




Blue Grass Energy

A Touchstone Energy Cooperative 

RATE CASE # 2008-00011

APPLICATION

VOLUME 2

RECEIVED

APR 11 2008

PUBLIC SERVICE
COMMISSION

1201 Lexington Road
P O Box 990
Nicholasville KY 40340
(859) 885-4191

Innovation Integrity

Commitment
to Community

Accountability

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 11 2008

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF)
ADJUSTMENT OF RATES)
OF BLUE GRASS ENERGY)
COOPERATIVE CORPORATION)

NO. 2008 - 00011

PETITION FOR CONFIDENTIALITY

Blue Grass Energy Cooperative Corporation petitions the Public Service Commission for confidential treatment of Exhibits 1 and 2 of petitioner's application for rate adjustment and that any further references to salary and wage information about employees of Blue Grass Energy be kept confidential. (807 KAR 5:001, Section 7).

The confidential material is excluded under the provisions of KRS 61.878(1)(a) and KRS 61.878 (1)(c)(1), as follows:

KRS 61.878(1)(a) excludes from inspection and disclosure of "information of a personal nature where the public disclosure thereof would constitute a clearly unwarranted invasion of personal privacy".

KRS 61.878 (1)(c)(1) excludes "records confidentially disclosed to an agency or required to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records."

The information in Exhibits 1 and 2 of the application for rate adjustment includes the salaries and wages earned by employees of the cooperative. This information and any future references by date requests and otherwise should be kept confidential and personal nature as protected by KRS 61.878(1)(a) and KRS 61.878(1)(c)(1).

WHEREFORE, BLUE GRASS ENERGY COOPERATIVE CORPORATION petitions pursuant to 807 KAR 5:001, Section 7 for the PCS to treat as confidential all information regarding employee wages and salaries contained in Exhibits 1 and 2 of its Application for Rate Adjustment and in any other filings or documents containing such information. A copy of the confidential material notated but visible is filed, together with ten (10) copies of the material redacted.

A copy of this petition has been served upon the Office of the Kentucky Attorney General.

Dated: April 11, 2008.



HOWARD DOWNING
109 South First Street
Nicholasville, KY 40356
Attorney for Blue Grass Energy Cooperative
Corporation
Telephone (859)885-4619

CERTIFICATE OF SERVICE

The undersigned counsel certifies that the foregoing motion has been served upon the following:

Original and Eleven Copies

Ms. Stephanie Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Copy

Hon. Lawrence W. Cook
Assistant Attorney General
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601-8204

This 11th day of April, 2008.


ATTORNEY FOR BLUE GRASS ENERGY
COOPERATIVE CORPORATION

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

Payroll Adjustment

To reflect the increase granted by the Board of Directors, the step increases granted and promotions during the year. To give recognition to employees terminated and employees hired during the test year. Overtime pay is calculated at 1-1/2 times regular pay rate for hours worked in excess of 8 hours per day.

Employees are granted wage increases on March 1, of each year.

Blue Grass Energy has always hired summer and part time employees, and anticipates this to continue into future years. These employees were normalized at the same rate and hours during the test year.

There are no union employees.

Employees can elect to be paid for up to 40 hours of vacation, after 10 years of service.

The average overall wage and salary increases are as follows:

	<u>Increase</u>
2008	3.50%
2007	3.82%
2006	3.50%
2005	3.50%
2004	3.50%

The amount of increase was allocated based on the actual test year.

Projected wages	\$6,720,092
Actual wages for test year	<u>6,590,413</u>
Adjustment	<u><u>\$129,679</u></u>

The allocation is on the following page:

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Allocation of increase in payroll:

			<u>Labor</u>		
			<u>Distribution</u>	<u>Percent</u>	<u>Allocation</u>
10	107.20	Construction work in progress	1,484,248	22.5%	29,206
11	108.80	Retirement work in progress	187,159	2.8%	3,683
12	143.00	AR, other	18,227	0.3%	359
12	163.00	Stores	160,330	2.4%	3,155
13	184.00	Transportation	1,118	0.0%	22
14	242.51	Employee sick leave	402,254	6.1%	7,915
15	417.00	Non operating income	7,187	0.1%	141
16	426.00	Donations	1,081	0.0%	21
17	580.00	Operations	115,840		
18	583.00	Overhead line	40,934		
19	584.00	Underground	0		
20	586.00	Meter	272,137		
21	587.00	Constr Install Eqt	8,470		
22	588.00	Miscellaneous distribution	66,908	7.7%	9,923
23	590.00	Maintenance	143,354		
24	593.00	Overhead line	615,318		
25	593.10	Right of way	84,131		
26	594.00	Underground	79,684		
27	595.00	Transformers	0		
28	596.00	Street lights	29,073		
29	597.00	Meters	14,042		
29	598.00	Miscellaneous maintenance	80,114	15.9%	20,577
30	901.00	Supervision, customer accounts	74,701		
31	902.00	Meter reading	10,956		
32	903.00	Consumer records	652,168	11.2%	14,518
33	908.00	Consumer assistance	66,823		
34	909.00	Consumer information	5,591		
35	910.00	Miscellaneous consumer service	20,873		
36	912.00	Demonstration and selling	346,083		
37	913.00	Advertising	8,255	6.8%	8,808
38	920.00	Administrative	995,828		
39	926.00	Employee benefits	493,334		
40	930.00	Miscellaneous	14,073		
41	935.00	Maintenance general plant	<u>90,119</u>	<u>24.2%</u>	<u>31,352</u>
42					
43		Total	<u>6,590,413</u>	<u>100.0%</u>	<u>129,680</u>

Blue Gra. rgy
Case No. 2008-00011
Employee Earnings and Hours
December 31, 2007

Exhibit 1
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Witness: Jin

Employee Number	Hours Worked Test Year				Actual Test Year Wages							Wage Rate March 1, 2008	Normalized Wages				
	Regular	Excess Vacation	Overtime	Total	Regular	Overtime	On-Call Pay	Christmas	Excess Vacation	Retiree Vac/Sick	Total		@ 2,080 Hours		On-Call Pay	Excess Vacation	Normalized Wages
													Regular	Overtime			
Salary Employees																	
1107	2,088.00	40.00		2,128.00	103,360			190	2,000		105,550	52.49	109,179			2,000	109,179
1108	2,080.00	32.00		2,112.00	78,696			165	1,221		80,082	39.87	82,930			1,221	82,930
1109	2,088.00	40.00		2,128.00	204,062			130	3,942		208,134	102.50	213,200			3,942	213,200
1110	2,088.00			2,088.00	120,816			130			120,946	63.30	131,664				131,664
1111	2,088.00			2,088.00	91,760			225			91,985	46.03	95,742				95,742
1113	2,088.00	40.00		2,128.00	61,765			100	1,194		63,059	30.96	64,397			1,194	64,397
1200	2,088.00	32.00		2,120.00	91,105			140	1,407		92,652	45.72	95,098			1,407	95,098
1203	2,088.00			2,088.00	89,511			150			89,661	45.13	93,870				93,870
1250	2,088.00	24.00		2,112.00	79,957			70	926		80,953	40.31	83,845			926	83,845
1400	2,088.00	16.00		2,104.00	80,514			75	624		81,213	42.32	88,026			624	88,026
1450	2,088.00			2,088.00	95,812			60			95,872	48.36	100,589				100,589
1550	1,688.00			1,688.00	30,519			55			30,574	19.16	39,853				39,853
2219	2,088.00			2,088.00	73,242			130			73,372	35.34	73,507				73,507
2250	2,088.00			2,088.00	51,553			75			51,628	24.69	51,355				51,355
2503	2,088.00			2,088.00	61,522			120			61,642	30.91	64,293				64,293
2505	2,088.00			2,088.00	78,525			145			78,670	45.08	93,766				93,766
3310	2,088.00			2,088.00	63,183			160			63,343	31.69	65,915				65,915
3311	2,088.00			2,088.00	56,948			115			57,063	29.61	61,589				61,589
3313	2,088.00			2,088.00	54,237			150			54,387	27.07	56,306				56,306
3320	2,088.00			2,088.00	72,383			215			72,598	36.73	76,398				76,398
3321	2,088.00	16.00		2,104.00	75,086			165	580		75,831	37.32	77,626			580	77,626
3322	2,088.00	40.00		2,128.00	61,029			115	1,179		62,323	31.79	66,123			1,179	66,123
3324	2,088.00	40.00		2,128.00	54,196			130	1,046		55,372	27.07	56,306			1,046	56,306
3326	2,088.00	40.00		2,128.00	82,202			125	1,584		83,911	42.37	88,130			1,584	88,130
3402	2,088.00	24.00		2,112.00	65,981			70	758		66,809	33.18	69,014			758	69,014
3405	2,088.00	40.00	6.50	2,134.50	54,258	255		80	1,047		55,640	27.07	56,306			1,047	56,306
3407	2,088.00			2,088.00	72,961			80			73,041	24.02	49,962				49,962
3511	2,088.00			2,088.00	66,942			200			67,142	27.02	56,202				56,202
3513	2,088.00	40.00		2,128.00	82,411			225	1,588		84,224	41.49	86,299			1,588	86,299
4500	2,088.00	40.00		2,128.00	62,858			160	1,211		64,229	31.19	64,875			1,211	64,875
4501	2,088.00	40.00		2,128.00	67,797			235	1,299		69,331	32.47	67,538			1,299	67,538
4516	2,088.00	40.00		2,128.00	52,578			145	1,016		53,739	27.18	56,534			1,016	56,534
Subtotal Salary	66,408.00	584.00	6.50	66,998.50	2,437,769	255	0	4,330	22,622	0	2,464,976		2,536,435	0	0	22,622	2,536,435
Hourly Employees																	
1500	2,088.00		4.00	2,092.00	47,336	137		100			47,573	23.60	49,088	142			49,230
2205	2,088.00		35.50	2,123.50	43,459	1,111		130			44,700	22.33	46,446	1,189			47,635
2208	2,088.00		2.50	2,090.50	38,580	70		125			38,775	19.62	40,810	74			40,883
2209	2,088.00		8.00	2,096.00	52,171	295		160			52,626	27.84	57,907	334			58,241
2211	2,088.00		25.50	2,113.50	48,184	886		165			49,235	23.81	49,525	911			50,436
2214	2,088.00		146.50	2,234.50	45,404	4,765		195			50,364	22.66	47,133	4,980			52,112
2215	2,088.00		56.50	2,144.50	38,395	1,553		115			40,063	19.28	40,102	1,634			41,736
2216	2,128.00	40.00	30.00	2,198.00	52,809	1,139		140	1,020		55,108	27.07	56,306	1,218		1,020	57,524
2224	2,088.00		3.50	2,091.50	35,124	89		120			35,333	17.28	35,942	91			36,033
2232	2,088.00		4.00	2,092.00	33,918	99		105			34,122	17.24	35,859	103			35,963

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Employee Earnings and Hours
December 31, 2007

Exhibit 1
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Witness: Jin

Employee Number	Hours Worked Test Year				Actual Test Year Wages							Wage Rate March 1, 2008	Normalized Wages				
	Regular	Excess Vacation	Overtime	Total	Regular	Overtime	On-Call Pay	Christmas	Excess Vacation	Retiree Vac/Sick	Total		@ 2,080 Hours		On-Call Pay	Excess Vacation	Normalized Wages
													Regular	Overtime			
2239	2,088.00		53.00	2,141.00	37,735	1,437		95			39,267	19.46	40,477	1,547			42,024
2243	2,088.00		125.00	2,213.00	35,540	3,166		65			38,771	18.59	38,667	3,486			42,153
2244	2,088.00		36.00	2,124.00	25,494	654		60			26,208	15.29	31,803	826			32,629
2246	728.00		6.00	734.00	9,113	114		25			9,252	14.23	29,598	128			29,726
2247	680.00		8.00	688.00	8,560	163		25			8,748	14.23	29,598	171			29,769
2408	2,088.00		55.50	2,143.50	26,171	1,043		65			27,279	15.71	32,677	1,308			33,985
2424	2,061.00		8.50	2,069.50	28,033	157		55			28,245	17.53	36,462	224			36,686
2502	2,088.00		19.00	2,107.00	49,054	665		120			49,839	26.34	54,787	751			55,538
2504	2,088.00		11.00	2,099.00	53,679	420		200			54,299	28.68	59,654	473			60,128
2515	2,088.00		11.00	2,099.00	29,400	242		80			29,722	17.15	35,672	283			35,955
2522	1,228.00		5.00	1,233.00	13,898	94		55			14,047	14.23	29,598	107			29,705
2601	2,088.00		69.00	2,157.00	34,703	1,681		95			36,479	17.28	35,942	1,788			37,731
2602	2,088.00			2,088.00	51,091			90			51,181	26.19	54,475	0			54,475
2607	2,088.00		56.00	2,144.00	37,939	1,494		75			39,508	19.02	39,562	1,598			41,159
2609	2,088.00		200.00	2,288.00	29,792	4,321	2,765	75			36,953	15.12	31,450	4,536	2,765		35,986
2652	2,000.00		18.00	2,018.00	24,313	349		55			24,717	14.78	30,742	399			31,141
3308	2,088.00		83.00	2,171.00	37,218	2,213		150			39,581	18.38	38,230	2,288			40,519
3314	2,100.00	12.00	235.50	2,347.50	54,090	9,152	2,590	155	314		66,301	27.07	56,306	9,562	2,590	314	65,868
3315	2,088.00		75.50	2,163.50	50,132	2,738	1,820	130			54,820	24.90	51,792	2,820	1,820		54,612
3319	2,088.00		17.50	2,105.50	41,191	526		110			41,827	20.84	43,347	547			43,894
3323	2,088.00		150.00	2,238.00	55,019	5,969	3,010	120			64,118	27.41	57,013	6,167	3,010		63,180
3328	2,076.00		232.50	2,308.50	39,510	6,654		105			46,269	20.35	42,328	7,097			49,425
3330	2,088.00		337.50	2,425.50	51,002	12,181	3,185	140			66,508	24.90	51,792	12,606	3,185		64,398
3341	2,132.00		195.50	2,327.50	38,546	5,289		70			43,905	19.41	40,373	5,692			46,065
3342	2,136.00		218.50	2,354.50	37,966	5,832		70			43,868	19.15	39,832	6,276			46,108
3343	1,710.00		288.00	1,998.00	27,816	7,042		55			34,913	17.43	36,254	7,530			43,784
3345	2,128.00	40.00	68.00	2,236.00	46,461	2,256		160	896		49,773	22.96	47,757	2,342		896	50,099
3357	2,128.00	40.00	38.50	2,206.50	50,843	1,418		190	984		53,435	25.70	53,456	1,484		984	54,940
3358	2,128.00	40.00	297.50	2,465.50	57,703	12,337	3,255	190	1,113		74,598	28.65	59,592	12,785	3,255	1,113	72,377
3360	2,119.00	31.00	160.00	2,310.00	52,394	6,041	3,255	240	783		62,713	25.90	53,872	6,216	3,255	783	60,088
3361	2,088.00		57.50	2,145.50	52,168	2,153	3,185	100			57,606	26.22	54,538	2,261	3,185		56,799
3362	2,088.00		168.50	2,256.50	51,856	6,282	3,500	95			61,733	26.01	54,101	6,574	3,500		60,675
3363	2,088.00		151.50	2,239.50	50,340	5,497	3,185	85			59,107	24.90	51,792	5,659	3,185		57,451
3364	2,088.00		136.00	2,224.00	50,340	4,920	4,200	85			59,545	24.90	51,792	5,080	4,200		56,872
3365	2,088.00		114.50	2,202.50	50,238	4,155	3,325	80			57,798	24.90	51,792	4,277	3,325		56,069
3404	2,088.00		262.50	2,350.50	37,020	7,002	3,745	85			47,852	20.34	42,307	8,009	3,745		50,316
3408	2,088.00		351.50	2,439.50	50,894	12,670	2,835	65			66,464	25.72	53,498	13,561	2,835		67,058
3411	1,928.00		215.50	2,143.50	46,445	7,787	2,625	55			56,912	24.90	51,792	8,049	2,625		59,841
3412	1,368.00		243.00	1,611.00	31,182	8,324	2,485	55			42,046	24.02	49,962	8,755	2,485		58,717
3413	1,168.00		184.00	1,352.00	17,572	4,143	1,750	55			23,520	18.08	37,606	4,990	1,750		42,596
3500	2,088.00		241.50	2,329.50	51,210	8,875	2,485	225			62,795	25.32	52,666	9,172	2,485		61,838
3501	2,088.00		298.50	2,386.50	51,854	11,142	3,045	125			66,166	25.64	53,331	11,480	3,045		64,812
3502	2,088.00		14.00	2,102.00	49,306	499		145			49,950	24.90	51,792	523			52,315
3504	2,088.00	40.00	204.00	2,332.00	50,244	7,503	2,332	210	792		61,081	19.81	41,205	6,062	2,332	792	47,267
3506	2,088.00		287.50	2,375.50	50,404	10,411	3,465	135			64,415	24.90	51,792	10,738	3,465		62,530
3507	2,088.00		233.50	2,321.50	50,307	8,440	3,500	120			62,367	25.50	53,040	8,931	3,500		61,971
3512	2,088.00	40.00	386.00	2,514.00	55,686	15,255	2,520	210	1,076		74,747	27.72	57,658	16,050	2,520	1,076	73,707

Blue Grass Energy
Case No. 2008-00011
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Exhibit 1
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Witness: Jin

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	Regular	Excess Vacation	Overtime	Total	Regular	Overtime	On-Call Pay	Christmas	Excess Vacation	Retiree Vac/Sick	Total		@ 2,080 Hours		On-Call Pay	Excess Vacation	Normalized Wages
													Regular	Overtime			
3514	2,088.00		29.50	2,117.50	49,612	1,064		100			50,776	25.13	52,270	1,112			53,382
3516	2,088.00		314.50	2,402.50	48,293	10,765	2,975	80			62,113	24.90	51,792	11,747	2,975		63,539
3520	848.00		92.00	940.00	12,245	1,993	1,090	55			15,383	14.82	30,826	2,045	1,090		32,871
3521	408.00		65.50	473.50	8,620	2,124	1,055	55			11,854	21.92	45,594	2,154	1,055		47,747
4000	2,088.00		80.00	2,168.00	50,718	2,890		170			53,778	27.07	56,306	3,248			59,554
4001	2,088.00		26.50	2,114.50	42,322	777		140			43,239	19.55	40,664	777			41,441
4004	2,088.00		21.50	2,109.50	35,767	556		150			36,473	17.66	36,733	570			37,302
4005	2,088.00		58.50	2,146.50	36,312	1,533		120			37,965	17.98	37,398	1,578			38,976
4007	2,088.00		9.50	2,097.50	27,723	190		90			28,003	14.06	29,245	200			29,445
4009	2,088.00		18.50	2,106.50	37,337	498		145			37,980	18.78	39,062	521			39,584
4010	2,088.00		21.00	2,109.00	33,824	514		105			34,443	16.32	33,946	514			34,460
4502	2,088.00		246.50	2,334.50	43,991	7,820		100			51,911	21.21	44,117	7,842			51,959
4505	2,088.00		312.00	2,400.00	55,856	12,479	2,065	140			70,540	27.74	57,699	12,982	2,065		70,682
4506	2,088.00		328.00	2,416.00	46,627	11,003	2,380	120			60,130	24.00	49,920	11,808	2,380		61,728
4508	2,088.00		381.00	2,469.00	40,784	11,158	2,695	95			54,732	21.11	43,909	12,064	2,695		55,973
4513	2,088.00		139.50	2,227.50	35,103	3,516		95			38,714	17.28	35,942	3,616			39,558
4514	2,088.00		364.00	2,452.00	46,629	12,226	2,415	115			61,385	24.00	49,920	13,104	2,415		63,024
4517	2,088.00		3.00	2,091.00	26,049	56		100			26,205	12.98	26,998	58			27,057
4520	2,088.00	5.00	490.50	2,583.50	51,209	18,052	2,835	145	124		72,365	25.32	52,666	18,629	2,835	124	71,295
4522	2,088.00	2.50	341.50	2,432.00	50,713	12,517		140	61		63,431	25.07	52,146	12,842		61	64,988
4523	2,088.00	29.00	388.00	2,505.00	55,856	15,554	2,520	140	781		74,851	27.74	57,699	16,145	2,520	781	73,844
4524	2,088.00		456.00	2,544.00	51,646	16,938	2,415	125			71,124	25.79	53,643	17,640	2,415		71,284
4525	2,088.00		450.50	2,538.50	47,460	15,382	2,730	135			65,707	23.81	49,525	16,090	2,730		65,614
4527	2,088.00		390.00	2,478.00	32,430	9,123	2,695	60			44,308	17.15	35,672	10,033	2,695		45,705
4528	2,088.00		578.50	2,666.50	47,100	19,537	2,730	60			69,427	23.99	49,899	20,817	2,730		70,717
Subtotal hourly	162,658.00	319.50	12,550.00	175,527.50	3,381,078	419,115	98,662	9,185	7,944	0	3,915,984		3,716,482	440,019	98,662	7,944	4,156,501
Summer and Part Time Employees:																	
2430	937.50			937.50	8,634						8,634	9.42	8,831	0			8,831
2431	99.50			99.50	905						905	9.10	905	0			905
2432	498.50			498.50	4,606			25			4,631	9.42	4,696	0			4,696
2528	322.50			322.50	2,971			25			2,996	9.42	3,038	0			3,038
2530	150.00			150.00	1,386			25			1,411	9.42	1,413	0			1,413
4300	766.50		7.00	773.50	7,074	97		25			7,196	9.42	7,220	99			7,319
4302	163.00			163.00	954						954	5.85	954	0			954
Subtotal summ	2,937.50	0.00	7.00	2,944.50	26,530	97	0	100	0	0	26,727		27,058	99	0	0	27,156
Retirees:																	
1103	344.00			344.00	9,353						18,678	28.031	27.19				
1300	216.00			216.00	7,104						4,840	11,944	23.38				
2245	1,408.00		20.00	1,428.00	16,317	351					635	17,303	11.75				
2427	1,120.00		7.00	1,127.00	13,366	126					666	14,158	12.11				
2518	1,200.00		3.50	1,203.50	13,266	65					541	13,872	11.51				
2610	176.00			176.00	2,153							2,153	12.23				
3305	344.00	40.00	10.50	394.50	8,044	368					935	5,857	15,204	23.38			

Blue Grass Energy
Case No. 2008-00011
Employee Earnings and Hours
December 31, 2007

Exhibit 1
page 6 of 7
Witness: Jin

Employee Number	Hours Worked Test Year				Actual Test Year Wages							Wage Rate March 1, 2008	Normalized Wages					
	Regular	Excess Vacation	Overtime	Total	Regular	Overtime	On-Call Pay	Christmas	Excess Vacation	Retiree Vac/Sick	Total		@ 2,080 Hours		On-Call Pay	Excess Vacation	Normalized Wages	
													Regular	Overtime				
3308	1,560.00		111.00	1,671.00	43,389	4,650	3,300				5,013	56,352	27.94					
3409	80.00			80.00	1,801							1,801	22.51					
3519	1,120.00		150.00	1,270.00	15,996	3,229	1,250				1,433	21,908	14.44					
Subtotal retirees	7,568.00	40.00	302.00	7,910.00	130,789	8,789	4,550	0	935	37,663	182,726			0	0	0	0	0
Total	239,571.50	943.50	12,865.50	253,380.50	5,976,166	428,256	103,212	13,615	31,501	37,663	6,590,413			6,279,974	440,118	98,662	30,566	6,720,092

Blue Grass Energy
Case No. 2008-00011

Exhibit 1
page 7 of 7
Witness: Donald Smothers

Analysis of Salaries and Wages
For the calendar years 2004 through 2006
and the Test year

Line No	Item (a)	Twelve Months Ended						Test year 2007	
		2004		2005		2006		Amount (l)	% (m)
		Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)		
1	Wages charged to expense:								
2	Distribution expense	1,397,484	3%	1,414,772	1%	1,448,394	2%	1,550,005	7%
3	Customer accounts expense	582,252	4%	608,818	5%	662,874	9%	737,825	11%
4	Customer service and information	336,307	6%	348,670	4%	414,713	19%	439,370	6%
5	Sales expense	9,455	10%	6,191	-35%	11,312	83%	8,255	-27%
6	Administrative and general expenses:								
	(a) Administrative and general	895,178	-1%	905,529	1%	903,501	-0%	995,828	10%
	(b) Office supplies and expense								
	(c) Outside services employed								
	(d) Property insurance								
	(e) Injuries and damages								
	(f) Employees hospitalization and bene	406,198	4%	476,567	17%	445,447	-7%	493,334	11%
	(g) Retirement and security								
	(h) Miscellaneous general	5,523	14%	3,997	-28%	13,240	231%	14,073	6%
	(i) Maintenance of general plant	58,238	3%	67,424	16%	82,325	22%	90,119	9%
7	Total administrative and general expenses L6(a) to L6(i)	1,365,137	1%	1,453,517	-3%	1,444,513	-3%	1,593,354	-3%
8	Charged to clearing and others	548,026	-5%	797,502	46%	585,894	-27%	590,197	1%
9	Total salaries and wages charged to expense and other L2 to L6 + L7 + L8	4,238,661	1%	4,629,470	9%	4,567,700	-1%	4,919,006	8%
10	Wages capitalized	1,687,926	8%	1,581,068	-6%	1,736,564	10%	1,671,407	-4%
11	Total salaries and wages	5,926,587	3%	6,210,538	5%	6,304,264	2%	6,590,413	5%
12	Ratio of salaries and wages charged to expense to total wages L9 / L11	72%		75%		72%		75%	
13	Ratio of salaries and wages capitalized to total wages L10 / L11	28%		25%		28%		25%	
14	Overtime wages	458,772	15%	442,985	-3%	405,571	-8%	428,256	6%
15	Overtime hours	15,317		14,023		12,557		12,866	

Blue Grass Energy
Case No. 2008-00011
Payroll Taxes

The employer's portion of FICA and medicare rates remain the same for 2008 as they were for 2007. The FICA rate is 6.2% and medicare is 1.45%. The wage limit increases from \$97,500 in 2007 to \$102,000 in 2008 for FICA; all wages are subject to medicare.

Federal unemployment rates are 0.80% for the first \$7,000 of wages and state unemployment rate is 0.60% for the first \$8,000 of wages.

Proposed FICA amounts

FICA	407,467	
Medicare	97,441	
	<u>504,908</u>	
Proposed FUTA	6,584	
Proposed SUTA	5,630	517,122

Test year amount

FICA and Medicare	478,182	
Test year FUTA	7,085	
Test year SUTA	6,055	491,322

Increase		<u>25,800</u>
----------	--	---------------

Adjustment:

		<u>Percent</u>	<u>Amount</u>
107	Capitalized	25.3%	6,527
163 - 416	Clearing and others	8.9%	2,296
580	Operations	7.7%	1,987
590	Maintenance	15.9%	4,102
901	Consumer accounts	11.2%	2,890
908	Customer service	6.8%	1,754
912	Sales	0.0%	0
920	Administrative and general	24.2%	6,244
		<u>100.00%</u>	<u>\$25,800</u>

State unemployment (SUTA) wage rates are as follows:

2008	0.60%
2007	0.60%
2006	0.60%
2005	0.60%
2004	0.50%
2003	0.50%

Blue Grass Energy
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Employee Earnings and Hours
December 31, 2007

Exhibit 2
page 2 of 5
Witness: Jim

Employee Number	Normalized Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To \$102,000	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	0.600%
Salary Employees									
1107	109,179	102,000	6,324	109,179	1,583	7,000	56	8,000	48
1108	82,930	82,930	5,142	82,930	1,202	7,000	56	8,000	48
1109	213,200	102,000	6,324	213,200	3,091	7,000	56	8,000	48
1110	131,664	102,000	6,324	131,664	1,909	7,000	56	8,000	48
1111	95,742	95,742	5,936	95,742	1,388	7,000	56	8,000	48
1113	64,397	64,397	3,993	64,397	934	7,000	56	8,000	48
1200	95,098	95,098	5,896	95,098	1,379	7,000	56	8,000	48
1203	93,870	93,870	5,820	93,870	1,361	7,000	56	8,000	48
1250	83,845	83,845	5,198	83,845	1,216	7,000	56	8,000	48
1400	88,026	88,026	5,458	88,026	1,276	7,000	56	8,000	48
1450	100,589	100,589	6,237	100,589	1,459	7,000	56	8,000	48
1550	39,853	39,853	2,471	39,853	578	7,000	56	8,000	48
2219	73,507	73,507	4,557	73,507	1,066	7,000	56	8,000	48
2250	51,355	51,355	3,184	51,355	745	7,000	56	8,000	48
2503	64,293	64,293	3,986	64,293	932	7,000	56	8,000	48
2505	93,766	93,766	5,814	93,766	1,360	7,000	56	8,000	48
3310	65,915	65,915	4,087	65,915	956	7,000	56	8,000	48
3311	61,589	61,589	3,819	61,589	893	7,000	56	8,000	48
3313	56,306	56,306	3,491	56,306	816	7,000	56	8,000	48
3320	76,398	76,398	4,737	76,398	1,108	7,000	56	8,000	48
3321	77,626	77,626	4,813	77,626	1,126	7,000	56	8,000	48
3322	66,123	66,123	4,100	66,123	959	7,000	56	8,000	48
3324	56,306	56,306	3,491	56,306	816	7,000	56	8,000	48
3326	88,130	88,130	5,464	88,130	1,278	7,000	56	8,000	48
3402	69,014	69,014	4,279	69,014	1,001	7,000	56	8,000	48
3405	56,306	56,306	3,491	56,306	816	7,000	56	8,000	48
3407	49,962	49,962	3,098	49,962	724	7,000	56	8,000	48
3511	56,202	56,202	3,484	56,202	815	7,000	56	8,000	48
3513	86,299	86,299	5,351	86,299	1,251	7,000	56	8,000	48
4500	64,875	64,875	4,022	64,875	941	7,000	56	8,000	48
4501	67,538	67,538	4,187	67,538	979	7,000	56	8,000	48
4516	56,534	56,534	3,505	56,534	820	7,000	56	8,000	48
Subtotal Salary	2,536,435	2,388,392	148,080	2,536,435	36,778	224,000	1,792	256,000	1,536
Hourly Employees									
1500	49,230	49,230	3,052	49,230	714	7,000	56	8,000	48
2205	47,635	47,635	2,953	47,635	691	7,000	56	8,000	48
2208	40,883	40,883	2,535	40,883	593	7,000	56	8,000	48
2209	58,241	58,241	3,611	58,241	844	7,000	56	8,000	48
2211	50,436	50,436	3,127	50,436	731	7,000	56	8,000	48
2214	52,112	52,112	3,231	52,112	756	7,000	56	8,000	48
2215	41,736	41,736	2,588	41,736	605	7,000	56	8,000	48
2216	57,524	57,524	3,566	57,524	834	7,000	56	8,000	48
2224	36,033	36,033	2,234	36,033	522	7,000	56	8,000	48
2232	35,963	35,963	2,230	35,963	521	7,000	56	8,000	48

Blue Grass Energy
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Exhibit 2
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Witness: Jim

Employee Number	Normalized Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To	@	All Wages	1.45%	Up to	0.80%	Up to	0.600%
		\$102,000	6.20%			\$7,000		\$8,000	
2239	42,024	42,024	2,605	42,024	609	7,000	56	8,000	48
2243	42,153	42,153	2,613	42,153	611	7,000	56	8,000	48
2244	32,629	32,629	2,023	32,629	473	7,000	56	8,000	48
2246	29,726	29,726	1,843	29,726	431	7,000	56	8,000	48
2247	29,769	29,769	1,846	29,769	432	7,000	56	8,000	48
2408	33,985	33,985	2,107	33,985	493	7,000	56	8,000	48
2424	36,686	36,686	2,275	36,686	532	7,000	56	8,000	48
2502	55,538	55,538	3,443	55,538	805	7,000	56	8,000	48
2504	60,128	60,128	3,728	60,128	872	7,000	56	8,000	48
2515	35,955	35,955	2,229	35,955	521	7,000	56	8,000	48
2522	29,705	29,705	1,842	29,705	431	7,000	56	8,000	48
2601	37,731	37,731	2,339	37,731	547	7,000	56	8,000	48
2602	54,475	54,475	3,377	54,475	790	7,000	56	8,000	48
2607	41,159	41,159	2,552	41,159	597	7,000	56	8,000	48
2609	35,986	35,986	2,231	35,986	522	7,000	56	8,000	48
2652	31,141	31,141	1,931	31,141	452	7,000	56	8,000	48
3308	40,519	40,519	2,512	40,519	588	7,000	56	8,000	48
3314	65,868	65,868	4,084	65,868	955	7,000	56	8,000	48
3315	54,612	54,612	3,386	54,612	792	7,000	56	8,000	48
3319	43,894	43,894	2,721	43,894	636	7,000	56	8,000	48
3323	63,180	63,180	3,917	63,180	916	7,000	56	8,000	48
3328	49,425	49,425	3,064	49,425	717	7,000	56	8,000	48
3330	64,398	64,398	3,993	64,398	934	7,000	56	8,000	48
3341	46,065	46,065	2,856	46,065	668	7,000	56	8,000	48
3342	46,108	46,108	2,859	46,108	669	7,000	56	8,000	48
3343	43,784	43,784	2,715	43,784	635	7,000	56	8,000	48
3345	50,099	50,099	3,106	50,099	726	7,000	56	8,000	48
3357	54,940	54,940	3,406	54,940	797	7,000	56	8,000	48
3358	72,377	72,377	4,487	72,377	1,049	7,000	56	8,000	48
3360	60,088	60,088	3,725	60,088	871	7,000	56	8,000	48
3361	56,799	56,799	3,522	56,799	824	7,000	56	8,000	48
3362	60,675	60,675	3,762	60,675	880	7,000	56	8,000	48
3363	57,451	57,451	3,562	57,451	833	7,000	56	8,000	48
3364	56,872	56,872	3,526	56,872	825	7,000	56	8,000	48
3365	56,069	56,069	3,476	56,069	813	7,000	56	8,000	48
3404	50,316	50,316	3,120	50,316	730	7,000	56	8,000	48
3408	67,058	67,058	4,158	67,058	972	7,000	56	8,000	48
3411	59,841	59,841	3,710	59,841	868	7,000	56	8,000	48
3412	58,717	58,717	3,640	58,717	851	7,000	56	8,000	48
3413	42,596	42,596	2,641	42,596	618	7,000	56	8,000	48
3500	61,838	61,838	3,834	61,838	897	7,000	56	8,000	48
3501	64,812	64,812	4,018	64,812	940	7,000	56	8,000	48
3502	52,315	52,315	3,244	52,315	759	7,000	56	8,000	48
3504	47,267	47,267	2,931	47,267	685	7,000	56	8,000	48
3506	62,530	62,530	3,877	62,530	907	7,000	56	8,000	48
3507	61,971	61,971	3,842	61,971	899	7,000	56	8,000	48
3512	73,707	73,707	4,570	73,707	1,069	7,000	56	8,000	48

Blue Grass Energy
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Employee Earnings and Hours
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Exhibit 2
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Witness: Jim

Employee Number	Normalized Wages	Social Security Wages		Medicare Wages		Federal Unemployment		State Unemployment	
		Up To \$102,000	@ 6.20%	All Wages	1.45%	Up to \$7,000	0.80%	Up to \$8,000	0.600%
3308									
3409									0
3519									
Subtotal retirees	0	0	0	0	0	0	0	0	0
Total	6,720,092	6,572,049	407,467	6,720,092	97,441	823,006	6,584	938,325	5,630

Witness: Jim Adkins

Blue Grass Energy Cooperative

Case No. 2008-00011

December 31, 2007

Depreciation Expense

Depreciation is computed on a composite basis. The ending plant balance is multiplied by rates that are within RUS approved guidelines. Depreciation rates and procedures follow RUS Bulletin 183-1. Blue Grass Energy has had a depreciation study updated as of December 31, 2006 and is submitting that study with this application.

The proposed depreciation rates are for the average service life for each plant account and include the average net salvage value for the past five (5) years. This is in accordance with Commission requirements for Jackson Energy Cooperative, in Case No. 2000-00373, dated July 28, 2001.

Depreciation on transportation equipment is charged to a clearing account. Transportation costs are then cleared to various accounts based on miles driven for each vehicle from the daily time sheets of employees driving the vehicles.

Items of general plant that are fully-depreciated have been removed from the calculation in order to determine the normalized depreciation cost. These amounts have been separated on the right had column of the normalized calculation.

Blue Grass implemented an Automated Meter Reading ("AMR") system. As a result, the old meters were retired during 2007. The accumulated depreciation account for meters did not contain sufficient reserve to retire the meters through the reserve. Blue Grass recorded a loss in Account 421.20 for the difference between the plant balance retired and the respective accumulated depreciation account. The entry to record the retired meters is as follows:

Accum depreciation meters	108.67	1,018,927.57	
Loss on disposal of assets	421.20	1,916,998.86	
Meters	370.00		2,677,793.78
Meters AMR	370.01		258,132.65

During July, 2007, the old Harrison District Office building was sold. The gain has been recorded as follows:

Accum deprec - buildings	108.70	383,205.66	
Cash	131.02	620,482.31	
Building	390.00		685,027.50
Gain on disposal of assets	421.10		318,660.47

Blue Grass Energy Cooperative
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Schedule 3
page 2 of 6.1

Account Number	Description	Test Year Balance	Existing Rate	Proposed Rate	Normalized Expense	Test Year Expense	Exclude Items Fully Depreciated
Distribution plant:							
362	Station equipment	\$1,663,354	8.33%	4.17%	\$69,362	97,458	
364	Poles, towers & fixtures	44,666,314	3.50%	3.30%	1,473,988	1,540,252	
365	Overhead conductors & devices	36,480,849	2.56%	4.05%	1,477,474	913,900	
367	Underground conductor & devices	9,278,853	2.65%	4.88%	452,808	232,933	
368	Line transformers	27,349,503	2.86%	2.63%	719,292	760,865	
369	Services	23,497,881	3.35%	5.08%	1,193,692	762,393	
370	Meters	362,427	3.14%	4.55%	16,490	131,217	
370.10	Meters, AMR	6,200,800	3.14%	6.67%	413,593	332,933	
371	Installations on customer premises	3,992,823	4.15%	3.23%	128,968	160,948	
373	Street lights	2,245,830	5.00%	4.35%	97,694	107,930	
		<u>155,738,634</u>			<u>6,043,362</u>	<u>5,040,829</u>	
General plant:							
389	Land	644,267					
390	Structures and improvements	7,209,102	2.50%	2.50%	180,132	172,652	3,822
391	Office furn and eqt	653,002	2.50%	2.50%	16,325	16,285	
391.01	Office computer equip	2,241,053	14.40%	14.40%	322,712	316,597	
392	Transportation , light	1,740,480	15.00%	15.00%	201,435	233,626	397,581
392.01	Transportation , heavy	2,329,213	8.60%	8.60%	200,312	195,047	
392.01	Transportation , other	97,966	5.04%	5.04%	4,045	4,016	17,715
393	Stores	5,871	6.00%	6.00%	352	391	
394	Tools, shop and garage	345,752	4.00%	4.00%	12,593	19,504	30,939
395	Laboratory	180,172	4.00%	4.00%	7,121	9,156	2,159
396	Power operated	430,259	5.30%	5.30%	20,337	19,771	46,549
397	Communications	823,406	4.00%	4.00%	32,275	48,732	16,533
398	Miscellaneous	196,728	3.34%	3.34%	6,571	7,322	
		<u>16,897,271</u>			<u>1,004,208</u>	<u>1,043,099</u>	
	Total electric plant	<u>\$172,635,905</u>			<u>7,047,571</u>	<u>6,083,928</u>	

Items that are fully depreciated are removed from the ending balance to compute test year depreciation.

Blue Grass Energy Cooperative

Exhibit 3

Case No. 2008-00011

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December 31, 2007

	<u>Normalized</u>	<u>Test Year</u>	<u>Adjustment</u>
Total depreciation accruals	7,047,571	6,083,928	963,643
Less amount to transportation clearing	<u>405,792</u>	<u>432,689</u>	<u>(26,897)</u>
Depreciation expense	<u>6,641,779</u>	<u>5,651,239</u>	<u>990,540</u>

The allocation of the increase in depreciation on transportation equipment is based on actual test year transportation clearing.

<u>Account</u>	<u>%</u>	<u>Amount</u>
Construction and retirement WIP	34%	(\$9,261)
Others	1%	(317)
Distribution - operations	15%	(4,048)
Distribution - maintenance	27%	(7,237)
Consumer accounts	7%	(1,860)
Consumer service and information	6%	(1,536)
Administrative and general	<u>10%</u>	<u>(2,639)</u>
Total	<u>100%</u>	<u>(\$26,897)</u>

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

Exhibit 3
page 5 of 6, \

		<u>Begin</u>				<u>End</u>
	Changes in electric plant:	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfer</u>	<u>Balance</u>
362	Station equipment	620,701	322,064		720,589	1,663,354
364	Poles, towers and fixtures	42,966,262	1,929,733	229,681		44,666,314
365	Overhead conductor and devices	34,810,222	1,894,403	223,776		36,480,849
367	Underground conductor and devices	8,046,162	1,303,738	71,047		9,278,853
368	Line transformers	25,899,634	1,710,589	260,720		27,349,503
369	Services	21,949,762	1,824,885	276,766		23,497,881
370	Meters	9,474,505	4,550	2,935,926	(6,180,702)	362,427
370.10	AMR meters	258,133	754,438	271,884	5,460,113	6,200,800
371	Security lights	3,740,797	279,380	27,354		3,992,823
373	Street lights	2,058,317	197,330	9,817		2,245,830
	Subtotal distribution plant	149,824,495	10,221,110	4,306,971	0	155,738,634
389	Land	676,835	0	32,568		644,267
390	Structures and improvements	7,862,952	28,309	682,159		7,209,102
391	Office furn and eqt	649,105	4,397	500		653,002
391.1	Office computer equip	2,086,794	279,831	125,572		2,241,053
392	Transportation , light	1,663,101	206,942	129,563		1,740,480
392.01	Transportation , other, heavy	2,278,298	347,678	296,763		2,329,213
392.01	Transportation , other	97,966	0			97,966
393	Stores	5,871	0			5,871
394	Tools, shop and garage	343,028	2,724			345,752
395	Laboratory	180,172	0			180,172
396	Power operated	405,561	24,698			430,259
397	Communication	820,782	2,624			823,406
398	Miscellaneous	196,728	0			196,728
	Subtotal general plant	17,267,193	897,203	1,267,125	0	16,897,271
	Total electric plant in service	167,091,688	11,118,313	5,574,096	0	172,635,905

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

Changes in reserve for depreciation:

	<u>Begin Balance</u>	<u>Accrual</u>	<u>Original Cost</u>	<u>Removal Cost</u>	<u>Gain/Loss Salvage</u>	<u>Net Charge</u>	<u>End Balance</u>
Distribution plant	31,015,644	5,040,829	4,306,971	624,730	2,135,241	2,796,460	33,260,013
Land							
Structures and improvements	1,537,139	172,652	682,159			384,626	1,325,165
Office furn and eqt	106,644	16,285	500			97	122,832
Office computer equip	1,564,415	316,597	125,572			119,395	1,761,617
Transportation, light	910,241	233,626	129,563			92,074	1,051,793
Transportation, heavy	938,372	195,047	296,763			242,006	891,413
Transportation, other	42,349	4,016	0				46,365
Stores	752	391	0				1,143
Tools, shop and garage	182,443	19,504	0				201,947
Laboratory	104,909	9,156	0				114,065
Power operated	213,765	19,771	0				233,536
Communication	538,197	48,732	0				586,929
Miscellaneous	115,296	7,322	0				122,618
Subtotal general plant	6,254,522	1,043,099	1,234,557	0	0	838,198	6,459,423
Retirement WIP	383,500			286,376		286,376	669,876
Total accumulated depreciation	36,886,666	6,083,928	5,541,528	338,354	2,135,241	3,348,282	39,049,560

**Blue Grass Energy
Whole Life Depreciation Rates
Distribution Plant**

Account Number	Description	Balance Dec 31, 2006	Average Service Life	No Net Salvage		Net Salvage Percent	With Net Salvage Adjusted		Existing	
				Accrual	Rate		Rate	Accrual	Rate	Accrual
362	Station equipment	628,565	24	26,190	4.17%	0.00%	4.17%	26,190	8.33%	52,359
364	Poles, towers & fixtures	42,966,262	39	1,101,699	2.56%	0.74%	3.30%	1,419,632	3.50%	1,503,819
365	Overhead conductors & devices	34,810,222	29	1,200,352	3.45%	0.61%	4.05%	1,411,101	2.56%	891,142
367	Underground conductors & devices	8,046,162	22	365,735	4.55%	0.34%	4.88%	392,798	2.65%	213,223
368	Line transformers	25,899,634	38	681,569	2.63%	0.00%	2.63%	681,569	2.86%	740,730
369	Services	21,949,763	22	997,717	4.55%	0.54%	5.08%	1,115,840	3.35%	735,317
370	Meters	9,732,637	22	442,393	4.55%	0.00%	4.55%	442,393	3.14%	305,605
371	Installations on customers premises	3,740,796	31	120,671	3.23%	0.00%	3.23%	120,671	4.15%	155,243
373	Street lighting & signal systems	2,058,317	23	89,492	4.35%	0.00%	4.35%	89,492	5.00%	102,916
Total distribution plant		<u>149,832,358</u>		<u>5,025,818</u>				<u>5,699,685</u>		<u>4,700,354</u>
								Composite rate	3.80%	3.14%

**Blue Grass Energy Cooperative
Nicholasville, Kentucky
Service Life and Net Salvage Study
December 31, 2006**

**prepared by:
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Lexington, Kentucky 40513**

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Blue Grass Energy Cooperative
Distribution Plant Depreciation Study
as of December 31, 2006

INTRODUCTION

This depreciation study was performed for Blue Grass Energy Cooperative in Nicholasville, Kentucky. The purpose of the study was as follows:

1. To recommend appropriate depreciation rates based on estimates of average life mortality characteristics and net salvage that will fully recover the cost of the property, adjusted for net salvage over its estimated life.
2. To determine the adequacy of the book reserve for depreciation at a point in time by comparing it with a theoretical reserve based on the same average lives, mortality characteristics, and net salvage as used to determine the recommended depreciation rates.
3. To determine if necessary some method to adjust the book reserve for past over or under accruals as indicated by comparison with the theoretical depreciation reserve requirement.
4. To review in detail the history, status, procedures and policies of Blue Grass Energy's depreciation functions, records and operating techniques.

Blue Grass Rural Electric last had a depreciation study performed as of December 31, 1984. Since that time, Blue Grass Rural Electric, Fox Creek Rural Electric and Harrison Rural Electric have consolidated and formed Blue Grass Energy. Fox Creek and Harrison have never had a depreciation study performed.

Since there are many factors affecting estimates of depreciation rates and accrued depreciation, and these factors are constantly changing, a depreciation study only represents the best judgment at the time the study is performed. Actual results may vary from the forecasts and variations may be material. A review of depreciation should be made at least every five (5) years so that Blue Grass Energy's depreciation practices reflect those changes.

DEPRECIATION

Book depreciation accounting is merely the recognition in financial statements that physical assets are being consumed in the process of providing a service or product. Generally accepted accounting principles require the recording of depreciation provisions to be systematic and rational. In order to be systematic and rational, depreciation should, to the extent possible, match either the consumption of the facilities or the revenues generated by the facilities. Accounting theory requires the matching of expenses with either consumption or revenues to ensure that financial statements reflect the results of operations and changes in financial position as accurately as possible. The matching principle is often referred to as the cause and effect principle, thus, both the cause and the effect are required to be recognized for financial purposes.

Because price regulation and not the market place controls revenues, for utility accounting purposes consumption is important and is usually assumed to occur at a constant rate. The key to the validity of the utility book depreciation accounting lies in accurately measuring property consumption through determining its mortality characteristics. The term "mortality characteristics" encompasses average service life and dispersion (variation) of retirements around average service life, as well as salvage and cost of removal (net salvage).

DEPRECIATION DEFINITIONS

The Uniform System of Accounts prescribed for electric borrowers of the Rural Utilities Service (RUS) states that depreciation "as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities".

DEPRECIATION DEFINITIONS

Service value as defined "means the difference between original cost and net salvage of electric plant".

Net salvage value is "the salvage value of property retired less the cost of removal. Salvage value' means the amount received for the property retired", and "'cost of removal' means the cost of demolishing, dismantling, tearing down or otherwise removing electric plant, including the cost of transportation and handling incidental thereto". Thus, is the salvage that will actually be received and the cost of removal that will actually be incurred, both measured at the price level at the time of receipt or incurrence, that is required to be recognized by the company through capital recovery.

Blue Grass Energy Cooperative

SCOPE

The study included construction and retirement activity for distribution plant from 1942 through 2006. Blue Grass Energy has maintained its plant and depreciation records in accordance with the Uniform System of Accounts as issued by the Rural Utilities Service (RUS). As such Blue Grass Energy's plant records are maintained on a mass property, average historical cost basis in its continuing property records. Blue Grass Rural Electric, Fox Creek Rural Electric and Harrison Rural Electric all maintained continuing property records (CPR's) on the construction unit cost basis until the mid 1980's, at which time they were converted to the record unit basis for CPR's. This conversion process caused moneys to shift from different plant accounts, i.e, from Account 364 to Account 365, etc. As a result, plant additions and retirements were recalculated for the years prior to the conversion using the same ratio as the plant recalculations as a result of the CPR conversion.

The study was performed utilizing a computer program which incorporated the "Iowa Type Survivor Curves". These curves are frequently used by utilities for analyzing depreciation of property recorded on a mass basis. The curves analyze the life of mass property accounted for on the vintage basis. Vintage accounting is a system where plant is accounted for by year of installation and its life is tagged as such through retirement. Since vintage accounting is not required by the uniform system of accounts, this type of record was not maintained for the mass plant items. The study therefore used the technique of creating simulated plant records on a vintage basis.

The computer program used utilizes incorporates the Simulated Plant Record (SPR) method of analyzing data. Studies have shown that mass property kept on a vintage record basis generally fits one of 31 Iowa survivor curves. Through additional studies it has been shown that if plant is retired but it was not recorded on a vintage basis it would still follow the pattern of one of these curves. The SPR method of analyzing the data test the additions, retirements and plant balances for each year to fit the data to the best curve for analysis.

The result of simulating the plant balances and the depreciation reserve, and allocating the net salvage is to be able to develop the average plant lives and calculate the plant balances, reserve balances and annual depreciation accruals for distribution assets in service.

The most likely retirement patterns and average service lives were developed based on the SPR analysis. This information was then analyzed for appropriateness and a curve and service life were selected for each account.

Blue Grass Energy Cooperative

SCOPE

The study of depreciation also utilizes the estimates of net salvage for the primary plant accounts. Net salvage is the result of combining salvage received for plant removed from service and the cost of removal. These records were not maintained on a primary account basis since it was not required by the uniform system of accounts. As part of this study, both the cost of removal and salvage were allocated to the primary plant accounts on a percentage basis. The percentages were based on a review of salvage and cost of removal accounts at Blue Grass Energy for a ten (10) year period.

When utilizing the whole life method of accounting for depreciation, it is necessary to determine the adequacy of the depreciation reserve for each account. Blue Grass Energy maintains separate accumulated depreciation reserve accounts for each of its distribution plant accounts. The calculation of the net salvage is performed on an average of the original cost of units of property retired on a monthly basis. This method does not give consideration for net salvage ratio being different than the ratio of original cost each month. Therefore, it is necessary to develop a calculated depreciation reserve for each individual account. This was done by utilizing the average service life developed above, along with the net salvage ratio (as noted above) and applying the rate to the historical additions and the simulated retirements to date to obtain the calculated depreciation reserve.

The depreciation expense and the depreciation reserve were calculated on a composite basis for each account historically by Blue Grass Energy. For comparative purposes the depreciation expense was calculated for each year based on the proposed rates in this study, and the composite rate was calculated and compared to the current composite rate.

During 2005 through 2007, Blue Grass Energy changed out its existing meters and installed automated meter reading (AMR) devices. There was not enough activity, nor any retirements, in Account 370.10, Automated Meters to generate acceptable simulated plant study results. Therefore, it was estimated that Account 370.10, Automated Meters would use a useful life of 15 years. Based on judgmental factors and discussions with various other electric cooperatives that have installed AMR's, this appeared to be an acceptable life.

Following is a summary of the proposed composite depreciation rates, current rates and the RUS recommended maximum and minimum rates for distribution plant:

Blue Grass Energy Cooperative

SCOPE

<u>Distribution Account</u>	<u>Proposed</u>	<u>Current</u>	<u>RUS</u>	
	<u>Rate</u>	<u>Rate</u>	<u>Low</u>	<u>High</u>
362 Station equipment	4.17%	8.33%	3.00%	4.00%
364 Poles towers and fixtures	3.30%	3.50%	3.00%	4.00%
365 Overhead conductor & devices	4.05%	2.56%	2.30%	2.80%
367 Underground conductor & device	4.88%	2.65%	2.40%	2.90%
368 Line transformers	2.63%	2.86%	2.60%	3.10%
369 Services	5.08%	3.35%	3.10%	3.60%
370 Meters	4.55%	3.14%	2.90%	3.40%
371 Installations on cust. premises	3.23%	4.15%	3.90%	4.40%
373 Street lights & signal systems	4.35%	5.00%	3.90%	4.40%

1. The "Proposed" rates are the rates determined from this depreciation study.
2. The "Current Rates" are those currently in effect at Blue Grass Energy. Blue Grass Energy currently utilizes a rate for each distribution plant account. These rates were determined based upon rates utilized during the consolidation of Blue Grass Energy.
3. The "RUS Low and High" range are those included in RUS Bulletin 183-1, Depreciation Rates and Procedures. The ranges were developed by RUS in the 1960's as a result of the study of rural electric borrowers. As per the bulletin rates can be selected from within the range of rates without prior RUS approval. The bulletin also provides for rates higher or lower than those in the range when supported by a depreciation study. However, the Kentucky Public Service Commission does not allow for changing rates without the support of a depreciation study.

The study findings are based upon many factors and assumptions which were discussed with Blue Grass Energy's personnel during my visit. Any changes in the assumptions could significantly impact the results of the study findings. In the future as plant is added and retired, and methods and technology change appropriate revisions to the study findings may be necessary. Blue Grass Energy should consider the effects of such changes on an ongoing basis.

Blue Grass Energy Cooperative

SCOPE

Blue Grass Energy also considered the Whole Life Method of calculating the annual depreciation, with the Net Salvage Ratio as ordered by the Kentucky Public Service Commission in Case Number 2000-373, Adjustment of Rates of Jackson Energy Cooperative. This method of recognizing net salvage ratio is in essence the average of the last five (5) years salvage and removal costs that have been recognized in the accumulated depreciation account.

Based on the lives of the assets and the current reserve ratio to total distribution plant, Blue Grass Energy has decided to use these rates as a result of this study.

**Blue Grass Energy
Mortality Characteristics
Distribution Plant**

		-----	Existing	-----		-----	Proposed	-----
	Distribution Plant	Average	lowa	Net	Average	lowa	Net	
		Service	Curve	Salvage	Service	Curve	Salvage	
		<u>Life</u>	<u>Type</u>	<u>Factor</u>	<u>Life</u>	<u>Type</u>	<u>Factor</u>	
362	Station equipment				24	S6	0%	
364	Poles, towers & fixtures	-	-	-	39	L0	-55%	
365	Overhead conductors & devices	-	-	-	29	R5	-45%	
367	Underground conductors & devices	-	-	-	22	S1	-25%	
368	Line transformers	-	-	-	38	S0	0%	
369	Services	-	-	-	22	S2	-40%	
370	Meters	-	-	-	22	R2.5	0%	
371	Installations on customers premise:	-	-	-	31	R1	-35%	
373	Street lighting & signal systems	-	-	-	23	R2.5	0%	

Bluegrass Energy

Calculated Annual Accrual Rates

Acct Distribution Plant Accounts	Survivor Curve	Life	Net Salvage Percent	Original Cost	Book Accumulated Depreciation	Net Book Value	Future Accruals	Composite Remaining Life	Calculated Annual Accrual Amount	Rate
362 Station Equipment	S6	24	0%	\$628,565	\$178,111	\$450,454	\$370,258	14.14	\$26,190	4.17%
364 Poles, Towers & Fixtures	L0	39	-55%	\$42,966,262	\$4,694,648	\$38,271,614	\$59,765,070	35.01	\$1,707,013	3.97%
365 Overhead Conductors & Devices	R5	29	-45%	\$34,810,222	\$13,007,996	\$21,802,226	\$31,643,243	18.17	\$1,741,661	5.00%
367 Underground Conductors & Devices	S1	22	-25%	\$8,046,162	\$1,684,370	\$6,361,791	\$7,616,832	16.66	\$457,255	5.68%
368 Line Transformers	S0	38	0%	\$25,899,634	\$2,843,099	\$23,056,535	\$21,779,704	31.95	\$681,656	2.63%
369 Services	S2	22	-40%	\$21,949,763	\$6,590,347	\$15,359,416	\$21,177,954	15.16	\$1,397,075	6.36%
370 Meters	R2.5	22	0%	\$9,732,637	\$1,099,572	\$8,633,065	\$8,141,535	18.40	\$442,554	4.55%
371 Installations on Customers' Premises	R1	31	-35%	\$3,740,796	\$740,527	\$3,000,270	\$3,980,711	24.41	\$163,054	4.36%
373 Street Lighting & Signal Systems	R2.5	23	0%	\$2,058,317	\$355,084	\$1,703,233	\$1,542,986	17.24	\$89,476	4.35%
Total Distribution Plant				\$149,203,793	\$31,015,642	\$118,188,151	\$155,648,035			

Bluegrass Energy

Existing and Proposed Depreciation Accrual Rates and Amounts

Acct	Distribution Plant Accounts	Original Cost	Existing Estimated Annual Accrual Per Books		Proposed Estimate Calculated Annual Remaining Life Accrual		Increase\ (Decrease) in Accrual	
			Rate	Amount	Rate	Amount	Amount	Percent
362	Station Equipment	\$628,565	8.33%	\$52,359	4.17%	\$26,190	-\$26,169	-50%
364	Poles, Towers & Fixtures	\$42,966,262	3.50%	\$1,503,819	3.97%	\$1,707,013	\$203,194	14%
365	Overhead Conductors & Devices	\$34,810,222	2.56%	\$891,142	5.00%	\$1,741,661	\$850,520	95%
367	Underground Conductors & Devices	\$8,046,162	2.65%	\$213,223	5.68%	\$457,255	\$244,031	114%
368	Line Transformers	\$25,899,634	2.86%	\$740,730	2.63%	\$681,656	-\$59,074	-8%
369	Services	\$21,949,763	3.35%	\$735,317	6.36%	\$1,397,075	\$661,758	90%
370	Meters	\$9,732,637	3.14%	\$305,605	4.55%	\$442,554	\$136,950	45%
371	Installations on Customers' Premises	\$3,740,796	4.15%	\$155,243	4.36%	\$163,054	\$7,811	5%
373	Street Lighting & Signal Systems	\$2,058,317	5.00%	\$102,916	4.35%	\$89,476	-\$13,440	-13%
Total Distribution Plant		<u>\$149,203,793</u>		<u>\$4,647,994</u>		<u>\$6,679,745</u>	<u>\$2,031,750</u>	44%

Bluegrass Energy

Accrued Depreciation - Calculated

Acct Distribution Plant Accounts	Survivor Curve	Life	Net Salvage Percent	Original Cost	Calculated Accrued Depreciation		Book Accumulated Depreciation	
					Amount	Percent	Amount	Percent
362 Station Equipment	S6	24	0%	\$628,565	\$258,307	0.57%	\$178,111	0.57%
364 Poles, Towers & Fixtures	L0	39	-55%	\$42,966,262	\$6,808,446	15.14%	\$4,694,648	15.14%
365 Overhead Conductors & Devices	R5	29	-45%	\$34,810,222	\$18,864,939	41.94%	\$13,007,996	41.94%
367 Underground Conductors & Devices	S1	22	-25%	\$8,046,162	\$2,442,770	5.43%	\$1,684,370	5.43%
368 Line Transformers	S0	38	0%	\$25,899,634	\$4,123,224	9.17%	\$2,843,099	9.17%
369 Services	S2	22	-40%	\$21,949,763	\$9,557,697	21.25%	\$6,590,347	21.25%
370 Meters	R2.5	22	0%	\$9,732,637	\$1,594,662	3.55%	\$1,099,572	3.55%
371 Installations on Customers' Premises	R1	31	-35%	\$3,740,796	\$1,073,954	2.39%	\$740,527	2.39%
373 Street Lighting & Signal Systems	R2.5	23	0%	\$2,058,317	\$514,963	1.14%	\$355,084	1.14%
					<u>\$149,203,793</u>	<u>100.00%</u>	<u>\$31,015,642</u>	<u>100.00%</u>

Bluegrass Energy Service Life Statistics

Account: 362 Station Equipment
Historical Life Curve: S6

Historical Life: 24

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2006	\$628,565	0.5	0.020	1.000000	\$5,484	0.50	23,500	23.500
2005	\$623,081	1.5	0.060	1.000000	\$2,779	1.50	22,500	22.500
2004	\$620,302	2.5	0.100	1.000000	\$2,745	2.50	21,500	21.500
2003	\$617,557	3.5	0.150	1.000000	\$80,322	3.50	20,500	20.500
2002	\$537,235	4.5	0.190	1.000000	\$84,962	4.50	19,500	19.500
2001	\$452,273	5.5	0.230	1.000000	\$84,521	5.50	18,500	18.500
2000	\$367,752	6.5	0.270	1.000000	\$2,296	6.50	17,500	17.500
1999	\$365,456	7.5	0.310	1.000000	\$0	7.50	16,500	16.500
1998	\$365,456	8.5	0.350	1.000000	\$2,830	8.50	15,500	15.500
1997	\$362,626	9.5	0.400	1.000000	\$11,918	9.50	14,500	14.500
1996	\$350,708	10.5	0.440	1.000000	\$18,265	10.50	13,500	13.500
1995	\$332,443	11.5	0.480	1.000000	\$589	11.50	12,500	12.500
1994	\$331,854	12.5	0.520	1.000000	\$20,247	12.50	11,500	11.500
1993	\$311,607	13.5	0.560	1.000000	\$69,250	13.50	10,500	10.500
1992	\$242,357	14.5	0.600	1.000000	\$237,980	14.50	9,500	9.500
1991	\$4,377	15.5	0.650	1.000000	\$4,377	15.50	8,500	8.500
				<u>24.000000</u>	<u>\$628,565</u>			

Bluegrass Energy Service Life Statistics

Account: 364 Poles, Towers & Fixtures

Historical Life Curve: L0

Historical Life: 39

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2006	\$42,966,262	0.5	0.010	0.998706	\$2,631,185	0.50	40.861	40.914
2005	\$40,719,225	1.5	0.040	0.991830	\$1,688,322	1.49	39.866	40.194
2004	\$39,305,251	2.5	0.060	0.985715	\$2,567,182	2.48	38.877	39.440
2003	\$37,215,281	3.5	0.090	0.974942	\$1,459,769	3.46	37.897	38.871
2002	\$35,982,934	4.5	0.120	0.962660	\$1,530,519	4.43	36.928	38.360
2001	\$34,646,155	5.5	0.140	0.953786	\$2,798,659	5.39	35.970	37.712
2000	\$32,233,181	6.5	0.170	0.939604	\$1,730,336	6.34	35.023	37.274
1999	\$30,675,749	7.5	0.190	0.929644	\$2,174,891	7.27	34.088	36.668
1998	\$28,743,664	8.5	0.220	0.914052	\$2,219,605	8.19	33.166	36.285
1997	\$26,663,745	9.5	0.240	0.903273	\$1,850,840	9.10	32.258	35.712
1996	\$24,950,241	10.5	0.270	0.886609	\$1,559,614	10.00	31.363	35.374
1995	\$23,574,058	11.5	0.290	0.875209	\$1,860,341	10.88	30.482	34.828
1994	\$21,936,204	12.5	0.320	0.857736	\$1,336,115	11.74	29.615	34.527
1993	\$20,818,000	13.5	0.350	0.839886	\$1,209,863	12.59	28.767	34.251
1992	\$19,702,375	14.5	0.370	0.827812	\$1,215,433	13.43	27.933	33.743
1991	\$18,672,712	15.5	0.400	0.809491	\$1,156,932	14.25	27.114	33.495
1990	\$17,674,374	16.5	0.420	0.797166	\$1,381,456	15.05	26.311	33.005
1989	\$16,453,053	17.5	0.450	0.778558	\$1,094,919	15.84	25.523	32.782
1988	\$15,372,141	18.5	0.470	0.766099	\$917,957	16.61	24.751	32.307
1987	\$14,462,066	19.5	0.500	0.747376	\$1,067,407	17.37	23.994	32.104
1986	\$13,422,547	20.5	0.530	0.728653	\$860,620	18.10	23.256	31.916
1985	\$12,518,753	21.5	0.550	0.716181	\$695,531	18.83	22.533	31.463
1984	\$11,762,330	22.5	0.580	0.697501	\$755,166	19.53	21.827	31.293
1983	\$10,955,221	23.5	0.600	0.685073	\$534,649	20.23	21.135	30.851
1982	\$10,344,549	24.5	0.630	0.666481	\$676,056	20.90	20.460	30.698
1981	\$9,556,419	25.5	0.650	0.654127	\$693,715	21.56	19.799	30.268
1980	\$8,705,136	26.5	0.680	0.635669	\$768,762	22.21	19.154	30.133
1979	\$7,702,815	27.5	0.710	0.617313	\$809,010	22.83	18.528	30.014
1978	\$6,617,362	28.5	0.730	0.605140	\$505,470	23.44	17.917	29.607
1977	\$5,898,187	29.5	0.760	0.586988	\$397,642	24.04	17.321	29.507
1976	\$5,332,639	30.5	0.780	0.574966	\$425,420	24.62	16.740	29.114
1975	\$4,758,477	31.5	0.810	0.557061	\$361,815	25.19	16.174	29.034
1974	\$4,218,788	32.5	0.830	0.545218	\$252,804	25.74	15.622	28.654
1973	\$3,836,416	33.5	0.860	0.527601	\$222,185	26.27	15.086	28.594
1972	\$3,492,464	34.5	0.880	0.515963	\$178,152	26.80	14.564	28.227
1971	\$3,230,152	35.5	0.910	0.498674	\$135,147	27.30	14.057	28.189
1970	\$3,012,931	36.5	0.940	0.481600	\$104,640	27.79	13.567	28.170
1969	\$2,836,519	37.5	0.960	0.470343	\$137,536	28.27	13.091	27.832
1968	\$2,578,386	38.5	0.990	0.453654	\$104,802	28.73	12.629	27.838
1967	\$2,379,055	39.5	1.010	0.442665	\$59,504	29.18	12.181	27.517

Bluegrass Energy Service Life Statistics

Account: 364 Poles, Towers & Fixtures

Historical Life Curve: L0

Historical Life: 39

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1966	\$2,264,784	40.5	1.040	0.426396	\$50,245	29.61	11.746	27.547
1965	\$2,199,074	41.5	1.060	0.415697	\$45,447	30.04	11.325	27.244
1964	\$2,116,386	42.5	1.090	0.399877	\$48,886	30.44	10.917	27.302
1963	\$2,014,687	43.5	1.120	0.384341	\$41,197	30.84	10.525	27.385
1962	\$1,928,701	44.5	1.140	0.374146	\$29,862	31.21	10.146	27.118
1961	\$1,861,164	45.5	1.170	0.359104	\$33,928	31.58	9.779	27.232
1960	\$1,806,938	46.5	1.190	0.349246	\$37,845	31.94	9.425	26.987
1959	\$1,720,832	47.5	1.220	0.334720	\$22,454	32.28	9.083	27.136
1958	\$1,665,192	48.5	1.240	0.325214	\$24,275	32.61	8.753	26.915
1957	\$1,600,996	49.5	1.270	0.311226	\$55,063	32.93	8.435	27.102
1956	\$1,467,645	50.5	1.290	0.302084	\$20,776	33.23	8.128	26.907
1955	\$1,409,838	51.5	1.320	0.288650	\$21,393	33.53	7.833	27.136
1954	\$1,351,364	52.5	1.350	0.275557	\$30,460	33.81	7.551	27.402
1953	\$1,257,336	52.5	1.350	0.275557	\$40,154	34.09	7.275	26.402
1952	\$1,138,245	52.5	1.350	0.275557	\$31,165	34.36	7.000	25.402
1951	\$1,042,633	52.5	1.350	0.275557	\$29,416	34.64	6.724	24.402
1950	\$948,521	52.5	1.350	0.275557	\$27,736	34.91	6.449	23.402
1949	\$856,776	52.5	1.350	0.275557	\$75,548	35.19	6.173	22.402
1948	\$589,675	52.5	1.350	0.275557	\$40,366	35.46	5.897	21.402
1947	\$446,182	52.5	1.350	0.275557	\$30,722	35.74	5.622	20.402
1946	\$338,513	52.5	1.350	0.275557	\$5,084	36.01	5.346	19.402
1945	\$320,742	52.5	1.350	0.275557	\$9,567	36.29	5.071	18.402
1944	\$286,560	52.5	1.350	0.275557	\$6,139	36.57	4.795	17.402
1943	\$264,958	52.5	1.350	0.275557	\$16,457	36.84	4.520	16.402
1942	\$205,441	52.5	1.350	0.275557	\$12,269	37.12	4.244	15.402
1941	\$160,969	52.5	1.350	0.275557	\$4,748	37.39	3.969	14.402
1940	\$144,665	58.5	1.500	0.215315	\$16,041	37.64	3.723	17.292
1939	\$70,317	59.5	1.530	0.204329	\$3,003	37.85	3.513	17.194
1938	\$55,618	60.5	1.550	0.197203	\$942	38.05	3.313	16.798
1937	\$50,839	61.5	1.580	0.186811	\$9,497	38.24	3.121	16.704
				<u>38.333178</u>	<u>\$42,950,655</u>			

Bluegrass Energy

Service Life Statistics

Account: 365 Overhead Conductors & Devices

Historical Life Curve: R5

Historical Life: 29

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2006	\$34,810,222	0.5	0.020	1.000000	\$2,215,277	0.50	28.494	28.494
2005	\$33,103,871	1.5	0.050	1.000000	\$1,331,285	1.50	27.494	27.494
2004	\$32,051,058	2.5	0.090	1.000000	\$2,544,970	2.50	26.494	26.494
2003	\$30,092,272	3.5	0.120	1.000000	\$1,300,271	3.50	25.494	25.494
2002	\$29,033,859	4.5	0.160	1.000000	\$1,291,703	4.50	24.494	24.494
2001	\$27,879,155	5.5	0.190	1.000000	\$2,765,823	5.50	23.494	23.494
2000	\$25,519,111	6.5	0.220	1.000000	\$1,468,096	6.50	22.494	22.494
1999	\$24,229,225	7.5	0.260	1.000000	\$1,962,206	7.50	21.494	21.494
1998	\$22,569,458	8.5	0.290	1.000000	\$1,796,196	8.50	20.494	20.494
1997	\$21,026,330	9.5	0.330	1.000000	\$1,527,662	9.50	19.494	19.494
1996	\$19,746,934	10.5	0.360	1.000000	\$1,688,881	10.50	18.494	18.494
1995	\$18,207,192	11.5	0.400	0.999992	\$1,441,955	11.50	17.494	17.494
1994	\$17,004,858	12.5	0.430	0.999961	\$1,442,764	12.50	16.494	16.495
1993	\$15,730,244	13.5	0.470	0.999812	\$1,053,861	13.50	15.494	15.497
1992	\$14,799,103	14.5	0.500	0.998511	\$1,043,939	14.50	14.495	14.517
1991	\$13,879,875	15.5	0.530	0.998895	\$987,458	15.50	13.497	13.511
1990	\$13,030,043	16.5	0.570	0.997212	\$985,966	16.50	12.498	12.533
1989	\$12,213,034	17.5	0.600	0.994925	\$898,588	17.49	11.502	11.561
1988	\$11,430,075	18.5	0.640	0.989792	\$731,255	18.48	10.510	10.618
1987	\$10,774,048	19.5	0.670	0.983791	\$840,227	19.47	9.523	9.680
1986	\$10,059,460	20.5	0.710	0.971886	\$656,890	20.45	8.545	8.793
1985	\$9,484,388	21.5	0.740	0.959125	\$662,456	21.41	7.580	7.903
1984	\$8,879,773	22.5	0.780	0.935204	\$665,538	22.36	6.633	7.092
1983	\$8,272,992	23.5	0.810	0.910466	\$293,491	23.28	5.710	6.271
1982	\$7,984,715	24.5	0.840	0.878250	\$473,203	24.18	4.816	5.483
1981	\$7,493,573	25.5	0.880	0.821012	\$694,403	25.03	3.966	4.831
1980	\$6,743,695	26.5	0.910	0.765747	\$671,422	25.82	3.173	4.143
1979	\$5,931,662	27.5	0.950	0.674690	\$548,399	26.54	2.452	3.635
1978	\$5,198,614	28.5	0.980	0.594337	\$326,224	27.18	1.818	3.059
1977	\$4,684,333	29.5	1.020	0.475534	\$123,892	27.71	1.283	2.698
1976	\$4,446,793	30.5	1.050	0.382770	\$185,578	28.14	0.854	2.230
1975	\$4,018,983	31.5	1.090	0.263894	\$108,899	28.46	0.530	2.010
1974	\$3,655,468	32.5	1.120	0.185329	\$47,747	28.69	0.306	1.650
1973	\$3,432,189	33.5	1.160	0.102900	\$25,454	28.83	0.162	1.571
1972	\$3,216,446	34.5	1.190	0.060250	\$21,864	28.91	0.080	1.330
1971	\$2,897,121	35.5	1.220	0.032660	\$6,420	28.96	0.034	1.030
1970	\$2,724,617	36.5	1.260	0.012339	\$2,244	28.98	0.011	0.904
1969	\$2,566,194	37.5	1.290	0.004499	\$634	28.99	0.003	0.608
1968	\$2,441,081	38.5	1.330	0.000478	\$83	28.99	0.000	0.515
1967	\$2,306,967	39.5	1.360	0.000007	\$1	28.99	0.000	0.500

Bluegrass Energy Service Life Statistics

Account: 365 Overhead Conductors & Devices

Historical Life Curve: R5

Historical Life: 29

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1966	\$2,201,786	40.5	1.400	0.000000	\$0	28.99	0.000	0.000
1965	\$2,024,269	41.5	1.430	0.000000	\$0	28.99	0.000	0.000
1964	\$1,977,084	42.5	1.470	0.000000	\$0	28.99	0.000	0.000
1963	\$1,903,026	43.5	1.500	0.000000	\$0	28.99	0.000	0.000
1962	\$1,830,471	44.5	1.530	0.000000	\$0	28.99	0.000	0.000
1961	\$1,789,553	45.5	1.570	0.000000	\$0	28.99	0.000	0.000
1960	\$1,702,263	46.5	1.600	0.000000	\$0	28.99	0.000	0.000
1959	\$1,618,340	47.5	1.640	0.000000	\$0	28.99	0.000	0.000
1958	\$1,579,546	48.5	1.670	0.000000	\$0	28.99	0.000	0.000
1957	\$1,533,664	49.5	1.710	0.000000	\$0	28.99	0.000	0.000
1956	\$1,419,698	50.5	1.740	0.000000	\$0	28.99	0.000	0.000
1955	\$1,359,787	51.5	1.780	0.000000	\$0	28.99	0.000	0.000
1954	\$1,309,181	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1953	\$1,228,124	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1952	\$1,113,654	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1951	\$1,032,309	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1950	\$953,661	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1949	\$875,897	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1948	\$609,183	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1947	\$493,062	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1946	\$409,451	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1945	\$396,439	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1944	\$209,151	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1943	\$202,482	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1942	\$198,277	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1941	\$156,819	52.5	1.810	0.000000	\$0	28.99	0.000	0.000
1940	\$153,070	58.5	2.020	0.000000	\$0	28.99	0.000	0.000
1939	\$68,470	59.5	2.050	0.000000	\$0	28.99	0.000	0.000
1938	\$65,215	60.5	2.090	0.000000	\$0	28.99	0.000	0.000
1937	\$61,960	61.5	2.120	0.000000	\$0	28.99	0.000	0.000
				28.994270	\$34,833,229			

