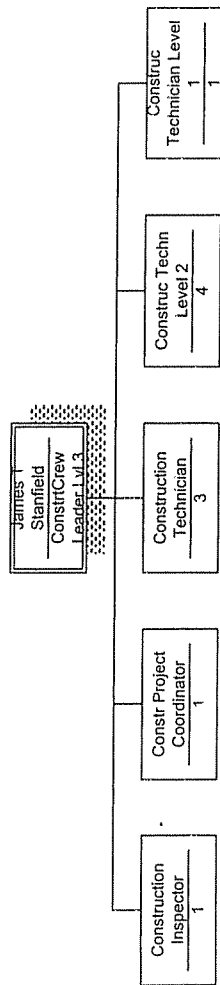


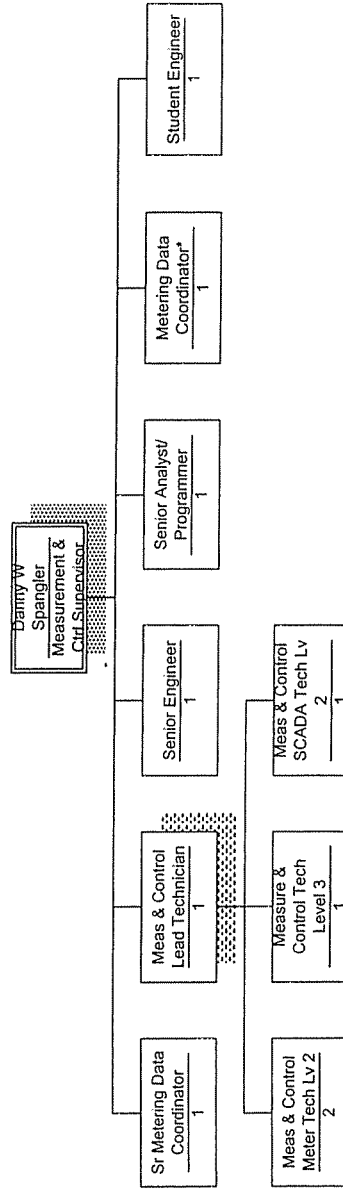
EAST KENTUCKY POWER COOPERATIVE





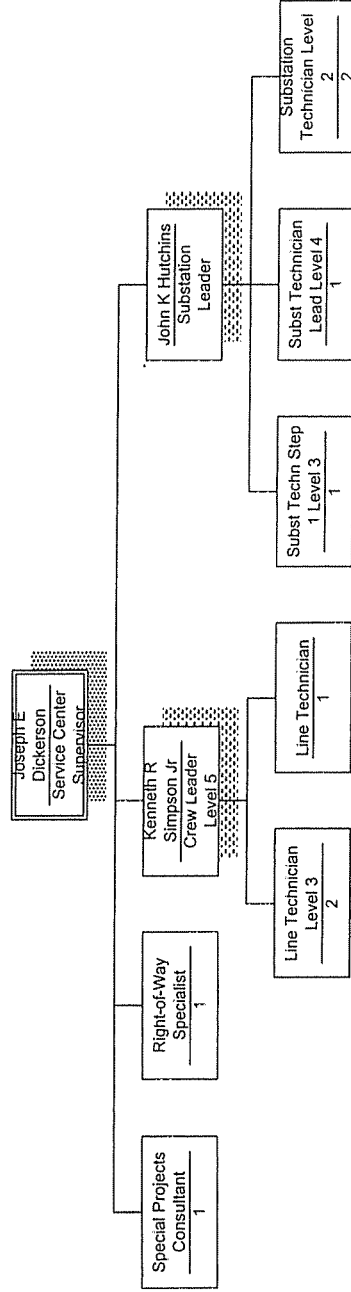
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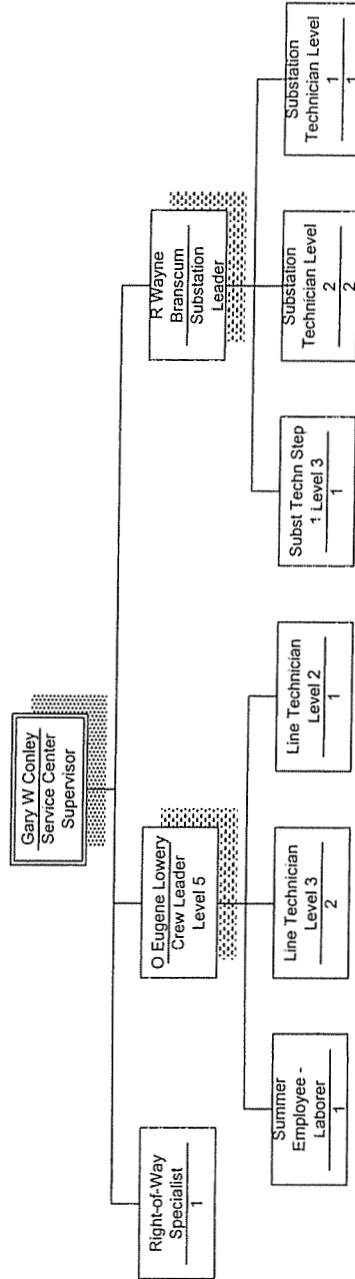






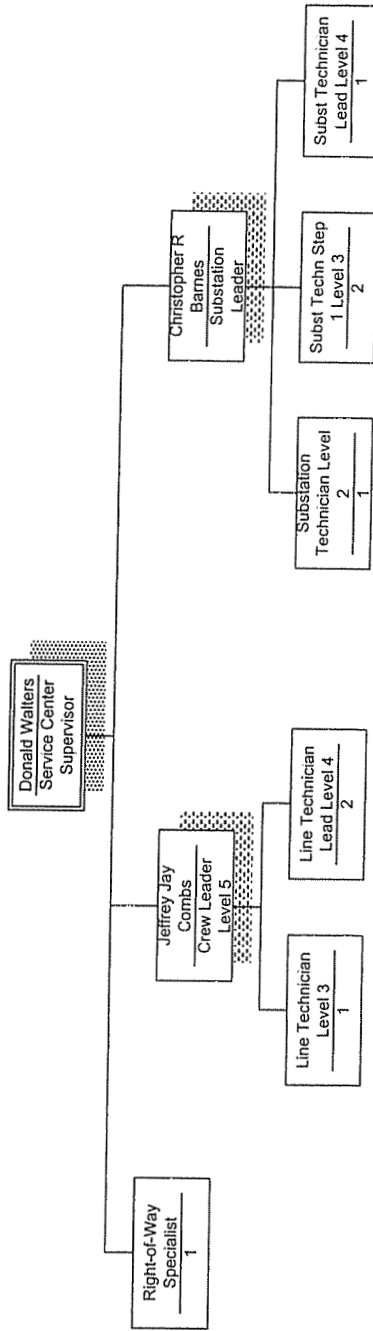
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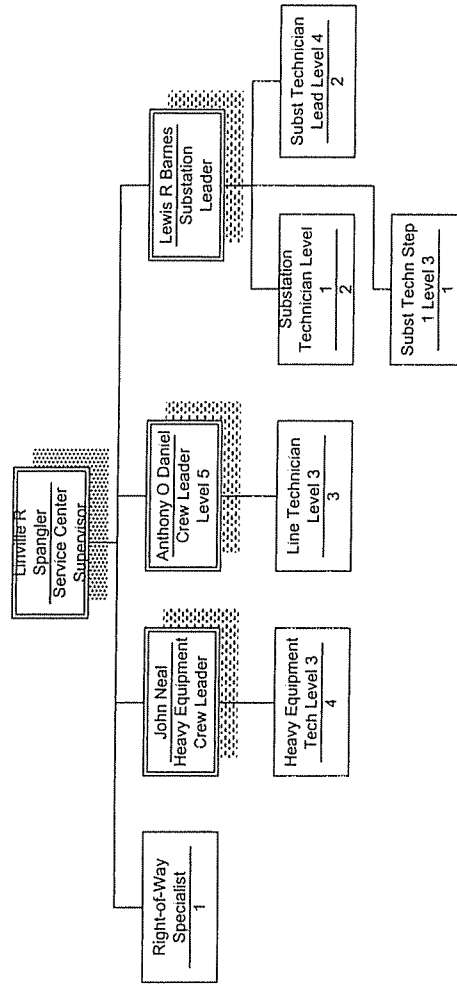




EAST KENTUCKY POWER COOPERATIVE

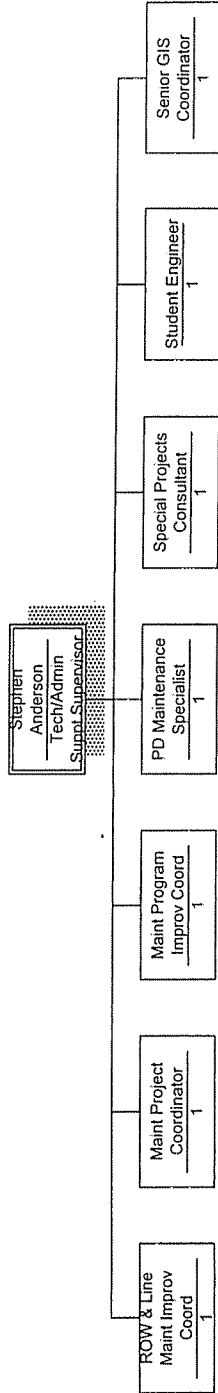


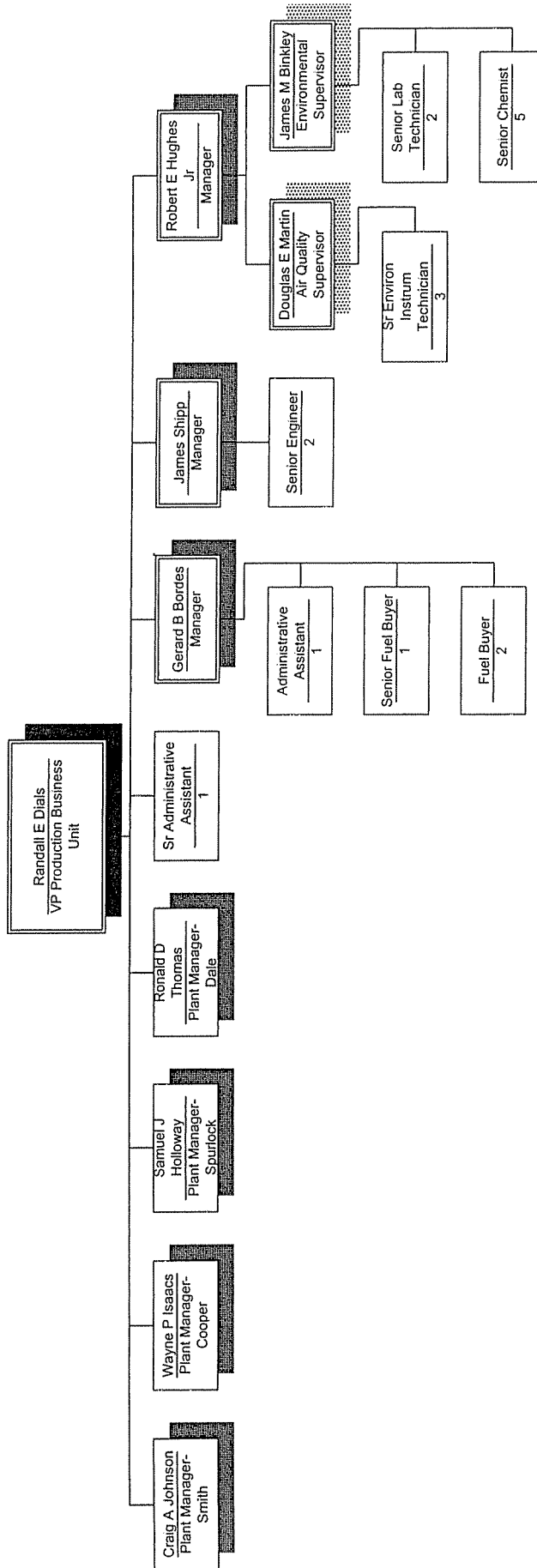


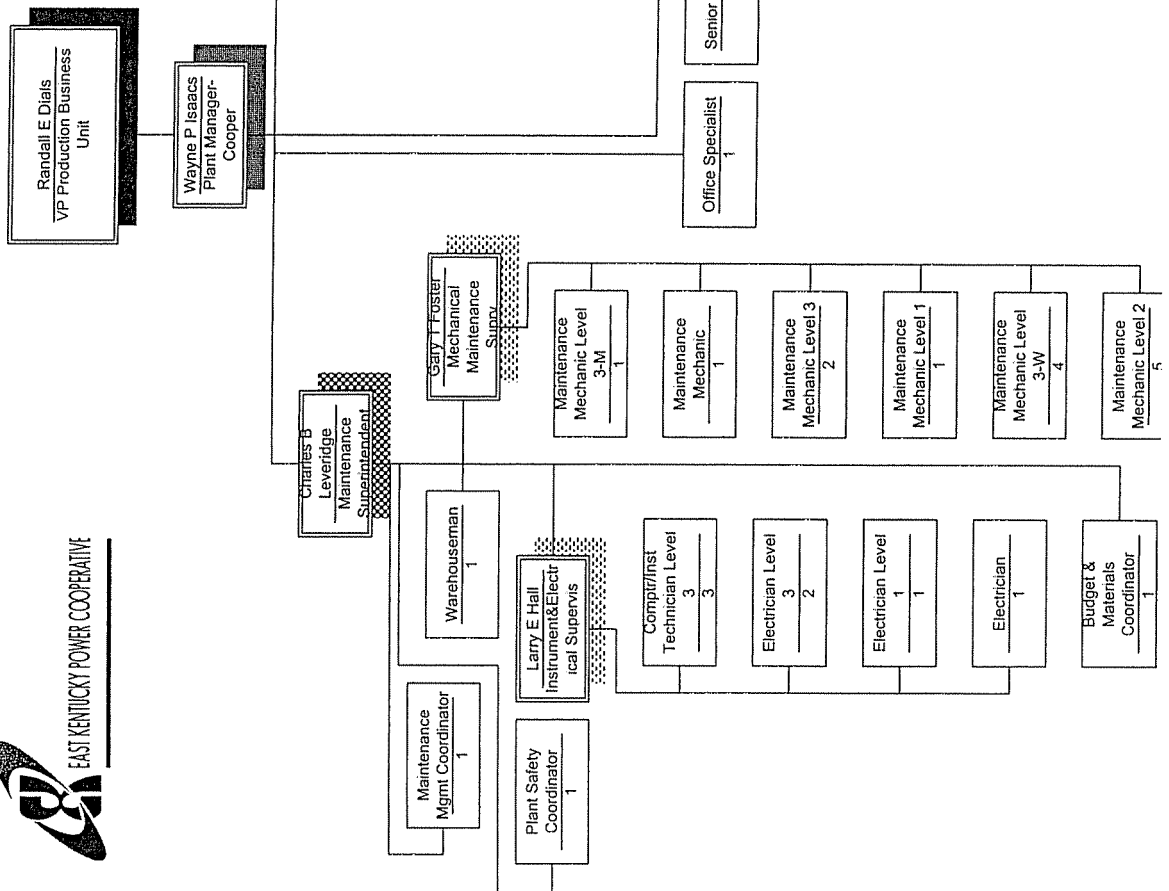




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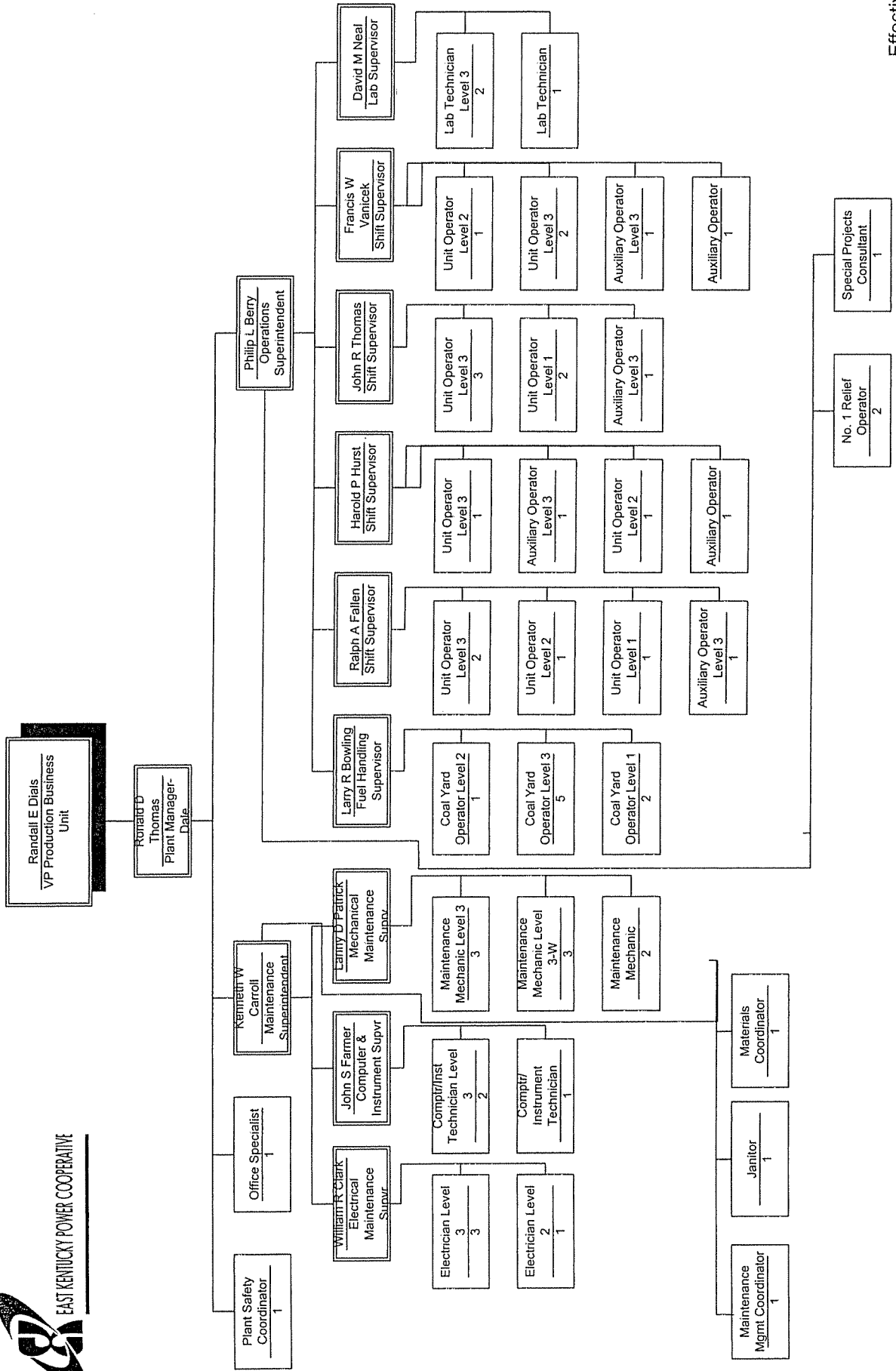


