

ALAN M. ZUMSTEIN
CERTIFIED PUBLIC ACCOUNTANT

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MEMBER:

- AMERICAN INSTITUTE OF CPA'S
- INDIANA SOCIETY OF CPA'S
- KENTUCKY SOCIETY OF CPA'S
- AICPA DIVISION FOR FIRMS
- TENNESSEE STATE BOARD OF ACCOUNTANCY

To the Board of Directors
Blue Grass Energy Cooperative

I have audited the financial statements of Blue Grass Energy Cooperative for the year ended April 30, 2007, and have issued my report thereon dated June 28, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on Audits of the Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of Blue Grass Energy for the year ended April 30, 2007, I considered its internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting that I consider to be a material weakness.

7 CFR Part 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters. I have grouped my comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, I performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR 1773.33(d)(1) related transactions, depreciation rates, a schedule of deferred debits and credits and a schedule of investments, upon which I express an opinion. In addition, my audit of the financial statements also included the procedures

Board of Directors
Blue Grass Energy Cooperative

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specified in 7 CFR Part 1773.38-.45. My objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, I express no opinion thereon.

No reports, other than my independent auditor's report, and my independent auditor's report on compliance and on internal control over financial reporting, all dated June 28, 2007, or summary of recommendations related to my audit have been furnished to management.

My comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions and other additional matters as required by 7 CFR 1773.33 are presented below.

Comments on Certain Specific Aspects of the internal Control Over Financial Reporting

I noted no matters regarding Blue Grass Energy's internal control over financial reporting and its operation that I consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- the process for accumulating and recording labor, material and overhead costs, and the distribution of these costs to construction, retirement and maintenance and other expense accounts; and,
- the material controls.

Comments on Compliance with Specific RUS Loan and Security Instrument Provisions

At your request, I have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations and contracts. The procedures I performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract for the operation or maintenance of property, or for the use of mortgaged property by others for the year ended April 30 2007, of Blue Grass Energy.
 1. Obtained and read a borrower prepared schedule of new written contracts entered into during the year for the operation or maintenance of its property, or for the use of its property by others as defined in 1773.33 (e)(1)(i).
 2. Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.

Comments on Compliance with Specific RUS Loan and Security Instrument Provisions, continued:

3. Noted written RUS approval was not obtained by the borrower for all the contracts listed. Blue Grass Energy's management informed me that RUS approval was not required as the contracts related to operation or maintenance entered into during the normal course of business.
- Procedure performed with respect to the requirement to submit RUS Form 7 to RUS:
 1. Agreed amounts reported in RUS Form 7 to Blue Grass Energy's records as of April 30, 2007.

The results of my tests indicate that, with respect to the items tested, Blue Grass Energy complied in all material respects, with the specific RUS loan and security instrument provisions referred to below. With respect to items not tested, nothing came to my attention that caused me to believe that Blue Grass Energy had not complied, in all material respects, with those provisions. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- the borrower has obtained written approval of RUS to enter into any contract for the operation and maintenance of all or any part of property, for the use of mortgaged property by others as defined in 1773.33 (d)(1)(i); and ,
- the borrower has submitted its RUS Form 7 to RUS and the Form 7, Financial and Statistical Report, as of April 30, 2007, represented by the borrower as having been submitted to RUS is in agreement with Blue Grass Energy's audited records in all material respects.

Comments on Other Additional Matters

In connection with my audit of the financial statements of Blue Grass Energy, nothing came to my attention that caused me to believe that Blue Grass Energy failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR Part 1773.33(c)(1);
- the clearing of the construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33(c)(2);
- the retirement of plant addressed at 7 CFR Part 1773.33(c)(3) and (4);
- approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale, or lease of plant, material or scrap addressed at 7 CFR Part 1773.33(c)(5);

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Blue Grass Energy Cooperative

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Comments on Other Additional Matters

- the disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standards No. 57, Related Party Transactions, for the year ended April 30, 2007, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR Part 1773.33(f);
- the depreciation rates addressed at 7 CFR 1773.33(g);
- the detailed schedule of deferred debits and deferred credits; and
- the detailed schedule of investments, of which there were none.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of deferred debits and deferred credits required by 7 CFR 1773.33(h) and provided below is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The deferred debits are as follows:

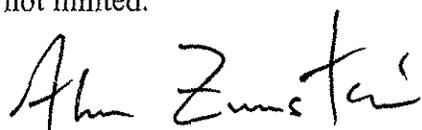
System mapping costs	<u>\$319,402</u>
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The deferred credits are as follows:

Consumer advances for construction	<u>\$425,475</u>
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* * * * *

This report is intended solely for the information and use of the Board of Directors, management, RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Alan M. Zumstein
June 28, 2007

Kentucky 64
Blue Grass Energy
Cooperative Corporation
Nicholasville, Kentucky
Audited Financial Statements
April 30, 2007 and 2006

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ALAN M. ZUMSTEIN
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Independent Auditor's Report

MEMBER:

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To the Board of Directors
Blue Grass Energy Cooperative

I have audited the balance sheets of Blue Grass Energy Cooperative, as of April 30, 2007 and 2006, and the related statements income and patronage capital and cash flows for the years then ended. These financial statements are the responsibility of Blue Grass Energy Cooperative's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service (RUS) Borrowers. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue Grass Energy Cooperative as of April 30, 2007 and 2006, and the results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 28, 2007, on my consideration of Blue Grass Energy Cooperative's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audits.



Alan M. Zumstein
June 28, 2007

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I have audited the financial statements of Blue Grass Energy Cooperative as of and for the years ended April 30, 2007 and 2006, and have issued my report thereon dated June 28, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Blue Grass Energy Cooperative's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

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



Alan M. Zumstein
June 28, 2007

Blue Grass Energy Cooperative Corporation

Balance Sheets, April 30, 2007 and 2006

<u>Assets</u>	<u>2007</u>	<u>2006</u>
Electric Plant, at original cost:		
In service	\$167,858,736	\$155,024,112
Under construction	6,026,535	7,442,523
	<u>173,885,271</u>	<u>162,466,635</u>
Less accumulated depreciation	36,877,419	35,702,259
	<u>137,007,852</u>	<u>126,764,376</u>
Investments in Associated Organizations	<u>21,371,109</u>	<u>21,633,555</u>
Current Assets:		
Cash and cash equivalents	1,866,352	2,083,818
Accounts receivable, less allowance for 2007 of \$161,260 and 2006 of \$156,264	6,609,726	5,748,162
Other receivables	1,410,818	1,474,202
Material and supplies, at average cost	1,323,639	1,017,472
Other current assets	678,235	657,294
	<u>11,888,770</u>	<u>10,980,948</u>
System mapping project	<u>319,402</u>	<u>566,735</u>
Total	<u>\$170,587,133</u>	<u>\$159,945,614</u>
<u>Members' Equities and Liabilities</u>		
Members' Equities:		
Memberships	\$1,008,735	\$987,960
Patronage capital	41,998,330	45,872,578
Other equities	1,186,338	611,143
	<u>44,193,403</u>	<u>47,471,681</u>
Long Term Debt	<u>99,603,608</u>	<u>94,505,650</u>
Accumulated Postretirement Benefits	<u>5,303,584</u>	<u>5,188,113</u>
Current Liabilities:		
Short term borrowings	7,250,000	-
Accounts payable	7,236,117	6,270,240
Current portion of long term debt	3,200,000	3,000,000
Consumer deposits	1,321,017	1,133,500
Accrued expenses	2,053,929	1,953,720
	<u>21,061,063</u>	<u>12,357,460</u>
Consumer Advances	<u>425,475</u>	<u>422,710</u>
Total	<u>\$170,587,133</u>	<u>\$159,945,614</u>

The accompanying notes are an integral part of the financial statements.

Statements of Revenue and Patronage Capital

for the years ended April 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Operating Revenues	\$92,043,676	\$88,484,681
Operating Expenses:		
Cost of power	70,135,658	65,775,846
Distribution - operations	2,609,318	2,356,198
Distribution - maintenance	3,807,585	3,548,753
Consumer accounts	2,444,796	2,435,964
Customer services	180,765	85,640
Sales	670,659	708,373
Administrative and general	3,984,620	3,732,661
Depreciation, excluding \$434,621 in 2007 and \$407,888 in 2006 charged to clearing accounts	5,212,609	4,800,923
Other deductions	18,458	26,492
	<u>89,064,468</u>	<u>83,470,850</u>
Operating margins before interest charges	<u>2,979,208</u>	<u>5,013,831</u>
Interest Charges:		
Long-term debt	4,672,926	3,780,653
Other	254,379	174,152
	<u>4,927,305</u>	<u>3,954,805</u>
Operating margins after interest charges	<u>(1,948,097)</u>	<u>1,059,026</u>
Patronage Capital Credits	<u>287,175</u>	<u>248,315</u>
Net Operating Margins	<u>(1,660,922)</u>	<u>1,307,341</u>
Nonoperating Margins		
Interest income	94,694	117,221
Others	(1,677,857)	(24,029)
	<u>(1,583,163)</u>	<u>93,192</u>
Net Margins (deficit)	(3,244,085)	1,400,533
Patronage Capital, beginning of year	45,872,578	44,645,323
Refunds to estates of deceased members	(96,665)	(94,670)
Transfers to prior year's deficits and other equities	(533,498)	(78,608)
Patronage Capital, end of year	<u>\$41,998,330</u>	<u>\$45,872,578</u>

The accompanying notes are an integral part of the financial statements.

Statements of Cash Flows

for the years ended April 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities:		
Net margins (deficit)	(\$3,244,085)	\$1,400,533
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation:		
Charged to expense	5,212,609	4,800,923
Charged to clearing accounts	434,621	407,888
Patronage capital credits assigned	(287,175)	(248,315)
Accumulated postretirement benefits	115,471	101,202
Change in assets and liabilities:		
Receivables	(798,180)	(627,798)
Material and supplies	(306,167)	326,143
Other assets	226,392	(225,329)
Payables	965,877	1,472,786
Consumer deposits and advances	190,282	125,623
Accrued expenses	100,209	221,184
	<u>2,609,854</u>	<u>7,754,840</u>
Cash Flows from Investing Activities:		
Plant additions, including removal costs	(15,852,545)	(18,054,962)
Salvage recovered from retired plant	(38,161)	91,424
Receipts from other investments, net	549,621	185,935
	<u>(15,341,085)</u>	<u>(17,777,603)</u>
Cash Flows from Financing Activities:		
Payments on long term debt	(3,070,042)	(2,377,156)
Advances of long term debt	8,368,000	16,000,000
Short term borrowings	7,250,000	(2,500,000)
Net increase in memberships	20,775	23,687
Refund of patronage capital to members	(96,665)	(78,608)
Increase in other equities	41,697	25,559
	<u>12,513,765</u>	<u>11,093,482</u>
Net increase in cash	(217,466)	1,070,719
Cash and cash equivalents, beginning of year	<u>2,083,818</u>	<u>1,013,099</u>
Cash and cash equivalents, end of year	<u>\$1,866,352</u>	<u>\$2,083,818</u>
Supplemental cash flows information:		
Interest paid on long-term debt	\$4,721,313	\$3,689,117

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Primary Accounting Policies

Blue Grass Energy maintains its records in accordance with policies prescribed or permitted by the Kentucky Public Service Commission (PSC) and the United States Department of Agriculture, Rural Utilities Service (RUS), which conform in all material respects with accepted accounting principles generally accepted in the United States of America. The more significant of these policies are as follows:

Electric Plant

Electric plant is stated at original cost, less contributions, which is the cost when first dedicated to public service. Such amount includes applicable supervisory and overhead costs. There was no interest required to be capitalized on construction for the year.

The cost of maintenance and repairs, including renewals of minor items of property, is charged to operating expense. The cost of replacement of depreciable property units, as distinguished from minor items, is charged to electric plant. The cost of units of property replaced or retired, including cost of removal net of any salvage value, is charged to accumulated depreciation for distribution plant. Gain or loss is recognized on removal of general plant items.

The major classifications of electric plant in service consisted of:

	<u>2007</u>	<u>2006</u>
Distribution plant	\$150,260,259	\$140,975,475
General plant	<u>17,598,477</u>	<u>14,048,637</u>
Total	<u>\$167,858,736</u>	<u>\$155,024,112</u>

Depreciation

Provision has been made for depreciation on the basis of the estimated lives of assets, using the straight-line method. Blue Grass Energy uses a composite depreciation rate of 3.02% per annum for distribution plant. General plant depreciation rates are as follows:

Structures and improvements	1.82%
Office furniture and fixtures	2.50%
Transportation equipment	5-15%
Communication equipment	4%
Other general plant	3.33-5.29%

Continued

1. Summary of Significant Accounting Policies, continued

Statement of Cash Flows

For purposes of the statement of cash flows, Blue Grass Energy considers temporary investments having a maturity of three months or less to be cash equivalents.

Estimates

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

Revenue

Revenue is recorded as billed to consumers, based on monthly meter reading cycles. Blue Grass Energy's sales are concentrated in a thirteen county area of central Kentucky. There were no customers whose individual account balance exceeded 10% of outstanding accounts receivable at April 30, 2007 or 2006. Consumers must pay their bill within 20 days of billing, then are subject to disconnect after another 10 days. Certain consumers are required to pay a refundable deposit. The allowance for uncollectible accounts is based on the aging of receivables. Accounts are written-off when they are deemed to be uncollectible.

Purchase Power

The cost of purchased power is recorded monthly during the period in which the energy is consumed, based upon billings from East Kentucky Power Cooperative, Inc. (East Kentucky).

Fair Value of Financial Instruments

Financial instruments include cash, temporary investments and long-term debt. Investments in associated organizations are not considered a financial instrument because they represent non transferable interest in associated organizations.

The carrying value of cash and temporary investments approximates fair value because of the short maturity of those instruments. The fair value of long term debt approximates the fair value because of the borrowing policies of Blue Grass.

Off Balance Sheet Risk

Blue Grass Energy has off-balance sheet risk in that at certain times of the month they have cash deposits in financial institutions in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC).

Continued

Notes to Financial Statements, continued

2. Investments in Associated Organizations

Blue Grass Energy records patronage capital assigned by associated organizations in the year in which such assignments are received.

The Capital Term Certificates (CTCs) of National Rural Utilities Cooperative Finance Corporation (NRUCFC) are recorded at cost. The CTCs were purchased from NRUCFC as a condition of obtaining long-term financing. The CTCs bear interest at 0%, 3% and 4% and are scheduled to mature at varying times from 2020 to 2080.

Investments in associated organizations consisted of:

	<u>2007</u>	<u>2006</u>
East Kentucky:		
Patronage capital assigned	\$17,503,691	\$17,503,691
National Rural Utilities Cooperative Finance Corporation:		
Capital Term Certificates	2,018,585	2,036,190
Patronage capital assigned and membership	459,936	437,227
Other associated organizations	<u>1,388,897</u>	<u>1,656,447</u>
 Total	 <u>\$21,371,109</u>	 <u>\$21,633,555</u>

3. Patronage Capital

Under provisions of the long term debt agreement, return to patrons of capital contributed by them is limited to amounts which would not allow the total equities and margins to be less than 30% of total assets, except that distributions may be made to estates of deceased patrons. The debt agreement provides, however, that should such distributions to estates not exceed 25% of net margins for the next preceding year, Blue Grass Energy may distribute the difference between 25% and the payments made to such estates. The equities and margins of Blue Grass Energy represent 26% of the total assets at April 30, 2007.

Patronage capital consisted of:

	<u>2007</u>	<u>2006</u>
Assigned	\$57,705,989	\$57,125,987
Assignable	(1,727,734)	2,629,851
Retired to date	(14,138,924)	(14,042,259)
Unassigned	<u>158,999</u>	<u>158,999</u>
 Total	 <u>\$41,998,330</u>	 <u>\$45,872,578</u>

Continued

Notes to Financial Statements, continued

5. Other Equities

Other equities consisted of:

	<u>2007</u>	<u>2006</u>
Donated capital	\$315,799	\$315,799
Retired capital credit gains	2,868,276	2,826,579
Prior years' deficits	(2,006,118)	(2,539,616)
Capital credit gains and losses	<u>8,381</u>	<u>8,381</u>
Total	<u>\$1,186,338</u>	<u>\$611,143</u>

Current year non operating margins of Blue Grass Energy are used to offset the prior years' deficits.

6. Long Term Debt

All assets, except vehicles, are pledged as collateral on the long term debt to United States of America (RUS), Federal Financing Bank (FFB) and NRUCFC under a joint mortgage agreement. Long term debt consisted of:

	<u>2007</u>	<u>2006</u>
First mortgage notes due RUS:		
2%	\$7,276	\$39,946
3.50% - 6.0% (2.875 to 6.0% in 2006)	<u>41,394,017</u>	<u>36,638,556</u>
	<u>41,401,293</u>	<u>36,678,502</u>
First mortgage notes due FFB:		
4.904% to 5.077% (4.615 to 5.077% in 2006)	<u>35,311,740</u>	<u>32,757,810</u>
First mortgage notes due NRUCFC:		
7%	27,799	45,466
5.65% to 7.10%	8,648,569	9,152,197
Refinance RUS loans 3.25% to 5.45%	<u>17,414,207</u>	<u>18,871,675</u>
	<u>26,090,575</u>	<u>28,069,338</u>
	102,803,608	97,505,650
Less current portion	<u>3,200,000</u>	<u>3,000,000</u>
	<u>\$99,603,608</u>	<u>\$94,505,650</u>

The interest rates on notes payable to NRUCFC at 5.65% to 7.10% are subject to change approximately every seven years.

Continued

Notes to Financial Statements, continued

6. Long Term Debt, continued

During 2004, Blue Grass Energy refinanced \$22,710,297 of RUS loans with funds advanced from NRUCFC. The long term debt to refinance RUS loans is due in a combination of 14 annual installments of \$1,094,587 and 9 annual installments of \$640,039. During 2006, Blue Grass Energy restructured one of the \$1,094,587 installments into four (4) installments of \$273,674 to be paid in 2019.

The long term debt payable to RUS, FFB and NRUCFC is due in monthly and quarterly installments of varying amounts through 2037. Blue Grass Energy has no unadvanced loan funds available at April 30, 2007. Blue Grass has a loan application pending with RUS in the amount of \$43,000,000.

As of April 30, 2007, the annual portion of long term debt outstanding for the next five years are as follows: 2008 - \$3,200,000; 2009 - \$3,500,000; 2010 - \$3,800,000; 2011 - \$3,900,000; 2012 - \$4,300,000.

7. Short Term Line of Credit

Blue Grass Energy has executed two (2) 23 month line of credit agreements with NRUCFC in the amounts of \$16,000,000 and an additional \$10,000,000. At April 30, 2007 Blue Grass Energy had an advance of \$7,250,000 at an interest rate of 6.90%.

8. Retirement Plan

All eligible employees of Blue Grass Energy participate in the NRECA Retirement and Security Program, a defined benefit pension plan qualified under section 401 and tax-exempt under section 501(a) of the Internal Revenue Code. Blue Grass Energy makes annual contributions to the Program equal to the amounts accrued for pension expense. Contributions were \$837,516 for 2007 and \$791,874 for 2006. In this multiemployer plan, which is available to all member cooperatives of NRECA, the accumulated benefits and plan assets are not determined or allocated separately by individual employer.

9. Savings Plan

Blue Grass Energy has a Retirement Savings Plan for all employees who are eligible to participate in Blue Grass Energy's benefit programs. The plan allows participants to make contributions by salary reduction, pursuant to Section 401(k) of the Internal Revenue Code. Blue Grass Energy will match contributions of each participant up to 2% of the participant's base compensation. Blue Grass Energy contributed \$107,061 in 2007 and \$101,708 in 2006. Participants vest immediately in their contributions and the contributions of Blue Grass Energy.

10. Accumulated Postretirement Benefits

Blue Grass Energy sponsors a defined benefit plan that provides medical insurance coverage to retirees and their dependents. Blue Grass Energy pays all premiums for retirees and their dependents. Postretirement benefits are not funded.

Continued

Notes to Financial Statements, continued

10. Accumulated Postretirement Benefits, continued

The following is a reconciliation of the postretirement benefit obligation:

	<u>2007</u>	<u>2006</u>
Postretirement benefit obligation:		
Balance, beginning of period	\$5,188,113	\$5,086,911
Reconciliation of components of net periodic postretirement benefit cost:		
Service cost	171,918	141,067
Interest cost	360,141	302,533
Amortization of actuarial (gains) losses	44,841	64,000
	<u>576,900</u>	<u>507,600</u>
Benefits paid to participants	(461,429)	(406,398)
Net change	<u>115,471</u>	<u>101,202</u>
Balance, end of period	<u>\$5,303,584</u>	<u>\$5,188,113</u>

The accrued postretirement benefit obligation is calculated as follows:

	<u>2007</u>	<u>2006</u>
Accumulated postretirement benefit obligation		
Active participants fully eligible	\$1,765,158	\$1,449,855
Active participants not yet eligible	441,154	729,868
Retirees and dependents	3,637,897	2,406,227
Funded status	5,844,209	4,585,950
Unrecognized net actuarial (gain) loss	(540,625)	602,163
Accrued postretirement benefit cost	<u>\$5,303,584</u>	<u>\$5,188,113</u>

For measurement purposes, a 8.5% annual rate of increase, decreasing by 0.25% until constant at 6%, in the per capita cost of covered health care benefits was assumed. The discount rate used in determining the accumulated postretirement benefit obligation was 6.5% in 2007 and 2006.

12. Income Tax Status

Blue Grass Energy is exempt from federal and state income taxes under provisions of Section 501(c)(12). Accordingly, the financial statements include no provision for income taxes.

13. Related Party Transactions

Several Directors of Blue Grass Energy, the President & CEO and another employee are on the Board of Directors of various associated organizations.

Continued

Notes to Financial Statements, continued

14. Advertising

Advertising costs are expensed as incurred. Advertising costs were \$34,011 for 2007 and \$52,776 for 2006.

15. Contingencies and Commitments

Electric power sold by Blue Grass Energy is purchased from East Kentucky. The membership of East Kentucky is comprised of Blue Grass Energy and 15 other distribution cooperatives.

Under its wholesale power agreement, Blue Grass Energy is committed to purchase its electrical power and energy requirements from East Kentucky until 2045. The rates are subject to approval by the PSC.

Blue Grass Energy is contingently liable as guarantor for approximately \$965,000 of long term obligations of East Kentucky to RUS, NRUCFC and institutional investors. Substantially all assets of Blue Grass Energy are pledged as collateral for this guarantee, in addition to the pledge in the mortgage agreement referred to in Note 6. This contingent liability was part of an overall financing plan for the construction of a generating facility near Maysville, Kentucky.

Blue Grass Energy also has various other agreements outstanding with local contractors. Under these agreements, the contractors will perform meter reading and certain construction and maintenance work at specified hourly rates or unit cost, or on an as needed basis. The duration of these contracts are one to three years.

Blue Grass Energy had an inquiry by the Environmental Protection Agency (EPA). The EPA was investigating a site for potential environmental contamination. Blue Grass Energy's insurance policy does not provide for coverage of environmental hazards. Blue Grass settled with the EPA during the year in the amount of \$285,000.

16. Risk Management

Blue Grass is exposed to various forms of losses of assets associated with, but not limited to, fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, workers compensation, etc. Each of these areas is covered through the purchase of commercial insurance.

Continued

17. New Accounting Standard

On September 29, 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106 and 132(R). SFAS No. 158 requires an employer that sponsors a defined benefit postretirement plan to report the current economic status (the overfunded or underfunded status) of the plan in its balance sheet, to measure the plan assets and plan obligations as of the balance sheet date, and to include enhanced disclosures about the plan. The Cooperative will be required to adopt the recognition and disclosure provisions of SFAS No. 158 for the fiscal year ending December 31, 2007, and the measurement date provision for the fiscal year ending December 31, 2008. The Cooperative does not anticipate adopting the provisions of SFAS No. 158 prior to those periods.

18. Significant Events

During 2007, Blue Grass Energy completed the installed of automated meter reading devices (AMR) where the meter readings are recorded at a remote location. In conjunction with this AMR project, the existing meters were removed from service and taken out of the plant accounts. The cost of the meters retired was \$2,773,378 and the respective accumulated depreciation was \$920,700. This resulted in a charge to other deductions in the amount of \$1,852,678.

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Blue Grass Energy Cooperative
Case No. 2008-00011
December 31, 2007

Computer Software Programs

Blue Grass Energy has used Microsoft Excel and Word in the preparation of this Applciation.

Witness: Donald Smothers

Blue Grass Energy
Case No. 2008-00011
Annual Meeting Information
December 31, 2007

The most recent Blue Grass energy Cooperative annual meeting was held
The Minutes of that annual meeting are attached, along with the insert in the
Kentucky Living Magazine, describing the annual meeting.

Data for the last five (5) annual meeting are as follows:

<u>Year</u>	<u>Members Attending</u>	<u>Members Voting</u>	<u>Cost</u>
2007	692	0	\$150,786
2006	750	0	\$108,921
2005	430	0	\$106,595
2004	475	0	\$81,536
2003	300	0	\$54,839

2006 ANNUAL MEETING AND OPEN HOUSE

 **Blue Grass Energy**
A Touchstone Energy® Cooperative 

FEATURING
THE GOODTIMER'S BAND
AND
GOSPEL ENTERTAINER
CHUCK JOHNSON

PLUS
A FABULOUS
FIREWORKS
DISPLAY



ENTERTAINMENT

PULLED PORK BBQ PLATTERS
AND SNO CONES

EXHIBITS AND KIDS' FAIR

KIDS' DOOR PRIZES

(SIX \$100 TOYS + FIVE GIFT CERTIFICATES)

MEMBER GIFTS/DOOR PRIZES

TOUCHSTONE ENERGY®
HOT AIR BALLOON

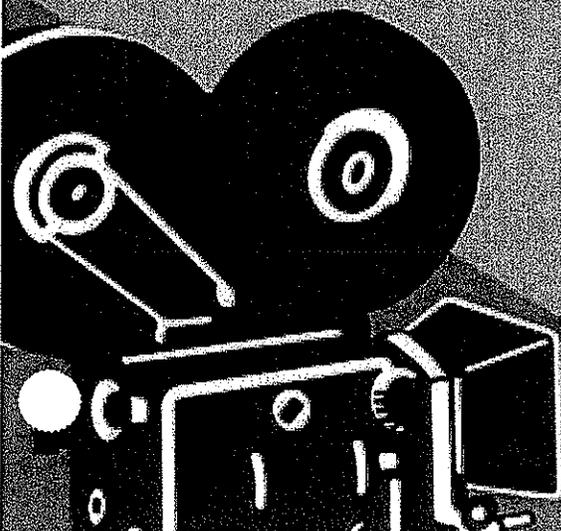
MONDAY, JUNE 12

NEW HARRISON DISTRICT OFFICE, CYNTHIANA
317 SEA BISCUIT WAY IN THE INDUSTRIAL PARK OFF HIGHWAY 62

REGISTRATION: 5:30 P.M.

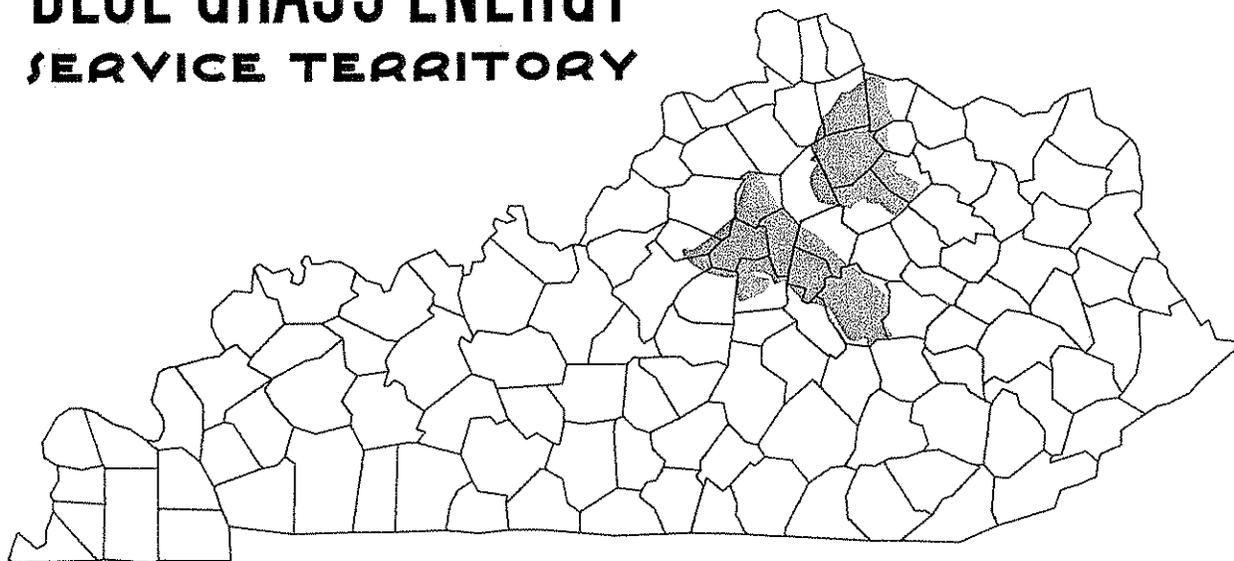
BUSINESS MEETING: 7:30 P.M.

FIREWORKS: 9:00 P.M.



BLUE GRASS ENERGY

SERVICE TERRITORY



MEMBERS SERVED IN 2005

Jessamine	10,077	Average	
Madison	9,992	kWh usage	
Fayette	6,137	Residential per month.....	1,313
Harrison	5,716		
Anderson	4,531	Miles of Line	4,440
Franklin	3,464		
Mercer	2,688	Consumers per Mile	12
Pendleton	2,186		
Bourbon	1,740		
Nicholas	1,530		
Scott	1,517		
Bracken.....	1,459		
Woodford	885		
Spencer	388		
Grant.....	270		
Robertson	233		
Washington	139		
Shelby	75		
Henry	45		
Garrard	25		
Estill	13		
Nelson	11		
Jackson	8		
Accounts Billed.....	53,129		

BLUE GRASS ENERGY

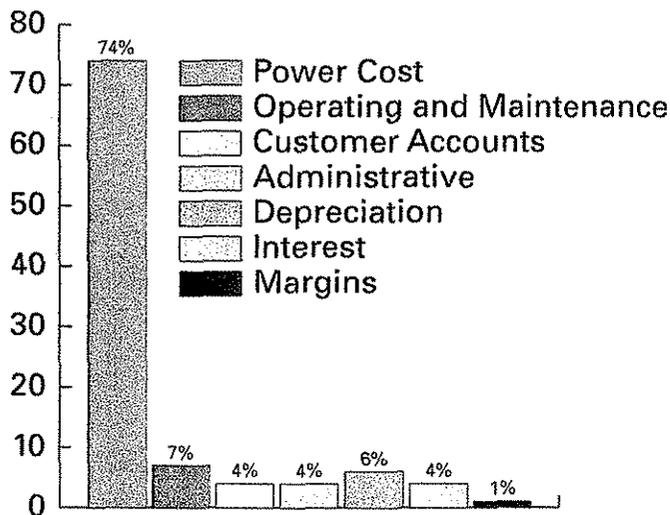
FINANCIAL RESULTS

STATEMENT OF OPERATIONS

For the Year Ending December 31, 2005

Operating Revenue and Patronage Capital	\$85,349,220
Operating Expense	
Cost of Purchased Power	\$63,167,767
Operating the Electric System	12,728,176
Depreciation	4,694,946
Taxes	2,408
Interest on Loans	3,488,700
Other Deductions	238,387
Total Cost of Electric Service	\$84,320,384
Patronage Capital or Operating Margins	1,028,836
Non-Operating Margins	94,671
G & T Capital Credits	0
Other Capital Credits	96,699

MAJOR COSTS



BALANCE SHEET

For the Year Ending December 31, 2005

ASSETS

Total Utility Plant	\$156,633,309
Less Depreciation	34,926,137
Net Utility Plant Book Value	\$121,707,172

Non-Utility Property and Other Investments ..	\$21,489,595
Cash and Reserves	1,750,812
Accounts Receivable	8,933,060
Inventory	1,128,301
Expenses Paid in Advance	536,749
Deferred Debits and Other Assets	653,437

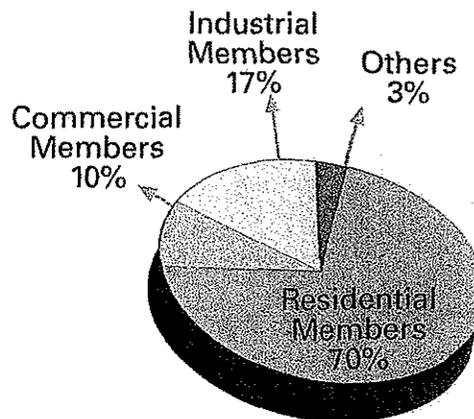
Total Assets

LIABILITIES

Consumer Deposits	980,898
Membership and Other Equities	43,936,558
Long-Term Debt	90,823,778
Notes and Accounts Payable	9,640,379
Other Current and Accrued Liabilities	4,870,319
Deferred Credits and Miscellaneous	5,947,194

Total Liabilities and Equities

REVENUE SOURCES



YOUR BOARD OF DIRECTORS

OFFICIAL NOTICE OF ANNUAL MEETING

Where:New Harrison District Office, Cynthiana
When:Monday, June 12
Registration Time:5:30 p.m.
Business Meeting Time:7:30 p.m

The annual membership meeting of Blue Grass Energy organizes to take action on the following matters:

1. Quorum Call.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Consideration of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and actions upon, reports of officers, directors, and committees.
5. Other Business.
6. Adjournment.



E.A. "Ned" Gilbert
Berea
Chairman



Jody Hughes
Lawrenceburg
Vice Chairman



Richard Crutcher
Lawrenceburg
Treasurer



Zeb Blankenship
Nicholasville



Danny G. Britt
Richmond



Gary Keller
Harrodsburg



Brad Marshall
Cynthiana



Dennis Moneyhon
Foster



Jane Smith
Waddy



Paul Tucker
Sadieville



Dan Brewer
President & CEO

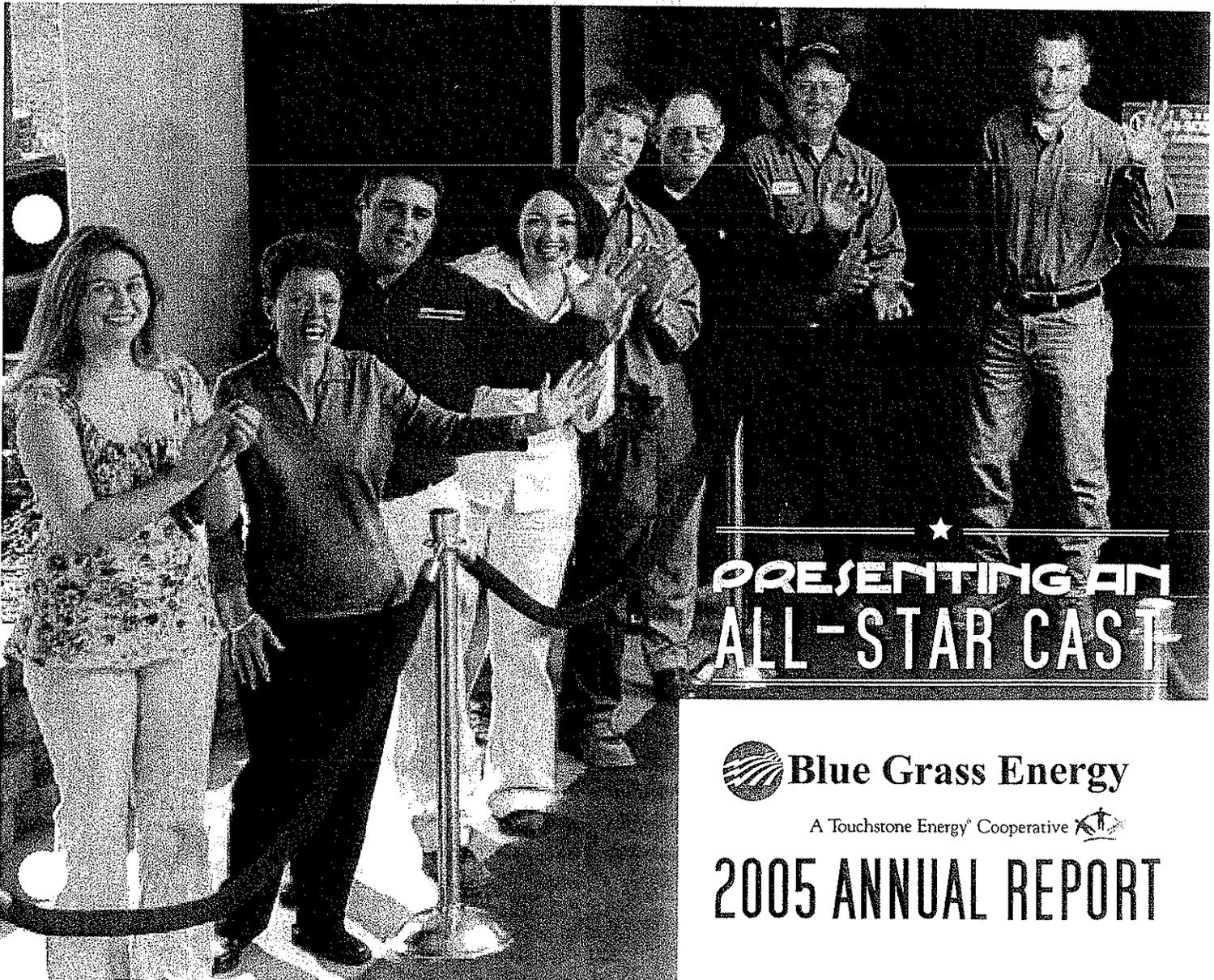
NOW SHOWING AT
BLUE GRASS ENERGY

Exhibit P
Page 6 of 20

ELECTRICITY

THE GREATEST VALUE

IT HEATS AND COOLS YOUR HOME, COOKS YOUR FOOD, RUNS YOUR TV,
SHINES YOUR LIGHTS 24/7. IT'S ONE OF THE BEST BARGAINS AROUND.



★
**PRESENTING AN
ALL-STAR CAST**

 **Blue Grass Energy**

A Touchstone Energy[®] Cooperative 

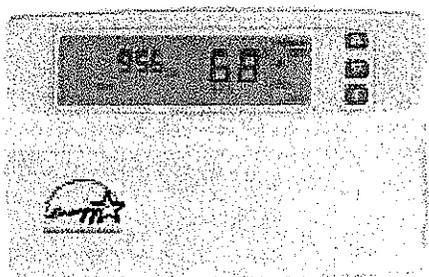
2005 ANNUAL REPORT



★

FEATURING BRILLIANT WAYS TO USE ELECTRICITY

On the cover: Staff welcoming you into the Blue Grass Energy Headquarters and Nicholasville district office are Tanya Reed, operations coordinator; Judy Tipton, consumer accounts assistant; Bobby McCoun, staking technician; Cayce Collins, customer service representative; Casey Corey, line technician; Lermon Willis, service technician; Dale Darland, crew chief; and Mike Rainey, first class line technician. Photo: Jim Battles



ENERGY EXPERTS CAN SHOW YOU HOW TO SAVE MONEY

Just pick up the phone—a Blue Grass Energy energy advisor will check your home for ways to reduce your bill.

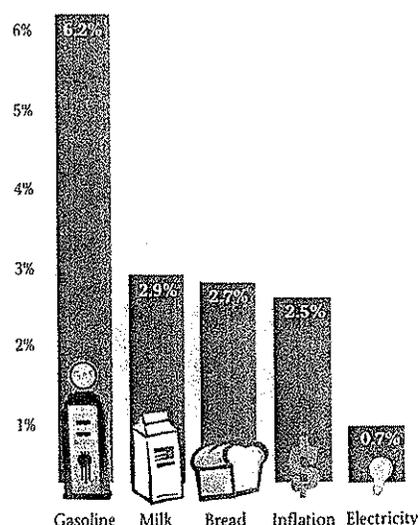
THE LATEST EQUIPMENT

From heat pumps to surge protectors for your sensitive electronic equipment, your electric co-op can hook you up with the right stuff to run your home reliably and economically.

★

INTRODUCING AN INCREDIBLY GOOD DEAL

For all that electricity does for you, it still offers one of the best returns on your money. Compared with other necessities of life, electricity's prices have increased less than milk, bread, and inflation. In addition to lower price increases, electric costs have been much more stable and reliable than other energy sources, such as gasoline and natural gas.



*Average annual price increases 1994-2005.
Source: Bureau of Labor Statistics, NRECA*



ELECTRICITY

THE GREATEST VALUE

When you buy electricity from Blue Grass Energy, you become more than a customer. You're a member and an owner of the co-op. You have a say in the direction of the co-op by being able to vote for a representative on the board of directors. Blue Grass Energy operates on a not-for-profit basis. That means all the efforts and income of the co-op

are used to give you the best possible combination of low prices and outstanding service. And since the co-op exists to provide electricity to the members in our community, it will remain located right here, serving your friends and neighbors. It all adds up to neighbors working together to provide you with electricity—the greatest value.



The annual meeting of Blue Grass Energy is a chance to participate in the business of your local utility that is owned by the consumers it serves, and to have some fun at the same time. These photos from last year's annual meeting show how some families enjoyed the evening. Photos: David Moores

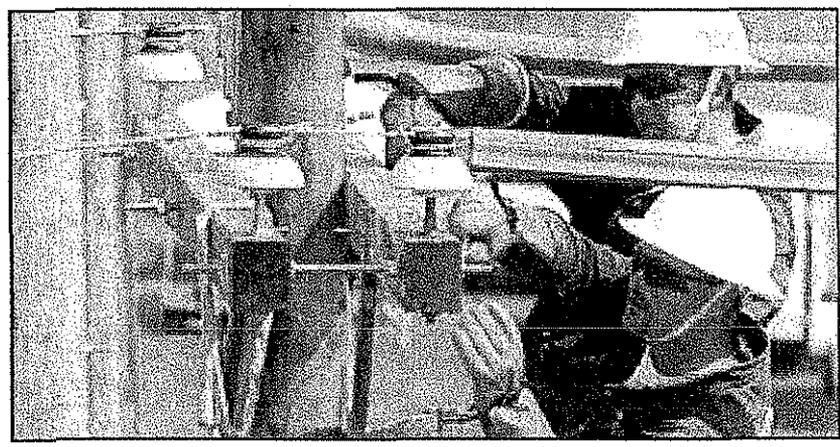


WITH SPECIAL APPEARANCES BY

ELECTRIC SAFETY.....

Blue Grass Energy makes safety a top-of-the-mind priority. Lineworkers in particular regularly work inches away from potentially deadly current, so making sure they follow strict safety procedures is a requirement. Making sure that happens calls for equipment that's in the best condition, practicing safe procedures over and over, as well as constant reminders never to cut corners. Keeping lineworkers safe is the right thing to do, and it's part of making sure your electricity remains the best energy value.

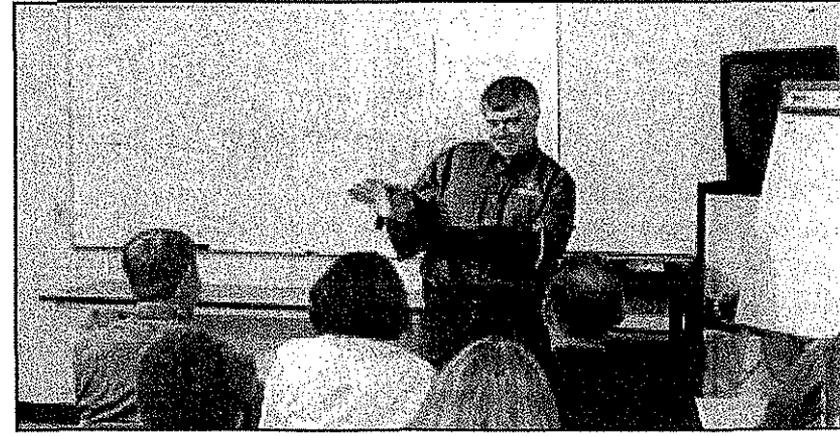
Shawn Sowder (foreground), crew chief and Eugene Neeley, first class line technician, displayed and brushed up on their safety skills and expertise for one of the Blue Grass Energy teams at the first Kentucky Lineman's Rodeo at East Kentucky Power Cooperative last August in Winchester. Photo: Jim Battles



AND EXPERT STAFF.....

The staff of experts at Blue Grass Energy stays sharp with regular training, learning the latest techniques for their specialties. All through the co-op office, staff members study and attend conferences to do the best work possible, whether it's in management, accounting, engineering, or any of the other disciplines needed to run a world-class business as important, complex, and cutting-edge as an electric utility.

Blue Grass Energy regularly makes sure that employees are well trained in a variety of safety and first-aid topics. In this picture, Blue Grass Energy safety coordinator Rad Combs updates a group of employees on the use of the latest electric safety techniques and equipment. Photo: Jim Battles



Picnic *in the park*

Thursday • June 14 • 5:30 p.m.

Anderson-Dean Community Park

three miles north of Harrodsburg, on Highway 127

- Registration – 5:30 p.m.
- Business Meeting – 7:30 p.m.
- Free Meal – Fish Fry, Pulled Pork or Hot Dog
- Entertainment by
Puncheon Creek & Brad Burchett



Puncheon Creek LIVE



Touchstone Energy
Hot Air Balloon

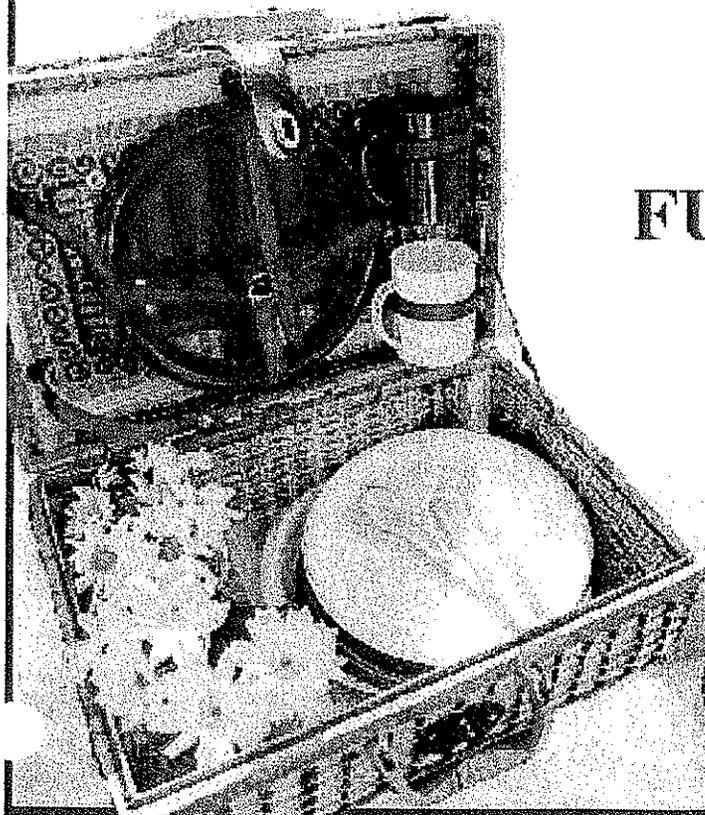
FUN FOR ALL!!!

- Member Gifts
- Door Prizes
- Kids Fair and Prizes
- Health Fair
- Oscar the Robot



Blue Grass Energy

A Touchstone Energy Cooperative



Official notice of **ANNUAL MEETING** BLUE GRASS ENERGY

Anderson-Dean Community Park
Harrodsburg, Kentucky
Thursday, June 14
Registration at 5:30 p.m.
Business Meeting at 7:30 p.m.

The annual membership meeting of Blue Grass Energy organizes to take action on the following matters:

1. Quorum call
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Consideration of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and actions upon, reports of officers, directors and committees.
5. Other business
6. Adjournment



Blue Grass Energy Board of Directors



Jody Hughes
Lawrenceburg
Chairman



Gary Keller
Harrodsburg
Vice Chairman



Paul Tucker
Sadieville
Secretary-Treasurer



Zeb Blankenship
Nicholasville



Danny G. Britt
Richmond



Richard Crutcher
Lawrenceburg



E. A. "Ned" Gilbert
Berea



Brad Marshall
Cynthiana



Dennis Moneyhon
Foster



Jane Smith
Waddy



Dan Brewer
President & CEO

the power to make a difference

Annual Report 2006



CORPORATE *profile*

For nearly 70 years, Blue Grass Energy has prospered in providing reliable energy services to nearly 54,000 member-owners in 23 counties in north and central Kentucky. Headquartered in Nicholasville, Blue Grass Energy has district offices in Richmond, Lawrenceburg, and Cynthiana.

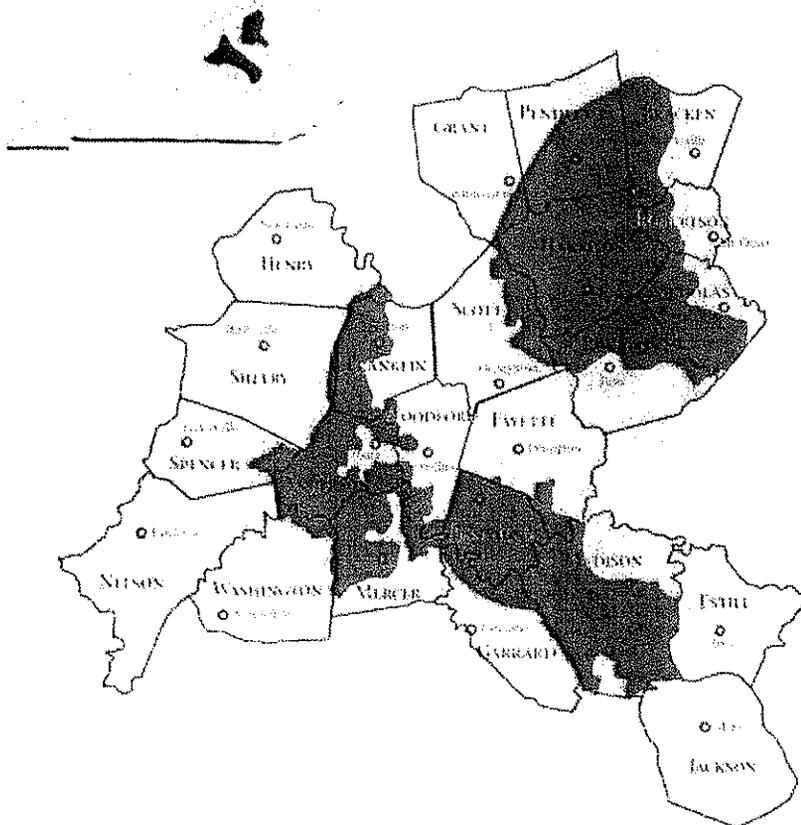
East Kentucky Power Cooperative provides wholesale power to 16 cooperatives throughout Kentucky, including Blue Grass Energy.

Blue Grass Energy is a not-for-profit electric distribution cooperative.



Blue Grass Energy is headquartered in Nicholasville, with district offices in Cynthiana, Lawrenceburg, and Richmond.

Service territory



Jessamine:	10,348
Madison:	10,186
Fayette:	6,130
Harrison:	5,783
Anderson:	4,637
Franklin:	3,512
Mercer:	2,742
Pendleton:	2,198
Bourbon:	1,745
Nicholas:	1,569
Scott:	1,568
Bracken:	1,474
Woodford:	882
Spencer:	386
Grant:	262
Robertson:	230
Washington:	132
Shelby:	76
Henry:	47
Garrard:	25
Estill:	14
Nelson:	11
Jackson:	8

Total accounts billed: 53,965

2006 in *review*

The rising demand of energy

Energy costs and wholesale power rates continued to rise during the year, and Blue Grass Energy was not immune to the escalating costs. With the increase in fuel costs, primarily natural gas and coal, and more stringent environmental regulations, Blue Grass Energy's wholesale power provider, East Kentucky Power Cooperative (EKPC), incurred significantly higher costs that we had to pass through to you — our member-owners.

In November, EKPC began the initial process of seeking a wholesale rate increase by filing a rate application notice of intent with the Public Service Commission (PSC). The rate increase would be the first base rate increase in more than 14 years for EKPC, and Blue Grass Energy member-owners would see an increase of about 4-7 percent on their energy bill.

Rising energy costs are difficult, especially for members on fixed or low incomes. Blue Grass Energy continues to evaluate strategic cost-cutting measures to contain costs while providing reliable power at the lowest possible cost.

Electricity remains a good value, and Kentucky enjoys one of the lowest rates per kilowatt-hour in the country. Kentucky also ranks among the highest in per capita consumption.

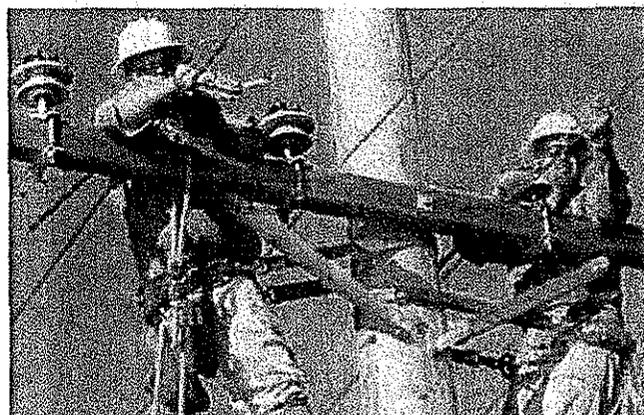
In 2006, electricity demand among Blue Grass Energy members reached an all-time high and is expected to increase in the future.

Demand-side management benefits BGE and members

Reducing energy demands during high-demand periods helps Blue Grass Energy and our member-owners save money by placing less demand on generation and transmission resources. It also has direct benefits to environmental preservation.

In our ongoing effort to help our members enjoy the benefits of reliable energy at the lowest possible cost, Blue Grass Energy began installing automatic meters throughout our service area, and installations should be completed by mid-2007. Automatic meter reading provides accurate energy-usage data and trends and will assist Blue Grass Energy as we plan to meet the growing energy needs of our member-owners.

Blue Grass Energy installed energy-management switches on 423 air conditioning units and 241 water heaters as part of a pilot program to monitor and reduce electricity demands during peak demand periods when energy costs are higher.



2006 in *review*

Touchstone Energy Living offers efficiency and comfort

In 2006, BGE energy advisors completed 925 energy audits. The Touchstone Energy Home program, Blue Grass Energy's flagship residential marketing program, gained momentum during the year with 55 homes certified as Touchstone Energy Homes.

Other Touchstone Energy Living programs offered by BGE are:

- Dual-Fuel Heat Pump
- Button-Up
- Tune-Up
- Touchstone Energy Manufactured Home
- Marathon Water Heaters
- Surge Protection

Our Touchstone Energy Living programs offer energy-efficiency solutions to increase members-owners' comfort while lowering their monthly energy bill.

Going green with EnviroWatts

Blue Grass Energy believes in protecting the environment and is dedicated to obtaining renewable sources of energy, including the sun, wind, water, and geothermal springs.

The EnviroWatts "green power" program offers Blue Grass Energy's member-owners a chance to purchase blocks of energy generated from landfill gas plants.

Since Blue Grass Energy began participating in EnviroWatts in 2002, 846,700 kilowatt-hours have been sold, through February 2007. In 2006, 229,200 kilowatt-hours were sold, up from 212,200 in 2005 and 175,300 in 2004.



Harrison District Office is committed to our members

On Nov. 15, Blue Grass Energy employees and member-owners celebrated the grand opening of the Harrison District Office with a ribbon-cutting ceremony.

The new 27,706-square-foot building replaces the cooperative's old office building that was built in the late 1950s. The 11-acre site houses the district's customer service, operations, and warehouse departments, and it also serves as Blue Grass Energy's billing center.

The new office is the first business in the Cynthiana-Harrison County Business Park. Blue Grass Energy received the prestigious Trailblazer Award, presented by the Cynthiana-Harrison County Economic Development Authority, for its corporate presence, leadership, commitment to the community, and allegiance to Cynthiana and Harrison County.

Safety comes first

Blue Grass Energy is dedicated to the safety of all employees. Employees attend monthly safety meetings, complete annual online safety courses, and are evaluated on safety knowledge and skills. Linemen also have a daily safety briefing and evaluate every job for safety issues beforehand.

Rodeos also give the linemen a chance to show the skills they've learned in safety training and on the job. Last year, Blue Grass Energy's lineman rodeo teams and apprentices competed in Charleston, West Virginia, Plainfield, Indiana, Kansas City, Kansas, and in Winchester, where East Kentucky Power hosts the Kentucky Rodeo.

Competitions test everyday skills and tasks, in addition to "hurt-man rescues." Competitors — teams of three journeymen and individual apprentices — are scored on how quickly they accomplish their tasks, but safety always comes first. Points are deducted for unsafe procedures.

Blue Grass Energy's teams and apprentices rank in the top 100 lineman rodeo teams in the world, of more than 200 teams and 250 apprentices.



To our
members

Blue Grass Energy embraces the future

From a humble beginning of 250 members in 1938 to the second largest co-op in Kentucky, Blue Grass Energy today serves nearly 54,000 members in 23 central and north-central counties.

Adapting to the evolutionary and technical changes of the electric utility industry, Blue Grass Energy is preparing for a future far different from what our cooperative founders envisioned almost 70 years ago. Blue Grass Energy will embrace the challenges of the future, turning them into opportunities to better serve you – our member-owners.

We are committed to providing you reliable energy services at the lowest possible cost. We look to the future with confidence, and we thank you for the privilege to serve you. It's your loyalty and support that has positioned Blue Grass Energy as a leader in the electric utility industry.

Respectfully submitted,



Jody Hughes
Chairman
Board of Directors



Dan Brewer
President and CEO



BLUE GRASS ENERGY *financial results*

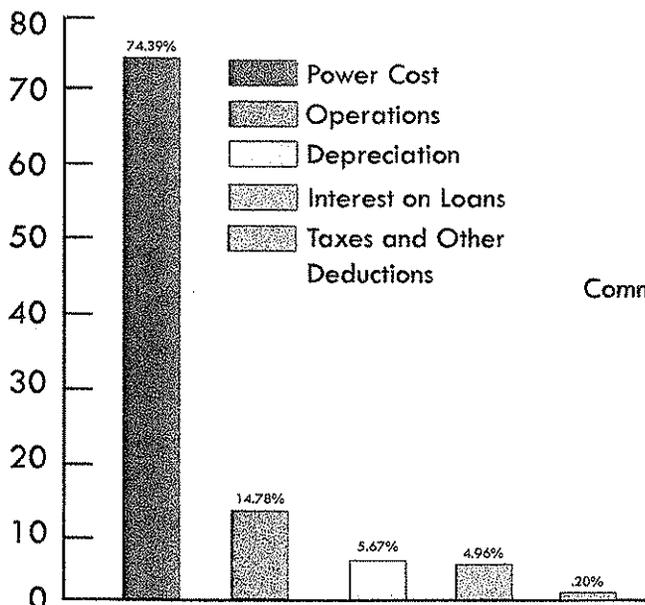
STATEMENT OF OPERATIONS For Year Ending December 31, 2006

Operating Revenue	\$89,360,905
Operating Expenses	
Cost of Purchased Power	\$66,355,815
Operating the Electric System.....	13,185,996
Depreciation	5,055,679
Taxes and Other Deductions	176,765
Interest on Loans	4,420,976
Total Cost of Electric Service	\$89,195,231
Patronage Capital and Operating Margin	165,674
Non-Operating Margins	533,498
Capital Credits Assigned from Other Cooperatives	414,328
Patronage Capital or Margins	\$1,113,500

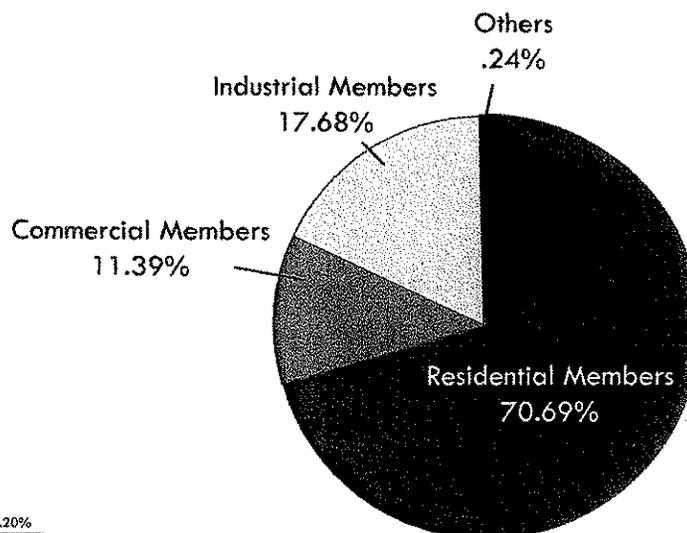
BALANCE SHEET For the Year Ending December 31, 2006

Total Utility Plant	\$172,232,060
Less Accumulated Depreciation	36,886,666
Net Utility Plant Book Value	\$135,345,394
Other Property and Investments	\$21,340,046
Cash and Temporary Investments	2,016,963
Accounts Receivable	7,410,317
Material in Inventory	1,257,476
Deferred Debits & Other Assets	1,117,588
Total Assets	\$168,487,784
LIABILITIES	
Membership & Other Equities	45,934,900
Long-Term Debt	95,906,412
Notes and Accounts Payable	15,047,092
Other Current and Accrued Liabilities	10,886,542
Deferred Credits and Miscellaneous	712,838
Total Liabilities and Equities	\$168,487,784

MAJOR COSTS



REVENUE SOURCES



BLUE GRASS ENERGY
2007 Annual Membership Meeting Minutes
Anderson-Dean Park, Harrodsburg KY

Invocation: Jason Clark

Welcome & Introduction: Jody Hughes. Thank you for attending; honor to be not only ambassador for BGE, but representative for members – who are the most important part of the electric cooperative. An introduction of the Board of Directors, attorneys, & BGE President/CEO was made.