Bluegrass Energy Service Life Statistics

Account: 367 Underground Conductors & Devices

Historical Life Curve: S1

Historical Life: 22

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2006	\$8,046,162	0.5	0.020	0.999982	\$708,316	0.50	21.500	21.500
2005	\$7,377,614	1.5	0.070	0.999412	\$995,615	1.50	20.500	20.512
2004	\$6,466,131	2.5	0.110	0.997945	\$931,511	2.50	19.502	19.542
2003	\$5,602,800	3.5	0.160	0.994277	\$698,723	3.49	18.506	18.612
2002	\$4,940,680	4.5	0.200	0.989548	\$560,738	4.49	17.514	17.699
2001	\$4,451,831	5.5	0.250	0.981059	\$625,690	5.47	16.528	16.847
2000	\$3,845,564	6.5	0.300	0.969440	\$602,528	6.45	15.553	16.043
1999	\$3,275,595	7.5	0.340	0.957760	\$483,007	7.41	14.589	15.233
1998	\$2,792,616	8.5	0.390	0.940092	\$657,532	8.36	13.641	14.510
1997	\$2,128,057	9.5	0.430	0.923482	\$558,828	9.29	12.709	13.762
1996	\$1,602,495	10.5	0.480	0.899650	\$112,119	10.20	11.797	13.113
1995	\$1,495,740	11.5	0.520	0.878189	\$203,553	11.09	10.908	12.421
1994	\$1,307,129	12.5	0.570	0.848489	\$134,162	11.96	10.045	11.839
1993	\$1,181,330	13.5	0.610	0.822551	\$72,375	12.79	9.209	11.196
1992	\$1,103,149	14.5	0.660	0.787606	\$120,675	13.60	8.404	10.671
1991	\$975,038	15.5	0.700	0.757801	\$74,681	14.37	7.632	10.071
1990	\$888,269	16.5	0.750	0.718494	\$137,316	15.11	6.893	9.594
1989	\$772,149	17.5	0.800	0.677222	\$67,243	15.80	6.196	9.149
1988	\$698,573	18.5	0.840	0.643032	\$47,244	16.46	5.535	8.608
1987	\$628,820	19.5	0.890	0.599149	\$55,006	17.09	4.914	8.202
1986	\$543,733	20.5	0.930	0.563372	\$16,143	17.67	4.333	7.691
1985	\$517,208	21.5	0.980	0.518156	\$37,851	18.21	3.792	7.319
1984	\$465,266	22.5	1.020	0.481844	\$32,180	18.71	3.292	6.833
1983	\$401,014	23.5	1.070	0.436628	\$31,950	19.17	2.833	6.489
1982	\$328,849	24.5	1.110	0.400851	\$29,356	19.59	2.414	6.023
1981	\$262,056	25.5	1.160	0.356968	\$7,542	19.96	2.035	5.702
1980	\$245,934	26.5	1.200	0.322778	\$9,170	20.30	1.696	5.253
1979	\$218,251	27.5	1.250	0.281506	\$10,082	20.61	1.393	4.950
1978	\$188,242	28.5	1.300	0.242199	\$7,059	20.87	1.132	4.672
1977	\$161,602	29.5	1.340	0.212394	\$3,661	21.10	0.904	4.258
1976	\$146,830	30.5	1.390	0.177449	\$4,331	21.29	0.709	3.998
1975	\$122,572	31.5	1.430	0.151511	\$4,912	21.46	0.545	3.597
1974	\$103,060	32.5	1.480	0.121811	\$762	21.59	0.408	3.352
1973	\$96,807	33.5	1.520	0.100350	\$4,413	21.70	0.297	2.961
1972	\$52,828	34.5	1.570	0.076519	\$0	21.79	0.209	2.728
1971	\$52,828	35.5	1.610	0.059908	\$0	21.86	0.141	2.346
1970	\$52,828	36.5	1.660	0.042240	\$1,372	21.91	0.089	2.118
1969	\$20,345	37.5	1.700	0.030560	\$0	21.95	0.053	1.736
1968	\$20,345	38.5	1.750	0.018941	\$0	21.97	0.028	1.494
1967	\$20,345	39.5	1.800	0.010452	\$0	21.99	0.014	1.302

Bluegrass Energy

Service Life Statistics

Account: 367 Underground Conductors & Devices

Historical Life Curve: S1

Historical Life: 22

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1966	\$20,345	40.5	1.840	0.005723	\$34	21.99	0.006	0.965
1965	\$14,417	41.5	1.890	0.002055	\$0	22.00	0.002	0.795
1964	\$14,417	42.5	1.930	0.000588	\$3	22.00	0.000	0.530
1963	\$9,533	43.5	1.980	0.000018	\$0	22.00	0.000	0.500
1962	\$4,915	44.5	2.020	0.000000	\$0	22.00	0.000	0.000
1961	\$4,915	45.5	2.070	0.000000	\$0	22.00	0.000	0.000
				<u>22.000000</u>	<u>\$8,047,682</u>			

Bluegrass Energy

Service Life Statistics

Account: 368 Line Transformers

Historical Life Curve: S0

Historical Life: 38

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2006	\$25,899,634	0.5	0.010	0.999791	\$1,968,018	0.50	39.702	39.711
2005	\$24,310,993	1.5	0.040	0.997625	\$2,007,872	1.50	38.704	38.796
2004	\$22,885,764	2.5	0.070	0.993722	\$1,675,640	2.49	37.708	37.946
2003	\$21,239,344	3.5	0.090	0.990304	\$1,210,548	3.49	36.716	37.075
2002	\$20,196,203	4.5	0.120	0.984081	\$1,057,628	4.47	35.729	36.307
2001	\$19,494,395	5.5	0.140	0.979259	\$1,279,396	5.46	34.747	35.483
2000	\$18,436,089	6.5	0.170	0.971092	\$1,287,300	6.43	33.772	34.777
1999	\$17,413,791	7.5	0.200	0.961881	\$1,400,021	7.40	32.805	34.105
1998	\$16,052,717	8.5	0.220	0.955198	\$1,160,816	8.36	31.847	33.341
1997	\$14,880,837	9.5	0.250	0.944407	\$1,120,691	9.31	30.897	32.716
1996	\$13,856,436	10.5	0.280	0.932752	\$924,829	10.24	29.958	32.118
1995	\$12,964,860	11.5	0.300	0.924528	\$869,323	11.17	29.030	31.400
1994	\$12,159,260	12.5	0.330	0.911549	\$752,240	12.09	28.112	30.840
1993	\$11,476,472	13.5	0.360	0.897840	\$684,859	13.00	27.207	30.303
1992	\$10,936,835	14.5	0.380	0.888318	\$635,912	13.89	26.314	29.622
1991	\$10,309,834	15.5	0.410	0.873492	\$491,148	14.77	25.433	29.117
1990	\$9,812,314	16.5	0.430	0.863264	\$510,854	15.64	24.565	28.456
1989	\$9,275,884	17.5	0.460	0.847434	\$559,654	16.49	23.709	27.978
1988	\$8,698,889	18.5	0.490	0.831052	\$594,792	17.33	22.870	27.520
1987	\$8,082,967	19.5	0.510	0.819842	\$596,963	18.16	22.045	26.889
1986	\$7,392,459	20.5	0.540	0.802621	\$179,688	18.97	21.233	26.455
1985	\$7,204,326	21.5	0.570	0.784942	\$466,773	19.76	20.440	26.040
1984	\$6,692,362	22.5	0.590	0.772918	\$375,905	20.54	19.661	25.437
1983	\$6,260,207	23.5	0.620	0.754550	\$342,216	21.31	18.897	25.044
1982	\$5,867,358	24.5	0.640	0.742098	\$248,643	22.05	18.149	24.456
1981	\$5,578,440	25.5	0.670	0.723130	\$381,486	22.79	17.416	24.084
1980	\$5,113,925	26.5	0.700	0.703845	\$321,335	23.50	16.703	23.731
1979	\$4,721,387	27.5	0.720	0.690826	\$260,616	24.20	16.005	23.168
1978	\$4,406,970	28.5	0.750	0.671077	\$331,621	24.88	15.324	22.835
1977	\$3,971,867	29.5	0.780	0.651091	\$316,242	25.54	14.663	22.521
1976	\$3,552,886	30.5	0.800	0.637649	\$257,738	26.18	14.019	21.985
1975	\$3,222,859	31.5	0.830	0.617331	\$193,487	26.81	13.391	21.692
1974	\$2,993,971	32.5	0.860	0.596852	\$155,615	27.42	12.784	21.420
1973	\$2,836,457	33.5	0.880	0.583124	\$153,894	28.01	12.194	20.912
1972	\$2,601,481	34.5	0.910	0.562442	\$95,541	28.58	11.622	20.663
1971	\$2,467,334	35.5	0.930	0.548605	\$80,078	29.14	11.066	20.171
1970	\$2,361,775	36.5	0.960	0.527797	\$80,283	29.67	10.528	19.947
1969	\$2,225,157	37.5	0.990	0.506952	\$72,033	30.19	10.010	19.746
1968	\$2,120,598	38.5	1.010	0.493048	\$51,290	30.69	9.510	19.289
1967	\$2,063,380	39.5	1.040	0.472203	\$51,288	31.17	9.028	19.118

Bluegrass Energy Service Life Statistics

Account: 368 Line Transformers

Historical Life Curve: S0

Historical Life: 38

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1966	\$1,977,416	40.5	1.070	0.451395	\$52,172	31.64	8.566	18.977
1965	\$1,982,325	41.5	1.090	0.437558	\$35,727	32.08	8.122	18.561
1964	\$1,916,341	42.5	1.120	0.416876	\$34,802	32.51	7.694	18.457
1963	\$1,845,921	43.5	1.140	0.403148	\$42,719	32.92	7.284	18.069
1962	\$1,765,209	44.5	1.170	0.382670	\$26,376	33.31	6.891	18.009
1961	\$1,707,672	45.5	1.200	0.362351	\$38,499	33.68	6.519	17.990
1960	\$1,618,987	46.5	1.220	0.348909	\$56,269	34.04	6.163	17.664
1959	\$1,497,292	47.5	1.250	0.328923	\$36,540	34.38	5.824	17.707
1958	\$1,398,511	48.5	1.280	0.309174	\$21,780	34.70	5.505	17.806
1957	\$1,333,152	49.5	1.300	0.296155	\$34,182	35.00	5.203	17.567
1956	\$1,246,793	50.5	1.330	0.276870	\$17,094	35.29	4.916	17.756
1955	\$1,190,018	51.5	1.360	0.257902	\$14,704	35.55	4.649	18.025
1954	\$1,152,490	52.5	1.380	0.245450	\$19,073	35.81	4.397	17.914
1953	\$1,078,410	52.5	1.380	0.245450	\$33,123	36.05	4.152	16.914
1952	\$955,739	52.5	1.380	0.245450	\$23,922	36.30	3.906	15.914
1951	\$864,158	52.5	1.380	0.245450	\$21,787	36.54	3.661	14.914
1950	\$783,214	52.5	1.380	0.245450	\$23,894	36.79	3.415	13.914
1949	\$717,956	52.5	1.380	0.245450	\$36,865	37.03	3.170	12.914
1948	\$578,138	52.5	1.380	0.245450	\$32,418	37.28	2.924	11.914
1947	\$454,769	52.5	1.380	0.245450	\$37,088	37.52	2.679	10.914
1946	\$307,569	52.5	1.380	0.245450	\$8,764	37.77	2.433	9.914
1945	\$272,880	52.5	1.380	0.245450	\$5,065	38.01	2.188	8.914
1944	\$252,409	52.5	1.380	0.245450	\$4,450	38.26	1.943	7.914
1943	\$234,484	52.5	1.380	0.245450	\$6,776	38.51	1.697	6.914
1942	\$206,950	52.5	1.380	0.245450	\$7,003	38.75	1.452	5.914
1941	\$178,495	52.5	1.380	0.245450	\$4,708	39.00	1.206	4.914
1940	\$159,412	58.5	1.540	0.152566	\$12,001	39.20	1.007	6.602
1939	\$82,138	59.5	1.570	0.136736	\$8,669	39.34	0.863	6.308
1938	\$18,742	60.5	1.590	0.126508	\$721	39.47	0.731	5.778
1937	\$13,042	61.5	1.620	0.111682	\$1,457	39.59	0.612	5.478
				39.646249	\$25,902,928			

Bluegrass Energy Service Life Statistics

Account: 369 Services

Historical Life Curve: S2

Historical Life: 22

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2006	\$21,949,763	0.5	0.020	1.000000	\$1,865,889	0.50	21.502	21.502
2005	\$20,441,400	1.5	0.070	0.999989	\$1,958,391	1.50	20.502	20.502
2004	\$18,903,800	2.5	0.110	0.999913	\$1,746,958	2.50	19.502	19.504
2003	\$17,476,723	3.5	0.160	0.999535	\$1,518,723	3.50	18.502	18.511
2002	\$16,241,258	4.5	0.200	0.998756	\$1,700,285	4.50	17.503	17.525
2001	\$14,791,640	5.5	0.250	0.996736	\$2,126,549	5.50	16.506	16.560
2000	\$12,883,395	6.5	0.300	0.992931	\$1,474,727	6.49	15.511	15.621
1999	\$11,579,016	7.5	0.340	0.988122	\$1,422,175	7.48	14.520	14.695
1998	\$10,390,582	8.5	0.390	0.979273	\$1,115,722	8.47	13.536	13.823
1997	\$9,461,386	9.5	0.430	0.969476	\$1,017,988	9.44	12.562	12.958
1996	\$8,541,511	10.5	0.480	0.953288	\$730,774	10.40	11.601	12.169
1995	\$7,872,692	11.5	0.520	0.936846	\$767,383	11.35	10.656	11.374
1994	\$7,167,368	12.5	0.570	0.911591	\$581,941	12.27	9.731	10.675
1993	\$6,640,982	13.5	0.610	0.887476	\$537,365	13.17	8.832	9.952
1992	\$6,141,113	14.5	0.660	0.852393	\$381,852	14.04	7.962	9.341
1991	\$5,792,058	15.5	0.700	0.822454	\$347,571	14.88	7.125	8.663
1990	\$5,455,046	16.5	0.750	0.775955	\$438,134	15.68	6.325	8.152
1989	\$5,004,896	17.5	0.800	0.726843	\$394,019	16.43	5.574	7.669
1988	\$4,543,193	18.5	0.840	0.684683	\$354,193	17.13	4.868	7.110
1987	\$4,091,112	19.5	0.890	0.629085	\$331,079	17.79	4.211	6.694
1986	\$3,645,180	20.5	0.930	0.582875	\$244,797	18.40	3.605	6.185
1985	\$3,294,807	21.5	0.980	0.523810	\$154,378	18.95	3.052	5.826
1984	\$3,049,760	22.5	1.020	0.476290	\$183,727	19.45	2.552	5.358
1983	\$2,737,417	23.5	1.070	0.417125	\$116,595	19.90	2.105	5.047
1982	\$2,503,044	24.5	1.110	0.370915	\$94,413	20.29	1.711	4.613
1981	\$2,293,181	25.5	1.160	0.315317	\$81,390	20.63	1.368	4.339
1980	\$2,082,451	26.5	1.200	0.273157	\$73,709	20.93	1.074	3.931
1979	\$1,866,238	27.5	1.250	0.224045	\$68,851	21.18	0.825	3.683
1978	\$1,624,390	28.5	1.300	0.179546	\$43,627	21.38	0.623	3.472
1977	\$1,425,831	29.5	1.340	0.147607	\$25,754	21.54	0.460	3.116
1976	\$1,289,146	30.5	1.390	0.112524	\$19,699	21.67	0.330	2.931
1975	\$1,154,122	31.5	1.430	0.088409	\$15,085	21.77	0.229	2.594
1974	\$1,018,660	32.5	1.480	0.063154	\$9,656	21.85	0.154	2.432
1973	\$903,170	33.5	1.520	0.046712	\$5,246	21.90	0.099	2.111
1972	\$817,652	34.5	1.570	0.030524	\$2,507	21.94	0.060	1.966
1971	\$755,213	35.5	1.610	0.020727	\$1,569	21.97	0.034	1.659
1970	\$700,674	36.5	1.660	0.011878	\$739	21.98	0.018	1.522
1969	\$651,425	37.5	1.700	0.007069	\$298	21.99	0.009	1.218
1968	\$621,300	38.5	1.750	0.003266	\$210	22.00	0.003	1.053
1967	\$574,163	39.5	1.800	0.001244	\$47	22.00	0.001	0.953

Bluegrass Energy Service Life Statistics

Account: 369 Services

Historical Life Curve: S2

Historical Life: 22

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1966	\$546,134	40.5	1.840	0.000465	\$22	22.00	0.000	0.710
1965	\$509,107	41.5	1.890	0.000087	\$3	22.00	0.000	0.628
1964	\$484,224	42.5	1.930	0.000011	\$0	22.00	0.000	0.503
1963	\$513,529	43.5	1.980	0.000000	\$0	22.00	0.000	0.500
1962	\$488,096	44.5	2.020	0.000000	\$0	22.00	0.000	0.000
1961	\$449,442	45.5	2.070	0.000000	\$0	22.00	0.000	0.000
1960	\$413,468	46.5	2.110	0.000000	\$0	22.00	0.000	0.000
1959	\$373,870	47.5	2.160	0.000000	\$0	22.00	0.000	0.000
1958	\$341,686	48.5	2.200	0.000000	\$0	22.00	0.000	0.000
1957	\$325,740	49.5	2.250	0.000000	\$0	22.00	0.000	0.000
1956	\$309,638	50.5	2.300	0.000000	\$0	22.00	0.000	0.000
1955	\$295,987	51.5	2.340	0.000000	\$0	22.00	0.000	0.000
1954	\$282,296	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1953	\$266,689	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1952	\$245,478	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1951	\$226,568	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1950	\$207,176	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1949	\$190,257	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1948	\$142,382	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1947	\$116,512	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1946	\$92,826	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1945	\$81,110	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1944	\$71,060	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1943	\$64,000	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1942	\$58,021	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1941	\$47,691	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1940	\$40,250	58.5	2.660	0.000000	\$0	22.00	0.000	0.000
1939	\$22,314	59.5	2.700	0.000000	\$0	22.00	0.000	0.000
1938	\$3,963	60.5	2.750	0.000000	\$0	22.00	0.000	0.000
1937	\$2,692	61.5	2.800	0.000000	\$0	22.00	0.000	0.000
				<u>22.002103</u>	<u>\$21,954,037</u>			

Bluegrass Energy Service Life Statistics

Account: 370 Meters

Historical Life Curve: R2.5

Historical Life: 22

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2006	\$9,732,637	0.5	0.020	0.998874	\$4,001,638	0.50	21.501	21.525
2005	\$6,118,987	1.5	0.070	0.995620	\$2,209,665	1.50	20.504	20.594
2004	\$4,117,530	2.5	0.110	0.992497	\$562,835	2.49	19.510	19.657
2003	\$3,582,807	3.5	0.160	0.987823	\$151,903	3.48	18.520	18.748
2002	\$3,440,562	4.5	0.200	0.983363	\$158,321	4.47	17.534	17.831
2001	\$3,301,963	5.5	0.250	0.976729	\$115,551	5.45	16.554	16.948
2000	\$3,207,064	6.5	0.300	0.968721	\$367,625	6.42	15.581	16.084
1999	\$2,844,783	7.5	0.340	0.961170	\$449,957	7.38	14.616	15.207
1998	\$2,486,082	8.5	0.390	0.950088	\$134,042	8.34	13.661	14.378
1997	\$2,398,181	9.5	0.430	0.939737	\$155,221	9.28	12.716	13.531
1996	\$2,250,484	10.5	0.480	0.924697	\$113,270	10.22	11.784	12.743
1995	\$2,170,565	11.5	0.520	0.910789	\$157,336	11.13	10.866	11.930
1994	\$2,063,684	12.5	0.570	0.890778	\$93,867	12.04	9.965	11.187
1993	\$1,989,742	13.5	0.610	0.872443	\$116,351	12.92	9.083	10.411
1992	\$1,876,036	14.5	0.660	0.846292	\$96,505	13.78	8.224	9.718
1991	\$1,794,000	15.5	0.700	0.822521	\$84,610	14.61	7.390	8.984
1990	\$1,728,478	16.5	0.750	0.788871	\$82,268	15.42	6.584	8.346
1989	\$1,659,664	17.5	0.800	0.750427	\$79,782	16.19	5.814	7.748
1988	\$1,587,518	18.5	0.840	0.715950	\$138,558	16.92	5.081	7.097
1987	\$1,418,286	19.5	0.890	0.667972	\$92,983	17.61	4.389	6.571
1986	\$1,307,339	20.5	0.930	0.625661	\$80,394	18.26	3.742	5.981
1985	\$1,192,105	21.5	0.980	0.568135	\$99,461	18.86	3.145	5.536
1984	\$1,050,250	22.5	1.020	0.518909	\$47,005	19.40	2.602	5.014
1983	\$974,099	23.5	1.070	0.454515	\$41,835	19.89	2.115	4.654
1982	\$961,914	24.5	1.110	0.401893	\$19,671	20.31	1.687	4.198
1981	\$915,475	25.5	1.160	0.336667	\$17,361	20.68	1.318	3.914
1980	\$870,577	26.5	1.200	0.286458	\$14,926	20.99	1.006	3.512
1979	\$829,537	27.5	1.250	0.228078	\$12,137	21.25	0.749	3.284
1978	\$781,215	28.5	1.300	0.176215	\$15,763	21.45	0.547	3.103
1977	\$699,363	29.5	1.340	0.140137	\$9,816	21.61	0.389	2.773
1976	\$642,923	30.5	1.390	0.102068	\$5,569	21.73	0.267	2.621
1975	\$594,578	31.5	1.430	0.077075	\$4,302	21.82	0.178	2.308
1974	\$553,367	32.5	1.480	0.052149	\$2,203	21.89	0.113	2.172
1973	\$521,215	33.5	1.520	0.036776	\$1,837	21.93	0.069	1.871
1972	\$477,691	34.5	1.570	0.022531	\$849	21.96	0.039	1.739
1971	\$442,456	35.5	1.610	0.014486	\$399	21.98	0.021	1.426
1970	\$415,522	36.5	1.660	0.007672	\$251	21.99	0.010	1.249
1969	\$385,944	37.5	1.700	0.004112	\$95	22.00	0.004	0.898
1968	\$363,905	38.5	1.750	0.001402	\$28	22.00	0.001	0.667
1967	\$344,606	39.5	1.800	0.000228	\$4	22.00	0.000	0.528

Bluegrass Energy Service Life Statistics

Account: 370 Meters

Historical Life Curve: R2.5

Historical Life: 22

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
1966	\$331,550	40.5	1.840	0.000006	\$0	22.00	0.000	0.500
1965	\$317,476	41.5	1.890	0.000000	\$0	22.00	0.000	0.000
1964	\$310,849	42.5	1.930	0.000000	\$0	22.00	0.000	0.000
1963	\$291,146	43.5	1.980	0.000000	\$0	22.00	0.000	0.000
1962	\$281,416	44.5	2.020	0.000000	\$0	22.00	0.000	0.000
1961	\$271,481	45.5	2.070	0.000000	\$0	22.00	0.000	0.000
1960	\$266,131	46.5	2.110	0.000000	\$0	22.00	0.000	0.000
1959	\$258,845	47.5	2.160	0.000000	\$0	22.00	0.000	0.000
1958	\$242,127	48.5	2.200	0.000000	\$0	22.00	0.000	0.000
1957	\$229,077	49.5	2.250	0.000000	\$0	22.00	0.000	0.000
1956	\$219,331	50.5	2.300	0.000000	\$0	22.00	0.000	0.000
1955	\$220,066	51.5	2.340	0.000000	\$0	22.00	0.000	0.000
1954	\$211,797	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1953	\$201,143	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1952	\$185,797	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1951	\$172,761	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1950	\$159,354	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1949	\$142,000	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1948	\$121,601	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1947	\$85,473	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1946	\$67,006	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1945	\$60,868	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1944	\$52,181	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1943	\$49,642	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1942	\$46,042	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1941	\$43,608	52.5	2.390	0.000000	\$0	22.00	0.000	0.000
1940	\$35,704	58.5	2.660	0.000000	\$0	22.00	0.000	0.000
1939	\$12,637	59.5	2.700	0.000000	\$0	22.00	0.000	0.000
1938	\$3,628	60.5	2.750	0.000000	\$0	22.00	0.000	0.000
1937	\$2,528	61.5	2.800	0.000000	\$0	22.00	0.000	0.000
				<u>22.000536</u>	<u>\$9,736,196</u>			

Bluegrass Energy Service Life Statistics

Account: 371 Installations on Customers' Premises

Historical Life Curve: R1

Historical Life: 31

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2006	\$3,740,796	0.5	0.020	0.994802	\$270,347	0.50	31.110	31.273
2005	\$3,514,415	1.5	0.050	0.986732	\$235,674	1.49	30.119	30.524
2004	\$3,302,714	2.5	0.080	0.978335	\$258,397	2.47	29.137	29.782
2003	\$3,081,735	3.5	0.110	0.969611	\$265,732	3.44	28.163	29.046
2002	\$2,869,847	4.5	0.150	0.957474	\$230,467	4.41	27.199	28.407
2001	\$2,670,766	5.5	0.180	0.947995	\$214,204	5.36	26.247	27.686
2000	\$2,478,479	6.5	0.210	0.938198	\$172,142	6.30	25.304	26.970
1999	\$2,338,690	7.5	0.240	0.928084	\$186,013	7.24	24.370	26.259
1998	\$2,172,315	8.5	0.270	0.917660	\$174,123	8.16	23.447	25.551
1997	\$2,012,825	9.5	0.310	0.903282	\$171,393	9.07	22.537	24.950
1996	\$1,851,777	10.5	0.340	0.892137	\$158,896	9.97	21.639	24.256
1995	\$1,700,895	11.5	0.370	0.880667	\$162,176	10.85	20.753	23.565
1994	\$1,545,219	12.5	0.400	0.868852	\$114,559	11.73	19.878	22.879
1993	\$1,450,200	13.5	0.440	0.852519	\$95,653	12.59	19.017	22.307
1992	\$1,365,060	14.5	0.470	0.839802	\$79,615	13.44	18.171	21.638
1991	\$1,294,173	15.5	0.500	0.826654	\$145,842	14.27	17.338	20.974
1990	\$1,148,919	16.5	0.530	0.813047	\$71,234	15.09	16.518	20.316
1989	\$1,092,132	17.5	0.560	0.798955	\$68,019	15.90	15.712	19.666
1988	\$1,030,622	18.5	0.600	0.779372	\$61,568	16.68	14.923	19.148
1987	\$969,193	19.5	0.630	0.764061	\$42,433	17.46	14.151	18.521
1986	\$927,229	20.5	0.660	0.748195	\$40,562	18.21	13.395	17.903
1985	\$887,360	21.5	0.690	0.731761	\$31,879	18.95	12.655	17.294
1984	\$850,705	22.5	0.730	0.708948	\$37,854	19.67	11.935	16.835
1983	\$811,558	23.5	0.760	0.691157	\$34,337	20.37	11.235	16.255
1982	\$774,087	24.5	0.790	0.672781	\$31,455	21.05	10.553	15.685
1981	\$735,158	25.5	0.820	0.653828	\$27,489	21.72	9.890	15.126
1980	\$701,466	26.5	0.850	0.634306	\$26,556	22.36	9.245	14.576
1979	\$672,320	27.5	0.890	0.607425	\$25,647	22.98	8.625	14.199
1978	\$641,483	28.5	0.920	0.586652	\$30,165	23.58	8.028	13.684
1977	\$601,838	29.5	0.950	0.565388	\$24,657	24.16	7.452	13.180
1976	\$566,568	30.5	0.980	0.543667	\$28,901	24.71	6.897	12.686
1975	\$525,475	31.5	1.020	0.514064	\$22,433	25.24	6.368	12.388
1974	\$499,953	32.5	1.050	0.491442	\$33,069	25.74	5.865	11.935
1973	\$447,240	33.5	1.080	0.468516	\$27,954	26.22	5.385	11.495
1972	\$396,061	34.5	1.110	0.445346	\$21,554	26.68	4.929	11.067
1971	\$353,396	35.5	1.150	0.414181	\$17,856	27.11	4.499	10.862
1970	\$316,142	36.5	1.180	0.390690	\$14,168	27.51	4.096	10.485
1969	\$284,214	37.5	1.210	0.367182	\$14,603	27.89	3.717	10.124
1968	\$248,925	38.5	1.240	0.343731	\$18,734	28.25	3.362	9.781
1967	\$203,998	39.5	1.270	0.320420	\$13,126	28.58	3.030	9.456

Bluegrass Energy Service Life Statistics

Account: 371 Installations on Customers' Premises

Historical Life Curve: R1

Historical Life: 31

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
Year								
1966	\$167,147	40.5	1.310	0.289690	\$10,056	28.88	2.725	9.406
1965	\$135,878	41.5	1.340	0.267039	\$9,099	29.16	2.446	9.161
1964	\$105,053	42.5	1.370	0.244806	\$7,259	29.42	2.190	8.948
1963	\$76,773	43.5	1.400	0.223088	\$9,543	29.65	1.957	8.770
1962	\$35,691	44.5	1.440	0.195090	\$4,685	29.86	1.747	8.957
1961	\$12,158	45.5	1.470	0.174925	\$1,690	30.05	1.562	8.932
1960	\$2,499	46.5	1.500	0.155575	\$308	30.21	1.397	8.981
1959	\$520	47.5	1.530	0.137123	\$71	30.36	1.251	9.122
				<u>30.425256</u>	<u>\$3,744,197</u>			

Bluegrass Energy Service Life Statistics

Account: 373 Street Lighting & Signal Systems

Historical Life Curve: R2.5

Historical Life: 23

	B Acct Data	C Beg Age	D C / "HL"	E Lookup	F Add x %Srvg	G "RL" Area	H "FL" Area	I "FL" / E
Year	Ending Balance	Age	Age/Life	Historical Percent Surviving	Simulated Plant Survivors	Realized Life (RL)	Future Unrealized Life	Remaining Life Years
2006	\$2,058,317	0.5	0.020	0.998874	\$242,425	0.50	22.497	22.522
2005	\$1,820,129	1.5	0.070	0.995620	\$263,151	1.50	21.500	21.594
2004	\$1,570,369	2.5	0.110	0.992497	\$161,365	2.49	20.506	20.661
2003	\$1,427,247	3.5	0.150	0.988834	\$89,043	3.48	19.515	19.736
2002	\$1,343,275	4.5	0.200	0.983363	\$37,072	4.47	18.529	18.843
2001	\$1,310,786	5.5	0.240	0.978158	\$154,751	5.45	17.548	17.940
2000	\$1,160,264	6.5	0.280	0.972103	\$254,296	6.42	16.573	17.049
1999	\$904,117	7.5	0.330	0.963161	\$110,631	7.39	15.606	16.202
1998	\$791,699	8.5	0.370	0.954755	\$267,260	8.35	14.647	15.341
1997	\$516,161	9.5	0.410	0.945088	\$66,451	9.30	13.697	14.492
1996	\$448,559	10.5	0.460	0.931011	\$58,307	10.24	12.759	13.704
1995	\$387,473	11.5	0.500	0.917964	\$42,547	11.16	11.834	12.892
1994	\$344,489	12.5	0.540	0.903151	\$38,272	12.07	10.924	12.095
1993	\$310,787	13.5	0.590	0.881883	\$42,309	12.97	10.031	11.375
1992	\$269,061	14.5	0.630	0.862433	\$107,501	13.84	9.159	10.620
1991	\$147,233	15.5	0.670	0.840597	\$99,291	14.69	8.307	9.883
1990	\$33,565	16.5	0.720	0.809607	\$10,576	15.51	7.482	9.242
1989	\$21,607	17.5	0.760	0.781579	\$99	16.31	6.687	8.555
1988	\$21,539	18.5	0.800	0.750427	\$799	17.08	5.921	7.890
1987	\$21,845	19.5	0.850	0.706793	\$3,128	17.80	5.192	7.346
1986	\$17,451	20.5	0.890	0.667972	\$0	18.49	4.505	6.744
1985	\$17,451	21.5	0.930	0.625661	\$2,015	19.14	3.858	6.166
1984	\$14,260	22.5	0.980	0.568135	\$2,737	19.74	3.261	5.740
1983	\$9,442	23.5	1.020	0.518909	\$1,790	20.28	2.717	5.237
1982	\$6,057	24.5	1.070	0.454515	\$696	20.77	2.231	4.908
1981	\$4,650	25.5	1.110	0.401893	\$504	21.19	1.803	4.485
1980	\$3,397	26.5	1.150	0.349558	\$0	21.57	1.427	4.082
1979	\$3,397	27.5	1.200	0.286458	\$535	21.89	1.109	3.871
1978	\$1,659	28.5	1.240	0.239280	\$397	22.15	0.846	3.535
				22.270281	\$2,057,949			

Bluegrass Energy
Service Life Statistics

Account: 362 Station Equipment

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2006	\$5,484	24.00	4.17%	\$228.50	23.50	97.92%	\$5,370
2005	\$2,779	24.00	4.17%	\$115.79	22.50	93.75%	\$2,605
2004	\$2,745	24.00	4.17%	\$114.38	21.50	89.58%	\$2,459
2003	\$80,322	24.00	4.17%	\$3,346.75	20.50	85.42%	\$68,608
2002	\$84,962	24.00	4.17%	\$3,540.08	19.50	81.25%	\$69,032
2001	\$84,521	24.00	4.17%	\$3,521.71	18.50	77.08%	\$65,152
2000	\$2,296	24.00	4.17%	\$95.67	17.50	72.92%	\$1,674
1999	\$0	24.00	4.17%	\$0.00	16.50	68.75%	\$0
1998	\$2,830	24.00	4.17%	\$117.92	15.50	64.58%	\$1,828
1997	\$11,918	24.00	4.17%	\$496.58	14.50	60.42%	\$7,200
1996	\$18,265	24.00	4.17%	\$761.04	13.50	56.25%	\$10,274
1995	\$589	24.00	4.17%	\$24.54	12.50	52.08%	\$307
1994	\$20,247	24.00	4.17%	\$843.63	11.50	47.92%	\$9,702
1993	\$69,250	24.00	4.17%	\$2,885.42	10.50	43.75%	\$30,297
1992	\$237,980	24.00	4.17%	\$9,915.83	9.50	39.58%	\$94,200
1991	\$4,377	24.00	4.17%	\$182.37	8.50	35.42%	\$1,550
				\$26,190			\$370,258
	Net Salvage Adjustment	0%		\$0			\$0
				\$26,190			\$370,258

Composite Remaining Life in Years 14.14

Bluegrass Energy Service Life Statistics

Account: 364 Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2006	\$2,631,185	39.00	2.56%	\$67,466.28	40.91	104.91%	\$2,760,311
2005	\$1,688,322	39.00	2.56%	\$43,290.32	40.19	103.06%	\$1,740,015
2004	\$2,567,182	39.00	2.56%	\$65,825.17	39.44	101.13%	\$2,596,168
2003	\$1,459,769	39.00	2.56%	\$37,429.97	38.87	99.67%	\$1,454,926
2002	\$1,530,519	39.00	2.56%	\$39,244.08	38.36	98.36%	\$1,505,409
2001	\$2,798,659	39.00	2.56%	\$71,760.50	37.71	96.70%	\$2,706,264
2000	\$1,730,336	39.00	2.56%	\$44,367.59	37.27	95.57%	\$1,653,762
1999	\$2,174,891	39.00	2.56%	\$55,766.43	36.67	94.02%	\$2,044,847
1998	\$2,219,605	39.00	2.56%	\$56,912.94	36.29	93.04%	\$2,065,089
1997	\$1,850,840	39.00	2.56%	\$47,457.43	35.71	91.57%	\$1,694,802
1996	\$1,559,614	39.00	2.56%	\$39,990.11	35.37	90.70%	\$1,414,606
1995	\$1,860,341	39.00	2.56%	\$47,701.05	34.83	89.30%	\$1,661,339
1994	\$1,336,115	39.00	2.56%	\$34,259.36	34.53	88.53%	\$1,182,887
1993	\$1,209,863	39.00	2.56%	\$31,022.13	34.25	87.82%	\$1,062,527
1992	\$1,215,433	39.00	2.56%	\$31,164.94	33.74	86.52%	\$1,051,595
1991	\$1,156,932	39.00	2.56%	\$29,664.93	33.50	85.89%	\$993,635
1990	\$1,381,456	39.00	2.56%	\$35,421.94	33.01	84.63%	\$1,169,116
1989	\$1,094,919	39.00	2.56%	\$28,074.84	32.78	84.06%	\$920,358
1988	\$917,957	39.00	2.56%	\$23,537.36	32.31	82.84%	\$760,429
1987	\$1,067,407	39.00	2.56%	\$27,369.41	32.10	82.32%	\$878,671
1986	\$860,620	39.00	2.56%	\$22,067.18	31.92	81.84%	\$704,300
1985	\$695,531	39.00	2.56%	\$17,834.12	31.46	80.68%	\$561,120
1984	\$755,166	39.00	2.56%	\$19,363.22	31.29	80.24%	\$605,925
1983	\$534,649	39.00	2.56%	\$13,708.96	30.85	79.11%	\$422,938
1982	\$676,056	39.00	2.56%	\$17,334.76	30.70	78.71%	\$532,140
1981	\$693,715	39.00	2.56%	\$17,787.56	30.27	77.61%	\$538,397
1980	\$768,762	39.00	2.56%	\$19,711.85	30.13	77.26%	\$593,968
1979	\$809,010	39.00	2.56%	\$20,743.84	30.01	76.96%	\$622,599
1978	\$505,470	39.00	2.56%	\$12,960.77	29.61	75.92%	\$383,735
1977	\$397,642	39.00	2.56%	\$10,195.94	29.51	75.66%	\$300,857
1976	\$425,420	39.00	2.56%	\$10,908.20	29.11	74.65%	\$317,582
1975	\$361,815	39.00	2.56%	\$9,277.30	29.03	74.45%	\$269,354
1974	\$252,804	39.00	2.56%	\$6,482.16	28.65	73.47%	\$185,737
1973	\$222,185	39.00	2.56%	\$5,697.05	28.59	73.32%	\$162,899
1972	\$178,152	39.00	2.56%	\$4,568.00	28.23	72.38%	\$128,942
1971	\$135,147	39.00	2.56%	\$3,465.30	28.19	72.28%	\$97,682
1970	\$104,640	39.00	2.56%	\$2,683.08	28.17	72.23%	\$75,583
1969	\$137,536	39.00	2.56%	\$3,526.57	27.83	71.37%	\$98,153
1968	\$104,802	39.00	2.56%	\$2,687.23	27.84	71.38%	\$74,807
1967	\$59,504	39.00	2.56%	\$1,525.74	27.52	70.56%	\$41,983

Bluegrass Energy
Service Life Statistics

Account: 364 Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1966	\$50,245	39.00	2.56%	\$1,288.32	27.55	70.63%	\$35,490
1965	\$45,447	39.00	2.56%	\$1,165.30	27.24	69.86%	\$31,747
1964	\$48,886	39.00	2.56%	\$1,253.49	27.30	70.00%	\$34,222
1963	\$41,197	39.00	2.56%	\$1,056.34	27.38	70.22%	\$28,928
1962	\$29,862	39.00	2.56%	\$765.70	27.12	69.53%	\$20,764
1961	\$33,928	39.00	2.56%	\$869.94	27.23	69.83%	\$23,691
1960	\$37,845	39.00	2.56%	\$970.39	26.99	69.20%	\$26,188
1959	\$22,454	39.00	2.56%	\$575.75	27.14	69.58%	\$15,624
1958	\$24,275	39.00	2.56%	\$622.44	26.92	69.01%	\$16,753
1957	\$55,063	39.00	2.56%	\$1,411.87	27.10	69.49%	\$38,265
1956	\$20,776	39.00	2.56%	\$532.73	26.91	68.99%	\$14,334
1955	\$21,393	39.00	2.56%	\$548.53	27.14	69.58%	\$14,885
1954	\$30,460	39.00	2.56%	\$781.02	27.40	70.26%	\$21,402
1953	\$40,154	39.00	2.56%	\$1,029.60	26.40	67.70%	\$27,184
1952	\$31,165	39.00	2.56%	\$799.11	25.40	65.13%	\$20,299
1951	\$29,416	39.00	2.56%	\$754.27	24.40	62.57%	\$18,406
1950	\$27,736	39.00	2.56%	\$711.19	23.40	60.01%	\$16,643
1949	\$75,548	39.00	2.56%	\$1,937.12	22.40	57.44%	\$43,395
1948	\$40,366	39.00	2.56%	\$1,035.03	21.40	54.88%	\$22,152
1947	\$30,722	39.00	2.56%	\$787.74	20.40	52.31%	\$16,071
1946	\$5,084	39.00	2.56%	\$130.35	19.40	49.75%	\$2,529
1945	\$9,567	39.00	2.56%	\$245.31	18.40	47.18%	\$4,514
1944	\$6,139	39.00	2.56%	\$157.40	17.40	44.62%	\$2,739
1943	\$16,457	39.00	2.56%	\$421.99	16.40	42.06%	\$6,921
1942	\$12,269	39.00	2.56%	\$314.58	15.40	39.49%	\$4,845
1941	\$4,748	39.00	2.56%	\$121.74	14.40	36.93%	\$1,753
1940	\$16,041	39.00	2.56%	\$411.31	17.29	44.34%	\$7,112
1939	\$3,003	39.00	2.56%	\$77.01	17.19	44.09%	\$1,324
1938	\$942	39.00	2.56%	\$24.17	16.80	43.07%	\$406
1937	\$9,497	39.00	2.56%	\$243.52	16.70	42.83%	\$4,068
				<u>\$1,101,299</u>			<u>\$38,558,109</u>
Net Salvage Adjustment 55%				<u>\$605,714</u>			<u>\$21,206,960</u>
				<u>\$1,707,013</u>			<u>\$59,765,070</u>

Composite Remaining Life in Years 35.01

Bluegrass Energy
Service Life Statistics

Account: 365 Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2006	\$2,215,277	29.00	3.45%	\$76,388.86	28.49	98.26%	\$2,176,645
2005	\$1,331,285	29.00	3.45%	\$45,906.38	27.49	94.81%	\$1,262,162
2004	\$2,544,970	29.00	3.45%	\$87,757.59	26.49	91.36%	\$2,325,073
2003	\$1,300,271	29.00	3.45%	\$44,836.93	25.49	87.91%	\$1,143,085
2002	\$1,291,703	29.00	3.45%	\$44,541.48	24.49	84.46%	\$1,091,011
2001	\$2,765,823	29.00	3.45%	\$95,373.21	23.49	81.01%	\$2,240,724
2000	\$1,468,096	29.00	3.45%	\$50,624.00	22.49	77.57%	\$1,138,750
1999	\$1,962,206	29.00	3.45%	\$67,662.28	21.49	74.12%	\$1,454,351
1998	\$1,796,196	29.00	3.45%	\$61,937.79	20.49	70.67%	\$1,269,370
1997	\$1,527,662	29.00	3.45%	\$52,678.00	19.49	67.22%	\$1,026,919
1996	\$1,688,881	29.00	3.45%	\$58,237.29	18.49	63.77%	\$1,077,057
1995	\$1,441,955	29.00	3.45%	\$49,722.60	17.49	60.33%	\$869,868
1994	\$1,442,764	29.00	3.45%	\$49,750.49	16.49	56.88%	\$820,631
1993	\$1,053,861	29.00	3.45%	\$36,340.05	15.50	53.44%	\$563,174
1992	\$1,043,939	29.00	3.45%	\$35,997.91	14.52	50.06%	\$522,577
1991	\$987,458	29.00	3.45%	\$34,050.28	13.51	46.59%	\$460,070
1990	\$985,966	29.00	3.45%	\$33,998.81	12.53	43.22%	\$426,122
1989	\$898,588	29.00	3.45%	\$30,985.81	11.56	39.87%	\$358,230
1988	\$731,255	29.00	3.45%	\$25,215.69	10.62	36.62%	\$267,752
1987	\$840,227	29.00	3.45%	\$28,973.34	9.68	33.38%	\$280,467
1986	\$656,890	29.00	3.45%	\$22,651.39	8.79	30.32%	\$199,165
1985	\$662,456	29.00	3.45%	\$22,843.31	7.90	27.25%	\$180,530
1984	\$665,538	29.00	3.45%	\$22,949.58	7.09	24.46%	\$162,766
1983	\$293,491	29.00	3.45%	\$10,120.39	6.27	21.63%	\$63,469
1982	\$473,203	29.00	3.45%	\$16,317.35	5.48	18.91%	\$89,470
1981	\$694,403	29.00	3.45%	\$23,944.91	4.83	16.66%	\$115,667
1980	\$671,422	29.00	3.45%	\$23,152.47	4.14	14.29%	\$95,923
1979	\$548,399	29.00	3.45%	\$18,910.31	3.63	12.53%	\$68,735
1978	\$326,224	29.00	3.45%	\$11,249.10	3.06	10.55%	\$34,406
1977	\$123,892	29.00	3.45%	\$4,272.14	2.70	9.30%	\$11,525
1976	\$185,578	29.00	3.45%	\$6,399.26	2.23	7.69%	\$14,273
1975	\$108,899	29.00	3.45%	\$3,755.14	2.01	6.93%	\$7,548
1974	\$47,747	29.00	3.45%	\$1,646.45	1.65	5.69%	\$2,717
1973	\$25,454	29.00	3.45%	\$877.72	1.57	5.42%	\$1,379
1972	\$21,864	29.00	3.45%	\$753.94	1.33	4.58%	\$1,002
1971	\$6,420	29.00	3.45%	\$221.38	1.03	3.55%	\$228
1970	\$2,244	29.00	3.45%	\$77.37	0.90	3.12%	\$70
1969	\$634	29.00	3.45%	\$21.88	0.61	2.10%	\$13
1968	\$83	29.00	3.45%	\$2.88	0.51	1.77%	\$1
1967	\$1	29.00	3.45%	\$0.03	0.50	1.72%	\$0

Bluegrass Energy

Service Life Statistics

Account: 365 Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1966	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1965	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1964	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1963	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1962	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1961	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1960	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1959	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1958	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1957	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1956	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1955	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1954	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1953	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1952	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1951	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1950	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1949	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1948	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1947	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1946	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1945	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1944	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1943	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1942	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1941	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1940	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1939	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1938	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
1937	\$0	29.00	3.45%	\$0.00	0.00	0.00%	\$0
				<u>\$1,201,146</u>			<u>\$21,822,926</u>
				Net Salvage Adjustment 45% <u>\$540,516</u>			<u>\$9,820,317</u>
				<u>\$1,741,661</u>			<u>\$31,643,243</u>

Composite Remaining Life in Years 18.17

Bluegrass Energy Service Life Statistics

Account: 367 Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2006	\$708,316	22.00	4.55%	\$32,196.16	21.50	97.73%	\$692,230
2005	\$995,615	22.00	4.55%	\$45,255.22	20.51	93.24%	\$928,292
2004	\$931,511	22.00	4.55%	\$42,341.41	19.54	88.83%	\$827,427
2003	\$698,723	22.00	4.55%	\$31,760.15	18.61	84.60%	\$591,121
2002	\$560,738	22.00	4.55%	\$25,488.10	17.70	80.45%	\$451,104
2001	\$625,690	22.00	4.55%	\$28,440.46	16.85	76.58%	\$479,148
2000	\$602,528	22.00	4.55%	\$27,387.64	16.04	72.92%	\$439,389
1999	\$483,007	22.00	4.55%	\$21,954.87	15.23	69.24%	\$334,436
1998	\$657,532	22.00	4.55%	\$29,887.84	14.51	65.95%	\$433,666
1997	\$558,828	22.00	4.55%	\$25,401.28	13.76	62.55%	\$349,567
1996	\$112,119	22.00	4.55%	\$5,096.32	13.11	59.60%	\$66,828
1995	\$203,553	22.00	4.55%	\$9,252.39	12.42	56.46%	\$114,927
1994	\$134,162	22.00	4.55%	\$6,098.27	11.84	53.81%	\$72,195
1993	\$72,375	22.00	4.55%	\$3,289.77	11.20	50.89%	\$36,833
1992	\$120,675	22.00	4.55%	\$5,485.21	10.67	48.50%	\$58,531
1991	\$74,681	22.00	4.55%	\$3,394.58	10.07	45.78%	\$34,186
1990	\$137,316	22.00	4.55%	\$6,241.62	9.59	43.61%	\$59,884
1989	\$67,243	22.00	4.55%	\$3,056.49	9.15	41.58%	\$27,962
1988	\$47,244	22.00	4.55%	\$2,147.44	8.61	39.13%	\$18,486
1987	\$55,006	22.00	4.55%	\$2,500.26	8.20	37.28%	\$20,508
1986	\$16,143	22.00	4.55%	\$733.78	7.69	34.96%	\$5,644
1985	\$37,851	22.00	4.55%	\$1,720.51	7.32	33.27%	\$12,592
1984	\$32,180	22.00	4.55%	\$1,462.72	6.83	31.06%	\$9,995
1983	\$31,950	22.00	4.55%	\$1,452.25	6.49	29.49%	\$9,423
1982	\$29,356	22.00	4.55%	\$1,334.37	6.02	27.38%	\$8,037
1981	\$7,542	22.00	4.55%	\$342.83	5.70	25.92%	\$1,955
1980	\$9,170	22.00	4.55%	\$416.81	5.25	23.88%	\$2,190
1979	\$10,082	22.00	4.55%	\$458.29	4.95	22.50%	\$2,269
1978	\$7,059	22.00	4.55%	\$320.85	4.67	21.24%	\$1,499
1977	\$3,661	22.00	4.55%	\$166.40	4.26	19.35%	\$709
1976	\$4,331	22.00	4.55%	\$196.86	4.00	18.17%	\$787
1975	\$4,912	22.00	4.55%	\$223.28	3.60	16.35%	\$803
1974	\$762	22.00	4.55%	\$34.62	3.35	15.23%	\$116
1973	\$4,413	22.00	4.55%	\$200.60	2.96	13.46%	\$594
1972	\$0	22.00	4.55%	\$0.00	2.73	12.40%	\$0
1971	\$0	22.00	4.55%	\$0.00	2.35	10.66%	\$0
1970	\$1,372	22.00	4.55%	\$62.37	2.12	9.63%	\$132
1969	\$0	22.00	4.55%	\$0.00	1.74	7.89%	\$0
1968	\$0	22.00	4.55%	\$0.00	1.49	6.79%	\$0
1967	\$0	22.00	4.55%	\$0.00	1.30	5.92%	\$0

Bluegrass Energy
Service Life Statistics

Account: 367 Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1966	\$34	22.00	4.55%	\$1.54	0.96	4.39%	\$1
1965	\$0	22.00	4.55%	\$0.00	0.79	3.61%	\$0
1964	\$3	22.00	4.55%	\$0.13	0.53	2.41%	\$0
1963	\$0	22.00	4.55%	\$0.00	0.50	2.27%	\$0
1962	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1961	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
				\$365,804			\$6,093,466
	Net Salvage Adjustment	25%		\$91,451			\$1,523,366
				\$457,255			\$7,616,832

Composite Remaining Life in Years 16.66

Bluegrass Energy
Service Life Statistics

Account: 368 Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2006	\$1,968,018	38.00	2.63%	\$51,789.94	39.71	104.50%	\$2,056,611
2005	\$2,007,872	38.00	2.63%	\$52,838.75	38.80	102.09%	\$2,049,919
2004	\$1,675,640	38.00	2.63%	\$44,095.80	37.95	99.86%	\$1,673,266
2003	\$1,210,548	38.00	2.63%	\$31,856.54	37.08	97.57%	\$1,181,094
2002	\$1,057,628	38.00	2.63%	\$27,832.31	36.31	95.54%	\$1,010,499
2001	\$1,279,396	38.00	2.63%	\$33,668.32	35.48	93.38%	\$1,194,654
2000	\$1,287,300	38.00	2.63%	\$33,876.32	34.78	91.52%	\$1,178,124
1999	\$1,400,021	38.00	2.63%	\$36,842.66	34.11	89.75%	\$1,256,536
1998	\$1,160,816	38.00	2.63%	\$30,547.78	33.34	87.74%	\$1,018,481
1997	\$1,120,691	38.00	2.63%	\$29,491.88	32.72	86.09%	\$964,851
1996	\$924,829	38.00	2.63%	\$24,337.60	32.12	84.52%	\$781,685
1995	\$869,323	38.00	2.63%	\$22,876.92	31.40	82.63%	\$718,327
1994	\$752,240	38.00	2.63%	\$19,795.79	30.84	81.16%	\$610,494
1993	\$684,859	38.00	2.63%	\$18,022.61	30.30	79.74%	\$546,136
1992	\$635,912	38.00	2.63%	\$16,734.54	29.62	77.95%	\$495,715
1991	\$491,148	38.00	2.63%	\$12,924.95	29.12	76.62%	\$376,331
1990	\$510,854	38.00	2.63%	\$13,443.52	28.46	74.88%	\$382,544
1989	\$559,654	38.00	2.63%	\$14,727.75	27.98	73.63%	\$412,051
1988	\$594,792	38.00	2.63%	\$15,652.43	27.52	72.42%	\$430,747
1987	\$596,963	38.00	2.63%	\$15,709.57	26.89	70.76%	\$422,414
1986	\$179,688	38.00	2.63%	\$4,728.64	26.46	69.62%	\$125,097
1985	\$466,773	38.00	2.63%	\$12,283.50	26.04	68.53%	\$319,859
1984	\$375,905	38.00	2.63%	\$9,892.24	25.44	66.94%	\$251,629
1983	\$342,216	38.00	2.63%	\$9,005.70	25.04	65.91%	\$225,540
1982	\$248,643	38.00	2.63%	\$6,543.23	24.46	64.36%	\$160,021
1981	\$381,486	38.00	2.63%	\$10,039.10	24.08	63.38%	\$241,785
1980	\$321,335	38.00	2.63%	\$8,456.18	23.73	62.45%	\$200,670
1979	\$260,616	38.00	2.63%	\$6,858.32	23.17	60.97%	\$158,896
1978	\$331,621	38.00	2.63%	\$8,726.88	22.84	60.09%	\$199,282
1977	\$316,242	38.00	2.63%	\$8,322.17	22.52	59.27%	\$187,424
1976	\$257,738	38.00	2.63%	\$6,782.59	21.99	57.86%	\$149,117
1975	\$193,487	38.00	2.63%	\$5,091.76	21.69	57.09%	\$110,452
1974	\$155,615	38.00	2.63%	\$4,095.13	21.42	56.37%	\$87,716
1973	\$153,894	38.00	2.63%	\$4,049.84	20.91	55.03%	\$84,690
1972	\$95,541	38.00	2.63%	\$2,514.24	20.66	54.38%	\$51,951
1971	\$80,078	38.00	2.63%	\$2,107.32	20.17	53.08%	\$42,507
1970	\$80,283	38.00	2.63%	\$2,112.71	19.95	52.49%	\$42,142
1969	\$72,033	38.00	2.63%	\$1,895.60	19.75	51.96%	\$37,431
1968	\$51,290	38.00	2.63%	\$1,349.74	19.29	50.76%	\$26,035
1967	\$51,288	38.00	2.63%	\$1,349.69	19.12	50.31%	\$25,804

Bluegrass Energy
Service Life Statistics

Account: 368 Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1966	\$52,172	38.00	2.63%	\$1,372.93	18.98	49.94%	\$26,054
1965	\$35,727	38.00	2.63%	\$940.18	18.56	48.84%	\$17,451
1964	\$34,802	38.00	2.63%	\$915.85	18.46	48.57%	\$16,904
1963	\$42,719	38.00	2.63%	\$1,124.18	18.07	47.55%	\$20,312
1962	\$26,376	38.00	2.63%	\$694.11	18.01	47.39%	\$12,500
1961	\$38,499	38.00	2.63%	\$1,013.12	17.99	47.34%	\$18,227
1960	\$56,269	38.00	2.63%	\$1,480.78	17.66	46.49%	\$26,157
1959	\$36,540	38.00	2.63%	\$961.59	17.71	46.60%	\$17,027
1958	\$21,780	38.00	2.63%	\$573.17	17.81	46.86%	\$10,206
1957	\$34,182	38.00	2.63%	\$899.53	17.57	46.23%	\$15,802
1956	\$17,094	38.00	2.63%	\$449.84	17.76	46.73%	\$7,987
1955	\$14,704	38.00	2.63%	\$386.96	18.03	47.43%	\$6,975
1954	\$19,073	38.00	2.63%	\$501.91	17.91	47.14%	\$8,991
1953	\$33,123	38.00	2.63%	\$871.67	16.91	44.51%	\$14,744
1952	\$23,922	38.00	2.63%	\$629.53	15.91	41.88%	\$10,019
1951	\$21,787	38.00	2.63%	\$573.34	14.91	39.25%	\$8,551
1950	\$23,894	38.00	2.63%	\$628.79	13.91	36.62%	\$8,749
1949	\$36,865	38.00	2.63%	\$970.13	12.91	33.98%	\$12,528
1948	\$32,418	38.00	2.63%	\$853.10	11.91	31.35%	\$10,164
1947	\$37,088	38.00	2.63%	\$976.01	10.91	28.72%	\$10,652
1946	\$8,764	38.00	2.63%	\$230.63	9.91	26.09%	\$2,287
1945	\$5,065	38.00	2.63%	\$133.29	8.91	23.46%	\$1,188
1944	\$4,450	38.00	2.63%	\$117.10	7.91	20.83%	\$927
1943	\$6,776	38.00	2.63%	\$178.31	6.91	18.20%	\$1,233
1942	\$7,003	38.00	2.63%	\$184.30	5.91	15.56%	\$1,090
1941	\$4,708	38.00	2.63%	\$123.89	4.91	12.93%	\$609
1940	\$12,001	38.00	2.63%	\$315.81	6.60	17.37%	\$2,085
1939	\$8,669	38.00	2.63%	\$228.12	6.31	16.60%	\$1,439
1938	\$721	38.00	2.63%	\$18.98	5.78	15.20%	\$110
1937	\$1,457	38.00	2.63%	\$38.33	5.48	14.42%	\$210
				\$681,656			\$21,779,704
	Net Salvage Adjustment	0%		\$0			\$0
				\$681,656			\$21,779,704

Composite Remaining Life in Years 31.95

Bluegrass Energy
Service Life Statistics

Account: 369 Services

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2006	\$1,865,889	22.00	4.55%	\$84,813.13	21.50	97.74%	\$1,823,661
2005	\$1,958,391	22.00	4.55%	\$89,017.79	20.50	93.19%	\$1,825,073
2004	\$1,746,958	22.00	4.55%	\$79,407.17	19.50	88.65%	\$1,548,745
2003	\$1,518,723	22.00	4.55%	\$69,032.87	18.51	84.14%	\$1,277,871
2002	\$1,700,285	22.00	4.55%	\$77,285.67	17.53	79.66%	\$1,354,438
2001	\$2,126,549	22.00	4.55%	\$96,661.31	16.56	75.27%	\$1,600,671
2000	\$1,474,727	22.00	4.55%	\$67,033.02	15.62	71.01%	\$1,047,131
1999	\$1,422,175	22.00	4.55%	\$64,644.30	14.69	66.79%	\$949,931
1998	\$1,115,722	22.00	4.55%	\$50,714.62	13.82	62.83%	\$701,028
1997	\$1,017,988	22.00	4.55%	\$46,272.17	12.96	58.90%	\$599,577
1996	\$730,774	22.00	4.55%	\$33,216.99	12.17	55.31%	\$404,223
1995	\$767,383	22.00	4.55%	\$34,881.04	11.37	51.70%	\$396,736
1994	\$581,941	22.00	4.55%	\$26,451.85	10.68	48.52%	\$282,379
1993	\$537,365	22.00	4.55%	\$24,425.70	9.95	45.24%	\$243,077
1992	\$381,852	22.00	4.55%	\$17,356.89	9.34	42.46%	\$162,126
1991	\$347,571	22.00	4.55%	\$15,798.66	8.66	39.38%	\$136,857
1990	\$438,134	22.00	4.55%	\$19,915.17	8.15	37.05%	\$162,342
1989	\$394,019	22.00	4.55%	\$17,909.96	7.67	34.86%	\$137,346
1988	\$354,193	22.00	4.55%	\$16,099.69	7.11	32.32%	\$114,471
1987	\$331,079	22.00	4.55%	\$15,049.04	6.69	30.43%	\$100,743
1986	\$244,797	22.00	4.55%	\$11,127.13	6.19	28.12%	\$68,826
1985	\$154,378	22.00	4.55%	\$7,017.19	5.83	26.48%	\$40,886
1984	\$183,727	22.00	4.55%	\$8,351.21	5.36	24.35%	\$44,745
1983	\$116,595	22.00	4.55%	\$5,299.79	5.05	22.94%	\$26,748
1982	\$94,413	22.00	4.55%	\$4,291.51	4.61	20.97%	\$19,799
1981	\$81,390	22.00	4.55%	\$3,699.54	4.34	19.72%	\$16,051
1980	\$73,709	22.00	4.55%	\$3,350.41	3.93	17.87%	\$13,171
1979	\$68,851	22.00	4.55%	\$3,129.61	3.68	16.74%	\$11,528
1978	\$43,627	22.00	4.55%	\$1,983.04	3.47	15.78%	\$6,886
1977	\$25,754	22.00	4.55%	\$1,170.65	3.12	14.16%	\$3,647
1976	\$19,699	22.00	4.55%	\$895.40	2.93	13.32%	\$2,624
1975	\$15,085	22.00	4.55%	\$685.67	2.59	11.79%	\$1,779
1974	\$9,656	22.00	4.55%	\$438.89	2.43	11.05%	\$1,067
1973	\$5,246	22.00	4.55%	\$238.47	2.11	9.60%	\$504
1972	\$2,507	22.00	4.55%	\$113.97	1.97	8.94%	\$224
1971	\$1,569	22.00	4.55%	\$71.30	1.66	7.54%	\$118
1970	\$739	22.00	4.55%	\$33.59	1.52	6.92%	\$51
1969	\$298	22.00	4.55%	\$13.55	1.22	5.53%	\$16
1968	\$210	22.00	4.55%	\$9.55	1.05	4.79%	\$10
1967	\$47	22.00	4.55%	\$2.12	0.95	4.33%	\$2

Bluegrass Energy
Service Life Statistics

Account: 369 Services

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1966	\$22	22.00	4.55%	\$0.99	0.71	3.23%	\$1
1965	\$3	22.00	4.55%	\$0.13	0.63	2.85%	\$0
1964	\$0	22.00	4.55%	\$0.02	0.50	2.29%	\$0
1963	\$0	22.00	4.55%	\$0.00	0.50	2.27%	\$0
1962	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1961	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1960	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1959	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1958	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1957	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1956	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1955	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1954	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1953	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1952	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1951	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1950	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1949	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1948	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1947	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1946	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1945	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1944	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1943	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1942	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1941	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1940	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1939	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1938	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1937	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
				\$997,911			\$15,127,110
	Net Salvage Adjustment	40%		\$399,164			\$6,050,844
				\$1,397,075			\$21,177,954

Composite Remaining Life in Years 15.16

Bluegrass Energy
Service Life Statistics

Account: 370 Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2006	\$4,001,638	22.00	4.55%	\$181,892.64	21.53	97.84%	\$3,915,301
2005	\$2,209,665	22.00	4.55%	\$100,439.33	20.59	93.61%	\$2,068,454
2004	\$562,835	22.00	4.55%	\$25,583.43	19.66	89.35%	\$502,900
2003	\$151,903	22.00	4.55%	\$6,904.66	18.75	85.22%	\$129,448
2006	\$158,321	22.00	4.55%	\$7,196.43	17.83	81.05%	\$128,317
2001	\$115,551	22.00	4.55%	\$5,252.31	16.95	77.04%	\$89,018
2000	\$367,625	22.00	4.55%	\$16,710.21	16.08	73.11%	\$268,773
1999	\$449,957	22.00	4.55%	\$20,452.60	15.21	69.12%	\$311,019
1998	\$134,042	22.00	4.55%	\$6,092.83	14.38	65.36%	\$87,605
1997	\$155,221	22.00	4.55%	\$7,055.51	13.53	61.51%	\$95,470
1996	\$113,270	22.00	4.55%	\$5,148.63	12.74	57.92%	\$65,610
1995	\$157,336	22.00	4.55%	\$7,151.64	11.93	54.23%	\$85,320
1994	\$93,867	22.00	4.55%	\$4,266.66	11.19	50.85%	\$47,731
1993	\$116,351	22.00	4.55%	\$5,288.67	10.41	47.32%	\$55,063
1992	\$96,505	22.00	4.55%	\$4,386.60	9.72	44.17%	\$42,628
1991	\$84,610	22.00	4.55%	\$3,845.92	8.98	40.84%	\$34,552
1990	\$82,268	22.00	4.55%	\$3,739.46	8.35	37.94%	\$31,210
1989	\$79,782	22.00	4.55%	\$3,626.47	7.75	35.22%	\$28,098
1988	\$138,558	22.00	4.55%	\$6,298.10	7.10	32.26%	\$44,698
1987	\$92,983	22.00	4.55%	\$4,226.51	6.57	29.87%	\$27,772
1986	\$80,394	22.00	4.55%	\$3,654.26	5.98	27.19%	\$21,858
1985	\$99,461	22.00	4.55%	\$4,520.97	5.54	25.17%	\$25,030
1984	\$47,005	22.00	4.55%	\$2,136.58	5.01	22.79%	\$10,713
1983	\$41,835	22.00	4.55%	\$1,901.61	4.65	21.15%	\$8,850
1982	\$19,671	22.00	4.55%	\$894.13	4.20	19.08%	\$3,753
1981	\$17,361	22.00	4.55%	\$789.15	3.91	17.79%	\$3,089
1980	\$14,926	22.00	4.55%	\$678.43	3.51	15.97%	\$2,383
1979	\$12,137	22.00	4.55%	\$551.70	3.28	14.93%	\$1,812
1978	\$15,763	22.00	4.55%	\$716.52	3.10	14.10%	\$2,223
1977	\$9,816	22.00	4.55%	\$446.18	2.77	12.60%	\$1,237
1976	\$5,569	22.00	4.55%	\$253.15	2.62	11.91%	\$663
1975	\$4,302	22.00	4.55%	\$195.55	2.31	10.49%	\$451
1974	\$2,203	22.00	4.55%	\$100.14	2.17	9.87%	\$218
1973	\$1,837	22.00	4.55%	\$83.48	1.87	8.51%	\$156
1972	\$849	22.00	4.55%	\$38.59	1.74	7.90%	\$67
1971	\$399	22.00	4.55%	\$18.14	1.43	6.48%	\$26
1970	\$251	22.00	4.55%	\$11.40	1.25	5.68%	\$14
1969	\$95	22.00	4.55%	\$4.32	0.90	4.08%	\$4
1968	\$28	22.00	4.55%	\$1.29	0.67	3.03%	\$1
1967	\$4	22.00	4.55%	\$0.17	0.53	2.40%	\$0

Bluegrass Energy
Service Life Statistics

Account: 370 Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1966	\$0	22.00	4.55%	\$0.00	0.50	2.27%	\$0
1965	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1964	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1963	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1962	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1961	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1960	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1959	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1958	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1957	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1956	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1955	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1954	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1953	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1952	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1951	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1950	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1949	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1948	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1947	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1946	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1945	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1944	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1943	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1942	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1941	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1940	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1939	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1938	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
1937	\$0	22.00	4.55%	\$0.00	0.00	0.00%	\$0
				<u>\$442,554</u>			<u>\$8,141,535</u>
	Net Salvage Adjustment	0%		<u>\$0</u>			<u>\$0</u>
				<u>\$442,554</u>			<u>\$8,141,535</u>

Composite Remaining Life in Years 18.40

Bluegrass Energy
Service Life Statistics

Account: 371 Installations on Customers' Premises

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2006	\$270,347	31.00	3.23%	\$8,720.88	31.27	100.88%	\$272,726
2005	\$235,674	31.00	3.23%	\$7,602.39	30.52	98.47%	\$232,058
2004	\$258,397	31.00	3.23%	\$8,335.38	29.78	96.07%	\$248,245
2003	\$265,732	31.00	3.23%	\$8,572.02	29.05	93.70%	\$248,979
2006	\$230,467	31.00	3.23%	\$7,434.41	28.41	91.64%	\$211,192
2001	\$214,204	31.00	3.23%	\$6,909.82	27.69	89.31%	\$191,308
2000	\$172,142	31.00	3.23%	\$5,552.98	26.97	87.00%	\$149,766
1999	\$186,013	31.00	3.23%	\$6,000.43	26.26	84.71%	\$157,564
1998	\$174,123	31.00	3.23%	\$5,616.88	25.55	82.42%	\$143,519
1997	\$171,393	31.00	3.23%	\$5,528.82	24.95	80.48%	\$137,945
1996	\$158,896	31.00	3.23%	\$5,125.67	24.26	78.24%	\$124,326
1995	\$162,176	31.00	3.23%	\$5,231.47	23.56	76.02%	\$123,280
1994	\$114,559	31.00	3.23%	\$3,695.45	22.88	73.80%	\$84,547
1993	\$95,653	31.00	3.23%	\$3,085.57	22.31	71.96%	\$68,831
1992	\$79,615	31.00	3.23%	\$2,568.22	21.64	69.80%	\$55,570
1991	\$145,842	31.00	3.23%	\$4,704.57	20.97	67.66%	\$98,673
1990	\$71,234	31.00	3.23%	\$2,297.88	20.32	65.54%	\$46,685
1989	\$68,019	31.00	3.23%	\$2,194.16	19.67	63.44%	\$43,150
1988	\$61,568	31.00	3.23%	\$1,986.06	19.15	61.77%	\$38,028
1987	\$42,433	31.00	3.23%	\$1,368.79	18.52	59.75%	\$25,352
1986	\$40,562	31.00	3.23%	\$1,308.44	17.90	57.75%	\$23,425
1985	\$31,879	31.00	3.23%	\$1,028.36	17.29	55.79%	\$17,785
1984	\$37,854	31.00	3.23%	\$1,221.11	16.83	54.31%	\$20,557
1983	\$34,337	31.00	3.23%	\$1,107.63	16.26	52.44%	\$18,005
1982	\$31,455	31.00	3.23%	\$1,014.68	15.69	50.60%	\$15,916
1981	\$27,489	31.00	3.23%	\$886.74	15.13	48.79%	\$13,412
1980	\$26,556	31.00	3.23%	\$856.66	14.58	47.02%	\$12,486
1979	\$25,647	31.00	3.23%	\$827.33	14.20	45.80%	\$11,747
1978	\$30,165	31.00	3.23%	\$973.05	13.68	44.14%	\$13,315
1977	\$24,657	31.00	3.23%	\$795.40	13.18	42.51%	\$10,483
1976	\$28,901	31.00	3.23%	\$932.28	12.69	40.92%	\$11,827
1975	\$22,433	31.00	3.23%	\$723.65	12.39	39.96%	\$8,965
1974	\$33,069	31.00	3.23%	\$1,066.75	11.94	38.50%	\$12,732
1973	\$27,954	31.00	3.23%	\$901.73	11.49	37.08%	\$10,365
1972	\$21,554	31.00	3.23%	\$695.29	11.07	35.70%	\$7,695
1971	\$17,856	31.00	3.23%	\$576.00	10.86	35.04%	\$6,256
1970	\$14,168	31.00	3.23%	\$457.05	10.48	33.82%	\$4,792
1969	\$14,603	31.00	3.23%	\$471.06	10.12	32.66%	\$4,769
1968	\$18,734	31.00	3.23%	\$604.33	9.78	31.55%	\$5,911
1967	\$13,126	31.00	3.23%	\$423.41	9.46	30.50%	\$4,004

Bluegrass Energy
Service Life Statistics

Account: 371 Installations on Customers' Premises

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
1966	\$10,056	31.00	3.23%	\$324.38	9.41	30.34%	\$3,051
1965	\$9,099	31.00	3.23%	\$293.51	9.16	29.55%	\$2,689
1964	\$7,259	31.00	3.23%	\$234.15	8.95	28.86%	\$2,095
1963	\$9,543	31.00	3.23%	\$307.83	8.77	28.29%	\$2,700
1962	\$4,685	31.00	3.23%	\$151.13	8.96	28.89%	\$1,354
1961	\$1,690	31.00	3.23%	\$54.50	8.93	28.81%	\$487
1960	\$308	31.00	3.23%	\$9.93	8.98	28.97%	\$89
1959	\$71	31.00	3.23%	\$2.30	9.12	29.43%	\$21
				\$120,781			\$2,948,675
	Net Salvage Adjustment	35%		\$42,273			\$1,032,036
				\$163,054			\$3,980,711
Composite Remaining Life in Years					24.41		

Bluegrass Energy
Service Life Statistics

Account: 373 Street Lighting & Signal Systems

Year	Simulated Plant Survivors	Historical Life (HL)	Rate	Accrual Amount	Remaining Life	Remaining Life Percent	Future Accrual
2006	\$242,425	23.00	4.35%	\$10,540.20	22.52	97.92%	\$237,392
2005	\$263,151	23.00	4.35%	\$11,441.36	21.59	93.89%	\$247,070
2004	\$161,365	23.00	4.35%	\$7,015.88	20.66	89.83%	\$144,954
2003	\$89,043	23.00	4.35%	\$3,871.46	19.74	85.81%	\$76,405
2006	\$37,072	23.00	4.35%	\$1,611.82	18.84	81.92%	\$30,371
2001	\$154,751	23.00	4.35%	\$6,728.28	17.94	78.00%	\$120,706
2000	\$254,296	23.00	4.35%	\$11,056.36	17.05	74.13%	\$188,497
1999	\$110,631	23.00	4.35%	\$4,810.03	16.20	70.45%	\$77,934
1998	\$267,260	23.00	4.35%	\$11,619.99	15.34	66.70%	\$178,258
1997	\$66,451	23.00	4.35%	\$2,889.18	14.49	63.01%	\$41,871
1996	\$58,307	23.00	4.35%	\$2,535.10	13.70	59.58%	\$34,741
1995	\$42,547	23.00	4.35%	\$1,849.86	12.89	56.05%	\$23,848
1994	\$38,272	23.00	4.35%	\$1,664.00	12.09	52.59%	\$20,126
1993	\$42,309	23.00	4.35%	\$1,839.53	11.37	49.45%	\$20,924
1992	\$107,501	23.00	4.35%	\$4,673.98	10.62	46.17%	\$49,637
1991	\$99,291	23.00	4.35%	\$4,317.01	9.88	42.97%	\$42,664
1990	\$10,576	23.00	4.35%	\$459.82	9.24	40.18%	\$4,250
1989	\$99	23.00	4.35%	\$4.32	8.56	37.20%	\$37
1988	\$799	23.00	4.35%	\$34.75	7.89	34.30%	\$274
1987	\$3,128	23.00	4.35%	\$135.98	7.35	31.94%	\$999
1986	\$0	23.00	4.35%	\$0.00	6.74	29.32%	\$0
1985	\$2,015	23.00	4.35%	\$87.62	6.17	26.81%	\$540
1984	\$2,737	23.00	4.35%	\$119.01	5.74	24.96%	\$683
1983	\$1,790	23.00	4.35%	\$77.84	5.24	22.77%	\$408
1982	\$696	23.00	4.35%	\$30.27	4.91	21.34%	\$149
1981	\$504	23.00	4.35%	\$21.89	4.49	19.50%	\$98
1980	\$0	23.00	4.35%	\$0.00	4.08	17.75%	\$0
1979	\$535	23.00	4.35%	\$23.27	3.87	16.83%	\$90
1978	\$397	23.00	4.35%	\$17.26	3.54	15.37%	\$61
				\$89,476			\$1,542,986
	Net Salvage Adjustment	0%		\$0			\$0
				\$89,476			\$1,542,986