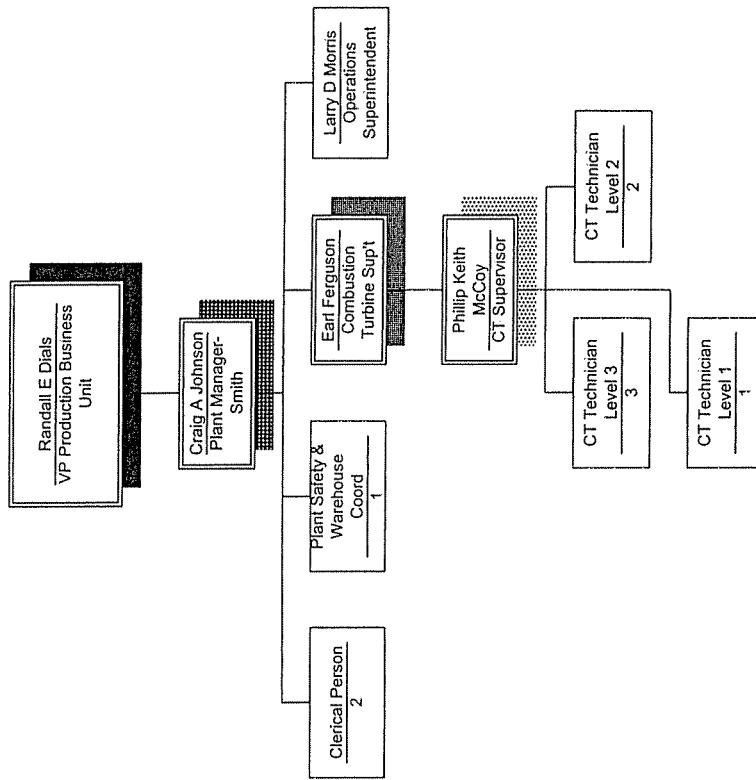






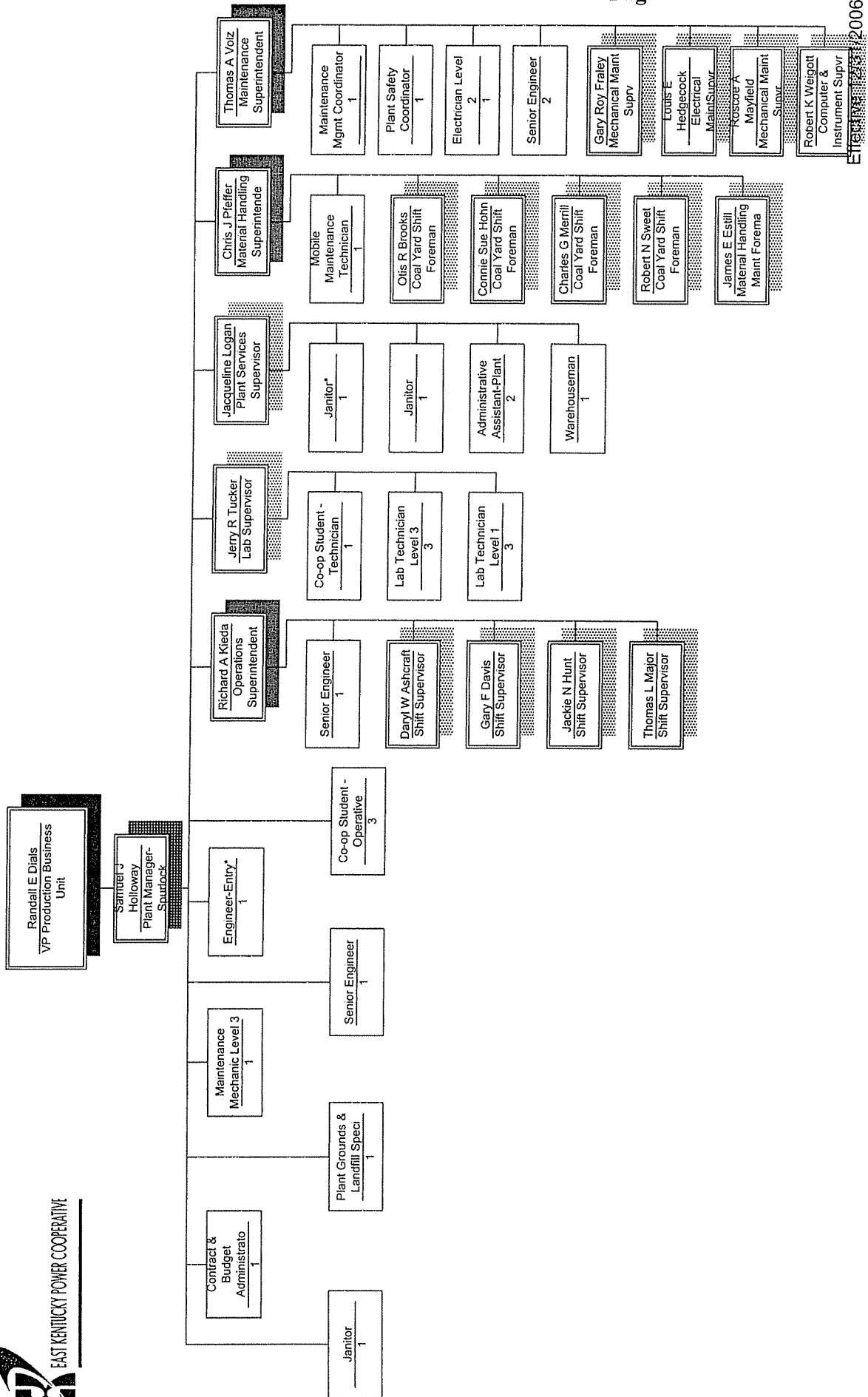
EAST KENTUCKY POWER COOPERATIVE

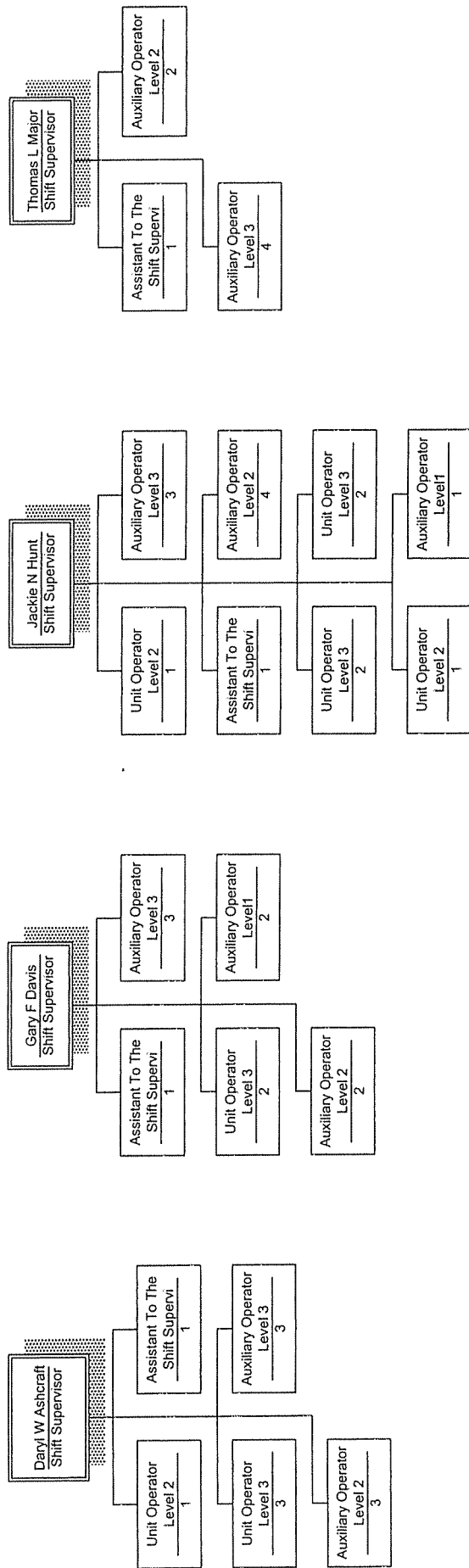




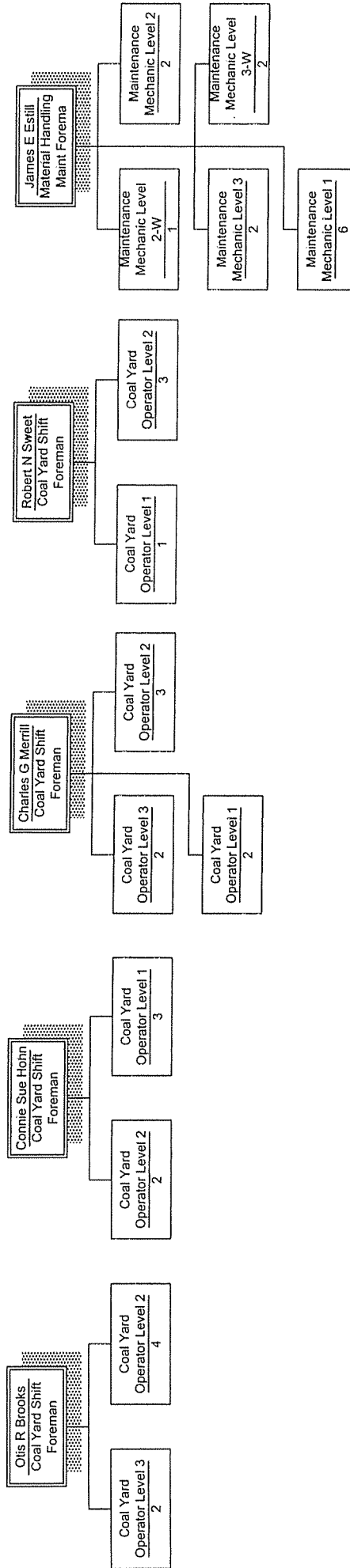


EAST KENTUCKY POWER COOPERATIVE



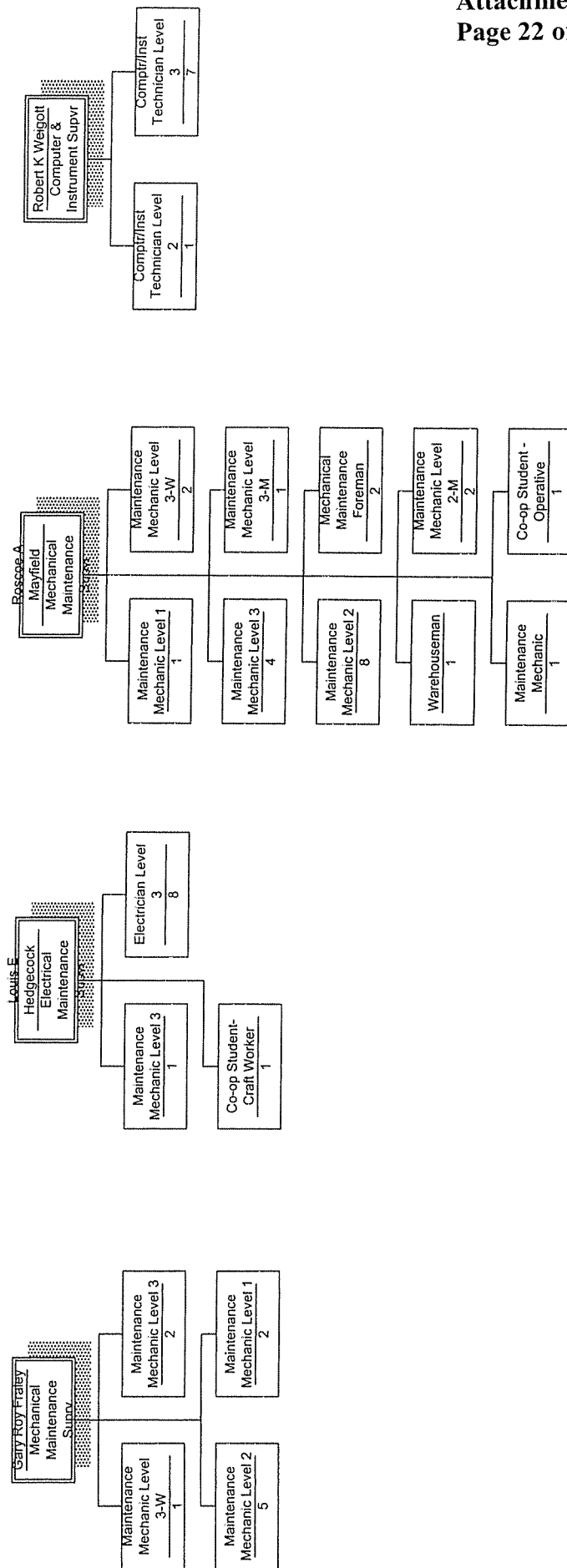




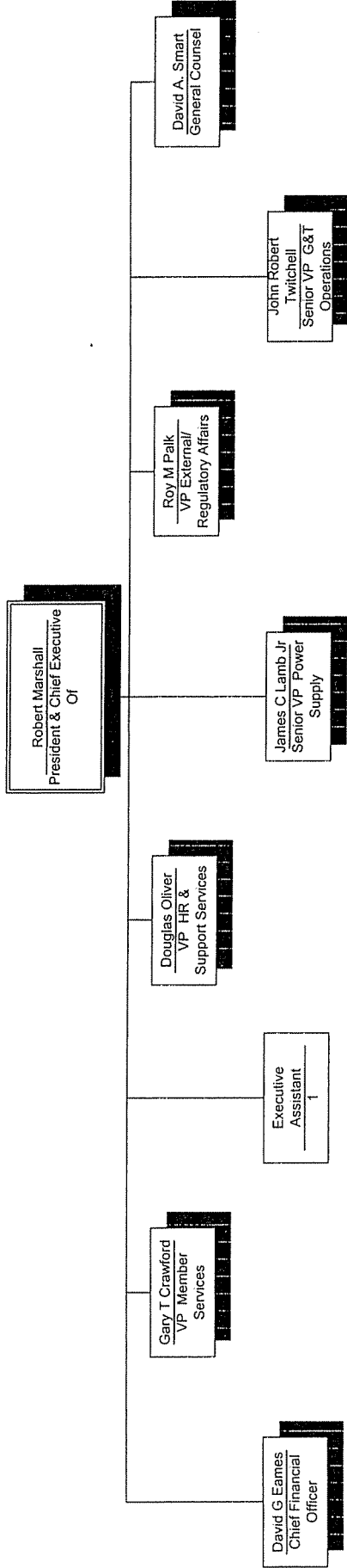




EAST KENTUCKY POWER COOPERATIVE



**EKPC ORGANIZATIONAL CHART  
AFTER REORGANIZATION**

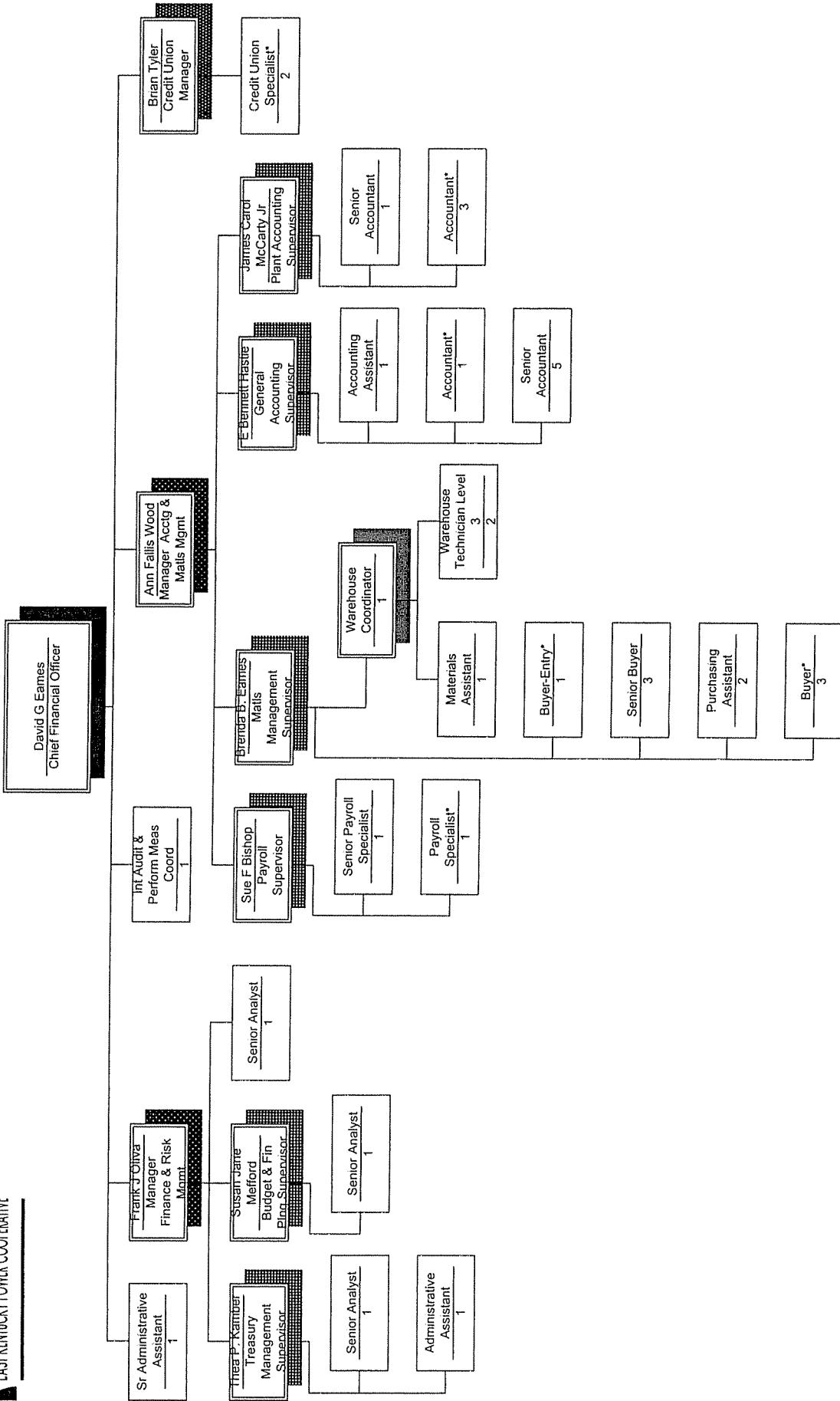


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EAST KENTUCKY POWER COOPERATIVE

# Finance

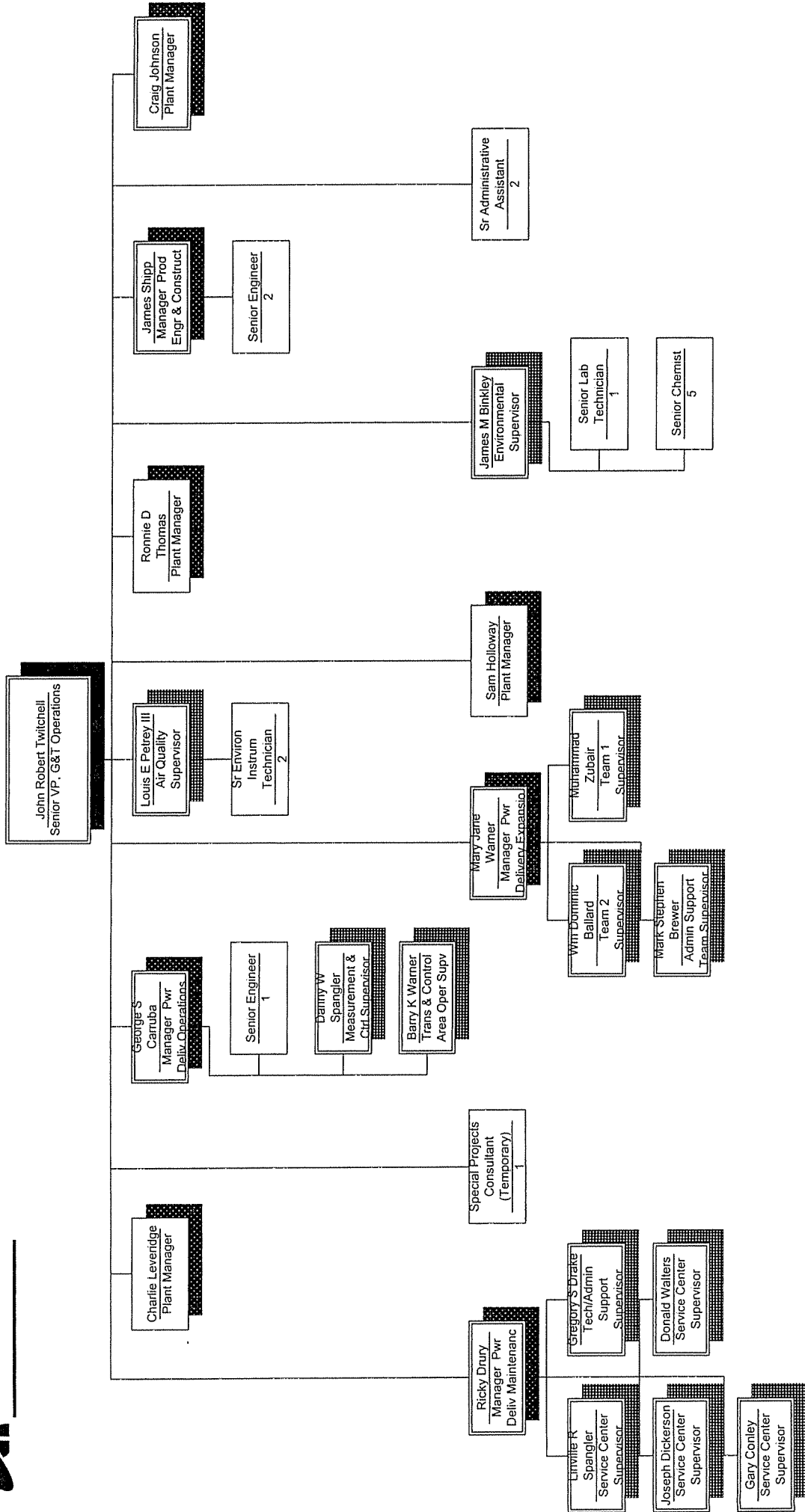


Effective 2/23/2007



EAST KENTUCKY POWER COOPERATIVE

# G&T Operations

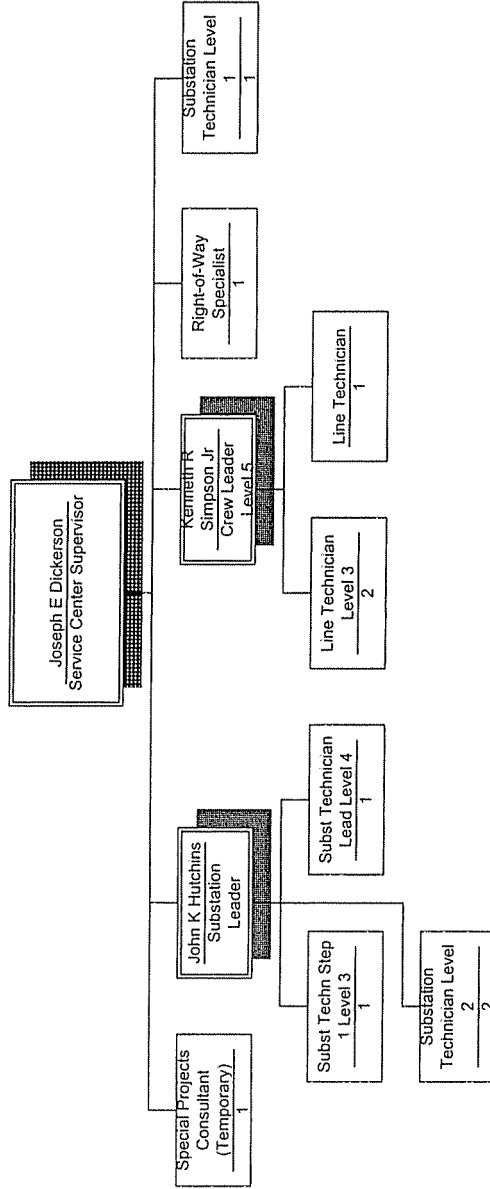


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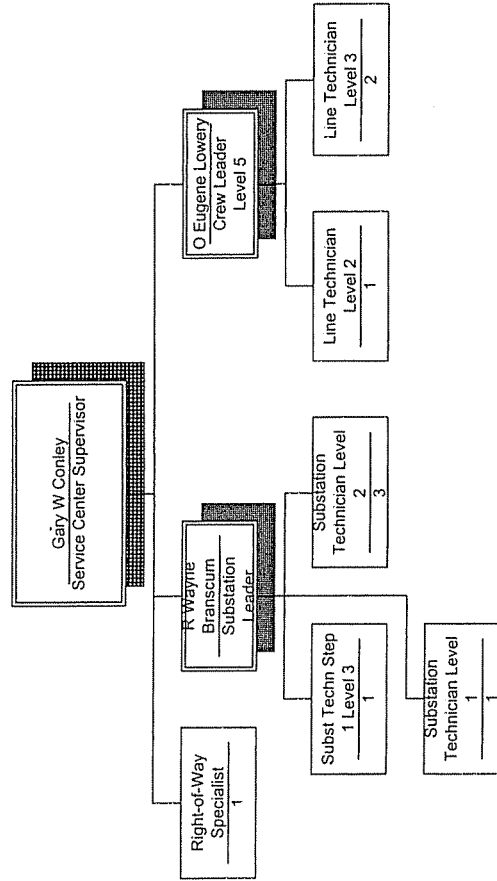