Special Guests: Jody Hughes introduced the following guests: Retired Directors were Bill Davis, Chuck Williamson, Ronald Pennington, Tommy Pinkston, Betty Polsgrove; Roy Palk, Retired CEO of EKPC; and Steve Cornish, Anderson County Judge Executive. Appreciate contributions of each to success of BGE.

Call to Order: Jody Hughes. Blue Grass Energy 69th Annual Meeting called to order at 7:40 p.m.

Quorum: Howard Downing. Required advanced notice was given. A quorum of ½ of 1% of the membership not less than 250 required. Over 650 (692 exact) members were in attendance, so they were duly constituted to conduct business of the cooperative at this meeting.

2006 Annual Meeting Minutes: A motion was made to dispense with the reading of the minutes. Motion was seconded and approved unanimously.

Chairman's Report: Jody Hughes. Rural coops were made by members like us, in which ownership is evident. BGE is three consolidated coops, reaping benefits of a stronger, larger coop for all 23 counties it serves. We have had a good year, facing the challenge of escalating costs making us stronger for the new challenges to face in the next year. BGE is unique in that we have not had a rate increase in over 20 years, an accomplishment we must be proud of. We must recognize Dan for his leadership & mentoring skills, the employees which are second to none, & of course, the most important asset – our members. DVD “Welcome Home” was shared in appreciation to special individuals who protect us & this great nation.

Treasurer's Report: Paul Tucker. Annual financial report is in the May issue of *Kentucky Living*. Everyone is encouraged to review the financial report. If there are any questions, do not hesitate to contact one of the district offices. BGE had a positive margin, and the Board has invested in capital improvements; with \$168 million worth of plant equipment out in the field. Very impressive.

Nominating Committee Report: Howard Downing. Met in April and there were no new petitions. The following directors were re-elected to four (4) year terms: Jody Hughes, Danny Britt, & Brad Marshall. These directors were sworn in by Howard Downing.

President's Report: Dan Brewer. Privilege to stand here tonight. BGE is a family, and members are part of that family; as we prepare for the future, we must understand we are stronger collectively, than individually. Successes this past year include new Cynthiana office, improvements in Lawrenceburg office, 5th renewable power plant opened in Pendleton Co. for EKPC, but most notable was the 1st & 2nd win succeeded by BGE's Rodeo team who were introduced. A short NRECA video was shown of accomplishments made when coops band together. We must embrace challenges & make opportunities to do what's right & best for our members. Recognized directors & employees, and members – for loyalty & commitment.

Adjournment of business meeting: Jody Hughes. No objections to adjournment. Meeting adjourned at 8:07 p.m.

KAEC Report:

Ron Sheets. As BGE directors were sworn in, it made him wonder about Enron's directors, who would have sworn in with false pretense & without sincerity. We can see the BGE director's oath through their loyal actions, with support as seen tonight with attendance of members & employees; growing & thriving by hard work & decency. BGE Directors are here, available, in person; on the stage tonight, welcoming any contact with members. The biggest challenges we are facing today, are not local, nor statewide, but nationally, & internationally. Global climate change is one of those. Massachusetts Institute of Technology says this is a solar activity that has taken place many times over the years; resulting in either temperatures dropping or rising; we are experiencing the rise. Solutions of writers would prefer us do what California do, and stop using coal, which would cause our rates to match theirs - double. Advised members to be aware and use the right they have as a citizen and voice their concern, whether is be for or against. He stays optimistic we will find solution to get where we need to be, with everyone's help.

MINUTES - BOARD OF DIRECTORS
BLUE GRASS ENERGY COOPERATIVE CORPORATION
JUNE 14, 2007

A meeting of the board of directors of the Blue Grass Energy Cooperative Corporation was held June 14, 2007 immediately after the annual meeting with Zeb Blankenship, Danny G. Britt, Richard Crutcher, E.A. Gilbert, Jody E. Hughes, Gary Keller, Brad Marshall, Dennis Moneyhon, Jane Smith and Paul Tucker present.

The elections of Chairman, Vice President and Secretary-Treasurer for 2007-08 were conducted by secret ballots in accordance with policy No. 1-15.

The following officers were duly elected to serve for 2007-08, as follows:

CHAIRMAN -	<u>Jody E. Hughes</u>
VICE - CHAIRMAN -	<u>Gary Keller</u>
SECRETARY - TREASURER -	<u>Paul L. Tucker</u>

The meeting was then adjourned.

Dated: June 14, 2007.



PAUL L. TUCKER, SECRETARY

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0032. The time required to complete this information collection is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

BORROWER DESIGNATION KY0064

FINANCIAL AND STATISTICAL REPORT

PERIOD ENDED

December, 2007

INSTRUCTIONS - For detailed instructions, see RUS Bulletin 1717B-2.

BORROWER NAME

This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.

BLUE GRASS ENERGY COOPERATIVE CORPORATION

CERTIFICATION

We recognize that statements contained herein concern a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious or fraudulent statement may render the maker subject to prosecution under Title 18, United States Code Section 1001.

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

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

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1718 OF 7 CFR CHAPTER XVII

(check one of the following)

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in Part D of this report.

DATE

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	89,360,905	98,994,564	94,894,209	8,105,907
2. Power Production Expense				
3. Cost of Purchased Power	66,355,815	76,312,698	70,632,784	6,662,443
4. Transmission Expense				
5. Distribution Expense - Operation	2,370,305	2,765,010	2,636,050	337,943
6. Distribution Expense - Maintenance	3,524,604	4,366,837	4,558,100	270,534
7. Customer Accounts Expense	2,499,514	2,381,969	2,427,850	203,753
8. Customer Service and Informational Expense	872,844	1,041,225	1,164,173	10
9. Sales Expense				
10. Administrative and General Expense	3,918,729	4,183,659	4,100,710	324,687
11. Total Operation & Maintenance Expense (2 thru 10)	79,541,811	91,051,398	85,519,667	7,799,370
12. Depreciation and Amortization Expense	5,055,679	5,651,239	5,565,000	495,657
13. Tax Expense - Property & Gross Receipts				
14. Tax Expense - Other	2,430	3,385	4,200	
15. Interest on Long-Term Debt	4,420,976	4,793,634	5,062,000	336,453
16. Interest Charged to Construction - Credit				
17. Interest Expense - Other	153,964	559,841	120,000	64,658
18. Other Deductions	20,371	316,537	300,000	12,229
19. Total Cost of Electric Service (11 thru 18)	89,195,231	102,376,034	96,570,867	8,708,367
20. Patronage Capital & Operating Margins (1 minus 19)	165,674	(3,381,470)	(1,676,658)	(602,460)
21. Non Operating Margins - Interest	108,493	79,579	133,600	342
22. Allowance for Funds Used During Construction				
23. Income (Loss) from Equity Investments				
24. Non Operating Margins - Other	425,005	296,151		(42,454)
25. Generation and Transmission Capital Credits				
26. Other Capital Credits and Patronage Dividends	414,328	294,591	255,000	
27. Extraordinary Items		(1,916,999)		
28. Patronage Capital or Margins (20 thru 27)	1,113,500	(4,628,148)	(1,288,058)	(644,572)

USDA - RUS			BORROWER DESIGNATION		
FINANCIAL AND STATISTICAL REPORT			KY0064		
INSTRUCTIONS - See RUS Bulletin 1717B-2			PERIOD ENDED		
			December, 2007		
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	1,609	1,317	5. Miles Transmission		
2. Services Retired	160	72	6. Miles Distribution - Overhead	4,255.00	4,279.00
3. Total Services in Place	58,769	60,014	7. Miles Distribution - Underground	232.00	256.00
4. Idle Services (Exclude Seasonals)	3,232	3,301	8. Total Miles Energized (5 + 6 + 7)	4,487.00	4,535.00
PART C. BALANCE SHEET					
ASSETS AND OTHER DEBITS			LIABILITIES AND OTHER CREDITS		
1. Total Utility Plant in Service	172,635,904		29. Memberships.....	1,018,855	
2. Construction Work in Progress	7,831,343		30. Patronage Capital.....	41,497,843	
3. Total Utility Plant (1 + 2)	180,467,247		31. Operating Margins - Prior Years.....	96,485	
4. Accum. Provision for Depreciation and Amort	39,049,560		32. Operating Margins - Current Year.....	(4,628,148)	
5. Net Utility Plant (3 - 4)	141,417,687		33. Non-Operating Margins.....	62,513	
6. Non-Utility Property (Net)	0		34. Other Margins and Equities.....	3,220,438	
7. Investments in Subsidiary Companies	0		35. Total Margins & Equities (29 thru 34).....	41,267,986	
8. Invest. in Assoc. Org. - Patronage Capital	19,135,674		36. Long-Term Debt - RUS (Net).....	40,204,044	
9. Invest. in Assoc. Org. - Other - General Funds	0		37. Long-Term Debt - FFB - RUS Guaranteed.....	34,186,930	
10. Invest. in Assoc. Org. - Other - Nongeneral Funds..	2,296,059		38. Long-Term Debt - Other - RUS Guaranteed.....	0	
11. Investments in Economic Development Projects	0		39. Long-Term Debt Other (Net).....	22,634,103	
12. Other Investments	0		40. Long-Term Debt - RUS - Econ. Devel. (Net).....	0	
13. Special Funds	0		41. Payments - Unapplied	0	
14. Total Other Property & Investments (6 thru 13) ...	21,431,733		42. Total Long-Term Debt (36 thru 40 - 41).....	97,025,077	
15. Cash - General Funds	1,840,369		43. Obligations Under Capital Leases - Noncurrent.....	0	
16. Cash - Construction Funds - Trustee	0		44. Accumulated Operating Provisions and Asset Retirement Obligations..	5,440,540	
17. Special Deposits	0		45. Total Other Noncurrent Liabilities (43 + 44).....	5,440,540	
18. Temporary Investments	0		46. Notes Payable.....	13,200,000	
19. Notes Receivable (Net)	0		47. Accounts Payable.....	8,255,474	
20. Accounts Receivable - Sales of Energy (Net)	3,746,596		48. Consumers Deposits.....	1,413,702	
21. Accounts Receivable - Other (Net)	1,047,524		49. Current Maturities Long-Term Debt.....	3,125,000	
22. Materials and Supplies - Electric & Other	1,252,330		50. Current Maturities Long-Term Debt -Economic Development.....	0	
23. Prepayments	496,644		51. Current Maturities Capital Leases.....	0	
24. Other Current and Accrued Assets	0		52. Other Current and Accrued Liabilities.....	1,117,213	
25. Total Current and Accrued Assets (15 thru 24)	8,383,463		53. Total Current & Accrued Liabilities (46 thru 52).....	27,111,389	
26. Regulatory Assets	0		54. Regulatory Liabilities.....	0	
27. Other Deferred Debits	286,756		55. Other Deferred Credits.....	674,647	
28. Total Assets and Other Debits (5+14+25 thru 27)...	171,519,639		56. Total Liabilities and Other Credits (35+ 42 + 45 + 53 thru 55).....	171,519,639	

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	81,285,220.04	90,888,657.44	85,584,441.00	6,998,719.73	6.2	11.8
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	60,054,431.00-	69,650,255.00-	62,927,569.00-	5,726,046.00-	10.7	16.0
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION.....	2,150,610.51-	2,427,067.18-	2,416,411.00-	217,091.03-	.4	12.9
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	3,395,626.57-	4,096,302.20-	4,178,311.00-	405,879.38-	2.0-	20.6
7.0	CONSUMER ACCOUNTS EXPENSE.....	2,313,871.28-	2,178,200.75-	2,235,750.00-	201,322.07-	2.6-	5.9-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	883,890.43-	1,041,230.44-	1,067,165.00-	89,596.86-	2.4-	17.8
9.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	3,706,478.57-	3,858,972.61-	3,758,961.00-	404,426.60-	2.7	4.1
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	72,504,908.36-	83,252,028.18-	76,584,167.00-	7,044,361.94-	8.7	14.8
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	4,614,875.17-	5,155,582.26-	5,085,000.00-	494,185.75-	1.4	11.7
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER.....	2,430.03-	3,385.49-	3,850.00-	.00	12.1-	39.3
15.0	INTEREST ON LONG TERM DEBT.....	4,002,250.29-	4,457,180.82-	4,636,000.00-	401,880.67-	3.9-	11.4
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER.....	134,870.85-	495,183.31-	110,000.00-	63,049.52-	350.2	267.2
18.0	OTHER DEDUCTIONS.....	20,013.81-	2,221,306.67-	298,750.00-	.00	643.5	998.9
19.0	TOTAL COST OF ELECTRIC SERVICE.....	81,279,348.51-	95,584,666.73-	86,717,767.00-	8,003,477.88-	10.2	17.6
20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	5,871.53	4,696,009.29-	1,133,326.00-	1,004,758.15-	314.4	79.3-
21.0	NON OPERATING MARGINS - INTEREST.....	108,169.95	79,236.78	122,400.00	354.28	35.3-	26.7-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER.....	433,678.54	338,605.49	.00	2,739.45-	100.0	21.9-
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	414,328.40	294,591.16	255,000.00	.00	15.5	28.9-
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS.....	962,048.42	3,983,575.86-	755,926.00-	1,007,143.32-	427.0	514.1-
RATIOS							
TIER		1.240	.106	.837	1.506-		
MARGINS TO REVENUE		.012	.044	.009	.144		
POWER COST TO REVENUE		.739	.766	.735	.818		
INTEREST EXPENSE TO REVENUE		.049	.049	.054	.057		
CURRENT ASSETS : CURRENT LIABILITIES		.3358					
MARGINS & EQUITIES AS % OF ASSETS		.2476					
LONG TERM DEBT AS % OF PLANT		.5598					
GENERAL FUNDS TO TOTAL PLANT		.4853					
QUICK ASSET RATIO		.2641					

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 172,116,899.01	29.0 MEMBERSHIPS 1,019,705.30-
2.0	CONSTRUCTION WORK IN PROGRESS 7,197,883.18	30.0 PATRONAGE CAPITAL 41,505,706.92-
3.0	TOTAL UTILITY PLANT 179,314,782.19	31.0 OPERATING MARGINS - PRIOR YEAR 96,485.32-
4.0	ACCUM PROV FOR DEP & AMORT 38,759,826.41-	32.0 OPERATING MARGINS-CURRENT YEAR 3,983,575.86
5.0	NET UTILITY PLANT 140,554,955.78	33.0 NON-OPERATING MARGINS 62,513.47-
		34.0 OTHER MARGINS & EQUITIES 3,216,531.30-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 TOTAL MARGINS & EQUITIES 41,917,366.45-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 19,135,674.04	36.0 LONG TERM DEBT - RUS (NET) 40,988,419.17-
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 2,299,462.61	37.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR 35,010,291.04-
12.0	OTHER INVESTMENTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
13.0	SPECIAL FUNDS .00	40.0 LONG TERM DEBT - OTHER (NET) 24,384,102.75-
14.0	TOT OTHER PROP & INVESTMENTS 21,435,136.65	41.0 TOTAL LONG TERM DEBT 100,382,812.96-
15.0	CASH - GENERAL FUNDS 870,293.66	42.0 OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST .00	43.0 ACCUM OPERATING PROVISIONS 5,390,539.51-
17.0	SPECIAL DEPOSITS .00	44.0 TOTAL OTHER NONCURR LIABILITY 5,390,539.51-
18.0	TEMPORARY INVESTMENTS .00	
19.0	NOTES RECEIVABLE (NET) .00	45.0 NOTES PAYABLE 10,450,000.00-
20.0	ACCTS RECV - SALES ENERGY (NET) 3,164,235.69	46.0 ACCOUNTS PAYABLE 7,659,690.63-
21.0	ACCTS RECV - OTHER (NET) 981,739.87	47.0 CONSUMER DEPOSITS 1,414,843.81-
22.0	MATERIAL & SUPPLIES-ELEC & OTH 1,495,879.08	48.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	PREPAYMENTS 490,683.42	49.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	OTHER CURRENT & ACCR ASSETS .00	50.0 CURR MATURITIES CAPITAL LEASES .00
25.0	TOTAL CURRENT & ACCR ASSETS 7,002,831.72	51.0 OTHER CURRENT & ACCRUED LIAB 1,328,010.88-
26.0	REGULATORY ASSETS .00	52.0 TOTAL CURRENT & ACCRUED LIAB 20,852,545.32-
27.0	OTHER DEFERRED DEBITS 312,161.26	53.0 REGULATORY LIABILITIES .00
28.0	TOTAL ASSETS & OTHER DEBITS 169,305,085.41	54.0 OTHER DEFERRED CREDITS 761,821.17-
		55.0 TOTAL LIABILITIES & OTH CREDIT 169,305,085.41-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
56.0	BALANCE BEGINNING OF YEAR .00
57.0	AMOUNT RECEIVED THIS YEAR (NET) 534,496.54
58.0	TOTAL CONTRIBUTIONS IN AID OF CONST 534,496.54

=====

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR	THIS YEAR	BUDGET			
		A	B	C	D		
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	74,765,540.84	83,889,937.71	78,867,346.00	7,383,450.59	6.4	12.2
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	55,082,248.00-	63,924,209.00-	57,445,482.00-	5,396,001.00-	11.3	16.1
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION.....	1,990,193.93-	2,209,976.15-	2,196,760.00-	196,567.35-	.6	11.0
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	2,905,625.68-	3,690,422.82-	3,798,510.00-	398,906.62-	2.8-	27.0
7.0	CONSUMER ACCOUNTS EXPENSE.....	2,111,678.08-	1,976,878.68-	2,050,650.00-	182,092.47-	3.6-	6.4-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	893,198.72-	951,633.58-	970,150.00-	96,967.62-	1.9-	6.5
9.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	3,360,801.96-	3,454,546.01-	3,417,210.00-	385,138.20-	1.1	2.8
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	66,343,746.37-	76,207,666.24-	69,878,762.00-	6,655,673.26-	9.1	14.9
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	4,175,528.29-	4,661,396.51-	4,610,000.00-	491,506.57-	1.1	11.6
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER.....	2,430.03-	3,385.49-	3,500.00-	.00	3.3-	39.3
15.0	INTEREST ON LONG TERM DEBT.....	3,640,506.91-	4,055,300.15-	4,210,000.00-	405,000.00-	3.7-	11.4
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER.....	108,795.35-	432,133.79-	100,000.00-	47,029.75-	332.1	297.2
18.0	OTHER DEDUCTIONS.....	19,586.35-	2,221,306.67-	297,500.00-	.00	646.7	1241.1
19.0	TOTAL COST OF ELECTRIC SERVICE.....	74,290,593.30-	87,581,188.85-	79,099,762.00-	7,599,209.58-	10.7	17.9
20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	474,947.54	3,691,251.14-	232,416.00-	215,758.99-	488.2	877.2-
21.0	NON OPERATING MARGINS - INTEREST.....	107,882.60	78,882.50	111,200.00	37,398.85	29.1-	26.9-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER.....	436,044.13	341,344.94	.00	56,278.07	100.0	21.7-
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	414,328.40	294,591.16	230,000.00	.00	28.1	28.9-
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS.....	1,433,202.67	2,976,432.54-	108,784.00	122,082.07-	836.1-	307.7-

RATIOS

TIER	1.394	.266	1.026	.699
MARGINS TO REVENUE	.019	.035	.001	.017
POWER COST TO REVENUE	.737	.762	.728	.731
INTEREST EXPENSE TO REVENUE	.049	.048	.053	.055
CURRENT ASSETS : CURRENT LIABILITIES	.3927			
MARGINS & EQUITIES AS % OF ASSETS	.2536			
LONG TERM DEBT AS % OF PLANT	.5665			
GENERAL FUNDS TO TOTAL PLANT	.5489			
QUICK ASSET RATIO	.3114			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 171,224,735.30	29.0 MEMBERSHIPS 1,018,682.80-
2.0	CONSTRUCTION WORK IN PROGRESS 7,096,172.36	30.0 PATRONAGE CAPITAL 41,511,264.64-
3.0	TOTAL UTILITY PLANT 178,320,907.66	31.0 OPERATING MARGINS - PRIOR YEAR 96,485.32-
4.0	ACCUM PROV FOR DEP & AMORT 38,395,872.40-	32.0 OPERATING MARGINS-CURRENT YEAR 2,976,432.54
5.0	NET UTILITY PLANT 139,925,035.26	33.0 NON-OPERATING MARGINS 62,513.47-
		34.0 OTHER MARGINS & EQUITIES 3,214,223.57-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 TOTAL MARGINS & EQUITIES 42,926,737.26-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 19,135,674.04	36.0 LONG TERM DEBT - RUS (NET) 41,050,045.32-
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 2,299,462.61	37.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR 35,010,291.04-
12.0	OTHER INVESTMENTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
13.0	SPECIAL FUNDS .00	40.0 LONG TERM DEBT - OTHER (NET) 24,953,453.16-
14.0	TOT OTHER PROP & INVESTMENTS 21,435,136.65	41.0 TOTAL LONG TERM DEBT 101,013,789.52-
15.0	CASH - GENERAL FUNDS 978,868.01	42.0 OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST .00	43.0 ACCUM OPERATING PROVISIONS 5,340,539.51-
17.0	SPECIAL DEPOSITS .00	44.0 TOTAL OTHER NONCURR LIABILITY 5,340,539.51-
18.0	TEMPORARY INVESTMENTS .00	
19.0	NOTES RECEIVABLE (NET) .00	45.0 NOTES PAYABLE 9,050,000.00-
20.0	ACCTS RECV - SALES ENERGY(NET) 3,565,346.17	46.0 ACCOUNTS PAYABLE 7,421,117.69-
21.0	ACCTS RECV - OTHER (NET) 1,011,708.85	47.0 CONSUMER DEPOSITS 1,405,833.81-
22.0	MATERIAL & SUPPLIES-ELEC & OTH 1,561,044.92	48.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	PREPAYMENTS 420,118.23	49.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	OTHER CURRENT & ACCR ASSETS .00	50.0 CURR MATURITIES CAPITAL LEASES .00
25.0	TOTAL CURRENT & ACCR ASSETS 7,537,086.18	51.0 OTHER CURRENT & ACCRUED LIAB 1,316,663.30-
26.0	REGULATORY ASSETS .00	52.0 TOTAL CURRENT & ACCRUED LIAB 19,193,614.80-
27.0	OTHER DEFERRED DEBITS 341,328.75	53.0 REGULATORY LIABILITIES .00
28.0	TOTAL ASSETS & OTHER DEBITS 169,238,586.84	54.0 OTHER DEFERRED CREDITS 763,905.75-
		55.0 TOTAL LIABILITIES & OTH CREDIT 169,238,586.84-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

56.0	BALANCE BEGINNING OF YEAR	.00
57.0	AMOUNT RECEIVED THIS YEAR (NET)	523,466.63
58.0	TOTAL CONTRIBUTIONS IN AID OF CONST	523,466.63

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE			THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B	BUDGET C			
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	68,500,879.23	76,506,487.12	71,713,243.00	9,833,895.38	6.7	11.7
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	50,117,861.00-	58,528,208.00-	52,451,732.00-	6,741,817.00-	11.6	16.8
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION.....	1,815,463.52-	2,013,408.80-	1,977,109.00-	172,376.81-	1.8	10.9
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	2,645,271.72-	3,291,516.20-	3,418,659.00-	242,766.68-	3.7-	24.4
7.0	CONSUMER ACCOUNTS EXPENSE.....	1,898,048.22-	1,794,786.21-	1,870,600.00-	164,987.12-	4.1-	5.4-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	797,520.47-	854,665.96-	873,135.00-	81,273.95-	2.1-	7.2
9.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	3,052,847.78-	3,069,407.81-	3,075,509.00-	359,487.45-	.2-	.5
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	60,327,012.71-	69,551,992.98-	63,666,744.00-	7,762,709.01-	9.2	15.3
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	3,741,521.94-	4,169,889.94-	4,135,000.00-	489,668.16-	.8	11.4
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER.....	2,430.03-	3,385.49-	3,150.00-	.00	7.5	39.3
15.0	INTEREST ON LONG TERM DEBT.....	3,240,506.91-	3,650,300.15-	3,785,000.00-	393,502.64-	3.6-	12.6
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER.....	95,665.39-	385,104.04-	90,000.00-	37,081.33-	327.9	302.6
18.0	OTHER DEDUCTIONS.....	19,550.91-	2,221,306.67-	296,250.00-	7,829.64-	649.8	1261.7
19.0	TOTAL COST OF ELECTRIC SERVICE.....	67,426,687.89-	79,981,979.27-	71,976,144.00-	8,690,790.78-	11.1	18.6
20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	1,074,191.34	3,475,492.15-	262,901.00-	1,143,104.60	222.0	423.5-
21.0	NON OPERATING MARGINS - INTEREST.....	70,544.36	41,483.65	100,000.00	255.79	58.5-	41.2-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER.....	441,006.42	285,066.87	.00	33.76-	100.0	35.4-
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	414,328.40	294,591.16	200,000.00	244,260.69	47.3	28.9-
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS.....	2,000,070.52	2,854,350.47-	37,099.00	1,387,587.32	793.9-	242.7-

RATIOS

TIER	1.617	.218	1.010	4.526
MARGINS TO REVENUE	.029	.037	.001	.141
POWER COST TO REVENUE	.732	.765	.731	.686
INTEREST EXPENSE TO REVENUE	.047	.048	.053	.040
CURRENT ASSETS : CURRENT LIABILITIES	.4880			
MARGINS & EQUITIES AS % OF ASSETS	.2514			
LONG TERM DEBT AS % OF PLANT	.5710			
GENERAL FUNDS TO TOTAL PLANT	.7724			
QUICK ASSET RATIO	.4165			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 170,523,570.50	29.0 MEMBERSHIPS 1,017,795.30-
2.0	CONSTRUCTION WORK IN PROGRESS 6,764,236.86	30.0 PATRONAGE CAPITAL 41,520,711.62-
3.0	TOTAL UTILITY PLANT 177,287,807.36	31.0 OPERATING MARGINS - PRIOR YEAR 96,485.32-
4.0	ACCUM PROV FOR DEP & AMORT 38,033,649.01-	32.0 OPERATING MARGINS-CURRENT YEAR 2,854,350.47
5.0	NET UTILITY PLANT 139,254,158.35	33.0 NON-OPERATING MARGINS 62,513.47-
6.0	NON-UTILITY PROPERTY (NET) .00	34.0 OTHER MARGINS & EQUITIES 3,210,253.07-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	35.0 TOTAL MARGINS & EQUITIES 43,053,408.31-
8.0	INV IN ASSOC ORG - PAT CAPITAL 19,135,674.04	36.0 LONG TERM DEBT - RUS (NET) 41,106,693.37-
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 2,299,462.61	37.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR 35,163,786.46-
12.0	OTHER INVESTMENTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
13.0	SPECIAL FUNDS .00	40.0 LONG TERM DEBT - OTHER (NET) 24,953,453.16-
14.0	TOT OTHER PROP & INVESTMENTS 21,435,136.65	41.0 TOTAL LONG TERM DEBT 101,223,932.99-
15.0	CASH - GENERAL FUNDS 1,369,349.22	42.0 OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST .00	43.0 ACCUM OPERATING PROVISIONS 5,290,539.51-
17.0	SPECIAL DEPOSITS .00	44.0 TOTAL OTHER NONCURR LIABILITY 5,290,539.51-
18.0	TEMPORARY INVESTMENTS .00	45.0 NOTES PAYABLE 8,750,000.00-
19.0	NOTES RECEIVABLE (NET) .00	46.0 ACCOUNTS PAYABLE 8,810,674.15-
20.0	ACCTS REC - SALES ENERGY (NET) 5,129,667.31	47.0 CONSUMER DEPOSITS 1,398,423.07-
21.0	ACCTS REC - OTHER (NET) 1,676,765.02	48.0 CURR MATURITIES LONG-TERM DEBT .00
22.0	MATERIAL & SUPPLIES-ELEC & OTH 1,499,518.52	49.0 CURR MATURIT LT DEBT ECON DEV .00
23.0	PREPAYMENTS 552,077.16	50.0 CURR MATURITIES CAPITAL LEASES .00
24.0	OTHER CURRENT & ACCR ASSETS .00	51.0 OTHER CURRENT & ACCRUED LIAB 1,996,667.66-
25.0	TOTAL CURRENT & ACCR ASSETS 10,227,377.23	52.0 TOTAL CURRENT & ACCRUED LIAB 20,955,764.88-
26.0	REGULATORY ASSETS .00	53.0 REGULATORY LIABILITIES .00
27.0	OTHER DEFERRED DEBITS 367,152.06	54.0 OTHER DEFERRED CREDITS 760,178.60-
28.0	TOTAL ASSETS & OTHER DEBITS 171,283,824.29	55.0 TOTAL LIABILITIES & OTH CREDIT 171,283,824.29-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

56.0	BALANCE BEGINNING OF YEAR	.00
57.0	AMOUNT RECEIVED THIS YEAR (NET)	483,123.82
58.0	TOTAL CONTRIBUTIONS IN AID OF CONST	483,123.82

C E R T I F I C A T I O N

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SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

BLUE GRASS ENERGY
PRG. OPERBSHT

FINANCIAL AND STATISTICAL REPORT
FROM 01/07 THRU 08/07

PAGE 1
RUN DATE 09/25/07 02:27 PM

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	61,056,733.94	66,672,591.74	63,908,635.00	8,588,312.95	4.3	9.2
2.0	.00	.00	.00	.00	.0	.0
3.0	45,470,507.00	51,786,391.00	47,634,396.00	7,201,830.00	8.7	13.9
4.0	.00	.00	.00	.00	.0	.0
5.0	1,606,454.61	1,841,031.99	1,757,458.00	188,758.27	4.8	14.6
6.0	2,360,144.28	3,048,749.52	3,038,808.00	498,290.10	.3	29.2
7.0	1,705,194.24	1,629,799.09	1,690,500.00	210,909.93	3.6	4.4
8.0	713,779.53	773,392.01	776,120.00	93,827.51	.4	8.4
9.0	.00	.00	.00	.00	.0	.0
10.0	2,719,604.50	2,709,920.36	2,733,808.00	361,777.78	.9	.4
11.0	54,575,684.16	61,789,283.97	57,631,090.00	8,555,393.59	7.2	13.2
12.0	3,314,107.04	3,680,221.78	3,660,000.00	480,389.69	.6	11.0
13.0	.00	.00	.00	.00	.0	.0
14.0	2,430.03	3,385.49	2,800.00	.00	20.9	39.3
15.0	2,842,911.15	3,256,797.51	3,360,000.00	416,305.78	3.1	14.6
16.0	.00	.00	.00	.00	.0	.0
17.0	79,924.72	348,022.71	80,000.00	52,247.06	335.0	335.4
18.0	19,050.91	2,213,477.03	295,000.00	355.04	650.3	1518.7
19.0	60,834,108.01	71,291,188.49	65,028,890.00	9,504,691.16	9.6	17.2
20.0	222,625.93	4,618,596.75	1,120,255.00	916,378.21	312.3	2174.6
21.0	70,270.09	41,227.86	88,800.00	244.70	53.6	41.3
22.0	.00	.00	.00	.00	.0	.0
23.0	.00	.00	.00	.00	.0	.0
24.0	444,476.33	285,100.63	.00	136.11	100.0	35.9
25.0	.00	.00	.00	.00	.0	.0
26.0	350,055.29	50,330.47	200,000.00	.00	74.8	85.6
27.0	.00	.00	.00	.00	.0	.0
28.0	1,087,427.64	4,241,937.79	831,455.00	915,997.40	410.2	490.1

RATIOS

TIER	1.383	.302	.753	1.200
MARGINS TO REVENUE	.018	.064	.013	.107
POWER COST TO REVENUE	.745	.777	.745	.839
INTEREST EXPENSE TO REVENUE	.047	.049	.053	.048
CURRENT ASSETS : CURRENT LIABILITIES	.4637			
MARGINS & EQUITIES AS % OF ASSETS	.2448			
LONG TERM DEBT AS % OF PLANT	.5744			
GENERAL FUNDS TO TOTAL PLANT	.9781			
QUICK ASSET RATIO	.3955			

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 169,753,266.96	29.0 MEMBERSHIPS 1,017,292.80-
2.0	CONSTRUCTION WORK IN PROGRESS 6,586,336.30	30.0 PATRONAGE CAPITAL 41,538,613.39-
3.0	TOTAL UTILITY PLANT 176,339,603.26	31.0 OPERATING MARGINS - PRIOR YEAR 96,485.32-
4.0	ACCUM PROV FOR DEP & AMORT 37,697,062.64-	32.0 OPERATING MARGINS-CURRENT YEAR 4,241,937.79
5.0	NET UTILITY PLANT 138,642,540.62	33.0 NON-OPERATING MARGINS 62,513.47-
6.0	NON-UTILITY PROPERTY (NET) .00	34.0 OTHER MARGINS & EQUITIES 3,202,447.40-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	35.0 TOTAL MARGINS & EQUITIES 41,675,414.59-
8.0	INV IN ASSOC ORG - PAT CAPITAL 19,060,493.72	36.0 LONG TERM DEBT - RUS (NET) 41,167,919.06-
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 2,299,462.61	37.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR 35,163,786.46-
12.0	OTHER INVESTMENTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
13.0	SPECIAL FUNDS .00	40.0 LONG TERM DEBT - OTHER (NET) 24,953,453.16-
14.0	TOT OTHER PROP & INVESTMENTS 21,359,956.33	41.0 TOTAL LONG TERM DEBT 101,285,158.68-
15.0	CASH - GENERAL FUNDS 1,724,857.33	42.0 OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST .00	43.0 ACCUM OPERATING PROVISIONS 5,302,215.51-
17.0	SPECIAL DEPOSITS .00	44.0 TOTAL OTHER NONCURR LIABILITY 5,302,215.51-
18.0	TEMPORARY INVESTMENTS .00	45.0 NOTES PAYABLE 8,875,000.00-
19.0	NOTES RECEIVABLE (NET) .00	46.0 ACCOUNTS PAYABLE 9,148,308.31-
20.0	ACCTS REC - SALES ENERGY(NET) 4,475,975.63	47.0 CONSUMER DEPOSITS 1,388,192.22-
21.0	ACCTS REC - OTHER (NET) 1,619,917.39	48.0 CURR MATURITIES LONG-TERM DEBT .00
22.0	MATERIAL & SUPPLIES-ELEC & OTH 1,446,189.98	49.0 CURR MATURIT LT DEBT ECON DEV .00
23.0	PREPAYMENTS 566,616.85	50.0 CURR MATURITIES CAPITAL LEASES .00
24.0	OTHER CURRENT & ACCR ASSETS .00	51.0 OTHER CURRENT & ACCRUED LIAB 1,793,280.41-
25.0	TOTAL CURRENT & ACCR ASSETS 9,833,557.18	52.0 TOTAL CURRENT & ACCRUED LIAB 21,204,780.94-
26.0	REGULATORY ASSETS .00	53.0 REGULATORY LIABILITIES .00
27.0	OTHER DEFERRED DEBITS 393,561.74	54.0 OTHER DEFERRED CREDITS 762,046.15-
28.0	TOTAL ASSETS & OTHER DEBITS 170,229,615.87	55.0 TOTAL LIABILITIES & OTH CREDIT 170,229,615.87-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

56.0	BALANCE BEGINNING OF YEAR	.00
57.0	AMOUNT RECEIVED THIS YEAR (NET)	447,412.67
58.0	TOTAL CONTRIBUTIONS IN AID OF CONST	447,412.67

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	52,518,380.50	58,084,278.79	54,922,698.00	7,883,157.59	5.8	10.6	
2.0	.00	.00	.00	.00	.0	.0	
3.0	39,026,730.00-	44,584,561.00-	40,882,649.00-	6,137,427.00-	9.1	14.2	
4.0	.00	.00	.00	.00	.0	.0	
5.0	1,364,718.58-	1,652,273.72-	1,537,807.00-	209,379.35-	7.4	21.1	
6.0	2,066,963.40-	2,550,459.42-	2,658,957.00-	389,563.29-	4.1-	23.4	
7.0	1,503,674.29-	1,418,889.16-	1,495,800.00-	207,613.30-	5.1-	5.6-	
8.0	643,222.57-	679,564.50-	679,105.00-	144,461.96-	.1	5.7	
9.0	.00	.00	.00	.00	.0	.0	
0.0	2,335,855.71-	2,348,142.58-	2,392,107.00-	348,748.33-	1.8-	.5	
1.0	46,941,164.55-	53,233,890.38-	49,646,425.00-	7,437,193.23-	7.2	13.4	
2.0	2,892,420.98-	3,199,832.09-	3,190,000.00-	471,991.54-	.3	10.6	
3.0	.00	.00	.00	.00	.0	.0	
4.0	2,430.03-	3,385.49-	2,450.00-	.00	38.2	39.3	
5.0	2,437,566.35-	2,840,491.73-	2,937,000.00-	405,000.00-	3.3-	16.5	
6.0	.00	.00	.00	.00	.0	.0	
7.0	64,851.76-	295,775.65-	70,000.00-	51,942.94-	322.5	356.1	
8.0	11,515.42-	2,213,121.99-	293,750.00-	65,349.52-	653.4	9118.8	
9.0	52,349,949.09-	61,786,497.33-	56,139,625.00-	8,431,477.23-	10.1	18.0	
0.0	168,431.41	3,702,218.54-	1,216,927.00-	548,319.64-	204.2	2298.1-	
1.0	69,923.98	40,983.16	77,700.00	455.20	47.3-	41.4-	
2.0	.00	.00	.00	.00	.0	.0	
3.0	.00	.00	.00	.00	.0	.0	
4.0	427,369.49	284,964.52	.00	260,606.03	100.0	33.3-	
5.0	.00	.00	.00	.00	.0	.0	
5.0	176,636.53	50,330.47	25,000.00	.00	101.3	71.5-	
7.0	.00	.00	.00	.00	.0	.0	
8.0	842,361.41	3,325,940.39-	1,114,227.00-	287,258.41-	198.5	494.8-	
RATIOS							
TIER	1.346	.171-	.621	.291			
MARGINS TO REVENUE	.016	.057	.020	.036			
POWER COST TO REVENUE	.743	.768	.744	.779			
INTEREST EXPENSE TO REVENUE	.046	.049	.053	.051			
CURRENT ASSETS : CURRENT LIABILITIES	.5399						
MARGINS & EQUITIES AS % OF ASSETS	.2491						
LONG TERM DEBT AS % OF PLANT	.5803						
GENERAL FUNDS TO TOTAL PLANT	1.2717						
QUICK ASSET RATIO	.4732						

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 168,830,651.95	29.0 MEMBERSHIPS 1,014,880.30-
2.0	CONSTRUCTION WORK IN PROGRESS 6,791,932.38	30.0 PATRONAGE CAPITAL 41,538,613.39-
3.0	TOTAL UTILITY PLANT 175,622,584.33	31.0 OPERATING MARGINS - PRIOR YEAR 96,485.32-
4.0	ACCUM PROV FOR DEP & AMORT 37,464,258.80-	32.0 OPERATING MARGINS-CURRENT YEAR 3,325,940.39
5.0	NET UTILITY PLANT 138,158,325.53	33.0 NON-OPERATING MARGINS 62,513.47-
6.0	NON-UTILITY PROPERTY (NET) .00	34.0 OTHER MARGINS & EQUITIES 3,202,447.40-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	35.0 TOTAL MARGINS & EQUITIES 42,588,999.49-
8.0	INV IN ASSOC ORG - PAT CAPITAL 19,060,493.72	36.0 LONG TERM DEBT - RUS (NET) 41,226,614.97-
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 2,299,462.61	37.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR 35,163,786.46-
12.0	OTHER INVESTMENTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
13.0	SPECIAL FUNDS .00	40.0 LONG TERM DEBT - OTHER (NET) 25,516,706.10-
14.0	TOT OTHER PROP & INVESTMENTS 21,359,956.33	41.0 TOTAL LONG TERM DEBT 101,907,107.53-
15.0	CASH - GENERAL FUNDS 2,233,463.75	42.0 OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST .00	43.0 ACCUM OPERATING PROVISIONS 5,252,215.51-
17.0	SPECIAL DEPOSITS .00	44.0 TOTAL OTHER NONCURR LIABILITY 5,252,215.51-
18.0	TEMPORARY INVESTMENTS .00	45.0 NOTES PAYABLE 8,825,000.00-
19.0	NOTES RECEIVABLE (NET) .00	46.0 ACCOUNTS PAYABLE 7,938,902.70-
20.0	ACCTS RECV - SALES ENERGY (NET) 5,226,065.50	47.0 CONSUMER DEPOSITS 1,370,086.22-
21.0	ACCTS RECV - OTHER (NET) 1,531,818.13	48.0 CURR MATURITIES LONG-TERM DEBT .00
22.0	MATERIAL & SUPPLIES-ELEC & OTH 1,366,830.97	49.0 CURR MATURIT LT DEBT ECON DEV .00
23.0	PREPAYMENTS 705,464.45	50.0 CURR MATURITIES CAPITAL LEASES .00
24.0	OTHER CURRENT & ACCR ASSETS .00	51.0 OTHER CURRENT & ACCRUED LIAB 2,358,254.01-
25.0	TOTAL CURRENT & ACCR ASSETS 11,063,642.80	52.0 TOTAL CURRENT & ACCRUED LIAB 20,492,242.93-
26.0	REGULATORY ASSETS .00	53.0 REGULATORY LIABILITIES .00
27.0	OTHER DEFERRED DEBITS 422,797.88	54.0 OTHER DEFERRED CREDITS 764,157.08-
28.0	TOTAL ASSETS & OTHER DEBITS 171,004,722.54	55.0 TOTAL LIABILITIES & OTH CREDIT 171,004,722.54-
	=====	=====
		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION
		56.0 BALANCE BEGINNING OF YEAR .00
		57.0 AMOUNT RECEIVED THIS YEAR (NET) 356,352.33
		58.0 TOTAL CONTRIBUTIONS IN AID OF CONST 356,352.33

C E R T I F I C A T I O N

I HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
 ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

 SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

 DATE

 SIGNATURE OF MANAGER

 DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	45,155,707.36	50,201,121.20	47,173,478.00	7,309,159.03	6.4	11.2
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER.....	33,026,376.00-	38,447,134.00-	34,597,645.00-	5,637,410.00-	11.1	16.4
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION.....	1,141,412.74-	1,442,894.37-	1,318,156.00-	203,488.18-	9.5	26.4
6.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,740,998.49-	2,160,896.13-	2,279,106.00-	391,616.31-	5.2-	24.1
7.0	CONSUMER ACCOUNTS EXPENSE.....	1,289,906.52-	1,211,275.86-	1,283,550.00-	195,481.16-	5.6-	6.1-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	568,265.23-	535,102.54-	582,090.00-	70,573.44-	8.1-	5.8-
9.0	SALES EXPENSE.....	.00	.00	.00	.00	.0	.0
10.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,978,719.15-	1,999,394.25-	2,050,406.00-	321,493.42-	2.5-	1.0
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	39,745,678.13-	45,796,697.15-	42,110,953.00-	6,820,062.51-	8.8	15.2
12.0	DEPRECIATION & AMORTIZATION EXPENSE.....	2,472,050.05-	2,727,840.55-	2,725,000.00-	472,019.91-	.1	10.3
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER.....	2,430.03-	3,385.49-	2,100.00-	75.00-	61.2	39.3
15.0	INTEREST ON LONG TERM DEBT.....	2,036,566.35-	2,435,491.73-	2,514,000.00-	408,387.97-	3.1-	19.6
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER.....	58,911.59-	243,832.71-	60,000.00-	49,126.98-	306.4	313.9
18.0	OTHER DEDUCTIONS.....	11,515.42-	2,147,772.47-	292,500.00-	96.29-	634.3	8551.3
19.0	TOTAL COST OF ELECTRIC SERVICE.....	44,327,151.57~	53,355,020.10-	47,704,553.00-	7,749,768.66-	11.8	20.4
20.0	PATRONAGE CAPITAL & OPERATING MARGINS....	828,555.79	3,153,898.90-	531,075.00-	440,609.63-	493.9	480.7-
21.0	NON OPERATING MARGINS - INTEREST.....	65,632.29	40,527.96	66,600.00	338.50	39.1-	38.3-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER.....	429,520.70	24,358.49	.00	871.52-	100.0	94.3-
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	176,636.53	50,330.47	25,000.00	2,884.24	101.3	71.5-
27.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS.....	1,500,345.31	3,038,681.98-	439,475.00-	438,258.41-	591.4	302.5-
RATIOS							
	TIER	1.737	.248-	.825	.073-		
	MARGINS TO REVENUE	.033	.061	.009	.060		
	POWER COST TO REVENUE	.731	.766	.733	.771		
	INTEREST EXPENSE TO REVENUE	.045	.049	.053	.056		
	CURRENT ASSETS : CURRENT LIABILITIES	.5433					
	MARGINS & EQUITIES AS % OF ASSETS	.2521					
	LONG TERM DEBT AS % OF PLANT	.5813					
	GENERAL FUNDS TO TOTAL PLANT	.4942					
	QUICK ASSET RATIO	.4714					

PART C. BALANCE SHEET

LINE

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS		
1.0	TOTAL UTILITY PLANT IN SERVICE	169,245,441.95	29.0 MEMBERSHIPS	1,013,987.80-
2.0	CONSTRUCTION WORK IN PROGRESS	6,405,310.91	30.0 PATRONAGE CAPITAL	41,549,775.85-
3.0	TOTAL UTILITY PLANT	175,650,752.86	31.0 OPERATING MARGINS - PRIOR YEAR	96,485.32-
4.0	ACCUM PROV FOR DEP & AMORT	37,657,510.06-	32.0 OPERATING MARGINS-CURRENT YEAR	3,038,681.98
5.0	NET UTILITY PLANT	137,993,242.80	33.0 NON-OPERATING MARGINS	62,513.47-
6.0	NON-UTILITY PROPERTY (NET)	.00	34.0 OTHER MARGINS & EQUITIES	3,197,355.37-
7.0	INVEST IN SUBSIDIARY COMPANIES	.00	35.0 TOTAL MARGINS & EQUITIES	42,881,435.83-
8.0	INV IN ASSOC ORG - PAT CAPITAL	19,060,493.72	36.0 LONG TERM DEBT - RUS (NET)	41,282,627.18-
9.0	INV IN ASSOC ORG OTHER GEN FND	.00	(PAYMENTS-UNAPPLIED .00)	
10.0	INV IN ASSOC ORG - NON GEN FND	2,312,263.39	37.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
11.0	INV IN ECON DEVEL PROJECTS	.00	38.0 LNG-TERM DEBT-FFB-RUS GUAR	35,311,740.09-
12.0	OTHER INVESTMENTS	.00	39.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
13.0	SPECIAL FUNDS	.00	40.0 LONG TERM DEBT - OTHER (NET)	25,516,706.10-
14.0	TOT OTHER PROP & INVESTMENTS	21,372,757.11	41.0 TOTAL LONG TERM DEBT	102,111,073.37-
15.0	CASH - GENERAL FUNDS	867,992.54	42.0 OBLIGATION UNDER CAPITAL LEASE	.00
16.0	CASH - CONSTRUCTION FUND TRUST	.00	43.0 ACCUM OPERATING PROVISIONS	5,403,584.27-
17.0	SPECIAL DEPOSITS	.00	44.0 TOTAL OTHER NONCURR LIABILITY	5,403,584.27-
18.0	TEMPORARY INVESTMENTS	.00	45.0 NOTES PAYABLE	8,225,000.00-
19.0	NOTES RECEIVABLE (NET)	.00	46.0 ACCOUNTS PAYABLE	7,150,650.59-
20.0	ACCTS RECV - SALES ENERGY (NET)	6,334,913.91	47.0 CONSUMER DEPOSITS	1,359,401.96-
21.0	ACCTS RECV - OTHER (NET)	1,443,220.05	48.0 CURR MATURITIES LONG-TERM DEBT	.00
22.0	MATERIAL & SUPPLIES-ELEC & OTH	1,362,991.89	49.0 CURR MATURIT LT DEBT ECON DEV	.00
23.0	PREPAYMENTS	292,073.82	50.0 CURR MATURITIES CAPITAL LEASES	.00
24.0	OTHER CURRENT & ACCR ASSETS	.00	51.0 OTHER CURRENT & ACCRUED LIAB	2,226,879.14-
25.0	TOTAL CURRENT & ACCR ASSETS	10,301,192.21	52.0 TOTAL CURRENT & ACCRUED LIAB	18,961,931.69-
26.0	REGULATORY ASSETS	.00	53.0 REGULATORY LIABILITIES	.00
27.0	OTHER DEFERRED DEBITS	449,986.19	54.0 OTHER DEFERRED CREDITS	759,153.15-
28.0	TOTAL ASSETS & OTHER DEBITS	170,117,178.31	55.0 TOTAL LIABILITIES & OTH CREDIT	170,117,178.31-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

56.0	BALANCE BEGINNING OF YEAR	.00
57.0	AMOUNT RECEIVED THIS YEAR (NET)	315,287.28
58.0	TOTAL CONTRIBUTIONS IN AID OF CONST	315,287.28

C E R T I F I C A T I O N

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SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				THIS MONTH	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR	THIS YEAR	BUDGET				
	A	B	C	D			
1.0	38,559,910.14	42,891,962.17	40,231,729.00	7,596,110.09	6.6	11.2	
2.0	.00	.00	.00	.00	.0	.0	
3.0	27,592,371.00-	32,809,724.00-	28,907,906.00-	6,346,522.00-	13.5	18.9	
4.0	.00	.00	.00	.00	.0	.0	
5.0	983,934.59-	1,239,406.19-	1,098,505.00-	225,700.23-	12.8	26.0	
6.0	1,443,314.06-	1,769,279.82-	1,899,255.00-	328,979.33-	6.8-	22.6	
7.0	1,064,804.32-	1,015,794.70-	1,058,850.00-	231,948.93-	4.1-	4.6-	
8.0	486,147.49-	464,529.10-	485,075.00-	80,704.92-	4.2-	4.4-	
9.0	.00	.00	.00	.00	.0	.0	
10.0	1,642,405.21-	1,677,900.83-	1,708,705.00-	318,974.27-	1.8-	2.2	
11.0	33,212,976.67-	38,976,634.64-	35,158,296.00-	7,532,829.68-	10.9	17.4	
12.0	2,052,983.38-	2,255,820.64-	2,265,000.00-	461,683.69-	.4-	9.9	
13.0	.00	.00	.00	.00	.0	.0	
14.0	2,355.03-	3,310.49-	1,750.00-	.00	89.2	40.6	
15.0	1,657,873.57-	2,027,103.76-	2,093,000.00-	426,007.47-	3.1-	22.3	
16.0	.00	.00	.00	.00	.0	.0	
17.0	53,194.68-	194,705.73-	50,000.00-	49,187.09-	289.4	266.0	
18.0	11,515.42-	2,147,676.18-	291,250.00-	143.35-	637.4	8550.4	
19.0	36,990,898.75-	45,605,251.44-	39,859,296.00-	8,469,851.28-	14.4	23.3	
20.0	1,569,011.39	2,713,289.27-	372,433.00	873,741.19-	828.5-	272.9-	
21.0	58,744.37	40,189.46	55,500.00	290.94	27.6-	31.6-	
22.0	.00	.00	.00	.00	.0	.0	
23.0	.00	.00	.00	.00	.0	.0	
24.0	414,076.50	25,230.01	.00	761.07	100.0	93.9-	
25.0	.00	.00	.00	.00	.0	.0	
26.0	174,599.93	47,446.23	25,000.00	.00	89.8	72.8-	
27.0	.00	.00	.00	.00	.0	.0	
28.0	2,216,432.19	2,600,423.57-	452,933.00	872,689.18-	674.1-	217.3-	
RATIOS							
TIER	2.337	.283-	1.216	1.049-			
MARGINS TO REVENUE	.057	.061	.011	.115			
POWER COST TO REVENUE	.716	.765	.719	.835			
INTEREST EXPENSE TO REVENUE	.043	.047	.052	.056			
CURRENT ASSETS : CURRENT LIABILITIES	.5736						
MARGINS & EQUITIES AS % OF ASSETS	.2557						
LONG TERM DEBT AS % OF PLANT	.5848						
GENERAL FUNDS TO TOTAL PLANT	.4613						
QUICK ASSET RATIO	.5010						

PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 168,533,948.82	29.0 MEMBERSHIPS 1,010,337.80-
2.0	CONSTRUCTION WORK IN PROGRESS 6,169,796.05	30.0 PATRONAGE CAPITAL 41,555,337.95-
3.0	TOTAL UTILITY PLANT 174,703,744.87	31.0 OPERATING MARGINS - PRIOR YEAR 96,485.32-
4.0	ACCUM PROV FOR DEP & AMORT 37,265,709.82-	32.0 OPERATING MARGINS-CURRENT YEAR 2,600,423.57
5.0	NET UTILITY PLANT 137,438,035.05	33.0 NON-OPERATING MARGINS 62,513.47-
		34.0 OTHER MARGINS & EQUITIES 3,194,951.29-
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 TOTAL MARGINS & EQUITIES 43,319,202.26-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 19,058,845.58	36.0 LONG TERM DEBT - RUS (NET) 41,343,233.57-
9.0	INV IN ASSOC ORG OTHER GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 2,312,263.39	37.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR 35,311,740.09-
12.0	OTHER INVESTMENTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
13.0	SPECIAL FUNDS .00	40.0 LONG TERM DEBT - OTHER (NET) 25,516,706.10-
14.0	TOT OTHER PROP & INVESTMENTS 21,371,108.97	41.0 TOTAL LONG TERM DEBT 102,171,679.76-
15.0	CASH - GENERAL FUNDS 805,962.71	42.0 OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST .00	43.0 ACCUM OPERATING PROVISIONS 5,353,584.27-
17.0	SPECIAL DEPOSITS .00	44.0 TOTAL OTHER NONCURR LIABILITY 5,353,584.27-
18.0	TEMPORARY INVESTMENTS .00	
19.0	NOTES RECEIVABLE (NET) .00	45.0 NOTES PAYABLE 6,850,000.00-
20.0	ACCTS RECV - SALES ENERGY (NET) 6,263,285.64	46.0 ACCOUNTS PAYABLE 7,723,416.28-
21.0	ACCTS RECV - OTHER (NET) 1,400,111.52	47.0 CONSUMER DEPOSITS 1,343,352.48-
22.0	MATERIAL & SUPPLIES-ELEC & OTH 1,291,615.14	48.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	PREPAYMENTS 443,193.29	49.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	OTHER CURRENT & ACCR ASSETS .00	50.0 CURR MATURITIES CAPITAL LEASES .00
25.0	TOTAL CURRENT & ACCR ASSETS 10,204,168.30	51.0 OTHER CURRENT & ACCRUED LIAB 1,874,400.89-
		52.0 TOTAL CURRENT & ACCRUED LIAB 17,791,169.65-
26.0	REGULATORY ASSETS .00	
27.0	OTHER DEFERRED DEBITS 382,031.77	53.0 REGULATORY LIABILITIES .00
		54.0 OTHER DEFERRED CREDITS 759,708.15-
28.0	TOTAL ASSETS & OTHER DEBITS 169,395,344.09	55.0 TOTAL LIABILITIES & OTH CREDIT 169,395,344.09-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
56.0	BALANCE BEGINNING OF YEAR	.00
57.0	AMOUNT RECEIVED THIS YEAR (NET)	226,384.16
58.0	TOTAL CONTRIBUTIONS IN AID OF CONST	226,384.16

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE				% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C	THIS MONTH D		
1.0	32,613,081.74	35,301,596.72	34,021,357.00	7,326,383.59	3.8	8.2
2.0	.00	.00	.00	.00	.0	.0
3.0	22,683,359.00-	26,463,202.00-	23,768,483.00-	5,437,287.00-	11.3	16.7
4.0	.00	.00	.00	.00	.0	.0
5.0	774,693.54-	1,013,705.96-	878,804.00-	213,166.17-	15.4	30.9
6.0	1,157,319.75-	1,441,090.49-	1,519,404.00-	359,232.26-	5.2-	24.5
7.0	838,563.72-	783,845.77-	836,550.00-	197,304.20-	6.3-	6.5-
8.0	405,244.52-	383,824.18-	388,060.00-	76,257.90-	1.1-	5.3-
9.0	.00	.00	.00	.00	.0	.0
10.0	1,293,035.29-	1,358,926.56-	1,367,004.00-	353,671.51-	.6-	5.1
11.0	27,152,215.82-	31,444,594.96-	28,758,305.00-	6,636,919.04-	9.3	15.8
12.0	1,637,207.04-	1,794,136.95-	1,810,000.00-	456,417.49-	.9-	9.6
13.0	.00	.00	.00	.00	.0	.0
14.0	2,355.03-	3,310.49-	1,400.00-	781.02-	136.5	40.6
15.0	1,349,146.61-	1,601,096.29-	1,672,000.00-	403,000.00-	4.2-	18.7
16.0	.00	.00	.00	.00	.0	.0
17.0	45,103.18-	145,518.64-	40,000.00-	31,493.04-	263.8	222.6
18.0	10,851.21-	2,147,532.83-	290,000.00-	1,853,194.05-	640.5	9690.7
19.0	30,196,878.89-	37,136,190.16-	32,571,705.00-	9,381,804.64-	14.0	23.0
20.0	2,416,202.85	1,834,593.44-	1,449,652.00	2,055,421.05-	226.6-	175.9-
21.0	53,697.33	39,898.52	44,400.00	37,161.94	10.1-	25.7-
22.0	.00	.00	.00	.00	.0	.0
23.0	.00	.00	.00	.00	.0	.0
24.0	14,648.91-	20,447.52	.00	5,935.26-	100.0	239.6-
25.0	.00	.00	.00	.00	.0	.0
26.0	174,599.93	47,446.23	25,000.00	32,286.00	89.8	72.8-
27.0	.00	.00	.00	.00	.0	.0
28.0	2,629,851.20	1,726,801.17-	1,519,052.00	1,991,908.37-	213.7-	165.7-

RATIOS

TIER	2.949	.079-	1.909	3.943-
MARGINS TO REVENUE	.081	.049	.045	.272
POWER COST TO REVENUE	.696	.750	.699	.742
INTEREST EXPENSE TO REVENUE	.041	.045	.049	.055
CURRENT ASSETS : CURRENT LIABILITIES	.6726			
MARGINS & EQUITIES AS % OF ASSETS	.2591			
LONG TERM DEBT AS % OF PLANT	.5912			
GENERAL FUNDS TO TOTAL PLANT	1.0680			
QUICK ASSET RATIO	.5971			