Composite Remaining Life in Years 17.24

Bluegrass Energy
Service Life Statistics

Account: 362 Station Equipment

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2006	\$5,484	24.00	23.50	2.08%	\$114
2005	\$2,779	24.00	22.50	6.25%	\$174
2004	\$2,745	24.00	21.50	10.42%	\$286
2003	\$80,322	24.00	20.50	14.58%	\$11,714
2002	\$84,962	24.00	19.50	18.75%	\$15,930
2001	\$84,521	24.00	18.50	22.92%	\$19,369
2000	\$2,296	24.00	17.50	27.08%	\$622
1999	\$0	24.00	16.50	31.25%	\$0
1998	\$2,830	24.00	15.50	35.42%	\$1,002
1997	\$11,918	24.00	14.50	39.58%	\$4,718
1996	\$18,265	24.00	13.50	43.75%	\$7,991
1995	\$589	24.00	12.50	47.92%	\$282
1994	\$20,247	24.00	11.50	52.08%	\$10,545
1993	\$69,250	24.00	10.50	56.25%	\$38,953
1992	\$237,980	24.00	9.50	60.42%	\$143,780
1991	\$4,377	24.00	8.50	64.58%	\$2,827
	<u>\$628,565</u>				<u>\$258,307</u>
	Net Salvage Adjustment		0%		<u>\$0</u>
					<u>\$258,307</u>

Bluegrass Energy
Service Life Statistics

Account: 364 Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2006	\$2,631,185	39.00	40.91	-4.91%	-\$129,126
2005	\$1,688,322	39.00	40.19	-3.06%	-\$51,693
2004	\$2,567,182	39.00	39.44	-1.13%	-\$28,986
2003	\$1,459,769	39.00	38.87	0.33%	\$4,842
2002	\$1,530,519	39.00	38.36	1.64%	\$25,110
2001	\$2,798,659	39.00	37.71	3.30%	\$92,396
2000	\$1,730,336	39.00	37.27	4.43%	\$76,574
1999	\$2,174,891	39.00	36.67	5.98%	\$130,043
1998	\$2,219,605	39.00	36.29	6.96%	\$154,516
1997	\$1,850,840	39.00	35.71	8.43%	\$156,037
1996	\$1,559,614	39.00	35.37	9.30%	\$145,009
1995	\$1,860,341	39.00	34.83	10.70%	\$199,002
1994	\$1,336,115	39.00	34.53	11.47%	\$153,228
1993	\$1,209,863	39.00	34.25	12.18%	\$147,336
1992	\$1,215,433	39.00	33.74	13.48%	\$163,838
1991	\$1,156,932	39.00	33.50	14.11%	\$163,298
1990	\$1,381,456	39.00	33.01	15.37%	\$212,340
1989	\$1,094,919	39.00	32.78	15.94%	\$174,561
1988	\$917,957	39.00	32.31	17.16%	\$157,528
1987	\$1,067,407	39.00	32.10	17.68%	\$188,736
1986	\$860,620	39.00	31.92	18.16%	\$156,320
1985	\$695,531	39.00	31.46	19.32%	\$134,411
1984	\$755,166	39.00	31.29	19.76%	\$149,241
1983	\$534,649	39.00	30.85	20.89%	\$111,712
1982	\$676,056	39.00	30.70	21.29%	\$143,916
1981	\$693,715	39.00	30.27	22.39%	\$155,318
1980	\$768,762	39.00	30.13	22.74%	\$174,794
1979	\$809,010	39.00	30.01	23.04%	\$186,411
1978	\$505,470	39.00	29.61	24.08%	\$121,735
1977	\$397,642	39.00	29.51	24.34%	\$96,785
1976	\$425,420	39.00	29.11	25.35%	\$107,838
1975	\$361,815	39.00	29.03	25.55%	\$92,460
1974	\$252,804	39.00	28.65	26.53%	\$67,067
1973	\$222,185	39.00	28.59	26.68%	\$59,286
1972	\$178,152	39.00	28.23	27.62%	\$49,210
1971	\$135,147	39.00	28.19	27.72%	\$37,465
1970	\$104,640	39.00	28.17	27.77%	\$29,057
1969	\$137,536	39.00	27.83	28.63%	\$39,383
1968	\$104,802	39.00	27.84	28.62%	\$29,995
1967	\$59,504	39.00	27.52	29.44%	\$17,521
1966	\$50,245	39.00	27.55	29.37%	\$14,755
1965	\$45,447	39.00	27.24	30.14%	\$13,700
1964	\$48,886	39.00	27.30	30.00%	\$14,664
1963	\$41,197	39.00	27.38	29.78%	\$12,269

Bluegrass Energy Service Life Statistics

Account: 364 Poles, Towers & Fixtures

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1962	\$29,862	39.00	27.12	30.47%	\$9,098
1961	\$33,928	39.00	27.23	30.17%	\$10,237
1960	\$37,845	39.00	26.99	30.80%	\$11,657
1959	\$22,454	39.00	27.14	30.42%	\$6,830
1958	\$24,275	39.00	26.92	30.99%	\$7,522
1957	\$55,063	39.00	27.10	30.51%	\$16,798
1956	\$20,776	39.00	26.91	31.01%	\$6,442
1955	\$21,393	39.00	27.14	30.42%	\$6,508
1954	\$30,460	39.00	27.40	29.74%	\$9,058
1953	\$40,154	39.00	26.40	32.30%	\$12,971
1952	\$31,165	39.00	25.40	34.87%	\$10,866
1951	\$29,416	39.00	24.40	37.43%	\$11,011
1950	\$27,736	39.00	23.40	39.99%	\$11,093
1949	\$75,548	39.00	22.40	42.56%	\$32,152
1948	\$40,366	39.00	21.40	45.12%	\$18,214
1947	\$30,722	39.00	20.40	47.69%	\$14,650
1946	\$5,084	39.00	19.40	50.25%	\$2,555
1945	\$9,567	39.00	18.40	52.82%	\$5,053
1944	\$6,139	39.00	17.40	55.38%	\$3,400
1943	\$16,457	39.00	16.40	57.94%	\$9,536
1942	\$12,269	39.00	15.40	60.51%	\$7,423
1941	\$4,748	39.00	14.40	63.07%	\$2,994
1940	\$16,041	39.00	17.29	55.66%	\$8,929
1939	\$3,003	39.00	17.19	55.91%	\$1,679
1938	\$942	39.00	16.80	56.93%	\$537
1937	\$9,497	39.00	16.70	57.17%	\$5,429
	<u>\$42,950,655</u>				<u>\$4,392,546</u>
			Net Salvage Adjustment	55%	<u>\$2,415,900</u>
					<u>\$6,808,446</u>

Bluegrass Energy
Service Life Statistics

Account: 365 Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2006	\$2,215,277	29.00	28.49	1.74%	\$38,632
2005	\$1,331,285	29.00	27.49	5.19%	\$69,123
2004	\$2,544,970	29.00	26.49	8.64%	\$219,897
2003	\$1,300,271	29.00	25.49	12.09%	\$157,186
2002	\$1,291,703	29.00	24.49	15.54%	\$200,692
2001	\$2,765,823	29.00	23.49	18.99%	\$525,099
2000	\$1,468,096	29.00	22.49	22.43%	\$329,346
1999	\$1,962,206	29.00	21.49	25.88%	\$507,855
1998	\$1,796,196	29.00	20.49	29.33%	\$526,826
1997	\$1,527,662	29.00	19.49	32.78%	\$500,743
1996	\$1,688,881	29.00	18.49	36.23%	\$611,825
1995	\$1,441,955	29.00	17.49	39.67%	\$572,087
1994	\$1,442,764	29.00	16.49	43.12%	\$622,133
1993	\$1,053,861	29.00	15.50	46.56%	\$490,688
1992	\$1,043,939	29.00	14.52	49.94%	\$521,363
1991	\$987,458	29.00	13.51	53.41%	\$527,389
1990	\$985,966	29.00	12.53	56.78%	\$559,844
1989	\$898,588	29.00	11.56	60.13%	\$540,358
1988	\$731,255	29.00	10.62	63.38%	\$463,503
1987	\$840,227	29.00	9.68	66.62%	\$559,760
1986	\$656,890	29.00	8.79	69.68%	\$457,725
1985	\$662,456	29.00	7.90	72.75%	\$481,926
1984	\$665,538	29.00	7.09	75.54%	\$502,772
1983	\$293,491	29.00	6.27	78.37%	\$230,022
1982	\$473,203	29.00	5.48	81.09%	\$383,733
1981	\$694,403	29.00	4.83	83.34%	\$578,735
1980	\$671,422	29.00	4.14	85.71%	\$575,499
1979	\$548,399	29.00	3.63	87.47%	\$479,664
1978	\$326,224	29.00	3.06	89.45%	\$291,818
1977	\$123,892	29.00	2.70	90.70%	\$112,367
1976	\$185,578	29.00	2.23	92.31%	\$171,305
1975	\$108,899	29.00	2.01	93.07%	\$101,351
1974	\$47,747	29.00	1.65	94.31%	\$45,030
1973	\$25,454	29.00	1.57	94.58%	\$24,075
1972	\$21,864	29.00	1.33	95.42%	\$20,862
1971	\$6,420	29.00	1.03	96.45%	\$6,192
1970	\$2,244	29.00	0.90	96.88%	\$2,174
1969	\$634	29.00	0.61	97.90%	\$621
1968	\$83	29.00	0.51	98.23%	\$82
1967	\$1	29.00	0.50	98.28%	\$1
1966	\$0	29.00	0.00	100.00%	\$0
1965	\$0	29.00	0.00	100.00%	\$0
1964	\$0	29.00	0.00	100.00%	\$0
1963	\$0	29.00	0.00	100.00%	\$0

Bluegrass Energy
Service Life Statistics

Account: 365 Overhead Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1962	\$0	29.00	0.00	100.00%	\$0
1961	\$0	29.00	0.00	100.00%	\$0
1960	\$0	29.00	0.00	100.00%	\$0
1959	\$0	29.00	0.00	100.00%	\$0
1958	\$0	29.00	0.00	100.00%	\$0
1957	\$0	29.00	0.00	100.00%	\$0
1956	\$0	29.00	0.00	100.00%	\$0
1955	\$0	29.00	0.00	100.00%	\$0
1954	\$0	29.00	0.00	100.00%	\$0
1953	\$0	29.00	0.00	100.00%	\$0
1952	\$0	29.00	0.00	100.00%	\$0
1951	\$0	29.00	0.00	100.00%	\$0
1950	\$0	29.00	0.00	100.00%	\$0
1949	\$0	29.00	0.00	100.00%	\$0
1948	\$0	29.00	0.00	100.00%	\$0
1947	\$0	29.00	0.00	100.00%	\$0
1946	\$0	29.00	0.00	100.00%	\$0
1945	\$0	29.00	0.00	100.00%	\$0
1944	\$0	29.00	0.00	100.00%	\$0
1943	\$0	29.00	0.00	100.00%	\$0
1942	\$0	29.00	0.00	100.00%	\$0
1941	\$0	29.00	0.00	100.00%	\$0
1940	\$0	29.00	0.00	100.00%	\$0
1939	\$0	29.00	0.00	100.00%	\$0
1938	\$0	29.00	0.00	100.00%	\$0
1937	\$0	29.00	0.00	100.00%	\$0
	<u>\$34,833,229</u>				<u>\$13,010,302</u>
	Net Salvage Adjustment		45%		<u>\$5,854,636</u>
					<u>\$18,864,939</u>

Bluegrass Energy
Service Life Statistics

Account: 367 Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2006	\$708,316	22.00	21.50	2.27%	\$16,086
2005	\$995,615	22.00	20.51	6.76%	\$67,323
2004	\$931,511	22.00	19.54	11.17%	\$104,084
2003	\$698,723	22.00	18.61	15.40%	\$107,602
2002	\$560,738	22.00	17.70	19.55%	\$109,635
2001	\$625,690	22.00	16.85	23.42%	\$146,542
2000	\$602,528	22.00	16.04	27.08%	\$163,139
1999	\$483,007	22.00	15.23	30.76%	\$148,571
1998	\$657,532	22.00	14.51	34.05%	\$223,867
1997	\$558,828	22.00	13.76	37.45%	\$209,262
1996	\$112,119	22.00	13.11	40.40%	\$45,291
1995	\$203,553	22.00	12.42	43.54%	\$88,626
1994	\$134,162	22.00	11.84	46.19%	\$61,967
1993	\$72,375	22.00	11.20	49.11%	\$35,542
1992	\$120,675	22.00	10.67	51.50%	\$62,143
1991	\$74,681	22.00	10.07	54.22%	\$40,495
1990	\$137,316	22.00	9.59	56.39%	\$77,431
1989	\$67,243	22.00	9.15	58.42%	\$39,280
1988	\$47,244	22.00	8.61	60.87%	\$28,758
1987	\$55,006	22.00	8.20	62.72%	\$34,498
1986	\$16,143	22.00	7.69	65.04%	\$10,499
1985	\$37,851	22.00	7.32	66.73%	\$25,259
1984	\$32,180	22.00	6.83	68.94%	\$22,185
1983	\$31,950	22.00	6.49	70.51%	\$22,526
1982	\$29,356	22.00	6.02	72.62%	\$21,319
1981	\$7,542	22.00	5.70	74.08%	\$5,587
1980	\$9,170	22.00	5.25	76.12%	\$6,980
1979	\$10,082	22.00	4.95	77.50%	\$7,814
1978	\$7,059	22.00	4.67	78.76%	\$5,560
1977	\$3,661	22.00	4.26	80.65%	\$2,952
1976	\$4,331	22.00	4.00	81.83%	\$3,544
1975	\$4,912	22.00	3.60	83.65%	\$4,109
1974	\$762	22.00	3.35	84.77%	\$646
1973	\$4,413	22.00	2.96	86.54%	\$3,819
1972	\$0	22.00	2.73	87.60%	\$0
1971	\$0	22.00	2.35	89.34%	\$0
1970	\$1,372	22.00	2.12	90.37%	\$1,240
1969	\$0	22.00	1.74	92.11%	\$0
1968	\$0	22.00	1.49	93.21%	\$0
1967	\$0	22.00	1.30	94.08%	\$0
1966	\$34	22.00	0.96	95.61%	\$32
1965	\$0	22.00	0.79	96.39%	\$0
1964	\$3	22.00	0.53	97.59%	\$3
1963	\$0	22.00	0.50	97.73%	\$0

Bluegrass Energy
Service Life Statistics

Account: 367 Underground Conductors & Devices

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1962	\$0	22.00	0.00	100.00%	\$0
1961	\$0	22.00	0.00	100.00%	\$0
	<u>\$8,047,682</u>				<u>\$1,954,216</u>
	Net Salvage Adjustment		25%		\$488,554
					<u>\$2,442,770</u>

Bluegrass Energy Service Life Statistics

Account: 368 Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2006	\$1,968,018	38.00	39.71	-4.50%	-\$88,593
2005	\$2,007,872	38.00	38.80	-2.09%	-\$42,046
2004	\$1,675,640	38.00	37.95	0.14%	\$2,374
2003	\$1,210,548	38.00	37.08	2.43%	\$29,454
2002	\$1,057,628	38.00	36.31	4.46%	\$47,129
2001	\$1,279,396	38.00	35.48	6.62%	\$84,743
2000	\$1,287,300	38.00	34.78	8.48%	\$109,176
1999	\$1,400,021	38.00	34.11	10.25%	\$143,485
1998	\$1,160,816	38.00	33.34	12.26%	\$142,334
1997	\$1,120,691	38.00	32.72	13.91%	\$155,840
1996	\$924,829	38.00	32.12	15.48%	\$143,144
1995	\$869,323	38.00	31.40	17.37%	\$150,996
1994	\$752,240	38.00	30.84	18.84%	\$141,745
1993	\$684,859	38.00	30.30	20.26%	\$138,723
1992	\$635,912	38.00	29.62	22.05%	\$140,197
1991	\$491,148	38.00	29.12	23.38%	\$114,818
1990	\$510,854	38.00	28.46	25.12%	\$128,310
1989	\$559,654	38.00	27.98	26.37%	\$147,603
1988	\$594,792	38.00	27.52	27.58%	\$164,045
1987	\$596,963	38.00	26.89	29.24%	\$174,549
1986	\$179,688	38.00	26.46	30.38%	\$54,591
1985	\$466,773	38.00	26.04	31.47%	\$146,914
1984	\$375,905	38.00	25.44	33.06%	\$124,276
1983	\$342,216	38.00	25.04	34.09%	\$116,677
1982	\$248,643	38.00	24.46	35.64%	\$88,622
1981	\$381,486	38.00	24.08	36.62%	\$139,701
1980	\$321,335	38.00	23.73	37.55%	\$120,665
1979	\$260,616	38.00	23.17	39.03%	\$101,721
1978	\$331,621	38.00	22.84	39.91%	\$132,340
1977	\$316,242	38.00	22.52	40.73%	\$128,819
1976	\$257,738	38.00	21.99	42.14%	\$108,621
1975	\$193,487	38.00	21.69	42.91%	\$83,034
1974	\$155,615	38.00	21.42	43.63%	\$67,899
1973	\$153,894	38.00	20.91	44.97%	\$69,204
1972	\$95,541	38.00	20.66	45.62%	\$43,590
1971	\$80,078	38.00	20.17	46.92%	\$37,571
1970	\$80,283	38.00	19.95	47.51%	\$38,141
1969	\$72,033	38.00	19.75	48.04%	\$34,602
1968	\$51,290	38.00	19.29	49.24%	\$25,255
1967	\$51,288	38.00	19.12	49.69%	\$25,484
1966	\$52,172	38.00	18.98	50.06%	\$26,118
1965	\$35,727	38.00	18.56	51.16%	\$18,276
1964	\$34,802	38.00	18.46	51.43%	\$17,898
1963	\$42,719	38.00	18.07	52.45%	\$22,407

Bluegrass Energy
Service Life Statistics

Account: 368 Line Transformers

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1962	\$26,376	38.00	18.01	52.61%	\$13,876
1961	\$38,499	38.00	17.99	52.66%	\$20,272
1960	\$56,269	38.00	17.66	53.51%	\$30,113
1959	\$36,540	38.00	17.71	53.40%	\$19,513
1958	\$21,780	38.00	17.81	53.14%	\$11,574
1957	\$34,182	38.00	17.57	53.77%	\$18,380
1956	\$17,094	38.00	17.76	53.27%	\$9,107
1955	\$14,704	38.00	18.03	52.57%	\$7,729
1954	\$19,073	38.00	17.91	52.86%	\$10,081
1953	\$33,123	38.00	16.91	55.49%	\$18,380
1952	\$23,922	38.00	15.91	58.12%	\$13,904
1951	\$21,787	38.00	14.91	60.75%	\$13,236
1950	\$23,894	38.00	13.91	63.38%	\$15,145
1949	\$36,865	38.00	12.91	66.02%	\$24,337
1948	\$32,418	38.00	11.91	68.65%	\$22,254
1947	\$37,088	38.00	10.91	71.28%	\$26,436
1946	\$8,764	38.00	9.91	73.91%	\$6,477
1945	\$5,065	38.00	8.91	76.54%	\$3,877
1944	\$4,450	38.00	7.91	79.17%	\$3,523
1943	\$6,776	38.00	6.91	81.80%	\$5,543
1942	\$7,003	38.00	5.91	84.44%	\$5,913
1941	\$4,708	38.00	4.91	87.07%	\$4,099
1940	\$12,001	38.00	6.60	82.63%	\$9,916
1939	\$8,669	38.00	6.31	83.40%	\$7,230
1938	\$721	38.00	5.78	84.80%	\$611
1937	\$1,457	38.00	5.48	85.58%	\$1,247
	<u>\$25,902,928</u>				<u>\$4,123,224</u>
	Net Salvage Adjustment		0%		\$0
					<u>\$4,123,224</u>

Bluegrass Energy
Service Life Statistics

Account: 369 Services

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2006	\$1,865,889	22.00	21.50	2.26%	\$42,228
2005	\$1,958,391	22.00	20.50	6.81%	\$133,319
2004	\$1,746,958	22.00	19.50	11.35%	\$198,212
2003	\$1,518,723	22.00	18.51	15.86%	\$240,853
2002	\$1,700,285	22.00	17.53	20.34%	\$345,847
2001	\$2,126,549	22.00	16.56	24.73%	\$525,877
2000	\$1,474,727	22.00	15.62	28.99%	\$427,595
1999	\$1,422,175	22.00	14.69	33.21%	\$472,244
1998	\$1,115,722	22.00	13.82	37.17%	\$414,694
1997	\$1,017,988	22.00	12.96	41.10%	\$418,410
1996	\$730,774	22.00	12.17	44.69%	\$326,551
1995	\$767,383	22.00	11.37	48.30%	\$370,647
1994	\$581,941	22.00	10.68	51.48%	\$299,561
1993	\$537,365	22.00	9.95	54.76%	\$294,288
1992	\$381,852	22.00	9.34	57.54%	\$219,726
1991	\$347,571	22.00	8.66	60.62%	\$210,714
1990	\$438,134	22.00	8.15	62.95%	\$275,791
1989	\$394,019	22.00	7.67	65.14%	\$256,673
1988	\$354,193	22.00	7.11	67.68%	\$239,722
1987	\$331,079	22.00	6.69	69.57%	\$230,336
1986	\$244,797	22.00	6.19	71.88%	\$175,971
1985	\$154,378	22.00	5.83	73.52%	\$113,493
1984	\$183,727	22.00	5.36	75.65%	\$138,982
1983	\$116,595	22.00	5.05	77.06%	\$89,847
1982	\$94,413	22.00	4.61	79.03%	\$74,614
1981	\$81,390	22.00	4.34	80.28%	\$65,338
1980	\$73,709	22.00	3.93	82.13%	\$60,538
1979	\$68,851	22.00	3.68	83.26%	\$57,324
1978	\$43,627	22.00	3.47	84.22%	\$36,741
1977	\$25,754	22.00	3.12	85.84%	\$22,107
1976	\$19,699	22.00	2.93	86.68%	\$17,074
1975	\$15,085	22.00	2.59	88.21%	\$13,306
1974	\$9,656	22.00	2.43	88.95%	\$8,588
1973	\$5,246	22.00	2.11	90.40%	\$4,743
1972	\$2,507	22.00	1.97	91.06%	\$2,283
1971	\$1,569	22.00	1.66	92.46%	\$1,450
1970	\$739	22.00	1.52	93.08%	\$688
1969	\$298	22.00	1.22	94.47%	\$282
1968	\$210	22.00	1.05	95.21%	\$200
1967	\$47	22.00	0.95	95.67%	\$45
1966	\$22	22.00	0.71	96.77%	\$21
1965	\$3	22.00	0.63	97.15%	\$3
1964	\$0	22.00	0.50	97.71%	\$0
1963	\$0	22.00	0.50	97.73%	\$0

Bluegrass Energy
Service Life Statistics

Account: 369 Services

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1962	\$0	22.00	0.00	100.00%	\$0
1961	\$0	22.00	0.00	100.00%	\$0
1960	\$0	22.00	0.00	100.00%	\$0
1959	\$0	22.00	0.00	100.00%	\$0
1958	\$0	22.00	0.00	100.00%	\$0
1957	\$0	22.00	0.00	100.00%	\$0
1956	\$0	22.00	0.00	100.00%	\$0
1955	\$0	22.00	0.00	100.00%	\$0
1954	\$0	22.00	0.00	100.00%	\$0
1953	\$0	22.00	0.00	100.00%	\$0
1952	\$0	22.00	0.00	100.00%	\$0
1951	\$0	22.00	0.00	100.00%	\$0
1950	\$0	22.00	0.00	100.00%	\$0
1949	\$0	22.00	0.00	100.00%	\$0
1948	\$0	22.00	0.00	100.00%	\$0
1947	\$0	22.00	0.00	100.00%	\$0
1946	\$0	22.00	0.00	100.00%	\$0
1945	\$0	22.00	0.00	100.00%	\$0
1944	\$0	22.00	0.00	100.00%	\$0
1943	\$0	22.00	0.00	100.00%	\$0
1942	\$0	22.00	0.00	100.00%	\$0
1941	\$0	22.00	0.00	100.00%	\$0
1940	\$0	22.00	0.00	100.00%	\$0
1939	\$0	22.00	0.00	100.00%	\$0
1938	\$0	22.00	0.00	100.00%	\$0
1937	\$0	22.00	0.00	100.00%	\$0
	<u>\$21,954,037</u>				<u>\$6,826,926</u>
	Net Salvage Adjustment		40%		<u>\$2,730,771</u>
					<u>\$9,557,697</u>

Bluegrass Energy Service Life Statistics

Account: 370 Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2006	\$4,001,638	22.00	21.53	2.16%	\$86,337
2005	\$2,209,665	22.00	20.59	6.39%	\$141,212
2004	\$562,835	22.00	19.66	10.65%	\$59,935
2003	\$151,903	22.00	18.75	14.78%	\$22,455
2006	\$158,321	22.00	17.83	18.95%	\$30,004
2001	\$115,551	22.00	16.95	22.96%	\$26,533
2000	\$367,625	22.00	16.08	26.89%	\$98,851
1999	\$449,957	22.00	15.21	30.88%	\$138,939
1998	\$134,042	22.00	14.38	34.64%	\$46,437
1997	\$155,221	22.00	13.53	38.49%	\$59,752
1996	\$113,270	22.00	12.74	42.08%	\$47,660
1995	\$157,336	22.00	11.93	45.77%	\$72,016
1994	\$93,867	22.00	11.19	49.15%	\$46,136
1993	\$116,351	22.00	10.41	52.68%	\$61,288
1992	\$96,505	22.00	9.72	55.83%	\$53,877
1991	\$84,610	22.00	8.98	59.16%	\$50,058
1990	\$82,268	22.00	8.35	62.06%	\$51,058
1989	\$79,782	22.00	7.75	64.78%	\$51,685
1988	\$138,558	22.00	7.10	67.74%	\$93,860
1987	\$92,983	22.00	6.57	70.13%	\$65,211
1986	\$80,394	22.00	5.98	72.81%	\$58,536
1985	\$99,461	22.00	5.54	74.83%	\$74,431
1984	\$47,005	22.00	5.01	77.21%	\$36,291
1983	\$41,835	22.00	4.65	78.85%	\$32,986
1982	\$19,671	22.00	4.20	80.92%	\$15,918
1981	\$17,361	22.00	3.91	82.21%	\$14,273
1980	\$14,926	22.00	3.51	84.03%	\$12,543
1979	\$12,137	22.00	3.28	85.07%	\$10,326
1978	\$15,763	22.00	3.10	85.90%	\$13,540
1977	\$9,816	22.00	2.77	87.40%	\$8,579
1976	\$5,569	22.00	2.62	88.09%	\$4,906
1975	\$4,302	22.00	2.31	89.51%	\$3,851
1974	\$2,203	22.00	2.17	90.13%	\$1,985
1973	\$1,837	22.00	1.87	91.49%	\$1,680
1972	\$849	22.00	1.74	92.10%	\$782
1971	\$399	22.00	1.43	93.52%	\$373
1970	\$251	22.00	1.25	94.32%	\$237
1969	\$95	22.00	0.90	95.92%	\$91
1968	\$28	22.00	0.67	96.97%	\$28
1967	\$4	22.00	0.53	97.60%	\$4
1966	\$0	22.00	0.50	97.73%	\$0
1965	\$0	22.00	0.00	100.00%	\$0
1964	\$0	22.00	0.00	100.00%	\$0
1963	\$0	22.00	0.00	100.00%	\$0

Bluegrass Energy Service Life Statistics

Account: 370 Meters

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1962	\$0	22.00	0.00	100.00%	\$0
1961	\$0	22.00	0.00	100.00%	\$0
1960	\$0	22.00	0.00	100.00%	\$0
1959	\$0	22.00	0.00	100.00%	\$0
1958	\$0	22.00	0.00	100.00%	\$0
1957	\$0	22.00	0.00	100.00%	\$0
1956	\$0	22.00	0.00	100.00%	\$0
1955	\$0	22.00	0.00	100.00%	\$0
1954	\$0	22.00	0.00	100.00%	\$0
1953	\$0	22.00	0.00	100.00%	\$0
1952	\$0	22.00	0.00	100.00%	\$0
1951	\$0	22.00	0.00	100.00%	\$0
1950	\$0	22.00	0.00	100.00%	\$0
1949	\$0	22.00	0.00	100.00%	\$0
1948	\$0	22.00	0.00	100.00%	\$0
1947	\$0	22.00	0.00	100.00%	\$0
1946	\$0	22.00	0.00	100.00%	\$0
1945	\$0	22.00	0.00	100.00%	\$0
1944	\$0	22.00	0.00	100.00%	\$0
1943	\$0	22.00	0.00	100.00%	\$0
1942	\$0	22.00	0.00	100.00%	\$0
1941	\$0	22.00	0.00	100.00%	\$0
1940	\$0	22.00	0.00	100.00%	\$0
1939	\$0	22.00	0.00	100.00%	\$0
1938	\$0	22.00	0.00	100.00%	\$0
1937	\$0	22.00	0.00	100.00%	\$0
	<u>\$9,736,196</u>				<u>\$1,594,662</u>
			Net Salvage Adjustment	0%	<u>\$0</u>
					<u>\$1,594,662</u>

Bluegrass Energy
Service Life Statistics

Account: 371 Installations on Customers' Premises

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2006	\$270,347	31.00	31.27	-0.88%	-\$2,378
2005	\$235,674	31.00	30.52	1.53%	\$3,616
2004	\$258,397	31.00	29.78	3.93%	\$10,152
2003	\$265,732	31.00	29.05	6.30%	\$16,754
2006	\$230,467	31.00	28.41	8.36%	\$19,275
2001	\$214,204	31.00	27.69	10.69%	\$22,896
2000	\$172,142	31.00	26.97	13.00%	\$22,377
1999	\$186,013	31.00	26.26	15.29%	\$28,449
1998	\$174,123	31.00	25.55	17.58%	\$30,604
1997	\$171,393	31.00	24.95	19.52%	\$33,449
1996	\$158,896	31.00	24.26	21.76%	\$34,570
1995	\$162,176	31.00	23.56	23.98%	\$38,896
1994	\$114,559	31.00	22.88	26.20%	\$30,012
1993	\$95,653	31.00	22.31	28.04%	\$26,822
1992	\$79,615	31.00	21.64	30.20%	\$24,045
1991	\$145,842	31.00	20.97	32.34%	\$47,169
1990	\$71,234	31.00	20.32	34.46%	\$24,550
1989	\$68,019	31.00	19.67	36.56%	\$24,869
1988	\$61,568	31.00	19.15	38.23%	\$23,540
1987	\$42,433	31.00	18.52	40.25%	\$17,081
1986	\$40,562	31.00	17.90	42.25%	\$17,136
1985	\$31,879	31.00	17.29	44.21%	\$14,095
1984	\$37,854	31.00	16.83	45.69%	\$17,297
1983	\$34,337	31.00	16.26	47.56%	\$16,332
1982	\$31,455	31.00	15.69	49.40%	\$15,539
1981	\$27,489	31.00	15.13	51.21%	\$14,076
1980	\$26,556	31.00	14.58	52.98%	\$14,070
1979	\$25,647	31.00	14.20	54.20%	\$13,900
1978	\$30,165	31.00	13.68	55.86%	\$16,850
1977	\$24,657	31.00	13.18	57.49%	\$14,174
1976	\$28,901	31.00	12.69	59.08%	\$17,074
1975	\$22,433	31.00	12.39	60.04%	\$13,469
1974	\$33,069	31.00	11.94	61.50%	\$20,337
1973	\$27,954	31.00	11.49	62.92%	\$17,588
1972	\$21,554	31.00	11.07	64.30%	\$13,859
1971	\$17,856	31.00	10.86	64.96%	\$11,600
1970	\$14,168	31.00	10.48	66.18%	\$9,376
1969	\$14,603	31.00	10.12	67.34%	\$9,834
1968	\$18,734	31.00	9.78	68.45%	\$12,824
1967	\$13,126	31.00	9.46	69.50%	\$9,122
1966	\$10,056	31.00	9.41	69.66%	\$7,005
1965	\$9,099	31.00	9.16	70.45%	\$6,410
1964	\$7,259	31.00	8.95	71.14%	\$5,163
1963	\$9,543	31.00	8.77	71.71%	\$6,843

Bluegrass Energy
Service Life Statistics

Account: 371 Installations on Customers' Premises

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
1962	\$4,685	31.00	8.96	71.11%	\$3,331
1961	\$1,690	31.00	8.93	71.19%	\$1,203
1960	\$308	31.00	8.98	71.03%	\$219
1959	\$71	31.00	9.12	70.57%	\$50
	<u>\$3,744,197</u>				<u>\$795,522</u>
	Net Salvage Adjustment		35%		<u>\$278,433</u>
					<u>\$1,073,954</u>

Bluegrass Energy
Service Life Statistics

Account: 373 Street Lighting & Signal Systems

Year	Simulated Plant Survivors	Historical Life (HL)	Remaining Life	Factor	Future Accrual
2006	\$242,425	23.00	22.52	2.08%	\$5,033
2005	\$263,151	23.00	21.59	6.11%	\$16,081
2004	\$161,365	23.00	20.66	10.17%	\$16,411
2003	\$89,043	23.00	19.74	14.19%	\$12,638
2006	\$37,072	23.00	18.84	18.08%	\$6,701
2001	\$154,751	23.00	17.94	22.00%	\$34,044
2000	\$254,296	23.00	17.05	25.87%	\$65,799
1999	\$110,631	23.00	16.20	29.55%	\$32,697
1998	\$267,260	23.00	15.34	33.30%	\$89,001
1997	\$66,451	23.00	14.49	36.99%	\$24,580
1996	\$58,307	23.00	13.70	40.42%	\$23,566
1995	\$42,547	23.00	12.89	43.95%	\$18,699
1994	\$38,272	23.00	12.09	47.41%	\$18,146
1993	\$42,309	23.00	11.37	50.55%	\$21,385
1992	\$107,501	23.00	10.62	53.83%	\$57,865
1991	\$99,291	23.00	9.88	57.03%	\$56,628
1990	\$10,576	23.00	9.24	59.82%	\$6,326
1989	\$99	23.00	8.56	62.80%	\$62
1988	\$799	23.00	7.89	65.70%	\$525
1987	\$3,128	23.00	7.35	68.06%	\$2,129
1986	\$0	23.00	6.74	70.68%	\$0
1985	\$2,015	23.00	6.17	73.19%	\$1,475
1984	\$2,737	23.00	5.74	75.04%	\$2,054
1983	\$1,790	23.00	5.24	77.23%	\$1,383
1982	\$696	23.00	4.91	78.66%	\$548
1981	\$504	23.00	4.49	80.50%	\$405
1980	\$0	23.00	4.08	82.25%	\$0
1979	\$535	23.00	3.87	83.17%	\$445
1978	\$397	23.00	3.54	84.63%	\$336
	<u>\$2,057,949</u>				<u>\$514,963</u>
	Net Salvage Adjustment		0%		<u>\$0</u>
					<u>\$514,963</u>

Blue s Energy

Year	Original	Gross Salvage		Cost of Removal		Net Salvage	
	Cost of Retirements	Amount	Percent	Amount	Percent	Amount	Percent
1985	491,278	39,434	8%	95,924	20%	-56,490	-11%
1986	509,252	59,367	12%	111,811	22%	-52,444	-10%
1987	689,176	70,424	10%	144,644	21%	-74,220	-11%
1988	575,433	39,719	7%	107,150	19%	-67,431	-12%
1989	687,434	25,468	4%	136,599	20%	-111,131	-16%
1990	982,840	48,378	5%	204,564	21%	-156,186	-16%
1991	792,503	44,579	6%	166,483	21%	-121,904	-15%
1992	823,523	29,137	4%	155,706	19%	-126,569	-15%
1993	828,032	14,269	2%	132,084	16%	-117,815	-14%
1994	955,861	58,577	6%	194,553	20%	-135,976	-14%
1995	1,110,555	7,044	1%	227,226	20%	-220,182	-20%
1996	812,113	15,163	2%	167,244	21%	-152,081	-19%
1997	1,001,967	19,015	2%	252,652	25%	-233,637	-23%
1998	973,301	10,688	1%	402,467	41%	-391,799	-40%
1999	1,219,923	5,434	0%	245,222	20%	-239,788	-20%
2000	1,058,966	91,722	9%	393,364	37%	-301,642	-28%
2001	1,489,101	46,912	3%	140,731	9%	-93,819	-6%
2002	1,108,358	1,791	0%	556,777	50%	-554,986	-50%
2003	1,084,352	9,150	1%	523,720	48%	-514,570	-47%
2004	1,606,043	16,258	1%	850,912	53%	-834,654	-52%
2005	1,904,754	38,433	2%	634,993	33%	-596,560	-31%
2006	2,111,457	7,131	0%	963,771	46%	-956,640	-45%
Total	22,816,221	698,093	3%	6,808,617	30%	(6,110,524)	-27%

Three Year Moving Averages

96-1998	929,127	14,955	2%	274,128	30%	(259,172)	-28%
98-1999	1,065,064	11,712	1%	300,120	28%	(288,408)	-27%
98-2000	1,084,063	35,948	3%	347,024	32%	(311,076)	-29%
99-2001	1,255,997	48,023	4%	259,772	21%	(211,750)	-17%
00-2002	1,218,808	46,808	4%	363,624	30%	(316,816)	-26%
01-2003	1,227,270	19,284	2%	407,076	33%	(387,792)	-32%
02-2004	1,266,251	9,066	1%	643,803	51%	(634,737)	-50%
03-2005	1,531,716	21,280	1%	669,875	44%	(648,595)	-42%
04-2006	1,874,085	20,607	1%	816,559	44%	(795,951)	-42%

Five Year Average

2001 - 2005	1,562,993	14,553	1%	706,035	45%	(691,482)	-44%
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Ten year Average

97 - 2006	1,355,822	24,653	2%	496,463	37%	(471,810)	-35%
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Data Used for Input into Study

Section: 8

Blue Grass Energy

Account: 362 Station Equipment

Year	Beginning Balance	Additions	Retirements	Adj	Ending Balance
1930					
1931					
1932					
1933					
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1990					
1991	0	4,377			4,377
1992	4,377	237,980			242,357
1993	242,357	69,250			311,607
1994	311,607	20,247			331,854
1995	331,854	589			332,443
1996	332,443	18,265			350,708
1997	350,708	11,918			362,626
1998	362,626	2,830			365,456
1999	365,456				365,456
2000	365,456	2,296			367,752
2001	367,752	84,521			452,273
2002	452,273	84,962			537,235
2003	537,235	80,322			617,557
2004	617,557	2,745			620,302
2005	620,302	2,779			623,081
2006	623,081	5,484			628,565

Blue Grass Energy

Year	Account: 364 Poles, Towers & Fixtures		Retirements	Adj	Ending Balance
	Beginning Balance	Additions			
1930	0				0
1931	0				0
1932	0				0
1933	0				0
1934	0				0
1935	0				0
1936	0				0
1937	0	50,839	0		50,839
1938	50,839	4,779	0		55,618
1939	55,618	14,699	0		70,317
1940	70,317	74,501	154		144,665
1941	144,665	17,229	925		160,969
1942	160,969	44,523	51		205,441
1943	205,441	59,725	207		264,958
1944	264,958	22,277	675		286,560
1945	286,560	34,720	536		320,742
1946	320,742	18,449	679		338,513
1947	338,513	111,490	3,821		446,182
1948	446,182	146,490	2,997		589,675
1949	589,675	274,164	7,062		856,776
1950	856,776	100,666	6,910		948,521
1951	948,521	106,753	12,640		1,042,633
1952	1,042,633	113,099	17,487		1,138,245
1953	1,138,245	145,721	26,630		1,257,336
1954	1,257,336	110,539	16,511		1,351,364
1955	1,351,364	74,113	15,639		1,409,838
1956	1,409,838	68,777	10,970		1,467,645
1957	1,467,645	176,922	43,571		1,600,996
1958	1,600,996	74,644	10,448		1,665,192
1959	1,665,192	67,084	11,444		1,720,832
1960	1,720,832	108,362	22,256		1,806,938
1961	1,806,938	94,478	40,253		1,861,164
1962	1,861,164	79,815	12,278		1,928,701
1963	1,928,701	107,189	21,202		2,014,687
1964	2,014,687	122,253	20,554		2,116,386
1965	2,116,386	109,327	26,639		2,199,074
1966	2,199,074	117,835	52,425		2,264,784
1967	2,264,784	134,421	20,450		2,379,055
1968	2,379,055	231,017	31,686		2,578,386
1969	2,578,386	292,417	34,284		2,836,519
1970	2,836,519	247,276	40,864		3,012,931
1971	3,012,931	271,012	53,791		3,230,152
1972	3,230,152	345,280	82,968		3,492,464
1973	3,492,464	421,123	77,471		3,836,416
1974	3,836,416	463,676	81,305		4,218,788
1975	4,218,788	649,506	109,817		4,758,477
1976	4,758,477	739,905	165,742		5,332,639
1977	5,332,639	677,428	111,880		5,898,187
1978	5,898,187	835,295	118,119		6,617,362
1979	6,617,362	1,310,535	225,082		7,702,815
1980	7,702,815	1,209,375	207,054		8,705,136
1981	8,705,136	1,060,520	209,237		9,556,419
1982	9,556,419	1,014,366	226,237		10,344,549
1983	10,344,549	780,427	169,755		10,955,221
1984	10,955,221	1,082,673	275,564		11,762,330
1985	11,762,330	971,165	214,742		12,518,753
1986	12,518,753	1,181,110	277,316		13,422,547
1987	13,422,547	1,428,205	388,687		14,462,066
1988	14,462,066	1,198,222	288,147		15,372,141
1989	15,372,141	1,406,342	325,430		16,453,053
1990	16,453,053	1,732,959	511,638		17,674,374
1991	17,674,374	1,429,209	430,872		18,672,712
1992	18,672,712	1,468,247	438,584		19,702,375
1993	19,702,375	1,440,509	324,884		20,818,000
1994	20,818,000	1,557,722	439,518		21,936,204
1995	21,936,204	2,125,596	487,742		23,574,058
1996	23,574,058	1,759,078	382,895		24,950,241
1997	24,950,241	2,049,036	335,532		26,663,745
1998	26,663,745	2,428,314	348,395		28,743,664
1999	28,743,664	2,339,487	407,402		30,675,749
2000	30,675,749	1,841,659	284,127		32,233,181
2001	32,233,181	2,934,265	521,291		34,646,155
2002	34,646,155	1,589,885	253,106		35,982,934
2003	35,982,934	1,497,288	264,941		37,215,281
2004	37,215,281	2,604,386	514,416		39,305,251
2005	39,305,251	1,702,230	288,256		40,719,225
2006	40,719,225	2,634,595	387,558		42,966,262

Blue Grass Energy

Account:		365 Overhead Conductors & Devices			
Year	Beginning Balance	Additions	Retirements	Adj	Ending Balance
1930	0				0
1931	0				0
1932	0				0
1933	0				0
1934	0				0
1935	0				0
1936	0				0
1937	0	61,960	0		61,960
1938	61,960	3,255	0		65,215
1939	65,215	3,255	0		68,470
1940	68,470	84,994	394		153,070
1941	153,070	3,749	0		156,819
1942	156,819	41,458	0		198,277
1943	198,277	4,218	13		202,482
1944	202,482	6,738	68		209,151
1945	209,151	187,315	27		396,439
1946	396,439	13,409	398		409,451
1947	409,451	86,828	3,217		493,062
1948	493,062	118,211	2,090		609,183
1949	609,183	275,976	9,261		875,897
1950	875,897	84,610	6,846		953,661
1951	953,661	85,158	6,510		1,032,309
1952	1,032,309	95,316	13,971		1,113,654
1953	1,113,654	127,480	13,010		1,228,124
1954	1,228,124	86,784	5,727		1,309,181
1955	1,309,181	56,734	6,129		1,359,787
1956	1,359,787	64,820	4,909		1,419,698
1957	1,419,698	136,622	22,656		1,533,664
1958	1,533,664	51,819	5,937		1,579,546
1959	1,579,546	44,643	5,849		1,618,340
1960	1,618,340	98,446	14,523		1,702,263
1961	1,702,263	92,420	5,130		1,789,553
1962	1,789,553	49,561	8,643		1,830,471
1963	1,830,471	80,857	8,302		1,903,026
1964	1,903,026	86,470	12,412		1,977,084
1965	1,977,084	68,090	10,904		2,024,269
1966	2,024,269	189,875	12,358		2,201,786
1967	2,201,786	116,897	11,716		2,306,967
1968	2,306,967	174,397	40,283		2,441,081
1969	2,441,081	140,999	15,887		2,566,194
1970	2,566,194	181,850	23,427		2,724,617
1971	2,724,617	196,567	24,063		2,897,121
1972	2,897,121	362,890	43,565		3,216,446
1973	3,216,446	247,365	31,622		3,432,189
1974	3,432,189	257,634	34,355		3,655,468
1975	3,655,468	412,661	49,146		4,018,983
1976	4,018,983	484,831	57,021		4,446,793
1977	4,446,793	260,533	22,993		4,684,333
1978	4,684,333	548,887	34,806		5,198,614
1979	5,198,614	812,817	79,768		5,931,662
1980	5,931,662	876,819	64,787		6,743,695
1981	6,743,695	845,788	95,910		7,493,573
1982	7,493,573	538,802	47,660		7,984,715
1983	7,984,715	322,353	34,077		8,272,992
1984	8,272,992	711,650	104,888		8,879,773
1985	8,879,773	690,688	86,073		9,484,388
1986	9,484,388	675,893	100,821		10,059,460
1987	10,059,460	854,071	139,482		10,774,048
1988	10,774,048	738,797	82,770		11,430,075
1989	11,430,075	903,172	120,213		12,213,034
1990	12,213,034	968,722	171,713		13,030,043
1991	13,030,043	988,551	138,719		13,879,875
1992	13,879,875	1,045,496	126,267		14,799,103
1993	14,799,103	1,054,060	122,919		15,730,244
1994	15,730,244	1,442,820	168,206		17,004,858
1995	17,004,858	1,441,967	239,634		18,207,192
1996	18,207,192	1,688,882	149,140		19,746,934
1997	19,746,934	1,527,662	248,266		21,026,330
1998	21,026,330	1,796,196	253,068		22,569,458
1999	22,569,458	1,962,206	302,439		24,229,225
2000	24,229,225	1,468,086	178,210		25,519,111
2001	25,519,111	2,765,823	405,779		27,879,155
2002	27,879,155	1,291,703	136,999		29,033,859
2003	29,033,859	1,300,271	241,858		30,092,272
2004	30,092,272	2,544,970	586,184		32,051,058
2005	32,051,058	1,331,285	278,472		33,103,871
2006	33,103,871	2,215,277	508,926		34,810,222

Blue Grass Energy

Account: 367 Underground Conductors & Devices					
Year	Beginning Balance	Additions	Retirements	Adj	Ending Balance
1930	0				0
1931	0				0
1932	0				0
1933	0				0
1934	0				0
1935	0				0
1936	0				0
1937	0				0
1938	0				0
1939	0				0
1940	0				0
1941	0				0
1942	0				0
1943	0				0
1944	0				0
1945	0				0
1946	0				0
1947	0				0
1948	0				0
1949	0				0
1950	0				0
1951	0				0
1952	0				0
1953	0				0
1954	0				0
1955	0				0
1956	0				0
1957	0				0
1958	0				0
1959	0				0
1960	0				0
1961	0	4,915	0		4,915
1962	4,915	0	0		4,915
1963	4,915	4,619	0		9,533
1964	9,533	4,884	0		14,417
1965	14,417	0	0		14,417
1966	14,417	5,927	0		20,345
1967	20,345	0	0		20,345
1968	20,345	0	0		20,345
1969	20,345	0	0		20,345
1970	20,345	32,484	0		52,828
1971	52,828	0	0		52,828
1972	52,828	0	0		52,828
1973	52,828	43,978	0		96,807
1974	96,807	6,253	0		103,060
1975	103,060	32,422	12,910		122,572
1976	122,572	24,407	149		146,830
1977	146,830	17,236	2,465		161,602
1978	161,602	29,144	2,504		188,242
1979	188,242	35,816	5,806		218,251
1980	218,251	28,409	727		245,934
1981	245,934	21,129	5,007		262,056
1982	262,056	73,234	6,441		328,849
1983	328,849	73,174	1,009		401,014
1984	401,014	66,785	2,533		465,266
1985	465,266	73,050	21,108		517,208
1986	517,208	28,655	2,129		543,733
1987	543,733	91,807	6,720		628,820
1988	628,820	73,470	3,718		698,573
1989	698,573	99,292	25,716		772,149
1990	772,149	191,116	74,996		888,269
1991	888,269	98,549	11,780		975,038
1992	975,038	153,217	25,105		1,103,149
1993	1,103,149	87,988	9,808		1,181,330
1994	1,181,330	158,119	32,319		1,307,129
1995	1,307,129	231,787	43,177		1,495,740
1996	1,495,740	124,625	17,870		1,602,495
1997	1,602,495	605,132	79,570		2,128,057
1998	2,128,057	699,434	34,875		2,792,616
1999	2,792,616	504,309	21,330		3,275,595
2000	3,275,595	621,522	51,553		3,845,564
2001	3,845,564	637,770	31,503		4,451,831
2002	4,451,831	566,661	77,812		4,940,680
2003	4,940,680	702,745	40,625		5,602,800
2004	5,602,800	933,429	70,098		6,466,131
2005	6,466,131	996,201	84,718		7,377,614
2006	7,377,614	708,328	39,780		8,046,162

Blue Grass Energy

Account: 368 Line Transformers

Year	Beginning Balance	Additions	Retirements	Adj	Ending Balance
1930	0				0
1931	0				0
1932	0				0
1933	0				0
1934	0				0
1935	0				0
1936	0				0
1937	0	13,042	0		13,042
1938	13,042	5,700	0		18,742
1939	18,742	63,396	0		82,138
1940	82,138	78,660	1,386		159,412
1941	159,412	19,180	97		178,495
1942	178,495	28,533	78		206,950
1943	206,950	27,605	70		234,484
1944	234,484	18,129	204		252,409
1945	252,409	20,636	166		272,880
1946	272,880	35,706	1,016		307,569
1947	307,569	151,104	3,904		454,769
1948	454,769	132,076	8,706		578,138
1949	578,138	150,194	10,376		717,956
1950	717,956	97,348	32,091		783,214
1951	783,214	88,764	7,819		864,158
1952	864,158	97,463	5,883		955,739
1953	955,739	134,950	12,278		1,078,410
1954	1,078,410	77,705	3,626		1,152,490
1955	1,152,490	57,015	19,487		1,190,018
1956	1,190,018	61,740	4,965		1,246,793
1957	1,246,793	115,419	29,060		1,333,152
1958	1,333,152	70,447	5,088		1,398,511
1959	1,398,511	111,091	12,310		1,497,292
1960	1,497,292	161,273	39,578		1,618,987
1961	1,618,987	106,247	17,561		1,707,672
1962	1,707,672	68,927	11,391		1,765,209
1963	1,765,209	105,963	25,251		1,845,921
1964	1,845,921	83,484	13,063		1,916,341
1965	1,916,341	81,650	15,666		1,982,325
1966	1,982,325	115,578	120,488		1,977,416
1967	1,977,416	108,615	22,650		2,063,380
1968	2,063,380	104,027	46,809		2,120,598
1969	2,120,598	142,090	37,531		2,225,157
1970	2,225,157	152,110	15,491		2,361,775
1971	2,361,775	145,967	40,408		2,467,334
1972	2,467,334	169,868	35,721		2,601,481
1973	2,601,481	263,913	28,937		2,836,457
1974	2,836,457	260,726	103,212		2,993,971
1975	2,993,971	313,425	84,537		3,222,859
1976	3,222,859	404,201	74,174		3,552,886
1977	3,552,886	485,712	66,730		3,971,867
1978	3,971,867	494,163	59,060		4,406,970
1979	4,406,970	377,253	62,836		4,721,387
1980	4,721,387	456,542	64,004		5,113,925
1981	5,113,925	527,548	63,033		5,578,440
1982	5,578,440	335,054	46,136		5,867,358
1983	5,867,358	453,537	60,688		6,260,207
1984	6,260,207	486,345	64,190		6,692,362
1985	6,692,362	594,659	82,696		7,204,326
1986	7,204,326	223,877	35,744		7,392,459
1987	7,392,459	728,145	37,637		8,082,967
1988	8,082,967	715,710	99,788		8,698,889
1989	8,698,889	660,411	83,416		9,275,884
1990	9,275,884	591,770	55,340		9,812,314
1991	9,812,314	562,281	64,761		10,309,834
1992	10,309,834	715,861	88,860		10,936,835
1993	10,936,835	762,785	223,148		11,476,472
1994	11,476,472	825,233	142,445		12,159,260
1995	12,159,260	940,289	134,689		12,964,860
1996	12,964,860	991,506	99,930		13,856,436
1997	13,856,436	1,186,661	162,260		14,880,837
1998	14,880,837	1,215,262	43,382		16,052,717
1999	16,052,717	1,455,503	94,429		17,413,791
2000	17,413,791	1,325,621	303,323		18,436,089
2001	18,436,089	1,306,494	248,188		19,494,395
2002	19,494,395	1,074,736	372,928		20,196,203
2003	20,196,203	1,222,401	179,260		21,239,344
2004	21,239,344	1,686,226	39,806		22,885,764
2005	22,885,764	2,012,652	587,423		24,310,993
2006	24,310,993	1,968,429	379,788		25,899,634

Blue Grass Energy

Year	Account: 369 Services		Retirements	Adj	Ending Balance
	Beginning Balance	Additions			
1930	0				0
1931	0				0
1932	0				0
1933	0				0
1934	0				0
1935	0				0
1936	0				0
1937	0	2,692	0		2,692
1938	2,692	1,271	0		3,963
1939	3,963	18,351	0		22,314
1940	22,314	18,110	174		40,250
1941	40,250	7,615	174		47,691
1942	47,691	10,443	113		58,021
1943	58,021	6,077	99		64,000
1944	64,000	7,218	158		71,060
1945	71,060	10,094	44		81,110
1946	81,110	12,223	507		92,826
1947	92,826	26,148	2,461		116,512
1948	116,512	27,816	1,947		142,382
1949	142,382	49,863	1,988		190,257
1950	190,257	19,509	2,590		207,176
1951	207,176	21,708	2,316		226,568
1952	226,568	22,157	3,247		245,478
1953	245,478	24,333	3,122		266,689
1954	266,689	18,163	2,557		282,296
1955	282,296	16,362	2,670		295,987
1956	295,987	16,467	2,816		309,638
1957	309,638	21,694	5,592		325,740
1958	325,740	19,092	3,147		341,686
1959	341,686	36,278	4,094		373,870
1960	373,870	43,848	4,250		413,468
1961	413,468	40,758	4,785		449,442
1962	449,442	43,115	4,461		488,096
1963	488,096	31,315	5,882		513,529
1964	513,529	38,842	66,147		484,224
1965	484,224	32,679	7,797		509,107
1966	509,107	46,995	9,967		546,134
1967	546,134	37,518	9,489		574,163
1968	574,163	64,324	17,186		621,300
1969	621,300	42,161	12,037		651,425
1970	651,425	62,206	12,957		700,674
1971	700,674	75,679	21,139		755,213
1972	755,213	82,145	19,706		817,652
1973	817,652	112,312	26,794		903,170
1974	903,170	152,891	37,401		1,018,660
1975	1,018,660	170,626	35,163		1,154,122
1976	1,154,122	175,064	40,040		1,289,146
1977	1,289,146	174,478	37,794		1,425,831
1978	1,425,831	242,984	44,425		1,624,390
1979	1,624,390	307,310	65,462		1,866,238
1980	1,866,238	269,841	53,628		2,082,451
1981	2,082,451	258,120	47,391		2,293,181
1982	2,293,181	254,541	44,679		2,503,044
1983	2,503,044	279,521	45,148		2,737,417
1984	2,737,417	385,746	73,403		3,049,760
1985	3,049,760	294,722	49,675		3,294,807
1986	3,294,807	419,981	69,609		3,645,180
1987	3,645,180	526,286	80,354		4,091,112
1988	4,091,112	517,310	65,229		4,543,193
1989	4,543,193	542,097	80,393		5,004,896
1990	5,004,896	564,638	114,489		5,455,046
1991	5,455,046	422,602	85,589		5,792,058
1992	5,792,058	447,976	98,922		6,141,113
1993	6,141,113	605,498	105,629		6,640,982
1994	6,640,982	638,379	111,992		7,167,368
1995	7,167,368	819,113	113,790		7,872,692
1996	7,872,692	766,582	97,763		8,541,511
1997	8,541,511	1,050,039	130,164		9,461,386
1998	9,461,386	1,139,337	210,141		10,390,582
1999	10,390,582	1,439,271	250,837		11,579,016
2000	11,579,016	1,485,225	180,846		12,883,395
2001	12,883,395	2,133,512	225,267		14,791,840
2002	14,791,840	1,702,402	252,784		16,241,258
2003	16,241,258	1,519,430	283,965		17,476,723
2004	17,476,723	1,747,109	320,032		18,903,800
2005	18,903,800	1,958,413	420,813		20,441,400
2006	20,441,400	1,865,889	357,526		21,949,763

Blue Grass Energy

Account:		370		Meters		
Year	Beginning Balance	Additions	Retirements	Adj	Ending Balance	
1930	0				0	
1931	0				0	
1932	0				0	
1933	0				0	
1934	0				0	
1935	0				0	
1936	0				0	
1937	0	2,528			2,528	
1938	2,528	1,100			3,628	
1939	3,628	9,009			12,637	
1940	12,637	23,126	59		35,704	
1941	35,704	7,982	77		43,608	
1942	43,608	2,454	21		46,042	
1943	46,042	3,662	62		49,642	
1944	49,642	2,564	24		52,181	
1945	52,181	8,723	36		60,868	
1946	60,868	8,279	2,141		67,006	
1947	67,006	18,826	359		85,473	
1948	85,473	36,191	62		121,601	
1949	121,601	20,399	0		142,000	
1950	142,000	20,665	3,311		159,354	
1951	159,354	15,303	1,895		172,761	
1952	172,761	13,581	545		185,797	
1953	185,797	15,893	546		201,143	
1954	201,143	11,389	735		211,797	
1955	211,797	9,584	1,314		220,066	
1956	220,066	6,925	7,661		219,331	
1957	219,331	11,202	1,466		229,077	
1958	229,077	13,364	314		242,127	
1959	242,127	17,484	766		258,845	
1960	258,845	7,750	464		266,131	
1961	266,131	15,886	10,536		271,481	
1962	271,481	12,476	2,541		281,416	
1963	281,416	10,541	811		291,146	
1964	291,146	22,972	3,269		310,849	
1965	310,849	14,128	7,500		317,476	
1966	317,476	15,001	927		331,550	
1967	331,550	15,973	2,917		344,606	
1968	344,606	20,320	1,020		363,905	
1969	363,905	23,101	1,062		385,944	
1970	385,944	32,688	3,111		415,522	
1971	415,522	27,549	615		442,456	
1972	442,456	37,684	2,450		477,691	
1973	477,691	49,941	6,417		521,215	
1974	521,215	42,244	10,092		553,367	
1975	553,367	55,817	14,606		594,578	
1976	594,578	54,565	6,220		642,923	
1977	642,923	70,045	13,605		699,363	
1978	699,363	89,456	7,604		781,215	
1979	781,215	53,216	4,893		829,537	
1980	829,537	52,104	11,064		870,577	
1981	870,577	51,568	6,671		915,475	
1982	915,475	48,945	2,606		961,914	
1983	961,914	92,044	79,859		974,099	
1984	974,099	90,584	14,433		1,050,250	
1985	1,050,250	175,066	33,211		1,192,105	
1986	1,192,105	128,494	13,260		1,307,339	
1987	1,307,339	139,202	28,255		1,418,286	
1988	1,418,286	193,531	24,298		1,587,518	
1989	1,587,518	106,316	34,170		1,659,664	
1990	1,659,664	104,286	35,472		1,728,478	
1991	1,728,478	102,867	37,345		1,794,000	
1992	1,794,000	114,033	31,997		1,876,036	
1993	1,876,036	133,362	19,656		1,989,742	
1994	1,989,742	105,376	31,434		2,063,684	
1995	2,063,684	172,747	65,866		2,170,565	
1996	2,170,565	122,494	42,575		2,250,484	
1997	2,250,484	165,175	17,478		2,398,181	
1998	2,398,181	141,084	53,183		2,486,082	
1999	2,486,082	468,135	109,434		2,844,783	
2000	2,844,783	379,495	17,214		3,207,064	
2001	3,207,064	118,304	28,405		3,301,963	
2002	3,301,963	161,000	22,401		3,440,562	
2003	3,440,562	153,775	11,530		3,582,807	
2004	3,582,807	567,090	32,367		4,117,530	
2005	4,117,530	2,219,367	217,930		6,118,987	
2006	6,118,987	4,006,150	392,600		9,732,637	

Blue Grass Energy

Account: 371 Installations on Customers' Premises				Ending
Year	Beginning Balance	Additions	Retirements	Adj Balance
1930	0			0
1931	0			0
1932	0			0
1933	0			0
1934	0			0
1935	0			0
1936	0			0
1937	0			0
1938	0			0
1939	0			0
1940	0			0
1941	0			0
1942	0			0
1943	0			0
1944	0			0
1945	0			0
1946	0			0
1947	0			0
1948	0			0
1949	0			0
1950	0			0
1951	0			0
1952	0			0
1953	0			0
1954	0			0
1955	0			0
1956	0			0
1957	0			0
1958	0			0
1959	0	520		520
1960	520	1,979		2,499
1961	2,499	9,659		12,158
1962	12,158	24,015	483	35,691
1963	35,691	42,776	1,694	76,773
1964	76,773	29,650	1,371	105,053
1965	105,053	34,073	3,247	135,878
1966	135,878	34,713	3,444	167,147
1967	167,147	40,965	4,113	203,998
1968	203,998	54,503	9,577	248,925
1969	248,925	39,770	4,481	284,214
1970	284,214	36,265	4,337	316,142
1971	316,142	43,111	5,858	353,396
1972	353,396	48,398	5,733	396,061
1973	396,061	59,664	8,485	447,240
1974	447,240	67,290	14,577	499,953
1975	499,953	43,639	18,117	525,475
1976	525,475	53,159	12,065	566,568
1977	566,568	43,612	9,341	601,838
1978	601,838	61,418	11,773	641,483
1979	641,483	42,223	11,386	672,320
1980	672,320	41,867	12,721	701,466
1981	701,466	42,043	8,351	735,158
1982	735,158	46,754	7,825	774,087
1983	774,087	49,680	12,209	811,558
1984	811,558	53,395	14,248	850,705
1985	850,705	43,565	6,910	887,360
1986	887,360	54,213	14,344	927,229
1987	927,229	55,536	13,572	969,193
1988	969,193	78,997	17,568	1,030,622
1989	1,030,622	85,135	23,624	1,092,132
1990	1,092,132	87,614	30,827	1,148,919
1991	1,148,919	176,424	31,170	1,294,173
1992	1,294,173	94,602	23,915	1,365,060
1993	1,365,060	112,200	27,060	1,450,200
1994	1,450,200	131,851	38,832	1,545,219
1995	1,545,219	184,151	28,475	1,700,895
1996	1,700,895	178,107	27,225	1,851,777
1997	1,851,777	189,745	28,697	2,012,825
1998	2,012,825	189,747	30,257	2,172,315
1999	2,172,315	200,427	34,052	2,338,690
2000	2,338,690	183,482	43,693	2,478,479
2001	2,478,479	225,955	33,668	2,670,766
2002	2,670,766	240,703	41,622	2,869,847
2003	2,869,847	274,061	62,173	3,081,735
2004	3,081,735	264,119	43,140	3,302,714
2005	3,302,714	238,843	27,142	3,514,415
2006	3,514,415	271,760	45,379	3,740,796

Blue Grass Energy

Account: 373 Street Lighting & Signal Systems

Year	Beginning Balance	Additions	Retirements	Adj	Ending Balance
1930	0				0
1931	0				0
1932	0				0
1933	0				0
1934	0				0
1935	0				0
1936	0				0
1937	0				0
1938	0				0
1939	0				0
1940	0				0
1941	0				0
1942	0				0
1943	0				0
1944	0				0
1945	0				0
1946	0				0
1947	0				0
1948	0				0
1949	0				0
1950	0				0
1951	0				0
1952	0				0
1953	0				0
1954	0				0
1955	0				0
1956	0				0
1957	0				0
1958	0				0
1959	0				0
1960	0				0
1961	0				0
1962	0				0
1963	0				0
1964	0				0
1965	0				0
1966	0				0
1967	0				0
1968	0				0
1969	0				0
1970	0				0
1971	0				0
1972	0				0
1973	0				0
1974	0				0
1975	0				0
1976	0				0
1977	0				0
1978	0	1,659			1,659
1979	1,659	1,669	130		3,397
1980	3,397	0			3,397
1981	3,397	1,253			4,650
1982	4,650	1,532	125		6,057
1983	6,057	3,450	65		9,442
1984	9,442	4,818	0		14,260
1985	14,260	3,221	30		17,451
1986	17,451				17,451
1987	17,451	4,425	31		21,845
1988	21,845	1,065	1,371		21,539
1989	21,539	127	59		21,607
1990	21,807	13,063	1,105		33,565
1991	33,565	118,420	4,452		147,233
1992	147,233	124,649	2,821		269,061
1993	269,061	47,976	6,250		310,787
1994	310,787	42,376	8,674		344,489
1995	344,489	46,949	3,365		387,473
1996	387,473	62,628	1,542		448,559
1997	448,559	70,312	2,710		516,161
1998	516,161	279,925	4,987		791,699
1999	791,699	114,862	2,444		904,117
2000	904,117	261,594	5,447		1,160,264
2001	1,160,264	158,206	7,684		1,310,786
2002	1,310,786	37,699	5,210		1,343,275
2003	1,343,275	90,049	6,077		1,427,247
2004	1,427,247	162,585	19,463		1,570,369
2005	1,570,369	264,309	14,549		1,820,129
2006	1,820,129	242,698	4,510		2,058,317

**Blue Grass Energy
Calculation of Rates Using Last Five Year
Net Salvage Amount
Distribution Plant**

<u>Account Number</u>	<u>Description</u>	<u>Balance Dec 31, 2006</u>	<u>Net Salvage Ratio</u>	<u>Net Salvage Amount</u>	<u>Ratio to Total</u>	<u>Net Salvage Allocation</u>	<u>Net Salvage Percent</u>
362	Station equipment	628,565	0%	0	0.00%	0	0.00%
364	Poles, towers & fixtures	42,966,262	55%	23,631,444	45.98%	317,933	0.74%
365	Overhead conductors & devices	34,810,222	45%	15,664,600	30.48%	210,748	0.61%
367	Underground conductors & devices	8,046,162	25%	2,011,541	3.91%	27,063	0.34%
368	Line transformers	25,899,634	0%	0	0.00%	0	0.00%
369	Services	21,949,763	40%	8,779,905	17.08%	118,123	0.54%
370	Meters	9,732,637	0%	0	0.00%	0	0.00%
371	Installations on customers premise:	3,740,796	35%	1,309,279	2.55%	17,615	0.47%
373	Street lighting & signal systems	<u>2,058,317</u>	0%	<u>0</u>	0.00%	<u>0</u>	0.00%
	Total distribution plant	<u>149,832,358</u>		<u>51,396,768</u>		<u>691,482</u>	
				Five year average net salvage amount		<u>691,482</u>	

**Blue Grass Energy
Whole Life Depreciation Rates
Distribution Plant**

Account Number	Description	Balance Dec 31, 2006	Average Service Life	No Net Salvage		Net Salvage Percent	With Net Salvage Adjusted		Existing	
				Accrual	Rate		Rate	Accrual	Rate	Accrual
362	Station equipment	628,565	24	26,190	4.17%	0.00%	4.17%	26,190	8.33%	52,359
364	Poles, towers & fixtures	42,966,262	39	1,101,699	2.56%	0.74%	3.30%	1,419,632	3.50%	1,503,819
365	Overhead conductors & devices	34,810,222	29	1,200,352	3.45%	0.61%	4.05%	1,411,101	2.56%	891,142
367	Underground conductors & devices	8,046,162	22	365,735	4.55%	0.34%	4.88%	392,798	2.65%	213,223
368	Line transformers	25,899,634	38	681,569	2.63%	0.00%	2.63%	681,569	2.86%	740,730
369	Services	21,949,763	22	997,717	4.55%	0.54%	5.08%	1,115,840	3.35%	735,317
370	Meters	9,732,637	22	442,393	4.55%	0.00%	4.55%	442,393	3.14%	305,605
371	Installations on customers premise:	3,740,796	31	120,671	3.23%	0.00%	3.23%	120,671	4.15%	155,243
373	Street lighting & signal systems	<u>2,058,317</u>	23	<u>89,492</u>	4.35%	0.00%	4.35%	<u>89,492</u>	5.00%	<u>102,916</u>
Total distribution plant		<u>149,832,358</u>		<u>5,025,818</u>				<u>5,699,685</u>		<u>4,700,354</u>
								Composite rate	3.80%	3.14%

Blue Grass Energy
Case No. 2008-0011
Analysis of Other Operating Taxes
12 Months Ended
December 31, 2007

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amounts Accrued (e)	Amount Paid (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem	1,447,263			1,447,263	1,449,168
	(d) Payroll (Employer's Portion)	491,322	124,304		615,626	491,322
	(e) Other Taxes	92,092			92,092	95,848
2.	Total Retail (L1(a) through L1(e))	2,030,677	124,304	0	2,154,981	2,036,338
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)	2,030,677	124,304	0	2,154,981	2,036,338

Allocation of adjustment:

583	Overhead line exp	65%	108,412
584	Underground line exp	5%	8,033
586	Meter exp	7%	11,772
587	Customer installation exp	15%	25,646
588	Miscellaneous distribution ex	2%	4,032
921	Office supply exp	3%	4,831
935	Miscellaneous general exp	2%	4,085
		100%	166,811

Blue Grass Energy
Case No. 2008-0011
December 31, 2007

Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Jessamine County							
Real Estate - County	2,291,438	0.0610	1,397.78	1,914,173	0.0620	1,186.79	211
Real Estate - School	2,291,438	0.5870	13,450.74	1,914,173	0.5940	11,370.19	2,081
Real Estate - Library	2,291,438	0.0480	1,099.89	1,914,173	0.0480	918.80	181
Real Estate - Health	2,291,438	0.0190	435.37	1,914,173	0.0190	363.69	72
Real Estate - Fire	2,011,090	0.0490	985.43	1,633,825	0.0480	784.24	201
Tangible - County	13,717,353	0.1400	19,204.29	19,608,343	0.1300	25,490.85	(6,287)
Tangible - School	13,717,353	0.5960	81,755.42	19,608,343	0.5960	116,865.72	(35,110)
Tangible - Library	13,717,353	0.1101	15,102.81	19,608,343	0.1012	19,843.64	(4,741)
Tangible - Health	13,717,353	0.0230	3,154.99	19,608,343	0.0230	4,509.92	(1,355)
Tangible - Fire	13,440,049	0.0470	6,316.82	19,353,272	0.0460	8,902.51	(2,586)
Tangible - N Fire	1,343,858	0.0460	618.17	2,079,806	0.0460	956.71	(339)
Madison County							
Real Estate - County	442,984	0.0810	358.82	423,117	0.0820	346.96	12
Real Estate - School	442,984	0.5240	2,321.24	423,117	0.5350	2,263.68	58
Real Estate - Library	442,984	0.0410	181.62	423,117	0.0500	211.56	(30)
Real Estate - Health	442,984	0.0500	221.49	423,117	0.0390	165.02	56
Real Estate - Extens	442,984	0.0150	66.45	423,117	0.0150	63.47	3
Real Estate - Ambu	442,984	0.0520	230.35	423,117	0.0530	224.25	6
Tangible - County	15,769,471	0.1000	15,769.47	17,845,380	0.1000	17,845.38	(2,076)
Tangible - School	15,726,809	0.5850	92,001.83	17,806,138	0.5830	103,809.78	(11,808)
Tangible - Ind Scho	42,662	0.8200	349.83	39,242	0.7910	310.40	39
Tangible - Library	15,769,471	0.0920	14,507.91	17,845,380	0.0500	8,922.69	5,585
Tangible - Health	15,769,471	0.0500	7,884.74	17,845,380	0.0834	14,883.05	(6,998)
Tangible - Extensio	15,769,471	0.0325	5,125.08	17,845,380	0.0325	5,799.75	(675)
Tangible - Ambular	15,769,471	0.0600	9,461.68	17,845,380	0.0600	10,707.23	(1,246)
page totals			292,002.24			356,746.26	(64,744.02)

Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Harrison County							
Real Estate - Count	3,200,215	0.1000	3,200.22	1,538,265	0.0970	1,492.12	1,708
Real Estate - Schoo	3,200,215	0.3820	12,224.82	1,538,265	0.3720	5,722.35	6,502
Real Estate - Librar	3,200,215	0.0530	1,696.11	1,538,265	0.0490	753.75	942
Real Estate - Health	3,200,215	0.0600	1,920.13	1,538,265	0.0600	922.96	997
Real Estate - Extens	3,200,215	0.0310	992.07	1,538,265	0.0280	430.71	561
Real Estate - Conse	3,200,215	0.0070	224.02	1,538,265	0.0070	107.68	116
Real Estate - Fire	2,991,801	0.0600	1,795.08	1,538,265	0.0600	922.96	872
Tangible - County	15,595,607	0.1290	20,118.33	11,331,566	0.1290	14,617.72	5,501
Tangible - School	15,595,607	0.3990	62,226.47	11,331,566	0.3980	45,099.63	17,127
Tangible - Library	15,595,607	0.1172	18,278.05	11,331,566	0.1087	12,317.41	5,961
Tangible - Health	15,595,607	0.0600	9,357.36	11,331,566	0.0600	6,798.94	2,558
Tangible - Extensio	15,595,607	0.0684	10,667.40	11,331,566	0.0620	7,025.57	3,642
Tangible - Conserv	15,595,607	0.0000	0.00	11,331,566	0.0000	0.00	0
Tangible - Fire	15,296,296	0.0600	9,177.78	11,331,566	0.0600	6,798.94	2,379
Anderson County							
Real Estate - Count	698,631	0.1110	775.48	595,835	0.1100	655.42	120
Real Estate - Schoo	698,631	0.5410	3,779.59	595,835	0.5470	3,259.22	520
Real Estate - Librar	698,631	0.0750	523.97	595,835	0.0710	423.04	101
Real Estate - Health	698,631	0.0300	209.59	595,835	0.0250	148.96	61
Real Estate - Fire	698,631	0.0500	349.32	595,835	0.0400	238.33	111
Tangible - County	11,455,578	0.1895	21,708.32	9,085,521	0.1443	13,110.41	8,598
Tangible - School	11,455,578	0.5470	62,662.01	9,085,521	0.5470	49,697.80	12,964
Tangible - Library	11,455,578	0.2000	22,911.16	9,085,521	0.1506	13,682.79	9,228
Tangible - Health	11,455,578	0.0300	3,436.67	9,085,521	0.0250	2,271.38	1,165
Tangible - Fire	11,455,578	0.0800	9,164.46	9,085,521	0.0780	7,086.71	2,078
Franklin County							
Tangible - County	5,226,114	0.2400	12,542.67	6,278,660	0.2030	12,745.68	(203)
Tangible - School	5,226,114	0.5210	27,228.05	6,278,660	0.5180	32,523.46	(5,295)
Tangible - Extensio	5,226,114	0.0193	1,008.64	6,278,660	0.0210	1,318.52	(310)
Tangible - Library	5,226,114	0.2000	10,452.23	6,278,660	0.1651	10,366.07	86
Tangible - Health	5,226,114	0.0400	2,090.45	6,278,660	0.0400	2,511.46	(421)
page totals			330,720.45			253,049.99	77,670.47