EAST KENTUCKY POWER COOPERATIVE

## Bardstown Service Center



## Burnside Service Center

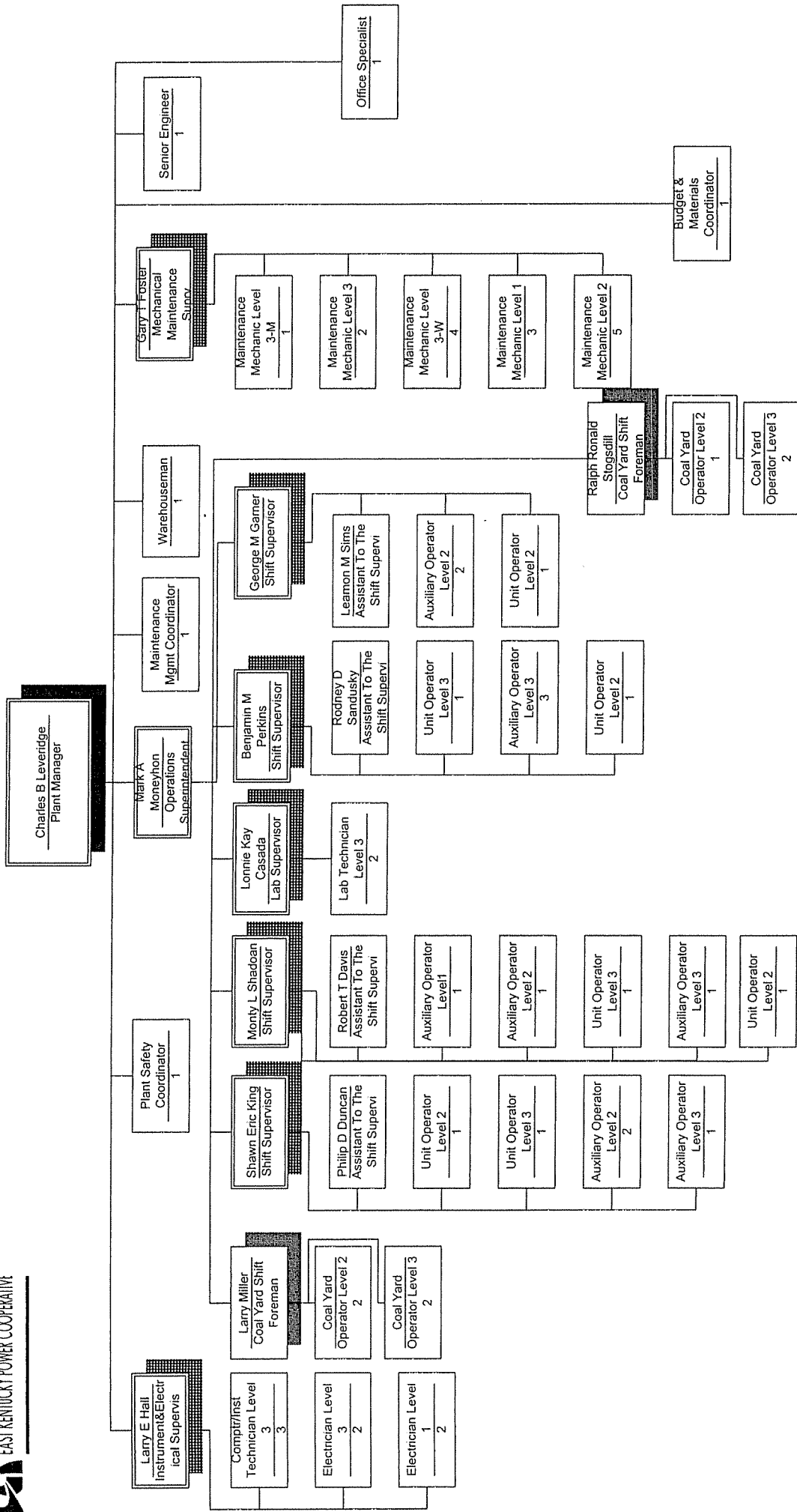






EAST KENTUCKY POWER COOPERATIVE

# Cooper Station

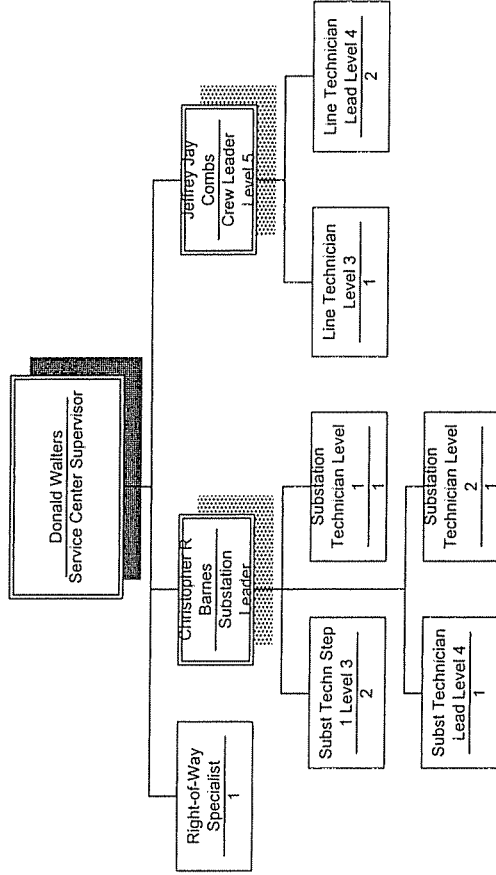


Effective 2-23-2007



EAST KENTUCKY POWER COOPERATIVE

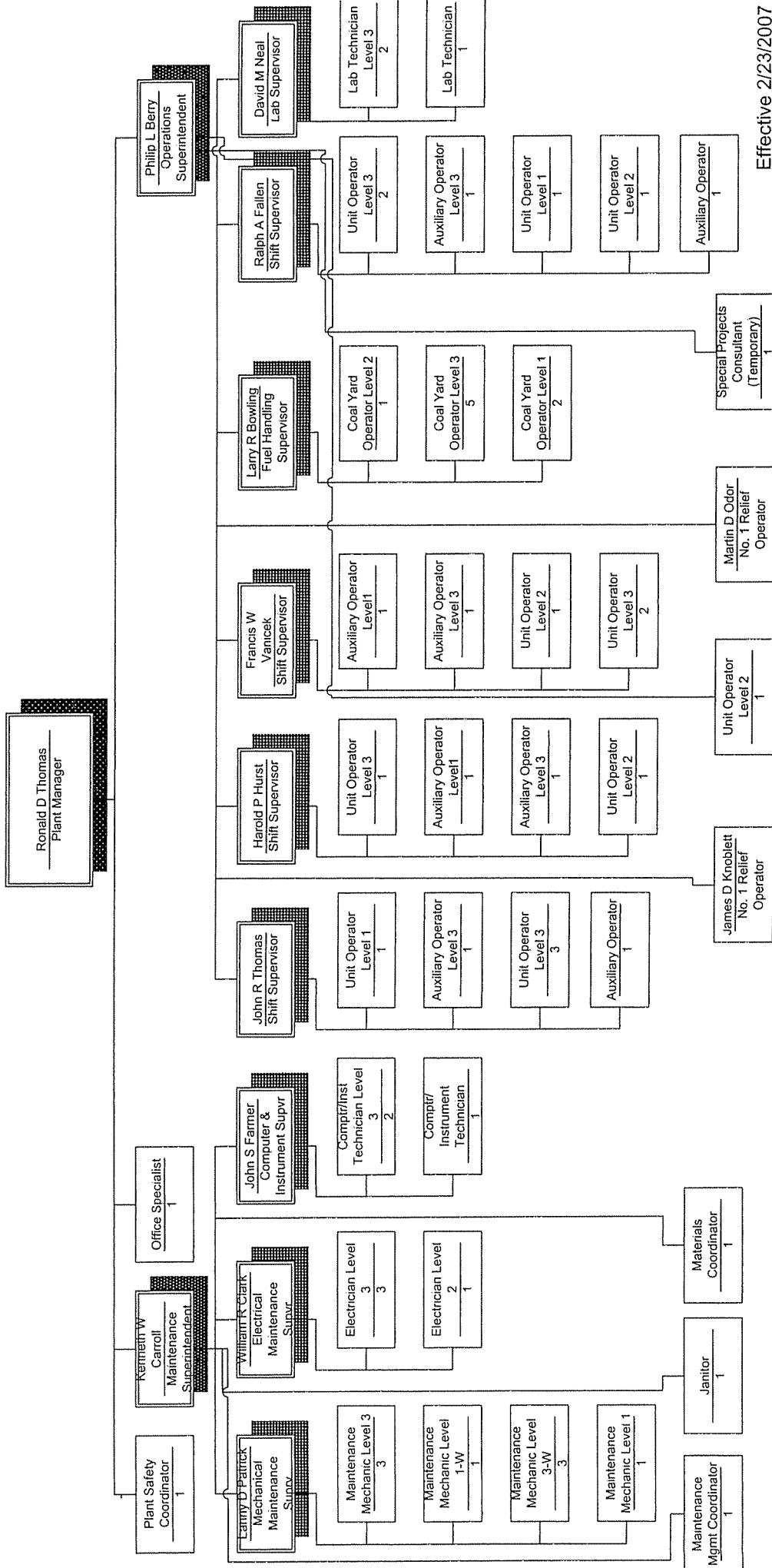
### Crittenden Service Center





EAST KENTUCKY POWER COOPERATIVE

# Dale Station

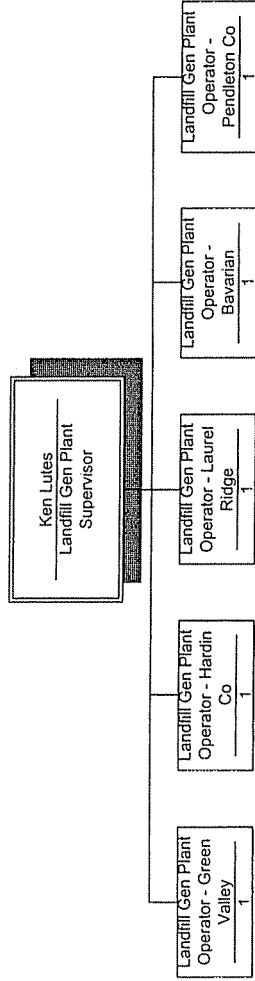


Effective 2/23/2007



EAST KENTUCKY POWER COOPERATIVE

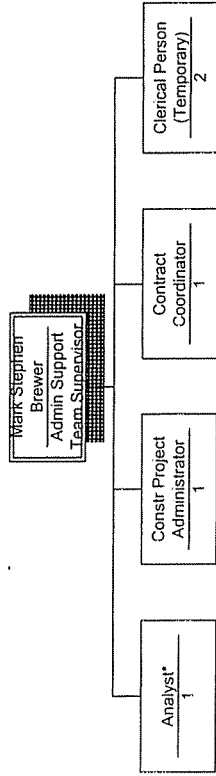
## Landfill Generating Plants

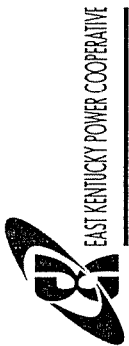




EAST KENTUCKY POWER COOPERATIVE

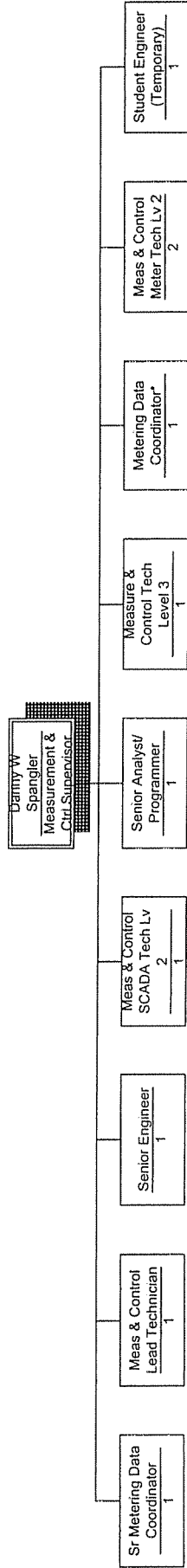
### Power Delivery - Administrative Support