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1.0 TOTAL UTILITY PLANT IN SERVICE	167,866,517.91	29.0 MEMBERSHIPS	1,008,710.30-
2.0 CONSTRUCTION WORK IN PROGRESS	6,026,534.85	30.0 PATRONAGE CAPITAL	41,560,946.65-
3.0 TOTAL UTILITY PLANT	173,893,052.76	31.0 OPERATING MARGINS - PRIOR YEAR	96,485.32-
4.0 ACCUM PROV FOR DEP & AMORT	36,877,418.79-	32.0 OPERATING MARGINS-CURRENT YEAR	1,726,801.17
5.0 NET UTILITY PLANT		33.0 NON-OPERATING MARGINS	62,513.47-
	137,015,633.97	34.0 OTHER MARGINS & EQUITIES	3,192,456.62-
6.0 NON-UTILITY PROPERTY (NET)	.00	35.0 TOTAL MARGINS & EQUITIES	44,194,311.19-
7.0 INVEST IN SUBSIDIARY COMPANIES	.00	36.0 LONG TERM DEBT - RUS (NET)	41,401,293.00-
8.0 INV IN ASSOC ORG - PAT CAPITAL	19,058,845.58	(PAYMENTS-UNAPPLIED)	.00)
9.0 INV IN ASSOC ORG OTHR GEN FND	.00	37.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
10.0 INV IN ASSOC ORG - NON GEN FND	2,312,263.39	38.0 LNG-TERM DEBT-FFB-RUS GUAR	35,311,740.09-
11.0 INV IN ECON DEVEL PROJECTS	.00	39.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
12.0 OTHER INVESTMENTS	.00	40.0 LONG TERM DEBT - OTHER (NET)	26,090,575.26-
13.0 SPECIAL FUNDS	.00	41.0 TOTAL LONG TERM DEBT	102,803,608.35-
14.0 TOT OTHER PROP & INVESTMENTS	.00	42.0 OBLIGATION UNDER CAPITAL LEASE	.00
15.0 CASH - GENERAL FUNDS	1,857,264.66	43.0 ACCUM OPERATING PROVISIONS	5,303,584.27-
16.0 CASH - CONSTRUCTION FUND TRUST	.00	44.0 TOTAL OTHER NONCURR LIABILITY	5,303,584.27-
17.0 SPECIAL DEPOSITS	.00	45.0 NOTES PAYABLE	7,250,000.00-
18.0 TEMPORARY INVESTMENTS	.00	46.0 ACCOUNTS PAYABLE	7,236,116.53-
19.0 NOTES RECEIVABLE (NET)	.00	47.0 CONSUMER DEPOSITS	1,320,842.48-
20.0 ACCTS RCV - SALES ENERGY (NET)	6,611,943.80	48.0 CURR MATURITIES LONG-TERM DEBT	.00
21.0 ACCTS RCV - OTHER (NET)	1,406,220.96	49.0 CURR MATURIT LT DEBT ECON DEV	.00
22.0 MATERIAL & SUPPLIES-ELEC & OTH	1,323,639.88	50.0 CURR MATURITIES CAPITAL LEASES	.00
23.0 PREPAYMENTS	587,006.71	51.0 OTHER CURRENT & ACCRUED LIAB	1,715,304.74-
24.0 OTHER CURRENT & ACCR ASSETS	.00	52.0 TOTAL CURRENT & ACCRUED LIAB	17,522,263.75-
25.0 TOTAL CURRENT & ACCR ASSETS	.00	53.0 REGULATORY LIABILITIES	.00
26.0 REGULATORY ASSETS	11,786,076.01	54.0 OTHER DEFERRED CREDITS	759,681.93-
27.0 OTHER DEFERRED DEBITS	.00	55.0 TOTAL LIABILITIES & OTH CREDIT	170,583,449.49-
28.0 TOTAL ASSETS & OTHER DEBITS	170,583,449.49		

C E R T I F I C A T I O N

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
56.0 BALANCE BEGINNING OF YEAR	.00
57.0 AMOUNT RECEIVED THIS YEAR (NET)	162,786.15
58.0 TOTAL CONTRIBUTIONS IN AID OF CONST	162,786.15

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

BLUE GRASS ENERGY
PRG. OFERBSHT

FINANCIAL AND STATISTICAL REPORT
FROM 01/07 THRU 03/07

PAGE 1
RUN DATE 04/25/07 03:39 PM

PART A. STATEMENT OF OPERATIONS

LINE NO	DESCRIPTION	YEAR TO DATE		BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
		LAST YEAR A	THIS YEAR B				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL	25,819,248.94	27,975,213.13	26,829,342.00	9,529,382.01	4.3	8.4
2.0	POWER PRODUCTION EXPENSE	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER	18,431,085.00	21,025,915.00	19,314,841.00	6,410,606.00	8.9	14.1
4.0	TRANSMISSION EXPENSE	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION	617,978.24	800,539.79	659,103.00	267,602.73	21.5	29.5
6.0	DISTRIBUTION EXPENSE-MAINTENANCE	844,636.12	1,081,858.23	1,139,553.00	336,670.02	5.1	25.1
7.0	CONSUMER ACCOUNTS EXPENSE	606,889.72	586,541.57	606,650.00	200,909.17	3.3	3.4
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE	311,394.15	307,566.28	291,045.00	131,956.53	5.7	1.2
9.0	SALES EXPENSE	.00	.00	.00	.00	.0	.0
10.0	ADMINISTRATIVE & GENERAL EXPENSE	966,894.01	1,005,255.05	1,025,253.00	368,240.91	2.0	4.0
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE	21,798,877.24	24,807,675.92	23,036,445.00	7,715,985.36	7.7	13.8
12.0	DEPRECIATION & AMORTIZATION EXPENSE	1,223,246.09	1,337,719.46	1,355,000.00	448,636.24	1.3	9.4
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER	1,792.00	2,529.47	1,050.00	.00	140.9	41.2
15.0	INTEREST ON LONG TERM DEBT	1,006,146.61	1,198,096.29	1,253,000.00	382,079.04	4.4	19.1
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER	38,563.83	114,025.60	30,000.00	32,440.21	280.1	195.7
18.0	OTHER DEDUCTIONS	10,601.21	294,338.78	288,750.00	1,835.92	1.9	2676.5
19.0	TOTAL COST OF ELECTRIC SERVICE	24,079,226.98	27,754,385.52	25,964,245.00	8,580,976.77	6.9	15.3
20.0	PATRONAGE CAPITAL & OPERATING MARGINS	1,740,021.96	220,827.61	865,097.00	948,405.24	74.5	87.3
21.0	NON OPERATING MARGINS - INTEREST	9,639.42	2,736.58	33,300.00	348.32	91.8	71.8
22.0	ALLOW FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER	17,983.39	26,382.78	.00	11,035.80	100.0	246.7
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID	174,599.93	15,160.23	25,000.00	.00	39.4	91.3
27.0	EXTRAORDINARY ITEMS	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS	1,906,277.92	265,107.20	923,397.00	959,789.36	71.3	86.1
RATIOS							
	TIER	2.895	1.221	1.737	3.512		
	MARGINS TO REVENUE	.074	.009	.034	.101		
	POWER COST TO REVENUE	.714	.752	.720	.673		
	INTEREST EXPENSE TO REVENUE	.039	.043	.047	.040		
	CURRENT ASSETS : CURRENT LIABILITIES	.7564					
	MARGINS & EQUITIES AS % OF ASSETS	.2693					
	LONG TERM DEBT AS % OF PLANT	.5887					
	GENERAL FUNDS TO TOTAL PLANT	.6678					
	QUICK ASSET RATIO	.6558					

BLUE GRASS ENERGY
PRG. OPERBSHT

FINANCIAL AND STATISTICAL REPORT
FROM 01/07 THRU 03/07

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PART C. BALANCE SHEET

LINE NO.	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 169,727,769.51	29.0 MEMBERSHIPS 1,006,012.80-
2.0	CONSTRUCTION WORK IN PROGRESS 5,233,562.33	30.0 PATRONAGE CAPITAL 41,569,919.42-
3.0	TOTAL UTILITY PLANT 174,961,331.84	31.0 OPERATING MARGINS - PRIOR YEAR 96,485.32
4.0	ACCUM. PRDV FOR DEP & AMORT 37,548,625.69-	32.0 OPERATING MARGINS - CURRENT YEAR 265,107.20-
5.0	NET UTILITY PLANT 137,412,706.15	33.0 NON-OPERATING MARGINS 62,513.47-
		34.0 OTHER MARGINS & EQUITIES 3,188,746.13
6.0	NON-UTILITY PROPERTY (NET) .00	35.0 TOTAL MARGINS & EQUITIES 46,188,784.34-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	
8.0	INV IN ASSOC ORG - PAT CAPITAL 19,058,845.58	36.0 LONG TERM DEBT - RUS (NET) 41,461,499.72
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 2,279,977.39	37.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR 35,452,978.07
12.0	OTHER INVESTMENTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
13.0	SPECIAL FUNDS .00	40.0 LONG TERM DEBT - OTHER (NET) 26,090,575.26-
14.0	TOT OTHER PROP & INVESTMENTS 21,338,822.97	41.0 TOTAL LONG TERM DEBT 103,005,053.07
15.0	CASH - GENERAL FUNDS 1,168,385.40	42.0 OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST .00	43.0 ACCUM OPERATING PROVISIONS 5,250,029.45
17.0	SPECIAL DEPOSITS .00	44.0 TOTAL OTHER NONCURR LIABILITY 5,250,029.45-
18.0	TEMPORARY INVESTMENTS .00	
19.0	NOTES RECEIVABLE (NET) .00	45.0 NOTES PAYABLE 5,150,000.00
20.0	ACCTS RECV - SALES ENERGY (NET) 7,334,889.46	46.0 ACCOUNTS PAYABLE 8,051,476.49-
21.0	ACCTS RECV - OTHER (NET) 1,461,870.25	47.0 CONSUMER DEPOSITS 1,298,532.48-
22.0	MATERIAL & SUPPLIES-ELEC & OTH 1,638,639.24	48.0 CURR MATURITIES LONG-TERM DEBT .00
23.0	PREPAYMENTS 782,263.86	49.0 CURR MATURIT LT DEBT ECON DEV .00
24.0	OTHER CURRENT & ACCR ASSETS .00	50.0 CURR MATURITIES CAPITAL LEASES .00
25.0	TOTAL CURRENT & ACCR ASSETS 12,326,048.21	51.0 OTHER CURRENT & ACCRUED LIAB 1,795,648.44
26.0	REGULATORY ASSETS .00	52.0 TOTAL CURRENT & ACCRUED LIAB 16,295,657.41-
27.0	OTHER DEFERRED DEBITS 438,718.93	53.0 REGULATORY LIABILITIES .00
28.0	TOTAL ASSETS & OTHER DEBITS 171,516,296.26	54.0 OTHER DEFERRED CREDITS 776,771.99-
		55.0 TOTAL LIABILITIES & OTH CREDIT 171,516,296.26-

ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION

56.0	BALANCE BEGINNING OF YEAR	.00
57.0	AMOUNT RECEIVED THIS YEAR (NET)	121,561.65
58.0	TOTAL CONTRIBUTIONS IN AID OF CONST	121,561.65

CERTIFICATION

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

BLUE GRASS ENERGY
PRG. OPERDSHT

FINANCIAL AND STATISTICAL REPORT
FROM 01/07 THRU 02/07

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PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS
1.0	TOTAL UTILITY PLANT IN SERVICE 169,124,701.90	29.0 MEMBERSHIPS 17,004,885.30-
2.0	CONSTRUCTION WORK IN PROGRESS 5,057,566.36	30.0 PATRONAGE CAPITAL 40,459,767.49-
3.0	TOTAL UTILITY PLANT 174,182,268.26	31.0 OPERATING MARGINS - PRIOR YEAR 676,487.48-
4.0	ACCUM PROV FOR DEP & AMORT 37,539,777.86-	32.0 OPERATING MARGINS-CURRENT YEAR 694,682.16
5.0	NET UTILITY PLANT 136,642,490.40	33.0 NON-OPERATING MARGINS 596,011.52-
6.0	NON-UTILITY PROPERTY (NET) .00	34.0 OTHER MARGINS & EQUITIES 3,187,465.54-
7.0	INVEST IN SUBSIDIARY COMPANIES .00	35.0 TOTAL MARGINS & EQUITIES 45,229,935.17-
8.0	INV IN ASSOC ORG - PAT CAPITAL 19,058,845.58	36.0 LONG TERM DEBT - RUS (NET) 41,517,256.36-
9.0	INV IN ASSOC ORG OTHR GEN FND .00	(PAYMENTS-UNAPPLIED .00)
10.0	INV IN ASSOC ORG - NON GEN FND 2,293,239.30	37.0 LNG-TERM DEBT-RUS-ECON DEV NET .00
11.0	INV IN ECON DEVEL PROJECTS .00	38.0 LNG-TERM DEBT-FFB-RUS GUAR 35,452,978.09-
12.0	OTHER INVESTMENTS .00	39.0 LONG-TERM DEBT OTHER-RUS GUAR .00
13.0	SPECIAL FUNDS .00	40.0 LONG TERM DEBT - OTHER (NET) 26,090,575.26-
14.0	TOT OTHER PROP & INVESTMENTS 21,352,084.88	41.0 TOTAL LONG TERM DEBT 103,060,809.71-
15.0	CASH - GENERAL FUNDS 2,327,031.28	42.0 OBLIGATION UNDER CAPITAL LEASE .00
16.0	CASH - CONSTRUCTION FUND TRUST .00	43.0 ACCUM OPERATING PROVISIONS 5,200,029.45-
17.0	SPECIAL DEPOSITS .00	44.0 TOTAL OTHER NONCURR LIABILITY 5,200,029.45-
18.0	TEMPORARY INVESTMENTS .00	45.0 NOTES PAYABLE 6,300,000.00-
19.0	NOTES RECEIVABLE (NET) .00	46.0 ACCOUNTS PAYABLE 8,906,049.35-
20.0	ACCTS RECV - SALES ENERGY (NET) 7,781,135.12	47.0 CONSUMER DEPOSITS 1,279,787.48-
21.0	ACCTS RECV - OTHER (NET) 1,561,058.37	48.0 CURR MATURITIES LONG-TERM DEBT .00
22.0	MATERIAL & SUPPLIES-ELEC & OTH 1,408,287.79	49.0 CURR MATURIT LT DEBT ECON DEV .00
23.0	PREPAYMENTS 860,097.22	50.0 CURR MATURITIES CAPITAL LEASES .00
24.0	OTHER CURRENT & ACCR ASSETS .00	51.0 OTHER CURRENT & ACCRUED LIAB 1,684,825.41-
25.0	TOTAL CURRENT & ACCR ASSETS 13,917,609.78	52.0 TOTAL CURRENT & ACCRUED LIAB 18,170,662.24-
26.0	REGULATORY ASSETS .00	53.0 REGULATORY LIABILITIES .00
27.0	OTHER DEFERRED DEBITS 456,453.53	54.0 OTHER DEFERRED CREDITS 707,202.02-
28.0	TOTAL ASSETS & OTHER DEBITS 172,368,638.59	55.0 TOTAL LIABILITIES & OTH CREDIT 172,368,638.59-
=====		
ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION		
56.0	BALANCE BEGINNING OF YEAR	.00
57.0	AMOUNT RECEIVED THIS YEAR (NET)	60,762.52
58.0	TOTAL CONTRIBUTIONS IN AID OF CONST	60,762.52

CERTIFICATION

WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF.
ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

PART A. STATEMENT OF OPERATIONS

LINE NO		YEAR TO DATE				% CHANGE	
		LAST YEAR	THIS YEAR	BUDGET	THIS MONTH	% FROM BUDGET	FROM LAST YEAR
		A	B	C	D	B-	YEAR
1.0	OPERATING REVENUE & PATRONAGE CAPITAL	18,000,836.83	18,445,831.12	18,592,109.00	10,381,094.92	.8-	2.5
2.0	POWER PRODUCTION EXPENSE	.00	.00	.00	.00	.0	.0
3.0	COST OF PURCHASED POWER	12,732,202.00-	14,615,309.00-	13,343,007.00-	7,668,120.00-	9.5	14.8
4.0	TRANSMISSION EXPENSE	.00	.00	.00	.00	.0	.0
5.0	DISTRIBUTION EXPENSE-OPERATION	404,017.20-	532,937.06-	439,402.00-	266,327.31-	21.3	31.9
6.0	DISTRIBUTION EXPENSE-MAINTENANCE	346,550.89-	745,188.21-	759,702.00-	445,117.90-	1.9-	115.0
7.0	CONSUMER ACCOUNTS EXPENSE	394,381.95-	385,632.40-	411,150.00-	184,162.77-	6.2-	2.2-
8.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE	209,482.42-	175,609.75-	194,030.00-	87,383.43-	9.5-	16.2-
9.0	SALES EXPENSE	.00	.00	.00	.00	.0	.0
10.0	ADMINISTRATIVE & GENERAL EXPENSE	635,112.00-	637,014.14-	683,502.00-	313,679.46-	6.8-	.3
11.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE	14,721,746.46-	17,091,690.56-	15,830,793.00-	8,964,790.87-	8.0	16.1
12.0	DEPRECIATION & AMORTIZATION EXPENSE	813,974.57-	889,083.22-	900,000.00-	446,351.05-	1.2-	9.2
13.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS	.00	.00	.00	.00	.0	.0
14.0	TAX EXPENSE - OTHER	1,792.00-	2,529.47-	700.00-	2,529.47-	261.4	41.2
15.0	INTEREST ON LONG TERM DEBT	673,747.53-	816,017.25-	834,000.00-	408,017.25-	2.2-	21.1
16.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0
17.0	INTEREST EXPENSE - OTHER	24,107.23-	81,585.39-	20,000.00-	49,336.58-	307.9	238.4
18.0	OTHER DEDUCTIONS	10,485.61-	292,502.86-	287,500.00-	2,089.29-	1.7	2689.6
19.0	TOTAL COST OF ELECTRIC SERVICE	16,245,853.40-	19,173,408.75-	17,872,993.00-	9,873,114.51-	7.3	18.0
=====							
20.0	PATRONAGE CAPITAL & OPERATING MARGINS	1,754,983.43	727,577.63-	719,116.00	507,980.41	201.2-	141.5-
21.0	NON OPERATING MARGINS - INTEREST	8,442.45	2,388.26	22,200.00	287.65	89.2-	71.7-
22.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0
23.0	INCOME (LOSS) FROM EQUITY INVESTMENTS	.00	.00	.00	.00	.0	.0
24.0	NON OPERATING MARGINS - OTHER	1,785.13-	15,346.98	.00	3,916.11-	100.0	959.7-
25.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0
26.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID	147,965.76	15,160.23	.00	15,160.23	100.0	89.8-
27.0	EXTRAORDINARY ITEMS	.00	.00	.00	.00	.0	.0
28.0	PATRONAGE CAPITAL OR MARGINS	1,909,606.51	694,682.16-	741,316.00	519,512.18	193.7-	136.4-
=====							
RATIOS							
	TIER	3.834	.149	1.889	2.273		
	MARGINS TO REVENUE	.106	.038	.040	.050		
	POWER COST TO REVENUE	.707	.792	.718	.739		
	INTEREST EXPENSE TO REVENUE	.037	.044	.045	.039		
=====							
	CURRENT ASSETS : CURRENT LIABILITIES	.7659					
	MARGINS & EQUITIES AS % OF ASSETS	.2624					
	LONG TERM DEBT AS % OF PLANT	.5917					
	GENERAL FUNDS TO TOTAL PLANT	1.3360					
	QUICK ASSET RATIO	.6884					

PART A. STATEMENT OF OPERATIONS

LINE NO	YEAR TO DATE			THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
	LAST YEAR A	THIS YEAR B	BUDGET C			
1.0	9,876,238.68	8,064,736.20	10,059,091.00	8,064,736.20	19.8-	18.3-
2.0	.00	.00	.00	.00	.0	.0
3.0	6,524,921.00-	6,947,189.00-	6,839,541.00-	6,947,189.00-	1.6	6.5
4.0	.00	.00	.00	.00	.0	.0
5.0	181,085.95-	266,609.75-	219,701.00-	266,609.75-	21.4	47.2
6.0	174,986.31-	300,070.31-	379,851.00-	300,070.31-	21.0-	71.5
7.0	201,649.02-	201,469.63-	211,050.00-	201,469.63-	4.5-	.1-
8.0	114,267.25-	88,226.32-	97,015.00-	88,226.32-	9.1-	22.8-
9.0	.00	.00	.00	.00	.0	.0
0.0	292,866.02-	323,334.68-	341,751.00-	323,334.68-	5.4-	10.4
1.0	7,489,775.55-	8,126,899.69-	8,088,909.00-	8,126,899.69-	.5	8.5
2.0	406,192.01-	442,732.17-	450,000.00-	442,732.17-	1.6-	9.0
3.0	.00	.00	.00	.00	.0	.0
4.0	.00	.00	350.00-	.00	100.0	.0
5.0	339,000.00-	408,000.00-	417,000.00-	408,000.00-	2.2-	20.4
6.0	.00	.00	.00	.00	.0	.0
7.0	10,275.44-	32,248.81-	10,000.00-	32,248.81-	222.5	213.8
8.0	3,351.08-	290,413.57-	286,250.00-	290,413.57-	1.5	8566.3
9.0	8,248,594.08-	9,300,294.24-	9,252,509.00-	9,300,294.24-	.5	12.8
0.0	1,627,644.60	1,235,558.04-	806,582.00	1,235,558.04-	253.2-	175.9-
1.0	8,176.99	2,100.61	11,100.00	2,100.61	81.1-	74.3-
2.0	.00	.00	.00	.00	.0	.0
3.0	.00	.00	.00	.00	.0	.0
4.0	5,720.68-	19,263.09	.00	19,263.09	100.0	436.7-
5.0	.00	.00	.00	.00	.0	.0
6.0	.00	.00	.00	.00	.0	.0
7.0	.00	.00	.00	.00	.0	.0
8.0	1,630,100.91	1,214,194.34-	817,682.00	1,214,194.34-	248.5-	174.5-
RATIOS						
TIER	5.809	1.976-	2.961	1.976-		
MARGINS TO REVENUE	.165	.151	.081	.151		
POWER COST TO REVENUE	.661	.861	.680	.861		
INTEREST EXPENSE TO REVENUE	.034	.051	.041	.051		
CURRENT ASSETS : CURRENT LIABILITIES	.7564					
MARGINS & EQUITIES AS % OF ASSETS	.2644					
LONG TERM DEBT AS % OF PLANT	.5984					
GENERAL FUNDS TO TOTAL PLANT	1.1031					
QUICK ASSET RATIO	.6717					

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1.0 TOTAL UTILITY PLANT IN SERVICE	168,217,903.96	29.0 MEMBERSHIPS	1,002,957.80-
2.0 CONSTRUCTION WORK IN PROGRESS	5,079,554.58	30.0 PATRONAGE CAPITAL	40,462,503.37-
3.0 TOTAL UTILITY PLANT	173,297,458.54	31.0 OPERATING MARGINS - PRIOR YEAR	676,487.48-
4.0 ACCUM PROV FOR DEP & AMORT	37,234,712.87-	32.0 OPERATING MARGINS-CURRENT YEAR	1,214,194.34
5.0 NET UTILITY PLANT	136,062,745.67	33.0 NON-OPERATING MARGINS	596,011.52-
		34.0 OTHER MARGINS & EQUITIES	3,186,041.58-
6.0 NON-UTILITY PROPERTY (NET)	.00	35.0 TOTAL MARGINS & EQUITIES	44,709,807.41-
7.0 INVEST IN SUBSIDIARY COMPANIES	.00		
8.0 INV IN ASSOC ORG - PAT CAPITAL	19,051,630.59	36.0 LONG TERM DEBT - RUS (NET)	41,593,139.23-
9.0 INV IN ASSOC ORG OTHR GEN FND	.00	(PAYMENTS-UNAPPLIED	.00)
0.0 INV IN ASSOC ORG - NON GEN FND	2,288,415.07	37.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
1.0 INV IN ECON DEVEL PROJECTS	.00	38.0 LNG-TERM DEBT-FFB-RUS GUAR	35,452,978.09-
2.0 OTHER INVESTMENTS	.00	39.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
3.0 SPECIAL FUNDS	.00	40.0 LONG TERM DEBT - OTHER (NET)	26,659,146.74-
4.0 TOT OTHER PROP & INVESTMENTS	21,340,045.66	41.0 TOTAL LONG TERM DEBT	103,705,264.06-
5.0 CASH - GENERAL FUNDS	1,911,579.32	42.0 OBLIGATION UNDER CAPITAL LEASE	.00
6.0 CASH - CONSTRUCTION FUND TRUST	.00	43.0 ACCUM OPERATING PROVISIONS	5,151,404.47-
7.0 SPECIAL DEPOSITS	.00	44.0 TOTAL OTHER NONCURR LIABILITY	5,151,404.47-
8.0 TEMPORARY INVESTMENTS	.00		
9.0 NOTES RECEIVABLE (NET)	.00	45.0 NOTES PAYABLE	2,850,000.00-
0.0 ACCTS RECV - SALES ENERGY (NET)	5,061,312.81	46.0 ACCOUNTS PAYABLE	9,137,598.05-
1.0 ACCTS RECV - OTHER (NET)	1,950,620.50	47.0 CONSUMER DEPOSITS	1,267,997.48-
2.0 MATERIAL & SUPPLIES-ELEC & OTH	1,253,611.17	48.0 CURR MATURITIES LONG-TERM DEBT	.00
3.0 PREPAYMENTS	1,011,183.69	49.0 CURR MATURIT LT DEBT ECON DEV	.00
4.0 OTHER CURRENT & ACCR ASSETS	.00	50.0 CURR MATURITIES CAPITAL LEASES	.00
5.0 TOTAL CURRENT & ACCR ASSETS	11,188,307.49	51.0 OTHER CURRENT & ACCRUED LIAB	1,535,384.01-
		52.0 TOTAL CURRENT & ACCRUED LIAB	14,790,979.54-
5.0 REGULATORY ASSETS	.00		
7.0 OTHER DEFERRED DEBITS	478,160.68	53.0 REGULATORY LIABILITIES	.00
		54.0 OTHER DEFERRED CREDITS	711,804.02-
1.0 TOTAL ASSETS & OTHER DEBITS	169,069,259.50	55.0 TOTAL LIABILITIES & OTH CREDIT	169,069,259.50-

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ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
56.0 BALANCE BEGINNING OF YEAR	.00
57.0 AMOUNT RECEIVED THIS YEAR (NET)	49,817.86
58.0 TOTAL CONTRIBUTIONS IN AID OF CONST	49,817.86

C E R T I F I C A T I O N

I HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF MY KNOWLEDGE AND BELIEF.
INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

DATE

SIGNATURE OF MANAGER

DATE

**BLUE GRASS ENERGY COOPERATIVE
NICHOLASVILLE, KY**

Case No. 2008-00011

**UNBUNDLED COST OF SERVICE STUDY
Test Year - CALENDAR YEAR 2007**

MARCH 2008

J. Adkins

BLUE GRASS ENERGY COOPERATIVE

CASE NO. 2008-00011

Exhibit R
Narrative
Page 2 of 70
Witness: Jim Adkins

NARRATIVE ON COST OF SERVICE STUDY

A description of the Cost of Service Study ("COSS") presented in Exhibit R of the original application is contained in the following discussion. This COSS is comprised of 11 schedules. Schedules 1 and 2 are schedules that present the proposed allocation of the revenue increase to the rate classes and proposed rate design for those rates receiving an increase in revenue. Schedules 3 and 4 give the results of the COSS in a summary manner. Schedules 5 and 6 are the primary schedules within the COSS. Schedules 7, through 11 are supporting schedules which provides many of the allocations methods for Schedules 3 and 4.

The COSS is a functionally unbundled because it provides the revenue requirements by function for each classification within all rate classes. By this is meant that a breakdown of the of the costs, the margins, and revenue credits for a function such as lines can be determined for all three classifications of demand-related, energy-related and consumer-related.

The COSS does follow the standard three step process of functionalization, classification, and allocation. The functions utilized in this COSS include these:

- a. purchased power
- b. Lines
- c. Transformers
- d. Services
- e. Meters
- f. Consumer and accounting services

BLUE GRASS ENERGY COOPERATIVE

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The classifications used in the COSS include demand-related costs, energy-related costs, and consumer-related costs. One can readily see how specific costs may impact a specific segment of each rate class. Schedule 6 provides the functionalization and classification of costs. Schedule 5 provides the allocation of the costs to the appropriate rate classes. The relationships between functionalization and classification is better understood through the chart presented below:

	Demand <u>Related</u>	Energy <u>Related</u>	Consumer <u>Related</u>
Purchased Power	X	X	
Lines	X		X
Transformers	X		X
Services			X
Meters			X
Consumer & Acctg Services			X

Purchased power demand cost and substation costs are demand related while purchased power energy costs are considered to be energy related costs. Most distribution costs are considered to be consumer related with the exceptions being lines and transformers. Lines and transformers are considered to have a demand component and a consumer component. The determination of what portion of line expenses and transformer expenses may be demand related or consumer related is based on their proportional demand investment and consumer investment.

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The determination of the demand related amount and the consumer related amount in lines and transformers is based the e development of regression line. The "y intercept" becomes the basis for determining the consumer investment for each pole, each conductor and each transformer. The minimum investment per unit multiplied by the total number of poles, conductor and transformers gives the consumer related investment for that plant item. The remaining investment is considered to be demand related. Schedule 8 provides the details on the determination the demand related investment and consumer related investment for lines and transformers.

Many expenses are directly assigned to a function or allocated on the basis of O&M Other expenses such as depreciation, interest, margins, revenue credits and other similar expenses are allocated on the basis of information from Schedule 7. This schedule is the one that provides the development of the Net Investment Rate Base ("rate base"). The end result from Schedule 6 is a revenue requirement for each functional classification which includes all costs, revenue credits and a margin requirement.

The next step in the process is the allocation of the revenue requirements to each rate class. Purchased power demand related costs are allocated on the basis of each rate class of Blue Grass Energy contribution of East Kentucky Power Cooperative ("EKPC") coincident peak or the basis by which Blue Grass is billed from EKPC. Purchased power energy charges are allocated to each rate class on the basis of each rate class's proportional share of retail energy sales.

BLUE GRASS ENERGY COOPERATIVE

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Narrative

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Distribution demand related costs are allocated to each rate class's peak demand to the sum of the peak demand for all rate classes. These rate class peak demands and the EKPC coincident peak demands are the sum of the monthly demands for each of the twelve months of the test year. The basis for the demand related cost allocation and the energy related allocation is contained in Schedule 9.

Schedule 10 contains the information that has been utilized to allocate the consumer related costs to the various rate classes. These allocations are based on number of consumers and weights based on the minimum size plant investments for each rate class.

The end result of this COSS is the determination of the revenue requirements for each rate class of Blue Grass Energy. When the revenue requirements are matched with the revenue from current rates, it is readily apparent what rate classes are meeting their revenue requirements from the COSS and what rate classes are not meeting their revenue requirements. The end results of the COSS for blue Grass indicates that several rate classes are recovering costs and some are not. Schedules 3 & 4 of the COSS indicates the rate classes that are providing margins and those that are not recovering costs.

Schedule 2 of the COSS provides the combined rate classes along the associated costs and revenues for these rate classes.

BLUE GRASS ENERGY COOPERATIVE

Exhibit R

Narrative

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The amount of increase used for rate design may be different than the COSS results and it is different for several reasons. Those rate classes recovering amounts in excess of COSS revenue requirements are not being proposed a reduction in rates.

The increase for Schedule 1 does not meet full revenue requirements but it is very close to recovering revenue requirements based on this proposal. The end result of the COSS is a better match of costs with revenues.

**BLUE GRASS ENERGY COOPERATIVE
CASE NO. 2008-00011**

Exhibit R
Schedule 1
Page 7 of 20
Witness: Jim Adkins

RATE DESIGN

A. Residential Rates

Cost Based Rates	<u>Total</u>	<u>Consumer Charge</u>	<u>Energy Rate</u>	<u>Demand Rate</u>
Consumer Related	14,726,390	14,726,390	-	
Energy Related	33,541,335	-	33,541,335	
Demand Related				
Generation Related	11,204,432	-	11,204,432	
Distribution Related	6,652,750	-	6,652,750	
Margin Requirements	3,725,191	971,558	438,908	
Total Revenue Requirements	69,850,099			
Less Other Revenue	2,314,726			
Revenue Requirements-Rates	<u>67,535,373</u>	<u>15,697,948</u>	<u>51,837,426</u>	
 Billing Units		<u>619,307</u>	<u>805,422,653</u>	
		<u>\$ 25.35</u>	<u>\$ 0.06436</u>	

Proposed Rates

Consumer Charge	<u>\$ 12.00</u>	
Number of Consumer Charges	<u>619,307</u>	
Revenue	<u>\$ 7,431,684</u>	
Total Revenue Requirements		\$ 67,535,373
Revenue-Consumer Charge		<u>7,431,684</u>
Revenue-Energy Charge		\$ 60,103,689
Energy kWh		805,422,653
Energy Charge		<u>0.07462</u>
 ETS Rate		<u>0.04477</u>

**BLUE GRASS ENERGY COOPERATIVE
CASE NO. 2008-00011**

Exhibit R
Schedule 1
Page 8 of 10
Witness: Jim Adkins

RATE DESIGN

B. Commercial and Small Power Rates

Cost Based Rates	<u>Total</u>	<u>Consumer Charge</u>	<u>Energy Rate</u>	<u>Demand Rate</u>
Consumer Related	715,055	715,055		
Energy Related	2,141,347		2,141,347	
Demand Related				
Generation Related	1,627,546			1,627,546
Distribution Related	1,052,510			1,052,510
Margin Requirements	(374,634)			(374,634)
Total Revenue Requirements	5,161,824			
Less Other Revenue	227,164			227,164
Revenue Requirements-Rates	<u>4,934,660</u>	715,055	2,141,347	2,078,258
 Billing Units		24,581	50,972,084	77,190
		29.09	0.04201	26.92

Proposed Rates

Consumer Charge & Demand Charge	<u>\$ 25.00</u>	<u>\$ 7.00</u>
Number of Consumer Charges	<u>24,581</u>	<u>77,190</u>
Revenue	614,525	540,330
Total Revenue Requirements		4,934,660
Revenue-Consumer Charge		614,525
Revenue-Demand Charge		540,330
Revenue-Energy Charge		<u>3,779,805</u>
Energy kWh		<u>50,972,084</u>
Energy Charge		<u>0.07415</u>

BLUE GRASS ENERGY COOPERATIVE
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Exhibit R
Schedule 1
Page 9 of 70
Witness: Jim Adkins

RATE DESIGN

C. Large Industrial B-2 (4000 kW and greater)

Cost Based Rates	Total	Consumer Charge	Energy Rate	Demand Rate
Consumer Related	144,170	144,170		
Energy Related	6,976,875		6,976,875	
Primary Discount	-		-	
Demand Related				
Generation Related	2,150,076			2,150,076
Distribution Related	1,058,850			1,058,850
Margin Requirements	286,873			286,873
Total Revenue Requirements	10,616,844			
Less Other Revenue	138,938			138,938
Revenue Requirements-Rates	10,477,906	144,170	6,976,875	3,356,861
Billing Units		72	208,664,400	413,755
		2,002.36	0.033436	8.11

Proposed Rates

Consumer Charge & Demand Charge	\$ 2,000		
Number of Consumer Charges	72		
Revenue	\$ 144,000		
Contract Demand kW			400,347
Contract Demand Rate			\$ 6.22
Contract Demand Revenue			\$ 2,490,158
Excess Demand kW			13,408
Revenue Contract Demand			\$ 8.65
Revenue Excess Demand			\$ 115,979
Revenue Customer Charge		\$ 144,000	
Revenue-Demand Charge		\$ 2,606,138	
Revenue-Energy Charge		7,727,768	
Energy kWh		208,664,400	
Energy Charge		0.03703	

BLUE GRASS ENERGY COOPERATIVE
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Exhibit R
Schedule 1
Paage 10 of 20
Witness: Jim Adkins

RATE DESIGN

D. Large Power Rate B-1 (500-to 3,999 kW)

	<u>Consumer Charge</u>	<u>Energy Rate</u>	<u>Demand Rate</u>
Proposed Rates			
Consumer Charge	<u>\$ 1,000.00</u>		
Billing Units	12		
Revenue-Customer Charge	<u>\$ 12,000</u>		
Contract Demand Rate			<u>6.22</u>
Contract Demand kW			35100
Revenue-Contract Demand			<u>\$ 218,322</u>
Excess Demnand Rate			8.65
Excess Demand kW			1694
Revenue Excess Demand			<u>\$ 14,653</u>
Total Revenue from Rates		\$ 1,212,640	
Less			
Revenue-Customer Charge		\$ 12,000	
Revenue-Contract Demand		\$ 218,322	
Excess Demnand Rate		\$ 14,653	
Energy Revenue Requirements		<u>\$ 967,665</u>	
Energy kWh		23,328,000	
Energy Rate		<u>0.04148</u>	

BLUE GRASS ENERGY COOPERATIVE
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Exhibit R
Schedule 1
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Witness: Jim Adkins

RATE DESIGN

	LP-1	LP-2
Revenue from Rates	\$ 3,957,880	\$ 4,871,801
Demand Related Costs	1,114,779	1,080,183
Energy Related Costs	2,294,930	3,392,544
Consumer Related Costs	127,221	69,718
Total Costs	<u>3,536,930</u>	<u>4,542,445</u>
Energy Costs	2,664,495	3,429,869
Energy kWh	54,820,839	81,040,431
Energy Rate	\$ 0.04860	\$ 0.04232
Use	\$ 0.04650	\$ 0.04098
Consumer Costs	71,050	23,000
Consumer Billing Units	1,421	230
Consumer Charge	\$ 50.00	\$ 100.00
Demand Costs	1,222,335	1,418,933
Demand kW	162,978	189,191
Demand Chare	\$ 7.50	\$ 7.50

BLUE GRASS ENERGY
CASE NO. 2008-00011

Exhibit R
Schedule 2
Page 12 of 10
Witness Jim Adkins

SUMMARY OF COST OF SERVICE STUDY

	1	2	3	4	5
				Commercial	LP-1
	Enviro- Watts	Residential Rates	ETS Rate	and Small Power	Large Power
Revenue	-	60,743,125	123,505	4,370,777	3,891,721
Wholesale Demand Costs	-	-	-	-	-
Generation	-	10,325,202	-	1,499,829	617,783
Distribution Substation	-	879,230	-	127,716	52,607
Total Wholesale Demand	-	11,204,432	-	1,627,546	670,390
Wholesale Energy Costs	5,700	33,541,335	92,614	2,141,347	2,294,930
Total Wholesale Costs	5,700	44,745,767	92,614	3,768,893	2,965,320
	-	-	-	-	-
Gross Margin	(5,700)	15,997,358	30,891	601,884	926,401
Distribution Demand Costs	-	-	-	-	-
Lines	-	5,411,771	-	856,179	404,288
Transformers	-	1,240,979	-	196,331	92,708
Total Distribution Demand	-	6,652,750	-	1,052,510	496,995
Distribution Consumer	-	-	-	-	-
Lines	-	4,573,393	-	184,903	10,345
Transformers	-	429,344	-	17,358	5,928
Services	-	3,043,630	3,203	230,056	26,411
Meters	-	1,841,750	12,922	74,462	16,865
Consumer Services	-	4,838,273	23,364	208,275	15,065
Lighting	-	-	-	-	-
Total Distribution Consumer	-	14,726,390	39,489	715,055	74,615
	-	-	-	-	-
Total Distribution Costs	-	21,379,141	39,489	1,767,565	571,610
	-	-	-	-	-
Operating Margin	(5,700)	(5,381,783)	(8,598)	(1,165,681)	354,791
	-	-	-	-	-
Other Revenue	-	2,314,726	1,625	227,164	83,268
	-	-	-	-	-
Net Margin	(5,700)	(3,067,057)	(6,973)	(938,517)	438,059
Total Costs		66,124,908	132,103	5,536,458	3,536,930
Current Revenue		60,743,125	123,505	4,370,777	3,891,721
Minus Current Margin		(3,067,057)	(6,973)	(938,517)	438,059
Interest On Long Term Debt		3,725,191	2,616	365,585	108,215
Revenue Requirements		67,535,373	133,094	5,674,879	3,561,876
Increase per COSS		6,792,248	9,589	1,304,102	(329,845)
Actual Increase		6,792,248	9,589	563,883	
Percent Increase		11.2%	7.8%	12.9%	

BLUE GRASS ENERGY
CASE NO. 2008-00011

Exhibit R
Schedule 2
Page 13 of 70
Witness Jim Adkins

SUMMARY OF COST OF SERVICE STUDY

	6	7	8	9	
	LP-2	B1	B-2		
	Large	Large	Large	Outdoor	
	Power	Industrial Rate	Industrial Rate	Lighting	Total
Revenue	4,790,365	1,212,640	10,477,906	1,382,388	86,992,427
Wholesale Demand Costs	-	-	-	-	
Generation	752,257	208,970	2,150,076	69,421	15,623,539
Distribution Substation	64,058	14,570	142,704	5,912	1,286,796
Total Wholesale Demand	816,314	223,540	2,292,780	75,333	16,910,335
Wholesale Energy Costs	3,392,544	786,742	6,976,875	423,233	49,655,319
Total Wholesale Costs	4,208,858	1,010,281	9,269,655	498,566	66,565,654
Gross Margin	581,507	202,359	1,208,251	883,822	20,426,773
Distribution Demand Costs	-	-	-	-	
Lines	266,757	98,398	1,058,850	67,549	8,163,791
Transformers	61,170	-	-	15,490	1,606,679
Total Distribution Demand	327,927	98,398	1,058,850	83,039	9,770,470
Distribution Consumer	-	-	-	-	
Lines	1,666	88	526	19,288	4,790,210
Transformers	1,569	-	-	1,889	456,088
Services	-	-	-	2,093	3,305,393
Meters	-	-	-	-	1,946,000
Consumer Services	2,426	157	940	12,723	5,101,221
Lighting	-	-	-	1,112,447	1,112,447
Total Distribution Consumer	5,660	244	1,466	1,148,441	16,711,360
Total Distribution Costs	333,587	98,642	1,060,316	1,231,480	26,481,830
Operating Margin	247,920	103,716	147,935	(347,657)	(6,055,056)
Other Revenue	50,586	12,918	138,938	131,212	2,960,436
Net Margin	298,506	116,634	286,873	(216,445)	(3,094,620)
Total Costs	4,542,445	1,108,924	10,329,971	1,730,045	93,047,483
Current Revenue	4,790,365	1,212,640	10,477,906	1,382,388	86,992,427
Minus Current Margin	298,506	116,634	286,873	(216,445)	(3,094,620)
Interest On Long Term Debt	47,055	20,789	223,599	211,166	4,764,362
Revenue Requirements	4,538,914	1,116,795	10,414,632	1,809,999	94,851,409
Increase per COSS	(251,451)	(95,845)	(63,274)	427,611	7,858,982
Actual Increase				472,303	7,838,023
Percent Increase				34.2%	9.01%

BLUE GRASS ENERGY COOPERATIVE

Case No. 2008-00011
Statement of Operations
 Based on Expenses Category for each Rate Class

		GS-1	R	A	GS-2	R2	Rate 1
	Enviro- Watts	Residential army & Non-Far	Residential	Farm Home Service	Off-Peak Marketing ETS	Residential Marketing ETS	Off-Peak Marketing ETS
Revenue from Rates	-	31,359,435	13,531,599	15,852,091	28,031	7,605	87,869
Purchased Power Costs	5,700	23,579,067	10,006,496	11,160,205	22,426	5,707	64,481
O&M	-	4,389,953	2,087,123	2,482,680	7,085	1,589	15,560
Admin & General	-	1,588,135	755,050	898,149	2,563	575	5,629
Depreciation & Misc.	-	2,535,592	1,221,941	1,444,803	1,081	242	2,374
Interest on Long Term Debt	-	1,815,599	875,015	1,034,577	765	172	1,679
Other Interest	-	122,101	58,846	69,576	51	12	113
Total Costs	5,700	34,030,447	15,004,470	17,089,991	33,970	8,296	89,837
Operating Margin	(5,700)	(2,671,012)	(1,472,871)	(1,237,900)	(5,939)	(691)	(1,968)
Other Income	-	1,128,161	543,709	642,856	475	107	1,044
Net Margins	(5,700)	(1,542,851)	(929,162)	(595,044)	(5,464)	(585)	(924)
TIER	-	0.150	(0.062)	0.425	(6.146)	(2.410)	0.450

BLUE GRASS ENERGY COOPERATIVE

Case No. 2008-00011
Statement of Operations
 Based on Expenses Category for each Rate Class

	C-1	C	Rate 2	LP-1	L	LP-2	N	Rate 8
	Commercial	Small	Comercial &	Large	Large Power	Large	Industrial &	Large Power
	& Industrial	Commercial	Small Power	Power	Service (50-	Power	Large Power	Service
Revenue from Rates	3,002,036	788,156	580,585	3,073,385	250,010	3,618,310	759,277	568,326
Purchased Power Costs	2,599,636	644,057	525,199	2,395,430	156,963	3,233,716	651,356	412,927
O&M	419,397	119,737	97,868	142,195	9,948	56,909	27,647	25,424
Admin & General	151,723	43,317	35,405	51,441	3,599	20,588	10,002	9,198
Depreciation & Misc.	342,651	91,527	75,769	150,833	9,890	65,579	32,335	26,063
Interest on Long Term Debt	245,663	65,607	54,314	108,215	7,095	47,055	23,202	18,698
Other Interest	16,521	4,412	3,653	7,278	477	3,164	1,560	1,257
Total Costs	3,775,592	968,657	792,209	2,855,393	187,971	3,427,010	746,103	493,566
Operating Margin	(773,556)	(180,501)	(211,624)	217,992	62,039	191,300	13,174	74,760
Other Income	152,648	40,766	33,749	67,242	4,409	29,238	14,417	11,618
Net Margins	(620,908)	(139,735)	(177,875)	285,234	66,447	220,538	27,591	86,378
TIER	(1.527)	(1.130)	(2.275)	3.636	10.366	5.687	2.189	5.620

BLUE GRASS ENERGY COOPERATIVE

Case No. 2008-00011
Statement of Operations
 Based on Expenses Category for each Rate Class

	LPR1	B1	B-2	LPR2	Street	Outdoor	
	Lage Power	Large	Large	Large	Lighting	Lighting	
	Service	Industrial Rate	Industrial Rate	Power	Lighting	Service	Total
Revenue from Rates	412,778	1,212,640	7,770,800	2,707,106	167,348	1,215,040	86,992,427
Purchased Power Costs	323,786	1,010,281	6,983,714	2,285,941	40,910	457,656	66,565,654
O&M	13,291	34,869	289,323	85,244	122,557	400,151	10,828,549
Admin & General	4,808	12,614	104,667	30,839	44,337	144,761	3,917,400
Depreciation & Misc.	15,544	28,972	240,661	70,946	97,498	196,810	6,651,110
Interest on Long Term Debt	11,153	20,789	172,690	50,909	69,955	141,210	4,764,362
Other Interest	750	1,398	11,614	3,424	4,705	9,497	320,408
Total Costs	369,332	1,108,924	7,802,668	2,527,303	379,961	1,350,084	93,047,483
Operating Margin	43,446	103,716	(31,868)	179,803	(212,613)	(135,044)	(6,055,056)
Other Income	6,930	12,918	107,305	31,633	43,468	87,744	2,960,436
Net Margins	50,376	116,634	75,437	211,437	(169,145)	(47,300)	(3,094,620)
TIER	5.517	6.610	1.437	5.153	(1.418)	0.665	0.350

**BLUE GRASS
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Allocation of Revenue Requirements to Rate Classes

				11	1-BG			
				Total	Envirowatts	Schedule GS-1		
				\$\$\$	Energy	Demand	Energy	Consumer
						Residential Farm & Non-Farm		
1	Purchased Power							
2	Generation Demand		15,623,539		4,964,527			
3	Generation Energy		49,655,319	5,700		18,191,792		
5	Substation Demand		1,286,796		422,748			
6								
7	Total Purchased Power		66,565,654	5,700	5,387,275	18,191,792		-
8			66,565,654					
9	Lines							
10	Distribution O&M Demand Related		2,881,554		918,474			
11	Distribution O&M Consumer Related		1,690,789					794,999
12	Admin & Gen Demand Related		1,042,448		332,273			
13	Admin & Gen Consumer Related		611,670					287,604
14	Deprec, Taxes & Misc Demand Related		2,401,020		765,307			
15	Deprec, Taxes & Misc Consumer Related		1,408,829					662,423
16	Interest Demand Related		1,838,769		586,094			
17	Interest Customer Related		1,078,921					507,303
18								
19	Total Costs for Lines		12,954,001	-	2,602,149	-		2,252,329
20								
21	Margins Demand Related		1,722,902		549,163			
22	Margins Consumer Related		1,010,935					475,336
23								
24	Credits Demand Related		1,070,561		341,234			
25	Credits Consumer Related		628,166					295,360
26								
27	Revenue Requirements-Lines		13,989,111	-	2,810,078	-		2,432,305
28								
29	Transformers							
30	Distribution O&M Demand Related		37,043		13,757			
31	Distribution O&M Consumer Related		10,515					4,875
32	Admin & Gen Demand Related		13,401		4,977			
33	Admin & Gen Consumer Related		3,804					1,764
34	Deprec, Taxes & Misc Demand Related		881,306		327,307			
35	Deprec, Taxes & Misc Consumer Related		250,177					115,983
36	Interest Demand Related		674,929		250,661			
37	Interest Customer Related		191,592					88,823
38								
39	Total Costs for Transformers		2,062,767		596,702	-		211,445

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Allocation of Revenue Requirements to Rate Classes

			Total	Schedule GS-1		
				Envirowatts	Residential Farm & Non-Farm	
					Energy	Demand
			\$\$\$			
40						
41	Margins Demand Related		632,399		234,866	
42	Margins Consumer Related		179,519			83,226
43						
44	Credits Demand Related		392,955		145,939	
45	Credits Consumer Related		111,548			51,714
46		1,846,123				
47	Revenue Requirements-Transform.		2,370,183	-	685,629	- 242,957
48						
49	Services					
50	Distribution O&M Consumer Related		1,166,697			529,078
51	Admin & Gen Consumer Related		422,071			191,403
52	Deprec, Taxes & Misc Consumer Related		972,136			440,848
53	Interest Customer Related		744,489			337,614
54						
55	Total Costs for Services		3,305,393	-	-	- 1,498,943
56						
57	Margins Consumer Related		697,577		-	- 316,340
58						
59	Credits Consumer Related		433,454		-	- 196,564
60						
61	Revenue Requirements-Services		3,569,516	-	-	- 1,618,718
1	Meters					
2	Distribution O&M Consumer Related		1,076,930			501,960
3	Admin & Gen Consumer Related		389,597			181,592
4	Deprec, Taxes & Misc Consumer Related		271,529			126,560
5	Interest Customer Related		207,944		-	96,923
6						
7	Total Costs for Services		1,946,000		-	- 907,035
8						
9	Margins Consumer Related		194,841			90,816
10						
11	Credits Consumer Related		121,069			56,430
12						
13	Revenue Requirements-Meters		2,019,772	-	-	- 941,420
14						
15	Lighting					
16	Outdoor Lighting O&M		366,310			
17	Street Lighting O&M		115,921			
18	Outdoor Lighting A&G		132,518			
19	Street Lighting A&G		41,936			

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Exhibit R
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Allocation of Revenue Requirements to Rate Classes

		Total	Schedule GS-1			
			Envirowatts	Residential Farm & Non-Farm		
				Energy	Demand	Energy
20	Outdoor Lighting Deprec & Misc	165,188				
21	Street Lighting Deprec & Misc	92,913				
22	Outdoor Lighting Interest	126,506				
23	Street Lighting Interest	71,155	-	-	-	-
24						
25	Total Costs for Lights	1,112,447	-	-	-	-
26						
27	Outdoor Lighting Margins	118,534				
28	Street Lighting Margins	66,671				
29						
30	Outdoor Lighting Revenue Credit	73,654				
31	Street Lighting Revenue Credit	41,428				
32						
33	Revenue Requirements-Lighting	1,182,572	-	-	-	-
34						
35	Consumer Accts & Serv					
36	Customer Accounts	2,419,308				1,130,058
37	Customer Service	1,063,481				496,751
38	Admin & General	1,259,954				588,524
39	Depreciation & Misc	208,014				97,163
40	Interest	150,464				70,282
41						
42	Total Costs for Consumer Acctg & Service	5,101,221				2,382,778
43						
44	Margins	140,983				65,853
45						
46	Revenue Credits	87,603				40,919
47						
48	Revenue Require. Cons. Act & Serv.	5,154,602				2,407,712
49						
50						
51						
52	TOTAL COSTS	93,047,483	5,700	8,586,126	18,191,792	7,252,530
53						
54	TOTAL REVENUE REQUIRE.					
55	MENTS FROM RATES	94,851,409	5,700	8,882,981	18,191,792	7,643,112
56						
57	MARGINS PROVIDED					
58	RATE REVENUE	1,803,926	-	296,856	-	390,583

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Allocation of Revenue Requirements to Rate Classes

		2 FC			3 HC		
		Schedule R			Schedule A		
		Residential			Farm and Home		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	Purchased Power	-					
2	Generation Demand	2,476,462			2,884,214		
3	Generation Energy		7,319,154			8,030,389	
5	Substation Demand	210,880			245,602		
6							
7	Total Purchased Power	2,687,342	7,319,154	-	3,129,816	8,030,389	-
8							
9	Lines						
10	Distribution O&M Demand Related	458,133			533,572		
11	Distribution O&M Consumer Related			372,960			446,301
12	Admin & Gen Demand Related	165,737			193,028		
13	Admin & Gen Consumer Related			134,924			161,457
14	Deprec, Taxes & Misc Demand Related	381,734			444,593		
15	Deprec, Taxes & Misc Consumer Related			310,764			371,875
16	Interest Demand Related	292,343			340,482		
17	Interest Customer Related			237,992			284,792
18							
19	Total Costs for Lines	1,297,947	-	1,056,639	1,511,675	-	1,264,425
20							
21	Margins Demand Related	273,921			319,027		
22	Margins Consumer Related			222,995			266,847
23							
24	Credits Demand Related	170,207			198,234		
25	Credits Consumer Related			138,563			165,811
26							
27	Revenue Requirements-Lines	1,401,662	-	1,141,072	1,632,468	-	1,365,461
28							
29	Transformers						
30	Distribution O&M Demand Related	6,862			7,992		
31	Distribution O&M Consumer Related			2,287			2,737
32	Admin & Gen Demand Related	2,482			2,891		
33	Admin & Gen Consumer Related			827			990
34	Deprec, Taxes & Misc Demand Related	163,260			190,143		
35	Deprec, Taxes & Misc Consumer Related			54,412			65,111
36	Interest Demand Related	125,029			145,617		
37	Interest Customer Related			41,670			49,864
38							
39	Total Costs for Transformers	297,634	-	99,196	346,644	-	118,702

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Exhibit R
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Allocation of Revenue Requirements to Rate Classes

		Schedule R Residential			Schedule A Farm and Home		
		Demand	Energy	Consumer	Demand	Energy	Consumer
40							
41	Margins Demand Related	117,151			136,441		
42	Margins Consumer Related			39,044			46,722
43							
44	Credits Demand Related	72,794			84,781		
45	Credits Consumer Related			24,261			29,032
46		1,846,123					
47	Revenue Requirements-Transform.	341,990	-	113,979	398,305	-	136,393
48							
49	Services						
50	Distribution O&M Consumer Related			248,208			297,017
51	Admin & Gen Consumer Related			89,793			107,451
52	Deprec, Taxes & Misc Consumer Related			206,816			247,486
53	Interest Customer Related			158,385			189,532
54							
55	Total Costs for Services			703,202			841,485
56							
57	Margins Consumer Related			148,405			177,589
58							
59	Credits Consumer Related			92,215			110,348
60							
61	Revenue Requirements-Services			759,392			908,725
1	Meters						
2	Distribution O&M Consumer Related			235,485			281,793
3	Admin & Gen Consumer Related			85,191			101,943
4	Deprec, Taxes & Misc Consumer Related			59,373			71,049
5	Interest Customer Related			45,470			54,411
6							
7	Total Costs for Services			425,519			509,196
8							
9	Margins Consumer Related			42,605			50,983
10							
11	Credits Consumer Related			26,473			31,679
12							
13	Revenue Requirements-Meters			441,650			528,500
14							
15	Lighting						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						
18	Outdoor Lighting A&G						
19	Street Lighting A&G						

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Allocation of Revenue Requirements to Rate Classes

		Schedule R			Schedule A		
		Residential			Farm and Home		
		<u>Demand</u>	<u>Energy</u>	<u>Consumer</u>	<u>Demand</u>	<u>Energy</u>	<u>Consumer</u>
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						
22	Outdoor Lighting Interest						
23	Street Lighting Interest	-	-	-	-	-	-
24							
25	Total Costs for Lights	-	-	-	-	-	-
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						
32							
33	Revenue Requirements-Lighting	-	-	-	-	-	-
34							
35	Consumer Accts & Serv						
36	Customer Accounts			530,146			634,398
37	Customer Service			233,042			278,869
38	Admin & General			276,095			330,389
39	Depreciation & Misc			45,582			54,546
40	Interest			32,971			39,455
41							
42	Total Costs for Consumer Acctg & Service	-	-	1,117,837			1,337,658
43							
44	Margins	-	-	30,894			36,969
45							
46	Revenue Credits	-	-	19,196			22,971
47							
48	Revenue Require. Cons. Act & Serv.	-	-	1,129,535			1,351,655
49							
50						-	
51						-	
52	TOTAL COSTS	4,282,923	7,319,154	3,402,393	4,988,135	8,030,389	4,071,467
53							
54	TOTAL REVENUE REQUIRE.						
55	MENTS FROM RATES	4,430,994	7,319,154	3,585,628	5,160,588	8,030,389	4,290,734
56							
57	MARGINS PROVIDED						
58	RATE REVENUE	148,071	-	183,235	172,453	-	219,268

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Allocation of Revenue Requirements to Rate Classes

		Schedule GS-2			Schedule R2		
		Off-Peak Marketing (ETS)			Residential Marketing Rate		
		Demand	Energy	Consumer	Demand	Energy	Consumer
40							
41	Margins Demand Related	-			-		
42	Margins Consumer Related			-			-
43							
44	Credits Demand Related	-			-		
45	Credits Consumer Related			-			-
46			1,846,123				
47	Revenue Requirements-Transform.	-	-	-	-	-	-
48							
49	Services						
50	Distribution O&M Consumer Related			331			74
51	Admin & Gen Consumer Related			120			27
52	Deprec, Taxes & Misc Consumer Related			275			62
53	Interest Customer Related			211			47
54							
55	Total Costs for Services			936			210
56							
57	Margins Consumer Related			198			44
58				-			
59	Credits Consumer Related			123			28
60				-			
61	Revenue Requirements-Services			1,011			227
1	Meters						
2	Distribution O&M Consumer Related			2,091			469
3	Admin & Gen Consumer Related			756			170
4	Deprec, Taxes & Misc Consumer Related			527			118
5	Interest Customer Related			404			91
6							
7	Total Costs for Services			3,778			847
8							
9	Margins Consumer Related			378			85
10							
11	Credits Consumer Related			235			53
12							
13	Revenue Requirements-Meters			3,921			879
14							
15	Lighting						-
16	Outdoor Lighting O&M						
17	Street Lighting O&M						
18	Outdoor Lighting A&G						
19	Street Lighting A&G						

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Allocation of Revenue Requirements to Rate Classes

		Schedule GS-2			Schedule R2		
		Off-Peak Marketing (ETS)			Residential Marketing Rate		
		Demand	Energy	Consumer	Demand	Energy	Consumer
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						
22	Outdoor Lighting Interest						
23	Street Lighting Interest	-	-	-	-	-	-
24							
25	Total Costs for Lights	-	-	-	-	-	-
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						
32							
33	Revenue Requirements-Lighting	-	-	-	-	-	-
34							
35	Consumer Accts & Serv						
36	Customer Accounts			3,239			727
37	Customer Service			1,424			319
38	Admin & General			1,687			378
39	Depreciation & Misc			279			62
40	Interest			201			45
41							
42	Total Costs for Consumer Acctg & Service			6,830			1,532
43							
44	Margins			189			42
45							
46	Revenue Credits			117			26
47							
48	Revenue Require. Cons. Act & Serv.			6,902			1,548
49							
50							
51							
52	TOTAL COSTS	-	22,426	11,545	-	5,707	2,589
53							
54	TOTAL REVENUE REQUIRE.						
55	MENTS FROM RATES	-	22,426	11,834	-	5,707	2,654
56							
57	MARGINS PROVIDED						
58	RATE REVENUE	-	-	290	-	-	65

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Allocation of Revenue Requirements to Rate Classes