Blue Grass Energy
Case No. 2008-0011
December 31, 2007

Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Mercer County							
Tangible - County	6,889,938	0.0920	6,338.74	4,865,962	0.0920	4,476.69	1,862
Tangible - School	6,889,938	0.5790	39,892.74	4,865,962	0.5780	28,125.26	11,767
Tangible - Library	6,889,938	0.1625	11,196.15	4,865,962	0.1515	7,371.93	3,824
Tangible - Extensio	6,889,938	0.0477	3,286.50	4,865,962	0.0446	2,170.22	1,116
Tangible - Health	6,889,938	0.0400	2,755.98	4,865,962	0.0400	1,946.38	810
Tangible - Fire	6,889,938	0.0610	4,202.86	4,865,962	0.0640	3,114.22	1,089
Bracken County							
Tangible - County	3,988,912	1.2187	48,612.87	2,648,810	1.1041	29,245.51	19,367
Tangible - School	3,988,912	0.3710	14,798.86	2,648,810	0.3680	9,747.62	5,051
Pendelton County							
Tangible - County	5,567,411	0.3909	21,763.01	3,963,404	0.3594	14,244.47	7,519
Tangible - School	5,567,411	0.5170	28,783.51	3,963,404	0.5060	20,054.82	8,729
Grant County							
Tangible - County	533,277	0.1440	767.92	490,520	0.1440	706.35	62
Tangible - School	533,277	0.5130	2,735.71	490,520	0.5130	2,516.37	219
Tangible - Library	533,277	0.0927	494.35	490,520	0.0835	409.58	85
Tangible - Health	533,277	0.0280	149.32	490,520	0.0280	137.35	12
Tangible - Extensio	533,277	0.0425	226.64	490,520	0.0390	191.30	35
Tangible - Mental H	533,277	0.0130	69.33	490,520	0.0130	63.77	6
Nicholas County							
Tangible - County	5,012,803	0.1520	7,619.46	2,766,535	0.1520	4,205.13	3,414
Tangible - School	5,012,803	0.4240	21,254.28	2,766,535	0.3660	10,125.52	11,129
Tangible - Health	5,012,803	0.0400	2,005.12	2,766,535	0.0400	1,106.61	899
Tangible - Library	5,012,803	0.0851	4,265.90	2,766,535	0.0714	1,975.31	2,291
Tangible - Fire	5,012,803	0.0520	2,606.66	2,766,535	0.0480	1,327.94	1,279
page totals			223,825.91			143,262.35	80,563.56

Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Garrard County							
Tangible - County	127,986	0.1000	127.99	39,242	0.1000	39.24	89
Tangible - School	127,986	0.6150	787.11	39,242	0.6150	241.34	546
Tangible - Library	127,986	0.1418	181.48	39,242	0.1219	47.84	134
Tangible - Health	127,986	0.0400	51.19	39,242	0.0400	15.70	35
Tangible - Extensio	127,986	0.1010	129.27	39,242	0.0866	33.98	95
Tangible - Fire	127,986	0.0690	88.31	39,242	0.0670	26.29	62
Scott County							
Tangible - County	3,626,283	0.0993	3,600.90	2,746,914	0.1100	3,021.61	579
Tangible - School	3,626,283	0.3970	14,396.34	2,746,914	0.4190	11,509.57	2,887
Tangible - Library	3,626,283	0.1034	3,749.58	2,746,914	0.0320	879.01	2,871
Tangible - Health	3,626,283	0.0290	1,051.62	2,746,914	0.1108	3,043.58	(1,992)
Tangible - Extensio	3,626,283	0.0237	859.43	2,746,914	0.0249	683.98	175
Fayette County							
Tangible - County	4,161,651	0.0990	4,120.03	4,387,117	0.0990	4,343.25	(223)
Tangible - School	4,161,651	0.5420	22,556.15	4,387,117	0.5410	23,734.30	(1,178)
Tangible - Extensio	4,161,651	0.0034	141.50	4,387,117	0.0034	149.16	(8)
Tangible - Health	4,161,651	0.0280	1,165.26	4,387,117	0.0280	1,228.39	(63)
Tangible - LexTran	4,161,651	0.0600	2,496.99	4,387,117	0.0600	2,632.27	(135)
Woodford County							
Tangible - County	2,623,723	0.0700	1,836.61	1,608,907	0.0710	1,142.32	694
Tangible - School	2,623,723	0.4970	13,039.90	1,608,907	0.4960	7,980.18	5,060
Tangible - Library	2,623,723	0.0987	2,589.61	1,608,907	0.0791	1,272.65	1,317
Tangible - Fire	2,623,723	0.0370	970.78	1,608,907	0.0370	595.30	375
Tangible - Health	2,623,723	0.0200	524.74	1,608,907	0.0200	321.78	203
Tangible - Extensio	2,623,723	0.0230	603.46	1,608,907	0.0220	353.96	249
page totals			75,068.26			63,295.70	11,772.56

Blue Grass Energy
Case No. 2008-0011
December 31, 2007

Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Washington County							
Tangible - County	341,297	0.0730	249.15	255,071	0.0730	186.20	63
Tangible - School	341,297	0.5080	1,733.79	255,071	0.4440	1,132.52	601
Tangible - Library	341,297	0.0610	208.19	255,071	0.0633	161.46	47
Tangible - Health	341,297	0.0280	95.56	255,071	0.0280	71.42	24
Tangible - Extensio	341,297	0.0553	188.74	255,071	0.0566	144.37	44
Tangible - Airport	341,297	0.0110	37.54	255,071	0.0110	28.06	9
Nelson County							
Tangible - County	21,331	0.1660	35.41	19,621	0.1660	32.57	3
Tangible - School	21,331	0.5950	126.92	19,621	0.5940	116.55	10
Tangible - Library	21,331	0.1214	25.90	19,621	0.0806	15.81	10
Tangible - Extensio	21,331	0.0100	2.13	19,621	0.0100	1.96	0
Henry County							
Tangible - County	149,318	0.1590	237.42	78,483	0.1590	124.79	113
Tangible - School	149,318	0.5430	810.80	78,483	0.5430	426.16	385
Tangible - Library	149,318	0.0976	145.73	78,483	0.0976	76.60	69
Tangible - Health	149,318	0.0400	59.73	78,483	0.0400	31.39	28
Tangible - Extensio	149,318	0.0482	71.97	78,483	0.0482	37.83	34
Shelby County							
Tangible - County	21,331	0.1160	24.74	137,346	0.1160	159.32	(135)
Tangible - School	21,331	0.6640	141.64	137,346	0.6600	906.48	(765)
Tangible - Health	21,331	0.0375	8.00	137,346	0.0375	51.50	(44)
Tangible - Extensio	21,331	0.0222	4.74	137,346	0.0200	27.47	(23)
Tangible - Library	21,331	0.0421	8.98	137,346	0.0373	51.23	(42)
Spencer County							
Tangible - County	810,581	0.1230	997.01	706,349	0.1230	868.81	128
Tangible - School	810,581	0.5400	4,377.14	706,349	0.5370	3,793.09	584
Tangible - Library	810,581	0.1655	1,341.51	706,349	0.1409	995.25	346
Tangible - Extensio	810,581	0.1782	1,444.46	706,349	0.1517	1,071.53	373
Tangible - Health	810,581	0.0400	324.23	706,349	0.0400	282.54	42
Tangible - Fire Dist	810,581	0.0500	405.29	706,349	0.0700	494.44	(89)
page totals			13,106.71			11,289.37	1,817.34

Blue Grass Energy
Case No. 2008-0011
December 31, 2007

Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
Jackson County							
Tangible - County	13,654	0.0730	9.97	19,621	0.0710	13.93	(4)
Tangible - School	13,654	0.5000	68.27	19,621	0.5000	98.11	(30)
Tangible - Library	13,654	0.1405	19.18	19,621	0.2000	39.24	(20)
Tangible - Health	13,654	0.0950	12.97	19,621	0.0950	18.64	(6)
Tangible - Extensio	13,654	0.0447	6.10	19,621	0.0544	10.67	(5)
Tangible - Fire Distr	13,654	0.0000	0.00	19,621	0.0000	0.00	0
Estill County							
Tangible - County	234,642	0.1050	246.37	19,621	0.1050	20.60	226
Tangible - School	234,642	0.4690	1,100.47	19,621	0.4640	91.04	1,009
Tangible - Library	234,642	0.2000	469.28	19,621	0.1823	35.77	434
Tangible - Extensio	234,642	0.1087	255.06	19,621	0.0925	18.15	237
Tangible - Health	234,642	0.0800	187.71	19,621	0.0800	15.70	172
Tangible - Ambular	234,642	0.1000	234.64	19,621	0.1000	19.62	215
Robertson County							
Tangible - County	1,258,534	0.1340	1,686.44	431,658	0.1340	578.42	1,108
Tangible - School	1,258,534	0.4700	5,915.11	431,658	0.4700	2,028.79	3,886
Tangible - Library	1,258,534	0.2000	2,517.07	431,658	0.1936	835.69	1,681
Tangible - Health	1,258,534	0.0400	503.41	431,658	0.0400	172.66	331
Tangible - Extensio	1,258,534	0.1901	2,392.47	431,658	0.1535	662.60	1,730
Tangible - Fire Distr	1,258,534	0.0000	0.00	431,658	0.0000	0.00	0
City of Cynthiana							
Real estate - City	208,414	0.1500	312.62	187,872	0.1400	263.02	50
Tangible - City	299,311	0.2458	735.71	541,994	0.2100	1,138.19	(402)
City of Nicholasville							
Tangible - City	255,973	0.1560	399.32	235,450	0.1560	367.30	32
City Property	280,348	0.1760	493.41	280,348	0.1760	493.41	0
page totals			17,565.59			6,921.56	10,644.04

Blue Grass Energy
Case No. 2008-0011
December 31, 2007

Taxing District	Assessment for 2007 Taxes			Assessment for 2006 Taxes			Increase Decrease in Taxes
	Assessed Value	Tax Rate	Tax Due	Assessed Value	Tax Rate	Tax Due	
City of Berea							
Tangible - City	10	0.0300	0.00	98,104	0.0300	29.43	(29)
City of Wilmore							
Tangible - City	21,331	0.6242	133.15	19,621	0.6845	134.31	(1)
Public Service Commission Assessment:							
Real Estate	6,633,268	0.1240	8,225.25	4,471,390	0.1280	5,723.38	2,502
Tangible Property	102,081,951	0.4500	459,368.78	92,493,602	0.4500	416,221.21	43,148
Manufacturing Ma	18,164,307	0.1500	27,246.46	15,851,906	0.1500	23,777.86	3,469
total			<u>494,973.64</u>			<u>445,886.18</u>	<u>49,087.46</u>
Total			<u><u>1,447,262.81</u></u>			<u><u>1,280,451.41</u></u>	<u><u>166,811.40</u></u>
Amount of Adjustment							<u><u>166,811</u></u>

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

Adjustment for Interest on Long Term Debt

The adjustment for interest on long-term debt results in a decrease of \$29,272.

It is estimated that the rate increase requested will be sufficient to repay approximately one-half of the short term note payable. Therefore, one-half of the interest on short term notes will be removed from the Application in the amount of \$239,433.

This adjustment has been calculated by multiplying the test year end debt amounts by the interest rates in effect at the end of the test year for each loan.

RUS loans	1,741,884
FFB loans	1,698,932
CFC loans	<u>1,323,547</u>
Total annualized interest	4,764,363
Test year interest expense	<u>4,793,635</u>
Adjustment	<u><u>(29,272)</u></u>

Blue Grass Energy
Case No. 2008-00011
Schedule of Outstanding Long-Term Debt
December 31, 2007

Exhibit 5
page 2 of 3
Format 8a
Schedule 2

Type of <u>Debt Issued</u> (a)	Date of <u>Issue</u> (b)	Date of <u>Maturity</u> (c)	Outstanding <u>Amount</u> (d)	Cost Rate to <u>Maturity</u> (g)	Annualized Cost <u>Col (d)x(g)</u> (j)	Test Year Interest <u>Cost</u>	
RUS loans							
B2190	Dec-72	Dec-2007	2,313	2.000%	46	155	
B280	Aug-95	Jul-2030	939,047	5.750%	53,995	54,569	
B281	Aug-95	Jul-2030	315,176	6.000%	18,911	19,104	
B285	Aug-95	Jul-2030	849,274	5.500%	46,710	47,219	
B286	Aug-95	Jul-2030	390,438	5.125%	20,010	20,240	
B520	Jan-95	Dec-2029	1,247,482	5.750%	71,730	72,530	
B530	Jun-98	May-2033	4,446,458	5.000%	222,323	224,463	
B531	Jun-98	May-2033	4,012,925	3.500%	140,452	147,313	
B870	Sep-2004	Aug-2039	7,819,553	3.500%	273,684	285,906	
B872	Sep-2004	Aug-2039	10,789,187	4.250%	458,540	461,931	
B873	Sep-2004	Aug-2039	4,908,834	4.500%	220,898	222,451	
B874	Sep-2004	Aug-2039	5,208,357	4.120%	214,584	188,722	
			40,929,044			1,741,884	1,744,601
FFB loans							
H0010	Feb-99	Jan-2034	5,521,562	5.077%	280,330	284,064	
H0050	Feb-99	Jan-2034	11,672,054	4.823%	562,943	569,740	
H0055	Jun-2000	May-2035	2,709,821	4.906%	132,944	134,494	
H0070	Jun-2000	May-2035	11,880,307	4.823%	572,987	579,093	
H0075	Apr-2005	Mar-2040	3,053,186	4.904%	149,728	151,852	
			34,836,930			1,698,932	1,719,243
CFC loans							
9001	Mar-74	Feb-2009	14,935	7.00%	1,045	1,654	
9004	Mar-75	Feb-2010	24,533	5.65%	1,386	1,667	
9005	Sep-76	Aug-2011	84,973	6.95%	5,906	6,572	
9006	Jun-78	May-2013	270,485	7.00%	18,934	20,300	
9007	Sep-80	Aug-2015	390,838	5.65%	22,082	23,188	
9008	Dec-82	Nov-2017	275,340	7.00%	19,274	19,919	
9009	Sep-84	Aug-2019	585,774	7.00%	41,004	36,742	
9010	Mar-89	Feb-2024	1,249,286	7.10%	88,699	78,692	
9011	Jun-95	May-2030	1,099,030	7.10%	78,031	68,671	
9013	Dec-73	Nov-2008	5,459	7.00%	382	560	
9014	Dec-74	Nov-2009	27,142	7.00%	1,900	2,328	
9015	Mar-76	Feb-2011	73,782	6.95%	5,128	5,808	
9016	Jun-78	May-2013	200,391	6.10%	12,224	13,098	
9017	Mar-80	Feb-2015	220,124	7.00%	15,409	16,199	
2018	Dec-84	Nov-2019	193,603	7.00%	13,552	13,902	
9019	Dec-86	Nov-2021	188,825	7.10%	13,407	13,678	

Blue Grass Energy
Case No. 2008-00011
Schedule of Outstanding Long-Term Debt
December 31, 2007

Exhibit 5
page 3 of 3
Format 8a
Schedule 2

	Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Outstanding Amount (d)	Cost Rate to Maturity (g)	Annualized Cost Col (d)x(g) (j)	Test Year Interest Cost
51	9020	Mar-91	Feb-2026	469,120	7.10%	33,308	33,741
52	9021	Dec-94	Nov-2029	529,864	5.65%	29,937	30,273
53	9024	Jun-72	May-2007	6,239	7.00%	437	822
54	9026	Dec-73	Nov-2008	10,864	7.00%	760	1,115
55	9027	Mar-75	Feb-2010	19,305	5.65%	1,091	1,312
56	9028	Dec-75	Nov-2010	75,920	5.65%	4,289	4,928
57	9029	Jun-77	May-2012	114,320	5.65%	6,459	7,073
58	9030	Jun-79	May-2014	168,330	5.65%	9,511	10,100
59	9031	Mar-81	Feb-2016	219,188	5.65%	12,384	12,958
60	9032	Jun-83	May-2018	149,529	5.65%	8,448	8,736
61	9033	Jun-85	May-2020	211,875	5.65%	11,971	12,292
62	9034	Dec-87	Nov-2022	233,725	5.65%	13,205	13,478
63	9035	Sep-89	Aug-2024	413,947	5.65%	23,388	23,797
64	9036	Dec-93	Nov-2028	741,513	5.65%	41,895	42,404
65	9037005	Aug-2003	May-2008	552,265	3.65%	20,158	30,055
66	9037006	Aug-2003	May-2009	1,094,587	4.10%	44,878	44,878
67	9037007	Aug-2003	May-2010	1,094,587	4.35%	47,615	47,615
68	9037008	Aug-2003	May-2011	1,094,587	4.65%	50,898	50,898
69	9037009	Aug-2003	May-2012	1,094,587	4.85%	53,087	53,087
70	9037010	Aug-2003	May-2013	1,094,587	5.05%	55,277	55,277
71	9037011	Aug-2003	May-2014	1,094,587	5.25%	57,466	57,466
72	9037012	Aug-2003	May-2015	1,094,587	5.30%	58,013	58,013
73	9037013	Aug-2003	May-2016	1,094,587	5.40%	59,108	59,108
74	9037014	Aug-2003	May-2017	1,094,587	5.35%	58,560	58,560
75	9037015	Aug-2003	May-2018	1,094,587	5.45%	59,655	59,655
76	9037020	Aug-2003	May-2008	322,926	3.65%	11,787	17,574
77	9037021	Aug-2003	May-2009	640,039	4.10%	26,242	26,242
78	9037022	Aug-2003	May-2010	640,039	4.35%	27,842	27,842
79	9037023	Aug-2003	May-2011	640,039	4.65%	29,762	29,762
80	9037024	Aug-2003	May-2012	640,039	4.85%	31,042	31,042
81	9037025	Aug-2003	May-2013	640,039	5.05%	32,322	32,322
82	9037026	Aug-2003	May-2019	273,647	5.80%	15,872	15,872
83	9037027	Aug-2003	May-2019	273,647	5.88%	16,090	16,090
84	9037028	Aug-2003	May-2019	273,647	5.91%	16,173	16,173
85	9037029	Aug-2003	May-2019	273,647	5.94%	16,255	16,255
86				<u>24,384,103</u>		<u>1,323,547</u>	<u>1,329,791</u>
87							
88	Total long term debt and annualized cost			<u>100,150,077</u>		<u>4,764,363</u>	<u>4,793,635</u>
89							
90	Annualized cost rate [Total Col. (j) / Total Col. (d)]					4.76%	
91	Actual test year cost rate [Total Col (k) / Total Reported in Col (d)]						4.79%
92							
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Blue Grass Energy
Case No. 2008-00011
December 31, 2007

Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits

Blue Grass Energy updated its study of SFAS No. 106. As a result, the annual accrual increased. The amount for Directors and the attorneys have been separated in the study. The results are as follows:

	<u>Employees</u>	<u>Directors</u>	<u>Total</u>
Proposed annual cost	639,000	51,000	690,000
Test year accrual	586,656	13,344	600,000
Proposed adjustment	52,344	37,656	90,000

The adjustment is allocated as follows:

	<u>Percent</u>	<u>Amount</u>
107 Capitalized	25.3%	13,243
163 - 416 Clearing and others	8.9%	4,659
580 Operations	7.7%	4,030
590 Maintenance	15.9%	8,323
901 Consumer accounts	11.2%	5,863
908 Customer service	6.8%	3,559
912 Sales	0.0%	0
920 Administrative and general	24.2%	12,667
	<u>100.0%</u>	<u>\$52,344</u>

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

**Financial Accounting Standard No. 106
Employer's Accounting for Postretirement Benefits**

Blue Grass Rural Electric and Fox Creek Rural Electric adopted Statement of Financial Accounting Standard No. 106 ("SFAS No. 106") as of January 1, 1995. Harrison Rural Electric adopted SFAS No. 106 as of January 1, 2000. Each of the Cooperatives expensed the transition obligation in the year SFAS No.106 was adopted. The entry would be as follows:

	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Cumulative effect of change in accounting principle	435.10	2,398,226	
Accumulated provision for pensions and benefits	228.30		2,398,226

The updated study has been included with this response.

W. DUDLEY SHRYOCK, CPA, PSC
CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 542
145 COLLEGE STREET
LAWRENCEBURG, KY 40342
(502) 839-8112

MEMBER AICPA

MEMBER KY SOCIETY
OF CPA'S

January 28, 2008

Donald Smothers, VP, Financial Services
Blue Grass Energy Cooperative
1201 Lexington Road
Nicholasville, Kentucky 40340

Dear Mr. Smothers:

Please find enclosed the actuarial valuation results as of January 1, 2008 for Financial Accounting Standard No. 106 - Employers' Accounting for Postretirement Benefits Other than Pensions.

The annual accrual should be \$690,000 starting when you receive this report.

The accrual includes current service and interest costs, amortization of the of actuarial gains and losses. The main reason for the increase in accrual is the young age at which several employees have retired, along with the increase in medical care premiums and the lower discount rate.

If you have any questions or would like to discuss these results, please give me a call.

Sincerely,

W. Dudley Schryock, CPA

**Blue Grass Energy Cooperative
Medical Insurance Premiums**

FAS 106 Obligation as of January 1, 2008

FAS 106 Expense Components

1. Service cost	\$115,717
2. Interest cost	389,620
3. Expected return on assets	-
4. Amortization of transition obligation	-
5. Amortization of actuarial (gain) / loss	<u>184,543</u>
6. Total FAS 106 expense	<u>\$689,880</u>
7. Expected pay-as-you-go expense	<u>\$476,966</u>

Blue Grass Energy Cooperative
Medical Insurance Premiums

FAS 106 Obligation as of January 1, 2008

	<u>Employees</u>	<u>Directors</u>	<u>Total</u>
A. Accumulated Postretirement Benefit Obligations (APBO) as of January 1, 2008			
1. Actives not yet eligible	\$1,665,184	\$189,497	\$1,854,681
2. Actives fully eligible	977,644	216,784	1,194,428
3. Retirees and dependents	<u>4,625,909</u>	<u>331,366</u>	<u>4,957,275</u>
4. Total APBO	7,268,737	737,647	8,006,384
B. Future accruals	<u>6,819,871</u>	<u>405,916</u>	<u>7,225,787</u>
C. Total Expected Postretirement Benefit Obligations (EPBO) (A4 + B)	<u>\$14,088,608</u>	<u>\$1,143,563</u>	<u>\$15,232,171</u>
D. Reconciliation of Funded Status			January 1 <u>2008</u>
1. Accrued Postretirement Benefit Cost			\$5,440,539
2. Assets			<u>0</u>
3. Funded Status = (D1 + D2)			5,440,539
4. Unrecognized Transition Obligation			-
5. Unrecognized Gain/(Loss)			2,565,845
6. Unrecognized Prior Service Cost			-
7. APBO (D3 + D4 + D5 + D6)			<u>\$8,006,384</u>

**Blue Grass Energy Cooperative
Medical Insurance Premiums**

FAS 106 Obligation as of January 1, 2008

A. Accrued Postretirement Benefit Cost

1. Balance January 1, 2007	5,293,744
2. Accrual for 2007	600,000
3. Payout for 2007	<u>(453,205)</u>
4. Balance December 31, 2007	5,440,539
5. Accrual for 2008	689,880
6. Estimated payout for 2008	<u>(476,966)</u>
7. Estimated balance December 31, 2008	<u><u>5,653,453</u></u>

**Blue Grass Energy Cooperative
Medical Insurance Premiums**

FAS 106 Obligation as of January 1, 2008

A. Development of Actuarial (Gain)/Loss during 2007

1. Expected APBO as of December 31, 2007	\$5,293,744
2. Actual APBO as of January 1, 2008	<u>7,978,013</u>
3. Actuarial (gain)/loss as of January 1, 2008 = (2) - (1)	2,684,269
4. Unrecognized (gain)/loss as of December 31, 2007	<u>-</u>
5. Cumulative (gain)/loss = (3) + (4)	2,684,269
6. 10% corridor	<u>268,427</u>
7. (Gain)/Loss subject to amortization = (5) - (6)	2,952,696
8. Future working lifetime to expected retirement	<u>16</u>
9. Amortization of (gain)/loss = (7) / (8)	<u><u>\$184,543</u></u>

B. Amortization of Transition Obligation

1. Transition Obligation as of January 1, 1994	-
2. Number of years in amortization	<u>-</u>
3. Annual amortization	<u><u>-</u></u>

**Blue Grass Energy Cooperative
Medical Insurance Premiums**

FAS 106 Obligation as of January 1, 2008

Alternate assumptions:

Impact on obligations and expense of a
health care cost trend increase of 1%

	Current <u>Plan</u>	Alternate <u>Assumptions</u>	<u>% Change</u>
APBO	7,978,013	9,100,000	14.1%
EPBO	15,443,688	17,500,000	13.3%
FAS 106 Expense	689,880	790,000	14.5%

- Discount rate of 6.50% was used.
- Medical inflation rate of 8% for 2007, decreasing by 0.5% until level at 5.5%.

Estimated payments for the next five (5) years:

2008	476,966
2009	483,832
2010	489,659
2011	502,096
2012	460,703

Blue Grass Energy Cooperative

FAS 106 Assumptions

<u>Covered Groups</u>	Directors and employees.
<u>Eligibility</u>	Directors and employees retiring with at least twenty (20) years of service, cooperative pays premium for employee and spouse, after fifteen (15) years, cooperative will pay two-thirds (2/3) of premium for employee and spouse and after twelve (12) years service, cooperative will pay one-half (1/2) of the premiums for employee and spouse.
<u>Spouse</u>	Blue Grass Energy pays family medical coverage for retirees and their dependents.
<u>Medicare</u>	At age 65 retirees will commence with Medicare coverage.
<u>Contributions</u>	<p>For Directors and employees hired prior to January 1, 1999, Blue Grass Energy will pay the full premium for medical coverage for the retiree and his/her dependents.</p> <p>For Directors and employees hired after January 1, 1999, the retiree must pay the entire coverage.</p>
<u>Life Expectancies</u>	Per annuity tables female employees can expect to live until age 78.2 and male employees can expect to live until age 73.8.
<u>Retirement, withdrawals and mortality</u>	Estimate that employees will retire at age 62 and will be replaced in the normal course of business and Directors at age 70.
<u>Terminations</u>	Rates vary by attained age for employees. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>
20	15%
30	7%
40	3%
50	1%
60	0%

Blue Grass Energy Cooperative

FAS 106 Assumptions

<u>Dependents and future retirees</u>	Presently 58% of retirees have dependent coverage.
<u>Discount rate</u>	6.50% per year.
<u>Medical inflation rate</u>	8% per year decreasing by 0.5% per year until 5.5% per year.
<u>Computations of policy premiums</u>	Blue Grass Energy has selected medical coverage based on a PPO with tiered premiums for single employees, spousal and dependent coverages.

There are presently 74 eligible employees, of which 60 have dependent coverage and 14 have single coverage.

Eligibility classes Based on the Directors, employees and retirees as of January 1, 2008 are as follows:

	<u>Employees</u>	<u>Directors & Attorneys</u>
Actives not fully eligible	52	2
Actives fully eligible	22	7
Retirees and dependents	<u>67</u>	<u>7</u>
Total	<u>141</u>	<u>16</u>

Blue Grass Energy
Case No. 2008-00011

Retirement and Security

Blue Grass Energy provides pension benefits for substantially all employees through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security (R & S) Program. It is the policy of Blue Grass Energy to fund pension costs accrued. R & S contributions are based on base salary at a rate determined by NRECA.

The rate for 2007 was 18.02% of base wages. For the 2008, the rate is 18.38%. Employees with over 30 years with Blue Grass no longer are eligible to participate in the R & S plan. Those employees wages have been removed for the employee numbers listed. The adjustment is to normalize the R & S contributions using the rate for 2008 and normalized base wages for full-time salary and hourly employees.

Normalized base wages		
Salary employees		2,536,435
Hourly employees		3,716,482
		<u>6,252,917</u>
Employees over 30 years in plan: Nos. 1111; 2504;		
3320; 3360; 3500; 3504; 3511; 3512; 3513		647,234
Wages subject to R & S		<u>5,605,683</u>
Contribution rate for 2008		<u>18.38%</u>
Proposed contribution cost		1,030,325
Test year R & S contributions		<u>888,107</u>
Proposed adjustment		<u><u>142,218</u></u>

The adjustment is allocated as follows:

Adjustment:	<u>Percent</u>	<u>Amount</u>
107 Capitalized	25.3%	35,981
163 - 416 Clearing and others	8.9%	12,657
580 Operations	7.7%	10,951
590 Maintenance	15.9%	22,613
901 Consumer accounts	11.2%	15,928
908 Customer service	6.8%	9,671
912 Sales	0.0%	0
920 Administrative and general	24.2%	34,417
	<u>100.0%</u>	<u>\$142,218</u>

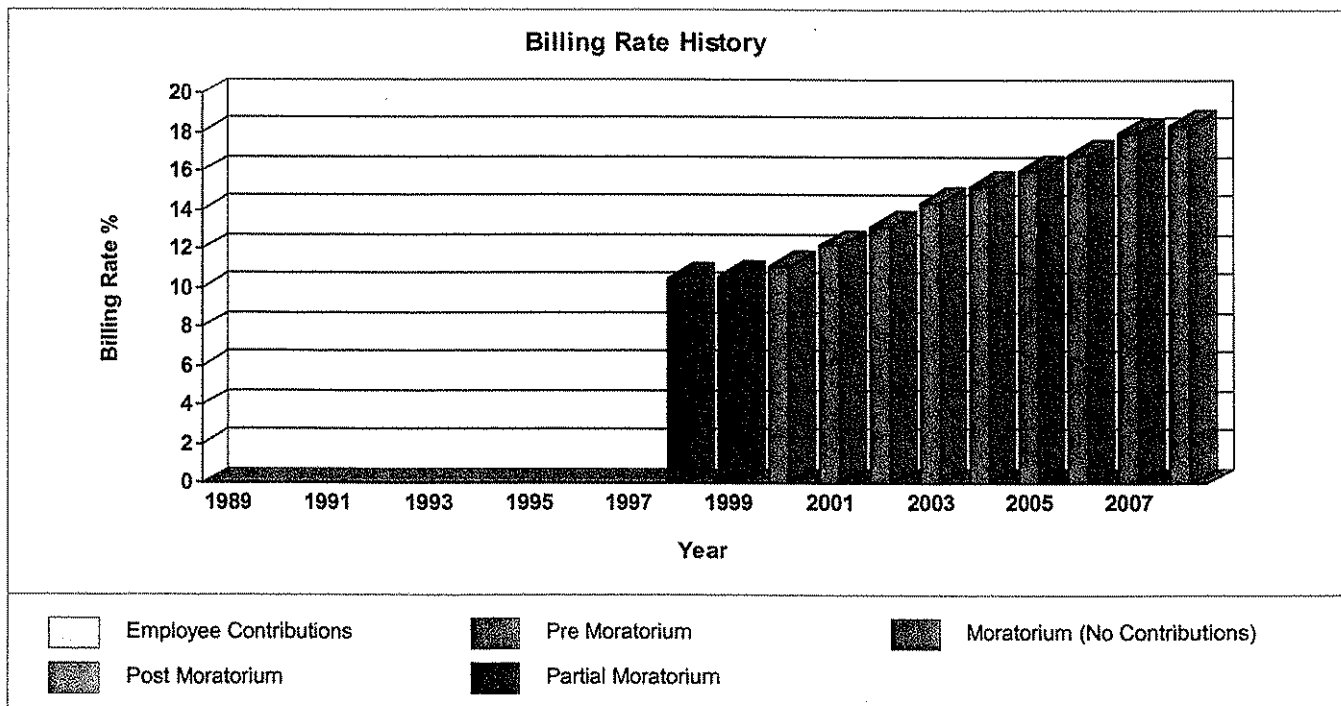


NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Retirement and Security Program

System #:	01-18064-001	Plan ID:	RNR01A
Name:	BLUE GRASS ENERGY COOPERATIVE CORP		

Year	Benefit Level	System Cost	Employee Contribution	Plan	COLA	Average Age	100% Death Benefit	Salary Type
1989								
1990								
1991								
1992								
1993								
1994								
1995								
1996								
1997								
1998	1.70	10.47	0.00	30	No	40	No	BS
1999	1.70	10.65	0.00	30	No	40	No	BS
2000	1.70	11.14	0.00	30	No	41	No	BS
2001	1.70	12.20	0.00	30	No	41	No	BS
2002	1.70	13.15	0.00	30	No	42	No	BS
2003	1.85	14.43	0.00	30	No	41	No	BS
2004	1.85	15.20	0.00	30	No	42	No	BS
2005	1.85	16.04	0.00	30	No	42	No	BS
2006	1.85	16.84	0.00	30	No	42	No	BS
2007	1.85	18.02	0.00	30	No	43	No	BS
2008	1.85	18.38	0.00	30	No	43	No	BS



Note: Rates are for the plan in effect as of January 1 for each year.

Witness: Don Smothers

Blue Grass Energy
Case No. 2008-00011
Donations Account 42610

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
2/2/2007	49624	KAEC	\$3,351.08	4-H contributions
3/23/2007	50384	KAEC	\$500.00	2007 Contribution , Leadership Ky
Total			\$3,851.08	

Penalties 42630

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
1/2/2007	60218	Blue Grass Energy	\$285,000.00	Tindel site - EPA Payment
12/31/2007	JE		\$12,000.00	Accrued additional Tindel site expense.
Total			\$297,000.00	

Expenditures for Civic, Political 42640

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
9/28/2007	JE	CFC	\$7,829.64	CFC Integrity Fund Contribution
			\$1,057.93	Jury duty
			\$853.07	Jury duty
Total			\$9,740.64	

Other Deductions 42650

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
12/31/2007	JE		\$5,878.98	Abandoned work orders
			\$23.78	Labor
			\$29.28	Benefits
			\$13.30	Transportation
Total			\$5,945.34	

Extraordinary income 43500

12/31/2007	Je	\$2,935,926.43	Write off Meters, conversion to AMR
12/31/2007	JE	-\$1,018,927.57	Accumulated Dep.- Obsolete meters
		\$1,916,998.86	

Blue Grass Energy
Case No. 2008-00011
Professional Services Expense
Accounts 92300

Exhibit 9
page 1 of 2
Witness: Jim Adkins

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Hours & Bill Rate</u>	<u>Description</u>
9	<u>Legal</u>					
10	2/14/2007	49859	ABSO	144.00		Background Screen
11	1/29/2007	49613	Whalen & Company	275.00	x	Real Estate Appraisal
12	2/7/2007	49690	American Express	2,430.00	x	NRECA Legal Seminars Downing & Combs
13	2/7/2007	49722	Ralph Combs	378.00	x	Reimburse Lodging Advance on NRECA Legal Seminar
14	2/13/2007	49777	Combs & Hoffman	4,266.45	\$125.00 hr/40 hrs.	January 2007 Professional Services - BGE Attorney
15	2/16/2007	49880	NRECA	11,430.30	x	Group Insurance for BGE Attorneys
16	2/14/2007	49845	HR Inerprises Inc.	160.00		Asessment/ Abby De Brode
17	2/13/2007	49797	Ronald Van Stockum Jr	2,239.00	185 per hr	January 2007 Tindle Site Legal Services
18	3/19/2007	50082	Howard Downing	1,100.00	\$550 per month	Jan & Feb 2007 Professional Services - BGE Attorney
19	3/8/2007	50034	King & Schickli	263.78	\$325 hr./8	U.S. Service Mark Use and Registration
20	2/28/2007	JE	Ralph Combs	64.50		BGE Attorney Expense
21	3/29/2007	50177	ABSO	183.00		Background Screen
22	3/8/2007	50021	Comb & Hoffman	3,395.41		February 2007 Professional Services - BGE Attorney
23	3/8/2007	50024	Ronald Van Stockum Jr	214.41		February 2007 Tindle Site Legal Services
24	4/1/2007	60245	American Express	496.50	x	Air fare BGE Attorney Legal Seminar
25	4/12/2007	50329	Ronald Van Stockum Jr	1,112.26		March 2007 Tindle Site Legal Services
26	4/20/2007	50406	Combs & Hoffman	3,482.77		March 2007 Professional Services - BGE Attorney
27	4/27/2007	50464	Howard Downing	550.00		March 2007 Professional Services - BGE Attorney
28	4/27/2007	50483	Ralph Combs	182.36		BGE Attorney Expense
29	5/10/2007	50640	Combs & Hoffman	2,905.20		April 2007 Professional Services - BGE Attorney
30	5/17/2007	50789	Ronald Van Stockum Jr	1,692.55		April 2007 Tindle Site Legal Services
31	5/30/2007	50832	Howard Downing	550.00		April 2007 Professional Services - BGE Attorney
32	6/15/2007	51016	Combs & Hoffman	3,986.25		May 2007 Professional Services - BGE Attorney
33	6/15/2007	51047	Ronald Van Stockum Jr	1,466.00		May 2007 Tindle Site Legal Services
34	5/3/2007	50415	HR Interprises Inc.	480.00		Achiever Test/Howard/Howard/Alle
35	5/10/2007	50694	ABSO	69.50		Background screening/Gary Allen
36	6/15/2007	50996	Howard Downing	550.00		May 2007 Professional Services - BGE Attorney
37	6/15/2007	51062	King & Schickli	254.14		U.S. Service Mark Use and Registration
38	6/22/2007	51104	Ralph Combs	201.76		BGE Attorney Expense
39	7/11/2007	51268	Combs & Hoffman	1,915.60		June 2007 Professional Services - BGE Attorney
40	7/11/2007	51273	Ralph Combs	1,290.00	x	Reimburse for legal seminar
41	7/11/2007	51299	Ronald Van Stockum Jr	529.71		June 2007 Tindle Site Legal Services.
42	6/22/2007	51135	Patterson & Dewar Inc	498.68		Assistance on PSC Case 2006-0494
43	7/11/2007	51215	American Express	869.44	x	Lodging Attorney Seminar
44	8/23/2007	51747	HR Interprises Inc.	480.00		Achiever Reports/ Drury, Givens
45	8/23/2007	51777	ABSO	247.50		Background screening
46	7/17/2007	51348	NRECA	11,430.06	x	Group Insurance for BGE Attorneys
47	8/8/2007	51536	Combs & Hoffman	2,231.50		July 2007 Professional Services - BGE Attorney
48	8/8/2007	51551	Ronald Van Stockum Jr	895.01		July 2007 Tindle Site Legal Services
49	9/18/2007	52018	ABSO	334.50		Background screening
50	9/5/2007	51852	Greenebaum Doll & McDonald	1,590.87	\$198 hr avg./67.1 hrs	Goodyear Dump site Legal Services

Blue Grass Energy
Case No. 2008-00011
Professional Services Expense
Accounts 92300

Exhibit 9
page 2 of 2
Witness: Jim Adkins

	Date	Check Number	Payee	Amount	Hours & Bill Rate	Description
51	9/14/2007	51890	Combs & Hoffman	1,725.00		August 2007 Professional Services - BGE Attorney
52	9/14/2007	51895	Ronald Van Stockum Jr	253.31		August 2007 Tindle Site Legal Services
53	9/18/2007	51930	Howard Downing	1,650.00		Jun-August 2007 Professional Services - BGE Attorney
54	10/12/2007	52180	HR Enterprise Inc.	640.00		Achiever reports/Biven, Tate, Adam
55	9/28/2007	52094	Greenebaum Doll & McDonald	1,262.44		Goodyear Dump site Legal Services
56	11/28/2007	52664	ABSO	44.50		Background Screening
57	10/12/2007	52174	Combs & Hoffman	1,325.00		September 2007 Professional Services - BGE Attorney
58	10/12/2007	52192	Ronald Van Stockum Jr	2,405.00		September 2007 Tindle Site Legal Services
59	10/19/2004	52384	Greenebaum Doll & McDonald	19.48		Goodyear Dump site Legal Services
60	11/28/2007	52627	Howard Downing	1,100.00		Sept.-Oct. 2007 Professional Services - BGE Attorney
61	11/28/2007	52645	Combs & Hoffman	2,100.50		Oct 2007 Professional Services - BGE Attorney
62	12/20/2007	52908	Combs & Hoffman	883.45		Nov. 2007 Professional Services - BGE Attorney
63	12/27/2007	52990	Ralph Combs	620.72		Oct-Nov milage and per diem.
64	12/27/2007	53005	Ronald Van Stockum Jr	1,961.40		Tindle site legal Services
65	12/27/2007	53014	Greenebaum Doll & McDonald	148.16		Goodyear Dump site Legal Services
66	1/10/2008	53033	American Express	1,190.00	x	Seminar workplace Law Registration- Ralph Combs.
67	1/10/2008	53072	Combs and Hoffman	2,853.00		December 2007 Professional Services - BGE Attorney
68	1/10/2008	53183	Howard Downing	2,687.60		Nov-Dec 2007 Professional Services - BGE Attorney & Legal Sr
69						
70	Subtotal			89,705.57		
71						
72	<u>Accounting and Financial</u>					
73	3/8/2007	50001	Petty Cash Harrison	4.75		Miscellaneous
74	4/1/2007	50219	Cooperative Benefits	1,575.00		Winston Tan Comp Plan
75	4/20/2007	50415	Permadoc	1,075.76		A/P micro filming
76	4/20/2007	50415	Permadoc	1,106.25		A/P micro filming
77	5/3/2007	50561	Permadoc	762.78		A/P micro filming
78	7/20/2007	51400	Alan Zumstein CPA	8,900.00		Annual audit
79	8/8/2007	51519	Alan Zumstein CPA	2,750.00	x	FEMA audit
80	10/26/2007	52439	Jim Adkins Consulting	18,000.00		Depreciation Study
81						
82	Subtotal			34,174.54		
83	<u>Consulting</u>					
84	2/13/2007	49766	Wilson Consulting Inc.	279.87	Expenses	January 2007 Professional Services - Engineering
85	3/29/2007	50148	Wilson Consulting Inc.	40.50	Expenses	February 2007 Professional Services - Engineering
86	4/12/2007	50307	Wilson Consulting Inc.	77.60	Expenses	March 2007 Professional Services - Engineering
87	4/20/2007	50446	Patterson & Dewar Inc	440.00	110 hr/4	Psc case 2006-494 testimony
88	5/10/2007	50626	Wilson Consulting Inc.	350.17	Expenses	April 2007 Professional Services - Engineering
89	5/17/2007	50801	Patterson & Dewar Inc	2,453.31	\$21 hr./110	Psc case 2006-494 testimony
90	6/15/2007	51000	Wilson Consulting Inc.	38.80	Expenses	May 2007 Professional Services - Engineering
91	7/11/2007	51247	Wilson Consulting Inc.	286.64	Expenses	June 2007 Professional Services - Engineering
92	9/14/2007	51887	Wilson Consulting Inc.	33.95	Expenses	August 2007 Professional Services - Engineering
93	10/12/2007	52165	Wilson Consulting Inc.	9.70	Expenses	September 2007 Professional Services - Engineering
94	9/30/2007	JE	Fisher Consulting Group	28,128.45		Culture Assessment Training.
95	11/28/2007	52629	Wilson Consulting Inc.	43.65	Expenses	October 2007 Professional Services - Engineering
96	12/12/2007	52773	Wilson Consulting Inc.	52.38	Expenses	November 2007 Professional Services - Engineering
97	1/10/2008	53060	Wilson Consulting Inc.	264.33	Expenses	December 2007 Professional Services - Engineering
98	1/10/2008	53118	Shelton Communications	29,925.00	Fee	Creative and Strategic Services. Rate increase campaign.
99						
100	Subtotal			62,424.35		
101						
102	Total			186,304.46		
103						
104	Remove for ratemaking purposes			32,539.30	x	
105						

Witness: Jim Adkins

Blue Grass Energy
Case No. 2008-00011
Adjustment for Director Expenses

Certain expenses are generally disallowed for rate-making purposes that incurred for, and on behalf of, Directors of an electric cooperative. Blue Grass Energy has made this adjustment to recognize these expenses. The expenses are summarized as follows:

Director summary:	
Monthly Stipend	96,000
Per diem	30,450
Specific directors expenses:	
E.A. Gilbert	3,012
Jody Hughes	4,193
Richard Crutcher	297
Zeb Blankenship	861
Danny Britt	4,190
Gary Keller	3,371
Brad Marshall	954
Dennis Moneyhon	1,462
Jane Smith	2,248
Paul Tucker	278
	<hr/>
	147,316
	<hr/> <hr/>

Blue Grass Energy
Case No. 2008-00011
Director Expenses Summary

	<u>Regular Bd Mtg</u>	<u>Monthly Stipend</u>	<u>Meetings Per Diem</u>	<u>Other Bd Mtg</u>	<u>Registration</u>	<u>Mileage</u>	<u>Airfare</u>	<u>Hotel</u>	<u>Meals</u>	<u>Misc Expense</u>	<u>Total</u>
E. A. Gilbert	1,800.00	9,600.00	3,750.00	173.95	2,832.50	1,293.78	333.10	4,110.17	618.67	(2,084.06)	22,428.11
Jody Hughes	2,400.00	9,600.00	3,150.00	867.42	1,377.50	1,980.73	340.60	3,217.45	780.99	0.00	23,714.69
Richard Crutcher	1,800.00	9,600.00	2,400.00	919.35	1,532.50	660.57	321.10	2,833.31	350.93	(107.30)	20,310.46
Zeb Blankenship	1,800.00	9,600.00	3,600.00	619.09	2,832.50	577.14	1,379.02	3,059.80	523.03	(73.22)	23,917.36
Danny Britt	1,800.00	9,600.00	5,400.00	632.85	3,386.50	2,340.13	683.30	5,160.00	1,224.82	(25.00)	30,202.60
Gary Keller	1,800.00	9,600.00	4,350.00	945.83	2,120.00	1,376.69	1,400.91	3,890.56	1,239.00	(308.83)	26,414.16
Brad Marshall	1,650.00	9,600.00	600.00	860.31	0.00	679.00	0.00	310.74	96.42	0.00	13,796.47
Dennis Moneyhon	1,800.00	9,600.00	2,100.00	230.95	2,142.50	1,503.50	507.52	1,712.43	391.83	(35.00)	19,953.73
Jane Smith	1,800.00	9,600.00	3,300.00	784.50	2,032.50	1,850.76	646.30	2,853.16	537.54	(145.00)	23,259.76
Paul Tucker	1,950.00	9,600.00	1,800.00	1,035.17	2,432.50	852.65	722.31	1,229.44	416.40	0.00	20,038.47
General Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,158.95	19,105.66	20,264.61
Total	18,600.00	96,000.00	30,450.00	7,069.42	20,689.00	13,114.95	6,334.16	28,377.06	7,338.58	16,327.25	244,300.42

Blue Grass Energy
Case No. 2008-00011
Account 930.30

E A Gilbert
31-Dec-07

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Monthly Stipend	Meetings Per Diem	Other Bd Mtg	Registration	Mileage	Airfare	Hotel	Meals	Misc Expense Include	Total
1/19/2007	49437	E A Gilbert	Regular Bd Mtg	150.00	800.00		0.00		20.37					970.37
2/7/2007	49690	American Express	Director Conference					755.00						755.00
2/7/2007	49690	American Express	NRECA "Annual Mtg					500.00						500.00
2/14/2007	49824	E A Gilbert	Regular Bd Mtg	150.00	800.00				19.40					969.40
3/8/2007	49996	American Express	Director Conference								778.28	83.70		861.98
3/8/2007	49996	American Express	NRECA "Annual Mtg								215.82			215.82
3/19/2007	50083	E A Gilbert	Regular Bd Mtg	150.00	800.00				20.37					970.37
3/31/2007		JE E A Gilbert	Spouse expenses										(303.83)	(303.83)
4/27/2007	50465	E A Gilbert	Regular Bd Mtg	150.00	800.00				20.37					970.37
4/27/2007	50465	E A Gilbert	NRECA "Annual Mtg			750.00	33.00		20.38			114.00		917.38
4/30/2007		JE E A Gilbert	Spouse expenses										(1,780.23)	(1,780.23)
5/30/2007	50833	E A Gilbert	Regular Bd Mtg	150.00	800.00				22.31					972.31
5/30/2007	50833	E A Gilbert	Policy Review Mtg			150.00			51.41					201.41
5/30/2007	50833	E A Gilbert	NRECA Legislative Conference			600.00	36.00		539.32			56.35		1,231.67
5/17/2007	50730	American Express	NRECA "Annual Mtg								647.46			647.46
6/15/2007	50998	E A Gilbert	Regular Bd Mtg	150.00	800.00				20.37					970.37
6/29/2007	51154	American Express	NRECA Legislative Conference								930.33	32.99		963.32
7/20/2007	51399	E A Gilbert	Regular Bd Mtg	150.00	800.00				21.34					971.34
7/20/2007	51399	E A Gilbert	BGE Annual Mtg			150.00			66.93					216.93
7/20/2007	51399	E A Gilbert	CFC Financial Forum			600.00	4.00		20.37			71.20		695.57
7/11/2007	51215	American Express	CFC Financial Forum								654.33			654.33
8/23/2007	51690	KAEC	Congressional Breakfast									51.00		51.00
8/23/2007	51704	E A Gilbert	Regular Bd Mtg	150.00	800.00				20.37					970.37
9/18/2007	51931	E A Gilbert	Regular Bd Mtg	150.00	800.00				20.37					970.37
10/12/2007	52154	American Express	NRECA Winter School								171.72			171.72
10/12/2007	52154	American Express	NRECA Region Registration					365.00				50.00		415.00
10/12/2007	52157	RCCU- Visa	Software Protection				84.95							84.95
10/17/2007	52236	E A Gilbert	Regular Bd Mtg	150.00	800.00				20.37					970.37
11/2/2007	52441	American Express	NRECA Region Registration								460.32			460.32
11/2/2007	52441	American Express	NRECA Winter School					712.50						712.50
11/28/2007	52628	E A Gilbert	Regular Bd Mtg	150.00	800.00				20.37					970.37
11/28/2007	52628	E A Gilbert	NRECA Region Meeting			750.00	16.00				91.52	79.62		937.14
12/20/2007	52874	American Express	KAEC Annual Meeting								332.11			332.11
12/27/2007	52970	E A Gilbert	Regular Bd Mtg	150.00	800.00				20.16					970.16
12/27/2007	52970	E A Gilbert	KAEC Annual Meeting			300.00			116.40			17.70		434.10
12/27/2007	52970	E A Gilbert	NRECA Director Training			450.00			232.80			62.11		744.91
1/10/2008	53033	American Express	NRECA Annual Mtg							333.10	(171.72)			161.38
1/10/2008	53033	American Express	NRECA Annual Mtg					500.00						500.00
														0.00
Total				1,800.00	9,600.00	3,750.00	173.95	2,832.50	1,293.78	333.10	4,110.17	618.67	(2,084.06)	22,428.11
													remove for rate-making p	3,012.20

Blue Grass Energy
Case No. 2008-00011
Jody Hughes
31-Dec-07

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Monthly Stipend	Meetings Per Diem	Other Bd Mtg	Registration	Mileage	Airfare	Hotel	Meals	Misc Expense Include	Total
1/19/2007	49448	Jody Hughes	Regular Board Mtg.	150.00	800.00		85.76		33.95					1,069.71
2/2/2007	49624	KAEC	Chamber Day					100.00						100.00
2/14/2007	49841	Jody Hughes	Regular Board Mtg.	150.00	800.00		0.00		33.95					983.95
3/19/2007	50101	Jody Hughes	Regular Board Mtg.	150.00	800.00				33.95					983.95
4/27/2007	50481	Jody Hughes	Regular Board Mtg.	150.00	800.00				33.95					983.95
4/19/2007	60245	American Express	NREAC Legislative Conf							340.60				340.60
5/30/2007	50850	Jody Hughes	Regular Bd Mtg	150.00	800.00				33.95					983.95
5/30/2007	50850	Jody Hughes	Policy Review Mtg			150.00			33.95					183.95
5/30/2007	50850	Jody Hughes	NREAC Legislative Conf			600.00	239.00		58.20			156.00		1,053.20
6/15/2007	51019	Jody Hughes	Regular Bd Mtg	150.00	800.00				33.95					983.95
6/15/2007	51019	Jody Hughes	EKPC Annual Mtg			150.00			67.90					217.90
6/15/2007	51019	Jody Hughes	Aces Meeting			450.00	96.21		174.60			91.00		811.81
6/29/2007	51154	American Express	NREAC Legislative conf								855.33	32.99		888.32
7/20/2007	51418	Jody Hughes	Regular Bd Mtg	150.00	800.00		49.95		33.95					1,033.90
7/20/2007	51418	Jody Hughes	BGE Annual Mtg			150.00			19.40					169.40
7/20/2007	51418	Jody Hughes	CFC Financial Forum	600.00			33.80		368.60			153.00		1,155.40
7/11/2007	51215	American Express	ACES Meeting								415.70			415.70
7/11/2007	51215	American Express	CFC Financial Forum								777.33			777.33
8/23/2007	51690	KAEC	Congressional Breakfast									51.00		51.00
8/23/2007	51733	Jody Hughes	Regular Bd Mtg	150.00	800.00		49.95		33.95					1,033.90
9/18/2007	51961	Jody Hughes	Regular Bd Mtg	150.00	800.00		49.95		33.95					1,033.90
9/18/2007	51961	Jody Hughes	KAEC Training			150.00			48.50					198.50
10/12/2007	52154	American Express	NRECA Winter School								170.23			170.23
10/12/2007	52154	American Express	NRECA Region Registration					365.00						365.00
10/12/2007	52157	RCCU- Visa	Software Protection				84.95							84.95
10/17/2007	52260	Jody Hughes	Regular Bd Mtg	150.00	800.00		49.95		33.95					1,033.90
11/2/2007	52441	American Express	NRECA Region Registration								460.32			460.32
11/2/2007	52441	American Express	NRECA Winter School					712.50						712.50
11/28/2007	52621	KAEC	Director training Course					200.00						200.00
11/28/2007	52648	Jody Hughes	Regular Bd Mtg	150.00	800.00		49.95		33.95					1,033.90
11/28/2007	52648	Jody Hughes	EKPC Plant Tour			150.00			101.36					251.36
11/28/2007	52648	Jody Hughes	NRECA Region Meeting			600.00	15.00		452.50			167.00		1,234.50
12/20/2007	52874	American Express	KAEC Annual Meeting								314.74			314.74
12/27/2007	52988	Jody Hughes	Regular Bd Mtg	150.00	800.00		49.95		33.95					1,033.90
12/27/2007	52988	Jody Hughes	NRECA Director Training			450.00	13.00		180.42			130.00		773.42
12/27/2007	52988	Jody Hughes	Leadership Training			300.00			67.90					367.90
1/10/2008	53033	American Express	NRECA Director Training								223.80			223.80
														0.00
				2,400.00	9,600.00	3,150.00	867.42	1,377.50	1,980.73	340.60	3,217.45	780.99	0.00	23,714.69
													remove for rate-making p	\$4,193.27

Blue Grass Energy
Case No. 2008-00011
Richard Crutcher
31-Dec-07

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Monthly Stipend	Meetings Per Diem	Other Bd Mtg	Registration	Mileage	Airfare	Hotel	Meals	Misc Expense Include	Total
1/19/2007	49449	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
2/7/2007	49690	American Express	Director Conference					755.00						755.00
2/7/2007	49690	American Express	NRECA "Annual Mtg					500.00						500.00
2/14/2007	49843	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
3/8/2007	49996	American Express	Director Conference								811.38	83.70		895.08
3/8/2007	49996	American Express	NRECA "Annual Mtg								215.82			215.82
2/28/2007	JE		Personal expenses										(77.30)	(77.30)
3/19/2007	50102	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
3/19/2007	50102	Richard Crutcher	Director's Conference			750.00	103.00		48.50			108.32		1,009.82
4/27/2007	50484	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
4/27/2007	50484	Richard Crutcher	NRECA "Annual Mtg			750.00	67.00		93.12			53.01		963.13
4/30/2007	JE		Personal expenses										(30.00)	(30.00)
5/30/2007	50851	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
5/30/2007	50851	Richard Crutcher	Policy Review Mtg			150.00			33.95					183.95
5/17/2007	50730	American Express	NRECA "Annual Mtg								878.82			878.82
6/15/2007	51021	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
7/20/2007	51421	Richard Crutcher	Regular Board Mtg.	150.00	800.00				33.95					983.95
7/20/2007	51421	Richard Crutcher	BGE Annual Mtg			150.00	45.95		29.10					225.05
8/23/2007	51735	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
9/18/2007	51963	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
10/12/2007	52154	American Express	NRECA Winter School								170.23			170.23
10/12/2007	52154	American Express	NRECA Region Registration					365.00		321.10				686.10
10/12/2007	52157	RCCU- Visa	Software Protection				84.95							84.95
10/17/2007	52262	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
11/2/2007	52441	American Express	NRECA Region Registration								460.32			460.32
11/2/2007	52441	American Express	NRECA Winter School					712.50						712.50
11/28/2007	52650	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
11/28/2007	52650	Richard Crutcher	NRECA Region Meeting			600.00	113.00		48.50			105.90		867.40
12/20/2007	52874	American Express	KAEC Annual Meeting								296.74			296.74
12/27/2007	52991	Richard Crutcher	Regular Board Mtg.	150.00	800.00		45.95		33.95					1,029.90
1/10/2008	53033	American Express	NRECA Director Training					(800.00)						(800.00)
				1,800.00	9,600.00	2,400.00	919.35	1,532.50	660.57	321.10	2,833.31	350.93	(107.30)	20,310.46
													remove for rate-making p	296.74

Blue Grass Energy
Case No. 2008-00011
Danny Britt
31-Dec-07

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Monthly Stipend	Meetings Per Diem	Other Bd Mtg	Registration	Mileage	Airfare	Hotel	Meals	Misc Expense Include	Total
1/19/2007	49436	Danny Britt	Regular Board Mtg.	150.00	800.00		27.95		36.86					1,014.81
2/7/2007	49690	American Express	Director Conference					755.00						755.00
2/7/2007	49690	American Express	NRECA "Annual Mtg					500.00						500.00
2/14/2007	49823	Danny Britt	Regular Board Mtg.	150.00	800.00		27.95		34.92					1,012.87
3/8/2007	49996	American Express	Director Conference								781.45	83.70		865.15
3/8/2007	49996	American Express	NRECA "Annual Mtg								215.82			215.82
3/19/2007	50081	Danny Britt	Regular Board Mtg.	150.00	800.00		27.95		34.92					1,012.87
3/19/2007	50081	Danny Britt	Director Conference			750.00		79.00				161.41		990.41
4/27/2007	50462	Danny Britt	Regular Board Mtg.	150.00	800.00		27.95		34.92					1,012.87
4/27/2007	50462	Danny Britt	NRECA "Annual Mtg			750.00	95.00		106.70			144.94		1,096.64
4/30/2007	JE		Personal expenses										(25.00)	(25.00)
5/30/2007	50830	Danny Britt	Regular Bd Mtg	150.00	800.00		27.95							977.95
5/30/2007	50830	Danny Britt	Policy Review Mtg			150.00			34.92					184.92
5/30/2007	50830	Danny Britt	Scholarship Selection Mtg			150.00			34.92			12.40		197.32
5/30/2007	50830	Danny Britt	NRECA Legislative Conf			600.00	36.00		36.86	350.20		208.50		1,231.56
5/17/2007	50730	American Express	NRECA "Annual Mtg								647.46			647.46
6/15/2007	50995	Danny Britt	Regular Bd Mtg	150.00	800.00		27.95		34.92					1,012.87
6/15/2007	50995	Danny Britt	Aces Mtg			450.00			223.10					673.10
6/15/2007	50995	Danny Britt	EKPC Annual Mtg			150.00	9.00		21.83			116.25		297.08
6/29/2007	51154	American Express	NRECA Legislative Conf								855.33	32.99		888.32
7/20/2007	51398	Danny Britt	Regular Bd Mtg	150.00	800.00		27.95		34.92					1,012.87
7/20/2007	51398	Danny Britt	BGE Annual Mtg			150.00			44.62					194.62
7/20/2007	51398	Danny Britt	CFC Financial Forum			600.00	25.00		397.70			115.00		1,137.70
7/11/2007	51215	American Express	ACES Meeting								415.70			415.70
7/11/2007	51215	American Express	CFC Financial Forum								777.33			777.33
8/23/2007	51690	KAEC	Congressional Breakfast									51.00		51.00
8/23/2007	51702	Danny Britt	Regular Bd Mtg	150.00	800.00		27.95		34.92					1,012.87
9/18/2007	51928	Danny Britt	Regular Bd Mtg	150.00	800.00		27.95		34.92					1,012.87
10/12/2007	52154	American Express	NRECA Winter School								171.72			171.72
10/12/2007	52154	American Express	NRECA Region Registration					365.00				50.00		415.00
10/12/2007	52157	RCCU- Visa	Software Protection				84.95							84.95
10/17/2007	52235	Danny Britt	Regular Bd Mtg	150.00	800.00		27.95		34.92					1,012.87
11/2/2007	52441	American Express	NRECA Region Registration								460.32			460.32
11/2/2007	52441	American Express	NRECA Winter School					712.50						712.50
11/28/2007	52626	Danny Britt	Regular Bd Mtg	150.00	800.00		27.95		34.92					1,012.87
11/28/2007	52626	Danny Britt	EKPC Plant Tour			150.00								150.00
11/28/2007	52626	Danny Britt	NRECA Region Meeting			600.00	17.00		706.16			69.41		1,392.57
12/6/2007	52702	Danny Britt	NRECA Adv Rate Class					475.00						475.00
12/20/2007	52874	American Express	KAEC Annual Meeting								350.11			350.11
12/27/2007	52969	Danny Britt	Regular Bd Mtg	150.00	800.00		27.95		34.92					1,012.87
12/27/2007	52969	Danny Britt	KAEC Annual Meeting			300.00	4.00		100.88			31.50		436.38
12/27/2007	52969	Danny Britt	NRECA Director Training			600.00	26.50		246.38			147.72		1,020.60
1/10/2008	53033	American Express	NRECA Director Training								484.76			484.76
1/10/2008	53033	American Express	NRECA Annual Mtg					500.00		333.10				333.10
1/10/2008	53033	American Express	NRECA AnnuL Mtg											500.00
				1,800.00	9,600.00	5,400.00	632.85	3,386.50	2,340.13	683.30	5,160.00	1,224.82	(25.00)	30,202.60
														0.00
														4,190.46

remove for rate-making p 4,190.46 x

Blue Grass Energy
Case No. 2008-00011
Gary Keller
31-Dec-07

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Monthly Stipend	Meetings Per Diem	Other Bd Mtg	Registration	Mileage	Airfare	Hotel	Meals	Misc Expense Include	Total
1/19/2007	49446	Gary Keller	Regular Board Mtg.	150.00	800.00		29.99		24.25					1,004.24
2/7/2007	49690	American Express	Director Conference					755.00		302.61				1,057.61
2/7/2007	49690	American Express	NRECA "Annual Mtg					500.00						500.00
2/14/2007	49839	Gary Keller	Regular Board Mtg.	150.00	800.00		29.99		24.25					1,004.24
3/8/2007	49996	American Express	Director Conference								560.40	83.70		644.10
3/8/2007	49996	American Express	NRECA "Annual Mtg								215.82			215.82
3/19/2007	50099	Gary Keller	Regular Board Mtg.	150.00	800.00		29.99		24.25					1,004.24
3/19/2007	50099	Gary Keller	Director Conference			600.00	99.00		29.10				179.50	907.60
3/31/2007	JE	Gary Keller	Spouse expenses										(303.83)	(303.83)
4/27/2007	50479	Gary Keller	Regular Board Mtg.	150.00	800.00		29.99		24.00					1,003.99
4/27/2007	50479	Gary Keller	NRECA "Annual Mtg			750.00	145.00		111.52			198.35		1,204.87
4/19/2007	60245	American Express	NRECA Legislative Conf							340.60				340.60
5/30/2007	50845	Gary Keller	Regular Bd Mtg	150.00	800.00		29.99		24.25					1,004.24
5/30/2007	50845	Gary Keller	Policy Review Mtg			150.00			24.25					174.25
5/30/2007	50845	Gary Keller	NRECA Legislative Rally			600.00	79.00		24.26					991.01
5/17/2007	50730	American Express	NRECA "Annual Mtg								647.46			647.46
6/15/2007	51017	Gary Keller	Regular Bd Mtg	150.00	800.00		29.99		24.25					1,004.24
6/15/2007	51017	Gary Keller	EKPC Annual Mtg			150.00			58.20					208.20
6/29/2007	51154	American Express	NRECA Legislative Conf								855.33	32.99		888.32
6/29/2007	51154	American Express	CFC Financial Forum							369.60				369.60
7/20/2007	51488	Gary Keller	Regular Bd Mtg	150.00	800.00		29.99		24.25					1,004.24
7/20/2007	51488	Gary Keller	BGE Annual Mtg			150.00			2.43					152.43
7/20/2007	51488	Gary Keller	CFC Financial Forum			600.00	158.00		14.55					917.76
7/11/2007	51215	American Express	CFC Financial Forum								654.33			654.33
8/23/2007	51690	KAEC	Congressional Breakfast									51.00		51.00
8/23/2007	51731	Gary Keller	Regular Bd Mtg	150.00	800.00		29.99		24.25					1,004.24
9/18/2007	51958	Gary Keller	Regular Bd Mtg	150.00	800.00		29.99		24.25					1,004.24
10/12/2007	52154	American Express	NRECA Region Registration					365.00						365.00
10/12/2007	52157	RCCU- Visa	Software Protection				84.95							84.95
10/17/2007	52257	Gary Keller	Regular Bd Mtg	150.00	800.00		29.99		24.25					1,004.24
11/2/2007	52441	American Express	NRECA Region Registration								460.32			460.32
11/28/2007	52646	Gary Keller	Regular Bd Mtg	150.00	800.00		29.99		24.25					1,004.24
11/28/2007	52646	Gary Keller	NRECA Region Meeting			750.00	20.00		698.43		182.16	216.00		1,866.59
12/20/2007	52874	American Express	KAEC Annual Meeting								314.74			314.74
12/27/2007	52986	Gary Keller	Regular Bd Mtg	150.00	800.00		29.99		24.25					1,004.24
12/27/2007	52986	Gary Keller	KAEC Annual Meeting			450.00			82.46			44.50		576.96
1/12/1900	52986	Gary Keller	Culture Training			150.00			40.74					190.74
1/10/2008	53033	American Express	NRECA Annual Mtg							388.10				388.10
1/10/2008	53033	American Express	NRECA Annual Mtg					500.00						500.00
12/31/2007	JE		Personal expenses										(5.00)	(5.00)
				1,800.00	9,600.00	4,350.00	945.83	2,120.00	1,376.69	1,400.91	3,890.56	1,239.00	(308.83)	26,414.16
													remove for rate-making p	3,370.83

Blue Grass Energy
Case No. 2008-00011
Jane Smith
31-Dec-07

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Monthly Stipend	Meetings Per Diem	Other Bd Mtg	Registration	Mileage	Airfare	Hotel	Meals	Misc Expense Include	Total
1/19/2007	49447	Jane Smith	Regular Board Mtg	150.00	800.00		42.95		82.45					1,075.40
2/7/2007	49690	American Express	Director Conference					755.00		305.70				1,060.70
2/14/2007	49840	Jane Smith	Regular Board Mtg	150.00	800.00		42.95		82.45					1,075.40
3/8/2007	49996	American Express	Director Conference								747.20	83.70		830.90
2/28/2007		JE	Personal expenses										(100.00)	(100.00)
3/19/2007	50100	Jane Smith	Regular Board Mtg	150.00	800.00		42.95		38.80					1,031.75
3/19/2007	50100	Jane Smith	Director Conference			750.00	103.00		77.60			137.75		1,068.35
4/27/2007	50480	Jane Smith	Regular Board Mtg	150.00	800.00		42.95		38.80					1,031.75
4/19/2007	60245	American Express	NRECA Legislative Conf							340.60				340.60 x
4/30/2007		JE	Personal expenses										(45.00)	(45.00)
5/30/2007	50849	Jane Smith	Regular Bd Mtg	150.00	800.00				38.80					988.80
5/30/2007	50849	Jane Smith	Policy Review Mtg			150.00	42.95		38.80					231.75
5/30/2007	50849	Jane Smith	Scholarship Selection Mtg			150.00			38.80					188.80 x
5/30/2007	50849	Jane Smith	NRECA Legislative Conf			600.00	28.00		72.75			65.85		766.60 x
6/15/2007	51018	Jane Smith	Regular Bd Mtg	150.00	800.00		42.95		38.80					1,031.75
6/15/2007	51154	American Express	NRECA Legislative Conf							868.31	32.99			901.30 x
7/20/2007	51416	Jane Smith	Regular Bd Mtg	150.00	800.00		42.95		38.80					1,031.75
7/20/2007	51416	Jane Smith	BGE Annual Mtg			150.00			25.22					175.22
7/20/2007	51416	Jane Smith	KAEC Board Mtg						42.20					42.20
7/20/2007	51416	Jane Smith	CFC Financial Forum			600.00	47.15		331.74			68.00		1,046.89
7/11/2007	51215	American Express	CFC Financial Forum							777.33				777.33
8/23/2007	51690	KAEC	Congressional Breakfast									51.00		51.00 x
8/23/2007	51732	Jane Smith	Regular Bd Mtg	150.00	800.00		42.95		38.80					1,031.75
9/18/2007	51959	Jane Smith	Regular Bd Mtg	150.00	800.00		42.95		38.80					1,031.75
9/18/2007	51959	Jane Smith	NRECA Training			150.00			43.65					193.65
10/12/2007	52154	American Express	NRECA Winter School							171.72				171.72
10/12/2007	52154	American Express	NRECA Region Registration					365.00						365.00
10/12/2007	52157	RCCU- Visa	Software Protection				84.95							84.95
10/17/2007	52258	Jane Smith	Regular Bd Mtg	150.00	800.00		42.95		38.80					1,031.75
10/17/2007	52258	Jane Smith	KAEC Board Mtg						43.65					43.65
11/2/2007	52441	American Express	NRECA Region Registration							460.32				460.32
11/2/2007	52441	American Express	NRECA Winter School					712.50		(171.72)				540.78
11/28/2007	52621	KAEC	Director Training Course					200.00						200.00
11/28/2007	52647	Jane Smith	Regular Bd Mtg	150.00	800.00		42.95		38.80					1,031.75
11/28/2007	52647	Jane Smith	KAEC Board Mtg						43.65					43.65
11/28/2007	52647	Jane Smith	NRECA Region Meeting			600.00			457.35			98.25		1,155.60
12/27/2007	52987	Jane Smith	Regular Bd Mtg	150.00	800.00		42.95		38.80					1,031.75
12/27/2007	52987	Jane Smith	KAEC Board Mtg				6.00		38.80					44.80
12/27/2007	52987	Jane Smith	KAEC Annual Mtg			150.00			43.65					193.65
				1,800.00	9,600.00	3,300.00	784.50	2,032.50	1,850.76	646.30	2,853.16	537.54	(145.00)	23,259.76
														0.00
														remove for rate-making p \$2,248.30 x

Blue Grass Energy
 Case No. 2008-00011

General Expenses

Date	Check Number	Payee	Explanation	Regular Bd Mtg	Monthly Stipend	Meetings Per Diem	Other Bd Mtg	Registration	Mileage	Airfare	Hotel	Meals	Misc Expense Include	Total
Board Meeting Expense														
3/8/2007	50002	RCCU -VISA	Reg Board Meeting - Food									183.93		183.93
3/8/2007	50002	American Express	Supplies- Coffee									155.64		155.64
10/12/2007	52157	RCCU -VISA	Reg Board Meeting - Food									239.53		239.53
12/12/2007	52825	Lundys Special Ev	Reg Board Meeting - Food									349.40		349.40
11/8/2007	60277	RCCU -VISA	Reg Board Meeting - Food									230.45		230.45
		NRECA	Liability and 24 hr Acc. Ins.										22,798.50	22,798.50
Cost Allocated to Non-Electric programs													(3,692.84)	(3,692.84)
				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,158.95	19,105.66	20,264.61
													remove for rate-making p	0.00 x

BLUE GRASS ENERGY COOPERATIVE CORPORATION

POLICY NO. 1-2

COMPENSATION OF DIRECTORS

I. OBJECTIVE

To encourage Directors to attend national, regional, state, Board, committee, member and other meetings that will enable them to develop, improve, and make a significant contribution to the Cooperative.

II. POLICY CONTENT

- A. The Cooperative encourages its Directors to attend national, regional, state, Board, committee, member and other meetings that will enable them to develop, improve and be better able to serve the membership.
- B. The Cooperative Directors will receive a per diem of \$150.00 per day. The Directors will receive travel expense from their home, and necessary expenses in connection with attendance to such meetings upon submission of a detailed expense account. The per diem will be paid for travel expense during the day preceding the meeting and for travel the day following the meeting if such travel is required because of the meeting schedule.
- C. A Director shall receive a monthly stipend in the sum of \$800.00. Directors eligible for and electing to carry insurance coverage (major medical, hospitalization, prescription, dental and/or vision) through the cooperative will be required to pay the actual cost of the insurance coverage for themselves and eligible dependents. The cost of the insurance may be deducted from the monthly fee at the director's option.
- D. Insurance benefits provided by Blue Grass Energy for active eligible Directors shall be as follows:
 1. Business Travel: All active eligible Directors are covered by Business Travel Insurance, subject to the provisions of the policy in effect.
 2. 24-Hour Accidental Death: All active eligible Directors are covered by 24-Hour Accidental Death Insurance, subject to the provisions of the policy in effect.
 3. Liability: Blue Grass Energy shall provide each active eligible Director with liability coverage.
- E. The benefits conferred by this policy shall be deemed to be deferred compensation for active service rendered Blue Grass Energy by the Director.
- F. Directors shall be reimbursed for all reasonable out-of-pocket expenses incurred for attendance at such meeting upon submission of a detailed expense account

with attached receipts for expenses in excess of \$25. Out-of-pocket expenses include but are not limited to meals, tips, parking, lodging, registration fees, and telephone calls. Expense accounts shall be signed by the director and approved by the Treasurer or in his/her absence an officer of the Corporation.