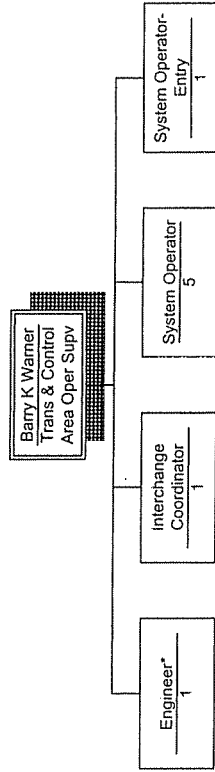


EAST KENTUCKY POWER COOPERATIVE

### Power Delivery - Operations

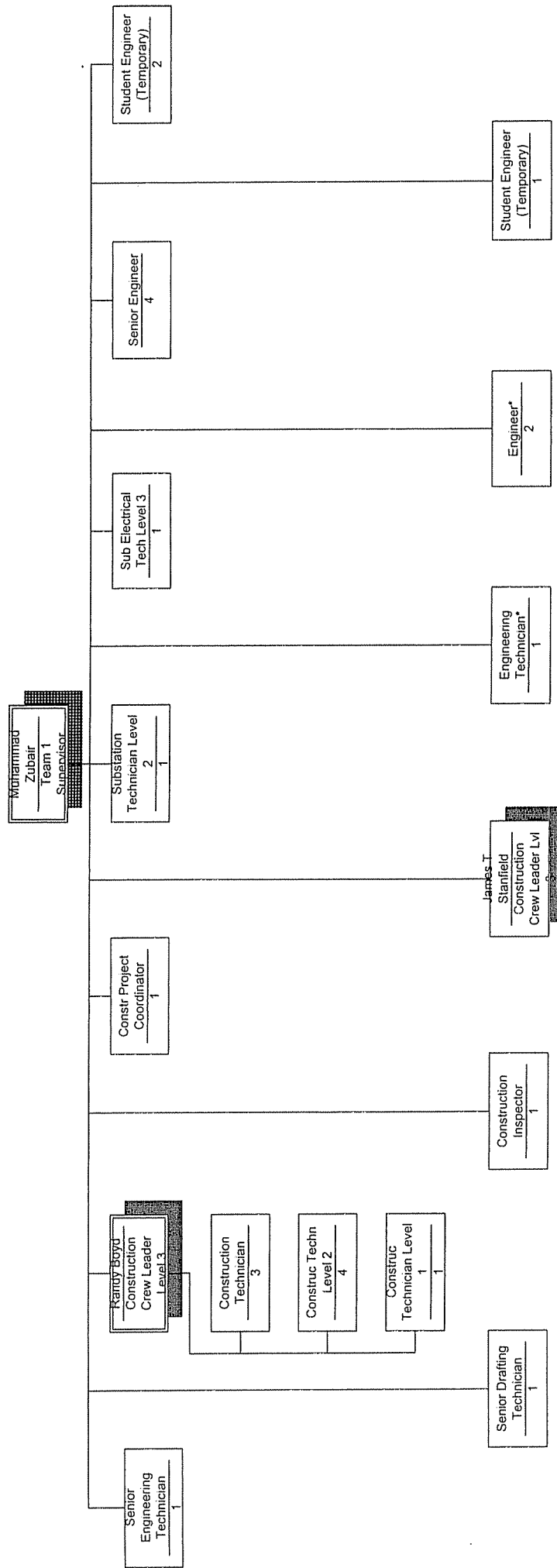


# Power Delivery - Operations





# Power Delivery - Substation

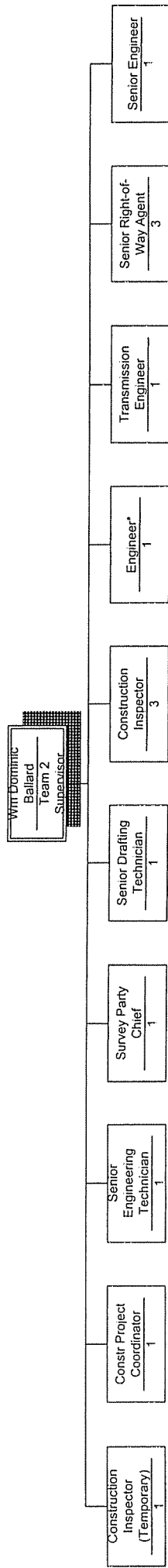




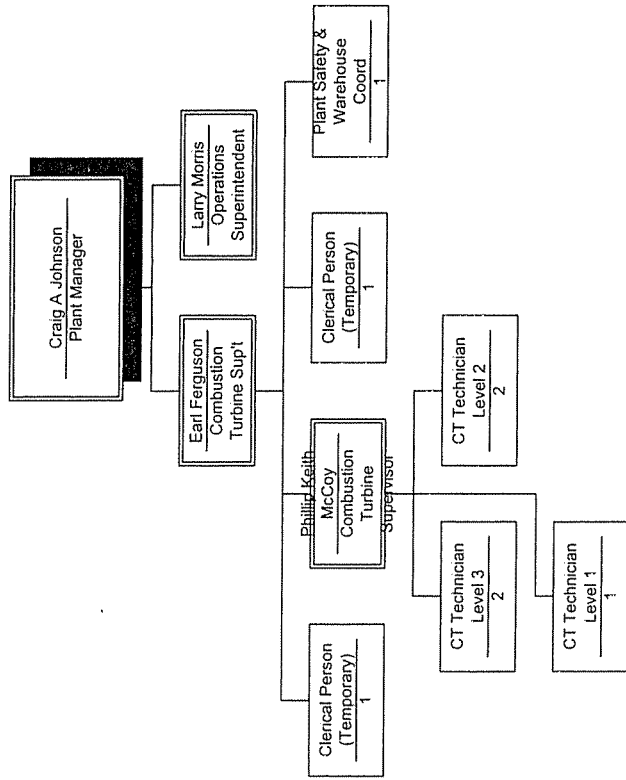


EAST KENTUCKY POWER COOPERATIVE

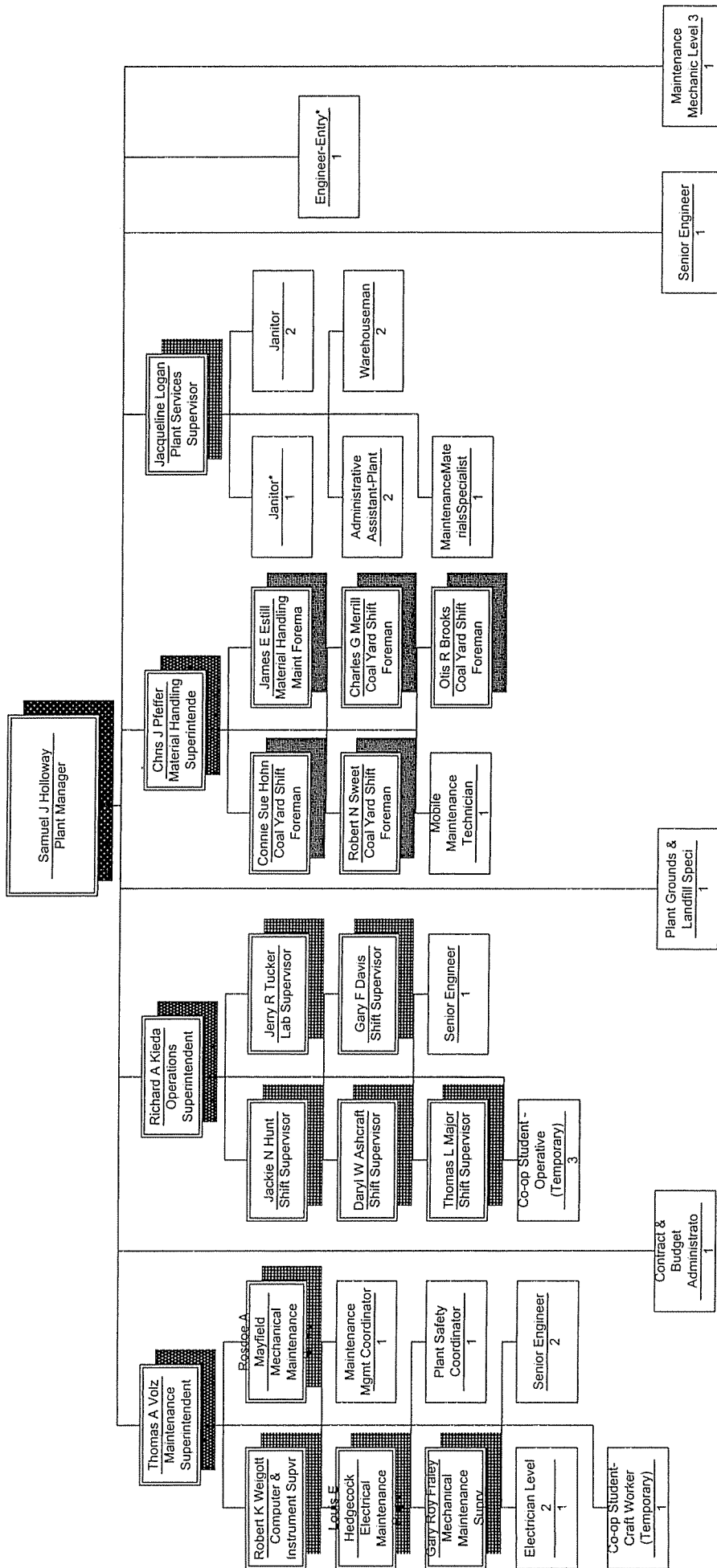
## Power Delivery - Transmission



# Smith Station



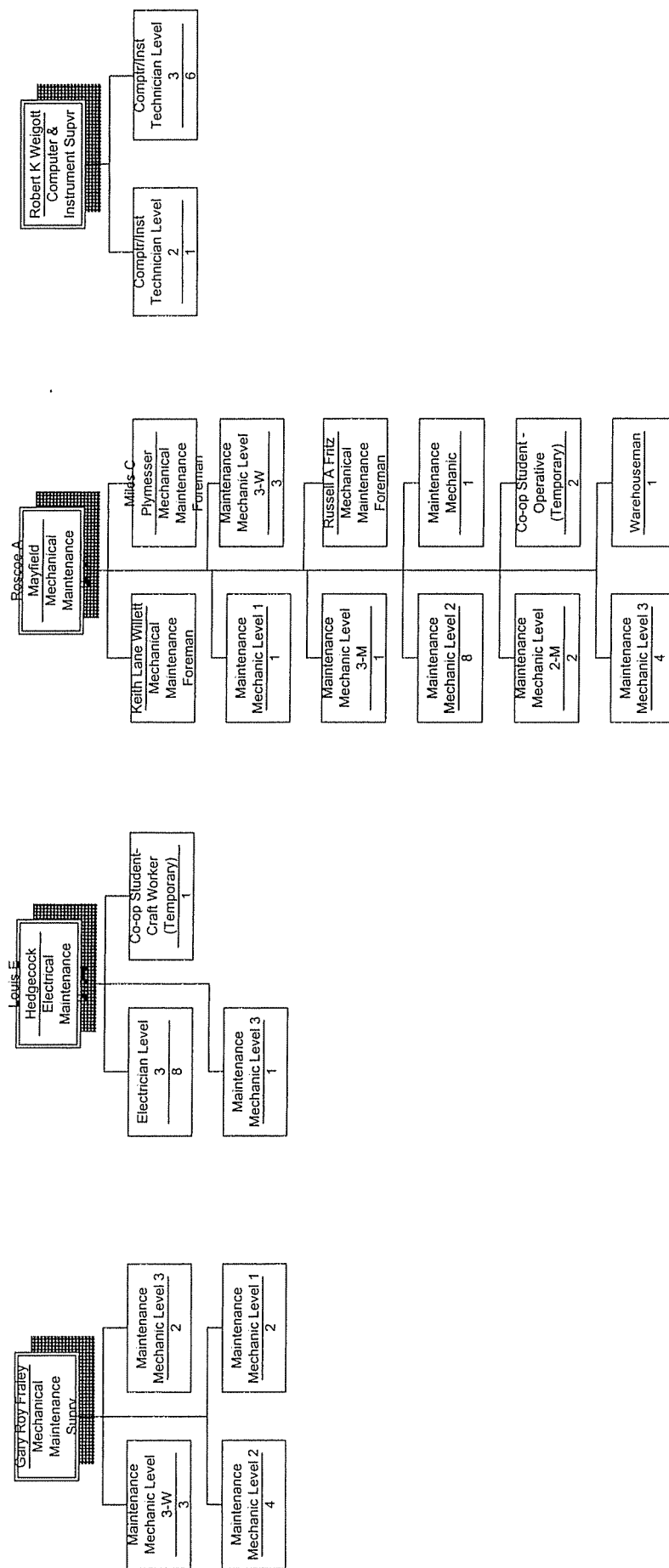
# Spurlock Station



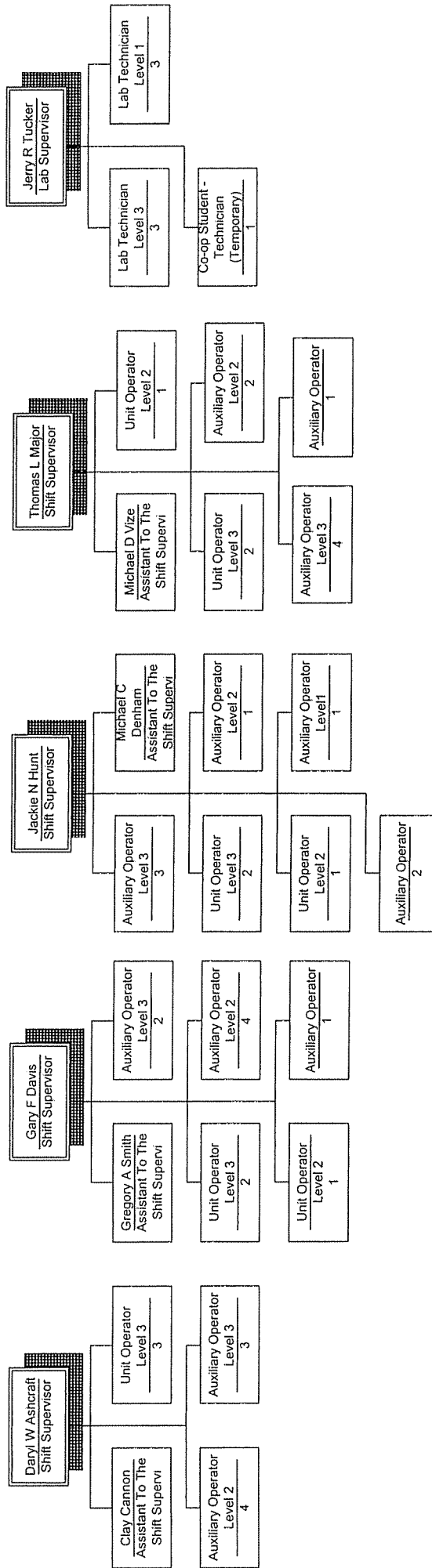


EAST KENTUCKY POWER COOPERATIVE

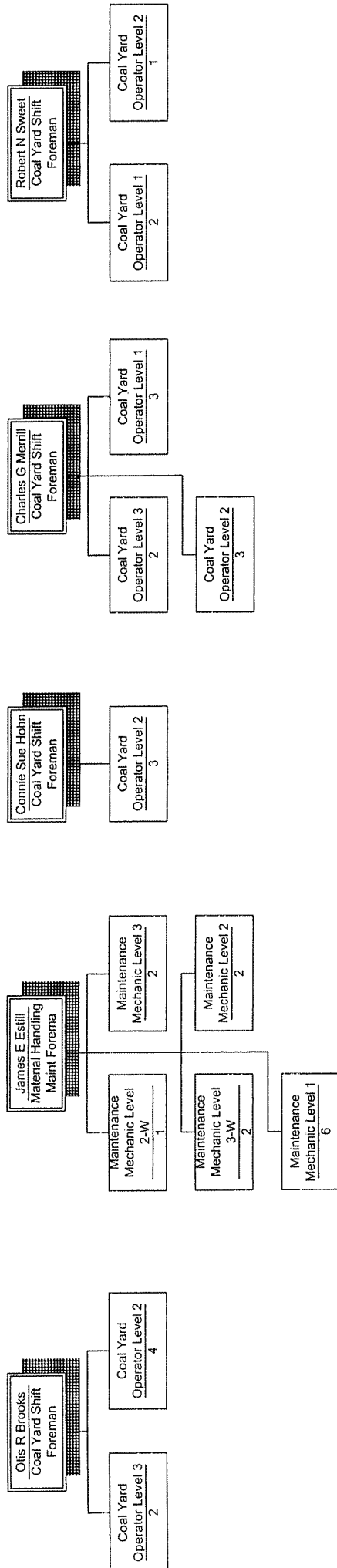
# Spurlock Station



Spurlock Station



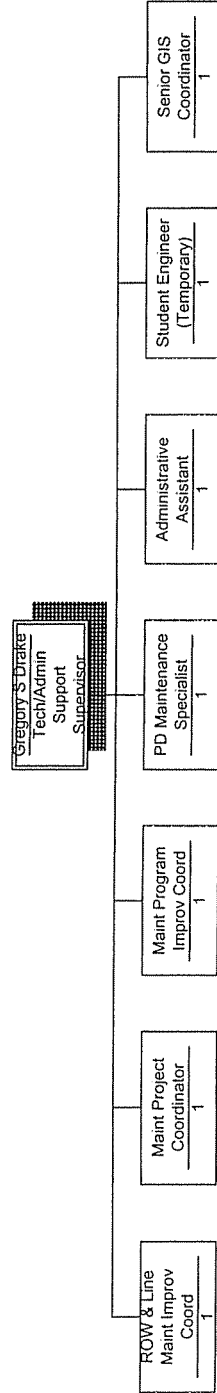
Spurlock Station



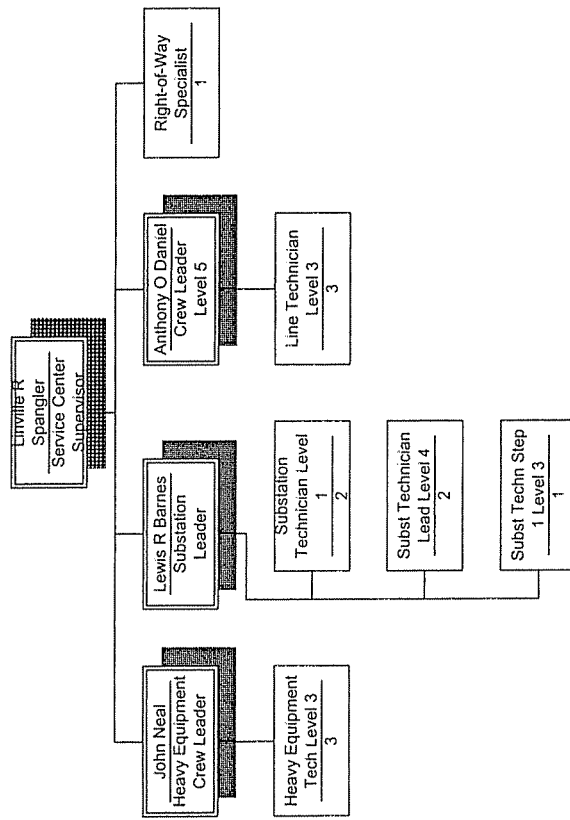


EAST KENTUCKY POWER COOPERATIVE

### Transmission - Maintenance



# Winchester Service Center

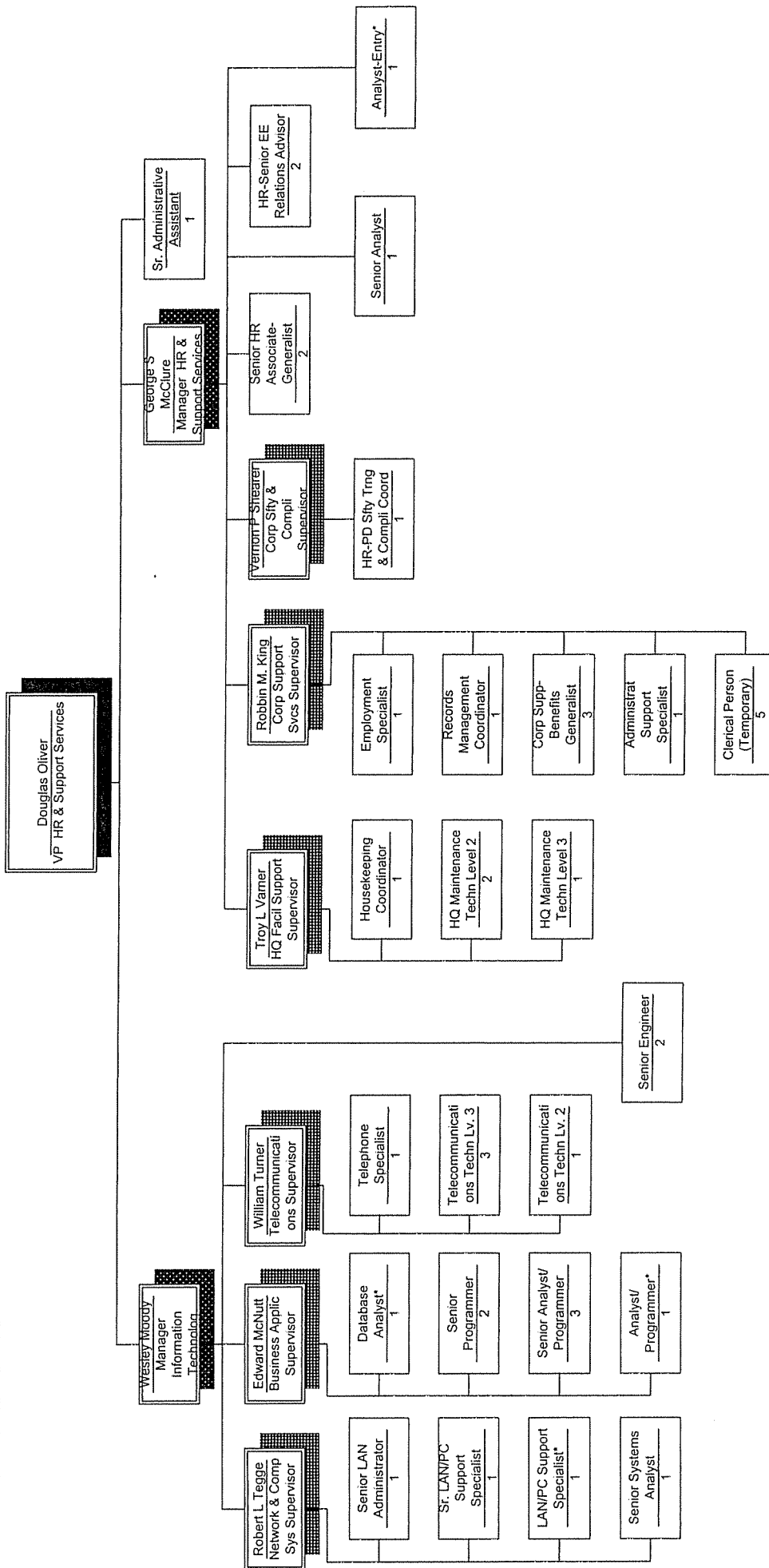






EAST KENTUCKY POWER COOPERATIVE

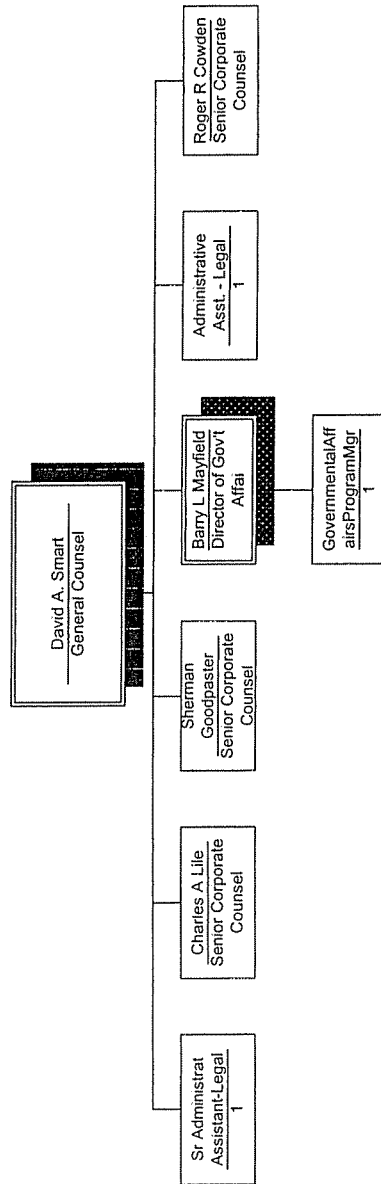
# HR and Support Services



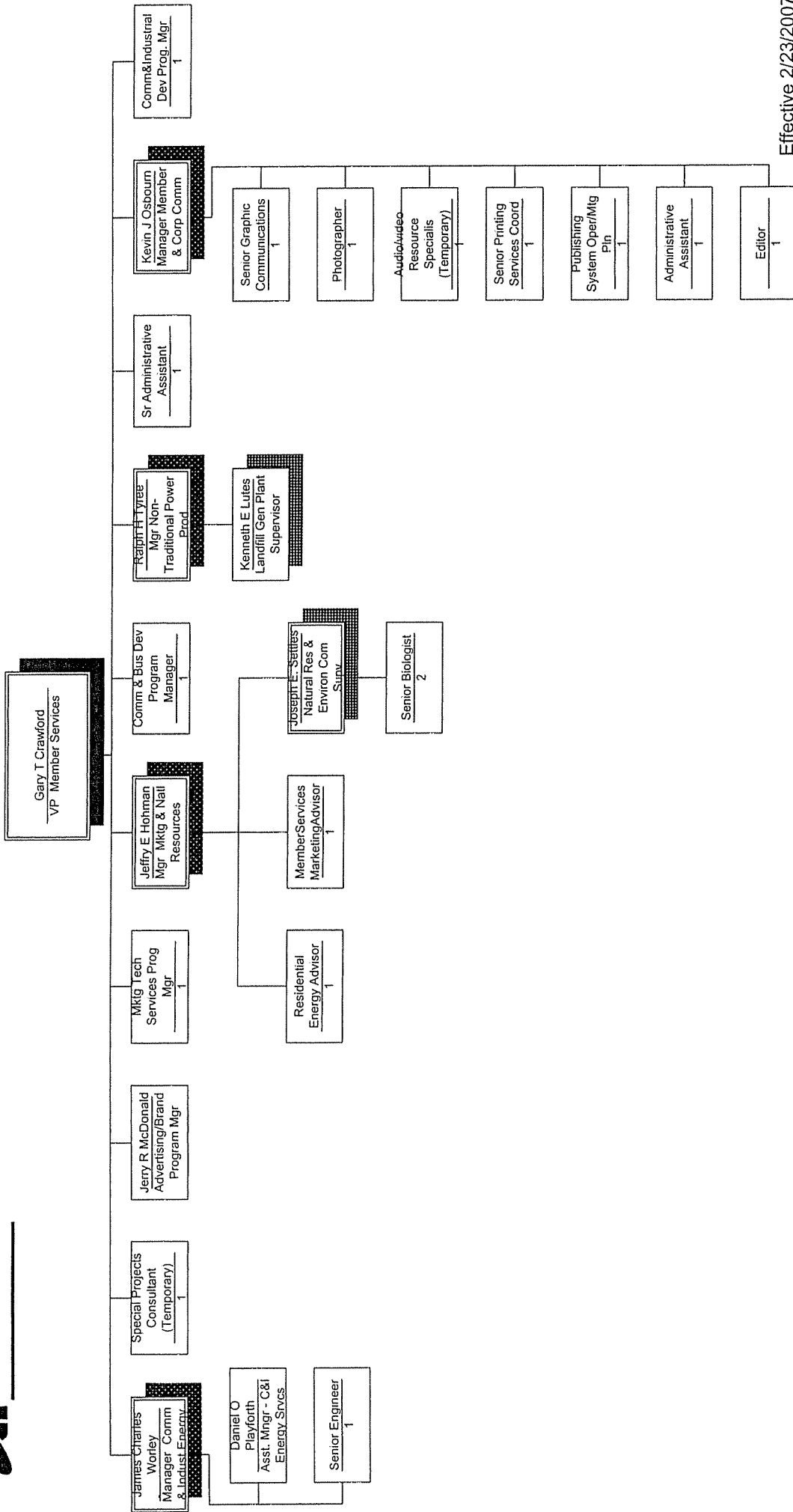


EAST KENTUCKY POWER COOPERATIVE

## Legal



## Member Services

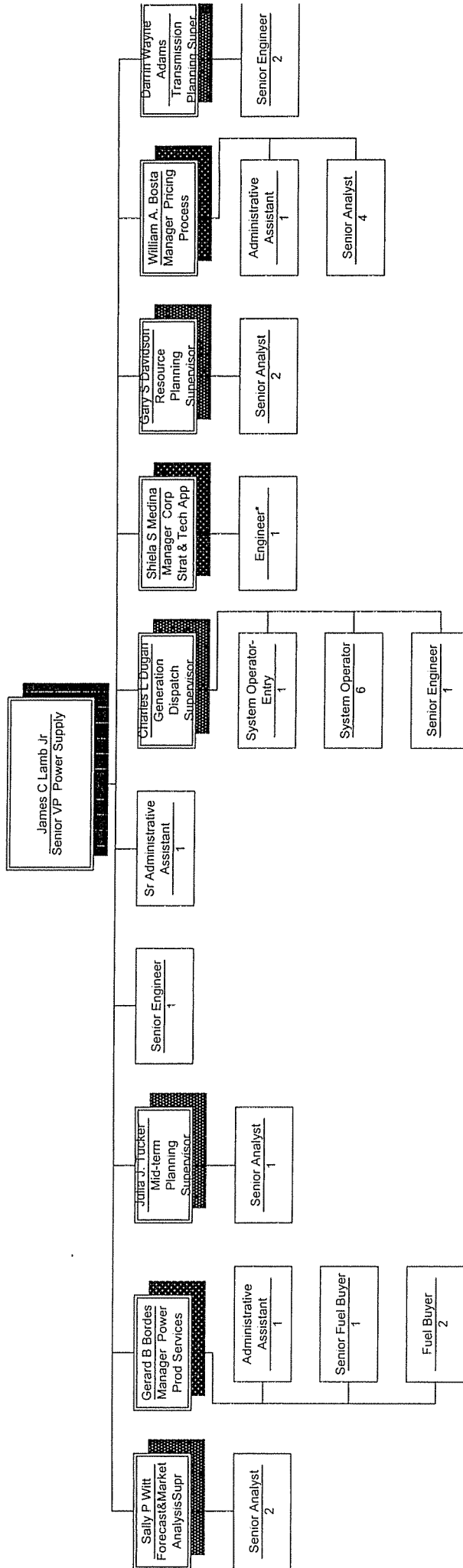


Effective 2/23/2007



EAST KENTUCKY POWER COOPERATIVE

# Power Supply





**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2006-00472**

**INFORMATION REQUEST RESPONSE**

**COMMISSION STAFF'S DATA REQUEST AT HEARING ON MARCH 22, 2007  
REQUEST 6**

**RESPONSIBLE PERSON: Frank J. Oliva**

**COMPANY: East Kentucky Power Cooperative, Inc.**

**Request 6.** Provide actual versus budget spending analysis by business units for years 2003-2205.

**Response 6.** Please see pages 2-37 for the requested budget variance information by department for 2003, 2004 and 2005. Also, see pages 38-40 for revenue/other expense budget variances for 2003, 2004 and 2005. Finally, please see pages 41-46 for the income statement budget variances for 2003, 2004 and 2005.



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Executive

Year Ending: December 31, 2003

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	479,596	511,117	(31,521)
1100	Labor Accrual	1,407	0	1,407
1400	Overtime Labor	69	0	69
	<b>Total Labor</b>	<b>481,071</b>	<b>511,117</b>	<b>(30,046)</b>
2200	Travel Expenses	24,941	36,200	(11,259)
2600	Oper Material and Supplies	2,324	4,650	(2,326)
2616	Software and Software Upgrades	4,196	2,500	1,696
	<b>Total Oper. Materials &amp; Supplies</b>	<b>6,520</b>	<b>7,150</b>	<b>(630)</b>
3404	Cellular Phone _ Service	2,875	2,100	775
4803	92300 Consultants	103,970	50,000	53,970
5000	Subscriptions	3,373	1,780	1,593
5401	Civic Dues	25	25	0
5402	Corporate Dues	243,726	256,691	(12,965)
5403	Professional Dues	1,638	1,300	338
	<b>Total Dues</b>	<b>245,389</b>	<b>258,016</b>	<b>(12,627)</b>
6201	Education - Business Purpose	1,298	12,500	(11,202)
7400	Other Miscellaneous	10,155	32,540	(22,385)
7401	Director Fees and Expenses	313,544	328,413	(14,869)
7402	Donations and Contributions	209,208	200,000	9,208
7406	Directors Severance Comp	5,600	15,000	(9,400)
7499	Misc Cost Reimbursement	(18,000)	0	(18,000)
	<b>Total Business Unit</b>	<b>\$1,389,945</b>	<b>\$1,454,816</b>	<b>(\$64,871)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
**Operating and Maintenance Expense**

Business Unit: Finance &amp; Planning

Year Ending: December 31, 2003

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	3,357,487	3,449,919	(92,432)
1100	Labor Accrual	(7)	0	(7)
1400	Overtime Labor	12,762	13,050	(288)
	<b>Total Labor</b>	<b>3,370,243</b>	<b>3,462,969</b>	<b>(92,726)</b>
2200	<b>Travel Expenses</b>	<b>56,712</b>	<b>84,700</b>	<b>(27,988)</b>
2600	Oper Material and Supplies	16,340	25,345	(9,005)
2615	Office Furn, Equip & Tools	4,682	10,850	(6,168)
2616	Software and Software Upgrades	15,694	39,445	(23,751)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>36,716</b>	<b>75,640</b>	<b>(38,924)</b>
3404	<b>Cellular Phone _ Service</b>	<b>1,594</b>	<b>1,690</b>	<b>(96)</b>
4600	<b>Maintenance &amp; Service Agreeemnt</b>	<b>266,567</b>	<b>329,000</b>	<b>(62,433)</b>
4802	Operating Outside Consultants	20,000	70,000	(50,000)
4803	92300 Consultants	96,640	70,000	26,640
	<b>Total Outside Professional Services</b>	<b>116,640</b>	<b>140,000</b>	<b>(23,360)</b>
5000	<b>Subscriptions</b>	<b>6,013</b>	<b>12,298</b>	<b>(6,285)</b>
5401	Civic Dues	460	440	20
5402	Corporate Dues	1,214,209	1,378,614	(164,405)
5403	Professional Dues	6,415	6,161	254
	<b>Total Dues</b>	<b>1,221,084</b>	<b>1,385,215</b>	<b>(164,131)</b>
6201	Education - Business Purpose	62,529	123,990	(61,461)
6202	Education _ Employee Welfare	4,856	9,050	(4,194)
6203	Edu _ PeopleSoft Training	5,389	17,785	(12,396)
	<b>Total Education/Training</b>	<b>72,773</b>	<b>150,825</b>	<b>(78,052)</b>
7400	<b>Other Miscellaneous</b>	<b>440,796</b>	<b>303,610</b>	<b>137,186</b>
	<b>Total Business Unit</b>	<b>\$5,589,138</b>	<b>\$5,945,947</b>	<b>(\$356,809)</b>





**East Kentucky Power Cooperative**  
**Comparison of Actual Expenditures with Budgeted Expenditures**  
**Operating and Maintenance Expense**

Business Unit: Human Resources/Support Services

Year Ending: December 31, 2003

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	2,988,024	2,920,230	67,794
1100	Labor Accrual	8,204	0	8,204
1400	Overtime Labor	49,563	46,450	3,113
	<b>Total Labor</b>	<b>3,045,790</b>	<b>2,966,680</b>	<b>79,110</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>62,541</b>	<b>54,225</b>	<b>8,316</b>
2600	Oper Material and Supplies	177,794	243,000	(65,206)
2615	Office Furn, Equip & Tools	25,263	29,550	(4,287)
2616	Software and Software Upgrades	145,581	216,700	(71,119)
2620	Printing/Printer Supplies	30,674	30,000	674
2625	Security Equipment	(524)	1,000	(1,524)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>378,788</b>	<b>520,250</b>	<b>(141,462)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>(2,390)</b>	<b>354,000</b>	<b>(356,390)</b>
3400	Telephone Expenses	185,776	212,000	(26,224)
3401	Leased Data Circuits	379,415	382,900	(3,485)
3402	Leased Voice Circuits	5,468	6,000	(532)
3404	Cellular Phone _ Service	8,858	7,540	1,318
3405	Internet Connection	22,875	33,500	(10,625)
3410	Pagers	1,738	1,640	98
	<b>Total Telephone/Cellular Phones</b>	<b>604,130</b>	<b>643,580</b>	<b>(39,450)</b>
3800	Utilities_Electric	273,922	309,314	(35,392)
3801	Utilities-Water/Sewer	13,135	16,000	(2,865)
	<b>Total Utilities</b>	<b>287,057</b>	<b>325,314</b>	<b>(38,257)</b>
<b>4200</b>	<b>Equipment Rental</b>	<b>99,155</b>	<b>68,780</b>	<b>30,375</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreeemnt</b>	<b>502,656</b>	<b>608,840</b>	<b>(106,184)</b>
4802	Operating Outside Consultants	30,565	55,500	(24,935)
4803	92300 Consultants	56,706	0	56,706
4804	PeopleSoft Consultants	33,704	296,800	(263,096)
	<b>Total Outside ProfessionalServices</b>	<b>120,976</b>	<b>352,300</b>	<b>(231,324)</b>
<b>5000</b>	<b>Subscriptions</b>	<b>8,296</b>	<b>10,620</b>	<b>(2,324)</b>
5402	Corporate Dues	3,341	2,850	491
5403	Professional Dues	6,216	6,405	(189)
	<b>Total Dues</b>	<b>9,557</b>	<b>9,255</b>	<b>302</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Human Resources/Support Services

Year Ending: December 31, 2003

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
6201	Education - Business Purpose	110,773	194,325	(83,552)
6202	Education _ Employee Welfare	3,750	10,339	(6,589)
6203	Edu _ PeopleSoft Training	42,663	122,600	(79,937)
	<b>Total Education/Training</b>	<b>157,186</b>	<b>327,264</b>	<b>(170,078)</b>
7400	Other Miscellaneous	70,818	86,000	(15,182)
7402	Donations and Contributions	1,075	2,000	(925)
7416	Board of Directors Lunches	17,074	17,500	(426)
7499	Misc Cost Reimbursement	(250)	0	(250)
	<b>Total Business Unit</b>	<b>\$5,362,458</b>	<b>\$6,346,608</b>	<b>(\$984,150)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
**Operating and Maintenance Expense**

Business Unit: Government Affairs

Year Ending: December 31, 2003

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	256,040	240,712	15,328
1100	Labor Accrual	(243)	0	(243)
1400	Overtime Labor	597	500	97
	<b>Total Labor</b>	<u>256,394</u>	<u>241,212</u>	<u>15,182</u>
<b>2200</b>	<b>Travel Expenses</b>	<b>18,012</b>	<b>31,600</b>	<b>(13,588)</b>
2600	Oper Material and Supplies	1,275	3,750	(2,475)
2615	Office Furn, Equip & Tools	549	0	549
2616	Software and Software Upgrades	4,535	2,250	2,285
	<b>Total Oper. Materials &amp; Supplies</b>	<u>6,359</u>	<u>6,000</u>	<u>359</u>
3404	Cellular Phone _ Service	2,797	3,900	(1,103)
4802	Operating Outside Consultants	27,123	36,000	(8,877)
5000	Subscriptions	607	560	47
5401	Civic Dues	750	440	310
5402	Corporate Dues	79,002	119,300	(40,298)
5403	Professional Dues	86	110	(24)
	<b>Total Dues</b>	<u>79,838</u>	<u>119,850</u>	<u>(40,012)</u>
6201	Education - Business Purpose	6,867	10,000	(3,133)
6202	Education _ Employee Welfare	0	1,700	(1,700)
	<b>Total Education/Training</b>	<u>6,867</u>	<u>11,700</u>	<u>(4,833)</u>
7400	Other Miscellaneous	10,855	17,600	(6,745)
7402	Donations and Contributions	69,935	68,025	1,910
7420	EKPC Annual Meeting/Report	10,683	16,000	(5,317)
7432	Advertising	(4,425)	0	(4,425)
	<b>Total Business Unit</b>	<u><u>\$485,043</u></u>	<u><u>\$552,447</u></u>	<u><u>(\$67,404)</u></u>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit :Legal