		18	6 HC		21, 22	7 BG	
		Rate 1 ETS			Schedule C-1		
		Off-Peak Marketing Rate			Commercial & Industrial Light & Power		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	Purchased Power						
2	Generation Demand	-			1,017,163		
3	Generation Energy		64,481			1,495,858	
5	Substation Demand	-			86,615		
6							
7	Total Purchased Power	-	64,481		1,103,779	1,495,858	
8							
9	Lines						
10	Distribution O&M Demand Related	-			208,464		
11	Distribution O&M Consumer Related			-			41,065
12	Admin & Gen Demand Related	-			75,415		
13	Admin & Gen Consumer Related			-			14,856
14	Deprec, Taxes & Misc Demand Related	-			173,700		
15	Deprec, Taxes & Misc Consumer Related			-			34,217
16	Interest Demand Related	-			133,025		
17	Interest Customer Related			-			26,204
18							
19	Total Costs for Lines	-	-	-	590,605	-	116,343
20							
21	Margins Demand Related	-			124,642		
22	Margins Consumer Related			-			24,553
23							
24	Credits Demand Related	-			77,449		
25	Credits Consumer Related			-			15,257
26							
27	Revenue Requirements-Lines	-	-	-	637,798	-	125,639
28							
29	Transformers						
30	Distribution O&M Demand Related	-			3,122		
31	Distribution O&M Consumer Related			-			252
32	Admin & Gen Demand Related	-			1,130		
33	Admin & Gen Consumer Related			-			91
34	Deprec, Taxes & Misc Demand Related	-			74,288		
35	Deprec, Taxes & Misc Consumer Related			-			5,991
36	Interest Demand Related	-			56,892		
37	Interest Customer Related			-			4,588
38							
39	Total Costs for Transformers	-	-	-	135,432	-	10,922

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Allocation of Revenue Requirements to Rate Classes

		Rate 1 ETS			Schedule C-1		
		Off-Peak Marketing Rate			Commercial & Industrial Light & Power		
		Demand	Energy	Consumer	Demand	Energy	Consumer
40							
41	Margins Demand Related	-			53,307		
42	Margins Consumer Related			-			4,299
43							
44	Credits Demand Related	-			33,123		
45	Credits Consumer Related			-			2,671
46			1,846,123				
47	Revenue Requirements-Transform.	-	-	-	155,616	-	12,550
48							
49	Services						
50	Distribution O&M Consumer Related			726			51,093
51	Admin & Gen Consumer Related			263			18,484
52	Deprec, Taxes & Misc Consumer Related			605			42,573
53	Interest Customer Related			463			32,603
54							
55	Total Costs for Services			2,057			144,753
56							
57	Margins Consumer Related			434			30,549
58							
59	Credits Consumer Related			270			18,982
60				-			
61	Revenue Requirements-Services			2,221			156,320
1	Meters						
2	Distribution O&M Consumer Related			4,592			25,928
3	Admin & Gen Consumer Related			1,661			9,380
4	Deprec, Taxes & Misc Consumer Related			1,158			6,537
5	Interest Customer Related			887			5,007
6							
7	Total Costs for Services			8,297			46,852
8							
9	Margins Consumer Related			831			4,691
10							
11	Credits Consumer Related			516			2,915
12							
13	Revenue Requirements-Meters			8,612			48,628
14							
15	Lighting						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						
18	Outdoor Lighting A&G						
19	Street Lighting A&G						

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Allocation of Revenue Requirements to Rate Classes

		Rate 1 ETS			Schedule C-1		
		Off-Peak Marketing Rate			Commercial & Industrial Light & Power		
		Demand	Energy	Consumer	Demand	Energy	Consumer
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						
22	Outdoor Lighting Interest						
23	Street Lighting Interest	-	-	-	-	-	
24							
25	Total Costs for Lights	-	-	-	-	-	
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						
32							
33	Revenue Requirements-Lighting	-	-	-	-	-	
34							
35	Consumer Accts & Serv						
36	Customer Accounts			7,115			62,151
37	Customer Service			3,127			27,320
38	Admin & General			3,705			32,368
39	Depreciation & Misc			612			5,344
40	Interest			442			3,865
41							
42	Total Costs for Consumer Acctg & Service			15,001			131,048
43							
44	Margins			415			3,622
45							
46	Revenue Credits			258			2,250
47							
48	Revenue Require. Cons. Act & Serv.			15,158			132,420
49							
50							
51							
52	TOTAL COSTS	-	64,481	25,355	1,829,816	1,495,858	449,918
53							
54	TOTAL REVENUE REQUIRE.						
55	MENTS FROM RATES	-	64,481	25,991	1,897,193	1,495,858	475,557
56							
57	MARGINS PROVIDED						
58	RATE REVENUE	-	-	636	67,377	-	25,638

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Allocation of Revenue Requirements to Rate Classes

		23, 24	8 FC		25, 26	9 HC	
		Schedule C			Schedule Rate 2		
		Commercial & Small Power			Commercial & Small Power		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	Purchased Power						
2	Generation Demand	242,286			240,380		
3	Generation Energy		381,140			264,349	
5	Substation Demand	20,632			20,469		
6							
7	Total Purchased Power	262,917	381,140	-	260,850	264,349	-
8							
9	Lines						
10	Distribution O&M Demand Related	50,854			42,885		
11	Distribution O&M Consumer Related			13,461			10,738
12	Admin & Gen Demand Related	18,397			15,514		
13	Admin & Gen Consumer Related			4,870			3,885
14	Deprec, Taxes & Misc Demand Related	42,373			35,734		
15	Deprec, Taxes & Misc Consumer Related			11,217			8,947
16	Interest Demand Related	32,451			27,366		
17	Interest Customer Related			8,580			6,852
18							
19	Total Costs for Lines	144,075	-	38,138	121,499	-	30,423
20							
21	Margins Demand Related	30,406			25,641		
22	Margins Consumer Related			8,049			6,420
23							
24	Credits Demand Related	18,893			15,933		
25	Credits Consumer Related			5,001			3,989
26							
27	Revenue Requirements-Lines	155,588	-	41,185	131,207		32,854
28							
29	Transformers						
30	Distribution O&M Demand Related	762			642		
31	Distribution O&M Consumer Related			83			66
32	Admin & Gen Demand Related	276			232		
33	Admin & Gen Consumer Related			30			24
34	Deprec, Taxes & Misc Demand Related	18,122			15,283		
35	Deprec, Taxes & Misc Consumer Related			1,964			1,567
36	Interest Demand Related	13,879			11,704		
37	Interest Customer Related			1,504			1,200
38							
39	Total Costs for Transformers	33,038	-	3,580	27,861	-	2,856

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Allocation of Revenue Requirements to Rate Classes

		Schedule C			Schedule Rate 2		
		Commercial & Small Power			Commercial & Small Power		
		Demand	Energy	Consumer	Demand	Energy	Consumer
40							
41	Margins Demand Related	13,004			10,966		
42	Margins Consumer Related			1,409			1,124
43							
44	Credits Demand Related	8,080			6,814		
45	Credits Consumer Related			876			699
46			1,846,123				
47	Revenue Requirements-Transform.	37,962	-	4,114	32,013	-	3,282
48							
49	Services						
50	Distribution O&M Consumer Related			16,749			13,360
51	Admin & Gen Consumer Related			6,059			4,833
52	Deprec, Taxes & Misc Consumer Related			13,956			11,132
53	Interest Customer Related			10,688			8,526
54							
55	Total Costs for Services			47,451			37,852
56							
57	Margins Consumer Related			10,014			7,988
58							
59	Credits Consumer Related			6,223			4,964
60							
61	Revenue Requirements-Services			51,243			40,876
1	Meters						
2	Distribution O&M Consumer Related			8,500			6,780
3	Admin & Gen Consumer Related			3,075			2,453
4	Deprec, Taxes & Misc Consumer Related			2,143			1,709
5	Interest Customer Related			1,641			1,309
6							
7	Total Costs for Services			15,359			12,252
8							
9	Margins Consumer Related			1,538			1,227
10							
11	Credits Consumer Related			956			762
12							
13	Revenue Requirements-Meters			15,941			12,716
14							
15	Lighting						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						
18	Outdoor Lighting A&G						
19	Street Lighting A&G						

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		Schedule C			Schedule Rate 2		
		Commercial & Small Power			Commercial & Small Power		
		Demand	Energy	Consumer	Demand	Energy	Consumer
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						
22	Outdoor Lighting Interest						
23	Street Lighting Interest	-	-	-	-	-	-
24							
25	Total Costs for Lights	-	-	-	-	-	-
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						
32							
33	Revenue Requirements-Lighting	-	-	-	-	-	-
34							
35	Consumer Accts & Serv						
36	Customer Accounts			20,374			16,252
37	Customer Service			8,956			7,144
38	Admin & General			10,610			8,464
39	Depreciation & Misc			1,752			1,397
40	Interest			1,267			1,011
41							
42	Total Costs for Consumer Acctg & Service			42,959			34,268
43							
44	Margins			1,187			947
45							
46	Revenue Credits			738			588
47							
48	Revenue Require. Cons. Act & Serv.			43,408			34,627
49							
50							
51							
52	TOTAL COSTS	440,031	381,140	147,486	410,210	264,349	117,650
53							
54	TOTAL REVENUE REQUIRE.						
55	MENTS FROM RATES	456,467	381,140	155,891	424,070	264,349	124,354
56							
57	MARGINS PROVIDED						
58	RATE REVENUE	16,436	-	8,404	13,861	-	6,704

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		31	10 BG		33	11 FC	
		Schedule LP-1			Schedule L		
		Large Power			Large Power Service (50-499 kW)		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	Purchased Power						
2	Generation Demand	491,459			35,767		
3	Generation Energy		1,862,122			118,150	
5	Substation Demand	41,850			3,046		
6							
7	Total Purchased Power	533,309	1,862,122	-	38,813	118,150	-
8							
9	Lines						
10	Distribution O&M Demand Related	115,483			7,348		
11	Distribution O&M Consumer Related			2,785			279
12	Admin & Gen Demand Related	41,778			2,658		
13	Admin & Gen Consumer Related			1,008			101
14	Deprec, Taxes & Misc Demand Related	96,225			6,122		
15	Deprec, Taxes & Misc Consumer Related			2,321			232
16	Interest Demand Related	73,692			4,689		
17	Interest Customer Related			1,777			178
18							
19	Total Costs for Lines	327,178	-	7,891	20,817	-	789
20							
21	Margins Demand Related	69,048			4,393		
22	Margins Consumer Related			1,665			167
23							
24	Credits Demand Related	42,905			2,730		
25	Credits Consumer Related			1,035			103
26							
27	Revenue Requirements-Lines	353,321		8,521	22,480		852
28							
29	Transformers	-					
30	Distribution O&M Demand Related	1,730			110		
31	Distribution O&M Consumer Related			124			4
32	Admin & Gen Demand Related	626			40		
33	Admin & Gen Consumer Related			45			1
34	Deprec, Taxes & Misc Demand Related	41,153			2,618		
35	Deprec, Taxes & Misc Consumer Related			2,946			98
36	Interest Demand Related	31,516			2,005		
37	Interest Customer Related			2,256			75
38							
39	Total Costs for Transformers	75,025	-	5,371	4,774	-	179

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		Schedule LP-1			Schedule L		
		Large Power			Large Power Service (50-499 kW)		
		Demand	Energy	Consumer	Demand	Energy	Consumer
40							
41	Margins Demand Related	29,531			1,879		
42	Margins Consumer Related			2,114			70
43							
44	Credits Demand Related	18,349			1,167		
45	Credits Consumer Related			1,314			44
46		1,846,123					
47	Revenue Requirements-Transform.	86,207	-	6,172	5,485	-	206
48							
49	Services						
50	Distribution O&M Consumer Related			7,110			711
51	Admin & Gen Consumer Related			2,572			257
52	Deprec, Taxes & Misc Consumer Related			5,924			592
53	Interest Customer Related			4,537			454
54							
55	Total Costs for Services			20,144			2,014
56							
57	Margins Consumer Related			4,251			425
58							
59	Credits Consumer Related			2,642			264
60							
61	Revenue Requirements-Services			21,754			2,175
1	Meters						
2	Distribution O&M Consumer Related			7,118			712
3	Admin & Gen Consumer Related			2,575			258
4	Deprec, Taxes & Misc Consumer Related			1,795			179
5	Interest Customer Related			1,374			137
6							
7	Total Costs for Services			12,863			1,286
8							
9	Margins Consumer Related			1,288			129
10							
11	Credits Consumer Related			800			80
12							
13	Revenue Requirements-Meters			13,351			1,335
14							
15	Lighting						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						
18	Outdoor Lighting A&G						
19	Street Lighting A&G						

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		Schedule LP-1			Schedule L		
		Large Power			Large Power Service (50-499 kW)		
		Demand	Energy	Consumer	Demand	Energy	Consumer
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						
22	Outdoor Lighting Interest						
23	Street Lighting Interest	-	-	-	-	-	-
24							
25	Total Costs for Lights	-	-	-	-	-	-
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						
32							
33	Revenue Requirements-Lighting	-	-	-	-	-	-
34							
35	Consumer Accts & Serv						
36	Customer Accounts			5,449			545
37	Customer Service			2,395			240
38	Admin & General			2,838			284
39	Depreciation & Misc			469			47
40	Interest			339			34
41							
42	Total Costs for Consumer Acctg & Service			11,490			1,149
43							
44	Margins			318			32
45							
46	Revenue Credits			197			20
47							
48	Revenue Require. Cons. Act & Serv.			11,611			1,161
49							
50							
51							
52	TOTAL COSTS	935,512	1,862,122	57,759	64,404	118,150	5,418
53							
54	TOTAL REVENUE REQUIRE.						
55	MENTS FROM RATES	972,837	1,862,122	61,408	66,778	118,150	5,729
56							
57	MARGINS PROVIDED						
58	RATE REVENUE	37,325	-	3,649	2,375	-	311

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Allocation of Revenue Requirements to Rate Classes

		22, 36	12 BG		35, 36	13 FC	
		Schedule LP-2			Schedule N		
		Large Power			Indst & Large Com (Over 500 kW)		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	Purchased Power						
2	Generation Demand	586,083			110,676		
3	Generation Energy		2,597,726			531,256	
5	Substation Demand	49,907			9,425		
6							
7	Total Purchased Power	635,990	2,597,726	-	120,101	531,256	-
8							
9	Lines						
10	Distribution O&M Demand Related	54,544			26,758		
11	Distribution O&M Consumer Related			402			124
12	Admin & Gen Demand Related	19,732			9,680		
13	Admin & Gen Consumer Related			146			45
14	Deprec, Taxes & Misc Demand Related	45,448			22,296		
15	Deprec, Taxes & Misc Consumer Related			335			103
16	Interest Demand Related	34,806			17,075		
17	Interest Customer Related			257			79
18							
19	Total Costs for Lines	154,531	-	1,140	75,808	-	351
20							
21	Margins Demand Related	32,613			15,999		
22	Margins Consumer Related			241			74
23							
24	Credits Demand Related	20,264			9,941		
25	Credits Consumer Related			149			46
26							
27	Revenue Requirements-Lines	166,879	-	1,231	81,866	-	379
28							
29	Transformers						
30	Distribution O&M Demand Related	817			401		
31	Distribution O&M Consumer Related			12			16
32	Admin & Gen Demand Related	296			145		
33	Admin & Gen Consumer Related			4			6
34	Deprec, Taxes & Misc Demand Related	19,437			9,535		
35	Deprec, Taxes & Misc Consumer Related			290			380
36	Interest Demand Related	14,886			7,302		
37	Interest Customer Related			222			291
38							
39	Total Costs for Transformers	35,436	-	528	17,384	-	694

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Allocation of Revenue Requirements to Rate Classes

		Schedule LP-2			Schedule N		
		Large Power			Rd & Large Com (Over 500 kW)		
		Demand	Energy	Consumer	Demand	Energy	Consumer
40							
41	Margins Demand Related	13,948			6,842		
42	Margins Consumer Related			208			273
43							
44	Credits Demand Related	8,667			4,252		
45	Credits Consumer Related			129			170
46		1,846,123					
47	Revenue Requirements-Transform.	40,717	-	607	19,974	-	797
48							
49	Services						
50	Distribution O&M Consumer Related			-			-
51	Admin & Gen Consumer Related			-			-
52	Deprec, Taxes & Misc Consumer Related			-			-
53	Interest Customer Related			-			-
54							
55	Total Costs for Services			-			-
56							
57	Margins Consumer Related			-			-
58							
59	Credits Consumer Related			-			-
60							
61	Revenue Requirements-Services			-			-
1	Meters						
2	Distribution O&M Consumer Related			-			-
3	Admin & Gen Consumer Related			-			-
4	Deprec, Taxes & Misc Consumer Related			-			-
5	Interest Customer Related			-			-
6							
7	Total Costs for Services			-			-
8							
9	Margins Consumer Related			-			-
10							
11	Credits Consumer Related			-			-
12							
13	Revenue Requirements-Meters			-			-
14							
15	Lighting						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						
18	Outdoor Lighting A&G						
19	Street Lighting A&G						

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Allocation of Revenue Requirements to Rate Classes

		Schedule LP-2			Schedule N		
		Large Power			Rd & Large Com (Over 500 kW)		
		Demand	Energy	Consumer	Demand	Energy	Consumer
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						
22	Outdoor Lighting Interest						
23	Street Lighting Interest	-	-	-	-	-	-
24							
25	Total Costs for Lights	-	-	-	-	-	-
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						
32							
33	Revenue Requirements-Lighting	-	-	-	-	-	-
34							
35	Consumer Accts & Serv						
36	Customer Accounts			787			242
37	Customer Service			346			106
38	Admin & General			410			126
39	Depreciation & Misc			68			21
40	Interest			49			15
41							
42	Total Costs for Consumer Acctg & Service			1,660			511
43							
44	Margins			46			14
45							
46	Revenue Credits			29			9
47							
48	Revenue Require. Cons. Act & Serv.			1,677			516
49							
50							
51							
52	TOTAL COSTS	825,956	2,597,726	3,328	213,292	531,256	1,555
53							
54	TOTAL REVENUE REQUIRE.						
55	MENTS FROM RATES	843,585	2,597,726	3,515	221,941	531,256	1,692
56							
57	MARGINS PROVIDED						
58	RATE REVENUE	17,629	-	187	8,648	-	137

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Allocation of Revenue Requirements to Rate Classes

		39, 52	14 HC		40	15 HC	
		Schedule Rate 8			Schedule LPR		
		Large Power Service			Large Pow Svc (Over 500 kW)		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	Purchased Power						
2	Generation Demand	90,557			55,498		
3	Generation Energy		314,658			263,562	
5	Substation Demand	7,711			4,726		
6							
7	Total Purchased Power	98,268	314,658	-	60,224	263,562	-
8							
9	Lines						
10	Distribution O&M Demand Related	19,870			12,854		
11	Distribution O&M Consumer Related			588			62
12	Admin & Gen Demand Related	7,188			4,650		
13	Admin & Gen Consumer Related			213			22
14	Deprec, Taxes & Misc Demand Related	16,556			10,711		
15	Deprec, Taxes & Misc Consumer Related			490			52
16	Interest Demand Related	12,679			8,203		
17	Interest Customer Related			375			39
18							
19	Total Costs for Lines	56,293	-	1,666	36,418	-	175
20							
21	Margins Demand Related	11,880			7,686		
22	Margins Consumer Related			352			37
23							
24	Credits Demand Related	7,382			4,776		
25	Credits Consumer Related			218			23
26							
27	Revenue Requirements-Lines	60,791	-	1,799	39,328	-	189
28							
29	Transformers						
30	Distribution O&M Demand Related	298			193		
31	Distribution O&M Consumer Related			9			8
32	Admin & Gen Demand Related	108			70		
33	Admin & Gen Consumer Related			3			3
34	Deprec, Taxes & Misc Demand Related	7,081			4,581		
35	Deprec, Taxes & Misc Consumer Related			207			190
36	Interest Demand Related	5,423			3,508		
37	Interest Customer Related			159			146
38							
39	Total Costs for Transformers	12,909	-	378	8,351	-	347

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		Schedule Rate 8			Schedule LPR		
		Large Power Service			Large Pow Svc (Over 500 kW)		
		Demand	Energy	Consumer	Demand	Energy	Consumer
40							
41	Margins Demand Related	5,081			3,287		
42	Margins Consumer Related			149			136
43							
44	Credits Demand Related	3,157			2,042		
45	Credits Consumer Related			92			85
46		1,846,123					
47	Revenue Requirements-Transform.	14,832	-	434	9,596	-	398
48							
49	Services						
50	Distribution O&M Consumer Related			1,501			-
51	Admin & Gen Consumer Related			543			-
52	Deprec, Taxes & Misc Consumer Related			1,251			-
53	Interest Customer Related			958			-
54							
55	Total Costs for Services			4,253			-
56							
57	Margins Consumer Related			897			-
58							
59	Credits Consumer Related			558			-
60							
61	Revenue Requirements-Services			4,592			-
1	Meters						
2	Distribution O&M Consumer Related			1,503			-
3	Admin & Gen Consumer Related			544			-
4	Deprec, Taxes & Misc Consumer Related			379			-
5	Interest Customer Related			290			-
6							
7	Total Costs for Services			2,716			-
8							
9	Margins Consumer Related			272			-
10							
11	Credits Consumer Related			169			-
12							
13	Revenue Requirements-Meters			2,818			-
14							
15	Lighting						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						
18	Outdoor Lighting A&G						
19	Street Lighting A&G						

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		Schedule Rate 8			Schedule LPR		
		Large Power Service			Large Pow Svc (Over 500 kW)		
		Demand	Energy	Consumer	Demand	Energy	Consumer
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						
22	Outdoor Lighting Interest						
23	Street Lighting Interest	-	-	-	-	-	-
24							
25	Total Costs for Lights	-	-	-	-	-	-
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						
32							
33	Revenue Requirements-Lighting	-	-	-	-	-	-
34							
35	Consumer Accts & Serv						
36	Customer Accounts			1,150			121
37	Customer Service			506			53
38	Admin & General			599			63
39	Depreciation & Misc			99			10
40	Interest			72			8
41							
42	Total Costs for Consumer Acctg & Service			2,426			255
43							
44	Margins			67			7
45							
46	Revenue Credits			42			4
47							
48	Revenue Require. Cons. Act & Serv.			2,451			258
49							
50							
51							
52	TOTAL COSTS	167,470	314,658	11,438	104,992	263,562	777
53							
54	TOTAL REVENUE REQUIRE.						
55	MENTS FROM RATES	173,892	314,658	12,095	109,147	263,562	846
56							
57	MARGINS PROVIDED						
58	RATE REVENUE	6,422	-	658	4,155	-	68

**BLUE GRASS
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Allocation of Revenue Requirements to Rate Classes

		45	16 FC	B-1	44, 45, 47, 48, 49	B-2	17 BG
		Schedule B-1			Schedule B-2		
		Large Industrial Rate			Large Industrial Rate		
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	Purchased Power						
2	Generation Demand	208,970			1,655,855		
3	Generation Energy		786,742			5,217,641	
5	Substation Demand	14,570			110,218		
6							
7	Total Purchased Power	223,540	786,742	-	1,766,073	5,217,641	-
8							
9	Lines						
10	Distribution O&M Demand Related	34,731			288,633		
11	Distribution O&M Consumer Related			31			155
12	Admin & Gen Demand Related	12,565			104,418		
13	Admin & Gen Consumer Related			11			56
14	Deprec, Taxes & Misc Demand Related	28,939			240,500		
15	Deprec, Taxes & Misc Consumer Related			26			129
16	Interest Demand Related	22,163			184,182		
17	Interest Customer Related			20			99
18							
19	Total Costs for Lines	98,398	-	88	817,733	-	438
20							
21	Margins Demand Related	20,766			172,576		
22	Margins Consumer Related			19			93
23							
24	Credits Demand Related	12,903			107,234		
25	Credits Consumer Related			11			57
26							
27	Revenue Requirements-Lines	106,260	-	95	883,075	-	473
28							
29	Transformers						
30	Distribution O&M Demand Related	-			-		
31	Distribution O&M Consumer Related			-			-
32	Admin & Gen Demand Related	-			-		
33	Admin & Gen Consumer Related			-			-
34	Deprec, Taxes & Misc Demand Related	-			-		
35	Deprec, Taxes & Misc Consumer Related			-			-
36	Interest Demand Related	-			-		
37	Interest Customer Related			-			-
38							
39	Total Costs for Transformers	-	-	-	-	-	-

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Allocation of Revenue Requirements to Rate Classes

		Schedule B-1			Schedule B-2		
		Large Industrial Rate			Large Industrial Rate		
		Demand	Energy	Consumer	Demand	Energy	Consumer
40							
41	Margins Demand Related	-			-		
42	Margins Consumer Related			-			-
43							
44	Credits Demand Related	-			-		
45	Credits Consumer Related			-			-
46		1,846,123					
47	Revenue Requirements-Transform.	-	-	-	-	-	-
48							
49	Services						
50	Distribution O&M Consumer Related			-			-
51	Admin & Gen Consumer Related			-			-
52	Deprec, Taxes & Misc Consumer Related			-			-
53	Interest Customer Related			-			-
54							
55	Total Costs for Services			-			-
56							
57	Margins Consumer Related			-			-
58							
59	Credits Consumer Related			-			-
60							
61	Revenue Requirements-Services			-			-
1	Meters						
2	Distribution O&M Consumer Related						
3	Admin & Gen Consumer Related						
4	Deprec, Taxes & Misc Consumer Related						
5	Interest Customer Related						
6							
7	Total Costs for Services			-			-
8							
9	Margins Consumer Related						
10							
11	Credits Consumer Related						
12							
13	Revenue Requirements-Meters			-			-
14							
15	Lighting						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						
18	Outdoor Lighting A&G						
19	Street Lighting A&G						

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Allocation of Revenue Requirements to Rate Classes

		Schedule B-1			Schedule B-2		
		Large Industrial Rate			Large Industrial Rate		
		Demand	Energy	Consumer	Demand	Energy	Consumer
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						
22	Outdoor Lighting Interest						
23	Street Lighting Interest						
24							
25	Total Costs for Lights						
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						
32							
33	Revenue Requirements-Lighting						
34							
35	Consumer Accts & Serv						
36	Customer Accounts			74			371
37	Customer Service			33			163
38	Admin & General			39			193
39	Depreciation & Misc			6			32
40	Interest			5			23
41							
42	Total Costs for Consumer Acctg & Service			157			783
43							
44	Margins			4			22
45							
46	Revenue Credits			3			13
47							
48	Revenue Require. Cons. Act & Serv.			158			791
49							
50							
51							
52	TOTAL COSTS	321,938	786,742	244	2,583,806	5,217,641	1,221
53							
54	TOTAL REVENUE REQUIRE.						
55	MENTS FROM RATES	329,800	786,742	253	2,649,148	5,217,641	1,265
56							
57	MARGINS PROVIDED						
58	RATE REVENUE	7,863	-	9	65,342	-	43

**BLUE GRASS
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Allocation of Revenue Requirements to Rate Classes

		50	18 HC	C	51	19	
		Schedule LPR2 Rate 8			Street Lighting		
		Large Pow Svc (1000-4999 kW)					
		Demand	Energy	Consumer	Demand	Energy	Consumer
1	Purchased Power						
2	Generation Demand	494,221			5,970		
3	Generation Energy		1,759,234			34,431	
5	Substation Demand	32,486			508		
6							
7	Total Purchased Power	526,707	1,759,234	-	6,479	34,431	-
8							
9	Lines						
10	Distribution O&M Demand Related	85,107			2,050		
11	Distribution O&M Consumer Related			31			1,950
12	Admin & Gen Demand Related	30,789			742		
13	Admin & Gen Consumer Related			11			705
14	Deprec, Taxes & Misc Demand Related	70,914			1,709		
15	Deprec, Taxes & Misc Consumer Related			26			1,624
16	Interest Demand Related	54,308			1,308		
17	Interest Customer Related			20			1,244
18							
19	Total Costs for Lines	241,117	-	88	5,809	-	5,523
20							
21	Margins Demand Related	50,886			1,226		
22	Margins Consumer Related			19			1,166
23							
24	Credits Demand Related	31,619			762		
25	Credits Consumer Related			11			724
26							
27	Revenue Requirements-Lines	260,384	-	95	6,273	-	5,965
28							
29	Transformers						
30	Distribution O&M Demand Related	-			31		
31	Distribution O&M Consumer Related			-			12
32	Admin & Gen Demand Related	-			11		
33	Admin & Gen Consumer Related			-			4
34	Deprec, Taxes & Misc Demand Related	-			731		
35	Deprec, Taxes & Misc Consumer Related			-			284
36	Interest Demand Related	-			560		
37	Interest Customer Related			-			218
38							
39	Total Costs for Transformers	-	-	-	1,332	-	519

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Allocation of Revenue Requirements to Rate Classes

		Schedule LPR2 Rate 8			Street Lighting		
		Large Pow Svc (1000-4999 kW)					
		Demand	Energy	Consumer	Demand	Energy	Consumer
40							
41	Margins Demand Related	-			524		
42	Margins Consumer Related			-			204
43							
44	Credits Demand Related	-			326		
45	Credits Consumer Related			-			127
46			1,846,123				
47	Revenue Requirements-Transform.	-	-	-	1,531	-	596
48							
49	Services						
50	Distribution O&M Consumer Related			-			106
51	Admin & Gen Consumer Related			-			38
52	Deprec, Taxes & Misc Consumer Related			-			88
53	Interest Customer Related			-			67
54							
55	Total Costs for Services			-			300
56							
57	Margins Consumer Related			-			63
58							
59	Credits Consumer Related			-			39
60							
61	Revenue Requirements-Services			-			324
1	Meters						
2	Distribution O&M Consumer Related						
3	Admin & Gen Consumer Related						
4	Deprec, Taxes & Misc Consumer Related						
5	Interest Customer Related						
6							
7	Total Costs for Services			-			-
8							
9	Margins Consumer Related						
10							
11	Credits Consumer Related						
12							
13	Revenue Requirements-Meters			-			-
14							
15	Lighting						
16	Outdoor Lighting O&M						
17	Street Lighting O&M						115,921
18	Outdoor Lighting A&G						
19	Street Lighting A&G						41,936

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Allocation of Revenue Requirements to Rate Classes

		Schedule LPR2 Rate 8					
		Large Pow Svc (1000-4999 kW)			Street Lighting		
		Demand	Energy	Consumer	Demand	Energy	Consumer
20	Outdoor Lighting Deprec & Misc						
21	Street Lighting Deprec & Misc						92,913
22	Outdoor Lighting Interest						
23	Street Lighting Interest						71,155
24							
25	Total Costs for Lights						321,925
26							
27	Outdoor Lighting Margins						
28	Street Lighting Margins						66,671
29							
30	Outdoor Lighting Revenue Credit						
31	Street Lighting Revenue Credit						41,428
32							
33	Revenue Requirements-Lighting						321,925
34							
35	Consumer Accts & Serv						
36	Customer Accounts			74			1,728
37	Customer Service			33			760
38	Admin & General			39			900
39	Depreciation & Misc			6			149
40	Interest			5			107
41							
42	Total Costs for Consumer Acctg & Service			157			3,643
43							
44	Margins			4			101
45							
46	Revenue Credits			3			63
47							
48	Revenue Require. Cons. Act & Serv.			158			3,682
49							
50							
51							
52	TOTAL COSTS	767,824	1,759,234	244	13,620	34,431	331,910
53							
54	TOTAL REVENUE REQUIRE.						
55	MENTS FROM RATES	787,091	1,759,234	253	14,283	34,431	332,491
56							
57	MARGINS PROVIDED						
58	RATE REVENUE	19,267	-	9	663	-	581

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Allocation of Revenue Requirements to Rate Classes

		18	20	
		Outdoor Lighting Service		
		Demand	Energy	Consumer
1	Purchased Power			
2	Generation Demand	63,451		
3	Generation Energy		388,801	
5	Substation Demand	5,403		
6				
7	Total Purchased Power	68,854	388,801	-
8				
9	Lines			
10	Distribution O&M Demand Related	21,792		
11	Distribution O&M Consumer Related			4,859
12	Admin & Gen Demand Related	7,884		
13	Admin & Gen Consumer Related			1,758
14	Deprec, Taxes & Misc Demand Related	18,158		
15	Deprec, Taxes & Misc Consumer Related			4,048
16	Interest Demand Related	13,906		
17	Interest Customer Related			3,100
18				
19	Total Costs for Lines	61,740	-	13,765
20				
21	Margins Demand Related	13,030		
22	Margins Consumer Related			2,905
23				
24	Credits Demand Related	8,096		
25	Credits Consumer Related			1,805
26				
27	Revenue Requirements-Lines	66,673	-	14,865
28				
29	Transformers			
30	Distribution O&M Demand Related	326		
31	Distribution O&M Consumer Related			32
32	Admin & Gen Demand Related	118		
33	Admin & Gen Consumer Related			11
34	Deprec, Taxes & Misc Demand Related	7,766		
35	Deprec, Taxes & Misc Consumer Related			752
36	Interest Demand Related	5,947		
37	Interest Customer Related			576
38				
39	Total Costs for Transformers	14,158	-	1,371

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Allocation of Revenue Requirements to Rate Classes

		Outdoor Lighting Service		
		Demand	Energy	Consumer
40				
41	Margins Demand Related	5,573		
42	Margins Consumer Related			540
43				
44	Credits Demand Related	3,463		
45	Credits Consumer Related			335
46		1,846,123		
47	Revenue Requirements-Transform.	16,268	-	1,575
48				
49	Services			
50	Distribution O&M Consumer Related			633
51	Admin & Gen Consumer Related			229
52	Deprec, Taxes & Misc Consumer Related			527
53	Interest Customer Related			404
54				
55	Total Costs for Services			1,793
56				
57	Margins Consumer Related			378
58				
59	Credits Consumer Related			235
60				
61	Revenue Requirements-Services			1,937
1	Meters			
2	Distribution O&M Consumer Related			
3	Admin & Gen Consumer Related			
4	Deprec, Taxes & Misc Consumer Related			
5	Interest Customer Related			
6				
7	Total Costs for Services			-
8				
9	Margins Consumer Related			
10				
11	Credits Consumer Related			
12				
13	Revenue Requirements-Meters			-
14				
15	Lighting			
16	Outdoor Lighting O&M			366,310
17	Street Lighting O&M			
18	Outdoor Lighting A&G			132,518
19	Street Lighting A&G			

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Allocation of Revenue Requirements to Rate Classes

		Outdoor Lighting Service		
		Demand	Energy	Consumer
20	Outdoor Lighting Deprec & Misc			165,188
21	Street Lighting Deprec & Misc			
22	Outdoor Lighting Interest			126,506
23	Street Lighting Interest			
24				
25	Total Costs for Lights			790,522
26				
27	Outdoor Lighting Margins			118,534
28	Street Lighting Margins			
29				
30	Outdoor Lighting Revenue Credit			73,654
31	Street Lighting Revenue Credit			
32				
33	Revenue Requirements-Lighting			860,646
34				
35	Consumer Accts & Serv			
36	Customer Accounts			4,306
37	Customer Service			1,893
38	Admin & General			2,243
39	Depreciation & Misc			370
40	Interest			268
41				
42	Total Costs for Consumer Acctg & Service			9,080
43				
44	Margins			251
45				
46	Revenue Credits			156
47				
48	Revenue Require. Cons. Act & Serv.			9,175
49				
50				
51				
52	TOTAL COSTS	144,752	388,801	816,531
53				
54	TOTAL REVENUE REQUIRE.			
55	MENTS FROM RATES	151,795	388,801	888,197
56				
57	MARGINS PROVIDED			
58	RATE REVENUE	7,043	-	71,667

BLUE GRASS ENERGY COOPERATIVE

Case No. 2008-00011

Functionalization and Classification of Revenue Requirements

Acct No.	Description	Allocation Basis	Actual	Adjusted	Pro Forma	Generation	Demand	Energy	Demand	Customer	Line Tran
555	Purchased Power	OATT	61,266,019	5,299,634	66,565,654	16,910,335					
	Demand Charges	DA	-	0	-						
	Energy Charges	DA	76,312,698								
	Total Purchased Power		61,266,019	5,299,634	66,565,654	16,910,335	49,655,319				
580	Operations Supv & Eng	Dist Oper	239,363	14,330	253,694				64,873		38,065
582	Station Expense	DAM/MinSys	43,819	2,623	46,443				23,319		13,683
583	Overhead Line Exp.	DAM/Min Syst	954,877	57,167	1,012,044				508,144		298,160
584	Underground Line Exp	DAM/MinSys	77,452	4,637	82,089				41,217		24,184
585	Street Light Expense	DA	19,813	1,186	21,000						
586	Meter Expense	DA	752,953	45,078	798,031						
587	Consumer Installations	DA	264,124	15,813	279,937						
588	Misc. Distribution Exp	Dist Oper	412,607	24,702	437,309				111,826		65,615
589	Rents		-	-	-						
	Total Operations		2,765,010	165,536	2,930,546				749,378		439,707
590	Maint Supv & Eng	Dist Maint,	243,901	2,702	246,603				119,088		69,877
592	Maint of Station Equip	DAM/Min Syst	-	-	-						
593	Maint. Overhead Lines	DAM/Min Syst	3,534,561	39,158	3,573,719				1,794,353		1,052,860
594	Maint of Underground Lines	DAM/Min Syst	224,724	2,490	227,213				114,083		66,940
595	Maint Line Transformers	DA	42,102	466	42,568						
596	Maint of St Lg & Signal Sys	DA	78,294	867	79,162						
597	Maintenance of Meters	DA	28,921	320	29,241						
598	Maint Misc Distrib Plant	Dist Maint,	214,334	2,375	216,709				104,652		61,406
	Total Distribut Maintenance		4,366,837	48,378	4,415,215				2,132,177		1,251,082
901	Supervision	DA	146,182	2,292	148,474						
902	Meter Reading Expense	DA	126,639	1,985	128,624						
903	Cons Recds & Collections	DA	1,753,828	27,492	1,781,321						

Power Supply

BLUE GRASS ENERGY COOPERATIVE

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Functionalization and Classification of Revenue Requirements

Acct No.	Description	Allocation Basis	Actual \$\$\$	Adjusted \$\$\$	Pro Forma \$\$\$	Distribution					Street Lighting	Outdoor Lighting	
						formers Consumer	Services Consumer	Meters Consumer	Consumer & Accounting Services	Consumer			
555	Purchased Power												
	Demand Charges	OATT	61,266,019	5,299,634	66,565,654								
	Energy Charges	DA	-	0	-								
			76,312,698										
	Total Purchased Power		61,266,019	5,299,634	66,565,654								
580	Operations Supv & Eng	Dist Oper	239,363	14,330	253,694	-	26,266	90,400	-	2,379	31,711		
582	Station Expense	DAMinSys	43,819	2,623	46,443		9,441						
583	Overhead Line Exp.	DAMin Syst	954,877	57,167	1,012,044		205,740						
584	Underground Line Exp	DAMinSys	77,452	4,637	82,089		16,688						
585	Street Light Expense	DA	19,813	1,186	21,000					21,000			
586	Meter Expense	DA	752,953	45,078	798,031			798,031					
587	Consumer Installations	DA	264,124	15,813	279,937							279,937	
588	Misc. Distribution Exp	Dist Oper	412,607	24,702	437,309	-	45,276	155,829	-	4,101	54,662		
589	Rents		-	-	-		-	-		-	-		
	Total Operations		2,765,010	165,536	2,930,546	-	303,411	1,044,261	-	27,479	366,310		
590	Maint Supv & Eng	Dist Maint.	243,901	2,702	246,603	587	48,217	1,825	-	4,940	-		
592	Maint of Station Equip	DAMin Syst	-	-	-		-						
593	Maint. Overhead Lines	DAMin Syst	3,534,561	39,158	3,573,719		726,506						
594	Maint of Underground Lines	DAMin Syst	224,724	2,490	227,213		46,190						
595	Maint Line Transformers	DA	42,102	466	42,568	9,412							
596	Maint of St Lg & Signal Sys	DA	78,294	867	79,162							79,162	
597	Maintenance of Meters	DA	28,921	320	29,241					29,241			
598	Maint Misc Distrib Plant	Dist Maint.	214,334	2,375	216,709	516	42,372	1,603	-	4,341	-		
	Total Distribut Maintenance		4,366,837	48,378	4,415,215	10,515	863,285	32,669	-	88,442	-		
901	Supervision	DA	146,182	2,292	148,474	-	-	-		148,474			
902	Meter Reading Expense	DA	126,639	1,985	128,624							128,624	
903	Cons Recds & Collections	DA	1,753,828	27,492	1,781,321							1,781,321	

BLUE GRASS ENERGY COOPERATIVE

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Functionalization and Classification of Revenue Requirements

Acct	Description	Allocation Basis	Actual \$\$\$	Adjusted \$\$\$	Pro Forma \$\$\$	Power Supply		Lines		Line Tran Demand
						Demand	Energy	Demand	Customer	
904	Uncollectible Accounts	DA	355,319	5,570	360,889					
	Total Consumer Accounts		2,381,969	37,339	2,419,308					
907&908	Customer Assistance	DA	138,655	2,964	141,619					
909	Information & Institutional	DA	13,416	287	13,703					
910	Misc. Consumer Service	DA	41,277	882	42,159					
912	Demonstration & Selling Exp	DA	802,726	17,158	819,884					
913	Advertising	DA	45,150	965	46,115					
	Total Customer Service		1,041,225	22,266	1,063,481					
	Total of Above		10,555,040	273,509	10,828,549	16,910,335	49,655,319	2,881,554	1,690,789	37,043
920	Administrative Salaries		2,237,194	-	2,237,194					
921	Office Supplies		336,782	-	336,782					
923	Outside Services		186,304	-	186,304					
924	Property Ins		-	-	-					
925	Injuries & Damages		-	-	-					
926	Employ Pensions & Benef		769	-	769					
928	Regulatory Exp		92,092	-	92,092					
929	Duplicate Charges		(74,891)	-	(74,891)					
930	Misc General Exp		939,546	-	939,546					
931	Rents		-	-	-					
932	Maintenance of General Plant		465,863	-	465,863					
	Total Admin & General	Dist Plant	4,183,659	(266,259)	3,917,400			1,042,448	611,670	13,401
403	Deprec. Distribution Plant	Net Plant	5,040,829	883,548	5,924,377			2,138,667	1,254,891	785,008
403	Deprec. Gen Plant & Pit Amort	Net Plant	610,410	106,992	717,402			258,978	151,959	95,059
	Total Depreciation		5,651,239	990,540	6,641,779			2,397,645	1,406,849	880,067
408	Taxes Other Than Income Tax	Rate Base	3,385	-	3,385			2,150	1,261	789
426	Miscell. Income Deductions	Rate Base	316,537	(310,592)	5,945			1,224	718	449

BLUE GRASS ENERGY COOPERATIVE

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Functionalization and Classification of Revenue Requirements

Acct	Description	Allocation Basis	Actual \$\$\$	Adjusted \$\$\$	Pro Forma \$\$\$	Distribution							
						formers Consumer	Services Consumer	Meters Consumer	Consumer & Accounting Services	Street Lighting	Outdoor Lighting		
904	Uncollectible Accounts	DA	355,319	5,570	360,889				360,889				
	Total Consumer Accounts		2,381,969	37,339	2,419,308	-	-	-	2,419,308				
907/8908	Customer Assistance	DA	138,655	2,964	141,619				141,619				
909	Information & Institutional	DA	13,416	887	13,703				13,703				
910	Misc. Consumer Service	DA	41,277	882	42,159				42,159				
912	Demonstration & Selling Exp	DA	802,726	17,158	819,884				819,884				
913	Advertising	DA	45,150	965	46,115				46,115				
	Total Customer Service		1,041,225	22,256	1,063,481	-	-	-	1,063,481				
	Total of Above		10,555,040	273,509	10,828,549	10,515	1,166,897	1,076,930	3,482,789	115,921		366,310	
920	Administrative Salaries		2,237,194	-	2,237,194								
921	Office Supplies		336,782	-	336,782								
923	Outside Services		186,304	-	186,304								
924	Property Ins		-	-	-								
925	Injuries & Damages		-	-	-								
926	Employ Pensions & Benef		769	-	769								
928	Regulatory Exp		92,092	-	92,092								
929	Duplicate Charges		(74,891)	-	(74,891)								
930	Misc General Exp		939,546	-	939,546								
931	Rents		-	-	-								
932	Maintenance of General Plant		465,863.49	-	465,863								
	Total Admin & General	Dist Plant	4,183,659	(266,259)	3,917,400	3,804	422,071	389,597	1,259,954	41,936		132,518	
403	Deprec. Distribution Plant	Net Plant	5,040,829	883,548	5,924,377	222,840	865,913	241,859	185,299	82,760		147,138	
403	Deprec. Gen Plant & Plt Amort	Net Plant	610,410	106,992	717,402	26,984	104,856	29,288	22,438	10,022		17,817	
	Total Depreciation		5,651,239	990,540	6,641,779	249,825	970,770	271,147	207,738	92,782		164,956	
408	Taxes Other Than Income Tax	Rate Base	3,385	-	3,385	224	870	243	176	83		148	
426	Miscell. Income Deductions	Rate Base	316,537	(310,592)	5,945	128	496	138	100	47		84	

BLUE GRASS ENERGY COOPERATIVE

Case No. 2008-00011

Functionalization and Classification of Revenue Requirements

Acct	Description	Allocation Basis	Actual \$\$\$	Adjusted \$\$\$	Pro Forma \$\$\$	Power Supply		Generation		Lines		Line Tran Demand
						Demand	Energy	Demand	Energy	Demand	Customer	
	Total Miscellaneous		319,923	(310,592)	9,331	-	-	-	-	3,374	1,980	1,238
427.1	Interest - RUS Constuc	Rate Base	1,744,601	-	1,744,601	-	-	-	-	630,888	370,181	231,570
427.11	Interest - FFB Notes	Rate Base	1,719,243	-	1,719,243	-	-	-	-	621,717	364,801	228,204
427.2	Interest - Other LTD	Rate Base	1,329,791	(29,272)	1,300,519	-	-	-	-	470,297	275,953	172,625
	Total Interest on LTD		4,793,634	(29,272)	4,764,362	-	-	-	-	1,722,902	1,010,935	632,399
431	Other Interest Expense	Rate Base	559,841	(239,433)	320,408	-	-	-	-	115,867	67,986	42,529
431		Rate Base	-	-	-	-	-	-	-	-	-	-
431		Rate Base	-	-	-	-	-	-	-	-	-	-
	Total Short Term Interest		559,841	(239,433)	320,408	-	-	-	-	115,867	67,986	42,529
	Total Costs		87,329,356	5,718,127	93,047,483	16,910,335	49,655,319	16,910,335	49,655,319	8,163,791	4,790,210	1,606,679
	Margin Requirements		4,793,634	(29,272)	4,764,362	-	-	-	-	1,722,902	1,010,935	632,399
	Total Revenue Requirements		92,122,990	5,688,855	97,811,845	16,910,335	49,655,319	16,910,335	49,655,319	9,886,694	5,801,145	2,239,078
	Less: Misc Income											
	CATV & Non-Recuring Chrgs											
450	Forfeited Discounts	Rate Base	1,130,880	-	1,130,880	-	-	-	-	408,962	239,958	150,108
451	Misc Service Revenue	Rate Base	313,741	279,466	593,207	-	-	-	-	214,517	125,871	78,739
454	Rent from Electric Prop.	Rate Base	799,315	-	799,315	-	-	-	-	289,051	169,604	106,097
456.1	Other Electric Revenue	Rate Base	62,864	-	62,864	-	-	-	-	22,733	13,339	8,344
	Total Misc Income		2,306,801	279,466	2,586,267	-	-	-	-	935,253	548,772	343,289
	Less: Other Income											
419	Interest Income	Rate Base	79,579	-	79,579	-	-	-	-	28,777	16,886	10,563
421	Other	Rate Base	1,620,847	(1,620,847)	-	-	-	-	-	-	-	-
424	Other Capital Credits	Rate Base	294,591	-	294,591	-	-	-	-	106,531	62,508	39,103
	Total Other Income		1,995,017	(1,620,847)	374,170	-	-	-	-	135,308	79,394	49,666
	Revenue Requirements from Rates		87,821,173	7,030,236	94,851,409	16,910,335	49,655,319	16,910,335	49,655,319	8,816,132	5,172,979	1,846,123

BLUE GRASS ENERGY COOPERATIVE

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Case No. 2008-00011

Functionalization and Classification of Revenue Requirements

Acct	Description	Allocation Basis	Actual \$\$\$	Adjusted \$\$\$	Pro Forma \$\$\$	Distribution					
						Transformers Consumer	Services Consumer	Meters Consumer	Consumer & Accounting Services	Street Lighting	Outdoor Lighting
	Total Miscellaneous		319,923	(310,592)	9,331	352	1,366	382	276	131	232
427.1	Interest - RUS Constuc	Rate Base	1,744,601	-	1,744,601	65,736	255,437	71,346	51,625	24,414	43,404
427.11	Interest - FFB Notes	Rate Base	1,719,243	-	1,719,243	64,780	251,724	70,309	50,874	24,059	42,774
427.2	Interest - Other LTD	Rate Base	1,329,791	(29,272)	1,300,519	49,003	190,416	53,185	38,484	18,199	32,356
	Total Interest on LTD		4,793,634	(29,272)	4,764,362	179,519	697,577	194,841	140,983	66,671	118,534
431	Other Interest Expense	Rate Base	559,841	(239,433)	320,408	12,073	46,913	13,103	9,481	4,484	7,972
431		Rate Base	-	-	-	-	-	-	-	-	-
431		Rate Base	-	-	-	-	-	-	-	-	-
	Total Short Term Interest		559,841	(239,433)	320,408	12,073	46,913	13,103	9,481	4,484	7,972
	Total Costs		87,329,356	5,718,127	93,047,483	456,088	3,305,393	1,946,000	5,101,221	321,925	790,522
	Margin Requirements		4,793,634	(29,272)	4,764,362	179,519	697,577	194,841	140,983	66,671	118,534
	Total Revenue Requirements		92,122,990	5,688,855	97,811,845	635,608	4,002,970	2,140,841	5,242,204	388,597	909,056
	Less: Misc Income										
	CATV & Non-Recurring Chrgs										
450	Forfeited Discounts	Rate Base	1,130,880	-	1,130,880	42,611	165,578	46,248	33,464	15,825	28,136
451	Misc Service Revenue	Rate Base	313,741	279,466	593,207	22,352	86,855	24,259	17,554	8,301	14,759
454	Rent from Electric Prop.	Rate Base	799,315	-	799,315	30,118	117,032	32,688	23,653	11,185	19,886
456.1	Other Electric Revenue	Rate Base	62,864	-	62,864	2,369	9,204	2,571	1,860	880	1,564
	Total Misc Income		2,306,801	279,466	2,586,267	97,450	378,670	105,767	76,531	36,192	64,345
	Less: Other Income										
419	Interest Income	Rate Base	79,579	-	79,579	2,998	11,652	3,254	2,355	1,114	1,980
421	Other	Rate Base	1,620,847	(1,620,847)	-	-	-	-	-	-	-
424	Other Capital Credits	Rate Base	294,591	-	294,591	11,100	43,133	12,047	8,717	4,122	7,329
	Total Other Income		1,995,017	(1,620,847)	374,170	14,099	54,784	15,302	11,072	5,236	9,309
	Revenue Requirements from Rates		87,821,173	7,030,236	94,851,409	524,060	3,569,516	2,019,772	5,154,602	347,169	835,402

BLUE GRASS ENERGY COOPERATIVE
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Exhibit R
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Determination of Certain Plant Investments as Demand Related or Consumer Related

Account 364 - Poles					
Poles	Size	Investment	Number of Units	Unit Cost	Predicted Value
35 ft and und	30	6,808,266	39,767	171.20	187.67
40 ft and 45 f	42.5	19,538,964	49,117	397.80	364.88
50 ft and over	55	1,386,611	2,638	525.63	642.09
Subtotal		27,733,841	91,522	303.03	
Other Investment for this Account		16,932,473			
Total Investment		44,666,314	91,522		26,699,762.44
					17,966,551.13
X Variable - (Size)			14.18		
Zero Intercept			(237.64)		
R Square			0.927		
Use Minimum Size			Minimum Size	171.20	
Number of poles				91,522.00	
Consumer Related Investment				15,668,924.35	
Total Investment				44,666,313.57	
Percent Customer Related				35.08%	
Percent Demand Related				64.92%	
SUMMARY OUTPUT					
<i>Regression Statistics</i>					
Multiple R	0.987301193				
R Square	0.974763645				
Adjusted R Sc	0.94952729				
Standard Error	40.324947				
Observations	3				
Intercept	-237.644286				
X Variable 1	14.17702627				

Account 364 - Poles	
Pole Size - Feet	Investment (\$)
30	6,808,266
42.5	19,538,964
55	1,386,611

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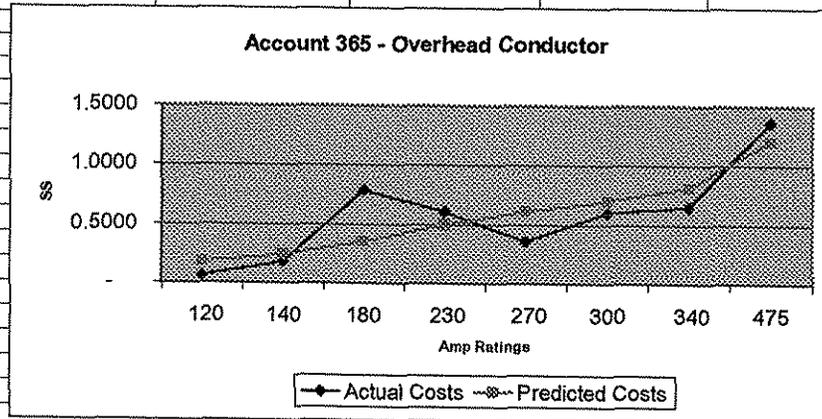
Determination of Certain Plant Investments as Demand Related or Consumer Related

Account 365 - Overhead Conductor						
Conductor	Investment	Number of Units	Unit Cost	Amp Ratings	Predicted Cost	
2 ACSR	5,741,348	7,304,352	\$ 0.7860	180	0.3523	
4 ACSR	2,621,103	14,889,386	\$ 0.1760	140	0.2368	
1/0 ACSR	4,295,962	7,112,325	\$ 0.6040	230	0.4966	
2/0 ACSR	67,376	189,447	\$ 0.3556	270	0.6120	
3/0 ACSR	870,811	1,455,095	\$ 0.5985	300	0.6986	
4/0 ACSR	1,447,128	2,228,214	\$ 0.6495	340	0.8140	
#6 ACWC	10,126	161,510	\$ 0.0627			
#8 ACWC	220,547	3,568,531	\$ 0.0618	120		
336.4 MCM ACSR	4,858,256	3,568,531	\$ 1.3614	475		
34/0 SPACER CABLE	211,358	33,285	\$ 6.3499	310		
#556.1 ACSR	189,549	83,911	\$ 2.2589	730		
#6 STEEL	623	49,448	\$ 0.0126			
2 ACWC	3,017	49,448	\$ 0.0610			
#9 1/2 D	291	1,570	\$ 0.1851			
6 HD	293	6,554	\$ 0.0447			
#2 SPACER CABLE-HARRISON	11,437	460	\$ 24.8624			
#6 ACSR HARRISON	1,769	1,264	\$ 1.3998			
SUBTOTAL	20,550,995	40,703,331	\$ 0.5049			
All other OH Conductor Invest.	15,929,854					
TOTAL	36,480,849					

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.835246774
R Square	0.697637173
Adjusted R Square	0.647243369
Standard Error	0.239744524
Observations	8

Intercept	-0.16718419
X Variable 1	0.002685803



Minimum Size	2 ACSR	0.35226	Predicted Unit Cost
Total Amount of Conductor in Feet		40,703,331	
		\$\$\$	
Minimum Size Investment -Consumer Related		14,338,169.75	39.30%
Demand Related		22,142,679	60.70%
Investment in Conduit		36,480,849.00	100.00%

Breakdown of Lines into Demand Related and Consumer Related Components

	Total Investment	Percent Consumer	Amount Consumer	Percent Demand	Amount Demand
Conductor	36,480,849	39.30%	14,338,169.75	60.70%	22,142,679
Poles	44,866,314	35.08%	15,668,924.35	64.92%	28,997,389
	81,147,163		30,007,094.10		51,140,068
Percent			36.98%		63.02%

BLUE GRASS ENERGY COOPERATIVE
Case No. 2008-00011

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Determination of Certain Plant Investments as Demand Related or Consumer Related

Account 388-Transformers					
Transformers	Size	Investment	Number of Units	Unit Cost	Predicted Value
1.50	1.50	3,611	91	39.68	159.79
3.00	3.00	60.8	(1)	(60.80)	182.76
5.00	5.00	196856.5	1,339	147.02	213.38
10.00	10.00	261,689	977	267.85	289.94
15.00	15.00	529,538	1,123	471.54	366.49
25.00	25.00	587,024	1,020	575.51	519.60
37.50	37.50	116,265	210	553.64	710.99
50.00	50.00	736,748	916	804.31	902.38
300.00	300.00	12,539	2	6,269.32	4,730.15
75.00	75.00	190,028	163	1,165.82	1,285.16
100.00	100.00	101,508	63	1,611.24	1,667.93
167.00	167.00	88,193	45	1,959.85	2,693.78
250.00	250.00	-	6	-	3,964.60
150.00	150.00	(1,981)	(6)	330.13	2,433.49
1.5 KVA CSP	1.50	35,994	465	77.41	159.79
3 KVA CSP	3.00	105,321	970	108.58	182.76
5 KVA CSP	5.00	269,911	1,616	167.02	213.38
7.5 KVA CSP	7.50	52,272	254	205.80	251.66
10 KVA CSP	10.00	2,005,150	5,304	378.04	289.94
15 KVA CSP	15.00	6,417,969	12,373	518.71	366.49
25 KVA CSP	25.00	4,288,898	6,433	666.70	519.60
37.5 KVA CS	37.50	70,803	91	778.05	1,084,206.93
50 KVA CSP	50.00	753,837	825	913.74	902.38
10 KVA SP	10.00	1,046,627	3,016	347.02	289.94
15 KVA SP	15.00	813,906	1,677	485.33	366.49
25 KVA SP	25.00	183,814	329	558.71	519.60
333 STEP DC	333.00	24,073	7	3,438.99	5,235.42
75 KVA CSP	75.00	(3,605)	(2)	1,802.58	1,285.16
250 KVA	250.00	14,768	4	3,692.00	3,964.60
120/208 Pole		4,090	6	681.66	#VALUE!
25KVA URD	25.00	958	2	478.89	519.60
50 KVA URD	50.00	5,084	5	1,016.82	902.38
500 KVA	500.00	25,813	5	5,162.64	7,792.37
750 KVA	750.00	8,315	2	4,157.42	127,446.13
500 KVA PAI	500.00	63,712	8	7,963.97	7,792.37
167 KVA PAI	167.00	16,524	6	2,753.92	2,693.78
200 KVA PAI	200.00	4,260	1	4,260.23	3,199.04
1500 KVA CS	1,500.00	7,109	1	7,108.76	23,103.47
2500 KVA 60 CYCLE		32,023	3	10,674.46	
1000 KVA PA	1,000.00	164,369	14	11,740.66	
15 KVA PAD	15.00	32,694.59	24	1,362.27	
25 KVA PAD	25.00	2,601,594	2,117	1,228.91	
37.5 KVA PAI	37.50	64,693	77	840.17	
50 KVA PAD	50.00	2,934,101	2,112	1,389.25	
75 KVA PAD	75.00	410,856	170	2,416.80	
300 KVA PAI	300.00	283,243	38	7,453.77	
75 KVA PAD	75.00	148,797	37	4,021.55	
1500 KVA 3-PH		147,563	9	16,395.87	
750 KVA PAD		63,089	13	4,852.97	
150 KVA PAD		238,367	40	5,959.17	
112.5 KVA PAD		(6,517)	1	(6,517.49)	
100 KVA PAD		357,831	169	2,117.35	
112 KVA		3,450	1	3,450.00	
5 KVA PAD	5.00	1,145	1	1,145.00	
2500 KVA		45,242	2	22,620.90	
500 KVA PAD		147,501	16	9,218.80	
750 KVA 3PH		41,535	4	10,383.74	
225 KVA 3PH		8,093	1	8,093.37	
2000 KVA 3PH		885	-	-	
500 KVA PAD		8,093	1	8,093.37	
Subtotal		26,766,331	44,196		
All other Transformer Investment		583,172			
Total		27,349,503			