G. Travel reimbursement shall be as follows:

1. Travel expenses will be paid for actual number of days attending the meeting and the day before and the day following the meeting for travel if the meeting schedule requires. Round trip coach airfare on commercial airlines, plus other expenses associated with air travel (shuttle cost, etc.), will be paid in full by the Cooperative. Special airfare promotions (example: Companion Fares, Friends Fly Free, Two for One, etc.) purchased for a spouse/companion to travel, will be split by subtracting Single Coach Air Fare Cost at the time of booking from the Special Air Fare Total to get the Spouse/Companion Air Fare Cost. If the Single Coach Air Fare is more than the Special Air Fare Total the Cooperative will pay the airfare total in full. Other modes of travel, including personal automobile, may be used as long as the total mileage expense on out-of-state meetings does not exceed the cost of Non-Promotional Coach Class airfare and associated air travel expenses. Mileage on personal automobile use will be paid at a rate equal to Internal Revenue Service mileage guidelines.
2. For internal control and reporting purposes, as well as the coordinated, timely, and cost effective planning of all travel; meeting registrations, accommodations, and travel arrangements for all attending Directors shall be made by a designated Cooperative employee. In the event arrangements are made by the Director, the Director shall provide the designated Cooperative employee with an itinerary.
3. In those instances where Directors travel with others, only the Director actually using his automobile shall receive mileage and toll reimbursement.

III. RESPONSIBILITY

All directors will be given a summary of director expenses on a quarterly basis. The Secretary/Treasurer of the Board shall review and report to the Board on compliance with this policy.

Adopted: January 1, 2002

Approved: E. A. Gilbert, Chairman

Amended: June 13, 2007

Approved: Jody Hughes, Chairman

Blue Grass Energy
Case No. 2008-00011
Adjustment for Miscellaneous Expenses

Certain advertising expenses are disallowed for rate-making purposes that are not for safety, conservation, information or the annual meeting. These have been removed from Accounts 909.00, Informational Advertising, Account 912.30 Public Relations, Account 912.40, Marketing and Account 913.00, Advertising Expense. Those removed include sponsorship of sports, church, civic and charitable related organizations.

There are Miscellaneous General Expenses that are disallowed for rate-making purposes to include employee meals, gifts, flower funds for deaths in families, employee picnics and meals and other costs.

Annual meeting scholarships, prizes and giveaways have also been removed.

The accounts and amounts are as follows:

Account 909.00, Informational advertising	967
Account 912.30, Public relations	91,910
Account 912.40, Marketing	12,665
Account 913.00, Advertising expenses	445
Account 930.20, Miscellaneous general	55,798
Account 930.40, Dues	6,322
Account 930.60, Annual meeting	<u>32,475</u>
Remove for rate-making purposes	<u><u>200,582</u></u>

Blue Grass Energy
Case No. 2008-00011
Informational Advertising 90900
December 31, 2007

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>		<u>Description</u>
2/14/2007	49850	WTVQ-TV	1,200.00		Stormwatch Advertising
5/3/2007	50525	Rural Cooperative Credit Visa	394.00	x	Home & Garden Show Rentals
7/11/2007	51298	West Jessamine High School	150.00	x	2007 sign renewal
9/5/2007	51836	Appalachia-Science Public	422.50	x	2007 Green Living Expo Booth rental
Labor			5,590.54		
Benefits			4,790.94		
Transportation			868.42		
Total			<u>13,416.40</u>		
	Exclude for rate making purposes		<u>966.50</u>	x	

Witness: Jim Adkins

Blue Grass Energy
Case No. 2008-00011
Public Relations 91230
December 31, 2007

Advertising

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>		<u>Description</u>
2/7/2007	49740	Progressive Marketing Inc.	1,556.39	x	Caps and mini umbrellas
2/7/2007	49755	Red Roof Advertising	22.26	x	CD cases
2/16/2007	49897	Ipromoteu Inc.	1,104.50	x	Wristbank Key Keepers
2/13/2007	49935	Progressive Marketing Inc.	755.69	x	48 umbrellas
2/22/2007	49935	Progressive Marketing Inc.	215.60	x	12 sports jackets
2/28/2007	JE	EKPC	580.00	x	EKPC Golf Camp
3/29/2007	50181	Ipromoteu Inc.	1,033.81	x	500 Vinyl Pouches
3/29/2007	50163	WTVQ-TV	1,200.00		Storm Watch
4/1/2007	50222	WTVQ-TV	1,400.00		Storm Watch
3/1/2007	50144	Rees Printing Company	2,636.25		Bill Inserts EKPC rate increase
3/29/2007	50184	Big Aspen Design	302.10	x	Coop Card Design
3/29/2007	50182	Society Professional Journal	42.40	x	Kentucky Media Guides
4/1/2007	50239	Ipromoteu Inc.	379.54	x	1200 merchandise bags
4/1/2007	50232	Progressive Marketing Inc.	616.61	x	Neon Pencils
4/12/2007	50352	Law Publication	469.00	x	Sponsor Drug Ed Journal
4/20/2007	50419	Culver Company Inc.	759.91	x	Coloring Books
4/12/2007	50351	WDKY Fox 56	1,300.00	x	Sponsorship advertising
4/20/2007	50423	WTVQ-TV	300.00	x	Sponsorship advertising
4/27/2007	50508	Ipromoteu Inc.	2,520.91	x	1500 Pizza Cutters
5/10/2007	50697	Ipromoteu Inc.	1,045.31	x	5000 wildflower seeds
5/30/2007	50865	WTVQ-TV	1,200.00		Storm Watch
6/15/2007	51065	Ipromoteu Inc.	6,292.71	x	golf balls and tees, school pouches, wristband
5/30/2007	50879	WDKY Fox 56	1,700.00	x	Sponsorship advertising
6/15/2007	51067	ARBC	1,682.75		50% deposit 10" cold air balloon
6/29/2007	51196	WTVQ-TV	1,250.00		May 2007 storm watch adv.
7/11/2007	51292	WTVQ-TV	1,200.00		June 2007 storm watch adv.
7/11/2007	51320	Ipromoteu Inc.	1,782.01	x	530 lint brushes with sewing kits, 2000 shoppi
7/11/2007	51322	WDKY Fox 56	1,347.00	x	Sponsorship advertising
7/20/2007	51383	Jessamine Journal	50.00	x	Sponsorship advertising
7/20/2007	51443	Franklin Co. Fair & Horse Sho	125.00		1/4 page ad in fair catalog
7/20/2007	51455	Progressive Marketing Inc.	2,959.89	x	5000 luggage tags
7/20/2007	51469	Fidelity Associates Inc.	1,470.24	x	Jess Early Learning Village
8/8/2007	51566	Progressive Marketing Inc.	1,383.97	x	505 mobile mate cell phone cases
8/16/2007	51672	Ipromoteu Inc.	4,389.73	x	500 golf towels, balls & tees
8/23/2007	51754	WTVQ-TV	1,200.00	x	Sponsorship advertising
8/23/2007	51781	BDKY Fox 56	3,845.00	x	Sponsorship advertising
8/23/2007	51740	Greater Lexington chamber	25.00	x	Sponsorship advertising
9/5/2007	51821	Home Builders Association	1,500.00	x	Grand Tour Advertising
9/5/2007	51847	Berea Band Boosters	200.00	x	Advertising Sign
9/18/2007	51914	Jessamine Journal	170.00	x	Sponsorship advertising
9/18/2007	52032	Galaxi of Berea	183.65	x	Shirts for BGE softball team
9/18/2007	52008	Progressive Marketing Inc.	377.48	x	Umbrellas
9/28/2007	52084	J C Enterprises	1,300.00		Speaker Electrical CEU Class
9/28/2007	52091	ARBC	1,712.50		Cold Air Balloon
10/17/2007	52225	KAEC	5,678.46		Bulbs Customer Appreciation Days
10/17/2007	52286	WTVQ-TV	1,150.00		Storm Watch
10/19/2007	52388	Tatonka B & E Services	275.00		Environmental Program
10/19/2007	52356	Summit Marketing	501.31		150 pocket diaries
10/19/2007	52388	Tatonka B & E Services	600.00		Environmental Program
10/26/2007	52433	B & B Catering	2,017.50		Customer Appreciation Day / HDO
11/2/2007	52454	Patty Howser	30.00		Customer Appreciation Day / Chilli

Blue Grass Energy
Case No. 2008-00011
Public Relations 91230
December 31, 2007

Advertising

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>		<u>Description</u>
63	11/2/2007	52490	WDKY Fox 56	1,660.00	x	Sponsorship advertising
64	11/2/2007	52494	Tatonka B & E Services	200.00		Environmental Program
65	11/9/2007	52577	Ipromoteu Inc.	939.19	x	Wristbands
66	11/9/2007	52580	Tatonka B & E Services	225.00		Environmental Program
67	10/29/2007	60275	Dorothy Peel	875.00		Customer Appreciation Day Food.
68	11/30/2007	JE	Inter County energy	(1,749.00)		Cold Air Balloon reimbursement
69	12/6/2007	52724	WTVQ-TV	1,200.00		Storm Watch
70	12/7/2007	52737	Rural Coop Credi Union - Visa	1,103.89		Customer Appreciation Expenses
71	12/12/2007	52803	South Kentucky RECC	932.09		Expenses
72	12/12/2007	52822	MYRON	611.25	x	Pocket Diaries
73	12/12/2007	52843	Ipromoteu Inc.	2,500.41	x	2008 Almanac Calendars
74	12/12/2007	52853	Tatonka B & E Services	225.00		Environmental Program
75	12/20/2007	52925	Cynthiana Democrat	36.72	x	Veterans Advertising
76	12/20/2007	52953	Tatonka B & E Services	800.00		Environmental Program
77	11/8/2007	60277	Rural Coop Credi Union - Visa	769.99		Customer appreciation, Halloween Booth, Hat
78	12/20/2007	52923	WTVQ-TV	1,200.00		Storm Watch
79	12/20/2007	52953	Tatonka B & E Services	825.00		Environmental Program
80	12/27/2007	52994	Greater Lexington Chamber	210.00	x	Public Affairs Luncheon
81	1/10/2008	53047	RCCU-Visa	339.22	x	Jessamine co Chamber food Open House
82	1/10/2008	53082	WTVQ-TV	1,200.00		Storm Watch
83	1/10/2008	53100	The Perfect Billboard LLC	6,813.62	x	Vinyl Decals
84	1/10/2008	53127	WDKY Fox 56	4,360.00		Contract Advertising
85	Donations/sponsorships					
86	1/24/2007	49558	Pendleton Industrial Authority	1,000.00	x	2007 Annual Economic Development Contribu
87	1/24/2007	49570	Project Graduation - Harrison	50.00	x	Project Graduation - Harrison
88	2/2/2007	49645	American Cancer Society	250.00	x	American Cancer Society
89	2/16/2007	50002	RCCU	47.70	x	Donation
90	2/7/2007	49727	Frankfort Chamber of Commer	35.00	x	Annual Meeting Banquet
91	2/7/2007	49728	Project Graduation - Woodford	50.00	x	Donation
92	2/7/2007	49731	Project Graduation - Pendletor	50.00	x	Donation
93	2/12/2007	49860	Gregory Harp Jr	100.00	x	Donation Gregory Harp Jr Trust Fund
94	2/16/2007	49896	Blue Grass Workforce Investm	500.00	x	2007 Bronze Level Sponsorship
95	3/8/2007	50002	RCCU	103.00	x	Silent Auction
96	3/29/2007	50173	Ky Association Economic Dev	250.00	x	Hole sponsor Golf Scramble
97	3/29/2007	50164	Cynthiana-Harrison Chamber	100.00	x	Member Mtg Sponsorship
98	4/5/2007	50267	Anderson Chamber of commet	75.00	x	Booth Rental
99	5/3/2007	50594	All Gods Children	75.00	x	Sponsor golf benefit
100	5/10/2007	50645	Jessamine Co Chamber	300.00	x	Golf Team sponsor
101	5/3/2007	50535	Project Graduation -Model	50.00	x	Donation
102	5/3/2007	50554	Project Graduation - MCHS	50.00	x	Donation
103	5/3/2007	50556	Project Graduation - Berea	50.00	x	Donation
104	5/3/2007	50557	Project Graduation - Jessamin	50.00	x	Donation
105	5/3/2007	50576	Project Graduation - Scott Co	50.00	x	Donation
106	5/3/2007	50577	Project Graduation - Bourbon	50.00	x	Donation
107	5/3/2007	50598	Project Graduation - Mercer Cc	50.00	x	Donation
108	5/10/2007	50661	Kiwanis of Jesamine Co	425.00	x	Annual golf scrambale sponsor
109	5/10/2007	50677	March of Dimes	150.00	x	2007 Mission Marker Sponsor
110	5/17/2007	50780	Cynthiana-Harrison Chamber	200.00	x	2007 Walking Horse Sponsor
111	5/17/2007	50807	Berea International Festival	100.00	x	2007 Sponsorship
112	5/30/2007	50853	Madison Co Fair	500.00	x	2007 Pageant Sponsorship
113	5/30/2007	50866	Pendleton Industrial Authority	250.00	x	2007 Picnic Golf Host Sponsor

Blue Grass Energy
Case No. 2008-00011
Public Relations 91230
December 31, 2007

Advertising

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>		<u>Description</u>
114	6/15/2007	51053	Pendleton Co Chamber	500.00	x	Business Expo Sponsorship
115	5/3/2007	50662	Cynthiana-Harriossn chamber	304.00	x	Sponsored luncheon
116	4/27/2007	50487	Madison co Home Builders	410.00	x	Sponsored golf scramble
117	5/3/2007	50567	Lawrenceburg Fair & Horse St	125.00	x	Advertising
118	6/12/2007	50926	Berea Chamber of Commerce	100.00	x	Hole sponsorship golf scramble
119	6/12/2007	50957	New Liberty Sunday Conventic	270.00	x	Sponsor 30 kids at 4-H camp.
120	6/15/2007	51024	Jessamine Co chamber	25.00	x	Cart sponsor/annual golf tournment
121	5/3/2007	50590	Project Gradustion - MSHS	50.00	x	2007 Donation
122	5/17/2007	50770	Richmond Chamber of Comm	650.00	x	Team & Hole Sponsorships
123	7/11/2007	51231	RCCU-VISA	371.15	x	Golf Scramble
124	7/11/2007	51315	MCIMC	280.00	x	Golf Outing
125	7/20/2007	51430	Berea Chamber of Commerce	500.00	x	Spoonbread Festival Sponsor
126	7/24/2007	51494	Richmond Parks & Recreation	250.00	x	Softball team sponsorship
127	8/8/2007	51557	Carol Higdon	120.00	x	Reimburse Hospice tickets
128	8/23/2007	51737	Home Builders Association	500.00	x	Annual golf scambale sponsor
129	9/5/2007	51796	RCCU-VISA	363.40	x	70 golf camp meals
130	9/5/2007	51838	Building a Better Blue Grass	1,000.00	x	Sponsorship
131	9/5/2007	51845	Indiana Statewied Assoc.	20.00	x	Golf Outing
132	9/5/2007	51857	Habitat for Humanity	500.00	x	Hullaballo Habitat Sponsorship
133	9/18/2007	51920	Rexel Southland	910.70	x	Habitat material
134	8/23/2007	51690	KAEC	12,000.00	x	Washington Youth Tour
135	8/31/2007	51653	Rexel Southland	399.57	x	Habitat material
136	8/31/2007	JE	RCCU-VISA	90.10	x	Community Involvement
137	8/31/2007	JE	RCCU-VISA	418.59	x	Community Involvement
138	8/30/2007	JE	Nutsea	100.00	x	Donation
139	9/18/2007	51982	Cynthiana-Harrison Chamber	200.00	x	Golf Registration Fee
140	9/18/2007	52019	Junior Achievement	50.00	x	2007 Donation
141	9/18/2007	52033	East Jessamine High School	150.00	x	Sponsorship Colorguard Competition
142	9/28/2007	52068	Home Builders Association	60.00	x	Legislative BBQ
143	9/28/2007	52097	Fraternal Order of Police	50.00	x	Bronze Sponsorship/ SHOP COP FUND
144	9/28/2007	52099	Big Brothers/Big Sisters	280.00	x	Donation
145	10/12/2007	52157	RCCU-VISA	65.09	x	Community Involvement
146	10/12/2007	52157	RCCU-VISA	768.74	x	Community Involvement
147	10/17/2007	52226	Rexel Southland	207.16	x	Habitat House Supplies
148	10/19/2007	52339	RCCU-VISA	79.90	x	Community Involvement
149	9/4/2007	60262	B & B Catering	990.00	x	Master Elec Training class.
150	9/7/2007	60264	American Express	108.49	x	Conference Door Prizes
151	9/28/2007	52074	Cooper Wholesale Inc	123.64		Electrician Training Snacks
152	9/11/2007	60266	B & B Catering	1,020.00		Lunch Elect Contract Class
153	9/30/2007	je	BGE	(3,810.00)		Electrician Class
154	11/28/2007	52651	Greater Lex Chamber Of Comr	25.00	x	GMBG Membership
155	11/28/2007	52661	Ky Association Economic Dev	49.00	x	KAED Annual Conference Golf Fee
156	11/28/2007	52673	Madison Co Farm-City Banque	10.00	x	Ticket
157	12/6/2007	52717	Jessamine Co Chamber	730.00	x	2008 Chamber Membership Dues
158	12/12/2007	52763	United Way of Bluegrass	2,000.00	x	2008 Corporate Contribution
159	12/12/2007	52823	Kentucky Press Service	450.00	x	2008 Associate membership dues
160	12/12/2007	52880	East Kentucky Power	110.00	x	2007 Tickets
161	12/20/2007	52887	Rexel Southland	201.48	x	Habitat supplies
162	12/12/2007	52816	Big Brothers/Big Sisters	1,000.00	x	2008 Silver Sponsorship
163	12/12/2007	52869	CYCL	25.00	x	Maranda Chesser Sponsorship
164	12/27/2007	53017	American Diabetes Associator	100.00	x	Donation

Witness: Jim Adkins

Blue Grass Energy
Case No. 2008-00011
Public Relations 91230
December 31, 2007

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Advertising

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>		<u>Description</u>
12/27/2007	53018	KAEC	2,127.00	x	Broadcast Contribution for KET
1/10/2008	53047	RCCU-VISA	802.99	x	Sponsorhsip - HBA Lexington and other Donat
12/4/2007	60281	City of Berry	250.00	x	Donation
Supplies					
2/7/2007	49703	Rural Cooperatives Credit Unic	237.87	x	Habitat supplies
5/3/2007	50518	Federated Rural Insurance	4,260.00		Liability Ins for Energy Advisors
5/10/2007	50621	Rural Cooperatives Credit Unic	46.96	x	Habitat supplies
6/12/2007	50896	Rural Cooperatives Credit Unic	121.78	x	Habitat supplies
10/19/2007	52338	Petty Cash/Richmond	66.91	x	Habitat supplies
10/26/2007	52398	Petty Cash/Harrison	8.49	x	Habitat supplies
11/2/2007	52441	American Express	62.40	x	Habitat supplies
11/16/2007	52597	Rural Cooperatives Credit Unic	246.07	x	Habitat supplies
11/9/2007	52523	Rural Cooperatives Credit Unic	20.35	x	Habitat supplies
12/12/2007	je	Refund	(350.00)		Refund of CF bulbs
		Cost Allocation	(404.00)		
Subtotal			128,875.39		
Labor			111,726.55		
Benefits			95,558.23		
Transportation			10,682.58		
Total			<u>346,842.75</u>		
Exclude for rate making purposes			<u>91,910.01</u>	x	

Witness: Jim Adkins

Blue Grass Energy
Case No. 2008-00011
Marketing 91240
December 31, 2007

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Date	Check Number	Payee	Amount	Description
2/2/2007	49661	Shelton Communications Inc.	3,592.50	Surge Protection and Touchstone Campaigns
1/24/2007	49508	East Kentucky Power	441.50	x "Ask Me About" Posters.
3/2/2007	49948	NRECA	29.50	x Youth pin/shirt/book
1/29/2007	49593	Rees Printing Company	1,397.26	Inserts MH Heating
3/29/2007	50179	Shelton Communications Inc.	7,023.94	Surge Protection and Touchstone Campaigns
3/14/2007	60237	Harvey Cros	100.00	Repair Safety Demo
4/20/2007	50387	Rees Printing company	1,321.82	x Bill Inserts
4/27/2007	50458	Jessamine Journal	765.00	x General Information Ad
5/3/2007	50570	Cynthiana Democrat	175.00	x Flood Section Adv.
5/3/2007	50571	The Anderson News	540.00	x Anderson guide Advertising
5/3/2007	50595	Shelton Communications Inc.	2,507.46	Surge Protection and Touchstone Campaigns
5/17/2007	50781	Cynthiana Democrat	525.00	x Home and Garden Adv.
5/17/2007	50785	The Anderson News	300.00	x Garden Sectin Adv.
5/17/2007	50791	Trans Union	20.50	Credit Report Earl McKeehan
7/20/2007	51431	Brultech Research Inc	5,546.39	Tools for Energy Audits
7/20/2007	51445	Trans Union	5.30	Credit Report R Peyton
8/8/2007	51503	Rural Coop Credit Union Visa	29.43	Misc.
8/8/2007	51565	Card Source	4,297.51	x Coop Cards
8/16/2007	51668	Card Source	2,953.45	x Consumer Energy Forms
8/23/2007	51785	The Energy Conservatory	125.00	Repair meter for homes.
9/5/2007	51796	Rural Coop Credit Union Visa	313.85	x Hole in One Insurance, golf outing door prizes
9/10/2007	51858	Rural Coop Credit Union Visa	151.94	x Ladder, 2 registration for HVAC
9/18/2007	51974	Mac Productions Inc	700.00	x 2008 Home & Garden Booth Rental
9/18/2007	51995	Trans Union	5.30	Credit report
9/28/2007	52076	The Anderson News	150.00	x Fall Sports Advertising
10/17/2007	52325	Tatanka B & E Services LLC	450.00	Environmental Program
10/17/2007	52372	Trans Union	5.30	Credit report
10/26/2007	52397	Jessamine Journal	170.00	Home Improvement Ad.
10/26/2007	52423	The Anderson News	152.25	Advertising
11/30/2007	52689	Nolin RECC	136.40	MHRA membership
12/7/2007	52737	Rural Coop Credit Union Visa	50.00	Advertising
12/12/2007	52799	Home Builders Association	30.00	General Membership meeting
12/12/2007	52815	Trans Union	10.60	2 credit reports
12/12/2007	52867	Bremen Inc.	223.58	Reimb 50% for all electric signs
11/8/2007	60277	Rural Coop Credit Union Visa	24.38	light bulbs
1/10/2008	53073	Home Builders Association	590.00	Officer Installation Dinner & membership rene
12/28/2007	60283	Image Marketing International	640.90	Individual Custom Messages
	Reclass	KY Living Magazine	11,520.00	
	Rebates		25,013.92	Button up
			31,550.00	Tune ups
			11,267.03	Dual Fuel
			1,200.00	All Season's T'Tone Home/Air/Air
			32,050.00	Aeroseal
			2,293.00	Grills
			336.71	Equipment-repairs
			44,622.67	Water Heater Purchases
			(47,773.47)	Water Heater Sales
			(159,669.81)	EKPC rebates
	Subtotal		(12,088.89)	
	Labor		216,088.35	
	Benefits		184,839.07	
	Transportation		27,715.73	
	Total		<u>416,554.26</u>	
	Exclude for rate making purposes		<u>12,664.57</u>	x

Blue Grass Energy
Case No. 2008-00011
Advertising Expense 91300
December 31, 2007

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
1/24/2007	49518	Bellsouth	390.80	Directory Listing
1/24/2007	49533	Cincinnati Bell	82.40	Directory Listing
1/29/2007	49618	Kentucky Press Service	669.72	Statement of Non Discrimination
2/2/2007	49626	Bellsouth	33.37	Directory Listing
2/13/2007	49761	Bellsouth	22.25	Directory Listing
2/13/2007	49770	Cincinnati Bell	82.40	Directory Listing
2/13/2007	49773	Windstream Yellow Pages	415.68	Directory Listing
2/13/2007	49796	Windstream Yellow Pages	446.79	Directory Listing
2/14/2007	49821	Bellsouth Advertising	390.80	Directory Listing
2/22/2007	49933	Bellsouth	693.28	Office Notice Advertising
3/8/2007	50002	RCCU	90.00	Advertising
3/29/2007	50145	Bellsouth	11.12	Directory Listing
3/29/2007	50152	Cincinnati Bell	82.40	Directory Listing
3/29/2007	50154	Windstream Yellow Pages	415.68	Directory Listings
3/29/2007	50166	Bellsouth	446.00	Monthly Advertising Chg.
3/29/2007	50170	Kentucky Press Service	346.64	Advertising
3/29/2007	50183	Lanham Media Svs LLC	1,695.00	1/2 page color advertisement
4/1/2007	50196	Bellsouth	390.80	Advertisement
4/5/2007	50252	Bellsouth	35.33	Mo foreign directory charges
4/20/2007	50378	East Kentucky Power	177.55	Poster Grip Frame
4/20/2007	50402	Windstream Yellow Pages	421.90	Directory listings
4/20/2007	50432	Bellsouth Advertising	446.00	Directory Advertising
4/20/2007	50442	Cynthiana-Harrison Co EDA	899.00	Theme Billboards
3/14/2007	60239	Community Education	344.50	x T-shirt Advertising
4/12/2007	50311	Windstream	81.62	White Pg Foreign Directory Listing
4/20/2007	50400	Cincinnati Bell	83.64	Directory Advertising
5/3/2007	50542	AT&T	12.98	Foreign Directory
5/10/2007	50632	Windstream Yellow Pages	494.30	Directory Advertising
5/17/2007	50787	AT&T Advertising	446.00	Advertising
4/30/2007	49922	Home Builders Assoc	425.00	2007 Night Table Top Booth
5/17/2007	50756	AT&T	390.80	Telephone
5/17/2007	50578	Cincinnati Bell	82.40	Directory Advertising
5/30/2007	50854	Jessamine Co Fair	100.00	x Advertising Ad
6/15/2007	51008	AT&T	395.80	Telephone
6/15/2007	51009	Cincinnati Bell	82.40	Directory Advertising
6/15/2007	51011	Windstream	78.48	Directory Advertising
6/22/2007	51101	Windstream	3,117.83	Directory Advertising
6/22/2007	51112	AT&T Advertising	446.00	Directory Advertising
6/22/2007	51137	WDKY FOX 56	1,450.00	Advertising spots
6/29/2007	51178	AT&T	12.98	Directory Advertising
7/11/2007	51252	AT&T	14.00	Directory Advertising
7/11/2007	51256	Windstream Yellow Pages	226.81	Directory Advertising
7/11/2007	51254	Cincinnati Bell	8.65	Directory Advertising
7/20/2007	51446	AT&T Advertising	446.00	Directory Advertising
7/24/2007	51486	Cincinnati Bell	78.75	Directory Advertising
8/8/2007	51528	AT&T	395.80	Telephone
8/16/2007	51650	AT&T	13.15	Foreign Directory
8/16/2007	51654	Windstream Yellow Pages	1,794.26	Directory Advertising
8/16/2007	51652	Cincinnati Bell	77.40	Directory Advertising
8/16/2007	51660	AT&T	446.00	Directory Advertising
8/23/2007	51720	AT&T	395.80	Telephone

Blue Grass Energy
Case No. 2008-00011
Advertising Expense 91300
December 31, 2007

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
8/23/2007	51722	Windstream	82.75	Foreign Directory
9/5/2007	51815	Windstream Yellow Pages	43.51	Directory Advertising
9/5/2007	51824	WTVQ-TV	1,200.00	Broadcasting Spots
9/5/2007	51844	WDKY FOX 56	1,472.00	Broadcasting Spots
9/18/2007	51947	AT&T	29.01	Foreign Directory
9/18/2007	51990	AT&T	458.00	Directory Advertising
9/18/2007	51949	Cinninnati Bell	8.65	Directory Listing
9/18/2007	51951	Windstream	10.93	Foreign Directory
9/28/2007	52060	Cinninnati Bell	73.75	Directory Advertising
10/17/2007	52318	WDKY FOX 56	2,245.00	Broadcasting Spots
10/17/2007	52321	AT&T	13.15	Foreign Directory
10/19/2007	52382	WDKY FOX 56	1,000.00	House Premiere Advertising
10/17/2007	52251	Cinninnati Bell	82.40	Directory Advertising
10/26/2007	52411	Windstream Yellow Pages	87.67	Directory Advertising
10/26/2007	52427	AT&T Advertising	458.00	Directory Advertising
11/28/2007	52656	AT&T Advertising	464.88	Directory Advertising
11/30/2007	52677	Jessamine Journal	155.25	Advertising
11/2/2007	52466	Windstream Yellow Pages	44.82	Directory Advertising
11/28/2007	52641	Cinninnati Bell	9.00	Directory Advertising
12/6/2007	52703	The Richmond Register	198.14	Advertising Customer Appreciation
12/6/2007	52725	Cynthiana Democrat	115.13	Advertising Customer Appreciation
12/20/2007	52884	Jessamine Journal	172.33	Advertising
12/20/2007	52904	Windstream Yellow Pages	43.51	Directory Advertising
12/12/2007	52785	Cinninnati Bell	9.00	Directory Advertising
1/10/2008	53090	AT&T Advertising	932.00	Directory Advertising
			(928.93)	NRECA rebate
			(77.00)	Cost allocation
		Labor	8,247.70	
		Benefits	6,965.39	
		Transportation	907.68	
		Total	<u>45,149.98</u>	
		Exclude for rate making purposes	<u>444.50</u>	x

Witness: Jim Adkins

Blue Grass Energy
Case No. 2008-00011
General Advertising Expense 93010
December 31, 2007

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
2/2/2007	49624	KAEC	20,541.60	Kentucky Living Magazine and Newsletter.
3/29/2007	50142	KAEC	20,566.69	Kentucky Living Magazine and Newsletter.
4/5/2007	50251	RCCU-VISA	780.00	Job Opening Ad Career Builders
4/20/2007	50384	KAEC	20,429.27	Kentucky Living Magazine and Newsletter.
5/10/2007	50615	KAEC	20,148.88	Kentucky Living Magazine and Newsletter.
6/22/2007	51079	KAEC	27,885.96	Kentucky Living Magazine and Newsletter.
7/11/2007	51225	KAEC	20,246.38	Kentucky Living Magazine and Newsletter.
8/23/2007	51690	KAEC	20,320.18	Kentucky Living Magazine and Newsletter.
9/18/2007	51916	KAEC	21,332.92	Kentucky Living Magazine and Newsletter.
10/17/2007	52225	KAEC	21,382.37	Kentucky Living Magazine and Newsletter.
11/28/2007	52621	KAEC	21,481.80	Kentucky Living Magazine and Newsletter.
12/12/2007	52753	KAEC	21,551.62	Kentucky Living Magazine and Newsletter.
1/23/2008	53288	KAEC	21,598.69	Kentucky Living Magazine and Newsletter.
			(11,520.00)	Reclass to Marketing
			(600.00)	Cost allocation
			<u>246,146.36</u>	Total
			<u>0.00</u>	Exclude for rate making purposes

Blue Grass Energy
Case No. 2008-00011
Miscellaneous General Expense 93020
December 31, 2007

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Date	Check Number	Payee	Amount	Description
1/19/2007	49457	Brunner Studio	1,182.96	x Christmas Party Pictures.
1/24/2007	49562	Lands End	33.97	x Employee shirt Order
2/2/2007	49650	Lands End	24.43	Employee shirt Order
2/7/2007	49690	American Express	47.70	x Flowers/Neeley Father, Training
2/7/2007	49701	Nicholasville Florist	72.61	x Flowers/Deaton-Long
2/7/2007	49704	RCCU	47.80	x Christmas Meal
2/7/2007	49730	RCCU	125.57	x Employee shirt Order
2/7/2007	49735	Kentucky Press Service	15.00	KPA Opening Reception
2/7/2007	49754	Perryville Embroidery	623.02	x Employee shirt Order
2/13/2007	49813	Larry Lovelace	43.04	Shot and supplies for storm trip
1/12/2007	60221	Stanley R Eades PHD	3,720.00	DOT Exams/Pulmonary Exams
1/31/2007	JE	Randy Gillis	300.00	x Rodeo Expenses
2/13/2007	49791	Cooper Wholesale Inc	94.71	Liquid soap/ Paper towels
2/14/2007	49820	Petty Cash/ Richmond	11.06	Misc.
2/14/2007	49848	The H T Hackey Co	16.57	Foam Cups
3/2/2007	49970	Cooper Wholesale Inc	60.88	Creamer, Sugar etc.
3/2/2007	49995	Bokros Bakery and More	355.10	x Retirement Reception Harvey Crow
3/8/2007	50002	American Express	240.81	First Aid Supplies
3/19/2007	50121	RCCU	247.23	First Aid Supplies
3/31/2007	JE		84.80	x Christmas Party Pictures.
3/19/2007	50113	Cooper Wholesale Inc	83.38	Sweeping compound, coffee, cups
3/29/2007	50165	Lands End Business Outfitter	57.24	x Employee shirt Order
3/29/2007	50180	Perryville Embroidery	578.76	89 Auburn Anorak jackets
4/1/2007	50224	Lands End Business Outfitter	1,321.50	x Employee shirt Order
4/1/2007	50232	Progressive Marketing Inc	336.98	x Employee shirt Order
4/1/2007	50238	Perryville Embroidery	1,370.05	x Employee Seattle Slickers
4/5/2007	50251	RCCU-Visa	47.55	x Reception Crow
4/12/2007	50300	RCCU-Visa	51.57	Coffee
4/12/2007	50323	The Tharpe Company	939.39	x Retirement Gift-Crow
3/13/2007	60235	Petty Cash/ Richmond	25.71	Coffee, Prints
3/2/2007	49994	Texas electric Cooperative	1,060.00	20 Dale Hammond Ltd Books
5/3/2007	50525	RCCU-VISA	501.32	Safety glasses, Culture mtg meals, Coffee.
5/3/2007	50526	RCCU-VISA	28.49	Snacks for employee mapping meeting.
5/3/2007	50569	Cooper Wholesale Inc	103.63	Creamer packets, spoons, etc.
5/3/2007	50573	Lands End Business Outfitter	52.90	x Jacket
5/10/2007	50618	Nicholasville Florist	53.00	x Flowers McQuain/Blankenship
5/10/2007	50658	The H T Hackeny Co	256.82	Soft-t-pops/foam cups
5/10/2007	50666	Lands End Business Outfitter	765.33	Home & Garden show shirts.
5/17/2007	50730	American Express	240.23	Employee meeting refreshments
5/30/2007	50825	RCCU-VISA	1,696.61	Safety mtg prizes, Horseman tickets,
5/30/2007	50864	Cooper Wholesale Inc	240.31	Cups, Forks, Sugar packets, Etc.
5/30/2007	50878	Perryville Embroidery	638.92	x Employee shirt Order
6/12/2007	50896	RCCU-Visa	52.16	Employee meeting refreshments
6/15/2007	50989	Nicholasville Florist	53.00	x Flowers-Blankenship
6/15/2007	51025	Madison Flower Shop	44.30	x Flowers-Tammy sowers
6/15/2007	51064	Perryville Embroidery	2,334.12	x Rodeo Shirts
4/19/2007	60245	American Express	206.50	x Refreshments for retirement
5/2/2007	60250	KAEC	1,375.00	x 2007 Coop Rodeo team entry fee
6/15/2007	51044	Atkinsons & Judys flowers	53.00	x Wreath Carolyn Wiglesworth
6/22/2007	51147	KAEC/Lineman Rodeo	400.00	x Event Sponsorship KY Coop Rodeo
6/29/2007	51154	American Express	284.23	Miscellaneous

Blue Grass Energy
 Case No. 2008-00011
 Miscellaneous General Expense 93020
 December 31, 2007

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>		<u>Description</u>
63	6/29/2007	51195	The H T Hackey Co	18.45		Foam Cups
64	7/11/2007	51229	Nicholasville Florist	42.40	x	Flowers Mike Newland
65	7/11/2007	51231	RCCU - VISA	289.33		Coffee, mail boxes,
66	7/11/2007	51232	RCCU-Visa	96.52		Refreshments for employee meeting.
67	7/11/2007	51296	Atkinsons & Judys flowers	106.00	x	Flowers Feeback & Wagoner
68	7/11/2007	51339	Orams Chevy Chase Florist	59.89	x	Flowers Edna Deaton
69	6/30/2007	JE	Lonnie Tolson	25.65	x	Rodeo expenses
70	6/30/2007	JE	Ben Coffey	50.01	x	Rodeo Expenses
71	6/30/2007	JE	Shawn Sowder	31.00	x	Rodeo Expenses
72	6/30/2007	JE	Miles Shumaker	144.21	x	Rodeo Expenses
73	7/11/2007	51215	American Express	274.13		Refreshment for meeting
74	7/20/2007	51435	Cooper Wholesale Inc	141.41		Creamer, coffee, sugar etc.
75	7/20/2007	51439	Lands End Business Outiffter	441.05	x	Employee shirt Order
76	7/20/2007	51455	Progressive Marketing Inc	222.75	x	Employee shirt Order
77	7/24/2007	51482	Sams Club	632.21		Gatorade, forks, spoons etc.
78	8/8/2007	51503	RCCU-Visa	75.16		Water & gatorade
79	8/8/2007	51548	Lands End Business Outiffter	97.25	x	Employee shirt Order
80	8/8/2007	51583	Perryville Embroidery	110.77	x	Employee shirt Order
81	8/16/2007	51632	RCCU-Visa	869.37	x	Retirement Gift
82	8/16/2007	51671	David Matheny	453.25	x	Employee shirt Order relay for life
83	8/23/2007	51738	Watkins Fencing	216.24	x	Mulch for rodeo
84	8/23/2007	51759	Lands End Business Outiffter	39.58	x	Employee shirt order
85	8/2/2007	60257	Lonnie Tolson	303.24	x	Reimb employee picnic
86	7/31/2007	JE	Lineman rodeo expenses	206.27	x	Rodeo Expenses
87	7/31/2007	JE	Brad Wigglesworth	37.62	x	Lineman rodeo expenses
88	8/8/2007	51502	Petty Cash/ Nicholasville	13.00		Misc.
89	9/5/2007	51796	RCCU-Visa	2,263.54	x	Rodeo Expenses
90	9/5/2007	51822	The H T Hackey Co.	18.45		Foam Cups, Saf-t-pops
91	9/5/2007	51825	Lands End Business Outiffter	99.64	x	Employee Shirt Order
92	9/5/2007	51843	David Matheny	144.53	x	Emplyee shirts motorcycle run
93	9/10/2007	51858	RCCU-Visa	877.22	x	Meals Rodeo Team, meeting refreshments
94	9/18/2007	51919	Nicholasville Florist	53.00	x	Flowers Chester Cobb
95	9/18/2007	51987	Atkinsons & Judys flowers	31.80	x	Flowers Larry Lovelace
96	8/31/2007	JE	RCCU-Visa	1,699.92	x	Lineman rodeo expenses
97	9/18/2007	51981	Cooper Wholesale Inc	258.27		Forks, Creamer, plates, spoons, etc.
98	9/18/2007	52026	Perryville Embroidery	398.56	x	Employee shirt order
99	10/3/2007	52119	Lawrenceburg Flower Shop	53.00	x	Wreath/Marshall Serarcy
100	10/3/2007	52126	Kelly Bands an DJS	350.00	x	Deposit Holiday Party
101	10/12/2007	52154	American Express	84.23		Employee meeting refreshments
102	10/12/2007	52157	RCCU-Visa	157.01		Employee meeting refreshments
103	10/12/2007	52175	Family Affair	296.80	x	Meals McGaughey Retirement
104	10/12/2007	52214	Positive Promotions Inc.	190.59	x	Tote bags
105	10/17/2007	52293	Cintas First Aid	158.45		First Aid Supplies
106	10/19/2007	52369	Lands End Business Outiffter	308.19	x	Denim Aprons
107	9/7/2007	60264	American Express	182.54		Employee meeting refreshments
108	10/12/2007	52183	The H T Hackney Co	76.87		Employee meeting refreshments
109	10/19/2007	52391	IDEA Art Inc.	553.96	x	Holly bells, program-badges-gift
110	10/26/2007	52419	The Tharpe Company	233.36	x	Service Award / Dan Brewer
111	10/26/2007	52422	Cooper Wholesale Inc	150.20		Cups, spoons, coffee, salt, pepper
112	11/2/2007	52478	Cooper Wholesale Inc	96.38		Creamer, sugar, stirrers, tissue
113	11/2/2007	52480	Lands End Business Outiffter	162.60	x	Employee shirt order

Witness: Jim Adkins

Blue Grass Energy
Case No. 2008-00011
Miscellaneous General Expense 93020
December 31, 2007

	<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>		<u>Description</u>
114	11/2/2007	52489	Perryville Embroidery	328.34	x	Employee shirt order
115	11/9/2007	52522	Nicholasville Florist	31.80	x	Flowers, Gary Keller
116	11/9/2007	52542	The Tharpe Company	2,977.45	x	Employee awards
117	11/9/2007	52550	Atkinsons & Judys flowers	58.30	x	Flowers, Craycraft, Puckett
118	11/9/2007	52551	Lands End Business Outfitter	89.85	x	4 denim aprons
119	11/28/2007	52652	The Tharpe Company	1,508.60	x	Service awards
120	10/30/2007	je	Brad Wiglesworth	120.90	x	Lineman rodeo expenses
121	10/30/2007	je	Shawn Sowder	226.62	x	Lineman rodeo expenses
122	10/30/2007	je	Steve Jones	1,498.00	x	Christmas gift certificates for Christmas Party
123	10/30/2007	je	Ben Coffey	169.06	x	Lineman rodeo expenses
124	10/30/2007	je	Miles Shumaker	296.60	x	Lineman rodeo expenses
125	10/30/2007	je	Eugene Neeley	175.44	x	Lineman rodeo expenses
126	10/30/2007	je	Lineman rodeo expenses	230.10	x	Expenses
127	12/7/2007	52737	RCCU-Visa	3,076.53	x	Christmans Party Door Prizes, Health Fair Item
128	12/12/2007	52757	Nicholasville Florist	84.80	x	Flowers
129	12/12/2007	52798	Ray Searcy	549.02	x	Lineman rodeo expenses
130	12/20/2007	52874	American Express	6,120.75	x	Lodging rodeo team, supplies for Christmas D
131	12/20/2007	52915	The Tharpe Company	184.48	x	Service Award
132	12/20/2007	52929	Cintas First Aid	192.68		First Aid Supplies
133	11/8/2007	60277	RCCU-Visa	2,150.70	x	Door prizes Christmas Party
134	11/30/2007	JE	Steve Jones	668.56	x	Christmans Party Expenses
135	11/30/2007	JE	Lonnie Tolson	63.68	x	Lineman rodeo expenses
136	12/6/2007	52709	Steve Jones	200.00	x	Christmas Party Door Prize
137	12/6/2007	52734	Ksly Bands and DJs	350.00	x	Christmas Party.
138	12/12/2007	52758	Petty Cash Harrison	31.56	x	Misc .
139	12/12/2007	52765	Richard Baker	100.00	x	On call Christmas Party
140	12/12/2007	52767	William G Hall	100.00	x	On call Christmas Party
141	12/12/2007	52768	Curtis Chapman	100.00	x	On call Christmas Party
142	12/12/2007	52779	David Hicks	100.00	x	On call Christmas Party
143	12/12/2007	52786	Mike Rainey	100.00	x	On call Christmas Party
144	12/12/2007	52834	Tanya Reed	100.00	x	On call Christmas Party
145	12/12/2007	52839	Kenneth B Little	100.00	x	On call Christmas Party
146	12/12/2007	52841	Sherman Lovelace	100.00	x	On call Christmas Party
147	12/12/2007	52850	Russ Drury	100.00	x	On call Christmas Party
148	12/12/2007	52870	Thomas A Walton	100.00	x	On call Christmas Party
149	12/12/2007	52871	Music on the move	50.00	x	Christmans Party
150	12/27/2007	52973	Urgent Treatment Clinic	8,560.90		Health Fairs
151	12/27/2007	53000	Cooper Wholesale Inc	106.65		Coffee, cups, paper towels
152	12/27/2007	53006	Cintas First Aid & Safety	157.20		First Aid Supplies
153	1/10/2008	53033	American Express	13,725.43	x	Christmas Party Embassy Suites
154	1/10/2008	53043	Nicholsville Florist	31.80	x	Flowers, McFarland
155	1/10/2008	53047	RCCU-VISA	2,551.77	x	Lineman Rodeo Bricks, Christmas Gift Cards :
156	1/10/2008	53080	Brunner Studio	1,106.64	x	Christmas Party Pictures.
157	1/10/2008	53087	Lands End Business Outfitter	140.88	x	Employee Shirt Order
158	1/10/2008	53097	Carol Higdon	17.33		Reimburse break room supplies
159	1/10/2008	53103	Lundys Special Events	883.38	x	Christmans Party meals
160	1/10/2008	53125	Karen S Coffman	314.29		Employee Shirt Order
161	1/17/2008	53200	Lawrenceburg Flower Shop	32.28	x	Wreath
162	1/17/2008	53206	Atkinsons & Judys Flowers	53.00	x	Wreath

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Blue Grass Energy
Case No. 2008-00011
Miscellaneous General Expense 93020
December 31, 2007

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
12/31/2007	JE	Jamie Conn	81.86	x Lineman rodeo expenses
		Cash Receipts	(8,380.69)	x Employee Purchases
Subtotal			78,311.67	
Labor			12,023.99	
Benefits			10,305.96	
Transportation			2,633.12	
Total			<u>103,274.74</u>	
		Exclude for rate making purposes	<u>55,797.73</u>	

Blue Grass Energy
Case No. 2008-00011
Dues Pd to Associated Organizations 93040
December 31, 2007

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
1/8/2007	49340	Mercer Chamber of commerce	473.00	x Membership Dues
1/8/2007	49345	SHRM	160.00	x Associate Membership
1/19/2007	49476	Leadership Kentucky Foundati	90.00	x Membership Dues
1/24/2007	49557	Cynthiana-Harrison Chamber	350.00	x Membership Dues
1/29/2007	49609	Berea Chamber of Commerce	450.00	x Membership Dues
2/2/2007	49639	Home Builders Association	620.00	Membership Dues
2/2/2007	49688	RESNET	200.00	x Rater Membership
2/7/2007	49704	RCCU	220.00	x SHRM Dues/Stockton
2/16/2007	49889	Anderson Co Chamber of Corr	200.00	x Membership Dues
2/16/2007	49891	Kentucky Council of Coops	250.00	Membership Dues
2/22/2007	49924	Madison Co Homebuilders Ass	330.00	Membership Dues
3/2/2007	49946	KAEC	200.00	2007 Managers Association Dues
3/29/2007	50142	KAEC	643.44	x 2007 Ky Chamber of Commerce Dues
3/29/2007	50169	Pendleton Co Chamber of Con	300.00	x 2007 Membership Dues
3/29/2007	50002	RCCU-VISA	340.00	NSCC Membership
4/5/2007	50272	Greater Lex Chamber O Comn	344.00	x 2007 Member Dues
4/20/2007	50430	Georgetown-Scott County	160.00	x Dues
5/10/2007	50676	Ky State Board of License	150.00	2 yr license renewal Chris Brewer
4/1/2007	50200	Sam's Club	210.00	x Memberships
7/20/2007	51423	National Society of Accountant	165.00	Annual membership fee
7/20/2007	51445	Msf/credit report	125.00	R Peyton
8/31/2007	JE		35.00	x Membership dues
9/28/2007	52073	Frankfort Chamber of Commer	365.00	x Dues
10/12/2007	52154	American Express	50.00	NRECA E & A Conference
10/17/2007	52266	National Society of Accountant	165.00	2008 membership dues
10/17/2007	52283	NUTSEA	100.00	2008 annual dues
11/9/2007	52541	Woodford Co Chamber of Corr	12.00	x Sept membership mtg
11/9/2007	52548	Kiwanis of Jessamine Co.	100.00	x 2008 membership dues
12/6/2007	52720	Bluegrass Tomorrow	1,350.00	x 2007 Membership Pledge
12/7/2007	52737	RCCU-VISA	445.50	
12/12/2007	52800	IEEE INC. Reg 1-6	187.00	2008 Dues for Mike Williams
12/12/2007	52821	ISM	135.00	Renewal membership for Mike Williams
12/12/2007	52829	Ky Association Economic Dev	300.00	Membership Dues
12/20/2007	52924	Paris/Bourbon co Chamber	110.00	x Membership Dues
12/20/2007	52937	NREDA	665.00	Membership Dues
12/27/2007	52993	Richmond Chamber of Comm	550.00	x Membership Dues
12/27/2007	53010	ISM	135.00	Dues/Stacy Adkins
12/27/2007	53019	National Food & Energy Counc	1,050.00	Membership
1/10/2008	53047	RCCU-VISA	220.00	SHRM renewal
		NRECA	54,097.98	Dues
		KAEC	128,985.61	Dues
Total			<u>195,038.53</u>	
		Exclude for rate making purposes	<u>6,322.44</u>	

Blue Grass Energy
 Case No. 2008-00011
 Annual Meeting Expense 93060
 December 31, 2007

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<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>		<u>Description</u>
1/31/2007	48586	I C Innovations Inc.	3,736.42	x	Wallplate Thermometers
3/29/2007	50176	Cooperative Balloon Assoc.	1,211.97		Deposit 2007 Annual Mtg Balloon
4/1/2007	50231	Service Concepts	724.90	x	108 Digital Wall Plate Thermostats
4/12/2007	50348	Pro-Bots Promotional Robots	721.90		Deposit 2007 Annual Mtg.
4/20/2007	50417	Frenchburg Foods Inc.	1,298.00		Annual mtg deposit rental tank
5/10/2007	50622	Rees Printing Company	1,359.12		Bill inserts
5/10/2007	50651	Fastsigns	320.54		Annual mtg banner
5/10/2007	50652	Culver Company Inc.	2,288.76	x	1500 construction hats
5/30/2007	50857	Frenchburg Foods Inc.	1,298.00		Balance
5/30/2007	50874	Cooperative Balloon Associatic	1,211.97		Balloon rental
5/30/2007	50875	Pro-Bots Promotional Robots	721.90		Robot rental
5/30/2007	50881	Brad Burchett	100.00		Entertainment
5/30/2007	50882	Mercer Co 4-H	200.00		Face Painters
5/30/2007	50883	Anderson-Dean Community Pa	200.00		Park Donation
6/12/2007	50896	RCCU-Visa	1,052.09	x	Temp service, door prizes
6/12/2007	50943	Bayou Bluegrass Catering	6,767.44		Catering Deposit
6/12/2007	50955	Brandon Warren	850.00		Entertainment
6/12/2007	50956	Milspec Industries Inc.	9,300.00	x	Extensions Cords
6/12/2007	50958	National Envelope-Smyrna	2,100.54		Annual Mtg imprint envelope
6/15/2007	51031	Fastsigns	166.03		Annual Mtg Direction signs.
6/15/2007	51034	Culver Company Inc.	1,516.77	x	1000 construction hats
6/15/2007	51065	Ipromoteu Inc.	1,219.88	x	700 flying disks, 1000 balloons
5/10/2007	50646	Ben Wilson	125.00	x	2007 Nominating Committee
5/10/2007	50655	Robert Posey	125.00	x	2007 Nominating Committee
5/10/2007	50660	Jeff Noland	125.00	x	2007 Nominating Committee
5/10/2007	50669	Randy Chrisman	125.00	x	2007 Nominating Committee
5/10/2007	50670	Donald Cummins	125.00	x	2007 Nominating Committee
5/10/2007	50671	Donald Fields	125.00	x	2007 Nominating Committee
5/10/2007	50672	Connie L Agee	125.00	x	2007 Nominating Committee
5/10/2007	50681	John Mckinney	125.00	x	2007 Nominating Committee
5/10/2007	50700	Glen Gritton	125.00	x	2007 Nominating Committee
5/10/2007	50701	Sdarah Pierce	125.00	x	2007 Nominating Committee
5/30/2007	50825	RCCU-Visa	534.43	x	Nominating Committee meal
6/12/2007	50896	RCCU-Visa	26.49	x	Nominating Committee name tags
6/22/2007	51079	KAEC	3,178.89		Cover Wrap
6/12/2007	50905	Cindy McFarland	500.00	x	Annual Mtg Grand Prize
6/12/2007	50943	Bayou Bluegrass Catering	6,767.44		Catering
6/29/2007	50960	Reynolds Nursery	50.00		Mulch annual meeting.
6/29/2007	51210	Anderson-Dean Community Pa	800.00		Facilities use
6/29/2007	51211	Bayou Bluegrass Catering	2,006.85		Catering
7/11/2007	51225	KAEC	332.14		1200 Annual Report handouts
7/11/2007	51231	RCCU-VISA	1,366.45		Plaques, film, face paint, gift cards.
7/11/2007	51232	RCCU-Visa	471.25		Supplies annual meeting
7/11/2007	51274	A-1 Sanitation Services	295.80		Portable Toliet
7/11/2007	51276	Triple Crown	867.65		Cart Rental
7/11/2007	51306	Kentucky Press Service	3,915.90		2007 Annual Meeting Advertising
7/11/2007	51313	Coooperative Balloon Assoc.	300.20	x	2007 Annual Meeting Pins
7/11/2007	51342	Dynamix Productions	344.00		2007 Annual Mtg Advertising
6/30/2007	51319	Perryville Embroidery	3,940.02		Annual Meeting Shirts
7/20/2007	51442	Clear Channel Communication	228.00		Annual Mtg Advertising
7/20/2007	51470	High 5 Inc.	143.10		Annual meeting signs for tents

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Exhibit 11
page 17 of 17
Witness: Jim Adkins

Blue Grass Energy
Case No. 2008-00011
Annual Meeting Expense 93060
December 31, 2007

<u>Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>	<u>Description</u>
7/20/2007	51475	Hometown Radio Network	220.00	Annual Mtg Advertising Ads
8/8/2007	51504	RCCU-Visa	25.00	x Gift card
7/17/2007	51361	University of Kentucky	1,000.00	x Scholarship Lucy Snell
7/17/2007	51362	University of Kentucky	1,000.00	x Scholarship Joseph Jackson
7/17/2007	51364	Transylvania University	1,000.00	x Scholarship Sara Slattery
7/17/2007	51365	Eastern Kentucky University	1,000.00	x Scholarship Stephenie Schlueter
7/17/2007	51366	Asbury College	1,000.00	x Scholarship Angel Jones
7/17/2007	51368	Eastern Kentucky University	1,000.00	x Scholarship Jordan Yurt
7/17/2007	51371	Wheaton College	1,000.00	x Scholarship David Brown
7/17/2007	51372	Northern Kentucky University	1,000.00	x Scholarship Seth Hall
7/17/2007	51373	Massachusetts Institute Tech.	1,000.00	x Scholarship Cory Kays
7/17/2007	51374	Brigham Young University	1,000.00	x Scholarship Spencer Evans
9/18/2007	51916	KAEC	20,388.18	2007 Annual Mtg Rentals
	Labor		31,789.94	
	Benefits		18,395.09	
	Transportation		4,282.57	
	Total		<u>150,785.62</u>	
	Exclude for rate making purposes		<u>32,474.94</u>	x

Witness: Don Smothers

Blue Grass Energy
Case No. 2008-00011
Non-Operating Activities

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
415.00	Revenue from merchandising	174,649.74
415.10	Revenue from ETS	5,197.39
416.00	Cost of merchandising	(161,896.47)
416.10	Cost of ETS	(18,305.15)
417.65	Revenue from DTV installs	221.76
417.70	Surge protection	(16,162.37)
417.75	Credit card expenses	(2,040.22)
417.85	Internet expenses	<u>(3,308.63)</u>
	Net non-operating activities	<u><u>(21,643.95)</u></u>

This adjustment is to remove revenues and expenses associated with non-operating activities of Blue Grass.

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

Estimated rate case costs:

Attorney	\$5,000
Consulting	60,000
Advertising	5,000
Supplies and miscellaneous	<u>2,000</u>
Total	72,000
Number of years	<u>3</u>
Adjustment	<u><u>\$24,000</u></u>

In-house labor was not included in the above adjustment as the labor would be incurred in other accounts.

This amount is approximately the same as other rate requests filed before this Commission.

The monthly amounts filed for rate case expenses will include the labor, however, this amount is not included in the above adjustment.

Blue Grass Energy
Case No. 2008-00011
Analysis of Fuel Adjustment and Environmental Surcharge
December 31, 2007

An analysis of fuel adjustment and environmental surcharge as purchased and passed on to consumers as follows:

<u>Month</u>	<u>Sales</u>		<u>Purchased</u>	
	<u>Fuel Adjustment</u>	<u>Environmental Surcharge</u>	<u>Fuel Adjustment</u>	<u>Environmental Surcharge</u>
2007				
January	\$443,966.19	\$490,544.09	\$879,966.00	\$534,757.00
February	\$650,474.60	\$558,766.18	\$1,106,073.00	\$656,909.00
March	\$673,697.99	\$684,147.51	\$1,512,788.00	\$531,433.00
April	\$761,880.81	\$576,206.37	\$791,144.00	\$463,512.00
May	\$1,223,160.91	\$578,202.77	\$1,663,175.00	\$405,726.00
June	\$888,192.05	\$481,861.85	\$626,462.00	\$452,467.00
July	\$2,246,863.61	\$744,545.30	\$746,176.00	\$504,655.00
August	\$885,255.89	\$739,199.44	\$32,389.00	\$671,880.00
September	\$784,813.78	\$708,981.16	\$877,326.00	\$642,785.00
October	-\$184,190.65	\$504,481.50	\$303,753.00	\$471,701.00
November	\$746,852.72	\$528,736.27	\$127,859.00	\$450,489.00
December	<u>\$259,646.96</u>	<u>503776.17</u>	<u>\$115,236.00</u>	<u>\$478,018.00</u>
Total	<u>\$9,380,614.86</u>	<u>\$7,099,448.61</u>	<u>\$8,782,347.00</u>	<u>\$6,264,332.00</u>

the fuel purchased and environmental surcharge from East Kentucky Power Cooperative is passed on to the consumers using the Fuel Adjustment and Environmental Procedures established by this Commission.

Blue Grass Energy
Case No. 2008-00011
Purchased Power
Test Year Billing Determinants
December 31, 2007

Demand includes power factor penalty

	Billing Demand			Total KWH Billing			Green Power	Total Kwh	Metering Point	Substation Charge						
	2007	Sch B/C	Excess Contract	includes penalty Schedule E2	kw discount	Schedule B/C All KWH				Schedule E2 On-Peak	Schedule E2 Off-Peak	944	1473	2373	2855	4605
January	28,600	28,600	96	274,386		18,347,848	49,524,373	59,844,338	20,100	127,736,659	32	1	1	3	20	7
February	28,600	28,600	494	283,604		17,253,067	53,452,684	67,726,371	19,300	138,451,422	32	1		3	21	7
March	28,300	28,300	390	205,051	1,146	19,490,745	37,065,190	44,701,638	19,300	101,276,873	33	1		3	22	7
April	29,500	29,500	0	186,878	985	18,633,858	33,890,935	40,770,785	19,300	93,314,878	33	1		3	22	7
May	29,500	29,500	2,268	178,593	859	20,291,154	44,234,926	29,385,584	19,300	93,930,964	33	1		3	22	7
June	30,100	30,100	3,001	171,690		20,172,881	51,620,662	31,924,799	19,300	103,737,642	33	1		3	22	7
July	30,400	30,400	1,852	201,422		19,905,802	55,092,189	33,932,959	19,800	108,950,750	33	1		3	22	7
August	30,400	30,400	1,439	228,737		22,095,120	66,684,183	40,769,506	20,900	129,569,709	33	1		3	22	7
September	30,000	30,000	2,993	201,995		20,347,413	49,284,436	30,748,471	20,700	100,401,020	33	1		3	22	7
October	29,500	29,500	2,910	178,757		20,361,170	32,394,066	37,648,658	20,700	90,424,594	33	1		3	22	7
November	29,300	29,300	1,338	204,940		17,819,118	38,078,301	44,781,209	20,600	100,699,228	33	1		3	22	7
December	29,300	29,300	1,748	219,837		17,343,301	47,943,351	57,305,127	20,700	122,612,479	33	1		3	22	7
Total	353,500	353,500	18,529	2,535,890	2,990	232,061,477	559,265,296	519,539,445	240,000	1,311,106,218	394	12	1	36	261	84

	<u>Residential Consumers</u>			
	<u>GS-1</u>	<u>Sch R</u>	<u>Sch A</u>	
9	December, 2006	25,122	11,845	14,152
10	January, 2007	25,136	11,843	14,158
11	February	25,121	11,892	14,180
12	March	25,295	11,900	14,289
13	April	25,125	11,856	14,159
14	May	25,446	11,954	14,265
15	June	25,479	11,961	14,257
16	July	25,334	11,940	14,272
17	August	25,462	12,012	14,310
18	September	25,632	12,028	14,361
19	October	25,347	11,943	14,273
20	November	25,551	11,994	14,368
21	December	25,690	12,052	14,422
22				
23	Average	25,365	11,940	14,267
24				
25	Increase	<u>325</u>	<u>112</u>	<u>155</u>
26				
27	Test year base revenue	29,425,507	12,751,166	14,966,214
28	kwh useage	434,562,009	179,032,252	191,828,392
29				
30	Average per kwh	0.06771	0.07122	0.07802
31				
32	Total billings	304,618	143,375	171,314
33				
34	Average monthly kwh use	1,427	1,249	1,120
35				
36	Increase in consumers, times average use,			
37	times average rate, times 12 months,			
38	equals additional revenues			
39				
40	Increase in revenues	376,732	119,530	162,492
41				
42	Increase in consumers, times average use,			
43	times average cost per kwh purchased,			
44	times 12 months,			
45	equals additional power cost			
46				
47	Increase in power cost	259,982	78,422	97,323
48				
49	Net increase	116,751	41,107	65,169
50				
51	Adjustment	<u>279,466</u>		
52				
	#REF! Base power cost			61,266,019
	#REF!			
	#REF! Kwh purchased			1,311,106,218
	#REF!			
	#REF! Cost per kwh purchased			0.04673

	<u>Commercial Consumers</u>			
	<u>C-1</u>	<u>Sch C</u>	<u>Rate 2</u>	
9	December, 2006	1,272	423	330
10	January, 2007	1,258	425	332
11	February	1,235	424	328
12	March	1,269	420	333
13	April	1,294	421	330
14	May	1,282	423	331
15	June	1,282	424	340
16	July	1,286	423	340
17	August	1,291	427	343
18	September	1,309	425	347
19	October	1,287	425	345
20	November	1,293	431	349
21	December	1,327	435	347
22				
23	Average	1,283	425	338
24				
25	Increase	<u>44</u>	<u>10</u>	<u>9</u>
26				
27	Test year base revenue	2,899,461	724,985	552,810
28	kwh useage	35,732,767	9,104,595	6,314,722
29				
30	Average per kwh	0.08114	0.07963	0.08754
31				
32	Total billings	15,413	5,103	4,065
33				
34	Average monthly kwh use	2,318	1,784	1,553
35				
36	Increase in consumers, times average use,			
37	times average rate, times 12 months,			
38	equals additional revenues			
39				
40	Increase in revenues	99,326	17,048	14,687
41				
42	Increase in consumers, times average use,			
43	times average cost per kwh purchased,			
44	times 12 months,			
45	equals additional power cost			
46				
47	Increase in power cost	57,200	10,005	7,840
48				
49	Net increase	42,126	7,044	6,848
50				
51	Adjustment			
52				
	#REF! Base power cost			
	#REF!			
	#REF! kwh purchased			
	#REF!			
	#REF! Cost per kwh purchased			

	LP-1	Sch L	Large Power Consumers Rate 8
9 December, 2006	88	10	19
10 January, 2007	88	10	19
11 February	84	10	20
12 March	88	10	20
13 April	89	10	21
14 May	90	10	19
15 June	91	10	18
16 July	90	10	19
17 August	89	10	19
18 September	91	10	19
19 October	90	10	19
20 November	92	9	19
21 December	90	9	19
22			
23 Average	89	10	19
24			
25 Increase	1	(1)	0
26			
27 Test year base revenue	2,823,306	209,721	535,719
28 kwh useage	44,482,000	2,822,338	7,516,501
29			
30 Average per kwh	0.06347	0.07431	0.07127
31			
32 Total billings	1,072	118	231
33			
34 Average monthly kwh use	41,494	23,918	32,539
35			
36 Increase in consumers, times average use, 37 times average rate, times 12 months, 38 equals additional revenues			
39			
40 Increase in revenues	31,604	(21,328)	0
41			
42 Increase in consumers, times average use, 43 times average cost per kwh purchased, 44 times 12 months, 45 equals additional power cost			
46			
47 Increase in power cost	23,268	(13,412)	0
48			
49 Net increase	8,337	(7,916)	0
50			
51 Adjustment			
52			
#REF! Base power cost			
#REF!			
#REF! Kwh purchased			
#REF!			
#REF! Cost per kwh purchased			

	Industrial Consumers -->						
	LP-2	Sch_N	LPR1	Sch_B1	B-2	LPR_2	
9	December, 2006	13	2	2	1	5	1
10	January, 2007	13	2	2	1	5	1
11	February	13	2	2	1	5	1
12	March	13	2	2	1	5	1
13	April	13	2	2	1	5	1
14	May	13	2	2	1	5	1
15	June	13	2	2	1	5	1
16	July	13	2	2	1	5	1
17	August	13	2	2	1	5	1
18	September	13	2	2	1	5	1
19	October	13	2	2	1	5	1
20	November	13	2	2	1	5	1
21	December	13	2	2	1	5	1
22							
23	Average	13	2	2	1	5	1
24							
25	Increase	0	0	0	0	0	0
26							
27	Test year base revenue	3,374,081	724,312	386,897	1,075,989	7,264,082	2,491,709
28	kwh useage	62,053,980	12,690,531	6,295,920	23,328,000	155,679,600	52,984,800
29							
30	Average per kwh	0.05437	0.05707	0.06145	0.04612	0.04666	0.04703
31							
32	Total billings	156	24	24	12	60	12
33							
34	Average monthly kwh use	397,782	528,772	262,330	1,944,000	2,594,660	4,415,400
35							
36	Increase in consumers, times average use,						
37	times average rate, times 12 months,						
38	equals additional revenues						
39							
40	Increase in revenues	0	0	0	0	0	0
41							
42	Increase in consumers, times average use,						
43	times average cost per kwh purchased,						
44	times 12 months,						
45	equals additional power cost						
46							
47	Increase in power cost	0	0	0	0	0	0
48							
49	Net increase	0	0	0	0	0	0
50							
51	Adjustment						
52							
#REF!	Base power cost						
#REF!							
#REF!	Kwh purchased						
#REF!							
#REF!	Cost per kwh purchased						

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

1
2
3
4
5
6
7
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9
10
11
12
13
14
15
16
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18
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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>\$7,838,023</u>

Form 7

Borrower Statistical Profile (BSP)

Exhibit 17
Page 1 of 4

Borrower: KY0064

Last Calculated: 09:40:46 Oct 04, 2007

Item	2004	2005	2006
1. TIER	1.30	1.35	1.25
2. Average TIER	2.38	1.80	1.32
3. OTIER	1.26	1.33	1.07
4. Average OTIER	1.20	1.30	1.30
5. MTIER	1.24	1.32	1.16
6. DSC	1.29	1.52	1.47
7. Average DSC	2.10	1.72	1.50
8. ODSC	1.27	1.51	1.36
9. Average ODSC	1.38	1.41	1.44
10. MDSC	1.26	1.50	1.42
11. PRR	7.06	7.06	7.49
12. Equity Ratio	30.86	28.76	27.26
13. Modified Equity Ratio %	17.50	16.70	15.96
14. Operating Revenue/Mile \$	11,989.45	19,222.80	19,915.51
15. General Funds/Total Plant %	1.08	1.12	1.17
16. Current Ratio	0.44	0.85	0.55
17. Operating Margins/Rate Base %	0.51	0.81	0.12
18. Rate of Return on Rate Base %	2.97	3.74	3.38
19. Pat. Cap. Retired/Tot. Pat. Cap. %	23.26	22.86	22.59
20. Pat. Cap. Retired/Net Margins %	35.31	9.09	7.77
21. Average Total Consumers Served	50,775.00	52,068.00	53,175.00
22. Consumers/Mile (Density)	8.73	11.88	11.94
23. Consumers/Employee	452.67	462.64	465.97
24. Long Term Debt/Consumer \$	1,423.68	1,722.07	1,789.73
25. Dist. + General Plant/Consumer \$	2,666.12	2,783.94	2,958.78
26. Net Margins/Avg. Consumer \$	16.36	23.43	20.94
27. Avg. Mo. kWh/Resd. Cons. (Excl. Seas.)	1,238.15	1,312.67	1,251.86
28. Avg. Mo. kWh/Resd. Cons.	1,238.15	1,312.67	1,251.86
29. Cust. Acct. Exp./Avg. Consumer \$	45.64	44.99	47.01
30. Adm. & Gen. Exp./Avg. Consumer \$	67.14	71.05	73.69
31. Cust. Svc. & Info. Exp./Avg. Consumer \$	16.14	13.35	16.41
32. O+M + A&G + Cust. Acct./Avg. Consumer	233.05	231.10	231.56
33. Power Cost + Tax + Depr. + Int./Avg. Consumer	1,132.92	1,370.40	1,426.14
34. Number of Employees	114.00	114.00	115.00
35. Average Rate Per Hour \$	23.14	24.64	25.18
36. Overtime Hours/Total Hours %	5.96	5.54	5.00
37. Capitalized Payroll/Total Pay %	28.40	25.37	27.47
38. MWh Sold/1,000	1,111.05	1,187.06	1,176.19
39. Annual % Change in MWh Sold	2.42	6.84	-0.92
40. MWh/Mile of Line	187.93	267.35	262.13
41. Revenue/MWh (Residential ex Seasonal) \$	68.49	76.20	80.27
42. Operating Revenue/MWh (Total Sales) \$	63.80	71.90	75.97
43. Operating Rev. Less Cost of Power/MWh \$	18.39	18.69	19.56
44. Cost of Power/MWh Sold \$	45.40	53.21	56.42
45. Comm. + Indus. + Irr. MWh/Total MWh %	34.81	33.63	34.77
46. O+M+ A&G + Cust. Acct. Exp./MWh Sold \$	10.65	10.14	10.47
47. Total Plant/\$1,000	144,292.82	156,633.31	172,232.06

Form 7

Borrower Statistical Profile (BSP)

Exhibit 17
Page 2 of 4

Borrower: KY0064

Last Calculated: 09:40:46 Oct 04, 2007

Item	2004	2005	2006
48. Total Plant/MWh Sold \$	129.87	131.95	146.43
49. Total Plant/Mile of Line \$	24,406.77	35,277.77	38,384.68
50. O+M Exp./\$1,000 Total Plant	42.32	38.25	34.23
51. Taxes/\$1,000 Total Plant	0.02	0.02	0.01
52. Accum. Deprec./Plant in Service %	23.00	22.83	22.08
53. Net New Plant/Total Plant %	6.86	8.55	9.96
54. General Plant \$/Consumer	162.15	166.97	162.86
55. Headqtr Plant \$/Consumer	101.16	116.74	159.36
56. Long Term Debt/Total Assets %	51.92	58.15	56.92
57. Interest Long Term/Average Long Term Debt %	3.84	4.25	4.74
58. RUS Debt/Total Long Term Debt %	62.52	70.21	73.98
59. Interest Exp./Operating Revenue %	3.87	4.09	4.95
60. Int. Exp./Oper. Rev. - Cost of Pwr %	13.43	15.73	19.22
61. Cost of Power/Operating Revenue %	71.17	74.01	74.26
62. Electric Inventory Turnover Ratio	2.58	3.02	2.60
63. Electric Inventory EOY/Total Plant %	0.64	0.72	0.73
64. Constr. W.I.P./Plt. Additions %	12.66	28.75	29.28
65. Net New Service/Total Serv. %	3.09	2.96	2.47
66. Idle Service/Total Serv. %	5.50	5.50	5.50
67. Annual Load Factor %	46.96	48.91	47.42
68. System Loss %	5.32	4.38	3.14
69. Total Hrs. Outage Per Cons. (Curr. Yr.)	5.68	1.97	2.07
70. Amt. Due Over 60 Days/Operating Rev. %	0.03	0.05	0.03
71. Amt. Written Off/Operating Rev. %	0.41	0.29	0.43
72. Other Int. Incm. - Exp./\$1,000 Plt	-0.03	-0.62	-0.26

REPORT NO. 168.1

BORROWER STATISTICAL PROFILE

10/12/06

KY 64 BLUE GRASS ENERGY COOP CORP

SUPPLIED BY: East Kentucky Power Coop, Inc (KY0059)

ITEM	BORROWER DATA			MEDIAN VALUES			STATE VALUES				FLAG
	2003	2004	2005	U.S.	PEER GROUP	STATE	MAX	Q3	Q1	MIN	
FINANCIAL RATIOS											
1. TIER (ONE YEAR)	2.26	1.30	1.35	2.19	1.45	1.71	182.60	2.06	1.24	0.31	
2. AVERAGE TIER	2.58	2.38	1.81	2.43	2.15	2.04	152.46	2.49	1.87	1.53	LO
3. OTIER (ONE YEAR)	1.11	1.26	1.33	1.79	1.27	1.45	156.56	1.97	0.85	0.39	
4. AVERAGE OTIER	1.31	1.20	1.30	2.01	1.47	1.60	131.05	1.95	1.35	0.89	LO
5. MTIER (ONE YEAR)	1.12	1.24	1.32	1.85	1.41	1.64	182.60	2.00	1.19	0.27	
6. DSC (ONE YEAR)	1.91	1.29	1.52	1.99	1.55	1.64	60.28	2.03	1.29	0.99	
7. AVERAGE DSC	2.44	2.10	1.72	2.15	2.02	2.01	57.18	2.36	1.72	1.43	
8. ODSC (ONE YEAR)	1.31	1.27	1.51	1.76	1.50	1.60	55.65	1.96	1.22	0.76	
9. AVERAGE ODSC	1.63	1.39	1.41	1.90	1.67	1.74	53.04	1.97	1.53	0.89	LO
10. MDSC (ONE YEAR)	1.32	1.26	1.50	1.80	1.53	1.63	60.28	2.02	1.27	0.97	
11. PRR (ONE YEAR)	6.81	7.06	7.06	6.43	6.64	6.20	7.78	7.00	5.69	4.73	HI
12. EQUITY RATIO %	33.07	30.86	28.76	41.81	35.39	36.14	87.57	41.35	30.81	26.87	LO
13. MODIFIED EQUITY %	18.78	17.50	16.70	33.11	22.38	25.73	87.57	35.41	21.09	14.90	LO
14. OPERATING REVENUE / MILE \$	11041.84	11989.45	19222.80	8525.94	14181.20	14332.05	41831.51	18636.92	11540.47	9316.93	HI
15. GENERAL FUNDS/TOTAL PLANT %	0.46	1.08	1.12	4.30	1.43	1.75	18.81	4.70	1.09	0.13	
16. CURRENT RATIO	0.52	0.44	0.85	1.28	1.10	1.12	3.80	1.67	0.84	0.62	
17. OPERATING MARGINS/RATE BASE%	0.23	0.51	0.81	1.97	0.74	1.21	5.27	2.83	-0.88	-1.84	
18. RATE OF RETURN ON RATE BASE%	2.99	2.97	3.74	4.85	4.38	4.46	7.03	5.51	2.71	1.16	
19. PAT.CAP.RETIRED/ TOT P.CAP.%	21.49	23.26	22.86	23.39	13.43	13.28	49.78	24.40	0.00	0.00	
20. PAT.CAP.RETIRED/NET MARGINS%	28.38	35.31	9.09	26.59	14.57	13.86	162.65	55.21	0.00	-12.83	
CONSUMER RATIOS											
21. AVG. TOTAL CONSUMERS SERVED	49421.00	50775.00	52068.00	11847.00	24295.00	26515.00	60922.00	50438.00	22993.00	3739.00	
22. CONSUMERS / MILE (DENSITY)	8.57	8.73	11.88	5.83	9.04	9.05	12.85	10.30	7.75	5.46	HI
23. CONSUMERS / EMPLOYEE	439.46	452.67	462.64	276.69	417.85	395.49	585.29	462.64	350.52	287.08	
24. LONG TERM DEBT / CONSUMER \$	1389.28	1423.68	1722.07	1687.57	1452.13	1403.67	2325.71	1769.06	1211.94	8.34	
25. DIST+GENERAL PLT/ CONSUMER \$	2559.46	2666.12	2783.94	3447.65	2709.68	2725.30	3706.47	2975.04	2588.36	2087.17	
26. NET MARGINS / AVG.CONSUMER \$	73.75	16.36	23.43	98.98	32.69	42.83	113.89	82.31	13.70	-38.51	
27. AVG.MD.KWH/RESD CONS EX SEAS	1242.53	1238.15	1312.67	1177.87	1248.71	1307.84	1412.03	1347.37	1139.73	1091.12	
28. AVG.MD.KWH/RESD CONS	1242.53	1238.15	1312.67	1131.92	1227.35	1298.50	1412.03	1347.37	1127.24	1091.12	
29. CUST. ACCT. EXP./ AVG.CONS \$	42.23	45.64	44.99	50.62	51.70	50.59	64.17	56.23	42.26	37.12	
30. ADM. & GEN. EXP./ AVG.CONS \$	72.49	67.14	71.05	98.60	59.13	57.02	106.39	71.05	48.10	41.65	
31. CUST SERV &INFO / AVG.CONS \$	15.51	16.14	13.35	9.65	8.47	6.83	20.86	8.90	3.70	1.19	HI
32. O+M+A&G+CUST ACCT/AVG.CONS \$	238.23	233.05	231.10	324.47	240.05	252.30	405.91	285.35	230.85	180.48	
33. PWR COST+TAX+DEP+INT/AVGCONS	1045.76	1132.92	1370.40	1202.99	1279.28	1297.65	5072.99	1594.97	1145.03	758.71	