Year Ending: December 31, 2003

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	424,561	381,465	43,096
1100	Labor Accrual	290	0	290
1400	Overtime Labor	0	500	(500)
	<b>Total Labor</b>	<b>424,850</b>	<b>381,965</b>	<b>42,885</b>
2200	Travel Expenses	10,104	18,000	(7,896)
2600	Oper Material and Supplies	29,446	14,400	15,046
2616	Software and Software Upgrades	2,186	0	2,186
	<b>Total Oper. Materials &amp; Supplies</b>	<b>31,632</b>	<b>14,400</b>	<b>17,232</b>
3404	Cellular Phone _ Service	1,501	1,600	(99)
4600	Maintenance & Service Agreemnt	1,542	1,700	(158)
4803	92300 Consultants	610,063	136,000	474,063
5000	Subscriptions	84	6,500	(6,416)
5402	Corporate Dues	2,000	2,000	0
5403	Professional Dues	2,831	2,050	781
	<b>Total Dues</b>	<b>4,831</b>	<b>4,050</b>	<b>781</b>
6201	Education - Business Purpose	6,483	11,000	(4,517)
6202	Education _ Employee Welfare	341	0	341
	<b>Totaal Education/Training</b>	<b>6,824</b>	<b>11,000</b>	<b>(4,176)</b>
7400	Other Miscellaneous	15,086	35,500	(20,414)
	<b>Total Business Unit</b>	<b>\$1,106,517</b>	<b>\$610,715</b>	<b>\$495,802</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
**Operating and Maintenance Expense**

Business Unit :Member Services

Year Ending: December 31, 2003

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	1,784,107	1,919,138	(135,031)
1100	Labor Accrual	28,925	0	28,925
1400	Overtime Labor	27,716	8,800	18,916
	<b>Total Labor</b>	<b>1,840,747</b>	<b>1,927,938</b>	<b>(87,191)</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>173,553</b>	<b>152,150</b>	<b>21,403</b>
2600	Oper Material and Supplies	133,647	465,685	(332,038)
2615	Office Furn, Equip & Tools	14,019	8,500	5,519
2616	Software and Software Upgrades	37,730	26,600	11,130
2620	Printing/Printer Supplies	113,712	85,000	28,712
	<b>Total Oper. Materials &amp; Supplies</b>	<b>299,108</b>	<b>585,785</b>	<b>(286,677)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>36,239</b>	<b>29,800</b>	<b>6,439</b>
3400	Telephone Expenses	7,232	10,500	(3,268)
3404	Cellular Phone _ Service	28,045	23,500	4,545
3410	Pagers	117	2,000	(1,883)
	<b>Total Telephone/Cellular Phone</b>	<b>35,394</b>	<b>36,000</b>	<b>(606)</b>
3800	Utilities_Electric	84	0	84
3801	Utilities-Water/Sewer	347	2,000	(1,653)
	<b>Total Utilities</b>	<b>431</b>	<b>2,000</b>	<b>(1,569)</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreemnt</b>	<b>149,546</b>	<b>85,050</b>	<b>64,496</b>
4802	Operating Outside Consultants	859,857	826,964	32,893
4803	92300 Consultants	95,328	23,500	71,828
4825	Outside Services-Security	0	1,800	(1,800)
	<b>Total Outside Professional Services</b>	<b>955,185</b>	<b>852,264</b>	<b>102,921</b>
<b>5000</b>	<b>Subscriptions</b>	<b>30,844</b>	<b>32,980</b>	<b>(2,136)</b>
5401	Civic Dues	1,315	1,865	(550)
5402	Corporate Dues	386,531	376,270	10,261
5403	Professional Dues	4,307	5,650	(1,344)
	<b>Total Dues</b>	<b>392,153</b>	<b>383,785</b>	<b>8,368</b>
6201	Education - Business Purpose	62,935	85,000	(22,065)
6202	Education _ Employee Welfare	0	1,250	(1,250)
	<b>Total Education/Training</b>	<b>62,935</b>	<b>86,250</b>	<b>(23,315)</b>
<b>6605</b>	<b>Methane Gas</b>	<b>36,002</b>	<b>146,335</b>	<b>(110,333)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit :Member Services

Year Ending: December 31, 2003

Budget Code	Description	YTD Actual	YTD Budget	Variance
7400	Other Miscellaneous	263,207	311,950	(48,743)
7402	Donations and Contributions	49,545	42,100	7,445
7421	National Branding	207,740	122,000	85,740
7431	Incentive Payments	580,891	380,000	200,891
7432	Advertising	1,708,154	1,584,286	123,868
7433	Cost-Shared Advertising	126,008	50,000	76,008
7445	Energy Management Conference	49,079	45,000	4,079
7446	Native Plant Program	18,546	20,000	(1,454)
7450	Promotional Items	9,156	10,000	(844)
7499	Misc Cost Reimbursement	(19,456)	0	(19,456)
	<b>Total Business Unit</b>	<b>\$7,005,007</b>	<b>\$6,885,673</b>	<b>\$119,334</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
**Operating and Maintenance Expense**

Business Unit : Power Delivery

Year Ending: December 31, 2003

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	5,367,811	6,043,922	(676,111)
1100	Labor Accrual	(37,197)	0	(37,197)
1400	Overtime Labor	393,140	378,441	14,699
	<b>Total Labor</b>	<b>5,723,754</b>	<b>6,422,363</b>	<b>(698,609)</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>458,305</b>	<b>544,530</b>	<b>(86,225)</b>
2600	Oper Material and Supplies	720,864	698,173	22,691
2615	Office Furn, Equip & Tools	42,560	62,500	(19,940)
2616	Software and Software Upgrades	90,461	48,150	42,311
2625	Security Equipment	466	1,500	(1,034)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>854,351</b>	<b>810,323</b>	<b>44,028</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>2,343,471</b>	<b>2,366,655</b>	<b>(23,184)</b>
3400	Telephone Expenses	104,371	81,200	23,171
3404	Cellular Phone _ Service	195,633	143,730	51,903
3407	ICCP Links	0	10,800	(10,800)
3408	Satellite Communications	0	16,000	(16,000)
3410	Pagers	4,339	10,124	(5,785)
	<b>Total Telephone/Cellular Phones</b>	<b>304,343</b>	<b>261,854</b>	<b>42,489</b>
3800	Utilities_Electric	46,162	35,400	10,762
3801	Utilities-Water/Sewer	1,774	1,500	274
	<b>Total Utilities</b>	<b>47,935</b>	<b>36,900</b>	<b>11,035</b>
4200	Equipment Rental	69,340	77,900	(8,560)
4201	LGE Lease Agreement	265,220	161,900	103,320
4202	Facility Use Charge _ TVA	121,369	121,400	(31)
4203	KU _ AO Smith Facility Charge	7,988	8,500	(512)
	<b>Total Equipment Leasing</b>	<b>463,916</b>	<b>369,700</b>	<b>94,216</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreemnt</b>	<b>134,361</b>	<b>139,048</b>	<b>(4,687)</b>
4802	Operating Outside Consultants	326,581	135,000	191,581
4803	92300 Consultants	11,723	0	11,723
	<b>Total Outside Professional Services</b>	<b>338,304</b>	<b>135,000</b>	<b>203,304</b>
<b>5000</b>	<b>Subscriptions</b>	<b>347</b>	<b>800</b>	<b>(453)</b>
5401	Civic Dues	225	510	(285)
5402	Corporate Dues	327,432	1,970,400	(1,642,968)
5403	Professional Dues	8,243	11,265	(3,022)
	<b>Total Dues</b>	<b>335,900</b>	<b>1,982,175</b>	<b>(1,646,275)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit : Power Delivery

Year Ending: December 31, 2003

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
6201	Education - Business Purpose	72,349	108,975	(36,626)
6202	Education _ Employee Welfare	3,238	4,800	(1,562)
	<b>Total Education/Training</b>	<u>75,587</u>	<u>113,775</u>	<u>(38,188)</u>
7400	Other Miscellaneous	82,968	158,050	(75,082)
7499	Misc Cost Reimbursement	(3,000)	0	(3,000)
	<b>Total Business Unit</b>	<u><u>\$11,160,544</u></u>	<u><u>\$13,341,173</u></u>	<u><u>(\$2,180,629)</u></u>





**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
**Operating and Maintenance Expense**

Business Unit : Power Production

Year Ending: December 31, 2003

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	17,626,174	17,876,843	(250,669)
1100	Labor Accrual	117,763	0	117,763
1400	Overtime Labor	3,623,409	2,723,940	899,469
	<b>Total Labor</b>	<b>21,367,345</b>	<b>20,600,783</b>	<b>766,562</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>248,907</b>	<b>380,770</b>	<b>(131,863)</b>
2600	Oper Material and Supplies	1,151,826	1,519,750	(367,924)
2605	Lab Supplies and Chemicals	938,243	1,270,000	(331,757)
2606	Diesel Fuel _ Fuel Handling Eq	176,018	188,530	(12,512)
2609	Hydrogen and Carbon Dioxide	24,771	100,000	(75,229)
2610	Ash Storage Operations	721,684	800,000	(78,316)
2611	Ammonia	418,214	190,000	228,214
2615	Office Furn, Equip & Tools	259,642	354,800	(95,158)
2616	Software and Software Upgrades	154,281	185,050	(30,769)
2625	Security Equipment	19,147	102,000	(82,853)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>3,863,826</b>	<b>4,710,130</b>	<b>(846,304)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>22,646,228</b>	<b>18,119,430</b>	<b>4,526,798</b>
3400	Telephone Expenses	76,296	58,620	17,676
3404	Cellular Phone _ Service	23,279	23,050	229
3410	Pagers	6,255	8,015	(1,760)
	<b>Total Telephone/Cellular Phones</b>	<b>105,829</b>	<b>89,685</b>	<b>16,144</b>
3800	Utilities_Electric	68,501	69,000	(499)
3801	Utilities-Water/Sewer	44,622	57,220	(12,598)
	<b>Total Utilities</b>	<b>113,123</b>	<b>126,220</b>	<b>(13,097)</b>
<b>4200</b>	<b>Equipment Rental</b>	<b>13,543</b>	<b>28,940</b>	<b>(15,397)</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreemnt</b>	<b>219,866</b>	<b>508,705</b>	<b>(288,839)</b>
4802	Operating Outside Consultants	580,998	605,390	(24,392)
4803	92300 Consultants	161,026	20,000	141,026
4825	Outside Services-Security	347,159	404,000	(56,841)
	<b>Total Outside Professional Services</b>	<b>1,089,183</b>	<b>1,029,390</b>	<b>59,793</b>
<b>5000</b>	<b>Subscriptions</b>	<b>7,231</b>	<b>18,500</b>	<b>(11,269)</b>
5401	Civic Dues	775	6,300	(5,525)
5402	Corporate Dues	46,505	68,585	(22,080)
5403	Professional Dues	3,026	3,750	(724)
	<b>Total Dues</b>	<b>50,306</b>	<b>78,635</b>	<b>(28,329)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit : Power Production

Year Ending: December 31, 2003

Budget Code	Description	YTD Actual	YTD Budget	Variance
6201	Education - Business Purpose	287,223	754,260	(467,037)
6202	Education _ Employee Welfare	4,282	18,700	(14,418)
	<b>Total Education/Training</b>	<b>291,505</b>	<b>772,960</b>	<b>(481,455)</b>
6600	Fuel	120,075,292	123,252,868	(3,177,576)
6601	Oil _ Dist Gen Fuel	528,794	387,000	141,794
6603	Oil _ Combustion Turbines	1,218,866	999,510	219,356
6604	Gas _ Combustion Turbines	10,589,028	14,406,316	(3,817,288)
	<b>Total Fuel</b>	<b>132,411,981</b>	<b>139,045,694</b>	<b>(6,633,713)</b>
7000	Lime	96,623	125,000	(28,377)
7400	Other Miscellaneous	516,346	371,500	144,846
7402	Donations and Contributions	66,055	41,000	25,055
7444	Air Permit Fees	877,870	600,000	277,870
	<b>Total Business Unit</b>	<b>\$183,985,767</b>	<b>\$186,647,342</b>	<b>(\$2,661,575)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Executive

Year Ending: December 31, 2004

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	541,262	481,546	59,716
1100	Labor Accrual	(17,764)	0	(17,764)
1400	Overtime Labor	235	0	235
	<b>Total Labor</b>	<b>523,733</b>	<b>481,546</b>	<b>42,187</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>37,126</b>	<b>37,200</b>	<b>(74)</b>
2600	Oper Material and Supplies	1,899	4,650	(2,751)
2615	Office Furn, Equip & Tools	169	0	169
2616	Software and Software Upgrades	0	2,500	(2,500)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>2,068</b>	<b>7,150</b>	<b>(5,082)</b>
3404	Cellular Phone _ Service	2,172	2,100	72
4803	92300 Consultants	203,130	250,000	(46,870)
5000	Subscriptions	350	1,780	(1,430)
5401	Civic Dues	0	50	(50)
5402	Corporate Dues	18,454	258,191	(239,737)
5403	Professional Dues	1,125	1,300	(175)
	<b>Total Dues</b>	<b>19,579</b>	<b>259,541</b>	<b>(239,962)</b>
6201	Education - Business Purpose	690	12,500	(11,810)
7400	Other Miscellaneous	17,179	32,540	(15,361)
7401	Director Fees and Expenses	329,700	351,057	(21,357)
7402	Donations and Contributions	234,503	200,000	34,503
7406	Directors Severance Comp	33,600	15,000	18,600
	<b>Total Business Unit</b>	<b>\$1,403,829</b>	<b>\$1,650,414</b>	<b>(\$246,585)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Finance &amp; Planning

Year Ending: December 31, 2004

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	3,518,540	3,475,441	43,099
1100	Labor Accrual	(112,175)	0	(112,175)
1400	Overtime Labor	23,890	18,960	4,930
	<b>Total Labor</b>	<b>3,430,255</b>	<b>3,494,401</b>	<b>(64,146)</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>62,404</b>	<b>77,738</b>	<b>(15,334)</b>
2600	Oper Material and Supplies	46,351	25,700	20,651
2615	Office Furn, Equip & Tools	38,997	6,850	32,147
2616	Software and Software Upgrades	21,049	24,300	(3,251)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>106,397</b>	<b>56,850</b>	<b>49,547</b>
3000	Maintenance/Mat'l/Contract Lbr	1,593	0	1,593
3404	Cellular Phone _ Service	1,712	2,190	(478)
4600	Maintenance & Service Agreeemnt	167,216	331,000	(163,784)
4802	Operating Outside Consultants	289,145	37,500	251,645
4803	92300 Consultants	106,660	71,500	35,160
	<b>Total Outside Professional Services</b>	<b>395,804</b>	<b>109,000</b>	<b>286,804</b>
5000	Subscriptions	5,197	11,384	(6,187)
5401	Civic Dues	485	540	(55)
5402	Corporate Dues	1,458,373	1,423,219	35,154
5403	Professional Dues	6,232	5,290	942
	<b>Total Dues</b>	<b>1,465,091</b>	<b>1,429,049</b>	<b>36,042</b>
6201	Education - Business Purpose	49,803	132,250	(82,447)
6202	Education _ Employee Welfare	2,178	11,185	(9,007)
6203	Edu _ PeopleSoft Training	6,498	18,200	(11,702)
	<b>Total Education/Training</b>	<b>58,480</b>	<b>161,635</b>	<b>(103,155)</b>
7400	Other Miscellaneous	761,233	594,335	166,898
	<b>Total Business Unit</b>	<b>\$6,455,382</b>	<b>\$6,267,582</b>	<b>\$187,800</b>



**East Kentucky Power Cooperative**  
**Comparison of Actual Expenditures with Budgeted Expenditures**  
**Operating and Maintenance Expense**

Business Unit: Human Resources/Support Services

Year Ending: December 31, 2004

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	3,296,829	3,036,225	260,604
1100	Labor Accrual	(90,241)	0	(90,241)
1400	Overtime Labor	84,064	70,700	13,364
	<b>Total Labor</b>	<b>3,290,652</b>	<b>3,106,925</b>	<b>183,727</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>50,844</b>	<b>60,305</b>	<b>(9,461)</b>
2600	Oper Material and Supplies	269,158	243,260	25,898
2615	Office Furn, Equip & Tools	899	23,750	(22,851)
2616	Software and Software Upgrades	235,689	296,300	(60,611)
2620	Printing/Printer Supplies	33,425	30,000	3,425
2625	Security Equipment	195	1,000	(805)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>539,366</b>	<b>594,310</b>	<b>(54,944)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>425,804</b>	<b>269,000</b>	<b>156,804</b>
3400	Telephone Expenses	200,015	212,000	(11,985)
3401	Leased Data Circuits	358,567	490,900	(132,333)
3402	Leased Voice Circuits	4,962	7,000	(2,038)
3404	Cellular Phone _ Service	8,093	9,400	(1,307)
3405	Internet Connection	17,340	33,500	(16,160)
3410	Pagers	743	1,150	(407)
	<b>Total Telephone/Celluar Phones</b>	<b>589,720</b>	<b>753,950</b>	<b>(164,230)</b>
3800	Utilities_Electric	291,066	311,400	(20,334)
3801	Utilities-Water/Sewer	10,244	16,000	(5,756)
	<b>Total Utilities</b>	<b>301,310</b>	<b>327,400</b>	<b>(26,090)</b>
<b>4200</b>	<b>Equipment Rental</b>	<b>103,132</b>	<b>113,924</b>	<b>(10,792)</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreemnt</b>	<b>455,178</b>	<b>644,844</b>	<b>(189,666)</b>
4802	Operating Outside Consultants	329,890	123,500	206,390
4803	92300 Consultants	15,450	40,000	(24,550)
4804	PeopleSoft Consultants	0	50,000	(50,000)
	<b>Total Outside Professinal Services</b>	<b>345,340</b>	<b>213,500</b>	<b>131,840</b>
<b>5000</b>	<b>Subscriptions</b>	<b>9,921</b>	<b>10,510</b>	<b>(589)</b>
5402	Corporate Dues	3,837	2,850	987
5403	Professional Dues	5,556	6,965	(1,409)
	<b>Total Dues</b>	<b>9,393</b>	<b>9,815</b>	<b>(422)</b>



**East Kentucky Power Cooperative**  
**Comparison of Actual Expenditures with Budgeted Expenditures**  
**Operating and Maintenance Expense**

Business Unit: Human Resources/Support Services

Year Ending: December 31, 2004

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
6201	Education - Business Purpose	87,291	178,825	(91,534)
6202	Education _ Employee Welfare	4,575	10,339	(5,764)
6203	Edu _ PeopleSoft Training	8,645	31,600	(22,955)
	<b>Total Education/Training</b>	<u>100,512</u>	<u>220,764</u>	<u>(120,252)</u>
7400	Other Miscellaneous	83,625	84,450	(825)
7402	Donations and Contributions	775	2,000	(1,225)
7416	Board of Directors Lunches	17,294	17,500	(206)
7499	Misc Cost Reimbursement	(6,436)	0	(6,436)
	<b>Total Business Unit</b>	<u><u>\$6,316,429</u></u>	<u><u>\$6,429,197</u></u>	<u><u>(\$112,768)</u></u>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Government Affairs

Year Ending: December 31, 2004

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	327,630	247,455	80,175
1100	Labor Accrual	1,322	0	1,322
1400	Overtime Labor	531	500	31
	<b>Total Labor</b>	<u>329,483</u>	<u>247,955</u>	<u>81,528</u>
<b>2200</b>	<b>Travel Expenses</b>	<b>24,341</b>	<b>31,000</b>	<b>(6,659)</b>
2600	Oper Material and Supplies	1,348	3,200	(1,852)
2615	Office Furn, Equip & Tools	1,011	0	1,011
2616	Software and Software Upgrades	2,521	2,000	521
	<b>Total Oper. Materials &amp; Supplies</b>	<u>4,880</u>	<u>5,200</u>	<u>(320)</u>
<b>3404</b>	<b>Cellular Phone _ Service</b>	<b>4,290</b>	<b>3,900</b>	<b>390</b>
<b>4802</b>	<b>Operating Outside Consultants</b>	<b>28,290</b>	<b>25,000</b>	<b>3,290</b>
<b>5000</b>	<b>Subscriptions</b>	<b>0</b>	<b>560</b>	<b>(560)</b>
5401	Civic Dues	260	680	(420)
5402	Corporate Dues	119,965	121,300	(1,335)
5403	Professional Dues	0	110	(110)
	<b>Total Dues</b>	<u>120,225</u>	<u>122,090</u>	<u>(1,865)</u>
6201	Education - Business Purpose	2,914	10,000	(7,086)
6202	Education _ Employee Welfare	0	1,700	(1,700)
	<b>Total Education/Training</b>	<u>2,914</u>	<u>11,700</u>	<u>(8,786)</u>
<b>7400</b>	<b>Other Miscellaneous</b>	<b>18,363</b>	<b>17,650</b>	<b>713</b>
<b>7402</b>	<b>Donations and Contributions</b>	<b>68,145</b>	<b>78,100</b>	<b>(9,955)</b>
<b>7420</b>	<b>EKPC Annual Meeting/Report</b>	<b>8,626</b>	<b>16,000</b>	<b>(7,374)</b>
	<b>Total Business Unit</b>	<u><u>\$609,557</u></u>	<u><u>\$559,155</u></u>	<u><u>\$50,402</u></u>



**East Kentucky Power Cooperative**  
**Comparison of Actual Expenditures with Budgeted Expenditures**  
**Operating and Maintenance Expense**

Business Unit :Legal

Year Ending: December 31, 2004

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	479,750	419,569	60,181
1100	Labor Accrual	(8,077)	0	(8,077)
1400	Overtime Labor	155	500	(345)
	<b>Total Labor</b>	<u>471,828</u>	<u>420,069</u>	<u>51,759</u>
2200	Travel Expenses	7,419	18,000	(10,581)
2600	Oper Material and Supplies	25,694	14,400	11,294
2616	Software and Software Upgrades	1,518	0	1,518
	<b>Total Oper. Materials &amp; Supplies</b>	<u>27,212</u>	<u>14,400</u>	<u>12,812</u>
3404	Cellular Phone _ Service	1,446	1,600	(154)
4600	Maintenance & Service Agreemnt	1,789	1,700	89
4803	92300 Consultants	1,611,672	436,000	1,175,672
5000	Subscriptions	1,559	6,500	(4,941)
5402	Corporate Dues	0	2,000	(2,000)
5403	Professional Dues	2,823	2,050	773
	<b>Total Dues</b>	<u>2,823</u>	<u>4,050</u>	<u>(1,227)</u>
6201	Education - Business Purpose	9,215	11,000	(1,785)
7400	Other Miscellaneous	23,714	35,500	(11,786)
	<b>Total Business Unit</b>	<u><u>\$2,158,677</u></u>	<u><u>\$948,819</u></u>	<u><u>\$1,209,858</u></u>





**East Kentucky Power Cooperative**  
**Comparison of Actual Expenditures with Budgeted Expenditures**  
**Operating and Maintenance Expense**

Business Unit :Member Services

Year Ending: December 31, 2004

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	1,922,335	1,814,389	107,946
1100	Labor Accrual	(60,773)	0	(60,773)
1400	Overtime Labor	18,363	12,100	6,263
	<b>Total Labor</b>	<b>1,879,925</b>	<b>1,826,489</b>	<b>53,436</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>216,104</b>	<b>181,204</b>	<b>34,900</b>
2600	Oper Material and Supplies	162,983	188,925	(25,942)
2615	Office Furn, Equip & Tools	13,639	17,900	(4,261)
2616	Software and Software Upgrades	53,618	39,930	13,688
2620	Printing/Printer Supplies	82,704	85,000	(2,296)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>312,944</b>	<b>331,755</b>	<b>(18,811)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>6,352</b>	<b>21,000</b>	<b>(14,648)</b>
3400	Telephone Expenses	572	850	(278)
3404	Cellular Phone _ Service	22,680	25,200	(2,520)
3410	Pagers	0	200	(200)
	<b>Total Telephone/Cellular Phones</b>	<b>23,252</b>	<b>26,250</b>	<b>(2,998)</b>
<b>4200</b>	<b>Equipment Rental</b>	<b>4,848</b>	<b>6,828</b>	<b>(1,980)</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreeemnt</b>	<b>67,945</b>	<b>106,348</b>	<b>(38,403)</b>
4802	Operating Outside Consultants	1,138,374	1,181,761	(43,387)
4803	92300 Consultants	102,286	70,000	32,286
	<b>Outside Professional Servuces</b>	<b>1,240,660</b>	<b>1,251,761</b>	<b>(11,101)</b>
<b>5000</b>	<b>Subscriptions</b>	<b>25,369</b>	<b>15,043</b>	<b>10,326</b>
5401	Civic Dues	950	1,640	(690)
5402	Corporate Dues	406,993	378,595	28,398
5403	Professional Dues	4,055	6,180	(2,125)
	<b>Total Dues</b>	<b>411,998</b>	<b>386,415</b>	<b>25,583</b>
6201	Education - Business Purpose	88,762	118,800	(30,038)
6202	Education _ Employee Welfare	548	3,150	(2,602)
	<b>Total Education/Training</b>	<b>89,310</b>	<b>121,950</b>	<b>(32,640)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit :Member Services