BLUE GRASS ENERGY COOPERATIVE
CASE NO. 2008-00011
LOAD RESEARCH DATA

Billing Energy (kWh)	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	
11 Residential, Farm & Non-Farm Service -Nich	37,373,974	52,562,255	44,259,909	30,403,971	27,473,211	32,099,705	35,533,559	39,367,071	41,357,759	29,821,399	27,643,483	36,565,713	434,562,009
12 Residential, Farm & Non-Farm Service -FC	15,800,843	22,844,054	18,125,658	12,975,059	10,960,768	12,581,151	14,100,150	15,859,486	16,392,005	12,131,365	11,545,413	15,717,300	179,032,252
13 Residential, Farm & Non-Farm Service -Har	17,080,632	25,146,327	19,850,261	14,400,433	11,670,218	13,542,317	14,237,869	16,480,258	16,759,095	12,255,484	12,743,567	17,861,931	191,828,392
21 Small Comm < 10kW with demand Nich	1,871,303	1,940,679	2,155,203	1,951,641	1,998,182	2,100,660	2,456,276	2,545,828	3,226,741	1,967,883	2,245,316	2,044,998	26,504,510
22 Small Comm > 10kW no demand Nich	667,792	932,554	838,352	667,357	657,073	746,367	814,865	848,863	915,507	736,787	659,541	743,199	9,228,257
23 Small Comm > 10kW with demand FC	464,288	485,880	494,668	450,144	425,273	482,093	496,321	518,423	601,895	528,352	495,441	492,815	5,935,593
24 Small Comm < 10kW no demand	254,736	308,265	266,982	248,249	236,964	266,513	268,481	294,174	307,367	257,342	226,946	233,003	3,169,002
25 Small Comm > 50kW with demand Har	291,998	284,630	339,847	303,038	258,882	293,218	290,830	314,800	341,791	295,847	287,438	294,186	3,596,505
26 Small Comm 0-50kW no demand Har	201,142	232,322	210,917	222,932	205,740	240,000	233,304	246,711	262,168	232,999	216,876	213,106	2,718,217
31 Large Power Rate 51-500kW -Nich	3,484,320	3,549,347	3,583,652	3,438,274	3,350,977	3,740,050	4,163,060	3,789,126	4,481,521	3,912,043	3,742,686	3,246,944	44,482,000
32 Large Power > 500 kW Nich	4,332,216	4,993,392	4,597,080	4,846,704	4,590,504	5,335,524	5,262,084	5,280,648	6,406,200	5,806,028	5,720,424	5,083,176	62,053,980
33 Large Power > 200 kW FC	197,976	291,064	236,246	216,943	223,430	225,459	226,384	236,292	260,577	240,952	232,421	234,594	2,822,338
35 Large Power > 500 kW FC	409,680	431,184	365,280	436,272	384,672	440,400	440,208	476,592	577,160	471,335	446,064	418,800	5,297,647
36 Large Power > 500kW FC (Interrupt)	548,300	385,488	427,501	739,848	706,313	719,684	739,122	754,754	744,298	448,120	465,420	714,036	7,392,984
39 Large Power 50-500 kW Har	518,940	514,420	660,660	548,480	509,480	506,700	670,520	694,540	738,041	615,460	578,740	533,320	7,089,301
40 Large Power > 500 kW -Har	441,600	514,800	515,040	521,760	516,000	501,120	518,160	544,080	637,200	556,320	534,960	494,880	6,295,920
44 Large Power > 400kW Adcom	1,406,400	1,761,600	1,603,200	1,632,000	1,610,400	1,574,400	1,346,400	1,262,400	1,560,000	1,500,000	1,370,400	1,152,000	17,779,200
45 Large Power > 400kW PPG	2,088,000	3,027,600	2,689,200	3,049,200	2,790,000	3,096,000	3,124,800	3,218,400	3,286,800	3,128,400	3,110,400	2,379,600	34,988,400
46 Large Power Rate 1000-4999 kW FC Bay West	1,713,800	1,796,400	1,612,800	1,821,600	1,800,000	2,008,800	2,088,000	2,145,600	2,264,400	2,106,000	2,088,000	1,882,800	23,328,000
47 Large Power > 4000kW McKechnie	1,444,800	1,632,000	1,504,800	1,711,200	1,740,000	1,824,000	1,896,000	2,083,200	2,546,400	2,308,800	2,392,800	2,304,000	23,388,000
48 Large Power > 4000kW Tokico	2,570,400	3,045,600	2,925,600	3,194,400	3,043,200	3,400,800	3,513,600	2,834,400	3,573,600	3,120,000	3,350,400	2,882,400	37,454,400
49 Large Power > 1000kW Alcan	3,715,200	2,880,000	3,196,800	3,643,200	3,355,200	3,787,200	3,520,800	3,650,400	3,736,800	3,736,800	3,578,400	3,268,800	42,069,600
50 Large Power 5000-9999kW 3M	4,345,200	4,208,400	3,722,400	4,435,200	4,298,400	4,593,600	4,683,600	4,716,000	5,122,800	4,453,200	4,464,000	3,942,000	52,984,800
52 Large Power - City of Cythiana new pumping station										135,600	138,600	153,000	427,200
15 OLS - SL/Street Lights - All lighting	11786	19151	12708	7684	6375	6106	5696	6279	7017	5477	7031	9900	105,210
15 & 51 Street Lights only - All lighting	795,550	817,796	821,312	820,447	818,850	825,211	826,678	820,624	833,081	947,670	848,560	829,108	10,004,887
16 Residential ETS-Nich	112,880	169,743	136,583	67,341	48,616	4,264	2,430	880	953	4,077	39,031	96,708	683,506
17 Residential ETS-FC	25,574	38,733	32,117	16,159	8,698	2,911	2,705	3,006	4,820	3,627	11,993	23,597	173,940
18 Residential ETS-Har	308,455	490,108	415,242	209,047	103,630	7,143	5,125	5,856	5,932	8,585	108,833	297,353	1,965,309
Total	102,477,585	135,303,792	115,559,998	92,978,583	83,791,056	94,951,396	101,467,027	108,997,691	116,951,928	91,635,752	89,293,184	103,913,267	1,237,361,259

BLUE GRASS ENERGY COOPERATIVE
CASE NO. 2009-00011

LOAD RESEARCH

Coincident Demand With EKPC EMS's 15-Minute System Peak (Used for Billing)												
Rate	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
11 Residential, Farm & Non-Farm Service -Nich	96,242	112,433	78,037	73,081	61,300	63,155	74,362	83,448	73,538	58,534	71,127	87,485
12 Residential, Farm & Non-Farm Service -FC	48,348	56,352	38,947	36,439	30,546	31,434	37,012	41,540	36,585	29,143	35,417	43,519
13 Residential, Farm & Non-Farm Service -Har	56,237	65,637	45,327	42,426	35,582	36,628	43,136	48,378	42,624	33,953	41,243	50,719
21 Small Comm < 10kW with demand Nich	16,627	16,293	11,474	7,471	13,330	14,799	15,422	17,088	14,621	11,701	11,233	10,952
22 Small Comm > 10kW no demand Nich	3,339	3,145	2,158	1,646	2,379	2,704	2,580	3,142	2,634	1,995	2,057	2,317
23 Small Comm > 10kW with demand FC	3,130	3,003	2,116	1,361	2,381	2,672	2,790	3,107	2,656	2,168	2,073	2,014
24 Small Comm < 10kW no demand	1,812	1,688	1,156	874	1,263	1,430	1,377	1,667	1,398	1,059	1,097	1,230
25 Small Comm > 50kW with demand Har	2,750	2,637	1,786	1,158	2,228	2,467	2,586	2,810	2,407	1,815	1,736	1,740
26 Small Comm 0-50kW no demand Har	2,178	1,987	1,452	1,234	1,489	1,488	1,486	2,011	1,659	1,220	1,199	1,579
31 Large Power Rate 51-500kW -Nich	9,925	9,846	8,666	5,685	6,112	6,830	6,526	8,336	7,137	8,239	8,044	6,988
32 Large Power > 500 kW Nich	9,080	8,183	8,479	8,497	9,016	8,474	9,032	10,541	10,178	9,660	9,364	9,610
33 Large Power 50-200 kW FC	674	701	578	425	478	471	530	603	474	618	631	538
35 Large Power > 500 kW FC	854	860	831	832	874	987	884	1,082	899	863	791	810
36 Large Power > 500kW FC (Interrup)	9	10	1,154	1,081	869	1,002	1,072	1,080	1,051	1,026	1,002	870
39 Large Power 50-500 kW Har	1,881	1,676	1,553	1,045	1,046	1,135	1,086	1,443	1,258	1,465	1,581	1,349
40 Large Power > 500 kW -Har	907	908	879	803	811	850	855	1,046	840	792	819	916
44 Large Power > 4000kW Adcom	753	2,359	2,955	2,913	2,350	3,236	2,395	2,373	3,228	2,346	842	2,991
45 Large Power > 4000kW PPG	3,650	4,726	3,624	4,069	4,977	4,575	4,877	4,432	4,795	4,778	3,637	3,257
46 Large Power Rate 1000-4999 kW FC Bay West	2,256	2,368	2,430	2,370	2,680	3,008	2,928	3,123	2,679	2,867	2,698	2,740
47 Large Power > 4000kW McKechnie	2,983	2,688	2,682	2,716	2,856	2,941	3,168	3,414	3,883	3,875	4,192	4,120
48 Large Power > 4000kW Tokico	4,896	4,343	4,900	4,389	5,649	6,183	6,052	4,882	5,534	5,579	4,948	4,800
49 Large Power > 1000kW Alcan	4,625	5,200	5,373	4,278	5,292	5,574	5,204	4,180	5,753	5,325	4,767	5,797
50 Large Power 5000-9999kW 3M	4,614	5,162	4,562	4,787	7,292	6,199	6,916	7,629	6,709	6,687	5,975	5,145
52 Large Power - City of Cythiana new pumping stati	-	-	-	-	-	-	-	-	-	182	163	151
OLS - SL/Street Lights - All lighting	0	0	0	0	0	0	0	0	0	0	0	0
15 & 51 Street Lights only - All lighting	2,406	2,344	2,399	1,947	0	0	0	0	0	0	2,196	1,752
16 Residential ETS-Nich	0	0	0	0	0	0	0	0	0	0	0	0
17 Residential ETS-FC	0	0	0	0	0	0	0	0	0	0	0	0
18 Residential ETS-Har	0	0	0	0	0	0	0	0	0	0	0	0
Total	280,176	314,607	233,520	211,525	200,801	208,243	232,276	257,355	232,540	195,891	218,833	253,389

2,839,157

LOAD RESEARCH DATA

		15-Minute Class Noncoincident Demand (class peak)											
RATE		Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
11	Residential, Farm & Non-Farm Service -Nlch	96,242	112,433	78,037	77,027	67,427	72,374	76,473	83,727	74,508	59,487	71,127	98,396
12	Residential, Farm & Non-Farm Service -FC	48,348	56,352	38,947	38,407	33,599	36,022	38,064	41,679	37,068	29,618	35,417	48,947
13	Residential, Farm & Non-Farm Service -Har	56,237	65,637	45,327	44,718	39,138	41,975	44,361	48,540	43,186	34,506	41,243	57,045
21	Small Comm <10kW with demand Nlch	16,627	16,293	13,318	12,876	14,655	16,160	16,568	17,925	14,621	14,759	13,078	14,721
22	Small Comm >10kW no demand Nlch	3,339	3,260	2,700	2,615	3,044	3,469	3,705	4,003	3,342	3,053	2,421	2,985
23	Small Comm >10kW with demand FC	3,130	3,003	2,450	2,353	2,653	2,938	3,019	3,285	2,656	2,707	2,421	2,722
24	Small Comm <10kW no demand	1,812	1,750	1,446	1,388	1,616	1,835	1,978	2,125	1,774	1,620	1,289	1,585
25	Small Comm >50kW with demand Har	2,750	2,697	1,786	1,158	2,228	2,467	2,586	2,810	2,407	1,815	1,736	1,585
26	Small Comm 0-50kW no demand Har	2,178	1,987	1,452	1,234	1,488	1,488	1,486	2,011	1,659	1,220	1,199	1,740
31	Large Power Rate 51-500kW -Nlch	10,406	10,073	9,811	9,654	9,890	9,569	9,519	11,761	10,662	9,770	9,950	15,579
32	Large Power >500 kW Nlch	10,822	11,131	11,402	12,141	12,840	12,275	12,526	14,471	13,965	13,346	12,196	10,552
33	Large Power 50-200 kW FC	713	701	626	594	561	553	579	729	588	688	682	722
35	Large Power >500 kW FC	1,007	974	1,222	1,185	1,298	1,191	1,264	1,501	1,418	1,259	1,033	722
36	Large Power > 500kW FC (Interrupt)	1,141	1,167	1,172	1,165	1,159	1,144	1,148	1,145	1,110	1,128	1,217	995
39	Large Power 50-500 kW Har	1,881	1,809	1,612	1,592	1,554	1,558	1,483	1,947	1,746	1,570	1,717	1,135
40	Large Power > 500 kW -Har	1,057	1,167	1,074	1,042	1,124	1,087	1,082	1,326	1,249	1,164	1,087	1,821
44	Large Power >4000kW Adcom	3,849	3,992	3,946	3,921	3,936	3,648	3,684	3,696	3,731	3,622	3,639	3,807
45	Large Power >4000kW PPG	4,985	5,033	5,106	5,033	5,115	5,210	5,236	5,327	5,305	5,184	5,054	5,072
46	Large Power Rate 1000-4999 kW FC Bay West	2,741	2,667	2,802	2,931	3,076	3,223	3,252	3,338	3,322	3,248	3,074	2,901
47	Large Power >4000kW McKechnie	3,134	3,066	3,089	3,204	3,205	3,592	4,335	4,383	4,386	4,238	4,220	4,382
48	Large Power >4000kW Tokico	6,206	6,124	6,176	6,152	6,427	6,559	6,661	6,582	6,473	6,382	6,273	6,283
49	Large Power >1000kW Alcan	6,187	6,346	6,493	6,292	6,468	6,198	6,146	6,292	6,177	6,288	6,349	6,058
50	Large Power 5000-9999kW 3M	7,284	6,955	7,232	7,331	7,586	7,927	7,780	8,091	7,733	7,595	7,119	6,994
52	Large Power - City of Cyrtiana new pumping station	-	-	-	-	-	-	-	-	-	-	-	-
OLS - SL/Street Lights - All lighting		0	0	0	0	0	0	0	0	0	212	212	212
15 & 51 Street Lights only - All lighting		2,406	2,344	2,399	1,971	1,971	1,971	1,971	1,971	1,971	1,971	2,196	1,971
16 Residential ETS-Nlch		595	581	588	532	350	147	105	91	133	413	595	651
17 Residential ETS-FC		126	119	112	119	91	70	63	70	56	105	140	133
18 Residential ETS-Har		1,288	1,330	1,330	1,260	777	301	210	203	287	952	1,379	1,407
Total		296,491	328,989	251,654	247,892	233,275	244,950	255,294	279,030	251,531	217,919	238,064	298,128

BLUE GRASS ENERGY COOPERATIVE

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Consumer Related Costs Allocators

A. Lines (poles and conduit)								
				Number of Consumers			Allocation Factor	
BG	11	GS-1	Residential Farm & Non-Farm	25,690			47.02%	
FC	12	R	Residential	12,052			22.06%	
H	13	A	Farm & Home Service	14,422			26.40%	
BG	16	GS-2	Off-Peak Marketing Rate (ETS)	-			0.00%	
FC	17	R2	Residential Marketing (ETS)	-			0.00%	
H	18	Rate 1	Off-Peak Marketing Rate (ETS)	-			0.00%	
BG	21, 22	C-1	Commercial & Industrial Lighting & Power	1,327			2.43%	
FC	23, 24	C	Commercial and Small Power	435			0.80%	
H	25, 26	Rate 2	Commercial & Small Power	347			0.64%	
BG	31	LP-1	Large Power	90			0.16%	
FC	33	L	Large Power Serv (50-499 kW)	9			0.02%	
BG	32, 38	LP-2	Large Power	13			0.02%	
FC	35, 36	N	Industrial & Large Commercial (Over 500 kW)	4			0.01%	
H	39, 52	Rate 8	Large Power Service (50-500 kW)	19			0.03%	
H	40	LPR1	Large Power Service (Over 500 kW)	2			0.00%	
FC	46	B1	Large Industrial Rate	1			0.00%	
BG	Note	B-2	Large Industrial Rate	5			0.01%	
H	50	LPR2	Lare Power (1000 to 4999 kW)	1			0.00%	
	51	-	Street Lighting	63			0.12%	
	15	-	Outdoor Lighting Service	157			0.29%	
			44, 45, 47, 48, 49	54,637			100.00%	
B. Transformers								
				Number of Consumers	Minimum Transformer Cost	Relative Cost	Allocation Percent	
		Rate Class				Weight		
BG	11	GS-1	Residential Farm & Non-Farm	25,690	378.0	1.00	25,690.00	46.361%
FC	12	R	Residential	12,052	378.0	1.00	12,052.00	21.749%
H	13	A	Farm & Home Service	14,422	378.0	1.00	14,422.00	26.026%
BG	16	GS-2	Off-Peak Marketing Rate (ETS)	-	-	-	-	0.000%
FC	17	R2	Residential Marketing (ETS)	-	-	-	-	0.000%
H	18	Rate 1	Off-Peak Marketing Rate (ETS)	-	-	-	-	0.000%
BG	21, 22	C-1	Commercial & Industrial Lighting & Power	1,327	378.0	1.00	1,327.00	2.395%
FC	23, 24	C	Commercial and Small Power	435	378.0	1.00	435.00	0.785%
H	25, 26	Rate 2	Commercial & Small Power	347	378.0	1.00	347.00	0.626%
BG	31	LP-1	Large Power	90	2,741.2	7.25	652.60	1.178%
FC	33	L	Large Power Serv (50-499 kW)	9	913.7	2.42	21.75	0.039%
BG	32, 38	LP-2	Large Power	5	4,853.0	12.84	64.19	0.116%
FC	35, 36	N	Industrial & Large Commercial (Over 500 kW)	4	7,964.0	21.07	84.26	0.152%
H	39, 52	Rate 8	Large Power Service (50-500 kW)	19	913.7	2.42	45.92	0.083%
H	40	LPR1	Large Power Service (Over 500 kW)	2	7,964.0	21.07	42.13	0.076%
FC	46	B1	Large Industrial Rate	-	7,964.0	21.07	-	0.000%
BG	Note	B-2	Large Industrial Rate	-	45,241.8	119.67	-	0.000%
H	50	LPR2	Lare Power (1000 to 4999 kW)	-	11,740.7	31.06	-	0.000%
	51	-	Street Lighting	63	378.0	1.00	63.00	0.114%
	15	-	Outdoor Lighting Service	377	167.0	0.44	166.56	0.301%
				54,842.00			55,413.42	100.00%

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Consumer Related Costs Allocators

C. Services					Minim	Relative	Weight	Allocation
Rate Class					Service Cost	Cost		Percent
					# of Consumer			
BG	11	GS-1	Residential Farm & Non-Farm	25,690	175.12	1.000	25,690.00	45.348%
FC	12	R	Residential	12,052	175.12	1.000	12,052.00	21.274%
H	13	A	Farm & Home Service	14,422	175.12	1.000	14,422.00	25.458%
BG	16	GS-2	Off-Peak Marketing Rate (ETS)	107	26.27	0.150	16.05	0.028%
FC	17	R2	Residential Marketing (ETS)	24	26.27	0.150	3.60	0.006%
H	18	Rate 1	Off-Peak Marketing Rate (ETS)	235	26.27	0.150	35.25	0.062%
BG	21, 22	C-1	Commercial & Industrial Lighting & Power	1,327	327.39	1.870	2,480.89	4.379%
FC	23, 24	C	Commercial and Small Power	435	327.39	1.870	813.25	1.436%
H	25, 26	Rate 2	Commercial & Small Power	347	327.39	1.870	648.73	1.145%
BG	31	LP-1	Large Power	90	671.76	3.836	345.24	0.609%
FC	33	L	Large Power Serv (50-499 kW)	9	671.76	3.836	34.52	0.061%
BG	32, 38	LP-2	Large Power	5	-	-	-	0.000%
FC	35, 36	N	Industrial & Large Commercial (Over 500 kW)	4	-	-	-	0.000%
H	39, 52	Rate 8	Large Power Service (50-500 kW)	19	671.76	3.836	72.88	0.129%
H	40	LPR1	Large Power Service (Over 500 kW)	2	-	-	-	0.000%
FC	46	B1	Large Industrial Rate	-	-	-	-	0.000%
BG	Note	B-2	Large Industrial Rate	-	-	-	-	0.000%
H	50	LPR2	Lare Power (1000 to 4999 kW)	-	-	-	-	0.000%
	51	-	Street Lighting	63	14.28	0.082	5.14	0.009%
	15	-	Outdoor Lighting Service	377	14.28	0.082	30.74	0.054%
					55,208		56,650	100.00%
D. Meters					Minimum	Relative	Weight	Allocation
Rate Class					Meter Cost	Cost		Percent
					# of Consumer			
BG	11	GS-1	Residential Farm & Non-Farm	25,690	103.82	1.00	25,690.00	46.61%
FC	12	R	Residential	12,052	103.82	1.00	12,052.00	21.87%
H	13	A	Farm & Home Service	14,422	103.82	1.00	14,422.00	26.17%
BG	16	GS-2	Off-Peak Marketing Rate (ETS)	107	103.82	1.00	107.00	0.19%
FC	17	R2	Residential Marketing (ETS)	24	103.82	1.00	24.00	0.04%
H	18	Rate 1	Off-Peak Marketing Rate (ETS)	235	103.82	1.00	235.00	0.43%
BG	21, 22	C-1	Commercial & Industrial Lighting & Power	1,327	103.82	1.00	1,327.00	2.41%
FC	23, 24	C	Commercial and Small Power	435	103.82	1.00	435.00	0.79%
H	25, 26	Rate 2	Commercial & Small Power	347	103.82	1.00	347.00	0.63%
BG	31	LP-1	Large Power	90	420.26	4.05	364.32	0.66%
FC	33	L	Large Power Serv (50-499 kW)	9	420.26	4.05	36.43	0.07%
BG	32, 38	LP-2	Large Power	5	-	-	-	0.00%
FC	35, 36	N	Industrial & Large Commercial (Over 500 kW)	4	-	-	-	0.00%
H	39, 52	Rate 8	Large Power Service (50-500 kW)	19	420.26	4.05	76.91	0.14%
H	40	LPR1	Large Power Service (Over 500 kW)	2	-	-	-	0.00%
FC	46	B1	Large Industrial Rate	-	-	-	-	0.00%
BG	Note	B-2	Large Industrial Rate	-	-	-	-	0.00%
H	50	LPR2	Lare Power (1000 to 4999 kW)	-	-	-	-	0.00%
	-	-	Street Lighting	63	-	-	-	0.00%
	-	-	Outdoor Lighting Service	377	-	-	-	0.00%
					55,208		55,116.66	100.0%

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Consumer Related Costs Allocators

E. Consumer & Accounting Services								
				Meter	Consumer		Allocation	
Rate Class				Reading	Assistance	Total	Percent	
BG	11	GS-1	Residential Farm & Non-Farm	57,054	824,325	881,380	46.710%	
FC	12	R	Residential	26,766	386,717	413,483	21.913%	
H	13	A	Farm & Home Service	32,030	462,764	494,794	26.222%	
BG	16	GS-2	Off-Peak Marketing Rate (ETS)	238	2,289	2,527	0.134%	
FC	17	R2	Residential Marketing (ETS)	53	513	567	0.030%	
H	18	Rate 1	Off-Peak Marketing Rate (ETS)	522	5,027	5,549	0.294%	
BG	21, 22	C-1	Commercial & Industrial Lighting & Power	5,894	42,580	48,474	2.569%	
FC	23, 24	C	Commercial and Small Power	1,932	13,958	15,890	0.842%	
H	25, 26	Rate 2	Commercial & Small Power	1,541	11,134	12,676	0.672%	
BG	31	LP-1	Large Power	400	3,850	4,250	0.225%	
FC	33	L	Large Power Serv (50-499 kW)	40	385	425	0.023%	
BG	32, 38	LP-2	Large Power	58	556	614	0.033%	
FC	35, 36	N	Industrial & Large Commercial (Over 500 kW)	18	171	189	0.010%	
H	39, 52	Rate 8	Large Power Service (50-500 kW)	84	813	897	0.048%	
H	40	LPR1	Large Power Service (Over 500 kW)	9	86	94	0.005%	
FC	46	B1	Large Industrial Rate	4	53	58	0.003%	
BG	Note	B-2	Large Industrial Rate	22	267	290	0.015%	
H	50	LPR2	Lare Power (1000 to 4999 kW)	4	53	58	0.003%	
-	-	-	Street Lighting	-	1,348	1,348	0.071%	
-	-	-	Outdoor Lighting Service	-	3,358	3,358	0.178%	
				126,639	1,755,170	1,886,921	100.000%	
Meter Reading								
				Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated
BG	11	GS-1	Residential Farm & Non-Farm	1.00	25,690	25,690	45.1%	57,054
FC	12	R	Residential	1.00	12,052	12,052	21.1%	26,766
H	13	A	Farm & Home Service	1.00	14,422	14,422	25.3%	32,030
BG	16	GS-2	Off-Peak Marketing Rate (ETS)	1.00	107	107	0.2%	238
FC	17	R2	Residential Marketing (ETS)	1.00	24	24	0.0%	53
H	18	Rate 1	Off-Peak Marketing Rate (ETS)	1.00	235	235	0.4%	522
BG	21, 22	C-1	Commercial & Industrial Lighting & Power	2.00	1,327	2,654	4.7%	5,894
FC	23, 24	C	Commercial and Small Power	2.00	435	870	1.5%	1,932
H	25, 26	Rate 2	Commercial & Small Power	2.00	347	694	1.2%	1,541
BG	31	LP-1	Large Power	2.00	90	180	0.3%	400
FC	33	L	Large Power Serv (50-499 kW)	2.00	9	18	0.0%	40
BG	32, 38	LP-2	Large Power	2.00	13	26	0.0%	58
FC	35, 36	N	Industrial & Large Commercial (Over 500 kW)	2.00	4	8	0.0%	18
H	39, 52	Rate 8	Large Power Service (50-500 kW)	2.00	19	38	0.1%	84
H	40	LPR1	Large Power Service (Over 500 kW)	2.00	2	4	0.0%	9
FC	46	B1	Large Industrial Rate	2.00	1	2	0.0%	4
BG	Note	B-2	Large Industrial Rate	2.00	5	10	0.0%	22
H	50	LPR2	Lare Power (1000 to 4999 kW)	2.00	1	2	0.0%	4
-	-	-	Street Lighting	-	63	-	0.0%	-
-	-	-	Outdoor Lighting Service	-	157	-	0.0%	-
					55,003.00	57,022	100%	126,639

BLUE GRASS ENERGY COOPERATIVE

Case No. 2008-00011

Exhibit R
 Schedule 10
 Page 70 of 70
 Witness: Jim Adkins

Consumer Related Costs Allocators

Consumer Records									
					Factor	Number of Consumers	Relative Weight	Allocation Percent	Expense Allocated
BG	11	GS-1	Residential Farm & Non-Farm		3.00	25,690	77,070	47.0%	824,325
FC	12	R	Residential		3.00	12,052	36,156	22.1%	386,717
H	13	A	Farm & Home Service		3.00	14,422	43,266	26.4%	462,764
BG	16	GS-2	Off-Peak Marketing Rate (ETS)		2.00	107	214	0.1%	2,289
FC	17	R2	Residential Marketing (ETS)		2.00	24	48	0.0%	513
H	18	Rate 1	Off-Peak Marketing Rate (ETS)		2.00	235	470	0.3%	5,027
BG	21, 22	C-1	Commercial & Industrial Lighting & Power		3.00	1,327	3,981	2.4%	42,580
FC	23, 24	C	Commercial and Small Power		3.00	435	1,305	0.8%	13,958
H	25, 26	Rate 2	Commercial & Small Power		3.00	347	1,041	0.6%	11,134
BG	31	LP-1	Large Power		4.00	90	360	0.2%	3,850
FC	33	L	Large Power Serv (50-499 kW)		4.00	9	36	0.0%	385
BG	32, 38	LP-2	Large Power		4.00	13	52	0.0%	556
FC	35, 36	N	Industrial & Large Commercial (Over 500 kW)		4.00	4	16	0.0%	171
H	39, 52	Rate 8	Large Power Service (50-500 kW)		4.00	19	76	0.0%	813
H	40	LPR1	Large Power Service (Over 500 kW)		4.00	2	8	0.0%	86
FC	46	B1	Large Industrial Rate		5.00	1	5	0.0%	53
BG	Note	B-2	Large Industrial Rate		5.00	5	25	0.0%	267
H	50	LPR2	Large Power (1000 to 4999 kW)		5.00	1	5	0.0%	53
-	-	-	Street Lighting		2.00	63	126	0.1%	1,348
-	-	-	Outdoor Lighting Service		2.00	157	314	0.2%	3,358
						55,003.00	163,947	100%	1,753,544
BG	Note	B-2	44, 45, 47, 48, 49						

Blue Grass Energy
Case No. 2008-00011
Balance Sheet, Adjusted
December 31, 2007

Exhibit S
page 1 of 4
Witness: Jim Adkins

	<u>Actual</u> <u>Test Year</u>	<u>Adjustments</u> <u>to Test Year</u>	<u>Adjusted</u> <u>Test Year</u>
<u>ASSETS</u>			
Electric Plant:			
In service	172,635,904		172,635,904
Under construction	7,831,343		7,831,343
	<u>180,467,247</u>		<u>180,467,247</u>
Less accumulated depreciation	39,049,560	(625,119)	38,424,441
	<u>141,417,687</u>	<u>625,119</u>	<u>142,042,806</u>
Investments	<u>21,431,733</u>		<u>21,431,733</u>
Current Assets:			
Cash and temporary investments	1,840,369		1,840,369
Accounts receivable, net	4,794,120		4,794,120
Material and supplies	1,252,330		1,252,330
Prepayments and current assets	496,644		496,644
	<u>8,383,463</u>		<u>8,383,463</u>
Deferred debits & Net Change in Assets	<u>286,757</u>	<u>8,801,833</u>	<u>9,088,590</u>
Total	<u>171,519,640</u>	<u>9,426,952</u>	<u>180,946,592</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>			
Margins:			
Memberships	1,018,855		1,018,855
Patronage capital	40,249,133	9,392,510	49,641,643
	<u>41,267,988</u>	<u>9,392,510</u>	<u>50,660,498</u>
Long Term Debt	<u>100,150,077</u>		<u>100,150,077</u>
Accumulated Operating Provisions	<u>5,440,539</u>	<u>34,442</u>	<u>5,474,981</u>
Current Liabilities:			
Short term borrowings	13,200,000		13,200,000
Accounts payable	8,255,474		8,255,474
Consumer deposits	1,413,702		1,413,702
Accrued expenses	1,117,213		1,117,213
	<u>23,986,389</u>		<u>23,986,389</u>
Deferred credits	<u>674,647</u>		<u>674,647</u>
Total	<u>171,519,640</u>	<u>9,426,952</u>	<u>180,946,592</u>

Blue Grass Energy
Case No. 2008-00011
Statement of Operations, Adjusted

Exhibit S
page 2 of 4
Witness: Jim Adkins

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>
Operating Revenues:					
Base rates	\$81,635,499	\$5,356,928	\$86,992,427	\$7,838,023	\$94,830,450
Fuel and surcharge	15,052,264	(15,052,264)	0		0
Other electric revenue	<u>2,306,801</u>	<u>279,466</u>	<u>2,586,267</u>		<u>2,586,267</u>
#####	<u>98,994,564</u>	<u>(9,415,870)</u>	<u>89,578,694</u>	<u>7,838,023</u>	<u>97,416,717</u>
Operating Expenses:					
Cost of power:					
Base rates	61,266,019	5,278,676	66,544,695		66,544,695
Fuel and surcharge	15,046,679	(15,046,679)	0		0
Distribution - operations	2,765,010	165,536	2,930,546		2,930,546
Distribution - maintenance	4,366,837	48,378	4,415,215		4,415,215
Consumer accounts	2,381,969	37,339	2,419,308		2,419,308
Customer service	1,041,225	22,256	1,063,481		1,063,481
Sales	0	0	0		0
Administrative and general	<u>4,183,659</u>	<u>(266,259)</u>	<u>3,917,400</u>		<u>3,917,400</u>
Total operating expenses	<u>91,051,398</u>	<u>(9,760,753)</u>	<u>81,290,645</u>	<u>0</u>	<u>81,290,645</u>
Depreciation	5,651,239	990,540	6,641,779		6,641,779
Taxes - other	3,386	0	3,386		3,386
Interest on long-term debt	4,793,634	(29,272)	4,764,362		4,764,362
Interest expense - other	559,841	(239,433)	320,408		320,408
Other deductions	<u>316,537</u>	<u>(310,592)</u>	<u>5,945</u>		<u>5,945</u>
Total cost of electric servic	<u>102,376,035</u>	<u>(9,349,510)</u>	<u>93,026,525</u>	<u>0</u>	<u>93,026,525</u>
Utility operating margins	<u>(3,381,471)</u>	<u>(66,360)</u>	<u>(3,447,831)</u>	<u>7,838,023</u>	<u>4,390,192</u>
Nonoperating margins, intere	79,579	0	79,579		79,579
Nonoperating margins, other	(1,620,847)	1,620,847	0		0
Patronage capital redits	<u>294,591</u>	<u>0</u>	<u>294,591</u>		<u>294,591</u>
Net Margins	<u>(\$4,628,148)</u>	<u>\$1,554,487</u>	<u>(\$3,073,661)</u>	<u>\$7,838,023</u>	<u>\$4,764,362</u>
TIER	0.03		0.35		2.00
	2.00	7,838,023	9.01%		

Blue Grass Energy
Case No. 2008-00011
Proposed Revenues
December 31, 2007

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Interest on long term debt	4,764,362
Normalized margins	<u>(3,073,661)</u>
Proposed increase in revenues over normalized revenues to attain a TIER of 2.0x	<u><u>\$7,838,023</u></u>

Blue Grass Energy Cooperative
Case No. 2008-00011
Monthly Operating Budget
December 31, 2007

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Operating revenue	10,059,091	8,533,018	8,237,233	7,192,015	6,210,372	6,941,749	7,749,220	8,985,937	7,804,608	7,154,103	6,717,095	9,309,768	94,894,209
Operating expenses:													
Cost of power	6,839,541	6,503,466	5,971,834	4,453,642	5,139,423	5,689,739	6,285,004	6,751,747	4,817,336	4,993,750	5,482,087	7,705,215	70,632,784
Distribution-operations	219,701	219,701	219,701	219,701	219,701	219,651	219,651	219,651	219,651	219,651	219,651	219,639	2,636,050
Distribution-maintenance	379,851	379,851	379,851	379,851	379,851	379,851	379,851	379,851	379,851	379,851	379,801	379,789	4,558,100
Consumer accounts	211,050	200,100	195,500	229,900	222,300	224,700	212,250	194,700	180,100	180,050	185,100	192,100	2,427,850
Customer services	97,015	97,015	97,015	97,015	97,015	97,015	97,015	97,015	97,015	97,015	97,015	97,008	1,164,173
Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative and general	341,751	341,751	341,751	341,751	341,701	341,701	341,701	341,701	341,701	341,701	341,751	341,749	4,100,710
Total operation and main	8,088,909	7,741,884	7,205,652	5,721,860	6,399,991	6,952,657	7,535,472	7,984,665	6,035,654	6,212,018	6,705,405	8,935,500	85,519,667
Depreciation	450,000	450,000	455,000	455,000	455,000	460,000	465,000	470,000	475,000	475,000	475,000	480,000	5,565,000
Taxes-other	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Interest on long term debt	417,000	417,000	419,000	419,000	421,000	421,000	423,000	423,000	425,000	425,000	426,000	426,000	5,062,000
Interest expense - other	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Other deductions	286,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	300,000
Total cost of electric serv	9,252,509	8,620,484	8,091,252	6,607,460	7,287,591	7,845,257	8,435,072	8,889,265	6,947,254	7,123,618	7,618,005	9,853,100	96,570,867
Utility operating margins	806,582	(87,466)	145,981	584,555	(1,077,219)	(903,508)	(685,852)	96,672	857,354	30,485	(900,910)	(543,332)	(1,676,658)
Nonoperating margins, inte	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,200	11,200	11,200	11,200	133,600
Nonoperating margins, oth	0	0	0	0	0	0	0	0	0	0	0	0	0
Patronage capital:													
G & T	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	25,000	0	0	0	0	175,000	0	30,000	25,000	0	255,000
	0	0	25,000	0	0	0	0	175,000	0	30,000	25,000	0	255,000
Net margins	817,682	(76,366)	182,081	595,655	(1,066,119)	(892,408)	(674,752)	282,772	868,554	71,685	(864,710)	(532,132)	(1,288,058)

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Blue Grass Energy Cooperative
Case No. 2008-00011
By - Laws Changes
December 31, 2007

Two changes have been made to the Member Bylaws since the last rate case was approved in 2001 -

Article II - Meeting of Members - Section 4. Quorum. This section was rewritten to state - "Business may not be transacted at any meeting of the members unless there are present in person at least 50 of the then-total members of the Cooperative..."

Article II - Meeting of Members - Section 10. Nomination and Election of Directors. This section was rewritten to state - "Any five hundred (500) or more members of the Cooperative, acting together, may make an additional nomination in writing over their signatures, ..."

Your Cooperative Bylaws

ARTICLE I: MEMBERSHIP

Section 1. Requirements for Membership

Any person, partnership (but excluding partnerships controlled under Article I, Section 3-b), association, corporation, or body politic or subdivision thereof will become a member of Blue Grass Energy Cooperative Corporation, (hereinafter called the "Cooperative"), provided that he or it has first:

- a) made a written application for membership therein;
- b) agreed to purchase from the Cooperative electric energy as hereinafter specified, and be receiving electric service from the Cooperative;
- c) agreed to comply with and be bound by the Articles of Consolidation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors, and
- d) the legal capacity to enter into a binding contract, and

Notwithstanding that a person, partnership (but excluding partnerships controlled under Article I, Section 3-b), association, corporation, or body politic may have made application for more than one service connection as provided in Section 5 of this Article, no member shall have more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.

Section 2. Member Certificates

Membership in the Cooperative shall be evidenced by a membership certificate that shall be in such form and shall contain such provisions as shall be determined by the Board of Directors. No membership certificate shall be issued for less than the membership fee fixed in these Bylaws, nor until such membership fee has been fully paid.

Section 3. Joint Membership

Members who are husband and wife may constitute a joint membership and subject to their compliance with the requirements set forth in Section 1 of this Article, shall be accepted for such membership. The terms member, applicant, person, his and him, as used in these Bylaws shall be deemed to include a husband and wife and any provisions relating to rights and liabilities of membership, shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- a) the presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a

joint waiver of notice of the meeting;

- b) the vote of either separately or both jointly shall constitute one joint vote, or act, or one joint act; except, that each partner of a partnership (including a married couple) shall have one (1) vote each if each partner or spouse owns an interest individually or jointly with a partner in a property served by the cooperative and each partner or spouse is a separate member of the Cooperative.
- c) a waiver of notice signed by either or both shall constitute a joint waiver;
- d) notice to either shall constitute notice to both;
- e) expulsion of either shall terminate the joint membership;
- f) withdrawal of either shall terminate the joint membership;
- g) either but not both may be elected or appointed as an officer or director; provided that the candidate or appointee meets the qualifications of such office.

Section 4. Conversion of Membership

- a) A membership may be converted to a joint membership upon the marriage of the holder thereof. The outstanding membership certificate may be surrendered, and may be reissued by the Cooperative in such manner as may indicate the changed membership status.
- b) Upon the death of either spouse who is a party to the joint membership, such membership may be held solely by the survivor. The outstanding membership certificate may be surrendered, and may be reissued in such manner as shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 5. Membership Fee and Other Deposits or Fees

Effective January 1, 2002, any person, partnership, association, corporation or body politic who makes application to and receives electric service from the cooperative, shall pay a membership fee of \$25.00, provided, however, that an additional fee as determined by the Board shall be required for each additional service connection. All members in good standing with the former Blue Grass Energy Cooperative Corporation and with the former Harrison County Rural Electric Cooperative Corporation on December 31, 2001 shall become members of the new Blue Grass Energy Cooperative Corpo-

ration.

No former member of the Cooperative who is indebted to the Cooperative shall be readmitted to the membership except upon the payment of any outstanding account plus accrued interest thereon at the Kentucky legal rate in effect when such accounts first become overdue, compounded annually, plus any security deposit, service fee, facilities extension deposit or contribution in aid to construction.

Section 6. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts

The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Directors may in writing waive such requirement, and shall pay therefore at the times and in accordance with the rules, regulations, rate classifications and rate schedules established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into.

Production of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Board of Directors. When the member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and pro-ration.

Section 7. Termination of Membership

- a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors may, but only after due hearing if such is requested by the member, by the affirmative vote of not less than two-thirds (2/3) of all the members of the Board of Directors, expel any member who fails to comply with any of the provisions of the Articles of Consolidation, Bylaws, or Rules and Regulations adopted by the Board of Directors. Any expelled member may

Your Cooperative Bylaws

be reinstated by vote of the Board of Directors or by vote of the members at any annual or special meeting. The membership of a member who, for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board of Directors:

- b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

Section 8. Wiring of Premises; Responsibility therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification

Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the National Electrical Code and any applicable state code or local government ordinances. Each member shall be responsible for and shall indemnify the Cooperative, its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in, or improper use or maintenance of such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for furnishing and metering electric service and at all reasonable times shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from hostile dogs or any other hostile source for reading the meter, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnecting of such facilities. As partial consideration for service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of, or causing damage to, such facilities, and shall use his best efforts to prevent others from so doing. In the event such facilities and their operation are interfered with, impaired or damaged by, the member, or by any other person on the premises, the member shall indemnify the Cooperative, its employees, agents and independent contractors against death, injury, loss or damage resulting there from, including, but not limited to the Cooperative's cost of repairing, replacing or relocating such facilities and its loss, if

any, of revenues resulting from the failure or defective functioning of its metering equipment. In no event shall the responsibility of the Cooperative for furnishing electricity extend beyond the point of delivery.

Section 9. Access to Land and Premises

Without being paid compensation therefore each member shall grant and give to the Cooperative free access onto his, her or its land or premises for the purpose of placing, locating, building, constructing, operating, replacing, rebuilding, relocating, repairing, improving, enlarging, extending, and maintaining on, over or under such land and premises, or removing there from its electric distribution system, new or existing lines, wires, poles, anchors, and other necessary or appurtenant parts thereof provided, however, any extensions shall be located along existing exterior boundary lines and interior fence lines when feasible. Any unusual or excessive use of lands are to be compensated for, which compensation shall be voted upon by a majority vote of the Board of Directors. The Board of Directors, after due hearing, may expel from membership and/or discontinue electric service to any member who fails or refuses to comply with the provisions of this Bylaw.

ARTICLE II: RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Non-Liability for Debts of the Cooperative

The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III: MEETING OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held annually on a date set by the Board of Directors at such place within a county served by the Cooperative, as selected by the Board of Directors and which shall be designated in the notice of the meeting, for the purpose of reporting on the election of directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings.

Special meetings of the members may be called by resolution of the Board of Directors, or upon written request signed by a majority of the directors, or by ten per centum or more of all members, and it shall thereupon

be the duty of the Secretary to cause notice of such meetings to be given as hereinafter provided: Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board of Directors and shall be specified in the notice of the special meeting.

Section 3. Notice of Members' Meetings.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, including an agenda, shall be delivered not less than ten (10) days or more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the persons calling the meeting, to each member. Such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the address as it appears on the records of the Cooperative with postage thereon prepaid. The failure of the member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at such meeting. Notice published in Kentucky Living or any other Cooperative publication shall be adequate notice of member meetings.

No proposal shall be voted upon at the annual meeting unless it has been placed on the agenda at least 40 days prior to such meeting. Any legitimate proposal may be placed on the agenda by any member by filing a copy of the proposal with the Secretary within the time allowed with a request it be submitted to the Annual Meeting for consideration.

Section 4. Quorum.

A quorum for the transaction of business at meeting of the members shall be the lesser of one half percent (1/2%) of the total number of members as reported on the Financial and Statistical Report of RUS Form 7 as of December 31 of the calendar year preceding the Annual Meeting, or two hundred and fifty (250) members present in person for the transaction of business at all meetings of the members. In case of a joint membership, the presence at a meeting of either husband, wife or both, shall be regarded as the presence of one member.

If less than a quorum is present at any meeting, a majority of members present may without further notice adjourn the meeting to another time and date not more than forty-five (45) days later and to any place in one of the counties in Kentucky within which the Cooperative serves; provided, that the Secretary shall notify any absent members of the

Your Cooperative Bylaws

time, date, and place of such adjourned meeting by delivering notice, thereof as provided in Section 3 of this Article.

Section 5. Voting.

a) Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by vote of a majority of the members voting thereon in person, unless otherwise provided in the Bylaws, Articles of Consolidation, or other applicable law. There shall be no voting by proxy.

b) Except in director elections, any member qualified to vote on a matter submitted to the membership for vote, who has not been declared mentally disabled by a Court of competent jurisdiction, and who, on account of age, infirmity or illness, is not able to appear at the meeting at which the vote shall be taken, may vote in the following manner:

- 1). At least ten (10) days prior to the date of the meeting and prior to the close of normal business hours, he or she may present to any person in the administrative staff at the Cooperative headquarters, or at a district office, by mail or in person, his or her application for an absentee ballot containing a verified statement that his or her inability to appear at the meeting is due to age, infirmity, or illness.
- 2) Upon receipt of the application, the administrative staff person shall immediately mail to the member an absentee ballot, along with an envelope addressed to the Cooperative headquarters or district office, as the case may be, and a smaller, plain envelope.
- 3) The member shall mark the ballot, seal it in the smaller, plain envelope, place the plain envelope in the outer envelope addressed to the Cooperative, and mail it to the Cooperative headquarters, or district office, as the case may be. The member shall sign the outer envelope in order to validate the ballot.
- 4) Upon receipt of the return envelope, the administrative staff person shall verify the signature on the outer envelope to validate the ballot,

and shall then deposit the plain, inner envelope containing the ballot in the ballot box, or some other secure container, to be counted in the pending vote.

5) In order to be counted, the ballot shall be received by the administrative staff person by the close of business on the last business day prior to the date of the member vote.

c) Notwithstanding any other provision of these Bylaws, all voting for nominees or candidates for director shall be exclusively by mail ballot personally marked by an eligible member and in compliance with the Bylaws. No cumulative voting shall be permitted as to election of the Board of Directors, but each member shall have the right to vote for one director in each district in which a director is to be elected.

Section 6. Order of Business.

The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meetings:

- 1) Report on the number of members present in person in order to determine the existence of a quorum.
- 2) Reading of the Notice of the Meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- 3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- 4) Presentation of reports of officers, directors, and committees.
- 5) Report on election of directors.
- 6) Agenda items filed under Section 3 of Article III.
- 7) Other information
- 8) Adjournment.

ARTICLE IV: BOARD OF DIRECTORS

Section 1. General Powers.

The business and affairs of the Cooperative shall be managed by a Board of Directors of not less than five (5) directors which shall exercise all the powers of the Cooperative except such as the Bylaws or the Articles of Consolidation of the Cooperative confer upon or reserve to the members. One director shall be elected from each of the districts

set forth in Section 2.

Section 2. Districts.

The Cooperative shall be divided into ten (10) territorial districts according to a plat attached herewith and all Board of Directors or nominees for the office of director shall be members and residents of their respective districts, provided, however,

- 1) That each district shall have one (1) director, and
- 2) That the entire membership shall retain the right to nominate by petition and vote for directors in all districts.

Section 3. Election and Tenure

All directors shall be elected for terms of four (4) years at the expiration of existing terms of office beginning at the annual election in 2005, except for directors of Districts No. 5 and 8, whose terms shall be three (3) years at the election in 2005 and four (4) years thereafter.

Annual elections for Board of Directors shall be as follows:

- 2005 - Districts No. 5 and 8 (3 year terms)
- 2005 - Districts No. 1 and 4 (4 year terms)
- 2006 - Districts No. 3, 7 and 9 (4 year terms)
- 2007 - Districts No. 2, 6 and 10 (4 year terms)
- 2008 - Districts No. 5 and 8 (4 year terms)

All directors elected at the expiration of above terms of office shall be elected for terms of four (4) years.

To comply with Section 279.080 of the Kentucky Revised Statutes, as amended by the 1982 Legislature, and to insure secrecy and anonymity of ballots cast in the election of directors, the election of directors shall be conducted by mail ballot as set forth in these Bylaws; provided, however, that if a nominee of the Nominating Committee is the only nomination for the position of director in a district and no nominating petitions have been filed with the Secretary as provided in these Bylaws, then the Secretary shall so certify and will so announce at the Annual Meeting and such nominee or nominees shall be deemed elected to the Board of Directors without the necessity of a mailed ballot. No write-in votes shall be permitted in election of directors.

The Secretary shall mail with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by the Committee or nomination and nominations made by petition, if any.

If a nominee of the Nominating Committee is the only nomination for the position of direc-

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for in a district and no nominating petitions have been filed with the Secretary as provided in these Bylaws, then the Secretary shall so certify and will announce at the Annual Meeting and such nominee or nominees shall be deemed elected to the Board of Directors without the necessity of a mailed ballot.

Section 4. Qualifications.

No person shall be eligible to become or remain a member of the Board of Directors of the Cooperative who:

- a) is not a member in good standing, bona fide resident in the area served by the Cooperative, and a resident of the district for which he or she is elected; or
- b) does not receive electric service from the Cooperative; or
- c) has a financial interest in a competing enterprise or business, or energy source of any kind; or
- d) does not have the legal capacity to enter into a binding contract; or
- e) is an employee, former employee, or retired employee of the Cooperative; or an employee or former employee, or retired employee of the former Cooperative in the event of a consolidation
- f) is a close relative of an employee or director of the Cooperative
- g) has entered a plea of guilty to, or no contest to, or been convicted of, a felony.

No member of the Board of Directors may use his position on the Board for personal or political gain. Such action is expressly prohibited and may result in his removal from the Board.

Notwithstanding any of the foregoing provisions of this Section regarding close relative relationships, no incumbent director shall lose eligibility to remain a member of the Board of Directors or to be re-elected as a director if he/she becomes a close relative of another incumbent member of the Board of Directors or of a Cooperative employee because of marriage to which he was not a party.

"Close Relative" defined. As defined in these Bylaws, "close relative" means a person who by blood or in-law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, uncle, aunt, nephew, or niece of the principal.

When a membership is held jointly by a husband and wife, either one, but not both, may be elected as a member of the Board of Directors.

Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

Section 4.01. Board Training and Development.

Directors are expected to gain and maintain the knowledge and skills necessary to function actively and effectively as members of the Board of Directors. Each member seated on the Board of Directors shall make an effort to become a Certified Director under Board Management Program of the National Rural Electric Cooperative Association within the first three-year term.

Section 5. Nominations.

It shall be the duty of the Board of Directors to appoint, not less than fifty (50) days and not more than ninety (90) days before the date of a meeting of the members at which a report of the election of directors is to be made a committee on nominations consisting of not less than five (5) nor more than ten (10) members who shall be selected so as to give equitable representation on the committee to the geographical areas served or to be served by the Cooperative. No officer or member of the Board of Directors shall be appointed a member of such committee. The committee shall prepare and post at the principal office of the Cooperative at least forty-five (45) days before the meeting, a list of nominations for Board of Directors.

One half percent (1/2%) or more of the total number of consumers shown on the Financial and Statistical Report of RUS Form 7 as of December 31 of the calendar year preceding the election may make other nominations in writing over their signatures, printed names, and addresses by filing such nominations not more than ninety (90) days and not less than fifty (50) days prior to the meeting and the Secretary shall post the same at the same place where the list of nominations made by the committee is posted, if, after examination by the Provost, it is determined by said Provost that said petitions meet the requirements of the Bylaws, Articles of Consolidation, and the laws of the Commonwealth of Kentucky. In no event shall a member sign more than one petition for the nomination of a director from a district.

The date of the first working day not less than forty-five (45) days prior to the Annual Meeting shall be established as the certificate date which determines whether a member is in good standing and qualified for the purpose of signing a nominating petition and/or voting.

A member in good standing is any active

member who is in compliance with the Bylaws, Rules and Regulations of the Cooperative, and Rules and Regulations of the Public Service Commission as of forty-five (45) days prior to the Annual Membership Meeting. The Secretary shall deliver a list of members in good standing on the certification date to the Provost.

Any member, whose service is disconnected for any reason, will automatically become a nonvoting member until said member is re-connected and receiving electrical current.

Section 6. Conduct of Elections.

The Board of Directors shall have the duty of naming a Provost in charge of director elections who shall have the responsibilities and duties regarding nominating petitions as well as votes and the counting of same. The duties of the Provost regarding nominating petitions and the conduct of elections shall be as follows:

1. The Provost of the election shall examine and audit the petition or petitions filed by candidates for election to the office of director to determine if the petition or petitions comply with the requirements of the Kentucky Revised Statutes, the Articles of Consolidation, and these Bylaws.
2. The Provost is granted the power and authority to pass upon and determine the validity of the signatures, printed names, and address on the petition or petitions to determine if those signing are qualified members in good standing of the Cooperative and entitled to vote for the election of directors.
3. If the Provost shall disapprove a signature, printed name, and/or address on a petition or petitions, he shall list same in writing giving the reason or reasons why signature, printed name, and/or address was not approved.
4. The Provost shall determine if the required number of qualified voting members have signed the petition or petitions after having deducted from the petition or petitions the names disapproved by him because the names, signatures, printed names, and/or address on said petition or petitions fail to comply with the Kentucky Revised Statutes, the Articles of Consolidation of the Cooperative and these Bylaws. If a petition does not contain the required number of valid signatures, printed names, and addresses of members in good standing, then the Provost shall not certify to the Secretary the name of the nominee as on said petition as a candidate to be placed upon the official ballot.

Upon completion of the examination and audit of the petition or petitions by the Provost, he shall certify to the Secretary of the Cooperative the name or names of those persons properly nominated by petition or

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petitions so that those nominated may be listed on the official ballot.

5. After receiving the nominations, the Secretary will contact those persons nominated and give them an opportunity to furnish biographical information. This information is to be included with the official ballot which is sent to all the members as required by the Bylaws. The Secretary shall have the right to require the candidate to limit such biographical information to not more than two hundred (200) words.

After the Provost has certified the names of the candidates nominated by petition or petitions to be placed upon the official ballot, it shall be the responsibility of the Secretary to prepare a printed ballot of those persons duly nominated by the Committee and by nominating petition within fifteen (15) days after the nominating petitions are required to be posted. The printed ballot shall show separately those persons nominated by the Nominating Committee and those persons nominated by petition in alphabetical order by district and labeled in such a manner as to note which candidate appears on the ballot by nomination of the Nominating Committee and which appears on the ballot by nomination by petition.

It shall be the further responsibility of the Secretary to see that appropriate official ballots are mailed to each active and qualified member at his last address shown on the Cooperative records, not less than twenty (20) days prior to said Annual Meeting at which the results of said election are to be announced.

The official ballot shall be inscribed with instructions by the Secretary of the Cooperative as to how many candidates may be voted for on each ballot by the member and with instructions that all official ballots must be returned only by U. S. Mail and received not less than ten (10) days prior to the said Annual Meeting. Any ballot not received by mail or received after the time set for receipt thereof, shall not be counted.

Each official ballot shall be placed with an envelope labeled Ballot Envelope within an Official Return Envelope bearing postage prepaid, addressed to the Provost, Blue Grass Energy Cooperative, Post Office Box 990, Nicholasville, KY 40340-0990.

The official ballot shall be personally marked and voted by the eligible member and then placed in the Ballot Envelope and sealed. The sealed Ballot Envelope, with the official ballot enclosed, shall then be placed in the Official Return Envelope which is addressed to the Provost with postage prepaid. The Official Return Envelope shall then be signed by the member in the space provided

thereon so it can be determined by the Provost prior to opening the Official Return Envelope whether the person signing the Official Return Envelope is an eligible voting member of the Cooperative. The member shall then seal and mail the Official Return Envelope to the Provost.

All return envelopes shall be deposited in a locked Ballot Box or Boxes at the Nicholasville Post Office or other secure location as may be designated by the Provost.

6. In the event a voting member in good standing has his, her or its ballot inadvertently destroyed, or the Official Return Envelope inadvertently destroyed, or the cover envelope with the contents therein was not received by the voting member, then, upon the voting member having exhibited to the Provost his driver's license and/or a social security card, the Provost shall check the Cooperative's membership list to determine if he, she or it is a voting member in good standing.

The Provost shall then cause the voting member to execute an Affidavit before a Notary Public at the Office of the Provost, and, if the Provost approves, he may then and there deliver to the voting member a Return Envelope, a Ballot Envelope and a Ballot. However, no Affidavit, Official Return Envelope, Ballot Envelope and a Ballot shall be delivered by the Provost after 4:30 p.m., on the tenth day prior to the Annual Meeting.

7. The Board of Directors shall, at least thirty (30) days before any election of directors appoint an Election Committee. The Committee shall include the Provost and shall consist of an uneven number (including Provost) not less than five (5) members of the Cooperative who are not members of the Nominating Committee or existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives or members of the same household thereof. In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournments of the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from the Provost, not less than three (3) days after such protest or objection is filed. The Committee shall hear evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence, and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively

act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this section shall be final.

8. The duties of the Provost and Election Committee regarding votes and counting shall be as follows:

- a. At no later than 9:00 a.m. on the second day prior to the Annual Meeting of members, the Provost shall take the locked Ballot Box or Boxes containing the Return Envelopes and transfer the locked Ballot Box or Boxes to a location of his choosing.
- b. The Provost and Election Committee shall unlock the Ballot Box or Boxes and examine each Return Envelope to ascertain if it has been properly signed. Signatures on behalf of a corporation, partnership, church or other organization shall be presumed to be by a duly authorized officer, partner or agent of the organization, unless shown otherwise by written notice of the organization by the Provost prior to the count of the vote.
- c. Any and all Return Envelopes found by the Provost and Election Committee not to conform to the provisions and requirements of these Bylaws shall not be opened but shall immediately be placed in a locked Ballot Box or Boxes for rejected Return Envelopes which shall be retained by the Provost in safekeeping until sixty (60) days after the Annual Meeting.
- d. When the unopened Return Envelope is found by the Provost and Election Committee to be in conformity with the provisions and requirements of these Bylaws, the Provost and Election Committee shall see that the membership record is marked so as to indicate the member has voted. The Return Envelope shall then be placed in a locked Ballot Box for the accepted Return Envelopes.
- e. In the event another Return Envelope is found by the Election Committee to be from the same voting member, the Election Committee shall reject the second unopened Return Envelope, state the reason for the rejection and place it in the locked Ballot Box provided for any and all unopened Return Envelopes found not to conform to the provisions and requirements of the

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- f. After all the Return Envelopes have been checked by the Provost and Election Committee for approval or rejection and placed either in the locked Ballot Box or Boxes for accepted Return Envelopes or placed in locked Ballot Box or Boxes for rejected Envelopes, the Provost and Election Committee shall then open the accepted Return Envelopes and remove the unopened Ballot Envelopes therefrom and place same in a locked Ballot Box until all of said Return Envelopes have been opened. The Provost and Election Committee shall then open the locked Ballot Box or Boxes containing the unopened Official Ballot Envelopes and remove same from said Ballot Box or Boxes and open said Official Ballot Envelope and tabulate all valid votes cast on each Official Ballot. Counting of ballots shall be conducted solely by the Provost and Election Committee with the assistance of any personnel necessary for its work. Any nominee or anyone designated in writing by such nominee may be present in the counting room. No other person shall be present in the counting room except the Cooperative Attorney who may be present at any part of the election process.

In addition to the reasons stated elsewhere in Paragraph 7 of Section 6, the following Ballots shall not be counted:

1. A Ballot marked for more than one candidate in each district from which a director is to be elected;
 2. Ballots other than the Official Ballot.
- g. Any Official Ballot deemed invalid by the Provost and Election Committee for reasons set forth in these Bylaws shall be placed in the locked Ballot Box or Boxes containing the rejected Return Envelopes.
 - h. The Ballot Box or Boxes shall be kept locked at all times except when the Provost or Election Committee are present.
 - i. If the counting of the Official Ballots has not been completed at the time of adjournment of the counting, all Official Ballots unopened and uncounted shall be kept in the locked Ballot Box or Boxes in the Provost's safekeeping until the

counting of all Official Ballots is again begun in the presence of the Provost and Election Committee and this procedure shall continue until all valid Official Ballots have been counted and tabulated.