REPORT NO. 168.1
KY 64 BLUE GRASS ENERGY COOP CORP

BORROWER STATISTICAL PROFILE
SUPPLIED BY: East Kentucky Power Coop, Inc (KY0059)

10/12/06

ITEM	BORROWER DATA			MEDIAN VALUES			STATE VALUES			MIN	FLAG
	2003	2004	2005	U.S.	PEER GROUP	STATE	MAX	Q3	Q1		
EMPLOYEE COSTS											
34. NUMBER OF EMPLOYEES	114.00	114.00	114.00	43.00	58.00	71.00	161.00	122.00	48.00	13.00	
35. AVERAGE RATE PER HOUR \$	22.43	23.14	24.64	23.74	23.49	24.41	28.66	25.68	21.07	19.75	
36. OVERTIME HOURS/TOTAL HOURS %	6.15	5.96	5.54	5.81	6.57	6.82	13.05	8.96	4.70	2.82	
37. CAPITLZD PAYROLL/TOTAL PAY %	30.73	28.40	25.37	23.03	26.10	26.12	35.45	31.50	22.50	17.62	
MWH SOLD											
38. MWH SOLD / 1000	1084.75	1111.05	1187.06	226.72	508.71	648.36	9348.04	1133.47	428.77	99.14	
39. ANNUAL % CHANGE IN KWH SOLD%	1.27	2.42	6.84	4.49	6.04	5.94	9.43	6.84	1.66	-6.45	
40. MWH / MILE OF LINE	185.52	187.93	267.35	98.29	186.28	197.49	1351.85	258.71	145.76	108.22	HI
41. REVENUE / MWH(RESID EX SEAS)\$	64.07	68.49	76.20	87.80	75.80	75.76	88.20	80.06	72.89	61.88	
42. OP.REV / MWH(TOTAL SALES) \$	59.52	63.80	71.90	82.71	72.26	72.04	86.09	79.50	68.10	30.94	
43. OP.REV LESS COST POWER/MWH \$	18.27	18.39	18.69	33.35	18.62	19.60	30.85	25.81	17.68	3.13	
44. COST OF POWER / MWH SOLD \$	41.24	45.40	53.21	51.82	54.04	53.68	55.44	54.62	50.62	27.81	
45. COMM+IND+IRR MWH/TOTAL MWH %	34.76	34.81	33.63	33.46	33.00	36.22	92.15	50.07	27.86	20.93	
46. O+M+A&G+CUST ACCT EXP /MWH \$	10.85	10.65	10.14	17.25	11.10	11.20	17.39	14.10	8.71	1.94	
PLANT INVESTMENT											
47. TOTAL PLANT / 1000	\$135033.31	144292.81	156633.25	47814.01	71937.69	79833.25	209103.12	147346.69	54455.87	11844.18	
48. TOTAL PLANT / MWH SOLD \$	124.48	129.87	131.95	213.56	130.57	130.00	200.48	173.66	106.65	22.37	
49. TOTAL PLANT / MILE OF LINE \$	23094.46	24406.77	35277.77	21255.12	26015.14	26132.54	35277.77	30239.07	22757.90	16106.67	HI
50. O+M EXP/ \$1000 TOTAL PLANT \$	45.20	42.32	38.25	44.11	46.60	46.96	79.68	55.46	42.65	36.95	LO
51. TAXES / \$1000 TOTAL PLANT \$	-0.13	0.02	0.02	4.63	0.51	0.53	18.53	2.65	0.45	0.02	LO
52. ACCUM. DEPREC/PLANT IN SVC %	23.34	23.00	22.83	31.27	24.47	25.90	46.92	30.20	21.98	14.00	
53. NET NEW PLANT/TOTAL PLANT %	5.34	6.86	8.55	4.99	5.95	5.79	8.59	6.51	4.99	3.53	HI
54. GENERAL PLANT / CONSUMER \$	158.01	162.15	166.97	256.60	145.80	155.48	290.34	180.04	122.46	92.02	
55. HEADQTR PLANT / CONSUMER \$	97.54	101.16	116.74	126.70	78.77	80.26	294.54	116.74	62.43	20.19	
LONG TERM DEBT											
56. LONG TERM DEBT/TOTAL ASSETS%	52.76	51.92	58.15	46.35	52.66	50.16	59.67	55.91	46.41	0.33	HI
57. INTEREST L.T. /AVG L.T.DEBT%	4.23	3.84	4.25	5.10	4.46	4.77	6.42	5.05	4.25	3.80	
58. RUS DEBT / TOTAL L.T. DEBT %	56.14	62.52	70.21	78.90	81.90	78.12	100.00	85.70	66.03	42.73	
REVENUE											
59. INTEREST EXP. / OP.REVENUE %	4.49	3.87	4.09	4.90	4.25	4.09	6.51	5.43	2.80	0.03	
60. INT. EXP./OP.REV-POWER COST%	14.63	13.43	15.73	13.07	15.24	14.92	21.44	15.75	12.53	0.09	
61. COST OF POWER / OP.REVENUE %	69.29	71.17	74.01	60.11	73.94	73.23	89.88	74.54	67.14	57.52	
OPERATING RATIOS											
62. ELEC.INV. TURNOVER RATIO	1.65	2.58	3.02	1.58	2.25	2.21	6.07	3.02	1.68	-0.69	
63. ELEC.INV. EOY /TOTAL PLANT %	0.83	0.64	0.72	1.18	0.69	0.71	2.15	0.87	0.55	0.33	
64. CONSTR W.I.P./PLT ADDITIONS%	25.60	12.66	28.75	29.58	20.59	22.58	89.38	44.92	11.13	1.65	
65. NET NEW SERVICE/TOTAL SERV %	2.65	3.09	2.96	1.63	1.88	1.73	4.41	2.68	1.16	0.41	HI
66. IDLE SERVICE/TOTAL SERVICE %	5.50	5.50	5.50	8.13	8.21	8.34	17.38	13.30	5.50	1.03	
67. ANNUAL LOAD FACTOR	45.18	46.96	48.91	51.12	48.83	50.18	86.60	55.97	45.92	42.86	
68. SYSTEM LOSS %	4.66	5.32	4.38	6.27	4.68	4.89	7.05	5.90	4.28	0.53	
69. TOT.HRS.OUTAGE PER CONS(1YR)	19.03	5.68	1.97	3.47	2.02	2.11	11.41	3.28	1.67	0.50	
70. AMT. OVER 60 DAYS/OPER.REV %	0.03	0.03	0.05	0.22	0.13	0.13	0.87	0.28	0.06	0.00	LO
71. AMT. WRITTEN OFF /OPER.REV %	0.34	0.41	0.29	0.18	0.30	0.26	3.21	0.36	0.20	0.07	
72. OTHER INTR INC-EXP/\$1000 PLT	0.27	-0.03	-0.62	2.05	0.68	1.16	24.28	3.41	-0.45	-1.60	LO

08/01/2007

2006 Key Ratio Trend Analysis (KRTA)
Blue Grass Energy Cooperative Corporation (KY064)

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2001-2006)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
BASE GROUP (RATIOS 1-5)																
RATIO 1 -- AVERAGE TOTAL CONSUMERS SERVED																
2002	48,347	11,545	821	60	25,084	23	5	47,338	42	16	23,498	16	3	N/A	N/A	N/A
2003	49,421	11,779	817	63	25,553	23	5	48,411	46	17	24,024	16	3	40,959	3	1
2004	50,775	12,167	818	65	26,118	23	5	48,457	51	17	24,428	16	3	50,775	1	1
2005	52,068	12,361	819	68	26,515	23	5	47,569	51	17	24,295	16	3	40,383	2	1
2006	53,175	12,605	818	67	27,008	23	5	48,234	53	14	24,676	16	3	30,603	2	1
RATIO 2 -- TOTAL KWH SOLD (1,000)																
2002	1,071,167	218,960	821	56	607,779	23	4	935,061	42	12	468,537	16	2	N/A	N/A	N/A
2003	1,084,749	224,215	817	60	594,991	23	4	927,505	46	12	481,017	16	2	1,084,749	3	2
2004	1,111,050	232,994	818	59	608,568	23	4	937,603	51	11	499,859	16	2	1,111,050	1	1
2005	1,187,056	243,131	819	56	648,361	23	4	972,795	51	10	508,708	16	2	880,562	2	1
2006	1,176,191	250,709	818	61	630,211	23	4	976,446	53	13	498,633	16	2	645,453	2	1
RATIO 3 -- TOTAL UTILITY PLANT (1,000)																
2002	128,182.69	42,396.81	823	88	65,441.95	23	4	141,295.34	42	32	59,480.54	16	2	N/A	N/A	N/A
2003	135,033.32	44,826.10	820	95	68,572.49	23	5	153,875.57	46	35	62,840.95	16	3	135,033.32	3	2
2004	144,292.82	46,942.59	818	94	73,516.43	23	5	158,791.96	51	37	67,087.02	16	3	144,292.82	1	1
2005	156,633.30	49,101.95	820	90	79,833.29	23	5	167,845.41	51	32	71,937.74	16	3	161,719.89	2	2
2006	172,232.06	52,313.13	819	90	84,022.86	23	5	177,648.57	53	31	77,543.52	16	3	109,383.18	2	1
RATIO 4 -- TOTAL NUMBER OF EMPLOYEES (FULL TIME ONLY)																
2002	115	44	821	108	72	23	6	143	42	38	58	16	3	N/A	N/A	N/A
2003	114	44	815	110	73	23	7	141	45	42	58	16	4	114	3	2
2004	114	45	818	113	73	23	7	137	51	42	59	16	4	114	1	1
2005	114	45	819	116	71	23	7	137	51	43	58	16	4	103	2	1
2006	115	46	815	113	71	23	7	139	53	42	59	16	4	74	2	1
RATIO 5 -- TOTAL MILES OF LINE																
2002	5,794	2,419	821	57	3,277	23	3	4,978	42	13	3,141	16	2	N/A	N/A	N/A
2003	5,847	2,459	817	60	3,324	23	3	5,130	46	15	3,181	16	2	5,847	3	2
2004	5,912	2,490	818	62	3,386	23	3	5,108	51	16	3,227	16	2	5,912	1	1
2005	4,440	2,510	818	148	3,421	23	7	5,032	51	33	3,257	16	4	3,945	2	1
2006	4,487	2,536	816	150	3,456	23	6	5,165	53	35	3,296	16	3	3,062	2	1
FINANCIAL (RATIOS 6-32)																
RATIO 6 -- TIER																
2002	2.49	2.30	823	362	2.80	23	16	2.11	42	14	3.24	16	16	N/A	N/A	N/A
2003	2.26	2.28	820	420	2.57	23	17	1.79	46	14	2.82	16	15	2.62	3	3
2004	1.30	2.33	818	755	1.59	23	19	1.89	51	47	1.38	16	12	1.30	1	1
2005	1.35	2.20	820	733	1.71	23	16	1.91	51	44	1.45	16	10	1.28	2	1
2006	1.25	2.29	819	768	1.29	23	14	2.15	53	48	1.27	16	9	1.50	2	2

RATIO 7 --- TIER (2 OF 3 YEAR HIGH AVERAGE)

2002	2.58	2.35	823	343	2.75	23	14	2.15	42	13	2.88	16	13	N/A	N/A	N/A
2003	2.58	2.42	820	364	2.90	23	16	2.12	46	15	3.07	16	15	2.52	3	1
2004	2.37	2.53	818	461	2.90	23	16	2.09	51	20	3.00	16	15	2.37	1	1
2005	1.80	2.47	820	669	2.04	23	19	2.09	51	36	2.15	16	14	2.06	2	2
2006	1.33	2.49	819	797	1.72	23	18	2.20	53	53	1.59	16	11	1.59	2	2

RATIO 8 --- OTIER

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.26	1.86	818	688	1.43	23	17	1.65	51	44	1.27	16	10	1.26	1	1
2005	1.33	1.80	820	657	1.45	23	14	1.66	51	40	1.27	16	8	1.48	2	2
2006	1.07	1.79	819	746	1.19	23	14	1.72	53	48	1.09	16	9	1.38	2	2

RATIO 9 --- OTIER (2 OF 3 YEAR HIGH AVERAGE)

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.26	1.86	818	688	1.43	23	17	1.65	51	44	1.27	16	10	1.26	1	1
2005	1.29	1.84	820	688	1.41	23	15	1.66	51	44	1.29	16	8	1.74	2	2
2006	1.29	1.99	819	753	1.52	23	16	1.89	53	51	1.30	16	9	1.47	2	2

RATIO 10 --- MODIFIED DSC (MDSC)

2002	1.46	2.02	823	728	1.97	23	23	1.96	42	37	1.95	16	16	N/A	N/A	N/A
2003	1.35	2.01	820	769	1.87	23	21	1.86	46	44	1.68	16	14	1.78	3	3
2004	1.28	1.92	818	771	1.70	23	21	1.94	51	48	1.52	16	14	1.28	1	1
2005	1.53	1.90	820	646	1.67	23	13	1.81	51	40	1.53	16	8	1.44	2	1
2006	1.39	1.91	819	727	1.40	23	14	1.92	53	45	1.40	16	10	1.39	2	2

RATIO 11 --- MDSC (2 OF 3 YEAR HIGH AVERAGE)

2002	1.64	2.15	823	709	1.95	23	23	2.18	42	40	1.87	16	16	N/A	N/A	N/A
2003	1.64	2.14	820	707	1.95	23	23	2.06	46	41	1.93	16	16	1.92	3	3
2004	1.41	2.12	818	790	1.94	23	23	2.02	51	50	1.84	16	16	1.41	1	1
2005	1.44	2.06	820	775	1.81	23	20	2.02	51	50	1.70	16	13	1.69	2	2
2006	1.46	2.02	819	758	1.63	23	16	2.00	53	50	1.56	16	10	1.51	2	2

RATIO 12 --- DEBT SERVICE COVERAGE (DSC)

2002	2.28	2.15	823	357	2.49	23	17	2.23	42	19	2.83	16	16	N/A	N/A	N/A
2003	1.93	2.13	820	510	2.25	23	20	1.99	46	27	2.36	16	14	2.10	3	3
2004	1.29	2.09	818	779	1.63	23	21	2.02	51	48	1.53	16	14	1.29	1	1
2005	1.52	2.07	820	702	1.64	23	15	2.04	51	43	1.56	16	10	1.29	2	1
2006	1.47	2.11	819	725	1.48	23	13	2.23	53	44	1.48	16	9	1.44	2	1

RATIO 13 --- DSC (2 OF 3 YEAR HIGH AVERAGE)

2002	2.43	2.28	823	338	2.45	23	14	2.34	42	19	2.53	16	13	N/A	N/A	N/A
2003	2.43	2.27	820	334	2.50	23	14	2.25	46	16	2.61	16	13	2.43	3	2
2004	2.11	2.30	818	492	2.41	23	18	2.23	51	30	2.46	16	16	2.11	1	1
2005	1.73	2.24	820	685	2.01	23	19	2.25	51	41	2.02	16	13	1.65	2	1
2006	1.50	2.23	819	771	1.66	23	16	2.30	53	50	1.58	16	10	1.63	2	2

RATIO 14 --- ODSC

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.27	1.85	818	755	1.61	23	21	1.90	51	47	1.48	16	14	1.27	1	1

2005	1.51	1.82	820	616	1.60	23	13	1.80	51	40	1.50	16	8	1.41	2	1
2006	1.36	1.80	819	700	1.36	23	13	1.88	53	45	1.36	16	9	1.37	2	2

RATIO 15 --- ODSC (2 OF 3 YEAR HIGH AVERAGE)

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.27	1.85	818	755	1.61	23	21	1.90	51	47	1.48	16	14	1.27	1	1
2005	1.39	1.85	820	716	1.62	23	16	1.84	51	46	1.49	16	11	1.42	2	2
2006	1.44	1.93	819	736	1.62	23	15	1.99	53	49	1.50	16	10	1.49	2	2

RATIO 16 --- EQUITY AS A % OF ASSETS

2002	33.25	43.34	823	671	39.28	23	19	38.46	42	30	39.28	16	14	N/A	N/A	N/A
2003	33.07	43.29	820	670	39.01	23	18	36.91	46	29	39.01	16	13	27.47	3	1
2004	30.86	42.78	818	712	38.01	23	20	36.64	51	36	37.43	16	14	30.86	1	1
2005	28.76	42.32	820	746	36.14	23	22	36.33	51	41	35.39	16	16	24.41	2	1
2006	27.26	42.01	819	757	36.48	23	21	35.90	53	44	35.76	16	15	26.44	2	1

RATIO 17 --- DISTRIBUTION EQUITY (EXCLUDES EQUITY IN ASSOC. ORG'S PATRONAGE CAPITAL)

2002	23.53	38.26	823	764	30.08	23	21	34.99	42	35	29.58	16	14	N/A	N/A	N/A
2003	21.91	38.49	820	776	30.39	23	22	31.98	46	40	28.91	16	15	21.91	3	2
2004	20.20	37.86	818	787	30.08	23	23	31.97	51	44	27.55	16	16	20.20	1	1
2005	18.99	36.92	820	788	28.25	23	22	30.19	51	46	26.09	16	15	18.90	2	1
2006	17.99	36.38	819	793	27.38	23	22	31.05	53	51	26.55	16	15	20.36	2	2

RATIO 18 --- EQUITY AS A % OF TOTAL CAPITALIZATION

2002	37.69	48.73	823	670	45.79	23	19	45.77	42	31	46.46	16	14	N/A	N/A	N/A
2003	38.53	48.60	820	650	44.41	23	18	43.61	46	30	44.41	16	13	31.73	3	1
2004	37.28	48.20	818	665	43.36	23	18	43.56	51	35	42.76	16	13	37.28	1	1
2005	33.09	47.82	820	742	41.16	23	22	41.63	51	40	40.36	16	16	28.09	2	1
2006	32.38	47.27	819	746	41.59	23	20	43.32	53	44	39.05	16	15	29.80	2	1

RATIO 19 --- LONG TERM DEBT AS A % OF TOTAL ASSETS

2002	54.98	45.79	815	172	48.64	23	5	48.18	42	9	47.10	16	4	N/A	N/A	N/A
2003	52.76	45.72	813	223	48.71	23	7	48.90	46	17	49.38	16	5	59.10	3	3
2004	51.92	46.00	812	251	48.82	23	8	48.90	51	20	50.15	16	6	51.92	1	1
2005	58.15	46.01	814	114	50.16	23	4	49.75	51	10	52.66	16	3	62.49	2	2
2006	56.92	45.87	813	134	51.52	22	5	48.60	53	9	51.52	16	4	62.71	2	2

RATIO 20 --- LONG TERM DEBT PER KWH SOLD (MILLS)

2002	63.17	82.45	814	528	54.60	23	8	65.10	42	22	57.81	16	7	N/A	N/A	N/A
2003	64.16	84.35	811	546	59.47	23	10	75.44	46	29	64.82	16	9	79.27	3	3
2004	66.12	87.86	812	542	61.07	23	9	72.59	51	30	65.63	16	8	66.12	1	1
2005	76.51	88.12	814	488	61.95	23	8	77.95	51	27	75.53	16	7	142.21	2	2
2006	81.54	91.99	813	468	74.63	22	8	75.09	53	25	76.90	16	7	156.00	2	2

RATIO 21 --- LONG TERM DEBT PER CONSUMER (\$)

2002	1,399.64	1,463.29	814	449	1,171.00	23	8	1,376.54	42	18	1,177.05	16	6	N/A	N/A	N/A
2003	1,408.31	1,551.43	811	463	1,283.49	23	8	1,404.44	46	23	1,358.47	16	7	2,180.29	3	3
2004	1,446.92	1,607.37	812	480	1,343.60	23	8	1,502.20	51	28	1,371.05	16	7	1,446.92	1	1
2005	1,744.33	1,699.03	814	391	1,414.31	23	8	1,616.25	51	21	1,467.29	16	7	2,951.72	2	2
2006	1,803.60	1,777.28	813	397	1,601.47	22	7	1,651.03	53	21	1,626.89	16	6	2,547.71	2	2

RATIO 22 --- NON-GOVERNMENT DEBT AS A % OF TOTAL LONG TERM DEBT

2002	47.11	46.65	806	391	47.01	23	11	51.06	42	26	49.13	16	9	N/A	N/A	N/A
2003	81.00	55.18	802	251	59.39	22	6	71.60	46	21	61.56	16	5	100.00	3	3
2004	37.48	32.59	783	349	24.67	22	7	39.26	51	28	20.96	16	6	37.48	1	1
2005	29.79	30.48	781	397	21.92	22	10	34.91	50	29	18.10	16	7	64.89	2	2
2006	26.02	28.11	791	416	19.39	22	10	31.80	53	30	16.31	16	7	34.38	2	2

RATIO 23 --- BLENDED INTEREST RATE (%)

2002	5.33	5.01	814	234	4.62	23	2	5.24	42	17	4.52	16	1	N/A	N/A	N/A
2003	4.23	4.80	812	618	4.07	23	10	4.99	46	38	3.87	16	5	3.63	3	1
2004	3.68	4.58	811	683	3.74	23	13	4.78	51	44	3.56	16	7	3.68	1	1
2005	4.10	4.92	812	690	4.52	23	18	5.01	51	46	4.30	16	12	4.55	2	2
2006	4.61	5.13	813	643	5.08	23	21	5.10	53	48	5.06	16	16	5.29	2	2

RATIO 24 --- ANNUAL CAPITAL CREDITS RETIRED PER TOTAL EQUITY (%)

2002	3.71	2.34	622	142	0.85	15	3	2.66	31	10	0.82	13	2	N/A	N/A	N/A
2003	2.92	2.45	630	241	0.71	17	6	2.39	35	14	0.64	14	3	2.92	2	1
2004	2.95	2.43	633	232	1.61	17	6	2.63	39	17	0.93	14	3	2.95	1	1
2005	0.17	2.30	635	603	0.81	17	16	2.42	40	39	0.66	14	13	0.17	1	1
2006	0.21	2.17	638	599	0.66	16	14	2.23	39	38	0.50	14	12	0.47	2	2

RATIO 25 --- LONG-TERM INTEREST AS A % OF REVENUE

2002	4.91	5.15	814	441	3.93	23	8	4.76	42	17	4.72	16	6	N/A	N/A	N/A
2003	4.49	4.83	812	462	3.53	23	9	4.60	46	24	4.15	16	7	4.49	3	2
2004	3.87	4.75	811	530	3.70	23	10	4.33	51	30	3.85	16	8	3.87	1	1
2005	4.09	4.90	812	528	4.09	23	12	4.54	51	29	4.25	16	10	6.44	2	2
2006	4.95	5.15	813	435	4.95	23	12	4.47	53	21	4.97	16	10	6.98	2	2

RATIO 26 --- CUMULATIVE PATRONAGE CAPITAL RETIRED AS A % OF TOTAL PATRONAGE CAPITAL

2002	20.68	22.69	700	414	17.51	17	7	22.67	32	23	13.96	14	4	N/A	N/A	N/A
2003	21.49	23.38	699	403	18.88	17	7	23.78	35	24	13.13	14	4	21.49	3	2
2004	23.26	24.08	697	367	21.13	17	7	23.70	39	21	15.61	14	4	23.26	1	1
2005	22.86	24.43	696	396	21.48	17	8	24.40	39	22	13.90	14	5	12.33	2	1
2006	22.59	24.46	698	405	19.03	16	8	24.06	41	24	15.04	14	6	13.57	2	1

RATIO 27 --- RATE OF RETURN ON EQUITY (%)

2002	10.97	6.56	823	109	10.97	23	12	6.58	42	8	12.64	16	12	N/A	N/A	N/A
2003	8.35	5.85	820	182	7.55	23	9	5.58	46	12	8.79	16	9	11.82	3	3
2004	1.90	5.86	818	741	3.58	23	15	5.16	51	46	2.06	16	9	1.90	1	1
2005	2.72	6.08	820	710	4.59	23	15	5.59	51	46	3.16	16	10	3.04	2	2
2006	2.42	6.51	819	734	2.09	23	10	7.52	53	47	2.09	16	7	6.29	2	2

RATIO 28 --- RATE OF RETURN ON TOTAL CAPITALIZATION (%)

2002	6.90	5.69	823	195	6.89	23	11	5.79	42	10	8.32	16	11	N/A	N/A	N/A
2003	5.78	5.27	820	297	5.52	23	10	5.20	46	16	6.15	16	9	6.07	3	3
2004	3.05	5.12	818	744	3.43	23	16	4.96	51	48	3.16	16	10	3.05	1	1
2005	3.47	5.37	820	737	4.60	23	15	5.39	51	48	3.99	16	10	3.91	2	2
2006	3.90	5.82	819	722	3.90	23	12	6.27	53	48	4.06	16	9	5.17	2	2

RATIO 29 --- CURRENT RATIO

2002	0.68	1.32	823	711	1.04	23	19	0.92	42	29	0.99	16	13	N/A	N/A	N/A
2003	0.52	1.29	820	764	1.11	23	23	0.88	46	39	1.10	16	16	0.86	3	3
2004	0.44	1.27	818	786	1.09	23	23	0.82	51	44	1.02	16	16	0.44	1	1
2005	0.85	1.26	820	638	1.12	23	17	0.93	51	31	1.10	16	12	0.89	2	2

2006	0.55	1.29	819	766	1.04	23	22	0.78	53	42	1.01	16	15	1.67	2	2
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RATIO 30 --- GENERAL FUNDS PER TUP (%)

2002	0.66	3.98	823	760	2.71	23	21	3.19	42	40	1.96	16	15	N/A	N/A	N/A
2003	0.46	3.74	820	779	3.74	23	22	3.36	46	45	2.02	16	16	2.68	3	3
2004	1.08	3.77	818	696	2.21	23	17	2.82	51	42	1.86	16	10	1.08	1	1
2005	1.12	4.00	819	705	1.75	23	17	3.33	51	40	1.43	16	11	3.27	2	2
2006	1.17	3.99	819	689	3.05	23	18	2.70	53	42	1.22	16	11	2.47	2	2

RATIO 31 --- PLANT REVENUE RATIO (PRR) ONE YEAR

2002	6.81	6.19	823	246	6.06	23	4	6.00	42	8	6.02	16	2	N/A	N/A	N/A
2003	6.81	6.32	820	266	6.19	23	6	6.20	46	10	6.26	16	4	6.81	3	2
2004	7.06	6.45	818	250	6.26	23	6	6.20	51	13	6.37	16	4	7.06	1	1
2005	7.06	6.42	820	233	6.20	23	5	6.28	51	13	6.64	16	3	7.64	2	2
2006	7.49	6.39	819	142	6.51	23	4	6.10	53	9	6.59	16	2	7.29	2	1

REVENUE & MARGINS (RATIOS 33-59)

RATIO 33 --- TOTAL OPERATING REVENUE PER KWH SOLD (MILLS)

2002	57.23	74.19	821	762	58.93	23	18	70.12	42	39	58.55	16	12	N/A	N/A	N/A
2003	59.52	76.78	817	744	61.54	23	15	73.22	46	43	60.62	16	10	67.99	3	3
2004	63.80	78.83	818	708	65.50	23	14	75.40	51	47	63.95	16	9	63.80	1	1
2005	71.90	83.40	819	645	72.04	23	13	83.03	51	44	72.27	16	10	90.91	2	2
2006	75.97	88.12	818	606	78.61	23	15	87.88	53	46	78.61	16	11	102.45	2	2

RATIO 34 --- TOTAL OPERATING REVENUE PER TUP INVESTMENT (CENTS)

2002	47.82	39.01	823	206	51.59	23	15	48.63	42	23	51.01	16	10	N/A	N/A	N/A
2003	47.81	38.66	820	196	50.93	23	15	45.32	46	19	49.56	16	10	43.19	3	1
2004	49.12	38.58	818	177	52.31	23	15	46.14	51	21	50.54	16	10	49.12	1	1
2005	54.49	40.25	820	139	56.46	23	15	49.64	51	17	56.23	16	10	46.16	2	1
2006	51.88	40.76	819	201	56.47	23	16	51.88	53	27	56.14	16	11	41.83	2	1

RATIO 35 --- TOTAL OPERATING REVENUE PER CONSUMER (\$)

2002	1,267.95	1,422.03	821	569	1,245.92	23	11	1,464.81	42	35	1,221.27	16	5	N/A	N/A	N/A
2003	1,306.36	1,450.10	817	560	1,273.29	23	10	1,492.78	46	38	1,253.43	16	5	1,763.23	3	3
2004	1,395.99	1,499.83	818	507	1,348.81	23	10	1,535.02	51	40	1,336.88	16	5	1,395.99	1	1
2005	1,639.19	1,624.06	819	397	1,571.14	23	10	1,714.91	51	31	1,545.61	16	5	1,918.95	2	2
2006	1,680.51	1,724.30	818	436	1,628.85	23	10	1,790.86	53	36	1,605.88	16	5	1,761.06	2	2

RATIO 36 --- ELECTRIC REVENUE PER KWH SOLD (MILLS)

2002	56.03	72.95	821	759	57.42	23	16	69.05	42	38	57.08	16	10	N/A	N/A	N/A
2003	58.08	75.30	817	747	59.74	23	15	70.74	46	42	59.46	16	10	67.47	3	3
2004	62.35	77.27	818	711	63.65	23	14	74.17	51	47	62.62	16	9	62.35	1	1
2005	70.27	81.77	819	647	70.54	23	13	79.64	51	43	70.87	16	10	88.39	2	2
2006	73.98	86.75	818	618	76.39	23	15	84.42	53	45	76.80	16	11	100.83	2	2

RATIO 37 --- ELECTRIC REVENUE PER CONSUMER (\$)

2002	1,241.35	1,394.32	821	569	1,219.42	23	11	1,442.84	42	35	1,192.46	16	5	N/A	N/A	N/A
2003	1,274.77	1,422.65	817	565	1,248.36	23	10	1,460.91	46	38	1,225.65	16	5	1,705.12	3	3
2004	1,364.41	1,467.93	818	511	1,319.21	23	10	1,506.80	51	41	1,310.72	16	5	1,364.41	1	1
2005	1,602.04	1,593.01	819	396	1,542.53	23	10	1,662.43	51	30	1,514.94	16	5	1,866.35	2	2
2006	1,636.46	1,686.67	818	445	1,601.85	23	10	1,751.86	53	35	1,573.54	16	5	1,730.14	2	2

RATIO 38 --- RESIDENTIAL REVENUE PER KWH SOLD (MILLS)

2002	62.19	78.62	821	761	62.19	23	12	74.88	42	39	62.19	16	8	N/A	N/A	N/A
2003	64.07	81.23	817	757	64.07	23	12	78.03	46	43	64.07	16	8	78.03	3	3
2004	68.49	83.39	818	727	68.49	23	12	79.23	51	47	68.24	16	8	68.49	1	1
2005	76.20	88.31	818	631	75.76	23	10	86.80	51	43	75.81	16	7	91.60	2	2
2006	80.27	94.46	817	638	81.48	23	14	90.65	53	46	81.03	16	10	101.83	2	2

RATIO 39 --- NON-RESIDENTIAL REVENUE PER KWH SOLD (MILLS)

2002	44.72	65.18	819	762	54.00	23	18	62.49	42	36	51.81	16	12	N/A	N/A	N/A
2003	46.87	67.17	815	753	54.45	23	18	64.41	46	41	54.06	16	12	63.50	3	3
2004	50.90	68.69	815	722	58.77	23	17	66.53	51	45	57.08	16	12	50.90	1	1
2005	58.61	72.30	817	663	65.94	23	17	69.72	51	44	65.61	16	12	80.91	2	2
2006	62.22	76.82	816	647	69.89	23	17	73.74	53	47	69.83	16	12	102.44	2	2

RATIO 42 --- SMALL COMMERCIAL REVENUE PER KWH SOLD (MILLS)

2002	59.96	73.16	819	709	59.96	23	12	70.90	42	36	58.84	16	7	N/A	N/A	N/A
2003	62.18	75.52	815	684	61.76	23	11	73.59	46	40	61.38	16	6	72.78	3	3
2004	66.33	77.00	815	647	66.27	23	11	77.00	51	43	64.89	16	6	66.33	1	1
2005	75.15	81.62	817	522	73.47	23	10	82.27	51	37	73.25	16	6	89.18	2	2
2006	78.49	86.43	814	527	77.87	23	11	89.15	53	37	77.50	16	7	103.30	2	2

RATIO 43 --- LARGE COMMERCIAL REVENUE PER KWH SOLD (MILLS)

2002	37.85	50.40	656	576	42.74	23	18	50.46	39	32	41.54	16	12	N/A	N/A	N/A
2003	40.12	51.74	656	575	43.05	22	18	49.98	42	34	43.05	16	13	44.34	2	2
2004	44.09	52.94	656	525	47.27	22	15	51.38	47	39	47.27	16	12	44.09	1	1
2005	51.28	57.00	667	449	53.76	22	15	55.54	46	34	54.74	16	12	51.28	1	1
2006	54.42	61.53	673	460	58.47	22	17	59.46	48	35	58.15	16	13	58.79	2	2

RATIO 45 --- STREET & HIGHWAY LIGHTING REVENUE PER KWH SOLD (MILLS)

2002	180.90	102.22	596	63	93.55	18	1	103.91	34	4	91.44	11	1	N/A	N/A	N/A
2003	181.82	106.06	589	73	100.16	18	1	100.42	38	6	93.75	11	1	114.33	2	1
2004	188.27	108.99	587	66	100.60	18	1	115.61	41	6	97.40	11	1	188.27	1	1
2005	204.18	115.30	585	63	108.47	18	1	122.42	43	3	106.64	11	1	204.18	1	1
2006	217.14	119.66	589	58	114.73	18	1	137.63	48	5	114.70	11	1	169.03	2	1

RATIO 47 --- OPERATING MARGINS PER KWH SOLD (MILLS)

2002	0.29	3.42	821	744	1.54	23	20	2.33	42	37	2.00	16	15	N/A	N/A	N/A
2003	0.23	2.91	817	738	1.39	23	21	1.76	46	45	1.31	16	14	1.01	3	3
2004	0.54	2.73	818	701	0.77	23	17	1.86	51	45	0.70	16	11	0.54	1	1
2005	0.87	2.80	819	674	1.11	23	14	2.32	51	43	0.72	16	8	3.48	2	2
2006	0.14	2.94	818	723	0.31	23	14	2.39	53	48	0.20	16	9	3.99	2	2

RATIO 48 --- OPERATING MARGINS PER CONSUMER (\$)

2002	6.32	63.53	821	740	44.02	23	20	50.99	42	37	45.10	16	15	N/A	N/A	N/A
2003	5.10	55.91	817	735	36.72	23	21	35.10	46	45	21.58	16	14	27.76	3	3
2004	11.75	54.10	818	692	16.74	23	17	38.41	51	46	12.76	16	10	11.75	1	1
2005	19.76	56.30	819	643	33.23	23	14	49.07	51	39	16.08	16	8	70.78	2	2
2006	3.12	56.57	818	723	9.64	23	14	54.31	53	48	4.82	16	9	57.61	2	2

RATIO 49 --- NON-OPERATING MARGINS PER KWH SOLD (MILLS)

2002	0.06	0.42	819	683	0.14	23	15	0.20	42	33	0.14	16	11	N/A	N/A	N/A
2003	0.09	0.39	817	681	0.25	23	18	0.20	46	33	0.25	16	13	0.09	3	2
2004	0.06	0.45	818	710	0.24	23	21	0.26	51	44	0.25	16	15	0.06	1	1

2005	0.08	0.57	819	709	0.31	23	20	0.32	51	42	0.29	16	14	-2.24	2	1
2006	0.45	0.72	818	529	0.45	23	12	0.34	53	19	0.41	16	8	0.52	2	2

RATIO 50 --- NON-OPERATING MARGINS PER CONSUMER (\$)

2002	1.28	7.69	819	683	2.74	23	16	4.42	42	34	2.57	16	11	N/A	N/A	N/A
2003	1.99	7.39	817	680	5.46	23	20	3.62	46	34	4.64	16	14	1.99	3	2
2004	1.35	8.44	818	705	4.58	23	21	5.71	51	44	4.52	16	15	1.35	1	1
2005	1.82	10.92	819	708	7.20	23	20	8.03	51	42	5.99	16	14	-44.76	2	1
2006	10.03	13.85	818	499	11.92	23	13	6.80	53	21	8.23	16	8	9.26	2	1

RATIO 51 --- TOTAL MARGINS LESS ALLOCATIONS PER KWH SOLD (MILLS)

2002	0.34	3.85	821	758	1.74	23	22	2.68	42	39	2.67	16	16	N/A	N/A	N/A
2003	0.32	3.46	817	755	1.62	23	21	1.94	46	43	1.61	16	14	1.51	3	3
2004	0.60	3.32	818	740	1.04	23	19	2.25	51	45	0.97	16	13	0.60	1	1
2005	0.95	3.49	819	705	1.76	23	15	2.60	51	42	1.43	16	10	1.23	2	2
2006	0.59	3.89	818	729	0.73	23	13	3.23	53	45	0.51	16	8	4.52	2	2

RATIO 52 --- TOTAL MARGINS LESS ALLOCATIONS PER CONSUMER (\$)

2002	7.60	72.37	821	755	39.81	23	22	54.28	42	39	53.58	16	16	N/A	N/A	N/A
2003	7.09	66.25	817	749	45.88	23	21	39.80	46	43	25.78	16	14	41.54	3	3
2004	13.11	63.66	818	735	29.30	23	20	47.06	51	46	18.41	16	13	13.11	1	1
2005	21.58	70.95	819	701	41.27	23	16	53.70	51	44	30.21	16	10	26.02	2	2
2006	13.15	77.51	818	727	14.44	23	13	64.79	53	45	12.73	16	8	66.87	2	2

RATIO 54 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER KWH SOLD (MILLS)

2002	3.85	0.92	761	59	3.70	21	9	0.65	38	5	3.94	16	9	N/A	N/A	N/A
2003	3.04	0.92	764	78	2.98	22	10	0.54	42	4	3.14	16	10	2.85	3	1
2004	0.15	0.98	770	653	0.12	21	8	0.40	45	39	0.13	16	7	0.15	1	1
2005	0.08	1.12	769	718	0.13	21	16	0.62	45	42	0.13	16	14	0.33	2	2
2006	0.35	1.32	768	625	0.18	21	4	0.80	48	38	0.20	16	3	0.33	2	1

RATIO 55 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER CONSUMER (\$)

2002	85.26	16.88	761	50	73.27	21	4	13.87	38	3	77.58	16	4	N/A	N/A	N/A
2003	66.67	16.68	764	67	57.07	22	5	10.50	42	4	61.64	16	5	66.67	3	2
2004	3.25	16.82	770	625	2.50	21	7	9.24	45	40	2.60	16	6	3.25	1	1
2005	1.86	21.92	769	713	2.86	21	18	13.75	45	43	2.76	16	15	6.73	2	2
2006	7.79	26.00	768	613	3.55	21	2	16.74	48	36	3.95	16	2	6.11	2	1

RATIO 56 --- TOTAL MARGINS PER KWH SOLD (MILLS)

2002	4.19	5.08	821	510	4.60	23	15	4.01	42	17	6.60	16	15	N/A	N/A	N/A
2003	3.36	4.58	817	557	3.50	23	14	2.96	46	19	4.39	16	13	4.36	3	3
2004	0.75	4.71	818	775	1.08	23	19	3.32	51	46	1.06	16	13	0.75	1	1
2005	1.03	4.91	819	766	1.87	23	15	3.58	51	48	1.55	16	10	1.57	2	2
2006	0.95	5.71	818	770	0.95	23	12	4.36	53	48	0.75	16	8	4.85	2	2

RATIO 57 --- TOTAL MARGINS PER CONSUMER (\$)

2002	92.85	100.54	821	436	106.10	23	14	75.55	42	15	136.08	16	14	N/A	N/A	N/A
2003	73.75	88.12	817	487	81.29	23	15	57.39	46	17	91.71	16	13	119.82	3	3
2004	16.36	87.31	818	769	30.53	23	19	59.57	51	47	20.28	16	12	16.36	1	1
2005	23.43	99.80	819	759	42.83	23	16	68.67	51	48	32.69	16	10	32.75	2	2
2006	20.94	112.20	818	768	20.94	23	12	83.48	53	47	19.28	16	8	72.98	2	2

RATIO 58 --- A/R OVER 60 DAYS AS A % OF OPERATING REVENUE

2002	0.04	0.25	807	749	0.13	23	21	0.23	41	38	0.11	16	15	N/A	N/A	N/A
2003	0.03	0.23	804	749	0.13	23	23	0.21	44	43	0.13	16	16	0.41	3	3
2004	0.03	0.22	797	732	0.11	23	22	0.19	49	48	0.10	16	15	0.03	1	1
2005	0.05	0.23	803	700	0.13	23	20	0.20	50	46	0.13	16	13	0.24	2	2
2006	0.03	0.20	808	744	0.10	23	23	0.19	52	50	0.09	16	16	0.59	2	2

RATIO 59 --- AMOUNT WRITTEN OFF AS A % OF OPERATING REVENUE

2002	0.31	0.21	792	240	0.33	23	14	0.31	41	20	0.34	16	11	N/A	N/A	N/A
2003	0.34	0.21	791	204	0.34	23	13	0.29	44	18	0.44	16	11	0.40	3	3
2004	0.41	0.20	787	128	0.26	23	7	0.30	50	14	0.37	16	7	0.41	1	1
2005	0.29	0.18	784	206	0.26	23	9	0.25	50	22	0.30	16	9	0.23	2	1
2006	0.43	0.18	791	83	0.31	23	5	0.27	53	11	0.39	16	5	0.26	2	1

SALES (RATIOS 60-76)

RATIO 60 --- TOTAL MWH SOLD PER MILE OF LINE

2002	184.88	95.78	821	161	189.85	23	13	191.28	42	26	174.61	16	8	N/A	N/A	N/A
2003	185.52	96.01	817	161	185.52	23	12	184.45	46	23	173.63	16	7	137.89	3	1
2004	187.93	98.70	818	165	187.93	23	12	187.93	51	26	177.44	16	7	187.93	1	1
2005	267.36	102.85	818	76	197.49	23	5	205.03	51	12	186.28	16	3	216.90	2	1
2006	262.13	104.88	816	77	192.94	23	4	197.54	53	11	181.89	16	2	166.11	2	1

RATIO 61 --- AVERAGE RESIDENTIAL USAGE KWH PER MONTH

2002	1,246.43	1,154.80	821	293	1,246.43	23	12	1,261.63	42	23	1,226.42	16	6	N/A	N/A	N/A
2003	1,242.53	1,136.65	817	280	1,215.29	23	9	1,229.66	46	22	1,202.14	16	5	1,242.53	3	2
2004	1,238.15	1,136.19	818	283	1,225.53	23	10	1,241.01	51	27	1,180.99	16	6	1,238.15	1	1
2005	1,312.67	1,186.35	818	226	1,307.84	23	11	1,281.52	51	20	1,248.71	16	7	1,425.09	2	2
2006	1,251.86	1,167.95	817	299	1,243.73	23	9	1,264.18	53	28	1,184.32	16	4	1,125.87	2	1

RATIO 64 --- AVERAGE SMALL COMMERCIAL KWH USAGE PER MONTH

2002	4,832.04	3,266.21	819	195	4,775.79	23	11	3,316.99	42	10	4,909.41	16	10	N/A	N/A	N/A
2003	4,690.31	3,252.23	815	204	4,044.62	23	11	3,403.33	46	10	4,744.84	16	10	3,753.04	3	1
2004	4,650.04	3,233.06	815	210	3,891.32	23	9	3,324.06	51	12	4,616.99	16	8	4,650.04	1	1
2005	4,763.06	3,269.57	817	211	4,004.76	23	9	3,487.87	51	12	4,710.31	16	8	4,342.37	2	1
2006	5,010.91	3,299.90	814	190	4,191.85	23	7	3,379.57	53	12	4,520.26	16	6	3,167.08	2	1

RATIO 65 --- AVERAGE LARGE COMMERCIAL KWH USAGE PER MONTH

2002	1,471,322.22	435,783.33	655	102	1,295,333.33	23	10	830,194.44	39	11	1,309,183.33	16	7	N/A	N/A	N/A
2003	1,389,411.46	435,465.28	656	111	1,165,914.06	22	11	813,833.33	42	13	1,165,914.06	16	8	3,112,650.17	2	2
2004	1,424,578.13	480,248.66	656	111	1,229,834.70	22	11	816,916.67	47	13	1,201,835.36	16	8	1,424,578.13	1	1
2005	1,469,317.71	505,125.00	666	105	1,239,096.19	22	9	888,294.68	46	14	1,226,092.59	16	7	1,469,317.71	1	1
2006	1,385,455.88	487,916.67	673	119	1,099,289.35	22	9	904,306.55	48	17	1,137,690.97	16	7	861,644.61	2	1

RATIO 66 --- AVERAGE STREET & HIGHWAY LIGHTING KWH USAGE PER MONTH

2002	1,808.56	1,671.28	594	288	2,452.75	18	14	2,196.91	34	21	2,329.17	11	9	N/A	N/A	N/A
2003	1,758.55	1,666.67	583	283	2,554.94	18	14	1,806.45	37	21	2,638.89	11	9	1,379.27	2	1
2004	1,741.87	1,666.67	585	282	2,355.77	18	15	1,714.21	41	20	2,261.90	11	9	1,741.87	1	1
2005	1,761.90	1,633.88	581	274	2,237.95	18	14	1,514.49	41	18	2,111.11	11	9	1,761.90	1	1
2006	1,737.59	1,554.61	584	274	2,602.61	18	14	1,529.28	47	22	2,968.25	11	9	1,389.63	2	1

RATIO 69 --- RESIDENTIAL KWH SOLD PER TOTAL KWH SOLD (%)

2002	64.74	63.09	821	382	61.44	23	11	62.57	42	20	66.85	16	10	N/A	N/A	N/A
2003	65.16	62.48	817	369	61.37	23	11	64.60	46	23	67.62	16	10	65.16	3	2

2004	65.11	61.86	818	360	60.83	23	10	64.96	51	25	65.91	16	9	65.11	1	1
2005	66.30	62.23	818	343	62.25	23	10	65.29	51	24	66.46	16	9	76.64	2	2
2006	65.15	61.39	817	346	62.50	23	10	65.83	53	28	65.66	16	9	71.43	2	2

RATIO 72 — SMALL COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)

2002	10.46	16.68	819	637	16.62	23	21	16.95	42	33	16.60	16	15	N/A	N/A	N/A
2003	10.17	16.64	815	653	16.50	23	21	17.29	46	38	15.42	16	15	12.60	3	3
2004	10.20	16.91	815	655	16.51	23	21	18.14	51	43	15.21	16	15	10.20	1	1
2005	9.86	17.09	817	675	16.94	23	21	18.83	51	45	16.45	16	15	11.26	2	2
2006	10.74	17.38	814	642	17.39	23	21	19.41	53	46	16.80	16	15	9.26	2	1

RATIO 73 — LARGE COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)

2002	24.72	11.77	656	149	19.02	23	9	13.53	39	10	13.34	16	4	N/A	N/A	N/A
2003	24.59	12.50	656	157	21.80	22	9	12.53	42	12	16.03	16	4	31.61	2	2
2004	24.62	13.00	656	173	23.01	22	10	12.72	47	13	16.68	16	5	24.62	1	1
2005	23.77	12.88	667	188	20.20	22	10	14.77	46	15	15.79	16	6	23.77	1	1
2006	24.03	13.40	673	191	19.76	22	10	12.15	48	13	15.79	16	6	19.08	2	1

RATIO 74 — STREET & HIGHWAY LIGHTING KWH SOLD PER TOTAL KWH SOLD (%)

2002	0.08	0.13	596	393	0.09	18	11	0.13	34	24	0.08	11	6	N/A	N/A	N/A
2003	0.08	0.13	589	389	0.09	18	11	0.13	38	25	0.08	11	6	0.06	2	1
2004	0.08	0.13	587	379	0.09	18	11	0.12	41	26	0.08	11	6	0.08	1	1
2005	0.07	0.13	585	382	0.09	18	11	0.12	43	28	0.07	11	6	0.07	1	1
2006	0.08	0.13	590	376	0.09	18	11	0.13	48	31	0.08	11	6	0.23	2	2

CONTROLLABLE EXPENSES (RATIOS 77-87)

RATIO 77 — O & M EXPENSES PER TOTAL KWH SOLD (MILLS)

2002	4.83	8.52	821	725	5.87	23	18	6.70	42	32	5.87	16	13	N/A	N/A	N/A
2003	5.63	8.79	817	689	6.26	23	15	6.91	46	33	6.40	16	11	5.63	3	2
2004	5.50	9.12	818	702	6.29	23	17	7.37	51	40	6.36	16	12	5.50	1	1
2005	5.05	9.00	819	734	6.25	23	18	6.58	51	42	6.16	16	12	5.49	2	2
2006	5.01	9.32	818	740	6.64	23	19	7.61	53	46	6.27	16	13	9.19	2	2

RATIO 78 — O & M EXPENSES PER DOLLARS OF TUP (MILLS)

2002	40.39	42.85	823	500	48.43	23	21	44.18	42	31	48.58	16	15	N/A	N/A	N/A
2003	45.20	44.05	820	367	47.66	23	16	47.66	46	27	48.69	16	11	29.88	3	1
2004	42.32	43.49	818	439	50.42	23	21	46.15	51	34	49.88	16	15	42.32	1	1
2005	38.25	43.19	820	548	46.96	23	21	43.67	51	39	46.61	16	14	29.33	2	1
2006	34.23	42.85	819	632	47.72	23	22	46.76	53	44	46.47	16	15	33.60	2	1

RATIO 79 — O & M EXPENSES PER CONSUMER (\$)

2002	107.09	158.46	821	731	125.34	23	20	135.34	42	35	121.33	16	13	N/A	N/A	N/A
2003	123.51	164.76	817	668	131.28	23	17	138.24	46	37	128.13	16	10	123.51	3	2
2004	120.27	169.06	818	709	138.30	23	19	146.35	51	41	132.60	16	12	120.27	1	1
2005	115.06	173.30	819	742	137.58	23	21	144.61	51	44	129.26	16	14	116.83	2	2
2006	110.86	181.28	818	759	145.48	23	22	157.05	53	48	139.15	16	15	150.95	2	2

RATIO 80 — CONSUMER ACCOUNTING EXPENSES PER TOTAL KWH SOLD (MILLS)

2002	1.93	2.52	821	596	1.93	23	12	2.34	42	33	2.01	16	9	N/A	N/A	N/A
2003	1.92	2.63	817	621	1.95	23	13	2.40	46	38	2.24	16	10	1.94	3	3
2004	2.09	2.72	818	583	2.05	23	11	2.47	51	36	2.22	16	9	2.09	1	1
2005	1.97	2.62	819	603	1.99	23	13	2.55	51	40	2.33	16	11	2.57	2	2

2006	2.13	2.71	818	562	2.19	23	13	2.70	53	40	2.37	16	11	2.09	2	1
RATIO 81 --- CONSUMER ACCOUNTING EXPENSES PER CONSUMER (\$)																
2002	42.75	48.17	821	535	44.52	23	14	49.55	42	35	44.08	16	9	N/A	N/A	N/A
2003	42.23	49.41	817	583	46.15	23	17	49.59	46	37	46.15	16	11	53.34	3	3
2004	45.64	50.31	818	517	46.94	23	13	51.76	51	38	49.41	16	10	45.64	1	1
2005	44.99	51.67	819	545	50.59	23	16	53.44	51	39	51.70	16	11	54.26	2	2
2006	47.01	53.03	818	526	50.45	23	14	60.20	53	39	53.51	16	11	38.16	2	1
RATIO 82 --- CUSTOMER SALES AND SERVICE PER TOTAL KWH SOLD (MILLS)																
2002	0.66	0.80	807	471	0.42	23	4	0.55	42	18	0.52	16	4	N/A	N/A	N/A
2003	0.71	0.85	804	446	0.45	23	4	0.59	46	17	0.54	16	4	0.26	3	1
2004	0.74	0.82	805	439	0.41	23	4	0.59	50	20	0.46	16	4	0.74	1	1
2005	0.59	0.79	805	522	0.42	23	4	0.62	51	27	0.43	16	4	0.30	2	1
2006	0.74	0.82	807	442	0.39	23	4	0.63	53	24	0.43	16	4	1.04	2	2
RATIO 83 --- CUSTOMER SALES AND SERVICE PER CONSUMER (\$)																
2002	14.56	15.31	807	422	8.44	23	2	10.70	42	18	10.35	16	2	N/A	N/A	N/A
2003	15.51	15.96	804	416	9.29	23	3	11.27	46	16	10.61	16	3	7.26	3	1
2004	16.14	15.69	805	391	7.58	23	3	11.39	50	16	8.76	16	3	16.14	1	1
2005	13.35	15.99	805	468	8.65	23	4	13.35	51	26	8.87	16	3	6.79	2	1
2006	16.41	16.31	807	401	8.32	23	3	13.66	53	21	8.88	16	3	17.70	2	2
RATIO 84 --- A & G EXPENSES PER TOTAL KWH SOLD (MILLS)																
2002	3.37	4.95	821	617	2.59	23	4	3.32	42	20	2.92	16	4	N/A	N/A	N/A
2003	3.30	5.20	817	644	2.73	23	7	3.46	46	25	3.18	16	6	3.30	3	2
2004	3.07	5.26	818	686	2.78	23	10	3.62	51	30	3.08	16	9	3.07	1	1
2005	3.12	5.20	819	675	2.72	23	8	3.35	51	29	2.96	16	7	3.67	2	2
2006	3.33	5.32	818	663	2.99	23	7	3.67	53	30	3.05	16	6	6.15	2	2
RATIO 85 --- A & G EXPENSES PER CONSUMER (\$)																
2002	74.60	92.21	821	546	52.23	23	3	68.03	42	18	55.68	16	2	N/A	N/A	N/A
2003	72.49	95.79	817	599	55.40	23	5	70.07	46	21	60.47	16	4	73.81	3	3
2004	67.14	97.92	818	646	57.17	23	7	67.14	51	26	57.57	16	5	67.14	1	1
2005	71.05	100.22	819	635	57.02	23	6	67.95	51	24	59.13	16	4	77.86	2	2
2006	73.70	106.25	818	640	59.57	23	6	73.70	53	27	57.88	16	4	100.95	2	2
RATIO 86 --- TOTAL CONTROLLABLE EXPENSES PER TOTAL KWH SOLD (MILLS) (SAME AS RATIO #103)																
2002	10.79	17.23	821	708	10.79	23	12	13.37	42	31	10.99	16	9	N/A	N/A	N/A
2003	11.56	17.92	817	702	11.56	23	12	14.26	46	34	12.11	16	9	11.56	3	2
2004	11.39	18.27	818	716	11.61	23	13	14.70	51	39	12.26	16	10	11.39	1	1
2005	10.72	18.12	819	739	11.64	23	15	14.78	51	40	11.73	16	11	12.04	2	2
2006	11.21	18.66	818	727	13.54	23	14	15.33	53	42	13.02	16	10	18.47	2	2
RATIO 87 --- TOTAL CONTROLLABLE EXPENSES PER CONSUMER (\$) (SAME AS RATIO #104)																
2002	238.99	313.29	821	707	236.89	23	10	264.46	42	31	235.68	16	5	N/A	N/A	N/A
2003	253.74	327.14	817	685	253.74	23	12	275.91	46	35	253.66	16	8	253.74	3	2
2004	249.19	337.61	818	725	249.79	23	14	287.94	51	41	249.50	16	10	249.19	1	1
2005	244.45	345.95	819	745	268.55	23	15	293.79	51	40	248.17	16	9	255.73	2	2
2006	247.97	361.64	818	752	271.63	23	18	302.87	53	45	265.57	16	12	307.76	2	2

FIXED EXPENSES (RATIOS 88-102)

RATIO 88 --- POWER COST PER KWH PURCHASED (MILLS)

2002	37.35	40.25	821	512	38.03	23	14	45.28	42	33	38.03	16	10	N/A	N/A	N/A
2003	39.28	42.83	817	501	39.80	23	15	46.61	46	36	39.80	16	11	47.22	3	3
2004	42.95	44.15	816	457	43.68	23	15	48.05	51	42	43.57	16	11	42.95	1	1
2005	50.84	48.80	817	341	50.82	23	11	52.07	50	32	51.21	16	11	59.91	2	2
2006	54.59	53.22	817	367	55.06	23	14	57.32	53	37	55.01	16	10	60.72	2	2

RATIO 89 --- POWER COST PER TOTAL KWH SOLD (MILLS)

2002	39.65	43.28	821	526	39.98	23	14	48.64	42	33	39.98	16	10	N/A	N/A	N/A
2003	41.24	45.73	817	521	41.94	23	15	49.84	46	38	41.94	16	11	49.95	3	3
2004	45.40	47.17	818	465	45.69	23	14	51.23	51	41	45.69	16	10	45.40	1	1
2005	53.21	51.67	819	371	53.68	23	14	55.54	51	36	54.05	16	11	63.91	2	2
2006	56.42	56.53	818	412	57.35	23	15	60.33	53	39	57.33	16	11	64.04	2	2

RATIO 90 --- POWER COST AS A % OF REVENUE

2002	69.29	57.96	823	95	68.59	23	9	64.57	42	11	68.25	16	4	N/A	N/A	N/A
2003	69.30	58.89	820	106	68.95	23	8	65.63	46	13	69.05	16	5	69.30	3	2
2004	71.17	59.33	818	83	70.60	23	11	66.60	51	11	70.88	16	8	71.17	1	1
2005	74.01	60.83	820	70	73.23	23	9	68.86	51	8	73.95	16	8	70.94	2	1
2006	74.26	61.44	819	72	73.86	23	10	67.71	53	10	74.06	16	7	64.92	2	1

RATIO 91 --- LONG-TERM INTEREST COST PER TOTAL KWH SOLD (MILLS)

2002	2.81	4.01	813	578	2.41	23	9	3.20	42	26	2.67	16	7	N/A	N/A	N/A
2003	2.67	3.85	810	578	2.22	23	10	3.47	46	31	2.67	16	8	2.70	3	3
2004	2.47	3.88	811	601	2.44	23	10	3.70	51	34	2.46	16	8	2.47	1	1
2005	2.94	4.27	812	580	2.92	23	11	3.57	51	33	2.96	16	9	6.30	2	2
2006	3.76	4.70	813	519	3.76	23	12	3.95	53	30	4.02	16	10	7.68	2	2

RATIO 92 --- LONG-TERM INTEREST COST AS A % OF TUP

2002	2.35	2.00	814	242	2.15	23	8	2.33	42	20	2.29	16	7	N/A	N/A	N/A
2003	2.15	1.90	812	273	1.95	23	8	2.20	46	24	2.03	16	6	2.15	3	2
2004	1.90	1.87	811	384	1.90	23	12	2.05	51	33	1.91	16	9	1.90	1	1
2005	2.23	2.04	812	306	2.20	23	11	2.23	51	26	2.32	16	9	2.77	2	2
2006	2.57	2.17	813	204	2.50	23	10	2.37	53	17	2.83	16	10	2.71	2	2

RATIO 93 --- LONG-TERM INTEREST COST PER CONSUMER (\$)

2002	62.20	72.31	813	516	54.18	23	8	67.77	42	24	50.07	16	5	N/A	N/A	N/A
2003	58.69	70.83	810	543	53.29	23	9	65.61	46	28	46.43	16	5	74.16	3	3
2004	54.06	71.98	811	581	51.58	23	10	67.19	51	32	51.18	16	7	54.06	1	1
2005	67.00	81.06	812	534	64.63	23	10	69.78	51	28	64.61	16	7	130.05	2	2
2006	83.14	90.40	813	458	76.06	23	9	79.43	53	25	77.99	16	7	124.49	2	2

RATIO 94 --- DEPRECIATION EXPENSE PER TOTAL KWH SOLD (MILLS)

2002	3.62	5.58	820	717	3.64	23	13	4.29	42	31	3.72	16	9	N/A	N/A	N/A
2003	3.74	5.82	816	711	3.74	23	12	4.60	46	34	3.89	16	9	4.30	3	3
2004	3.90	5.97	818	703	3.90	23	12	4.72	51	42	3.99	16	9	3.90	1	1
2005	3.96	5.96	819	699	3.96	23	12	4.77	51	38	4.10	16	9	4.76	2	2
2006	4.30	6.14	818	668	4.30	23	12	5.01	53	37	4.41	16	9	7.48	2	2

RATIO 95 --- DEPRECIATION EXPENSE AS A % OF TUP

2002	3.02	2.87	822	264	3.22	23	18	3.00	42	19	3.22	16	12	N/A	N/A	N/A
2003	3.01	2.88	819	268	3.20	23	18	2.97	46	21	3.22	16	12	2.73	3	1
2004	3.00	2.87	818	271	3.17	23	17	3.00	51	26	3.16	16	11	3.00	1	1

2005	3.00	2.86	820	255	3.13	23	17	2.95	51	24	3.17	16	11	2.46	2	1
2006	2.94	2.84	819	302	3.12	23	18	2.91	53	25	3.15	16	12	2.78	2	1

RATIO 96 --- DEPRECIATION EXPENSE PER CONSUMER (\$)

2002	80.09	102.42	820	678	85.08	23	17	88.86	42	32	82.79	16	11	N/A	N/A	N/A
2003	82.18	106.88	816	682	87.89	23	17	93.70	46	36	87.10	16	11	99.30	3	3
2004	85.29	109.89	818	672	91.49	23	16	99.68	51	42	90.85	16	11	85.29	1	1
2005	90.17	113.31	819	650	95.12	23	17	104.14	51	41	94.40	16	12	100.82	2	2
2006	95.08	118.22	818	641	100.11	23	15	106.72	53	37	98.02	16	10	123.71	2	2

RATIO 97 --- ACCUMULATIVE DEPRECIATION AS A % OF PLANT IN SERVICE

2002	22.66	30.52	823	688	24.74	23	14	26.83	42	29	23.70	16	9	N/A	N/A	N/A
2003	23.34	30.69	819	678	25.93	23	15	27.56	46	31	24.63	16	9	23.34	3	2
2004	23.00	31.11	818	691	26.03	23	15	27.89	51	35	24.52	16	9	23.00	1	1
2005	22.83	31.40	820	698	25.90	23	16	27.24	51	34	24.47	16	10	19.80	2	1
2006	22.08	31.40	819	709	24.92	23	17	27.29	53	38	24.51	16	10	25.87	2	2

RATIO 98 --- TOTAL TAX EXPENSE PER TOTAL KWH SOLD (MILLS)

2002	-0.01	0.90	594	585	0.08	22	22	0.82	34	34	0.07	15	15	N/A	N/A	N/A
2003	-0.02	0.94	591	585	0.08	22	22	0.66	37	37	0.07	15	15	0.00	2	2
2004	0.00	0.98	593	549	0.07	22	22	0.69	39	37	0.07	15	15	0.00	1	1
2005	0.00	0.95	589	550	0.07	22	22	0.59	41	40	0.07	15	15	0.00	2	1
2006	0.00	0.94	590	550	0.08	22	22	0.62	44	43	0.08	15	15	0.03	2	2

RATIO 99 --- TOTAL TAX EXPENSE AS A % OF TUP

2002	0.00	0.47	596	588	0.06	22	22	0.41	34	34	0.06	15	15	N/A	N/A	N/A
2003	-0.01	0.47	594	590	0.06	22	22	0.39	37	37	0.06	15	15	0.00	2	2
2004	0.00	0.45	593	538	0.05	22	22	0.37	39	37	0.05	15	15	0.00	1	1
2005	0.00	0.44	590	543	0.05	22	22	0.37	41	40	0.05	15	15	0.00	2	1
2006	0.00	0.43	591	547	0.05	22	22	0.36	44	43	0.05	15	15	0.01	2	2

RATIO 100 --- TOTAL TAX EXPENSE PER CONSUMER

2002	-0.12	16.60	594	586	1.53	22	22	13.74	34	34	1.44	15	15	N/A	N/A	N/A
2003	-0.35	17.68	591	586	1.57	22	22	14.31	37	37	1.46	15	15	-0.16	2	2
2004	0.07	17.91	593	548	1.52	22	22	14.03	39	37	1.41	15	15	0.07	1	1
2005	0.05	18.64	589	546	1.52	22	22	14.32	41	40	1.47	15	15	0.03	2	1
2006	0.05	18.78	590	549	1.59	22	22	15.08	44	43	1.55	15	15	0.44	2	2

RATIO 101 --- TOTAL FIXED EXPENSES PER TOTAL KWH SOLD (MILLS)

2002	46.16	53.64	821	657	46.97	23	14	56.52	42	35	46.45	16	9	N/A	N/A	N/A
2003	47.72	55.96	817	630	48.18	23	15	57.45	46	42	48.18	16	10	57.39	3	3
2004	51.87	57.41	818	561	53.08	23	14	59.79	51	44	52.56	16	10	51.87	1	1
2005	60.31	61.46	819	444	60.42	23	13	66.27	51	37	60.91	16	11	75.39	2	2
2006	64.62	67.45	818	462	65.12	23	15	69.23	53	40	65.04	16	11	79.99	2	2

RATIO 102 --- TOTAL FIXED EXPENSES PER CONSUMER (\$)

2002	1,022.64	1,033.15	821	428	980.92	23	11	1,146.79	42	32	958.82	16	5	N/A	N/A	N/A
2003	1,047.52	1,055.50	817	417	998.49	23	10	1,136.92	46	34	976.49	16	5	1,309.01	3	3
2004	1,135.05	1,099.12	818	368	1,083.79	23	10	1,213.99	51	36	1,074.95	16	5	1,135.05	1	1
2005	1,374.98	1,220.60	819	274	1,300.32	23	9	1,374.98	51	26	1,281.46	16	5	1,592.44	2	2
2006	1,429.42	1,293.88	818	296	1,382.05	23	9	1,412.40	53	25	1,344.45	16	5	1,395.69	2	1

TOTAL EXPENSES (RATIOS 103-107)

RATIO 103 --- TOTAL OPERATING EXPENSES PER TOTAL KWH SOLD (MILLS)

2002	10.79	17.23	821	708	10.79	23	12	13.37	42	31	10.99	16	9	N/A	N/A	N/A
2003	11.56	17.92	817	702	11.56	23	12	14.26	46	34	12.11	16	9	11.56	3	2
2004	11.39	18.27	818	716	11.61	23	13	14.70	51	39	12.26	16	10	11.39	1	1
2005	10.72	18.12	819	739	11.64	23	15	14.78	51	40	11.73	16	11	12.04	2	2
2006	11.21	18.66	818	727	13.54	23	14	15.33	53	42	13.02	16	10	18.47	2	2

RATIO 104 --- TOTAL OPERATING EXPENSES PER CONSUMER (\$)

2002	238.99	313.29	821	707	236.89	23	10	264.46	42	31	235.68	16	5	N/A	N/A	N/A
2003	253.74	327.14	817	685	253.74	23	12	275.91	46	35	253.66	16	8	253.74	3	2
2004	249.19	337.61	818	725	249.79	23	14	287.94	51	41	249.50	16	10	249.19	1	1
2005	244.45	345.95	819	745	268.55	23	15	293.79	51	40	248.17	16	9	255.73	2	2
2006	247.97	361.64	818	752	271.63	23	18	302.87	53	45	265.57	16	12	307.76	2	2

RATIO 105 --- TOTAL COST OF SERVICE (MINUS POWER COSTS) PER TOTAL KWH SOLD (MILLS)

2002	17.29	28.16	821	727	18.13	23	14	21.88	42	33	17.47	16	9	N/A	N/A	N/A
2003	18.04	28.99	817	717	18.80	23	13	23.16	46	37	18.80	16	9	18.04	3	2
2004	17.86	29.41	818	736	19.29	23	15	22.68	51	44	18.78	16	9	17.86	1	1
2005	17.82	29.81	819	734	19.84	23	15	23.84	51	41	18.93	16	11	23.52	2	2
2006	19.42	30.71	818	710	22.27	23	14	26.47	53	41	21.35	16	10	34.42	2	2

RATIO 106 --- TOTAL COST OF ELECTRIC SERVICE PER TOTAL KWH SOLD (MILLS)

2002	56.94	70.65	821	728	57.94	23	13	68.34	42	36	56.94	16	8	N/A	N/A	N/A
2003	59.29	73.38	817	709	60.84	23	14	70.21	46	41	59.53	16	9	66.98	3	3
2004	63.26	75.59	818	672	63.70	23	15	73.69	51	47	63.46	16	10	63.26	1	1
2005	71.03	80.74	819	587	71.12	23	13	81.73	51	41	72.52	16	10	87.43	2	2
2006	75.83	85.45	818	568	78.50	23	14	84.35	53	44	78.53	16	10	98.46	2	2

RATIO 107 --- TOTAL COST OF ELECTRIC SERVICE PER CONSUMER (\$)

2002	1,261.64	1,350.76	821	506	1,215.82	23	10	1,427.50	42	34	1,165.43	16	5	N/A	N/A	N/A
2003	1,301.26	1,390.11	817	507	1,241.37	23	10	1,465.48	46	36	1,207.34	16	5	1,562.68	3	3
2004	1,384.24	1,436.68	818	467	1,333.59	23	10	1,489.18	51	38	1,309.35	16	5	1,384.24	1	1
2005	1,619.43	1,564.65	819	363	1,543.85	23	10	1,678.57	51	30	1,522.54	16	5	1,848.17	2	2
2006	1,677.39	1,654.67	818	384	1,596.14	23	10	1,737.92	53	30	1,581.90	16	5	1,703.45	2	2

EMPLOYEES (RATIOS 108-113)

RATIO 108 --- AVERAGE WAGE RATE PER HOUR (\$)

2002	21.61	21.42	819	379	21.04	23	11	21.22	42	16	20.19	16	6	N/A	N/A	N/A
2003	22.43	22.11	814	378	22.43	23	12	21.89	45	20	21.24	16	6	22.36	3	1
2004	23.14	23.08	815	403	23.14	23	12	23.50	51	29	22.34	16	7	23.14	1	1
2005	24.64	24.12	819	357	24.41	23	10	24.25	51	23	23.49	16	6	22.57	2	1
2006	25.18	24.84	814	381	25.05	23	10	25.18	53	27	24.02	16	6	24.99	2	1

RATIO 109 --- TOTAL WAGES PER TOTAL KWH SOLD (MILLS)

2002	5.20	9.41	820	751	5.91	23	14	6.71	42	32	6.24	16	10	N/A	N/A	N/A
2003	5.35	9.68	814	741	6.28	23	14	7.22	45	37	6.42	16	10	5.67	3	3
2004	5.35	9.87	816	753	6.45	23	15	7.25	51	43	6.67	16	11	5.35	1	1
2005	5.25	9.98	819	752	6.48	23	14	7.35	51	40	6.36	16	10	6.24	2	2
2006	5.38	9.95	815	748	6.55	23	15	7.74	53	42	6.45	16	11	9.98	2	2

RATIO 110 --- TOTAL WAGES PER CONSUMER (\$)

2002	115.10	177.47	820	758	123.95	23	17	140.60	42	38	118.82	16	10	N/A	N/A	N/A
2003	117.36	181.56	814	752	127.05	23	18	143.74	45	40	124.40	16	12	122.45	3	3
2004	117.07	185.96	816	759	131.38	23	19	147.39	51	45	129.21	16	12	117.07	1	1
2005	119.68	193.28	819	764	133.63	23	18	152.72	51	43	132.13	16	12	132.18	2	2
2006	118.90	196.57	815	766	132.70	23	20	155.86	53	47	132.22	16	13	163.62	2	2

RATIO 111 --- OVERTIME HOURS/TOTAL HOURS (%)

2002	4.13	4.80	819	524	5.91	23	21	6.01	42	36	5.88	16	14	N/A	N/A	N/A
2003	6.15	4.65	814	213	6.86	23	16	5.95	45	22	7.54	16	12	5.94	3	1
2004	5.96	4.94	816	289	7.24	23	18	6.40	51	32	7.29	16	12	5.96	1	1
2005	5.54	5.80	816	438	6.82	23	16	7.61	51	41	6.57	16	11	5.99	2	2
2006	5.00	4.98	811	400	6.32	23	18	6.42	53	42	6.08	16	11	4.43	2	1

RATIO 112 --- CAPITALIZED PAYROLL / TOTAL PAYROLL (%)

2002	26.12	22.75	819	270	26.48	23	13	26.30	42	22	25.97	16	8	N/A	N/A	N/A
2003	30.73	22.48	812	121	25.94	23	7	25.24	45	11	25.62	16	3	26.49	3	1
2004	28.40	22.60	815	179	28.05	23	10	24.93	51	18	28.08	16	7	28.40	1	1
2005	25.37	22.87	816	301	26.12	23	14	25.37	51	26	26.10	16	9	22.20	2	1
2006	27.47	23.67	814	227	27.07	23	11	25.33	53	21	26.37	16	7	27.78	2	2

RATIO 113 --- AVERAGE CONSUMERS PER EMPLOYEE

2002	420.41	264.51	821	53	374.52	23	10	338.34	42	4	419.79	16	8	N/A	N/A	N/A
2003	433.52	267.94	815	46	394.69	23	7	341.05	45	3	423.97	16	7	315.07	3	1
2004	445.39	268.54	818	37	394.41	23	5	359.99	51	6	421.05	16	5	445.39	1	1
2005	456.74	274.50	819	37	393.51	23	6	354.91	51	5	413.52	16	6	384.34	2	1
2006	462.39	276.41	815	37	391.58	23	4	354.23	53	5	404.78	16	4	352.88	2	1

GROWTH (RATIOS 114-121)

RATIO 114 --- ANNUAL GROWTH IN KWH SOLD (%)