Year Ending: December 31, 2004

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
7400	Other Miscellaneous	674,637	179,450	495,187
7402	Donations and Contributions	80,431	44,200	36,231
7421	National Branding	420,674	449,443	(28,769)
7431	Incentive Payments	(500)	0	(500)
7432	Advertising	1,942,134	1,946,000	(3,866)
7433	Cost-Shared Advertising	(4,901)	0	(4,901)
7434	PartnersPlus Res Mkt-Regulated	2,155,583	2,500,000	(344,417)
7445	Energy Management Conference	51,066	60,000	(8,934)
7446	Native Plant Program	20,724	20,000	724
7450	Promotional Items	16,852	25,000	(8,148)
7499	Misc Cost Reimbursement	(17,496)	0	(17,496)
	<b>Total Business Unit</b>	<b><u><u>\$9,617,910</u></u></b>	<b><u><u>\$9,499,136</u></u></b>	<b><u><u>\$118,774</u></u></b>



**East Kentucky Power Cooperative**  
**Comparison of Actual Expenditures with Budgeted Expenditures**  
**Operating and Maintenance Expense**

Business Unit : Power Delivery

Year Ending: December 31, 2004

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	5,902,858	5,726,849	176,009
1100	Labor Accrual	(113,239)	0	(113,239)
1400	Overtime Labor	447,423	378,589	68,834
	<b>Total Labor</b>	<b>6,237,042</b>	<b>6,105,438</b>	<b>131,604</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>724,059</b>	<b>519,180</b>	<b>204,879</b>
2600	Oper Material and Supplies	596,426	716,910	(120,484)
2615	Office Furn, Equip & Tools	36,485	55,340	(18,855)
2616	Software and Software Upgrades	145,283	99,150	46,133
2625	Security Equipment	803	1,500	(697)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>778,997</b>	<b>872,900</b>	<b>(93,903)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>2,957,795</b>	<b>2,780,000</b>	<b>177,795</b>
3400	Telephone Expenses	118,157	112,560	5,597
3404	Cellular Phone _ Service	174,244	122,970	51,274
3410	Pagers	2,354	6,150	(3,796)
	<b>Total Telephone/Cellular Phones</b>	<b>294,754</b>	<b>241,680</b>	<b>53,074</b>
3800	Utilities_Electric	40,837	48,000	(7,163)
3801	Utilities-Water/Sewer	4,467	2,500	1,967
	<b>Total Utilities</b>	<b>45,304</b>	<b>50,500</b>	<b>(5,196)</b>
4200	Equipment Rental	70,489	76,500	(6,011)
4201	LGE Lease Agreement	324,900	324,900	0
4202	Facility Use Charge _ TVA	121,369	121,400	(31)
4203	KU _ AO Smith Facility Charge	8,472	8,500	(28)
	<b>Total Equipment Leasing</b>	<b>525,230</b>	<b>531,300</b>	<b>(6,070)</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreeemnt</b>	<b>163,853</b>	<b>155,333</b>	<b>8,520</b>
4802	Operating Outside Consultants	355,046	243,000	112,046
4803	92300 Consultants	36,251	20,000	16,251
4825	Outside Services-Security	0	10,000	(10,000)
	<b>Total Outside Professional Services</b>	<b>391,297</b>	<b>273,000</b>	<b>118,297</b>
<b>5000</b>	<b>Subscriptions</b>	<b>327</b>	<b>800</b>	<b>(473)</b>
5401	Civic Dues	0	510	(510)
5402	Corporate Dues	198,256	281,600	(83,344)
5403	Professional Dues	8,297	11,250	(2,953)
	<b>Total Dues</b>	<b>206,552</b>	<b>293,360</b>	<b>(86,808)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit : Power Delivery

Year Ending: December 31, 2004

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
6201	Education - Business Purpose	82,649	121,750	(39,101)
6202	Education _ Employee Welfare	2,029	6,500	(4,471)
	<b>Total Education/Training</b>	<b>84,678</b>	<b>128,250</b>	<b>(43,572)</b>
7400	Other Miscellaneous	120,028	154,750	(34,722)
	<b>Total Business Unit</b>	<b>\$12,529,918</b>	<b>\$12,106,491</b>	<b>\$423,427</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
**Operating and Maintenance Expense**

Business Unit : Power Production

Year Ending: December 31, 2004

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	19,757,770	19,235,745	522,025
1100	Labor Accrual	(501,493)	0	(501,493)
1400	Overtime Labor	3,642,707	3,341,418	301,289
	<b>Total Labor</b>	<b>22,898,984</b>	<b>22,577,163</b>	<b>321,821</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>281,460</b>	<b>378,170</b>	<b>(96,710)</b>
2600	Oper Material and Supplies	1,595,837	2,188,050	(592,213)
2605	Lab Supplies and Chemicals	1,063,224	1,178,080	(114,856)
2606	Diesel Fuel _ Fuel Handling Eq	299,258	239,700	59,558
2609	Hydrogen and Carbon Dioxide	32,300	80,880	(48,580)
2610	Ash Storage Operations	723,157	1,000,000	(276,843)
2611	Ammonia	159,302	452,000	(292,698)
2615	Office Furn, Equip & Tools	317,356	233,000	84,356
2616	Software and Software Upgrades	183,773	186,840	(3,067)
2625	Security Equipment	2,654	55,000	(52,346)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>4,376,862</b>	<b>5,613,550</b>	<b>(1,236,688)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>33,616,741</b>	<b>15,148,145</b>	<b>18,468,596</b>
3400	Telephone Expenses	102,809	84,600	18,209
3404	Cellular Phone _ Service	25,835	30,220	(4,385)
3410	Pagers	5,104	7,705	(2,601)
	<b>Total Telephone/Cellular Phones</b>	<b>133,748</b>	<b>122,525</b>	<b>11,223</b>
3800	Utilities_Electric	88,413	82,000	6,413
3801	Utilities-Water/Sewer	50,665	69,320	(18,655)
	<b>Total Utilities</b>	<b>139,078</b>	<b>151,320</b>	<b>(12,242)</b>
<b>4200</b>	<b>Equipment Rental</b>	<b>115,879</b>	<b>29,710</b>	<b>86,169</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreeemnt</b>	<b>567,145</b>	<b>511,975</b>	<b>55,170</b>
4802	Operating Outside Consultants	1,423,932	790,870	633,062
4803	92300 Consultants	2,121,441	45,000	2,076,441
4825	Outside Services-Security	327,281	415,740	(88,459)
	<b>Total Outside Professional Services</b>	<b>3,872,654</b>	<b>1,251,610</b>	<b>2,621,044</b>
<b>5000</b>	<b>Subscriptions</b>	<b>4,939</b>	<b>19,580</b>	<b>(14,641)</b>
5401	Civic Dues	425	1,400	(975)
5402	Corporate Dues	18,175	83,080	(64,905)
5403	Professional Dues	3,240	4,435	(1,195)
	<b>Total Dues</b>	<b>21,841</b>	<b>88,915</b>	<b>(67,075)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit : Power Production

Year Ending: December 31, 2004

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
6201	Education - Business Purpose	244,138	545,600	(301,462)
6202	Education _ Employee Welfare	4,118	19,430	(15,312)
	<b>Total Education/Training</b>	<b>248,256</b>	<b>565,030</b>	<b>(316,774)</b>
6600	Fuel	152,309,625	141,026,959	11,282,666
6601	Oil _ Dist Gen Fuel	662,409	445,000	217,409
6603	Oil _ Combustion Turbines	444,013	2,460,715	(2,016,702)
6604	Gas _ Combustion Turbines	14,933,811	18,907,032	(3,973,221)
6605	Methane Gas	184,079	280,575	(96,496)
	<b>Total Fuel</b>	<b>168,533,938</b>	<b>163,120,281</b>	<b>5,413,657</b>
7000	Lime	26,603	145,000	(118,397)
7400	Other Miscellaneous	646,888	467,650	179,238
7402	Donations and Contributions	41,485	71,000	(29,515)
7444	Air Permit Fees	912,616	850,000	62,616
	<b>Total Business Unit</b>	<b>\$236,439,117</b>	<b>\$211,111,624</b>	<b>\$25,327,493</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Executive

Year Ending: December 31, 2005

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	522,137	524,554	(2,417)
1100	Labor Accrual	(6,547)	0	(6,547)
	<b>Total Labor</b>	<u>515,589</u>	<u>524,554</u>	<u>(8,965)</u>
<b>2200</b>	<b>Travel Expenses</b>	<b>35,009</b>	<b>34,700</b>	<b>309</b>
2600	Oper Material and Supplies	2,147	4,650	(2,503)
2615	Office Furn, Equip & Tools	176	0	176
2616	Software and Software Upgrades	730	3,400	(2,670)
	<b>Total Oper. Materials &amp; Supplies</b>	<u>3,053</u>	<u>8,050</u>	<u>(4,997)</u>
<b>3404</b>	<b>Cellular Phone _ Service</b>	<b>2,691</b>	<b>2,200</b>	<b>491</b>
4802	Operating Outside Consultants	935	0	935
4803	92300 Consultants	12,179	50,000	(37,822)
	<b>Total Outside Professional Services</b>	<u>13,113</u>	<u>50,000</u>	<u>(36,887)</u>
<b>5000</b>	<b>Subscriptions</b>	<b>0</b>	<b>1,780</b>	<b>(1,780)</b>
5401	Civic Dues	25	25	0
5402	Corporate Dues	390,128	377,241	12,887
5403	Professional Dues	1,273	1,365	(92)
	<b>Total Dues</b>	<u>391,426</u>	<u>378,631</u>	<u>12,795</u>
<b>6201</b>	<b>Education - Business Purpose</b>	<b>3,809</b>	<b>13,000</b>	<b>(9,191)</b>
<b>7400</b>	<b>Other Miscellaneous</b>	<b>27,655</b>	<b>32,540</b>	<b>(4,885)</b>
7401	Director Fees and Expenses	327,733	344,857	(17,124)
7402	Donations and Contributions	276,370	204,132	72,238
7406	Directors Severance Comp	14,400	20,000	(5,600)
	<b>Total Business Unit</b>	<u><u>\$1,610,849</u></u>	<u><u>\$1,614,444</u></u>	<u><u>(\$3,595)</u></u>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Finance &amp; Planning

Year Ending: December 31, 2005

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	3,483,964	3,657,446	(173,482)
1100	Labor Accrual	(5,089)	0	(5,089)
1400	Overtime Labor	21,952	23,330	(1,378)
	<b>Total Labor</b>	<b>3,500,827</b>	<b>3,680,776</b>	<b>(179,949)</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>61,854</b>	<b>83,438</b>	<b>(21,584)</b>
2600	Oper Material and Supplies	90,014	85,720	4,294
2615	Office Furn, Equip & Tools	65,704	69,200	(3,496)
2616	Software and Software Upgrades	67,605	83,000	(15,395)
	<b>Total Oper. Materials &amp; Services</b>	<b>223,323</b>	<b>237,920</b>	<b>(14,597)</b>
3404	Cellular Phone _ Service	3,002	2,200	802
4600	Maintenance & Service Agreemnt	209,765	198,000	11,765
4802	Operating Outside Consultants	181,616	147,500	34,116
4803	92300 Consultants	131,556	105,500	26,056
4805	EPRI Contracted Projects	15,000	0	15,000
	<b>Total Outside Professional Services</b>	<b>328,173</b>	<b>253,000</b>	<b>75,173</b>
5000	Subscriptions	6,633	10,514	(3,881)
5401	Civic Dues	435	395	40
5402	Corporate Dues	1,387,374	1,425,219	(37,845)
5403	Professional Dues	5,584	5,875	(291)
	<b>Total Dues</b>	<b>1,393,393</b>	<b>1,431,489</b>	<b>(38,096)</b>
6201	Education - Business Purpose	38,613	123,280	(84,667)
6202	Education _ Employee Welfare	1,218	9,850	(8,632)
6203	Edu _ PeopleSoft Training	3,676	19,700	(16,024)
	<b>Total Education/Training</b>	<b>43,507</b>	<b>152,830</b>	<b>(109,323)</b>
7400	Other Miscellaneous	1,054,314	586,065	468,249
7402	Donations and Contributions	1,500	0	1,500
7499	Misc Cost Reimbursement	(696)	0	(696)
	<b>Total Business Unit</b>	<b>\$6,825,594</b>	<b>\$6,636,232</b>	<b>\$189,362</b>





**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
**Operating and Maintenance Expense**

Business Unit: Human Resources/Support Services

Year Ending: December 31, 2005

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	3,340,129	3,366,611	(26,482)
1100	Labor Accrual	(65)	0	(65)
1400	Overtime Labor	75,450	101,578	(26,128)
	<b>Total Labor</b>	<b>3,415,514</b>	<b>3,468,189</b>	<b>(52,675)</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>101,096</b>	<b>79,566</b>	<b>21,530</b>
2600	Oper Material and Supplies	445,240	627,170	(181,930)
2615	Office Furn, Equip & Tools	12,830	33,400	(20,570)
2616	Software and Software Upgrades	152,073	204,400	(52,327)
2620	Printing/Printer Supplies	30,449	27,000	3,449
2625	Security Equipment	1,138	1,000	138
	<b>Total Oper. Materials &amp; Supplies</b>	<b>641,730</b>	<b>892,970</b>	<b>(251,240)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>479,279</b>	<b>462,309</b>	<b>16,970</b>
3400	Telephone Expenses	165,403	212,000	(46,597)
3401	Leased Data Circuits	335,785	490,900	(155,115)
3402	Leased Voice Circuits	5,609	7,000	(1,391)
3404	Cellular Phone _ Service	15,738	13,120	2,618
3405	Internet Connection	12,746	35,000	(22,254)
3410	Pagers	696	1,330	(634)
	<b>Total Telephone/Cellular Phones</b>	<b>535,977</b>	<b>759,350</b>	<b>(223,373)</b>
3800	Utilities_Electric	354,423	316,280	38,143
3801	Utilities-Water/Sewer	13,713	17,000	(3,287)
	<b>Total Utilities</b>	<b>368,136</b>	<b>333,280</b>	<b>34,856</b>
<b>4200</b>	<b>Equipment Rental</b>	<b>92,703</b>	<b>119,760</b>	<b>(27,057)</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreeemnt</b>	<b>572,694</b>	<b>641,290</b>	<b>(68,596)</b>
4802	Operating Outside Consultants	915,812	319,100	596,712
4803	92300 Consultants	34,136	59,475	(25,339)
4804	PeopleSoft Consultants	2,747	35,000	(32,253)
	<b>Total Outside Professional Services</b>	<b>952,694</b>	<b>413,575</b>	<b>539,119</b>
<b>5000</b>	<b>Subscriptions</b>	<b>8,738</b>	<b>10,835</b>	<b>(2,097)</b>
5402	Corporate Dues	1,251	7,850	(6,599)
5403	Professional Dues	4,695	6,660	(1,965)
	<b>Total Dues</b>	<b>5,946</b>	<b>14,510</b>	<b>(8,564)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Human Resources/Support Services

Year Ending: December 31, 2005

Budget Code	Description	YTD Actual	YTD Budget	Variance
6201	Education - Business Purpose	65,614	202,075	(136,461)
6202	Education _ Employee Welfare	1,625	11,305	(9,680)
6203	Edu _ PeopleSoft Training	8,495	50,000	(41,505)
	<b>Total Education/Training</b>	<u>75,734</u>	<u>263,380</u>	<u>(187,646)</u>
7400	Other Miscellaneous	64,435	92,350	(27,915)
7402	Donations and Contributions	833	3,000	(2,167)
7416	Board of Directors Lunches	14,763	16,800	(2,037)
7417	Meals Related to Training/Dev	2,922	3,300	(378)
7499	Misc Cost Reimbursement	(750)	0	(750)
	<b>Total Business Unit</b>	<u><u>\$7,332,444</u></u>	<u><u>\$7,574,464</u></u>	<u><u>(\$242,020)</u></u>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Government Affairs

Year Ending: December 31, 2005

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	265,763	370,149	(104,386)
1100	Labor Accrual	4,936	0	4,936
1400	Overtime Labor	43	0	43
	<b>Total Labor</b>	<u>270,742</u>	<u>370,149</u>	<u>(99,407)</u>
2200	Travel Expenses	23,806	30,000	(6,194)
2600	Oper Material and Supplies	900	2,300	(1,400)
3404	Cellular Phone _ Service	2,385	3,020	(635)
4802	Operating Outside Consultants	50,000	50,000	0
5000	Subscriptions	340	510	(170)
5401	Civic Dues	355	430	(75)
5403	Professional Dues	0	110	(110)
	<b>Total Dues</b>	<u>355</u>	<u>540</u>	<u>(185)</u>
6201	Education - Business Purpose	4,332	8,800	(4,468)
7400	Other Miscellaneous	7,974	11,350	(3,376)
	<b>Total Business Unit</b>	<u><u>\$360,835</u></u>	<u><u>\$476,669</u></u>	<u><u>(\$115,834)</u></u>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Member Services

Year Ending: December 31, 2005

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	1,937,725	2,251,838	(314,113)
1100	Labor Accrual	1,669	0	1,669
1400	Overtime Labor	12,768	29,870	(17,102)
	<b>Total Labor</b>	<b>1,952,162</b>	<b>2,281,708</b>	<b>(329,546)</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>218,160</b>	<b>231,064</b>	<b>(12,904)</b>
2600	Oper Material and Supplies	113,495	124,325	(10,830)
2615	Office Furn, Equip & Tools	15,846	13,250	2,596
2616	Software and Software Upgrades	40,110	34,680	5,430
2620	Printing/Printer Supplies	87,901	90,000	(2,099)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>257,353</b>	<b>262,255</b>	<b>(4,902)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>20,052</b>	<b>16,000</b>	<b>4,052</b>
3400	Telephone Expenses	874	850	24
3404	Cellular Phone _ Service	24,507	28,460	(3,953)
	<b>Total Telephone/Cellular Phones</b>	<b>25,381</b>	<b>29,310</b>	<b>(3,929)</b>
<b>4200</b>	<b>Equipment Rental</b>	<b>18,126</b>	<b>7,080</b>	<b>11,046</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreemnt</b>	<b>145,138</b>	<b>192,966</b>	<b>(47,828)</b>
4802	Operating Outside Consultants	1,351,793	1,483,928	(132,135)
4803	92300 Consultants	16,528	5,000	11,528
	<b>Total Outside Professional Services</b>	<b>1,368,321</b>	<b>1,488,928</b>	<b>(120,607)</b>
<b>5000</b>	<b>Subscriptions</b>	<b>17,946</b>	<b>22,482</b>	<b>(4,536)</b>
5401	Civic Dues	760	1,295	(535)
5402	Corporate Dues	395,510	440,245	(44,735)
5403	Professional Dues	3,954	6,766	(2,812)
	<b>Total Dues</b>	<b>400,224</b>	<b>448,306</b>	<b>(48,082)</b>
6201	Education - Business Purpose	79,479	147,200	(67,721)
6202	Education _ Employee Welfare	4,198	0	4,198
	<b>Total Education/Training</b>	<b>83,677</b>	<b>147,200</b>	<b>(63,523)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit: Member Services

Year Ending: December 31, 2005

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
7400	Other Miscellaneous	213,984	151,950	62,034
7401	Director Fees and Expenses	800	800	0
7402	Donations and Contributions	347,088	511,750	(164,662)
7420	EKPC Annual Meeting/Report	32,587	36,000	(3,413)
7421	National Branding	1,680,351	2,171,982	(491,631)
7422	Safety Communication	43,212	32,000	11,212
7423	Coop Annual Meetings	5,749	14,000	(8,251)
7426	Energy Efficiency/Safety Event	133,409	36,000	97,409
7428	Envirowatts Advertising	37,413	75,000	(37,587)
7429	Adver Grants for Member Coops	88,149	144,850	(56,701)
7430	Industrial Dev Advertising	12,750	65,000	(52,250)
7434	PartnersPlus Res Mkt-Regulated	1,453,208	1,275,000	178,208
7435	Partners Plus Res Mkt-Non-Reg	1,026,259	1,275,000	(248,741)
7436	Partners Plus C&I Mkt-Reg	13,262	130,055	(116,793)
7437	Partners Plus C&I Mkt-Non Reg	0	130,055	(130,055)
7441	Smith Unit 1 Misc	433	0	433
7445	Energy Management Conference	93,202	110,000	(16,798)
7446	Native Plant Program	20,211	20,000	211
7450	Promotional Items	145,933	158,600	(12,667)
7499	Misc Cost Reimbursement	(39,592)	0	(39,592)
	<b>Total Business Unit</b>	<b><u>\$9,814,947</u></b>	<b><u>\$11,465,341</u></b>	<b><u>(\$1,650,394)</u></b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit :Legal

Year Ending: December 31, 2005

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
1000	Straight Time Labor	607,502	558,226	49,276
1100	Labor Accrual	6,288	0	6,288
1400	Overtime Labor	63	500	(437)
	<b>Total Labor</b>	<b>613,853</b>	<b>558,726</b>	<b>55,127</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>13,224</b>	<b>18,200</b>	<b>(4,976)</b>
2600	Oper Material and Supplies	43,279	14,900	28,379
2615	Office Furn, Equip & Tools	245	0	245
2616	Software and Software Upgrades	8,004	8,500	(496)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>51,528</b>	<b>23,400</b>	<b>28,128</b>
3404	Cellular Phone _ Service	1,711	1,650	61
4600	Maintenance & Service Agreeemnt	520	1,700	(1,180)
4803	92300 Consultants	6,235,710	810,000	5,425,710
5000	Subscriptions	223	6,700	(6,477)
5402	Corporate Dues	2,000	2,000	0
5403	Professional Dues	3,580	2,605	975
	<b>Total Dues</b>	<b>5,580</b>	<b>4,605</b>	<b>975</b>
6201	Education - Business Purpose	12,124	11,000	1,124
6202	Education _ Employee Welfare	898	0	898
	<b>Total Education/Training</b>	<b>13,022</b>	<b>11,000</b>	<b>2,022</b>
7400	Other Miscellaneous	7,745	15,500	(7,755)
	<b>Total Business Unit</b>	<b>\$6,943,114</b>	<b>\$1,451,481</b>	<b>\$5,491,633</b>



**East Kentucky Power Cooperative**  
**Comparison of Actual Expenditures with Budgeted Expenditures**  
**Operating and Maintenance Expense**

Business Unit : Power Delivery

Year Ending: December 31, 2005

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	5,092,506	5,978,265	(885,759)
1100	Labor Accrual	13,880	0	13,880
1400	Overtime Labor	435,861	477,421	(41,560)
	<b>Total Labor</b>	<b>5,542,247</b>	<b>6,455,686</b>	<b>(913,439)</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>745,882</b>	<b>546,170</b>	<b>199,712</b>
2600	Oper Material and Supplies	703,290	668,700	34,590
2615	Office Furn, Equip & Tools	49,752	68,600	(18,848)
2616	Software and Software Upgrades	172,128	157,400	14,728
2625	Security Equipment	13,646	20,500	(6,854)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>938,815</b>	<b>915,200</b>	<b>23,615</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>2,753,100</b>	<b>2,872,134</b>	<b>(119,034)</b>
3400	Telephone Expenses	142,908	116,600	26,308
3404	Cellular Phone _ Service	182,568	163,050	19,518
3410	Pagers	2,132	3,500	(1,368)
	<b>Total Telephone/Cellular Phones</b>	<b>327,608</b>	<b>283,150</b>	
3800	Utilities_Electric	51,819	53,000	(1,181)
3801	Utilities-Water/Sewer	4,353	3,000	1,353
	<b>Total Utilities</b>	<b>56,171</b>	<b>56,000</b>	<b>171</b>
4200	Equipment Rental	70,751	80,800	(10,049)
4201	LGE Lease Agreement	324,900	324,900	0
4202	Facility Use Charge _ TVA	121,429	121,400	29
4203	KU _ AO Smith Facility Charge	784	0	784
	<b>Total Equipment Leasing</b>	<b>517,864</b>	<b>527,100</b>	<b>(9,236)</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreeemnt</b>	<b>159,355</b>	<b>234,488</b>	<b>(75,133)</b>
4802	Operating Outside Consultants	317,134	230,000	87,134
4803	92300 Consultants	120,196	142,500	(22,304)
	<b>Total Outside Professional Services</b>	<b>437,330</b>	<b>372,500</b>	<b>64,830</b>
<b>5000</b>	<b>Subscriptions</b>	<b>328</b>	<b>2,300</b>	<b>(1,972)</b>
5401	Civic Dues	25	470	(445)
5402	Corporate Dues	231,545	207,100	24,445
5403	Professional Dues	7,949	10,700	(2,751)
	<b>Total Dues</b>	<b>239,519</b>	<b>218,270</b>	<b>21,249</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Business Unit : Power Delivery