- j. The Provost shall place all official and valid Ballots which have been counted in a locked Ballot Box and shall retain same unopened in safekeeping of the Provost for sixty (60) days after the date of the Annual Meeting.
- k. The Provost shall promptly, upon completion of the counting of the membership votes, certify in writing to the Secretary of the Board the names of the candidates and the number of votes received by each and shall also certify the names and addresses of the candidates receiving the highest number of votes taking into account the number of directors to be elected and the respective districts they are to represent. In case of any tie votes, drawing by lot by the candidates shall resolve any tie votes. The Secretary shall announce the election results at the Annual Meeting.
- l. After sixty (60) days have passed from the day of the Annual Meeting of members, the Provost shall deliver the Ballot Box or Boxes to the Secretary of the Cooperative.

Section 7. Removal of Member of the Board of Directors by Members.

Any member may bring charges for cause against a member of the Board of Directors, and, by filing with the Secretary such charges in writing together with a petition signed by ten percentum or more of all the members, may request the removal of such member of the Board of Directors by reason thereof. For the purpose of this Section 7, "cause" shall be defined to mean malfeasance in office, that is, the commission of an act which is unlawful and affects, interrupts or interferes with the performance of official duties. Each page of the petition shall, in the forefront, thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s), is(are) being made. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings along with printed names(s), dates of birth and social security numbers. A statement of charge(s) verbatim, the name(s) of

director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting; provided, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charge(s) after they have been validly filed at least thirty (30) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person by witnesses, by counsel or any combination of such and to present evidence in respect to the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately, for each if more than one has been charged, be considered and voted upon at such meeting; provided, that the question of removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents or, otherwise, with the ruling concerning same to be made by the chairman of the special meeting. A two-thirds (2/3) majority of members present at the meeting shall be required for removal of a director. The chairman of the said meeting shall be a licensed attorney appointed by the Board of Directors and the Cooperative shall compensate him for his services.

Section 7.01. Removal of Directors for Absence.

Any board member who is absent from three consecutive regular meetings of the board, unless excused by the affirmative vote of a majority of the other board members, may be deemed to have vacated his office if so determined by the affirmative vote of a majority of the other board members.

Section 8. Vacancies.

Vacancies occurring on the Board of Directors may be filled by the affirmative vote of the majority of the remaining members of the Board of Directors for the unexpired portion of the term, subject however to the terms of the Consolidation Agreement which shall supersede all terms and conditions of the Bylaws. The Board of Directors reserves the right to leave any vacancy or vacancies unfilled, and to alter the number of director districts.

Section 9. Compensation.

The members of the Board of Directors shall not receive a salary for their services as such, except that the Board of Directors of the Cooperative may by resolution authorize

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a fixed sum which may include insurance benefits, for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board of Directors. If authorized by the Board of Directors, directors may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board of Directors in lieu of detailed accounting for some of these expenses. No director shall receive compensation for serving the Cooperative, in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the director or his close relative shall have been certified by the Board of Directors as an emergency measure.

ARTICLE V: MEETINGS OF THE BOARD

Section 1. Regular Meetings.

A regular meeting of the Board of Directors shall be held without notice immediately after, and at the same place as, the Annual Meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the Board of Directors. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings.

Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors or by a majority of directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or directors calling the meeting shall fix the time and place for the holding of the meeting which shall be held in one of the counties in Kentucky within which the cooperative serves, unless all directors consent to its being held in some other place in Kentucky or elsewhere. Special meetings, upon proper notice as provided in these Bylaws, may also be held via telephone conference call, without regard to the actual location of the directors at the time of such telephone conference meeting, if all directors consent thereto.

Section 3. Notice of Board Meetings.

Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the direc-

tor calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting.

Section 4. Quorum.

A majority of the Board of Directors shall constitute a quorum, provided, that if less than such majority of the Board of Directors is present at said meeting, a majority of the Board of Directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in these Bylaws.

ARTICLE VI: OFFICERS

Section 1. Number.

The officers of the Cooperative shall be a Chairman of the Board, Vice Chairman of the Board, Secretary and Treasurer, each of whom shall be elected by the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office.

The Board of Directors of the consolidated cooperative shall elect officers at a meeting of the Board of Directors to be held immediately after each Annual Meeting. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal of Officers.

The Board of Directors may remove any officer elected or appointed by the Board of Directors for cause whenever in its judgment the best interest of the Cooperative will be served thereby. For the purpose of this Section 3, "cause" shall be defined to mean malfeasance in office, that is, the commission of an act which is unlawful and which affects, interrupts or interferes with the performance of official duties. The officer against whom such charges have been brought shall be informed in writing of the charges at least thirty (30) days prior to the Board Meeting at which the charges are to be considered, and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; the director or directors bringing the charges against him shall have the same opportunity. The question of the removal of the officer shall be decided by a

majority vote of the members of the Board of Directors present and voting.

Section 4. Chairman.

The Chairman of the Board shall:

- a) be the principal officer of the Cooperative and unless otherwise determined by the members of the Board of Directors, shall preside at all meetings of the members and the Board of Directors;
- b) sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- c) in general, perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time.
- d) while presiding at a meeting of the members or of the Board of Directors, choose to vacate the chair, and the Vice-Chairman is absent or chooses not to preside, the Chairman shall designate another person as Chairman for any part or all of the remainder of the meeting.

Section 5. Vice-Chairman.

In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice-Chairman shall perform the duties of the Chairman, and who so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice-Chairman shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6. Secretary.

The Secretary shall be responsible for:

- a) keeping, or causing to be kept, the minutes of meetings of the members and of the Board of Directors in books provided for that purpose;
- b) seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- c) the safekeeping of the corporate books and records and the Seal of the Cooperative and affixing the Seal of the Cooperative to all Certificates of Membership prior to the issue thereof, and to all documents, the execution of which on behalf of the Cooperative under its Seal is duly authorized with the provisions of

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these Bylaws.

- d) keeping, or causing to be kept, a register of the names and post office addresses of all members;
- e) keeping, or causing to be kept, on file at all times a complete copy of the Articles of Consolidation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and all amendments thereto to any member upon request; and
- f) in general, performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 7. Treasurer.

The Treasurer shall be responsible for:

- a) Custody of all funds and securities of the Cooperative;
- b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 8. Delegation of Secretary's and Treasurer's Responsibilities.

Notwithstanding the provisions of the duties, responsibilities and authorities of the Secretary and Treasurer hereinbefore provided in Sections 6 and 7, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officers' duties to be one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board of Directors does so delegate the duties, responsibility, or authority of such officer, that officer shall be released from such duties, responsibilities and authorities.

Section 9. President and CEO.

The Board of Directors may appoint a President and CEO who may be, but who shall not be required to be, a member of the Cooperative. The President and CEO shall perform the duties of Chief Executive Officer

and shall exercise such authority as the Board of Directors may from time to time vest in him.

Section 10. Bonds of Officers.

The Board of Directors in its discretion may require the Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property to be bonded in such sum and with such surety as the Board of Directors may determine. The costs of all such bonds shall be borne by the Cooperative.

Section 11. Compensation.

The powers, duties and compensation of officers, agents and directors shall be fixed by the Board of Directors subject to the provisions of these Bylaws with respect to compensation of a director.

Section 12. Reports.

The officers of the Cooperative shall submit at each Annual Meeting of the members, reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

Section 13. Indemnification of Directors, Officers, Employees and Members of Board Committees.

Every present or past director, officer, employee, or member of a board committee of the Cooperative shall be indemnified by the Cooperative against all judgments, penalties, fines, settlements and reasonable expenses, including legal fees, incurred by him as a result of or in connection with any threatened, pending or completed civil, criminal, administrative or investigative proceeding to which he may be made a party of by reason of his acting or having acted in his official capacity as a director, officer, employee or member of a board committee of the Cooperative, or in any other capacity he may hold at the request of the Cooperative, as its representative in any affiliated organization, subject to the following conditions:

- 1. Such director, officer, employee, or member of a board committee must have conducted himself in good faith (and reasonably believed his conduct was in the best interests of the Cooperative), and, in the case of criminal proceedings, he (additionally) must have had no reasonable cause to believe that his conduct was unlawful. When acting in his official capacity, he must have reasonably believed that his conduct was in the best interests of the Cooperative, and when acting in any other capacity, he must have reasonably believed that his conduct was at

least not opposed to the best interest of the Cooperative.

- 2. If the proceeding was brought by or on behalf of the Cooperative, however, indemnification shall be made only with respect to reasonable expenses referenced above. No indemnification of any kind shall be made in any such proceeding in which the director, officer, employee, or member of a board committee shall have been adjudged liable to the Cooperative, except that no professional employee shall be liable to the Cooperative for any losses occasioned by his errors or omissions made in his official capacity with the Cooperative unless such losses were the result of his gross negligence or willful misconduct.
- 3. In no event, however, will indemnification be made with respect to any described proceeding which charges or alleges improper personal benefit to a director, officer, employee, or member of a board committee where liability is imposed upon him on the basis of the receipt of such improper personal benefit.
- 4. In order for any person to receive indemnification under this bylaw, he shall vigorously assert and pursue any and all defenses to those claims, charges or proceedings covered hereby which are reasonable and legally available and shall fully cooperate with the Cooperative or any attorneys involved in the defense of any such claim, charges, or proceedings.

No indemnification shall be made in any specific instance until it has been determined by the Cooperative that indemnification is permissible in that specific case under the standards set forth herein and that the expenses claimed are reasonable. These two determinations shall be made by a majority vote of at least a quorum of the Board of Directors consisting solely of directors who were not parties to the proceeding. If such a quorum cannot be obtained, a majority of at least a quorum of the Board of Directors, including directors who are parties, shall designate a Board Committee which shall consist solely of three or more directors who are not parties to the proceeding, and such Committee shall make said determinations by majority vote. If it is not possible to make said determinations by either of the above methods, then a special legal counsel selected by a majority vote of at least a quorum of the Board of Directors, including directors who may be parties, shall make said deter-

minations. However, in making such determinations the termination of any proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent shall not, in and of itself, be conclusive that the person did not meet the standards set forth herein.

The reasonable expenses, as shall be determined above that have been incurred by a director, officer, employee, or member of a board committee who has been made a party to a proceeding as defined herein may be paid or reimbursed in advance upon a majority vote of a quorum of the full Board of Directors, including those who may be a party to the proceedings. Provided, however, that such director, officer, employee, or member of a board committee shall have provided the Cooperative with a written affirmation under oath that he in good faith believes that he has met the standards of conduct contained herein and a written undertaking that he shall repay any amounts advanced with interest accumulated at the legal rate if it is ultimately determined that he has not met such standards of conduct. In addition to the indemnification provided herein, the Board of Directors shall, as part of the ordinary course of business of the Cooperative, direct that insurance or self-funded liability protection shall be purchased or provided, to the extent reasonably practical, by the Cooperative that would protect it, its directors, officers, employees, or members of board committees against liabilities and reasonable expenses arising out of the performance of their duties for the Cooperative.

ARTICLE VII: NON-PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited.

The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefits of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons, except as required by law.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy.

In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs

and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital. The Cooperative is obligated to allocate credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All such amounts credited to the capital account of any patron shall have same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron has then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro-rata basis before any payments are made on account of property rights of members, provided, that insofar as gains may be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable, as determined by the Board of Directors before any payments are made on account of property rights of members.

If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. After January 1, 1998, and thereafter, the Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital. Provided, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of capital credited to the accounts of patrons and to descendant's estates which correspond to capital credited to the account of the Cooperative by any organization furnishing services to the Cooperative (including power service to cooperative).

Such rules shall:

- a) establish a method for determining the various portions of capital credited to each patron for each applicable fiscal year;
- b) provide identification on the Cooperative's books of the various portions of capital credited to the cooperative's patrons;
- c) provide for appropriate notification to patrons with respect to various portions of capital credited to their accounts; and
- d) preclude a general retirement of the various portions of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or part of such patron's premises served by the Cooperative unless the Board, acting under policies of general applications, shall determine otherwise.

Notwithstanding any other provision of the Bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any patron, a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general applications, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby; and provided, further that no payment of capital credits to the estate of a deceased member shall be made except to the extent said credits represent receipts in cash to the Cooperative.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Consolidation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Your Cooperative Bylaws

ARTICLE VIII: FINANCIAL OBLIGATION

Section 1. Bonds, Notes, Debentures, Certificates or Other Evidence of Indebtedness.

The Cooperative may issue its obligations and pledge its future revenues for the payment thereof. The obligations may be in the form of bonds, notes, debentures, interim certificates or other evidence of indebtedness. The obligations shall be authorized by the Board of Directors by a resolution which shall fix the dates of issuance and maturity, the rate and time of payment of interest, and denominations, the form (either coupon or registered), the registration privileges, the manner of execution, the place and medium of payment and the terms of redemption. Any limitation as to interest or term of maturity otherwise provided by the laws of Kentucky shall not be applicable to obligations issued by the Cooperative as provided in Kentucky Revised Statutes, Chapter 279.

Section 2. Sell, Lease, or Dispose of Property.

Except as provided in Kentucky Revised Statutes 279.090, 279.120 and 279.130 and in Section 3 of this Article, the Cooperative may not sell, lease or otherwise dispose of any of its property or dissolve the Cooperative unless the Board of Directors is authorized so to do by a two-thirds (2/3) vote of the total membership. Due notice shall be given to all members of the proposed sale, lease or other disposition of such property. The Board of Directors, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of, the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, upon such terms and conditions as the Board of Directors shall determine, to secure any obligation of the Cooperative, any provisions of the Articles of Consolidation or Bylaws of the Cooperative notwithstanding.

Section 3. Disposition of Properties and Assets.

1. Supplementary to the first sentence of Section 2 of this Article, and any other applicable provisions of law or these Bylaws, no sale, lease, lease-sale, exchange, transfer or other disposition of any of the Cooperative's properties and assets shall be authorized except in conformity with the following:

2. If the Board of Directors look with favor upon any proposal for such sale, lease, lease-sale exchange, transfer or other disposition, it shall first cause three (3) independent, nonaffiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered.

3. If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any) determines that the proposal should be submitted for consideration by the members, it shall first give every other electric cooperative corporately sited and operating in Kentucky (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric cooperative, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

If the Board of Directors then determines that favorable considerations should be given to the initial or any subsequent proposal which has been submitted to it, it shall adopt a resolution recommending the sale and directing the submission of the proposal to a vote of the members at a duly held member meeting, and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not sooner than ninety (90) days after the giving of such notice to the members, provided, that consideration and action by the members may be given at the next annual member meeting if the Board of Directors so determines and if such Annual Meeting is held not sooner than ninety (90) days after the giving of such notice.

4. Any one percent (1%) or more of the total number of consumers shown on the Financial and Statistical Report of RUS Form 7 as of December 31 of the calendar year preceding, by so petitioning the Board of Directors not less than twenty (20) days prior to the date of special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board of Directors has made.

5. The provisions of this Section shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric cooperatives or if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives.

6. Distribution of surplus assets on dissolution. Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors, not inconsistently with the provisions of the third paragraph of Article VII, Section 2 of these Bylaws, be distributed without priority but on a patronage basis among all persons who are members of the Cooperative. Provided, however, that, if in the judgment of the Board of Directors the amount of such surplus is too small to justify the expenses of making such distribution, the Board of Directors may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more non-profit charitable or educational organizations that are exempt from Federal income taxation.

Section 4. Property Sales Without Member's Authority.

The Board of Directors may sell any of the following property without authority from the members:

1. property that is not necessary in operating and maintaining the system, but sales of such property shall not in any one year exceed ten percent (10%) in value of all the property of the corporation other than merchandise and prop-

Your Cooperative Bylaws

- erty acquired for resale;
- 2. services and electric energy;
- 3. property acquired for resale; and
- 4. merchandise.

ARTICLE IX: SEAL

The Corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Kentucky".

ARTICLE X: FINANCIAL TRANSACTIONS

Section 1. Contracts.

Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits.

All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Directors may select.

Section 4. Change in Rates.

Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

Section 5. Fiscal Year.

The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI: MISCELLANEOUS

Section 1. Waiver of Notice.

Any member or director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or director at such meeting shall constitute a Waiver of Notice of such meeting by such member or director, except in case a

member or director shall attend a meeting for the expressed purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

Section 2. Policies, Rules and Regulations.

The Board of Directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with the law, the Articles of Consolidation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

Section 3. Accounting System and Reports.

The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, subject to the laws of the Commonwealth of Kentucky and the rules and regulations of any regulatory body thereof, shall conform to such system of accounts as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The Board of Directors shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be available to the members at the corporate offices.

Section 4. Area Coverage.

The Board of Directors shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

Section 5. Computation of Time.

In computing any period of time prescribed or allowed by these Bylaws, the date of the act or event after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, a Sunday or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, a Sunday or a legal holiday. When the period of time prescribed or allowed is less than seven (7) days, intermediate Saturdays, Sundays and legal holidays shall be excluded in the computation.

AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of all voting directors present at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed al-

teration, amendment or repeal; however, such notice and copy of proposed alteration, amendment or repeal, may be waived as provided in Article XI, Section 1, of these Bylaws.

ARTICLE XIII: RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any Committee provided for in these Bylaws and of any other committee of the members or directors which may from time to time be duly established shall be governed by Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Consolidation or Bylaws.

Adopted: January 1, 2002

Last Revision: August 11, 2004.

Blue Grass Energy Cooperative
Case No. 2008-00011
Statement of Operations
December 31, 2007

Exhibit V
page 1 of 3
Witness: Jim Adkins

	<u>2007</u>	<u>2006</u>
Operating revenue	<u>\$98,994,564</u>	<u>\$89,360,905</u>
Operating expenses:		
Cost of power	76,312,698	66,355,815
Distribution-operations	2,765,010	2,370,305
Distribution-maintenance	4,366,837	3,524,604
Consumer accounts	2,381,969	2,499,514
Consumer service	1,041,225	872,844
Sales	0	0
Administrative and general	4,183,659	3,918,729
	<u>91,051,398</u>	<u>79,541,811</u>
Depreciation and amortization	5,651,239	5,055,679
Taxes-other	3,386	2,430
Interest on long term debt	4,793,634	4,420,976
Other interest expense	559,841	153,964
Other deductions	316,537	20,371
	<u>102,376,035</u>	<u>89,195,231</u>
Utility operating margins	<u>(3,381,471)</u>	<u>165,674</u>
Nonoperating margins, interest	79,579	108,493
Nonoperating margins, other	(1,620,847)	425,005
	<u>(1,541,268)</u>	<u>533,498</u>
Patronage capital:		
G & T	-	-
Others	294,591	414,328
	<u>294,591</u>	<u>414,328</u>
Net margins	<u><u>(\$4,628,148)</u></u>	<u><u>\$1,113,500</u></u>

Blue Grass Energy Cooperative
Case No. 2008-00011
Balance Sheet
December 31, 2007

Exhibit V
page 2 of 3
Witness: Jim Adkins

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<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Electric Plant:		
In service	\$172,635,904	\$167,091,691
Under construction	7,831,343	5,140,369
	<u>180,467,247</u>	<u>172,232,060</u>
Less accumulated depreciation	39,049,560	36,886,666
	<u>141,417,687</u>	<u>135,345,394</u>
Investments	<u>21,431,733</u>	<u>21,340,046</u>
Current Assets:		
Cash and temporary investments	1,840,369	2,016,963
Accounts receivable, net	3,746,596	5,494,570
Other receivables	1,047,524	1,915,747
Material and supplies	1,252,330	1,257,476
Prepayments	496,644	603,560
	<u>8,383,463</u>	<u>11,288,316</u>
Other deferred debits	<u>286,757</u>	<u>514,028</u>
Total Assets	<u>\$171,519,640</u>	<u>\$168,487,784</u>
<u>MEMBERS' EQUITIES AND LIABILITIES</u>		
Margins and Equities:		
Memberships	\$1,018,855	\$1,003,258
Patronage capital	40,249,133	44,931,642
	<u>41,267,988</u>	<u>45,934,900</u>
Long Term Debt	<u>100,150,077</u>	<u>98,606,412</u>
Accumulated Operating Provisions	<u>5,440,539</u>	<u>5,293,744</u>
Current Liabilities:		
Notes payable	13,200,000	6,675,000
Accounts payable	8,255,474	8,372,092
Consumer deposits	1,413,702	1,263,376
Accrued expenses	1,117,213	1,629,422
	<u>23,986,389</u>	<u>17,939,890</u>
Deferred Credits	<u>674,647</u>	<u>712,838</u>
Total Members' Equities and Liabilities	<u>\$171,519,640</u>	<u>\$168,487,784</u>

Blue Grass Energy Cooperative
Case No. 2008-00011
Statement of Cash Flows
December 31, 2007

Exhibit V
page 3 of 3
Witness: Jim Adkins

	<u>2007</u>	<u>2006</u>
1		
2		
3		
4		
5		
6		
7		
8	Cash Flows from Operating Activities:	
9	Net margins	(\$550,762) \$1,113,500
10	Adjustments to reconcile to net cash provided	
11	by operating activities:	
12	Depreciation	
13	Charged to expense	6,860,467 5,055,679
14	Charged to clearing accounts	112,679 434,621
15	Patronage capital credits	(380,653) (414,328)
16	Accumulated postretirement benefits	216,066 88,987
17	Net change in current assets and liabilities:	
18	Receivables	(1,270,760) 1,522,743
19	Material and supplies	(396,839) (129,175)
20	Prepayments and deferred debits	(12,760) 72,598
21	Accounts payables	551,486 (1,268,287)
22	Consumer deposits and advances	(23,854) 146,720
23	Accrued expenses	(428,556) 158,010
24		<u>4,676,514</u> <u>6,781,068</u>
25		
26	Cash Flows from Investing Activities:	
27	Plant additions	(12,810,007) (20,048,542)
28	Salvage recovered from plant retired	155,077 920,020
29	Additional investments, net of receipts	588,022 563,877
30		<u>(12,066,908)</u> <u>(18,564,645)</u>
31		
32	Cash Flows from Financing Activities:	
33	Net increase in memberships and other equities	835,080 22,360
34	Retirement of patronage capital	(409,305) (55,266)
35	Additional long-term borrowings	10,000,000 8,087,000
36	Payments on long-term debt	(3,712,293) (2,679,366)
37	Short term borrowings	350,000 6,675,000
38		<u>7,063,482</u> <u>12,049,728</u>
39		
40	Net increase in cash	(326,912) 266,151
41		
42	Cash balances - beginning	<u>2,016,963</u> <u>1,750,812</u>
43		
44	Cash balances - ending	<u>\$1,690,051</u> <u>\$2,016,963</u>

Blue Grass Energy Cooperative Corporation
Case No. 2008-00011
Comparison of Test Year Account Balances with
those of the Preceding Year - Balance Sheet
December 31, 2007

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
10700	Const.WIP Spread	\$0	\$0	\$0	\$47	\$0	\$0	\$0	\$0	\$79	\$0	\$0	\$0
	Prior Year	\$0	-\$14,220	\$21	\$0	\$0	\$0	\$0	-\$330	\$0	\$0	\$0	\$0
	Change	\$0	\$14,220	-\$21	\$47	\$0	\$0	\$0	\$330	\$79	\$0	\$0	\$0
10701	Const. WIP - Clearing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10720	Const. WIP	\$4,986,249	\$4,891,512	\$5,179,151	\$6,026,488	\$6,169,796	\$6,405,311	\$6,791,932	\$6,586,336	\$6,764,188	\$7,096,202	\$7,197,913	\$7,831,243
	Prior Year	\$3,453,914	\$3,695,575	\$3,987,399	\$4,426,849	\$4,586,022	\$4,703,490	\$4,906,706	\$5,476,767	\$3,765,008	\$4,528,211	\$4,810,670	\$5,047,379
	Change	\$1,532,334	\$1,195,937	\$1,191,752	\$1,599,638	\$1,583,774	\$1,701,821	\$1,885,227	\$1,109,569	\$2,999,180	\$2,567,991	\$2,387,243	\$2,783,864
10730	Const. WIP - Special Equip.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10731	Special Equip. - Conductors A/C 365	\$13,865	\$13,865	\$0	\$0	\$0	\$0	\$0	\$0	-\$30	-\$30	-\$30	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250
	Change	\$13,865	\$13,865	\$0	\$0	\$0	\$0	\$0	-\$2,250	-\$2,280	-\$2,280	-\$2,280	-\$2,250
10732	Special Equip. - Transformers A/C.368	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$1,000
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,000	-\$1,000
10733	Special Equip. - Padmount Transf. A/C 3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10734	Spec. Equip - Meters A/C 370	\$79,441	\$152,189	\$54,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$19,544	\$74,444	\$805,668	\$240,065	\$388,140	\$50,398	\$173,486	\$250,719	\$186,369	\$849,877	\$20,731	\$76,828
	Change	\$59,897	\$77,745	-\$751,257	-\$240,065	-\$388,140	-\$50,398	-\$173,486	-\$250,719	-\$186,369	-\$849,877	-\$20,731	-\$76,828
10735	Automated Meter Reading Devices	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$11,914	\$11,914	\$12,913	\$12,913	\$12,913	\$12,913	\$12,913
	Change	\$0	\$0	\$0	\$0	\$0	-\$11,914	-\$11,914	-\$12,913	-\$12,913	-\$12,913	-\$12,913	-\$12,913
10800	Retirement WIP Spread	-\$3	\$0	\$0	\$191	\$5	\$0	\$114	\$61	-\$6	\$13	-\$221	-\$164
	Prior Year	\$117	-\$4,812	\$0	-\$44	\$22	\$186	-\$7	\$0	-\$524	\$0	\$115	-\$24
	Change	-\$120	\$4,812	\$0	\$235	-\$17	-\$186	\$122	\$61	\$518	\$13	-\$335	-\$140
10854	Acc. Depr. - AMR meters a/c 370.01	\$0	\$0	\$0	\$0	-\$67,297	-\$109,689	-\$152,321	-\$194,035	-\$237,749	-\$279,365	-\$322,358	-\$365,391
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Change	\$0	\$0	\$0	\$0	-\$67,297	-\$109,689	-\$152,321	-\$194,035	-\$237,749	-\$279,365	-\$322,358	-\$365,391
10855	Acc. Depr. - Stores Equip.	-\$785	-\$817	-\$850	-\$882	-\$915	-\$948	-\$980	-\$1,013	-\$1,045	-\$1,078	-\$1,111	-\$1,143
	Prior Year	-\$430	-\$451	-\$471	-\$492	-\$524	-\$557	-\$589	-\$622	-\$654	-\$687	-\$720	-\$752
	Change	-\$355	-\$367	-\$379	-\$391	-\$391	-\$391	-\$391	-\$391	-\$391	-\$391	-\$391	-\$391
10856	Acc. Depr. - Station Equip.	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449
	Prior Year	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449	-\$7,449
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10857	Acc. Depr. - SCADA -RTU	-\$189,662	-\$191,724	-\$193,785	-\$195,847	-\$197,908	-\$199,970	-\$202,032	-\$204,093	-\$206,155	-\$208,216	-\$210,278	-\$212,340

Prior Year	-\$164,922	-\$166,984	-\$169,046	-\$171,107	-\$173,169	-\$175,231	-\$177,292	-\$179,354	-\$181,415	-\$183,477	-\$185,539	-\$187,600
Change	-\$24,739	-\$24,739	-\$24,739	-\$24,739	-\$24,739	-\$24,739	-\$24,739	-\$24,739	-\$24,739	-\$24,739	-\$24,739	-\$24,739
10858 Acc. Depr. - SCADA -System Equip.	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$368,098	-\$384,357	-\$400,616	-\$416,875	-\$433,134
Prior Year	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415	-\$360,415
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$7,684	-\$23,943	-\$40,202	-\$56,460	-\$72,719
10859 Acc. Depr. - Office Equipment	-\$1,589,595	-\$1,615,703	-\$1,638,351	-\$1,664,993	-\$1,691,636	-\$1,718,377	-\$1,745,278	-\$1,655,210	-\$1,681,581	-\$1,708,013	-\$1,734,725	-\$1,761,617
Prior Year	-\$1,321,431	-\$1,345,455	-\$1,369,653	-\$1,393,963	-\$1,418,497	-\$1,442,898	-\$1,467,573	-\$1,465,237	-\$1,489,703	-\$1,514,471	-\$1,539,373	-\$1,564,415
Change	-\$268,164	-\$270,248	-\$268,699	-\$271,030	-\$273,139	-\$275,479	-\$277,705	-\$189,973	-\$191,878	-\$193,542	-\$195,352	-\$197,203
10860 Acc. Depr. - Poles, Towers, Fixtures	-\$11,268,229	-\$11,335,268	-\$11,407,517	-\$11,454,455	-\$11,547,146	-\$11,651,479	-\$11,746,137	-\$11,838,815	-\$11,938,568	-\$12,029,460	-\$12,129,285	-\$12,227,838
Prior Year	-\$10,432,287	-\$10,526,509	-\$10,623,455	-\$10,714,157	-\$10,795,063	-\$10,899,807	-\$11,060,589	-\$11,147,112	-\$10,910,359	-\$11,019,967	-\$11,100,400	-\$11,205,424
Change	-\$835,942	-\$808,759	-\$784,062	-\$740,298	-\$752,083	-\$751,672	-\$685,548	-\$691,703	-\$1,028,210	-\$1,009,493	-\$1,028,886	-\$1,022,414
10861 Acc. Depr. - Overhead Lines	-\$5,599,474	-\$5,607,407	-\$5,661,080	-\$5,672,809	-\$5,732,999	-\$5,803,295	-\$5,862,907	-\$5,930,511	-\$5,984,413	-\$6,044,354	-\$6,107,326	-\$6,177,619
Prior Year	-\$5,494,340	-\$5,537,162	-\$5,591,934	-\$5,648,265	-\$5,688,688	-\$5,756,651	-\$5,801,237	-\$5,807,853	-\$5,428,111	-\$5,500,502	-\$5,537,950	-\$5,606,746
Change	-\$105,134	-\$70,245	-\$69,145	-\$24,545	-\$44,311	-\$46,644	-\$61,670	-\$122,658	-\$556,301	-\$543,852	-\$569,376	-\$570,873
10862 Acc. Depr. - Underground Conductors	-\$835,611	-\$831,924	-\$845,055	-\$861,543	-\$872,596	-\$889,364	-\$900,250	-\$915,613	-\$901,813	-\$916,934	-\$917,144	-\$933,897
Prior Year	-\$697,367	-\$708,413	-\$723,658	-\$739,550	-\$744,420	-\$760,593	-\$776,982	-\$776,982	-\$789,488	-\$799,920	-\$814,173	-\$820,392
Change	-\$138,244	-\$123,510	-\$121,397	-\$121,993	-\$128,176	-\$128,761	-\$134,857	-\$138,631	-\$112,325	-\$117,014	-\$102,971	-\$113,505
10863 Acc. Depr. - Line Transformers	-\$5,238,802	-\$5,283,538	-\$5,214,550	-\$5,259,296	-\$5,304,135	-\$5,349,168	-\$5,320,999	-\$5,366,297	-\$5,411,845	-\$5,459,474	-\$5,507,949	-\$5,508,401
Prior Year	-\$4,959,479	-\$4,902,835	-\$4,933,987	-\$4,967,512	-\$5,010,774	-\$5,054,150	-\$5,097,688	-\$5,141,398	-\$5,185,374	-\$5,117,167	-\$5,161,292	-\$5,194,462
Change	-\$279,322	-\$380,703	-\$280,563	-\$291,785	-\$293,361	-\$295,018	-\$223,311	-\$224,899	-\$226,471	-\$342,306	-\$346,657	-\$313,939
10864 Acc. Depr. - Padmount Transformers	-\$1,469,960	-\$1,487,511	-\$1,488,879	-\$1,506,618	-\$1,524,544	-\$1,542,691	-\$1,552,917	-\$1,571,467	-\$1,590,186	-\$1,609,112	-\$1,628,260	-\$1,647,440
Prior Year	-\$1,291,647	-\$1,298,851	-\$1,314,341	-\$1,328,674	-\$1,344,569	-\$1,360,843	-\$1,377,268	-\$1,393,772	-\$1,410,452	-\$1,418,332	-\$1,435,357	-\$1,452,658
Change	-\$178,312	-\$188,661	-\$174,539	-\$177,945	-\$179,975	-\$181,847	-\$175,649	-\$177,695	-\$179,734	-\$190,780	-\$192,904	-\$194,782
10865 Acc. Depr. - Overhead Services	-\$1,445,411	-\$1,445,386	-\$1,446,224	-\$1,450,215	-\$1,449,819	-\$1,447,386	-\$1,451,030	-\$1,447,187	-\$1,450,131	-\$1,451,451	-\$1,451,026	-\$1,458,985
Prior Year	-\$1,508,084	-\$1,503,635	-\$1,499,696	-\$1,500,384	-\$1,500,633	-\$1,499,778	-\$1,473,205	-\$1,466,660	-\$1,454,515	-\$1,446,412	-\$1,440,955	-\$1,435,227
Change	\$62,673	\$58,249	\$53,472	\$50,169	\$50,814	\$52,392	\$22,176	\$19,473	\$4,385	-\$5,038	-\$10,071	-\$23,758
10866 Acc. Depr. - Underground Services	-\$2,351,547	-\$2,373,614	-\$2,393,488	-\$2,414,911	-\$2,436,296	-\$2,452,976	-\$2,475,484	-\$2,496,148	-\$2,522,513	-\$2,538,563	-\$2,550,499	-\$2,578,417
Prior Year	-\$2,172,145	-\$2,187,016	-\$2,205,534	-\$2,227,600	-\$2,243,779	-\$2,265,621	-\$2,287,442	-\$2,287,444	-\$2,279,984	-\$2,297,267	-\$2,297,267	-\$2,318,960
Change	-\$179,402	-\$186,598	-\$187,955	-\$187,310	-\$192,517	-\$187,355	-\$202,652	-\$208,705	-\$242,529	-\$241,296	-\$243,462	-\$259,457
10867 Acc. Depr. - Meters	-\$1,180,034	-\$1,207,183	-\$1,234,659	-\$347,419	-\$317,262	-\$320,565	-\$225,214	-\$228,091	-\$229,041	-\$229,990	-\$230,940	-\$231,889
Prior Year	-\$1,094,915	-\$1,110,534	-\$1,103,447	-\$1,101,471	-\$1,104,908	-\$1,120,068	-\$1,127,998	-\$1,149,107	-\$1,170,603	-\$1,099,113	-\$1,126,087	-\$1,153,060
Change	-\$85,118	-\$96,629	-\$131,212	\$754,051	\$787,646	\$799,503	\$902,783	\$921,015	\$941,562	\$869,123	\$895,147	\$921,171
10868 Acc. Depr. - Inst. On Consumer Premises	-\$676,896	-\$686,333	-\$694,930	-\$703,644	-\$712,329	-\$722,135	-\$732,506	-\$743,008	-\$753,082	-\$761,423	-\$770,107	-\$779,559
Prior Year	-\$599,616	-\$606,343	-\$613,476	-\$620,444	-\$624,041	-\$634,259	-\$639,940	-\$646,287	-\$647,633	-\$654,653	-\$661,313	-\$666,330
Change	-\$77,280	-\$79,990	-\$81,454	-\$83,200	-\$88,287	-\$87,876	-\$92,565	-\$96,722	-\$105,450	-\$106,770	-\$108,794	-\$113,228
10869 Acc. Depr. - Street Lighting	-\$613,613	-\$621,357	-\$628,308	-\$637,172	-\$645,774	-\$654,724	-\$663,011	-\$672,071	-\$681,133	-\$680,721	-\$689,928	-\$697,652
Prior Year	-\$520,828	-\$528,566	-\$536,368	-\$544,512	-\$550,935	-\$558,290	-\$565,997	-\$573,954	-\$582,475	-\$590,997	-\$598,336	-\$606,919
Change	-\$92,785	-\$92,791	-\$91,940	-\$92,659	-\$94,838	-\$96,434	-\$97,014	-\$98,117	-\$98,658	-\$89,724	-\$91,591	-\$90,732
10870 Acc. Depr. - Structures and Equip.	-\$1,551,880	-\$1,566,621	-\$1,581,517	-\$1,596,413	-\$1,611,395	-\$1,626,376	-\$1,255,652	-\$1,269,555	-\$1,283,457	-\$1,297,360	-\$1,311,262	-\$1,325,165
Prior Year	-\$1,409,346	-\$1,418,388	-\$1,427,430	-\$1,438,318	-\$1,449,280	-\$1,460,242	-\$1,471,203	-\$1,482,474	-\$1,493,747	-\$1,508,107	-\$1,522,468	-\$1,537,140
Change	-\$142,534	-\$148,232	-\$154,087	-\$158,095	-\$162,115	-\$166,134	\$215,551	\$212,919	\$210,290	\$210,748	\$211,206	\$211,975
10871 Acc. Depr. - Office Furniture	-\$107,994	-\$109,344	-\$110,704	-\$112,113	-\$113,325	-\$114,683	-\$116,041	-\$117,399	-\$118,758	-\$120,116	-\$121,474	-\$122,832
Prior Year	-\$386,047	-\$387,893	-\$389,738	-\$391,584	-\$393,430	-\$395,379	-\$399,205	-\$400,556	-\$401,906	-\$403,894	-\$405,244	-\$406,644
Change	\$278,053	\$278,548	\$279,035	\$279,471	\$280,105	\$280,696	-\$16,836	-\$16,844	-\$16,852	-\$16,222	-\$16,230	-\$16,188
10872 Acc. Depr. - Light Vehicles	-\$930,058	-\$949,200	-\$968,133	-\$987,751	-\$1,006,782	-\$1,027,308	-\$1,047,834	-\$997,456	-\$991,373	-\$1,010,592	-\$1,029,594	-\$1,051,793
Prior Year	-\$877,960	-\$896,924	-\$901,076	-\$922,063	-\$919,785	-\$897,108	-\$918,908	-\$855,444	-\$876,628	-\$854,087	-\$874,528	-\$910,241
Change	-\$52,098	-\$52,276	-\$67,056	-\$65,688	-\$86,997	-\$130,199	-\$128,925	-\$142,012	-\$114,745	-\$156,505	-\$155,066	-\$141,552

Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12318 Patronage Capital - NRTC	\$6,192	\$6,192	\$6,192	\$6,192	\$6,192	\$7,840	\$7,840	\$7,840	\$7,840	\$7,840	\$7,840	\$7,840	\$7,840
Prior Year	\$4,766	\$4,766	\$4,766	\$4,766	\$4,766	\$6,192	\$6,192	\$6,192	\$6,192	\$6,192	\$6,192	\$6,192	\$6,192
Change	\$1,426	\$1,426	\$1,426	\$1,426	\$1,426	\$1,648	\$1,648	\$1,648	\$1,648	\$1,648	\$1,648	\$1,648	\$1,648
12321 Inv. Hunt Technologies L.P.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$350,000	\$350,000	\$350,000	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	-\$350,000	-\$350,000	-\$350,000	-\$350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12322 Inv. In Capital Term Cert. -CFC	\$2,023,390	\$2,023,390	\$2,018,585	\$2,018,585	\$2,018,585	\$2,018,585	\$2,005,784	\$2,005,784	\$2,005,784	\$2,005,784	\$2,005,784	\$2,005,784	\$2,005,784
Prior Year	\$2,050,396	\$2,050,396	\$2,036,190	\$2,036,190	\$2,036,190	\$2,036,190	\$2,036,190	\$2,023,390	\$2,023,390	\$2,023,390	\$2,023,390	\$2,023,390	\$2,023,390
Change	-\$27,006	-\$27,006	-\$17,606	-\$17,606	-\$17,606	-\$17,606	-\$30,406	-\$17,606	-\$17,606	-\$17,606	-\$17,606	-\$17,606	-\$17,606
12323 Other Inv. In Assoc. Organizations	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806
Prior Year	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806	\$18,806
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12324 Investment in KTI Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12325 Patronage Capital - Federated Ins.	\$211,423	\$211,423	\$202,966	\$235,252	\$235,252	\$235,252	\$235,252	\$235,252	\$235,252	\$235,252	\$235,252	\$235,252	\$235,252
Prior Year	\$191,079	\$191,079	\$211,423	\$211,423	\$211,423	\$211,423	\$211,423	\$211,423	\$211,423	\$211,423	\$211,423	\$211,423	\$211,423
Change	\$20,344	\$20,344	-\$8,457	\$23,829	\$23,829	\$23,829	\$23,829	\$23,829	\$23,829	\$23,829	\$23,829	\$23,829	\$23,829
12326 Patronage Capital - KTI Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12327 Investment - Envision Energy	\$19,797	\$24,621	\$24,621	\$24,621	\$24,621	\$24,621	\$24,621	\$24,621	\$24,621	\$24,621	\$24,621	\$24,621	\$21,218
Prior Year	\$25,501	\$25,501	\$26,059	\$26,059	\$26,059	\$26,059	\$26,059	\$26,059	\$26,059	\$26,059	\$26,059	\$26,059	\$19,797
Change	-\$5,704	-\$880	-\$1,438	-\$1,438	-\$1,438	-\$1,438	-\$1,438	-\$1,438	-\$1,438	-\$1,438	-\$1,438	-\$1,438	\$1,421
12400 Other Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13101 Kentucky Bank Payroll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13102 Cash - Kentucky Bank	\$971,382	\$995,178	\$493,545	\$948,232	\$121,996	\$170,132	\$996,628	\$991,328	\$603,477	\$375,132	\$135,220	\$751,128	\$751,128
Prior Year	\$625,950	\$468,052	\$560,607	\$1,023,935	\$533,028	\$383,086	\$368,291	\$738,455	\$763,504	\$346,592	\$70,600	\$741,780	\$741,780
Change	\$345,432	\$527,126	-\$67,062	-\$75,703	-\$411,032	-\$212,954	\$628,336	\$252,873	-\$160,027	\$28,540	\$64,620	\$9,348	\$9,348
13103 Cash - Ky Bank- Billing Refund	\$24,891	\$37,543	\$13,130	\$25,958	\$3,623	\$13,366	\$21,825	\$27,327	\$47,256	\$24,096	\$17,616	\$17,949	\$17,949
Prior Year	\$39,429	\$7,222	\$21,686	\$31,052	\$6,263	\$5,489	\$54,236	\$35,208	\$15,576	\$9,306	\$6,881	\$28,853	\$28,853
Change	-\$14,537	\$30,320	-\$8,556	-\$5,093	-\$2,640	\$7,877	-\$32,410	-\$7,882	\$31,680	\$14,790	\$10,735	-\$10,903	-\$10,903
13104 Ky Bank - Payroll Acct.	\$156,858	\$151,776	\$5,290	\$26,932	\$151,846	\$1,000	\$173,618	\$4,782	\$22,429	\$9,818	\$4,632	\$26,797	\$26,797
Prior Year	\$162,062	\$151,387	\$10,466	\$35,884	\$16,774	\$19,990	\$180,358	\$162,037	\$5,379	\$16,919	\$13,553	\$1,725	\$1,725
Change	-\$5,203	\$388	-\$5,176	-\$8,953	\$135,073	-\$18,990	\$13,259	-\$117,255	\$17,050	-\$7,102	-\$8,921	\$25,071	\$25,071
13105 Ky Bank - Harrison District	\$477,538	\$832,941	\$291,854	\$503,326	\$164,908	\$233,601	\$622,104	\$270,243	\$338,494	\$265,891	\$307,903	\$775,705	\$775,705
Prior Year	\$549,608	\$809,078	\$289,397	\$717,725	\$538,398	\$401,276	\$390,106	\$319,222	\$244,835	\$445,018	\$423,221	\$907,448	\$907,448
Change	-\$72,070	\$23,863	\$2,456	-\$214,399	-\$373,490	-\$167,675	\$231,998	-\$48,978	\$93,659	-\$179,127	-\$115,318	-\$131,743	-\$131,743
13106 Ist National Bank - Brooksville	\$8,598	\$14,688	\$11,071	\$7,209	\$13,664	\$19,843	\$27,601	\$35,362	\$44,117	\$8,909	\$14,366	\$10,113	\$10,113
Prior Year	\$14,955	\$8,768	\$10,443	\$11,334	\$6,243	\$9,826	\$15,104	\$20,535	\$28,006	\$32,804	\$7,993	\$13,649	\$13,649
Change	-\$6,357	\$5,920	\$628	-\$4,125	\$7,421	\$10,017	\$12,496	\$14,828	\$16,111	-\$23,895	\$6,373	-\$3,536	-\$3,536

13115 Cash Farmers Bank - Harrison	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13120 Cash Farmers Bank - Jessamine	\$9,555	\$11,709	\$14,768	\$3,759	\$7,111	\$9,442	\$13,124	\$16,353	\$3,677	\$6,156	\$8,834	\$11,326	\$11,326
Prior Year	\$10,449	\$7,819	\$12,599	\$5,778	\$9,427	\$10,903	\$12,815	\$17,565	\$5,686	\$8,263	\$10,411	\$4,507	\$4,507
Change	-\$894	\$3,889	\$2,169	-\$2,019	-\$2,316	-\$1,461	\$309	-\$1,211	-\$2,009	-\$2,107	-\$1,577	\$6,819	\$6,819
13131 Cash Kentucky Bank - Capital Credits	\$715	\$715	\$715	\$715	\$715	\$379	\$679	\$679	\$679	\$679	\$679	\$679	\$679
Prior Year	\$1,180	\$1,180	\$1,180	\$1,180	\$715	\$715	\$715	\$715	\$715	\$715	\$715	\$715	\$715
Change	-\$465	-\$465	-\$465	-\$465	\$0	-\$336	-\$36	-\$36	-\$36	-\$36	-\$36	-\$36	-\$36
13140 Cash Peoples Bank	\$127,353	\$101,550	\$108,075	\$105,439	\$70,940	\$78,154	\$170,501	\$125,176	\$110,904	\$53,938	\$91,716	\$120,555	\$120,555
Prior Year	\$133,033	\$101,423	\$72,744	\$110,804	\$98,787	\$68,332	\$115,861	\$94,624	\$86,358	\$70,240	\$68,241	\$159,536	\$159,536
Change	-\$5,680	\$128	\$35,331	-\$5,365	-\$27,847	\$9,822	\$54,640	\$30,552	\$24,546	-\$16,302	\$23,475	-\$38,981	-\$38,981
13150 Cash Central Bank	\$26,281	\$51,476	\$87,518	\$109,921	\$138,009	\$161,131	\$33,010	\$64,361	\$33,368	\$63,997	\$86,320	\$20,405	\$20,405
Prior Year	\$35,966	\$26,753	\$60,019	\$23,953	\$43,014	\$59,905	\$78,929	\$104,939	\$29,499	\$52,009	\$70,364	\$24,678	\$24,678
Change	-\$9,686	\$24,723	\$27,499	\$85,968	\$94,995	\$101,226	-\$45,919	-\$40,577	\$3,869	\$11,988	\$15,956	-\$4,273	-\$4,273
13160 Cash Citizens National Bank	\$16,570	\$28,408	\$20,618	\$17,886	\$33,198	\$45,957	\$18,646	\$38,936	\$53,334	\$72,324	\$83,696	\$17,917	\$17,917
Prior Year	\$18,219	\$15,090	\$13,815	\$11,903	\$14,744	\$24,892	\$35,898	\$49,427	\$33,597	\$47,063	\$11,828	\$23,238	\$23,238
Change	-\$1,650	\$13,319	\$6,803	\$5,983	\$18,454	\$21,065	-\$17,251	-\$10,491	\$19,737	\$25,261	\$71,868	-\$5,321	-\$5,321
13170 Cash Anderson National	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13180 Cash Lawrenceburg National	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13185 Cash Farmers Bank - Franklin Co	\$20,977	\$41,904	\$65,741	\$19,644	\$41,596	\$58,580	\$27,008	\$49,453	\$22,843	\$47,391	\$65,243	\$18,906	\$18,906
Prior Year	\$27,109	\$24,645	\$27,287	\$20,867	\$19,751	\$35,063	\$51,680	\$73,317	\$51,253	\$67,788	\$82,898	\$19,957	\$19,957
Change	-\$6,133	\$17,259	\$38,454	-\$1,223	\$21,845	\$23,517	-\$24,672	-\$23,864	-\$28,410	-\$20,396	-\$17,655	-\$1,051	-\$1,051
13190 Cash United Bank	\$10,315	\$18,141	\$10,642	\$8,440	\$13,873	\$19,606	\$25,766	\$33,423	\$11,853	\$18,786	\$24,701	\$7,345	\$7,345
Prior Year	\$11,583	\$19,344	\$6,783	\$5,477	\$6,318	\$10,473	\$15,623	\$21,001	\$26,901	\$32,611	\$6,521	\$12,638	\$12,638
Change	-\$1,268	-\$1,203	\$3,858	\$2,963	\$7,555	\$9,133	\$10,143	\$12,422	-\$15,047	-\$13,826	\$18,181	-\$5,293	-\$5,293
13195 Cash Town Square Bank	\$5,295	\$7,196	\$8,896	\$10,298	\$11,743	\$13,439	\$15,050	\$17,318	\$4,897	\$6,581	\$8,043	\$3,130	\$3,130
Prior Year	\$14,656	\$15,605	\$17,021	\$18,502	\$19,806	\$20,370	\$21,271	\$22,225	\$23,333	\$24,721	\$2,579	\$3,700	\$3,700
Change	-\$9,360	-\$8,409	-\$8,125	-\$8,204	-\$8,063	-\$6,930	-\$6,221	-\$4,907	-\$18,436	-\$18,140	\$5,465	-\$570	-\$570
13211 Cash RUS Const Fund Ky Bank	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13300 Transfer of Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$65,000	\$0	\$0	\$0	\$0	-\$75,000	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	-\$65,000	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0
13500 Working funds	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Prior Year	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,370	\$3,100	\$3,000	\$2,999	\$3,000	\$3,000
Change	-\$370	-\$370	-\$370	-\$370	-\$370	-\$370	-\$370	-\$370	-\$100	-\$100	\$1	\$0	\$0
13600 Temporary Cash Investments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$2,250,000	\$0	\$1,500,000	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	-\$2,250,000	\$0	-\$1,500,000	-\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13602 Cash -Lburg Acct	\$52,252	\$30,807	\$33,525	\$75,592	\$29,741	\$40,063	\$84,903	\$47,115	\$69,021	\$22,171	\$18,323	\$55,414	\$55,414

Prior Year	\$74,713	\$57,148	\$24,485	\$62,054	\$63,615	\$26,683	\$73,266	\$31,213	\$41,822	\$27,867	\$20,575	\$71,541
Change	-\$22,460	-\$26,340	\$9,040	\$13,539	-\$33,874	\$13,380	\$11,637	\$15,901	\$27,198	-\$5,695	-\$2,252	-\$16,127
14200 Accounts Receivable consumer	\$3,838,624	\$5,981,715	\$4,852,400	\$4,184,459	\$3,579,445	\$3,937,319	\$4,572,832	\$4,778,555	\$5,402,000	\$3,368,271	\$3,677,308	\$4,421,680
Prior Year	\$5,351,764	\$4,819,585	\$4,477,454	\$4,267,512	\$2,942,417	\$3,223,944	\$3,968,160	\$4,456,082	\$3,842,333	\$2,583,458	\$3,369,763	\$4,742,454
Change	-\$1,513,140	\$1,162,130	\$374,947	-\$83,053	\$637,028	\$713,375	\$604,670	\$322,473	\$1,559,667	\$784,813	\$307,545	-\$320,774
14201 A/R EKPC Fuel Adj	\$942,663	\$1,398,262	\$2,237,352	\$2,266,615	\$2,706,629	\$2,444,899	\$944,212	\$91,345	\$183,857	\$671,800	\$52,807	-\$91,604
Prior Year	\$1,676,239	\$1,694,494	\$1,230,397	\$1,225,531	\$1,177,153	\$1,310,223	\$1,017,619	\$535,685	\$716,298	\$939,930	\$722,840	\$506,664
Change	-\$733,576	-\$296,232	\$1,006,955	\$1,041,084	\$1,529,477	\$1,134,676	-\$73,407	-\$444,340	-\$532,441	-\$268,130	-\$670,033	-\$598,268
14202 A/R EKP Environmental Surcharge	\$457,318	\$555,460	\$402,746	\$290,052	\$117,575	\$88,180	-\$151,710	-\$219,030	-\$285,226	-\$318,007	-\$396,254	-\$422,012
Prior Year	\$367,780	\$498,801	\$498,776	\$384,144	\$413,084	\$501,116	\$545,874	\$649,175	\$512,761	\$502,040	\$434,285	\$413,105
Change	\$89,537	\$56,659	-\$96,031	-\$94,093	-\$295,509	-\$412,936	-\$697,585	-\$868,204	-\$797,987	-\$820,047	-\$830,539	-\$835,117
14205 A/R long Term Arrangements	\$22,731	\$23,173	\$28,937	\$27,861	\$21,840	\$21,474	\$19,731	\$23,257	\$18,093	\$16,398	\$15,287	\$14,547
Prior Year	\$16,954	\$21,503	\$25,133	\$25,239	\$23,344	\$22,021	\$18,684	\$17,745	\$26,162	\$22,723	\$20,540	\$23,160
Change	\$5,777	\$1,670	\$3,805	\$2,621	-\$1,504	-\$546	\$1,047	\$5,511	-\$8,069	-\$6,325	-\$5,253	-\$8,613
14211 Returned checks - Kentucky Bank	\$9,789	\$9,789	\$12,246	\$6,622	\$983	\$632	\$746	\$1,530	\$1,702	\$4,262	-\$137	-\$63
Prior Year	-\$345	\$383	-\$345	\$0	\$1,396	\$335	\$632	\$443	\$1,248	\$1,144	\$666	\$1,446
Change	\$10,134	\$9,406	\$12,591	\$6,622	-\$413	\$297	\$113	\$1,088	\$454	\$3,117	-\$802	-\$1,509
14212 Returned Chekcs - Ky Bank - Harrison	-\$120	\$86	-\$1,253	\$92	\$293	-\$369	-\$893	\$2,077	\$214	\$4,183	\$3,471	\$4,651
Prior Year	\$782	\$946	\$782	\$153	\$153	-\$705	-\$468	-\$819	-\$518	\$433	-\$288	\$860
Change	-\$902	-\$861	-\$2,035	-\$60	\$141	\$336	-\$425	\$2,897	\$732	\$3,750	\$3,759	\$3,791
14220 Accts Rec-EKP Economic Dev Loan	\$10,893	\$10,893	\$10,893	\$10,893	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$10,893	\$10,893	\$10,893	\$10,893	\$10,893	\$10,893	\$10,893	\$10,893	\$10,893	\$10,893	\$10,893	\$10,893
Change	\$0	\$0	\$0	\$0	-\$10,893	-\$10,893	-\$10,893	-\$10,893	-\$10,893	-\$10,893	-\$10,893	-\$10,893
14250 Returned Chekcs - Peoples Bank	\$656	\$436	\$1,880	\$3,075	\$775	\$738	\$561	\$1,282	\$877	\$3,743	\$1,081	\$768
Prior Year	\$124	\$270	\$111	\$404	\$0	\$436	\$436	\$436	\$436	\$1,224	\$848	\$1,256
Change	\$532	\$165	\$1,769	\$2,670	\$775	\$303	\$125	\$847	\$441	\$2,520	\$233	-\$488
14255 Returned Chgekcs - Lawrenceburg Bank	\$1,538	\$1,113	\$473	\$249	\$253	\$510	\$297	\$399	-\$187	\$2,328	\$343	-\$132
Prior Year	\$888	\$1,336	\$1,194	\$434	\$769	-\$389	-\$112	\$1,264	\$312	\$515	\$224	\$281
Change	\$650	-\$224	-\$721	-\$185	-\$516	\$899	\$409	-\$866	-\$498	\$1,813	\$119	-\$414
14260 Loans to members - Energy cons.	\$38,938	\$36,510	\$35,121	\$35,724	\$32,310	\$30,976	\$29,660	\$31,585	\$36,193	\$46,642	\$45,078	\$44,205
Prior Year	\$35,707	\$33,343	\$31,317	\$35,683	\$36,205	\$32,356	\$37,729	\$36,515	\$38,954	\$37,548	\$41,476	\$39,880
Change	\$3,232	\$3,167	\$3,804	\$40	-\$3,895	-\$1,379	-\$8,069	-\$4,930	-\$2,761	\$9,094	\$3,602	\$4,325
14261 Loan - water heater/elec fireplace	\$439	\$439	\$439	\$439	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$439	\$439	\$439	\$439	\$439	\$439	\$439	\$439	\$439	\$439	\$439	\$439
Change	\$0	\$0	\$0	\$0	-\$439	-\$439	-\$439	-\$439	-\$439	-\$439	-\$439	-\$439
14270 A/R Community Action -Jessamine co	-\$30,804	-\$29,821	-\$27,971	-\$32,392	-\$32,692	-\$33,154	-\$32,944	-\$28,806	-\$30,937	-\$40,667	-\$42,681	-\$53,316
Prior Year	-\$5,851	-\$11,953	-\$26,019	-\$27,979	-\$30,189	-\$30,289	-\$29,991	-\$30,644	-\$32,794	-\$31,461	-\$31,202	-\$34,105
Change	-\$24,953	-\$17,868	-\$1,952	-\$4,413	-\$2,504	-\$2,866	-\$2,953	\$1,838	\$1,857	-\$9,206	-\$11,479	-\$19,211
14271 A/R Community Action - Madison Co.	\$18,820	\$8,328	\$14,202	\$6,406	-\$1,179	-\$1,179	-\$847	\$7,318	\$3,320	-\$1,059	\$8,777	\$4,872
Prior Year	\$10,841	\$16,585	\$4,987	\$3,096	-\$314	-\$158	-\$654	-\$679	-\$779	-\$654	\$7,177	\$5,329
Change	\$7,979	-\$8,257	\$9,214	\$3,310	-\$865	-\$1,021	-\$192	\$7,997	\$4,100	-\$404	\$1,601	-\$456
14272 A/R Community Action -Fox Creek	\$6,890	\$3,687	\$10,017	\$2,013	\$2,280	\$2,013	\$2,113	\$3,123	\$4,489	\$1,592	\$3,484	\$2,371
Prior Year	\$6,251	\$5,215	\$2,721	\$1,756	\$1,609	\$1,670	\$1,836	\$1,670	\$2,146	\$1,793	\$4,050	\$2,093
Change	\$639	-\$1,528	\$7,296	\$257	\$672	\$343	\$277	\$1,452	\$2,343	-\$201	-\$566	\$278
14273 A/R Community Action -Harrison	\$52,930	\$51,300	\$50,158	\$46,625	\$42,600	\$43,193	\$42,783	\$48,893	\$55,549	\$57,712	\$66,776	\$73,165
Prior Year	\$27,590	\$33,868	\$38,343	\$40,998	\$40,066	\$39,935	\$40,109	\$40,815	\$40,429	\$40,329	\$48,101	\$49,032
Change	\$25,340	\$17,432	\$11,815	\$5,627	\$2,534	\$3,257	\$2,675	\$8,078	\$15,120	\$17,384	\$18,675	\$24,134