2002	35.46	4.78	816	2	4.52	23	1	5.13	41	1	5.09	16	1	N/A	N/A	N/A
2003	1.27	1.05	810	387	0.38	23	8	1.47	45	25	1.25	16	7	1.27	3	2
2004	2.42	2.02	814	367	2.43	23	13	3.87	50	31	2.47	16	10	2.42	1	1
2005	6.84	4.66	815	233	5.94	23	6	5.65	51	17	6.04	16	4	10.40	2	2
2006	-0.92	1.78	817	628	-1.42	23	8	2.71	53	45	-1.51	16	5	-0.60	2	2

RATIO 115 --- ANNUAL GROWTH IN NUMBER OF CONSUMERS (%)

2002	42.83	1.54	820	2	2.20	23	1	2.30	41	1	2.33	16	1	N/A	N/A	N/A
2003	2.22	1.47	811	221	1.66	23	6	2.26	46	24	1.77	16	6	2.63	3	3
2004	2.74	1.54	814	152	1.79	23	4	2.51	50	21	1.96	16	4	2.74	1	1
2005	2.55	1.50	815	166	1.47	23	4	2.31	51	22	1.65	16	4	5.79	2	2
2006	2.13	1.51	817	247	1.55	23	6	2.31	53	33	1.57	16	5	2.09	2	1

RATIO 116 --- ANNUAL GROWTH IN TUP DOLLARS (%)

2002	49.98	4.83	819	2	5.30	23	1	5.87	42	1	5.50	16	1	N/A	N/A	N/A
2003	5.34	4.64	812	302	5.10	23	11	6.01	45	29	5.71	16	10	3.95	3	1
2004	6.86	4.79	816	161	5.20	23	4	6.05	51	17	5.67	16	3	6.86	1	1
2005	8.55	4.99	816	96	5.79	23	2	6.31	51	10	5.95	16	2	9.95	2	2
2006	9.96	5.60	818	77	6.15	23	1	7.35	53	10	5.57	16	1	29.80	2	2

RATIO 117 --- CONST. W.I.P. TO PLANT ADDITIONS (%)

2002	16.48	22.23	805	492	10.62	23	8	26.18	42	31	11.48	16	5	N/A	N/A	N/A
2003	25.60	24.11	807	385	15.54	23	5	28.10	44	26	13.37	16	4	25.60	3	2

2004	12.66	25.34	801	587	13.00	23	13	26.90	50	40	13.28	16	10	12.66	1	1
2005	28.75	26.81	805	387	22.58	23	8	32.21	51	28	20.59	16	4	19.95	2	1
2006	29.28	24.72	793	346	19.77	23	6	30.97	52	31	14.96	16	3	15.33	2	1

RATIO 118 --- NET NEW SERVICES TO TOTAL SERVICES (%)

2002	2.70	1.67	819	154	2.31	23	7	2.53	42	18	2.44	16	6	N/A	N/A	N/A
2003	2.65	1.63	811	160	2.01	23	5	2.49	46	21	2.21	16	5	5.71	3	3
2004	3.09	1.63	815	110	1.84	23	4	2.24	51	15	1.98	16	4	3.09	1	1
2005	2.96	1.63	816	126	1.73	23	4	2.49	51	21	1.88	16	4	7.32	2	2
2006	2.47	1.58	816	197	1.73	23	6	2.50	53	29	1.84	16	5	1.72	2	1

RATIO 119 --- ANNUAL GROWTH IN TOTAL CAPITALIZATION (%)

2002	52.03	3.43	819	4	6.01	23	1	5.91	42	1	9.67	16	1	N/A	N/A	N/A
2003	4.27	3.22	812	334	7.43	23	16	5.78	45	27	8.93	16	14	8.21	3	3
2004	3.44	4.29	816	462	3.03	23	10	4.49	51	29	3.00	16	6	3.44	1	1
2005	15.89	5.35	816	44	5.37	23	2	7.22	51	7	6.12	16	1	17.09	2	2
2006	4.49	5.12	818	458	4.49	23	12	6.08	53	32	3.35	16	7	19.64	2	2

RATIO 120 --- 2 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)

2002	32.46	4.23	806	1	9.03	22	1	6.52	41	1	9.26	15	1	N/A	N/A	N/A
2003	25.90	3.85	814	3	7.85	23	1	5.43	46	1	8.85	16	1	13.17	3	1
2004	3.85	4.19	809	430	4.23	23	14	5.15	49	34	5.57	16	13	3.85	1	1
2005	9.49	5.13	815	121	4.51	23	2	6.27	51	9	4.22	16	2	10.67	2	2
2006	10.04	5.60	814	119	5.13	23	2	6.55	53	12	4.98	16	1	16.32	2	2

RATIO 121 --- 5 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	15.64	4.55	793	7	7.18	21	1	5.95	44	1	8.03	15	1	15.64	3	2
2004	14.60	4.63	798	8	6.51	22	1	5.71	51	2	6.56	15	1	14.60	1	1
2005	17.01	4.65	805	2	6.76	22	1	6.09	51	1	7.34	15	1	17.41	2	2
2006	14.71	4.93	810	7	6.30	23	1	5.74	53	2	6.37	16	1	14.18	2	1

PLANT (RATIOS 122-145)

RATIO 122 --- TUP INVESTMENTS PER TOTAL KWH SOLD (CENTS)

2002	11.97	19.44	821	723	11.20	23	9	15.34	42	31	11.67	16	7	N/A	N/A	N/A
2003	12.45	20.09	817	723	12.01	23	10	16.18	46	37	12.45	16	8	15.74	3	3
2004	12.99	20.69	818	714	12.75	23	9	16.53	51	41	12.76	16	7	12.99	1	1
2005	13.20	20.84	819	706	13.00	23	10	16.73	51	39	13.06	16	7	21.13	2	2
2006	14.64	21.62	818	679	14.20	23	9	17.23	53	40	14.12	16	6	27.60	2	2

RATIO 123 --- TUP INVESTMENT PER CONSUMER (\$)

2002	2,651.31	3,573.43	821	706	2,607.94	23	10	3,088.48	42	31	2,525.26	16	6	N/A	N/A	N/A
2003	2,732.31	3,711.19	817	711	2,717.53	23	11	3,198.27	46	37	2,634.27	16	7	4,329.86	3	3
2004	2,841.81	3,830.69	818	704	2,776.55	23	11	3,314.86	51	41	2,709.52	16	7	2,841.81	1	1
2005	3,008.25	3,954.35	819	686	2,878.77	23	10	3,509.67	51	38	2,835.86	16	6	4,410.36	2	2
2006	3,238.97	4,114.77	818	662	3,086.27	23	10	3,587.43	53	37	3,016.22	16	6	4,516.65	2	2

RATIO 124 --- TUP INVESTMENT PER MILE OF LINE (\$)

2002	22,123.35	19,086.04	821	306	23,096.82	23	14	29,306.54	42	35	22,957.39	16	9	N/A	N/A	N/A
2003	23,094.46	19,910.36	817	306	24,041.83	23	14	29,654.94	46	35	23,791.14	16	9	23,094.46	3	2
2004	24,406.77	20,714.35	818	300	24,864.78	23	14	31,011.49	51	40	24,565.78	16	9	24,406.77	1	1
2005	35,277.77	21,564.30	818	119	26,132.54	23	1	32,721.09	51	16	26,015.14	16	1	41,820.75	2	2

2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	4.70	6.85	746	535	3.52	23	7	5.74	46	30	3.67	16	5	4.70	1	1	
2005	5.19	6.78	760	492	3.84	23	5	5.98	46	28	4.00	16	5	6.57	2	2	
2006	7.26	6.97	765	362	4.04	23	5	6.23	50	19	4.29	16	4	6.88	2	1	

RATIO 133 --- HEADQUARTERS PLANT PER CONSUMER (\$)

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	102.81	126.15	746	472	76.11	23	7	117.18	46	29	72.31	16	4	102.81	1	1
2005	118.25	130.44	760	431	81.01	23	6	116.99	46	23	79.92	16	5	138.59	2	2
2006	160.60	137.14	765	312	112.93	23	4	121.74	50	14	105.13	16	4	126.72	2	1

RATIO 134 --- HEADQUARTERS PLANT PER EMPLOYEE (\$)

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	45,790.11	33,204.05	746	221	33,867.12	23	5	42,153.64	46	20	33,249.77	16	5	45,790.11	1	1
2005	54,006.90	34,640.60	760	170	36,408.20	23	5	43,164.91	46	12	34,153.77	16	5	51,792.43	2	1
2006	74,259.02	36,798.76	763	88	43,528.72	23	4	43,766.03	50	5	47,454.74	16	4	48,427.52	2	1

RATIO 138 --- IDLE SERVICES TO TOTAL SERVICE (%)

2002	5.50	7.96	802	538	8.52	23	20	8.54	42	28	8.83	16	13	N/A	N/A	N/A
2003	5.50	8.05	796	530	9.33	23	20	8.47	46	31	9.41	16	13	13.45	3	3
2004	5.50	7.91	797	518	8.58	23	17	7.28	51	30	8.39	16	12	5.50	1	1
2005	5.50	7.84	797	525	8.34	23	18	5.83	51	28	8.21	16	13	11.61	2	2
2006	5.50	7.88	794	511	9.32	23	19	6.95	53	31	9.07	16	13	4.88	2	1

RATIO 139 --- LINE LOSS (%)

2002	5.72	6.60	821	550	5.32	23	10	6.32	42	26	4.97	16	6	N/A	N/A	N/A
2003	4.66	6.56	817	682	5.13	23	16	6.18	46	38	4.93	16	11	5.44	3	3
2004	5.32	6.49	815	591	5.32	23	12	5.67	51	34	5.16	16	8	5.32	1	1
2005	4.38	6.22	817	674	4.89	23	16	5.72	50	42	4.69	16	11	5.95	2	2
2006	3.14	5.86	817	750	4.77	23	18	4.94	53	46	4.61	16	12	4.93	2	2

RATIO 140 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - POWER SUPPLIER

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.16	0.26	818	159	0.29	23	5	0.16	51	4	0.31	16	3	1.16	1	1
2005	0.30	0.26	820	385	0.09	23	9	0.14	51	19	0.12	16	7	2.89	2	2
2006	0.01	0.26	819	612	0.12	23	17	0.12	53	41	0.13	16	12	0.22	2	2

RATIO 141 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - EXTREME STORM

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	2.45	0.53	818	205	1.23	23	8	1.64	51	21	2.12	16	7	2.45	1	1
2005	0.00	0.52	820	670	0.18	23	22	0.46	51	43	0.02	16	16	2.63	2	2
2006	0.00	0.21	819	625	0.71	23	23	0.21	53	43	0.10	16	16	0.00	2	2

RATIO 142 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - PREARRANGED

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	0.02	0.02	818	425	0.02	23	15	0.04	51	30	0.03	16	12	0.02	1	1
2005	0.05	0.02	820	329	0.06	23	13	0.03	51	24	0.06	16	11	0.06	2	2
2006	0.04	0.02	819	353	0.05	23	14	0.03	53	26	0.06	16	10	0.02	2	1

RATIO 143 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - ALL OTHER

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	2.05	1.49	818	286	2.61	23	15	2.09	51	27	2.80	16	12	2.05	1	1	
2005	1.62	1.53	820	386	1.47	23	10	1.55	51	24	1.54	16	7	2.28	2	2	
2006	2.02	1.63	819	320	2.29	23	13	1.95	53	25	2.16	16	9	2.46	2	2	

RATIO 144 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - TOTAL

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	5.68	3.26	818	242	4.19	23	10	6.09	51	29	4.94	16	8	5.68	1	1
2005	1.97	3.26	820	612	2.11	23	14	3.00	51	37	2.02	16	9	7.99	2	2
2006	2.07	3.00	819	551	3.58	23	18	2.93	53	37	3.02	16	12	2.70	2	2

RATIO 145 --- AVG. SERVICE AVAILABILITY INDEX (ASAI) - TOTAL (%)

2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	99.94	99.96	818	577	99.95	23	14	99.93	51	23	99.94	16	9	99.94	1	1
2005	99.98	99.96	820	209	99.98	23	10	99.97	51	15	99.98	16	8	99.91	2	1
2006	99.98	99.97	819	269	99.96	23	6	99.97	53	17	99.97	16	5	99.97	2	1

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**2005 Key Ratio Trend Analysis (KRTA)
Blue Grass Energy Cooperative Corporation (KY064)**

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
BASE GROUP (RATIOS 1-5)																
RATIO 1 --- AVERAGE TOTAL CONSUMERS SERVED																
2001	33,850	11,415	827	111	23,986	24	9	33,850	55	28	22,691	17	5	N/A	N/A	N/A
2002	48,347	11,545	821	60	25,084	23	5	47,338	42	16	23,498	16	3	N/A	N/A	N/A
2003	49,421	11,779	817	63	25,553	23	5	48,411	46	17	24,024	16	3	40,959	3	1
2004	50,775	12,167	818	65	26,118	23	5	48,457	51	17	24,428	16	3	50,775	1	1
2005	52,068	12,361	819	68	26,515	23	5	47,569	51	17	24,295	16	3	40,383	2	1
RATIO 2 --- TOTAL KWH SOLD (1,000)																
2001	790,744	214,126	827	93	520,827	24	8	638,748	55	10	454,106	17	4	N/A	N/A	N/A
2002	1,071,167	218,960	821	56	607,779	23	4	935,061	42	12	468,537	16	2	N/A	N/A	N/A
2003	1,084,749	224,215	817	60	594,991	23	4	927,505	46	12	481,017	16	2	1,084,749	3	2
2004	1,111,050	232,994	818	59	608,568	23	4	937,603	51	11	499,859	16	2	1,111,050	1	1
2005	1,187,056	243,131	819	56	648,361	23	4	972,795	51	10	508,708	16	2	880,562	2	1
RATIO 3 --- TOTAL UTILITY PLANT (1,000)																
2001	85,468.03	40,181.06	831	175	60,748.57	24	9	104,549.47	55	45	53,247.16	17	4	N/A	N/A	N/A
2002	128,182.69	42,396.81	823	88	65,441.95	23	4	141,295.34	42	32	59,480.54	16	2	N/A	N/A	N/A
2003	135,033.32	44,626.10	820	95	68,572.49	23	5	153,875.57	46	35	62,840.95	16	3	135,033.32	3	2
2004	144,292.82	46,942.59	818	94	73,516.43	23	5	158,791.96	51	37	67,087.02	16	3	144,292.82	1	1
2005	156,633.30	49,101.95	820	90	79,833.29	23	5	167,845.41	51	32	71,937.74	16	3	161,719.89	2	2
RATIO 4 --- TOTAL NUMBER OF EMPLOYEES (FULL TIME ONLY)																
2001	85	44	825	169	68	24	9	107	54	41	57	17	5	N/A	N/A	N/A
2002	115	44	821	108	72	23	6	143	42	38	58	16	3	N/A	N/A	N/A
2003	114	44	815	110	73	23	7	141	45	42	58	16	4	114	3	2
2004	114	45	818	113	73	23	7	137	51	42	59	16	4	114	1	1
2005	114	45	819	116	71	23	7	137	51	43	58	16	4	103	2	1
RATIO 5 --- TOTAL MILES OF LINE																
2001	3,492	2,411	829	219	3,159	24	8	4,422	55	39	2,978	17	4	N/A	N/A	N/A
2002	5,794	2,419	821	57	3,277	23	3	4,978	42	13	3,141	16	2	N/A	N/A	N/A
2003	5,847	2,459	817	60	3,324	23	3	5,130	46	15	3,181	16	2	5,847	3	2
2004	5,912	2,490	818	62	3,386	23	3	5,108	51	16	3,227	16	2	5,912	1	1
2005	4,440	2,510	818	148	3,421	23	7	5,032	51	33	3,257	16	4	3,945	2	1
FINANCIAL (RATIOS 6-32)																
RATIO 6 --- TIER																
2001	2.67	2.11	831	253	2.49	24	9	1.75	55	11	2.67	17	8	N/A	N/A	N/A
2002	2.49	2.30	823	362	2.80	23	16	2.11	42	14	3.24	16	16	N/A	N/A	N/A
2003	2.26	2.28	820	420	2.57	23	17	1.79	46	14	2.82	16	15	2.62	3	3
2004	1.30	2.33	818	755	1.59	23	19	1.89	51	47	1.38	16	12	1.30	1	1
2005	1.35	2.20	820	733	1.71	23	16	1.91	51	44	1.45	16	10	1.28	2	1

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2005 Key Ratio Trend Analysis (KRTA)
Blue Grass Energy Cooperative Corporation (KY064)

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 7 --- TIER (2 OF 3 YEAR HIGH AVERAGE)																
2001	2.09	2.29	831	510	2.19	24	14	1.91	55	22	2.34	17	13	N/A	N/A	N/A
2002	2.58	2.35	823	343	2.75	23	14	2.15	42	13	2.88	16	13	N/A	N/A	N/A
2003	2.58	2.42	820	364	2.90	23	16	2.12	46	15	3.07	16	15	2.52	3	1
2004	2.37	2.53	818	461	2.90	23	16	2.09	51	20	3.00	16	15	2.37	1	1
2005	1.80	2.47	820	669	2.04	23	19	2.09	51	36	2.15	16	14	2.06	2	2
RATIO 8 --- OTIER																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.26	1.86	818	688	1.43	23	17	1.65	51	44	1.27	16	10	1.26	1	1
2005	1.33	1.80	820	657	1.45	23	14	1.66	51	40	1.27	16	8	1.48	2	2
RATIO 9 --- OTIER (2 OF 3 YEAR HIGH AVERAGE)																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.26	1.86	818	688	1.43	23	17	1.65	51	44	1.27	16	10	1.26	1	1
2005	1.29	1.84	820	688	1.41	23	15	1.66	51	44	1.29	16	8	1.74	2	2
RATIO 10 --- MODIFIED DSC (MDSC)																
2001	1.82	1.98	831	506	1.87	24	14	1.85	55	29	1.82	17	9	N/A	N/A	N/A
2002	1.46	2.02	823	728	1.97	23	23	1.96	42	37	1.95	16	16	N/A	N/A	N/A
2003	1.35	2.01	820	769	1.87	23	21	1.86	46	44	1.68	16	14	1.78	3	3
2004	1.28	1.92	818	771	1.70	23	21	1.94	51	48	1.52	16	14	1.28	1	1
2005	1.53	1.90	820	646	1.67	23	13	1.81	51	40	1.53	16	8	1.44	2	1
RATIO 11 --- MDSC (2 OF 3 YEAR HIGH AVERAGE)																
2001	1.89	2.15	831	561	1.98	24	16	2.01	55	33	1.95	17	10	N/A	N/A	N/A
2002	1.64	2.15	823	709	1.95	23	23	2.18	42	40	1.87	16	16	N/A	N/A	N/A
2003	1.64	2.14	820	707	1.95	23	23	2.06	46	41	1.93	16	16	1.92	3	3
2004	1.41	2.12	818	790	1.94	23	23	2.02	51	50	1.84	16	16	1.41	1	1
2005	1.44	2.06	820	775	1.81	23	20	2.02	51	50	1.70	16	13	1.69	2	2
RATIO 12 --- DEBT SERVICE COVERAGE (DSC)																
2001	2.59	2.08	831	216	2.39	24	8	1.94	55	14	2.52	17	8	N/A	N/A	N/A
2002	2.28	2.15	823	357	2.49	23	17	2.23	42	19	2.83	16	16	N/A	N/A	N/A
2003	1.93	2.13	820	510	2.25	23	20	1.99	46	27	2.36	16	14	2.10	3	3
2004	1.29	2.09	818	779	1.63	23	21	2.02	51	48	1.53	16	14	1.29	1	1
2005	1.52	2.07	820	702	1.64	23	15	2.04	51	43	1.56	16	10	1.29	2	1

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Blue Grass Energy Cooperative Corporation (KY064)

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 13 --- DSC (2 OF 3 YEAR HIGH AVERAGE)																
2001	2.29	2.23	831	387	2.24	24	12	2.11	55	20	2.37	17	10	N/A	N/A	N/A
2002	2.43	2.28	823	338	2.45	23	14	2.34	42	19	2.53	16	13	N/A	N/A	N/A
2003	2.43	2.27	820	334	2.50	23	14	2.25	46	16	2.61	16	13	2.43	3	2
2004	2.11	2.30	818	492	2.41	23	18	2.23	51	30	2.46	16	16	2.11	1	1
2005	1.73	2.24	820	685	2.01	23	19	2.25	51	41	2.02	16	13	1.65	2	1
RATIO 14 --- ODSC																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.27	1.85	818	755	1.61	23	21	1.90	51	47	1.48	16	14	1.27	1	1
2005	1.51	1.82	820	616	1.60	23	13	1.80	51	40	1.50	16	8	1.41	2	1
RATIO 15 --- ODSC (2 OF 3 YEAR HIGH AVERAGE)																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.27	1.85	818	755	1.61	23	21	1.90	51	47	1.48	16	14	1.27	1	1
2005	1.39	1.85	820	716	1.62	23	16	1.84	51	46	1.49	16	11	1.42	2	2
RATIO 16 --- EQUITY AS A % OF ASSETS																
2001	32.53	43.55	831	699	37.68	24	20	36.69	55	38	36.41	17	15	N/A	N/A	N/A
2002	33.25	43.34	823	671	39.28	23	19	38.46	42	30	39.28	16	14	N/A	N/A	N/A
2003	33.07	43.29	820	670	39.01	23	18	36.91	46	29	39.01	16	13	27.47	3	1
2004	30.86	42.78	818	712	38.01	23	20	36.64	51	36	37.43	16	14	30.86	1	1
2005	28.76	42.32	820	746	36.14	23	22	36.33	51	41	35.39	16	16	24.41	2	1
RATIO 17 --- DISTRIBUTION EQUITY (EXCLUDES EQUITY IN ASSOC. ORG'S PATRONAGE CAPITAL)																
2001	24.53	38.32	831	756	31.24	24	22	32.13	55	46	30.02	17	15	N/A	N/A	N/A
2002	23.53	38.26	823	764	30.08	23	21	34.99	42	35	29.58	16	14	N/A	N/A	N/A
2003	21.91	38.49	820	776	30.39	23	22	31.98	46	40	28.91	16	15	21.91	3	2
2004	20.20	37.86	818	787	30.08	23	23	31.97	51	44	27.55	16	16	20.20	1	1
2005	18.99	36.92	820	788	28.25	23	22	30.19	51	46	26.09	16	15	18.90	2	1
RATIO 18 --- EQUITY AS A % OF TOTAL CAPITALIZATION																
2001	36.67	48.20	831	693	42.42	24	20	41.55	55	41	42.17	17	14	N/A	N/A	N/A
2002	37.69	48.73	823	670	45.79	23	19	45.77	42	31	46.46	16	14	N/A	N/A	N/A
2003	38.53	48.60	820	650	44.41	23	18	43.61	46	30	44.41	16	13	31.73	3	1
2004	37.28	48.20	818	665	43.36	23	18	43.56	51	35	42.76	16	13	37.28	1	1
2005	33.09	47.82	820	742	41.16	23	22	41.63	51	40	40.36	16	16	28.09	2	1

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**2005 Key Ratio Trend Analysis (KRTA)
Blue Grass Energy Cooperative Corporation (KY064)**

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 19 --- LONG TERM DEBT AS A % OF TOTAL ASSETS																
2001	56.18	46.62	823	170	50.68	24	5	49.04	55	16	50.76	17	4	N/A	N/A	N/A
2002	54.98	45.79	815	172	48.64	23	5	48.18	42	9	47.10	16	4	N/A	N/A	N/A
2003	52.76	45.72	813	223	48.71	23	7	48.90	46	17	49.38	16	5	59.10	3	3
2004	51.92	46.00	812	251	48.82	23	8	48.90	51	20	50.15	16	6	51.92	1	1
2005	58.15	46.01	814	114	50.16	23	4	49.75	51	10	52.66	16	3	62.49	2	2
RATIO 20 --- LONG TERM DEBT PER KWH SOLD (MILLS)																
2001	57.21	82.31	820	583	54.05	24	11	80.15	55	39	57.21	17	9	N/A	N/A	N/A
2002	63.17	82.45	814	528	54.60	23	8	65.10	42	22	57.81	16	7	N/A	N/A	N/A
2003	64.16	84.35	811	546	59.47	23	10	75.44	46	29	64.82	16	9	79.27	3	3
2004	66.12	87.86	812	542	61.07	23	9	72.59	51	30	65.63	16	8	66.12	1	1
2005	76.51	88.12	814	488	61.95	23	8	77.95	51	27	75.53	16	7	142.21	2	2
RATIO 21 --- LONG TERM DEBT PER CONSUMER (\$)																
2001	1,336.35	1,461.07	820	480	1,238.83	24	9	1,336.35	55	28	1,253.03	17	7	N/A	N/A	N/A
2002	1,399.64	1,463.29	814	449	1,171.00	23	8	1,376.54	42	18	1,177.05	16	6	N/A	N/A	N/A
2003	1,408.31	1,551.43	811	463	1,283.49	23	8	1,404.44	46	23	1,358.47	16	7	2,180.29	3	3
2004	1,446.92	1,607.37	812	480	1,343.60	23	8	1,502.20	51	28	1,371.05	16	7	1,446.92	1	1
2005	1,744.33	1,699.03	814	391	1,414.31	23	8	1,616.25	51	21	1,467.29	16	7	2,951.72	2	2
RATIO 22 --- NON-GOVERNMENT DEBT AS A % OF TOTAL LONG TERM DEBT																
2001	41.54	40.59	815	396	41.54	24	12	46.80	55	33	44.71	17	11	N/A	N/A	N/A
2002	47.11	46.65	806	391	47.01	23	11	51.06	42	26	49.13	16	9	N/A	N/A	N/A
2003	81.00	55.18	802	251	59.39	22	6	71.60	46	21	61.56	16	5	100.00	3	3
2004	37.48	32.59	783	349	24.67	22	7	39.26	51	28	20.96	16	6	37.48	1	1
2005	29.79	30.48	781	397	21.92	22	10	34.91	50	29	18.10	16	7	64.89	2	2
RATIO 23 --- BLENDED INTEREST RATE (%)																
2001	5.05	5.47	824	614	5.31	24	23	5.78	55	53	5.31	17	16	N/A	N/A	N/A
2002	5.33	5.01	814	234	4.62	23	2	5.24	42	17	4.52	16	1	N/A	N/A	N/A
2003	4.23	4.80	812	618	4.07	23	10	4.99	46	38	3.87	16	5	3.63	3	1
2004	3.68	4.58	811	683	3.74	23	13	4.78	51	44	3.56	16	7	3.68	1	1
2005	4.10	4.92	812	690	4.52	23	18	5.01	51	46	4.30	16	12	4.55	2	2
RATIO 24 --- ANNUAL CAPITAL CREDITS RETIRED PER TOTAL EQUITY (%)																
2001	0.24	2.32	626	586	0.91	18	17	2.26	38	32	0.81	15	14	N/A	N/A	N/A
2002	3.71	2.34	622	142	0.85	15	3	2.66	31	10	0.82	13	2	N/A	N/A	N/A
2003	2.92	2.45	630	241	0.71	17	6	2.39	35	14	0.64	14	3	2.92	2	1
2004	2.95	2.43	633	232	1.61	17	6	2.63	39	17	0.93	14	3	2.95	1	1
2005	0.17	2.30	635	603	0.81	17	16	2.42	40	39	0.66	14	13	0.17	1	1

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 25 ---- LONG-TERM INTEREST AS A % OF REVENUE																
2001	4.77	5.72	824	526	4.77	24	12	5.87	55	36	4.87	17	10	N/A	N/A	N/A
2002	4.91	5.15	814	441	3.93	23	8	4.76	42	17	4.72	16	6	N/A	N/A	N/A
2003	4.49	4.83	812	462	3.53	23	9	4.60	46	24	4.15	16	7	4.49	3	2
2004	3.87	4.75	811	530	3.70	23	10	4.33	51	30	3.85	16	8	3.87	1	1
2005	4.09	4.90	812	528	4.09	23	12	4.54	51	29	4.25	16	10	6.44	2	2
RATIO 26 ---- CUMULATIVE PATRONAGE CAPITAL RETIRED AS A % OF TOTAL PATRONAGE CAPITAL																
2001	22.66	22.22	711	344	15.98	18	6	20.40	41	17	15.30	15	4	N/A	N/A	N/A
2002	20.68	22.69	700	414	17.51	17	7	22.67	32	23	13.96	14	4	N/A	N/A	N/A
2003	21.49	23.38	699	403	18.88	17	7	23.78	35	24	13.13	14	4	21.49	3	2
2004	23.26	24.08	697	367	21.13	17	7	23.70	39	21	15.61	14	4	23.26	1	1
2005	22.86	24.43	696	396	21.48	17	8	24.40	39	22	13.90	14	5	12.33	2	1
RATIO 27 ---- RATE OF RETURN ON EQUITY (%)																
2001	13.61	6.01	831	44	10.51	24	7	5.50	55	5	11.65	17	7	N/A	N/A	N/A
2002	10.97	6.56	823	109	10.97	23	12	6.58	42	8	12.64	16	12	N/A	N/A	N/A
2003	8.35	5.85	820	182	7.55	23	9	5.58	46	12	8.79	16	9	11.82	3	3
2004	1.90	5.86	818	741	3.58	23	15	5.16	51	46	2.06	16	9	1.90	1	1
2005	2.72	6.08	820	710	4.59	23	15	5.59	51	46	3.16	16	10	3.04	2	2
RATIO 28 ---- RATE OF RETURN ON TOTAL CAPITALIZATION (%)																
2001	7.98	5.69	831	94	7.35	24	7	5.43	55	5	7.75	17	7	N/A	N/A	N/A
2002	6.90	5.69	823	195	6.89	23	11	5.79	42	10	8.32	16	11	N/A	N/A	N/A
2003	5.78	5.27	820	297	5.52	23	10	5.20	46	16	6.15	16	9	6.07	3	3
2004	3.05	5.12	818	744	3.43	23	16	4.96	51	48	3.16	16	10	3.05	1	1
2005	3.47	5.37	820	737	4.60	23	15	5.39	51	48	3.99	16	10	3.91	2	2
RATIO 29 ---- CURRENT RATIO																
2001	0.93	1.39	831	606	1.17	24	17	0.93	55	28	1.17	17	11	N/A	N/A	N/A
2002	0.68	1.32	823	711	1.04	23	19	0.92	42	29	0.99	16	13	N/A	N/A	N/A
2003	0.52	1.29	820	764	1.11	23	23	0.88	46	39	1.10	16	16	0.86	3	3
2004	0.44	1.27	818	786	1.09	23	23	0.82	51	44	1.02	16	16	0.44	1	1
2005	0.85	1.26	820	638	1.12	23	17	0.93	51	31	1.10	16	12	0.89	2	2
RATIO 30 ---- GENERAL FUNDS PER TUP (%)																
2001	1.86	3.97	831	622	2.77	24	16	2.50	55	39	2.22	17	10	N/A	N/A	N/A
2002	0.66	3.98	823	760	2.71	23	21	3.19	42	40	1.96	16	15	N/A	N/A	N/A
2003	0.46	3.74	820	779	3.74	23	22	3.36	46	45	2.02	16	16	2.68	3	3
2004	1.08	3.77	818	696	2.21	23	17	2.82	51	42	1.86	16	10	1.08	1	1
2005	1.12	4.00	819	705	1.75	23	17	3.33	51	40	1.43	16	11	3.27	2	2

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Blue Grass Energy Cooperative Corporation (KY064)

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 31 --- PLANT REVENUE RATIO (PRR) ONE YEAR																
2001	6.21	6.27	831	434	5.84	24	8	6.35	55	31	5.84	17	5	N/A	N/A	N/A
2002	6.81	6.19	823	246	6.06	23	4	6.00	42	8	6.02	16	2	N/A	N/A	N/A
2003	6.81	6.32	820	266	6.19	23	6	6.20	46	10	6.26	16	4	6.81	3	2
2004	7.06	6.45	818	250	6.26	23	6	6.20	51	13	6.37	16	4	7.06	1	1
2005	7.06	6.42	820	233	6.20	23	5	6.28	51	13	6.64	16	3	7.64	2	2
REVENUE & MARGINS (RATIOS 33-59)																
RATIO 33 --- TOTAL OPERATING REVENUE PER KWH SOLD (MILLS)																
2001	56.53	74.29	827	759	61.22	24	20	73.24	55	54	59.68	17	14	N/A	N/A	N/A
2002	57.23	74.19	821	762	58.93	23	18	70.12	42	39	58.55	16	12	N/A	N/A	N/A
2003	59.52	76.78	817	744	61.54	23	15	73.22	46	43	60.62	16	10	67.99	3	3
2004	63.80	78.83	818	708	65.50	23	14	75.40	51	47	63.95	16	9	63.80	1	1
2005	71.90	83.40	819	645	72.04	23	13	83.03	51	44	72.27	16	10	90.91	2	2
RATIO 34 --- TOTAL OPERATING REVENUE PER TUP INVESTMENT (CENTS)																
2001	52.30	39.03	831	128	53.14	24	13	42.16	55	13	51.83	17	8	N/A	N/A	N/A
2002	47.82	39.01	823	206	51.59	23	15	48.63	42	23	51.01	16	10	N/A	N/A	N/A
2003	47.81	38.66	820	196	50.93	23	15	45.32	46	19	49.56	16	10	43.19	3	1
2004	49.12	38.58	818	177	52.31	23	15	46.14	51	21	50.54	16	10	49.12	1	1
2005	54.49	40.25	820	139	56.46	23	15	49.64	51	17	56.23	16	10	46.16	2	1
RATIO 35 --- TOTAL OPERATING REVENUE PER CONSUMER (\$)																
2001	1,320.60	1,366.83	827	459	1,215.45	24	9	1,337.98	55	29	1,191.24	17	4	N/A	N/A	N/A
2002	1,267.95	1,422.03	821	569	1,245.92	23	11	1,464.81	42	35	1,221.27	16	5	N/A	N/A	N/A
2003	1,306.36	1,450.10	817	560	1,273.29	23	10	1,492.78	46	38	1,253.43	16	5	1,763.23	3	3
2004	1,395.99	1,499.83	818	507	1,348.81	23	10	1,535.02	51	40	1,336.88	16	5	1,395.99	1	1
2005	1,639.19	1,624.06	819	397	1,571.14	23	10	1,714.91	51	31	1,545.61	16	5	1,918.95	2	2
RATIO 36 --- ELECTRIC REVENUE PER KWH SOLD (MILLS)																
2001	55.20	73.15	827	759	59.67	24	20	72.51	55	54	58.32	17	14	N/A	N/A	N/A
2002	56.03	72.95	821	759	57.42	23	16	69.05	42	38	57.08	16	10	N/A	N/A	N/A
2003	58.08	75.30	817	747	59.74	23	15	70.74	46	42	59.46	16	10	67.47	3	3
2004	62.35	77.27	818	711	63.65	23	14	74.17	51	47	62.62	16	9	62.35	1	1
2005	70.27	81.77	819	647	70.54	23	13	79.64	51	43	70.87	16	10	88.39	2	2
RATIO 37 --- ELECTRIC REVENUE PER CONSUMER (\$)																
2001	1,289.60	1,343.88	827	470	1,186.05	24	9	1,297.91	55	30	1,166.23	17	4	N/A	N/A	N/A
2002	1,241.35	1,394.32	821	569	1,219.42	23	11	1,442.84	42	35	1,192.46	16	5	N/A	N/A	N/A
2003	1,274.77	1,422.65	817	565	1,248.36	23	10	1,460.91	46	38	1,225.65	16	5	1,705.12	3	3
2004	1,364.41	1,467.93	818	511	1,319.21	23	10	1,506.80	51	41	1,310.72	16	5	1,364.41	1	1
2005	1,602.04	1,593.01	819	396	1,542.53	23	10	1,662.43	51	30	1,514.94	16	5	1,866.35	2	2

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Blue Grass Energy Cooperative Corporation (KY064)**

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 38 --- RESIDENTIAL REVENUE PER KWH SOLD (MILLS)																
2001	60.80	78.08	826	777	64.73	24	19	76.38	55	53	63.05	17	13	N/A	N/A	N/A
2002	62.19	78.62	821	761	62.19	23	12	74.88	42	39	62.19	16	8	N/A	N/A	N/A
2003	64.07	81.23	817	757	64.07	23	12	78.03	46	43	64.07	16	8	78.03	3	3
2004	68.49	83.39	818	727	68.49	23	12	79.23	51	47	68.24	16	8	68.49	1	1
2005	76.20	88.31	818	631	75.76	23	10	86.80	51	43	75.81	16	7	91.60	2	2
RATIO 39 --- NON-RESIDENTIAL REVENUE PER KWH SOLD (MILLS)																
2001	45.79	64.85	825	759	54.16	24	20	63.84	55	54	51.10	17	14	N/A	N/A	N/A
2002	44.72	65.18	819	762	54.00	23	18	62.49	42	36	51.81	16	12	N/A	N/A	N/A
2003	46.87	67.17	815	753	54.45	23	18	64.41	46	41	54.06	16	12	63.50	3	3
2004	50.90	68.69	815	722	58.77	23	17	66.53	51	45	57.08	16	12	50.90	1	1
2005	58.61	72.30	817	663	65.94	23	17	69.72	51	44	65.61	16	12	80.91	2	2
RATIO 42 --- SMALL COMMERCIAL REVENUE PER KWH SOLD (MILLS)																
2001	59.14	72.88	825	712	60.24	24	15	72.99	55	50	59.55	17	10	N/A	N/A	N/A
2002	59.96	73.16	819	709	59.96	23	12	70.90	42	36	58.84	16	7	N/A	N/A	N/A
2003	62.18	75.52	815	684	61.76	23	11	73.59	46	40	61.38	16	6	72.78	3	3
2004	66.33	77.00	815	647	66.27	23	11	77.00	51	43	64.89	16	6	66.33	1	1
2005	75.15	81.62	817	522	73.47	23	10	82.27	51	37	73.25	16	6	89.18	2	2
RATIO 43 --- LARGE COMMERCIAL REVENUE PER KWH SOLD (MILLS)																
2001	38.59	51.04	650	570	43.00	24	20	51.04	50	50	42.56	17	14	N/A	N/A	N/A
2002	37.85	50.40	656	576	42.74	23	18	50.46	39	32	41.54	16	12	N/A	N/A	N/A
2003	40.12	51.74	656	575	43.05	22	18	49.98	42	34	43.05	16	13	44.34	2	2
2004	44.09	52.94	656	525	47.27	22	15	51.38	47	39	47.27	16	12	44.09	1	1
2005	51.28	57.00	667	449	53.76	22	15	55.54	46	34	54.74	16	12	51.28	1	1
RATIO 45 --- STREET & HIGHWAY LIGHTING REVENUE PER KWH SOLD (MILLS)																
2001	179.30	100.97	598	59	91.04	19	1	91.83	47	3	95.97	12	1	N/A	N/A	N/A
2002	180.90	102.22	596	63	93.55	18	1	103.91	34	4	91.44	11	1	N/A	N/A	N/A
2003	181.82	106.06	589	73	100.16	18	1	100.42	38	6	93.75	11	1	114.33	2	1
2004	188.27	108.99	587	66	100.60	18	1	115.61	41	6	97.40	11	1	188.27	1	1
2005	204.18	115.30	585	63	108.47	18	1	122.42	43	3	106.64	11	1	204.18	1	1
RATIO 47 --- OPERATING MARGINS PER KWH SOLD (MILLS)																
2001	1.18	2.81	827	606	1.23	24	13	1.90	55	34	1.27	17	10	N/A	N/A	N/A
2002	0.29	3.42	821	744	1.54	23	20	2.33	42	37	2.00	16	15	N/A	N/A	N/A
2003	0.23	2.91	817	738	1.39	23	21	1.76	46	45	1.31	16	14	1.01	3	3
2004	0.54	2.73	818	701	0.77	23	17	1.86	51	45	0.70	16	11	0.54	1	1
2005	0.87	2.80	819	674	1.11	23	14	2.32	51	43	0.72	16	8	3.48	2	2

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Blue Grass Energy Cooperative Corporation (KY064)**

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 54 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER KWH SOLD (MILLS)																
2001	3.35	0.99	765	118	3.35	21	11	1.11	46	5	3.42	17	11	N/A	N/A	N/A
2002	3.85	0.92	761	59	3.70	21	9	0.65	38	5	3.94	16	9	N/A	N/A	N/A
2003	3.04	0.92	764	78	2.98	22	10	0.54	42	4	3.14	16	10	2.85	3	1
2004	0.15	0.98	770	653	0.12	21	8	0.40	45	39	0.13	16	7	0.15	1	1
2005	0.08	1.12	769	718	0.13	21	16	0.62	45	42	0.13	16	14	0.33	2	2
RATIO 55 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER CONSUMER (\$)																
2001	78.21	17.98	765	73	62.63	21	4	19.93	46	1	66.80	17	4	N/A	N/A	N/A
2002	85.26	16.88	761	50	73.27	21	4	13.87	38	3	77.58	16	4	N/A	N/A	N/A
2003	66.67	16.68	764	67	57.07	22	5	10.50	42	4	61.64	16	5	66.67	3	2
2004	3.25	16.82	770	625	2.50	21	7	9.24	45	40	2.60	16	6	3.25	1	1
2005	1.86	21.92	769	713	2.86	21	18	13.75	45	43	2.76	16	15	6.73	2	2
RATIO 56 --- TOTAL MARGINS PER KWH SOLD (MILLS)																
2001	4.51	4.84	827	450	4.51	24	12	3.40	55	19	5.43	17	12	N/A	N/A	N/A
2002	4.19	5.08	821	510	4.60	23	15	4.01	42	17	6.60	16	15	N/A	N/A	N/A
2003	3.36	4.58	817	557	3.50	23	14	2.96	46	19	4.39	16	13	4.36	3	3
2004	0.75	4.71	818	775	1.08	23	19	3.32	51	46	1.06	16	13	0.75	1	1
2005	1.03	4.91	819	766	1.87	23	15	3.58	51	48	1.55	16	10	1.57	2	2
RATIO 57 --- TOTAL MARGINS PER CONSUMER (\$)																
2001	105.34	87.64	827	312	92.75	24	9	61.66	55	10	105.34	17	9	N/A	N/A	N/A
2002	92.85	100.54	821	436	106.10	23	14	75.55	42	15	136.08	16	14	N/A	N/A	N/A
2003	73.75	88.12	817	487	81.29	23	15	57.39	46	17	91.71	16	13	119.82	3	3
2004	16.36	87.31	818	769	30.53	23	19	59.57	51	47	20.28	16	12	16.36	1	1
2005	23.43	99.80	819	759	42.83	23	16	68.67	51	48	32.69	16	10	32.75	2	2
RATIO 58 --- A/R OVER 60 DAYS AS A % OF OPERATING REVENUE																
2001	0.04	0.27	811	758	0.16	24	22	0.25	53	52	0.16	17	16	N/A	N/A	N/A
2002	0.04	0.25	807	749	0.13	23	21	0.23	41	38	0.11	16	15	N/A	N/A	N/A
2003	0.03	0.23	804	749	0.13	23	23	0.21	44	43	0.13	16	16	0.41	3	3
2004	0.03	0.22	797	732	0.11	23	22	0.19	49	48	0.10	16	15	0.03	1	1
2005	0.05	0.23	803	700	0.13	23	20	0.20	50	46	0.13	16	13	0.24	2	2
RATIO 59 --- AMOUNT WRITTEN OFF AS A % OF OPERATING REVENUE																
2001	0.36	0.21	795	205	0.35	24	11	0.32	54	21	0.36	17	9	N/A	N/A	N/A
2002	0.31	0.21	792	240	0.33	23	14	0.31	41	20	0.34	16	11	N/A	N/A	N/A
2003	0.34	0.21	791	204	0.34	23	13	0.29	44	18	0.44	16	11	0.40	3	3
2004	0.41	0.20	787	128	0.26	23	7	0.30	50	14	0.37	16	7	0.41	1	1
2005	0.29	0.18	784	206	0.26	23	9	0.25	50	22	0.30	16	9	0.23	2	1

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 Blue Grass Energy Cooperative Corporation (KY064)

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
SALES (RATIOS 60-76)																
RATIO 60 ---- TOTAL MWH SOLD PER MILE OF LINE																
2001	226.44	92.96	827	96	189.76	24	7	137.02	55	12	160.26	17	5	N/A	N/A	N/A
2002	184.88	95.78	821	161	189.85	23	13	191.28	42	26	174.61	16	8	N/A	N/A	N/A
2003	185.52	96.01	817	161	185.52	23	12	184.45	46	23	173.63	16	7	137.89	3	1
2004	187.93	98.70	818	165	187.93	23	12	187.93	51	26	177.44	16	7	187.93	1	1
2005	267.36	102.85	818	76	197.49	23	5	205.03	51	12	186.28	16	3	216.90	2	1
RATIO 61 ---- AVERAGE RESIDENTIAL USAGE KWH PER MONTH																
2001	1,281.97	1,113.13	826	194	1,182.55	24	5	1,158.41	55	11	1,160.97	17	2	N/A	N/A	N/A
2002	1,246.43	1,154.80	821	293	1,246.43	23	12	1,261.63	42	23	1,226.42	16	6	N/A	N/A	N/A
2003	1,242.53	1,136.65	817	280	1,215.29	23	9	1,229.66	46	22	1,202.14	16	5	1,242.53	3	2
2004	1,238.15	1,136.19	818	283	1,225.53	23	10	1,241.01	51	27	1,180.99	16	6	1,238.15	1	1
2005	1,312.67	1,186.35	818	226	1,307.84	23	11	1,281.52	51	20	1,248.71	16	7	1,425.09	2	2
RATIO 64 ---- AVERAGE SMALL COMMERCIAL KWH USAGE PER MONTH																
2001	5,274.66	3,237.58	825	179	4,297.44	24	8	3,214.68	55	9	5,166.34	17	8	N/A	N/A	N/A
2002	4,832.04	3,266.21	819	195	4,775.79	23	11	3,316.99	42	10	4,909.41	16	10	N/A	N/A	N/A
2003	4,690.31	3,252.23	815	204	4,044.62	23	11	3,403.33	46	10	4,744.84	16	10	3,753.04	3	1
2004	4,650.04	3,233.06	815	210	3,891.32	23	9	3,324.06	51	12	4,616.99	16	8	4,650.04	1	1
2005	4,763.06	3,269.57	817	211	4,004.76	23	9	3,487.87	51	12	4,710.31	16	8	4,342.37	2	1
RATIO 65 ---- AVERAGE LARGE COMMERCIAL KWH USAGE PER MONTH																
2001	1,359,569.44	426,619.79	650	114	1,224,216.67	24	11	628,274.88	50	10	1,238,850.00	17	8	N/A	N/A	N/A
2002	1,471,322.22	435,783.33	655	102	1,295,333.33	23	10	830,194.44	39	11	1,309,183.33	16	7	N/A	N/A	N/A
2003	1,389,411.46	435,465.28	656	111	1,165,914.06	22	11	813,833.33	42	13	1,165,914.06	16	8	3,112,650.17	2	2
2004	1,424,578.13	480,248.66	656	111	1,229,834.70	22	11	816,916.67	47	13	1,201,835.36	16	8	1,424,578.13	1	1
2005	1,469,317.71	505,125.00	666	105	1,239,096.19	22	9	888,294.68	46	14	1,226,092.59	16	7	1,469,317.71	1	1
RATIO 66 ---- AVERAGE STREET & HIGHWAY LIGHTING KWH USAGE PER MONTH																
2001	1,904.04	1,717.32	596	282	2,119.44	19	14	2,062.50	47	25	2,039.14	12	9	N/A	N/A	N/A
2002	1,808.56	1,671.28	594	288	2,452.75	18	14	2,196.91	34	21	2,329.17	11	9	N/A	N/A	N/A
2003	1,758.55	1,666.67	583	283	2,554.94	18	14	1,806.45	37	21	2,638.89	11	9	1,379.27	2	1
2004	1,741.87	1,666.67	585	282	2,355.77	18	15	1,714.21	41	20	2,261.90	11	9	1,741.87	1	1
2005	1,761.90	1,633.88	581	274	2,237.95	18	14	1,514.49	41	18	2,111.11	11	9	1,761.90	1	1
RATIO 69 ---- RESIDENTIAL KWH SOLD PER TOTAL KWH SOLD (%)																
2001	62.75	63.24	826	423	61.72	24	11	67.53	55	32	67.78	17	10	N/A	N/A	N/A
2002	64.74	63.09	821	382	61.44	23	11	62.57	42	20	66.85	16	10	N/A	N/A	N/A
2003	65.16	62.48	817	369	61.37	23	11	64.60	46	23	67.62	16	10	65.16	3	2
2004	65.11	61.86	818	360	60.83	23	10	64.96	51	25	65.91	16	9	65.11	1	1
2005	66.30	62.23	818	343	62.25	23	10	65.29	51	24	66.46	16	9	76.64	2	2

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 72 --- SMALL COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)																
2001	12.39	17.01	825	579	16.19	24	19	19.85	55	47	15.45	17	14	N/A	N/A	N/A
2002	10.46	16.68	819	637	16.62	23	21	16.95	42	33	16.60	16	15	N/A	N/A	N/A
2003	10.17	16.64	815	653	16.50	23	21	17.29	46	38	15.42	16	15	12.60	3	3
2004	10.20	16.91	815	655	16.51	23	21	18.14	51	43	15.21	16	15	10.20	1	1
2005	9.86	17.09	817	675	16.94	23	21	18.83	51	45	16.45	16	15	11.26	2	2
RATIO 73 --- LARGE COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)																
2001	24.76	11.90	650	146	19.87	24	8	10.73	50	12	16.43	17	4	N/A	N/A	N/A
2002	24.72	11.77	656	149	19.02	23	9	13.53	39	10	13.34	16	4	N/A	N/A	N/A
2003	24.59	12.50	656	157	21.80	22	9	12.53	42	12	16.03	16	4	31.61	2	2
2004	24.62	13.00	656	173	23.01	22	10	12.72	47	13	16.68	16	5	24.62	1	1
2005	23.77	12.88	667	188	20.20	22	10	14.77	46	15	15.79	16	6	23.77	1	1
RATIO 74 --- STREET & HIGHWAY LIGHTING KWH SOLD PER TOTAL KWH SOLD (%)																
2001	0.10	0.13	599	365	0.09	19	8	0.13	47	28	0.08	12	4	N/A	N/A	N/A
2002	0.08	0.13	596	393	0.09	18	11	0.13	34	24	0.08	11	6	N/A	N/A	N/A
2003	0.08	0.13	589	389	0.09	18	11	0.13	38	25	0.08	11	6	0.06	2	1
2004	0.08	0.13	587	379	0.09	18	11	0.12	41	26	0.08	11	6	0.08	1	1
2005	0.07	0.13	585	382	0.09	18	11	0.12	43	28	0.07	11	6	0.07	1	1
CONTROLLABLE EXPENSES (RATIOS 77-87)																
RATIO 77 --- O & M EXPENSES PER TOTAL KWH SOLD (MILLS)																
2001	4.32	8.40	827	766	5.73	24	20	7.38	55	50	5.73	17	14	N/A	N/A	N/A
2002	4.83	8.52	821	725	5.87	23	18	6.70	42	32	5.87	16	13	N/A	N/A	N/A
2003	5.63	8.79	817	689	6.26	23	15	6.91	46	33	6.40	16	11	5.63	3	2
2004	5.50	9.12	818	702	6.29	23	17	7.37	51	40	6.36	16	12	5.50	1	1
2005	5.05	9.00	819	734	6.25	23	18	6.58	51	42	6.16	16	12	5.49	2	2
RATIO 78 --- O & M EXPENSES PER DOLLARS OF TUP (MILLS)																
2001	40.01	42.48	831	497	48.23	24	20	43.51	55	36	45.61	17	15	N/A	N/A	N/A
2002	40.39	42.85	823	500	48.43	23	21	44.18	42	31	48.58	16	15	N/A	N/A	N/A
2003	45.20	44.05	820	367	47.66	23	16	47.66	46	27	48.69	16	11	29.88	3	1
2004	42.32	43.49	818	439	50.42	23	21	46.15	51	34	49.88	16	15	42.32	1	1
2005	38.25	43.19	820	548	46.96	23	21	43.67	51	39	46.61	16	14	29.33	2	1
RATIO 79 --- O & M EXPENSES PER CONSUMER (\$)																
2001	101.02	149.12	827	744	120.73	24	21	129.17	55	45	119.18	17	14	N/A	N/A	N/A
2002	107.09	158.46	821	731	125.34	23	20	135.34	42	35	121.33	16	13	N/A	N/A	N/A
2003	123.51	164.76	817	668	131.28	23	17	138.24	46	37	128.13	16	10	123.51	3	2
2004	120.27	169.06	818	709	138.30	23	19	146.35	51	41	132.60	16	12	120.27	1	1
2005	115.06	173.30	819	742	137.58	23	21	144.61	51	44	129.26	16	14	116.83	2	2

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 80 --- CONSUMER ACCOUNTING EXPENSES PER TOTAL KWH SOLD (MILLS)																
2001	1.78	2.55	827	646	2.08	24	16	2.67	55	49	2.24	17	12	N/A	N/A	N/A
2002	1.93	2.52	821	596	1.93	23	12	2.34	42	33	2.01	16	9	N/A	N/A	N/A
2003	1.92	2.63	817	621	1.95	23	13	2.40	46	38	2.24	16	10	1.94	3	3
2004	2.09	2.72	818	583	2.05	23	11	2.47	51	36	2.22	16	9	2.09	1	1
2005	1.97	2.62	819	603	1.99	23	13	2.55	51	40	2.33	16	11	2.57	2	2
RATIO 81 --- CONSUMER ACCOUNTING EXPENSES PER CONSUMER (\$)																
2001	41.65	46.66	827	547	44.11	24	15	50.04	55	39	42.19	17	10	N/A	N/A	N/A
2002	42.75	48.17	821	535	44.52	23	14	49.55	42	35	44.08	16	9	N/A	N/A	N/A
2003	42.23	49.41	817	583	46.15	23	17	49.59	46	37	46.15	16	11	53.34	3	3
2004	45.64	50.31	818	517	46.94	23	13	51.76	51	38	49.41	16	10	45.64	1	1
2005	44.99	51.67	819	545	50.59	23	16	53.44	51	39	51.70	16	11	54.26	2	2
RATIO 82 --- CUSTOMER SALES AND SERVICE PER TOTAL KWH SOLD (MILLS)																
2001	0.70	0.83	812	465	0.49	24	5	0.69	55	27	0.54	17	5	N/A	N/A	N/A
2002	0.66	0.80	807	471	0.42	23	4	0.55	42	18	0.52	16	4	N/A	N/A	N/A
2003	0.71	0.85	804	446	0.45	23	4	0.59	46	17	0.54	16	4	0.26	3	1
2004	0.74	0.82	805	439	0.41	23	4	0.59	50	20	0.46	16	4	0.74	1	1
2005	0.59	0.79	805	522	0.42	23	4	0.62	51	27	0.43	16	4	0.30	2	1
RATIO 83 --- CUSTOMER SALES AND SERVICE PER CONSUMER (\$)																
2001	16.40	15.57	812	384	9.36	24	3	11.86	55	21	9.44	17	3	N/A	N/A	N/A
2002	14.56	15.31	807	422	8.44	23	2	10.70	42	18	10.35	16	2	N/A	N/A	N/A
2003	15.51	15.96	804	416	9.29	23	3	11.27	46	16	10.61	16	3	7.26	3	1
2004	16.14	15.69	805	391	7.58	23	3	11.39	50	16	8.76	16	3	16.14	1	1
2005	13.35	15.99	805	468	8.65	23	4	13.35	51	26	8.87	16	3	6.79	2	1
RATIO 84 --- A & G EXPENSES PER TOTAL KWH SOLD (MILLS)																
2001	3.33	4.93	827	623	2.58	24	5	3.27	55	27	2.70	17	5	N/A	N/A	N/A
2002	3.37	4.95	821	617	2.59	23	4	3.32	42	20	2.92	16	4	N/A	N/A	N/A
2003	3.30	5.20	817	644	2.73	23	7	3.46	46	25	3.18	16	6	3.30	3	2
2004	3.07	5.26	818	686	2.78	23	10	3.62	51	30	3.08	16	9	3.07	1	1
2005	3.12	5.20	819	675	2.72	23	8	3.35	51	29	2.96	16	7	3.67	2	2
RATIO 85 --- A & G EXPENSES PER CONSUMER (\$)																
2001	77.79	89.73	827	504	53.85	24	3	57.00	55	11	51.02	17	2	N/A	N/A	N/A
2002	74.60	92.21	821	546	52.23	23	3	68.03	42	18	55.68	16	2	N/A	N/A	N/A
2003	72.49	95.79	817	599	55.40	23	5	70.07	46	21	60.47	16	4	73.81	3	3
2004	67.14	97.92	818	646	57.17	23	7	67.14	51	26	57.57	16	5	67.14	1	1
2005	71.05	100.22	819	635	57.02	23	6	67.95	51	24	59.13	16	4	77.86	2	2

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 86 --- TOTAL CONTROLLABLE EXPENSES PER TOTAL KWH SOLD (MILLS) (SAME AS RATIO #103)																
2001	10.14	17.12	827	738	10.65	24	14	14.34	55	46	10.80	17	11	N/A	N/A	N/A
2002	10.79	17.23	821	708	10.79	23	12	13.37	42	31	10.99	16	9	N/A	N/A	N/A
2003	11.56	17.92	817	702	11.56	23	12	14.26	46	34	12.11	16	9	11.56	3	2
2004	11.39	18.27	818	716	11.61	23	13	14.70	51	39	12.26	16	10	11.39	1	1
2005	10.72	18.12	819	739	11.64	23	15	14.78	51	40	11.73	16	11	12.04	2	2
RATIO 87 --- TOTAL CONTROLLABLE EXPENSES PER CONSUMER (\$) (SAME AS RATIO #104)																
2001	236.86	303.12	827	691	231.46	24	10	260.03	55	36	229.14	17	5	N/A	N/A	N/A
2002	238.99	313.29	821	707	236.89	23	10	264.46	42	31	235.68	16	5	N/A	N/A	N/A
2003	253.74	327.14	817	685	253.74	23	12	275.91	46	35	253.66	16	8	253.74	3	2
2004	249.19	337.61	818	725	249.79	23	14	287.94	51	41	249.50	16	10	249.19	1	1
2005	244.45	345.95	819	745	268.55	23	15	293.79	51	40	248.17	16	9	255.73	2	2
FIXED EXPENSES (RATIOS 88-102)																
RATIO 88 --- POWER COST PER KWH PURCHASED (MILLS)																
2001	38.11	39.91	823	480	38.79	24	15	44.99	55	42	38.78	17	11	N/A	N/A	N/A
2002	37.35	40.25	821	512	38.03	23	14	45.28	42	33	38.03	16	10	N/A	N/A	N/A
2003	39.28	42.83	817	501	39.80	23	15	46.61	46	36	39.80	16	11	47.22	3	3
2004	42.95	44.15	816	457	43.68	23	15	48.05	51	42	43.57	16	11	42.95	1	1
2005	50.84	48.80	817	341	50.82	23	11	52.07	50	32	51.21	16	11	59.91	2	2
RATIO 89 --- POWER COST PER TOTAL KWH SOLD (MILLS)																
2001	39.13	42.54	826	542	40.52	24	17	47.86	55	50	40.50	17	13	N/A	N/A	N/A
2002	39.65	43.28	821	526	39.98	23	14	48.64	42	33	39.98	16	10	N/A	N/A	N/A
2003	41.24	45.73	817	521	41.94	23	15	49.84	46	38	41.94	16	11	49.95	3	3
2004	45.40	47.17	818	465	45.69	23	14	51.23	51	41	45.69	16	10	45.40	1	1
2005	53.21	51.67	819	371	53.68	23	14	55.54	51	36	54.05	16	11	63.91	2	2
RATIO 90 --- POWER COST AS A % OF REVENUE																
2001	69.22	58.29	830	104	67.80	24	9	62.09	55	14	67.54	17	4	N/A	N/A	N/A
2002	69.29	57.96	823	95	68.59	23	9	64.57	42	11	68.25	16	4	N/A	N/A	N/A
2003	69.30	58.89	820	106	68.95	23	8	65.63	46	13	69.05	16	5	69.30	3	2
2004	71.17	59.33	818	83	70.60	23	11	66.60	51	11	70.88	16	8	71.17	1	1
2005	74.01	60.83	820	70	73.23	23	9	68.86	51	8	73.95	16	8	70.94	2	1
RATIO 91 --- LONG-TERM INTEREST COST PER TOTAL KWH SOLD (MILLS)																
2001	2.70	4.40	820	621	2.73	24	14	4.57	55	43	2.84	17	12	N/A	N/A	N/A
2002	2.81	4.01	813	578	2.41	23	9	3.20	42	26	2.67	16	7	N/A	N/A	N/A
2003	2.67	3.85	810	578	2.22	23	10	3.47	46	31	2.67	16	8	2.70	3	3
2004	2.47	3.88	811	601	2.44	23	10	3.70	51	34	2.46	16	8	2.47	1	1
2005	2.94	4.27	812	580	2.92	23	11	3.57	51	33	2.96	16	9	6.30	2	2

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 92 --- LONG-TERM INTEREST COST AS A % OF TUP																
2001	2.50	2.22	824	288	2.51	24	14	2.51	55	30	2.63	17	13	N/A	N/A	N/A
2002	2.35	2.00	814	242	2.15	23	8	2.33	42	20	2.29	16	7	N/A	N/A	N/A
2003	2.15	1.90	812	273	1.95	23	8	2.20	46	24	2.03	16	6	2.15	3	2
2004	1.90	1.87	811	384	1.90	23	12	2.05	51	33	1.91	16	9	1.90	1	1
2005	2.23	2.04	812	306	2.20	23	11	2.23	51	26	2.32	16	9	2.77	2	2
RATIO 93 --- LONG-TERM INTEREST COST PER CONSUMER (\$)																
2001	63.03	76.95	820	551	64.43	24	14	75.53	55	36	64.23	17	10	N/A	N/A	N/A
2002	62.20	72.31	813	516	54.18	23	8	67.77	42	24	50.07	16	5	N/A	N/A	N/A
2003	58.69	70.83	810	543	53.29	23	9	65.61	46	28	46.43	16	5	74.16	3	3
2004	54.06	71.98	811	581	51.58	23	10	67.19	51	32	51.18	16	7	54.06	1	1
2005	67.00	81.06	812	534	64.63	23	10	69.78	51	28	64.61	16	7	130.05	2	2
RATIO 94 --- DEPRECIATION EXPENSE PER TOTAL KWH SOLD (MILLS)																
2001	3.17	5.53	826	768	3.60	24	16	5.19	55	51	3.77	17	11	N/A	N/A	N/A
2002	3.62	5.58	820	717	3.64	23	13	4.29	42	31	3.72	16	9	N/A	N/A	N/A
2003	3.74	5.82	816	711	3.74	23	12	4.60	46	34	3.89	16	9	4.30	3	3
2004	3.90	5.97	818	703	3.90	23	12	4.72	51	42	3.99	16	9	3.90	1	1
2005	3.96	5.96	819	699	3.96	23	12	4.77	51	38	4.10	16	9	4.76	2	2
RATIO 95 --- DEPRECIATION EXPENSE AS A % OF TUP																
2001	2.94	2.85	830	336	3.16	24	16	2.89	55	25	3.02	17	10	N/A	N/A	N/A
2002	3.02	2.87	822	264	3.22	23	18	3.00	42	19	3.22	16	12	N/A	N/A	N/A
2003	3.01	2.88	819	268	3.20	23	18	2.97	46	21	3.22	16	12	2.73	3	1
2004	3.00	2.87	818	271	3.17	23	17	3.00	51	26	3.16	16	11	3.00	1	1
2005	3.00	2.86	820	255	3.13	23	17	2.95	51	24	3.17	16	11	2.46	2	1
RATIO 96 --- DEPRECIATION EXPENSE PER CONSUMER (\$)																
2001	74.13	98.98	826	701	81.02	24	19	84.11	55	43	79.38	17	12	N/A	N/A	N/A
2002	80.09	102.42	820	678	85.08	23	17	88.86	42	32	82.79	16	11	N/A	N/A	N/A
2003	82.18	106.88	816	682	87.89	23	17	93.70	46	36	87.10	16	11	99.30	3	3
2004	85.29	109.89	818	672	91.49	23	16	99.68	51	42	90.85	16	11	85.29	1	1
2005	90.17	113.31	819	650	95.12	23	17	104.14	51	41	94.40	16	12	100.82	2	2
RATIO 97 --- ACCUMULATIVE DEPRECIATION AS A % OF PLANT IN SERVICE																
2001	22.81	30.27	831	693	23.55	24	14	27.24	55	41	22.81	17	9	N/A	N/A	N/A
2002	22.66	30.52	823	688	24.74	23	14	26.83	42	29	23.70	16	9	N/A	N/A	N/A
2003	23.34	30.69	819	678	25.93	23	15	27.56	46	31	24.63	16	9	23.34	3	2
2004	23.00	31.11	818	691	26.03	23	15	27.89	51	35	24.52	16	9	23.00	1	1
2005	22.83	31.40	820	698	25.90	23	16	27.24	51	34	24.47	16	10	19.80	2	1

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		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 98 --- TOTAL TAX EXPENSE PER TOTAL KWH SOLD (MILLS)																
2001	-0.01	0.85	604	596	0.08	23	23	1.19	31	30	0.07	16	16	N/A	N/A	N/A
2002	-0.01	0.90	594	585	0.08	22	22	0.82	34	34	0.07	15	15	N/A	N/A	N/A
2003	-0.02	0.94	591	585	0.08	22	22	0.66	37	37	0.07	15	15	0.00	2	2
2004	0.00	0.98	593	549	0.07	22	22	0.69	39	37	0.07	15	15	0.00	1	1
2005	0.00	0.95	589	550	0.07	22	22	0.59	41	40	0.07	15	15	0.00	2	1
RATIO 99 --- TOTAL TAX EXPENSE AS A % OF TUP																
2001	-0.01	0.47	607	601	0.06	23	23	0.64	31	30	0.06	16	16	N/A	N/A	N/A
2002	0.00	0.47	596	588	0.06	22	22	0.41	34	34	0.06	15	15	N/A	N/A	N/A
2003	-0.01	0.47	594	590	0.06	22	22	0.39	37	37	0.06	15	15	0.00	2	2
2004	0.00	0.45	593	538	0.05	22	22	0.37	39	37	0.05	15	15	0.00	1	1
2005	0.00	0.44	590	543	0.05	22	22	0.37	41	40	0.05	15	15	0.00	2	1
RATIO 100 --- TOTAL TAX EXPENSE PER CONSUMER																
2001	-0.13	15.83	604	597	1.47	23	23	19.62	31	30	1.34	16	16	N/A	N/A	N/A
2002	-0.12	16.60	594	586	1.53	22	22	13.74	34	34	1.44	15	15	N/A	N/A	N/A
2003	-0.35	17.68	591	586	1.57	22	22	14.31	37	37	1.46	15	15	-0.16	2	2
2004	0.07	17.91	593	548	1.52	22	22	14.03	39	37	1.41	15	15	0.07	1	1
2005	0.05	18.64	589	546	1.52	22	22	14.32	41	40	1.47	15	15	0.03	2	1
RATIO 101 --- TOTAL FIXED EXPENSES PER TOTAL KWH SOLD (MILLS)																
2001	45.21	53.92	827	668	47.82	24	20	56.66	55	53	47.01	17	14	N/A	N/A	N/A
2002	46.16	53.64	821	657	46.97	23	14	56.52	42	35	46.45	16	9	N/A	N/A	N/A
2003	47.72	55.96	817	630	48.18	23	15	57.45	46	42	48.18	16	10	57.39	3	3
2004	51.87	57.41	818	561	53.08	23	14	59.79	51	44	52.56	16	10	51.87	1	1
2005	60.31	61.46	819	444	60.42	23	13	66.27	51	37	60.91	16	11	75.39	2	2
RATIO 102 --- TOTAL FIXED EXPENSES PER CONSUMER (\$)																
2001	1,056.12	1,001.35	827	346	978.52	24	9	1,033.77	55	26	942.50	17	4	N/A	N/A	N/A
2002	1,022.64	1,033.15	821	428	980.92	23	11	1,146.79	42	32	958.82	16	5	N/A	N/A	N/A
2003	1,047.52	1,055.50	817	417	998.49	23	10	1,136.92	46	34	976.49	16	5	1,309.01	3	3
2004	1,135.05	1,099.12	818	368	1,083.79	23	10	1,213.99	51	36	1,074.95	16	5	1,135.05	1	1
2005	1,374.98	1,220.60	819	274	1,300.32	23	9	1,374.98	51	26	1,281.46	16	5	1,592.44	2	2
TOTAL EXPENSES (RATIOS 103-107)																
RATIO 103 --- TOTAL OPERATING EXPENSES PER TOTAL KWH SOLD (MILLS)																
2001	10.14	17.12	827	738	10.65	24	14	14.34	55	46	10.80	17	11	N/A	N/A	N/A
2002	10.79	17.23	821	708	10.79	23	12	13.37	42	31	10.99	16	9	N/A	N/A	N/A
2003	11.56	17.92	817	702	11.56	23	12	14.26	46	34	12.11	16	9	11.56	3	2
2004	11.39	18.27	818	716	11.61	23	13	14.70	51	39	12.26	16	10	11.39	1	1
2005	10.72	18.12	819	739	11.64	23	15	14.78	51	40	11.73	16	11	12.04	2	2

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 104 --- TOTAL OPERATING EXPENSES PER CONSUMER (\$)																
2001	236.86	303.12	827	691	231.46	24	10	260.03	55	36	229.14	17	5	N/A	N/A	N/A
2002	238.99	313.29	821	707	236.89	23	10	264.46	42	31	235.68	16	5	N/A	N/A	N/A
2003	253.74	327.14	817	685	253.74	23	12	275.91	46	35	253.66	16	8	253.74	3	2
2004	249.19	337.61	818	725	249.79	23	14	287.94	51	41	249.50	16	10	249.19	1	1
2005	244.45	345.95	819	745	268.55	23	15	293.79	51	40	248.17	16	9	255.73	2	2
RATIO 105 --- TOTAL COST OF SERVICE (MINUS POWER COSTS) PER TOTAL KWH SOLD (MILLS)																
2001	16.22	28.56	827	757	18.05	24	17	25.86	55	49	17.75	17	11	N/A	N/A	N/A
2002	17.29	28.16	821	727	18.13	23	14	21.88	42	33	17.47	16	9	N/A	N/A	N/A
2003	18.04	28.99	817	717	18.80	23	13	23.16	46	37	18.80	16	9	18.04	3	2
2004	17.86	29.41	818	736	19.29	23	15	22.68	51	44	18.78	16	9	17.86	1	1
2005	17.82	29.81	819	734	19.84	23	15	23.84	51	41	18.93	16	11	23.52	2	2
RATIO 106 --- TOTAL COST OF ELECTRIC SERVICE PER TOTAL KWH SOLD (MILLS)																
2001	55.35	70.89	827	742	59.57	24	19	70.47	55	54	57.37	17	13	N/A	N/A	N/A
2002	56.94	70.65	821	728	57.94	23	13	68.34	42	36	56.94	16	8	N/A	N/A	N/A
2003	59.29	73.38	817	709	60.84	23	14	70.21	46	41	59.53	16	9	66.98	3	3
2004	63.26	75.59	818	672	63.70	23	15	73.69	51	47	63.46	16	10	63.26	1	1
2005	71.03	80.74	819	587	71.12	23	13	81.73	51	41	72.52	16	10	87.43	2	2
RATIO 107 --- TOTAL COST OF ELECTRIC SERVICE PER CONSUMER (\$)																
2001	1,292.98	1,316.50	827	438	1,214.54	24	10	1,310.73	55	30	1,165.41	17	5	N/A	N/A	N/A
2002	1,261.64	1,350.76	821	506	1,215.82	23	10	1,427.50	42	34	1,165.43	16	5	N/A	N/A	N/A
2003	1,301.26	1,390.11	817	507	1,241.37	23	10	1,465.48	46	36	1,207.34	16	5	1,562.68	3	3
2004	1,384.24	1,436.68	818	467	1,333.59	23	10	1,489.18	51	38	1,309.35	16	5	1,384.24	1	1
2005	1,619.43	1,564.65	819	363	1,543.85	23	10	1,678.57	51	30	1,522.54	16	5	1,848.17	2	2
EMPLOYEES (RATIOS 108-113)																
RATIO 108 --- AVERAGE WAGE RATE PER HOUR (\$)																
2001	19.76	20.62	820	506	19.90	24	13	20.79	53	33	19.39	17	7	N/A	N/A	N/A
2002	21.61	21.42	819	379	21.04	23	11	21.22	42	16	20.19	16	6	N/A	N/A	N/A
2003	22.43	22.11	814	378	22.43	23	12	21.89	45	20	21.24	16	6	22.36	3	1
2004	23.14	23.08	815	403	23.14	23	12	23.50	51	29	22.34	16	7	23.14	1	1
2005	24.64	24.12	819	357	24.41	23	10	24.25	51	23	23.49	16	6	22.57	2	1
RATIO 109 --- TOTAL WAGES PER TOTAL KWH SOLD (MILLS)																
2001	4.59	9.59	822	784	5.97	24	19	7.82	54	52	6.18	17	13	N/A	N/A	N/A
2002	5.20	9.41	820	751	5.91	23	14	6.71	42	32	6.24	16	10	N/A	N/A	N/A
2003	5.35	9.68	814	741	6.28	23	14	7.22	45	37	6.42	16	10	5.67	3	3
2004	5.35	9.87	816	753	6.45	23	15	7.25	51	43	6.67	16	11	5.35	1	1
2005	5.25	9.98	819	752	6.48	23	14	7.35	51	40	6.36	16	10	6.24	2	2