Year Ending: December 31, 2005

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
6201	Education - Business Purpose	103,066	160,700	(57,634)
6202	Education _ Employee Welfare	837	6,500	(5,663)
	<b>Total Education/Training</b>	<b>103,903</b>	<b>167,200</b>	<b>(63,297)</b>
7400	Other Miscellaneous	142,851	131,480	11,371
7499	Misc Cost Reimbursement	(667)	0	(667)
	<b>Total Business Unit</b>	<b>\$11,964,306</b>	<b>\$12,781,678</b>	<b>(\$817,372)</b>





**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
**Operating and Maintenance Expense**

Business Unit : Power Production

Year Ending: December 31, 2005

Budget Code	Description	YTD Actual	YTD Budget	Variance
1000	Straight Time Labor	21,189,854	22,129,460	(939,606)
1100	Labor Accrual	31,173	0	31,173
1400	Overtime Labor	3,688,361	3,864,602	(176,241)
	<b>Total labor</b>	<b>24,909,387</b>	<b>25,994,062</b>	<b>(1,084,675)</b>
<b>2200</b>	<b>Travel Expenses</b>	<b>343,144</b>	<b>444,225</b>	<b>(101,081)</b>
2600	Oper Material and Supplies	1,663,148	1,529,450	133,698
2605	Lab Supplies and Chemicals	1,471,720	1,416,580	55,140
2606	Diesel Fuel _ Fuel Handling Eq	399,530	315,740	83,790
2609	Hydrogen and Carbon Dioxide	40,205	86,655	(46,450)
2610	Ash Storage Operations	1,538,537	1,500,000	38,537
2611	Ammonia	538,610	620,000	(81,391)
2615	Office Furn, Equip & Tools	319,691	356,370	(36,679)
2616	Software and Software Upgrades	356,284	721,665	(365,381)
2625	Security Equipment	1,954	65,900	(63,946)
	<b>Total Oper. Materials &amp; Supplies</b>	<b>6,329,679</b>	<b>6,612,360</b>	<b>(282,681)</b>
<b>3000</b>	<b>Maintenance/Mat'l/Contract Lbr</b>	<b>21,306,880</b>	<b>23,087,895</b>	<b>(1,781,015)</b>
3400	Telephone Expenses	88,620	133,200	(44,580)
3404	Cellular Phone _ Service	34,174	33,275	899
3410	Pagers	6,823	8,055	(1,232)
	<b>Total Telephone/Cellular Phones</b>	<b>129,617</b>	<b>174,530</b>	<b>(44,913)</b>
3800	Utilities_Electric	97,528	80,950	16,578
3801	Utilities-Water/Sewer	50,683	78,160	(27,477)
	<b>Total Utilities</b>	<b>148,211</b>	<b>159,110</b>	<b>(10,899)</b>
<b>4200</b>	<b>Equipment Rental</b>	<b>37,314</b>	<b>38,090</b>	<b>(776)</b>
<b>4600</b>	<b>Maintenance &amp; Service Agreemnt</b>	<b>830,515</b>	<b>1,071,950</b>	<b>(241,435)</b>
4802	Operating Outside Consultants	1,266,683	1,575,400	(308,717)
4803	92300 Consultants	215,313	50,000	165,313
4825	Outside Services-Security	398,813	924,070	(525,257)
	<b>Total Outside Professional Services</b>	<b>1,880,809</b>	<b>2,549,470</b>	<b>(668,661)</b>
<b>5000</b>	<b>Subscriptions</b>	<b>10,449</b>	<b>18,985</b>	<b>(8,536)</b>
5401	Civic Dues	1,007	1,400	(393)
5402	Corporate Dues	46,366	90,710	(44,344)
5403	Professional Dues	3,539	6,040	(2,501)
	<b>Total Dues</b>	<b>50,912</b>	<b>98,150</b>	<b>(47,238)</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
**Operating and Maintenance Expense**

Business Unit : Power Production

Year Ending: December 31, 2005

<u>Budget Code</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
6201	Education - Business Purpose	303,036	782,000	(478,964)
6202	Education _ Employee Welfare	2,842	18,630	(15,788)
	<b>Total Education/Training</b>	<b>305,878</b>	<b>800,630</b>	<b>(494,752)</b>
6600	Fuel	201,747,281	204,955,811	(3,208,530)
6601	Oil _ Dist Gen Fuel	1,652,860	740,600	912,260
6603	Oil _ Combustion Turbines	610,004	1,822,698	(1,212,694)
6604	Gas _ Combustion Turbines	53,092,660	13,063,871	40,028,789
6605	Methane Gas	194,414	337,600	(143,186)
6606	Fuel-TDF (Tire Derived Fuel)	51,048	0	51,048
	<b>Total Fuel</b>	<b>257,348,267</b>	<b>220,920,580</b>	<b>36,427,687</b>
7000	Lime	33,713	120,000	(86,287)
7001	Limestone	1,665,216	1,440,000	225,216
7400	Other Miscellaneous	611,853	1,129,260	(517,407)
7402	Donations and Contributions	55,060	60,150	(5,090)
7441	Smith Unit 1 Misc	521	0	521
7444	Air Permit Fees	819,448	900,000	(80,552)
7499	Misc Cost Reimbursement	(320)	0	(320)
	<b>Total Business Unit</b>	<b>\$316,816,552</b>	<b>\$285,619,447</b>	<b>\$31,197,105</b>



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Revenue/Other Expenses

Year Ending: December 31, 2003

<u>Process</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
<b><u>REVENUE</u></b>				
001	Revenue Electric Energy	\$437,303,842	\$449,056,888	(\$11,753,046)
002	Steam - Inland Container	6,939,763	8,112,398	(1,172,635)
	Wheeling Revenue	2,272,673	899,405	1,373,268
	Other Power Transmission	875,857	1,326,689	(450,832)
003	Miscellaneous Revenue	12,428,994	12,374,786	54,208
<b><u>EXPENSES</u></b>				
002	Purchased Power	102,027,856	93,130,062	8,897,794
	Wheeling Expense	6,787,977	2,615,900	4,172,077
003	Allowances	3,306,630	7,000,000	(3,693,370)
006	Depreciation and Amortization	31,166,309	38,352,139	(7,185,830)
007	Taxes	6,601,997	8,086,307	(1,484,310)
008	Interest Expense	45,831,055	52,493,436	(6,662,381)
009	Insurance	2,573,645	2,508,850	64,795
010	Employee Benefits	14,651,518	18,024,685	(3,373,167)



**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*

Revenue/Other Expenses

Year Ending: December 31, 2004

<u>Process</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
<b><u>REVENUE</u></b>				
001	Revenue Electric Energy	\$494,640,848	\$496,939,154	(\$2,298,306)
002	Steam - Inland Container	8,170,632	8,257,694	(87,062)
	Wheeling Revenue	2,340,590	1,344,172	996,418
	Other Power Transmission	811,786	866,065	(54,279)
003	Miscellaneous Revenue	19,447,138	19,177,429	269,709
<b><u>EXPENSES</u></b>				
002	Purchased Power	134,794,914	98,526,050	36,268,864
	Wheeling Expense	9,307,180	6,565,529	2,741,651
003	Allowances	11,217,454	7,500,000	3,717,454
006	Depreciation and Amortization	38,994,125	43,002,479	(4,008,354)
007	Taxes	7,396,871	9,194,947	(1,798,076)
008	Interest Expense	55,228,594	66,406,113	(11,177,519)
009	Insurance	3,737,465	3,246,914	490,551
010	Employee Benefits	14,786,895	18,425,896	(3,639,001)





**East Kentucky Power Cooperative**  
*Comparison of Actual Expenditures with Budgeted Expenditures*  
*Operating and Maintenance Expense*


Revenue/Other Expenses

Year Ending: December 31, 2005


<u>Process</u>	<u>Description</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
<b><u>REVENUE</u></b>				
001	Revenue Electric Energy	\$617,307,049	\$560,878,210	\$56,428,839
002	Steam - Inland Container	10,672,135	7,883,221	2,788,914
	Wheeling Revenue	1,954,292	1,880,185	74,107
	Other Power Transmission	1,658,845	720,180	938,665
003	Miscellaneous Revenue	13,841,387	10,379,296	3,462,091
<b><u>EXPENSES</u></b>				
002	Purchased Power	109,570,826	62,532,717	47,038,109
	Wheeling Expense	5,616,071	6,458,697	(842,626)
003	Allowances	31,309,518	17,909,526	13,399,992
	Penalties	32,554,641	0	32,554,641
006	Depreciation and Amortization	52,037,570	53,459,446	(1,421,876)
007	Taxes	8,348,300	8,571,990	(223,690)
008	Interest Expense	71,262,627	75,730,250	(4,467,623)
009	Insurance	1,665,154	3,399,986	(1,734,832)
010	Employee Benefits	15,722,032	19,071,895	(3,349,863)


 <b>EAST KENTUCKY POWER COOPERATIVE</b>			
<i>Comparison of Actual Expenditures with Budgeted Expenditures</i>			
	YTD Actual	YTD Budget	
	12/31/03	12/31/03	Variance
<b>STATEMENT OF OPERATIONS</b>			
<b>Electric Energy Revenues</b>			
Power Sales-Member Coops - Basic Rate	\$412,273,089	\$393,027,019	\$19,246,070
Power Sales-Member Coops - Fuel Clause	21,840,046	55,311,275	(33,471,229)
Power Sales-Member Coops - Environmental Surcharge	0	0	0
Power Sales-Member Coops - Steam	6,939,763	8,112,398	(1,172,635)
Power Sales - Off System	3,191,049	718,594	2,472,455
Wheeling Revenue	2,272,673	1,333,138	939,535
Other Operating Revenue - Income	607,840	541,460	66,380
<b>Total Operating Revenue &amp; Patronage Capital</b>	<b>\$447,124,460</b>	<b>\$459,043,884</b>	<b>(\$11,919,424)</b>
<b>Operation Expenses</b>			
Production Costs Excluding Fuel - Dale	5,452,181	5,011,329	440,852
Production Costs Excluding Fuel - Cooper	5,725,226	4,745,660	979,566
Production Costs Excluding Fuel - Spurlock	11,005,974	12,136,082	(1,130,108)
Production Costs Excluding Fuel - Gilbert	0	0	0
Production Costs Excluding Fuel - Smith	1,580,557	1,785,315	(204,758)
Production Costs Excluding Fuel - Dist. Generation	3,940	5,650	(1,710)
Production Costs Excluding Fuel - Landfill Gases	91,027	398,400	(307,373)
Production Costs Excluding Fuel - Allowances	3,306,630	7,000,000	(3,693,370)
Fuel-Dale	19,562,205	15,953,310	3,608,895
Fuel-Cooper	23,826,993	27,585,940	(3,758,947)
Fuel-Spurlock	77,212,773	80,097,618	(2,884,845)
Fuel - Gilbert	0	0	0
Fuel-Smith	11,807,895	15,405,826	(3,597,931)
Fuel-Distributive Generation	2,116	3,000	(884)
Fuel-Landfill Gas	36,002	146,335	(110,333)
Fuel Handling	4,654,816	4,842,928	(188,112)
Other Power Supply	105,702,944	97,270,553	8,432,391
Other Power Supply-ACES Fees	1,333,455	1,352,000	(18,545)
Transmission Wheeling	6,787,977	2,615,900	4,172,077
Transmission Expense	9,789,345	9,322,553	466,792
Distribution Expense	698,283	1,527,384	(829,101)
Customer Accounts	342	0	342
Customer Service and Information	2,269,550	1,886,432	383,118
Sales	1,969,232	1,876,789	92,443
Administrative and General	21,913,491	25,165,790	(3,252,299)
<b>Total Operation Expenses</b>	<b>314,732,950</b>	<b>316,134,794</b>	<b>(1,401,844)</b>


 <b>EAST KENTUCKY POWER COOPERATIVE</b>			
<i>Comparison of Actual Expenditures with Budgeted Expenditures</i>			
	YTD Actual	YTD Budget	
	12/31/03	12/31/03	Variance
<b>STATEMENT OF OPERATIONS</b>			
<b>Maintenance Expenses</b>			
Production - Dale	4,757,431	6,267,628	(1,510,197)
Production - Cooper	10,226,550	10,356,155	(129,605)
Production - Spurlock	17,814,323	13,833,049	3,981,274
Production - Gilbert	0	0	0
Production - Smith	419,552	1,234,051	(814,499)
Production - Dist. Generation	12,187	41,872	(29,685)
Production - Landfill Gases	235	295,419	(295,184)
Transmission Expense	3,320,335	4,209,477	(889,142)
Distribution Expense	1,006,414	1,028,251	(21,837)
General Plant	294,791	744,201	(449,410)
<b>Total Maintenance Expenses</b>	<b>37,851,819</b>	<b>38,010,103</b>	<b>(158,284)</b>
<b>Fixed Costs</b>			
Depreciation/Amortization	31,166,309	38,352,139	(7,185,830)
Taxes	9	50,000	(49,991)
Interest on Long-Term Debt	44,457,851	50,134,458	(5,676,607)
Interest During Construction	0	0	0
Other Interest Expense	611,325	1,538,447	(927,122)
Other Deductions	991,274	643,946	347,328
<b>Total Fixed Costs</b>	<b>77,226,767</b>	<b>90,718,990</b>	<b>(13,492,223)</b>
<b>Total Cost of Electric Service</b>	<b>429,811,536</b>	<b>444,863,887</b>	<b>(15,052,351)</b>
<b>Operating Margins</b>	<b>17,312,924</b>	<b>14,179,997</b>	<b>3,132,927</b>
<b>Non-Operating Items</b>			
Interest Income	2,934,796	3,205,009	(270,213)
Allowance for Funds used for Construction	8,950,643	8,300,577	650,066
Other Non-Operating Income	55,851	452,719	(396,868)
Other Capital Credits/Patronage Dividends	143,564	210,000	(66,436)
<b>Total Non-Operating Items</b>	<b>12,084,854</b>	<b>12,168,305</b>	<b>(83,451)</b>
<b>Net Patronage Capital &amp; Margins(Deficits)</b>	<b>\$29,397,778</b>	<b>\$26,348,302</b>	<b>\$3,049,476</b>

 <b>EAST KENTUCKY POWER COOPERATIVE</b>			
<i>Comparison of Actual Expenditures with Budgeted Expenditures</i>			
	YTD Actual	YTD Budget	
	12/31/04	12/31/04	Variance
<b>STATEMENT OF OPERATIONS</b>			
<b>Electric Energy Revenues</b>			
Power Sales-Member Coops - Basic Rate	\$441,379,469	\$450,019,487	(\$8,640,018)
Power Sales-Member Coops - Fuel Clause	51,618,557	46,714,943	4,903,614
Power Sales-Member Coops - Environmental Surcharge	0	0	0
Power Sales-Member Coops - Steam	8,170,632	8,257,694	(87,062)
Power Sales - Off System	1,642,591	204,724	1,437,867
Wheeling Revenue	2,340,590	1,344,172	996,418
Other Operating Revenue - Income	528,624	520,856	7,768
<b>Total Operating Revenue &amp; Patronage Capital</b>	<b>\$505,680,463</b>	<b>\$507,061,876</b>	<b>(\$1,381,413)</b>
<b>Operation Expenses</b>			
Production Costs Excluding Fuel - Dale	5,597,499	5,050,250	547,249
Production Costs Excluding Fuel - Cooper	5,887,877	5,233,791	654,086
Production Costs Excluding Fuel - Spurlock	11,760,525	15,053,697	(3,293,172)
Production Costs Excluding Fuel - Gilbert	0	0	0
Production Costs Excluding Fuel - Smith	2,340,536	2,795,940	(455,404)
Production Costs Excluding Fuel - Dist. Generation	4,634	1,249	3,385
Production Costs Excluding Fuel - Landfill Gases	693,416	995,145	(301,729)
Production Costs Excluding Fuel - Allowances	11,217,454	7,500,000	3,717,454
Fuel-Dale	24,863,511	19,016,040	5,847,471
Fuel-Cooper	36,393,569	31,589,212	4,804,357
Fuel-Spurlock	91,714,449	90,853,707	860,742
Fuel - Gilbert	0	0	0
Fuel-Smith	15,377,824	21,367,747	(5,989,923)
Fuel-Distributive Generation	505	13,000	(12,495)
Fuel-Landfill Gas	184,079	280,575	(96,496)
Fuel Handling	4,972,760	5,567,764	(595,004)
Other Power Supply	138,795,896	102,677,133	36,118,763
Other Power Supply-ACES Fees	1,688,617	1,452,000	236,617
Transmission Wheeling	9,307,180	6,565,529	2,741,651
Transmission Expense	10,467,580	8,438,648	2,028,932
Distribution Expense	797,532	1,607,010	(809,478)
Customer Accounts	(231)	0	(231)
Customer Service and Information	3,955,733	4,462,409	(506,676)
Sales	2,588,962	2,705,393	(116,431)
Administrative and General	27,740,975	23,950,554	3,790,421
<b>Total Operation Expenses</b>	<b>406,350,882</b>	<b>357,176,793</b>	<b>49,174,089</b>



 <b>EAST KENTUCKY POWER COOPERATIVE</b>			
<i>Comparison of Actual Expenditures with Budgeted Expenditures</i>			
	YTD Actual	YTD Budget	
	12/31/04	12/31/04	Variance
<b>STATEMENT OF OPERATIONS</b>			
<b>Maintenance Expenses</b>			
Production - Dale	5,799,712	6,066,941	(267,229)
Production - Cooper	4,722,302	7,295,808	(2,573,506)
Production - Spurlock	33,659,071	14,730,603	18,928,468
Production - Gilbert	0	0	0
Production - Smith	909,882	1,266,857	(356,975)
Production - Dist. Generation	32,746	55,067	(22,321)
Production - Landfill Gases	9,795	337,130	(327,335)
Transmission Expense	3,764,098	4,566,891	(802,793)
Distribution Expense	1,261,740	1,043,969	217,771
General Plant	668,582	640,504	28,078
<b>Total Maintenance Expenses</b>	<b>50,827,928</b>	<b>36,003,770</b>	<b>14,824,158</b>
<b>Fixed Costs</b>			
Depreciation/Amortization	38,994,125	43,002,479	(4,008,354)
Taxes	2,938	0	2,938
Interest on Long-Term Debt	53,923,424	65,380,942	(11,457,518)
Interest During Construction	0	0	0
Other Interest Expense	565,068	240,000	325,068
Other Deductions	1,337,754	525,655	812,099
<b>Total Fixed Costs</b>	<b>94,823,308</b>	<b>109,149,076</b>	<b>(14,325,768)</b>
<b>Total Cost of Electric Service</b>	<b>552,002,119</b>	<b>502,329,639</b>	<b>49,672,480</b>
<b>Operating Margins</b>	<b>(46,321,656)</b>	<b>4,732,237</b>	<b>(51,053,893)</b>
<b>Non-Operating Items</b>			
Interest Income	2,510,109	2,351,649	158,460
Allowance for Funds used for Construction	16,080,435	16,472,780	(392,345)
Other Non-Operating Income	208,191	(82,143)	290,334
Other Capital Credits/Patronage Dividends	255,405	153,000	102,405
<b>Total Non-Operating Items</b>	<b>19,054,141</b>	<b>18,895,286</b>	<b>158,855</b>
<b>Net Patronage Capital &amp; Margins(Deficits)</b>	<b>(\$27,267,516)</b>	<b>\$23,627,523</b>	<b>(\$50,895,039)</b>

 <b>EAST KENTUCKY POWER COOPERATIVE</b>			
<i>Comparison of Actual Expenditures with Budgeted Expenditures</i>			
	YTD Actual	YTD Budget	
	12/31/05	12/31/05	Variance
<b>STATEMENT OF OPERATIONS</b>			
<b>Electric Energy Revenues</b>			
Power Sales-Member Coops - Basic Rate	\$494,614,670	\$457,484,015	\$37,130,655
Power Sales-Member Coops - Fuel Clause	88,492,268	74,126,893	14,365,375
Power Sales-Member Coops - Environmental Surcharge	26,730,039	28,854,344	(2,124,305)
Power Sales-Member Coops - Steam	10,672,135	7,883,221	2,788,914
Power Sales - Off System	7,469,042	412,958	7,056,084
Wheeling Revenue	1,954,292	1,880,185	74,107
Other Operating Revenue - Income	1,364,427	383,602	980,825
<b>Total Operating Revenue &amp; Patronage Capital</b>	<b>\$631,296,873</b>	<b>\$571,025,218</b>	<b>\$60,271,655</b>
<b>Operation Expenses</b>			
Production Costs Excluding Fuel - Dale	5,539,502	5,336,821	202,681
Production Costs Excluding Fuel - Cooper	5,954,623	6,116,661	(162,038)
Production Costs Excluding Fuel - Spurlock	13,049,832	13,830,886	(781,054)
Production Costs Excluding Fuel - Gilbert	3,734,438	6,350,479	(2,616,041)
Production Costs Excluding Fuel - Smith	3,386,627	3,297,222	89,405
Production Costs Excluding Fuel - Dist. Generation	5,377	2,203	3,174
Production Costs Excluding Fuel - Landfill Gases	440,905	463,646	(22,741)
Production Costs Excluding Fuel - Allowances	31,309,518	17,909,526	13,399,992
Fuel-Dale	33,615,547	23,680,607	9,934,940
Fuel-Cooper	42,904,189	39,804,204	3,099,985
Fuel-Spurlock	112,644,160	122,933,400	(10,289,240)
Fuel - Gilbert	14,282,350	19,265,200	(4,982,850)
Fuel-Smith	53,702,664	14,886,569	38,816,095
Fuel-Distributive Generation	4,943	13,000	(8,057)
Fuel-Landfill Gas	194,414	337,600	(143,186)
Fuel Handling	6,085,981	6,457,604	(371,623)
Other Power Supply	114,685,680	67,947,463	46,738,217
Other Power Supply-ACES Fees	1,627,532	1,816,580	(189,048)
Transmission Wheeling	5,616,071	6,458,697	(842,626)
Transmission Expense	9,746,668	8,557,366	1,189,302
Distribution Expense	864,406	1,682,702	(818,296)
Customer Accounts	(1,030)	0	(1,030)
Customer Service and Information	3,922,001	3,967,802	(45,801)
Sales	127,401	95,942	31,459
Administrative and General	31,722,702	29,782,446	1,940,256
<b>Total Operation Expenses</b>	<b>495,166,502</b>	<b>400,994,626</b>	<b>94,171,876</b>

 <b>EAST KENTUCKY POWER COOPERATIVE</b>			
<i>Comparison of Actual Expenditures with Budgeted Expenditures</i>			
	YTD Actual 12/31/05	YTD Budget 12/31/05	Variance
<b>STATEMENT OF OPERATIONS</b>			
<b>Maintenance Expenses</b>			
Production - Dale	7,214,556	6,860,393	354,163
Production - Cooper	5,963,418	9,688,586	(3,725,168)
Production - Spurlock	15,166,533	13,759,597	1,406,936
Production - Gilbert	1,699,670	2,082,315	(382,645)
Production - Smith	2,995,145	5,049,687	(2,054,542)
Production - Dist. Generation	57,925	61,524	(3,599)
Production - Landfill Gases	372,197	1,016,653	(644,456)
Transmission Expense	3,803,633	4,589,219	(785,586)
Distribution Expense	998,693	971,135	27,558
General Plant	744,421	841,109	(96,688)
<b>Total Maintenance Expenses</b>	<b>39,016,190</b>	<b>44,920,218</b>	<b>(5,904,028)</b>
<b>Fixed Costs</b>			
Depreciation/Amortization	52,037,570	53,459,446	(1,421,876)
Taxes	234,938	10,000	224,938
Interest on Long-Term Debt	69,570,845	74,798,422	(5,227,577)
Interest During Construction	0	0	0
Other Interest Expense	273,188	185,492	87,696
Other Deductions	33,884,037	1,345,351	32,538,686
<b>Total Fixed Costs</b>	<b>156,000,577</b>	<b>129,798,711</b>	<b>26,201,866</b>
<b>Total Cost of Electric Service</b>	<b>690,183,270</b>	<b>575,713,555</b>	<b>114,469,715</b>
<b>Operating Margins</b>	<b>(58,886,397)</b>	<b>(4,688,337)</b>	<b>(54,198,060)</b>
<b>Non-Operating Items</b>			
Interest Income	5,898,139	2,082,381	3,815,758
Allowance for Funds used for Construction	6,225,999	7,712,075	(1,486,076)
Other Non-Operating Income	179,283	(242,286)	421,569
Other Capital Credits/Patronage Dividends	575,454	257,200	318,254
<b>Total Non-Operating Items</b>	<b>12,878,874</b>	<b>9,809,370</b>	<b>3,069,504</b>
<b>Net Patronage Capital &amp; Margins(Deficits)</b>	<b>(\$46,007,522)</b>	<b>\$5,121,033</b>	<b>(\$51,128,555)</b>



**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2006-00488**

**FIRST DATA REQUEST RESPONSE**

**COMMISSION STAFF'S FIRST DATA REQUEST DATED 3/12/07**

**REQUEST 3**

**RESPONSIBLE PERSON: William A. Bosta**

**COMPANY: South Kentucky Rural Electric Cooperative Corporation**

**Request 3.** Refer to Exhibit III of the Application.

**Request 3a.** Prepare the following comparative analyses of South Kentucky's present and proposed revenues:

(1) Calculate the percentage that each rate schedule or class represents of the total revenues for both the present revenues and proposed revenues. Percentages should be expressed to 2 decimal places.