14300 Accounts Receivable - Other	\$811,674	\$481,905	\$385,878	\$378,901	\$435,428	\$523,390	\$523,670	\$603,314	\$673,660	\$702,498	\$747,509	\$957,087
Prior Year	\$1,057,836	\$1,159,468	\$314,350	\$453,116	\$455,644	\$571,292	\$650,186	\$672,713	\$810,679	\$863,247	\$919,964	\$925,333
Change	-\$246,162	-\$677,563	\$71,528	-\$74,216	-\$20,217	-\$47,902	-\$126,516	-\$69,399	-\$137,019	-\$160,749	-\$172,456	\$31,754
14301 FEMA Receivable	\$874,566	\$874,566	\$874,566	\$874,566	\$874,566	\$874,566	\$874,566	\$874,566	\$874,566	\$190,303	\$125,303	\$8,462
Prior Year	\$118,376	\$901,427	\$901,427	\$899,478	\$874,566	\$874,566	\$874,566	\$874,566	\$874,566	\$874,566	\$874,566	\$874,566
Change	\$756,190	-\$26,860	-\$26,860	-\$24,912	\$0	\$0	\$0	\$0	\$0	-\$684,263	-\$749,263	-\$866,104
14302 Other A/R -Fox Creek	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14303 A/R EKP- Industrial Dev Loan	\$40,445	\$40,445	\$40,445	\$40,445	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$29,602	\$31,404	\$31,404	\$31,404	\$34,239	\$34,239	\$34,239	\$37,283	\$37,283	\$37,283	\$40,445	\$40,445
Change	\$10,843	\$9,042	\$9,042	\$9,042	-\$34,239	-\$34,239	-\$34,239	-\$37,283	-\$37,283	-\$37,283	-\$40,445	-\$40,445
14310 A/R Major Med. And Ret.	\$91,256	\$73,970	\$56,566	\$39,161	\$21,573	\$3,905	\$94,106	\$76,637	\$59,319	\$42,172	\$24,734	\$7,453
Prior Year	-\$27,143	\$59,920	\$42,980	\$26,232	\$9,695	-\$7,147	\$75,620	\$58,122	\$40,107	\$22,704	\$5,244	\$0
Change	\$118,398	\$14,050	\$13,586	\$12,929	\$11,879	\$11,052	\$18,486	\$18,515	\$19,212	\$19,468	\$19,490	\$7,453
14320 A/R other	\$25,251	-\$587	\$210	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$95	\$0
Change	\$25,251	-\$682	\$115	-\$95	-\$95	-\$95	-\$95	-\$95	-\$95	-\$95	-\$95	\$0
14330 A/R BGAD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$100,314	\$106,876	\$200,627	-\$210,941	-\$46,876	-\$46,876	-\$46,876	\$0
Change	\$0	\$0	\$0	\$0	-\$100,314	-\$106,876	-\$200,627	\$210,941	\$46,876	\$46,876	\$46,876	\$0
14420 Uncollectible Accounts	-\$200,023	-\$197,475	-\$186,546	-\$159,260	-\$162,203	-\$156,959	-\$158,999	-\$190,150	-\$189,057	-\$173,117	-\$184,912	-\$176,015
Prior Year	-\$194,993	-\$191,292	-\$155,662	-\$154,264	-\$158,975	-\$165,394	-\$179,698	-\$195,986	-\$178,207	-\$183,593	-\$185,716	-\$190,812
Change	-\$5,030	-\$6,183	-\$30,884	-\$4,996	-\$3,228	\$8,435	\$20,699	\$5,836	-\$10,850	\$10,476	\$604	\$14,797
14430 Uncollectible Accts-Other	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000
Prior Year	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15400 Material	\$1,243,579	\$1,396,413	\$1,624,955	\$1,311,043	\$1,282,526	\$1,350,283	\$1,356,191	\$1,430,738	\$1,480,338	\$1,571,273	\$1,483,155	\$1,239,488
Prior Year	\$1,097,247	\$1,173,710	\$1,081,469	\$1,010,889	\$1,044,875	\$1,120,133	\$1,148,157	\$1,231,964	\$1,172,575	\$1,197,864	\$1,139,329	\$1,248,933
Change	\$146,332	\$222,703	\$543,486	\$300,154	\$237,651	\$230,150	\$208,034	\$198,774	\$307,763	\$373,409	\$343,826	-\$9,445
15410 Gasoline Stock Acct	\$10,032	\$11,874	\$13,684	\$12,598	\$9,496	\$12,115	\$10,640	\$9,887	\$9,905	\$11,944	\$11,984	\$12,842
Prior Year	\$5,822	\$8,683	\$7,185	\$6,583	\$6,542	\$9,296	\$7,615	\$6,300	\$8,875	\$8,336	\$10,008	\$8,543
Change	\$4,210	\$3,191	\$6,499	\$6,014	\$2,955	\$2,820	\$3,025	\$3,587	\$1,029	\$3,608	\$1,976	\$4,299
15500 Material Resale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16300 Stores Expense - Clearing	\$0	\$0	\$0	\$0	-\$408	\$594	\$0	\$5,565	\$9,275	\$0	\$740	\$0
Prior Year	\$0	-\$2,521	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$2,521	\$0	\$0	-\$408	\$594	\$0	\$5,565	\$9,275	\$0	\$740	\$0
16510 Prepayments	\$428,242	\$342,604	\$256,956	\$171,307	\$85,659	-\$44	\$433,703	\$347,008	\$385,470	\$256,980	\$128,490	\$0
Prior Year	-\$85,619	\$411,890	\$308,917	\$205,945	\$102,972	\$0	\$394,068	\$315,254	\$236,441	\$157,627	\$78,814	\$0
Change	\$513,861	-\$69,286	-\$51,962	-\$34,638	-\$17,314	-\$44	\$39,635	\$31,754	\$149,030	\$99,353	\$49,677	\$0
16511 Prepayments Federated Insurance	\$236,306	\$214,823	\$193,341	\$171,859	\$150,376	\$126,889	\$105,407	\$84,325	\$63,244	\$42,163	\$274,403	\$253,322
Prior Year	\$240,084	\$218,258	\$196,432	\$174,606	\$152,780	\$130,955	\$109,129	\$87,303	\$65,477	\$43,652	\$279,614	\$257,788
Change	-\$3,778	-\$3,434	-\$3,091	-\$2,748	-\$2,404	-\$4,066	-\$3,722	-\$2,978	-\$2,233	-\$1,489	-\$5,210	-\$4,466
16512 Prepaymenta Emp Ins. Contribution	\$2,105	\$2,079	\$1,651	-\$166	\$1,727	\$1,112	\$994	\$1,727	\$1,609	\$1,727	\$345	\$1,727

Prior Year	\$13,889	\$13,220	\$13,890	\$13,890	\$13,890	\$13,075	\$13,890	\$13,890	\$13,298	\$14,109	\$13,505	\$2,087
Change	-\$11,784	-\$11,141	-\$12,238	-\$14,056	-\$12,163	-\$11,963	-\$12,896	-\$12,163	-\$11,689	-\$12,382	-\$13,160	-\$360
16513 Prepayment Billing Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16514 Prepayment Wokmans Comp Ins.	\$189,771	\$172,519	\$155,267	\$149,475	\$130,791	\$112,106	\$52,985	\$42,388	\$31,791	\$21,194	\$10,597	\$165,249
Prior Year	\$176,811	\$160,738	\$157,037	\$140,963	\$124,889	\$108,816	\$90,680	\$78,325	\$37,063	\$24,709	\$219,377	\$207,023
Change	\$12,960	\$11,782	-\$1,770	\$8,512	\$5,901	\$3,291	-\$37,694	-\$35,937	-\$5,272	-\$3,515	-\$208,780	-\$41,774
16515 Long Term Care Insurance	-\$431	-\$540	-\$648	\$0	-\$109	-\$109	-\$109	-\$109	-\$19	-\$19	-\$109	-\$109
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$537	-\$537	-\$647
Change	-\$431	-\$540	-\$648	\$0	-\$109	-\$109	-\$109	-\$109	-\$19	\$518	\$428	\$538
16520 Prepayments - Other	\$100,903	\$80,684	\$65,840	\$50,996	\$36,151	\$21,307	\$70,956	\$56,112	\$41,267	\$75,720	\$60,875	\$58,002
Prior Year	\$91,553	\$77,345	\$63,137	\$48,929	\$34,721	\$20,513	\$67,928	\$53,720	\$39,512	\$29,041	\$14,833	\$112,749
Change	\$9,350	\$3,340	\$2,703	\$2,067	\$1,431	\$794	\$3,028	\$2,391	\$1,755	\$46,679	\$46,043	-\$54,747
16521 Prepayemln - QEI Maintenance Cont.	\$8,006	\$7,278	\$6,550	\$5,823	\$5,095	\$4,367	\$3,639	\$2,911	\$2,183	\$1,456	\$728	\$8,734
Prior Year	\$8,597	\$7,816	\$7,034	\$6,252	\$5,471	\$4,689	\$3,908	\$3,126	\$2,345	\$1,563	\$782	\$8,734
Change	-\$590	-\$537	-\$483	-\$429	-\$376	-\$322	-\$268	-\$215	-\$161	-\$107	-\$54	\$0
16522 Prepayment - Porche Maintenance	\$2,129	\$1,397	\$8,956	\$8,265	\$7,574	\$6,883	\$6,192	\$5,501	\$4,810	\$4,119	\$3,428	\$2,737
Prior Year	\$2,543	\$10,639	\$9,451	\$8,719	\$7,986	\$7,254	\$6,522	\$5,790	\$5,058	\$4,326	\$3,593	\$2,861
Change	-\$414	-\$9,242	-\$495	-\$453	-\$412	-\$371	-\$330	-\$289	-\$247	-\$206	-\$165	-\$124
16523 Prepayment - E & H Phone Maintenance	\$4,145	\$2,763	\$1,382	\$0	\$0	-\$2,846	\$12,808	\$11,385	\$9,962	\$8,538	\$7,115	\$5,692
Prior Year	\$4,021	\$2,681	\$1,340	\$0	\$0	\$0	\$12,435	\$11,053	\$9,671	\$8,290	\$6,908	\$5,527
Change	\$124	\$83	\$41	\$0	\$0	-\$2,846	\$373	\$332	\$290	\$249	\$207	\$166
16524 Prepayment ESRI Maint. Contract	\$8,383	\$7,738	\$7,093	\$6,448	\$5,804	\$5,159	\$4,514	\$3,869	\$3,224	\$2,579	\$1,935	\$1,290
Prior Year	\$8,381	\$7,738	\$7,093	\$6,448	\$5,804	\$5,159	\$4,514	\$3,869	\$3,224	\$2,579	\$1,935	\$9,028
Change	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$7,738
16525 Prepayment UAI Software Maint.	\$31,625	\$28,750	\$25,875	\$23,000	\$20,125	\$17,250	\$14,375	\$11,500	\$8,625	\$5,750	\$2,875	\$0
Prior Year	\$30,021	\$27,292	\$24,562	\$21,833	\$19,104	\$16,375	\$13,646	\$10,917	\$8,187	\$5,458	\$2,729	\$0
Change	\$1,604	\$1,458	\$1,313	\$1,167	\$1,021	\$875	\$729	\$583	\$438	\$292	\$146	\$0
17100 Accrued Interest & Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	-\$940	\$0	\$0	-\$1,589	-\$1,589	-\$1,589	-\$1,589	-\$1,589	-\$1,589	-\$1,589	-\$1,589
Change	\$0	\$940	\$0	\$0	\$1,589	\$1,589	\$1,589	\$1,589	\$1,589	\$1,589	\$1,589	\$1,589
17620 REA Construction Notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$10,281,000	\$10,281,000	\$5,281,000	\$5,281,000	\$5,281,000	\$5,281,000	\$5,281,000	\$5,281,000	\$5,281,000	\$5,281,000	\$5,281,000	\$5,281,000
Change	-\$10,281,000	-\$10,281,000	-\$5,281,000	-\$5,281,000	-\$5,281,000	-\$5,281,000	-\$5,281,000	-\$5,281,000	-\$5,281,000	-\$5,281,000	-\$5,281,000	-\$5,281,000
17621 RUS -FFB Notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$3,087,000	\$3,087,000	\$3,087,000	\$3,087,000	\$3,087,000	\$3,087,000	\$3,087,000	\$3,087,000	\$3,087,000	\$0	\$0	\$0
Change	-\$3,087,000	-\$3,087,000	-\$3,087,000	-\$3,087,000	-\$3,087,000	-\$3,087,000	-\$3,087,000	-\$3,087,000	-\$3,087,000	\$0	\$0	\$0
17630 CFC Construction Notes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18100 Unamortized Loan Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18300 Prel Survey and Investigation	\$55,338	\$61,042	\$70,632	\$69,876	\$68,680	\$68,168	\$68,903	\$67,707	\$69,247	\$71,472	\$70,276	\$72,842
Prior Year	\$13,915	\$12,719	\$11,523	\$10,327	\$14,801	\$17,792	\$16,596	\$19,681	\$28,811	\$46,378	\$57,730	\$56,534
Change	\$41,423	\$48,323	\$59,109	\$59,549	\$53,880	\$50,377	\$52,307	\$48,026	\$40,436	\$25,094	\$12,546	\$16,308

18400 Transportation - Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$4	\$33	\$19	\$8	\$8	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	-\$4	-\$33	-\$19	-\$8	-\$8	\$0	\$0	\$0	\$0	\$0
18410 Transportation Expense - Clearing	\$61	\$11	\$48	\$77	\$36	\$15	\$79	\$26	\$64	\$4	\$19	\$35
Prior Year	\$46	\$47	\$49	\$88	\$92	\$11	\$20	\$80	\$52	\$81	\$52	\$39
Change	\$15	-\$36	-\$1	-\$10	-\$56	\$4	\$60	-\$54	\$12	-\$78	-\$33	-\$4
18600 Misc. Deferred Debits	\$43,359	\$35,998	\$28,637	\$21,275	\$13,914	\$102,401	\$94,413	\$86,428	\$78,439	\$70,451	\$62,464	\$54,477
Prior Year	\$38,324	\$31,969	\$25,615	\$19,261	\$12,907	\$94,889	\$87,528	\$80,166	\$72,805	\$65,443	\$58,082	\$50,721
Change	\$5,036	\$4,029	\$3,021	\$2,014	\$1,007	\$7,512	\$6,886	\$6,260	\$5,634	\$5,008	\$4,382	\$3,756
18601 Misc. Deferred Debits - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18602 Defg Debit Early Retirement Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18603 Field Inspection Mapping System	\$379,402	\$359,402	\$339,402	\$319,402	\$299,402	\$279,402	\$259,402	\$239,402	\$219,402	\$199,402	\$179,402	\$159,402
Prior Year	\$620,809	\$602,329	\$582,329	\$566,735	\$546,735	\$526,735	\$506,735	\$486,735	\$466,735	\$446,735	\$426,735	\$406,735
Change	-\$241,407	-\$242,927	-\$242,927	-\$247,332	-\$247,332	-\$247,332	-\$247,332	-\$247,332	-\$247,332	-\$247,332	-\$247,332	-\$247,332
18607 Def Chg / Past Service Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18620 Def Debits / Wages and Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20010 Memberships	-\$993,963	-\$995,865	-\$996,993	-\$999,690	-\$1,001,268	-\$1,004,868	-\$1,005,735	-\$1,008,123	-\$1,008,175	-\$1,009,063	-\$1,010,135	-\$1,009,235
Prior Year	-\$974,315	-\$977,460	-\$977,545	-\$979,440	-\$981,775	-\$985,133	-\$988,223	-\$991,356	-\$991,858	-\$992,418	-\$994,468	-\$994,363
Change	-\$19,648	-\$18,405	-\$19,448	-\$20,250	-\$19,493	-\$19,735	-\$17,513	-\$16,767	-\$16,317	-\$16,645	-\$15,668	-\$14,873
20020 Inactive Memberships	-\$8,995	-\$9,020	-\$9,020	-\$9,045	-\$9,070	-\$9,120	-\$9,145	-\$9,170	-\$9,620	-\$9,620	-\$9,570	-\$9,620
Prior Year	-\$8,420	-\$8,495	-\$8,520	-\$8,520	-\$8,595	-\$8,620	-\$8,695	-\$8,670	-\$8,720	-\$8,745	-\$8,795	-\$8,895
Change	-\$575	-\$525	-\$500	-\$525	-\$475	-\$500	-\$450	-\$500	-\$900	-\$875	-\$775	-\$725
20100 Patronage Capital Credits	\$526	\$526	\$526	\$0	\$0	\$0	\$0	\$0	-\$136	-\$136	-\$136	-\$136
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$526	\$526	\$526
Change	\$526	\$526	\$526	\$0	\$0	\$0	\$0	\$0	-\$136	-\$662	-\$662	-\$662
20110 Pat Capital Credits Assigned	-\$43,002,646	-\$42,999,911	-\$43,576,564	-\$43,567,066	-\$43,561,457	-\$43,555,895	-\$43,544,732	-\$43,544,732	-\$43,526,694	-\$43,517,247	-\$43,511,690	-\$43,503,826
Prior Year	-\$41,981,834	-\$41,976,343	-\$43,101,878	-\$43,083,728	-\$43,083,728	-\$43,077,746	-\$43,056,199	-\$43,052,166	-\$43,037,542	-\$43,029,099	-\$43,029,099	-\$43,021,327
Change	-\$1,020,812	-\$1,023,568	-\$474,686	-\$483,338	-\$477,729	-\$478,149	-\$488,533	-\$492,566	-\$489,152	-\$488,148	-\$482,591	-\$482,499
20120 Pat Capital Credits Assignable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20130 Prior Years Deficits	\$2,539,617	\$2,539,617	\$2,006,119	\$2,006,119	\$2,006,119	\$2,006,119	\$2,006,119	\$2,006,119	\$2,006,119	\$2,006,119	\$2,006,119	\$2,006,119
Prior Year	\$2,634,287	\$2,634,287	\$2,539,617	\$2,539,617	\$2,539,617	\$2,539,617	\$2,539,617	\$2,539,617	\$2,539,617	\$2,539,617	\$2,539,617	\$2,539,617
Change	-\$94,670	-\$94,670	-\$533,498	-\$533,498	-\$533,498	-\$533,498	-\$533,498	-\$533,498	-\$533,498	-\$533,498	-\$533,498	-\$533,498
20800 Donated Capital	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799
Prior Year	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799	-\$315,799
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21700 Returned Capital Credits - Gain	-\$2,861,861	-\$2,863,285	-\$2,864,566	-\$2,868,276	-\$2,870,771	-\$2,873,175	-\$2,878,267	-\$2,878,267	-\$2,886,073	-\$2,890,043	-\$2,892,351	-\$2,896,258

23210 Accounts Payable													
Prior Year	-\$9,115,693	-\$8,644,113	-\$7,725,412	-\$6,740,547	-\$7,072,153	-\$6,530,725	-\$7,267,151	-\$1,146,628	-\$7,953,404	-\$6,549,099	-\$7,032,731	-\$988,515	
Change	-\$8,243,070	-\$7,559,374	-\$6,992,707	-\$5,359,943	-\$5,719,362	-\$6,584,859	-\$7,490,367	-\$7,959,994	-\$5,796,688	-\$7,025,527	-\$6,315,185	-\$8,332,796	
	-\$872,624	-\$1,084,738	-\$732,705	-\$1,380,603	-\$1,352,791	\$54,133	\$223,216	\$6,813,366	-\$2,156,716	\$476,428	-\$717,546	\$7,344,281	
23212 Accounts Payable Wintercare													
Prior Year	-\$112	-\$112	-\$112	-\$112	-\$112	-\$112	-\$112	-\$112	-\$112	-\$112	-\$112	-\$112	-\$112
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23213 CFC - ZTC Payable													
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	-\$9,601	-\$9,601	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$9,601	\$9,601	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23230 Accounts Payable Other													
Prior Year	-\$32,703	-\$272,555	-\$325,953	-\$495,458	-\$651,521	-\$620,933	-\$673,710	-\$8,001,569	-\$857,793	-\$873,491	-\$628,382	-\$7,267,594	
Change	-\$44,425	-\$161,981	-\$536,981	-\$661,981	-\$712,158	-\$833,508	-\$619,523	-\$692,185	-\$582,883	-\$707,908	-\$832,908	-\$39,554	
	\$11,721	-\$110,575	\$211,027	\$166,522	\$60,637	\$212,575	-\$54,187	-\$7,309,384	-\$274,910	-\$165,583	\$204,526	-\$7,228,040	
23231 Deferred Compensation													
Prior Year	\$0	\$150	\$0	\$0	\$0	\$750	\$1,700	\$0	\$0	\$950	\$900	\$0	\$0
Change	-\$983	-\$983	-\$983	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$983	\$1,133	\$983	\$0	\$0	\$750	\$1,700	\$0	\$0	\$950	\$900	\$0	\$0
23232 Wage Garnishment													
Prior Year	\$370	\$370	\$0	\$0	\$370	\$370	\$370	\$0	\$634	\$634	\$634	\$747	
Change	\$280	\$66	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$370	\$370	
	\$90	\$304	\$0	\$0	\$370	\$370	\$370	\$0	\$634	\$634	\$264	\$377	
23240 Accounts Payable Credit Union													
Prior Year	\$10,540	\$10,210	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,506	\$0	\$0	\$0	\$0	\$0
	\$10,540	\$10,210	\$0	\$0	\$0	\$0	\$0	-\$10,506	\$0	\$0	\$0	\$0	\$0
23510 Consumer Deposits													
Prior Year	-\$1,267,997	-\$1,279,787	-\$1,298,532	-\$1,321,017	-\$1,343,352	-\$1,359,402	-\$1,370,086	-\$1,388,192	-\$1,398,423	-\$1,405,834	-\$1,414,844	-\$1,413,702	
Change	-\$1,102,183	-\$1,124,893	-\$1,128,529	-\$1,133,500	-\$1,151,906	-\$1,161,741	-\$1,176,086	-\$1,204,051	-\$1,215,111	-\$1,228,511	-\$1,246,961	-\$1,263,375	
	-\$165,815	-\$154,895	-\$170,003	-\$187,517	-\$191,446	-\$197,661	-\$194,000	-\$184,141	-\$183,312	-\$177,322	-\$167,882	-\$150,326	
23610 Accrued Property Tax													
Prior Year	-\$117,000	-\$201,175	-\$297,644	-\$414,644	-\$508,186	-\$625,186	-\$742,186	-\$364,345	-\$481,338	\$8,387	\$94,196	\$0	
Change	-\$117,000	-\$220,698	-\$288,927	-\$405,927	-\$513,027	-\$620,127	-\$727,211	-\$834,278	-\$495,655	-\$602,755	-\$469,658	-\$1,905	
	\$0	\$19,523	-\$8,717	-\$8,717	\$4,841	-\$5,059	-\$14,975	\$469,932	\$14,317	\$611,142	\$563,854	\$1,905	
23620 Accrued FUT													
Prior Year	-\$3,568	-\$5,819	-\$6,407	-\$151	-\$239	-\$297	-\$64	-\$152	-\$220	-\$90	-\$169	-\$236	
Change	-\$3,469	-\$5,801	-\$6,344	-\$63	-\$82	-\$156	-\$190	-\$276	-\$350	-\$50	-\$72	-\$92	
	-\$100	-\$18	-\$63	-\$88	-\$157	-\$141	\$126	\$124	\$130	-\$40	-\$97	-\$144	
23630 Accrued FICA													
Prior Year	-\$180	\$0	-\$290	-\$290	\$0	\$0	-\$6,261	-\$12,053	-\$12,053	-\$18,335	-\$18,335	\$0	
Change	\$563	\$563	\$563	\$0	\$0	\$0	-\$918	\$0	\$0	\$0	\$0	\$0	
	-\$743	-\$563	-\$853	-\$290	\$0	\$0	-\$5,343	-\$12,053	-\$12,053	-\$18,335	-\$18,335	\$0	
23640 Accrued SUT													
Prior Year	-\$2,741	-\$4,784	-\$5,401	-\$93	-\$173	-\$223	-\$6	-\$82	-\$133	-\$30	-\$91	-\$156	
Change	-\$2,659	-\$4,756	-\$5,339	-\$35	-\$50	-\$107	-\$97	-\$171	-\$228	\$8	-\$17	-\$38	
	-\$81	-\$28	-\$61	-\$58	-\$123	-\$116	\$91	\$90	\$95	-\$38	-\$74	-\$118	
23650 Accrued Ky Sales Tax													
Prior Year	-\$88,988	-\$92,437	-\$99,030	-\$103,374	-\$109,851	-\$111,271	-\$137,504	-\$125,040	-\$135,903	-\$109,138	-\$125,450	-\$108,025	
Change	-\$90,511	-\$84,784	-\$86,866	-\$83,709	-\$88,701	-\$94,026	-\$101,005	-\$110,035	-\$101,969	-\$94,403	-\$92,086	-\$96,672	
	\$1,522	-\$7,653	-\$12,164	-\$19,665	-\$21,151	-\$17,245	-\$36,499	-\$15,005	-\$33,934	-\$14,735	-\$33,364	-\$11,353	
23660 Accrued School Tax													
Prior Year	-\$220,339	-\$288,067	-\$256,752	-\$213,326	-\$211,926	-\$219,877	-\$280,833	-\$277,336	-\$286,396	-\$200,144	-\$215,644	-\$235,432	
Change	-\$278,473	-\$232,133	-\$473,245	-\$200,263	-\$171,047	-\$184,563	-\$221,528	-\$260,347	-\$214,118	-\$174,195	-\$197,604	-\$244,084	
	\$58,134	-\$55,934	\$216,493	-\$13,063	-\$40,879	-\$35,315	-\$59,305	-\$16,989	-\$72,277	-\$25,949	-\$18,040	\$8,652	
23670 Madison Co Occupational Tax													
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Change	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	
	-\$600	-\$600	-\$600	-\$600	-\$600	-\$600	-\$600	-\$600	-\$600	-\$600	-\$600	\$0	
23671 Local Occupational Tax													
	\$378	-\$3,293	-\$9,842	-\$1,831	-\$6,075	-\$10,184	-\$1,246	-\$8,119	-\$5,505	\$150	-\$3,981	-\$8,604	

Prior Year	\$648	-\$3,413	-\$9,361	-\$3,178	-\$6,979	-\$8,782	-\$2,598	-\$6,756	-\$12,987	-\$1,547	-\$5,547	-\$9,035
Change	-\$271	\$120	-\$481	\$1,347	\$905	-\$1,402	\$1,353	-\$1,363	\$7,482	\$1,697	\$1,566	\$431
23672 Richmond City Occupational Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23673 Electrical Inspect. Fee Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$180	\$180	\$180	\$172	\$141	\$141	\$141	\$0
Change	\$0	\$0	\$0	\$0	-\$180	-\$180	-\$180	-\$172	-\$141	-\$141	-\$141	\$0
23680 Accrued Franchise Fee - Nicholasville	-\$14,028	-\$27,088	-\$41,621	-\$51,697	-\$61,860	-\$74,063	-\$90,204	-\$113,247	-\$26,844	-\$19,555	-\$19,728	-\$19,856
Prior Year	-\$14,662	-\$24,965	-\$36,670	-\$45,599	-\$53,722	-\$62,466	-\$74,825	-\$89,319	-\$100,847	-\$109,522	-\$118,898	-\$130,828
Change	\$634	-\$2,123	-\$4,951	-\$6,098	-\$8,138	-\$11,597	-\$15,379	-\$23,928	\$74,003	\$89,967	\$99,170	\$110,972
23681 Accrued Franchise Fee -Lawrenceburg	-\$942	-\$1,332	-\$1,177	-\$1,012	-\$1,468	-\$1,427	-\$1,895	-\$1,917	-\$2,119	-\$1,501	-\$1,750	-\$1,738
Prior Year	-\$384	-\$238	-\$260	-\$145	-\$29	-\$785	-\$615	-\$1,304	-\$1,080	-\$802	-\$869	-\$1,082
Change	-\$558	-\$1,094	-\$917	-\$868	-\$1,440	-\$643	-\$1,280	-\$613	-\$1,039	-\$699	-\$881	-\$656
23682 Accrued Franchise Fee -Fayette Co.	-\$22,841	-\$27,776	-\$28,408	-\$21,595	-\$23,055	-\$24,425	-\$30,696	-\$30,725	-\$32,574	-\$22,848	-\$4,760	-\$23,926
Prior Year	-\$28,910	-\$22,901	-\$24,301	-\$19,887	-\$17,367	-\$18,995	-\$24,451	-\$29,021	-\$24,288	-\$18,106	-\$19,361	-\$23,626
Change	\$6,069	-\$4,875	-\$4,108	-\$1,708	-\$5,688	-\$5,431	-\$6,245	-\$1,704	-\$8,286	-\$4,742	\$14,601	-\$300
23683 Accrued Franchise Fee - Harrodsburg	\$0	\$0	-\$252	-\$3,491	-\$3,684	-\$3,675	-\$4,681	-\$4,305	-\$4,516	-\$3,605	-\$4,201	-\$3,449
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	-\$252	-\$3,491	-\$3,684	-\$3,675	-\$4,681	-\$4,305	-\$4,516	-\$3,605	-\$4,201	-\$3,449
23690 Accrued Franchise Fee -Berea	-\$22,554	-\$25,280	-\$26,429	-\$25,943	-\$29,215	-\$28,310	-\$35,408	-\$31,103	-\$34,425	-\$25,228	-\$30,441	-\$25,700
Prior Year	-\$26,386	-\$25,511	-\$27,397	-\$25,014	-\$24,629	-\$25,013	-\$26,461	-\$787	-\$26,707	-\$23,909	-\$24,719	-\$26,441
Change	\$3,832	\$232	\$968	-\$928	-\$4,585	-\$3,297	-\$8,946	-\$30,317	-\$7,718	-\$1,320	-\$5,722	\$741
23710 Accrued Interest - RUS Debt	-\$1,202	\$0	\$13,395	\$23,432	\$0	-\$363	\$3,868	\$0	-\$983	\$2,613	\$0	\$14
Prior Year	\$12,286	\$0	-\$104,983	-\$54,956	\$0	\$20,464	\$26	\$0	-\$9,768	-\$15,555	\$0	-\$1,142
Change	-\$13,488	\$0	\$118,379	\$78,388	\$0	-\$20,827	\$3,842	\$0	\$8,785	\$18,167	\$0	\$1,156
23711 Accrued Interest - RUS FFB Loan	-\$160,000	-\$320,000	-\$449,079	-\$150,000	-\$300,000	-\$453,388	-\$150,000	-\$300,000	-\$438,503	-\$150,000	-\$300,000	\$0
Prior Year	-\$120,000	-\$240,000	\$0	-\$120,000	-\$240,000	\$0	-\$133,000	-\$290,000	-\$432,596	-\$145,000	-\$290,000	-\$460,726
Change	-\$40,000	-\$80,000	-\$449,079	-\$30,000	-\$60,000	-\$453,388	-\$17,000	-\$10,000	-\$5,907	-\$5,000	-\$10,000	\$460,726
23720 Accrued Interest - CFC	-\$236,000	\$0	-\$118,000	-\$236,000	-\$67,400	-\$110,000	-\$220,000	\$0	-\$110,000	-\$220,000	\$0	-\$110,000
Prior Year	-\$236,000	\$0	-\$118,000	-\$236,000	\$0	-\$118,000	-\$236,000	\$0	-\$120,000	-\$240,000	\$0	-\$118,000
Change	\$0	\$0	\$0	\$0	-\$67,400	\$8,000	\$16,000	\$0	\$10,000	\$20,000	\$0	\$8,000
23730 Int Payable - CFC Line of Credit	-\$26,000	-\$51,000	\$0	-\$25,000	\$0	\$0	-\$45,000	-\$90,000	\$0	-\$40,000	-\$96,000	\$0
Prior Year	-\$8,240	-\$16,940	-\$3,540	-\$4,490	-\$6,766	-\$6,766	-\$6,766	-\$15,766	-\$6,766	-\$13,766	-\$33,766	\$0
Change	-\$17,760	-\$34,060	\$3,540	-\$20,510	\$6,766	\$6,766	-\$38,234	-\$74,234	\$6,766	-\$26,234	-\$62,234	\$0
23810 Patroange Capital Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24010 Accrued Interest Deposits	-\$21,596	-\$39,124	-\$40,196	-\$39,933	-\$40,662	-\$40,349	-\$40,917	-\$41,308	-\$21,760	-\$22,559	-\$22,584	-\$22,843
Prior Year	-\$29,716	-\$34,329	-\$39,125	-\$43,830	-\$48,048	-\$52,428	-\$20,619	-\$21,139	-\$20,905	-\$21,517	-\$21,231	-\$21,353
Change	\$8,120	-\$4,795	-\$1,072	\$3,897	\$7,385	\$12,080	-\$20,298	-\$20,168	-\$855	-\$1,042	-\$1,352	-\$1,490
24100 Tax Payable Federal Withholding	-\$146	\$0	\$0	\$0	\$0	\$0	\$5,857	\$12,053	\$12,053	\$18,335	\$18,335	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	-\$929	\$0	\$0	\$0	\$0	\$0
Change	-\$146	\$0	\$0	\$0	\$0	\$0	\$6,786	\$12,053	\$12,053	\$18,335	\$18,335	\$0
24110 Tax Payable State Withholding	-\$23,310	-\$12,156	-\$24,517	-\$12,372	-\$12,357	-\$13,345	-\$12,656	-\$26,469	-\$12,229	-\$12,282	-\$12,568	-\$12,555
Prior Year	-\$22,536	-\$11,811	-\$23,531	-\$11,904	-\$11,576	-\$12,529	-\$12,627	-\$25,304	-\$12,760	-\$12,288	-\$11,609	-\$11,923
Change	-\$774	-\$345	-\$986	-\$468	-\$780	-\$817	-\$29	-\$1,165	\$530	\$6	-\$960	-\$632

24205 NRECA/401K Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	-\$6,165	-\$6,033	-\$6,113	-\$5,942	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$6,165	\$6,033	\$6,113	\$5,942	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24210 Accrued Payroll	-\$321,726	-\$310,160	-\$119,640	-\$145,617	-\$217,845	-\$251,818	-\$311,682	-\$124,977	-\$122,797	-\$196,208	-\$256,214	-\$284,508	
Prior Year	-\$267,905	-\$280,825	-\$112,985	-\$115,946	-\$196,341	-\$248,377	-\$277,713	-\$342,217	-\$128,088	-\$163,554	-\$208,484	-\$234,412	
Change	-\$53,821	-\$29,335	-\$6,655	-\$29,671	-\$21,505	-\$3,441	-\$33,969	\$217,240	\$5,291	-\$32,654	-\$47,730	-\$50,096	
24240 Accrued Vacation	-\$248,462	-\$249,462	-\$250,462	-\$251,462	-\$252,462	-\$253,462	-\$254,462	-\$255,462	-\$256,462	-\$257,462	-\$258,462	-\$259,462	
Prior Year	-\$236,462	-\$237,462	-\$238,462	-\$239,462	-\$240,462	-\$241,462	-\$242,462	-\$243,462	-\$244,462	-\$245,462	-\$246,462	-\$247,462	
Change	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000	-\$12,000	
24250 Other Current & Accrued Liabilities	\$2,188	-\$10,737	-\$16,469	-\$25,867	-\$36,457	-\$48,308	-\$49,474	-\$58,097	-\$73,396	-\$86,239	-\$98,747	\$0	
Prior Year	-\$11,402	-\$10,823	-\$25,149	-\$37,024	-\$49,254	-\$65,956	-\$50,854	-\$65,823	-\$74,191	-\$90,171	-\$110,415	\$0	
Change	\$13,590	\$66	\$8,681	\$11,157	\$12,797	\$17,648	\$1,380	\$7,726	\$795	\$3,932	\$11,668	\$0	
24251 Acc Liab. - CTC Inv. From CFC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
24252 Acc Liab - Conversion fee CFC Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
242.53 Liability - Early Retirement Incentive	\$0	\$0	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	-\$93,356	\$0
24260 Accrued Sick Leave	-\$252,838	-\$252,838	-\$235,799	-\$235,799	-\$235,799	-\$235,799	-\$235,799	-\$233,999	-\$233,999	-\$233,999	-\$233,999	-\$233,999	-\$233,999
Prior Year	-\$259,995	-\$259,995	-\$259,995	-\$259,995	-\$257,869	-\$257,869	-\$257,869	-\$257,869	-\$257,869	-\$257,869	-\$257,869	-\$257,869	-\$257,869
Change	\$7,157	\$7,157	\$24,196	\$24,196	\$22,070	\$22,070	\$23,869	\$23,869	\$23,869	\$23,869	\$23,869	\$23,869	\$23,869
24270 Accrued Postretirement Benefit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25200 Member Advacne for Construction	-\$453,914	-\$449,132	-\$442,565	-\$425,475	-\$425,501	-\$424,946	-\$429,950	-\$434,691	-\$432,824	-\$436,551	-\$434,466	-\$440,648	
Prior Year	-\$427,060	-\$423,107	-\$425,615	-\$422,711	-\$420,677	-\$431,748	-\$429,829	-\$439,092	-\$448,561	-\$448,140	-\$450,169	-\$449,917	
Change	-\$26,854	-\$26,025	-\$16,950	-\$2,764	-\$4,824	\$6,802	-\$121	\$4,401	\$15,737	\$11,590	\$15,703	\$9,269	
25300 Deferred Credits	-\$5,052	-\$5,052	-\$5,052	-\$5,052	-\$5,052	-\$5,052	-\$5,052	\$0	\$0	\$0	\$0	\$0	
Prior Year	-\$24,341	-\$19,341	-\$14,341	-\$9,341	-\$5,052	-\$5,052	-\$5,052	-\$5,052	-\$5,052	-\$5,052	-\$5,052	-\$5,052	
Change	\$19,289	\$14,289	\$9,289	\$4,289	\$0	\$0	\$0	\$5,052	\$5,052	\$5,052	\$5,052	\$5,052	
25320 Def Credits Prepaid Security Lgts.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
25350 United Way Payroll Deduction	\$128	\$128	\$128	-\$38	-\$204	\$128	-\$33	-\$189	\$157	\$5	-\$147	\$157	
Prior Year	-\$58	-\$224	-\$390	-\$556	-\$722	\$108	-\$58	-\$220	\$614	\$452	\$290	\$128	
Change	\$186	\$352	\$518	\$518	\$518	\$20	\$25	\$31	-\$457	-\$447	-\$437	\$29	
25360 401K Employee Pay Deduction	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28	\$28	\$28	\$28	
Change	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	-\$23	-\$52	-\$52	-\$52	-\$23	
25370 ACRE Payroll Deduction	-\$893	-\$1,057	-\$1,234	-\$1,412	-\$1,590	-\$1,768	-\$1,946	\$2	-\$216	-\$434	-\$652	-\$870	
Prior Year	-\$656	-\$776	-\$896	-\$1,016	-\$1,136	-\$1,256	-\$120	\$2	-\$243	-\$405	-\$567	-\$729	
Change	-\$237	-\$281	-\$338	-\$396	-\$454	-\$512	-\$2,066	\$0	\$27	-\$29	-\$85	-\$141	
25400 Def Credit Annual Meeting	-\$5,540	-\$14,184	-\$16,300	-\$17,982	\$5,342	\$46,122	\$37,387	\$47,803	\$37,707	\$27,717	\$17,594	\$0	

	Prior Year	\$-8,789	\$-18,073	\$-26,411	\$-31,164	\$-20,379	\$11,368	\$3,994	\$13,068	\$11,384	\$-829	\$-9,682	\$0
	Change	\$3,249	\$3,890	\$10,111	\$13,182	\$25,721	\$34,754	\$33,392	\$34,735	\$26,323	\$28,546	\$27,276	\$0
25401	Annual Meeting Election	\$0	\$0	\$0	\$0	\$4,990	-\$1,368	\$1,811	\$1,811	\$1,811	\$1,811	\$1,811	\$0
	Prior Year	\$0	\$0	\$0	\$1,125	\$4,816	\$4,816	\$4,816	\$4,816	\$1,741	\$1,741	\$1,741	\$0
	Change	\$0	\$0	\$0	-\$1,125	\$174	-\$6,184	-\$3,005	-\$3,005	\$70	\$70	\$70	\$0
25402	Annual Meeting Scholarships	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$3,292	\$8,292	\$8,292	\$8,292	\$10,292	\$10,292	\$10,292	\$0
	Change	\$0	\$0	\$0	\$0	-\$3,292	-\$8,292	\$1,709	\$1,709	-\$292	-\$292	-\$292	\$0
36200	Station Equipment	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$645,702	\$1,366,290	\$1,366,290	\$1,366,290	\$1,366,290
	Prior Year	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637	\$323,637
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$322,065	\$1,042,654	\$1,042,654	\$1,042,654	\$1,042,654
36210	SCADA Remote Terminal Units	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064
	Prior Year	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064	\$297,064
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36400	Poles, Towers Fixtures	\$43,181,807	\$43,369,119	\$43,520,900	\$43,680,795	\$43,789,040	\$43,913,877	\$44,005,089	\$44,124,520	\$44,275,787	\$44,391,210	\$44,565,642	\$44,666,314
	Prior Year	\$40,961,606	\$41,113,951	\$41,202,794	\$41,272,315	\$41,400,892	\$41,487,976	\$41,604,555	\$41,734,665	\$42,594,579	\$42,695,798	\$42,843,355	\$42,966,262
	Change	\$2,220,202	\$2,255,168	\$2,318,106	\$2,408,480	\$2,388,149	\$2,425,901	\$2,400,534	\$2,389,855	\$1,681,209	\$1,695,412	\$1,722,288	\$1,700,051
36500	Overhead Conductors & Devices	\$35,091,111	\$35,208,127	\$35,329,115	\$35,474,523	\$35,563,733	\$35,665,974	\$35,740,689	\$35,902,281	\$36,089,006	\$36,187,000	\$36,328,552	\$36,480,849
	Prior Year	\$33,252,011	\$33,347,331	\$33,401,936	\$33,441,178	\$33,515,625	\$33,572,814	\$33,632,264	\$33,714,500	\$34,563,745	\$34,626,158	\$34,745,327	\$34,810,222
	Change	\$1,839,099	\$1,860,796	\$1,927,179	\$2,033,344	\$2,048,109	\$2,093,160	\$2,108,425	\$2,187,782	\$1,525,262	\$1,560,841	\$1,583,225	\$1,670,627
36700	Underground conductors & Devices	\$8,123,460	\$8,312,472	\$8,489,769	\$8,544,774	\$8,663,452	\$8,763,596	\$8,840,989	\$8,958,711	\$9,038,668	\$9,136,397	\$9,248,216	\$9,278,853
	Prior Year	\$7,437,403	\$7,466,719	\$7,520,344	\$7,532,293	\$7,583,812	\$7,623,142	\$7,668,862	\$7,712,731	\$7,781,851	\$7,810,961	\$7,944,550	\$8,046,162
	Change	\$686,057	\$845,753	\$969,425	\$1,012,481	\$1,079,640	\$1,140,455	\$1,172,127	\$1,245,980	\$1,256,817	\$1,325,436	\$1,303,666	\$1,232,691
36800	Line Transformers	\$18,733,964	\$18,796,769	\$18,738,627	\$18,800,806	\$18,839,755	\$18,921,471	\$18,897,809	\$19,032,819	\$19,137,704	\$19,232,638	\$19,296,366	\$19,290,898
	Prior Year	\$18,031,991	\$17,998,223	\$18,052,069	\$18,111,889	\$18,177,487	\$18,225,010	\$18,293,421	\$18,365,441	\$18,477,275	\$18,479,162	\$18,540,027	\$18,630,086
	Change	\$701,973	\$798,547	\$686,558	\$688,917	\$662,268	\$696,461	\$604,388	\$667,378	\$660,429	\$753,475	\$756,339	\$660,812
36810	Line Transformers - Padmount	\$7,315,709	\$7,374,684	\$7,420,975	\$7,445,616	\$7,531,656	\$7,624,826	\$7,684,766	\$7,794,057	\$7,865,188	\$7,952,080	\$8,045,438	\$8,058,605
	Prior Year	\$6,446,758	\$6,462,941	\$6,508,304	\$6,583,354	\$6,678,498	\$6,838,089	\$6,901,135	\$6,934,448	\$7,008,395	\$7,034,606	\$7,153,311	\$7,269,548
	Change	\$868,950	\$911,743	\$912,671	\$862,262	\$853,158	\$786,737	\$783,631	\$859,608	\$856,793	\$917,473	\$892,127	\$789,057
36900	Overhead Services	\$8,316,721	\$8,339,762	\$8,371,940	\$8,399,368	\$8,440,249	\$8,464,950	\$8,479,927	\$8,504,577	\$8,538,279	\$8,575,388	\$8,595,430	\$8,623,079
	Prior Year	\$8,009,952	\$8,028,293	\$8,051,624	\$8,080,344	\$8,103,954	\$8,135,922	\$8,158,421	\$8,175,821	\$8,206,287	\$8,245,012	\$8,265,467	\$8,291,665
	Change	\$306,770	\$311,469	\$320,316	\$319,024	\$336,295	\$329,028	\$321,506	\$328,756	\$331,992	\$330,376	\$329,962	\$331,414
36910	Underground Services	\$13,746,676	\$13,862,728	\$13,954,609	\$14,045,664	\$14,130,837	\$14,236,853	\$14,338,763	\$14,436,537	\$14,538,334	\$14,654,568	\$14,789,055	\$14,874,802
	Prior Year	\$12,587,481	\$12,692,010	\$12,774,058	\$12,864,284	\$12,954,168	\$13,056,514	\$13,153,514	\$13,244,886	\$13,330,374	\$13,428,013	\$13,536,576	\$13,658,097
	Change	\$1,159,195	\$1,170,718	\$1,180,551	\$1,181,380	\$1,176,669	\$1,180,339	\$1,185,249	\$1,191,651	\$1,207,960	\$1,226,555	\$1,252,479	\$1,216,704
37000	Meters	\$9,534,209	\$9,534,209	\$9,673,702	\$1,260,142	\$1,260,658	\$1,260,658	\$1,098,109	\$1,098,109	\$362,427	\$362,427	\$362,427	\$362,427
	Prior Year	\$6,069,645	\$6,073,196	\$6,048,113	\$6,662,200	\$6,646,075	\$7,255,341	\$7,236,161	\$7,236,161	\$7,384,133	\$8,182,226	\$9,474,505	\$9,474,505
	Change	\$3,464,564	\$3,461,012	\$3,625,589	-\$5,402,058	-\$5,385,417	-\$5,994,683	-\$6,138,052	-\$6,138,052	-\$7,021,706	-\$7,819,800	-\$9,112,078	-\$9,112,078
37001	Auto Mtr reading Devices - Turtles	\$258,133	\$258,133	\$258,133	\$6,028,840	\$6,096,806	\$6,108,312	\$6,142,871	\$6,154,757	\$6,154,757	\$6,141,005	\$6,194,857	\$6,200,800
	Prior Year	\$258,133	\$258,133	\$258,133	\$258,133	\$258,133	\$258,133	\$258,133	\$258,133	\$258,133	\$258,133	\$258,133	\$258,133
	Change	\$0	\$0	\$0	\$5,770,707	\$5,838,674	\$5,850,179	\$5,884,738	\$5,896,624	\$5,896,624	\$5,882,872	\$5,936,724	\$5,942,667
37100	Installation - Consumer Premises	\$3,769,247	\$3,791,496	\$3,808,244	\$3,833,581	\$3,850,823	\$3,869,123	\$3,883,771	\$3,896,822	\$3,914,813	\$3,940,276	\$3,965,632	\$3,992,823
	Prior Year	\$3,538,558	\$3,558,090	\$3,573,669	\$3,595,811	\$3,612,063	\$3,623,615	\$3,641,942	\$3,655,237	\$3,680,168	\$3,703,248	\$3,715,963	\$3,740,797
	Change	\$230,689	\$233,406	\$234,575	\$237,770	\$238,761	\$245,508	\$241,829	\$241,585	\$234,645	\$237,028	\$249,669	\$252,027
37300	Street Lighting	\$2,074,826	\$2,125,022	\$2,124,978	\$2,125,451	\$2,138,085	\$2,146,357	\$2,152,705	\$2,172,527	\$2,173,293	\$2,195,462	\$2,207,863	\$2,245,830
	Prior Year	\$1,832,675	\$1,855,645	\$1,928,229	\$1,952,972	\$1,963,386	\$2,011,065	\$2,031,054	\$2,039,942	\$2,043,478	\$2,043,478	\$2,045,653	\$2,058,318
	Change	\$242,152	\$269,377	\$196,749	\$172,479	\$174,699	\$135,292	\$121,650	\$132,585	\$129,815	\$151,984	\$162,211	\$187,512

Blue Grass Energy Cooperative Corporation
Case No. 2008-00011
Comparison of Test Year Account Balances with
those of the Preceding Year - Income Statement
December 31, 2007

Acct #	Description	January Month 1	February Month 2	March Month 3	April Month 4	May Month 5	June Month 6	July Month 7	August Month 8	September Month 9	October Month 10	November Month 11	December Month 12
40360	Depr. Expense - Distribution Plant	\$392,714	\$788,121	\$1,185,361	\$1,590,109	\$2,000,049	\$2,420,225	\$2,841,302	\$3,272,149	\$3,711,521	\$4,152,602	\$4,596,058	\$5,040,829
	Prior Year	\$362,598	\$726,381	\$1,091,481	\$1,459,334	\$1,828,592	\$2,201,016	\$2,574,751	\$2,949,775	\$3,330,526	\$3,714,388	\$4,103,456	\$4,494,314
	Change	\$30,117	\$61,739	\$93,880	\$130,775	\$171,456	\$219,209	\$266,551	\$322,373	\$380,995	\$438,214	\$492,602	\$546,515
40370	Deopr. Expense - General Plant	\$50,018	\$100,963	\$152,359	\$204,028	\$255,772	\$307,615	\$358,530	\$408,073	\$458,368	\$508,795	\$559,524	\$610,410
	Prior Year	\$43,594	\$87,593	\$131,766	\$177,873	\$224,391	\$271,034	\$317,670	\$364,332	\$410,996	\$461,140	\$511,419	\$561,364
	Change	\$6,423	\$13,370	\$20,593	\$26,155	\$31,381	\$36,582	\$40,860	\$43,741	\$47,373	\$47,655	\$48,105	\$49,046
40810	Taxes - Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40820	Taxes Fed Unemployment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40830	Taxes FICA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40840	Taxes State Unemployment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40850	Sales Tax Compensation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
40870	Taxes Other	\$0	\$2,529	\$2,529	\$3,310	\$3,310	\$3,385	\$3,385	\$3,385	\$3,385	\$3,385	\$3,385	\$3,385
	Prior Year	\$0	\$1,792	\$1,792	\$2,355	\$2,355	\$2,430	\$2,430	\$2,430	\$2,430	\$2,430	\$2,430	\$2,430
	Change	\$0	\$737	\$737	\$955	\$955	\$955	\$955	\$955	\$955	\$955	\$955	\$955
41500	Revenue from Merchandising	-\$110,789	-\$115,526	-\$118,928	-\$131,675	-\$133,607	-\$159,395	-\$160,372	-\$167,472	-\$169,282	-\$170,827	-\$173,576	-\$174,650
	Prior Year	-\$2,939	-\$20,326	-\$75,950	-\$80,052	-\$79,937	-\$86,729	-\$86,666	-\$105,448	-\$105,139	-\$106,535	-\$109,402	-\$111,318
	Change	-\$107,851	-\$95,200	-\$42,978	-\$51,623	-\$53,670	-\$72,666	-\$73,705	-\$62,024	-\$64,143	-\$64,292	-\$64,174	-\$63,332
41510	Revenue ETS	-\$1,369	-\$2,261	-\$2,543	-\$3,600	-\$3,600	-\$3,600	-\$3,600	-\$3,600	-\$3,600	-\$3,600	-\$4,469	-\$5,197
	Prior Year	-\$29	-\$528	-\$2,504	-\$2,504	-\$2,504	-\$2,504	-\$2,504	-\$2,504	-\$2,504	-\$2,853	-\$3,710	-\$3,907
	Change	-\$1,341	-\$1,733	-\$39	-\$1,096	-\$1,096	-\$1,096	-\$1,096	-\$1,096	-\$1,096	-\$748	-\$759	-\$1,291
41600	Cost & Exp. From Merchandising	\$88,552	\$92,793	\$92,793	\$102,717	\$122,512	\$123,692	\$123,692	\$127,775	\$127,775	\$127,775	\$131,145	\$161,896
	Prior Year	\$604	\$9,043	\$73,158	\$74,420	\$77,113	\$80,279	\$80,279	\$91,679	\$92,566	\$92,566	\$92,566	\$99,417
	Change	\$87,948	\$83,750	\$19,635	\$28,297	\$45,399	\$43,413	\$43,413	\$36,096	\$35,209	\$35,209	\$38,579	\$62,479
41610	Cost ETS	\$1,929	\$4,947	\$5,517	\$7,877	\$9,858	\$10,428	\$10,998	\$11,568	\$12,138	\$12,708	\$14,717	\$18,305
	Prior Year	\$4,965	\$9,527	\$10,097	\$12,216	\$13,236	\$13,806	\$14,376	\$14,987	\$15,557	\$16,657	\$21,916	\$23,436
	Change	-\$3,036	-\$4,579	-\$4,579	-\$4,340	-\$3,378	-\$3,378	-\$3,378	-\$3,419	-\$3,419	-\$3,949	-\$7,199	-\$5,131
41765	Revenue DTV Accessories	-\$148	-\$222	-\$222	-\$517	-\$665	-\$665	-\$887	-\$961	-\$74	-\$74	-\$222	-\$222
	Prior Year	\$0	\$0	-\$148	-\$222	-\$222	-\$222	-\$296	-\$370	-\$591	-\$591	-\$591	\$0
	Change	-\$148	-\$222	-\$74	-\$296	-\$444	-\$444	-\$591	-\$591	\$517	\$517	\$370	-\$222
41770	Surge Protection	\$1,967	\$3,613	\$4,306	\$7,536	\$9,252	\$10,938	\$12,320	\$13,990	\$14,062	\$14,717	\$15,442	\$16,162
	Prior Year	\$2,646	\$3,010	\$3,753	\$4,264	\$5,040	\$5,614	\$6,586	\$8,081	\$9,647	\$10,554	\$11,593	\$12,801

Change	-\$679	\$603	\$553	\$3,273	\$4,212	\$5,324	\$5,734	\$5,909	\$4,415	\$4,163	\$3,849	\$3,362
41775 Credit Card Business	\$250	\$500	\$261	\$511	\$761	\$655	\$905	\$1,251	\$1,312	\$1,562	\$1,790	\$2,040
Prior Year	\$250	\$500	\$330	\$867	\$810	\$160	\$1,409	\$1,235	\$1,485	\$1,735	\$1,618	\$1,967
Change	\$0	\$0	-\$69	-\$355	-\$49	\$495	-\$503	\$16	-\$173	-\$173	\$172	\$73
41785 Internet Business	\$301	\$714	\$929	\$1,324	\$1,597	\$1,797	\$2,259	\$2,380	\$2,565	\$2,945	\$3,119	\$3,309
Prior Year	\$223	\$559	\$903	\$1,079	\$1,416	\$1,653	\$1,902	\$2,203	\$2,313	\$2,483	\$2,743	\$2,958
Change	\$78	\$155	\$25	\$245	\$182	\$144	\$358	\$177	\$252	\$462	\$375	\$350
41791 Battlefield Sewer System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$357	\$357	\$357	\$357	\$357	\$357	\$357	\$357
Change	\$0	\$0	\$0	\$0	-\$357	-\$357	-\$357	-\$357	-\$357	-\$357	-\$357	-\$357
41794 BGAD UEAC Project	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	-\$6,563	-\$13,017	-\$12,993	-\$39,128	-\$39,128	-\$39,083	-\$39,083	-\$39,031
Change	\$0	\$0	\$0	\$0	\$6,563	\$13,017	\$12,993	\$39,128	\$39,128	\$39,083	\$39,083	\$39,031
41900 Interest & Divident Income	-\$1,842	-\$1,884	-\$1,995	-\$38,928	-\$39,007	-\$39,142	-\$39,042	-\$39,460	-\$39,517	-\$76,633	-\$76,695	-\$76,755
Prior Year	-\$7,930	-\$7,963	-\$8,939	-\$52,788	-\$57,637	-\$64,300	-\$68,386	-\$68,535	-\$68,577	-\$105,693	-\$105,741	-\$105,796
Change	\$6,088	\$6,079	\$6,944	\$13,860	\$18,630	\$25,158	\$29,344	\$29,075	\$29,060	\$29,060	\$29,045	\$29,040
41960 Interest Energy Conserv. Loans	-\$259	-\$505	-\$742	-\$970	-\$1,182	-\$1,386	-\$1,581	-\$1,768	-\$1,967	-\$2,250	-\$2,542	-\$2,824
Prior Year	-\$247	-\$480	-\$701	-\$909	-\$1,107	-\$1,332	-\$1,538	-\$1,735	-\$1,967	-\$2,190	-\$2,429	-\$2,698
Change	-\$11	-\$25	-\$41	-\$61	-\$75	-\$54	-\$43	-\$33	\$0	-\$60	-\$112	-\$126
42100 Miscellaneous Nonoperating Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42110 Gain on Disposition of Property	\$0	\$0	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$272,071	-\$280,733	-\$280,733	-\$337,322	-\$337,322	-\$337,322
Prior Year	\$0	\$0	\$0	-\$22,000	-\$449,404	-\$456,400	-\$456,400	-\$463,760	-\$463,760	-\$463,760	-\$464,110	-\$464,110
Change	\$0	\$0	-\$10,000	\$12,000	\$439,404	\$446,400	\$184,329	\$183,027	\$183,027	\$126,438	-\$801,431	\$126,788
42120 Loss on Disposition of Property	\$0	\$0	\$1,357	\$1,357	\$1,696	\$1,696	\$1,696	\$10,701	\$10,770	\$10,770	\$10,770	\$19,526
Prior Year	\$0	\$0	\$8,344	\$26,581	\$26,581	\$26,581	\$26,581	\$48,189	\$48,189	\$52,424	\$52,424	\$52,424
Change	\$0	\$0	-\$6,987	-\$25,224	-\$24,885	-\$24,885	-\$24,885	-\$37,489	-\$37,419	-\$41,654	-\$41,654	-\$32,898
42300 G & T Capital Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42400 Other Cap Credits & Patronage Al	\$0	-\$15,160	-\$15,160	-\$47,446	-\$47,446	-\$50,330	-\$50,330	-\$50,330	-\$294,591	-\$294,591	-\$294,591	-\$294,591
Prior Year	\$0	-\$147,966	-\$174,600	-\$174,600	-\$174,600	-\$176,637	-\$176,637	-\$350,055	-\$414,328	-\$414,328	-\$414,328	-\$414,328
Change	\$0	\$132,806	\$159,440	\$127,154	\$127,154	\$126,306	\$126,307	\$299,725	\$119,737	\$119,737	\$119,737	\$119,737
42610 Donations	\$3,351	\$3,351	\$3,851	\$3,851	\$3,851	\$3,851	\$4,351	\$3,851	\$3,851	\$3,851	\$3,851	\$3,851
Prior Year	\$3,351	\$3,351	\$3,351	\$3,601	\$3,601	\$3,601	\$3,601	\$3,601	\$4,101	\$4,101	\$4,101	\$4,101
Change	\$0	\$0	\$500	\$250	\$250	\$250	\$750	\$250	-\$250	-\$253	-\$250	-\$250
42630 Penalties	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$297,000
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$297,000
42640 Expenditure for Civic, Political	\$0	\$225	\$395	\$718	\$718	\$718	\$1,056	\$1,911	\$9,741	\$9,741	\$9,741	\$9,741
Prior Year	\$0	\$6,645	\$6,645	\$6,645	\$6,645	\$6,645	\$6,645	\$14,180	\$14,180	\$14,180	\$14,180	\$14,293
Change	\$0	-\$6,420	-\$6,249	-\$5,926	-\$5,926	-\$5,926	-\$5,589	-\$12,269	-\$4,439	-\$4,439	-\$4,439	-\$4,553
42650 Other Deductions	\$2,062	\$3,927	\$5,093	\$1,857,964	\$1,858,107	\$1,858,203	\$1,922,715	\$1,922,715	\$1,922,715	\$1,922,715	\$1,922,715	\$1,922,944
Prior Year	\$0	\$490	\$606	\$606	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,305	\$1,733	\$1,976
Change	\$2,062	\$3,437	\$4,487	\$1,857,358	\$1,856,837	\$1,856,933	\$1,921,445	\$1,921,445	\$1,921,445	\$1,921,410	\$1,920,982	\$1,920,968