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 110 --- TOTAL WAGES PER CONSUMER (\$)																
2001	107.33	171.74	822	773	123.27	24	18	139.69	54	43	121.61	17	11	N/A	N/A	N/A
2002	115.10	177.47	820	758	123.95	23	17	140.60	42	38	118.82	16	10	N/A	N/A	N/A
2003	117.36	181.56	814	752	127.05	23	18	143.74	45	40	124.40	16	12	122.45	3	3
2004	117.07	185.96	816	759	131.38	23	19	147.39	51	45	129.21	16	12	117.07	1	1
2005	119.68	193.28	819	764	133.63	23	18	152.72	51	43	132.13	16	12	132.18	2	2
RATIO 111 --- OVERTIME HOURS/TOTAL HOURS (%)																
2001	3.14	4.79	821	690	5.70	24	22	6.05	53	51	5.71	17	15	N/A	N/A	N/A
2002	4.13	4.80	819	524	5.91	23	21	6.01	42	36	5.88	16	14	N/A	N/A	N/A
2003	6.15	4.65	814	213	6.86	23	16	5.95	45	22	7.54	16	12	5.94	3	1
2004	5.96	4.94	816	289	7.24	23	18	6.40	51	32	7.29	16	12	5.96	1	1
2005	5.54	5.80	816	438	6.82	23	16	7.61	51	41	6.57	16	11	5.99	2	2
RATIO 112 --- CAPITALIZED PAYROLL / TOTAL PAYROLL (%)																
2001	26.43	22.95	819	274	27.61	24	17	26.62	54	28	27.40	17	12	N/A	N/A	N/A
2002	26.12	22.75	819	270	26.48	23	13	26.30	42	22	25.97	16	8	N/A	N/A	N/A
2003	30.73	22.48	812	121	25.94	23	7	25.24	45	11	25.62	16	3	26.49	3	1
2004	28.40	22.60	815	179	28.05	23	10	24.93	51	18	28.08	16	7	28.40	1	1
2005	25.37	22.87	816	301	26.12	23	14	25.37	51	26	26.10	16	9	22.20	2	1
RATIO 113 --- AVERAGE CONSUMERS PER EMPLOYEE																
2001	398.24	261.14	825	65	370.92	24	10	316.14	54	16	391.53	17	8	N/A	N/A	N/A
2002	420.41	264.51	821	53	374.52	23	10	338.34	42	4	419.79	16	8	N/A	N/A	N/A
2003	433.52	267.94	815	46	394.69	23	7	341.05	45	3	423.97	16	7	315.07	3	1
2004	445.39	268.54	818	37	394.41	23	5	359.99	51	6	421.05	16	5	445.39	1	1
2005	456.74	274.50	819	37	393.51	23	6	354.91	51	5	413.52	16	6	384.34	2	1
GROWTH (RATIOS 114-121)																
RATIO 114 --- ANNUAL GROWTH IN KWH SOLD (%)																
2001	5.48	2.10	811	151	3.33	23	5	1.39	53	11	3.37	16	5	N/A	N/A	N/A
2002	35.46	4.78	816	2	4.52	23	1	5.13	41	1	5.09	16	1	N/A	N/A	N/A
2003	1.27	1.05	810	387	0.38	23	8	1.47	45	25	1.25	16	7	1.27	3	2
2004	2.42	2.02	814	367	2.43	23	13	3.87	50	31	2.47	16	10	2.42	1	1
2005	6.84	4.66	815	233	5.94	23	6	5.65	51	17	6.04	16	4	10.40	2	2
RATIO 115 --- ANNUAL GROWTH IN NUMBER OF CONSUMERS (%)																
2001	3.29	1.69	809	150	1.90	23	4	2.08	53	15	2.02	16	4	N/A	N/A	N/A
2002	42.83	1.54	820	2	2.20	23	1	2.30	41	1	2.33	16	1	N/A	N/A	N/A
2003	2.22	1.47	811	221	1.66	23	6	2.26	46	24	1.77	16	6	2.63	3	3
2004	2.74	1.54	814	152	1.79	23	4	2.51	50	21	1.96	16	4	2.74	1	1
2005	2.55	1.50	815	166	1.47	23	4	2.31	51	22	1.65	16	4	5.79	2	2

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 116 ---- ANNUAL GROWTH IN TUP DOLLARS (%)																
2001	7.86	5.09	816	128	5.98	23	4	5.72	54	10	6.98	16	3	N/A	N/A	N/A
2002	49.98	4.83	819	2	5.30	23	1	5.87	42	1	5.50	16	1	N/A	N/A	N/A
2003	5.34	4.64	812	302	5.10	23	11	6.01	45	29	5.71	16	10	3.95	3	1
2004	6.86	4.79	816	161	5.20	23	4	6.05	51	17	5.67	16	3	6.86	1	1
2005	8.55	4.99	816	96	5.79	23	2	6.31	51	10	5.95	16	2	9.95	2	2
RATIO 117 ---- CONST. W.I.P. TO PLANT ADDITIONS (%)																
2001	9.01	25.15	807	628	9.16	24	13	31.58	52	44	5.67	17	7	N/A	N/A	N/A
2002	16.48	22.23	805	492	10.62	23	8	26.18	42	31	11.48	16	5	N/A	N/A	N/A
2003	25.60	24.11	807	385	15.54	23	5	28.10	44	26	13.37	16	4	25.60	3	2
2004	12.66	25.34	801	587	13.00	23	13	26.90	50	40	13.28	16	10	12.66	1	1
2005	28.75	26.81	805	387	22.58	23	8	32.21	51	28	20.59	16	4	19.95	2	1
RATIO 118 ---- NET NEW SERVICES TO TOTAL SERVICES (%)																
2001	3.22	1.77	827	110	2.33	24	3	2.05	55	13	2.55	17	3	N/A	N/A	N/A
2002	2.70	1.67	819	154	2.31	23	7	2.53	42	18	2.44	16	6	N/A	N/A	N/A
2003	2.65	1.63	811	160	2.01	23	5	2.49	46	21	2.21	16	5	5.71	3	3
2004	3.09	1.63	815	110	1.84	23	4	2.24	51	15	1.98	16	4	3.09	1	1
2005	2.96	1.63	816	126	1.73	23	4	2.49	51	21	1.88	16	4	7.32	2	2
RATIO 119 ---- ANNUAL GROWTH IN TOTAL CAPITALIZATION (%)																
2001	15.42	4.08	816	47	10.12	23	5	6.44	54	7	12.54	16	4	N/A	N/A	N/A
2002	52.03	3.43	819	4	6.01	23	1	5.91	42	1	9.67	16	1	N/A	N/A	N/A
2003	4.27	3.22	812	334	7.43	23	16	5.78	45	27	8.93	16	14	8.21	3	3
2004	3.44	4.29	816	462	3.03	23	10	4.49	51	29	3.00	16	6	3.44	1	1
2005	15.89	5.35	816	44	5.37	23	2	7.22	51	7	6.12	16	1	17.09	2	2
RATIO 120 ---- 2 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)																
2001	9.79	4.67	809	98	8.38	23	5	6.19	54	14	9.04	16	3	N/A	N/A	N/A
2002	32.46	4.23	806	1	9.03	22	1	6.52	41	1	9.26	15	1	N/A	N/A	N/A
2003	25.90	3.85	814	3	7.85	23	1	5.43	46	1	8.85	16	1	13.17	3	1
2004	3.85	4.19	809	430	4.23	23	14	5.15	49	34	5.57	16	13	3.85	1	1
2005	9.49	5.13	815	121	4.51	23	2	6.27	51	9	4.22	16	2	10.67	2	2
RATIO 121 ---- 5 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	15.64	4.55	793	7	7.18	21	1	5.95	44	1	8.03	15	1	15.64	3	2
2004	14.60	4.63	798	8	6.51	22	1	5.71	51	2	6.56	15	1	14.60	1	1
2005	17.01	4.65	805	2	6.76	22	1	6.09	51	1	7.34	15	1	17.41	2	2

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Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
PLANT (RATIOS 122-145)																
RATIO 122 --- TUP INVESTMENTS PER TOTAL KWH SOLD (CENTS)																
2001	10.81	19.44	827	770	11.03	24	15	17.13	55	52	11.52	17	10	N/A	N/A	N/A
2002	11.97	19.44	821	723	11.20	23	9	15.34	42	31	11.67	16	7	N/A	N/A	N/A
2003	12.45	20.09	817	723	12.01	23	10	16.18	46	37	12.45	16	8	15.74	3	3
2004	12.99	20.69	818	714	12.75	23	9	16.53	51	41	12.76	16	7	12.99	1	1
2005	13.20	20.84	819	706	13.00	23	10	16.73	51	39	13.06	16	7	21.13	2	2
RATIO 123 --- TUP INVESTMENT PER CONSUMER (\$)																
2001	2,524.91	3,462.94	827	725	2,602.28	24	13	3,085.95	55	43	2,457.70	17	8	N/A	N/A	N/A
2002	2,651.31	3,573.43	821	706	2,607.94	23	10	3,088.48	42	31	2,525.26	16	6	N/A	N/A	N/A
2003	2,732.31	3,711.19	817	711	2,717.53	23	11	3,198.27	46	37	2,634.27	16	7	4,329.86	3	3
2004	2,841.81	3,830.69	818	704	2,776.55	23	11	3,314.86	51	41	2,709.52	16	7	2,841.81	1	1
2005	3,008.25	3,954.35	819	686	2,878.77	23	10	3,509.67	51	38	2,835.86	16	6	4,410.36	2	2
RATIO 124 --- TUP INVESTMENT PER MILE OF LINE (\$)																
2001	24,475.38	18,356.53	829	216	22,598.61	24	7	24,368.07	55	27	22,083.35	17	4	N/A	N/A	N/A
2002	22,123.35	19,086.04	821	306	23,096.82	23	14	29,306.54	42	35	22,957.39	16	9	N/A	N/A	N/A
2003	23,094.46	19,910.36	817	306	24,041.83	23	14	29,654.94	46	35	23,791.14	16	9	23,094.46	3	2
2004	24,406.77	20,714.35	818	300	24,864.78	23	14	31,011.49	51	40	24,565.78	16	9	24,406.77	1	1
2005	35,277.77	21,564.30	818	119	26,132.54	23	1	32,721.09	51	16	26,015.14	16	1	41,820.75	2	2
RATIO 125 --- AVERAGE CONSUMERS PER MILE																
2001	9.69	5.64	827	119	8.65	24	6	8.03	55	17	8.35	17	5	N/A	N/A	N/A
2002	8.34	5.66	821	194	8.72	23	14	9.36	42	29	8.43	16	9	N/A	N/A	N/A
2003	8.45	5.70	817	190	8.70	23	14	9.17	46	28	8.51	16	9	6.92	3	1
2004	8.59	5.78	818	187	8.71	23	13	9.12	51	30	8.57	16	8	8.59	1	1
2005	11.73	5.82	818	75	9.01	23	2	9.17	51	13	8.79	16	2	10.02	2	1
RATIO 126 --- DISTRIBUTION PLANT PER TOTAL KWH SOLD (MILLS)																
2001	95.58	163.42	825	738	100.65	24	15	138.14	54	49	102.74	17	12	N/A	N/A	N/A
2002	107.04	163.86	785	662	103.89	23	10	119.73	40	24	105.79	16	8	N/A	N/A	N/A
2003	110.91	170.03	817	691	109.32	23	11	130.77	46	31	110.11	16	8	136.43	3	3
2004	116.30	174.76	818	687	113.48	23	11	138.50	51	35	114.89	16	8	116.30	1	1
2005	116.27	174.91	819	691	113.51	23	11	136.19	51	34	114.89	16	8	165.69	2	2
RATIO 127 --- DISTRIBUTION PLANT PER CONSUMER (\$)																
2001	2,232.70	2,853.92	825	691	2,342.34	24	15	2,539.27	54	40	2,232.70	17	9	N/A	N/A	N/A
2002	2,371.57	2,929.40	785	631	2,371.57	23	12	2,547.19	40	28	2,349.62	16	7	N/A	N/A	N/A
2003	2,434.35	3,066.27	817	670	2,434.35	23	12	2,639.72	46	32	2,426.06	16	7	3,740.42	3	3
2004	2,544.86	3,161.01	818	654	2,533.16	23	11	2,787.00	51	36	2,496.67	16	6	2,544.86	1	1
2005	2,650.80	3,290.37	819	654	2,623.14	23	10	2,935.54	51	35	2,596.38	16	6	3,476.97	2	2

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2005 Key Ratio Trend Analysis (KRTA)
Blue Grass Energy Cooperative Corporation (KY064)

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 128 --- DISTRIBUTION PLANT PER EMPLOYEE (\$)																
2001	889,140.80	774,677.16	824	228	885,038.67	24	12	846,867.15	54	20	889,140.80	17	9	N/A	N/A	N/A
2002	997,027.57	806,768.35	785	152	969,314.23	23	8	879,650.68	40	9	976,695.41	16	6	N/A	N/A	N/A
2003	1,055,334.11	854,655.76	815	142	1,012,010.75	23	7	890,093.67	45	10	1,024,805.68	16	6	1,113,584.27	3	3
2004	1,133,465.41	881,431.50	818	124	1,061,871.69	23	5	967,813.25	51	12	1,061,048.87	16	4	1,133,465.41	1	1
2005	1,210,718.00	925,911.49	819	106	1,088,358.06	23	5	1,037,811.94	51	10	1,101,297.38	16	4	1,276,507.77	2	2
RATIO 129 --- GENERAL PLANT PER TOTAL KWH SOLD (MILLS)																
2001	6.52	16.27	825	769	7.23	24	16	11.82	54	45	7.19	17	11	N/A	N/A	N/A
2002	6.93	14.85	819	737	7.02	23	13	10.88	42	33	6.61	16	8	N/A	N/A	N/A
2003	7.30	14.55	816	720	7.30	23	12	11.55	46	37	6.91	16	8	7.30	3	2
2004	7.53	14.26	816	708	7.24	23	10	9.92	51	35	7.05	16	8	7.53	1	1
2005	7.42	14.32	818	707	6.89	23	10	9.06	51	35	7.05	16	8	7.03	2	1
RATIO 130 --- GENERAL PLANT PER CONSUMER (\$)																
2001	152.30	287.70	825	748	159.94	24	14	206.32	54	40	141.33	17	8	N/A	N/A	N/A
2002	153.50	266.45	819	723	135.19	23	9	229.95	42	35	127.85	16	4	N/A	N/A	N/A
2003	160.17	264.95	816	704	138.77	23	8	225.78	46	37	136.16	16	4	160.17	3	2
2004	164.80	263.77	816	692	147.02	23	9	205.92	51	34	139.26	16	5	164.80	1	1
2005	169.13	269.07	818	691	156.88	23	9	202.29	51	34	146.84	16	5	151.04	2	1
RATIO 131 --- GENERAL PLANT PER EMPLOYEE (\$)																
2001	60,650.98	75,165.62	824	583	56,724.16	24	10	61,424.88	54	28	50,677.14	17	5	N/A	N/A	N/A
2002	64,532.55	69,080.37	819	485	52,030.44	23	4	72,530.41	42	29	50,758.29	16	2	N/A	N/A	N/A
2003	69,437.75	69,160.05	814	405	55,458.64	23	4	71,896.46	45	25	54,246.43	16	2	69,437.75	3	2
2004	73,398.84	71,014.60	816	372	57,767.38	23	5	71,355.00	51	24	57,747.50	16	2	73,398.84	1	1
2005	77,247.09	74,126.87	818	362	59,604.85	23	4	74,089.73	51	23	59,115.65	16	2	59,361.13	2	1
RATIO 132 --- HEADQUARTERS PLANT PER TOTAL KWH SOLD (MILLS)																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	4.70	6.85	746	535	3.52	23	7	5.74	46	30	3.67	16	5	4.70	1	1
2005	5.19	6.78	760	492	3.84	23	5	5.98	46	28	4.00	16	5	6.57	2	2
RATIO 133 --- HEADQUARTERS PLANT PER CONSUMER (\$)																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	102.81	126.15	746	472	76.11	23	7	117.18	46	29	72.31	16	4	102.81	1	1
2005	118.25	130.44	760	431	81.01	23	6	116.99	46	23	79.92	16	5	138.59	2	2

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2005 Key Ratio Trend Analysis (KRTA)
Blue Grass Energy Cooperative Corporation (KY064)

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 134 --- HEADQUARTERS PLANT PER EMPLOYEE (\$)																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	45,790.11	33,204.05	746	221	33,867.12	23	5	42,153.64	46	20	33,249.77	16	5	45,790.11	1	1
2005	54,006.90	34,640.60	760	170	36,408.20	23	5	43,164.91	46	12	34,153.77	16	5	51,792.43	2	1
RATIO 138 --- IDLE SERVICES TO TOTAL SERVICE (%)																
2001	5.50	7.96	808	541	8.84	24	21	6.65	55	33	8.35	17	14	N/A	N/A	N/A
2002	5.50	7.96	802	538	8.52	23	20	8.54	42	28	8.83	16	13	N/A	N/A	N/A
2003	5.50	8.05	796	530	9.33	23	20	8.47	46	31	9.41	16	13	13.45	3	3
2004	5.50	7.91	797	518	8.58	23	17	7.28	51	30	8.39	16	12	5.50	1	1
2005	5.50	7.84	797	525	8.34	23	18	5.83	51	28	8.21	16	13	11.61	2	2
RATIO 139 --- LINE LOSS (%)																
2001	2.49	6.11	823	779	4.81	24	22	6.06	55	54	3.95	17	16	N/A	N/A	N/A
2002	5.72	6.60	821	550	5.32	23	10	6.32	42	26	4.97	16	6	N/A	N/A	N/A
2003	4.66	6.56	817	682	5.13	23	16	6.18	46	38	4.93	16	11	5.44	3	3
2004	5.32	6.49	815	591	5.32	23	12	5.67	51	34	5.16	16	8	5.32	1	1
2005	4.38	6.22	817	674	4.89	23	16	5.72	50	42	4.69	16	11	5.95	2	2
RATIO 140 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - POWER SUPPLIER																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	1.16	0.26	818	159	0.29	23	5	0.16	51	4	0.31	16	3	1.16	1	1
2005	0.30	0.26	820	385	0.09	23	9	0.14	51	19	0.12	16	7	2.89	2	2
RATIO 141 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - EXTREME STORM																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	2.45	0.53	818	205	1.23	23	8	1.64	51	21	2.12	16	7	2.45	1	1
2005	0.00	0.52	820	670	0.18	23	22	0.46	51	43	0.02	16	16	2.63	2	2
RATIO 142 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - PREARRANGED																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	0.02	0.02	818	425	0.02	23	15	0.04	51	30	0.03	16	12	0.02	1	1
2005	0.05	0.02	820	329	0.06	23	13	0.03	51	24	0.06	16	11	0.06	2	2

2005 Key Ratio Trend Analysis (KRTA)
Blue Grass Energy Cooperative Corporation (KY064)

Year	System Value	US Total			State Grouping			Consumer Size			Major Current Power Supplier			Plant Growth (2000-2005)		
		Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank	Median	NBR	Rank
RATIO 143 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - ALL OTHER																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	2.05	1.49	818	286	2.61	23	15	2.09	51	27	2.80	16	12	2.05	1	1
2005	1.62	1.53	820	386	1.47	23	10	1.55	51	24	1.54	16	7	2.28	2	2
RATIO 144 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - TOTAL																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	5.68	3.26	818	242	4.19	23	10	6.09	51	29	4.94	16	8	5.68	1	1
2005	1.97	3.26	820	612	2.11	23	14	3.00	51	37	2.02	16	9	7.99	2	2
RATIO 145 --- AVG. SERVICE AVAILABILITY INDEX (SAI) - TOTAL (%)																
2001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	99.94	99.96	818	577	99.95	23	14	99.93	51	23	99.94	16	9	99.94	1	1
2005	99.98	99.96	820	209	99.98	23	10	99.97	51	15	99.98	16	8	99.91	2	1



2005
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	12,888	12,705	12,509	12,375	12,193	5.7 %
BLUE GRASS ENERGY	52,068	50,774	49,421	48,347	47,093	10.6
CLARK ENERGY COOP	25,151	24,796	24,376	23,977	23,428	7.4
CUMBERLAND VALLEY	23,029	25,224	24,499	23,776	22,950	0.3
FARMERS	23,013	22,680	22,238	21,861	21,409	7.5
FLEMING-MASON	22,993	22,580	22,122	21,762	21,283	8.0
GRAYSON	15,302	15,113	14,827	14,673	14,360	6.6
INTER-COUNTY	24,501	24,059	23,672	23,220	22,691	8.0
JACKSON ENERGY	50,438	49,926	49,336	48,989	48,109	4.8
LICKING VALLEY	16,921	16,794	16,597	16,345	16,126	4.9
NOLIN	29,780	29,050	28,301	27,628	26,918	10.6
OWEN	53,598	51,811	49,940	47,741	45,691	17.3
SALT RIVER ELECTRIC	42,997	41,458	39,876	38,574	37,154	15.7
SHELBY ENERGY	14,725	14,087	13,728	13,395	13,021	13.1
SOUTH KENTUCKY	60,922	60,128	59,081	58,058	56,877	7.1
TAYLOR COUNTY	<u>24,089</u>	<u>23,646</u>	<u>23,231</u>	<u>22,802</u>	<u>22,317</u>	<u>7.9</u>
TOTAL EKPC	492,415	484,831	473,754	463,523	451,620	9.0 %
JACKSON PURCHASE	28,105	27,704	27,343	27,086	26,647	5.5 %
KENERGY	53,264	52,592	51,869	51,314	50,799	4.9
MEADE COUNTY	<u>26,515</u>	<u>26,118</u>	<u>25,553</u>	<u>25,084</u>	<u>24,544</u>	<u>8.0</u>
TOTAL BIG RIVERS	107,884	106,414	104,765	103,484	101,990	5.8 %
HICKMAN-FULTON	3,739	3,752	3,766	3,770	3,764	-0.7 %
PENNYRILE	45,367	44,653	44,028	44,021	40,574	11.8
TRI-COUNTY	49,308	48,867	48,483	48,290	47,745	3.3
WARREN	56,187	55,079	54,073	53,239	52,353	7.3
WEST KENTUCKY	<u>37,305</u>	<u>36,993</u>	<u>36,655</u>	<u>36,313</u>	<u>36,024</u>	<u>3.6</u>
TOTAL TVA	191,906	189,344	187,005	185,633	180,460	6.3 %
OVERALL TOTAL	792,205	780,589	765,524	752,640	734,070	7.9 %

2005
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	\$282	\$277	\$257	\$234	\$206	36.9 %
BLUE GRASS ENERGY	244	249	254	240	270	-9.6
CLARK ENERGY COOP	241	248	269	237	232	3.9
CUMBERLAND VALLEY	240	205	201	198	184	30.4
FARMERS	238	250	243	232	228	4.4
FLEMING-MASON	298	263	260	258	235	26.8
GRAYSON	309	318	304	269	272	13.6
INTER-COUNTY	272	249	253	237	226	20.4
JACKSON ENERGY	269	275	254	235	222	21.2
LICKING VALLEY	252	236	223	225	209	20.6
NOLIN	306	351	337	291	267	14.6
OWEN	237	253	246	240	232	2.2
SALT RIVER ELECTRIC	191	215	201	179	162	17.9
SHELBY ENERGY	276	297	280	262	278	-0.7
SOUTH KENTUCKY	235	231	242	232	222	5.9
TAYLOR COUNTY	<u>195</u>	<u>192</u>	<u>191</u>	<u>188</u>	<u>180</u>	<u>8.3</u>
AVERAGE EKPC	\$255	\$256	\$250	\$235	\$226	12.8 %
JACKSON PURCHASE	\$269	\$239	\$238	\$220	\$213	26.3 %
KENERGY	347	311	274	250	277	25.3
MEADE COUNTY	<u>247</u>	<u>245</u>	<u>224</u>	<u>211</u>	<u>203</u>	<u>21.7</u>
AVERAGE BIG RIVERS	\$288	\$265	\$245	\$226	\$230	25.2 %
HICKMAN-FULTON	\$411	392	\$369	\$382	\$345	19.1 %
PENNYRILE	226	236	234	248	249	-9.2
TRI-COUNTY	238	239	221	215	211	12.8
WARREN	294	289	263	257	239	23.0
WEST KENTUCKY	<u>329</u>	<u>288</u>	<u>284</u>	<u>276</u>	<u>275</u>	<u>19.6</u>
AVERAGE TVA	\$300	\$289	\$274	\$276	\$262	14.5 %
OVERALL AVERAGE	\$270	\$264	\$255	\$242	\$235	14.9 %

2005
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	\$13,672,178	11,398,809	10,605,561	10,231,337	9,849,267	38.8 %
BLUE GRASS ENERGY	59,969,633	49,545,080	45,288,666	43,124,978	42,158,650	42.2
CLARK ENERGY COOP	26,203,306	22,143,145	20,514,937	19,972,264	19,172,226	36.7
CUMBERLAND VALLEY	22,940,517	19,173,225	18,027,748	17,538,916	16,578,243	38.4
FARMERS	22,712,747	19,208,242	17,815,396	17,159,247	16,810,308	35.1
FLEMING-MASON	20,393,262	18,430,538	15,570,174	16,016,228	14,739,201	38.4
GRAYSON	16,244,690	13,861,532	13,068,736	12,765,519	12,103,891	34.2
INTER-COUNTY	27,321,723	24,142,722	22,880,567	26,098,342	20,728,908	31.8
JACKSON ENERGY	61,806,841	51,653,862	48,569,903	47,136,342	43,705,943	41.4
LICKING VALLEY	16,742,467	14,263,281	13,170,886	12,863,499	12,442,876	34.6
NOLIN	34,383,316	28,076,279	25,415,952	24,859,471	23,398,596	46.9
OWEN	55,724,664	47,113,587	42,680,828	40,989,542	38,244,753	45.7
SALT RIVER ELECTRIC	48,015,562	39,732,157	36,031,040	34,606,956	32,552,323	47.5
SHELBY ENERGY	17,533,652	14,268,131	13,127,239	12,741,343	12,146,644	44.3
SOUTH KENTUCKY	55,802,486	48,838,870	44,138,209	42,397,806	41,867,831	33.3
TAYLOR COUNTY	<u>22,031,517</u>	<u>19,056,126</u>	<u>18,004,463</u>	<u>1,695,466</u>	<u>17,087,200</u>	<u>28.9</u>
TOTAL EKPC	\$521,498,561	440,905,586	404,910,305	395,455,416	373,586,860	39.6 %
JACKSON PURCHASE	\$24,496,967	22,841,472	22,574,806	23,112,041	21,604,525	13.4 %
KENERGY	45,323,132	42,207,989	41,020,077	41,918,818	39,681,220	14.2
MEADE COUNTY	<u>20,436,215</u>	<u>18,944,590</u>	<u>18,213,337</u>	<u>18,036,885</u>	<u>17,078,123</u>	<u>19.7</u>
TOTAL BIG RIVERS	\$90,256,314	83,994,051	81,808,220	83,067,744	78,363,868	15.2 %
HICKMAN-FULTON	\$4,190,389	4,000,868	3,805,948	3,604,578	3,597,805	16.5 %
PENNYRILE	44,135,641	41,000,292	38,718,311	37,873,562	38,821,550	13.7
TRI-COUNTY	47,841,610	44,800,930	42,833,960	41,365,737	38,715,454	23.6
WARREN	60,315,980	55,933,218	52,358,896	51,327,632	49,529,345	21.8
WEST KENTUCKY	<u>38,609,978</u>	<u>35,207,258</u>	<u>34,117,587</u>	<u>34,460,472</u>	<u>32,924,262</u>	<u>17.3</u>
TOTAL TVA	\$195,093,598	180,942,566	171,834,702	168,631,981	163,588,416	19.3 %
OVERALL TOTAL	\$806,848,473	705,842,203	658,553,227	647,155,141	615,539,144	31.1 %

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2005 - 2004 ANNUAL COMPARISON**

AVERAGE EXPENSE PER CONSUMER EKPC			
	<u>2005</u>	<u>2004</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 57.00	\$ 57.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 77.00	\$ 82.00	\$ (5.00)
ACCOUNTING	\$ 50.00	\$ 47.00	\$ 3.00
CONSUMER INFORMATION	\$ 10.00	\$ 10.00	\$ -
ADMINISTRATION	\$ <u>61.00</u>	\$ <u>60.00</u>	\$ <u>1.00</u>
TOTAL PER CONSUMER	\$ 255.00	\$ 256.00	\$ (1.00)

AVERAGE EXPENSE PER CONSUMER TVA			
	<u>2005</u>	<u>2004</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 72.00	\$ 68.00	\$ 4.00
DISTRIBUTION MAINTENANCE	\$ 106.00	\$ 102.00	\$ 4.00
ACCOUNTING	\$ 50.00	\$ 50.00	\$ -
CONSUMER INFORMATION	\$ 9.00	\$ 8.00	\$ 1.00
ADMINISTRATION	\$ <u>63.00</u>	\$ <u>61.00</u>	\$ <u>2.00</u>
TOTAL PER CONSUMER	\$ 300.00	\$ 289.00	\$ 11.00

OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	1,204	1,187	17
MILES OF LINE	54,413	55,223	(810) *
CONSUMERS BILLED	492,415	484,831	7,584
MILES OF LINE PER EMPLOYEE	45.3	46.6	(1.3)
CONSUMER PER EMPLOYEE	410	409	1
DENSITY CONSUMERS PER MILE	9.0	8.8	0.2

OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	518	516	2
MILES OF LINE	20,512	20,383	129
CONSUMERS BILLED	191,906	189,344	2,562
MILES OF LINE PER EMPLOYEE	39.4	39.6	(0.2)
CONSUMER PER EMPLOYEE	369	368	1
DENSITY CONSUMERS PER MILE	9.4	9.3	0.1

AVERAGE EXPENSE PER CONSUMER BIG RIVERS			
	<u>2005</u>	<u>2004</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 64.00	\$ 53.00	\$ 11.00
DISTRIBUTION MAINTENANCE	\$ 116.00	\$ 111.00	\$ 5.00
ACCOUNTING	\$ 46.00	\$ 44.00	\$ 2.00
CONSUMER INFORMATION	\$ 8.00	\$ 7.00	\$ 1.00
ADMINISTRATION	\$ <u>54.00</u>	\$ <u>50.00</u>	\$ <u>4.00</u>
TOTAL PER CONSUMER	\$ 288.00	\$ 265.00	\$ 23.00

AVERAGE EXPENSE PER CONSUMER OVERALL AVERAGE			
	<u>2005</u>	<u>2004</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 61.00	\$ 59.00	\$ 2.00
DISTRIBUTION MAINTENANCE	\$ 88.00	\$ 90.00	\$ (2.00)
ACCOUNTING	\$ 50.00	\$ 47.00	\$ 3.00
CONSUMER INFORMATION	\$ 10.00	\$ 9.00	\$ 1.00
ADMINISTRATION	\$ <u>61.00</u>	\$ <u>59.00</u>	\$ <u>2.00</u>
TOTAL PER CONSUMER	\$ 270.00	\$ 264.00	\$ 6.00

OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	295	298	(3)
MILES OF LINE	13,021	12,905	116
CONSUMERS BILLED	107,884	106,414	1,470
MILES OF LINE PER EMPLOYEE	44.3	43.5	0.8
CONSUMER PER EMPLOYEE	367	358	9
DENSITY CONSUMERS PER MILE	8.3	8.2	0.1

OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	2,017	2,001	16
MILES OF LINE	87,946	88,511	(565) *
CONSUMERS BILLED	792,205	780,589	11,616
MILES OF LINE PER EMPLOYEE	43.6	44.4	(0.8)
CONSUMER PER EMPLOYEE	393	392	1
DENSITY CONSUMERS PER MILE	9.0	8.8	0.2

*BLUE GRASS ENERGY INSTALLED NEW MAPPING SYSTEM - MORE ACCURATE COUNT

**2005
KENTUCKY ELECTRIC COOPERATIVES
DENSITY CONSUMERS PER MILE
STATISTICAL COMPARISONS**

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	12.7	12.7	12.5	12.4	12.3	3.3 %
BLUE GRASS ENERGY	11.7	8.6	8.5	8.3	8.2	42.7 *
CLARK ENERGY COOP	8.6	8.6	8.5	8.4	8.3	3.6
CUMBERLAND VALLEY	9.1	10.1	9.9	9.7	9.5	-4.2
FARMERS	6.7	6.6	6.6	6.5	6.5	3.1
FLEMING-MASON	6.7	6.7	6.6	6.6	6.5	3.1
GRAYSON	6.3	6.3	6.2	6.2	6.2	1.6
INTER-COUNTY	7.0	7.1	7.1	7.1	7.0	0.0
JACKSON ENERGY	9.0	9.0	9.0	9.0	8.9	1.1
LICKING VALLEY	8.0	8.0	8.3	8.0	8.0	0.0
NOLIN	10.5	10.4	10.2	10.2	10.0	5.0
OWEN	10.8	10.7	10.5	10.2	9.9	9.1
SALT RIVER ELECTRIC	11.5	11.4	11.2	11.0	10.9	5.5
SHELBY ENERGY	7.0	7.0	7.0	7.0	6.9	1.4
SOUTH KENTUCKY	9.4	9.4	9.4	9.3	9.3	1.1
TAYLOR COUNTY	<u>7.8</u>	<u>7.1</u>	<u>7.7</u>	<u>7.6</u>	<u>7.5</u>	<u>4.0</u>
AVERAGE EKPC	9.0	8.8	8.7	8.6	8.5	5.9 %
JACKSON PURCHASE	8.8	8.7	8.7	8.7	8.7	1.1 %
KENERGY	7.7	7.7	7.6	7.6	7.6	1.3
MEADE COUNTY	<u>9.2</u>	<u>9.1</u>	<u>9.1</u>	<u>9.0</u>	<u>8.9</u>	<u>3.4</u>
AVERAGE BIG RIVERS	8.3	8.2	8.2	8.2	8.2	1.2 %
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.1	9.0	8.9	8.9	8.2	11.0
TRI-COUNTY	9.2	9.1	9.1	9.1	9.1	1.1
WARREN	10.2	10.1	10.0	9.9	9.8	4.1
WEST KENTUCKY	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.4</u>	<u>9.4</u>	<u>1.1</u>
AVERAGE TVA	9.4	9.3	9.2	9.2	9.0	4.4 %
OVERALL AVERAGE	9.0	8.8	8.7	8.7	8.6	4.7 %

* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

2005
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	1,012	1,003	1,001	998	995	1.7 %
BLUE GRASS ENERGY	4,440	5,912	5,847	5,794	5,747	-22.7 *
CLARK ENERGY COOP	2,935	2,900	2,865	2,845	2,805	4.6
CUMBERLAND VALLEY	2,529	2,503	2,479	2,447	2,411	4.9
FARMERS	3,447	3,416	3,382	3,348	3,318	3.9
FLEMING-MASON	3,421	3,386	3,346	3,311	3,274	4.5
GRAYSON	2,416	2,400	2,377	2,358	2,334	3.5
INTER-COUNTY	3,502	3,409	3,324	3,276	3,236	8.2
JACKSON ENERGY	5,597	5,552	5,486	5,437	5,392	3.8
LICKING VALLEY	2,006	2,002	1,991	1,976	1,949	2.9
NOLIN	2,841	2,802	2,763	2,722	2,682	5.9
OWEN	4,940	4,836	4,771	4,690	4,618	7.0
SALT RIVER ELECTRIC	3,750	3,649	3,572	3,497	3,413	9.9
SHELBY ENERGY	2,008	1,978	1,952	1,929	1,901	5.6
SOUTH KENTUCKY	6,475	6,408	6,321	6,234	6,149	5.3
TAYLOR COUNTY	<u>3,094</u>	<u>3,067</u>	<u>3,038</u>	<u>3,006</u>	<u>2,978</u>	3.9
TOTAL EKPC	54,413	55,223	54,515	53,868	53,202	2.3 %
JACKSON PURCHASE	3,213	3,180	3,142	3108	3082	4.3 %
KENERGY	6,915	6,859	6,801	6739	6677	3.6
MEADE COUNTY	<u>2,893</u>	<u>2,866</u>	<u>2,821</u>	<u>2792</u>	<u>2755</u>	<u>5.0</u>
TOTAL BIG RIVERS	13,021	12,905	12,764	12,639	12,514	4.1 %
HICKMAN-FULTON	683	682	685	688	688	-0.7 %
PENNYRILE	4,997	4,986	4,977	4,971	4,961	0.7
TRI-COUNTY	5,388	5,358	5,331	5,299	5,262	2.4
WARREN	5,504	5,449	5,418	5,378	5,343	3.0
WEST KENTUCKY	<u>3,940</u>	<u>3,908</u>	<u>3,878</u>	<u>3,855</u>	<u>3,826</u>	<u>3.0</u>
TOTAL TVA	20,512	20,383	20,289	20,191	20,080	2.2 %
OVERALL TOTAL	87,946	88,511	87,568	86,698	85,796	2.5 %

* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

2005
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>% CHANGE FROM 2001</u>
BIG SANDY	\$3,590	\$3,508	\$3,211	\$2,902	\$2,524	42.2 %
BLUE GRASS ENERGY	2,861	2,138	2,147	2,002	2,212	29.3 *
CLARK ENERGY COOP	2,065	2,120	2,290	1,998	1,938	6.6
CUMBERLAND VALLEY	2,186	2,065	1,986	1,924	1,752	24.8
FARMERS	1,588	1,660	1,597	1,515	1,470	8.0
FLEMING-MASON	2,004	1,754	1,719	1,695	1,529	31.1
GRAYSON	1,957	2,003	1,896	1,674	1,673	17.0
INTER-COUNTY	1,904	1,757	1,801	1,679	1,586	20.1
JACKSON ENERGY	2,425	2,474	2,285	2,119	1,980	22.5
LICKING VALLEY	2,126	1,980	1,858	1,860	1,729	23.0
NOLIN	3,208	3,639	3,452	2,953	2,680	19.7
OWEN	2,572	2,711	2,575	2,443	2,295	12.1
SALT RIVER ELECTRIC	2,190	2,443	2,244	1,974	1,764	24.1
SHELBY ENERGY	2,024	2,115	1,970	1,818	1,904	6.3
SOUTH KENTUCKY	2,211	2,167	2,263	2,160	2,054	7.6
TAYLOR COUNTY	<u>1,518</u>	<u>1,480</u>	<u>1,462</u>	<u>1,426</u>	<u>1,349</u>	<u>12.5</u>
AVERAGE EKPC	\$2,277	\$2,251	\$2,172	\$2,010	\$1,902	19.7 %
JACKSON PURCHASE	\$2,353	\$2,082	\$2,071	\$1,918	\$1,842	27.7 %
KENERGY	2,673	2,384	2,090	1,904	2,107	26.9
MEADE COUNTY	<u>2,264</u>	<u>2,233</u>	<u>2,028</u>	<u>1,895</u>	<u>1,808</u>	<u>25.2</u>
AVERAGE BIG RIVERS	\$2,430	\$2,233	\$2,064	\$1,905	\$1,920	26.6 %
HICKMAN-FULTON	\$2,250	\$2,157	\$2,029	\$2,092	\$1,888	19.2 %
PENNYRILE	2,052	2,114	2,070	2,196	2,036	0.8
TRI-COUNTY	2,179	2,180	2,010	1,960	1,915	13.8
WARREN	3,002	2,921	2,626	2,544	2,342	28.2
WEST KENTUCKY	<u>3,115</u>	<u>2,726</u>	<u>2,684</u>	<u>2,600</u>	<u>2,589</u>	<u>20.3</u>
AVERAGE TVA	\$2,519	\$2,420	\$2,284	\$2,279	\$2,154	16.9 %
OVERALL AVERAGE	\$2,347	\$2,284	\$2,182	\$2,053	\$1,957	19.9 %

* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS**

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	509	1,082	1,591	588	127	1,184	3,590	44	1,012	11,804	13,672,178	96.5
BLUE GRASS ENERGY COOP	504	844	1,348	528	152	833	2,861	114	4,440	49,982	59,989,633	100.0
CLARK ENERGY COOP	488	686	1,174	360	43	488	2,065	52	2,935	29,561	26,203,306	92.7
CUMBERLAND VALLEY ELECTRIC	501	701	1,202	474	82	428	2,186	46	2,529	21,632	22,940,517	88.4
FARMERS RECC	260	541	801	280	60	447	1,588	71	3,447	21,461	22,712,747	88.2
FLEMING-MASON ENERGY	316	948	1,264	397	27	316	2,004	50	3,421	17,205	20,393,262	98.8
GRAYSON RECC	361	703	1,064	342	70	481	1,957	44	2,416	14,067	16,244,690	96.2
INTER-COUNTY ENERGY	504	357	861	434	140	469	1,904	61	3,502	21,847	27,321,723	105.2
JACKSON ENERGY COOP	613	631	1,244	568	83	550	2,425	135	5,597	47,211	61,806,841	109.1
LICKING VALLEY RECC	548	574	1,122	312	76	616	2,126	43	2,008	15,810	16,742,467	88.3
NOLIN RECC	818	849	1,667	577	220	744	3,208	94	2,841	27,999	34,383,316	102.3
OWEN EC	651	727	1,378	608	65	521	2,572	126	4,940	51,461	55,724,664	90.2
SALT RIVER ELECTRIC	516	470	986	493	103	608	2,190	77	3,750	40,423	48,015,562	99.0
SHELBY ENERGY COOP	594	645	1,239	374	88	323	2,024	31	2,008	14,182	17,533,652	103.0
SOUTH KENTUCKY RECC	470	706	1,176	470	85	480	2,211	159	6,475	52,236	55,802,486	89.0
TAYLOR COUNTY RECC	444	358	802	288	39	389	1,518	55	3,094	21,433	22,031,517	85.7
EKPC GROUP AVERAGE	506	676	1,182	450	90	555	2,277	75	3,401	28,256	32,593,660	96.1
JACKSON PURCHASE ENERGY	420	936	1,356	350	87	560	2,353	75	3,213	25,330	24,496,967	80.6
KENERGY CORP	616	1,171	1,787	401	46	439	2,673	161	6,915	45,016	45,323,132	83.9
MEADE COUNTY RECC	586	807	1,403	412	64	385	2,264	59	2,893	24,532	20,436,215	69.4
BIG RIVERS GROUP AVERAGE	544	971	1,515	388	66	461	2,430	98	4,340	31,626	30,085,438	79.3
HICKMAN-FULTON COUNTIES RECC	411	969	1,380	257	33	580	2,250	13	683	2,993	4,190,389	116.7
PENNYRILE RECC	581	581	1,162	372	64	454	2,052	122	4,997	35,773	44,135,641	102.8
TRI-COUNTY EMC	769	531	1,300	430	101	348	2,179	141	5,388	40,089	47,841,610	99.5
WARREN RECC	653	919	1,572	521	143	768	3,002	152	5,504	47,184	60,315,980	106.5
WEST KENTUCKY RECC	672	1,335	2,007	606	76	426	3,115	90	3,940	30,475	38,809,978	105.6
TVA GROUP AVERAGE	617	867	1,484	437	83	515	2,519	104	4,102	31,303	39,018,720	103.9
OVERALL AVERAGE	534	753	1,287	439	86	535	2,347	84	3,664	29,312	33,618,686	95.6

* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

2007
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	40	85	125	54	10	93	282	44	1,012	12,888	22.9	293	12.7
BLUE GRASS ENERGY COOP	43	72	115	45	13	71	244	114	4,440	52,088	39.0	457	11.7
CLARK ENERGY COOP	57	80	137	42	5	57	241	52	2,935	25,151	56.4	484	8.6
CUMBERLAND VALLEY ELECTRIC	55	77	132	52	9	47	240	48	2,529	23,029	52.7	480	9.1
FARMERS RECC	39	81	120	42	9	67	238	71	3,447	23,013	48.6	324	6.7
FLEMING-MASON ENERGY	47	141	188	59	4	47	298	50	3,421	22,993	68.4	460	6.7
GRAYSON RECC	57	111	168	54	11	76	309	44	2,416	15,302	55.0	348	6.3
INTER-COUNTY ENERGY	72	51	123	62	20	67	272	61	3,502	24,501	57.4	402	7.0
JACKSON ENERGY COOP	68	70	138	63	7	61	269	135	5,597	50,438	41.5	374	9.0
LICKING VALLEY RECC	65	68	133	37	9	73	252	43	2,006	16,921	47.0	394	8.0
NOLIN RECC	78	81	159	55	21	71	306	94	2,841	29,780	30.2	317	10.5
OWEN EC	60	67	127	56	6	48	237	126	4,940	53,598	39.0	425	10.8
SALT RIVER ELECTRIC	45	41	86	43	9	53	191	77	3,750	42,997	48.7	558	11.5
SHELBY ENERGY COOP	81	88	169	51	12	44	276	31	2,008	14,725	65.0	475	7.0
SOUTH KENTUCKY RECC	50	75	125	50	9	51	235	159	6,475	60,922	40.7	383	9.4
TAYLOR COUNTY RECC	57	46	103	37	5	50	195	55	3,094	24,089	56.5	438	7.8
EKPC GROUP AVERAGE	57	77	134	50	10	61	255	75	3,401	30,776	45.3	410	9.0
JACKSON PURCHASE ENERGY	48	107	155	40	10	64	269	75	3,213	28,105	42.8	375	8.8
KENERGY CORP	80	152	232	52	6	57	347	161	6,915	53,264	43.0	331	7.7
MEADE COUNTY RECC	65	88	153	45	7	42	247	59	2,893	26,515	49.0	449	9.2
BIG RIVERS GROUP AVERAGE	64	116	180	45	8	54	285	98	4,340	35,961	44.3	367	8.3
HICKMAN-FULTON COUNTIES RECC	75	177	252	47	6	106	411	13	683	3,739	52.5	288	5.5
PENNYRILE RECC	64	64	128	41	7	50	226	122	4,997	45,367	41.0	372	9.1
TRI-COUNTY EMC	84	58	142	47	11	38	238	141	5,388	49,308	38.2	350	9.2
WARREN RECC	64	90	154	51	14	75	294	152	5,504	56,187	36.2	370	10.2
WEST KENTUCKY RECC	71	141	212	64	8	45	329	90	3,940	37,305	43.8	415	9.5
TVA GROUP AVERAGE	72	106	178	50	9	63	306	104	4,102	38,381	39.4	369	9.4
OVERALL AVERAGE	61	88	149	50	10	61	270	84	3,664	33,009	43.6	393	9.0

* NEW MAPPING SYSTEM INSTALLED - MORE ACCURATE COUNT

2006
KENTUCKY ELECTRIC COOPERATIVES
TOTAL AVERAGE NUMBER OF CONSUMERS BILLED
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	13,089	12,888	12,705	12,509	12,375	5.8 %
BLUE GRASS ENERGY	53,175	52,068	50,774	49,421	48,347	10.0
CLARK ENERGY COOP	25,508	25,151	24,796	24,376	23,977	6.4
CUMBERLAND VALLEY	23,303	23,029	25,224	24,499	23,776	-2.0
FARMERS	23,377	23,013	22,680	22,238	21,861	6.9
FLEMING-MASON	23,364	22,993	22,580	22,122	21,762	7.4
GRAYSON	15,517	15,302	15,113	14,827	14,673	5.8
INTER-COUNTY	24,869	24,501	24,059	23,672	23,220	7.1
JACKSON ENERGY	50,884	50,438	49,926	49,336	48,989	3.9
LICKING VALLEY	17,085	16,921	16,794	16,597	16,345	4.5
NOLIN	30,649	29,780	29,050	28,301	27,628	10.9
OWEN	55,141	53,598	51,811	49,940	47,741	15.5
SALT RIVER ELECTRIC	44,979	42,997	41,458	39,876	38,574	16.6
SHELBY ENERGY	15,053	14,725	14,087	13,728	13,395	12.4
SOUTH KENTUCKY	61,869	60,922	60,128	59,081	58,058	6.6
TAYLOR COUNTY	<u>24,483</u>	<u>24,089</u>	<u>23,646</u>	<u>23,231</u>	<u>22,802</u>	<u>7.4</u>
TOTAL EKPC	502,345	492,415	484,831	473,754	463,523	8.4 %
JACKSON PURCHASE	28,461	28,105	27,704	27,343	27,086	5.1 %
KENERGY	53,860	53,264	52,592	51,869	51,314	5.0
MEADE COUNTY	<u>27,008</u>	<u>26,515</u>	<u>26,118</u>	<u>25,553</u>	<u>25,084</u>	<u>7.7</u>
TOTAL BIG RIVERS	109,329	107,884	106,414	104,765	103,484	5.6 %
HICKMAN-FULTON	3,736	3,739	3,752	3,766	3,770	-0.9 %
PENNYRILE	45,877	45,367	44,653	44,028	44,021	4.2
TRI-COUNTY	49,561	49,308	48,867	48,483	48,290	2.6
WARREN	57,431	56,187	55,079	54,073	53,239	7.9
WEST KENTUCKY	<u>37,639</u>	<u>37,305</u>	<u>36,993</u>	<u>36,655</u>	<u>36,313</u>	<u>3.7</u>
TOTAL TVA	194,244	191,906	189,344	187,005	185,633	4.6 %
OVERALL TOTAL	805,918	792,205	780,589	765,524	752,640	7.1 %

2006
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER CONSUMER
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	\$250	\$282	\$277	\$257	\$234	6.8 %
BLUE GRASS ENERGY	248	244	249	254	240	3.3
CLARK ENERGY COOP	237	241	248	269	237	0.0
CUMBERLAND VALLEY	264	240	205	201	198	33.3
FARMERS	223	238	250	243	232	-3.9
FLEMING-MASON	294	298	263	260	258	14.0
GRAYSON	307	309	318	304	269	14.1
INTER-COUNTY	280	272	249	253	237	18.1
JACKSON ENERGY	300	269	275	254	235	27.7
LICKING VALLEY	250	252	236	223	225	11.1
NOLIN	327	306	351	337	291	12.4
OWEN	267	237	253	246	240	11.3
SALT RIVER ELECTRIC	187	191	215	201	179	4.5
SHELBY ENERGY	280	276	297	280	262	6.9
SOUTH KENTUCKY	251	235	231	242	232	8.2
TAYLOR COUNTY	<u>212</u>	<u>195</u>	<u>192</u>	<u>191</u>	<u>188</u>	<u>12.8</u>
AVERAGE EKPC	\$262	\$255	\$256	\$250	\$235	11.5 %
JACKSON PURCHASE	\$300	\$269	\$239	\$238	\$220	36.4 %
KENERGY	354	347	311	274	250	41.6
MEADE COUNTY	<u>250</u>	<u>247</u>	<u>245</u>	<u>224</u>	<u>211</u>	<u>18.5</u>
AVERAGE BIG RIVERS	\$301	\$288	\$265	\$245	\$226	33.2 %
HICKMAN-FULTON	\$460	\$411	392	\$369	\$382	20.4 %
PENNYRILE	235	226	236	234	248	-5.2
TRI-COUNTY	240	238	239	221	215	11.6
WARREN	302	294	289	263	257	17.5
WEST KENTUCKY	<u>313</u>	<u>329</u>	<u>288</u>	<u>284</u>	<u>276</u>	<u>13.4</u>
AVERAGE TVA	\$309	\$300	\$289	\$274	\$276	12.0 %
OVERALL AVERAGE	\$276	\$270	\$264	\$255	\$242	14.0 %

2006
KENTUCKY ELECTRIC COOPERATIVES
MILES OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	1,016	1,012	1,003	1,001	998	1.8 %
BLUE GRASS ENERGY	4,487	4,440	5,912	5,847	5,794	-22.6 *
CLARK ENERGY COOP	2,966	2,935	2,900	2,865	2,845	4.3
CUMBERLAND VALLEY	2,559	2,529	2,503	2,479	2,447	4.6
FARMERS	3,481	3,447	3,416	3,382	3,348	4.0
FLEMING-MASON	3,456	3,421	3,386	3,346	3,311	4.4
GRAYSON	2,437	2,416	2,400	2,377	2,358	3.4
INTER-COUNTY	3,572	3,502	3,409	3,324	3,276	9.0
JACKSON ENERGY	5,621	5,597	5,552	5,486	5,437	3.4
LICKING VALLEY	2,014	2,006	2,002	1,991	1,976	1.9
NOLIN	2,841	2,841	2,802	2,763	2,722	4.4
OWEN	4,400	4,940	4,836	4,771	4,690	-6.2 **
SALT RIVER ELECTRIC	3,847	3,750	3,649	3,572	3,497	10.0
SHELBY ENERGY	2,025	2,008	1,978	1,952	1,929	5.0
SOUTH KENTUCKY	6,540	6,475	6,408	6,321	6,234	4.9
TAYLOR COUNTY	<u>3,135</u>	<u>3,094</u>	<u>3,067</u>	<u>3,038</u>	<u>3,006</u>	<u>4.3</u>
TOTAL EKPC	54,397	54,413	55,223	54,515	53,868	1.0 %
JACKSON PURCHASE	3,244	3,213	3,180	3,142	3108	4.4 %
KENERGY	6,944	6,915	6,859	6,801	6739	3.0
MEADE COUNTY	<u>2,937</u>	<u>2,893</u>	<u>2,866</u>	<u>2,821</u>	<u>2792</u>	<u>5.2</u>
TOTAL BIG RIVERS-	13,125	13,021	12,905	12,764	12,639	3.8 %
HICKMAN-FULTON	685	683	682	685	688	-0.4 %
PENNYRILE	5,022	4,997	4,986	4,977	4,971	1.0
TRI-COUNTY	5,427	5,388	5,358	5,331	5,299	2.4
WARREN	5,556	5,504	5,449	5,418	5,378	3.3
WEST KENTUCKY	<u>3,970</u>	<u>3,940</u>	<u>3,908</u>	<u>3,878</u>	<u>3,855</u>	<u>3.0</u>
TOTAL TVA	20,660	20,512	20,383	20,289	20,191	2.3 %
OVERALL TOTAL	88,182	87,946	88,511	87,568	86,698	1.7 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2006
KENTUCKY ELECTRIC COOPERATIVES
DENSITY CONSUMERS PER MILE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	13.0	12.7	12.7	12.5	12.4	4.8 %
BLUE GRASS ENERGY	11.9	11.7	8.6	8.5	8.3	43.4 *
CLARK ENERGY COOP	8.6	8.6	8.6	8.5	8.4	2.4
CUMBERLAND VALLEY	9.1	9.1	10.1	9.9	9.7	-6.2
FARMERS	6.7	6.7	6.6	6.6	6.5	3.1
FLEMING-MASON	6.8	6.7	6.7	6.6	6.6	3.0
GRAYSON	6.4	6.3	6.3	6.2	6.2	3.2
INTER-COUNTY	7.0	7.0	7.1	7.1	7.1	-1.4
JACKSON ENERGY	9.1	9.0	9.0	9.0	9.0	1.1
LICKING VALLEY	8.0	8.0	8.0	8.3	8.0	0.0
NOLIN	10.8	10.5	10.4	10.2	10.2	5.9
OWEN	12.5	10.8	10.7	10.5	10.2	22.5 **
SALT RIVER ELECTRIC	11.7	11.5	11.4	11.2	11.0	6.4
SHELBY ENERGY	7.0	7.0	7.0	7.0	7.0	0.0
SOUTH KENTUCKY	9.5	9.4	9.4	9.4	9.3	2.2
TAYLOR COUNTY	<u>7.8</u>	<u>7.8</u>	<u>7.1</u>	<u>7.7</u>	<u>7.6</u>	<u>2.6</u>
AVERAGE EKPC	9.2	9.0	8.8	8.7	8.6	7.0 %
JACKSON PURCHASE	8.8	8.8	8.7	8.7	8.7	1.1 %
KENERGY	7.8	7.7	7.7	7.6	7.6	2.6
MEADE COUNTY	<u>9.2</u>	<u>9.2</u>	<u>9.1</u>	<u>9.1</u>	<u>9.0</u>	<u>2.2</u>
AVERAGE BIG RIVERS	8.3	8.3	8.2	8.2	8.2	1.2 %
HICKMAN-FULTON	5.5	5.5	5.5	5.5	5.5	0.0 %
PENNYRILE	9.1	9.1	9.0	8.9	8.9	2.2
TRI-COUNTY	9.1	9.2	9.1	9.1	9.1	0.0
WARREN	10.3	10.2	10.1	10.0	9.9	4.0
WEST KENTUCKY	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.5</u>	<u>9.4</u>	<u>1.1</u>
AVERAGE TVA	9.4	9.4	9.3	9.2	9.2	2.2 %
OVERALL AVERAGE	9.1	9.0	8.8	8.7	8.7	4.6 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2006
KENTUCKY ELECTRIC COOPERATIVES
AVERAGE EXPENSE PER MILE OF LINE
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	\$3,221	\$3,590	\$3,508	\$3,211	\$2,902	11.0 %
BLUE GRASS ENERGY	2,939	2,861	2,138	2,147	2,002	46.8 *
CLARK ENERGY COOP	2,038	2,065	2,120	2,290	1,998	2.0
CUMBERLAND VALLEY	2,404	2,186	2,065	1,986	1,924	24.9
FARMERS	1,499	1,588	1,660	1,597	1,515	-1.1
FLEMING-MASON	1,987	2,004	1,754	1,719	1,695	17.2
GRAYSON	1,954	1,957	2,003	1,896	1,674	16.7
INTER-COUNTY	1,950	1,904	1,757	1,801	1,679	16.1
JACKSON ENERGY	2,715	2,425	2,474	2,285	2,119	28.1
LICKING VALLEY	2,121	2,126	1,980	1,858	1,860	14.0
NOLIN	3,528	3,208	3,639	3,452	2,953	19.5
OWEN	3,346	2,572	2,711	2,575	2,443	37.0 **
SALT RIVER ELECTRIC	2,187	2,190	2,443	2,244	1,974	10.8
SHELBY ENERGY	2,081	2,024	2,115	1,970	1,818	14.5
SOUTH KENTUCKY	2,375	2,211	2,167	2,263	2,160	10.0
TAYLOR COUNTY	<u>1,655</u>	<u>1,518</u>	<u>1,480</u>	<u>1,462</u>	<u>1,426</u>	<u>16.1</u>
AVERAGE EKPC	\$2,374	\$2,277	\$2,251	\$2,172	\$2,010	18.1 %
JACKSON PURCHASE	\$2,632	\$2,353	\$2,082	\$2,071	\$1,918	37.2 %
KENERGY	2,746	2,673	2,384	2,090	1,904	44.2
MEADE COUNTY	<u>2,300</u>	<u>2,264</u>	<u>2,233</u>	<u>2,028</u>	<u>1,895</u>	<u>21.4</u>
AVERAGE BIG RIVERS	\$2,560	\$2,430	\$2,233	\$2,064	\$1,905	34.4 %
HICKMAN-FULTON	\$2,509	\$2,250	\$2,157	\$2,029	\$2,092	19.9 %
PENNYRILE	2,147	2,052	2,114	2,070	2,196	-2.2
TRI-COUNTY	2,192	2,179	2,180	2,010	1,960	11.8
WARREN	3,122	3,002	2,921	2,626	2,544	22.7
WEST KENTUCKY	<u>2,966</u>	<u>3,115</u>	<u>2,726</u>	<u>2,684</u>	<u>2,600</u>	<u>14.1</u>
AVERAGE TVA	\$2,587	\$2,519	\$2,420	\$2,284	\$2,279	13.5 %
OVERALL AVERAGE	\$2,443	\$2,347	\$2,284	\$2,182	\$2,053	19.0 %

* NEW MAPPING SYSTEM INSTALLED IN 2005 - MORE ACCURATE COUNT

** NEW MAPPING SYSTEM INSTALLED IN 2006 - MORE ACCURATE COUNT

2006
KENTUCKY ELECTRIC COOPERATIVES
TOTAL RESIDENTIAL REVENUES
STATISTICAL COMPARISONS

<u>COOPERATIVE</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>% CHANGE FROM 2002</u>
BIG SANDY	\$14,192,128	\$13,672,178	11,398,809	10,605,561	10,231,337	38.7 %
BLUE GRASS ENERGY	61,513,915	59,969,633	49,545,080	45,288,666	43,124,978	42.6
CLARK ENERGY COOP	27,327,922	26,203,306	22,143,145	20,514,937	19,972,264	36.8
CUMBERLAND VALLEY	24,948,723	22,940,517	19,173,225	18,027,748	17,538,916	42.2
FARMERS	23,743,770	22,712,747	19,208,242	17,815,396	17,159,247	38.4
FLEMING-MASON	20,907,145	20,393,262	18,430,538	15,570,174	16,016,228	30.5
GRAYSON	16,223,795	16,244,690	13,861,532	13,068,736	12,765,519	27.1
INTER-COUNTY	28,203,005	27,321,723	24,142,722	22,880,567	26,098,342	8.1
JACKSON ENERGY	60,198,185	61,806,841	51,653,862	48,569,903	47,136,342	27.7
LICKING VALLEY	18,373,586	16,742,467	14,263,281	13,170,886	12,863,499	42.8
NOLIN	33,591,739	34,383,316	28,076,279	25,415,952	24,859,471	35.1
OWEN	58,817,668	55,724,664	47,113,587	42,680,828	40,989,542	43.5
SALT RIVER ELECTRIC	49,796,107	48,015,562	39,732,157	36,031,040	34,606,956	43.9
SHELBY ENERGY	17,784,401	17,533,652	14,268,131	13,127,239	12,741,343	39.6
SOUTH KENTUCKY	59,324,021	55,802,486	48,838,870	44,138,209	42,397,806	39.9
TAYLOR COUNTY	<u>22,725,012</u>	<u>22,031,517</u>	<u>19,056,126</u>	<u>18,004,463</u>	<u>16,954,626</u>	<u>34.0</u>
TOTAL EKPC	\$537,671,122	\$521,498,561	440,905,586	404,910,305	395,455,416	36.0 %
JACKSON PURCHASE	\$23,847,988	\$24,496,967	22,841,472	22,574,806	23,112,041	3.2 %
KENERGY	43,955,864	45,323,132	42,207,989	41,020,077	41,918,818	4.9
MEADE COUNTY	<u>20,297,372</u>	<u>20,436,215</u>	<u>18,944,590</u>	<u>18,213,337</u>	<u>18,036,885</u>	<u>12.5</u>
TOTAL BIG RIVERS	\$88,101,224	\$90,256,314	83,994,051	81,808,220	83,067,744	6.1 %
HICKMAN-FULTON	\$4,311,951	\$4,190,389	4,000,868	3,805,948	3,604,578	19.6 %
PENNYRILE	48,880,787	44,135,641	41,000,292	38,718,311	37,873,562	29.1
TRI-COUNTY	52,780,772	47,841,610	44,800,930	42,833,960	41,365,737	27.6
WARREN	64,825,495	60,315,980	55,933,218	52,358,896	51,327,632	26.3
WEST KENTUCKY	<u>41,190,556</u>	<u>38,609,978</u>	<u>35,207,258</u>	<u>34,117,587</u>	<u>34,460,472</u>	<u>19.5</u>
TOTAL TVA	\$211,989,561	\$195,093,598	180,942,566	171,834,702	168,631,981	25.7 %
OVERALL TOTAL	\$837,761,907	\$806,848,473	705,842,203	658,553,227	647,155,141	29.5 %

**KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE AND STATISTICAL COMPARISONS
2006 - 2005 ANNUAL COMPARISON**

	AVERAGE EXPENSE PER CONSUMER EKPC				AVERAGE EXPENSE PER CONSUMER TVA		
	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>		<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 57.00	\$ 57.00	\$ -	DISTRIBUTION OPERATION	\$ 72.00	\$ 72.00	\$ -
DISTRIBUTION MAINTENANCE	\$ 80.00	\$ 77.00	\$ 3.00	DISTRIBUTION MAINTENANCE	\$ 114.00	\$ 106.00	\$ 8.00
ACCOUNTING	\$ 53.00	\$ 50.00	\$ 3.00	ACCOUNTING	\$ 49.00	\$ 50.00	\$ (1.00)
CONSUMER INFORMATION	\$ 10.00	\$ 10.00	\$ -	CONSUMER INFORMATION	\$ 8.00	\$ 9.00	\$ (1.00)
ADMINISTRATION	\$ 62.00	\$ 61.00	\$ 1.00	ADMINISTRATION	\$ 66.00	\$ 63.00	\$ 3.00
TOTAL PER CONSUMER	\$ 262.00	\$ 255.00	\$ 7.00	TOTAL PER CONSUMER	\$ 309.00	\$ 300.00	\$ 9.00

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	1,221	1,204	17	NUMBER OF EMPLOYEES	507	518	(11)
MILES OF LINE	54,397	54,413	(16)	MILES OF LINE	20,660	20,512	148
CONSUMERS BILLED	502,345	492,415	9,930	CONSUMERS BILLED	194,244	191,906	2,338
MILES OF LINE PER EMPLOYEE	44.7	45.3	(0.6)	MILES OF LINE PER EMPLOYEE	40.9	39.4	1.5
CONSUMER PER EMPLOYEE	413	410	3	CONSUMER PER EMPLOYEE	385	369	16
DENSITY CONSUMERS PER MILE	9.2	9.0	0.2	DENSITY CONSUMERS PER MILE	9.4	9.4	0.0

	AVERAGE EXPENSE PER CONSUMER BIG RIVERS				AVERAGE EXPENSE PER CONSUMER OVERALL AVERAGE		
	<u>2006</u>	<u>2005</u>	<u>CHANGE</u>		<u>2006</u>	<u>2005</u>	<u>CHANGE</u>
DISTRIBUTION OPERATION	\$ 70.00	\$ 64.00	\$ 6.00	DISTRIBUTION OPERATION	\$ 62.00	\$ 61.00	\$ 1.00
DISTRIBUTION MAINTENANCE	\$ 121.00	\$ 116.00	\$ 5.00	DISTRIBUTION MAINTENANCE	\$ 92.00	\$ 88.00	\$ 4.00
ACCOUNTING	\$ 44.00	\$ 46.00	\$ (2.00)	ACCOUNTING	\$ 51.00	\$ 50.00	\$ 1.00
CONSUMER INFORMATION	\$ 8.00	\$ 8.00	\$ -	CONSUMER INFORMATION	\$ 9.00	\$ 10.00	\$ (1.00)
ADMINISTRATION	\$ 58.00	\$ 54.00	\$ 4.00	ADMINISTRATION	\$ 62.00	\$ 61.00	\$ 1.00
TOTAL PER CONSUMER	\$ 301.00	\$ 288.00	\$ 13.00	TOTAL PER CONSUMER	\$ 276.00	\$ 270.00	\$ 6.00

OTHER STATISTICAL INFORMATION				OTHER STATISTICAL INFORMATION			
NUMBER OF EMPLOYEES	301	295	6	NUMBER OF EMPLOYEES	2,029	2,017	12
MILES OF LINE	13,125	13,021	104	MILES OF LINE	88,182	87,946	236
CONSUMERS BILLED	109,329	107,864	1,445	CONSUMERS BILLED	805,918	792,205	13,713
MILES OF LINE PER EMPLOYEE	43.8	44.3	(0.5)	MILES OF LINE PER EMPLOYEE	43.2	43.6	(0.4)
CONSUMER PER EMPLOYEE	364	367	(3)	CONSUMER PER EMPLOYEE	395	393	2
DENSITY CONSUMERS PER MILE	8.3	8.3	0.0	DENSITY CONSUMERS PER MILE	9.1	9.0	0.1

2006
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER CONSUMER	DISTRIBUTION MAINTENANCE PER CONSUMER	TOTAL OP. & MAINT. PER CONSUMER	CONSUMER ACCOUNTING PER CONSUMER	CONSUMER INFORMATION PER CONSUMER	ADM. & GEN. EXPENSE PER CONSUMER	TOTAL EXPENSE PER CONSUMER	NUMBER OF EMPLOYEES	MILES OF LINE	NUMBER OF CONSUMERS BILLED	MILES OF LINE PER EMPLOYEE	CONSUMERS PER EMPLOYEE	DENSITY CONSUMERS PER MILE
BIG SANDY RECC	7	83	90	55	11	94	250	44	1,016	13,089	23.0	297	13.0
BLUE GRASS ENERGY COOP	45	66	111	47	16	74	248	115	4,487	53,175	39.0	462	11.9
CLARK ENERGY COOP	64	74	138	43	6	50	237	53	2,966	25,508	56.0	481	8.6
CUMBERLAND VALLEY ELECTRIC	52	89	141	59	8	56	264	52	2,559	23,303	49.2	448	9.1
FARMERS RECC	36	72	108	39	11	65	223	71	3,481	23,377	49.0	329	6.7
FLEMING-MASON ENERGY	53	124	177	63	4	50	294	52	3,456	23,364	66.5	449	6.8
GRAYSON RECC	58	105	163	53	11	80	307	44	2,437	15,517	55.4	352	6.4
INTER-COUNTY ENERGY	75	57	132	64	19	65	280	62	3,572	24,869	57.6	401	7.0
JACKSON ENERGY COOP	75	91	166	66	8	60	300	134	5,621	50,884	42.0	380	9.1
LICKING VALLEY RECC	72	74	146	37	6	61	250	44	2,014	17,085	46.0	388	8.0
NOLIN RECC	79	91	170	59	21	77	327	93	2,841	30,649	30.6	330	10.8
OWEN EC	74	70	144	65	5	53	267	135	4,400	55,141	33.0	408	12.5
SALT RIVER ELECTRIC	40	39	79	46	7	55	187	78	3,847	44,979	49.3	577	11.7
SHELBY ENERGY COOP	72	97	169	54	11	46	280	31	2,025	15,053	65.0	466	7.0
SOUTH KENTUCKY RECC	49	87	136	52	9	54	251	158	6,540	61,869	41.4	391	9.5
TAYLOR COUNTY RECC	62	57	119	40	5	48	212	55	3,135	24,463	57.0	445	7.8
EKPC GROUP AVERAGE	57	80	137	53	10	62	262	76	3,400	31,397	44.7	413	9.2
JACKSON PURCHASE ENERGY	62	120	182	38	10	70	300	79	3,244	28,461	41.1	350	8.8
KENERGY CORP	79	159	238	50	6	60	354	156	6,944	53,860	44.5	345	7.8
MEADE COUNTY RECC	68	85	153	44	8	45	250	66	2,937	27,008	45.0	409	9.2
BIG RIVERS GROUP AVERAGE	70	121	191	44	8	58	301	100	4,375	36,443	43.8	364	8.3
HICKMAN-FULTON COUNTIES RECC	85	202	287	45	4	124	460	13	685	3,736	52.7	287	5.5
PENNYRILE RECC	60	74	134	43	7	51	235	122	5,022	45,877	41.2	376	9.1
TRI-COUNTY EMC	81	65	146	47	11	35	240	137	5,427	49,561	39.6	352	9.1
WARREN RECC	69	93	162	50	14	76	302	149	5,556	57,431	37.0	385	10.3
WEST KENTUCKY RECC	65	138	203	61	5	44	313	86	3,970	37,639	46.2	438	9.5
TVA GROUP AVERAGE	72	114	186	49	8	66	309	101	4,132	38,849	40.9	385	9.4
OVERALL AVERAGE	62	92	154	51	9	62	276	85	3,674	33,580	43.2	395	9.1

2006
KENTUCKY ELECTRIC COOPERATIVES
OPERATING EXPENSE STATISTICAL COMPARISONS
AVERAGE ANNUAL BASIS

COOPERATIVE NAME	DISTRIBUTION OPERATION PER MILE	DISTRIBUTION MAINTENANCE PER MILE	TOTAL OP. & MAINT. PER MILE	CONSUMER ACCOUNTING PER MILE	CONSUMER INFORMATION PER MILE	ADM. & GEN. EXPENSE PER MILE	TOTAL EXPENSE PER MILE	NUMBER OF EMPLOYEES	MILES OF LINE	RESIDENTIAL CONSUMERS BILLED	TOTAL RESIDENTIAL REVENUES	AVERAGE MONTHLY RES'L REV
BIG SANDY RECC	90	1,069	1,159	709	142	1,211	3,221	44	1,016	11,985	14,192,128	98.7
BLUE GRASS ENERGY COOP	533	782	1,315	557	190	877	2,939	115	4,487	51,011	61,513,915	100.5
CLARK ENERGY COOP	550	636	1,186	370	52	430	2,038	53	2,966	23,868	27,327,922	95.4
CUMBERLAND VALLEY ELECTRIC	474	810	1,284	537	73	510	2,404	52	2,559	21,861	24,946,723	95.1
FARMERS RECC	242	484	726	262	74	437	1,499	71	3,481	21,745	23,743,770	91.0
FLEMING-MASON ENERGY	358	838	1,196	426	27	338	1,987	52	3,456	17,424	20,907,145	100.0
GRAYSON RECC	369	669	1,038	337	70	509	1,954	44	2,437	14,239	16,223,795	95.0
INTER-COUNTY ENERGY	522	397	919	446	132	453	1,950	62	3,572	23,629	28,203,005	99.5
JACKSON ENERGY COOP	679	824	1,503	597	72	543	2,715	134	5,621	47,410	60,198,185	105.8
LICKING VALLEY RECC	611	628	1,239	314	51	517	2,121	44	2,014	15,961	18,373,566	95.9
NOLIN RECC	852	982	1,834	636	227	831	3,528	93	2,841	28,643	33,591,730	97.7
OWEN EC	927	877	1,804	815	63	664	3,346	135	4,400	52,935	58,817,868	92.6
SALT RIVER ELECTRIC	468	456	924	538	82	643	2,187	78	3,847	42,236	49,796,107	98.3
SHELBY ENERGY COOP	535	721	1,256	401	82	342	2,081	31	2,025	14,485	17,784,401	102.3
SOUTH KENTUCKY RECC	464	823	1,287	492	85	511	2,375	158	6,540	57,044	59,324,021	86.7
TAYLOR COUNTY RECC	484	445	929	312	39	375	1,655	55	3,135	21,774	22,725,012	87.0
EKPC GROUP AVERAGE	510	715	1,225	484	91	574	2,374	76	3,400	29,141	33,604,445	96.1
JACKSON PURCHASE ENERGY	544	1,053	1,597	333	88	614	2,632	79	3,244	25,608	23,847,988	77.6
KENERGY CORP	613	1,233	1,846	388	47	465	2,746	156	6,944	44,420	43,555,864	82.5
MEADE COUNTY RECC	625	782	1,407	405	74	414	2,300	66	2,937	25,001	20,297,372	67.7
BIG RIVERS GROUP AVERAGE	594	1,023	1,617	375	70	498	2,660	100	4,375	31,676	29,387,075	77.3
HICKMAN-FULTON COUNTIES RECC	464	1,102	1,566	245	22	676	2,509	13	685	2,972	4,311,951	120.9
PENNYRILE RECC	548	676	1,224	393	64	466	2,147	122	5,022	36,137	48,880,787	112.7
TRI-COUNTY EMC	740	594	1,334	429	100	329	2,192	137	5,427	40,263	52,780,772	109.2
WARREN RECC	713	961	1,674	517	145	786	3,122	149	5,556	47,977	64,825,495	112.6
WEST KENTUCKY RECC	616	1,308	1,924	578	47	417	2,966	86	3,970	30,568	41,190,556	112.3
TVA GROUP AVERAGE	616	928	1,544	432	76	535	2,587	101	4,132	31,583	42,387,912	111.9
OVERALL AVERAGE	543	798	1,341	460	85	557	2,443	85	3,674	29,967	34,906,746	97.1

Blue Grass Energy
Case No. 2008-00011
Capitalization Policies

Benefits
Distribution

107.20	Construction work in progress	861,015
108.80	Retirement work in progress	108,571
143.00	AR, other	10,574
163.00	Stores	93,008
184.00	Transportation	649
242.51	Employee sick leave	233,348
417.00	Non operating income	4,169
426.00	Donations	627
580.00	Operations	67,199
583.00	Overhead line	23,746
586.00	Meter	157,867
587.00	Constr Install Eq	4,913
588.00	Miscellaneous distribution	38,813
590.00	Maintenance	83,160
593.00	Overhead line	356,947
593.10	Right of way	48,805
594.00	Underground	46,225
596.00	Street lights	16,865
597.00	Meters	8,146
598.00	Miscellaneous maintenance	46,474
901.00	Supervision, customer accounts	43,334
902.00	Meter reading	6,356
903.00	Consumer records	378,324
908.00	Consumer assistance	38,764
909.00	Consumer information	3,243
910.00	Miscellaneous consumer service	12,108
912.00	Demonstration and selling	200,763
913.00	Advertising	4,789
920.00	Administrative	577,682
926.00	Employee benefits	286,184
930.00	Miscellaneous	8,164
935.00	Maintenance general plant	<u>52,278</u>
	Total	<u>3,823,110</u>

Benefits include the following:

Medical, disability, life, etc	1,330,894
Retirement	888,107
Savings plan 401(k)	108,831
Employee vacation	403,956
Postretirement benefits	600,000
Payroll taxes	<u>491,322</u>
	<u>3,823,110</u>

Blue Grass Energy accumulates all benefits, then allocates these to accounts based on the labor distribution for the month. The above is the actual allocation for the test year for the above benefits

Blue Grass Energy
Case No. 2008-00011
Schedule of Employee Benefits
December 31, 2007

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Benefits for the test year:	<u>Total</u>
Medical insurance ,life and disability	1,330,894
Retirement	888,107
Savings plan 401(k)	108,831
Vacation accrual	403,956
Postretirement benefits	600,000
Payroll taxes	<u>491,322</u>
Total	<u><u>\$3,823,110</u></u>
Number of employees	114
Average annual cost per employee	\$33,536