(2) Calculate the percentage that each component of the base rates within each rate schedule or class represents of the total base rate revenues for both the present revenues and proposed revenues. Do not include fuel adjustment revenues, environmental surcharge revenues, or green power revenues. Percentages should be expressed to 2 decimal places.

**Response 3a.** (1) Please see the attached information.

(2) Please see the attached information.

**Request 3b.** Based upon the results of the analyses prepared in part (a) above, explain in detail how South Kentucky's proposed pass-through rates are in compliance with the retail rate requirements of KRS 278.455(2) and 807 KAR 5:007, Section 2(2).

**Response 3b.** Maintaining the existing revenue proportion as shown in part (a) above assumes that the proportionality requirement would follow strict adherence to the existing proportion of revenues at retail, by rate mechanism component (i.e. customer, energy and demand). EKPC and the Member Systems believe that the proportionality requirement is not so narrow and that the pass-through at retail has followed the proposed wholesale rate design process in a proportional manner. At retail, for example, there is no increase in the customer charge because EKPC did not increase the metering point charge or substation charge at wholesale. Moreover, the "B" and "C" type retail industrial classes will have the same demand rate as the proposed demand rate for industrial customers at wholesale. It follows the matching concept upon which these rates were originally created.

See also the response to Item 2(b) and 2(c) herein. KRS 278.455(2) explicitly recognizes "proportional" allocation without recognizing a specific method, whether KWh, revenue, or other means of proportionality. EKPC has chosen the proportional method of applying wholesale to retail, with the intended matching concept of costs vs. revenue. The retail rates reflect this top-down approach to proportionality. Please see the attached analysis which illustrates this approach.

South Kentucky RECC  
Billing Analysis  
for the 12 months ended September 30, 2006

	Total	% of Total	Total	% of Total	\$ Increase	% Increase
Residential, Farm and Non-Farm Service	62,332,726	67.14%	65,221,771	67.03%	2,889,045	4.63%
Residential, Farm and Non-Farm Service (ETS)	568,476	0.61%	595,182	0.61%	26,706	4.70%
Small Commercial Rate Sch B	6,146,496	6.62%	6,391,199	6.57%	244,703	3.98%
Small Commercial Rate Sch B ETS	1,211	0.00%	1,263	0.00%	51	4.23%
Large Power Rate Sch LP	10,774,238	11.61%	11,344,566	11.66%	570,329	5.29%
Large Power Rate Sch LP 1	2,381,887	2.57%	2,505,662	2.58%	123,775	5.20%
Large Power Rate Sch LP 2	2,592,616	2.79%	2,767,876	2.84%	175,260	6.76%
Large Power Rate Sch LP 3	3,041,632	3.28%	3,279,612	3.37%	237,980	7.82%
Special Contract - Casey Stone Co	45,464	0.05%	46,535	0.05%	1,071	2.36%
Optional Power Service Sch OPS	1,571,840	1.69%	1,637,512	1.68%	65,673	4.18%
All Elec Schools Sch AES	774,667	0.83%	818,243	0.84%	43,576	5.63%
STL - Street Lighting	67,906	0.07%	70,746	0.07%	2,841	4.18%
DSTL - Decorative Street Lighting	26,771	0.03%	27,437	0.03%	666	2.49%
OL - Outdoor Lighting	2,514,635	2.71%	2,590,021	2.66%	75,386	3.00%
	92,840,564	100.00%	97,297,625	100.00%	# 4,457,061	4.80%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule A  
Residential, Farm and Non-Farm Service  
Rate 1; 3; 18

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	675,814	\$8.00	\$5,406,512	10.35%	675,814	\$8.00	\$5,406,512	9.80%	-	-
Energy charge per kWh	726,842,280	\$0.06445	46,844,985	89.65%	726,842,280	\$0.06842	49,734,030	90.20%	2,889,045	6.17%
Total from base rates			52,251,497	100.00%			55,140,542	100.00%	2,889,045	5.53%
Fuel adjustment			6,063,317				6,063,317		-	0.00%
Environmental surcharge			4,017,912				4,017,912		-	0.00%
Total revenues			\$62,332,726				\$65,221,771		\$ 2,889,045	4.63%
Average Bill			\$92.23				\$96.51		\$4.27	4.63%

Schedule A  
Residential, Farm and Non-Farm Service (ETS)  
Rate 6

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	20,868	\$8.00	\$0	0.00%	20,868	\$8.00	\$0	0.00%	-	#DIV/0!
Energy charge per ETS kWh	11,198,063	\$0.03867	433,029	76.17%	11,198,063	\$0.04105	459,735	77.24%	26,705.97	6.17%
Fuel adjustment			101,097	17.78%			101,097	16.99%	-	0.00%
Environmental surcharge			34,350	6.04%			34,350	5.77%	-	0.00%
Total revenues			\$568,476	100.00%			\$595,182	100.00%	26,706	4.70%
Average Bill			\$ 27.24				28.52127975		1.28	4.70%

Note - these are the same customers on Schedule A

Schedule B  
Small Commercial Rate  
Rate 2

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	44,557	\$15.00	\$668,355	12.68%	44,557	\$15.00	\$668,355	12.12%	-	-
Energy charge per kWh	61,563,781	\$0.07474	4,601,277	87.32%	61,563,781	\$0.07871	4,845,980	87.88%	244,703	
Total from base rates			5,269,632	100.00%			5,514,335	100.00%	244,703	
Fuel adjustment			504,412				504,412		-	-
Environmental surcharge			372,452				372,452		-	-
Total revenues			\$6,146,496				\$6,391,199		244,703	3.98%
Average Bill			\$ 137.95				\$ 143.44		\$ 5.49	3.98%



South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule B ETS  
Small Commercial Rate  
Rate 7

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	36	\$15.00	\$0	0.00%	36	\$15.00	\$0	0.00%	\$0	#DIV/0!
Energy charge per ETS kWh	21,440	\$0.04484	961	100.00%	21,440	\$0.04723	1,013	100.00%	\$51	5.33%
Total from base rates			<u>961</u>	100.00%			<u>1,013</u>	100.00%	<u>\$51</u>	<u>5.33%</u>
Fuel adjustment			183				183		\$0	0.00%
Environmental surcharge			67				67		\$0	0.00%
Total revenues			<u>\$ 1,211</u>				<u>\$ 1,263</u>		\$ 51.22	4.23%
Average Bill			\$ 33.65				\$ 35.07		\$ 1.42	4.23%

Schedule LP - Excess of 50 kVA  
Large Power Rate  
Rate 4; 16

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	2,844	\$30.00	\$85,320	0.96%	2,844	\$30.00	\$85,320	0.91%	\$0	0.00%
Demand Charge	461,335	\$6.00	\$2,768,010	31.28%	461,335	\$6.00	\$2,768,010	29.38%	\$0	0.00%
Energy charge per kWh	144,302,253	\$0.04156	5,997,202	67.76%	144,302,253	\$0.04551	6,567,530	69.71%	\$570,329	9.51%
Total from base rates			<u>8,850,532</u>	100.00%			<u>9,420,860</u>	100.00%	<u>570,329</u>	<u>0</u>
Fuel adjustment			1,190,726				1,190,726		-	0.00%
Environmental surcharge			732,980				732,980		-	0.00%
Total revenues			<u>\$10,774,238</u>				<u>\$11,344,566</u>		<u>\$570,329</u>	<u>5.29%</u>
Average Bill			\$ 3,788				\$ 3,989		200.54	5.29%

Schedule LP-1  
Large Power Rate (500 KW to 4,999 KW)  
Rate 9

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Metering Charge	24	\$125.00	\$3,000	0.16%	24	\$125.00	\$3,000	0.15%	-	0.00%
Substation Charge	12	\$944.00	11,328	0.60%	12	\$944.00	11,328	0.66%	-	0.00%
Substation Charge	12	\$2,373.00	28,476	1.61%	12	\$2,373.00	28,476	1.42%	-	0.00%
Demand Charge	65,145	\$5.39	351,129	18.61%	65,145	\$7.29	474,904	23.62%	123,775	35.25%
Energy charge per kWh	40,207,165	\$0.03713	1,492,892	79.12%	40,207,165	\$0.03713	1,492,892	74.25%	-	0.00%
Total from base rates			<u>1,886,826</u>	100.00%			<u>2,010,600</u>	100.00%	<u>123,775</u>	<u>6.66%</u>
Fuel adjustment			329,448				329,448		-	0.00%
Environmental surcharge			165,614				165,614		-	0.00%
Total revenues			<u>\$2,381,887</u>				<u>\$2,505,662</u>		<u>123,775</u>	<u>5.20%</u>
Average Bill			\$ 99.245				\$ 104,403		5,157.27	5.20%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Schedule LP-2  
Large Power Rate (5,000 KW to 9,999 KW)  
Rate 10

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Metering Charge	14	\$125.00	\$1,750	0.09%	14	\$125.00	\$1,750	0.08%	-	0.00%
Substation Charge	9	\$2,373.00	21,357	1.04%	9	\$2,373.00	21,357	0.96%	-	0.00%
Substation Charge	5	\$2,855.00	14,275	0.70%	5	\$2,855.00	14,275	0.64%	-	0.00%
Demand Charge	92,242	\$5.39	497,184	24.26%	92,242	\$7.29	672,444	30.23%	175,260	35.25%
First 400 kwh per KW (to 5,000 kwh): Energy charge per kWh	24,000,000	\$0.03713	891,120	43.49%	24,000,000	\$0.03713	891,120	40.06%	-	0.00%
All remaining kwh: Energy charge per kWh	20,034,777	\$0.03112	623,482	30.43%	20,034,777	\$0.03112	623,482	28.03%	-	0.00%
Total kwh	44,034,777				44,034,777					
Total from base rates			2,049,168	100.00%			2,224,428	100.00%	175,260	8.55%
Fuel adjustment			360,725				360,725		-	0.00%
Environmental surcharge			182,723				182,723		-	0.00%
Total revenues			\$2,592,616				\$2,767,876		175,260	6.76%
Average Bill			\$ 185,187				\$ 197,705		12,518.55	6.76%

Schedule LP-3  
Large Power Rate (500 KW to 2,999 KW)  
Rate 12; 15

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Metering Charge	56	\$125.00	\$7,000	0.28%	56	\$125.00	\$7,000	0.26%	-	0.00%
Substation Charge	23	\$315.00	7,245	0.29%	23	\$315.00	7,245	0.27%	-	0.00%
Substation Charge	34	\$944.00	32,096	1.30%	34	\$944.00	32,096	1.19%	-	0.00%
Demand Charge:										
Contract demand	90,074	\$5.39	485,497	19.69%	90,074	\$7.29	656,637	24.28%	171,140	35.25%
Excess demand	35,179	\$7.82	275,098	11.16%	35,179	\$9.72	341,938	12.65%	66,840	24.30%
Energy charge per kWh+A265	48,075,843	\$0.03451	1,659,097	67.28%	48,075,843	\$0.03451	1,659,097	61.36%	-	0.00%
Total from base rates			2,466,033	100.00%			2,704,013	100.00%	237,980	9.65%
Fuel adjustment			388,405				388,405		-	0.00%
Environmental surcharge			187,194				187,194		-	0.00%
Total revenues			\$3,041,632				\$3,279,612		\$237,980	7.82%
Average Bill			\$ 54,315				\$ 58,564		4,249.63	7.82%

South Kentucky Rural Electric  
Billing Analysis  
for the 12 months ended September 30, 2006

Special Contract  
Casey Stone Company  
Rate 11

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Consumer Charge	7	\$11.20	78	0.19%	7	\$11.20	\$78	0.19%	-	0.00%
Monthly minimum bill	5	\$600.00	\$3,000	7.41%	5	\$600.00	\$3,000	7.22%	-	0.00%
Demand Charge	2,236	\$11.49	\$25,695	63.43%	2,236	\$11.49	\$25,695	61.80%	-	0.00%
First 3,500 kwh per month	35,700	\$0.04503	1,608	3.97%	35,700	\$0.04898	1,749	4.21%	141	8.78%
Next 6,500 kwh per month	32,200	\$0.04397	1,416	3.50%	32,200	\$0.04792	1,543	3.71%	127	8.99%
Next 140,000 kwh per month	203,100	\$0.04289	8,711	21.50%	203,100	\$0.04684	9,514	22.88%	803	9.22%
Next 150,000 kwh per month	0	\$0.04236	0	0.00%	0	\$0.04631	0	0.00%	-	-
Over 300,000 kwh per month	0	\$0.04182	0	0.00%	0	\$0.04577	0	0.00%	-	-
<b>Total kwh</b>	<b>271,000</b>				<b>271,000</b>					
<b>Total from base rates</b>			<u>40,508</u>	100.00%			<u>41,579</u>	100.00%	<u>1,071</u>	<u>2.64%</u>
Fuel adjustment			2,267				2,267		-	0.00%
Environmental surcharge			<u>2,689</u>				<u>2,689</u>		-	0.00%
<b>Total revenues</b>			<u>\$45,464</u>				<u>\$46,535</u>		<u>\$1,071</u>	<u>2.36%</u>
<b>Average Bill</b>			\$ 6,495				\$ 6,648		153.01	2.36%

Schedule OPS  
Optional Power Service  
Rate 5

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	1,872	\$30.00	\$56,160	4.22%	1,872	\$30.00	\$56,160	4.02%	\$0	0.00%
Energy charge per kWh	16,616,206	\$0.07680	1,276,125	95.78%	16,616,206	\$0.08075	1,341,797	95.98%	\$65,673	5.15%
<b>Total from base rates</b>			<u>1,332,285</u>	100.00%			<u>1,397,957</u>	100.00%	<u>\$65,673</u>	<u>4.93%</u>
Fuel adjustment			136,669				136,669		\$0	0.00%
Environmental surcharge			<u>102,886</u>				<u>102,886</u>		\$0	0.00%
<b>Total revenues</b>			<u>\$1,571,840</u>				<u>\$1,637,512</u>		<u>\$65,673</u>	<u>4.18%</u>
<b>Average Bill</b>			\$ 840				\$ 875		\$35.08	4.18%

Schedule AES  
All Electric Schools  
Rate 17

	Existing				Proposed				\$ Increase	% Increase
	Billing Determinants	Current Rate	Annualized Revenues	% of Total	Billing Determinants	Proposed Rate	Annualized Revenues	% of Total		
Customer Charge	129	\$69.38	\$8,950	1.42%	129	\$69.38	\$8,950	1.33%	-	0.00
Energy charge per kWh	11,025,480	\$0.05646	622,499	98.58%	11,025,480	\$0.06041	666,075	98.67%	43,576	0.07
<b>Total from base rates</b>			<u>631,449</u>	100.00%			<u>676,025</u>	100.00%	<u>43,576</u>	<u>0.07</u>
Fuel adjustment			90,516				90,516		-	0.00
Environmental surcharge			<u>52,702</u>				<u>52,702</u>		-	0.00
<b>Total revenues</b>			<u>\$774,667</u>				<u>\$818,243</u>		<u>43,576</u>	<u>0.06</u>
<b>Average Bill</b>			\$ 6,005				\$ 6,343		337.80	5.63%



South Kentucky Lighting Rates Analysis

	Billing		Existing	Test Yr	% of Total	Proposed	Proposed	% of Total
	Units for	kWh						
	Test Year	Lamp						
<b>STL</b>								
Mercury Vapor - 7000 - 10000 Lumens	3,480	74	6.30	21,924.00	35.47%	6.57	22,863.60	35.37%
Sodium - 7000 - 10000 Lumens	3,658	63	6.30	23,045.40	37.29%	6.57	24,033.06	37.18%
Mercury Vapor - 15,000 - 28,000 Lumens	578	162	9.95	5,751.10	9.31%	10.49	6,063.22	9.38%
Sodium - 15,000 - 28,000 Lumens	1,114	135	9.95	11,084.30	17.93%	10.49	11,685.86	18.08%
	8,830			61,804.80	100.00%		64,645.74	100.00%
FAC				6,008.24			6,008.24	
ES				92.52			92.52	
Total STL				67,905.56			70,746.50	
Per Customer				7.69			8.01	
<b>DSTL</b>								
Cobra Head Light Existing Pole								
7000 - 10000 Lumens 39 kWh - Unmetered		39	9.92	-		10.07		
7000 - 10000 Lumens 39 kWh - Metered		39	8.45	-		8.45		
15000 - 28000 Lumens 100 kWh - Unmetered	540	100	12.87	6,949.80	27.44%	13.27	7,163.23	27.56%
15000 - 28000 Lumens 100 kWh - Metered		100	9.11	-		9.11		
Cobra Head Light Installed on 30' Aluminum Pole & Arm								
7000 - 10000 Lumens 39 kWh - Unmetered		39	16.12	-		16.27		
7000 - 10000 Lumens 39 kWh - Metered		39	14.64	-		14.64		
15000 - 28000 Lumens 100 kWh - Unmetered	495	100	18.40	9,108.00	35.96%	18.80	9,303.64	35.79%
15000 - 28000 Lumens 100 kWh - Metered		100	14.64	-		14.64		
Lexington Light Installed on 16' Aluminum Pole								
Sodium 7000 - 10000 Lumens 39 kWh - Unmetered		39	10.53	-		10.68		
Sodium 7000 - 10000 Lumens 39 kWh - Metered		39	9.05	-		9.05		
Acorn Light Installed on 16' Fluted Pole								
Sodium 7000 - 10000 Lumens 39 kWh - Unmetered	48	39	21.78	1,045.44	4.13%	21.93	1,052.84	4.05%
Sodium 7000 - 10000 Lumens 39 kWh - Metered		39	20.31	-		20.31		
Metal Halide Lamp								
100 Watt Metal Halide - Acorn @ 44 kWh Mo. - Unmetered	318	44	8.75	2,782.50	10.99%	8.92	2,837.80	10.92%
100 Watt Metal Halide - Acorn @ 44 kWh Mo. - Metered		44	7.01	-		7.01		
100 Watt Metal Halide - Lexington @ 44 kWh Mo. - Unmetered	132	44	6.85	904.20	3.57%	7.02	927.16	3.57%
100 Watt Metal Halide - Lexington @ 44 kWh Mo. - Metered		44	5.12	-		5.12		
400 Watt Metal Halide Galleria @ 167 kWh Mo - Unmetered	144	167	17.61	2,535.84	10.01%	18.27	2,630.89	10.12%
400 Watt Metal Halide Galleria @ 167 kWh Mo - Metered		167	11.03	-		11.03		
1000 Watt Metal Halide Galleria @ 395 kWh Mo - Unmetered	36	395	28.49	1,025.64	4.05%	30.05	1,081.84	4.16%
1000 Watt Metal Halide Galleria @ 395 kWh Mo - Metered		395	12.89	-		12.89		
250 Watt Cobra Head w/ 30' Aluminum Pole - Unmetered	48	106	20.35	976.80	3.86%	20.77	996.91	3.84%
400 Watt Cobra Head Mercury Vapor With 8' Arm - Unmetered		162	14.56	-		15.20		
400 Watt Cobra Head Mercury Vapor With 8' Arm - Metered		162	7.99	-		7.99		
400 Watt Cobra Head Mercury Vapor With 12' Arm - Unmetered		162	17.30	-		17.94		
400 Watt Cobra Head Mercury Vapor With 12' Arm - Metered		162	10.73	-		10.73		
400 Watt Cobra Head Mercury Vapor With 16' Arm - Unmetered		162	18.15	-		18.79		
400 Watt Cobra Head Mercury Vapor With 16' Arm - Metered		162	11.57	-		11.57		
30' Al Pole		162	23.56	-		23.56		
Total DSTL	1,761			25,328.22	100.00%		25,994.30	100.00%
FAC				1,404.50			1,404.50	
ES				37.91			37.91	
Total DSTL				26,770.63			27,436.71	
				15.20			15.58	
<b>OL</b>								
Mercury Vapor - 7000 - 10000 Lumens - Unmetered	205,299	74	8.29	1,701,928.71	72.36%	8.55	1,755,306.45	72.32%
Sodium - 7000 - 10000 Lumens - Unmetered	53,279	45	8.29	441,682.91	18.78%	8.55	455,535.45	18.77%
Mercury Vapor - 7000 - 10000 Lumens - Metered		74	6.48	-		6.48		
Sodium - 7000 - 10000 Lumens - Metered		45	6.48	-		6.48		
Directional Flood - 250 Watt Sodium - Unmetered	11,681	106	13.15	153,605.15	6.53%	13.65	159,470.50	6.57%
Directional Flood - 250 Watt Sodium - Metered		106	8.23	-		8.23		
Directional Flood - 250 Watt Metal Halide - Unmetered	656	106	14.34	9,407.04	0.40%	14.76	9,681.87	0.40%
Directional Flood - 250 Watt Metal Halide - Metered		106	9.17	-		9.17		
Directional Flood - 400 Watt Metal Halide - Unmetered	1,336	167	17.54	23,433.44	1.00%	18.20	24,315.25	1.00%
Directional Flood - 400 Watt Metal Halide - Metered		167	9.17	-		9.17		
Directional Flood - 1000 Watt Metal Halide - Unmetered	726	395	30.09	21,845.34	0.93%	31.65	22,978.75	0.95%
Directional Flood - 1000 Watt Metal Halide - Metered		395	10.23	-		10.23		
Total OL	272,977			2,351,902.59	100.00%		2,427,288.27	100.00%
FAC				159,212.27			159,212.27	
ES				3,520.57			3,520.57	
				2,514,635.43			2,590,021.10	
				9.21			9.49	

## Analysis of Wholesale to Retail Proportionality

	Wholesale			Retail		
	Existing	Proposed	Change	Existing	Proposed	Change
I Customer Charge						
Metering Point Charge	\$125/Mo.	\$125/Mo.	\$ -	\$8.00/Mo	\$8.00/Mo	\$ -
Substation at less than 3 MVA	\$944/Mo.	\$944/Mo.	\$ -	\$8.00/Mo	\$8.00/Mo	\$ -
II Demand Charge						
B&C Demand Charge (\$/kW)	\$5.39	\$7.29	\$1.90	\$5.39	\$7.29	\$1.90

III Energy Charge  
The non-industrial wholesale increase was based on the dollar amount remaining to be recovered at wholesale, divided by kWh.

The non-industrial retail increase was based on the dollar amount remaining to be recovered at retail, divided by kWh.