42651 Other Deduction Non Electric	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42710 Interest RUS LTD	\$130,000	\$274,136	\$409,136	\$544,136	\$717,264	\$862,264	\$1,007,264	\$1,160,191	\$1,305,191	\$1,450,191	\$1,596,420	\$1,744,601	
Prior Year	\$101,000	\$203,389	\$308,389	\$413,389	\$488,347	\$593,347	\$743,347	\$873,004	\$1,008,004	\$1,143,004	\$1,252,438	\$1,382,438	
Change	\$29,000	\$70,747	\$100,747	\$130,747	\$228,917	\$268,917	\$263,917	\$287,187	\$297,187	\$307,187	\$343,982	\$362,163	
42711 Interest RUS FFB Loan	\$160,000	\$320,000	\$449,079	\$599,079	\$749,079	\$902,467	\$1,052,467	\$1,202,467	\$1,340,970	\$1,490,970	\$1,640,970	\$1,719,243	
Prior Year	\$120,000	\$240,000	\$349,399	\$469,399	\$589,399	\$745,092	\$878,092	\$1,035,092	\$1,177,688	\$1,322,688	\$1,467,688	\$1,638,413	
Change	\$40,000	\$80,000	\$99,680	\$129,680	\$159,680	\$157,375	\$174,375	\$167,375	\$163,282	\$168,282	\$173,282	\$80,829	
42720 Interest CFC LTD	\$118,000	\$221,881	\$339,881	\$457,881	\$560,761	\$670,761	\$780,761	\$894,140	\$1,004,140	\$1,114,140	\$1,219,791	\$1,329,791	
Prior Year	\$118,000	\$230,359	\$348,359	\$466,359	\$580,128	\$698,128	\$816,128	\$934,815	\$1,054,815	\$1,174,815	\$1,282,124	\$1,400,124	
Change	\$0	-\$8,477	-\$8,477	-\$8,477	-\$19,367	-\$27,367	-\$35,367	-\$40,676	-\$50,676	-\$60,676	-\$62,334	-\$70,334	
42800 Amortization of Loan Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
43100 Other Interest Income	\$32,249	\$81,585	\$114,026	\$145,519	\$194,706	\$243,833	\$295,776	\$348,023	\$385,104	\$432,134	\$495,183	\$559,841	
Prior Year	\$10,275	\$24,107	\$38,564	\$45,103	\$53,195	\$58,912	\$64,852	\$79,925	\$95,665	\$108,795	\$134,871	\$153,964	
Change	\$21,973	\$57,478	\$75,462	\$100,415	\$141,511	\$184,921	\$230,924	\$268,098	\$289,439	\$323,338	\$360,312	\$405,877	
43400 Extraordinary Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
44010 Residential Sales	-\$5,815,862	-\$13,893,084	-\$20,954,241	-\$25,847,828	-\$30,756,077	-\$35,591,898	-\$40,914,448	-\$46,887,486	-\$53,572,562	-\$58,315,203	-\$62,774,931	-\$68,583,962	
Prior Year	-\$7,231,123	-\$13,097,693	-\$18,764,991	-\$23,411,398	-\$27,092,180	-\$31,296,368	-\$36,315,411	-\$42,345,235	-\$47,237,747	-\$51,141,011	-\$55,554,850	-\$61,470,295	
Change	\$1,415,261	-\$795,391	-\$2,189,250	-\$2,436,431	-\$3,663,898	-\$4,295,531	-\$4,599,037	-\$4,542,251	-\$6,334,815	-\$7,174,192	-\$7,220,081	-\$7,113,667	
44210 Commercial Sales < 50 KVA	-\$805,140	-\$1,647,515	-\$2,557,337	-\$3,422,369	-\$4,326,675	-\$5,214,016	-\$6,165,184	-\$7,118,250	-\$8,334,795	-\$9,295,094	-\$10,231,609	-\$11,090,281	
Prior Year	-\$832,226	-\$1,583,788	-\$2,354,050	-\$3,091,190	-\$3,883,128	-\$4,745,720	-\$5,594,926	-\$6,536,774	-\$7,481,494	-\$8,325,125	-\$9,080,821	-\$9,905,158	
Change	\$27,086	-\$63,727	-\$203,287	-\$331,178	-\$443,547	-\$468,296	-\$570,258	-\$581,476	-\$853,301	-\$969,970	-\$1,150,788	-\$1,185,123	
44220 Commercial Sales > 50 KVA	-\$1,232,486	-\$2,498,428	-\$3,809,764	-\$5,143,732	-\$6,713,282	-\$8,099,952	-\$9,502,790	-\$10,917,429	-\$12,623,271	-\$14,086,734	-\$15,501,746	-\$16,782,686	
Prior Year	-\$1,270,014	-\$2,559,014	-\$3,740,880	-\$4,969,394	-\$6,249,180	-\$7,613,179	-\$8,923,625	-\$10,277,714	-\$11,670,766	-\$12,991,079	-\$14,170,787	-\$15,371,745	
Change	\$37,528	\$60,586	-\$68,884	-\$174,338	-\$464,101	-\$486,773	-\$579,165	-\$639,715	-\$952,505	-\$1,095,655	-\$1,330,958	-\$1,410,941	
44400 Public Street & Highway Lighting	-\$18,574	-\$37,107	-\$56,057	-\$74,808	-\$94,764	-\$113,717	-\$132,753	-\$152,087	-\$172,042	-\$191,764	-\$211,255	-\$230,834	
Prior Year	-\$16,524	-\$32,997	-\$50,080	-\$67,087	-\$85,141	-\$103,588	-\$121,760	-\$140,143	-\$158,287	-\$176,811	-\$194,580	-\$212,667	
Change	-\$2,051	-\$4,110	-\$5,978	-\$7,721	-\$9,623	-\$10,129	-\$10,993	-\$11,944	-\$13,756	-\$14,953	-\$16,675	-\$16,167	
45000 Forfeited Discounts	-\$103,013	-\$191,357	-\$317,545	-\$413,425	-\$496,352	-\$573,619	-\$664,503	-\$762,930	-\$872,598	-\$971,636	-\$1,049,278	-\$1,130,880	
Prior Year	-\$113,509	-\$216,903	-\$309,238	-\$396,967	-\$476,374	-\$536,468	-\$612,140	-\$700,268	-\$801,895	-\$877,263	-\$935,546	-\$1,022,927	
Change	\$10,496	\$25,545	-\$8,306	-\$16,457	-\$19,977	-\$37,151	-\$52,363	-\$62,662	-\$70,703	-\$94,373	-\$113,731	-\$107,953	
45100 Misc Services Revenue	-\$18,003	-\$36,211	-\$67,753	-\$96,644	-\$137,662	-\$168,150	-\$195,376	-\$221,899	-\$246,058	-\$272,881	-\$293,210	-\$313,741	
Prior Year	-\$21,903	-\$41,513	-\$65,878	-\$88,081	-\$114,549	-\$129,349	-\$148,588	-\$170,577	-\$198,720	-\$231,660	-\$255,334	-\$275,770	
Change	\$3,901	\$5,303	-\$1,875	-\$8,562	-\$23,113	-\$38,801	-\$46,788	-\$51,323	-\$47,339	-\$41,221	-\$37,876	-\$37,971	
45400 Rent from Electric Property	-\$69,806	-\$139,581	-\$209,354	-\$279,114	-\$348,865	-\$418,619	-\$487,949	-\$557,279	-\$626,059	-\$695,389	-\$764,719	-\$799,315	
Prior Year	-\$362,505	-\$432,680	-\$502,796	-\$556,334	-\$626,408	-\$697,201	-\$767,163	-\$837,039	-\$906,689	-\$976,312	-\$1,046,102	-\$1,057,426	
Change	\$292,699	\$293,099	\$293,442	\$277,220	\$277,543	\$278,582	\$279,215	\$279,761	\$280,831	\$280,923	\$281,383	\$258,111	
45600 Other electric Revenue	-\$1,853	-\$2,549	-\$3,161	-\$17,933	-\$18,287	-\$21,150	-\$21,276	-\$55,232	-\$59,102	-\$61,237	-\$61,911	-\$62,864	
Prior Year	-\$28,436	-\$36,249	-\$31,336	-\$32,630	-\$32,950	-\$33,835	-\$34,766	-\$48,984	-\$45,081	-\$46,281	-\$47,200	-\$44,916	
Change	\$26,582	\$33,700	\$28,175	\$14,697	\$14,663	\$12,684	\$13,490	-\$6,248	-\$14,021	-\$14,955	-\$14,711	-\$17,948	
55500 Purchased Power	\$6,947,189	\$14,615,309	\$21,025,915	\$26,463,202	\$32,809,724	\$38,447,134	\$44,584,561	\$51,786,391	\$58,528,208	\$63,924,209	\$69,650,255	\$76,312,698	
Prior Year	\$6,524,921	\$12,732,202	\$18,431,085	\$22,683,359	\$27,592,371	\$33,026,376	\$39,026,730	\$45,470,507	\$50,117,861	\$55,082,248	\$60,054,431	\$66,355,815	

Change	\$422,268	\$1,883,107	\$2,594,830	\$3,779,843	\$5,217,353	\$5,420,758	\$5,557,831	\$6,315,884	\$8,410,347	\$8,841,961	\$9,595,824	\$9,956,883
58000 Operation Superv. & Engineer	\$17,926	\$35,650	\$56,293	\$73,970	\$92,996	\$109,234	\$129,093	\$149,907	\$167,989	\$188,375	\$210,860	\$239,363
Prior Year	\$20,098	\$39,056	\$59,964	\$76,872	\$96,320	\$115,110	\$131,238	\$150,999	\$168,271	\$185,991	\$205,492	\$225,110
Change	-\$2,172	-\$3,406	-\$3,672	-\$2,902	-\$3,324	-\$5,875	-\$2,145	-\$1,091	-\$282	\$2,384	\$5,368	\$14,253
58100 Load Dispatching	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
58200 Station Equipment	\$3,384	\$6,785	\$10,160	\$13,609	\$17,014	\$20,417	\$23,808	\$27,196	\$30,578	\$33,929	\$37,117	\$43,819
Prior Year	\$2,468	\$4,452	\$6,460	\$9,005	\$11,193	\$13,404	\$15,619	\$17,796	\$20,003	\$22,200	\$24,250	\$26,463
Change	\$917	\$2,333	\$3,700	\$4,604	\$5,821	\$7,013	\$8,189	\$9,401	\$10,574	\$11,729	\$12,867	\$17,356
58300 Overhead Line Expense	\$70,587	\$149,703	\$235,203	\$324,171	\$403,775	\$478,389	\$557,754	\$610,038	\$657,503	\$720,919	\$812,491	\$954,877
Prior Year	\$51,390	\$137,504	\$192,098	\$270,442	\$331,086	\$400,043	\$479,062	\$569,423	\$634,536	\$724,221	\$801,851	\$853,676
Change	\$19,198	\$12,199	\$43,105	\$53,728	\$72,690	\$78,346	\$78,692	\$40,615	\$22,967	-\$3,302	\$10,640	\$101,201
58400 Underground Line Expense	\$5,982	\$11,992	\$17,958	\$24,055	\$30,073	\$36,088	\$42,081	\$48,071	\$54,047	\$59,971	\$65,606	\$77,452
Prior Year	\$5,533	\$10,633	\$15,794	\$22,336	\$27,960	\$33,642	\$39,336	\$44,931	\$50,604	\$56,251	\$61,521	\$67,209
Change	\$449	\$1,360	\$2,164	\$1,719	\$2,113	\$2,447	\$2,745	\$3,140	\$3,443	\$3,720	\$4,085	\$10,243
58500 Street Light Expense	\$1,530	\$3,068	\$4,594	\$6,154	\$7,693	\$9,232	\$10,765	\$12,297	\$13,826	\$15,341	\$16,783	\$19,813
Prior Year	\$1,344	\$2,602	\$3,875	\$5,489	\$6,877	\$8,278	\$9,683	\$11,064	\$12,463	\$13,856	\$15,157	\$16,560
Change	\$187	\$466	\$719	\$664	\$816	\$953	\$1,082	\$1,234	\$1,363	\$1,485	\$1,626	\$3,254
58600 Meter Expense	\$114,400	\$216,518	\$308,795	\$347,278	\$404,679	\$450,599	\$496,595	\$547,637	\$590,470	\$639,036	\$679,851	\$752,953
Prior Year	\$44,745	\$102,630	\$179,822	\$172,657	\$237,347	\$241,542	\$305,497	\$372,775	\$433,917	\$439,321	\$440,181	\$529,011
Change	\$69,655	\$113,888	\$128,973	\$174,620	\$167,332	\$209,056	\$191,098	\$174,862	\$156,552	\$199,716	\$239,670	\$223,942
58700 Consumer Installation Expense	\$21,981	\$43,983	\$65,962	\$88,060	\$110,145	\$131,553	\$150,689	\$169,812	\$189,094	\$208,308	\$226,300	\$264,124
Prior Year	\$21,563	\$40,802	\$59,881	\$83,106	\$103,688	\$124,785	\$145,024	\$165,705	\$186,266	\$206,946	\$226,379	\$247,113
Change	\$418	\$3,180	\$6,081	\$4,954	\$6,457	\$6,767	\$5,665	\$4,106	\$2,828	\$1,362	-\$80	\$17,011
58800 Miscellaneous Distribution Expense	\$30,818	\$65,239	\$101,576	\$136,409	\$173,030	\$207,382	\$241,489	\$276,074	\$309,902	\$344,096	\$378,059	\$412,607
Prior Year	\$33,945	\$66,338	\$100,084	\$134,785	\$169,464	\$204,608	\$239,258	\$273,762	\$309,403	\$341,408	\$375,778	\$405,163
Change	-\$3,128	-\$1,100	\$1,492	\$1,624	\$3,566	\$2,774	\$2,231	\$2,312	\$500	\$2,688	\$2,281	\$7,444
59000 Maintenance Super. & Eng.	\$3,771	\$7,648	\$11,945	\$15,701	\$19,647	\$23,044	\$24,755	\$26,696	\$28,191	\$30,192	\$32,126	\$33,744
Prior Year	\$3,362	\$6,668	\$10,488	\$14,080	\$17,831	\$21,507	\$24,224	\$28,035	\$31,010	\$33,906	\$37,262	\$40,412
Change	\$409	\$980	\$1,457	\$1,621	\$1,815	\$1,537	\$530	\$2,661	-\$2,819	-\$3,714	-\$5,137	-\$6,668
59010 Maintenance 24 Hour Dispatch	\$16,944	\$34,078	\$48,217	\$64,032	\$79,966	\$96,407	\$112,078	\$133,379	\$150,924	\$172,212	\$190,451	\$210,157
Prior Year	\$12,917	\$31,519	\$43,619	\$56,793	\$73,231	\$90,132	\$108,813	\$126,558	\$138,824	\$150,756	\$167,452	\$185,598
Change	\$4,027	\$2,560	\$4,598	\$7,238	\$6,736	\$6,275	\$3,265	\$6,821	\$12,100	\$21,456	\$22,999	\$24,559
59100 Maintenance Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
59200 Maintenance Station Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105	\$105
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$105	-\$105
59300 Maintenance Overhead Lines	\$91,027	\$226,223	\$328,368	\$430,793	\$518,695	\$652,446	\$775,212	\$1,015,099	\$1,009,327	\$1,131,654	\$1,260,928	\$1,419,123
Prior Year	\$99,152	\$190,593	\$262,634	\$353,773	\$440,659	\$545,507	\$681,049	\$783,782	\$881,191	\$960,692	\$1,038,015	\$1,133,262
Change	-\$8,125	\$35,629	\$65,735	\$77,020	\$78,036	\$106,939	\$94,164	\$231,317	\$128,135	\$170,961	\$222,913	\$285,861
59310 Maintenance Right of Way	\$142,850	\$399,673	\$576,387	\$768,516	\$960,645	\$1,152,774	\$1,344,903	\$1,537,032	\$1,729,161	\$1,921,290	\$2,113,419	\$2,115,439
Prior Year	\$15,943	\$26,388	\$411,265	\$544,306	\$676,180	\$807,144	\$941,078	\$1,074,647	\$1,207,075	\$1,338,642	\$1,698,059	\$1,678,657
Change	\$126,907	\$373,285	\$165,122	\$224,210	\$284,465	\$345,630	\$403,825	\$462,385	\$522,086	\$582,648	\$415,360	\$436,782

59400	Maintenance Underground Lines	\$6,785	\$13,630	\$26,417	\$37,641	\$53,959	\$68,514	\$96,358	\$117,066	\$132,572	\$161,735	\$191,937	\$224,724
	Prior Year	\$15,328	\$33,491	\$52,962	\$75,470	\$95,183	\$112,755	\$126,360	\$142,987	\$150,536	\$162,633	\$174,196	\$183,200
	Change	-\$8,543	-\$19,861	-\$26,544	-\$37,829	-\$41,223	-\$44,241	-\$30,002	-\$25,922	-\$17,963	-\$898	\$17,741	\$41,524
59500	Maintenance Line Transformers	\$3,203	\$4,527	\$4,880	\$14,307	\$14,482	\$15,487	\$19,972	\$20,629	\$23,066	\$23,066	\$23,066	\$42,102
	Prior Year	\$466	\$466	\$4,088	\$5,662	\$9,785	\$13,548	\$13,761	\$17,034	\$24,759	\$23,066	\$25,761	\$25,786
	Change	\$2,737	\$4,061	\$792	\$8,646	\$4,698	\$1,939	\$6,211	\$3,595	-\$1,694	-\$2,696	-\$2,696	\$16,315
59600	Maintenance Street Lighting	\$4,952	\$9,640	\$17,887	\$27,583	\$29,718	\$43,615	\$50,388	\$53,645	\$56,099	\$66,025	\$69,516	\$78,294
	Prior Year	\$7,153	\$12,759	\$19,938	\$31,568	\$39,142	\$42,690	\$46,181	\$43,574	\$47,130	\$53,121	\$56,070	\$61,371
	Change	-\$2,201	-\$3,119	-\$2,051	-\$3,985	-\$9,424	-\$925	\$4,207	\$10,071	\$8,969	\$12,904	\$13,446	\$16,923
59700	Maintenance Meters	\$2,108	\$3,437	\$5,033	\$6,494	\$8,153	\$10,637	\$14,056	\$16,154	\$18,236	\$23,226	\$26,736	\$28,921
	Prior Year	\$5,270	\$8,946	\$10,671	\$14,450	\$17,877	\$20,994	\$23,971	\$28,727	\$32,291	\$34,374	\$36,780	\$39,152
	Change	-\$3,162	-\$5,509	-\$5,639	-\$7,956	-\$9,724	-\$10,357	-\$9,915	-\$12,574	-\$14,055	-\$11,148	-\$10,044	-\$10,231
59800	Maintenance Security Lights	\$28,431	\$46,332	\$62,724	\$75,235	\$85,854	\$97,973	\$112,737	\$129,050	\$143,940	\$161,024	\$188,124	\$214,334
	Prior Year	\$15,397	\$35,721	\$48,972	\$61,218	\$73,426	\$86,723	\$101,525	\$114,800	\$132,455	\$145,741	\$161,926	\$177,063
	Change	\$13,034	\$10,611	\$13,752	\$14,017	\$12,428	\$11,250	\$11,211	\$14,251	\$11,484	\$15,283	\$26,198	\$37,272
90100	Supervision	\$10,766	\$21,247	\$31,420	\$40,094	\$52,239	\$62,863	\$75,804	\$90,649	\$102,979	\$116,894	\$131,631	\$146,182
	Prior Year	\$8,767	\$17,573	\$27,233	\$35,598	\$45,200	\$55,249	\$64,638	\$74,855	\$84,157	\$93,107	\$103,599	\$112,576
	Change	\$1,999	\$3,674	\$4,188	\$4,496	\$7,039	\$7,614	\$11,167	\$15,795	\$18,822	\$23,788	\$28,032	\$33,606
90200	Meter Reading Expense	\$49,338	\$69,594	\$91,059	\$106,453	\$116,415	\$119,096	\$121,795	\$123,016	\$123,917	\$125,052	\$125,987	\$126,639
	Prior Year	\$40,754	\$73,730	\$109,377	\$141,345	\$174,533	\$207,782	\$236,744	\$272,448	\$300,858	\$330,973	\$354,439	\$380,511
	Change	\$8,585	-\$4,135	-\$18,318	-\$34,892	-\$58,119	-\$88,686	-\$114,948	-\$149,433	-\$176,941	-\$205,921	-\$228,451	-\$253,872
90300	Customer Records & Collecting	\$124,216	\$269,503	\$425,747	\$573,985	\$729,159	\$873,545	\$1,016,294	\$1,164,193	\$1,301,262	\$1,446,048	\$1,588,363	\$1,753,544
	Prior Year	\$127,262	\$261,862	\$413,865	\$549,651	\$684,753	\$811,789	\$942,752	\$1,068,082	\$1,207,223	\$1,347,910	\$1,491,502	\$1,619,783
	Change	-\$3,047	\$7,642	\$11,882	\$24,334	\$44,406	\$61,756	\$73,542	\$96,111	\$94,039	\$98,138	\$96,860	\$133,761
90310	Cash Over/Short	\$27	-\$78	-\$134	-\$154	-\$80	-\$58	\$489	\$93	\$25	\$203	\$200	\$284
	Prior Year	-\$37	\$56	-\$15	-\$44	-\$80	-\$41	-\$98	\$60	-\$126	-\$163	-\$174	-\$179
	Change	\$64	-\$134	-\$120	-\$110	-\$39	\$40	\$429	\$219	\$236	\$366	\$374	\$463
90400	Uncollectible Accounts	\$17,123	\$25,366	\$38,450	\$63,468	\$118,062	\$155,829	\$204,507	\$251,848	\$266,603	\$288,682	\$332,019	\$355,319
	Prior Year	\$24,903	\$41,162	\$56,430	\$112,013	\$160,359	\$215,184	\$259,481	\$289,935	\$306,021	\$339,851	\$364,505	\$386,822
	Change	-\$7,780	-\$15,797	-\$17,980	-\$48,545	-\$42,297	-\$59,355	-\$54,974	-\$38,087	-\$39,418	-\$51,169	-\$32,486	-\$31,503
90800	Customer Assistance Expense	\$11,543	\$23,042	\$36,763	\$46,273	\$55,497	\$64,685	\$79,482	\$92,387	\$103,248	\$114,945	\$124,236	\$138,655
	Prior Year	\$10,939	\$21,941	\$34,392	\$42,758	\$51,467	\$57,608	\$67,210	\$75,255	\$85,782	\$94,773	\$104,988	\$117,973
	Change	\$604	\$1,102	\$2,371	\$3,515	\$4,031	\$7,077	\$12,272	\$17,131	\$17,466	\$20,172	\$19,249	\$20,682
90900	Informational Advertising	\$2,125	\$3,319	\$4,458	\$5,591	\$6,475	\$7,568	\$8,563	\$9,980	\$10,851	\$11,829	\$12,673	\$13,416
	Prior Year	\$2,182	\$2,507	\$2,949	\$2,949	\$2,949	\$2,854	\$5,506	\$7,911	\$8,789	\$11,647	\$14,766	\$16,751
	Change	-\$57	\$813	\$1,509	\$2,641	\$3,525	\$4,715	\$3,057	\$2,069	\$2,063	\$183	-\$2,094	-\$3,335
91000	Miscellaneous Service Expense	\$3,296	\$8,413	\$12,972	\$15,636	\$20,361	\$23,497	\$26,248	\$29,487	\$32,459	\$35,779	\$38,605	\$41,277
	Prior Year	\$964	\$2,655	\$3,245	\$3,875	\$4,392	\$6,521	\$10,177	\$14,155	\$17,589	\$21,805	\$25,169	\$28,123
	Change	\$2,332	\$5,758	\$9,728	\$11,761	\$15,970	\$16,976	\$16,071	\$15,332	\$14,871	\$13,974	\$13,435	\$13,154
91200	Demonstration & Selling Expense	\$4,196	\$9,943	\$15,740	\$18,678	\$22,350	\$25,299	\$29,335	\$30,354	\$34,629	\$36,602	\$37,566	\$39,329
	Prior Year	\$4,199	\$6,679	\$10,073	\$13,175	\$16,572	\$20,600	\$24,944	\$29,533	\$34,271	\$37,153	\$43,000	\$46,472
	Change	-\$3	\$3,264	\$5,667	\$5,503	\$5,779	\$4,699	\$4,392	\$821	\$358	-\$551	-\$5,434	-\$7,142
91230	Member Services Public relations	\$16,017	\$31,666	\$52,514	\$71,508	\$93,946	\$119,140	\$158,961	\$192,219	\$235,388	\$269,334	\$305,245	\$346,843
	Prior Year	\$12,984	\$24,141	\$43,518	\$60,405	\$75,710	\$104,456	\$114,771	\$139,834	\$165,993	\$190,449	\$212,070	\$259,888
	Change	\$3,032	\$7,526	\$8,996	\$11,102	\$18,236	\$14,685	\$44,189	\$52,385	\$69,394	\$78,885	\$193,175	\$286,954
91240	Marketing	\$48,477	\$94,456	\$171,504	\$209,528	\$244,936	\$268,760	\$347,298	\$383,661	\$398,301	\$441,091	\$478,234	\$416,554
	Prior Year	\$73,291	\$138,602	\$198,828	\$261,255	\$309,504	\$350,211	\$391,011	\$420,217	\$455,583	\$505,338	\$548,557	\$565,410

Change	-\$24,814	-\$44,147	-\$27,324	-\$51,727	-\$64,567	-\$81,451	-\$43,713	-\$36,556	-\$57,282	-\$64,247	-\$70,323	-\$148,856
91300 Advertising Expenses	\$2,572	\$4,770	\$13,614	\$16,611	\$20,963	\$26,153	\$29,678	\$35,305	\$39,790	\$42,053	\$44,672	\$45,150
Prior Year	\$9,708	\$12,958	\$18,389	\$20,827	\$25,555	\$26,016	\$29,603	\$26,875	\$29,513	\$32,034	\$35,340	\$38,227
Change	-\$7,136	-\$8,188	-\$4,774	-\$4,216	-\$4,591	\$137	\$75	\$8,430	\$10,277	\$10,019	\$9,332	\$6,923
92000 Admin & General Expense	\$158,012	\$325,866	\$492,856	\$669,592	\$823,912	\$964,028	\$1,135,168	\$1,333,116	\$1,496,654	\$1,691,435	\$1,928,144	\$2,104,434
Prior Year	\$129,130	\$302,686	\$468,465	\$626,158	\$804,484	\$966,512	\$1,128,782	\$1,295,777	\$1,453,954	\$1,596,355	\$1,756,599	\$1,905,864
Change	\$28,882	\$23,180	\$24,392	\$43,435	\$19,429	-\$2,484	\$6,387	\$37,339	\$42,700	\$95,080	\$171,545	\$198,570
92010 Admin & General - Consolidation	\$0	\$29,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$29,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92012 Key Accounts Expense	\$14,126	\$24,865	\$36,622	\$46,734	\$55,375	\$64,006	\$73,644	\$85,010	\$100,390	\$109,423	\$120,058	\$132,760
Prior Year	\$6,645	\$14,221	\$20,921	\$26,552	\$30,556	\$38,560	\$48,252	\$64,811	\$74,173	\$83,225	\$93,057	\$102,047
Change	\$7,480	\$10,644	\$15,700	\$20,183	\$24,819	\$25,446	\$25,392	\$20,199	\$26,217	\$26,198	\$27,002	\$30,713
92100 Office Supplies and Expenses	\$23,201	\$50,232	\$90,780	\$125,771	\$145,059	\$178,837	\$204,434	\$237,372	\$265,660	\$293,616	\$312,822	\$336,782
Prior Year	\$37,809	\$73,510	\$102,646	\$134,645	\$165,759	\$188,901	\$226,867	\$267,519	\$294,692	\$321,198	\$355,812	\$389,865
Change	-\$14,607	-\$23,278	-\$11,866	-\$8,875	-\$20,700	-\$10,064	-\$22,433	-\$30,147	-\$29,033	-\$27,582	-\$42,990	-\$53,083
92300 Outside Services	\$17,016	\$33,768	\$51,101	\$71,046	\$87,677	\$105,054	\$131,274	\$148,234	\$193,604	\$228,284	\$244,929	\$186,304
Prior Year	\$26,577	\$52,190	\$75,400	\$99,668	\$123,592	\$151,988	\$173,352	\$215,734	\$246,620	\$269,610	\$292,915	\$193,099
Change	-\$9,561	-\$18,422	-\$24,299	-\$28,622	-\$35,915	-\$46,933	-\$42,078	-\$67,500	-\$53,216	-\$41,526	-\$47,986	-\$6,794
92500 Injuries and Damages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92600 Employee Pensions & Benefits	\$264	\$250	\$310	\$388	\$359	\$264	\$636	\$824	\$603	\$619	\$808	\$769
Prior Year	\$269	\$296	\$276	\$300	\$300	\$298	\$594	\$414	\$324	\$282	\$392	\$0
Change	-\$5	-\$47	\$34	\$88	\$58	-\$35	\$42	\$410	\$280	\$337	\$416	\$70
92800 Regulatory Commission Expense	\$7,361	\$14,723	\$22,084	\$29,445	\$36,807	\$44,168	\$52,156	\$60,143	\$68,130	\$76,118	\$84,105	\$92,092
Prior Year	\$6,354	\$12,708	\$19,063	\$25,417	\$31,771	\$38,125	\$45,487	\$52,848	\$60,209	\$67,571	\$74,932	\$82,294
Change	\$1,007	\$2,014	\$3,021	\$4,029	\$5,036	\$6,043	\$6,669	\$7,295	\$7,921	\$8,547	\$9,173	\$9,799
92900 Duplicate Charge Credits	-\$6,922	-\$15,090	-\$20,962	-\$26,397	-\$31,649	-\$36,737	-\$42,213	-\$48,102	-\$53,520	-\$59,482	-\$66,352	-\$74,891
Prior Year	-\$4,388	-\$8,932	-\$13,034	-\$16,260	-\$19,963	-\$24,444	-\$29,205	-\$34,189	-\$37,854	-\$43,244	-\$48,884	-\$55,013
Change	-\$2,534	-\$6,158	-\$7,928	-\$10,136	-\$11,686	-\$12,292	-\$13,009	-\$13,913	-\$15,665	-\$16,238	-\$17,468	-\$19,879
93010 General Advertising Expense	\$19,532	\$18,522	\$59,288	\$78,551	\$105,427	\$124,539	\$143,849	\$164,172	\$184,544	\$205,016	\$225,558	\$246,146
Prior Year	\$18,316	\$36,893	\$55,514	\$74,189	\$101,123	\$120,106	\$138,928	\$157,872	\$176,837	\$195,917	\$215,113	\$234,968
Change	\$1,216	-\$18,372	\$3,773	\$4,362	\$4,304	\$4,433	\$4,921	\$6,300	\$7,707	\$9,099	\$10,445	\$11,178
93020 Miscellaneous General Expense	\$7,517	\$8,575	\$12,440	\$10,901	\$20,804	\$31,898	\$38,327	\$42,300	\$44,102	\$59,974	\$72,945	\$103,275
Prior Year	\$1,947	\$5,919	\$9,088	\$11,033	\$16,564	\$30,196	\$47,599	\$60,451	\$68,095	\$78,172	\$90,950	\$125,705
Change	\$5,570	\$2,657	\$3,352	-\$132	\$4,240	\$1,702	-\$9,272	-\$18,151	-\$23,993	-\$18,197	-\$18,005	-\$22,430
93030 Board of Directors Expense	\$21,643	\$41,097	\$59,448	\$75,480	\$99,527	\$118,548	\$140,872	\$154,339	\$173,209	\$193,794	\$219,383	\$244,300
Prior Year	\$16,805	\$39,360	\$67,478	\$93,210	\$115,305	\$136,976	\$158,192	\$175,215	\$189,757	\$212,896	\$235,329	\$247,571
Change	\$4,838	\$1,737	-\$8,029	-\$17,730	-\$15,773	-\$18,428	-\$17,320	-\$20,875	-\$16,549	-\$19,102	-\$15,946	-\$3,270
93040 Dues Pd Associated Org.	\$12,233	\$33,232	\$49,360	\$65,068	\$79,912	\$95,128	\$109,891	\$124,771	\$140,031	\$155,153	\$172,215	\$195,039
Prior Year	\$15,605	\$32,237	\$47,570	\$62,588	\$77,308	\$91,683	\$106,011	\$121,746	\$140,031	\$155,153	\$166,043	\$185,642
Change	-\$3,372	\$995	\$1,789	\$2,480	\$2,604	\$3,444	\$3,880	\$3,025	\$2,692	\$3,188	\$4,172	\$9,396
93060 Annual Meeting Expense	\$10,967	\$21,934	\$32,901	\$43,868	\$54,835	\$65,802	\$76,769	\$87,736	\$98,703	\$109,670	\$120,637	\$150,786
Prior Year	\$9,598	\$19,196	\$28,794	\$38,392	\$47,990	\$57,588	\$67,186	\$76,784	\$86,382	\$95,980	\$105,578	\$108,921
Change	\$1,369	\$2,738	\$4,107	\$5,476	\$6,845	\$8,214	\$9,583	\$10,952	\$12,321	\$13,690	\$15,059	\$41,864

93200 Maintenance of General Plant	\$38,384	\$78,745	\$119,027	\$168,478	\$199,856	\$243,859	\$283,336	\$320,005	\$357,298	\$390,926	\$423,722	\$465,863
Prior Year	\$28,199	\$54,826	\$84,712	\$117,144	\$147,615	\$182,231	\$223,811	\$264,622	\$302,119	\$330,675	\$366,642	\$397,767
Change	\$10,185	\$23,919	\$34,315	\$51,334	\$52,241	\$61,629	\$59,526	\$55,383	\$55,179	\$60,250	\$57,080	\$68,097

ACCOUNT	DESCRIPTION	AMOUNT
107.00	CONST-WIP-SPREAD	0.00
107.01	CONST-WIP-CLEARING	0.00
107.20	CONSTRUCTION-WORK IN PROGRESS	7,831,342.52
107.30	CONSTRUCTION-WIP-SPECIAL EQUIP	0.00
107.31	SPECIAL EQUIP-CONDUCTORS A/C 365	0.00
107.32	SPEC EQUIP-TRANSFORMERS-A/C 368	0.00
107.33	SPEC EQUIP-PADMOUNT TRSF-A/C3681	0.00
107.34	SPEC EQUIP-METERS-A/C 370	0.00
107.35	AUTOMATED METER READING DEVICES	0.00
108.00	RETIREMENT-WIP-SPREAD	163.99-
108.54	Acc Depr-AMR meters-a/c 370.01	365,391.18-
108.55	ACCUM DEPR-STORES EQUIP	1,143.12-
108.56	ACC DEPR-STATION EQUIPMENT	7,448.99-
108.57	ACC DEPR-SCADA-R T U	212,339.70-
108.58	ACC DEPR-SCADA-SYSTEM EQUIP	433,133.77-
108.59	ACC DEPR-OFFICE EQUIPMENT	1,761,617.41-
108.60	ACC DEPR-POLES, TOWERS, FIXTURES	12,227,838.38-
108.61	ACC DEPR-OVERHEAD LINES	6,177,619.27-
108.62	ACC DEPR-UNDERGROUND CONDUCTORS	933,897.48-
108.63	ACC DEPR-LINE TRANSFORMERS	5,508,401.45-
108.64	ACC DEPR-PADMOUNT TRANSFORMERS	1,647,439.82-
108.65	ACC DEPR-OVERHEAD SERVICES	1,458,985.00-
108.66	ACC DEPR-UNDERGROUND SERVICES	2,578,417.48-
108.67	ACC DEPR-METERS	231,889.42-
108.68	ACC DEPR-INST ON CONS PREMISES	779,558.84-
108.69	ACC DEPR-STREET LIGHTING	697,651.78-
108.70	ACC DEPR-STRUCTURES AND EQUIP	1,325,164.97-
108.71	ACC DEPR-OFFICE FURNITURE	122,832.25-
108.72	ACC DEPR-LIGHT VEHICLES	1,051,792.88-
108.73	ACC DEPR-HEAVY VEHICLES	891,412.90-
108.74	ACC DEPR-TOOLS	201,947.33-
108.75	ACC DEPR-LABORATORY EQUIP	114,065.17-
108.76	ACC DEPR-POWER OPERATED EQUIP	233,536.41-
108.77	ACC DEPR-COMMUNICATION EQUIP	586,928.28-
108.78	ACC DEPR-MISCELLANEOUS EQUIP	122,618.82-
108.79	ACC DEPR-OTHER TRANS EQUIPMENT	46,364.31-
108.80	RETIREMENT-WORK IN PROGRESS	670,040.85
123.00	INVESTMENTS IN ASSOC ORGANIZATIO	15,000.00
123.01	DELETE/RECLASS	0.00
123.02	DELETE/RECLASS	0.00
123.03	DELETE/RECLASS	0.00
123.10	PATRONAGE CAPITAL-EKP	17,503,691.24
123.11	PATRONAGE CAPITAL-KAEC	123,490.07
123.12	PATRONAGE CAPITAL-CFC	485,165.85
123.13	PATRONAGE CAPITAL-UUS	910,834.87
123.14	PATRONAGE CAPITAL-CADP	57,717.73
123.15	PATRONAGE CAPITAL-SEDC	46,934.10
123.16	PATRONAGE CAPITAL-KTI	0.00
123.17	VOID	0.00

ACCOUNT	DESCRIPTION	AMOUNT
123.18	PATRONAGE CAPITAL-NRTC	7,840.18
123.21	Inv-Hunt Technologies L.P.	0.00
123.22	INV IN CAPITAL TERM CERT-CFC	2,005,783.96
123.23	OTHER INV IN ASSOC ORGANIZATIONS	18,805.67
123.24	INVESTMENT-KTI STOCK	0.00
123.25	PATRONAGE CAPITAL-FEDERATED INS	235,251.98
123.26	INVESTMENT-KTI LOAN	0.00
123.27	INVESTMENT-ENVISION ENERGY SVC	21,217.62
124.00	OTHER INVESTMENTS	0.00
131.00	13101	0.00
131.01	KENTUCKY BANK-PAYROLL	0.00
131.02	CASH-KENTUCKY BANK	751,127.90
131.03	CASH-KY BANK-BILLING REFUND	17,949.49
131.04	KY BANK-PAYROLL ACCT	26,796.71
131.05	KY BANK-HARRISON DISTRICT	775,704.94
131.06	1ST NATL BANK-BROOKSVILLE	10,113.18
131.10	Void-Do not use	0.00
131.15	CASH-FARMERS BANK-HARRISON CO	0.00
131.20	CASH-FARMERS BANK-JESSAMINE CO	11,325.50
131.30	Void-Do not use	0.00
131.31	CASH-KY BANK-CAPITAL CREDIT REF	679.30
131.40	CASH-PEOPLES BANK	120,555.24
131.50	CASH-CENTRAL BANK	20,404.62
131.60	CASH-CITIZENS NATIONAL BANK	17,916.55
131.70	CASH-ANDERSON NATL BANK	0.00
131.80	CASH-LAWRENCEBURG NATL BANK	0.00
131.85	CASH-FARMERS BANK (FRANKLIN CO)	18,905.76
131.90	CASH-UNITED BANK	7,345.01
131.95	Cash-Town Square Bank	3,130.16
132.10	CASH-RUS CONST FUND--NATL CITY	0.00
132.11	CASH-RUS CONST FUND--KY BANK	0.00
133.00	TRANSFER OF CASH	0.00
135.00	WORKING FUNDS	3,000.00
136.00	TEMPORARY CASH INVESTMENTS	0.00
136.01	MONEY MKT-ANDERSON BANK	0.00
136.02	CASH-LBURG MONEY MKT ACCT	55,414.38
142.00	ACCOUNTS RECEIVABLE-CONSUMER	4,421,680.08
142.01	A/R-EKP Fuel Adj Recievable	91,604.20-
142.02	A/R-EKP Environmental Surcharge	422,011.96-
142.05	A/R-LONG TERM ARRANGEMENTS	14,547.06
142.10	RETURNED CHECKS-1ST NATIONAL BNK	0.00
142.11	RETURNED CHECKS-KENTUCKY BANK	63.12-
142.12	RETD CHECKS-KY BANK-HARRISON	4,650.83
142.20	ACCTS REC-EKP ECONOMIC DEV LOAN	0.00
142.50	RETURNED CHECKS-PEOPLES BANK	767.77
142.55	RETD CHECKS-LAWRENCEBURG NATL	132.39-
142.60	LOANS TO MEMBERS-ENERGY CONS.	44,205.43
142.61	LOAN-WATER HEATER/ELEC FIREPLACE	0.00
142.70	A/R-COMMUNITY ACTION-JESSAMINE	53,315.97-

ACCOUNT	DESCRIPTION	AMOUNT
142.71	A/R-COMMUNITY ACTION-MADISON CO	4,872.39
142.72	A/R-COMMUNITY ACTION-FOX CREEK	2,370.77
142.73	A/R-COMMUNITY ACTION-HARRISON	73,165.48
143.00	ACCOUNTS RECEIVABLE-OTHER	957,087.40
143.01	FEMA RECEIVABLE	8,462.18
143.02	OTHER ACC REC-FOX CREEK	0.00
143.03	A/R-EKP-INDUSTRIAL DEV LOAN	0.00
143.10	A/R-MAJOR MEDICAL AND RET	7,453.37
143.20	ACCOUNTS RECEIVABLE-OTHER	0.00
143.30	A/R-BGAD	0.00
144.20	UNCOLLECTABLE ACCOUNTS	176,015.01-
144.30	UNCOLLECTABLE ACCTS-OTHER	2,000.00-
154.00	MATERIALS	1,261,659.27
154.01	CONSIGNED POLES	22,171.72-
154.10	GASOLINE-STOCK ACCT	12,842.10
154.60	DTV INVENTORY	0.00
155.00	MATERIAL-RESALE	0.00
155.01	OTHER SUPPLIES	0.00
163.00	STORES EXPENSE-CLEARING	0.00
165.10	PREPAYMENTS	0.00
165.11	PREPAYMENTS-FEDERATED INSURANCE	253,322.00
165.12	PREPAYMENTS-EMP INS CONTRIBUTION	1,726.98
165.13	PREPAYMENT-BILLING SUPPLIES	0.00
165.14	PREPAYMENT-WORKMANS COMP INS	165,249.00
165.15	Long Term Care Insurance	108.84-
165.20	PREPAYMENTS-OTHER	58,001.70
165.21	PREPAYMENT-QEI MAINTENANCE CONT.	8,733.92
165.22	PREPAYMENT-PORCHE MAINTENANCE	2,737.46
165.23	PREPAYMENT-E&H-PHONE MAINTENANCE	5,692.27
165.24	Prepayment-ESRI maint. contract	1,289.75
165.25	Prepayment-UAI software maint	0.00
171.00	ACCRUED INTEREST AND DIVIDENDS	0.00
176.20	REA CONSTRUCTION NOTES	0.00
176.21	RUS-FFB NOTES	0.00
176.30	CFC CONSTRUCTION NOTES	0.00
181.00	UNAMORTIZED LOAN EXPENSE	0.00
183.00	PREL SURVEY AND INVESTIGATION	72,842.00
184.00	TRANSPORTATION-OVERHEAD	0.00
184.10	TRANSPORTATION EXPENSE-CLEARING	35.36
186.00	MISC DEFERRED DEBITS	54,476.56
186.01	MISC DEFERRED DEBITS-LABOR	0.00
186.02	DEF DEBIT-EARLY RETIRE INCENTIVE	0.00
186.03	FIELD INSPECTION-MAPPING SYSTEM	159,402.27
186.07	DEF CHG/PAST SERVICE COST	0.00
186.20	DEF DEBITS-LABOR AND WAGES	0.00
200.10	MEMBERSHIPS	1,009,235.30-
200.20	INACTIVE MEMBERSHIPS	9,620.00-
201.00	PATRONAGE CAPITAL CREDITS	136.26-
201.10	PAT CAPITAL CREDITS-ASSIGNED	43,503,825.96-

ACCOUNT	DESCRIPTION	AMOUNT
201.20	PAT CAPITAL CREDITS-ASSIGNABLE	0.00
201.30	PRIOR YEARS DEFICITS	2,006,118.87
208.00	DONATED CAPITAL	315,799.21-
217.00	RETIRED CAPITAL CREDITS-GAIN	2,896,257.96-
218.00	CAPITAL GAINS AND LOSSES	8,381.10-
219.10	OPERATING MARGINS	96,485.32-
219.11	OTHER MARGINS-EKP CAPITAL CREDIT	0.00
219.12	OTHER MARGINS-KAEC CAP CREDITS	0.00
219.13	OTHER MARGINS	0.00
219.20	NON OPERATING MARGINS	62,513.47-
219.30	PRIOR YEARS DEFICITS	0.00
224.15	LT DEBT-NRECA-PENSION UPGRADE-FC	0.00
224.20	RUS LONG TERM DEBT	40,929,043.77-
224.21	RUS-FFB DEBT	34,836,930.06-
224.60	ADVANCE PAYMENT UNAPPLIED-LTD	0.00
228.20	CFC LONG TERM DEBT	24,384,102.75-
228.21	CFC DEBT-LINE OF CREDIT	13,200,000.00-
228.22	EKP DEBT-MARKETING LOANS	0.00
228.30	ACCRUED POSTRETIREMENT BENEFIT	5,440,539.51-
231.00	NOTES PAYABLE-HARRISON/EKP	0.00
232.01	HARRISON-ACCRUED PAYROLL	0.00
232.10	ACCOUNTS PAYABLE	988,514.85-
232.12	ACCOUNTS PAYABLE WINTERCARE	111.52-
232.13	CFC-ZTC PAYABLE	0.00
232.30	ACCOUNTS PAYABLE-OTHER	7,267,594.39-
232.31	DEFERRED COMPENSATION	0.00
232.32	WAGE GARNISHMENT	746.58
232.33	PUBLIC RELATIONS-BASS TOURNAMENT	0.00
232.40	ACCOUNTS PAYABLE-CREDIT UNION	0.20
232.50	BOONES TRACE SEWER SYST. PAYABLE	0.00
235.10	CONSUMER DEPOSITS	1,413,701.81-
236.10	ACCRUED PROPERTY TAX	0.00
236.20	ACCRUED FED UNEMP TAX	236.05-
236.30	ACCRUED F.I.C.A.	0.07
236.40	ACCRUED STATE UNEMP TAX	156.16-
236.50	ACCRUED KY SALES TAX	108,024.92-
236.60	ACCRUED SCHOOL TAX	235,432.13-
236.70	MADISON CO OCCUPATIONAL TAX	0.00
236.71	LOCAL OCCUPATIONAL TAX PAYABLE	8,603.95-
236.72	RICHMOND CITY OCCUPATIONAL TAX	0.00
236.73	ELECTRICAL INSPECT.FEE PAYABLE	0.00
236.80	ACCRUED FRANCHISE FEE-NICHOLASVI	19,855.53-
236.81	ACCRUED FRANCHISE FEE-L'BURG	1,737.82-
236.82	ACCRUED FRANCHISE FEE-FAYETTE CO	23,926.24-
236.83	Accrued Fran Fee-Harrodsburg	3,449.09-
236.90	ACCRUED FRANCHISE FEE-BEREA	25,699.82-
237.10	ACCRUED INTEREST-REA DEBT	13.92
237.11	ACCRUED INTEREST-RUS FFB LOAN	0.00
237.20	ACCRUED INTEREST-CFC	110,000.00-

ACCOUNT	DESCRIPTION	AMOUNT
237.30	INT PAYABLE-CFC LINE OF CREDIT	0.00
238.10	PATRONAGE CAPITAL PAYABLE	0.00
240.10	ACCRUED INTEREST-CONS DEPOSITS	22,843.48-
241.00	TAX PAYABLE-FEDERAL WITHOLDING	0.00
241.10	TAX PAYABLE-STATE WITHOLDING	12,555.11-
242.05	NRECA/401K LOAN	0.00
242.10	ACCRUED PAYROLL	284,508.47-
242.40	ACCRUED VACATION	259,461.77-
242.50	OTHER CURRENT & ACCRUED LIABILIT	0.00
242.51	ACC LIAB-CTC INV FROM CFC	0.00
242.52	ACC LIAB-CONVERSION FEE CFC LOAN	0.00
242.53	LIABILITY-EARLY RETIRE INCENTIVE	0.00
242.54	ACC LIABILITY-BENCHMARKING	0.00
242.60	ACCRUED SICK LEAVE	233,999.26-
242.70	ACCRUED POSTRETIREMENT BENEFIT	0.00
252.00	MEMBER ADVANCES FOR CONSTRUCTION	440,647.75-
253.00	DEFERRED CREDITS	0.00
253.20	DEF CREDIT-PREPAID SECURITY LGT	0.00
253.50	UNITED WAY PAYROLL DEDUCTION	157.00
253.60	401 K EMPLOYEE PAY DEDUCTION	23.41-
253.70	ACRE PAYROLL DEDUCTION	870.00-
254.00	DEF CREDIT-ANNUAL MEETING	0.00
254.01	ANNUAL MEETING-ELECTION	0.00
254.02	ANNUAL MEETING-SCHOLARSHIP	0.00
362.00	STATION EQUIPMENT	1,366,290.29
362.10	SCADA-REMOTE TERMINAL UNITS	297,063.91
364.00	POLES, TOWERS, FIXTURES	44,666,313.57
365.00	OVERHEAD CONDUCTORS & DEVICES	36,480,849.13
367.00	UNDERGROUND CONDUCTORS & DEVICES	9,278,852.95
368.00	LINE TRANSFORMERS	19,290,897.89
368.10	LINE TRANSFORMERS-PADMOUNT	8,058,605.23
369.00	OVERHEAD SERVICES	8,623,079.28
369.10	UNDERGROUND SERVICES	14,874,801.61
370.00	METERS	362,426.71
370.01	AUTO MTR READING DEVICES-TURTLE	6,200,799.75
371.00	INSTALLATION-CONSUMER PREMISES	3,992,823.20
373.00	STREET LIGHTING	2,245,829.55
389.00	LAND AND LAND RIGHTS	644,267.13
390.00	STRUCTURES AND IMPROVEMENTS	7,209,101.67
390.50	OFFICE BLDG-PROGRESS BILLINGS	0.00
391.00	OFFICE FURNITURE	653,001.52
391.10	OFFICE EQUIPMENT	2,241,053.00
392.00	TRANS EQUIP-LIGHT VEHICLES	1,740,480.48
392.10	TRANS EQUIPMENT-HEAVY VEHICLES	2,329,212.85
392.20	TRANS EQUIPMENT-OTHER	97,966.20
393.00	STORES EQUIPMENT	5,871.48
394.00	TOOLS	345,751.71
395.00	LABORATORY EQUIPMENT	180,172.25
396.00	POWER OPERATED EQUIPMENT	430,259.24

ACCOUNT	DESCRIPTION	AMOUNT
397.00	COMMUNICATION EQUIPMENT	823,405.63
398.00	MISCELLANEOUS EQUIPMENT	196,728.21
403.60	DEPR EXPENSE-DISTRIBUTION PLANT	5,040,829.14
403.70	DEPR EXPENSE-GENERAL PLANT	610,410.00
408.10	TAXES-PROPERTY	0.00
408.20	TAXES-FED UNEMPLOYMENT	0.00
408.30	TAXES-FICA	0.00
408.40	TAXES-STATE UNEMPLOYMENT	0.00
408.50	SALES TAX COMPENSATION	0.00
408.70	TAXES-OTHER	3,385.49
415.00	REVENUE FROM MERCHANDISING	174,649.74-
415.10	REVENUE-ETS	5,197.39-
416.00	COST & EXP OF MERCHANDISING	161,896.47
416.10	COST-ETS	18,305.15
417.10	EXPENSE-KTI-RURAL TV	0.00
417.20	PAYABLE-KTI-RURAL TV	0.00
417.21	DELETE	0.00
417.25	KTI-REVENUE-RTV	0.00
417.30	EXPENSE-DIRECT TV	0.00
417.40	PAYABLE-KTI-DIRECT TV	0.00
417.41	DELETE	0.00
417.45	REVENUE KTI-DTV	0.00
417.61	REVENUE-DTV BASIC PACKAGE	0.00
417.62	REVENUE-DTV DELUXE PACKAGE	0.00
417.63	REVENUE-DTV RECEIVER	0.00
417.64	REVENUE-DTV ACCESSORIES	0.00
417.65	REVENUE-DTV INSTALLATION	221.76-
417.69	DTV COST OF GOODS SOLD	0.00
417.70	SURGE PROTECTION	16,162.37
417.75	CREDIT CARD BUSINESS	2,040.22
417.80	I-CARE-REVENUE	0.00
417.81	I-CARE-EXPENSE	0.00
417.85	INTERNET BUSINESS	3,308.63
417.90	BOONES TRACE SEWER SYSTEM	0.00
417.91	BATTLEFIELD SEWER SYSTEM	0.00
417.92	CYNTHIANA HOUS. AUTH.-EMERGENCY	0.00
417.93	CYN HOUSING AUTH-NON EMERGENCY	0.00
417.94	BGAD-UESC Project	0.00
418.10	EQUITY IN EARNINGS OF SUBSIDIARY	0.00
419.00	INTEREST & DIVIDEND INCOME	76,755.22-
419.20	INTEREST & DIVIDEND INCOME-KTI	0.00
419.60	INTEREST-ENERGY CONSERV. LOANS	2,823.59-
421.00	MISCELLANEOUS NONOPERATING INCOME	0.00
421.10	GAIN ON DISPOSITION OF PROPERTY	337,321.75-
421.20	LOSS ON DISPOSITION OF PROPERTY	19,526.30
423.00	G & T CAPITAL CREDITS	0.00
424.00	OTHER CAP CREDITS & PATRONAGE AL	294,591.16-
426.10	DONATIONS	3,851.08
426.30	PENALTIES	297,000.00

ACCOUNT	DESCRIPTION	AMOUNT
426.40	EXPENDITURE FOR CIVIC, POLITICAL	9,740.64
426.50	OTHER DEDUCTIONS	1,922,944.20
426.51	OTHER DEDUCTIONS-NON ELECTRIC	0.00
427.10	INTEREST-REA LONG TERM DEBT	1,744,601.00
427.11	INTEREST-RUS FFB LOAN	1,719,242.51
427.20	INTEREST-CFC LONG TERM DEBT	1,329,790.76
428.00	AMORTIZATION OF LOAN EXPENSE	0.00
431.00	OTHER INTEREST EXPENSE	559,840.85
434.00	EXTRAORDINARY INCOME	0.00
440.10	RESIDENTIAL SALES	68,583,962.08-
442.10	COMMERCIAL SALES < 50 KVA	11,090,281.03-
442.20	COMMERCIAL SALES > 50 KVA	16,782,685.87-
444.00	PUBLIC STREET & HIGHWAY LIGHTING	230,834.49-
450.00	FORFEITED DISCOUNTS	1,130,880.18-
451.00	MISC SERVICE REVENUES	313,740.54-
454.00	RENT FROM ELECTRIC PROPERTY	799,315.43-
456.00	OTHER ELECTRIC REVENUE	62,864.45-
555.00	PURCHASED POWER	76,312,698.00
580.00	OPERATION-SUPERVISION & ENGINEER	239,363.48
581.00	LOAD DISPATCHING	0.00
582.00	STATION EXPENSE	43,819.25
583.00	OVERHEAD LINE EXPENSE	954,876.91
584.00	UNDERGROUND LINE EXPENSES	77,452.33
585.00	STREET LIGHT EXPENSE	19,813.37
586.00	METER EXPENSE	752,953.08
587.00	CONSUMER INSTALLATION EXPENSE	264,123.95
588.00	MISCELLANEOUS DISTRIBUTION EXP	412,607.33
590.00	MAINTENANCE-SUPERVISOR & ENGINEER	33,744.03
590.10	MAINTENANCE-24 HR DISPATCHING	210,156.60
591.00	MAINTENANCE-STRUCTURES	0.00
592.00	MAINTENANCE-STATION EQUIPMENT	0.00
593.00	MAINTENANCE-OVERHEAD LINES	1,419,122.54
593.10	MAINTENANCE-RIGHT OF WAY	2,115,438.88
594.00	MAINTENANCE-UNDERGROUND LINES	224,723.53
595.00	MAINTENANCE-LINE TRANSFORMERS	42,101.62
596.00	MAINTENANCE-STREET LIGHTING	78,294.19
597.00	MAINTENANCE-METERS	28,920.90
598.00	MAINTENANCE-SECURITY LIGHTS	214,334.39
599.99	DUMMY ACCT	0.00
901.00	SUPERVISION	146,182.03
902.00	METER READING EXPENSE	126,639.09
903.00	CUSTOMER RECORDS & COLLECTING EX	1,753,544.30
903.10	CASH OVER/SHORT	284.12
904.00	UNCOLLECTABLE ACCOUNTS	355,319.36
908.00	CUSTOMER ASSISTANCE EXPENSE	138,655.33
909.00	INFORMATIONAL ADVERTISING	13,416.40
910.00	MISCELLANEOUS SERVICE EXPENSE	41,277.12
912.00	DEMONSTRATION & SELLING EXPENSE	39,329.29
912.10	SCHOOL APPLIANCES	0.00

ACCOUNT	DESCRIPTION	AMOUNT
912.30	MEMBER SERVICES-PUBLIC RELATIONS	346,842.75
912.40	MARKETING	416,554.26
913.00	ADVERTISING EXPENSES	45,149.98
916.00	MISCELLANEOUS SALES EXPENSE	0.00
920.00	ADMINISTRATIVE & GEN SALARIES	2,104,433.89
920.10	ADMIN & GENERAL-CONSOLIDATION	0.00
920.11	BENCHMARKING	0.00
920.12	KEY ACCOUNTS EXPENSE	132,760.39
920.20	Y2K	0.00
921.00	OFFICE SUPPLIES AND EXPENSES	336,781.85
923.00	OUTSIDE SERVICES EMPLOYED	186,304.46
925.00	INJURIES AND DAMAGES	0.00
926.00	EMPLOYEE PENSIONS & BENEFITS	768.82
928.00	REGULATORY COMMISSION EXPENSE	92,092.32
929.00	DUPLICATE CHARGE CREDITS	74,891.45-
930.10	GENERAL ADVERTISING EXPENSE	246,146.36
930.20	MISCELLANEOUS GENERAL EXPENSE	103,274.74
930.30	BOARD OF DIRECTORS EXPENSE	244,300.39
930.40	DUES PD ASSOCIATED ORGANIZATIONS	195,038.53
930.50	TRAVEL EXPENSE	0.00
930.60	ANNUAL MEETING EXPENSE	150,785.62
932.00	MAINTENANCE OF GENERAL PLANT	465,863.49
999.99	DUMMY ACCT	0.00
	ACCOUNTS 000.00 TO 399.99	4,628,147.95-
	ACCOUNTS 400.00 TO 999.99	4,628,147.95

Blue Grass Energy
Case No. 2008 - 00011

Comparative Capital Structure (Excluding JDIC)
For the Periods as Shown
"000" Omitted

Line No.	Type of Capital	1997 10th Year		1998 9th Year		1999 8th Year		2000 7th Year		2001 6th Year		2002 5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	43,970	56%	49,418	58%	53,885	59%	57,198	60%	66,766	63%	69,740	63%
2	Short Term Debt	4,210	5%	3,768	4%	3,018	3%	3,285	3%	50	0%	334	0%
3	Memberships	872	1%	888	1%	920	1%	946	1%	969	1%	983	1%
4	Patronage Capital	30,121	38%	31,140	37%	33,130	36%	33,658	35%	37,565	36%	39,946	36%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%
6	Total Capitalization	79,173	100%	85,214	100%	90,953	100%	95,087	100%	105,350	100%	111,003	100%

Line No.	Type of Capital	2003 4th Year		2004 3rd Year		2005 2nd Year		2006 1st Year		2007 Test year		Latest Quarter Dec 31, 2007		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1	Long Term Debt	72,435	61%	76,928	61%	93,199	68%	98,606	65%	100,150	65%	100,516	66%	101,648	66%
2	Short Term Debt	2,350	2%	5,850	5%		0%	6,675	4%	13,200	9%	10,900	7%	7,881	5%
3	Memberships	999	1%	960	1%	981	1%	1,003	1%	1,019	1%	1,019	1%	1,012	1%
4	Patronage Capital	42,633	36%	42,703	34%	43,873	32%	44,932	30%	40,249	26%	41,018	27%	42,518	28%
5	Other (Itemize by type)		0%		0%		0%		0%		0%		0%	0	0%
6	Total Capitalization	118,417	100%	126,441	100%	138,053	100%	151,216	100%	154,618	100%	153,453	100%	153,059	100%

Blue Grass Energy
 Case No. 2008 - 00011
 Calculation of Average Test Period Capital Structure
 12 months ended December 31, 2007

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Memberships (e)	Common Stock (f)	Patronage Capital (g)	Total Common Equity (h)
1	Balance Beginning of Test year	151,216	98,606	6,675	1,003		44,932	
2	1st month	151,265	103,705	2,850	1,003		43,707	
3	2nd month	154,591	103,061	6,300	1,005		44,225	
4	3rd month	154,344	103,005	5,150	1,006		45,183	
5	4th month	154,247	102,804	7,250	1,009		43,184	
6	5th month	152,341	102,172	6,850	1,010		42,309	
7	6st month	153,217	102,111	8,225	1,014		41,867	
8	7th month	153,321	101,907	8,825	1,015		41,574	
9	8th month	151,835	101,285	8,875	1,017		40,658	
10	9th month	153,027	101,224	8,750	1,018		42,035	
11	10th month	152,991	101,014	9,050	1,019		41,908	
12	11th month	152,750	100,383	10,450	1,020		40,897	
13	12th month	154,618	100,150	13,200	1,019		40,249	
14	Total (Line 1 through Line 13)	1,989,763	1,321,427	102,450	13,158	0	552,728	0
15	Average balance (Line 14/13)	153,059	101,648	7,881	1,012	0	42,518	0
16	Average capitalization ratios	100%	66%	5%	1%	0%	28%	0%
17	End of period capitalization ratios	100%	65%	9%	1%	0%	26%	0%